

The Spice Market in the United States--Recent Developments and Prospects. Peter J. Buzzanell and Fred Gray, Commercial Agriculture Division, Economic Research Service, and Rex Dull, Foreign Agricultural Service, U.S. Department of Agriculture. Agriculture Information Bulletin Number 709.

Abstract

On both a volume and value basis, the United States is the world's largest spice importer and consumer, with both imports and consumption on an uptrend for the past 10 years. While the United States imports more than 40 separate spices, 7 of these (vanilla beans, black and white pepper, capsicums, sesame seed, cinnamon, mustard, and oregano) account for more than 75 percent of the total annual value of spice imports. While the United States imports spices from more than 50 countries, 5 of these countries (Indonesia, Mexico, India, Canada, and China) regularly account for one-half of the annual value of spice imports. The United States produces nearly 40 percent of its annual spice needs, with imports supplying the remainder. Growing domestic production consists of capsicum peppers, mustard seed, dehydrated onion and garlic, and herbs. U.S. spice exports have also been expanding in recent years, led by dehydrated garlic and onion. Rising domestic use of spices reflects growing Hispanic and Asian populations, a trend toward the use of spices to compensate for less salt and lower fat levels in foods, and heightened popularity of ethnic foods from Asia and Latin America.

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Summary

The United States is the world's largest importer of spices as well as a growing producer. Both imports and domestic production of spices have been rising, reflecting growth in spice demand due to population growth, increased use of spices to compensate for less salt and lower fat levels in food, and heightened popularity of ethnic foods from Asia and Latin America. A spice is any dried plant product used primarily for seasoning purposes.

U.S. imports of spices and spice oleoresins averaged 530 million pounds with a value of \$374 million for 1990-94, compared with 362 million pounds and \$225 million for 1980-84.

The United States imports more than 40 separate spices. However, the seven largest spice imports (vanilla beans, capsicums, black and white pepper, sesame seed, cinnamon and cassia, mustard, and oregano) account for more than 75 percent of the total annual value of spice imports. While the United States imports spices from more than 50 countries, 5 of these countries (Indonesia, Mexico, India, Canada, and China) regularly account for one-half of the annual value of spice imports.

The United States produces over one-third of its annual spice needs, with imports supplying the remainder. Growing domestic production consists of four major spice types. Dehydrated garlic and onions represented nearly two-thirds of U.S. spice production during 1990-94, capsicums represented nearly 30 percent, with the residual coming from mustard seed and herbs.

Total spice use in the United States is accounted for by a small but growing volume of exports and large and expanding domestic disappearance in food processing and retail sales. U.S. exports have also been expanding in recent years, led by dehydrated garlic and onion, which account for nearly half of total spice exports in value terms. U.S. domestic spice consumption averaged 815 million pounds from 1990 to 1994, compared with 648 million in 1985-89, and 541 million in 1980-84. Spice consumption, per capita, totaled a record 3.19 pounds in 1990-94, up by nearly 1 pound from a decade ago.

In the early 1980's, about 60 percent of domestically consumed spices were used by retail consumers and the remainder by the food processing/foodservice sector. By the early 1990's, these shares have been reversed. Rapid expansion of fast-food restaurants in recent years explains part of the growth in food processing/foodservice. Another trend in food processing is the growing use of spice oleoresins (a concentrated form of spices), which are cleaner and easier to disperse in the manufacture of products containing spices.

The outlook for spices is for continued growth in total consumption, supported by imports and domestic production. As with other parts of the food supply, spices will need to meet increasingly stringent Government requirements to ensure that sound environmental and food safety practices are used in agricultural production, importation practices, and processing methods. Along with Government agencies such as the U.S. Customs Service, the Food and Drug Administration, and the U.S. Department of Agriculture, the American Spice Trade Association will continue to play an important role in protecting the welfare of consumers through improving the quality and safety of spices marketed to the U.S. public.