

**RUM: ANNUAL REPORT  
(COVERING 1983 AND 1984)  
ON SELECTED ECONOMIC  
INDICATORS**

**Report to the Senate Committee  
on Finance, on Investigation  
No. 332-175 Under Section  
332 of the Tariff Act of  
1930**



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# UNITED STATES INTERNATIONAL TRADE COMMISSION

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This report was prepared principally by

William A. Lipovsky

Agriculture Crops and Products Branch  
Agriculture Division

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Office of Industries  
Vern Simpson, Acting Director

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**Address all communications to**  
**Kenneth R. Mason, Secretary to the Commission**  
**United States International Trade Commission**  
**Washington, DC 20436**

## PREFACE

On January 13, 1984, at the request of the Chairman of the Committee on Finance, U.S. Senate, and in accordance with the provisions of section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), the United States International Trade Commission instituted investigation No. 332-175, Rum: Annual Report on Selected Economic Indicators. The purpose of the report is to gather and compile data on the rum industry from public sources and report such data to the Committee on an annual basis.

The report, as requested by the Finance Committee, contains the following statistical information on rum: (1) U.S. production; (2) U.S. exports; (3) U.S. imports for consumption (total and by countries designated as eligible for the Caribbean Basin Initiative (CBI)); (4) apparent U.S. consumption; and (5) shipments from Puerto Rico and the U.S. Virgin Islands to the United States. Further, the report shows imports under new statistical categories as provided for in the Tariff Schedules of the United States under item 169.14 (i.e., new categories for rum valued at not over \$2 per proof gallon, at between \$2.00 and \$3.50 per proof gallon, and at \$3.50 or more per proof gallon) as requested by the Committee.

The first annual report covers 1983 and 1984. Subsequent reports will be issued on a calendar basis as long as rum is accorded duty-free treatment pursuant to the Caribbean Basin Economic Recovery Act; the next report covering calendar year 1985 will be issued in May 1986.



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## HIGHLIGHTS

The following are highlights of the economic data collected on rum for 1983 and 1984.

- o For 1984, U.S. production of rum amounted to 27.2 million proof gallons, up 5.5 percent from the level of the comparable period of 1983.
- o U.S. exports of rum declined by 17 percent during the 2 years but the value of such exports rose from \$1.9 million to \$2.0 million.
- o For 1984, imports of rum amounted to 5.8 million proof gallons, valued at \$34.9 million, compared with 1.3 million proof gallons, valued at \$6.6 million, in 1983. The majority of the increase in imports in 1984, which came mostly from Jamaica, occurred in May and was the result of the transfer of major quantities of bulk rum from Customs bond to Treasury bond.
- o Rum imports from CBI eligible countries accounted for 98 percent of the value of total rum imports during 1984, and rum imports from Jamaica made-up 94 percent of the total value of U.S. rum imports from CBI countries. During 1983, CBI countries supplied 88 percent of the total imports, and Jamaica accounted for 69 percent of the imports from CBI countries.
- o Apparent U.S. consumption of rum in 1984 amounted to 29.9 million proof gallons, 22 percent higher than in 1983.
- o Rum shipments from Puerto Rico to the United States declined from 23.3 million proof gallons in 1983 to 19.4 million proof gallons in 1984. During the same 2 years, rum shipments from the U.S. Virgin Islands to the United States declined from 2.9 million proof gallons to 2.3 million proof gallons.

Table 1.--Rum: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1983 and 1984

(Quantity in thousands of proof gallons; value in thousands of dollars;  
unit value per proof gallon)

Year	Production <u>1/</u>	Exports	Imports	Apparent consumption <u>2/</u>	Ratio (percent) of imports to consumption
Quantity					
1983-----	25,769	439	1,265	24,487	5.2
1984-----	27,189	363	3/ 5,838	29,925	19.5
Value					
1983-----	154,616	1,916	6,615	4/	-
1984-----	159,869	1,998	34,881	4/	-
Unit value					
1983-----	\$6.00	\$4.36	\$5.23	-	-
1984-----	5.88	5.51	5.97	-	-

1/ Represents rum bottled in the United States, as reported by the Bureau of Alcohol, Tobacco, and Firearms of the U.S. Department of the Treasury, and shipments of bottled rum into the United States from Puerto Rico and the Virgin Islands, reported by the Bureau of the Census of the U.S. Department of Commerce. Value is estimated from the average value of bottled rum shipped to the United States from Puerto Rico and the Virgin Islands.

2/ Adjusted for stock changes as reported by the U.S. Department of the Treasury.

3/ The majority of the increase in imports was the result of a major distiller transferring bulk rum from Custom's bond to Treasury bond in May 1984.

4/ Not available.

Source: Production data compiled from official statistics of the U.S. Department of the Treasury and the U.S. Department of Commerce, with conversions by the staff of the U.S. International Trade Commission; imports and exports compiled from official statistics of the U.S. Department of Commerce.



Table 2.—Rum: U.S. imports for consumption, by designated CBI countries and other sources, 1983 and 1984

Source	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica	886	5,446
Barbados	188	187
British Virgin Islands	13	17
Haiti	21	24
Dominican Republic	67	60
All other	8	7
Total of CBI countries	1,183	5,741
All other	82	97
Total	1,265	5,838
	Value (1,000 dollars)	
CBI countries:		
Jamaica	4,026	31,858
Barbados	787	983
British Virgin Islands	480	544
Haiti	248	295
Dominican Republic	214	285
All other	80	64
Total of CBI countries	5,835	34,029
All other	780	852
Total	6,615	34,881
	Unit value (per proof gallon)	
CBI countries:		
Jamaica	\$4.55	\$5.85
Barbados	4.19	5.27
British Virgin Islands	36.92	32.22
Haiti	11.81	12.55
Dominican Republic	3.19	4.72
All other	10.00	9.14
Average of CBI countries	4.93	5.93
All other	9.50	8.88
Average	5.23	5.97

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.—Rum in containers each holding not over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1983 and 1984

Source	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica	74	72
British Virgin Islands	13	16
Haiti	21	18
Dominican Republic	7	20
Barbados	7	12
All other	7	8
Total of CBI countries	129	146
All other	72	73
Total	201	219
	Value (1,000 dollars)	
CBI countries:		
Jamaica	601	568
British Virgin Islands	480	540
Haiti	248	283
Dominican Republic	112	196
Barbados	78	131
All other	79	64
Total of CBI countries	1,598	1,782
All other	734	776
Total	2,332	2,558
	Unit value (per proof gallon)	
CBI countries:		
Jamaica	\$8.12	\$7.86
British Virgin Islands	36.92	33.64
Haiti	11.81	15.59
Dominican Republic	16.00	9.90
Barbados	11.14	10.08
All other	11.29	9.14
Average of CBI countries	12.39	12.21
All other	10.19	10.63
Average	11.60	11.68

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 4.—Rum in containers each holding over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1983 and 1984

Source	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica	811	5,374
Barbados	181	175
Dominican Republic	60	41
Haiti	0	5
All other	1/	1
Total of CBI countries	1,052	5,595
All other	12	24
Total	1,064	5,619
	Value (1,000 dollars)	
CBI countries:		
Jamaica	3,426	31,290
Barbados	709	852
Dominican Republic	102	89
Haiti	-	12
All other	1	4
Total of CBI countries	4,238	32,247
All other	46	77
Total	4,283	32,324
	Unit value (per proof gallon)	
CBI countries:		
Jamaica	\$4.22	\$5.82
Barbados	3.92	4.88
Dominican Republic	1.70	2.18
Haiti	-	2.40
All other	-	2.00
Average of CBI countries	4.03	5.76
All other	3.75	3.50
Average	4.03	5.75

1/ Less than 500 proof gallons.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--Rum in containers each holding over 1 gallon, valued at not over \$2 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1983 and 1984 <sup>1/</sup>

Source	1983	1984
Quantity (1,000 proof gallons)		
CBI countries:		
Barbados-----	-	15
Dominican Republic-----	-	7
Total of CBI countries-----	-	22
All other-----	-	9
Total-----	-	31
Value (1,000 dollars)		
CBI countries:		
Barbados-----	-	20
Dominican Republic-----	-	8
Total of CBI countries-----	-	28
All other-----	-	14
Total-----	-	42
Unit value (per proof gallon)		
CBI countries:		
Barbados-----	-	\$1.38
Dominican Republic-----	-	1.13
Average of CBI countries-----	-	1.27
All other-----	-	1.50
Average-----	-	1.36

<sup>1/</sup> Data for 1983 are not available. Imports for consumption of rum valued at not over \$2 per proof gallon were not separately reported prior to Jan. 1, 1984.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.--Rum in containers each holding over 1 gallon, valued between \$2.00 and \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1983 and 1984 <sup>1/</sup>

Source	1983	1984
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica-----	-	1,809
Dominican Republic-----	-	34
Haiti-----	-	5
Total of CBI countries-----	-	1,848
All other-----	-	5
Total-----	-	1,853
	Value (1,000 dollars)	
CBI countries:		
Jamaica-----	-	5,386
Dominican Republic-----	-	81
Haiti-----	-	12
Total of CBI countries-----	-	5,479
All other-----	-	15
Total-----	-	5,494
	Unit value (per proof gallon)	
CBI countries:		
Jamaica-----	-	\$2.98
Dominican Republic-----	-	2.39
Haiti-----	-	2.27
Average of CBI countries-----	-	2.97
All other-----	-	3.00
Average-----	-	2.96

<sup>1/</sup> Data for 1983 are not available. Imports for consumption of rum valued between \$2.00 and \$3.50 per proof gallon were not separately reported prior to Jan. 1, 1984.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.--Rum in containers each holding over 1 gallon, valued at \$3.50 or more per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1983 and 1984 <sup>1/</sup>

Source	1983	1984
Quantity (1,000 proof gallons)		
CBI countries:		
Jamaica-----	-	3,565
Barbados-----	-	160
British Virgin Islands-----	-	1
Total of CBI countries-----	-	3,726
All other-----	-	9
Total-----	-	3,735
Value (1,000 dollars)		
CBI countries:		
Jamaica-----	-	25,904
Barbados-----	-	831
British Virgin Islands-----	-	4
Total of CBI countries-----	-	26,739
All other-----	-	49
Total-----	-	26,788
Unit value (per proof gallon)		
CBI countries:		
Jamaica-----	-	\$7.27
Barbados-----	-	5.21
British Virgin Islands-----	-	4.50
Average of CBI countries-----	-	7.18
All other-----	-	5.44
Average-----	-	7.17

<sup>1/</sup> Data for 1983 are not available. Imports for consumption of rum valued at not over \$3.50 or more per proof gallon were not separately reported prior to Jan. 1, 1984.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.—Rum: U.S. exports of domestic merchandise, by principal markets, 1983 and 1984

Market	1983	1984
	Quantity (1,000 proof gallons)	
Canada	1	70
Netherlands Antilles	138	106
Leeward and Windward Islands	88	34
Bahamas	57	29
West Germany	26	39
Netherlands	29	17
All other	100	68
Total	439	363
	Value (1,000 dollars)	
Canada	5	549
Netherlands Antilles	442	468
Leeward and Windward Islands	434	187
Bahamas	256	156
West Germany	67	141
Netherlands	159	84
All other	553	413
Total	1,916	1,998
	Unit value (per proof gallon)	
Canada	\$4.05	\$7.86
Netherlands Antilles	3.19	4.40
Leeward and Windward Islands	4.91	5.58
Bahamas	4.52	5.44
West Germany	2.59	3.60
Netherlands	5.48	5.00
All other	5.53	6.07
Average	4.36	5.51

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--Rum: Shipments from Puerto Rico and the U.S. Virgin Islands to the United States, 1983 and 1984

(In thousands of proof gallons)

Source	1983	1984
Puerto Rico:		
In containers not over 1 gallon-----	7,057	6,344
In containers over 1 gallon-----	16,225	13,008
Total-----	23,282	19,352
U.S. Virgin Islands:		
In containers not over 1 gallon-----	135	62
In containers over 1 gallon-----	2,771	2,278
Total-----	2,906	2,340

Source: Compiled from official statistics of the U.S. Department of Commerce.



