

**RUM: ANNUAL REPORT (Covering  
1986 and 1987) 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

**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.

The fourth annual report covers 1986 and 1987. 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 1988 will be issued in May 1989.

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## HIGHLIGHTS

The following are highlights of the economic data collected on rum for 1986 and 1987.

- o For 1987, U.S. production of rum declined to 23.6 million proof gallons, 2 percent lower than the amount produced in 1986.
- o U.S. exports of rum rose by 38 percent during the 2 years and the value of such exports increased from \$2.0 million to \$3.0 million.
- o For 1987, imports of rum amounted to nearly 1.0 million proof gallons, valued at \$7.2 million, compared with 1.4 million proof gallons, valued at \$10.0 million, in 1986.
- o Rum imports from CBI eligible countries accounted for 85 percent of the value of total rum imports during 1987, and rum imports from Jamaica made up 63 percent of the total value of U.S. rum imports from CBI countries. During 1987, the share of total import value supplied by CBI countries was 91 percent, and Jamaica accounted for 77 percent of the imports from CBI countries.
- o Apparent U.S. consumption of rum in 1987 amounted to 24.2 million proof gallons, 8 percent lower than in 1986. The import-to-consumption ratio was 4.0 percent in 1987, compared with 5.4 percent in 1986.
- o Rum shipments from Puerto Rico to the United States increased from 18.7 million proof gallons in 1986 to 21.8 million proof gallons in 1987. During the same 2 years, rum shipments from the U.S. Virgin Islands to the United States declined from 2.7 million proof gallons to 1.7 million proof gallons.

Table 1.

Rum: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1985-87

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

Year	Production 1/	Exports	Imports	Apparent consumption 2/	Ratio (percent) of imports to consumption
Quantity					
1985.....	27,066	369	1,491	27,002	5.5
1986.....	23,993	385	1,425	26,263	5.4
1987.....	23,560	530	962	24,249	4.0
Value					
1985.....	165,100	1,644	10,867	3/	-
1986.....	144,680	1,997	9,983	3/	-
1987.....	141,125	3,037	7,176	3/	-
Unit value					
1985.....	\$6.10	\$4.45	\$7.29	-	-
1986.....	6.03	5.19	7.01	-	-
1987.....	5.99	5.73	7.46	-	-

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/ 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, 1986 and 1987

Source	1986	1987
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	1,007	552
Barbados.....	215	194
Dominican Republic.....	48	70
Haiti.....	14	21
Trinidad and Tobago.....	5	9
All other.....	34	11
Total of CBI countries.....	1,323	857
All other.....	102	105
Total.....	1,425	962
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	6,935	3,869
Barbados.....	1,125	1,024
Dominican Republic.....	551	646
Haiti.....	171	299
Trinidad and Tobago.....	69	113
All other.....	188	178
Total of CBI countries.....	9,039	6,129
All other.....	894	1,047
Total.....	9,983	7,176
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$6.87	\$7.01
Barbados.....	5.23	5.28
Dominican Republic.....	11.48	9.23
Haiti.....	12.21	14.24
Trinidad and Tobago.....	13.80	12.56
All other.....	5.53	16.18
Average of CBI countries.....	6.87	7.15
All other.....	8.76	9.97
Average.....	7.01	7.46

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, 1986 and 1987

Source	1986	1987
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	63	72
Dominican Republic.....	34	33
Haiti.....	14	21
Trinidad and Tobago.....	5	9
Barbados.....	6	7
All other.....	19	12
Total of CBI countries.....	141	154
All other.....	56	64
Total.....	197	218
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	493	580
Dominican Republic.....	476	489
Haiti.....	171	299
Trinidad and Tobago.....	65	113
Barbados.....	71	82
All other.....	197	176
Total of CBI countries.....	1,473	1,739
All other.....	736	958
Total.....	2,209	2,697
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$7.83	\$8.06
Dominican Republic.....	14.00	14.82
Haiti.....	12.21	14.24
Trinidad and Tobago.....	13.00	12.56
Barbados.....	11.83	11.71
All other.....	10.37	14.67
Average of CBI countries.....	10.45	11.29
All other.....	13.14	14.97
Average.....	11.21	12.37

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, 1986 and 1987

Source	1986	1987
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica.....	944	481
Barbados.....	209	187
Dominican Republic.....	24	36
All other.....	3	0
Total of CBI countries.....	1,180	704
All other.....	48	39
Total.....	1,228	743
	Value (1,000 dollars)	
CBI countries:		
Jamaica.....	6,441	3,289
Barbados.....	1,054	942
Dominican Republic.....	85	157
All other.....	34	-
Total of CBI countries.....	7,614	4,391
All other.....	158	88
Total.....	7,774	4,479
	Unit value (per proof gallon)	
CBI countries:		
Jamaica.....	\$6.82	\$6.84
Barbados.....	5.04	5.04
Dominican Republic.....	3.54	4.36
All other.....	11.33	-
Average of CBI countries.....	6.45	6.24
All other.....	3.22	2.26
Average.....	6.33	6.03

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, 1986 and 1987

Source	1986	1987
	Quantity (1,000 proof gallons)	
CBI countries:		
Dominican Republic.....	0	5
Jamaica.....	20	0
All other.....	0	0
Total of CBI countries.....	20	5
All other.....	9	27
Total.....	29	32
	Value (1,000 dollars)	
CBI countries:		
Dominican Republic.....	-	13
Jamaica.....	40	-
All other.....	-	-
Total of CBI countries.....	40	13
All other.....	12	41
Total.....	52	54
	Unit value (per proof gallon)	
CBI countries:		
Dominican Republic.....	-	\$2.60
Jamaica.....	\$2.00	-
All other.....	-	-
Average of CBI countries.....	2.00	2.60
All other.....	1.33	1.52
Average.....	1.79	1.69

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

Table 6.

Rum in containers each holding over 1 gallon, valued over \$2.00 but not over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1986 and 1987

Source	1986	1987
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica.....	41	22
Dominican Republic.....	22	11
All other.....	1	0
Total of CBI countries.....	64	33
All other.....	27	9
Total.....	91	42
	Value (1,000 dollars)	
CBI countries:		
Jamaica.....	144	48
Dominican Republic.....	51	26
All other.....	6	-
Total of CBI countries.....	201	74
All other.....	67	21
Total.....	268	95
	Unit value (per proof gallon)	
CBI countries:		
Jamaica.....	\$3.51	\$2.18
Dominican Republic.....	2.32	2.36
All other.....	6.00	-
Average of CBI countries.....	3.14	2.24
All other.....	2.48	2.33
Average.....	2.95	2.26

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

Table 7.

Rum in containers each holding over 1 gallon, valued over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1986 and 1987

Source	1986	1987
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica.....	883	459
Barbados.....	209	187
All other.....	4	19
Total of CBI countries.....	1,096	665
All other.....	12	3
Total.....	1,108	668
	Value (1,000 dollars)	
CBI countries:		
Jamaica.....	6,258	3,241
Barbados.....	1,054	942
All other.....	63	120
Total of CBI countries.....	7,375	4,303
All other.....	79	27
Total.....	7,454	4,330
	Unit value (per proof gallon)	
CBI countries:		
Jamaica.....	\$7.09	\$7.06
Barbados.....	5.04	5.04
All other.....	15.75	6.32
Average of CBI countries.....	6.73	6.47
All other.....	6.08	9.00
Average.....	6.73	6.48

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

Table 8.

Rum: U.S. exports of domestic merchandise, by principal markets, 1986 and 1987

Market	1986	1987
	Quantity (1,000 proof gallons)	
Netherlands.....	42	136
Netherlands Antilles.....	95	88
Federal Republic of Germany.....	35	37
Canada.....	35	13
Leeward and Windward Islands.....	42	31
Panama.....	15	34
All other.....	121	191
<b>Total.....</b>	<b>385</b>	<b>530</b>
	Value (1,000 dollars)	
Netherlands.....	282	1,064
Netherlands Antilles.....	392	392
Federal Republic of Germany.....	148	232
Canada.....	138	158
Leeward and Windward Islands.....	214	154
Panama.....	76	150
All other.....	747	887
<b>Total.....</b>	<b>1,997</b>	<b>3,037</b>
	Unit value (per proof gallon)	
Netherlands.....	\$6.71	\$7.82
Netherlands Antilles.....	4.13	4.46
Federal Republic of Germany.....	4.23	6.27
Canada.....	3.94	12.15
Leeward and Windward Islands.....	5.10	4.97
Panama.....	5.07	4.41
All other.....	6.17	4.64
<b>Average.....</b>	<b>5.19</b>	<b>5.73</b>

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, 1986 and 1987

(In thousands of proof gallons)

Source	1986	1987
<b>Puerto Rico:</b>		
In containers not over 1 gallon.....	4,916	4,732
In containers over 1 gallon.....	13,791	17,092
Total.....	18,707	21,824
<b>U.S. Virgin Islands:</b>		
In containers not over 1 gallon.....	9	2
In containers over 1 gallon.....	2,642	1,747
Total.....	2,651	1,749

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



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