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Import Analysis

Analyse des importations

Pub. No. 03880 - F

FRESH CARROTS

JANUARY TO DECEMBER 1979

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NOT BE REPRINTED WITHOUT PRIOR PERMISSION FROM THE
IMPORT ANALYSIS**

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REFERENCES: (1) Customs Tariff: Items 8707-1, 8731-1,
8712-1 and 8713-1

(2) Trade of Canada Imports:
Import Class 91-35

SECTION I

SCOPE OF ANALYSIS

This report is based on a detailed analysis of imports of fresh carrots during the months of January to December 1979. This product is included in the Statistics Canada Import Class 91-35 "Carrots, fresh."

SECTION II

SPECIFIC AND AD VALOREM DUTY

According to Revenue Canada, Customs and Excise the periods in which the Specific duty and Ad Valorem duty were in effect in the previous two years are listed below:

Region I - Maritime Provinces

Began August 11, 1978 Expired March 2, 1979
Began August 31, 1979 Expired May 2, 1980

Region II.- Quebec and Ontario

Began February 22, 1978 Expired April 6, 1978
Began March 28, 1979 Expired April 20, 1979
Began February 15, 1980 Expired May 6, 1980

Region III - Western Provinces

Began July 11, 1978 Expired April 12, 1979
Began July 10, 1979 Expired May 9, 1980
Began August 6, 1980

SOURCE: Revenue Canada, Customs and Excise

SECTION III

ANALYSIS OF IMPORTS

Imports of fresh carrots during the period January to December 1979 show a total quantity of 82,336,000 pounds for a value of \$8,451,000. (See Section VI for explanation of sampling technique used in this report.) The analysis indicates that fresh carrots imported in bulk packages accounted for a quantity of 60,004,000 pounds for a value of \$5,504,000 or 73 per cent and 65 per cent respectively of the total quantity and value. Imports of fresh carrots in cello packs (excluding baby) accounted for a quantity of 20,822,000 pounds for a value of \$2,599,000 or 25 per cent and 31 per cent respectively of the total quantity and value. This report is based on exports to Canada from the United States only.

Full details of the analysis are provided in the following table.

IMPORTS OF FRESH CARROTS

JANUARY TO DECEMBER 1979

Region of Entry	WEIGHT OF IMPORTS (000 lb.)				VALUE OF IMPORTS (\$,000)				DUTY CHARGED (\$)			
	East of Quebec	Quebec & Ontario	West of Ontario	TOTAL Canada	East of Quebec	Quebec & Ontario	West of Ontario	TOTAL Canada	East of Quebec	Quebec & Ontario	West of Ontario	TOTAL Canada
<u>Cello Packs (Excluding Baby)</u>												
Entered Free of Duty	6,276	2,750	7,559	16,585	843	310	902	2,055	-	-	-	-
Entered Dutiable	96	277	3,864	4,237	15	29	500	544	4,800	2,649	43,008	50,457
TOTAL IMPORTS	6,372	3,027	11,423	20,822	858	339	1,402	2,599	4,800	2,649	43,008	50,457
<u>Bulk Packages</u>												
Entered Free of Duty	2,098	37,475	10,138	49,710	279	3,123	986	4,388	-	-	-	-
Entered Dutiable	120	1,251	8,923	10,294	10	123	983	1,116	1,144	6,357	50,375	57,876
TOTAL IMPORTS	2,218	38,725	19,061	60,004	289	3,245	1,970	5,504	1,144	6,357	50,375	57,876
<u>Cello Baby Carrots</u>												
Entered Free of Duty	75	971	73	1,119	20	218	14	252	-	-	-	-
Entered Dutiable	34	133	224	391	7	40	49	96	400	2,201	2,572	5,173
TOTAL IMPORTS	109	1,104	296	1,510	27	258	63	348	400	2,201	2,572	5,173
<u>All Carrots</u>												
Entered Free of Duty	8,449	41,196	17,770	67,414	1,142	3,651	1,902	6,695	-	-	-	-
Entered Dutiable	250	1,661	13,011	14,922	32	192	1,532	1,756	6,344	11,207	95,955	113,506
TOTAL IMPORTS	8,699	42,856	30,780	82,336	1,174	3,842	3,435	8,451	6,344	11,207	95,955	113,506

SECTION IV

EXPORTERS TO CANADA

The seventeen largest exporters to Canada of fresh carrots as shown in Section III of this report in descending order of import quantities are shown below. These seventeen exporters accounted for 82 per cent of the total quantity of fresh carrots during the period analyzed. The remaining 18 per cent consists of 79 exporting companies.

<u>Name</u>	<u>Address</u>	<u>Quantity</u> (000lbs.)
Joe Maggio Inc.	Holtsville, CA) Lakeland, FL)	15,906
Mario Saikon Inc.	Holtsville, CA	11,993
Safeway Stores Inc.	Santa Maria, CA) Bakersfield, CA)	8,522
Dennis Produce Sales Inc.	Holtsville, CA) Lamont, CA)	7,023
Pacific Fruit & Produce Co.	Los Angeles, CA	3,886
M.O. Buster Williams	Mount Dora, FL	3,637
Belridge Packing Co.	Bakersfield, CA	2,152
Joe Phillips Inc.	Fresno, CA	1,865
Clonts Farms Inc.	Oviedo, FL	1,797
Hallee-Boy Sales	Lake Jem, FL	1,477
Florance Distributing Co. Inc.	Los Angeles, CA	1,438
Tenneco West Inc.	Bakersfield, CA) Thermal, CA)	1,420
Merit Packing Co.	Salinas, CA	1,327
California Fruit & Vegetables Inc.	Lamont, CA	1,259
Tanita Farms Inc.	Glendale, AZ	1,230
Richard A. Glass	Indio, CA	1,133
Mashburn Inc.	Norwalk, CA	1,061

SECTION V

CANADIAN AND FOREIGN TARIFFS

CANADA

Fresh carrots included in this analysis are dutiable under the following most commonly applied tariff items.

<u>Tariff Item</u>	<u>Description</u>	<u>British Prefer-entail Tariff</u>	<u>Most Favoured Nation. Tariff</u>	<u>General Tariff</u>	<u>General Prefer-entail Tariff</u>	<u>U.K. & Ireland</u>
8707-1	Carrots per pound	Free	0.5 ct. or Free	1 ct. or Free	-	-

In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 40 weeks which may be divided into two separate periods, and the Free rate shall apply whenever the specific duty is not in effect.

When subject to specific rates of duty and imported in packages five pounds or less, each, see additional duty following item 8731-1.

8731-1	N.O.P.	Free	Free	30%	-	-
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When the beans (green), beets, Brussels sprouts, carrots, cauliflower, corn on the cob, lettuce or peas specified in items 8703-1, 8704-1, 8705-1, 8707-1, 8708-1, 8710-1, 8715-1 and 8720-1, are subject to the specific rates of duty and are imported in packages weighing five pounds or less, each, they shall be subject to an additional duty of.

Free	5%	10%	-	-
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Tariff Items 8707-1 and 8731-1 were in effect up to October 13, 1979.

<u>Tariff Item</u>	<u>Description</u>	<u>British Prefer-entail Tariff</u>	<u>Most Favoured Nation Tariff</u>	<u>General Tariff</u>	<u>General Prefer-entail Tariff</u>	<u>U.K. & Ireland</u>
*8712-1	Carrots, n.o.p. per pound	Free	0.5 ct. or Free	1 ct. or Free	-	0.2 ct. or Free
	<p>In any 12 months period ending 31st March, the specific duty shall not be maintained in force in excess of 40 weeks which may be divided into two separate periods, and the Free rate shall apply whenever the specific duty is not in effect.</p> <p>U.K. and Ireland scheduled rate changes: Table 4, Line 26.</p>					

*8713-1	Carrots, baby, not exceeding 4.5 inches in length per pound	Free	1 ct. but not less than 5% or Free	1.5 cts. but not less than 7.5% or Free	-	0.3 ct. but not less than 3% or Free
	<p>In any 12 month period ending 31st March, the specific duty or ad valorem duty, as the case may be, shall not be maintained in force in excess of 40 weeks which may be divided into two separate periods, and the Free rate shall apply whenever the specific duty or ad valorem duty is not in effect.</p> <p>U.K. and Ireland scheduled rate changes: Table 4, Line 4.</p> <p>U.K. and Ireland scheduled rate changes: Table 6, Line 4.</p>					

Tariff Items 8712-1 and 8713-1 came into effect October 14, 1979.

NOTE: *All persons making use of this consulation are reminded that it has no parliamentary sanction; that the amendments have been embodied only for convenience of reference, and that the original Acts and amendments thereto should be consulted for all purposes of interpreting and applying the law.

Tariff items and rates of duty are subject to change, and need to be verified by direct reference to:

Customs Programs Branch, Secretariat
Department of National Revenue
Customs and Excise
OTTAWA, Ontario
K1A 0L5

FOREIGN COUNTRIES

Inquiries concerning tariffs and other government trade regulations in foreign countries should be directed to:

International Bureaux
Department of Industry, Trade and Commerce
OTTAWA, Ontario
K1A 0H5

SECTION VI

SAMPLING AND ESTIMATES

A) Sample Design

Each shipment into Canada is accompanied by an invoice and related documents. These documents carry the Statistics Canada (CITC) Code representing the product class, in this case class 9135-10 for carrots. All shipments carrying this code are listed along with a brief summary of the shipment (weight, value, port of entry, duty paid, date of entry, etc.) and a unique identification number.

The project consists of selecting from the lists a number of shipments, drawing the documents which accompany these shipments, transcribing selected details from the documents, and summarizing and reporting on these details. (The words "shipment", "invoice", and "documents" are used as being essentially the same thing in the remainder of this Section VI).

Each shipment, as reported on the lists, was classified to one of six strata. The strata were specified to ensure that the sample would include a large proportion of shipments that were (a) large or (b) carried important information on the charging of duties. Details of the strata are given in the accompanying sheet. A summary follows:

<u>Stratum No. (h)</u>	<u>Description</u>	<u>Sampling Interval (W_h)</u>
1	Weight 60,000 lbs. and over	1
2	20,000 to 59,999 lbs.	3
3	Under 20,000 lbs., Entered outside Ontario or Quebec	20
4	Under 20,000 lbs., Entered at Ontario or or Quebec, no duty charged	20
5	Under 20,000 lbs., Entered at Ontario or Quebec, duty charged	3
6	Previously sampled in original lists	10

In stratum 1 all invoices were taken. Within each other stratum a systematic random sample of invoices was drawn. A number in the range 1 to W_h was selected using a random number generator, to obtain the sample start. The invoice corresponding to this start number was selected, and those corresponding to the start, start plus W_h , start plus 2 W_h , ..., through the end of the stratum.

B) Estimates

For estimating purposes the sample design described above was taken to correspond to a stratified sample with simple random sampling in each stratum.

It is required to estimate the total of some variable x - for example the total value of carrots imported in a region during certain months. Let this total be X_T , and our estimate of it be \hat{X}_T .

$$\text{Then } \hat{X}_T = \sum_h \sum_i W_h x_{hi} \dots\dots\dots (1)$$

Where x_{hi} is the value of x (for example the value of carrots) on the i'th invoice in the given region and time in the h'th stratum;

W_h is the sampling weight in stratum h (W_h equals the sampling interval in this sample design).

The formula is equivalent to estimating the total value of x for each stratum, then adding over all strata.

The tables in the report present values estimated in accordance with equation (1).

Next it is required to estimate the precision of this estimate of X_T .

Within a stratum the variance among the elements is estimated by

$$\text{var } x_h = \frac{1}{(n_h - 1)} \sum_i (x_{hi} - \hat{\bar{x}}_h)^2 \dots\dots\dots (2)$$

Where $\hat{\bar{x}}_h$ is the mean value of the sampled units in stratum h and n_h is the sample size in that stratum.

The variance of the sample mean is given by

$$\text{var } \hat{\bar{x}}_h = \frac{\text{var } x_h}{n_h} \left(1 - \frac{1}{W_h} \right).$$

Note that in Stratum 1, $W_h = 1$ so the variance of the total estimate for that stratum is zero. This, of course, reflects the fact that X is the true value since no invoices were left out.

The total value of X in the stratum is

$$X_h = \sum_i N_h \bar{x}_h \dots\dots (3)$$

and the variance of \hat{X}_h is estimated by

$$\text{var } \hat{X}_h = N_h^2 \text{ var } \hat{\bar{x}}_h, \quad \dots (4)$$

where N_h is the total number of shipments in stratum h .

Now N_h is estimated by

$$N_h = n_h W_h,$$

so the working versions of equation (3) and (4) are, respectively

$$\begin{aligned} \hat{X}_h &= n_h W_h \hat{\bar{x}}_h \\ &= \sum_i W_h x_{hi} \quad \dots (3a) \end{aligned}$$

$$\begin{aligned} \text{and } \text{var } \hat{X}_h &= n_h^2 W_h^2 \frac{\text{var } x_h}{n_h} \left(1 - \frac{1}{W_h}\right) \\ &= W_h^2 \left(1 - \frac{1}{W_h}\right) n_h \text{ var } x_h \quad \dots (4a) \end{aligned}$$

The computer processing packaged used in this project (Statistical Package for the Social Sciences) produces totals of the kind in equation 3a (and indeed sums these totals over strata to produce the totals shown in this report), and calculates estimates of the variance in each stratum as in equation (2).

For samples, as in this project, drawn independently in each stratum the variance of the estimated total \hat{X}_T is the sum of the variances in the individual strata:

$$\text{var } \hat{X}_T = \sum_h \text{var } \hat{X}_h$$

The standard deviation of \hat{X}_T is the square root of $\text{var } \hat{X}_T$.

This standard deviation is an indicator of the likely range of errors of \hat{X}_T . For example, about two-thirds of the samples drawn according to the procedures described herein would have the true value of X_T

within plus or minus one standard deviation of \hat{X}_T ;

about 95% of such samples would have the true values within plus or minus two standard deviations.

SECTION VII

STRATUM

Imports of carrots have been classified into strata according to defined weights of shipments.

STRATUM ONE - includes shipments with weight of carrots of 60,000 lb. or over. Use code one (1) in the STRATUM VARIABLE and use code one (1) in the SAMPLING WEIGHT VARIABLE

STRATUM TWO - includes shipments with weight of carrots from 20,000 lb. to 59,999 lb. Use code two (2) in the STRATUM VARIABLE and use code three (3) in the SAMPLING WEIGHT VARIABLE

STRATUM THREE - includes shipments with weight of carrots from one lb. to 19,999 lb. Use code three (3) in the STRATUM VARIABLE and use code 20 in the SAMPLING WEIGHT VARIABLE. STRATUM THREE does not include imports cleared through Quebec or Ontario.

STRATUM FOUR - includes shipments with weight of carrots from one to 19,999 lb. cleared through the province of Quebec and Ontario. Use code four (4) in the STRATUM VARIABLE. All other provinces are excluded from STRATUM FOUR. Use code 20 in the SAMPLING WEIGHT VARIABLE. Include only those entries that do not show duty in the duty column on the ledger sheets.

STRATUM FIVE - includes shipments with weight of carrots from one to 19,999 lb. cleared through the provinces of Quebec and Ontario, excluding all other provinces. Use code five (5) in the STRATUM VARIABLE, and use code three (3) in the SAMPLING WEIGHT VARIABLE. Include only those entries which show duty in the duty column on the ledger sheets.

STRATUM SIX - include only the entries sampled by Statistics Canada. Use code six (6) in the STRATUM VARIABLE. Sampling entries are indicated in the ledger sheet by the last digit of a three digit document control number ending in nine (9). The value shown on the ledger sheet for a sampled invoice is ten times more than the value shown on the invoice. Use the invoice value, not the ledger values. When sampling occurs, use code ten (10) in the SAMPLING VARIABLE and use code ten (10) in the SAMPLING WEIGHT VARIABLE.

SUMMARY OF STRATUM

Coding Instructions

Copy stratum number from pre-selected entries on the ledger sheet.
Use sampling weight codes with corresponding stratum number as follows:

<u>STRATUM</u> <u>CODE</u>	<u>WEIGHT</u> <u>LB.</u>	<u>SAMPLING</u> <u>WEIGHT</u> <u>CODE</u>	<u>PROVINCES</u>
1	60,000 and over	1	A11
2	20,000 to 59,999	3	A11
3	1 to 19,999	20	<u>Exclude</u> Ontario & Quebec
4	1 to 19,999	20	<u>Only</u> Ontario & Quebec with <u>no</u> duty collected
5	1 to 19,999	3	<u>Only</u> Ontario & Quebec <u>with</u> duty collected
6	StatsCan sampling entries	10	A11

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