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Spain

Avocado

Annual

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Report Highlights:

Spain's avocado production is forecast to decline by 20 percent in 2000/01. Imports are expected to increase to supply the market, while exports might decrease due to the lower output.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Madrid [SP1], SP

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Executive Summary

Spain's avocado output is forecast to decline by about 20 percent in 2000/01. Although weather conditions were good, this decrease is due to the natural uneven production cycle of avocado orchards. Consumption is growing as consumers are becoming increasing familiar with the use of the product. Exports experienced a slight increase in 1999/2000, and continues to be the focus of the sector, particularly destinations in other EU countries. Exports are forecast to decrease in 2000/01, due to the reduced production.

PS&D Table - Fresh Avocados

PSD Table						
Country	Spain					
Commodity	Fresh Avocados					(HECTARES)(1000 TREES)(1000 MT)
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Area Planted	8400	8400	8600	8600	0	9400
Area Harvested	7600	7600	7700	7700	0	8600
Bearing Trees	72250		72500	0	0	0
Non-Bearing Trees	1250		2000	0	0	0
TOTAL No. Of Trees	73500	0	74500	0	0	0
Production	73000	73000	68000	58000	0	47000
Imports	2650	2650	2500	3600	0	5000
TOTAL SUPPLY	75650	75650	70500	61600	0	52000
Exports	44900	44900	45000	46300	0	35000
Fresh Dom. Consumption	30750	30750	25500	15300	0	17000
Processing Consumption	0	0	0	0	0	0
TOTAL DISTRIBUTION	75650	75650	70500	61600	0	52000

Production

Spain's avocado crop for 2000/01 is forecast at 47,000 metric tons, about a 20 percent decrease from the previous year's crop. Despite an increase in area planted to avocados, production forecasts indicate a decline due to the natural uneven production cycle of the orchards. Area continues to expand as producers are switching to avocados due to the steadily increasing demand and good prices. Reportedly, plant stock has been depleted from nurseries. Over the next five years, area is expected to expand another 25 to 35 percent. Integrated Management Systems, lower pesticide use, and environmental friendly production systems are now commonly used in the sector, as producers attempt to fill the growing demand for "natural" and organic products in other European countries. Total production of organic avocados is expected to be about 2,000 metric tons. On average, the price is about 12 percent higher than the regular avocados. Trade sources indicate that at these prices it is not possible to obtain the same level of net returns as with the non-organic avocados.

Area devoted to avocados in 2000/01 in Spain is estimated at around 9,400 HA (of which 8,600 hectares are currently producing). Production continues to be concentrated in Andalucia in the provinces of Granada and Malaga, with a total area of about 8,500 hectares, with the balance planted in the Canary Islands. The primary marketing season for domestic produce runs from October through May. The campaign starts with Bacon variety in early October, followed one month later by Fuerte, and the Hass variety harvest begins in December and continues until May. The main avocado variety in Spain is Hass, accounting for about 75 percent of total avocado area. All area is irrigated, mainly with drip irrigation.

Consumption

While still relatively small, in comparison with other fruits and vegetables, consumption has experienced tremendous growth, especially in suburban areas where avocados can be found in almost every supermarket. Consumption remains firm due to increasing familiarity with the product, greater abundance/availability in the market. Nonetheless, the product is still considered rather exotic among a large segment of the population.

Trade

Avocado exports during marketing year 1999/2000 amounted to 46,248 metric tons, slightly higher than the previous year. About 97 percent of these exports are shipped to other EU countries, with most of the balance going to Switzerland. France was the destination for about two-thirds of total exports. Spain's primary competitors in the European market are Mexico and South Africa.

In calendar year 1999, Spain exported 35,873 metric tons of avocados, about 38 percent below the previous year.

Spain's success in exporting avocados to other EU countries is expected to continue in the current marketing season. The stable demand from customers in other EU countries and attractive terms offered to producers by local marketing firms continue to drive production trends in the market.

In MY 1999/2000, Spain imported around 3,622 metric tons of avocados, about 37 percent above during the previous campaign. Most of the avocados imported by Spain came from South Africa and Mexico during July/October, when the availability of supplies from these countries does not compete with the local crop. Imports during the current campaign are expected to increase due to the smaller domestic crop and the need to supply the Spanish market with a product that is experiencing higher demand.

In calendar year 1999, Spain imported 3,337 metric tons of avocados, slightly below the previous year.

Export Trade Matrix - Fresh Avocados

Export Trade Matrix			
Country	Spain		
Commodity	Fresh Avocados		
Time period	C.Y.	Units:	Metric Tons
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
EU Countries	56186	France	22325
Switzerland	776	United Kingdom	4850
Poland	117	Netherlands	2261
Morocco	92	Germany	2014
Canada	20	Sweden	1723
		Denmark	875
		Switzerland	666
		Portugal	484
		Italy	163
		Austria	147
Total for Others	57191		35508
Others not Listed	13		365
Grand Total	57204		35873

Import Trade Matrix - Fresh Avocado

Import Trade Matrix			
Country	Spain		
Commodity	Fresh Avocados		
Time period	C.Y.	Units:	Metric Tons
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
EU Countries	1930	Mexico	870
Mexico	604	France	819
South Africa	915	South Africa	576
Brazil	60	United Kingdom	217
Israel	29	Netherlands	145
Ivory Coast	12	Brazil	99
Chile	4	Belgium	97
		Peru	86
		Israel	57
		Portugal	54
Total for Others	3554		3020
Others not Listed			317
Grand Total	3554		3337

Policy

The possibility of a Free Trade Agreement between the EU and Mexico has alarmed avocado producers in Spain. Currently, avocados imported to the EU from Mexico, Spain's biggest competitor, pay import fees from 4 to 7.5 percent, depending on the month of the year. With the possible removal of these duties as the result of an EU/Mexico FTA, Spain's sector fears increase competition from Mexico in their main markets in the EU.

Marketing

There are no significant prospects for U.S. exports because consumption is limited and Spain is one of the largest avocado exporters.