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Spain

Fishery Products

Spain, a Market to Catch

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Report Highlights:

Spain's *per capita* consumption of seafood products is among the highest in the world. Since the catch of the Spanish fishing fleet has been declining, imports now supply more than half of demand. Total 2001 imports were 1.3 million metric tons, or \$3.4 billion an increase of ten percent in volume and 7.7 percent in value from a year earlier. U.S. seafood imports reached a record 28,429 tons valued at \$70.9 million.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Madrid [SP1], SP

Executive Summary

Production

Spanish fishermen landed about one million metric tons (mt) of seafood in 2001. The catch, which has been declining for years due to over-fishing, was further depressed in 2001 when Morocco refused to renew an agreement permitting Spanish boats into its waters. Recently proposed reforms in EU fisheries policy may further restrict the Spanish catch in future years.

With declining natural fisheries, farmed fish and seafood "production" are becoming more important in supplying the market. In 2000, aquaculture produced over 45,000 mt of fish and 242,000 mt of seafood, especially mussels.

Consumption

Spain is a major consumer of seafood with a *per capita* seafood consumption of 31.3 kilograms (nearly 70 pounds), more than double the EU average of 15 kilograms. Seafood accounts for 14 percent of Spain's total food expenses, and the percentage has been increasing annually though prices continue to increase both in volume (9.3%) and in value (11.3%) from a year earlier. In 2001, fresh fish consumption was 570,000 mt and fresh shellfish consumption, 234,000 mt. Frozen seafood totaled 315,000 tons, of which 125,000 mt were frozen crustaceans.

Spanish consumers demand fresh, wholesome and top-quality seafood products. There is a long tradition of seafood consumption and Spanish consumers are very knowledgeable and selective when it comes to seafood. A product that is not adequate will not find its way in the "shelves" of a seafood market in Spain.

In 2001, the proportions of Spanish consumption accounted for by different classes of seafood shifted somewhat. Fresh fish consumption decreased by 1.9 percent in 2001. However, Spanish consumers demand of fresh shellfish grew by 2.7 percent during the same period.

Although during recent years consumption of frozen products had decreased, this tendency changed in 2001, with an increase of five percent. By sectors, surimi and shellfish represented 45.3 percent of the total frozen seafood, followed by fish with 22.5 percent, and the remaining was prepared fish, fish sticks and the "fish recipes" (or ready to eat dish.) Consequently ready to eat products show a higher increase.

Per capita consumption of smoked and canned seafood is four kilograms. There is also a steady increase in consumption of these products.

Only 22 percent of total seafood is consumed in the restaurants, 3.2 percent in institutions and the remaining 74.6 percent at home. By types, 79.2 percent of total fresh fish is consumed at home and

only 18.6 percent in restaurants and institutions, although the percentage in the latter is minimum; in the case of fresh shellfish, consumption in the HRI sector is 21.7 percent. Consumption by channel in the case of frozen seafood is the opposite as the highest percentage, 65 percent, is consumed in the HRI and the remaining 35 percent at home. The peak period for consumption of frozen shellfish occurs during the Christmas period (30 %). Canned seafood products are largely consumed at home - 81 percent, with 17.6 percent of consumption occurring in hotels and restaurants and only 1.4 percent in institutions. Smoked products are mainly consumed during the Christmas period (40 %) and in large cities (Madrid alone account for 30 %). Consumption of smoked products in the HRI channel represents 55 percent and the remaining occurs at home.

| Consumption of Seafood Products | | |
|--|-------|--------|
| | Home | HRI* |
| Total Seafood | 74.8% | 25.2 % |
| - Fresh Fish | 79.2% | 20.8% |
| - Fresh Shellfish | 77.8% | 22.2% |
| - Frozen Seafood | 35% | 65% |
| - Canned Seafood | 81% | 19% |
| - Smoked | 45% | 55% |

* Hotels, Restaurants & Institutions

Seafood products are consumed in almost all households. Frozen products were consumed in 85 percent of all homes, and 45 percent of Spaniards bought prepared frozen seafood. This percentage increases to 70 percent in the case of families with children.

Seafood consumption also varies depending on geographical area. In general the highest *per capita* consumption is in the Regions of Madrid, Aragon, Andalusia and the North of Spain. Fresh seafood is more popular in Andalusia (12% above the average), Madrid (10%) the Basque country, Galicia, Asturias and Catalonia. Frozen seafood has a higher demand in Valencia, Murcia, Castilla-La Mancha, Catalonia and Aragon. Canned seafood is more popular in the Canary Islands, Murcia, Asturias and large cities.

The main species of fresh seafood consumed by volume are: hake and whiting (18.1%), sardines and anchovies (14.4%), octopus and squid (9.1%), flat fish (7.5%), shrimp (5.4%), salmon (3.5%), and trout, tuna and cod (2.4% each). The relative percentages are very similar for frozen seafood, but in this case frozen prepared seafood must be included which accounts for 19 percent of total frozen seafood products.

The favorite canned seafood product is tunafish (48.9%), distantly followed by cockles (8.9%), mussels (8.6%), anchovies and sardines (8.4% each).

Distribution

The main retail distribution channel for fresh seafood is the traditional fishmonger, accounting for 49.4 percent; followed by the supermarkets, 38.9 percent; and by hypermarkets, 11.7 percent. This changes in the case of frozen seafood, where supermarkets are the favorite type of outlet for these products, accounting for 50.8 percent; only 24.4 percent is sold at the traditional shop and the remaining 24.8 percent through hypermarkets. The distribution is again different in the case of canned seafood, as follows: traditional outlets - 12.6 percent, supermarkets - 58 percent, and hypermarkets - 29.4 percent.

| Seafood Distribution in the Retail Market | | | |
|--|-------------|-------------|-------------|
| | Traditional | Supermarket | Hypermarket |
| Total Seafood | 40.4% | 43.7% | 15.9% |
| - Fresh Seafood | 49.4% | 38.9% | 11.7% |
| - Frozen Seafood | 24.8% | 50.8% | 24.4% |
| - Canned Seafood | 12.6% | 58% | 29.4% |

Seafood, as well as other fresh food products are marketed and distributed in Spain through the MERCA distribution network. MERCA is a state-owned company that is part of the Spanish Ministry of Agriculture. There are 22 MERCA's in Spain, all located in the major cities. In cities with no MERCA, food products are distributed through the central city market.

When fish is offloaded in the harbors, it is sold to authorized wholesalers at auction. The fish is then distributed to the various MERCAs and the central markets. Retail sellers ranging from the small fish shop owners to the large supermarkets and hypermarkets and also some restaurants buy fish at the MERCA's and the central markets.

Mercamadrid was inaugurated in 1982 and is the largest wholesale market in the country. It occupies a total area of 1.7 million square meters, that includes the seafood market (42,600 sq. meters), fruits and vegetables market (124,000 sq meters), meat market (32,600 sq. meters), the administrative building, commercial area, banks, sports, warehouses, parking lots, green areas, and others. The total amount of products sold through Mercamadrid was 1,760,483 mt, with an increase of 2.1 percent in volume from 2000, seafood products grew 5.3 percent. The value of the total products was 2,302 million Euros, with an increase in value of 6.4% from a year earlier. The main retail food chains have an office in Mercamadrid. For further information you may check Mercamadrid web page: www.mercamadrid.es

Due to the success of the concept of a large wholesale market, technicians from Mercamadrid have implemented similar markets in other European and Latin American cities.

During 2001 a total of 160,075 mt of seafood products (822 million Euros) were sold through this MERCA alone, of which 105,510 mt were fresh fish, 18,388 mt fresh shellfish and 36,177 mt were frozen products. Commercialization of seafood products in Mercamadrid represent 12.1 percent of total value and a 35 percent in value.

The most popular and also one of the most expensive fresh fish in Spain is hake. In 2001, around 18,500 mt were sold in Mercamadrid for an average price of 8.4 Euros/kg, though it can reach 11 Euros/kg in December, due to a higher demand during the holiday season. Chile is the main supplier of hake to Mercamadrid with 56 percent of total hake commercialized through this wholesale market.

Among shellfish, mussels is the main product sold. 7,654 tons were commercialized in Mercamadrid in 2001. In the frozen products category, squid leads the list, at 8,059 mt, followed by hake at 7,402 mt commercialized in 2001.

Trade

Spain's total seafood imports in 2001 were 1,322,381 mt, an increase of 10.6 percent from a year earlier. The main suppliers were Argentina, Morocco and France. The United States with 28,429 mt exported to Spain, had a market share of two percent. U.S. seafood exports to Spain in 2001 increased by 9.5 percent in volume and 13.4% in value (\$70.9 M) compared to those of 2000.

| Total Seafood Imports - Spain (Metric Tons) | | | | |
|--|--------------------------|-------------|-------------|-----------------------|
| HS | | 2000 | 2001 | % Change 01/00 |
| 03 | Total Seafood | 1,195,491 | 1,322,381 | 11 |
| 0302 | Fresh Fish, not fillets | 237,981 | 227,869 | -4 |
| 0303 | Frozen Fish, not fillets | 333,308 | 402,134 | 21 |
| 0304 | Fillet, Other Fish Meat | 99,629 | 130,683 | 31 |
| 0305 | Fish, Dried, Salted, etc | 55,990 | 42,073 | -25 |
| 0306 | Crustaceans | 145,154 | 155,358 | 7 |
| 0307 | Other Seafood | 320,399 | 357,352 | 12 |

Source: Eurostat

| Spanish Seafood Imports from the United States (Metric Tons) | | | | |
|---|--------------------------|-------------|-------------|-----------------------|
| HS | | 2000 | 2001 | % Change 01/00 |
| 03 | Total Seafood | 25,947 | 28,429 | 9.57 |
| 0302 | Fresh Fish, not fillets | 4,979 | 4,828 | -3.03 |
| 0303 | Frozen Fish, not fillets | 5,613 | 9,738 | 73.49 |
| 0304 | Fillet, Other Fish Meat | 3,293 | 6,089 | 84.91 |
| 0305 | Fish, Dried, Salted, etc | 109 | 947 | 768.81 |
| 0306 | Crustaceans | 1,965 | 1,693 | -13.84 |
| 0307 | Other Seafood | 9,984 | 5,132 | -48.60 |

Source: Eurostat

In 2001, the United States was the largest exporter of frozen long finned tunas (HS0303.41) to Spain, with 6,096 mt (1,604 mt in 2000). Another seafood product that experienced a high increase was surimi, of which the United States was also the main supplier with 2,961 mt (2,000 mt in 2000), with India a distant second with 461 mt. In spite of a 9.79 percent decrease in U.S. lobster exports to Spain, the U.S. was still the main supplier with 1,475 mt.

| Spain - Seafood Imports by country | | | | | |
|------------------------------------|---------------|---------------|--------------|-------------|-------------|
| Country | Metric Tons | | Market Share | | % Change |
| | 2000 | 2001 | 2000 | 2001 | 2000/01 |
| TOTAL | 1,195,491 | 1,322,381 | 100 | 100 | 10.61 |
| Argentina | 116,941 | 143,157 | 9.78 | 10.83 | 22.42 |
| Morocco | 93,165 | 100,849 | 7.79 | 7.63 | 8.25 |
| France | 100,561 | 91,421 | 8.41 | 6.91 | -9.09 |
| Namibia | 78,699 | 86,560 | 6.58 | 6.55 | 9.99 |
| Falkland Islands | 58,745 | 56,528 | 4.91 | 4.27 | -3.77 |
| Portugal | 57,526 | 54,887 | 4.81 | 4.15 | -4.59 |
| United Kingdom | 55,349 | 54,074 | 4.63 | 4.09 | -2.3 |
| Italy | 49,490 | 41,758 | 4.14 | 3.16 | -15.62 |
| South Africa | 32,898 | 41,028 | 2.75 | 3.1 | 24.71 |
| China | 34,468 | 40,796 | 2.88 | 3.09 | 18.36 |
| Netherlands | 47,525 | 40,500 | 3.98 | 3.06 | -14.78 |
| Denmark | 40,252 | 38,525 | 3.37 | 2.91 | -4.29 |
| Chile | 26,683 | 36,915 | 2.23 | 2.79 | 38.35 |
| Venezuela | 7,287 | 29,046 | 0.61 | 2.2 | 298.6 |
| United States | 25,947 | 28,429 | 2.17 | 2.15 | 9.57 |
| Guatemala | 27,329 | 27,256 | 2.29 | 2.06 | -0.27 |
| India | 18,724 | 26,692 | 1.57 | 2.02 | 42.56 |
| Ireland | 19,639 | 23,566 | 1.64 | 1.78 | 20 |
| Ecuador | 15,375 | 23,429 | 1.29 | 1.77 | 52.38 |
| Peru | 13,080 | 23,129 | 1.09 | 1.75 | 76.83 |
| NL Antilles (Curacao) | 19,615 | 21,672 | 1.64 | 1.64 | 10.49 |
| Korea, South | 3,739 | 21,511 | 0.31 | 1.63 | 475.31 |
| Panama | 15,014 | 20,021 | 1.26 | 1.51 | 33.35 |
| Mauritania | 18,615 | 18,540 | 1.56 | 1.4 | -0.4 |
| New Zealand | 9,599 | 15,546 | 0.8 | 1.18 | 61.95 |
| Mexico | 6,959 | 15,060 | 0.58 | 1.14 | 116.41 |
| Seychelles | 1,520 | 14,913 | 0.13 | 1.13 | 881.12 |
| Greece | 10,154 | 14,025 | 0.85 | 1.06 | 38.12 |

Opportunities for U.S. products

Consumption of seafood and seafood products is expected to increase again in 2002, and if the new European currency sustains its current parity with the U.S. dollar, imports of U.S products are expected to be higher than during the previous year as the strong dollar has been cited by Spanish importers as a major constraint in the past.

Spanish importers are very willing to buy more seafood products from the United States.

Unfortunately, some Spanish importers have difficulties to find quality product, this also includes the way the products are handled from the "net to the market". U.S. exporters have to be aware that a fish that has bruises losses quality and has to be sold at a lower price, or if it reaches the customer, he might refuse the product as it does not comply with a quality standard.