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# Spain

# Tree Nuts

# Annual

# 2005

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**Report Highlights:**
The Spanish confectionary and food distribution industries will import California almonds during Marketing Year (MY) 2005/06 and MY 2006/07, but considerably below the record pace set during MY 2004/05. Aflatoxin rejections, resulting in U.S. exporters being put under the Spanish health "alert" system, the application of a new European Community (EC) health regulation in 2006, and domestic producer protectionist inclinations may further influence U.S. exports. (LR40CM2PM4SH10).

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Madrid [SP1]
[SP]

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## Executive Summary


- We expect Spanish almond imports in MY 2005/06 and MY 2006/07 at about 40,000 metric tons (MT), shelled basis (63,000 MT in MY 2004/05), because we are forecasting a return to more normal weather conditions, almond harvests, and export levels.

- Spanish hazelnut imports will be up in MY 2005/06 at 14,000 MT, in-shell basis (10,000 MT in MY 2004/05), as the hazelnut crop was very negatively affected by drought conditions (for drought reports please see SP5004, SP5013 and SP5024).

- The Spanish application of EC 882/2004, due to come into effect January 1, 2006, has the potential to increase export costs when the detection of aflatoxin in U.S. exports exceeds the EC standard.

- The GOS has proposed a new labeling requirement for almonds and hazelnuts, which appears to favor local producers.

- As a result of Common Agriculture Policy (CAP) reform, Spanish tree nut producers may receive production subsidies from the EC, Government of Spain (GOS), and Autonomous Regional Governments. Under new requirements put in place at the beginning of Calendar Year (CY) 2005, only farmers with areas exceeding 0.2 hectares can apply for these subsidies. Local producer organizations have asked the GOS to give them an exemption from this requirement, because, they say, many small farmers are going out of business.

**Commodity Name: Almonds, Shelled**

**Production, Supply & Distribution (PSD) Table**

# PSD Table

## Country Spain
## Commodity Almonds, Shelled Basis

(HA)(1000 TREES)(MT)

| | 2004/05 USDA Official [Old] | Revised Post Estimate [New] | 2005 USDA Official [Old] | Estimate Post Estimate [New] | 2006 USDA Official [Old] | Forecast Post Estimate [New] |
|---|---|---|---|---|---|---|
| **Market Year Begin** | | 2004/05 | | 2005/06 | | 2006/07 |
| Area Planted | 670 | 658800 | 665 | 660000 | 0 | 660000 |
| Area Harvested | 650 | 641700 | 660 | 641700 | 0 | 641700 |
| Bearing Trees | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Bearing Trees | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Trees | 0 | 0 | 0 | 0 | 0 | 0 |
| Beginning Stocks | 8000 | 8000 | 1000 | 5182 | 0 | 4182 |
| Production | 23000 | 26182 | 56000 | 61000 | 0 | 65000 |
| Imports | 63000 | 63000 | 55000 | 40000 | 0 | 37000 |
| TOTAL SUPPLY | 94000 | 97182 | 112000 | 106182 | 0 | 106182 |
| Exports | 44000 | 41000 | 59000 | 50000 | 0 | 51000 |
| Domestic Consumption | 49000 | 51000 | 51000 | 52000 | 0 | 52000 |
| Ending Stocks | 1000 | 5182 | 2000 | 4182 | 0 | 3182 |
| TOTAL DISTRIBUTION | 94000 | 97182 | 112000 | 106182 | 0 | 106182 |

**Production**

**SPAIN: Almond Production Series (1999 = MY 1999/2000, etc.)**

| MY | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|---|
| | **Units: 1,000 MT** | | | | | | | |
| Prod. In-shell | 280.7 | 225.2 | 254.6 | 299.2 | 214.4 | 86.4 | 201 | 214.5 |
| Converted to Shelled | 85.1 | 68.2 | 77.1 | 90.7 | 65 | 26.2 | 61 | 65 |

Sources: In-shell almonds: MAPYA until 2005; FAS Office forecast for 2006 (in-shell production converted to shelled by dividing by 3.3).

**SPAIN: 2003/04-05/06 In-shell Almond Production by Region**

| Region | 2003/04 Definite | 2004/05 Provisional | 2005/06 Estimate | Percent Increase (2004/05 = 100) |
|---|---|---|---|---|
| C. Valenciana | 55.3 | 25.6 | 57.7 | 225.4 |
| Andalucia | 48.0 | 11.8 | 42.1 | 366.7 |
| Aragón | 30.4 | 11.4 | 34.4 | 302.0 |
| R. de Murcia | 26.9 | 8.5 | 8.5 | 100.0 |
| Cataluña | 18.0 | 8.5 | 16.8 | 196.7 |
| Castilla-Mancha | 12.3 | 3.7 | 18.4 | 500.1 |
| Baleares | 11.4 | 10.0 | 12.0 | 120.0 |
| Extremadura | 4.3 | 3.5 | 3.5 | 100.0 |
| La Rioja | 4.1 | 1.9 | 4.5 | 236.8 |
| All Other | 3.7 | 1.5 | 3.1 | 106.7 |
| **Total** | **214.4** | **86.4** | **201.0** | **232.6** |

SOURCE: MAPYA, "AVANCES" from June 2005.

- Spanish MY 2005/06 almond production will be up relative to previous year levels, due to overall improved weather conditions. Nevertheless, it will be some 4 percent under the previous five-year average, and 17 percent under the previous 10-year one.

- Average almond yields in the current year were only slightly affected (nothing compared to the MY 2004/05 crop) by late January 2005 frosts and the drought. The severe drought has only slightly hampered nut development, because of the crop's relative rusticity and drought-resistance. For more details on this year's weather conditions in Spain, please check SP5004, SP5013 and SP5024.

- Spanish MY 2006/07 production of almonds should be up, provided normal weather conditions during the flowering period.

- Spanish almond orchards are regionally concentrated in Mediterranean regions, namely Andalucia and Valencia. Other significant areas area Murcia, Catalonia, Aragon, the Balearic Islands and Castilla-La Mancha.

- Dominant varieties are Marcona, Largueta, Planeta, Valencia (Comuna) and Mallorca. Only 7 percent of almond orchards are irrigated. Modern orchards tend to be installed with spring flowering varieties to avoid the winter frosts. According to producer sources, the current EU subsidy regime is conducing to an activity abandon by the smaller farmers. For more details on production, please check the Production policy section below.

- Domestic growers are generally grouped into cooperatives which process and market their almonds both domestically and internationally.

- The most significant Spanish almond importer organization is ALMENDRAVE.

## Consumption

- Spanish almond consumption may be up in MY 2005, due to a rebound in local production. However, the growth rate of recent years will slow due to the very high level of almond prices, which make walnuts, pistachios, peanuts or hazelnuts a better buy.

- Some 70 to 80 percent of the total almond supply is used by the confectionary industry. Of this total, the bulk is used to manufacture nougat during the months immediately before Christmas. The rest is mostly used to produce un-blanched roasted, and blanched fried almonds, which are marketed in small snack packs.

- The domestic Marcona variety is sold in stores in consumer packages and used to manufacture premium almond brand products, because of the variety's distinctive taste and high oil content.

- Spanish varieties also tend to be favored for the production of snack-type products, especially roasted blanched almonds, due to the easy-to-peel properties of these varieties.

- U.S. almonds tend to be used in other almond products. Due to their uniformity, they tend to be in demand by processors to produce food ingredients, including almond flour, dices and fillets. Processing is trending upwards, due to the local industry's development of EU markets. U.S. almonds are also in demand for the production of sugared almonds.

**SPAIN: Almond Wholesale Prices**

| Average Prices (€ / kg) | | | |
|---|---|---|---|
| | **Period** | **Shelled Almonds** | **Shelled Hazelnuts** |
| Lonja de Reus | July 12, 2005 | 6.49 | 6.25 |
| Mercabana | July 18-24, 2005<br>Jan/July Average | 6.80<br>6.47 | 6.00<br>5.70 |
| ALMENDRAVE | Sep 04/July 05<br>July 2005 | 5.40<br>6.40 | 5.83<br>7.00 |

**Trade**

**General**

**SPAIN: Almond Imports (Shelled weight basis) (1999 = MY 1999/2000, etc.)**

| Marketing Yr: | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|---|
| | Units: MT | | | | | | | |
| In-shell | 804 | 1,117 | 915 | 576 | 356 | 400 | 250 | 220 |
| Shelled | 32,419 | 28,038 | 41,268 | 48,678 | 57,988 | 62,600 | 39,750 | 36,780 |
| | 33,223 | 29,155 | 42,183 | 49,254 | 58,344 | 63,000 | 40,000 | 37,000 |

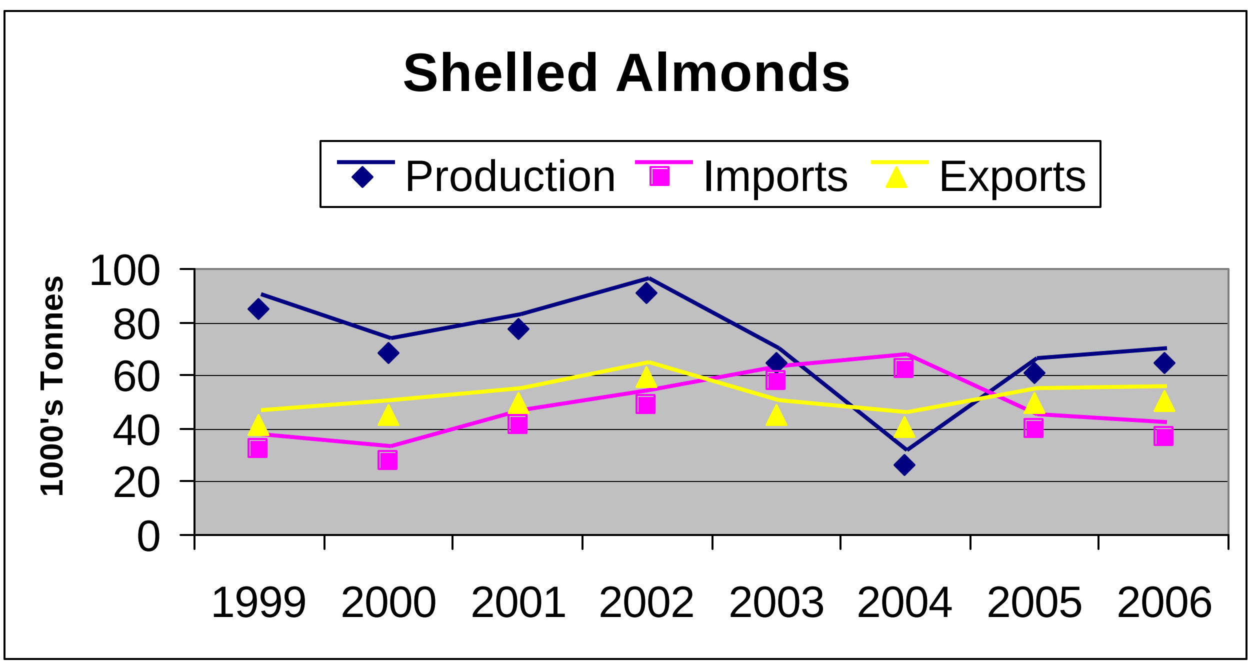
Source: Global Trade Atlas (GTA) till 2003/04. FAS Office estimate for remaining period. We converted in-shell imports into shelled basis through use of a 3.30 conversion coefficient.

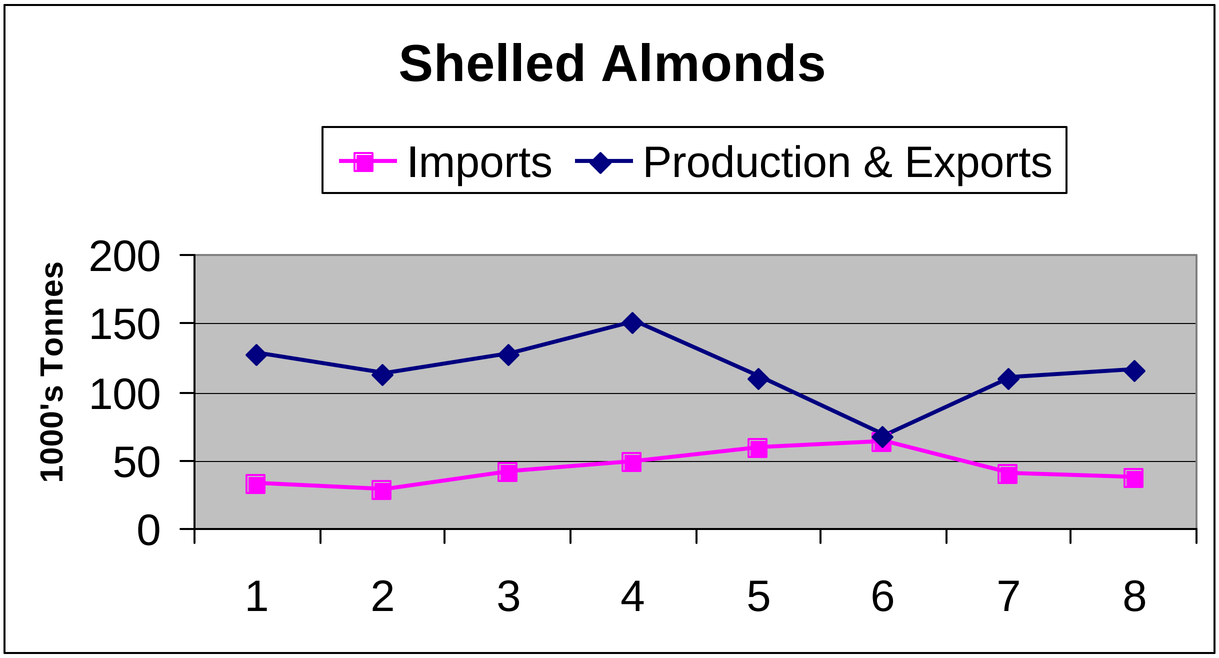
**SPAIN: Almond Exports (Shelled weight basis) (1999 = MY 1999/2000, etc.)**

| Marketing Yr: | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|---|
| | Units: MT | | | | | | | |
| In-shell | 754 | 657 | 845 | 657 | 672 | 600 | 750 | 750 |
| Shelled | 41,715 | 44,768 | 49,832 | 59,437 | 44,850 | 40,400 | 49,250 | 50,250 |
| | 42,469 | 45,425 | 50,677 | 60,094 | 45,522 | 41,000 | 50,000 | 51,000 |

Source: Global Trade Atlas (GTA) till 2003/04. FAS Office estimate for remaining period. We converted in-shell imports into shelled basis through use of a 3.30 conversion coefficient.

**For charts below: 1999 = MY 1999/2000, etc.**






- During MY 2005/06, total Spanish almond imports will tend to decline from 2004/05 levels, due to the higher level of the domestic crop;

- Spanish total almond imports will be down again in MY 2006/07 if local production rebounds as anticipated.

- Total almond imports from the U.S. will tend to be down in MY 2005/06, due to the reduction in total quantities imported. The competitiveness of U.S. almonds will depend primarily on the prices of the new harvest. Trade/processor sources report right now there is no almond in Europe, and there are no price quotations for almond from the new crop. Trade sources report that prices of U.S. almond are currently some 30 to 40 percent above price levels a year ago.

- There is no change in Spanish exporting pasterns. Local almonds will continue to be exported primarily into other EU countries during MY 2005/06 and MY 2006/07.

**Factors Affecting U.S. Trade**

- Level of U.S. almond exports into Spain is a function of domestic production and Spanish almond/products exports (please see "Shelled Almonds" graphs above);

- Regarding the maximum aflotoxin levels set by EC Regulation 466/2001, nuts, including almonds and dried fruit intended for human consumption or as ingredients in foodstuffs, maximum limits allowed are 2 parts per billion (2 PPB), or 2 micrograms/kilogram for aflatoxin B1, and 4 PPB for aflatoxins B1, B2, G1 and G2 combined.

- EC Regulation 466/2001 also determines that nuts and dried fruit with aflotoxin levels up to 5 PPB and 10 PPB may be allowed in, provided the fruit is subject to sorting or another physical treatment before human consumption, or use as ingredient in foodstuffs. The sorting or physical treatment applied must lower the aflotoxin levels down to 2 and 4 PPB limits.

- The Spanish Ministry of Health (MOH) has a surveillance system in place for imports. When sanitary inspectors detect above-limit aflatoxin presence in almond shipments, the shipment is refused entry, and the MOH places the exporter under “alert,” which requires aflatoxin testing of all shipments from the same grower or packer.

- MOH requires a minimum of three satisfactory aflatoxin tests before lifting the “alert” on the exporter, of before recommending that the EC lift the EC “alert” on the exporter.

- During MY 2004/05, the MOH has placed U.S. exporters under “alert” 19 times for elevated aflatoxin levels. Each exporter’s “alert” status remained in effect until, at least, MOH had tested three shipments with acceptable aflatoxin levels.

- The new EC food safety regulation that will come into effect on January 1, 2006 (EC 882/2004), leaves Member States to decide if and when imported product, that does not meet EU standards, needs to be destroyed. Spanish almond importers have met with Spanish MOH officials to encourage an administrative approach consistent with current practices. Currently, if an almond shipment is found to have an elevated aflatoxin level and is rejected at port by the Autonomous Regional Government MOH inspectors, or is rejected after attempts to bring it into conformity with EC aflatoxin limits, it can be re-exported or returned to the shipper.

- The GOS has recently developed a Royal Decree (RD) proposing to the EC new labeling requirements for almonds and hazelnuts sold at retail. The GOS notified the EC of a proposed RD, and the EC has until August 24 to react. The draft RD proposes that packed almond and hazelnuts to be sold at retail must include the following information on the label:

    - In case of products from Spain: “product grown in Spain and/or Autonomous Community, and/or Province;”

    - For products from other E.U. countries: “product of/from (Member State where produced)”

    - From other origins: “product of/from (country produced).”

- We expect the EC to reject the proposal, because it appears to violate national treatment provisions, including for other Member States.

**Trade Matrix**

# Import Trade Matrix

| | | | |
|---|---|---|---|
| **Country** | Spain | | |
| **Commodity** | Almonds, Shelled Basis | | |
| Time Period | Sep/Aug | Units: | MT |
| Imports for: | 2003 | | **2004** |
| U.S. | 52309 | U.S. | 54000 |
| Others | | Others | |
| France | 3178 | Italy | 3000 |
| Italy | 939 | France | 2500 |
| Portugal | 584 | Greece | 800 |
| Germany | 350 | Portugal | 500 |
| Greece | 101 | Germany | 200 |
| Other EU-25 | 309 | Other EU-25 | 400 |
| Chile | 347 | Chile | 600 |
| Australia | 185 | Australia | 100 |
| | | | |
| | | | |
| Total for Others | 5993 | | 8100 |
| Others not Listed | 42 | | 900 |
| Grand Total | 58344 | | 63000 |

# Export Trade Matrix

| | | | |
|---|---|---|---|
| **Country** | Spain | | |
| **Commodity** | Almonds, Shelled Basis | | |
| Time Period | Sep/Aug | Units: | MT |
| Exports for: | 2003 | | **2004** |
| U.S. | 135 | U.S. | 400 |
| Others | | Others | |
| Germany | 16071 | Germany | 14000 |
| France | 6884 | France | 7300 |
| Italy | 6421 | Netherlands | 4000 |
| Netherlands | 3520 | Italy | 4000 |
| Belgium | 2766 | Belgium | 2500 |
| Portugal | 1710 | Portugal | 1500 |
| U.K. | 1509 | U.K. | 1400 |
| Greece | 1232 | Poland | 900 |
| Other EU-25 | 2902 | Other EU-25 | 2400 |
| Switzerland | 1216 | Switzerland | 1400 |
| Total for Others | 44231 | | 39400 |
| Others not Listed | 1156 | | 1200 |
| Grand Total | 45522 | | 41000 |

## Policy

### Production Policy

- Spanish tree nut production takes place within the legal framework set by the EU common fruit and vegetables policy. This policy encourages the constitution of Producer Organizations (POs) to concentrate and market production. POs can apply to EU co-financing of so-called Operational Programs. These are investment programs designed to increase producer competitiveness and marketing efficiency.

- Up till 2004, tree nut producers were eligible to a special subsidy paid on a hectare-basis, subject to presentation of so-called Improvement Plans on farms. This subsidy was set at € 241.50 per hectare, and was co-financed by the EU, MAPYA and the Autonomy Regions. In addition to almonds, this regime applies to hazelnuts, walnuts, pistachios and carob.

- In 2005, new dispositions concerning the tree nut subsidy regime, which were approved under the 2003 CAP Reform, came into force. Level of individual farmer subsidy remained unchanged, and subsidy payments continued to be co-financed by the EU, Spanish Central Government and Autonomies.

- However, farmers now must apply individually and not through the OP, even if OP membership remains a condition for subsidy access. Further, there is a minimum area restriction for subsidy access, set at 0.2 hectares.

- Producer sources have been complaining at this restriction, especially in the Valencia Community, where tree nuts are produced largely in disadvantaged areas. Farmer sources report that areas in producer subsidy applications in 2005 declined 15 percent in this region relative to previous year levels on account of this restriction. Same sources report that at national level, out of 16,000 ha under Improvement Plans finalized in 2004, only some 2,200 ha were submitted for subsidy in 2005.

- According to Spanish farmer organizations, the new policy could lead to a progressive abandon of tree nuts in less productive regions, and are requesting Spanish authorities to negotiate with the EU a change in this disposition.

- Spain has a Maximum Guaranteed Area (MGA) for tree nuts of 568,000 hectares, of which 167,000 ha in the Valenciana Community (800,000 hectares in total EU) in over 252,000 farms. This MGA includes almonds, hazelnuts, walnuts, pistachios and carobs.

### Tariffs

- Spanish almond imports are subject to payment of an *ad valorem* duty. For tariffs currently in effect, please check the table below.

- Almonds sold in Spain are subject to a 7 percent VAT.

**SPAIN: Almond Import Tariffs**

| | Duty (Percent) | |
|---|---|---|
| | **2004** | **2005** |
| 0802.11.90 | 5.6 (1) | 5.6 (1) |
| 0802.12.90 | 3.5 (1) | 3.5 (1) |

(1) There is a WTO tariff rate quota for the EU of 90,000 MT/year, under which third-country almonds can be brought into the EU at a 2 percent tariff.

## Marketing

- According to almond consumption trends outlined in the Consumption section above, Spain offers attractive marketing opportunities for US. Almonds.

- These opportunities could expand over the medium-term, if more farmers abandon the activity, as suggested by recent producer reports.

- Almond importers/users are concentrated in three important industries:

    - Roasters for the production of almond and hazelnut snacks, generally in packs;
    - Candy producers, who make nougat, marzipan, ice-cream and chocolate products;
    - Bakers.

- For current price information, please check the statistical section in report.

- For additional information to target the Spanish market, please contact the following:

Office of Agricultural Affairs
U.S. Embassy, Madrid
Telf.: + 34-91- 587 2555
Fax: + 34-91 587 2556
E-Mail: Agiberia@usda.gov

**Commodity Name: Hazelnuts, In-Shell Basis**

**Production, Supply & Distribution Table**

# PSD Table

| **Country** | **Spain** | | | | | |
|---|---|---|---|---|---|---|
| **Commodity** | **Filberts, Inshell Basis** | | | | (HA)(1000 TREES)(MT) | |
| | 2004 USDA Official [Old] | Revised Post Estimate [New] | 2005 USDA Official [Old] | Estimate Post Estimate [New] | 2006 USDA Official [Old] | Forecast Post Estimate [New] |
| **Market Year Begin** | | 09-2004 | | 09-2005 | | 09-2006 |
| Area Planted | 23 | 26000 | 23 | 26000 | 0 | 26000 |
| Area Harvested | 21 | 21600 | 21 | 21600 | 0 | 21600 |
| Bearing Trees | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Bearing Trees | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Trees | 0 | 0 | 0 | 0 | 0 | 0 |
| Beginning Stocks | 5000 | 5000 | 1000 | 4200 | 0 | 3400 |
| Production | 9000 | 25700 | 24000 | 18200 | 0 | 20000 |
| Imports | 14000 | 10000 | 14000 | 14000 | 0 | 13000 |
| TOTAL SUPPLY | 28000 | 40700 | 39000 | 36400 | 0 | 36400 |
| Exports | 7000 | 10500 | 12000 | 6000 | 0 | 6500 |
| Domestic Consumption | 20000 | 26000 | 25000 | 27000 | 0 | 28000 |
| Ending Stocks | 1000 | 4200 | 2000 | 3400 | 0 | 1900 |
| TOTAL DISTRIBUTION | 28000 | 40700 | 39000 | 36400 | 0 | 36400 |

**Production**

**SPAIN: Hazelnut Production Series (1999 = MY 1999/2000, etc.)**

| **MY** | **1999** | **2000** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** |
|---|---|---|---|---|---|---|---|---|
| | **Units: 1,000 MT** | | | | | | | |
| Production - In-shell | 29.8 | 25.2 | 26.7 | 22.8 | 12.6 | 25.7 | 18.2 | 20.0 |

Sources: MAPYA until 2004. FAS Office estimates for 2005 and 2006.

**SPAIN: In-shell Almond Production**

| **Region** | **2003/04 Definite** | **2004/05 Provisional** | **2005/06 Estimate** | **Percent Increase (2004/05 = 100)** |
|---|---|---|---|---|
| Cataluña | 11.7 | 25.2 | 17.5 | 69.6 |
| All Other | 0.9 | 0.5 | 0.7 | 40.0 |
| **Total** | **12.6** | **25.7** | **18.2** | **70.9** |

SOURCE: MAPYA, "AVANCES" from June 2005.

- Spanish MY 2005/06 hazelnut production will be down drastically from previous year levels, due to the effects of the drought;
- We expect the 2006/07 harvest to recover, provided normal precipitation levels in the Spring and Summer months of 2006;
- Spanish MY 2006/07 hazelnut production could be hampered if significant numbers of hazelnut trees were affected by drought stress.
- Catalonia accounts for some 93 percent of total Spanish hazelnut areas, with the Tarragona province representing some 88 percent of the Catalonia total. The main cultivated variety is "Negreta," which is grown nearly 80 percent of the area. Some 60 percent of Spain's hazelnut orchard area is under irrigation.

## Consumption

- Domestic hazelnut consumption should be up in 2005/06, due to the popularity of the "Mediterranean diet," as well as in tree nut processing activity. For more details, please check the same section under "Almonds."
- Some 60 to 70 percent of locally used hazelnuts are consumed by the confectionary and chocolate industries. The rest is generally marketed in snack packs.

## Trade

### General

**SPAIN: Hazelnut Imports (In-shell weight basis) (1999 = MY 1999/2000, etc.)**

| MY | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|---|
| | Units: MT | | | | | | | |
| In-shell | 1,374 | 927 | 1,000 | 884 | 1,060 | 1,000 | 1,400 | 1,300 |
| Shelled | 9,212 | 7,682 | 12,237 | 12,560 | 12,736 | 9,000 | 12,600 | 11,700 |
| | 10,586 | 8,609 | 13,237 | 13,444 | 13,796 | 10,000 | 14,000 | 13,000 |

Source: Global Trade Atlas (GTA) till 2003/04. FAS Office estimate for remaining period. We converted shelled imports into in-shell basis through use of a 2.03 conversion coefficient.

**SPAIN: Hazelnut Exports (In-shell weight basis) (1999 = MY 1999/2000, etc.)**

| MY: | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|---|
| | Units: MT | | | | | | | |
| In-shell | 251 | 72 | 165 | 267 | 215 | 1,050 | 600 | 650 |
| Shelled | 13,049 | 9,435 | 6,778 | 10,203 | 6,943 | 9,450 | 5,400 | 5,850 |
| | 13,300 | 9,507 | 6,943 | 10,470 | 7,158 | 10,500 | 6,000 | 6,500 |

Source: Global Trade Atlas (GTA) till 2003/04. FAS Office estimate for remaining period. We converted shelled imports into in-shell basis through use of a 2.03 conversion coefficient.

- Spanish total MY 2005/06 hazelnut imports should be up relative to previous year levels, on account of the very short crop;

- The bulk of MY 2005 imports should continue to come from Turkey. Local trade sources report to have made recent contracts with Turkish hazelnut exporters at prices some 15 percent below a year ago.

- Total Spanish hazelnut imports should come down in 2006/07, if local outputs recover as expected;

- U.S. share of total hazelnut imports will continue to be largely influenced by the marketing strategies of Turkish producers.

**Factors Affecting U.S. Trade**

- Please check the same section under "Almonds."

**Trade Matrix**

# Import Trade Matrix

| | | | |
|---|---|---|---|
| **Country** | Spain | | |
| **Commodity** | Filberts, Inshell Basis | | |
| Time Period | Sep/Aug | Units: | MT |
| Imports for: | 2003 | | **2004** |
| U.S. | 831 | U.S. | 1100 |
| Others | | Others | |
| France | 798 | Italy | 450 |
| Italy | 503 | France | 400 |
| Netherlands | 326 | Netherlands | 100 |
| Other EU-25 | 2 | Other EU-25 | 50 |
| Turkey | 11077 | Turkey | 7500 |
| Georgia | 130 | Georgia | 200 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total for Others | 12836 | | 8700 |
| Others not Listed | 129 | | 200 |
| Grand Total | 13796 | | 10000 |

# Export Trade Matrix

**Country** Spain

**Commodity** Filberts, Inshell Basis

| | | | |
|---|---|---|---|
| Time Period | Sep/Aug | Units: | MT |
| Exports for: | 2003 | | **2004** |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| Germany | 2247 | Germany | 6000 |
| Poland | 1366 | Italy | 1500 |
| Italy | 1232 | Poland | 1100 |
| France | 659 | France | 900 |
| Other EU-25 | 812 | Other EU-25 | 500 |
| Venezuela | 451 | Venezuela | 400 |
| | | | |
| | | | |
| | | | |
| | | | |
| Total for Others | 6767 | | 10400 |
| Others not Listed | 391 | | 100 |
| Grand Total | 7158 | | 10500 |

**Policy**

**General**

- For general policy dispositions, please check the same section under “Almonds”;
- In addition to the € 241.5 per hectare paid to all tree nut producers under the new tree nut regime, hazelnut growers are eligible to an additional subsidy of € 105/hectare supported by the EU Guarantee Fund (Feoga-Guarantee).
- High producer prices in recent years and EU policies have discouraged farmers to abandon hazelnut production in recent years. However, local farmers report that due to new restrictions to subsidy access (see Almonds), lower yielding areas could be abandoned over the next coming years.

**Tariffs**

- Hazelnut imports from non-EU origins are subject to an ad valorem import duty.
- For import tariffs currently in effect, please check the tariff table below.
- Hazelnuts sold in Spain are subject to a 7 percent VAT.

**SPAIN: Hazelnut Import Tariffs**

| | Duty (Percent) | |
|---|---|---|
| | **2004** | **2005** |
| 0802.21.00 | 3.2 | 3.2 |
| 0802.22.00 | 3.2 | 3.2 |

## Marketing

- According to trends outlined in the Consumption section, Spain has attractive market potentials for U.S. hazelnuts;

- The leading Spanish wholesale market for nuts, including hazelnuts and almonds, is located in the hazelnut producing area of *Reus*, close to *Tarragona* in the *Catalonia* Autonomy. The bulk of the domestic crop is traded the in-shell form, just like U.S. hazelnuts. All Turkish hazelnut imports are shelled.

- For additional information to target the Spanish market, please contact the following:

Office of Agricultural Affairs
U.S. Embassy, Madrid
Telf.: + 34-91- 587 2555
Fax: + 34-91 587 2556
E-Mail: Agiberia@usda.gov