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Spain

Fresh Deciduous Fruit

Annual

2006

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Report Highlights:

The Government of Spain (GOS) has announced details of an orchard/vineyard rejuvenation program favoring (among others) apples (excluding those for cider production), pears, and table grapes, all of which are included in this report. These new subsidies will improve orchard/vineyard production and quality. Their effects will likely become apparent in the production and trade estimates in future fresh deciduous fruit reports.

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Executive Summary

Spanish fresh deciduous fruit producers will likely become more competitive in the world market, as a result of new EC/Local Government funded programs that will enable producers to improve their orchards/vineyards.

- Twelve thousand fruit tree hectares will eligible for restructuring subsidies between 2006 and 2011. This amounts to over six percent of total orchard areas for these fruit-tree varieties in 2005. As much as 15 percent of the removal and replanting costs will be subsidized with payments of up to 11,000 Euros per hectare for apple, pear, cherry, and plum orchards and up to 10,000 Euros per hectare for peach and nectarine orchards. Additional subsidies of 2,500 Euros per hectare are available for structural investments in apple and pear orchards, and irrigation subsidies of 2,500 to 3,000 Euros per hectare for irrigation installations for previously irrigated orchards. These amounts are increased by five percent for full-time farmers and orchards located in unfavorable areas, and by 2.5 percent for “young” farmers (more information at SP6011)
- The restructuring subsidies now available to Spanish table-grape producers include the payment of up to 20 percent of the restructuring costs by the EC and up to 50 percent (more for “young” farmers) from the Autonomous Regional Governments (ARGs). In addition to the restructuring expenses (maximum 8,000 Euros per hectare), producers may also receive subsidies for new irrigation systems and on-farm physical (metal) structures (10,000 Euros maximum). For producers to be eligible for these subsidies, they must meet specific requirements, including a requisite to replant the same number of hectares from a list of varieties approved by the ARGs. In addition, 1,500 hectares of the Napoleon variety must be pulled-up and eliminated, with a supplementary 1,500 hectares of other varieties (with seeds), selected by producers that can be replaced as part of the restructuring program (more information at SP6003).
- Although, the EC has indicated that it will likely reform the common fruit and vegetables policy, to make it more market-oriented and financially self-reliant, Spanish fresh deciduous fruit and table grape producers currently benefit from economic support for this policy. Fresh apple, pear, grape and canning pear producers receive fruit withdrawal subsidies, and benefit from the subsidization of “operational programs” developed by their producer organizations (PO) under the common fruit and vegetables policy.

Commodity Name: Fresh Apples

Production, Supply & Distribution Table

PSD Table**Country**
Commodity**Spain**
Apples, Fresh

(HA)(1000 TREES)(MT)

	2004		2005		2006	
	Revised USDA Official [Old]	Post Estimate [New]	Estimate USDA Official [Old]	Post Estimate [New]	Forecast USDA Official [Old]	Post Estimate [New]
Market Year Begin	07/2004		07/2005		07/2006	
Area Planted	46,500	46,500	47,000	47,000	0	47,000
Area Harvested	45,000	44,600	40,000	45,000	0	45,000
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
Commercial Production	553,000	553,000	730,600	706,900	0	657,500
Non-Comm. Production	50,000	50,000	65,000	63,000	0	58,600
TOTAL Production	603,000	603,000	795,600	769,900	0	716,100
TOTAL Imports	270,539	269,889	220,000	219,000	0	230,000
TOTAL SUPPLY	873,539	872,889	1,015,600	988,900	0	946,100
Domestic Fresh Consump	697,000	697,676	770,000	698,171	0	698,000
Exports, Fresh Only	87,706	86,723	100,000	130,000	0	120,000
For Processing	85,000	85,000	140,000	150,000	0	122,000
Withdrawal From Market	3,833	3,490	5,600	10,729	0	6,100
TOTAL UTILIZATION	873,539	872,889	1,015,600	988,900	0	946,100

Production**SPAIN: Apple Production by Key Variety Types (2000 = MY 2000/2001, etc.)**

Units: Metric Tons

MY:	2000	2001	2002	2003	2004	2005	2006
Cider Apples	35,338	67,861	30,289	667,10	453,000	579,000	538,000
Starking	172,179	80,387	69,241	72,727	49,000	63,000	58,600
Golden Delicious	368,413	470,617	362,645	444,099	301,500	385,000	358,000
Other	237,850	298,544	232,647	304,524	200,500	257,100	238,500
Total	813,780	917,409	694,822	888,101	603,000	769,900	716,100

Source: MAPYA for totals, as well as for variety breakdown through MY 2003. FAS Office estimates for all other.

- Spanish apple production in MY 2006 will remain below the previous five-year average, affected by reduced spring and early summer rainfall levels, as well as by flowering problems in certain regions.
- About half of Spanish apple trees are less than 10 years old, and only some 10 percent are over 25 years. About three quarters of the apple crop is produced under irrigation.
- Areas planted to bi-color varieties like Gala and Fuji have been increasing, displacing orchards with traditional varieties such as Starking and Golden.
- About 80 percent of the Spanish apple crop is concentrated in the Ebro river basin in the northeast of Spain.
- For data on apple production breakout by varieties, please check tables above.

Consumption

- Spanish MY 2006/07 fresh apple consumption should come down mildly, due to the effects of a forecasted price increase, induced by the shorter crop relative to previous year levels.
- There is a tendency for some demand transfer between varieties, in association with modern distribution trends and changing lifestyles. Apple demand should continue to shift from traditional varieties like Golden and Starking, into newer ones like Gala, Fuji and Pink Lady.
- Spanish and EU authorities sponsor regular marketing initiatives to boost fresh apple consumption. Apples are the third most popular fruit in Spain during the winter months, after oranges and bananas.

Trade

SPAIN: APPLE IMPORTS

Units: Metric Tons

MY:	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Total	299,700	186,532	271,116	239,648	269,889	219,000	230,000
EU	262,335	138,218	217,692	167,999	178,540	177,000	186,000
Non-EU	37,365	48,314	53,424	71,649	91,349	42,000	44,000

SOURCE: Global Trade Atlas through MY 2004/05. FAS Office estimates for all other.

SPAIN: APPLE EXPORTS

Units: Metric Tons

MY:	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
TOTAL	68,625	134,504	69,056	115,488	86,723	130,000	120,000
EU	53,852	107,960	51,794	84,832	66,056	76,000	70,000
Non-EU	14,773	26,544	17,262	30,656	20,667	54,000	50,000

SOURCE: Global Trade Atlas through MY 2004/05. FAS Office estimates for all other.

- We forecast Spanish apple imports to go up mildly in MY 2006, due to the effects of the lower crop. Third-country suppliers will continue to be dominated by Southern Hemisphere producers.
- Spanish fresh apple exports will decline somewhat in MY 2006/07, due to the effects of the shorter harvest, continuing to be directed primarily to other EU countries.
- For MY 2005 and estimated 2006 import and exports, please check trade matrices below.

Trade Matrices

Import Trade Matrix

Country

Spain

Commodity

Apples, Fresh

Time Period

July/June

Units:

Metric Tons

Imports for:

2004

2005

U.S.

1,035 U.S.

100

Others

Others

France	91,133	France	95,000
Italy	38,904	Italy	38,000
Germany	17,818	Portugal	17,000
Portugal	16,625	Germany	17,000
Belgium	6,209	Other EU-25	10,000
Netherlands	5,179	Chile Argentina	22,000
Other EU-25	2,672	China	9,500
Chile	41,823		6,500
China	18,496		
Argentina	18,247		
Total for Others	257,106		208,500
Others not Listed	11,748		10,400
Grand Total	269,889		219,000

Export Trade Matrix

Country

Spain

Commodity

Apples, Fresh

Time Period

July/June

Units:

Metric Tons

Exports for:

2004

2005

U.S.

0 U.S.

0

Others

Others

France	26,780	France	27,400
Portugal	19,847	Portugal	26,100
Italy	4,937	U.K.	3,800
Belgium	4,092	Belgium	3,000
U.K.	3,194	Other EU- 25	15,700
Other EU- 25	7,206	Algeria	20,000
Melilla	6,831	Melilla	13,400
Algeria	6,646	Russia	8,900
Morocco	3,371		
Mauritania	1,536		
Total for Others	84,440		118,300
Others not Listed	2,283		11,700
Grand Total	86,723		130,000

Marketing

- The Spanish market may provide some opportunities for U.S. apples.
- Current consumption trends favor red varieties, followed by Gala, Fuji and Golden.
- When the conditions are right, Spanish fruit importers express particular interest in U.S. Red Delicious and Golden varieties.
- The best opportunities to export to Spain will likely occur in the first quarter of the calendar year, after the local harvest has been marketed and before the Southern Hemisphere crop comes on strong.
- Landed price and quality are crucial for U.S. exporter success. EU apples may have a transportation advantage, but other factors such as quality, and the dollar-Euro exchange rate may favor U.S. exports.
- For additional information on the Spanish apples market, importer lists, distributors, etc., please contact our office:

Office of Agricultural Affairs
 U.S. Embassy Madrid
 Email: Agiberia@usda.gov

Commodity Name: Fresh Pears

Production, Supply & Distribution Table

PSD Table

Country Commodity	Spain		(HA)(1000 TREES)(MT)				
	Pears, Fresh		2004	2005	Estimate	2006	Forecast
Market Year Begin	2004 USDA Official [Old]	Revised Post Estimate [New]	2005 USDA Official [Old]	Estimate Post Estimate [New]	2006 USDA Official [Old]	Forecast Post Estimate [New]	
	07/2004		07/2005		07/2006		
Area Planted	38,136	38,136	38,136	38,136	0	38,136	
Area Harvested	36,699	36,699	36,699	36,699	0	36,699	
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	
Commercial Production	540,100	540,100	652,300	626,000	0	580,400	
Non-Comm. Production	22,000	22,000	27,000	26,000	0	23,700	
TOTAL Production	562,100	562,100	679,300	652,000	0	604,100	
TOTAL Imports	54,308	54,060	40,000	35,000	0	40,000	
TOTAL SUPPLY	616,408	616,160	719,300	687,000	0	644,100	
Domestic Fresh Consump	439,287	440,964	522,000	459,394	0	450,000	
Exports, Fresh Only	113,779	112,163	132,000	150,000	0	127,100	
For Processing	55,000	55,000	56,000	56,000	0	55,000	
Withdrawal From Market	8,342	8,033	9,300	21,606	0	12,000	
TOTAL UTILIZATION	616,408	616,160	719,300	687,000	0	644,100	

Production

Spain: Pear Production by Key Variety Type (2000 = MY 2000/2001, etc.)

Units: Metric Tons

	2000	2001	2002	2003	2004	2005	2006
Limonera	52,279	63,540	56,616	64,152	49,500	57,400	53,200
Ercolini	71,108	66,794	77,171	83,112	64,100	74,400	69,000
Blanquilla	230,759	183,143	165,357	181,913	140,400	162,900	150,900
Other Varieties	314,952	359,980	331,529	399,088	308,100	357,300	331,000
Total	669,098	673,457	630,673	728,266	562,100	652,000	604,100

Source: MAPYA for total outputs, as well as variety breakdown through MY 2003. FAS Office estimates for all other.

- Spanish MY 2006 pear production will come under the previous five-year average, due to the effects of short spring and early summer rainfall levels upon tree flowering. For Spanish MY 2000 to 2006 production series, please check table above.
- About 70 percent of Spanish pear production is concentrated in Northeastern Spain, in the Ebro river basin. Practically all the pear crop is produced under irrigation.
- About 47 percent of local pear trees are under 10 years old, and 14 percent are over 25 years old.

Consumption

- Spanish MY 2006 fresh pear consumption will tend to come down moderately relative to previous year levels, due to the effects of forecast higher pear prices.
- Most popular varieties are Blanquilla, Ercolini and Conference. Pears are consumed mainly during the fall and winter, competing with citrus, apples and bananas. Pears rank six in the list of most consumed fruit in Spain.

Trade

SPAIN: PEAR IMPORTS

Units: Metric Tons

MY:	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Total	50,560	23,123	37,999	35,971	54,060	35,000	40,000
EU	43,861	14,932	27,521	21,790	38,611	25,200	28,900
Non-EU	6,699	8,191	10,478	14,181	15,449	9,800	11,100

SOURCE: Global Trade Atlas through MY 2004/05. FAS Office estimates for all other.

SPAIN: PEAR EXPORTS

Units: Metric Tons

MY:	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Total	104,604	197,841	120,427	145,301	112,163	150,000	127,100
EU	93,876	179,470	110,212	128,514	99,897	129,000	109,400
Non-EU	10,728	18,371	10,215	16,787	12,266	21,000	17,700

SOURCE: Global Trade Atlas through MY 2004/05. FAS Office estimates for all other.

- Spanish MY 2006 fresh pear imports will tend to increase, due to the effects of the lower domestic crop.

- Spanish pear imports will continue to be sourced primarily from other EU countries. Chile and Argentina should continue to remain the leading third-country suppliers.
- Spanish MY 2006 fresh pear exports will be down relative to MY 2005 levels, as a consequence of the reduced domestic pear supply.
- For MY 2000 to 2006 pear import and export series, please check tables above. For MY 2004 and 2005 import and export trade matrices, please check below.

Trade Matrices

Import Trade Matrix

Country
Commodity

Spain
Pears, Fresh

Time Period	Jul/June	Units:	Metric Tons
Imports for:	2004		2005
U.S.	0	U.S.	0
Others		Others	
Belgium	17,956	Belgium	13,100
Netherlands	8,648	Netherlands	5,300
Portugal	6,310	Portugal	2,300
France	3,370	France	1,600
Other EU-25	2,327	Other EU-25	2,900
Chile	7,370	Chile	5,200
Argentina	7,337	Argentina	4,200
S. Africa	333	China	300
China	326		
Total for Others	53,977		34,900
Others not Listed	83		100
Grand Total	54,060		35,000

Export Trade Matrix

Country
Commodity

Spain
Pears, Fresh

Time Period	Jul/June	Units:	Metric Tons
Exports for:	2004		2005
U.S.	0	U.S.	0
Others		Others	
Italy	28,474	Italy	32,709
Greece	19,223	Germany	23,128
France	15,461	France	15,430
Germany	16,893	Greece	12,077
Portugal	8,001	Portugal	6,464
Other EU-25	11,845	Belgium	6,326
Russia	5,032	Other EU--25	32,866
Melilla	2,438	Russia	8,750
Brazil	1,205	Brazil	3,574
		Melilla	2,241
Total for Others	108,572		143,565
Others not Listed	3,591		6,435
Grand Total	112,163		150,000

Marketing

- Market potential for U.S. pears in Spain is very limited.
- Spain is a net exporter of pears and the consumers have a strong preference for the domestic *blanquilla* variety. Competition from EU suppliers is very strong, due to low transportation costs compared to U.S. pear ones. South American countries replace EU suppliers during the EU off-season period.

Commodity Name: Table Grapes, Fresh

Production, Supply and Distribution Table

PSD Table**Country
Commodity****Spain
Grapes,
Table, Fresh**

(HA)(MT)

Market Year Begin	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
	01/2005		01/2006		01/2007	
Area Planted	23,773	23,773	23,773	23,773	0	23,773
Area Harvested	22,711	22,711	22,711	22,711	0	22,711
Commercial Production	321,000	321,000	316,800	299,900	0	310,400
Non-Comm. Production	10,000	10,000	10,000	9,300	0	9,600
TOTAL Production	331,000	331,000	326,800	309,200	0	320,000
TOTAL Imports	30,000	30,382	28,000	28,000	0	25,000
TOTAL SUPPLY	361,000	361,382	354,800	337,200	0	345,000
Domestic Fresh Consump	235,976	232,387	235,770	226,183	0	230,480
Exports, Fresh Only	100,000	103,971	95,000	87,000	0	90,000
For Processing	25,000	25,000	24,000	24,000	0	24,500
Withdrawal From Market	24	24	30	17	0	20
TOTAL UTILIZATION	361,000	361,382	354,800	337,200	0	345,000

Production

- Key table grape varieties are Muscatel, Ideal and Aledo.

Trade**SPAIN: TABLE GRAPE IMPORTS**

Units: Metric Tons

Calendar Year:	2001	2002	2003	2004	2005	2006	2007
Total	27,794	22,732	25,359	25,116	30,382	28,000	25,000
EU	18,480	11,867	10,107	10,219	11,742	10,000	8,900
Non-EU	9,314	10,865	15,252	14,897	18,640	18,000	16,100

SOURCE: Global Trade Atlas until MY 2006. FAS Office estimates for all other.

SPAIN: TABLE GRAPE EXPORTS

Units: Metric Tons

Calendar Year:	2001	2002	2003	2004	2005	2006	
Total	97.996	115.258	124.714	94.399	103,971	87,000	90,000
EU	96.322	112.711	121.081	88.830	99,542	81,700	84,500
Non-EU	1.674	2.547	3.633	5.569	4,429	5,300	5,500

SOURCE: Global Trade Atlas until MY 2006. FAS Office estimates for all other.

Trade Matrices

Import Trade Matrix

Country

Spain

Commodity

Grapes, Table, Fresh

Time Period

Jan-Dec

Units:

Metric Tons

Imports for:

2005

2006

U.S.

U.S.

Others

Others

	31		0
Italy	7,795	Italy	3,400
Netherlands	1,686	Netherlands	2,700
Germany	1,095	Portugal	2,100
Other EU-25	1,166	Germany	1,200
Chile	15,222	Other EU-25	600
Argentina	1,909	Chile	14,000
		Argentina	1,900
		S. Africa	1,900
Total for Others	28,873		27,800
Others not Listed	1,478		200
Grand Total	30,382		28,000

Export Trade Matrix

Country

Spain

Commodity

Grapes, Table, Fresh

Time Period

Jan-Dec

Units:

Metric Tons

Exports for:

2005

2006

U.S.

U.S.

Others

Others

U.K.	27,493	France	20,000
Germany	19,531	Portugal	19,000
France	19,150	Other EU-25	42,700
Portugal	17,241	Morocco	1,700
Italy	4,392		
Netherlands	3,355		
Other EU-25	8,380		
Russia	1,061		
S. Africa	568		
Panama	397		
Total for Others	101,568		83,400
Others not Listed	2,403		3,600
Grand Total	103,971		87,000

Marketing

- Spain is a very difficult market for U.S. grapes, as it is a major exporter and its production season overlaps with the U.S. one.
- Most popular grapes are of the Muscatel variety. Seedless grapes and grapes with a low percentage of sugar are becoming increasingly popular.

Commodity Name: Concentrated Apple Juice, C.A.J.

Production, Supply & Distribution Table

PSD Table

Country

Spain

Commodity

Apple Juice, Concentrated (MT)

	2004		2005		2006	
	USDA Official [Old]	Revised Post Estimate [New]	USDA Official [Old]	Estimate Post Estimate [New]	USDA Official [Old]	Forecast Post Estimate [New]
Market Year Begin	07/2004		07/2005		07/2006	
Deliv. To Processors	85,000	85,000	140,000	150,000	0	122,000
Beginning Stocks	2,043	2,043	1,983	2,007	0	107
Production	11,000	11,000	19,000	20,100	0	16,000
Imports	14,571	14,594	11,000	15,000	0	16,000
TOTAL SUPPLY	27,614	27,637	31,983	37,107	0	32,107
Exports	13,631	13,630	17,000	25,000	0	19,600
Domestic Consumption	12,000	12,000	13,000	12,000	0	12,000
Ending Stocks	1,983	2,007	1,983	107	0	507
TOTAL DISTRIBUTION	27,614	27,637	31,983	37,107	0	32,107

Production

- Production data in table above are FAS Office estimates.

Trade

Trade Matrices

- Data in Trade Matrices below is reported on a 70 Brix basis.

Import Trade Matrix

Country Spain

Commodity Apple Juice, Concentrated

Time Period	July/June	Units:	Metric Tons
Imports for:	2004		2005
U.S.	0	U.S.	0
Others		Others	
Germany	2,442	Germany	3,700
Austria	2,387	Netherlands	1,500
France	1,476	Other EU-25	1,300
Other EU-25	2,163	China	6,200
China	4,098	S. Africa	1,300
Turkey	604		
Total for Others	13,170		14,000
Others not Listed	1,424		1,000
Grand Total	14,594		15,000

Export Trade Matrix

Country Spain

Commodity Apple Juice, Concentrated

Time Period	July/June	Units:	Metric Tons
Exports for:	2004		2005
U.S.	207	U.S.	600
Others		Others	
U.K.	3,482	U.K.	10,700
France	2,551	Germany	2,700
Portugal	2,353	Netherlands	1,800
Other EU-25	2,205	Portugal	1,600
Ghana	685	Other EU-25	2,200
Japan	471	Ghana	600
Taiwan	364	Japan	500
Morocco	365	Morocco	400
Total for Others	12,476		20,500
Others not Listed	947		3,900
Grand Total	13,630		25,000