



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Scheduled Report - public distribution

Date: 6/16/1999

GAIN Report #SP9034

Spain

Asparagus

Trends in Spain's Asparagus Sector

1999

Prepared by:

Office of Agriculture Affairs

U.S. Embassy

Drafted by:

Gloria Cantos

Report Highlights:

Pressured by imports and relatively more profitable substitute crop, Spain's asparagus area continues to decline. Specifically, white asparagus area is declining, which is not being offset by an increase in area devoted to green varieties. While the U.S. would face stiff competition from supplies from Peru and China, some importers have expressed interest in U.S. asparagus.

Executive Summary	1
Production	2
Consumption	3
Prices	3
Trade	4
Fresh Asparagus	4
Frozen Asparagus	6
Policy	6

Executive Summary

In 1998, asparagus area was an estimated 17,000 hectares, about 12.4 percent less than the previous year. In 1999, area is forecast to drop to around 16,800 hectares. Stiff competition from imports continues to fuel Spain's decline in asparagus area. Production in 1998 is estimated at 62,800 tons, of which about 46,800 MT tons is white and the remainder green and purple-green varieties. In 1999, a drop in area for white asparagus is expected to be offset by additional plantings of 4 to 5 million new plants of more productive green-purple varieties in the southern area. As a result, production is forecast to remain stable.

Consumption of fresh asparagus for 1998 is estimated 34,000 MT, slightly down from the previous year as a result of lower domestic supplies. Given stable supply expectations, no change in consumption is expected for 1999. When frozen and the canned asparagus is added to fresh, actual consumption is 67,800 tons, with white canned asparagus accounting for a majority of the processed consumption. Both white and green asparagus types are consumed, with consumption of fresh green asparagus on the rise due to favorable prices. Consumer preference is still oriented to the thicker asparagus grown locally in the north, willing to pay up to 8 dollars per can, rather than the processed white asparagus imported from Peru and China. Two-thirds of white asparagus production is used in the canning industry.

In 1998, exports decreased to 19,300 tons due to dry weather conditions during the peak harvest season and lower domestic availability. Canned Asparagus exports were 4,832 MT in 1997 and 4,545 MT in 1998. With a slightly better crop, fresh exports in 1999 are forecast to be moderately above the previous year. The majority of Spain's asparagus exports go to markets in other EU countries and Switzerland (19,283 MT in 1998 of which 2,295 were white). Imports of fresh asparagus dropped about 17 percent in 1998, reaching 2,372 tons. Greece has become the major exporter of fresh asparagus to Spain with a 43% of total imports, most of which is lower grades used for canning. Canned asparagus imports reached 26,425 MT, most of which originated from Peru (73%), China (17%) and EU(8.5%). Imports of frozen asparagus in 1998 were 13 MT mostly from Peru. Imports are expected to increase again in 1999, possibly creating opportunities for product from the U.S.

Producers of white asparagus continue to complain to Spanish and EU authorities that current EU policy does not provide sufficient protection from lower priced imports from Peru, China, and Morocco.

Several companies from northern Spain, unable to find enough white asparagus in the area, are installing processing factories in Peru and labeling the canned asparagus under their brand.

Stiff competition from other suppliers limits opportunities for U.S. asparagus exports to Spain. However, some vegetable traders have expressed interest in importing U.S. asparagus.

Official trade data now distinguishes fresh green from fresh white asparagus.

PSD Table						
Country	Spain					
Commodity	Fresh Asparagus				(HA)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Area Planted	0	19400	0	17000	0	16800
Area Harvested	0	19400	0	17000	0	16800
TOTAL Production	0	75800	0	62800	0	63000
Imports, Fresh	0	2880	0	2400	0	3000
TOTAL SUPPLY	0	78680	0	65200	0	66000
Exports, Fresh	0	26220	0	19300	0	20000
Domestic Fresh Market	0	36500	0	34000	0	34000
For Processing	0	15960	0	11900	0	12000
TOTAL UTILIZATION	0	78680	0	65200	0	66000

Production

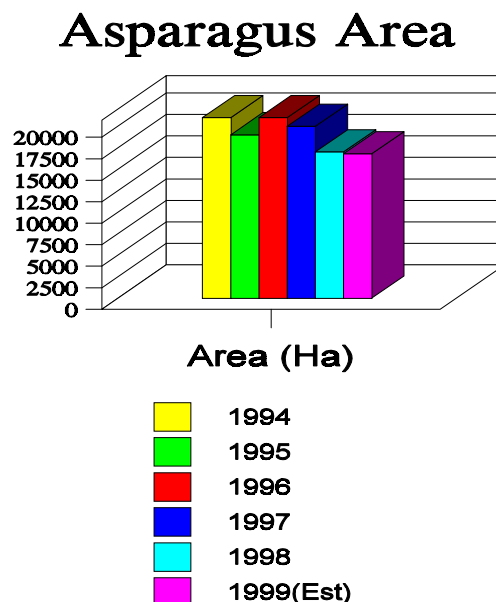
In 1998, the area planted was an estimated 17,000, with a production of 62,800 tons. In 1999, a drop in area for white asparagus is expected to be offset by additional plantings of 4 to 5 million new plants of more productive green-purple varieties in the southern area. As a result, production is forecast to remain stable. The 200 hectares drop in area will be for white asparagus. In many areas, the mild winter, with no freezing temperatures, reportedly depleted plants of critical nutrients just prior to the productive season, resulting in yields 30% below the previous year in some areas. Thus, many producers are switching to other less risky and more profitable crops, like fruit and vegetables. Thus, while area is estimated to have stabilized somewhat in 1999, it is expected that Spain's asparagus area will continue in long-term downward trend.

In Spain, about 80 percent of the area planted to asparagus is under irrigation. Of the principal main asparagus producing regions, Extremadura and Andalucia account for half of the total asparagus area, and are also the main green asparagus producing areas. In Navarra, the northern white asparagus area, the area for 1997 was 4,303, but dropped to 4,079 hectares in 1998.

The asparagus harvesting period in Spain begins by mid-January for extra early varieties in Andalucia, and ends in August in the northern producing asparagus areas.

Below follows the table for fresh asparagus in Spain from calendar year 1994 to 1998.

Year	Area (Ha)	Product. MT	Imports MT	Exports MT
1994	21,000	83,300	1,679	20,151
1995	19,000	77,400	1,356	20,673
1996	21,000	78,100	1,936	18,189
1997	20,000	75,800	2,880	25,860
1998	17,000	62,000	2,375	19,283
1999(Est)	16,800	63,000	3,000	20,000



Consumption

Consumption of asparagus increased dramatically during the early 90s, but has stabilized during the last few years. Fresh consumption is estimated at about 34,000 MT in 1998, down from 36,500 MT in 1997. Declining demand for canned asparagus, due primarily to high prices, has been offset somewhat by an increase in consumption of both fresh and frozen asparagus. Estimated consumption for processed asparagus is 22,000 MT, and about 11,000 for frozen. Most Spanish consumers prefer fresh green asparagus for daily cooking and canned white asparagus for special occasions and for salads.

Prices

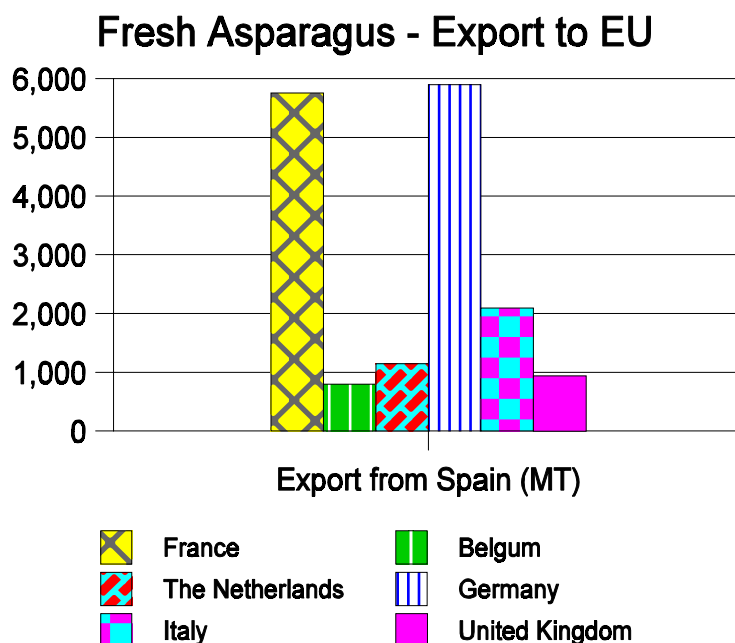
However, prices in pesetas per kilo paid to farmers during 1997 and 1998 are provided below. Unfortunately the data does not distinguished between white and green, although white asparagus prices generally carry a significant premium to green. In addition, premium prices are paid to growers for extra-early asparagus in January when green asparagus begins to be marketed.

Prices Table			
Country	Spain		
Commodity	Fresh Asparagus		
Prices in	Pesetas	per uom	Kilogram
Year	1997	1998	% Change
Mar	271.58	298	9.73%
Apr	239.68	258.7	7.94%
May	245.07	264.53	7.94%
Jun	259.87	263.75	1.49%
Jul	290.69	297.65	2.39%
Exchange Rate	146.5	Local currency/US \$	

Trade

Fresh Asparagus

EU Countries CY - 1998	Export from Spain (MT)
France	5,757
Belgium	798
The Netherlands	1,145
Germany	5,895
Italy	2,097
United Kingdom	942
Austria	139
Denmark	91
Portugal	73
Norway	29
Ireland	16
Sweden	9
Finland	2
Total	16,993



Imports of asparagus take place mainly during the off-season months between October and January. In 1998, Spain imported 2,372 MT of fresh asparagus, compared to 2,876 MT imported in 1997. Imports in 1998 from the United States were 8 MT. The main fresh asparagus suppliers to Spain are Peru, Greece and Morocco. South American countries ship fresh asparagus imports by plane.

In 1998, fresh asparagus exports totaled 19,300 MT, of which 2,295 MT were white varieties. In comparison, 26,219 tons were exported in 1997, and the decline reflects the lower domestic availability in 1998. The main non-EU country destination for Spanish fresh asparagus is Switzerland, with 11.8 percent of the total exports. Currently, most exports are the white thick asparagus used for salads and sold to other EU countries, although Spain is making an effort to introduce the green-purple asparagus for use in cooking.

Apparently, the level of un-reported trans-shipments from Spain declined in 1998.

Import Trade Matrix			
Country		Spain	
Commodity		Fresh Asparagus	
Time period		CY	
Units:		Metric Tons	
Imports for:	1997		1998
U.S.	0	U.S.	8
Others		Others	
EU Countries	1427	EU Countries	981
Peru	999	Peru	990
Morocco	341	Morocco	215
Chile	68	Chile	100
Colombia	17	Argentina	44
Argentina	14	Mexico	17
South Africa	6	South Africa	12
Brazil	2	Switzerland	5
Total for Others	2874		2364
Others not Listed	2		0
Grand Total	2876		2372

Export Trade Matrix			
Country		Spain	
Commodity		Fresh Asparagus	
Time period		CY	
Units:		Metric Tons	
Exports for:	1997		1998
U.S.	0	U.S.	0
Others		Others	
EU Countries	23961	EU Countries	16993
Switzerland	2219	Switzerland	2285
Norway	25	Uruguay	5
Andorra	9		
Croatia	3		
Total for Others	26217		19283
Others not Listed	2		0
Grand Total	26219		19283

Canned Asparagus

Imports of canned asparagus were 26,425 MT in 1998, mostly from Peru, followed by China and the EU. A total of 4,545 MT of canned asparagus were exported in 1998, a small drop compared to the previous year. Lowered canned exports stem from the gradual reduction of area planted in the north of Spain, the main asparagus canning area, where most of the growers are small farms of less than an hectare. Exports to the U.S. totaled 33 MT of canned asparagus in 1997 and 24 MT in 1998. Andorra is the main third country destination for Spanish canned asparagus.

CANNED ASPARAGUS - TRADE 1997-1998

Country	Imp. 1997	Exp. 1997	Imp. 1998	Exp. 1998
EU Countries	1,664	4,400	2,249	3,942
Peru	20,686		19,125	
China	3,109		4,589	
South Africa	618		351	
Argentina	82		10	
Lesotho	42		99	
Brasil	28	15		
Andorra		148	2	223
Dominican Rep.		49		26
Mexico		36		36
USA		33		24
Venezuela		34		38
Cuba		25		15
Switzerland		17		25
Czech Rep.		11		94
Uruguay		11		27
Japan		6		10
S. Arabia				13
Other	0	47		
Total	26,229	4,832	26,425	4,545

Frozen Asparagus

Frozen imports (13 MT) and exports (13 MT) are insignificant. Most come from Peru, while 5 MT were shipped to the US.

Policy

Prices paid for third country canned asparagus are generally well below prices paid for Spanish asparagus. Growers are eligible to receive 500 ecus/ha (about \$565/ha). However, these payments are limited to an EU-wide quota of 9,000 hectares. Nonetheless, as Spain's total asparagus area is about 50% of the EU asparagus area, this subsidy is still very welcome by growers. These aids compensate Spanish producers for the presumed extremely low production and labor costs in competing asparagus producing countries such and Peru.