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Spain

Fishery Products

Annual

2001

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Report Highlights:

In CY 2000, Spain's total catch declined again as result of limits on catches in both EU and non-EU waters. To offset the smaller catch, Spain increased imports to 1.25 million tons, thus permitting consumption to remain stable. In 2000, U.S. seafood exports to Spain reached a new record of $63 million, amounting to 26,169 tons. For CY 2001, a new record in U.S. seafood exports is expected.

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

EXECUTIVE SUMMARY

In CY 2000, Spain's total catch continued to decline as a result of lower fish stocks and limits on catches in both EU and non-EU waters -- a trend that is likely to continue for the next few years. To offset the smaller catch, total imports of seafood rose by about 110,000 tons for the year, thus permitting consumption to remain stable. Greater output from fish farms also helped meet demand. Seafood consumption is expected to remain stable for CY 2001 despite higher prices, as consumers worry about health issues for red meats. In 2000, total exports of seafood (fresh and frozen) rose by about 50,000 tons. Spain will continue to be an active seafood trader in the foreseeable future, with most of its trade conducted with other EU countries.

In 2000, U.S. seafood exports to Spain reached a record $63 million, a remarkable performance considering the strength of the dollar throughout the year. In volume terms, U.S. exports totaled 26,169 tons, which included 9,903 tons of squid, 2,540 tons of fresh fish (mainly hake), and 1,963 tons of lobster. With expectations for further growth in imports, Spain's importers will be increasingly looking to the United States for quality seafood products. Price, however, will continue to be critical to marketing in Spain.

Current exchange rate: 182 pesetas = $1.00; this is 6 percent lower than in September 2000.

STRATEGIC INDICATOR TABLE

FISHERY PRODUCTS STRATEGIC INDICATOR TABLE					
		Previous	Current	Next	5 Year
		Year	Year	Year	Projections/
U.S. Competitive Position	Measurement *	Situation	Situation	Expectations	Expectations
U.S. Access Relative to Rest of World- Non-Tariff Measures (NTM)	Worse, equal, or better (choose one)	Equal	Equal	Equal	Equal
U.S. Access Relative to Rest of World - Tariffs	Higher, equal, or lower (choose one)	Equal	Equal	Equal	Equal
Presence of Marketing Programs (domestic and 3rd country) versus U.S. programs	More aggressive, about the same, or less aggressive (select one)	More Aggressive	More Aggressive	More Aggressive	More Aggressive
U.S. Prices Relative to Domestic and 3rd Country Prices	Higher, equal, or lower (choose one)	Equal	Equal	Equal	Equal
U.S. Market Share (3 Year. Average)	Percent	2.1	2.2	2.3	3
			Current	Next	5 Year
		Year	Year	Year	Projections/
Market Attractiveness	Measurement *	Situation	Situation	Expectations	Expectations
Per Capita Consumption of All Fishery Products	Kg per person	39	39	38	37
Per Capita Consumption of animal proteins (excluding fishery products)	Kg per person	124	125	125	126
Including poultry, pork, beef, eggs, lamb and rabbit meat. Dairy products are excluded					
Percent of population with refrigerators	Percent	96	97	97	98
Percent of fishery product sales at supermarkets	Percent	44	45	46	50
Percent of total food sales at supermarkets	Percent	35	37	39	44
Percent of animal protein sales at supermarkets (excluding fishery products)	Percent	43	44	46	50
Percent of fishery sales at HRI establishments	Percent	21	22	23	24
Percent of fishery sales at open markets	Percent	33	32	31	26
* If an explanation of rating is needed, insert a row and provide an explanation in the row below.					

GENERAL SEAFOOD AND PRODUCTS

Production

The total quantity of edible fish caught by Spanish vessels and landed in Spanish ports was estimated to be about 1,050,000 tons in CY 2000, about 54,000 tons less than the total for the previous year. For 2001, a further drop in is expected due to reduced catches in European Union (EU) waters and to the closure of Moroccan waters to the Spanish fleet. Encouraged by good domestic prices, production on farms rose again in 2000 and is expected to continue to rise in the next few years. Canned fish production in 2000 totaled 246,906 tons, up 2.6 percent from 1999. In addition, smoked fish production continues to gain in importance with output growing about seven percent to about 14,100 tons.

The main fresh species landed in Spain are blue fish, hake and whiting, cod, tuna, and cephalopods. Mussels are the most popular seafood item in Spain, primarily due their low prices. Tuna accounts for about half of all fish products used by the Spanish canning industry, followed by sardines, squid, mussels and mackerel.

Spanish aquaculture production for 1997-2000 was as follows (tons) :

	1997	1998	1999	2000
Finfish				
- Trout	21,650	26,500	29,000	31,000
- Gilthead bream	5,092	6,330	7,500	8,242
- Turbot	2,895	1,850	2,750	3,378
- Salmon	730	800	850	870
- Sea bass	956	1,408	1,658	1,837
- Others	325	358	360	370
Shellfish				
- Mussels	188,000	190,000	204,000	220,000
- Oysters	3,950	3,600	8,500	9,250
- Clams	4,573	4,300	6000	6,500
- Others	3,856	4,500	5200	5,500

Source: Ministry of Agriculture.

Spanish canned seafood production in 2000 was as follows:

Product	Volume (tons)	Average Price (pesetas/kilo)
Tuna	135,942	395
Bonito	11,977	1,139
Sardines	24,673	470
Mackerel	11,538	689
Anchovies	8,431	1,165
Mussels	11,301	1,093
Cephalopods	11,675	256
Cockles	5,675	545
Other	25,719	506
- TOTAL	**246,931**	**496**

Source: ANFACO (Canned Fish Producers Association)

Consumption

Spain is still the leading *per capita* consumer of seafood products in the EU and second in the world after Japan. Fish consumption during 2000 was about 39 kilos/per capita with a total consumption of 1.66 million tons. Smaller catches were offset by larger imports. For CY 2001, the BSE (mad cow) crisis could result in a larger or stable consumption of seafood products as consumers avoid red meats. While consumer preferences are largely determined by price, fresh fish is generally preferred over frozen products. Fresh products account for 53 percent of total seafood consumption; followed by frozen fish, at 34 percent, and canned and cured seafood products, at 13 percent. As catches decline in the future, prices for seafood are expected to rise and as a result, consumption is forecast to decline over CY 2002.

According to Mercamadrid, the largest seafood market in Spain, the main products consumed are:

Fresh fish	Frozen fish	Shellfish
Hake	Squid	Mussels
Anchovies	Hake	Littleneck clams
Whiting	Prawns	Other clams
Sardines	Shrimp	Shrimp
Sole	Swordfish	Crab
Salmon	Octopus	Portunus puber
Cod	Whiting	Oysters
Trout	Cuttlefish	Periwinkles

Trade

In CY 2000, imports rose to 1,254,171 tons, up nine percent from the previous year. About a quarter came from other EU countries, with Argentina, Morocco, Namibia, the Falkland Islands and the United States as the other major suppliers. The main fresh fish imported continue to be sardines, hake, salmon, flounder and anchovies, while hake, tuna, sole, mackerel and sardines are the main frozen imports. As the trend toward lower catches is expected to continue, imports are forecast to continue growing over the next few years. The table below shows imports by product category.

1997-2000 Spanish Seafood Imports (tons)

BTN	Product	1997	1998	1999	2000
03.02	Fish, fresh or chilled	198,540	208,221	201,972	232,012
03.03	Fish, frozen	303,140	361,151	321,825	331,896
03.04	Fish fillets	88,192	113,673	81,679	98,658
03.05	Fish, dried, salted	50,090	50,026	44,684	54,574
03.06	Crustaceans	106,215	130,114	117,562	143,708
03.07	Molluscs	260,937	282,534	277,050	318006
16.04	Canned fish	44,804	45,220	84,289	60,224
16.05	Cured fish	12,245	13,982	14,456	13,093
TOTAL		**1,064,163**	**1,204,921**	**1,145,51**	**1,254,171**

Source: Spanish Customs Office

In 2000, exports of fish and fisheries products increased both inside and outside the EU. While most shipments are destined for the EU, Asian countries are also important markets.

1997-2000 Spanish Seafood Exports (tons)

BTN	Product	1997	1998	1999	2000
03.02	Fish, fresh or chilled	67,341	67,837	70,797	76,367
03.03	Fish, frozen	215,685	318,545	337,67	380,764
03.04	Fish fillets	23,475	25,322	31,008	37,279
03.05	Fish, dried, salted	9,979	9,762	11,942	10,496
03.06	Crustaceans	11,513	12,571	30,978	18,300
03.07	Molluscs	129,030	133,198	136,74	141,106
16.04	Canned fish	52,315	75,550	97,658	97,096
16.05	Cured fish	18,101	17,970	17,990	22,625
TOTA		**529,436**	**662,753**	**736,79**	**786,033**

Source: Spanish Customs Office

Factors Affecting U.S. Trade

In CY 2000, lower catches in both EU and international waters and continued firm demand resulted in an increase of U.S. seafood exported to Spain. In CY 2000, U.S. seafood exports totaled 26,169 tons (worth $63 million), a seven percent increase over 1999; for 2001, an increase of about twenty percent is expected. U.S. fresh and frozen fish, frozen squid, salmon and lobster had the most significant increases. In 2000, the value of U.S. exports of salmon to Spain more than doubled and another increase is expected for 2001. U.S. exports of squid to Spain rose from 7,953 tons 1999 to 9,903 tons in 2000. The loss of the squid catch in Moroccan waters should increase opportunities for U.S. squid during the next few years. Shipments of U.S. surimi and canned salmon to Spain set new records in 2000 and are expected to remain buoyant in 2001. Demand in the canning industry for frozen tuna, sardines and mackerel continues to be strong and may increase further given the steady development of the canning industry and its exports. Potential also exists in the value-added or prepared fish sector as changing work patterns and lifestyles have increased the demand for ready-to-eat products.

Marketing

Lobster, salmon, fresh whiting, frozen squid, surimi and frozen fish have a large potential for U.S. exporters. The Spanish seafood canning industry imports frozen tuna and mackerel for processing and this sector is experiencing rapid growth. Demand for lobster (mainly U.S. lobster) is strong in Spain due to the increased use in the popular rice dish, paella, and for special occasion banquets. Finally, fresh fish (mainly whiting and hake) imported by air for direct consumption is also enjoying solid demand.

Most EU countries have a large presence at trade fairs and are engaged in promotional campaigns. In particular, Norway has campaigns to promote its salmon in most seafood outlets.

In 2000, in Mercamadrid, the largest central market in Spain, prices for fresh fish rose by about five percent, while prices for frozen fish rose by about six percent and prices for shellfish, by about three percent. The following seafood prices were obtained in a local fish shop, in pesetas/kg.:

Date	Sept. 9, 2001	Sept. 8, 2000	Sept. 15, 1999	Sept. 9, 1998
Hake, fresh	2,690	2,480	2,390	2,990
Hake, frozen sliced	960	860	860	870
Cod, fresh fillets	1,330	1,221	1,116	1,150
Salmon, fresh	690	720	680	660
Sole, frozen	n/a	n/a	n/a	970
Sole, fresh	1,650	1,550	1,990	1,990
Whiting, fresh	1,960	1,960	1,990	1,710
Sardines	350	370	360	390

SQUID/CUTTLEFISH

PSD Table						
Country	Spain					
Commodity	Squid/Cuttlefish				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	6000	6000	6000	6000	6000	6000
Total Production	18000	18000	18000	18000	0	22000
Intra-EC Imports	15000	15225	15000	15500	0	15500
Other Imports	100000	124002	95000	126500	0	127000
TOTAL Imports	115000	139227	110000	142000	0	142500
TOTAL SUPPLY	139000	163227	134000	166000	6000	170500
Intra-EC Exports	46189	47951	46000	48000	0	50500
Other Exports	6465	8599	6000	9000	0	9000
TOTAL Exports	52654	56550	52000	57000	0	59500
Domestic Consumption	80346	100677	76000	103000	0	105000
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	80346	100677	76000	103000	0	105000
Ending Stocks	6000	6000	6000	6000	0	6000
TOTAL DISTRIBUTION	139000	163227	134000	166000	0	170500

Production

Due to the termination of the EU's fishing agreement with Morocco , the Spanish squid catch reached only 18,000 tons in 2000, a decline of nearly 44 percent. To compensate for this lower catch, Spain increased imports in 2000 and should continue to do so in the next few years. The European Union, which is responsible for international fishing treaties, is looking for new fishing areas for the Spanish fleet to compensate for the loss of Moroccan waters. A new agreement with Mauritania may increase Spanish catches during the next few years.

Consumption

In 2000, Spanish squid consumption rose thanks to larger imports. Most is consumed fresh, but about 12,500 tons were used by the canning industry. Consumption is expected to further expand in the next few years.

Trade

Most squid and cuttlefish are imported frozen. In 2000, imports from the United States rose to 9,903 tons due to lower domestic catch. For 2001, imports are expected to rise to offset a lower domestic catch and an expected higher consumption. Spanish exports are expected to rise again to meet demand in other European countries.

Spanish Imports of Squid/Cuttlefish (tons)

Import Trade Matrix			
Country	Spain		
Commodity	Squid/Cuttlefish		
Time period	CY	Units:	Metric Tons
Imports for:	1999		2000
U.S.	7953	U.S.	9903
Others		Others	
Falkland Islands	21183		38599
Morocco	14160		27811
India	14556		16526
EU Countries	15574		15225
China	8246		6716
Total for Others	73719		104877
Others not Listed	23011		24447
Grand Total	104683		139227

Spanish Exports of Squid/Cuttlefish (tons)

Export Trade Matrix			
Country	Spain		
Commodity	Squid/Cuttlefish		
Time period	CY	Units:	Metric Tons
Exports for:	1999		2000
U.S.	108	U.S.	116
Others		Others	
EU Countries	46189		45727
Hungary			2108
Total for Others	46189		47835
Others not Listed	6357		8599
Grand Total	52654		56550

Marketing

Spain offers good opportunities for U.S. squid exports, as demand remains firm, while the local catch is expected to decline. Most imports are handled by frozen food processors, who also organize their own distribution. The United States' main competition comes from well- established squid suppliers including other EU countries, the Falkland Islands, Morocco, China and India.

The following prices (in pesetas/kg) for squid and squid products were obtained from a local market and are generally representative of prices in major Spanish urban areas:

Date	Sept. 9, 2001	Sept. 8, 2000	Sept. 15, 1999	Sept. 9, 1998
Squid, whole, fresh	2,150	2,290	1,790	1,750
Squid, whole, frozen	750	788	520	592
Squid, rings, frozen	630	610	590	695

LOBSTER

PSD Table						
Country	Spain					
Commodity	Lobster				(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Beginning Stocks	100	100	100	100	100	100
Total Production	1500	1500	1500	1500	0	1500
Intra-EC Imports	700	591	700	600	0	620
Other Imports	6200	5551	6500	5600	0	5600
TOTAL Imports	6900	6142	7200	6200	0	6220
TOTAL SUPPLY	8500	7742	8800	7800	100	7820
Intra-EC Exports	3500	2449	3750	2500	0	2500
Other Exports	50	1	50	1	0	1
TOTAL Exports	3550	2450	3800	2501	0	2501
Domestic Consumption	4850	5192	4900	5199	0	5219
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	4850	5192	4900	5199	0	5219
Ending Stocks	100	100	100	100	0	100
TOTAL DISTRIBUTION	8500	7742	8800	7800	0	7820

Production

Supplies of lobster (*Homarus*) and spiny lobster (*Panulirus*) landed in Spanish ports by Spanish vessels or taken from fish farms remained stable at about 1,500 tons. The majority of this amount is derived from wild catch, with only about 42 tons per year produced by farms. Most are caught in northern Spain, mainly in Galicia, but they are very scarce, and no increases in production are expected in the near future. The majority of the catch is of the *Homarus* genus.

Consumption

Lobster consumption rose in CY 2000 despite the high prices. The strength of the dollar is hampering exports to the Spanish market. About 60 percent of total lobster consumption consists of frozen imported lobster. Lobster consumption competes primarily with high quality shrimp, prawns, and crab, which are generally lower priced. Despite the constraint imposed by the strong U.S. dollar, demand for U.S. product is growing due to increased use of the product for special occasions, such as wedding banquets, and due to continued use as an ingredient in high quality paellas.

Trade

In 2000, imports of lobsters declined due to lower imports of frozen lobsters. However imports from the U.S.(mainly live lobsters) rose by 19 percent. Due to the popularity of U.S. lobsters, imports could rise even further in CY 2001.

Spanish Imports of Lobster (tons)

Import Trade Matrix			
Country	Spain		
Commodity	Lobster		
Time period	CY	Units:	
Imports for:	1999		2000
U.S.	1651	U.S.	1963
Others		Others	
Cuba	3203		2686
EU Countries	702		591
Marocco	192		310
Canada	290		280
Total for Others	4387		3867
Others not Listed	392		312
Grand Total	6430		6142

Source: Spanish Customs Office

Spanish Exports of Lobster (tons)

Export Trade Matrix			
Country	Spain		
Commodity	Lobster		
Time period	CY	Units:	Metric Tons
Exports for:	1999		2000
U.S.		U.S.	
Others		Others	
EU Countries	3037		2449
Total for Others	3037		2449
Others not Listed	46		1
Grand Total	3083		2450

Source: Spanish Customs Office

Marketing

Spain continues to offer good possibilities for exports of live Maine lobsters, especially for affluent, urban consumers. Maine lobster is increasingly popular among consumers due to use in paella and as a luxury food during special events, such as wedding banquets. The ability to supply a large number of lobsters with the same size is a key factor to explain the use in banquets.

The following are representative prices (pesetas /kg) of fresh and frozen lobster in a Madrid supermarket:

Date	Sept.9, 2001	Sept.8, 2000	Sept.15, 1999	Sept.9, 1998
Spiny Lobster, live	12500	10980	9.990	9.990
Lobster, live	3850	3600	3.200	2.820
Lobster, live(domestic)	7100	5990	4,780	4,980
Spiny Lobster, frozen	3950	3700	3,600	3,100