

Voluntary Report - public distribution

Date: 12/1/2003

GAIN Report Number: SP3042

Spain

Oilseeds and Products

Peanut Sector Report

2003

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Report Highlights:

Spain's consumption of nuts, including peanuts, is growing as part of the Mediterranean diet. The industry is investing in upgraded facilities, technology and new products. Raw peanut imports are estimated at about 40,000 tons in MY 02/03. U.S. peanuts, which had a 22 percent market share last year, are facing growing competition from China and Argentina. Rising incomes may help to impede a further erosion of U.S. peanut sales in the Spanish market.

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

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EXECUTIVE SUMMARY

Spain is basically a peanut import market. Like other nuts, peanut consumption has grown dramatically due largely to increased health awareness, particularly the benefits of the Mediterranean diet in particular. Current peanut use is estimated at about 40,000 tons. Fueled by increased prices and rising consumption, the nut industry is investing in enlarging and modernizing facilities, new products and advertising. U.S. peanuts are losing market share due their price gap with peanuts sourced in China or Argentina. Some leading processors, however, remain loyal to U.S. peanuts due to their superior quality. Rising domestic income, coupled with increased consumption, may help to prevent further erosion of U.S. peanut sales in Spain.

PRODUCTION

There is no commercial production of peanuts in Spain.

CONSUMPTION

There is a general upward trend in nut consumption in Spain. Nuts, including peanuts, are a traditional component of the "Mediterranean diet" which is being heavily promoted as a particularly healthy diet. As a result of increased health awareness, nut consumption has grown in Spain over the past several years.

For CY 2002, total nut consumption as snacks reached 125,000 tons, a 16 percent gain over the previous year. (source: AgMinistry). Peanuts and almonds are the leading products, followed by walnuts, pistachios, sunflower seed, hazel nuts and squash seeds.

Like other nuts, peanut consumption has dramatically increased over the past several years. In the five-year period MY 1997/98-2002/03, it increased 12 percent to about 42,000 tons, raw peanut basis. In MY 2002/03, peanut consumption, however, decreased to about 40,000 tons. All peanuts are used as snacks or in food ingredients. No peanuts are crushed in Spain.

Retail sales of snack peanuts reached 18,000 tons last year. Of this amount, sales to households accounted for about 60 percent and the remaining 40 percent went to the HRI (hotel, restaurant and institution) channel. The average retail price was €3.38 per kilogram for household sales and €2.50 per kilogram for HRI establishments (source: AgMinistry)

In supermarkets, snack peanuts are the main nuts sold; about 8,300 tons were sold during the 12 month period ending on May 18, 2003 (representing 23.7% of the nut category), followed by sunflower seeds (18.1%), walnuts (12.5%), and mixed nuts (12%). In terms of value, however, almonds (16%), exceed peanuts (15.6%), sunflower seeds (14.2%) and pistachio nuts (14%) (source: Alimarket).

TRADE

Nut imports are growing rapidly into Spain. They have increased over 80 percent during the past five years to about 172,000 tons in MY 2002/03 (September-August). In that five-year period, almond and walnut imports increased by 85 and 73 percent, to 48,000 tons and 26,000 tons, respectively. Pistachio imports showed the most impressive growth to 20,000 tons from 5,600 tons in MY 97/98. Other tree nut imports growing rapidly into Spain include chestnuts and pine nuts. Peanut imports in that five-year period increased by 11 percent to about 40,000 tons (see chart).

Trade of processed peanuts is also increasing. Imports of processed peanuts (such as roasted peanuts) amounted to €5 million last year. These imports are being matched by peanut product exports (see chart).

PRICES

Since peanuts are imported items, their wholesale quotations are based on international markets. For retail prices, please see section on Consumption.

MARKETING

Nuts are sold primarily in supermarkets and other modern outlets. However, a significant portion is still sold in traditional neighborhood markets and nut shops as well as kiosks.

In supermarkets, private labels for peanuts dominate the market (64% in value and 80% in volume). The main consumer brands for peanuts sold in supermarkets include EAGLE SNACKS, (23% in value and 9% in volume), BORGES (3% in value and 2% in volume), FRIT RAVICH (2% and 2% respectively), STI I.-Casamayor (2% and 2%) and the remaining brands (1% and 1%), (Data for the 12 month period ending on May 18, 2003. Source, Alimarket).

INDUSTRY'S SITUATION

Over 80 Spanish firms process nuts in one way or another (dehulling, toasting, coating, packaging etc.). The aggregate turnover of those 80 companies is estimated at nearly €900 million in 2002. A few large companies, however, dominate the market, processing domestic and imported nuts as well. Almond and filberts are largely produced in Spain but significant imports of these two items are made to meet all the country's needs. Peanuts, walnuts and pistachios are basically imported items.

Fueled by increased consumption and rising prices, the nut industry is making significant investments. Several leading nut companies are enlarging or modernizing their facilities. Two firms launched new automated production lines last year. Some firms are also developing new products or enhancing packing designs and display stands, following customers' current preferences. Advertising is important in this industry. Total advertising expenditure by nut companies amounted to €3 million in 2001, nearly €1 million more than in the preceding year. Some industry consolidation is taking place, as well as investments in promising markets such as Eastern Europe. (source: Alimarket).

Competition comes from Chinese and Argentine peanuts. For many years, Chinese peanuts tended to turn stale during the summer, so many processors only sold them only during the winter. However, importers say that as shipping problems and delivery times have been reduced, the quality of Chinese peanuts has been improving. They also say that the kernel sizes of Chinese peanuts are generally larger than the most commonly available U.S. type. For these reasons, many processors have switched to peanuts sourced in countries other than the U.S. However, some roasters/manufacturers remain loyal to U.S. peanuts due to a strong belief in their quality. (source: trade).

Rising per capita income and declining unemployment may help to sustain U.S. peanuts in Spain despite their price premium over other sources. In addition to the healthy Med-diet, nuts are being promoted in medically prescribed diets as well as exercise diets for students and physically active people. (source: Alimarket).

TRADE TABLES

Nut Imports

	Sep 97-Aug 98	Sep 98-Aug 99	Sep 99-Aug 00	Sep 00-Aug 01	Sep 01-Aug 02	Sep 02-Aug 03
						(estimate)
ALMONDS	25,915	26,286	33,693	29,567	42,290	48,000
HAZELNUTS	8,741	9,281	11,366	9,253	14,262	14,656
WALNUTS	15,288	16,437	22,836	22,371	34,851	25,732
PISTACHIOS	5,610	11,946	8,247	11,802	14,199	19,940
CHESTNUTS	886	3,891	2,618	3,047	2,435	3,893
OTHER	4,736	11,715	12,214	19,011	9,818	20,195
TREE NUT IMPORTS	61,177	79,556	90,974	95,051	117,854	132,416
						-
PEANUTS	33,626	35,613	36,435	34,678	42,312	40,005
						-
TOTAL NUT IMPORTS	94,803	115,169	127,409	129,729	160,166	172,421

In-Shell Peanuts Imports

Country	Quantity (Metric Tons)			Value (Million of EU Euros)		
	CY 2000	CY 2001	CY 2002	CY 2000	CY 2001	CY 2002
--World--	14,360	13,089	13,136	11.14	10.21	8.82
China	10,544	9,874	10,478	7.36	7.03	6.41
United States	3,307	2,123	1,929	3.24	2.18	1.84
Brazil	295	969	536	0.31	0.89	0.41

Shelled Peanuts Imports

Country	Quantity (Metric Tons)			Value (Million of EU Euros)		
	CY 2000	CY 2001	CY 2002	CY 2000	CY 2001	CY 2002
--World--	21,927	25,906	25,654	19.99	23.42	20.24
China	13,222	17,239	14,897	11.01	13.86	10.56
United States	6,661	4,766	6,665	7.05	5.65	6.36
Argentina	1,629	3,074	3,559	1.52	3	2.83
Brazil	-	138	241	-	0.11	0.16
Netherlands	176	515	126	0.21	0.63	0.13

In-Shell Peanuts, Average Import price Euros/Ton

--World--	775.69	780.28	671.19
China	697.71	712.3	611.34
United States	980.59	1,026.84	952.68
Brazil	1,052.61	913.54	770.02

Shelled Peanuts, Average Import price Euros/Ton

--World--	911.89	903.96	789.11
China	832.76	803.93	708.67
United States	1,058.06	1,186.33	953.5
Argentina	931.69	976.45	795.29
Brazil	-	780.51	650.25
Netherlands	1,184.03	1,215.67	1,067.46

Processed Peanuts Imports

Product	Quantity (Metric Tons)			Value (Million of EU Euros)		
	CY 2000	CY 2001	CY 2002	CY 2000	CY 2001	CY 2002
Roasted, <1kg	649	1,420	1,893	0.2	0.3	0.5
Other, <1kg	98	120	210	0.4	0.7	0.9
Roasted, >1kg	274	413	541	2.1	1	0.2
Other, >1kg	1,146	467	116	1.2	2.4	2.9
Peanut Butter	115	129	160	0.3	0.3	0.5
Total	2,282	2,549	2,920	4.2	4.7	5

Processed Peanuts Exports

Country	Quantity (Metric Tons)			Value (Million of EU Euros)		
	CY 2000	CY 2001	CY 2002	CY 2000	CY 2001	CY 2002
Roasted, <1kg	507	608	492	0.8	0.9	0.9
Other, <1kg	342	508	2,214	0.8	1	2.5
Roasted, >1kg	120	577	303	0.2	0.4	0.4
Other, >1kg	13	31	18	-	-	-
Peanut Butter	1		22	-	-	-
Total	983	1,724	3,049	1.9	2.4	3.9