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Spain

Seafood

Seafood Report

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Prepared by:

Chris Rittgers

U.S. Embassy

Drafted by:

Diego Pazos Moran

Report Highlights:

With Spain's catch continuing to decline, and as one of the world's leading consumers of seafood, Spain will remain an important seafood buyer in the future. U.S. squid, hake, and lobster, among other products, will continue to have excellent potential in this market.

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

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Executive Summary

Spain's total catch continued to decline in 1997 as a result of lower fish stocks and limits on catches in international waters. For 1999 and 2000, total catch is expected to continue declining as agreements with non-European Union Countries and Spain's full integration into the EU Common Fisheries Policy (CFP) will continue to curtail raw product availability. To compensate for lower catch, both imports and fish production from farming is expected to rise during the next few years. As a result of higher prices and changing consumption preferences, total consumption declined in 1997. As Spaniards continue to diversify their diet, seafood consumption is expected to continue declining the next few years. Exports of canned and cured products continues to grow, and both exports and output of these processed seafood products are expected to continue expanding through 1999. In 1997, both total imports and exports rose significantly, and Spain is expected to continue to be an active seafood trader through 1999. However, the majority of the trade will continue to be conducted other EU countries.

In 1997, U.S. seafood product exports to Spain reached a record of 29,953 tons. Spain continues to be a good market for U.S. seafood products, particularly squid (15,809 tons in 1997), fresh fish (mainly hake) (4,799 tons), frozen fish (4,788 tons), and live lobster (1,005 tons in 1997). With lower catches in the future and expectations for further growth in imports, Spain's importers will be increasingly looking to the U.S. for seafood products. Price, however, will continue to be critical in marketing in Spain. U.S. salmon continues to face stiff price competition from Norway and Chile. Besides price issues, U.S. exporters should continue to focus on trade servicing, consistency, and reliability when attempting to market in Spain as the seafood import segment is often difficult to break into.

Current exchange rate: 144 pesetas/\$1.00; 5 percent lower than during September 1997.

General Seafood and Products

PSD Table						
Country:						
Commodity:	Total Edible Fishery Products					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Landings/Comm'l Catch	0	1369845	0	1351700	0	1330000
Fresh/Frz Production	0	931000	0	915000	0	890000
Canned Production	0	230884	0	231000	0	230000
Cured Production	0	43580	0	43500	0	44000
Total Production	0	1205464	0	1189500	0	1164000
Fresh/Frozen Imports	0	1007214	0	1010000	0	1050000
Canned Imports	0	44804	0	45000	0	45000
Cured Imports	0	12245	0	12000	0	10000
TOTAL Imports	0	1064263	0	1067000	0	1105000
Fresh/Frozen Exports	0	548542	0	580000	0	600000
Canned Exports	0	64931	0	70000	0	72000
Cured Exports	0	17912	0	18000	0	18000
TOTAL Exports	0	631385	0	668000	0	690000

Production

According to trade sources, the total quantity of fish caught by Spanish vessels and landed in Spanish ports in 1997 amounted to 1,369,000 tons, lower than in 1996. In 1998 and 1999, Spain's catch should decline again as supplies in international waters, especially around Morocco and Mauritania, continue to dwindle, and due to current agreements that force further reductions in catches. Production on farms (other than mussels) rose again in 1997. On-farm production is expected to continue growing as returns in this sector continue to be positive. Canned fish production in 1997 amounted to 229,380 tons, up 1 percent from 1996. In addition, smoked fish production continues to gain in importance with output growing about 5 percent to 10,800 tons. The main fresh species landed in Spain are: Blue fish, hake and whiting, codfish, tuna fish, cephalopods. Mussels are the most popular seafood item in Spain, due primarily to their low prices. Tuna fish accounts for about half of all fish products used by the Spanish canning industry, followed by sardines, squid, mussels and mackerel.

Aquiculture production (tons) in 1997 and 1996 was as follows:

	1997(est)	1996
Continental Fish		
- Trout	21,650	19,698
- Others	410	400

	1997(est)	1996
- Gilthead bream	5,092	3,818
- Turbot	2,895	2,189
- Salmon	730	726
- Sea bass	956	693
- Others	325	416
Shellfish		
- Mussel	188,000	188,462
- Oyster	3,950	3,719
- Clam	4,573	3,719
- Others	3,856	3,039

Source: Spanish Ministry of Agriculture.

Canned seafood production in 1997 was as follows:

Product	Volume in MT	Average Price
-----		----pesetas/kilo--
Tuna fish	123,933	387
White tuna	10,957	1,036
Sardines	24,500	404
Mackerel	11,564	635
Other fish	11,316	464
Anchovy	6,396	1,189
Mussel	11,595	822
Cephalopods	10,976	266
Cockle	6,059	494
Other	13,588	535
- TOTAL	230,884	486

Source: ANFACO (Canned Fish Producers Association)

Consumption

Spain is still the leading consumer of seafood products in the EU and second in the world only to Japan. Fish consumption during 1997 declined to around 40.4 kilos/per capita, while total consumption amounted to 1.63 million tons. While consumer preferences continue to be largely driven by price, fresh fish is generally preferred over frozen products. However, both fresh and frozen consumption is declining due to higher prices. In terms of seafood products consumed, fresh products consist of 51 percent of total consumption, followed by frozen fish at 18 percent, mollusks and crustaceans at 20 percent, and canned seafood products at 10 percent. In 1997, Mercamadrid, where a large share of the fish in and around Madrid is distributed, marketed about 168,013 tons of seafood products, 2.5 percent lower than in 1996.

According to Mercamadrid's data, the main seafood products consumed in Spain are the following:

Fresh fish	Frozen fish	Shellfish
-----	-----	-----
Anchovies	Squid	Mussel
Hake	Hake	Luttleneck
Whiting	Shrimp	Shrimp
Sardine	Prawn	Crab
Megrim	Whiting	Clam
Salmon	Octopus	Portunus puber
Trout	Sole	Perivinkle
Codfish	Illex illecebrosus	Oyster
Sole	Codfish	Snails
Bream	Bream	Edible crab

Trade

As a result of lower catches, in 1997 imports increased to about 1,064,500 tons, up about 9 percent from the previous year. About a third of imports came from other EU countries in 1997, with Argentina, Morocco, Namibia and the U.S. being the other major suppliers. The main fresh fish species imported continue to be sardines, hake, salmon, megrim and anchovies, while hake, tuna, sole, mackerel; and sardines are the main species imported frozen. As the trend of lower catches is expected to continue, imports are forecast to continue growing in 1998 and 1999. The table below shows imports by product category.

IMPORTS (M.T.)

BTN	Product	1997	1996
---	----	----	----
03.02	Fish, fresh or chilled	198,540	189,176
03.03	Fish, frozen	303,140	253,002
03.04	Fish fillets	88,192	98,430
03.05	Fish, dried, salted	50,090	48,881
03.06	Crustaceans	106,215	106,328
03.07	Molluscs	260,937	223,207
16.04	Canned fish	44,804	41,906
16.05	Cured fish	12,245	15,570
TOTAL		1,064,163	976,500

In 1997 exports of fish and fisheries products rose mainly to larger export to non- European Union countries. Export to European Union countries declined marginally. Nonetheless, about 60 percent of Spain's seafood exports still went to other EU countries in 1997 with Japan, Nigeria and Thailand being the main non-EU destinations. Asia's economic problems is expected to result in lower exports in 1998 and 1999.

EXPORTS (M.T.)

BTN Product	Year 1996	Year 1997
03.02 Fish, fresh or chilled	71,542	67,341
03.03 Fish, frozen	307,916	215,685
03.04 Fish fillets	24,491	23,475
03.05 Fish, dried, salted	11,270	9,979
03.06 Crustaceans	11,575	11,513
03.07 Molluscs	121,852	129,030
16.04 Canned and cured fish	64,931	52,315
16.05 Canned	17,912	18,101
TOTAL	631,385	527,439

Factors Affecting U.S. Trade

The stable peseta/dollar relationship and the strength of the Spanish economy resulted in a dramatic increase of U.S. seafood exports to the Spanish market. U.S. exports rose to 29,953 tons in 1997, about double the previous year. U.S. squid and frozen fish exports had the most significant increases. Expectations for additional reductions in Spain's catch and growth in imports should further increase opportunities for U.S. exporters during the next few years. Demand in the canning industry for frozen tuna fish sardines and mackerel continues to be strong and may increase further given the steady development of the canning industry and Spain's growing canned product exports. U.S. salmon still faces stiff competition from Norwegian salmon. Not only is salmon from Norway often lower-priced than U.S. salmon, but consumers tend to favor fresh product from Norway rather than frozen salmon from the U.S. Reportedly, salmon prices in Sept. 1998 were depressed as a result of an over-supply from Norway and Chile. However, U.S. salmon continues to have opportunities in Spain as consumers increasingly become aware of the quality of the U.S. product. Nonetheless, price will continue to be of paramount importance. 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.

Export Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Exports for	1997		1998
U.S.	7727	U.S.	NA
Others		Others	
EU Countries	383136		
Japan	31622		
Nigeria	25834		
Ivory Coast	16943		
Thailand	34822		
Ecuador	13764		
Total for Others	506121		0
Others not listed	117537		
Grand Total	631385		0

Import Trade Matrix			
Country:		Units:	Metric tons
Commodity:			
Imports for	1997		
U.S.	29953		
Others			
EU Countries	322050		
Argentina	130001		
Morocco	78479		
Namibia	58253		
Ecuador	24881		
Chile	25435		
South Africa	23947		
Falkland I.	22660		
Mauritania	11617		
Total for Others	697323		
Others not listed	336987		
Grand Total	1064263		

Prices

Fish prices for fresh fish and frozen rose by about 9 percent during 1997. Prices

The following seafood prices were obtained in a local fish shop, in pesetas/Kg.:

Date	09/09/98	09/07/97
Hake, fresh	2,990	2,700
Hake, frozen sliced	870	840
Cod, fresh fillets	1,0150	1,090
Salmon, fresh	660	650
Sole, frozen	970	950
Sole, fresh	1,990	1,600
Whiting, fresh	1,710	1,500
Sardines	390	340
Squid, frozen rings	695	841

Marketing

Squid, both fresh and frozen, continues to be a very popular product in Spain, and is also a product that holds potential for U.S. exporters. The 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, some of the most popular rice paella is cooked with lobster. In addition, the smoked salmon industry is maturing and this could be a good market for U.S. high quality salmon (King salmon). Finally, Surimi has excellent consumer appeal.

Competitor Activities

While most EU countries have a large presence at trade fairs and are engaged in other promotional campaigns, Norway's salmon promotional activities probably have the most direct impact on U.S. salmon export interests. The campaign includes broad media presence, labeling, and in-store promotional materials. Posters and other materials advertising salmon from Norway can be found in most seafood outlets.

Import Requirements

Seafood product imports into Spain are governed by EU regulations. Exporting seafood plants must be EU approved as specified in Directive 91/493. Other requirements for marketing fish in Spain are contained in EU Directive 91/43 (Spain's Royal Decree 1437/92), and details regarding the form that must accompany seafood products entering Spain can be found in EU directive 93/185.

Squid/Cuttlefish

PSD Table						
Country:	Spain					
Commodity:	Squid/Cuttlefish					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Beginning Stocks	6000	6000	6000	6000	6000	6000
Total Production	50000	37000	35000	33000	0	32000
Intra-EC Imports	24000	18072	27000	20000	0	20000
Other Imports	111000	89939	95000	90000	0	90000
TOTAL Imports	135000	108011	122000	110000	0	110000
TOTAL SUPPLY	191000	151011	163000	149000	6000	148000
Intra-EC Exports	43000	42246	53000	42000	0	42000
Other Exports	8000	4839	10000	4000	0	4000
TOTAL Exports	51000	47085	63000	46000	0	46000
Domestic Consumption	134000	97926	94000	97000	0	96000
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	134000	97926	94000	97000	0	96000
Ending Stocks	6000	6000	6000	6000	0	6000
TOTAL DISTRIBUTION	191000	151011	163000	149000	0	148000

Production

Spain's cuttlefish, squid, and loligo catch declined is estimated to have declined 12 percent in 1997. Catches and production are forecast to continue declining as a result of Spain's 1995 treaty with Morocco, where most of Spain's catch occurs. Under this treaty, Cephalopods catches in Moroccan waters are scheduled to drop 39.3 percent during the period 1997-2000. Squid represents 14 percent of the total cephalopods landed in Spain, cuttlefish 18 percent, and octopus, 68 percent. Of total frozen cephalopod production, squid represents 33 percent, flying squid 26 percent, and octopus, 41 percent of the total.

Consumption

For the next few years a decline in consumption is expected as a result of lower catches. Squid is usually consumed battered and fried, with the ubiquitous squid "tapas" and sandwiches being the most common form in which they are consumed. While around 8,900 tons of squid were used in the canning industry in 1997.

Trade

Most squid and cuttlefish imports are frozen (more than 85 percent of the total imports). In 1997, imports from the U.S. were about double the previous year mainly due to lower catches. Imports should continue growing during the next few years to compensate for the expected lower catches and to allow continued Spanish exports to the other EU countries. Squid exports declined by 27 percent in 1997, mainly due to lower exports to the EU. Spain's squid exports are mostly fresh and almost all destined for other EU countries.

Export Trade Matrix			
Country: Spain		Units: Metric Tons	
Commodity: Squid			
Exports for	1996		1997
U.S.	71	U.S.	25
Others		Others	
EU Countries	54424		42246
Japan	3330		1182
Croatia	1226		1052
Slovenia	1836		
Cuba	848		
Total for Others	61664		44480
Others not listed	3586		2580
Grand Total	65321		47085

Import Trade Matrix			
Country: Spain		Units: Metric Tons	
Commodity: Squid			
Imports for	1996		1997
U.S.	3440	U.S.	15809
Others		Others	
EU Countries	23781		18072
Morocco	13969		15508
Falkland I.	21891		10125
India	8841		8535
China			7365
Argentina			3370
Senegal			2784
Total for Others	68482		65759
Others not listed	34120		26443
Grand Total	106042		108011

Prices

The following prices (per kilogram, in pesetas) for squid and squid products were obtained from an indicative local market and are generally representative of prices in major Spanish urban areas:

Date	09/09/98	09/05/97
Squid, whole, fresh	1,750	1,740
Squid, rings fresh	N/A	1,660
Squid, whole, frozen	592	672
Squid, rings, frozen	695	790

Marketing

Spain offers good opportunities for U.S. squid exports, as demand remains firm, while local catch is expected to decline. Most imports are undertaken by frozen food processors, who also handle their own distribution. The U.S.'s main competition comes from already established squid suppliers such as Falkland I., India, Morocco and Mauritania, because they offer low-priced products.

Lobster

PSD Table						
Country:	Spain					
Commodity:	Lobster					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		07/1998		01/1999
Beginning Stocks	100	100	100	100	100	100
Total Production	2100	1500	2100	1500	0	1500
Intra-EC Imports	676	603	650	600	0	600
Other Imports	1949	4247	2100	4500	0	4700
TOTAL Imports	2625	4850	2750	5100	0	5300
TOTAL SUPPLY	4825	6450	4950	6700	100	6900
Intra-EC Exports	915	1307	915	1500	0	1600
Other Exports	12	44	12	10	0	10
TOTAL Exports	927	1351	927	1510	0	1610
Domestic Consumption	3798	4999	3923	5090	0	5190
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	3798	4999	3923	5090	0	5190
Ending Stocks	100	100	100	100	0	100
TOTAL DISTRIBUTION	4825	6450	4950	6700	0	6900

Production

Fresh lobster (*Homarus*) and spiny lobster (*Panulirus*) landed in Spanish ports, caught by Spanish vessels or taken from nurseries in 1997 totaled approximately 44 tons. The majority of this quantity is derived from wild catch production, with only about 9 tons per year produced in nurseries. Most are caught in northern Spain, mainly in Galicia, but they are very scarce, and no increases in production are expected for the near future. The majority of the catch is the *homarus* variety.

Consumption

Lobster consumption rose in 1997 due to the strength of Spain's economy and stable relationship between the peseta/dollar. The weakening dollar could lead to greater consumption in 1998 and 1999 as relative import prices decline. More than half of total consumption consists of frozen imported lobster. Lobster consumption competes primarily with high quality shrimp, prawn, and crab, which are generally lower priced.

Trade

In 1997, Spain was a very active country in the trade of lobsters. Exports rose by 46 percent and imports by 85 percent. Imports of U.S. lobster rose by 35 percent, mainly live lobsters. Exports and imports could rise again in 1998 due to the recovery of Spanish economy. A large share of Spanish imports of lobsters are re-exported to other European Union countries.

Export Trade Matrix			
Country: Spain		Units: Metric Tons	
Commodity: Lobster			
Time period:	1997		
Exports for	1996		1997
U.S.		U.S.	
Others		Others	
EU Countries	915		1307
Total for Others	915		1307
Others not listed	12		44
Grand Total	927		1351

Import Trade Matrix			
Country: Spain		Units: Metric Tons	
Commodity: Lobster			
Time period:	1997		
Imports for	1996		1997
U.S.	800	U.S.	1083
Others		Others	
EU Countries	676		603
Cuba	557		2437
Canada	148		
Total for Others	1381		3040
Others not listed	444		727
Grand Total	2625		4850

Marketing

Spain continues to offer good possibilities for exports of live Maine lobster, especially for consumption in the upper income segments. However, price continues to be of paramount importance. While lobster is currently perceived as a luxury product (mainly spiny lobster), middle income segments of the population could be reached with competitive pricing.

Prices

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

Date	Aug 9,98	Sept 5, 97
Spiny Lobster, live	9,990	8,990
Lobster, live	4,980	4,790
Spiny Lobster, frozen	3,100	3,400