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Spain

Agricultural Situation

Weekly Highlights

2008

Approved by:

Margaret E. Thursland
Agricultural Counselor
U.S. Embassy Madrid

Prepared by:

FAS Madrid Staff: Arantxa Medina and Laura Jerez

Report Highlights:

- Huelva's strawberry sector loses about 25% of production due to the ban on methyl bromide
- Spanish citrus growers announce a general strike just before Christmas
- Spanish exports of fruits and vegetables up 22 percent in September
- The Government of Spain regulates the citrus modernization plan
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Huelva's strawberry sector loses about 25% of production due to the ban on methyl bromide

According to the President of Freshuelva, Jose Manuel Romero, the production of strawberries in the Province of Huelva has fallen between 20 and 25 percent in the last three years, as a result of the prohibition on the use of the methyl bromide for cultivated soil disinfection.

Following the EU's limits on the use of crop protection products on fruit and citrus production, the strawberry sector in Huelva continues to search for a better method to substitute for methyl bromide. Experts point out that there is a wide range of alternatives to methyl bromide but, so far, none have demonstrated the same level of effectiveness.

Regarding the current financial situation and its effect on the strawberry sector, industry sources point out that producers are concerned about the availability of money in European markets. The citrus sector is already suffering from the financial crisis; however, indications are that the situation for strawberries will be more positive than that of citrus. (Source: agroinformacion.com 12/10/2008)

Spanish citrus growers announce a general strike just before Christmas

The Spanish citrus sector faced unrest this week as grower groups stepped up and announced a general strike in response to the current situation of the sector including the collapse of this year's *clementine* and *navelina* orange harvest forced by the European wholesalers and distributors. In addition, the sector wants to explain to the regional and central administrations the current situation and warn them about the need for short term measures to alleviate the structural problems they have faced for the past four consecutive seasons.

Farmers associations have informed that citrus prices are plummeting, as can be seen in the 'Price Observatory', published by the Government of Spain. According to the statistics, from the beginning of the harvest the prices at origin of clementines have dropped by 50 percent (from 0.30 euro/kg to 0.15 euro/kg in the last week of November), the worst prices in history only surpassed by marketing year 2006/07 (0.12 euro/kg). The same could be said about *navelina* oranges, which registered a decline of 45 percent so far in this season (from 0.18 euro/kg to 0.10 euro/kg). In both cases, producers claim that they are selling below production costs and that this situation is not sustainable.

Representatives of the citrus growers want to bring to the attention of the public and the regional and national authorities the importance of a strategic sector that employs 150,000 people, both directly and indirectly, in the Valencia Region. The main agricultural and farmers associations want to stress the fact that the citrus sector, at both the national and regional level, is important for the balance of trade. They are requesting the same attention as other industries in Spain which, despite aid received, are already losing employment. (Source: agroinformacion.com 12/11/2008)

Spanish exports of fruits and vegetables up 22 percent in September

Spanish exports of fruits and vegetables in September 2008, compared to the same month of the previous year, increased by 22.3 percent in volume and 21.8 percent in value.

The main products exported were fruits, reaching 331 TMT (up 28 percent) with a value of 245 million Euros in this month. Almost all fruits experienced an increase in their export numbers with nectarines, peaches, melon, tangerines and oranges being the most important.

On the other hand, Spain exported in September 137 TMT of vegetables (up 10 percent compared to September 2007), for a value of 94 million Euros. The main exports were onions, tomatoes, peppers and potatoes. FEPEX, the fruit and vegetable exporters association, considers these recovering export figures are due to the good start of the agricultural season.

From January to September 2008, in comparison to 2007, exports of fruits and vegetables increased by 4 percent in value, although volume decreased by 2 percent due to the export of oranges and tangerines falling 16 and 30 percent, respectively.

Spanish imports of fruits and vegetables in September 2008 also increased by 12.6 percent, when compared to the same month in 2007. According to FEPEX, this continues the trend of recent years.

(Source: Valencia Fruits 12/02/2008)

The Government of Spain regulates the citrus modernization plan

On October 31, the Spanish Council of Ministers approved a decree to establish the subsidies regulation to be granted for the modernization of orange, satsuma, clementine, hybrid and common mandarin, lemon and grapefruit. The total amount of the subsidy will be 120 million euros for the period 2008-2013. The aim of this financial aid is to promote the modernization of plantations by changing the variety type to enhance fruit quality, improve the production calendar and improve utilization of irrigated water. The maximum area to be converted will be 18,000 hectares. The subsidy will cover uprooting, planting the new crop or grafting the existing plantations and improvements to existing irrigation facilities. The limits of these subsidies will be 12,000 euro/hectare for uprooting and planting the new crop, 11,500 euro/hectare for grafting costs and 3,500 euro/hectare for irrigation installations.

(Source: Valencia Fruits 12/02/2008)

The European Union eliminates commercialization rules

The European Union (EU) has eliminated the rules for commercialization applied to fruit and vegetables. This decision implies that from July 2009, fruit and vegetable trading will take place without the common quality rules required for those products in order to reach the market. This measure means that all fruits and vegetables will be sold except for those that show signs of rotting or other alterations that make them unfit for human consumption.

Sixteen member states rejected this measure, Spain amongst them -- being the top producer of fruits and vegetables. The EU has reduced the current size and shape requirements demanded to twenty six fruits and vegetables. The rules will be maintained for a limited group of ten products which, according to Brussels, represents 75 percent of the total fruit and vegetable trade value. These products are apples, kiwis, citrus, lettuce, peaches, tomatoes, pears, strawberries, table grapes and sweet capsicum.

The EU bases its decision on the fact that it reduces unnecessary bureaucratic procedures and widens the possibilities of consumers in times of economic crisis.

(Source: Valencia Fruits 12/02/2008)