CBI MARKET SURVEY

The spices and herbs market in Spain

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Report summary
This CBI market survey discusses the following highlights for the spices and herbs market in Spain:

- In 2008, Spain's apparent consumption of spices and herbs amounted to 20 thousand tonnes, which was higher than in previous years. Between 2004 and 2008 apparent consumption fluctuated strongly. The largest product groups in terms of apparent consumption were paprika, chillies & allspice, pepper, spice seeds, ginger and cinnamon.
- Spain is among the largest producers of (selected) spices and herbs in the EU. Moreover, production in Spain increased at a significant annual average rate of 5.5% between 2004 and 2008.
- Spain was the fourth leading EU importer of spices and herbs in 2008, accounting for 10% of total EU imports. Germany, the UK and The Netherlands were the leading importers. Total imports of spices and herbs by Spain amounted to € 119 million or 45 thousand tonnes. Between 2004 and 2008, Spanish imports increased at an annual average rate of 12% in terms of value and 8.2% in terms of volume.
- Of all Spanish imports of spices and herbs, 84% originated directly in developing countries (DCs). Spanish imports sourced in DCs increased at an annual average rate of 16% between 2004 and 2008. Iran was Spain's largest supplier of spices and herbs in 2008, accounting for 32% of total imports, followed by Peru (24%), China (13%), Vietnam (3.0%) and Morocco (2.5%).

This survey provides exporters of spice and herbs with sector-specific market information related to gaining access to Spain. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The spices and herbs market in the EU', which covers the EU market in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.eu/marketinfo.

1 Market description: consumption and production

Consumption

In this chapter, data from the statistical database of the Food and Agriculture Organization of the United Nations (FAOSTAT) and the statistical office of the EU (Eurostat) are used to indicate apparent consumption (production + imports - exports). One of the limitations of this calculation is that strong fluctuations are sometimes seen between years. Please apply these data with care, as they can only be used as an indication of the market. Also see chapter 1 of the CBI survey 'The spices and herbs market in the EU'.

Total market size

In 2008, Spain's apparent consumption of spices and herbs amounted to 20 thousand tonnes, having had a strong annual average increase of 31% between 2004 and 2008. The significant increase in the Spanish market was much more positive than the general development of the consumption of spices and herbs in the EU at large, the latter having increased at an annual average rate of only 1.2% in the review period. However, note that this high increase is due to the absence of data for paprika, chillies & allspice in 2004.

Industry sources indicate that there is still a lot of uncertainty on the market due to the recent economic crisis, and that traders are reluctant to build stocks. There is an overriding hesitance in making predictions on how the spices and herbs market will develop in the coming years.

Product groups

The product group mostly consumed in Spain in 2008 was paprika, chillies & allspice, followed by pepper and spice seeds. Apparent consumption of paprika, chillies & allspice amounted to 12 thousand tonnes, increasing at an annual average rate of 7.3% between 2005 and 2008.

As for pepper, apparent consumption reached 2.7 thousand tonnes in 2008, increasing at a modest annual average rate of 0.1% since 2004. Apparent consumption of spice seeds, on the other hand, decreased at an annual average rate of 6.0%, amounting to 1.2 thousand tonnes in 2008.

Among the other product groups investigated in this survey, ginger had the best performance in the review period: it increased at an annual average rate of 31% and amounted to 886 tonnes in 2008. In contrast, apparent consumption of vanilla had a significant annual average decrease of 16% between 2004 and 2008, amounting to 12 tonnes in 2008.

Although data for saffron show low consumption in terms of volume, this product is widely used in Spanish cuisine, especially for the national dish, *paella Valenciana*. Saffron is much more frequently used in Spain compared to other European countries. Figures in terms of value would have shown a different picture in relation to apparent consumption of saffron.

Finally, the market for the product group 'other spices and herbs, including mixtures' had an annual average increase of 17% in the review period, amounting to 2.0 thousand tonnes in 2008.

Table 1.1 Apparent consumption of selected spices and herbs in Spain, 2004-2008, in tonnes

	2004	2005	2006	2007	2008	Average annual change
Total spices & herbs	**6,696**	**16,704**	**11,478**	**12,301**	**19,945**	**31%**
Paprika, chillies & allspice	n.a.	9,695	2,816	4,741	11,963	7.3%*
Pepper	2,688	2,622	3,108	2,507	2,702	0.1%
Spice seeds	1,520	1,459	1,965	1,521	1,188	-6.0%
Ginger	298	551	565	844	886	31%
Cinnamon	601	604	786	762	559	-1.8%
Nutmeg mace & cardamom	164	118	238	159	267	13%
Turmeric	279	306	178	271	246	-3.2%
Cloves	72	62	105	110	119	13%
Vanilla	25	15	54	108	12	-16%
Saffron	n.a.	3	19	n.a.	11	n.a.
Other spices and herbs, including mixtures	1,048	1,270	1,644	1,279	1,993	17%

Source: own calculations based on Eurostat and FAOSTAT data (2009)
*Calculated between 2005 and 2008

Market segmentation

Although spices and herbs can be used for the non-food market, such as the pharmaceutical and perfumery, the largest end-user group of spices and herbs is the food-processing industry. In the food market, the consumption of herbs and spices is divided into 3 sectors:

- Industrial, in which spices are used particularly in the processing of meat, fish, canned products, sauces, soups, bakery goods and other prepared and convenience food.
- Retail, where developments are usually triggered by experimental and ethnic consumers.
- Catering, which is small but growing.

For more information on market segmentation, please refer to the CBI survey 'The spices and herbs market in the EU'.

Similar to other EU countries, the Spanish food industry sector is by far the largest consumer of spices and herbs, as indicated in the CBI survey covering the EU market for spices and herbs. However, the exact shares specifically for Spain are not available.

Major consumption trends
Domestic usage of dried spices and herbs in Spain is not very high, because the Spanish tend to use fresh products. The Spanish are rather conservative in their eating habits, compared to the population of other EU countries. Saffron is used to give the golden colour to Spanish paella rice, while paprika is used for spiced sausages ('chorizo'). Chillies, paprika and oregano are also traditional flavourings.

However, due to increased tourism from other EU countries to Spain, as well as an increased immigrant population from diverse countries such as Mexico and China, Spanish consumers are becoming more familiar with different ethnic food ingredients. Furthermore, increasing incomes and busier lifestyles result in growing expenditures on food in Spain; this may increase consumption of spices and herbs in the culinary and snack food segments.

Although growing at significant rates, organic food consumption is still relatively limited in Spain, amounting to € 600 million in 2008, which represents less than 1% of the total food market (FiBL 2009). It is expected, therefore, that the consumption of organic spices and herbs is also limited, as is also confirmed by industry sources. Furthermore, Spain has been one of the countries which were hit the hardest in terms of organic sales by the recent economic downturn.

Spain's market for Fair Trade products is still small, yet developing quickly. Spain's total Fairtrade certified market reached nearly € 5.5 million in 2008, growing by around 40% in relation to 2007 (Fairtrade Foundation, 2009).

For more information on consumption trends, please also refer to the CBI survey covering the EU market for spices and herbs.

Production

Total production
According to FAOSTAT data, Spain is among the largest producers of (selected) spices and herbs in the EU. Moreover, production in Spain increased at a significant annual average rate of 5.5% between 2004 and 2008, amounting to 8.5 thousand tonnes in 2008.

Product groups
According to Eurostat, the area destined for the cultivation of officinal herbs, aromatic plants and plants for seasoning in Spain amounted to 6.7 thousand hectares in 2008. In terms of volume, Spain's harvested production of aromatic plants and plants for seasoning amounted to 18 thousand tonnes in 2008, increasing at an annual average rate of 1.2% since 2004.

FAOSTAT data show that at least three product groups are grown in Spain. In 2008, the most important were chillies, paprika and allspice, together with a volume of 5 thousand tonnes. According to industry sources, paprika is the most important in this product group. Other important spices are anise, badian, fennel and coriander (550 tonnes) and other spices and herbs, including mixtures (3 thousand tonnes). Production of all product groups increased significantly in the review period.

Although not listed in Table 1.2, Spain is in fact also a major producer and processor of, and trader in, saffron. Other important herbs which do not appear in the FAOSTAT data, but are produced in Spain, are thyme and rosemary.

Table 1.2 Production of spices and herbs in Spain 2004-2008, in tonnes

	2004	2006	2008	Average annual % change
Total spices and herbs	**6,900**	**6,815**	**8,550**	**5.5%**
Chillies and paprika and allspice	4,000	3,515	5,000	5.7%
Other spices and herbs, including mixtures	2,500	2,800	3,000	4.7%
Anise, badian, fennel, coriander	400	500	550	8.3%

Spices nec = spices not elsewhere classified
Source: FAOSTAT (2009)

Interesting players

- The Spanish Federation of Food and Beverage Industries - http://www.fiab.es - and the Spanish Food Flavours & Fragrance Association (AEFAA) - http://www.aefaa.com - might be relevant in providing contact information on producers and manufacturers of spices and herbs. These representatives should be most knowledgeable on these issues.
- Moreover, the Internet also provides information on the major Spanish producers. Some major producers are:
  - Safinter S.A. - http://www.safinter.com - producer of saffron
  - Blas Lorente González, S.L. - http://www.natural-essential-oils.net/aromatic1.htm - producer of herbs
  - Herbo Spice - http://www.herbospice.com - producer of paprika and saffron
  - Pimursa - http://www.pim ursa.es - manufacturer of paprika and oleoresins of paprika

Major production trends

According to industry sources, production of organic spices and herbs is negligible compared to the production of traditional spices and herbs. With regard to the organic market, organic production is in Spain still better developed than its domestic consumption market (Organic Europe country report 2007), since most of Spanish organic production is exported. Organic cultivation area in Spain amounts to approximately 1.1 million hectares (FiBL, 2009).

As labour costs in Spain are increasing, it is expected that both the domestic production of conventional and organic spices and herbs will decrease and will supplanted by imports (such as conventional paprika).

For more information on production trends, please also refer to the CBI survey covering the EU market for spices and herbs.

Opportunities and threats

+ Immigration is increasing in Spain, resulting in more and growing ethnic minorities. This has a positive effect on the demand for ethnic food and consequently stimulates the demand for new spices and herbs.
+ Interest in imports of spices and herbs from developing countries (DCs) might increase, as labour costs in Spain have increased as well.
- DC exporters should be aware of the limited demand for organic spices and herbs in Spain.

It is important to note that the outcome of the above analysis depends on the specific situation of an exporter. The same development can be an opportunity for one exporter and a threat to another; exporters should therefore analyse the trends considering their own circumstances. For an example of such an analysis, please refer to chapter 7 of the CBI survey covering the EU market for spices and herbs.

Useful sources

- Interesting sources for obtaining information on consumption and production of herbs and spices are firstly encountered in the survey covering the EU. However, more information on the production of specialty crops such as herbs in Spain, can be found in the 2004 IENICA

report - http://www.ienica.net. Although somewhat outdated, it does provide interesting information.
- Furthermore, Spanish trade associations mentioned in chapter 6, and the Spanish statistical agency - http://www.ine.es - can be sources of information.
- Of importance is also FAO's statistical database FAOSTAT - http://faostat.fao.org.

2 Trade channels for market entry

Trade channels
Most direct imports of spices and herbs from developing countries concern whole, un-ground products, while processed and packed spices only rarely come from DCs. It is important to note that a more substantial part of spices and herbs is imported into Spain from DCs than is common in the EU in general. However, please also note that, although declining, Spain still has very significant domestic production of chillies, paprika and allspice.

Spices and herbs share the same trade channels, with the bulk of trade entering the EU through a small number of importers and brokers. Direct trade by processors and, to a lesser degree, food processors has become more prevalent, although processors increasingly work with companies which combine steady high quality and large volumes, instead of several small companies. However, distinctions between different trade channels are becoming increasingly blurred, with different activities now carried out within one company. The main trade channels for spices and herbs are shown and further explained in the CBI market survey covering the EU market for spices and herbs.

A large grinder/processor/packer of paprika is José Martínez y Cia with the brand Titan, while J. Navarro García is a large packer of pepper with the brand Carmencita. Other significant grinders are Albarracín, S.A., Angel Jobal S.A. and Matencio López S.A.

The largest end-user group is the food-processing industry, which purchases either from processors or directly from importing/trading companies. Other end-user groups are catering companies, purchasing spices directly from grinders or processed products from food industries. The same holds for the retail sector, the third important end-user. The food industry uses about 60% of all the spices consumed in Spain. Large food processors in Spain include Nestlé Spain and Gallina Blanca.

Organic
Producers and exporters of organic spices and herbs supply their organic products mostly to specialised traders/importers and/or sometimes to grinders/processors. However, the organic segment in Spain is limited. In most EU markets, a few traders specialised in organics tend to be the dominant customers for foreign producers. They often have an organic specialisation, focusing on a broad range of products. Several organics traders have a European-wide focus. Direct purchases from foreign organics producers made by purchasing units of retailers, the catering sector and food processors are very rare, but might increase due to increasing organic sales and market entry by conventional players.

Retail trade
The retail trade of spices and herbs is dominated by supermarkets. The buying organisations of large supermarkets have strong buying power, and there are not many opportunities for small and medium-sized DC exporters to trade directly with them. Niche markets, such as organics, might provide better prospects.

Trends
Increasingly strict governmental regulations and the high quality standards demanded by the food industry, especially for processed spices and herbs, make it difficult for DCs to enter these markets.

Traceability and quality are increasingly important. Large processing and importing companies have their own experts who visit the producers in the countries of origin to inspect the product and production process, also to educate the growers so that they are better able to meet Spanish demand and requirements.

Along with expanding marketing under private labels, supermarkets exert downward pressure on processors' margins and further down the value-chain, because the buying organisations of large supermarkets (sometimes representing multiple chains) have such strong buying power.

Interesting players

Interesting companies in Spain include those listed below:

- Juan José Albarracín SA - http://www.jjalbarracin.com - producers of paprika, oil-resins and saffron.
- Angel Jobal, SA - Tel: +34 (0)933 197802 - importer /grinder / distributor of spices.
- José Martínez y Cia SA - +34 (0)968 690061 - grinder / blender / packer of paprika.
- Matencio López SA - mailto:lopezmatencio@ono.com - importer / grinder / packer of spices.
- Juan Navarro García SA - http://www.juannavarro.com - packer of pepper.
- Chiquilin - http://www.chiquilin.com - importer / packer / distributor of spices and herbs.
- Manufacturas Taberner SA - http://www.taberner.es - imports spices and herbs for production of meat products.
- Gallina Blanca - http://www.gallinablanca.es - food processor

Furthermore, Spanish trade associations can also be of interest for finding relevant companies. These are mentioned in chapter 6.

Price structure

Prices for spices and herbs can be found in the CBI market survey covering the EU market, as the indications of prices given there do not differ from those in Spain. Prices of spices and herbs are to a large degree dependent on origin, and buyer preferences regarding demanded quality, order size etc. Therefore, actual prices are dependent on negotiation with partner companies, and prices provided in the market survey covering the EU should be used as a reference point only.

Exporters need to have detailed production costs/volume price breaks for the spices and herbs they supply. This will give them a valuable reference point for any negotiations with buyers.

The margins charged by different intermediaries in the spices and herbs trade are influenced by various factors. These include the type of spice or herb, the current and expected future harvest situation, the availability or number of sources for the particular spice, the level of demand and the trend in prices.

Finding a suitable trading partner

Finding a trade partner in Spain should not deviate from the general EU method as described in the CBI market survey covering the EU market. Buyers and suppliers often find each other at trade fairs. Especially the BioFach trade fair is of importance for organic spices and herbs, whereas Anuga, SIAL, FI Europe are of principal importance for conventional products. Establishing contact through export directories or by directly contacting interesting companies you encounter can also be useful. Brokers also fulfil an important function in market linking, while websites offer another opportunity to find trade partners.

For more information on prospects for the spices and herbs market in Spain, refer to the websites below.

General information:
- The Canadian Agriculture and Agri-Food website provides market information, including country information, product reports and market access - http://ats-sea.agr.gc.ca/general/home-e.htm
- The International Trade Centre provides information on trends in organic consumption within EU member countries - http://www.intracen.org/organics
- Furthermore, Spanish trade associations mentioned in Chapter 6 of this survey, and the Spanish statistics agency - http://www.ine.es - can be sources of information.

Sector-specific information:
- The 2004 IENICA report describes the situation for the spices and herbs market in Spain and other EU member countries - http://www.ienica.net
- FAO's statistical database FAOSTAT, available at http://faostat.fao.org – is a valuable source.

On-line company databases for finding companies working in the spices and herbs market are:
- Food world - http://www.thefoodworld.com - an extensive on-line food business directory, with full EU coverage. Condiments, spices and herbs are a separate product group.
- Europages - http://www.europages.com – on-line business directory, with full EU coverage. Condiments, extracts and spices are a separate product group, falling under the category of 'Food & related products'.
- HerbImporters.com - http://www.herbimporters.com - provides contact information of 135 European importers of herbs and herbal medicine products at a cost of US$15 (updated in 2009).
- SpiceImporters.com - http://www.spiceimporters.com - provides contact information of 220 European importers of spices, seasoning and flavouring at a cost of US$20 (updated in 2009).

Business-to-business sources include the following;
- Agronetwork.com - http://www.agronetwork.com/global
- Organic-market.info - http://www.organic-market.info – on-line magazine for organic trade.
- Spices Trade world - http://spices.tradeworlds.com
- IngrIDnet - http://www.ingridnet.com - marketing instrument for companies supplying ingredients to, among others, food industries. The database includes contact details of 15,000 ingredient suppliers.

3 Trade: imports and exports

Imports

Total imports
Spain was the fourth leading EU importer of spices and herbs in 2008, accounting for 10% of total EU imports. Germany, the UK and The Netherlands were the leading importers. Total imports of spices and herbs by Spain amounted to € 119 million or 45 thousand tonnes. Between 2004 and 2008, Spanish imports increased at an annual average rate of 12% in terms of value and 8.2% in terms of volume.

Approximately 15% of total Spanish imports was sourced in intra-EU countries, of which France (accounting for a share of 6.8%), Germany (3.9%) and The Netherlands (3.0%) were the main suppliers. Intra-EU imports increased at an annual average rate of 4.1% between 2004 and 2008.

Of all Spanish imports of spices and herbs, 84% originated directly in DCs, which is high compared to the EU average of 50%. Spanish imports sourced in DCs increased at an annual average rate of 16% between 2004 and 2008. Imports from other EU countries increased at a slower annual average rate of 4.1% in the review period, accounting for a share of 15% in 2008.

Iran was Spain's largest supplier of spices and herbs in 2008, accounting for 32% of total imports, followed by Peru (24% of total imports). Whereas imports sourced in Iran increased at an annual average rate of 26% in the review period, imports from Peru increased by 7.9%. Besides Iran and Peru, other important DC suppliers in 2008 were China (13%), Vietnam (3.0%) and Morocco (2.5%).

Imports by product group

Paprika, chillies & allspice and saffron were by far the largest product groups imported into Spain in 2008, with shares of 39% and 32% of the total imports value. Paprika, chillies & allspice imports increased at an annual average rate of 8.7% in terms of value and 10% in terms of volume between 2004 and 2008, amounting to € 48 million or 34 thousand tonnes in 2008. Most imports were sourced in DCs (accounting for a 96% share), and these imports increased at an annual average rate of 8.8% in the review period. Peru, China, Zimbabwe, Malawi and India were the leading DC suppliers in 2008. Whereas imports from Peru, China and Malawi increased at strong rates, imports from Zimbabwe and India decreased at significant rates.

Saffron imports also increased in terms of value (+25% annually), but decreased slightly in volume (-0.2% annually) in the review period, amounting to € 38 million or 65 tonnes in 2008. Imports from DCs accounted for nearly the entirety of Spanish saffron imports, of which virtually all imports were sourced in Iran. The development of imports from DCs in the review period was, therefore, very similar to development of imports from Iran, which increased at an annual average rate of 27% in value. Other small suppliers of saffron to Spain in 2008 were India (0.8%) and the United Arab Emirates (0.7%).

Table 3.1 Imports of spices and herbs
2004 - 2008, € thousand / tonnes

Product	2004		2006		2008		Average annual % change	
	value	volume	value	volume	value	volume	value	volume
Total	**74,280**	**32,791**	**75,322**	**40,860**	**118,958**	**45,011**	**12%**	**8.2%**
Paprika, chillies & allspice	33,548	22,739	32,202	28,511	46,795	33,645	8.7%	10%
Saffron	15,959	65	15,174	58	38,505	65	25%	-0.2%
Pepper	5,852	3,395	6,729	3,605	8,601	3,117	10%	-2.1%
Mixtures	5,131	1,095	5,941	1,154	3,852	859	-6.9%	-5.9%
Cinnamon	1,870	644	2,692	848	3,161	914	14%	9.1%
Spice seeds	1,979	1,925	2,806	2,223	2,463	1,532	5.6%	-5.5%
Nutmeg, mace & cardamoms	1,095	267	1,818	417	1,991	400	16%	11%
Ginger	572	387	831	1,068	941	1,114	13%	30%
Vanilla	3,427	40	412	55	395	13	-42%	-24%
Cloves	158	84	390	158	360	126	23%	11%
Turmeric	246	302	156	201	294	326	4.5%	1.9%
Other spices and herbs	4,444	1,848	6,170	2,563	11,601	2,900	27%	12%

Source: Eurostat (2009)

Pepper and mixtures, accounting for respective market shares of 7.2% and 3.2% in 2008, were also significant products imported by Spain. Imports of pepper increased at an annual average rate of 10% in value and decreased by 2.1% in volume, while imports of mixtures decreased at an annual average rate of 6.9% in value and 5.9% in volume during the review period. DCs accounted for nearly 74% of Spain's pepper imports (where Vietnam was the main supplier), but for only 0.5% of Spain's mixtures imports. The processing industry for spices and herbs in DCs is not yet well developed, but could offer interesting opportunities in the future.

Of the other product groups, cinnamon, nutmeg, mace & cardamoms, ginger, cloves and turmeric all experienced positive growth rates in terms of value as well as volume. Imports of cloves and nutmeg, mace & cardamoms performed especially well between 2004 and 2008; whereas clove imports increased at an annual average rate of 23% in value and 11% in volume, nutmeg, mace & cardamoms had an increase of 16% in value and 11% in volume. Imports of vanilla, on the other hand, had a negative development in the review period, decreasing at an annual average rate of 42% in value and 24% in volume.

The group of 'other spices and herbs' accounted for a substantial part of Spanish imports of spices and herbs in 2008 (9.8%). Imports of this product group increased in terms of both value and volume between 2004 and 2008. Imports from DCs, which accounted for 29% of total imports, increased at an annual average rate of 40% in terms of value. Morocco was by far the leading DC supplier in 2008, followed by Turkey and India.

Table 3.2 Imports by origin and leading suppliers to Spain 2004 - 2008, share in % of value, average annual growth in % of value

Product	Origin	Leading suppliers in 2008 (share in %)	Share[1]	Average annual % change
Total spices and herbs	Intra-EU	France (6.8%), Germany (3.9%), The Netherlands (3.0%), UK (0.4%)	15%	4.1%
	Extra-EU, ex DC*	USA (0.4%), U.A.Emirates (0.2%)	0.8%	-27%
	DC*	Iran (32%), Peru (24%), China (13%), Vietnam (3.0%), Morocco (2.5%), India (2.4%), Sri Lanka (2.2%), Indonesia (1.0%), Brazil (0.7%)	84%	16%
Paprika chillies & allspice	Intra-EU	Germany (1.1%), The Netherlands (1.0%)	2.5%	5.1%
	Extra-EU, ex DC*	USA (1.0%)	1.1%	6.6%
	DC*	Peru (60%), China (31%), Zimbabwe (1.2%), Malawi (0.8%), India (0.7%), Zambia (0.5%), Tanzania (0.4%), Morocco (0.3%), Nigeria (0.2%)	96%	8.8%
Saffron	Intra-EU	France (0.1%)	0.2%	-48%
	Extra-EU, ex DC*	U.A.Emirates (0.7%)	0.9%	n.a.
	DC*	Iran (98%), India (0.8%)	99%	27%
Pepper	Intra-EU	Germany (18%), France (4.5%), The Netherlands (2.2%), Hungary (0.3%)	26%	5.9%
	Extra-EU, ex DC*	-	0.0%	-63%
	DC*	Vietnam (40%), India (9.6%), Brazil (8.6%), Malaysia (8.0%), Indonesia (1.4%), Nigeria (1.0%), Malawi (0.7%), Sri Lanka (0.4%), Mexico (0.3%)	74%	13%
Mixtures	Intra-EU	France (74%), Germany (19%), UK (1.7%), The Netherlands (1.6%)	99%	-6.6%
	Extra-EU, ex DC*	-	0.0%	n.a.
	DC*	Argentina (0.3%), Morocco (0.2%)	0.5%	-32%

[1] Due to rounding off, shares might not add up to exactly 100%.

Product	Origin	Leading suppliers in 2008 (share in %)	Share[1]	Average annual % change
Cinnamon	Intra-EU	France (5.4%), Germany (4.2%), The Netherlands (2.0%),	12%	19%
	Extra-EU, ex DC*	-	0.0%	-100%
	DC*	Sri Lanka (79%), Madagascar (4.2%), Indonesia (3.7%), Suriname (1.1%)	88%	7.7%
Spice seeds	Intra-EU	The Netherlands (11%), Germany (2.9%), UK (2.3%), France (0.8%)	17%	5.3%
	Extra-EU, ex DC*	-	0.0%	n.a.
	DC*	India (45%), Syria (17%), Turkey (9.6%), China (5.0%), Egypt (3.9%), Macedonia (0.8%), Vietnam (0.5%), Ecuador (0.5%), Morocco (0.3%)	83%	5.7%
Nutmeg, mace & cardamoms	Intra-EU	The Netherlands (30%), Germany (6.9%), France (2.8%), UK (1.1%), Belgium (1.1%)	43%	-0.2%
	Extra-EU, ex DC*	-	0.0%	n.a.
	DC*	Indonesia (48%), Vietnam (3.7%), India (2.9%), Sri Lanka (2.3%)	57%	48%
Ginger	Intra-EU	The Netherlands (11%), UK (5.9%), France (1.7%), Italy (1.5%)	22%	-5.6%
	Extra-EU, ex DC*	-	0.0%	n.a.
	DC*	China (71%), Thailand (3.1%), Nigeria (1.9%), India (1.0%)	78%	24%
Vanilla	Intra-EU	France (48%), Germany (30%), The Netherlands (8.4%), Belgium (7.4%), UK (1.5%)	96%	-18%
	Extra-EU, ex DC*	USA (1.7%)	1.7%	-77%
	DC*	Mexico (1.1%), Uganda (0.8%)	2.0%	-38%
Cloves	Intra-EU	The Netherlands (10%), Germany (9.7%), France (3.6%), Belgium (0.8%)	24%	30%
	Extra-EU, ex DC*	-	0.0%	n.a.
	DC*	Madagascar (41%), Comoros (16%), Brazil (15%), Sri Lanka (2.0%)	76%	21%
Turmeric	Intra-EU	The Netherlands (17%), Germany (6.3%), France (4.4%), UK (0.7%)	30%	3.8%
	Extra-EU, ex DC*	-	0.0%	n.a.
	DC*	India (56%), Peru (15%)	70%	4.8%
Other spices and herbs	Intra-EU	France (36%), The Netherlands (14%), Germany (11%), Poland (5.8%), UK (1.5%)	71%	23%
	Extra-EU, ex DC*	-	0.0%	n.a.
	DC*	Morocco (24%), Turkey (2.6%), India (0.7%)	29%	40%

Source: Eurostat (2009)
*Developing Countries

Exports

At a value of € 118 million and a volume of 34 thousand tonnes, Spain was the third largest EU exporters of spices and herbs in 2008, accounting for 17% of total EU spices and herbs exports. The Netherlands (23%) and Germany (20%) were just above Spain. Spain's exports had an annual average increase of 8.3% in terms of value and a slight decrease of 0.9% in terms of volume between 2004 and 2008.

The main destinations for Spain's exports in 2008 were the USA (18%) and Italy (8.6%). Other important destinations were the UK (7.6%), France (7.2%) and Germany (7.0%).

The largest product group exported by Spain in 2008 was paprika, chillies & allspice, accounting for nearly half of total spices and herbs exports, followed by saffron (38%) and mixtures (3.5%). The group of 'other spices and herbs' accounted for a share of 7.4% in total Spanish exports.

Opportunities and threats

+ Interesting opportunities may exist, since more than 80% of the total Spanish imports value of spices and herbs is sourced in DCs; this is well above the EU average (about 50%). Paprika, chillies & allspice, pepper, saffron, spice seeds, cinnamon, ginger, cloves and turmeric are particularly interesting for DC exporters, since more than 70% of the Spanish imports of these product groups is supplied by DCs, and these imports are growing.

+/- Due to increased labour costs in Spain, it is expected that imports will, in the future, increase regarding products which are currently produced in Spain, like paprika and saffron. There are opportunities for DCs to provide Spain with the expected increasing demand for these products. However, limited development is expected for organic spices and herbs.

\- Spain is one of the leading EU traders of spices and herbs. However, Spain is a large exporter of spices and herbs, which leads to limited export opportunities for DC exporters planning to supply to Spain.

Note that the same development or trend can be an opportunity for one exporter and a threat to another. Exporters should therefore analyse if the developments and trends discussed in the previous chapters provide opportunities or threats. The outcome of this analysis depends on the specific situation of an exporter. Refer to chapter 7 of the EU survey for an example of such an analysis.

Useful sources

- EU Expanding Exports Helpdesk
  ➔ http://exporthelp.europa.eu
  ➔ go to: trade statistics
- Eurostat – official statistical office of the EU
  ➔ http://epp.eurostat.ec.europa.eu;
  ➔ go to 'themes' on the left side of the home page
  ➔ go to 'external trade'
  ➔ go to 'data – full view'
  ➔ go to 'external trade - detailed data'
- Understanding Eurostat: Quick guide to Easy Comext

➔
http://epp.eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext_20090513.pdf

4 Price developments

There are no specific indications of recent price developments for the spices and herbs market in Spain. The following sources are useful for price information:

- The International Trade Centre Market News Service (MNS) - http://www.intracen.org/mas/mns.htm - fortnightly bulletin.
- The Public Ledger - http://www.agra-net.com
- The International Pepper Community Weekly Price Bulletin - http://www.ipcnet.org
- The Indian Spices Board - http://www.indianspices.com - offering domestic and international prices for spices.

5 Market access requirements

As a manufacturer in a DC preparing to access Spain, you should be aware of the market access requirements of your trading partners and the Spanish government.
Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

For information on legislative and non-legislative requirements, go to 'Search CBI database' at http://www.cbi.eu/marketinfo, select spices and herbs and Spain in the category search, click on the search button and click on market access requirements.

Detailed information on packaging can be found at the website of ITC on export packaging: http://www.intracen.org/ep/packaging/packit.htm

Information on tariffs and quota can be found at http://exporthelp.europa.eu

The general VAT rate in Spain is 16%; however, the reduced rate of 7% or the super reduced rate of 4% apply to foodstuffs.

More information on taxes can be found at:
- Taric Homepage - http://ec.europa.eu/taxation_customs/dds/cgi-bin/tarchap?Lang=EN
- Directorate General XXI - http://ec.europa.eu/taxation_customs/common/publications/info_docs/taxation/index_en.htm

6 Doing business

General information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'. Furthermore cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in chapter 3 of CBI's export manual 'Exporting to the EU'. These manuals can be downloaded from http://www.cbi.eu/marketinfo - go to search publications.

Useful sources

Assistance with market entry can also be sought through local business support organisations, import promotion organisations such as CBI and branch organisations focusing on the spices and herbs, or food ingredients, sector. Interesting *trade associations* in Spain are:
- Association of producers and exporters of pepper, derivates and spices and seasonings / Asociación de fabricantes y exportadores de pimentón, derivados y condimentos (AFEXPO) – afexpo@afexpo.org / javillamolina@terra.es
- Spanish Federation of Food and Beverage Industries / Federación Española de Industrias de la Alimentación y Bebidas - http://www.fiab.es
- Spanish Food Flavours & Fragrance Association / Asociación Española de Fragancias y Aromas Alimentarios (AEFAA) – http://www.aefaa.com

Trade fairs offer companies in DCs the opportunity to establish contacts, promote their products and conduct EU market orientation. Major fairs of EU-wide significance are mentioned in the survey covering the EU. *Trade fairs* of interest in Spain are:
- Alimentaria Barcelona - http://www.alimentaria-bcn.com - International Trade Fair for the food industry. The most recent event was held 22-26 March 2010 in Barcelona, Spain.
- Biocultura - http://www.biocultura.org – Organic Trade Fair. The most recent event was held 05-07 March 2010 in Valencia, Spain.
- Ecoviure - http://www.ecoviure.cat - Organic Trade Fair. The last event was held 17-19 October 2009 in Manresa, Spain.

- Alimentaria Barcelona - http://www.alimentaria.com – Food Exhibition. The next event will held 22-26 March 2010 in Barcelona, Spain.

Trade press can function as a means for gaining insight into market developments and competition, but can also have a promotional function. This concerns finding potentially interesting companies, as well as promotion of your own activities and products. Major trade press of EU-wide significance is mentioned in the survey covering the EU. *Trade press* of interest in Spain is:

- Market Uno - http://www.marketuno.com - on-line information tool on the Spanish Food Industry.

This survey was compiled for CBI by ProFound - Advisers In Development