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Approved By: Franklin D. Lee
Drafted By: Gloria Cantos

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Kiwifruit Report
 General Summary

As a result of less than favorable weather conditions, Spain's production of kiwi is estimated to have reached 10,000 tons in 1996-97, slightly lower than the previous year. Area planted to kiwi, estimated to have been 760 HA in 1996-97, is stable. No increases in area are expected during the next few years. Many Spanish farmers have lost interest in kiwifruit cultivation because prices received by growers have declined, output is unstable, and alternative crops are more profitable.

Spanish kiwis are generally considered to be of good quality, but low domestic production still does not meet internal demand. Significant quantities of kiwifruit have to be imported. Major Spanish suppliers are Italy, France, New Zealand and Chile, depending on the time of the year.

Note: Current exchange rate is approximately 149 pesetas/\$1.00.

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 Kiwifruit Report
 Kiwifruit

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                        Global Economic Data Exchange System
Commodity: Kiwifruit (0579500) (Hectares) (Metric Tons)
Beg. Month/Year of Marketing Year: 10 / 95                      10 / 96                      10 / 97
SPAIN                      Revised 1995                      Prelim 1996                      Forecast 1997
                                    Old                      New                      Old                      New                      Old                      New
Bering Area                      727                      710                      710                      710                      700                      710
Non-Bearing Area                      56                      50                      50                      50                      50                      50
Total Area Planted                      783                      760                      760                      760                      750                      760
TOTAL Area Harvested                      727                      710                      710                      710                      700                      710
TOTAL Production                      8332                      12000                      13000                      10000                      10000                      9200
Imports                      55000                      50800                      50000                      56265                      53000                      56000
TOTAL SUPPLY                      63332                      62800                      63000                      66265                      63000                      65200
Exports                      2900                      2800                      3000                      3400                      2500                      3000
Domestic Consumption                      60432                      60000                      60000                      62865                      60500                      62200
TOTAL DISTRIBUTION                      63332                      62800                      63000                      66265                      63000                      65200
  
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Production General

Spain's kiwifruit production in 1996-97 was 10,000 metric tons and in 1997-98 production is estimated to be lower due to adverse weather conditions throughout the growing season. First, flowering occurred abnormally early during a period of warm weather. This was followed by heavy rains that expedited growth, causing some of the fruits to crack. Fruit size is reportedly smaller.

Galicia is the leading kiwi producing region, followed by Asturias, and Andalucia. Most Spanish kiwifruit is of the "Hayward" variety. Kiwifruit harvesting in Spain begins toward the end of October and lasts until the beginning of November, although this season it lasted until December.

Crop Area

Kiwifruit area planted remains stable. Some old crop area was removed, but new area was planted in its place. These new orchards will start production in 2-3 years.

Yields

Average kiwifruit yield in 1996-97 was 14 MT/Hectare due to the good size of the fruit but in 1997-98 fruits are reportedly smaller leading to lower yields.

Crop Quality

As a result of the good growing conditions, the 1996-97 crop was reported to be of excellent quality. Sizes were also reportedly bigger than normal. For 1997-98, fruits of smaller size are forecast due to the adverse growing conditions.

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 Kiwifruit
 Consumption

Spanish consumption of kiwifruit has increased over the past decade, due to increased availability, lower retail prices resulting from larger imports, and Spanish consumer awareness of the high vitamin -C- and fiber content in kiwifruit. Current per capita consumption is estimated at around 1.5 kilos. Consumption is expected to keep increasing slightly in the next few years

Stocks

No significant stocks of kiwifruit are reported. Most of the internal production is exported or marketed immediately after harvest. However, importers generally tend to make large purchases of southern hemisphere kiwifruit before the marketing period ends in November. This import pattern can sometimes lead to temporary stockpiles of southern hemisphere kiwifruit during November.

Trade General

Because demand for kiwi fruit in Spain far outstrips production, imports are significant. In 1996 calendar year, Spain imported 56,265 metric tons of kiwifruit. Of 1996 CY imports, around 60 percent came from EU countries, particularly Italy and France. Non-EU suppliers were New Zealand (25 percent) and Chile (15 percent). No U.S. kiwifruit was imported during that period. With a lower crop in 1997-98, 1997 CY imports are forecast to remain high.

In 1996 Spain exported 3,402 tons of kiwifruit. About 85 percent of this total went to other EU countries, and the rest to Czech Republic and Morocco.

Prices paid for kiwifruit in the Madrid wholesale market in 1996/97 range between 80 and 150 pesetas/kilo, with the medium price at around 115 pesetas/kilogram. In 1997/1998 prices are expected to be dramatically lower due to the smaller size of the fruits.

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Kiwifruit Report
 Kiwifruit
 Trade

Trade Matrix Kiwifruit

Units: Metric Tons

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Exports for 1995 to:		Imports for 1995 from:	
-U.S.		-U.S.	
-Other		-Other	
EU Countries	2,299	EU Countries	37,793
Czech Republic	370	New Zealand	11,280
Brazil	40	Chile	5,834
Canada	37		
Croatia	18		
Argentina	18		
Total of Others	2,782	Total of Others	54,907
Others not listed	43	Others not listed	1
Grand Total	2,825	Grand Total	54,908

Trade Matrix Kiwifruit

Units: Metric Tons

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Exports for 1996 to:		Imports for 1996 from:	
-U.S.		-U.S.	
-Other		-Other	
EU Countries	2,914	EU Countries	35,777
Szech Republic	242	New Zealand	12,381
Morroco	96	Chile	8,055
Eslovaquia	42		
Canada	38		
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Total of Others	3,332	Total of Others	56,213
Others not listed	70	Others not listed	52
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Grand Total	3,402	Grand Total	56,265

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 Kiwifruit Report
 Kiwifruit
 Marketing

 General

Only a few firms are engaged in the marketing of kiwis. In Galicia, the market is dominated by three firms, and one of them is a major producer of kiwifruit in Spain.

The marketing period for Spanish kiwifruit is mainly November through February. Nevertheless, growers try to expand the marketing period by planting new varieties and forcing maturity of fruits. Kiwis are available practically all year around. Imports from Italy and France normally take place November through May, while kiwi imported from the Southern Hemisphere is authorized entry into the EU from June 1 until November 1. These kiwis are imported from New Zealand and Chile. New Zealand kiwifruit is well-liked due to its large size, good quality and weight. Northern Hemisphere kiwifruit is authorized entry into the EU from October 20 until June 1.

Moreover, the majority of Southern hemisphere kiwifruit from Chile or New Zealand is imported immediately preceeding the end of the southern hemisphere marketing year and just before U.S. kiwis become available. This pattern allows Spanish importers to build temporary stocks of southern hemisphere product and market this fruit in competition with northern hemisphere kiwifruit.

Chilean kiwifruit also enjoys a preferential market advantage, since Chile falls under the Generalized System of Preferences (GSP), which means that Chilean products do not have to pay the same high entry tariffs as do U.S. products.

U.S. Market Opportunities

There are limited market opportunities for U.S. kiwifruit in Spain, and only those of good quality, with sizes ranging between 120-130 grams. It is very difficult for U.S. kiwifruit to compete with lower priced kiwifruit from EU countries, mainly Italy and France, or with domestically produced kiwi.

Policy

Kiwifruit is listed under the 0810.50 category of the Integrated Tariff of the European Community ("TARIC"). Kiwi imports from third countries are subject to the payment of the Common Customs Tariff, which is 11 percent ad valorem.
 END OF REPORT

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