CBI MARKET SURVEY

THE FRESH FRUIT AND VEGETABLES MARKET IN SPAIN

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Report summary

Highlights of the fresh fruit and vegetables market in Spain are:

- Spain is the largest producer of fresh fruit and vegetables in the EU and the main supplier of these products to other EU countries.
- Spain is the second largest European consumer of fruit and vegetables but it has a high percentage of self-sufficiency.
- Although Spain accounts for only 4% of total EU import value in 2005, the share of developing countries in imports is growing strongly.
- Spain imports mainly off-season fruit and vegetables (especially citrus, grapes and apples). Exotics account for only a small part of the imports.

This survey provides exporters of fresh fruit and vegetables with sector-specific market information related to gaining access to Spain. By focusing on a specific country, this document provides additional information, complementary to the more general information and data provided in the CBI market survey 'The fresh fruit and vegetables market in the EU', which covers the EU 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.nl/marketinfo.

1. Market description: consumption and production

Consumption

Total market size

Fresh fruit and vegetables play an important role in the Spanish economy. Spain is the largest EU exporter of fresh fruit and vegetables and one of the largest consumer markets in the EU. According to data from the Spanish Ministry of Agriculture, Fisheries and Food (2006), Spain consumed a total of 4.4 million tonnes of fresh fruit worth 5.3 billion euros and 2.9 million tonnes of vegetables worth 4.2 billion euros in 2005 (Table 1.1)[1]. These figures concern both at-home and out-of-home consumption. By value, 85% of the fresh fruit was consumed at-home and 82% of the vegetables.

Table 1.1 Consumption of fresh fruit and vegetables in Spain, 2002-2005, volume in 1,000 tonnes and value in million euro (€)

	2001	2003	2005		2001	2003	2005
Fruit				**Vegetables**			
Volume	3,891	4,126	4,421	Volume	2,538	2,731	2,927
Value	n.a.	4,781	5,373	Value	n.a.	3,748	4,215

Source: Spanish Ministry of Agriculture, Fisheries and Food 2006

Product groups

Oranges are the most popular fresh fruit, accounting for 20% of total fruit consumption in 2005 (Table 1.2). From 2001 to 2003, at-home consumption of oranges increased by 10% but

[1] These figures may differ from those in the CBI market survey Fresh fruit and vegetables in the EU. In the CBI market surveys covering individual countries national sources are preferred for providing the most detailed information, while the general survey uses statistics that are easily comparable between countries.

from 2003 to 2005, it decreased by 4%. Apples are the second largest product with 13% of at-home consumption, followed by bananas (9%), melons (9%), pears (8%), watermelons (7%), tangerines (7%), peaches (6%), and kiwi fruit (3%). At-home consumption per caput of bananas has decreased with 10% while value increased by almost 14% (Table 4.1). The highest increases in consumption per caput were registered for tangerines, peaches, kiwis, apples, and pears.

Table 1.2 Consumption of fresh fruit and vegetables in Spain, 2001-2005, in thousand tonnes

	2001	2003	2005		2001	2003	2005
Total fruit	**3,891**	**4,126**	**4,421**	**Total vegetables**	**2,536**	**2,731**	**2,927**
Total fruit at-home	**3,535**	**3.748**	**4,004**	**Total vegetables at-home**	**2,123**	**2,266**	**2,413**
Oranges	751	823	790	Tomatoes	538	561	583
Apples	496	474	509	Onions	251	277	306
Banana	391	396	368	Lettuce	244	239	240
Melons	331	363	366	Peppers	165	178	201
Pears	299	287	321	Green beans	99	93	98
Watermelon	252	271	281	Cabbages	58	61	74
Tangerines	204	235	264	*Other vegetables*	*786*	*857*	*911*
Peaches	187	189	227				
Kiwi	97	110	128				
Other fruit	*527*	*600*	*750*				

Source: Spanish Ministry of Agriculture, Fisheries and Food 2006

At-home consumption of vegetables per caput has increased strongly since 1997, by 36%. Total consumption (at-home and out-of-home) of vegetables increased less (Spanish Ministry of Agriculture, Fisheries and Food 2004). In 1997, 2.4 million tonnes were consumed and in 2005, 2.9 million tonnes (+23%). At-home consumption therefore grew much faster than consumption in hotels, restaurants and catering. From 2003 to 2005, the total market for fresh vegetables grew 12% by value and 7% by volume.

Tomatoes are by far the leading fresh vegetable product, accounting for a 24% of at-home consumption volume. The long-term trend in at-home tomato consumption shows an increase, but from 2004 to 2005, consumption decreased by 2%. At the same time, the price per kg increased from €1.13 to €1.34 (see Table 4.1). The second largest product is onions with a share of 13% of at-home consumption volume, followed by lettuce (10%), peppers (8%), green beans (4%) and cabbages (3%). At-home consumption of onions, peppers, cabbages and the group of other vegetables increased from 2004 to 2005.

Market segmentation

Spanish consumers still spend considerable time on preparing meals. They value highly the quality of ingredients and prefer using fresh fruit and vegetables. Spanish lifestyles, however, are changing as elsewhere, which affects consumption patterns. More people are working outside normal hours, and more women have paid jobs. The number of immigrants in Spain is rising. They retain part of their national cuisine and prefer fruits and vegetables that may be unfamiliar to the Spanish cuisine. The Ministry of Agriculture, Fisheries and Food of Spain (2004) mentions some additional demographic trends that affect consumption: ageing population and decreasing size of households.

Trends in consumption

Spanish consumers, in general, have a strong preference for domestically produced fruit and vegetables. Much attention is paid to the preparation of meals, for which often fresh vegetables are used. But Spaniards are becoming more receptive to non-traditional products and eating habits. Spanish retail shops nowadays offer a variety of non-traditional products. The relative size of the market for these products is small, but the potential for growth is large.

Convenience stores, full-service supermarkets and out-of-home consumption are gaining popularity.

The health trend is also noticeable in Spain. More Spanish consumers are concerned about the effect of the food they eat on their health. Fruit and vegetables are seen as important components of a healthy meal. Closely related to the trend of healthy food is the demand for safe food. Spanish consumers want more assurance that the food they eat is safe and therefore tracking, tracing and transparency in the supply chain are becoming more important.

Production

Total production

Spain is the second largest EU producer of both fresh fruit and vegetables (after Italy). In 2005, fresh fruit production was 16.7 million tonnes, accounting for 25% of the EU total. Production of vegetables was 10.4 million tonnes, which is 17% of EU production (Table 1.3). Fruit and vegetable production accounts for about half of the Spanish agricultural output.

Product groups

Climatic and soil conditions differ widely across Spain, resulting in a huge variety of agricultural crops being produced. Spain has a large tree-fruit sector: citrus fruit, stone fruit and tropical fruit, many of which are exported in large quantities. Wine grapes and olives are also important crops.

Between 2001 and 2003, fruit production increased by 18%. Between 2003 and 2005, however, production fell by 15% because of severe droughts (Table 1.3). Grapes are by far the largest fruit product, with a share of more than 35% in total production. The largest part of these grapes is used for wine-making. The major producing regions for table grapes are Valencia, Murcia and Andalusia.

Spain is the largest producer of citrus fruits in Europe. When grouped together, citrus fruits accounted for 29% of total Spanish fruit production in 2005, with a total amount of 4.9 million tonnes. Production of citrus fruit has been decreasing over the last 4 years, however. In 2001, production of citrus fruits amounted to 5.7 million tonnes. Between 2001 and 2003, citrus production increased by 10% to 6.3 million tonnes, but from 2003 to 2005 production declined sharply by 23%. This loss was due to the lower production of oranges (-23% from 2001 to 2005) and lemons and limes (-25%). However, production of tangerines and minor citrus fruits increased. In 2005, Spain produced 36% of all oranges in the EU, 70% of all tangerines and 49% of all lemons and limes.

Other important products are melons and watermelons, accounting for 11% of total Spanish fruit production in 2005. The production of especially cantaloupe melons has increased significantly from 2001 to 2005. Peaches and nectarines (7% of total fruit production), apples (5%) and pears (4%) are also of importance.

Spain is also the largest banana producer in the EU, accounting for 89% of the total EU production of 430 thousand tonnes. In addition, it is the largest producer of strawberries (30% of EU total). The Mediterranean climate allows production of strawberries in winter and early spring. Strawberries are exported to other European countries. However, Spanish strawberry production experiences fierce competition from especially Poland and Morocco.

Table 1.3 Production of fresh fruit and vegetables in Spain, 2001-2005, in thousand tonnes

	2001	2003	2005		2001	2003	2005
Total fruit	**16,791**	**19,750**	**16,707**	**Total vegetables**	**10,635**	**10,694**	**10,446**
Grapes	5,272	7,266	5,880	Tomatoes	3,972	3,947	4,474
Oranges	2,898	3,052	2,150	Onions	992	937	1,043
Tangerines	1,758	2,060	1,945	Peppers	979	1,056	953
(Cantaloupe) melons	984	1,071	1,177	Lettuce	994	1,045	920
Peaches and nectarines	1,082	1,271	1,131	Cucumbers and gherkins	440	577	485
Apples	917	881	798	Cauliflower	418	510	438
Lemons and limes	1,024	1,130	734	Cabbages	289	269	280
Watermelons	665	733	725	Green beans	270	259	240
Pears	673	728	679	Carrots	383	448	240
Bananas	422	402	359	Artichokes	277	306	189
Strawberries	314	264	308	Mushrooms	110	129	165
Stone fruit	370	482	440	Garlic	183	170	145
Other citrus	36	40	39	*Other vegetables*	*1,329*	*1,041*	*874*
Other fruit	*375*	*369*	*343*				

Source: FAOSTAT 2006

Spain is the second largest vegetable producer in Europe (after Italy). Between 2001 and 2005, vegetable production in Spain decreased slightly with 2%, to 10.4 million tonnes in 2005. The most important product group by far is tomatoes, accounting for almost 43% of total Spanish vegetable production in 2005. From 2001 to 2005, tomato production increased by 13%.

The total area under vegetable production in 2005 was 236 thousand hectares, mostly located in Andalusia (26% of total area) and Murcia (21%). Tomatoes were produced on 46 thousand hectares, of which half was located in Extremadura. Other important product groups are onions (10% of total Spanish production in 2005), peppers (9%) and lettuce (9%). Spain accounts for 49% of EU sweet pepper production and 30% of lettuce production.

Forecast and trends in production

Spain is a major producer and supplier of fresh fruit and vegetables to the EU. It has a very strong position in product groups such as tangerines, oranges, strawberries, grapes and sweet peppers. Production is not sufficient to meet the increasing demand of the EU market, however. Especially the year-round supply of these products is often not possible. There are also other constraints for a continued Spanish horticultural expansion. While Spanish horticulture has benefited strongly from internal EU subsidies (structure funds), these subsidies will now be directed to the new member states. A major physical constraint is water scarcity.

The ongoing revision of agricultural production policy of the EU will also have an effect on Spanish fruit and vegetable production. Export subsidies are expected to diminish in the future because of the discussions in the World Trade Organization on the elimination of trade barriers.

Opportunities and threats

Fresh fruit and vegetables are an important part of daily meals of most Spanish consumers. This is not likely to change over the coming years. Although Spain produces large quantities of fresh fruit and vegetables itself, there is a growing market for exporters from developing countries. Particularly the supply of off-season products, for example citrus and exotics such as pineapples and passion fruit, can be attractive. Imports of these products are increasing and the majority is coming from developing countries (see Chapter 2.1). There may also be an opportunity to increase the presence of minor exotics such as mango, pineapple and passion fruit to the Spanish market.

Useful sources

- MAPYA, Ministry of Agriculture, Fisheries and Food. http://www.mapa.es.
- INE, Instituto Nacional de Estadistística. http://www.ine.es.
- Infoagro.com. http://www.infoagro.com.
- FEPEX, Spanish Federation of Associations of Fruit & Vegetable Exporters and Producers. http://www.fepex.es.
- FAOSTAT, Statistics database FAO. http://faostat.fao.org.

2. Trade: imports and exports

Imports

Spain is a medium-size importer in the EU, accounting for 4% of total EU imports of fruit and vegetables.

Between 2001 and 2005, fresh fruit imports increased by 20% both in value and in volume. Total imports were €726 million and 1.0 million tonnes. In 2005, 45% of the value of imports was from other EU member states and 47% from developing countries. During the same period, imports from developing countries increased by 31% in value and 39% in volume. Internal EU imports increased at a much lower rate of 5%. Spain therefore increasingly relies on imports from outside the EU. France is the largest supplier of fresh fruit to Spain, closely followed by Chile, Argentina and Italy (Table 2.1).

Imports of fresh vegetables were €229 million and 339 thousand tonnes in 2005. There was an impressive increase of 115% in value and 80% in volume compared to 2001. The share of imports from other EU member countries in total import value was 54% in 2005. Developing countries had a share of 45% in the total import value (Table 2.1). The leading suppliers are Morocco and France, accounting for 29% of total import value each. From 2001 to 2005, the imports from developing countries increased spectacular: 270% in value and 271% in volume.

Table 2.1 Imports by Spain and leading suppliers to Spain, 2005, share in % of value

	Leading suppliers 2005	Share	Import value
Fruit			
Intra EU:	France (14%), Italy (10%), Portugal (7%)	45%	329
Extra EU –DC*:	New Zealand (7%), Israel (0.6%)	8%	56
DC*:	Chile (11%), Argentina (10%), South Africa (5%), Brazil (4.6%), Ecuador (2.2%), Uruguay (2.2%)	47%	341
Vegetables			
Intra EU:	France (29%), the Netherlands (8%), Portugal (4.4%)	54%	123
Extra EU:	Australia (0.5%), USA (0.5%)	1%	3
DC*:	Morocco (29%), Peru (10%), Argentina (3.7%), China (1.1%), Mexico (0.5%), Chile (0.4%)	45%	103

*DC: Developing countries
Source: Eurostat 2006

Fruit

The major fruit products imported into Spain are apples (20% of import value in 2005), kiwis (17%), oranges (10%) and bananas (8%). Spanish fruit consumption is large, but much of the demand can be satisfied with domestic produce. Kiwi fruit is the only exotic that is imported directly in substantial amounts. The largest suppliers of kiwis to Spain are France (14% of import value in 2005), Chile (11%), Argentina (10%), and Italy (10%) (Table 2.1).

The major fruits imported from developing countries are oranges, apples, lemons and limes, melons, and grapes (Table 2.2). Import value of oranges decreased considerably from 2001 to 2005 (-57%). Orange imports from developing countries, however, decreased by only 15%.

Table 2.2 Imports by Spain and leading suppliers to Spain of fresh fruit products 2003-2005, import value in million euro (€), share in % value 2005, in brackets import value from developing countries

Product	2003	2005		Leading suppliers in 2005 (share of total import value in %)	Share (%)
Oranges	174 (78)	75 (64)	Intra EU:	the Netherlands (5%), Portugal (3.6%), France (2.4%)	13%
			Extra EU excl DC*:	Australia (0.7%), USA (0.2%)	1%
			DC*	South Africa (36%), Uruguay (16%), Argentina (10%), Egypt (8%)), Turkey (5%), Morocco (3.9%)	86%
Apples	163 (31)	142 (52)	Intra EU:	France (33%), Italy (17%), Germany (4.4%)	60%
			Extra EU excl DC*:	New Zealand (3.9%)	3%
			DC*	Chile (20%), Argentina (8%), China (6%), Brazil (2.2%), Uruguay (0.5%)	37%
Lemons and limes	62 (28)	54 (48)	Intra EU:	France (4.3%), the Netherlands (3.9%), Italy (1.1%)	11%
			Extra EU excl DC*:		0%
			DC*	Argentina (79%), Uruguay (4.3%), South Africa (4.3%), Venezuela (0.5%), Brazil (0.3%)	89%
Melons, other than watermelons	22 (8)	32 (28)	Intra EU:	the Netherlands (5%), Portugal (2.9%), France (2.1%)	12%
			Extra EU excl DC*:		0%
			DC*	Brazil (50%), Morocco (17%), Panama (14%), Costa Rica (3.9%), Argentina (0.9%), Venezuela (0.7%)	88%
Grapes	52 (14)	37 (22)	Intra EU:	Italy (23%), the Netherlands (7%), Portugal (4.9%)	41%
			Extra EU excl DC*:		0%
			DC*	Chile (45%), Argentina (6%), Peru (2.4%), South Africa (2.1%), Morocco (1.6%), Brazil (1.1%)	59%
Avocados	8 (4)	22 (19)	Intra EU:	France (12%), Germany (2.6%), the Netherlands (1.6%)	16%
			Extra EU excl DC*:		0%
			DC*	Peru (36%), Chile (31%), South Africa (10%), Argentina (4.9%), Kenya (1.3%), Dominican Rep. (0.2%)	84%

Source: Eurostat 2006
* Developing countries

Vegetables
The major products imported by Spain are beans (26% of total import value in 2005), tomatoes (13%), asparagus (12%), garlic (6%) and peppers (5%).These are also the products in which developing counties have the highest value shares in 2005 (Table 2.3). Beans imports grow very fast. Spain is the third largest EU importer of beans. As much as 70% originated in one developing country: Morocco. Other products with growing imports from developing countries are tomatoes, garlic, peas and asparagus. Morocco is the most important supplier of many fresh vegetables from outside the EU. Other developing countries that benefit from Spanish imports are mostly Latin American.

Table 2.3 Imports by Spain and leading suppliers to Spain of fresh vegetables products 2003-2005, import value in million euro (€), share in % value 2005, in brackets import value from developing countries

Product	2003	2005		Leading suppliers in 2005 (share of total import value in %)	Share (%)
Beans	17 (5.0)	59 (42)	Intra EU:	France (29%), Portugal (0.2%)	30%
			Extra EU excl DC*:		0%
			DC*	Morocco (70%)	70%
Tomatoes	9 (3.8)	29 (11)	Intra EU:	the Netherlands (27%, Portugal (12%), Belgium (10%)	62%
			Extra EU excl DC*:		0%
			DC*	Morocco (37%), Turkey (0.3%), Chile (0.2%), Cuba (0.1%)	38%
Asparagus	11 (10.5)	26 (25)	Intra EU:	Germany (4.4%), France (0.8%), the Netherlands (0.7%)	6%
			Extra EU excl DC*:		0%
			DC*	Peru (82%), Mexico (4.1%), Morocco (3.6%), Argentina (2.3%), Chile (1.9%), Ecuador (0.1%)	94%
Garlic	13 (4.5)	14 (7.4)	Intra EU:	France (33%), Portugal (2.6%), the Netherlands (1.8%)	39%
			Extra EU excl DC*:	USA (6%)	6%
			DC*	Argentina (37%), China (17%), Brazil (0.8%), Egypt (0.2%)	55%
Peppers	3 (1.5)	12 (8.4)	Intra EU:	Germany (12%), France (7%), Portugal (6%)	32%
			Extra EU excl DC*:		0%
			DC*	Morocco (65%), Brazil (1.0%), Mexico (0.7%), Nicaragua (0.4%), Senegal (0.4%), Peru (0.2%)	68%

*DC: Developing countries
Source: Eurostat 2006

Exports

Spain is the largest exporter of fresh fruit and vegetables in the EU. In 2005, fruit exports were €3.8 billion and 5.0 million tonnes. Since 2001, export volume declined by 1%, although value increased by 6%. France and Germany are the main destinations for the exported fruits, together accounting for half of the exports. The major products exported by Spain are tangerines (31% of export value in 2005), followed by oranges (18%), peaches and nectarines (9%) and strawberries (9%). Spain also exports small amounts of exotics such as bananas and pineapples.

In 2005, fresh vegetables exports were €3.1 billion and 3.4 million tonnes. Since 2001 exports have increased by 10% in value, while volume decreased by 7%. The leading export products are tomatoes (27% of total export value in 2005), peppers (15%) and cucumbers (10%). Almost all exports are going to other EU countries. Spain is a major supplier of vegetables to the EU. The main destination is Germany (24% of total export value), followed by the United Kingdom (20%), France (18%) and the Netherlands (14%).

Opportunities and threats

Spanish consumption consists mainly of domestically produced fruit and vegetables. Imports are small compared to other European countries. Consumption of exotic fruit is small as well, and imports are limited. The exotics are often not directly imported from the country of origin but from other EU countries. Most of the fruit imports from developing countries concern off-season oranges and apples, and limes. These imports from developing countries are growing.

Vegetables imports are very low compared to consumption, but have shown a strong increase during the survey period. Developing countries are important suppliers of fresh vegetables to Spain.

Useful sources
- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int

3. Trade structure

Trade channels
Distribution of fresh fruit and vegetables in Spain is becoming more concentrated and specialised, although this process is not as advanced as in northern Europe. The concentration results in fewer companies with a larger market share. These large companies are often active in a larger geographic area or in a larger variety of products than the smaller companies.

Spain does not have a homogeneous market but rather consists of several regional markets, each with its specific trade channels. The main ones are Madrid and Barcelona, where the majority of importers, agents and distributors are located.

The most common way of entering the Spanish market is through an agent or importer. Another possibility is direct export to wholesalers. Most fresh produce is distributed through 22 public wholesale markets ('Mercas') located around Spain. Barcelona and Madrid have the largest wholesale markets for fresh produce. The multiple retailers have their own purchase departments that buy fresh products from wholesale companies and forward them to their supermarkets. Produce from outside the EU may be imported directly. The traditional outlets buy most of their produce at regional wholesale markets.

The major traders in the Spanish fruit and vegetables market are listed below.

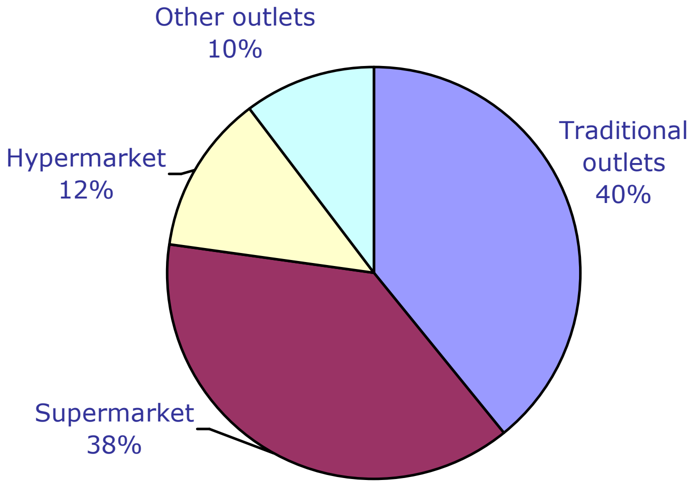
Company	Contact details
Sociedad Compras Modernas S.A. (Socomo)	Located in Valencia, Socomo is a subsidiary of France's leading retailer Carrefour, buying and distribution of fruit and vegetables. http://www.carrefour.es
Cooperación Anecoop	Located in Valencia. Trader of mainly citrus fruits, http://www.anecoop.com
Cooperacíon AN	Campo de Tajonar, Navarra
Grupo Eurobanan	Located in Madrid, Eurobanan is Spain's largest banana trader. http://www.eurobanan.com
Edeka Fruchtkontor España	Valencia, subsidiary of German Edeka http://www.edeka.de
Grupo AMC	Espinardo, Murcia
Agrupaejido S.A.	Almeria, http://www.agrupaejido.es
Cooperacíon San Isidro-Partidores	La Cañada, Almeria
Cooperacíon Acorex	Badajos, http://www.acorex.es

Source: Spanish Ministry of Agriculture, Fisheries and Food, 2004

For more information on trade structure, see CBI market survey 'The fresh fruit and vegetables market in the EU', which can be downloaded from http://www.cbi.nl/marketinfo.

Retail trade
As elsewhere in Europe, the market share of supermarkets and hypermarkets in Spain is increasing at the expense of traditional food outlets. Nevertheless, many consumers still prefer the neighbourhood supermarkets and public markets for purchasing fruit and vegetables (Figure 3.1).

Figure 3.1 Share of retail outlets in sales of fresh food products in 2005



Source: Spanish Ministry of Agriculture, Fisheries and Food 2006

Trends

Spanish consumers are spending gradually less time on grocery shopping and full-service supermarkets are becoming more popular. For the distribution of fresh produce, however, the traditional outlets such as greengrocers and small neighbourhood supermarkets remain important. The strong position of traditional outlets may be explained by the fact that Spanish consumers highly value the proximity of retail outlets and the quality of the products. The price and the variety in assortment are of secondary importance (Ministry of Agriculture, Fisheries and Food 2006). The multiple retailers offer a wide variety of fresh fruit and vegetables of high quality. The share of the multiple retailers will increase as shopping habits are expected to change gradually to less frequent purchases in supermarkets that offer all daily necessities (one-stop shopping).

Major multiple retailers in Spain are:
- Carrefour - http://www.carrefour.es
- Mercadona - http://www.mercadona.es
- Grupo Eroski - http://www.grupoeroski.es
- El Corte Ingles - http://www.elcorteingles.es
- Auchan - http://www.auchan.com

Useful sources
- Mercabarna – Wholesale market of agricultural products, Barcelona. http://www.mercabarna.es. This website includes wholesale prices.
- MercaMadrid – Wholesale market of agricultural products, Madrid. http://www.mercamadrid.es. This website includes wholesale prices.
- MAPYA, Ministry of Agriculture, Fisheries and Food. http://www.mapa.es.

4. Prices and margins

The Spanish Ministry of Agriculture, Fisheries and Food (MAPYA) reports price margins for fresh fruit and vegetables but they are not always up-to-date. Please check the website of MAPYA for these margins.

The Spanish Ministry of Agriculture, Fisheries and Food (MAPYA) also reports consumer prices fresh fruit and vegetables (Table 4.1). Between 2004 and 2005, the average price of fruit increased by 3%. Kiwi fruit and bananas are the most expensive fruits; citrus fruit ranks among the cheapest. In the same period, the average price of vegetables increased by 8%.

Table 4.1 Retail prices of fresh fruit and vegetables consumed at home in Spain, 2004-2005, in €/kg

	2004	2005		2004	2005
Total fruit	1.20	1.24	**Total vegetables**	1.37	1.48
Oranges	0.89	0.91	Tomatoes	1.13	1.34
Apples	1.20	1.15	Onions	0.85	0.81
Banana	1.24	1.56	Lettuce	1.64	1.79
Melons	0.78	0.81	Peppers	1.66	1.59
Pears	1.22	1.22	Green beans	2.63	2.80
Watermelon	0.69	0.68	Cabbages	0.88	0.97
Tangerines	1.14	1.12	*Other vegetables*	1.46	1.60
Peaches	1.50	1.37			
Kiwi	2.44	2.17			
Other fruit	*1.78*	*1.75*			

Source: Spanish Ministry of Agriculture, Fisheries and Food 2006

Useful sources

- National Statistics Association – http://www.ine.es.
- MAPYA, Ministry of Agriculture, Fisheries and Food. http://www.mapa.es.

5. Market access requirements

As a manufacturer in a developing country 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.

Legislative requirements

National legislation in EU countries is compulsory for all products traded within the country concerned. Therefore, as an exporter in a developing country you have to comply with the legislative requirements that are applicable to your products. For information on legislation for fresh fruit and vegetables go to the CBI website at http://www.cbi.nl/marketinfo, select your market sector and the EU country of your interest in the category search, click on the search button and click on legislative requirements for an overview of all documents on legislation in your country of interest.

Non-legislative requirements

Social, environmental and quality related market requirements are of growing importance in international trade and are often defined by European buyers through labels, codes of conduct and management systems. For information on non-legislative requirements applicable to fresh fruit and vegetables, go to the CBI website at http://www.cbi.nl/marketinfo, select your market sector and the EU country of your interest in the category search, click on the search button and click on your subject of interest under non-legislative requirements for an overview of all documents on the subject concerned in your country of interest.

Packaging, marking and labelling

Requirements for packaging and labelling are subject to the EU marketing standards of fresh fruit and vegetables. You can download information on these requirements on the CBI website at: http://www.cbi.nl/marketinfo/cbi/?action=showDetails&id=1869.

Tariffs and quota

Access for fruit and vegetables to the European market is regulated through EU Regulation EC 2200/96, on the common organization of the market in fruit and vegetables. This regulation states, among other things, the arrangements regarding trade with third countries. For many fresh fruits and vegetables an import duty has to be paid. For some products, an entry price or tariff quota may be applied as well. Countries that are part of the Generalised System of Preferences (GSP) of the EU can make use of the preferential duty rates which are substantially lower than the normal rates. More information on the GSP system can be found at the EU Export Helpdesk for Developing Countries, http://export-help.cec.eu.int.

For fresh fruit and vegetables, the reduced value-added tax rate of 4% is applicable.

6. Business practices

Selecting a suitable trading partner

When doing business with Spanish trading partners, knowledge of the Spanish language is important. Especially outside large cities, knowledge of English or French among the Spanish population is rather limited.

Spanish business mentality shows large differences between regions. Catalans (central Spain and Madrid) are formal and appreciate negotiations in a business-like manner. In Andalucía, Spain's southern region, business partners appreciate a formal and courteous way of doing business, but they are open and flexible.

For information on the selection of suitable trading partners, please consult http://www.cbi.nl/marketinfo. For general information, go to CBI's publication 'Export Planner'.

Coming to terms with your trade partner

It is not a matter of course that you will get an answer after one contact. A pro-active attitude in further communication is necessary. Once a contact has been established and negotiations have started, it is important to follow up on all communication and correspondence. The terms of payment may be longer than elsewhere, and punctuality is considered less important than in northern Europe.

For information regarding different payment methods and delivery terms, please refer to CBI's Export Planner, and CBI EU Market Survey Fresh Fruit and Vegetables. Both documents can be downloaded from the CBI website at http://www.cbi.nl/marketinfo.

Sales promotion

Visiting or even participating in a trade fair in Spain is an important promotional tool for approaching potential trading partners. Relevant trade fairs for exporters of fresh fruit and vegetables to Spain are:

- Salón Internacional del Club de Gourmets, Madrid. http://www.gourmets.net.
- Alimentaria, Barcelona. http://www.alimentaria.com.
- Eurofruit, Lleida. http://www.firadelleida.com.

Trade journals, professional websites and newsletters are important sources of up-to-date information on developments in the Spanish fresh produce sector. The most relevant trade journals for exporters of fresh fruit and vegetables to Spain are:

- Horticultura & Internacional (in Spanish). http://www.horticom.com.
- Valencia Fruits (in Spanish). http://www.valenciafruits.com.
- Trade Spain (supplement to Eurofruit Magazine). http://www.hispanofruit.com.

For more information on sales promotion, go to CBI's publication 'Export Planner' and 'Your Image Builder' available at http://www.cbi.nl/marketinfo.

7. References

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This survey was compiled for CBI by Mercadero in collaboration with Bureau Leeters.