CBI MARKET SURVEY

THE PLANTS AND YOUNG PLANT MATERIAL MARKET IN SPAIN

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Introduction

This CBI market survey gives exporters in developing countries information on some main developments on the plants and young plant material market in Spain. The information is complementary to the information provided in the CBI market survey 'The plants and young plant material 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

- Spain is the 6th market for plants in the EU. Between 2001 and 2005, total value of plant consumption increased by 42% and amounted to € 528 million in the latter year. It is one of the fastest growing markets in the EU and surpassed the Belgian market in 2005. Per capita consumption is one of the driving forces behind the growth. Between 2001 and 2005, per capita consumption increased from € 9 to € 12, which is nevertheless still relatively low.
- The Spanish market is expected to continue growing. The value of the market in 2009 is estimated at € 633. It will then be bigger than the Netherlands consumer market.
- The growth of plant consumption is closely related to the good performance of the Spanish economy. This increases the incomes of Spanish consumers and, consequently, plants become affordable for a larger part of the population.
- In 2003, the market share of flowering plants was 52%, while foliage plants accounted for 40% of consumer expenditure on plants.

Table 1.1 Top 10 flowering/foliage plants in Spain, 2002 - 2003

	Flowering plants			Foliage plants	
	2002	2003		2002	2003
Euphorbia	34	33	Dracaena	17	22
Orchids	5	15	Palm	19	17
Cyclamen	9	5	Epipremnum	15	15
Anthurium	5	5	Ficus	14	14
Azalea	13	5	Cactus	11	8
Begonia	5	5	Yucca	8	7
Pelargonium	5	4	Dumbcane	8	6
Dendranthema	3	4	Croton	2	5
Saintpaulia	3	4	Fern	4	4
Rose	3	4	Sansevieria	1	1
Other	15	16	Other	3	3
Total	**100**	**100**	**Total**	**100**	**100**

Source: Flower Council of Holland (2005)

- Approximately 56% of Spanish institutions has flowers or plants in their offices. Of these institutions, 66% has foliage plants and 22% has flowering plants. In general, Spanish institutions are more "plant-minded" than "flower-minded".

Production

- The production of foliage and perennial plants in Spain is increasing. It was valued at € 112 million in 2002, an increase of 12% since 2000. Production of foliage plants will continue to increase, with expanding output for Schefflera, Ficus, Scindapsus, Dracaena, Yucca, Dieffenbachia, Euphorbia, Hydrangea, Pelargonium and Hibiscus. Plants are seen as a successful export product. The variety produced is large, but volumes remain limited.
- Most farms are small to medium-sized family owned operations.
- Important concentrations of growers are located in Almeria, Malaga, Granada, Valencia, Catalonia, Murcia and Aragon. The Canary Islands are also major plant suppliers.

Trends

- Due to the stagnation of the cut flower market, growers have switched to producing plants or vegetables, for which market prices are more favourable and results tend to be a bit more profitable. However, production volumes are relatively low compared to many growers in northern European countries.
- Investments in production technology, infrastructure and product quality are increasing.
- A few years ago, MPS was introduced to Spanish growers: this is a label requiring certification which includes environmental as well as social aspects. The initiative was taken by FEPEX, the Spanish Federation of Horticultural Producers.

Opportunities and threats

- The growth of Spanish consumption offers good opportunities for existing suppliers to expand their supply and for new suppliers to enter the market.
- Interesting plants with increasing market shares are orchids, dracaena and croton.
- The increasing domestic production and investments in the Spanish horticultural sector lead to fiercer competition for market shares. Competition will become particularly stronger for the plants which are increasingly produced in Spain. Nevertheless, plants like Dracaena still offer opportunities, as their consumption also increases strongly.

Useful sources

- Banco de España: http://www.bde.es
- Instituto de Comercio Exterior: http://www.icex.es
- Ministerio de las Relaciones Internacionales: http://www.sispain.org
- Instituto Nacional de Estadistica (INE): http://www.ine.es

For a list of horticultural trade magazines, please refer to Section 6.

2. Trade: imports and exports

Imports

- Spain is the 10th largest importer of plants and young plant material in the EU25. In 2005, imports of plants and young plant material into Spain amounted to € 62 million or 41 thousand tonnes, representing an increase in value of 34% compared to 2001. This increase is a response to the 42% increase in consumption in the same period. The remaining gap between import growth and consumption growth is filled in by increases in domestic production.
- The Netherlands dominate supplies to Spain with a share of 65%. Italy is the second largest supplier with a share of 11%. It is the major supplier of finished outdoor plants.
- Costa Rica is the most important developing country supplier, with a total share of 3% in total Spanish imports. According to its share in import value it is a major supplier of rooted cuttings (6%), foliage plants (5%) and unrooted cuttings (4%).
- Spain imports a relatively large share of outdoor plants other than perennial plants from developing countries (25%). Egypt is by far the major developing country supplier of these plants, with a share of 18% in total Spanish imports.

- Foliage plants remained the largest imported group in 2005. It accounted for 46.3% of total imports. The second most imported product group consisted of flowering plants, with a 25% share in imports.
- The European market for tropical young pot plant material is, for a large part, dominated by Netherlands importers. These importers not only supply Netherlands growers, but also many growers in other countries like Spain. Besides the supply via Netherlands importers, relatively small numbers of tropical pot plant cuttings are imported directly by local importers and growers.

Exports
- Spain exported € 57 million worth of plants and young plant material in 2005. The volume of exports amounted to 34 thousand tonnes. Spain was the 6th largest exporter in the EU25 and is of medium importance compared to the 5 largest exporters and the other countries.
- Exports of outdoor plants other than perennial plants, unrooted cuttings and foliage plants are relatively more important than other product groups of plants and young plant material. However, exports of foliage plants and unrooted cuttings decreased by approximately 20% and 30% respectively. As Spanish production in general is increasing, this indicates an increase in local supply in response to the growing internal market.

Opportunities and threats
- The increased demand for plants and young plant material in Spain is largely answered by increased imports. The composition of imports is favourable to developing country suppliers as plants which are relatively easy to transport are important import products compared to the imports by other countries.
- Spanish importers expect the share of supplies from The Netherlands to increase. This is due to the broadening of importers' assortments and the broad assortment offered by suppliers from The Netherlands.

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

Wholesale level
- The wholesale distribution in Spain can be characterised by 3 different chains. The first chain is dominated by wholesale markets, the second chain consists of individual wholesalers and the third chain is agrarian co-operations, which also distribute local produce.
- The lion's share of production is distributed through wholesalers. The relationship between distribution and production in Spain has always been strong. Many producers supply wholesalers, who in their turn supply retailers, producers and exporters. Imported plants are mainly distributed by special wholesalers. An increasing percentage of Spanish retailers imports directly from Netherlands exporters.
- The major wholesale markets are located around the production areas. The leading wholesale markets in order of importance are Mercat de Flor I planta de Vilassar de Mar, Flortal, Mercamurcia, Mercabarna and Mercavalencia.

Retail level
- Florists are the main retail channel in Spain. Their market share has been stable over a long period. Nevertheless, their market share is under pressure from competition by garden centres, do-it-yourself stores and decoration stores and they are under pressure to offer added value such as expertise, quality etc. Spain has 8,000 sales points for cut flowers and plants, of which 6,000 special flower shops. They compete mostly on price/quality ratio, quality, service and relations with clients.

- A relatively new but strongly increasing channel for pot plants is garden centres. The garden centres are mainly located nearby bigger cities. Their increasing importance is mainly due to French chains such as Jardiland opening outlets in Spain. Typical for Spanish garden centres is that 60% of the centres manage their own production.
- The traditional markets are slowly losing market share.

Table 3.1 Market shares of retail channels, 2002 – 2003

	2002	2003
Florists	50%	52%
Garden centres/growers	16%	16%
(Street-)markets	16%	15%
Supermarkets	11%	12%
Kiosks	2%	2%
Others	5%	3%

Source: Flower Council of Holland (2006)

- Supermarkets compete on price and convenience, although they are not as important as in many other European markets. Major supermarket chains in order of importance are El Corte Ingles, Carrefour, Mercadona, Eroski and Auchan.

4. Prices

- Retail prices for plants increased significantly between 1998 and 2003, as the table below shows. The average price for both flowering and foliage plants, increased by € 2. As can be seen in the table, Spanish consumers pay relatively high prices.

Table 4.1 Estimated average price per plant (€), 1998-2003

	1998	2003
Flowering plants	5.00	7.00
Foliage plants	6.00	8.00

Source: Flower Council of Holland (2005)

Useful sources

- Several Spanish wholesale markets publish prices, mostly on a weekly basis (see websites below). A few European organisations publish prices for finished plants on a regular basis. ITC in Geneva collects prices at the wholesale level on EU markets and publishes a weekly bulletin. The International Association of Horticultural Producers (AIPH) publishes information on prices and trends of plants in their statistical yearbook.
- Mercat de Flor i Planta Ornamental de Catalunya: http://www.mercatflor.com
- Mercabarna: http://www.mercabarna.es
- Mercamurcia: http://www.mercamurcia.es
- ITC Market News Service (MNS): http://www.intracen.org
- International Association of Horticultural Producers: http://www.aiph.org

5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country 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.
- For more information go to 'Search CBI database' at http://www.cbi.nl/marketinfo

6. Business practices

Trade associations

- FEPEX (Federación Española de Asociaciones de Productores Exportadores de Frutas, Hortalizas, Flores y Plantas Vivas): http://www.fepex.es

- List of other national and regional Spanish horticultural associations: http://www.fepex.es/publico/asociarse/Asociaciones.aspx?COD_SECTOR=18

Trade fairs
- Iberflora (International floricultural trade fair): www.feriavalencia.com

Trade press
- Horticultura Internacional / Horticom: http://www.horticom.com
- Verdiland Ediciones: http://www.verdiland.com
- Tecnipublicaciones: http://www.tecnipublicaciones.com
- Orophrys: www.edicioneslav.es/orophrys/
- Flormarket: http://www.infoagro.com/webs/verdimedia/index.htm
- Ediciones de Horticultura: http://www.ediho.es/ediciones_horticultura/

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