

Voluntary Report – Voluntary - Public Distribution

Date: October 01, 2021

Report Number: SP2021-0025

Report Name: Spanish Fresh Deciduous Fruit Committed to Sustainability and Smart Farming

Country: Spain

Post: Madrid

Report Category: Fresh Deciduous Fruit

Prepared By: Carmen Valverde

Approved By: Karisha Kuypers

Report Highlights:

The Spanish deciduous fruit sector is focused on varietal innovation, sustainable production, the circular economy, and smart farming, resulting in a higher productivity with quality products. Due to the COVID-19 pandemic, Spanish consumers are more concerned about health, so fruit consumption grew exponentially in 2020. The improvements in technology and efforts to open new international markets are especially relevant for Spanish table grapes. According to trade data, to date Brexit has not negatively impacted Spanish deciduous fruit exports to the United Kingdom.

Executive Summary

The Spanish fresh deciduous fruit sector is committed to and focused on fruit varietal innovation, sustainable production, smart farming, digital improvements, green packaging, and fruit quality. More efficient harvest and processing methods have resulted in higher productivity. The introduction of new varieties and efforts to open new international markets are especially relevant in the Spanish table grapes sector.

Due to the COVID-19 pandemic, Spanish consumers are more concerned about health and are eating at home more. In 2020, the benefits of fruits and vegetables as healthy products caused consumption to grow exponentially. In the case of apples, their durable and less perishable nature strongly increased consumption. This significant consumption change took place mainly in the first months of the pandemic (March 2020-June 2020) as consumers were confined at home, although eventually consumption stabilized once concerns over lack of supply were allayed. In this context, it should be noted that producers and distributors made great efforts to ensure that there were no major disruptions in the deciduous fruit sector due to COVID-19, although production costs due to the pandemic and its related restrictions notably increased.

Additionally, according to Trade Data Monitor (TDM), Spain is the main fruit supplier to the United Kingdom (UK), providing mainly bananas, table grapes, fresh apples, and citrus. In MY 2020/21, Spanish apple exports to the UK were valued at \$12 million USD, stable compared to the previous season and up to now not impacted by Brexit. The UK is also the top market for Spanish table grapes. Last season, Spain's table grape exports to the British market were valued at \$144 million and according to the industry, to date Brexit has also not negatively impacted the Spanish table grape exports to this market.

General Overview

The Spanish fruit sector is in constant evolution to develop new varieties of apples and pears with more flavor, texture, and juiciness that are adapted to the warmer Mediterranean climate. Producers are looking to improve traditional varieties for greater quality and flavor, as well as to develop and advance new and organic varieties. Spain is a leading supplier of organic fruit and vegetables in European markets, where consumption is increasing annually. In 2019, Spanish organic apple production exceeded one million tons, an increase of 1.6 percent.

Improvements in sustainable production are mainly focused on the circular economy and use of renewable energies, as well as reducing waste, CO2 emissions, water footprint, and inputs, to produce more efficiently through reduced resource use. In this sense, technology and innovation, digitalization, smart farming, and Artificial Intelligence (AI) are key factors in the overall Spanish fruit sector. The Spanish Ministry of Agriculture supports the fruit sector through the [Digitalization and Big Data Group](#), created by 43 independent experts, to help fruit growers and industry reach these new goals and enable the transitions included in the EU Farm to Fork strategy.

Apples

According to the latest Spanish official data, Catalonia is the region with the highest production of table apples, accounting for 55 percent of the total production. The Aragon region follows, contributing 20 percent of production. By variety, Galicia is the region known for its cider apples with 70 percent of the total Spanish cider apple production, followed by Asturias and the Basque Country. The main apple variety grown in Spain are *Golden Delicious*, with 50 percent of total apple production (concentrated in Catalonia, Aragon, and Galicia). Since 2013, production of other varieties such as *Fuji* and *Cripps Pink* has been rising due to their quality and texture.

The *Golden Delicious* variety remains the most important apple variety in Spain. However, in recent years, production of this variety along with production of *Red Delicious* has decreased. For MY 2021/22 (July/June), the Spanish table apple industry anticipates an increase in the volume of all table apple varieties grown in Spain to 542,748 tons, a 27 percent growth compared to the previous season, and a 13.5 percent growth compared to the last ten years average. In addition, Spanish total apple production includes a stable production of around 80,000 tons of cider apples destined for processing to produce cider apple. Thus, according to latest official data, in MY 2021/2022, Spanish total apple production is expected to reach 622,748 tons (see Chart 1).

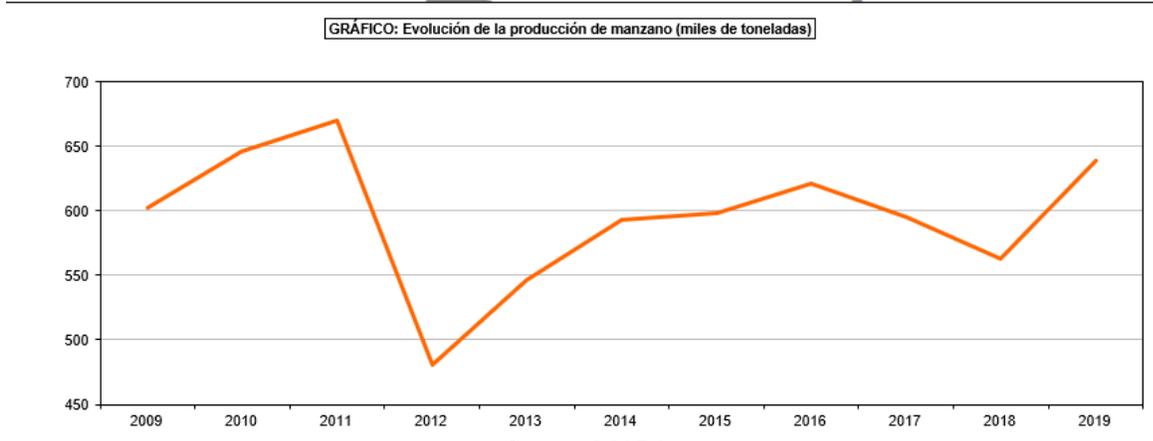
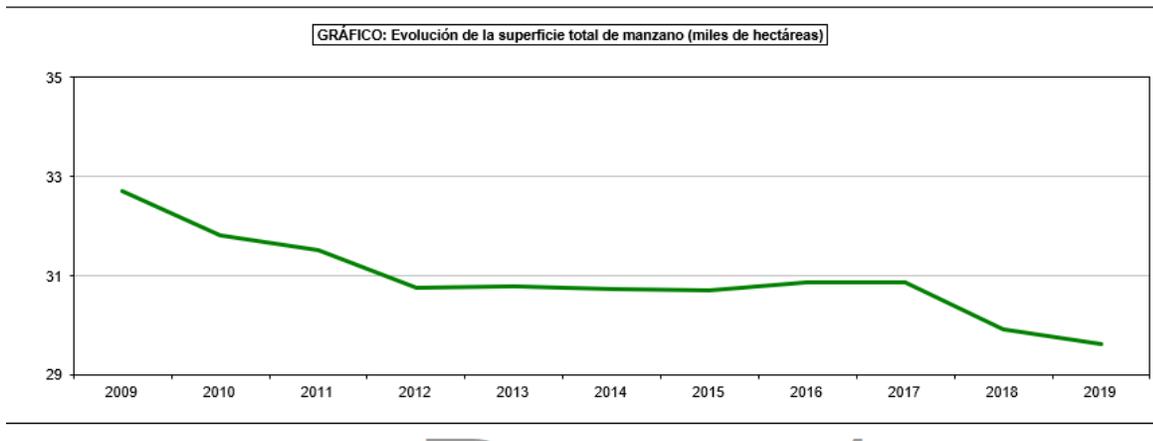
After continually falling at a modest pace since 2013, total planted area decreased 9.5 percent in the last decade as a result of the replacement of deciduous fruit planting with alternative fruit trees with higher profits. The availability of new varieties that are better adapted to warm climates and the planting of apple orchards in the mountains over the last few years have resulted in a higher quality and a more efficient product, as well as increasing overall apple production. Spain's total planted area for apples stands at 29,600 hectares (ha).

Average Spanish per capita consumption of apples is around 12 Kg/person/year. For MY 2021/22, Post expects Spanish fresh apple consumption to increase in line with apple supply. Additionally, according to official data, around 17 percent of Spanish apples are destined for processing, and may reach 105,000 ton in MY 2021/2022. Almost 35 percent of apples destined for processing are cider apples.

Spain is a net importer of fresh apples, with around 50,000-100,000 tons of imports surpassing exports and mostly sourced (around 95 percent) from the EU, mainly from France, Italy, and Portugal. In MY 2020/21, Spain's apple imports rose six percent compared to the previous season to 212,791 tons and valued at \$207 million, due to the strong decline in domestic supply. Spanish imports of apples from non-EU countries comprised five percent of the total Spanish apple imports with Chile as main non-EU supplier. For MY 2021/22, Spanish apple imports may decline due to the estimated growth in Spanish apple production.

In MY 2020/21, Spanish fresh apples exports decreased 25 percent to 112,000 tons and valued at \$103 million. Around 55 percent of Spanish apple exports are shipped to other Member States (namely France and Portugal). Major non-EU destinations are the UK, Morocco, Mauritania, Colombia, Brazil, and the Middle East. Spanish apple exports to the UK were valued at \$12 million, stable with the previous season and up to now not impacted by Brexit. For MY 2021/22, Spanish apple exports may continue to rise due to the estimated Spanish apple production growth and the sector's focus on developing external markets.

**Chart 1. 2009-2019 Spanish fresh apple planted area and production
(in 1,000 ha and 1,000 tons)**



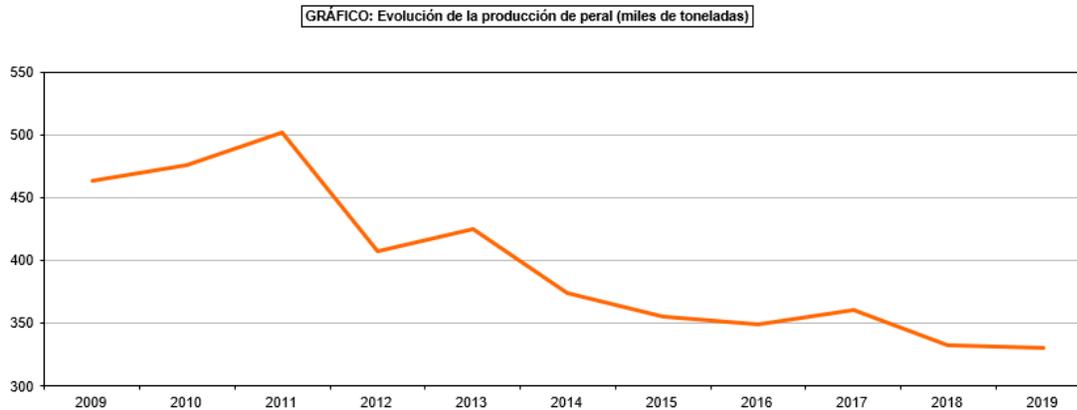
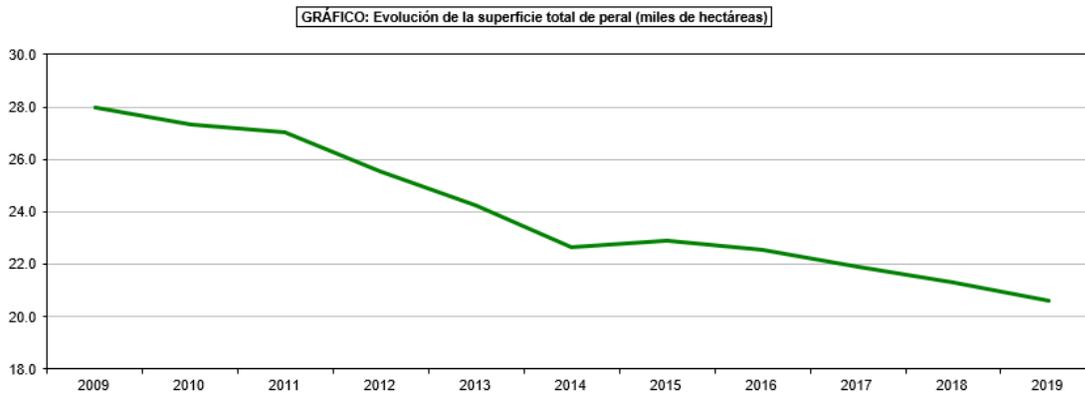
Source: MAPA

Pears

According to recent Spanish official data, Catalonia is the region with the highest pear production, with around 45 percent of the total, followed by La Rioja and Aragon. The main varieties of pear grown in Spain are the *Conference*, *Blanquilla* (Catalonia, Aragon and Murcia), *Ercolini* (Murcia and Catalonia), *Limonera* (Catalonia and Aragon), and *William's*.

Over the last ten years, total planted area decreased 26 percent, standing at 20,600 ha in 2019 as stone fruit orchards replaced pear orchards ([see EU Stone Fruit Annual Report 2021](#)) (see Chart 2). According to the Spanish pear sector, in MY 2021/22 (July/June), total table pear production is forecast to decline two percent to 299,788 tons due to unfavorable weather conditions during spring. According to the Spanish pear industry, the frosts that occurred in early April in the major pear-producing regions at an important physiological stage of the earliest pear varieties (*Limonera* and *Ercollini*) led to the estimated reduction in final pear production. In addition, important rainfalls occurred in some Spanish regions in late August, affected some later pear varieties (*Conference* and *Blanquilla*). This expected production is 14.85 percent lower than the last ten year average.

**Chart 2. 2009-2019 Spanish fresh pear planted area and production
(in 1,000 ha and 1,000 tons)**



Source: MAPA

According to Spanish official data, Spanish per capita consumption of pears is around five Kg/person/year. For MY 2021/22, Post estimates Spanish pear consumption will decrease slightly in line with pear production. Additionally, around ten percent of Spanish total pear production is destined for processing.

Spain is a net exporter of pears, as it is self-sufficient in pear production. In MY 2020/21 (July/June), Spanish total pear exports declined 24 percent compared to the previous season to 108,788 tons, valued at \$109 million, due to the decline in domestic supply. Around 47 percent of Spanish pear exports go to other EU markets, namely Italy, France, and Germany. Major non-EU markets are Morocco (Spain's top export destination), Brazil, and the Middle East. For MY 2021/22, a decrease in Spanish total pear exports is expected based on the current pear production forecast. In addition, the UK is not a strategic market for Spanish pears exports.

In MY 2020/21, Spanish imports of pears increased 21 percent compared to MY 2019/20 to 67,533 tons, valued at \$76 million, almost 90 percent of which is sourced from the EU, namely Belgium, the Netherlands, and Portugal. Imports from non-EU countries mainly come from Chile and Argentina. In MY 2021/22, Spanish pear imports may grow in line with pear supply.

Table Grapes

Within the EU, Spain is becoming a significant grape producer, ranking second in EU table grape production after Italy. The Region of Murcia is the main table grape producer and accounts for 70 percent of total Spanish table grapes production, followed by Alicante and Seville. In the last decade, new seedless varieties like *Superior*, *Sugarone*, *Sunworld*, *Ifg*, *California Grapes*, and the Spanish variety owned by the grape growers *ITUM*, were planted replacing older varieties. This means that area planted is trending upwards, standing at 14,665 ha in 2019, according to official data. The introduction of new varieties and efforts to open new international markets are boosting prospects for Spanish table grapes. New varieties are identified, among other factors, by their crisp texture and high productivity. More efficient harvest and processing methods have resulted in higher productivity.

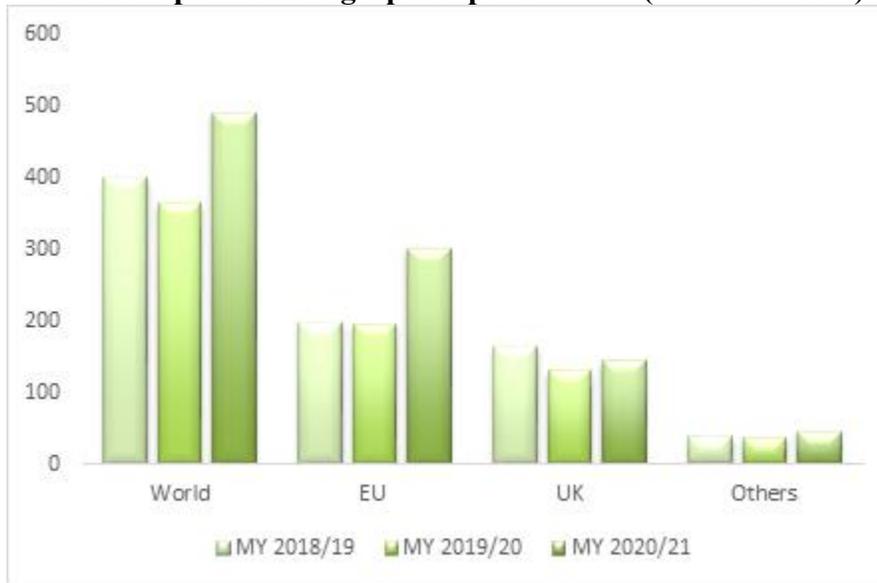
Murcia is also the Spanish leader region in grape breeding, technology, and innovation. According to the Spanish table grape industry, the sector is working to reduce phytosanitary treatments as much as possible to achieve more sustainable productions. The sector is also innovating in new varieties and procedures to increase the circular economy, reduce food waste, and increase green packaging. Overall, according to the industry, research and development in new varieties have been crucial to the success of Spain's table grape sector.

According to the Spanish table grape industry, new varietal reconversion and innovation were key factors in the success of the Spanish table grape season in 2020. Industry sources expect that MY 2021/22 (June/May) production will increase slightly to 300,000 tons despite unfavorable weather conditions that occurred in the spring, which mainly affected the latest grape varieties. Labor shortages and climate change are increasing challenges in the Spanish table grape sector. Although the sector was not short of workers due to the COVID-19 crisis, according to the industry, the pandemic increased production costs due to the COVID-19 related measures.

During the pandemic, overall Spanish consumption of fruits, including table grapes, increased thanks to new healthy habits intensified by the stay-at-home orders and other restrictions. In general, Spanish table grape consumption is trending upwards, as seedless grapes are more convenient and the table grape supply in the retail sector is available throughout the entire year and not just seasonally.

Spain is a net exporter of table grapes, as Spanish production exceeds domestic consumption, and exports are also the main drivers of the sector's growth. Spain exports around 60 percent of its total table grapes production. In MY 2020/21, despite the shorter supply, Spanish table grape exports grew 18 percent to 193,281 tons and valued at \$490 million. Around 60 percent of Spanish table grapes went to EU countries, mainly to Germany, Portugal, the Netherlands, and France. Spain is facing strong competition from Egypt in the EU market. The UK is the top market for Spanish table grapes. Last season, Spain's table grape exports to the British market were valued at \$144 million, a ten percent growth compared to the previous season (see Chart 3). According to industry, to date Brexit has not negatively impacted the Spanish table grape exports to this market. Outside the EU, Norway, South Africa, the east coast of the United States, Singapore, and Canada, are the main buyers.

Chart 3. Spain's table grapes exports in MY (in million USD)



Source: TDM

In MY 2020/21, Spain's table grapes exports to the United States jumped 38 percent to \$3.5 million. Additionally, in 2019, Spain opened new table grapes markets in China (for more details see [GAIN report](#)) and Vietnam, markets which developed well last season. According to fruit exporters in Murcia, the major Spanish table grape exporter region, China represents an important niche market. However, the industry remarks that COVID-19 created disruptions in their efforts to consolidate new markets, as maritime transport slowed down.

In MY 2020/21, Spanish table grape imports increased 16 percent to 65,528 tons and valued at \$149 million. Approximately 50 percent of Spain's table grapes imports are sourced from other EU countries, mainly from Italy and the Netherlands. During the South American peak season, Spain also sources grapes from Chile and Peru.

Attachments:

No Attachments.