ECONOMIC REPORT ON THE SPANISH FRUIT AND VEGETABLE SECTOR.
FRUIT ATTRACTION 2016 PRESS PACK

1. Fruit and vegetable in Spanish agriculture and the economy
   1.1 Main agricultural sector
   1.2 Social importance in the territory and employment figures
   1.3 Strengths of the sector

2. Foreign trade in fruit and vegetables
   2.1 Exports in 2015
   2.2 Exports in 2016
   2.3 Imports

3. Spanish fruit and vegetables in the EU and in the world
   3.1 The EU’s top producer and exporter
   3.2 World leading exporter

4. Household Consumption

1. FRUIT AND VEGETABLES IN SPANISH AGRICULTURE AND THE ECONOMY

1.1 LEADING SECTOR OF AGRICULTURE

Fresh fruit and vegetables are the most important sector of Spanish agriculture, accounting for 65% of crop output. With regard total agricultural production, which includes crops plus livestock production, fruit and vegetables account for 39 per cent of the total.

Spain produces 22 million tons of fresh fruit and vegetables, approximately 60% of which is exported, while the remainder is for domestic consumption. In addition, an estimated 8.5 million tons is used for transformation.

Spain allocates just over 800,000 hectares to fruit and vegetable production, a mere 5 per cent of the cultivated area in Spain, 151,000 hectares of which are used for growing vegetables, 56,000 hectares for potatoes, 312,000 for citrus fruit and 280,000 for non-citrus fruits, according to data published by the Ministry of Agriculture, Food and the Environment, processed by FEPEX.

1.2 SOCIAL IMPORTANCE IN THE TERRITORY AND EMPLOYMENT FIGURES

The fruit and vegetable sector is significant in the majority of the Autonomous Regions, although it occupies a relatively small proportion of the surface area.

The fruit and vegetable sector is varied and diverse, both in terms of agro-climate, production areas and farming systems, and the activity takes place in all Spain’s autonomous regions, providing the market with a large number of products, both in terms of species and their varieties and formats. It also offers high added value generated by its production and the intensive character in manpower.
The fruit and vegetable sector creates more than 40% of all farming jobs. It generates around 400,000 direct jobs. In addition to this there are the jobs created in other industrial activities with a connection with the countryside, such as irrigation equipment, processing and marketing. It also drives the development of professional services to incorporate new technologies, from farming to IT technicians, training activities, marketing, promotion, local and international transport, etc. All these activities are developing as a result of a solid farming production sector, which they are also helping to establish by making it possible to offer higher added value and improve competitiveness.

The different fruit and vegetable organisations that exist in our country have representatives at FEPEX, which organises FRUIT ATTRACTION in collaboration with IFEMA. The structure of the companies and associations differs according to the production zone and the products. The majority of these are organised as trading companies, cooperatives and agricultural transformation companies (ATC) of different sizes.

1.3 STRENGTHS OF THE SPANISH FRUIT AND VEGETABLE SECTOR

- Diversity of supply, production areas and production structures. The export area is made up by a far more diverse range of products than those found in our competitor countries.
- A long sales season, which gives us an almost permanent presence in the market. Products are marketed year round, with a constant supply which allows sellers and buyers to be in permanent contact.
- Large production and export volume, with capacity to supply to all kinds of clients and markets.
- Market orientation. In general, fruit and vegetable producers’ income comes from a market governed by fierce intra and extra community competition, and heavy competition from industrial replacement products, which encourages the development of new products, new production techniques and the search for new markets.
- Integration of production and marketing in production areas.
- The sector has proven its capacity to adapt to new market demands in terms of quality, safety and product presentation.

2. FOREIGN TRADE IN FRUIT AND VEGETABLES

2.1 EXPORTS IN 2015.
12% GROWTH IN VALUE AND 2% IN VOLUME:

Spanish exports of fresh fruit and vegetables in the first quarter of the year increased by 12 per cent in value in relation to the same period in 2015, rising to 11,902 million euro and grew 2% in volume to a total of 12.7 million tons, according to data from the Department of Customs and Special Taxes of the Ministry of Economy, processed by FEPEX.

Vegetable exports rose to 4,839 million euro, with growth of 11%, while volume shrunk by 1%, totalling 5.2 million tons. The tomato is still the main vegetable exported by Spain, but exports fell by two per cent in both volume and value, totalling 962 million euro and 949,998 tons. The second-most-important crop was the pepper, worth 833 million euro (+6.75%) and the lettuce, worth 631 million euro (+13%).
**Fruit exports** came to 7,063 million euro, with 12% growth, totalling 7.5 million tons (+5%). It is worth highlighting the strong growth seen in all varieties of berries, which came to 1,019 million euro, showing an increase of 22%.

**The EU took in 93 per cent of exports**, which grew by 13%. Germany is the main market with 2,944 million euro and growth in sales of 14%. Next came France, with 2,123 million (+11%) and the United Kingdom with 1,614 million (+12%). Sales in Italy grew by 21% to 778 million. In America, Brazil is the most important market, with 89 million euro (+26%), followed by the United States with some significant recovery, with 75 million euro (+67%). Exports to Africa and Asia continue to be very minor. In China, sales totalled 4 million euro, in Japan, just 2 million euro and in South Korea, 2 million euro, highlighting the need for political efforts to open up these markets.

### 2.2 EXPORTS IN 2016: VOLUME DOWN AND VALUE UP IN JULY

Spanish exports of fresh fruit and vegetables until July 2016 were situated at 7.6 million tons, 5.5% less than in the same period in 2015, while value grew by 4% to a total of 7,873 million euro, according to the latest data released by the Department of Customs and Special Taxes of the Ministry of Economy. It is worth pointing out the large percentage growth in value, which points to the focus on higher added value products.

**Vegetable exports** from January to July 2016 amounted to 3.4 million tons, 2.6% more than in the same period of 2015, for a value of 3,320 million euro (+5%). Tomatoes, lettuces and peppers were the main vegetables exported. Tomato exports reached 625,541 tons (-5%) to a value of 611.5 million euro (-5.5%), lettuces accounted for 478,261 tons, the same amount as in 2015 and 442 million euro (+5%), while peppers totalled 422,733 tons (+2%) worth 604.6 million (+11%).

**Fruit exports** were worth 4.1 million (-11%) with a value of 4,553 million (+3%). Citrus fruits are the main fruits exported, particularly the orange with 757 million (-8%), followed by stone fruits, strawberries, melons and watermelons. When it comes to stone fruit, the leading fruits are the nectarine with 248 million (-20%) and peach, with 229 million euro (-6%). Strawberry exports stood at 223 million euro (+34%), watermelons were worth 263.5 million (+13%) and melons amounted to EUR 217 million (+10%). The figures show strong growth of products, which previously had less weight in exports, such as berries, particularly blueberries, with exports worth 248.5 million euro (+31%) and raspberries with 223 million euro (+34%).

In the agri-food trade balance, fruit exports accounted for 34% of the total of 2015. In the first six months of 2016, it represented 37%.

### 2.3. IMPORTS

In 2015, **Spanish fruit and vegetable imports grew by 14%** over the previous year to a total of 1,971 million euro. Fruit imports rose to 1,336 million, which mainly consisted of kiwis, with 156 million euro (+5%), apples, with 151.4 million euro (-2%) and avocados with 114.4 million euro (+51%).
Vegetable exports stood at 635 million euro (+17%), potatoes were worth 162 million (+7%) and melons came to EUR 137 million (+15%).

In regard to supplier countries, imports of fresh fruit and vegetables from third, non-Community countries grew by 17% in 2015 over 2014, to a total of 1,161 million euro.

Imports from other countries in the European Union grew to 810 million euro. Imports from America came to 594 million euro (+14.6%), with strong growth, to over 20% in Brazil, Chile and Peru. Spain imported 363 million euro of produce from Africa, 45 million from Australia and New Zealand and 27 million from Asia.

By third countries, Morocco is the main supplier, with important growth of 35% to a total of 337 million, followed by Peru with 125 million. Both countries have significantly diversified their ranges of products.

In the EU, France is Spain's leading supplier, with 255 million euro (+11%), followed by Italy with EUR 130 million (-6%), Portugal with 118 million euro (+7%) and the Netherlands with 114 million euro (+16%).

This year, and according to data until July, imports continued on the upward path with a growth of 20% in volume, totalling 1.7 million tons and 27 percent in value, with 1,389 million euro.

3. SPANISH FRUIT AND VEGETABLES IN THE EU AND IN THE WORLD

3.1 THE EU'S MAIN PRODUCER AND EXPORTER

The intra-Community trade in fresh fruit and vegetables that reflects imports and exports between the EU Member States, including re-exports, stood at 36.7 million tons in 2015, 2% more than in 2014, according to data from the Eurostat Office of Statistics, processed by FEPEX.

Spain is the leading supplier of fruit and vegetables in the EU, accounting for 32% of total intra-Community trade in fresh fruit and vegetables. It is followed by the Netherlands with 16%.

In regard to the production and according to the latest FAO data for 2013, Spanish production came to 30.5 million tons in 2013, making it the most important producer of fruit and vegetables in the EU, followed by Italy with 28 million tons and growth of 12% over the previous year and France with 18 million tons (+3%).

3.2 THE WORLD'S LEADING EXPORTER AND THE NINTH PRODUCING COUNTRY

World exports of fruit and vegetables in 2013 came to 111.3 million tons. Spain holds the top spot in the world ranking of fruit and vegetable exports, with a market share of 10% of the total, followed by the Netherlands with 7.4% and China with 7%, according to the most up-to-date FAO data for the year 2013.

World fruit and vegetable exports in 2013 came to 2,355 million tons. That was 4% higher than in 2012. Spain is in ninth position in the world ranking of producers, according to the most
recent FAO data for 2013, which is an improvement since 2012, when it was in eleventh position.

The world’s leading producer of fresh fruit and vegetables is China, with 638 million tons, with growth of 5% in comparison to 2012. China’s participation in world production is 27%. The world’s number two producer is India with 175 million tons, 10% more, representing 7% of the world’s total production. The third position is occupied by the United States with 72 million tons, 3% less than in 2012, representing 3% of total world production.

The next most important countries in terms of production are Brazil with 45.7 million tons, Russia with 45 million tons, Turkey with 44.7 million tons, the Ukraine with 343 million tons, Iran with 31 million tons and Spain with 30.5 million tons.

4. HOUSEHOLD CONSUMPTION IN 2015 AND 2016

In 2015, consumption of fruit and vegetables in households fell by 4 per cent compared to the previous year, to 8,065 million kilos. Spending rose by 1% to 11,047 million euro, according to data from the Food Consumption Panel Ministry of Agriculture, Food and Environment processed by FEPEX.

The fall in consumption in 2015 affected fruits, vegetables and potatoes. Fruit consumption fell by 3.7% to 4,424 million kilos. There was a fall in orange, mandarin orange, banana, pear, peach, strawberry, melon, plum, cherry and kiwi consumption, while lemon, apple, watermelon and grape consumption was up. The household spend on fruit was up 1% to 5,973 million.

Vegetable consumption fell by 4.7% to a total of 2,663 million kilos, with tomatoes, onions, peppers, green peppers and cabbage down and lettuce consumption up. Expenditure rose by 1% to a total of 4,415 million, with healthy growth in tomatoes (+3.8%) to 913 million, lettuce-endive, with 479 million (+19.5%), peppers with 366 million (2.2%) and cabbages with 85 million (+2.2%). Potato consumption in homes dropped to 4.9% in volume to 978 million kilos and spending went up by 1.6%, totalling 659 million.

Per capita consumption of fruit and vegetables, in the year until December 2015, has been measured at 180.8 kg, 4% less than in 2014.

In the last three years there was a fall in the volume of fruit and vegetables consumed by households, which fell from 191.2 kilos in 2013 to 187.7 kilos in 2014 and to 180.8 kilos per person per year in 2015, according to data from the MAGRAMA Food Consumption Panel.

The only data available for 2016 refers to the first two months of the year. Fresh fruit and vegetable consumption in homes in January and February for this year has experienced a slight increase of 0.5% compared to same months in 2015, totalling 1,267 million kilos with a higher spend of 2% to a total of 1,736 million.