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Voluntary Public

Date: 7/19/2011

GAIN Report Number: SP1113

Spain

Post: Madrid

Spain and Portugal 3rd Quarter National Export Initiative Activities and Results

Report Categories:

Export Accomplishments - Other

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Report Highlights:

In marketing year 2011 U.S. agricultural exports to Spain are on a record pace of \$1.2 billion (Oct 2010 – May 2011). This report summarizes activities of the Foreign Agricultural Service's Office of Agricultural Affairs in Madrid to promote U.S. food and agricultural exports in conjunction with USDA Cooperators and the Economic and Commercial sections of the U.S. Embassy for the third quarter of FY 2011 (Apr-Jun).

Executive Summary:

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Ambassador visits ACOREX Cooperative; Extremadura Region April 25, 2011

On April 25, as part of a visit to Extremadura, the U.S. Ambassador, Agricultural Attaché and U.S. Grains Council Representative to Spain visited the ACOREX agricultural cooperative in Merida, Spain. ACOREX is the largest agricultural company in the Extremadura region. The company has a diverse production base including large scale feed and livestock production units. Its existing ties to the United States offers great potential for trade in agricultural inputs and technology. The Ambassador was following up on recent U.S. Grains Council and Foreign Agricultural Service initiatives to promote U.S. sorghum in Spain. The feed mill manager of ACOREX and other leading Spanish feed and livestock industry representatives attended a U.S. Grains Council training seminar on incorporating sorghum in feed rations last January in the United States. The Ambassador's visit impressed the cooperative General Director who appreciated that the Ambassador was working hard to personally promote U.S. farm exports. In marketing year 2011 U.S. sorghum exports to Spain are at \$120 million (Oct 2010 – May 2011), compared to zero over the same period in each of the previous two marketing years. The Ambassador's visit helped the U.S. Grains Council and FAS Madrid build stronger relationships with key actors in the feed and livestock sector.

Visit to Cataluña Feed Millers, Livestock Producers and Port of Tarragona; Barcelona, Spain May 17-18, 2011

FAS Madrid Agricultural Attaché, Agricultural Specialist and U.S. Grains Council Representative met with the Cataluña region's leading feed grain importers and feed millers as well as the largest grain-handling port in Spain located in Tarragona. The Cataluña region is Spain's largest livestock producing region. The objective of the visit was to reinforce ties in the feed grain sector as a follow-up to ongoing sorghum activities described above.

Help in clearing 15 containers of U.S. Pacific Cod, May 19, 2011

The FAS Madrid office in conjunction with the National Oceanic and Atmospheric Administration (NOAA) worked with Spanish Authorities to reach a solution to a documentation problem that had caused fifteen containers of seafood to be rejected in the Galician Port of Vigo (northwestern Spain).

As a result of coordination by the FAS Madrid office, the containers carrying an estimated U.S. \$1.2 million in seafood originating in the State of Washington were approved to enter the EU's single market zone on May 19, 2011.

Trade Lead System and Meeting with Bioiberica June 9, 2011

Following a trade lead submitted to the USDA delegation at a food show, FAS Madrid met on June 9, 2011 with Bioiberica, a Barcelona based multinational pharmaceutical company interested in building a second plant in the U.S. for the processing of crustacean by-products. This investment decision relies on the availability of raw material to supply to the plant and FAS Madrid is helping to find suppliers that will allow the success of this venture.

FAS Madrid continues to use and help improve the Trade Lead System to find opportunities for U.S. companies to meet the needs of Spanish and Portuguese importers of American food products. In MY 2011 FAS Madrid submitted 22 trade leads, 13 of which remain open.

SNACKEX 2011 Trade show, Barcelona, Spain June 12-14, 2011

SNACKEX, held in Barcelona June 12-14, 2011 and organized by the European Snacks Association, is the only savory snacks and snack nut event in Europe. The Almond Board of California (ABC) and the California Walnut Commission (CWC) had their own exhibits at the show and other U.S. associations and exporters attended as visitors. FAS Madrid was present at the show to meet with U.S. associations and exporters to learn about their concerns, their expectations and their ideas on how can FAS Madrid assist increase their sales in such an important market for these products. FAS Madrid also met existing and potential importers, informing them of the role of FAS Madrid to help with customs related issues and facilitate the contact with US producers. Furthermore, visiting the show was important to gain knowledge of the current snack market situation in Europe and Spain with the purpose of looking for new opportunities and niche markets for U.S. products. Despite being hit hard by the financial crisis in Spain, the snack industry is managing to keep their heads above water by increasing their sales. Consumers, pushed to reduce their spending outside of the household, have increased the consumption of snacks at home. As consumers continue to look for innovative and healthier products, and the industry looks at meeting the demand, U.S products have increasing opportunities in this sector, both for traditional and new products. U.S. exports of tree nuts to Spain in MY 2010 were over \$303 million. In the current FY 2011, from October 2010 to May 2011, U.S. exports of tree nuts increased by 28 percent compared to the same period in the previous year, reaching \$274 million over eight months.

Ambassador attendance to opening of Taste of America retail store, Barcelona, Spain, June 21, 2011

On June 21, 2011 the Ambassador presided over the opening of a *Taste of America* retail outlet in Barcelona, Spain. *Taste of America* is a franchise that specializes in selling American food products in Spain – they opened their first shop in 1995. Currently, *Taste of America* has three shops – two in Madrid and one in Barcelona. The Taste of America founders Alicia Vañó and Dana Knowles, who have a long working relationship with the Foreign Agricultural Service (FAS) office, had the idea of creating *Taste of America* when the United States left the military base at Torrejon de Ardoz and Americans in Madrid continued to demand typical American food products that were impossible to find in Spanish supermarkets. They were pioneers in importing gourmet products from the United States into

Spain, and now many of their customers are Spanish. Their efforts have paid off and in 2010 they grew 35 percent in respect to the previous year. Recent success of *Taste of America* includes expanding their product offerings to high-end retailers including VIPS, El Corte Ingles, Sanchez Romero and soon, Carrefour. FAS and U.S. Embassy support over the years – reinforced by the Ambassador’s opening of their latest retail outlet - has been critical for their expansion and popularity in the Spanish market. Some of the typical products they carry are Paul Newman’s dressings and sauces, Pepperidge Farm biscuits, Tyrrell’s potato chips, Numi organic tea, Betty Crocker bakery products and Rogue craft beer. In marketing year 2011 U.S. exports of consumer oriented food products increased 14% over the same period last year to reach \$32 million (Oct 2010 – May 2011 not including tree nuts which were \$274 million alone).

American Soybean Association (ASA) Farmers visit to Spain and Portugal, June 22, 2011

On June 22, 2011 FAS Madrid met with ASA farmers and consultants delegation in their visit to Spain and Portugal and provided ASA farmers with an wide overview of Spain and Portugal’s main constrains and opportunities regarding soybean and product imports, emphasizing the legal framework for biotechnology and biofuels. FAS Madrid suggested meetings in Madrid and Barcelona as well as in Lisbon, Portugal that included farmer unions, public officials, importers and feed and food industry associations and main soybean importers. The delegation met in Portugal with the Portuguese Seed Association (ANSEME), with the General Directorate for Agriculture (DGADR) and with the Office for Policy and Planning (GPP) of the Ministry of Agriculture. In marketing year 2011 U.S. soybean exports to Spain are on a record pace of \$370 million (Oct 2010 – May 2011).