USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

Voluntary _ Public

Date: 12/11/2017
GAIN Report Number: SP1738

Spain

Post: Madrid

Pulses: Declining Domestic Production Opens up U.S. Export Opportunities

Report Categories:
Grain and Feed

Approved By:
Rachel Bickford
Agricultural Attaché

Prepared By:
Marta Guerrero
Agricultural Specialist

Report Highlights:
Spain pulse production lags far behind domestic demand. With the notable exception of dry beans, the large majority of pulse production in Spain is carried out in non-irrigated conditions. Dry conditions prevailing in the MY2017/18 productive season have lowered yields and consequently boosted import needs to meet internal demand, which opens up exports opportunities for U.S. pulses.

General Information

Spain pulse production lags far behind domestic demand. With the notable exception of dry beans, the large majority of pulse production in Spain is carried out in non-irrigated conditions. Dry conditions prevailing in the MY2017/18 productive season have lowered yields and consequently boosted import needs to meet internal demand.

Table of Contents:

Abbreviations used in this report

EC	European Commission
EU	European Union
FAS	Foreign Agricultural Service
GTA	Global Trade Atlas
CAP	Common Agricultural Policy
SPS	Single Payment Scheme
MAPAMA	Ministry of Agriculture, Fisheries, Food and Environment
CAP	Common Agricultural Policy
BPS	Basic Payment Scheme

HS Codes: Harmonized System codes for commodity classification used to calculate trade data.
Lentils 071340
Chickpeas 071320
Dry Beans 071333

MS	EU Member State(s)
MT	Metric ton (1,000 kg)
MY	Marketing year June/July

PS&D	Production, Supply and Demand
Ha	Hectares
N/A	Not Available

Executive Summary

Spain is the fourth largest destination for U.S. pulses after Canada, Mexico and India. While there is domestic cultivation, as these crops are an interesting from the point of view of crop rotation as an alternative to grains and for greening compliance purposes. Still, pulses are a minor crop in Spain, and domestic production, some of which are recognized under a number of Geographical Indications, is far from fulfilling Spanish consumers demand. With the notable exception of dry beans, the large majority of pulse production in Spain is carried out in non-irrigated conditions. Dry conditions prevailing in the MY2017/18 productive season have lowered yields and boosted import needs to meet domestic demand. The United States is Spain's largest, second largest and fourth largest supplier of lentils, chickpeas and dry beans respectively

Area and Production

Within Spain, Castile-La Mancha is the leading **lentil** producing region, while Andalucía is the leading **chickpea** producing region. Lentils and chickpeas compete with winter grains for area and share the same crop cycle. **Lentils** and **chickpeas** are planted in fall in warmer (southern) areas, but can also be planted later in the winter in colder (northern) areas. Area planted to lentils and chickpeas declined sharply between MY2004/05 and MY2006/07. These two latter legume crops have registered an area increase in MY2017/18 (**Table 1** and **Graph 1**). According to the agricultural land use survey (ESYRCE) the large majority of **lentils** and **chickpeas** (over 90 percent) are grown without irrigation. As a consequence, final yields depend on the amount of precipitation. High temperatures and lack of precipitation prevailing throughout grain and pulses crop cycle has significantly reduced yields in MY2017/18 (**Table 2**).

For additional information on climate conditions affecting crops in MY2017/18, see GAIN Report SP1714.

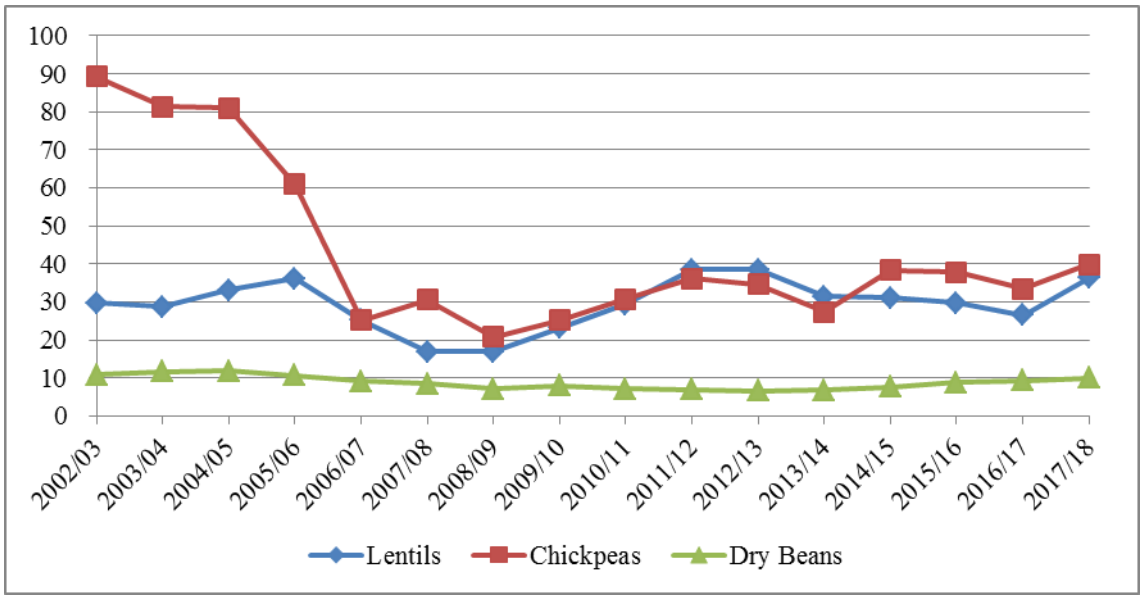
The majority of **dry beans** are grown in Castile y Leon and Galicia and they are usually planted in the spring in irrigated land as they need significant amounts of water and are sensitive to low temperatures. Area planted to dry beans has remained fairly stable over the years. Poor crop margins for irrigated corn and other alternative crops may partially explain the continuous increase in dry bean plantings since MY2013/14 until present (**Table 1** and **Graph 1**). For MY2017/18 average yields were achieved by dry beans as they are not that linked to the amount of precipitation (**Table 2**).

Table 1.Area Planted to Pulses in Spain (1,000 ha)

Year	MY2013/14	MY2014/15	MY2015/16	MY2016/17	MY2017/18e
Lentils	31.5	31.1	29.7	26.6	36.3
Chickpeas	27.3	38.3	37.9	33.5	39.8
Dry Beans	6.8	7.7	8.8	9.3	10.0
Total	**65.6**	**77.1**	**76.4**	**69.4**	**86.1**

Source: MAPAMA and FAS Madrid estimates

Graph 1. Area Planted to Main Pulses Crops (Hectares)



Source: MAPAMA

Table 2. Production of Pulses in Spain (1,000 MT)

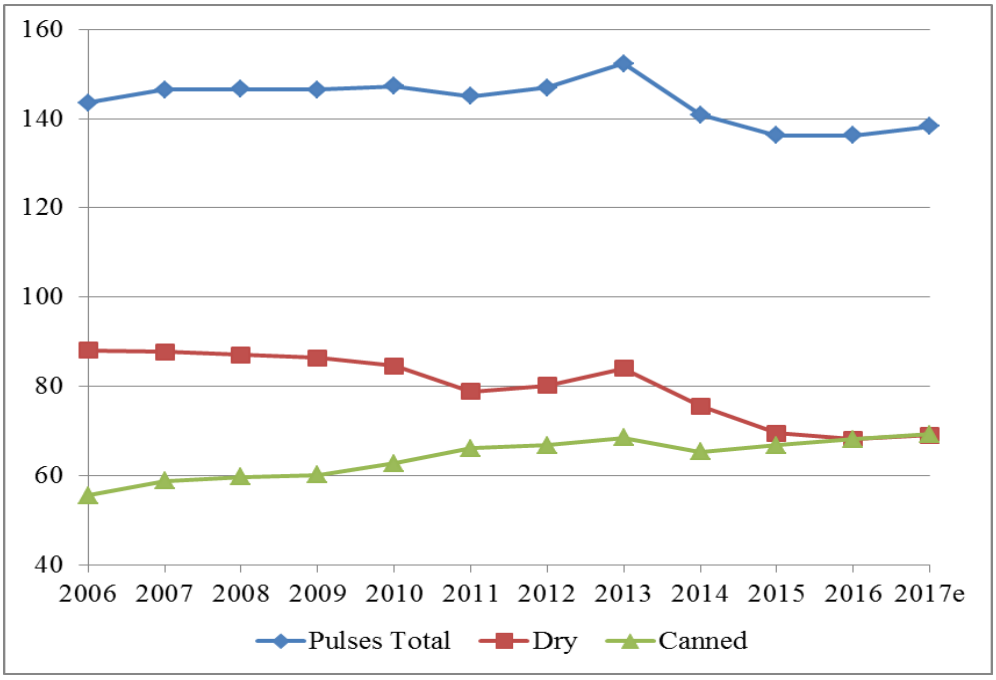
Year	MY2013/14	MY2014/15	MY2015/16	MY2016/17	MY2017/18
Lentils	40.6	17.5	23.2	29.3	18.3
Chickpeas	26.1	33.5	27.3	38.9	38.6
Dry Beans	11.3	12.2	17.1	17.6	19.5
Total	**78.0**	**63.2**	**67.6**	**85.8**	**76.4**

Source: MAPAMA and FAS Madrid estimates

Consumption and Marketing

Pulses are considered an important part of the traditional Mediterranean diet. Total pulse consumption, after peaking in **2013**, has continuously trended down. Data available for the first semester of **2017** show a slight recovery. Dry pulses have traditionally dominated the Spanish household market, but its consumption is on decline as they are not adapted to modern lifestyles.
On the contrary, canned pulses consumption continues to increase, most likely due to changing eating habits towards ready-to-eat products (**Graph 2**). Should the current trend continues, in **2017** consumption of canned pulses may exceed dry pulses consumption for the first time in history.

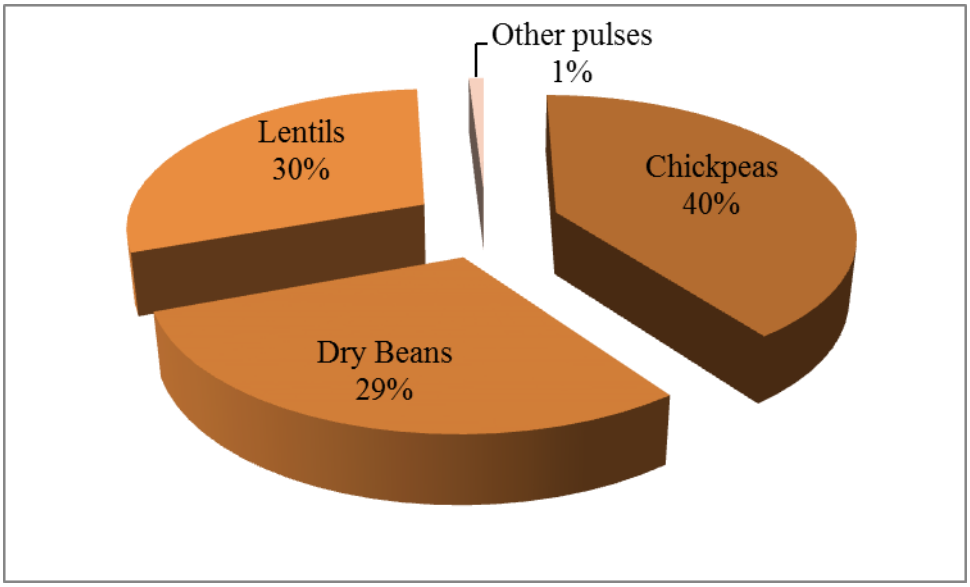
Graph 2. Household Pulses Consumption in Spain (1,000 kg)



Source: MAPAMA. Consumption Panel.

According to MAPAMA's panel consumption data, chickpeas are the preferred pulse representing nearly 40 percent of the domestic pulses consumption in Spain. Lentils and Dry beans account respectively for 30 and 29 percent of the pulses in-country demand (**Graph 3**).

Graph 3. Consumption of Pulses by Type in Spain (Percentage)



Source: MAPAMA Consumption panel data and FAS estimates.

In Spain, there are ten registered pulse qualities schemes, including lentils, dry beans and chickpeas (See **Table 3**).

Table 3. Spanish Pulse Geographic Indications

Lentils	Chickpeas	Dry Beans
Pardina de Tierra de Campos	Fuentesaúco	El Barco de Ávila
La Armuña	Escacena	La Bañeza
		Ganxet
		Asturiana
		Lourenzá
		Fesols de Santa Pau

Source: MAPAMA

Trade

Spain is a net importer of **lentils**, **chickpeas** and **dry beans,** as domestic production is not sufficient to fulfill internal demand. Exports of pulses are negligible and mainly directed to other neighboring EU MS.

The United States is the origin of over 50 percent of **lentils** imported to Spain followed by Canada (See **Table 4**). Data for MY2016/17 show an increase in U.S. and EU lentils exports to Spain while exports from Canada declined.

Table 4. Spain's Imports of Lentils by Origin in MT (MT)

Country of Origin	MY 2012/13	MY 2013/14	MY 2014/15	MY 2015/16	MY 2016/17
United States	30,578	25,308	25,531	22,577	35,394
Canada	26,801	23,444	19,194	18,217	16,740
EU-28	784	1,530	1,285	1,678	2,134
Other	1,882	801	1,546	2,491	2,753
Total	**60,045**	**51,083**	**47,556**	**44,963**	**57,021**

Source: GTA

(Trade data expressed on July/June basis)

The United States, with 25 percent of the import market, is the second largest supplier of **chickpeas** to Spain, after Mexico which supplies 50 percent of the import market. Data for MY2016/17 show a recovery of U.S. chickpeas sales in Spain (See **Table 5**), while total chickpeas imports are on decline.

Table 5. Spain's Imports of Chickpeas by Origin in MT (MT)

Country of Origin	MY 2012/13	MY 2013/14	MY 2014/15	MY 2015/16	MY 2016/17
Mexico	39,220	35,779	26,721	22,917	14,459
United States	15,659	16,122	9,510	12,897	18,222
EU-28	1,126	1,320	1,333	1,112	1,845
Argentina	7,360	7,620	6,653	10,549	7,783
Other	8,360	4,562	2,098	2,716	1,325
Total	**71,725**	**65,403**	**46,315**	**50,191**	**43,634**

Source: GTA

(Trade data expressed on July/June basis)

Argentina, with over 50 percent of the import market, is the leading exporter of dry beans to Spain, followed by China (10 percent) and the United States (10 percent). Data for MY2016/17 indicate that total dry bean imports have declined, after two years of high import levels (See **Table 6**). On the contrary, volumes of dry beans imported from the US registered a significant growth.

Table 6. Spain's Imports of Dry Beans by Origin in MT (MT)

Country of Origin	MY 2012/13	MY 2013/14	MY 2014/15	MY 2015/16	MY 2016/17
Argentina	34,117	1,539	27,451	33,846	22,704
China	4,231	7,669	4,228	3,186	3,755
Canada	2,884	4,705	3,282	3,494	2,735
United States	1,371	6,507	6,233	3,337	4,573
EU-28	2,625	3,026	2,612	2,421	2,671
Bolivia	1,692	1,211	842	943	1,162
Other	2,276	2,277	2,278	2,279	2,280
Total	**50,563**	**35,101**	**49,938**	**49,104**	**38,926**

Source: GTA

(Trade data expressed on July/June basis)

Policy

Since 2015, the **Single Payment Scheme** has been replaced by the so-called **Basic Payment** (BP) which is not crop specific. Farmers receive an area payment regardless of the crop. The Basic Payment amount takes into consideration the different land uses at the county level: irrigated vs. non-irrigated land; permanent crops or pasture land for example. The basic payment amount is influenced by the amount of support previously received by farmers cultivating the land. As result, a total of fifty homogeneous regions have been defined in Spain. Broadly speaking, the amount of the Basic Payment allocated to each region represents the support granted to the type of land use. The amount of support under Basic Payment received was calculated based on the subsidies received in 2014.

A large part of farm support is linked to greening measures compliance. To comply with greening measures, farmers must practice crop diversification. Farms between 10 and 30 ha must grow at least two different crops, and farms over 30 ha must grow at least three different crops in their arable land. This may ultimately introduce some incentive to cultivate pulses in some areas where monoculture was carried out.

As of MY2015/16, under article 52 of Regulation (EC) 1307/2013 one million Euros has been allocated to a maximum of 10,000 hectares of pulses under POD or PGI or organic farming in order to promote quality pulses production. The maximum payment amounts to **€100 per hectare** capped at €3,000 per farm. Proportional reductions were foreseen in case that the maximum granted area is exceeded. Actual values received by farmers are available in **Table 7**.

Table 7. Quality Pulses Specific Payment (Euros/Ha)

Year	Total Area (Ha)	Payment (Euros/Ha)
2015	14.733.66	67.87
2016	13,816.60	72.09
2017	16,353.88	60.98

Source: FEGA

Related Reports

Report	Date Released
Spanish Pulse Market Outlook 2015	07/16/2015

Key Contacts

FAS Madrid
Office of Agricultural Affairs
American Embassy Madrid
Serrano, 75 – Box 20
28006 Madrid
Spain
Tel.: (+34)-91-587-2555 Fax: +34-91-587-2556
Website: http://madrid.usembassy.gov/about-us/fas.html
Email: agmadrid@fas.usda.gov

U.S. Dry Pea and Lentil Council & National Dry Bean Council
David McClellan
Regional Marketing Representative
dmcclellan@dmcclellan.com