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# **Report Name:** Food Processing Ingredients Annual

**Country:** Spain

**Post:** Madrid

**Report Category:** Food Processing Ingredients

**Prepared By:** Arantxa Medina

**Approved By:** Karisha Kuypers

**Report Highlights:**

In 2023, Spain imported $2.2 billion worth of agricultural, seafood and forest products from the United States, up 3 percent compared to the previous year. Even though inflation rates declined in 2023 as compared to the record highs registered in 2022, they remained higher compared to pre-pandemic levels. The high energy cost of raw materials and labor, as well as the effects of the drought, have increased the inflationary situation with repercussions for the productivity of companies and their margins, as well as for household consumption. Despite the economic and political uncertainties, Spain's food and beverage sector continues to show a constant and positive performance. With one of the most competitive food processing industries in Europe, Spain's demand for ingredients continues to increase, as well as its demand for distilled spirits, beef and beef products, seafood, pulses, and tree nuts.

# Market Fact Sheet: Spain

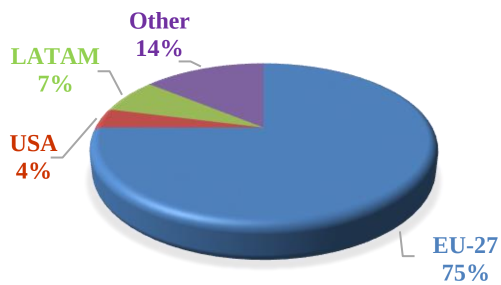
## Executive Summary

Spain is a major producer and exporter of food and agricultural products, with other EU countries as its primary export destination. Spanish producers, processors, wholesalers, retailers, food service operators, and importers are all part of a well-developed agribusiness sector, contributing to a competitive and dynamic domestic scenario. In 2023, Spain's total imports of agricultural and related products reached $65.4 billion, up 2.4 percent compared to 2022; 57 percent of these imports originated from the European Union.

## Imports of Consumer-Oriented Products

Goods imported into Spain must meet the EU sanitary and phytosanitary requirements to protect human and animal health, as well as requirements under the customs union. Hence, U.S. exporters already exporting to other EU member states will likely meet most of the Spanish import requirements. For the export of animal products, the production plant must be approved for export to the EU.

**Total Imports of Consumer-Oriented Products 2023**




## Food Processing Industry

In 2023, the food-processing sector consolidated its position as an important industrial sector. Spain enjoys a modern food-processing sector that pays special attention to the quality, safety, and traceability of the food products it produces. It has one of the most competitive food processing industries in Europe, which makes this sector an important target for U.S. exports of food ingredients. Industry's interest in developing new products continues to present opportunities for food ingredients.

## Food Processing Industry

The retail competitive landscape remained highly fragmented in 2023, led by major grocery retailers. Within grocery store-based retailing, the competitive environment is concentrated, with Mercadona retaining its leadership, followed by Carrefour. In 2024, due to new consumption habits, internet retailing is expected to continue growing, as retailers continue to invest in eCommerce platforms.

**Quick Facts CY2023**

**World Imports of Consumer-Oriented Products**
$26.7 billion (+13.13%)

**List of Top 10 U.S. Growth Products**

| | |
|---|---|
| 1) Pistachios | 2) Food Preparations |
| 3) Alaska Pollock | 4) Lentils |
| 5) Chickpeas | 6) Hake |
| 7) Sauces | 8) Kidney beans |
| 9) Sweet potatoes | 10) Cranberry juice |

**Food Processing Industry Facts 2022**

| | |
|---|---|
| Food Industry Output | $157 bn |
| Food Exports | $45 bn |
| Trade Surplus | $12 bn |
| No. of Employees | 454,800 |
| No. of Food Processors | 30,159 |
| % of total GDP | 2.4% |

| Top Country Retailers | Sales 2023 (Estimate) ($ Million) |
|---|---|
| 1) Mercadona | 30,000 |
| 2) Grupo Carrefour | 12,000 |
| 3) DIA | 7,500 |
| 4) Lidl | 6,700 |
| 5) Grupo Eroski | 5,500 |
| 6) Alcampo | 5,000 |
| 7) Consum, S.Coop. | 3,800 |
| 8) El Corte Ingles | 3,000 |
| 9) Bon Preu | 2,500 |
| 10) Ahorramas | 2,000 |

**GDP / Population 2023**
Population: 48.08 million
Real GDP (PPP, est): $1.97 trillion
GDP Per capita (current prices): $33,090

**Sources:** FIAB, TDM, IMF

## Strengths/Weaknesses/Opportunities/Challenges

| SWOT ANALYSIS | |
|---|---|
| **Strengths** | **Weaknesses** |
| Diversified economic base; modern and well-developed infrastructure | High consumer price sensitivity |
| **Opportunities** | **Threats** |
| Emphasis on health and sustainability; food industry demand for food ingredients | Slower economic recovery; high inflation and public debt |

**Data and Information Sources:** Euromonitor, Eurostat, TDM LLC; **Contact:** AgMadrid@usda.gov

## SECTION I. MARKET SUMMARY

Under the current complex macroeconomic environment, the Spanish food and beverage industry has carried out its activity under the pressure of rising production costs and the consequent effects on business results. Even though inflation rates declined in 2023 as compared to the record highs registered in 2022, they remained higher compared to pre-pandemic levels. In 2022, in nominal terms, industry's production grew extraordinarily to above 17 percent, but once the price factor is applied this figure is reduced to 1.5 percent. This indicates the strong impact that inflation has had on business margins, in addition to the brake imposed on production, which had managed to maintain a constant line in the previous crises.

However, despite the economic and political uncertainties, Spain's food and beverage sector has continued its positive performance. In 2022, the food and beverage industry continued to be the strongest industrial sector in Spain. Its gross added value, estimated at close to $30 billion, represented 19.3 percent of the manufacturing industry and close to 2.5 percent of the total Spanish economy.

2023 has once again proven to be a very demanding year for small and medium companies. The food and beverage industry maintained its business network above 30,159 companies, demonstrating during this year some increase in the number of medium and large companies. This trajectory shows an improvement in the size of the industry, although small and medium companies continue to represent the majority of the sector, representing more than 96 percent of the sector.

**Table 1. Advantages and Challenges Facing U.S. Food Processing Ingredients**

| Advantages | Challenges |
|---|---|
| Spanish consumers are increasingly open to new products. The United States is a favorite destination for Spanish travelers outside the EU, increasing the popularity and interest in U.S. food products. | Adjustments to the overall domestic and international economy situation (inflation, international conflicts, drought, logistics challenges). |
| Spain's food industry relies on imported ingredients, many from the United States, which have a good image and reputation. | Food imported from third countries, including the U.S., must comply with EU food law, labeling, traceability, and packaging laws, which vary from U.S. regulation and practice. |
| Increased demand in retail channels is pushing food processors to be more innovative to provide new offerings. | High transportation costs. In addition, small exporters face difficulties in shipping mixed/smaller container loads vs EU competitors or big exporters. |
| Good network of agents and importers to help get products into the market. | Competition from EU countries, where tastes and traditional products may be better known. |
| New generation of consumers demand healthy, innovative, sustainable products, creating new opportunities. | Lack of consumer awareness of U.S. brands, applicability, and varieties of U.S. products. |
| Distribution structure is modern and many companies cover both Spain and Portugal. | High import tariffs and import regulations impose a price disadvantage on non-EU based companies. |

## SECTION II. ROAD MAP FOR MARKET ENTRY

### Entry Strategy

Success in introducing products in the Spanish market requires local representation and personal contact. A local representative can provide up-to-date market intelligence, guidance on business practices and trade related laws, sales contact with existing and potential buyers, and market development expertise. The Office of Agricultural Affairs in Madrid maintains listings of potential importers and develops sector-specific information to help introduce your product in Spain.

Customs are involved in the implementation and enforcement of European legislation relating to external trade, not only for customs duties and commercial policy measures, but also as regards security, environmental, anti-dumping, consumer protection, cultural and agricultural controls. Goods imported into the EU must meet the sanitary and phytosanitary requirements to protect human and animal health and as part of the custom union. Though Spain implements harmonized EU rules and regulations, there are subtleties that exporters should learn about when considering exporting to Spain. For more information, we invite potential U.S. exporters to contact our office for additional sector-specific information. U.S. exporters already exporting to other member states will likely meet most of the requirements for exporting to Spain.

Typically, operators buy food ingredients from importers or wholesalers. Some large companies buy directly from foreign suppliers. Other companies concentrate on the domestic or on export markets, but most will have mixed customers. Companies supplying the domestic market frequently sell their products directly and have their own logistics infrastructure. However, their customers will vary from wholesalers to buying groups and retailers. Companies producing for re-export may have their own marketing office overseas, local agents, or may work with local importers.

U.S. exporters also face challenges with EU labeling and traceability regulations. Labeling is required for any product that contains genetically modified ingredients. For details, visit the EU labeling requirements section of the USEU Mission webpage.

### Import Procedures

The local importer has primary responsibility with the Spanish Government for imported food products once they enter Spain. It is recommended that that U.S. exporters verify all import requirements with their Spanish buyer. The buyer and local freight forwarder are in the best position to research such matters and assist with local authorities. The final authorization to import any product is subject to the Spanish rules and regulations as interpreted by border officials at the time of product entry.

Spain follows the Harmonized Nomenclature and Classification System (HS) and applies EU import duties according to a maximum and minimum rate schedule. If your product is or contains plant or animal products, it will require a phytosanitary or health certificate issued by the competent U.S. authority. In addition, if you are exporting animal products, your production plant must be approved to export into the EU.

The following documents are required for ocean or air cargo shipments of food products into Spain:

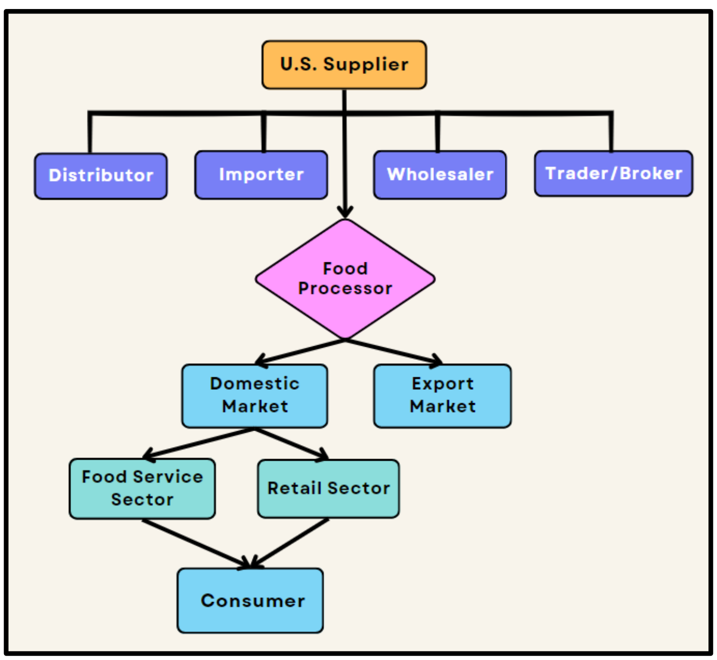
- Bill of Lading and/or Airway Bill
- Commercial Invoice
- Phytosanitary Certificate and/or Health Certificate, when applicable
- Import Certificate

For all details, please check the Food and Agricultural Import Regulations and Standards Report (FAIRS) and the FAIRS Export Certificate Report for the EU and Spain, and the U.S. Mission to the European Union (USEU Mission) website for helpful information on exporting U.S. food and agricultural products into the EU. Please keep in mind that if the product you are exporting into Spain does not comply with EU harmonized regulations, Spanish customs or health authorities may not allow entry of the product.

**Trade Shows**

Trade shows in Spain continue to offer excellent opportunities for U.S. exporters to contact potential clients or business partners from Spain, Portugal, other EU countries and other continents. The most important trade shows are: Alimentaria, in Barcelona March 18-21, 2024, and the USDA-endorsed show Seafood Expo Global, in Barcelona April 23-25, 2024.

**Market Structure**




For more information on the Spanish food processing sector, visit FAS GAIN Home.

## Company Profiles

The Spanish food-processing sector has a wide range of food processing companies, many of them importing food ingredients. The Spanish food industry consists of 30,159 companies. The table below shows how these companies are distributed among the main sectors:

| Table 2. Food Processing Industry by sector (Million $) | | | |
|---|---|---|---|
| | 2022 | % Change 2021/22 | % Food and Beverage Industry |
| Meat & Meat Products | 36,447 | 15.6 | 23.89 |
| Fishery Products | 6,333 | -1.3 | 4.15 |
| Fruits & Vegetables | 11,648 | 9.0 | 7.64 |
| Dairy Products | 11,630 | 14.7 | 7.62 |
| Milling Industry | 6,413 | 38.0 | 3.63 |
| Beverages | 20,433 | 28.4 | 13.40 |
| Bread and Pasta | 11,018 | 16.1 | 7.22 |
| Fats & Oils | 13,543 | 13.6 | 8.88 |
| Animal Feed | 21,356 | 14.9 | 14.00 |
| Other Food Products | 14,599 | 2.1 | 9.57 |

Source: FIAB

### Main Companies Operating in the Food Processing Industry

| Company | Sales 2023 (Million $)* | End-User Channels | Procurement Channels |
|---|---|---|---|
| **RED MEATS** | | | |
| Corp. Alim. Guissona, S.A. ** | 3,100 | Retail & HRI | Local products/ Imports |
| Costa Food Natur Group, S.L.** | 2,100 | Retail & HRI | Local products/ Imports |
| Campofrío Food Group, S.A.** | 2,000 | Retail & HRI | Local products/ Imports |
| **POULTRY PRODUCTS** | | | |
| **Error! Hyperlink reference not valid.** | 3,100 | Retail & HRI | Local products/ Imports |
| Coop. Orensanas (COREN)** | 1,500 | Retail & HRI | Local products/ Imports |
| Aviserrano, S.L.** | 500 | Retail & HRI | Local products/ Imports |
| **CANNED FISH** | | | |
| Jealsa Grupo** | 800 | Retail & HRI | Local products/ Imports |
| Luis Calvo Sanz, S.A. (Grupo)** | 750 | Retail & HRI | Local products/ Imports |
| Frinsa del Noroeste, S.A. - Grupo | 680 | Retail & HRI | Local products/ Imports |
| **DAIRY PRODUCTS** | | | |
| **Error! Hyperlink reference not valid.** | 3,100 | Retail & HRI | Local products/ Imports |
| Grupo Lactalis Iberia, S.A.** | 1,700 | Retail & HRI | Local products/ Imports |
| Danone, S.A.** | 1,000 | Retail & HRI | Local products/ Imports |
| **CANNED VEGETABLES** | | | |
| Conservas El Cidacos, S.A.** | 550 | Retail & HRI | Local products/ Imports |
| Industrias Alimentarias de Navarra, S.A.U.** | 300 | Retail & HRI | Local products/ Imports |
| Alimer ** | 300 | Retail & HRI | Local products/ Imports |
| **BAKED PRODUCTS** | | | |
| Bimbo Donuts Iberia, S.A. | 620 | Retail & HRI | Local products/ Imports |

| | | | |
|---|---|---|---|
| Vicky Foods Products ** | 590 | Retail & HRI | Local products/ Imports |
| Pepsico Foods, A.I.E.** | 200 | Retail & HRI | Local products/ Imports |
| **BAKED PRODUCTS (COOKIES)** | | | |
| Mondelez España – Grupo ** | 950 | Retail & HRI | Local products/ Imports |
| Galletas Gullon, S.A. | 700 | Retail & HRI | Local products/ Imports |
| Vicky Foods Products ** | 590 | Retail & HRI | Local products/ Imports |
| **NUTS** | | | |
| Importaco, S.A. - Grupo ** | 820 | Retail & HRI | Local products/ Imports |
| Frit Ravich, S.L. | 290 | Retail & HRI | Local products/ Imports |
| Pepsico Foods, A.I.E.** | 200 | Retail & HRI | Local products/ Imports |
| **SNACKS** | | | |
| Pepsico Foods, A.I.E.** | 200 | Retail & HRI | Local products/ Imports |
| Grupo APEX | 160 | Retail & HRI | Local products/ Imports |
| Grefusa, S.L.** | 140 | Retail & HRI | Local products/ Imports |
| **CONDIMENTS AND SEASONINGS** | | | |
| BAIEO ** | 550 | Retail & HRI | Local products/ Imports |
| Borges Branded Foods, S.L.U.** | 380 | Retail & HRI | Local products/ Imports |
| Grupo Ybarra Aliment., S.L. ** | 280 | Retail & HRI | Local products/ Imports |
| **SAUCES** | | | |
| Nestlé España, S.A. | 2,600 | Retail & HRI | Local products/ Imports |
| ACESUR - Grupo | 1,000 | Retail & HRI | Local products/ Imports |
| Deoleo, S.A. – Grupo | 950 | Retail & HRI | Local products/ Imports |
| **RICE** | | | |
| Ebro Foods, S.A. – Rice Division | 2,500 | Retail & HRI | Local products/ Imports |
| Maicerias Españolas, S.A. ** | 600 | Retail & HRI | Local products/ Imports |
| Arrocerias Pons, S.A. | 110 | Retail & HRI | Local products/ Imports |
| **PASTA** | | | |
| Ebro Foods, S.A. Group ** | 3,250 | Retail & HRI | Local products/ Imports |
| The GB Foods, S.A. ** | 1,600 | Retail & HRI | Local products/ Imports |
| Cerealto Siro Foods, S.L.** | 500 | Retail & HRI | Local products/ Imports |
| **PULSES** | | | |
| Conservas El Cidacos, S.A. ** | 550 | Retail & HRI | Local products/ Imports |
| Ind. Aliment. de Navarra, S.A.U. ** | 300 | Retail & HRI | Local products/ Imports |
| Grupo Riberebro ** | 75 | Retail & HRI | Local products/ Imports |
| **SPECIALIZED FOOD INGREDIENTS** | | | |
| Bunge Ibérica, S.A.** | 3,900 | Food Manufacturers | Local products/ Imports |
| Cargill España (Grupo)** | 2,000 | Food Manufacturers | Local products/ Imports |
| Viscofan, S.A. | 1,400 | Food Manufacturers | Local products/ Imports |
| **BEVERAGES: ALCOHOLIC AND NON-ALCOHOLIC** | | | |
| Coca-Cola Europacific Partners Iberia, S.L.U. | 3,500 | Retail & HRI | Local products/ Imports |
| Damn, S.A. (Grupo) | 2,100 | Retail & HRI | Local products/ Imports |
| Mahou, S.A. - Grupo | 2,100 | Retail & HRI | Local products/ Imports |

Source: Alimarket * Estimated; ** Data includes activities in other sectors

**Sector Trends**

"Invest in Spain" recently published its "Guide to Business in Spain 2023" report. This report (in English) contains useful and up to date information on Spain's economy, reforms to increase competitiveness, employment trends, and foreign investment, among other topics to understand the Spanish business climate.

Many U.S. companies are present in Spain, either through joint ventures, acquisitions, etc. Some examples of U.S. companies in the Spanish food and beverage industry are (in alphabetical order): Bunge Iberica - fats and oils; Cargill - fats, oils, additives, pet food; Coca Cola España - beverages, snacks; H.J. Heinz Foods Spain - prepared vegetables; Mondelez International - cheese, snacks; Kellogg's España - breakfast cereal; Pepsico España - beverages, juices, snacks.

Major Consumer Trends:

- **Price sensitivity:** 75 percent of Spanish consumers look for a bargain before making a final purchasing decision, while a quarter leave their regular retailer if they find lower prices elsewhere. Price sensitivity also results in a lack of loyalty to brands.
- **Environmental shift and pressure:** increasing awareness of environmental challenges are having a powerful impact on consumer behavior and purchasing decision making.
- **Population changes:** trends such as urbanization, migration, and aging are reshaping consumer lifestyles and shopping decisions. Single/two person households are growing and households of four or more persons are declining. The low birth rate and the increasing percentage of elderly people is another trend that will require adjustments in market supply.

## SECTION III. COMPETITION

Spain's main trading partner is the EU-27. The lack of trade tariffs, trade barriers and other restrictions make European goods more attractive and competitive, particularly to price sensitive goods.

| Product Category (TMT; million USD) | Major Supply Sources in 2023 (in value) | Strengths of Key Supply Countries | Advantages and Disadvantages of Local Suppliers |
|---|---|---|---|
| **Frozen Fish**<br>Imports: 259<br>Value: $695 | 1.Portugal-13%<br>2.Netherlands-8%<br>3.Morocco–6% | Other major suppliers offer high quality fish products at competitive prices. | Large competition from local producers. Domestic consumption and exports largely exceed local supply. |
| **Almonds**<br>Imports: 126<br>Value: $437 | 1.USA-73%<br>2.Portugal-11%<br>3.Australia - 8% | Limited competition from other countries. Spanish demand is high, and production is insufficient to satisfy demand. | Spain produces almonds, mostly used roasted as a snack. U.S. almonds are processed, both used domestically or exported. |
| **Pulses**<br>Imports: 792<br>Value: $421 | 1. USA - 15%<br>2. Canada -12%<br>3. Argentina- 10% | Strong competition from Argentina, who greatly increased its presence in recent years, and Canada, a traditional supplier. | Spain is a traditional consumer of pulses, and a net importer, as local production is insufficient to fulfill internal demand. |

| | | | |
|---|---|---|---|
| **Pistachios**<br>Imports: 15<br>Value: $145 | 1.USA-72%<br>2. Iran -11%<br>3. Germany - 10% | Germany is the main entry point for U.S. pistachios. Iranian pistachios are the competitor in the Spanish market and offer lower prices. | Local pistachio production is growing, but still very limited. Demand continues to grow significantly. |
| **Sunflower Seeds**<br>Imports: 301<br>Value: $339 | 1.France-52%<br>2.China-19%<br>3.Romania-8% | Used for confectionery. Growing competition from China on price; Argentina competitor on quality. | Traditional snack. Local production is insufficient to meet demand. |

## SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

**Table 3. Spain Agricultural and Food Import Statistics**

| AGRICULTURAL PRODUCTS IMPORTS ($ Million) | 2020 | 2021 | 2022 | 2023 | 2024* |
|---|---|---|---|---|---|
| **Total Agricultural and Related Products** | **44,592** | **54,418** | **63,814** | **65,377** | **66,000** |
| Total U.S. Agricultural and Related Products | 1,670 | 1,706 | 2,244 | 2,236 | 2,000 |
| **Total Agricultural Related Products** | **9,963** | **12,735** | **14,659** | **13,108** | **15,000** |
| Total U.S. Agricultural Related Products | 164 | 163 | 187 | 211 | 200 |
| **Total Consumer-Oriented Products** | **19,114** | **21,697** | **23,667** | **26,773** | **25,000** |
| Total U.S. Consumer-Oriented Products | 836 | 761 | 839 | 692 | 800 |
| **Total Seafood Products** | **7,348** | **8,889** | **9,637** | **9,174** | **9,000** |
| Total U.S. Seafood Products | 86 | 82 | 95 | 99 | 100 |

Source: TDM Inc; Unit: $ Million; *Estimate

**Best High-Value, Consumer-Oriented Product Prospects Category**

*Products Present in the Market with Good Sales Potential*
Tree nuts, particularly almonds, walnuts, and pistachios -- Peanuts -- Pulses -- Sunflower seeds -- Fish and Seafood (frozen) -- Surimi -- Spirits
*Products Not Present in Significant Quantities with Good Sales Potential*
Functional and innovative health food -- Free-from products (lactose-free, gluten-free) -- Specialty and snack foods -- Sweet potatoes -- Pet foods
*Products Not Present Because They Face Significant Barriers*
Red meat and meat preparations (hormone ban) -- Poultry (sanitary procedures - chlorine wash) -- Processed food (with GMO ingredients)

## SECTION V. KEY CONTACTS AND FURTHER INFORMATION

If you have any questions, please contact the Office of Agricultural Affairs in Madrid. The FAS website offers recent reports of interest to U.S. exporters interested in the Spanish market, such as: Spain FAIRS Export Certificate Report Annual; Spain FAIRS Annual Country Report Annual

Additionally, find below useful contacts:
**Trade Associations** Spanish Federation of Food and Beverage Industries; Spanish Federation for HRI Sector; Spanish Association for Distributors and Supermarkets; Spanish Restaurant Chain Association
**Government Agencies** Ministry of Health; Spanish Food Safety and Nutrition Agency; Ministry of Agriculture, Fisheries and Food
**Attachments:**

No Attachments