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Report Highlights:

In 2022, Spain imported $2.1 billion worth of agricultural, seafood and forest products from the United States, up 27 percent compared to the previous year. After high rates of consumer price inflation in 2022, the latest European Union economic forecast shows Spain's economic growth forecast at 1.4 percent in 2023 and 2.0 percent in 2024. Despite the economic and political uncertainties, Spain's food and beverage sector continues to show a positive performance. With one of the most competitive food processing industries in Europe, Spain's demand for ingredients continues to increase, as well as demand for distilled spirits, beef and beef products, seafood, pulses, and tree nuts.

Market Fact Sheet: Spain

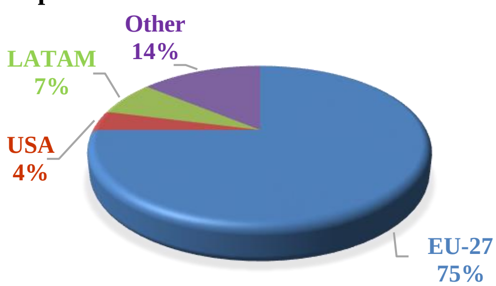
Executive Summary

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 2022, Spain's total imports of agricultural and related products reached $53.9 billion, up 17 percent compared to 2021; 55 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 states will likely meet most of the Spanish import requirements. For animal products exports, the production plant must be approved for export to the EU.

Total Imports of Consumer-Oriented Products 2022



Food Processing Industry

In 2022, 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 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 Retail Industry

The retail competitive landscape remained highly fragmented in 2022, led by major grocery retailers. Within grocery store-based retailing, the competitive environment is concentrated, with Mercadona retaining its leadership, followed by Carrefour. In 2022, due to new consumption habits, internet retailing is expected to continue growing, as retailers continue to invest in eCommerce platforms.

Quick Facts CY2022

World Imports of Consumer-Oriented Products
$23.6 billion

List of Top 10 U.S. Growth Products

1) Bourbon	2) Gin
3) Beef & Beef Products	4) Albumin
5) Lobster	6) Cod
7) Asparagus	8) Lentil
9) Almonds	10) Surimi

Food Processing Industry Facts 2021

Food Industry Output	$149 bn
Food Exports	$41 bn
Trade Surplus	$14 bn
No. of Employees	440,600
No. of Food Processors	30,260
% of total GDP	2%

Top Country Retailers	Sales 2022 (Estimate) ($ Million)
1) Mercadona	26,000
2) Grupo Carrefour	11,100
3) DIA	7,000
4) Lidl	5,700
5) Grupo Eroski	5,400
6) Alcampo	4,500
7) Consum, S.Coop.	3,500
8) El Corte Ingles	3,000
9) Ahorramas	2,100
10) Bon Preu	1,900

GDP / Population 2022
Population: 47.4 million
Real GDP (nominal, est): $1.39 trillion
GDP Per capita (nominal, est): $29,198

Sources: FIAB, TDM, GATS, Eurostat

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

After the economic downtowns associated with the pandemic in 2020 and 2021, 2022 saw a rapidly changing macroeconomic situation dominated by high rates of inflation. The economic situation was dominated by the problems in the global chain crisis that arose the end of 2021 as well as by high energy prices and challenges to the global supply chain that occurred as a result of Russia's invasion of Ukraine. However, despite the economic and political uncertainties, Spain's food and beverage sector has continued its positive performance.

Spain's economy avoided many of the negative effects of the Ukraine war in 2022, as the economy's resilience was reinforced by a strong rebound in tourism and a dynamic private consumption. The more robust economic performance stems from the stronger-than-anticipated first half of the year, as well as the less marked slowdown in the last quarter. Furthermore, despite a loss in real purchasing power, decelerating inflation in fall 2022 contributed to stronger consumer and business confidence, in turn sustaining consumption and investment towards the end of the year.

Economic activity is expected to gradually regain strength in the first half of 2023 and build further momentum in the second half of the year. Overall, GDP growth is set to reach 1.4 percent in 2023, partly reflecting a higher-than-projected carry-over from 2022. As inflation moderates stronger private consumption, a further normalization of tourism is expected to sustain activity throughout the year. Although inflation averaged 8.3 percent in 2022, it is forecast to moderate to 4.4 percent in 2023 and further reduce to 2.3 percent in 2024.

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.	The economic environment post-pandemic; adjustments to the overall domestic and international economy situation (inflation, Ukraine conflict).
Spain's food industry relies on imported ingredients, many from the United States, which has 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, with many companies covering 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 you 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:

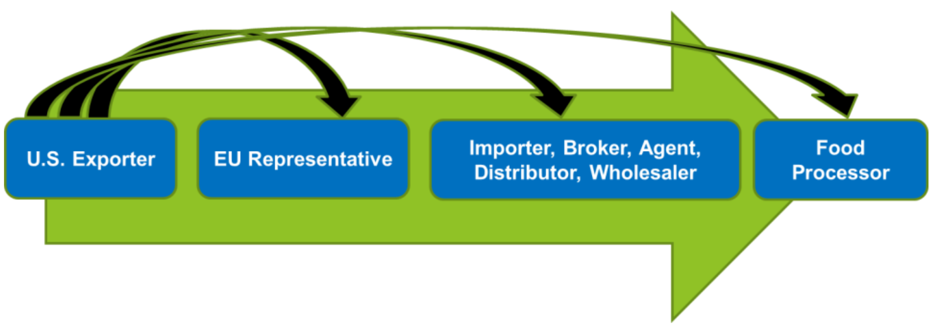
- Bill of Lading and/or Airway Bill
- Commercial Invoice
- Phytosanitary Certificate and/or Health Certificate, when applicable
- Import Certificate

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 have fully returned after the COVID-19 crisis and offer excellent opportunities for U.S. exporters to make contact with potential clients or business partners from Spain, Portugal, other EU countries and other continents. The most important trade shows related to the food processing sector are: Seafood Expo Global, in Barcelona April 25-27, 2023; and Alimentaria, in Barcelona March 12-15, 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 30,260 companies. The table below shows how these companies are distributed among the main sectors:

Table 2. Food Processing Industry by sector (Million $)			
	2021	**% Change 2020/21**	**% Food and Beverage Industry**
Meat & Meat Products	31,396	4.2	23.89
Fishery Products	6,580	4.4	5.00
Fruits & Vegetables	10,255	-1.4	7.79
Dairy Products	8,547	3.2	7.50

Milling Industry	3,972	11.1	3.02
Beverages	17,924	3.9	13.62
Bread and Pasta	8,833	7.0	6.71
Fats & Oils	11,908	37.3	9.05
Animal Feed	16,000	24.9	12.16
Other Food Products	14,806	7.9	11.25

Source: Spanish Federation of Food and Beverage Industries (FIAB)

Main Companies Operating in the Food Processing Industry

Company	Sales 2022 (Million $)*	End-User Channels	Procurement Channels
RED MEATS			
Corp. Alim. Guissona, S.A. **	2,500	Retail & HRI	Local products/ Imports
Campofrío Food Group, S.A.**	2,000	Retail & HRI	Local products/ Imports
Costa Food Natur Group, S.L.**	1,850	Retail & HRI	Local products/ Imports
POULTRY PRODUCTS			
Error! Hyperlink reference not valid.	2,500	Retail & HRI	Local products/ Imports
Coop. Orensanas (COREN)**	1,300	Retail & HRI	Local products/ Imports
Uve, S.A. (Grupo)**	600	Retail & HRI	Local products/ Imports
CANNED FISH			
Grupo Jealsa Rianxeira**	770	Retail & HRI	Local products/ Imports
Frinsa del Noroeste, S.A.	610	Retail & HRI	Local products/ Imports
Luis Calvo Sanz, S.A. (Grupo)**	600	Retail & HRI	Local products/ Imports
DAIRY PRODUCTS			
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Grupo Lactalis Iberia, S.A.**	885	Retail & HRI	Local products/ Imports
Danone, S.A.**	800	Retail & HRI	Local products/ Imports
CANNED VEGETABLES			
Conservas El Cidacos, S.A.**	400	Retail & HRI	Local products/ Imports
Industrias Alimentarias de Navarra, S.A.U.**	270	Retail & HRI	Local products/ Imports
Alimer **	250	Retail & HRI	Local products/ Imports
BAKED PRODUCTS			
Bimbo Donuts Iberia, S.A.	525	Retail & HRI	Local products/ Imports
Vicky Foods Products	430	Retail & HRI	Local products/ Imports
Pepsico Foods, A.I.E.**	200	Retail & HRI	Local products/ Imports
BAKED PRODUCTS (COOKIES)			
Mondelez España – Grupo **	850	Retail & HRI	Local products/ Imports
Galletas Gullon, S.A.	460	Retail & HRI	Local products/ Imports
Cerealto Siro Foods, S.L.**	360	Retail & HRI	Local products/ Imports
NUTS			
Importaco, S.A. - Grupo **	780	Retail & HRI	Local products/ Imports
Frit Ravich, S.L.	250	Retail & HRI	Local products/ Imports
Borges Agricultural & Industrial Nuts, S.A.	170	Retail & HRI	Local products/ Imports
SNACKS			
Pepsico Foods, A.I.E.**	200	Retail & HRI	Local products/ Imports
Grefusa, S.L.**	125	Retail & HRI	Local products/ Imports

Grupo APEX	100	Retail & HRI	Local products/ Imports
CONDIMENTS AND SEASONINGS			
BAIEO **	440	Retail & HRI	Local products/ Imports
Grupo Ybarra Aliment., S.L. **	210	Retail & HRI	Local products/ Imports
Borges Branded Foods, S.L.U.**	150	Retail & HRI	Local products/ Imports
SAUCES			
Nestlé España, S.A.	2,320	Retail & HRI	Local products/ Imports
Deoleo, S.A. – Grupo	770	Retail & HRI	Local products/ Imports
ACESUR - Grupo	740	Retail & HRI	Local products/ Imports
RICE			
Ebro Foods, S.A. – Rice Division	1,970	Retail & HRI	Local products/ Imports
Maicerias Españolas, S.A. **	350	Retail & HRI	Local products/ Imports
Arrocerias Pons, S.A.	85	Retail & HRI	Local products/ Imports
PASTA			
Ebro Foods, S.A. Group **	2,700	Retail & HRI	Local products/ Imports
The GB Foods, S.A. **	1,400	Retail & HRI	Local products/ Imports
Cerealto Siro Foods, S.L.**	500	Retail & HRI	Local products/ Imports
PULSES			
Conservas El Cidacos, S.A. **	380	Retail & HRI	Local products/ Imports
Ind. Aliment. de Navarra, S.A.U. **	280	Retail & HRI	Local products/ Imports
Grupo Riberebro **	110	Retail & HRI	Local products/ Imports
SPECIALIZED FOOD INGREDIENTS			
Bunge Ibérica, S.A.**	2,800	Food Manufacturers	Local products/ Imports
Cargill España (Grupo)**	1,700	Food Manufacturers	Local products/ Imports
Viscofan, S.A.	1,100	Food Manufacturers	Local products/ Imports
BEVERAGES: ALCOHOLIC AND NON-ALCOHOLIC			
Coca-Cola Europacific Partners Iberia, S.L.U.	2,600	Retail & HRI	Local products/ Imports
Mahou, S.A. - Grupo	1,600	Retail & HRI	Local products/ Imports
Damn, S.A. (Grupo)	1,570	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 2022" 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 - fats and oils; Cargill - fats, oils, additives, pet food; Coca Cola - beverages, snacks; H.J. Heinz Foods Spain - prepared vegetables; Mondelez International - cheese, snacks; Kellogg's España - breakfast cereal; Pepsico - beverages, juices, snacks.

Major Consumer Trends:

- **Online shopping and technology:** the pandemic gave a long-waited push to e-commerce and it is expected that the importance of this channel will continue to grow. New business models are coming into play, adapting to consumer needs and demand.
- **Wellness:** this was an already existing trend observed in recent years, currently reinforced by the interest in diet as a means of strengthening the immune system.
- **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 2022 (in value)	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Frozen Fish Imports: 299 Value: $828	1.Portugal-12% 2.Netherlands-9% 3.Seychelles–8%	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 Imports: 147 Value: $561	1.USA-78% 2.Portugal-10% 3.Australia-4%	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 Imports: 226 Value: $220	1.Argentina-24% 2.USA-17% 3.Canada-13%	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 its local production is insufficient to fulfill internal demand.
Pistachios Imports: 15 Value: $138	1.USA-66% 2.Germany-15% 3.Iran-7%	Germany is the main EU entry point for U.S. and Iranian pistachios which are then re-exported to other Member States.	Local pistachio production is growing, but still very limited. Demand continues to grow significantly.
Sunflower Seeds Imports: 356 Value: $321	1.France-39% 2.China-20% 3.Bulgaria-15%	Used for confectionery. Growing competition from China on price; Argentina and Israel competition on quality.	Traditional snack. Local production is insufficient to meet demand.
Surimi Imports: 5 Value: $13	1.USA-25% 2.Poland-22% 3.India–17%	Other major suppliers offer high quality fish products at competitive prices.	Strong demand from well-developed fish processing industry to supply domestic and export market.

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Table 3. Spain Agricultural and Food Import Statistics

AGRICULTURAL PRODUCTS IMPORTS ($ Million)	2019	2020	2021	2022*	2023**
Total Agricultural and Related Products	**45,994**	**44,592**	**54,418**	**64,000**	**63,000**
Total U.S. Agricultural and Related Products	1,860	1,670	1,706	2,300	2,000
Total Agricultural Related Products	**11,149**	**9,963**	**12,735**	**15,000**	**15,500**
Total U.S. Agricultural Related Products	175	164	163	185	190
Total Consumer-Oriented Products	**19,755**	**19,114**	**21,697**	**23,500**	**24,000**
Total U.S. Consumer-Oriented Products	820	836	761	850	860
Total Seafood Products	**8,104**	**7,348**	**8,889**	**9,500**	**9,000**
Total U.S. Seafood Products	94	86	82	90	85

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

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 -- Nuts e.g., pecans, hazelnuts -- 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. 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