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Food Processing Ingredients

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Report Highlights:
In 2017, Spain imported $1.7 billion worth of agricultural, fish and forest products from the United States. As Spain maintains its economic recovery the food processing sector continues to consolidate its position and importance as the main industrial sector in the country. Spain has some of the most competitive food processing industries in Europe, which makes this sector an important market for U.S. food ingredient exporters.

Executive Summary:

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I. MARKET SUMMARY

Economic Trends

Spain

AGRICULTURAL PRODUCTS IMPORTS ($ Million)						
	2013	**2014**	**2015**	**2016**	**2017**	**2018***
Total Agricultural, Fish and Forestry Products	39,800	40,446	36,359	38,003	41,583	41,000
Total U.S. Agricultural, Fish and Forestry Products	1,801	1,990	1,981	1,856	1,637	1,750
Total Agricultural Products	30,0312	30,534	27,646	28,067	30,872	31,000
Total U.S. Agricultural Products	1,474	1,678	1,606	1,487	1,319	1,400
Total Fish and Seafood Products	6,349	6,861	6,364	7,022	7,890	7,000
Total U.S. Fish and Seafood Products	112	128	134	134	103	100

Source: Global Trade Atlas (www.gtis.com)
(*) Estimate

In 2017, the food processing sector continued to consolidate its position and importance as the main industrial sector pushing the economic recovery. Spain has some of the most competitive food processing industries in Europe, which makes this sector an important target for U.S. food ingredient exporters.

Spain enjoys a modern food processing sector that pays special attention to the quality, safety, and traceability of the food products it produces. This sector provides 480,000 jobs, representing 21 percent of the total industrial workforce. The food industry in Spain comprises mostly small companies— in 2016, 53 percent of the 28,038 food processors employ 10 people or less. The industry as a whole produced an estimated $113 billion in product in 2016.

The export sector keeps bringing positive news to the Spanish economy. Exports from the agri-food sector have maintained an upward trend seen since 2009. According to the data published by the Spanish Food Industry Federation (FIAB) in their annual report, exports in 2016 were valued at $31.1 billion. This positive trend provides opportunities for U.S. exporters as the demand for commodities, food ingredients and consumer-oriented products to be further processed increase in order to satisfy foreign demand.

Table 1. The Food Sector in Spain

	2016

Total Production ($ Million)	113,290
Total No. Of Food Processors	28,038
Labor Force	480,000
Total Exports ($ Million)	31,143

Source: FIAB – Spanish Food Industry Federation

Current market developments affecting the food processing sector include:

- Domestic food expenditure is slowly recovering, both at home and abroad. The food industry continues to compensate the accumulated loss by increasing exports, one of the sectors that significantly improved in recent years. In addition, tourist numbers support food consumption and therefore, the food industry.

- Changes in demographics and working patterns are shifting demand to more convenient and ready-to-eat foods. Busier lifestyles increase the demand for fast food, convenience products and ready-made meals, but it is worth noting that consumers are looking for healthier and higher quality options within these segments.

- New labeling, sustainability and traceability requirements in addition to environmental and animal welfare requirements are forcing consolidation of all levels of the food chain, from farm to fork.

- Consumers have become more health conscious and problems concerning food safety are widely publicized and usually receive immediate attention from government agencies. While Spanish consumers are seeking healthier food choices, organic food has experienced little growth in the domestic market, although production and exports remain largest in the EU.

ADVANTAGES AND CHALLENGES FACING U.S. PRODUCTS IN SPAIN

Advantages	Challenges
Tourism is a strong and ever-growing sector that provides sales in the HRI sector, as well as demand for more international foods.	Food imported from third countries, including the U.S., must comply with EU food law, which varies considerably from U.S. regulation and practice.
Spain's food industry relies on imported ingredients, many from the U.S.	Lack of consumer awareness of U.S. brands and varieties of U.S. products.
Good image and reputation of U.S. products.	Competition from neighboring EU countries, where tastes and traditional products may be well known.
Good network of agents and importers to help get product into the market.	U.S. exports face higher transportation costs and difficulties in shipping mixed or smaller container loads versus EU competitors.
Consumers are increasingly health conscious, demanding on trend products not available domestically.	EU labeling, traceability, and packaging laws.
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.
Food products in the market are becoming more diversified. Consumers are becoming more open, creating opportunities for new and foreign products.	High marketing costs (advertising, discounts, etc.) are necessary.

II. ROAD MAP FOR MARKET ENTRY

A. 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.

Furthermore, a directory of European importers (many of them HRI suppliers) is available online at: American Foods in Europe Directory. European importers of U.S. products are listed by product category and company/country index.

Customs are involved in the implementation and enforcement of EU legislation relating to imports, 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 EU sanitary and phytosanitary requirements to protect human and animal health and as part of the custom union, Spain implements EU rules and regulations. However, there are subtleties that you should learn about if you are thinking of exporting to Spain. For more information, we invite potential U.S. exporters to contact FAS/Madrid for additional, unpublished sector-specific information. Generally speaking, U.S. exporters already exporting to other EU member states will likely be meeting most of the requirements for exporting to Spain.

Typically, HRI operators buy their food ingredients from importers or wholesalers. Some large companies buy directly from foreign suppliers. Around 20 percent of the Spanish food production is sold to export markets, mainly to the EU. Some food-processing companies concentrate on the domestic or on export markets, but most of them will have mixed customers. Companies supplying mainly the domestic market frequently market their products directly and have their own logistics infrastructure. However, their customers will vary from wholesalers to buying groups and retailers. Companies producing for the export market may have their own marketing office overseas, local agents or may work with local importers.

U.S. exporters now face even greater challenges, because of the new EC labeling and traceability regulations. Any product that contains genetically modified ingredients must be labeled for consumer information. Since consumers have relatively low acceptance of genetically modified foods, food processors, retailers and the HRI sector are reluctant to purchase these processed products or food ingredients for processing.

The following documents are required for ocean or air cargo shipments of foodstuffs to Spain:

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

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 has to be approved to export into the EU.

- Import Certificate

Most food products require an Import Certificate issued by the competent Spanish authority. However, the Import Certificate is obtained by the Spanish importer and/or the agent involved in the business and is intended for tariff classification purposes.

Also, please check the U.S. Mission to the European Union web page, which will guide you on exporting into the EU.

Trade Shows

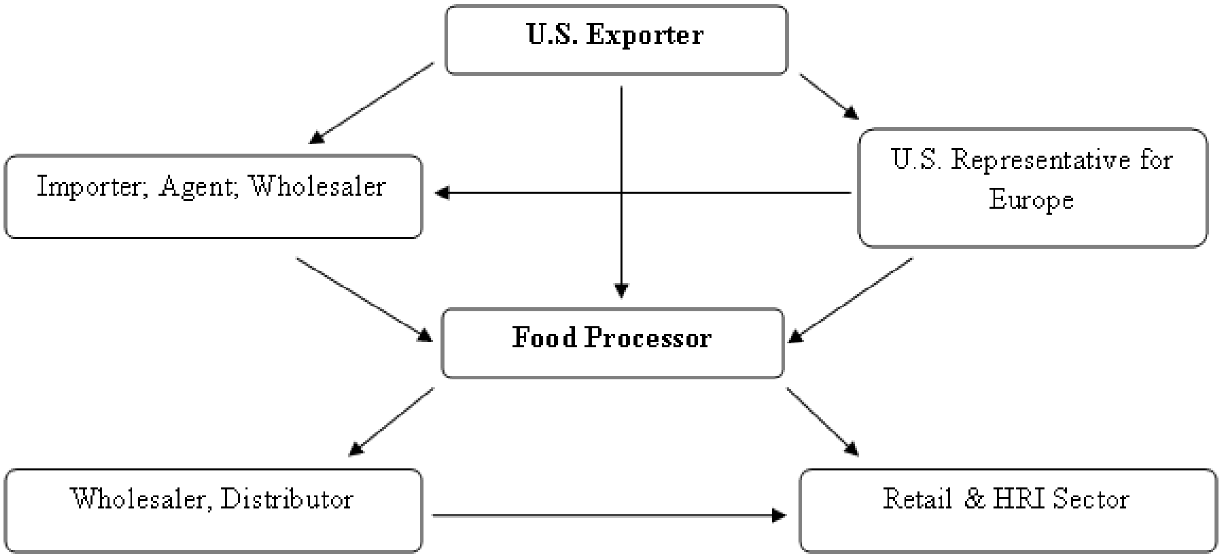
Trade shows in Spain offer excellent opportunities for U.S. exporters to make contact with potential clients or business partners from Spain, Portugal, other EU countries and other continents.

The most important trade shows related to the food processing sector are:

Alimentaria - International Food and Beverages Exhibition
Dates: April 16-19, 2018
Place: Fira Barcelona, Barcelona
Frequency: Bi-annual

Nutraceuticals Europe – Summit & Expo
Dates: February14-15, 2018
Place: IFEMA, Madrid
Frequency: Annual

B. Market Structure



C. 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 28,038 companies. The table below shows how these companies are distributed among the main sectors:

Table 2. Food Processing Industry - Number of industries by sector

	2014	%	2015	%	2016	%
Meat & Meat Products	3,955	14.0	3,888	13.8	3,810	13.6
Fishery Products	667	2.4	646	2.3	632	2.2
Fruits & Vegetables	1,363	4.9	1,375	4.9	1,401	5.00
Dairy Products	1,538	5.4	1,557	5.5	1,558	5.6
Milling Industry	494	1.7	470	1.7	454	1.6
Beverages	5,041	17.8	5,102	18.1	5,165	18.4
Bread and Pasta	10,247	36.1	10,117	35.9	10,009	35.7
Fats & Oils	1,597	5.6	1,597	5.7	1,577	5.6
Animal Feed	820	2.9	793	2.8	793	2.8
Other Foods	2,621	9.2	2,640	9.3	2,639	9.5
TOTAL	**28,343**	**100.00**	**28,185**	**100.00**	**28,038**	**100.00**

Source: FIAB

Main Companies Operating in the Food Processing Industry – 2017

RED MEATS AND POULTRY PRODUCTS			
RED MEATS			
Company	**Sales 2017 (Million $)***	**End-User Channels**	**Procurement Channels**
Campofrío Food Group, S.A.**	2,270	Retail & HRI	Local products/ Imports
Coorporación Alimentaria Guissona, S.A.**	1,726	Retail & HRI	Local products/ Imports
ElPozo Alimentación, S.A.**	1,139	Retail & HRI	Local products/ Imports
Cooperativas Orensanas, SCG (Coren) **	1,120	Retail & HRI	Local products/ Imports
Casa Tarradellas, S.A.**	1,013	Retail & HRI	Local products/ Imports
Jorge, S.L.**	739	Retail & HRI	Local products/ Imports
Martínez Loriente, S.A.	659	Retail & HRI	Local products/ Imports
INCARLOPSA	600	Retail & HRI	Local products/ Imports
COVAP**	476	Retail & HRI	Local products/ Imports
Frigorifics Costa Brava, S.A.	434	Retail & HRI	Local products/ Imports
POULTRY PRODUCTS			
Coorporación Alimentaria Guissona, S.A.**	1,719	Retail & HRI	Local products/ Imports
Cooperativa Orensanas (COREN)**	1,116	Retail & HRI	Local products/ Imports
Grupo Sada P.A., S.A.**	660	Retail & HRI	Local products/ Imports
Uve, S.A. (Grupo)**	321	Retail & HRI	Local products/ Imports
Procavi, S.L.	297	Retail & HRI	Local products/ Imports
Grupo Padesa	294	Retail & HRI	Local products/ Imports
Avinatur Producciones Avicolas, S.L.	186	Retail & HRI	Local products/ Imports
An Avicola Melida, S.L.	169	Retail & HRI	Local products/ Imports

Jose Baringo, S.L.	127	Retail & HRI	Local products/ Imports
Aragonesa de Piensos, S.A. (ARPISA)**	117	Retail & HRI	Local products/ Imports

* Estimated
** Data includes activities in other sectors.

CANNED FISH			
Company	**Sales 2017 (Million $)***	**End-User Channels**	**Procurement Channels**
Luis Calvo Sanz, S.A. (Grupo)**	928	Retail & HRI	Local products/ Imports
Grupo Jealsa Rianxeira**	638	Retail & HRI	Local products/ Imports
Frinsa del Noroeste, S.A.	485	Retail & HRI	Local products/ Imports
Grupo Conservas Garavilla, S.L.**	430	Retail & HRI	Local products/ Imports
Ricardo Fuentes e Hijos, S.A.**	160	Retail & HRI	Local products/ Imports
Compre y Compare, S.A.**	152	Retail & HRI	Local products/ Imports
Ubago Group Mare, S.L.**	147	Retail & HRI	Local products/ Imports
Salica, Industria Alimentaria, S.A	122	Retail & HRI	Local products/ Imports
Hijos de Carlos Albo, S.L.**	102	Retail & HRI	Local products/ Imports
Ignacio González Montes, S.A.	91	Retail & HRI	Local products/ Imports

* Estimated
** Data includes activities in other sectors.

DAIRY PRODUCTS			
Company	**Sales 2017 (Million $)***	**End-User Channels**	**Procurement Channels**
Grupo Lactalis Iberia, S.A.**	1,410	Retail & HRI	Local products/ Imports
Danone, S.A.**	987	Retail & HRI	Local products/ Imports
Calidad Pascual, S.A.U.**	811	Retail & HRI	Local products/ Imports
Corp. Aliment. Peñasanta, S.A. (CAPSA FOOD)**	759	Retail & HRI	Local products/ Imports
Industrias Lácteas Asturianas, S.A. (ILAS) **	717	Retail & HRI	Local products/ Imports

Schreiber Foods España, S.L.	499	Retail & HRI	Local products/ Imports
COVAP**	475	Retail & HRI	Local products/ Imports
Iparlat, S.A.	414		
Lácteas García Baquero, S.A.	405	Retail & HRI	Local products/ Imports
Leche Celta, S.L.**	388	Retail & HRI	Local products/ Imports

* Estimated
** Data includes activities in other sectors.

PREPARED FRUITS & VEGETABLES			
Company	**Sales 2017 (Million $)***	**End-User Channels**	**Procurement Channels**
Conservas El Cidacos, S.A.**	281	Retail & HRI	Local products/ Imports
Grupo Ybarra Alimentación, S.L. **	250	Retail & HRI	Local products/ Imports
Grupo Angel Camacho, S.L.**	246	Retail & HRI	Local products/ Imports
Hero España, S.A **	207	Retail & HRI	Local products/ Imports
Grupo Helios**	204	Retail & HRI	Local products/ Imports
Coop. Alimentos de Mediterráneo**	193	Retail & HRI	Local products/ Imports
Juver Alimentación, S.L.**	190	Retail & HRI	Local products/ Imports
Heinz Ibérica, S.A.**	174	Retail & HRI	Local products/ Imports
Industrias Alimentarias de Navarra, S.A.U.**	165	Retail & HRI	Local products/ Imports
Compre y Compare, S.A. **	152	Retail & HRI	Local products/ Imports

* Estimated
** Data includes activities in other sectors.

CONFECTIONARY (CHOCOLATE AND SUGAR) PRODUCTS			
Company	**Sales 2017 (Million $)***	**End-User Channels**	**Procurement Channels**
Ferrero Iberica, S.A. **	245	Retail & HRI	Local products/ Imports

Sánchez Cano, S.A. (Golosinas Fini)	200	Retail & HRI	Local products/ Imports
Pepsico Foods, A.I.E.	169	Retail & HRI	Local products/ Imports
Lacasa, S.A.**	154	Retail & HRI	Local products/ Imports
Vidal Golosinas, S.A.	136	Retail & HRI	Local products/ Imports
Wrigley Co., S.L.	129	Retail & HRI	Local products/ Imports
Mondelez España – Div. Confitería	115	Retail & HRI	Local products/ Imports
Grefusa, S.L.**	114	Retail & HRI	Local products/ Imports
Chupa Chups, S.A.U.	112	Retail & HRI	Local products/ Imports
Cantalou, S.A.**	55	Retail & HRI	Local products/ Imports

* Estimated
** Data includes activities in other sectors.

BAKED GOODS			
Company	**Sales 2017 (Million $)***	**End-Use Channels**	**Procurement Channels**
Galletas Siro, S.A. Grupo **	710	Retail & HRI	Local products/ Imports
Grupo Panrico**	413	Retail & HRI	Local products/ Imports
Grupo Bimbo **.**	407	Retail & HRI	Local products/ Imports
Grupo Dulcesol**	357	Retail & HRI	Local products/ Imports
Anitin Panes Especiales, S.L.**	67	Retail & HRI	Local products/ Imports
Brioche Pasquier Recondo, S.L.**	66	Retail & HRI	Local products/ Imports
Dr. Oetker Iberica, S.A. **	59	Retail & HRI	Local products/ Imports
Granja San Francisco, S.L.**	36	Retail & HRI	Local products/ Imports
McCormick España, S.A.**	33	Retail & HRI	Local products/ Imports
Codan, S.A.	30	Retail & HRI	Local products/ Imports

* Estimated
** Data includes activities in other sectors.

SNACK FOODS: SNACKS AND NUTS			
Company	**Sales 2017 (Million $)***	**End-Use Channels**	**Procurement Channels**
Galletas Siro, S.A. – Grupo **	710	Retail & HRI	Local products/ Imports
Importaco, S.A. - Grupo **	521	Retail & HRI	Local products/ Imports
Grupo Bimbo**	407	Retail & HRI	Local products/ Imports
Borges Branded Foods, S.L.U.**	278	Retail & HRI	Local products/ Imports
Frit Ravich, S.L.	234	Retail & HRI	Local products/ Imports
Almendras Llopis, S.A.	228	Retail & HRI	Local products/ Imports
Borges Agric & Industrial Nuts, S.A.	212	Retail & HRI	Local products/ Imports

Kellogg España, S.L.**	183	Retail & HRI	Local products/ Imports
Pepsico Foods, A.I.E.**	169	Retail & HRI	Local products/ Imports
Grefusa, S.L.**	113	Retail & HRI	Local products/ Imports

* Estimated

** Data includes activities in other sectors.

DRY GOODS: RICE, PASTA AND PULSES			
RICE			
Company	**Sales 2017 (Million $)***	**End-Use Channels**	**Procurement Channels**
Ebro Foods, S.A. – Rice Division	1,519	Retail & HRI	Local products/ Imports
Maicerias Españolas, S.A. (DACSA)**	317	Retail & HRI	Local products/ Imports
Cooperativa Arrozúa	56	Retail & HRI	Local products/ Imports
Arrocerias Pons, S.A.	56	Retail & HRI	Local products/ Imports
Coop. Camara Arrossera del Montsia I Seccio de Credit, SCCL	35	Retail & HRI	Local products/ Imports
Coop. Arrossaires del Delta de L'Ebre, SCCL	30	Retail & HRI	Local products
Arrocerías Rovira Ballester, S.L.	25	Retail & HRI	Local products
Arroces y Cereales, S.A. (ARCESA)	24	Retail & HRI	Local products
Coop. Extremeña de Arroces	18	Retail & HRI	Local products/ Imports
Arrocerías Dorado, S.A.	12	Retail & HRI	Local products
PASTA			
Ebro Foods, S.A. Group **	2,904	Retail & HRI	Local products/ Imports
Nestlé España, S.A. **	2,371	Retail & HRI	Local products/ Imports
The GB Foods, S.A. (Gallina Blanca Star) **	739	Retail & HRI	Local products
Galletas Siro, S.A. – Grupo **	710	Retail & HRI	Local products
Aceites del Sur-Coosur, S.A. **	649	Retail & HRI	Local products
Borges Branded Foods, S.L.U. **	278	Retail & HRI	Local products/ Imports
Grupo Pastas Gallo **	232	Retail & HRI	Local products/ Imports

Oromás, S.A.	68	Retail & HRI	Local products/ Imports
Pastas Alimenticias Romero, S.A.	41	Retail & HRI	Local products/ Imports
Dr. Schar España, S.L.**	38	Retail & HRI	Local products/ Imports
PULSES			
Conservas Cidaco, S.A. **	281	Retail & HRI	Local products/ Imports
Hermanos Ayala Sousa, S.L. **	242	Retail & HRI	Local products/ Imports
Industrias Alimentarias de Navarra, S.A.U. **	165	Retail & HRI	Local products
Grupo Riberebro **	136	Retail & HRI	Local products
SEPROLESA**	73	Retail & HRI	Local products/ Imports
Legumbres Luengo, S.A.**	65	Retail & HRI	Local products/ Imports
Acico, S.A. – Grupo **	41	Retail & HRI	Local products/ Imports
Bonduelle Ibérica, S.A.U. **	38	Retail & HRI	Local products/ Imports
Taboada Grupo Alimentario, S.L.**	29	Retail & HRI	Local products/ Imports
Ferrer Segarra, S.A.	27	Retail & HRI	Local products/ Imports

* Estimated
** Data includes activities in other sectors.

CONDIMENTS AND SEASONINGS			
Company	**Sales 2017 (Million $)***	**End-Use Channels**	**Procurement Channels**
BAIEO **	377	Retail & HRI	Local products/ Imports
Borges Branded Foods, S.L.U. **	278	Retail & HRI	Local products/ Imports
Grupo Ybarra Alimentación, S.L.**	250	Retail & HRI	Local products/ Imports
Bolton Cile España, S.A.**	87	Retail & HRI	Local products/ Imports
Jesús Navarro, S.A.**	76	Retail & HRI	Local products/ Imports
Ramón Sabater, S.A.	75	Retail & HRI	Local products/ Imports
Aceites García de la Cruz, S.L.**	61	Retail & HRI	Local products/ Imports
Unión Salinera de España, S.A.	51	Retail & HRI	Local products/ Imports

Conservas Dani, S.A.**	49	Retail & HRI	Local products/ Imports
Herbex Iberia, S.L.**	35	Retail & HRI	Local products/ Imports

* Estimated
** Data includes activities in other sectors.

SAUCES			
Company	**Sales 2017 (Million $)***	**End-Use Channels**	**Procurement Channels**
Nestle España, S.A.**	2,371	Retail & HRI	Local products/ Imports
Deoleo, S.A.**	964	Retail & HRI	Local products/ Imports
Mondelez España - Grupo **	767	Retail & HRI	Local products/ Imports
Unilever España, S.A.**	712	Retail & HRI	Local products/ Imports
Aceites del Sur-Coosur, S.A.**	649	Retail & HRI	Local products/ Imports
Grupo Ybarra Alimentación, S.L.**	250	Retail & HRI	Local products/ Imports
Hero España, S.A.**	207	Retail & HRI	Local products/ Imports
Grupo Helios**	198	Retail & HRI	Local products/ Imports
H.J. Heinz Foods Spain, S.L.**	175	Retail & HRI	Local products/ Imports
Primaflor, S.L. – Grupo **	174	Retail & HRI	Local products/ Imports

* Estimated
** Data includes activities in other sectors.

SPECIALIZED FOOD INGREDIENTS			
Company	**Sales 2017 (Million $)***	**End-Use Channels**	**Procurement Channels**
Bunge Ibérica, S.A.	4,846	Food Manufacturers & Producers	Local products/ Imports
Cargill España (Grupo)**	1,763	Food Manufacturers & Producers	Local products/ Imports
Viscofan, S.A.	870	Food Manufacturers & Producers	Local products/ Imports
Quimidroga, S.A.**	823	Food Manufacturers & Producers	Local products/ Imports
Indukern, S.A.	591	Food Manufacturers & Producers	Local products/ Imports
Lipidos Santiga, S.A.	529	Food Manufacturers & Producers	Local products/ Imports
BAIEO, S.A. **	376	Food Manufacturers & Producers	Local products/ Imports
Brenntag Quimica, S.A.**	307	Food Manufacturers & Producers	Local products/ Imports
Roquette Laisa España, S.A.	255	Food Manufacturers & Producers	Local products/ Imports
BASF Española, S.L. (División Nutrition & Health)**	235	Food Manufacturers & Producers	Local products/ Imports

* Estimated

** Data includes activities in other sectors.

BEVERAGES: Alcoholic and Non-Alcoholic			
Company	**Sales 2017 (Million $)***	**End-Use Channels**	**Procurement Channels**
Coca-Cola España**	3,657	Retail & HRI	Local products/ Imports
Mahou, S.A. - Grupo	1,389	Retail & HRI	Local products/ Imports
S.A. Damm (Grupo)	1,136	Retail & HRI	Local products/ Imports
Heineken España	1,097	Retail & HRI	Local products/ Imports
J. García Carrión, S.A.	824	Retail & HRI	Local products/ Imports

Freixenet, S.A. - Grupo	602	Retail & HRI	Local products/ Imports
Schweppes, S.A.**	537	Retail & HRI	Local products/ Imports
Pepsico Bebidas Iberia**	507	Retail & HRI	Local products/ Imports
Hijos de Rivera, S.A..	387	Retail & HRI	Local products/ Imports
Pernord Ricard España, S.A	387	Retail & HRI	Local products/ Imports

* Estimated

** Data includes activities in other sectors.

D. Sector Trends

According to "Invest in Spain", a public owned corporation dependent on the Spanish Ministry of Industry, Tourism and Commerce, and according to the results obtained in their "Business climate barometer for Spain from a foreign investor's viewpoint" shows that foreign companies are maintaining their positive assessment of the Spanish business climate, with an average rating of 2.9 out of 5 in 2016 in terms of investment, employment and turnover. The Barometer has been jointly prepared by ICEX-Invest in Spain and the IESE Business School's International Centre for Competitiveness (ICC). This positive rating and outlook is confirmed by the fact that 95 percent of the foreign companies consulted expect to increase or at least maintain investment levels in Spain in 2016.

Agricultural, fish and forest products imports from the United States have recovered since 2009, when they considerably decreased, partly due to the strong Euro and the dependence of Spain to import certain bulk commodities. Total imports grew from $996 million in 2009 to $1.7 billion in 2017.

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
- Heinz Iberica: Prepared vegetables
- Kraft Foods: Cheese
- Mars España: Chocolates, confectionary
- Pepsico: Beverages, juices, snacks
- Sara Lee Bakery Group: Confectionary, baked goods

Major consumption trends:

- Demographic evolution is driving changes in consumer buying habits, due to smaller households. Single and two person households are growing and households of 4 or more persons declining. Not only does this trend demand smaller portions, industry contacts also claim that consumers tend to buy more expensive, value-added products or meal components when cooking for only one or two persons. In addition, the increasing percentage of elderly people is another trend that need adjustment of market supply.

- The change in spending habits due to the years of crisis has increased the importance of private label in detriment of branded products.

- In the last years, the promotion of healthier lifestyle and habits has been a hot topic in the general and social media. Within the trend towards staying young, fit and healthy, consumers are increasingly buying healthy and functional foods.

- In line with healthy food, the organic food market, still seen as a small niche market, is now moving into the mainstream of the food industry. Apart from the shops that specialize on this type of products, they can also be found nowadays in many supermarkets and hypermarkets.

- Most larger food processors rely on the export or re-export market to remain competitive and operate at a higher capacity utilization rate.

III. COMPETITION

Spain's main trading partner is the EU-28. Other EU member states are the main competitors of US products intended for the food processing industry. The lack of trade tariffs, trade barriers and other restrictions inside the European Union make European goods more attractive and competitive, particularly to price sensitive goods.

Table 3. Competitive Situation Facing U.S. Suppliers from Domestically Produces Goods and Imported Goods

Product Category (TMT; million USD)	Major Supply Sources in 2017 (in value)	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Frozen Fish *Imports: 366* *Value:$882*	1. Portugal - 10% 2. Netherlands – 7% 3. El Salvador – 6%	Other major suppliers offer high quality fish products at competitive prices.	Large competition from local suppliers and producers. Spanish domestic consumption and exports largely surpass local supply.

Almonds *Imports: 98* *Value:$524*	1. USA - 86% 2. Australia - 9% 3. Portugal - 2%	Competition from other supplying countries is limited, as Spanish demand for almonds is very high and production in other EU countries is not enough to satisfy demand.	Spain produces almonds, mostly used roasted as a snack, due to its organoleptic properties. U.S. almonds are processed, both to be used by the domestic industry or re-exported.
Walnuts *Imports:29* *Value:$172*	1. USA - 63% 2. France - 13% 3. Chile - 13%	France is a traditional supplier of walnuts. Chile is increasing its presence in the Spanish market.	Spain has a significant production of high quality walnuts.
Pistachios *Imports:10* *Value:$93*	1. USA - 30% 2. Germany - 28% 3. Iran - 25%	Germany is the main entry point for U.S. and Iranian pistachios to the EU. Pistachios are then re-exported to other member	Pistachio production in Spain is very limited and demand keeps growing.
Sunflower seeds *Imports:113* *Value:$84*	1. France - 31% 2. USA - 27% 3. China -	Growing competition from China, Argentina and Israel for confectionary.	Spain production of sunflower seeds for confectionary is not sufficient to meet demand.
Pulses Imports:228 Value:$204	1. USA – 30% 2. Argentina - 18% 3. Canada – 13%	Strong competition from Argentina, who largely increased their presence in recent years, and Canada, a traditional supplier to Spain.	Spain is a traditional consumer of pulses and its local production is not sufficient to fulfill internal demand.

IV. BEST PRODUCT PROSPECTS

Table 4. Products Present in the Spanish Market Which Have Good Sales Potential

HS Code	Product Category	2017 Spanish Imports ($ Million)	5 Year Average Import Growth (% Value)	Key Constraints	Attraction for U.S. Exporters
0304	Fish Fillets and Other Fish Meat (Minced, Fresh, Chilled or Frozen)	World Total: $865 U.S.A.: $48	1%	Heavy competition from other EU Member States and domestic suppliers. Unfavorable exchange rate.	Good reputation and reliability of U.S. producers. High per capita consumption of fish. Imports from the United States have significantly increased in the last 5 years.
080212	Almonds	World Total: $524 U.S.A.: $448	21%	Aflatoxin issues.	Domestic consumption of tree nuts is increasing due to their utilization in

					the confectionary industry.
080231 080232	Walnuts	World Total: $172 U.S.A.:$109	12%	Competition from other EU countries, mainly France.	US walnuts, both shelled and in-shell, are making inroads in Spain due to increased awareness of the health benefits of tree nuts.
080251	Pistachios	World Total: $93 U.S.A.:$ 28	18%	Competition from Iran and EU importers, such as Germany, who re-export this product to Spain.	Domestic consumption of tree nuts continues to increase. U.S. pistachios have a higher quality image than Iranian, the major competitor.
2208	Distilled Spirits	World Total: $1,039 U.S.A.:$ 121	-6%	Difference in legal format of alcohol containers; exporters need to adapt to EU size. (70 cl in the EU as opposed to 75 cl in the USA).	Increasing interest in U.S. brands. Despite the total negative growth figure, the average growth of imports from the U.S. in the last 5 years was 30 percent).
0713	Pulses	World Total: $204 U.S.A.:$ 62	-7%	Strong competition from Argentina, who largely increased their presence in recent years, and Canada, a traditional supplier to Spain.	Spain is a traditional consumer of pulses and its local production is not sufficient to fulfill internal demand. Despite the total negative growth figure, the average growth of imports from the United States in the last 5 years was 20 percent).

V. POST CONTACT AND FURTHER INFORMATION

If you have any questions or comments regarding this report or need assistance exporting to Spain, please contact the Office of Agricultural Affairs in Madrid at the following address:

Foreign Agricultural Service American Embassy, Madrid C/ Serrano, 75
28006 Madrid Spain
Tel.: +34-91 587 2555
Fax: +34-91 587 2556
Email: AgMadrid@fas.usda.gov
Web: https://es.usembassy.gov/business/

Please email the Office of Agricultural Affairs in Madrid for more information. Importer listings are available from the Agricultural Affairs Office for use by U.S. exporters of U.S. ingredients. Recent reports of interest to U.S. exporters interested in the Spanish market can be accessed through the FAS website.

Additionally, a list of trade associations and useful government agencies is provided below:

Trade Associations

FIAB- Federación de Industrias de Alimentación y Bebidas
(Spanish Federation of Food and Beverage Industries)
fiab@fiab.es

FEHR – Federación Española de Hostelería
(Spanish Federation for HRI Sector)
fehr@fehr.es

ASEDAS – Asociación Española de Distribuidores, Autoservicios y Supermercados
(Spanish Association for Distributors and Supermarkets)

direc.general@asedas.org

ANGED – Asociación Nacional de Grandes y Medianas Empresas de Distribución
(National Association of Midsize and Large Distributors)
anged@anged.es

Asociación de Cadenas de Restauración Moderna
(Spanish Restaurant Chain Association)
info@marcasderestauracion.es

Government Agencies

Subdirección General de Sanidad Exterior Ministerio de Sanidad, Servicios Sociales e Igualdad
(Ministry of Health, Social Services and Equality)

(Responsible for: Imported Foodstuffs, Contaminants and Compound Residues, Health Certification, Port Inspection and EU Alerts)
saniext@msssi.es

Agencia Española de Consumo, Seguridad Alimentaria y Nutrición (AECOSAN)
(Spanish Consumption, Food Safety and Nutrition Agency)
http://www.aecosan.msssi.gob.es/SIAC-WEB/contacto.do?reqCode=newSearch

Dirección General de Industria Alimentaria
Ministerio de Agricultura y Pesca, Alimentación y Medio Ambiente
(Ministry of Agriculture and Fisheries, Food and Environment)
informac@mapama.es

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page.