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Prepared By: Arantxa Medina

Approved By: Karisha Kuypers

Report Highlights:

In 2021, Spain imported $1.7 billion worth of agricultural, seafood, and forest products from the United States. The year 2021 ended with a robust economic growth rate and good employment figures. Adversely, 2022 began with economic uncertainties brought by the impact of the Omicron wave, although some experts expect the economy to grow faster again from the second quarter onwards. According to the latest European Union economic forecast, Spain's economic growth is forecast at 5.6 percent in 2022 and 4.4 percent in 2023. Having one of the most competitive food processing industries in Europe, Spain's demand for ingredients continues to increase, such as tree nuts, distilled spirits, pulses, and food preparations. The post-pandemic environment may also offer new opportunities for ingredients.

Market Fact Sheet: Spain

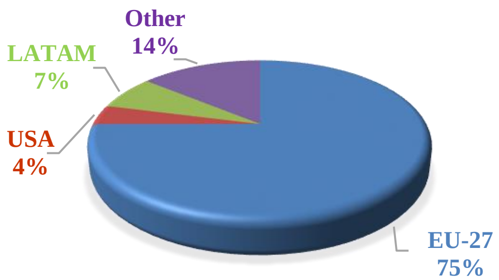
Executive Summary

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 2021, Spain's total imports of agricultural and related products increased by 21 percent to $54.2 billion compared to 2020; 56 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 2021



Food Processing Industry

In 2021, 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 Retail Industry

The retail competitive landscape remained highly fragmented in 2021, led by major grocery retailers. Within grocery store-based retailing, the competitive environment is concentrated, with Mercadona retaining its leadership, followed by Carrefour. In 2021, due ti new consumption habits, internet retailing is expected to continue growing, as retailers continue to invest in eCommerce platforms.

Quick Facts CY2021

World Imports of Consumer-Oriented Products
$21.6 billion

List of Top 10 U.S. Growth Products

1) Lobster	2) Surimi
3) Gin	4) Walnuts
5) Asparagus	6) Other Food Preps
7) Dog & Cat Food	8) Pistachio
9) Sauces	10) Bourbon

Food Processing Industry Facts 2020

Food Industry Output	$157 bn
Food Exports	$41 bn
Food Imports	$15 bn
No. of Employees	431,800
No. of Food Processors	30,573
% of total GDP	2%

Top Country Retailers	**Sales 2021 (Estimate) ($ Million)**
1) Mercadona	30,000
2) Grupo Carrefour	11,000
3) Lidl	5,700
4) Grupo Eroski	5,400
5) DIA	5,000
6) Consum, S.Coop.	3,500
7) El Corte Ingles	3,200
8) Ahorramas	2,100
9) Bon Preu	1,900
10) GM Food	1,200

GDP / Population 2021

Population: 47.4 million* (Provisional)
Real GDP (nominal, est): $1,45 trillion (7.2%)
GDP Per capita (nominal, est): $31,178

Sources: FIAB, TDM, GATS, Eurostat

Strengths/Weaknesses/Opportunities/Challenges

SWOT ANALYSIS	
Strengths	**Weaknesses**
Diversified economic base; modern and well-developed infrastructure	Highly vulnerable to pandemic-sensitive sectors (tourism and hospitality)
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

The Spanish economy grew by five percent in 2021, according to the advance figures published by the National Institute of Statistics (INE). After an unprecedented fall in production of 10.8 percent in 2020 due to the pandemic, in 2021 economic activity resumed despite the restrictions and the problems that the coronavirus still entails. This is a robust growth rate, the highest in 21 years, and very positive considering the burdens that COVID still imposes on the economy. However, it is still lower than the 6.5 percent growth rate that the Government anticipated, as the persistence of the virus makes it difficult for gross domestic product to recover fully. According to the latest European Union economic forecast, Spain's economic growth is forecast at 5.6 percent in 2022 and 4.4 percent in 2023.

Although final numbers for 2021 are not yet available, initial statistics indicate that production of the food industry rose by an average of 4.2 percent in 2021 compared to the previous year, according to the Industrial Production Index (IPI) published by INE in early February. Only in December 2021, the production of the food industry rebounded 4.7 percent annually, according to the original series of the mentioned index. Production in the beverages manufacturing industry increased by 12.5 percent on average in 2021, while in December it grew by 12.2 percent compared to the same month in 2020. In general terms, Spanish industrial production increased by 7 percent in 2021, in contrast to the 9.1 percent drop registered during the previous year due to the pandemic, according to INE.

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

Advantages	Challenges
Spain's food industry relies on imported ingredients, many from the U.S.	The economic environment post-pandemic; adjustments to the overall economy, tourism, and consumer habits.
Spain's food industry relies on imported ingredients, many from the U.S., 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.
Consumers are increasingly health conscious, demanding new products.	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 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 be meeting 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 great 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

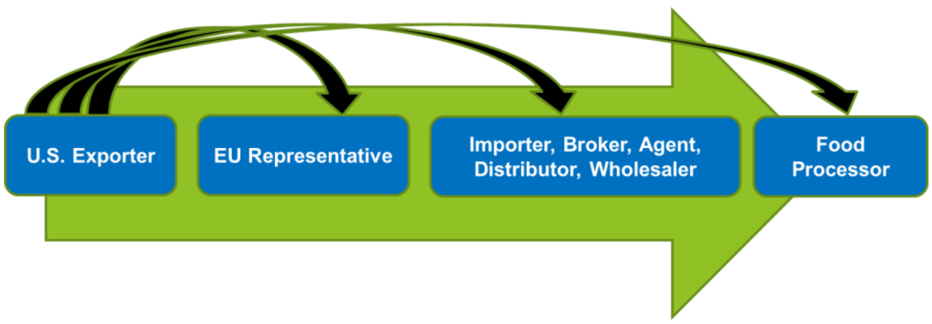
- Commercial Invoice
- Phytosanitary Certificate and/or Health Certificate, when applicable
- Import Certificate

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

The COVID-19 crisis has had a tremendous impact on trade shows, forcing organizers to cancel or postpone in-person events, organizing many of them virtually. In 2022, many are hoping the situation will continue to improve and are planning to host their exhibits, whether in-person, virtual or hybrid. The most important trade shows related to the food processing sector are: Seafood Expo Global, in Barcelona April 26-28, 2022; and Alimentaria, in Barcelona April 4-7, 2022.

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 30,573 companies. The table below shows how these companies are distributed among the main sectors:

Table 2. Food Processing Industry by sector (Million $)			
	2020	**% Change 2019/20**	**% Food and Beverage Industry**
Meat & Meat Products	27,807	-1.4	22.83
Fishery Products	6,341	-1.3	5.21
Fruits & Vegetables	10,855	-3.2	8.91
Dairy Products	10,005	-1.2	8.21
Milling Industry	3,725	-0.7	3.06
Beverages	18,252	-3.8	14.99
Bread and Pasta	8,612	-11.1	7.07
Fats & Oils	8,851	-7.9	7.27

Animal Feed	13,458	0.5	-7.7
Other Food Products	13,887	1.5	11.40

Source: FIAB

Main Companies Operating in the Food Processing Industry

Company	Sales 2021 (Million $)*	End-User Channels	Procurement Channels
RED MEATS			
Campofrío Food Group, S.A.**	2,425	Retail & HRI	Local products/ Imports
Corp. Alim. Guissona, S.A.**	2,220	Retail & HRI	Local products/ Imports
ElPozo Alimentación, S.A.**	1,560	Retail & HRI	Local products/ Imports
POULTRY PRODUCTS			
Error! Hyperlink reference not valid.	2,220	Retail & HRI	Local products/ Imports
Coop. Orensanas (COREN)**	1,320	Retail & HRI	Local products/ Imports
Uve, S.A. (Grupo)**	510	Retail & HRI	Local products/ Imports
CANNED FISH			
Grupo Jealsa Rianxeira**	785	Retail & HRI	Local products/ Imports
Frinsa del Noroeste, S.A.	660	Retail & HRI	Local products/ Imports
Luis Calvo Sanz, S.A. (Grupo)**	645	Retail & HRI	Local products/ Imports
DAIRY PRODUCTS			
Grupo Lactalis Iberia, S.A.**	1,450	Retail & HRI	Local products/ Imports
Danone, S.A.**	885	Retail & HRI	Local products/ Imports
CAPSA FOOD **	800	Retail & HRI	Local products/ Imports
PREPARED FOODS AND VEGETABLES			
Conservas El Cidacos, S.A.**	400	Retail & HRI	Local products/ Imports
Grupo Angel Camacho, S.L.**	223	Retail & HRI	Local products/ Imports
Grupo Ybarra Aliment., S.L. **	210	Retail & HRI	Local products/ Imports
BAKED PRODUCTS			
Bimbo Donuts Iberia, S.A.	540	Retail & HRI	Local products/ Imports
Cerealto Siro Foods, S.L.	518	Retail & HRI	Local products/ Imports
Vicky Foods Products	420	Retail & HRI	Local products/ Imports
BAKED PRODUCTS (COOKIES)			
Cerealto Siro Foods, S.L.	456	Retail & HRI	Local products/ Imports
Galletas Gullon, S.A.	447	Retail & HRI	Local products/ Imports
Adam Foods, S.L.	518	Retail & HRI	Local products/ Imports
NUTS			
Importaco, S.A. - Grupo	740	Retail & HRI	Local products/ Imports
Grupo Borges	200	Retail & HRI	Local products/ Imports
Calconut, S.L.	143	Retail & HRI	Local products/ Imports
SNACKS			
Pepsico Foods, A.I.E.	173	Retail & HRI	Local products/ Imports
APEX	95	Retail & HRI	Local products/ Imports
CYL Ibersnacks, S.L.	82	Retail & HRI	Local products/ Imports
CONDIMENTS AND SEASONINGS			
BAIEO **	365	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.	2,300	Retail & HRI	Local products/ Imports
Deoleo, S.A. – Grupo	750	Retail & HRI	Local products/ Imports
ACESUR - Grupo	700	Retail & HRI	Local products/ Imports
RICE			
Ebro Foods, S.A. – Rice Division	2,030	Retail & HRI	Local products/ Imports
Maicerias Españolas, S.A. **	300	Retail & HRI	Local products/ Imports
Arrocerias Pons, S.A.	84	Retail & HRI	Local products/ Imports
PASTA			
Ebro Foods, S.A. Group **	3,240	Retail & HRI	Local products/ Imports
Nestlé España, S.A. **	2,300	Retail & HRI	Local products/ Imports
The GB Foods, S.A.**	1,420	Retail & HRI	Local products/ Imports
PULSES			
Conservas El Cidacos, S.A.	400	Retail & HRI	Local products/ Imports
Ind. Aliment. de Navarra, S.A.U.	280	Retail & HRI	Local products/ Imports
Grupo Riberebro	150	Retail & HRI	Local products/ Imports
SPECIALIZED FOOD INGREDIENTS			
Bunge Ibérica, S.A.	3,200	Food Manufacturers	Local products/ Imports
Cargill España (Grupo)**	1,350	Food Manufacturers	Local products/ Imports
Viscofan, S.A.	1,100	Food Manufacturers	Local products/ Imports
BEVERAGES: ALCOHOLIC AND NON-ALCOHOLIC			
Coca-Cola Iberia**	3,350	Retail & HRI	Local products/ Imports
Mahou, S.A. - Grupo	1,400	Retail & HRI	Local products/ Imports
Damn, S.A. (Grupo)	1,350	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 2021" 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 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 2021 (in value)	Strengths of Key Supply Countries	Advantages and Disadvantages of Local Suppliers
Frozen Fish Imports:332 Value: $801	1.Portugal-12% 2.Netherlands-9% 3.S. Africa–7%	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:125 Value: $514	1.USA-80% 2.Portugal-7% 3.Australia-2%	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: 268 Value: $194	1.Argentina-22% 2.USA-15% 3.Russia-14%	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 not sufficient to fulfill internal demand.
Pistachios Imports: 16 Value: $141	1.USA-72% 2.Iran-9% 3.Germany-8%	Germany is the main entry point for U.S. and Iranian pistachios to the EU and then re-exported to other MSs.	Local pistachio production is growing, but still very limited. Demand continues to grow significantly.
Sunflower Seeds Imports: 286 Value: $222	1.France-35% 2.China-26% 3.Bulgaria-14%	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: 10 Value: $36	1.Vietnam-15% 2.USA-14% 3.France–11%	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)	2018	2019	2020	2021*	2022**
Total Agricultural and Related Products	**47,482**	**45,994**	**44,592**	**54,227**	**54,000**
Total U.S. Agricultural and Related Products	2,192	1,860	1,670	1,709	1,700
Total Agricultural Related Products	**11,564**	**11,149**	**9,963**	**12,739**	**12,000**
Total U.S. Agricultural Related Products	195	175	164	163	160
Total Consumer-Oriented Products	**19,977**	**19,755**	**19,114**	**21,613**	**21,000**
Total U.S. Consumer-Oriented Products	841	820	836	761	800
Total Fish Products	**8,616**	**8,104**	**7,348**	**8,856**	**8,500**
Total U.S. Fish Products	101	94	86	82	80

Source: TDM LLC; 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; and 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