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Foreign Agricultural Service

GAIN Global Agricultural Information Network

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Report Highlights:

In 2023, Spain imported $2.2 billion of agricultural and related products from the United States. Outside the European Union Member States, the United States was the fourth largest origin of agricultural and related imports. Spain's economy continues to be resilient, and GDP is estimated to grow 1.9 percent in 2024, above the Euro area average. Though general inflation is relatively contained, consumers are prioritizing price in their purchasing decisions to control expenditures. Spain received 85.1 million international visitors in 2023, a significant increase of 18.7 percent over the previous year. Another record year is forecast for 2024, with the sector estimating more than 90 million visitors and more than $130 million total expenditure. Thus, Spain will continue to offer opportunities for certain consumer-oriented food items and enhance long-term prospects for other products. This report provides guidance to U.S. companies interested in exporting consumer-ready food products to Spain.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Market Fact Sheet: Spain

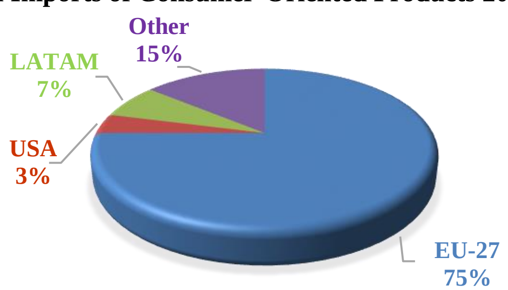
Executive Summary

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 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 continued to consolidate its position as an important industrial sector. Spain boasts 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 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 2023, 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

$26.77 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 2023

Food Industry Output	$176 bn
Food Exports	$51.7 bn
Trade Surplus	$15 bn
No. of Employees	463,900
No. of Food Processors	28,335
% of total GDP	2%

Top Country Retailers	**Sales 2023 (Estimate) ($ Million)**
1) Mercadona	34,300
2) Grupo Carrefour	11,800
3) Lidl	7,200
5) Grupo Eroski	5,700
6) Alcampo	5,000
4) DIA	4,500
7) Consum, S.Coop.	4,500
8) El Corte Ingles	3,000
9) Bonpreu	2,500
10) Ahorramas	2,000

GDP / Population 2024

Population : 48.7 million (April 1, 2024)

Real GDP (nominal, est): $1.6 trillion (April 2024)

GDP Per capita (nominal, est): $34,045 (April 2024)

Sources: FIAB, Alimarket, TDM, GATS, INE, 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	High inflation and public debt

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

SECTION I. MARKET OVERVIEW

Economic Trends

The Spanish economy continues to demonstrate resilience to successive crisis and economic shocks, many of which have been relieved by public policy support to minimize and control the negative effects. In their latest World Economic Outlook report, the International Monetary Fund (IMF) forecasts a 1.9 percent growth rate for the Spanish economy in 2024 and 2.1 percent in 2025. Despite this projected fall from 2.5 percent rate registered in 2023, the good news is that Spain is expected to weather the storm better than other advanced economies. The growth forecast for Spain's economy is still above the average growth forecast for the Euro area (0.8 percent in 2024 and 1.5 percent in 2025) and other advanced economies (including Japan and the United Kingdom). Risks have become more balanced but are still tend to the downside for growth and the upside for inflation, including predominantly domestic risks but also global risks.

Spain received 85.1 million international tourists in 2023, an 18.7 percent increase from the same period last year. This figure is already 1.9 percent above the same period in 2019, the last year before the COVID-19 pandemic. The sector estimates that Spain could close the year with more than 90 million tourists, breaking a new record. Spain's economy in general, and the HRI sector in particular, is heavily dependent on tourism, which accounts for 12 percent of gross domestic product.

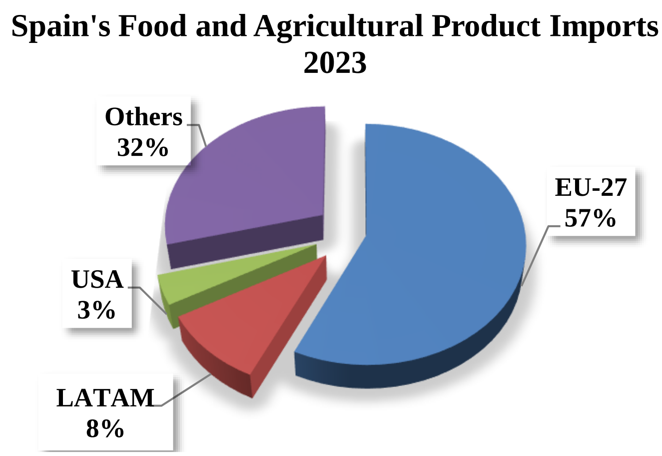
In terms of population and demographic trends, Spain's population went from 40.5 million in 2000 to a record population of 48 million on January 1, 2023. According to the National Statistics Institute (INE), the population in Spain grew again for the tenth consecutive quarter. This figure confirms that Spain's population growth continues, due almost entirely to an increase in foreign citizen naturalization. Despite this increase, Spain has one of the lowest fertility rates in the world and a rapidly aging population, a trend that is forecast to continue in the next decade. Correspondingly, the market will have to adapt to this demographic change and its impact on future consumer trends and preferences. This will create opportunities for new formats and products targeting those segments of the population.

Table 1. Advantages and Challenges Facing U.S. Exporters in Spain

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.	High import tariffs and import regulations impose a price disadvantage on non-EU based companies. Competitive disadvantage with direct competitors with signed Free Trade Agreements, such as Canada.
U.S. products have a good reputation with importers and retailers. U.S. suppliers are known for being serious business partners. Consistent quality and supply reliability are highly appreciated.	Food imported from third countries, including the U.S., must comply with EU food laws and labeling, traceability, and packaging rules, which vary from U.S. regulation and practice.
Increased demand in retail channel for innovative and sustainable products and packaging. Importers look to the U.S. as a source for novel products and new trends.	High transportation costs. 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 and consequently, into the retail chain.	Competition from EU countries, where tastes and traditional products may be better known.
Consumers are increasingly health conscious, demanding new products. U.S. suppliers are known for offering a wide variety of these types of products.	Lack of consumer awareness of U.S. brands, applicability, and varieties of U.S. products. Despite interest, introducing new-to-market brands and products is not easy.
Distribution structure is modern and many companies cover both Spain and Portugal.	The economic environment post-pandemic; adjustments to the overall economy, tourism, and consumer habits.

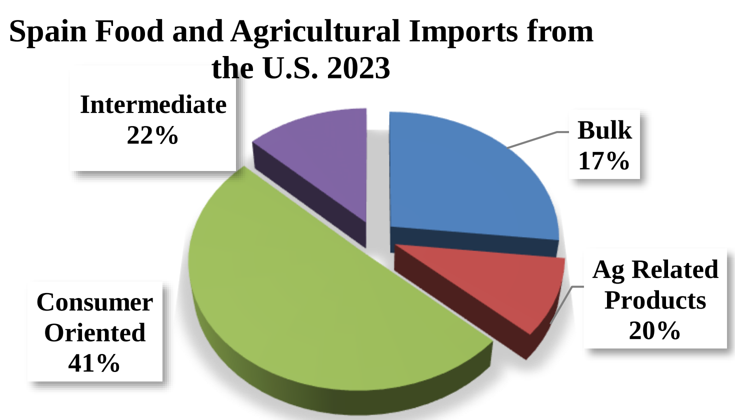
In 2023, Spain imported $65 billion worth of agricultural and related products from the world. By region, Spain's main trading partners are other EU Member States, as shown in the chart below:



SOURCE: Trade Data Monitor, LLC

Spanish Market for U.S. Food and Agricultural Products

By category, the distribution of Spain imports of food and agricultural exports from the United States in 2023 was as follows:



SOURCE: Trade Data Monitor, LLC

SECTION II. EXPORTER BUSINESS TIPS

Local Business Customs

Success in introducing products in the Spanish market requires local representation and personal contact. With the recent years' pandemic restrictions and gathering limitations, as well as the cancelation and postponement of trade shows and other large meetings, Spanish companies have adapted and are increasingly willing to engage through online interactions. 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.

Spain has sales channels ranging from traditional distribution methods, in which wholesalers sell to small retailers that sell to the public, to large multinational supermarkets and retail stores. However, personal relationships are still very important, especially within smaller organizations. There is no substitute for face-to-face meetings with Spanish business representatives to break into this market. The decision-making process within a Spanish company may be different from that in the United States. An initial "yes" usually means that the company will study the situation, and not necessarily that they will buy the product. Once a deal is signed, the Spanish company will likely expect the U.S. firm to translate into Spanish commercial brochures, technical specifications, and other marketing materials. Decision makers at Spanish firms may speak English, but paperwork should be in Spanish.

The Spanish market is composed of regional markets serviced by two major hubs, Madrid and Barcelona. Most agents, distributors, foreign subsidiaries, and government-controlled entities that make up the economic power block of the country operate in these two hubs. Dealers, branch offices, and government offices found outside these two hubs will almost invariably obtain their supplies from their Madrid and Barcelona contacts rather than engage in direct importation.

Market Entry Strategies

Market entry strategies for U.S. products intending to enter the Spanish market should include:

- Market research to assess product opportunities
- Advanced calculations of the cost of introducing the product in the Spanish market to prove its competitiveness in the local market
- Identify an experienced distributor or independent reliable agent to advise on adequate distribution channels, import duties, sanitary regulations, and labeling requirements
- Explore the purchasing arrangements of the larger retail channels

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS and IMPORT PROCEDURES

Food Standards and Regulations

For detailed information on food standards and regulations, please consult the Food and Agricultural Import Regulations and Standards Report (FAIRS) and the FAIRS Export Certificate Report for the EU and Spain. In addition, check the U.S. Mission to the European Union (USEU Mission) web page for helpful information on exporting U.S. food and agricultural products into the EU.

General Import and Inspection Procedures

Spain follows the Harmonized Nomenclature and Classification System (HS) and applies EU import duties according to a maximum and minimum rate schedule. The minimum tariff rate is applied to goods originating in countries entitled to the benefits of most-favored nation treatment; that is, members of the World Trade Organization (WTO), including the United States, and countries with which the EU has signed trade agreements. In some instances, negotiations and trade agreements in place between the EU and other countries provide for advantageous access to the European market.

Currently, the EU and the United States have the following agreements and arrangement in place:
- US-EU Organic Equivalency Arrangement
- Veterinary Equivalency Agreement

The local importer has primary responsibility with the Spanish Government for imported food products once they enter Spain. It is recommended 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.

In general, 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

The Standard U.S. label does not comply with the EU's labeling requirements. For all the details, visit the EU labeling requirements section of the USEU Mission webpage.

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.

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

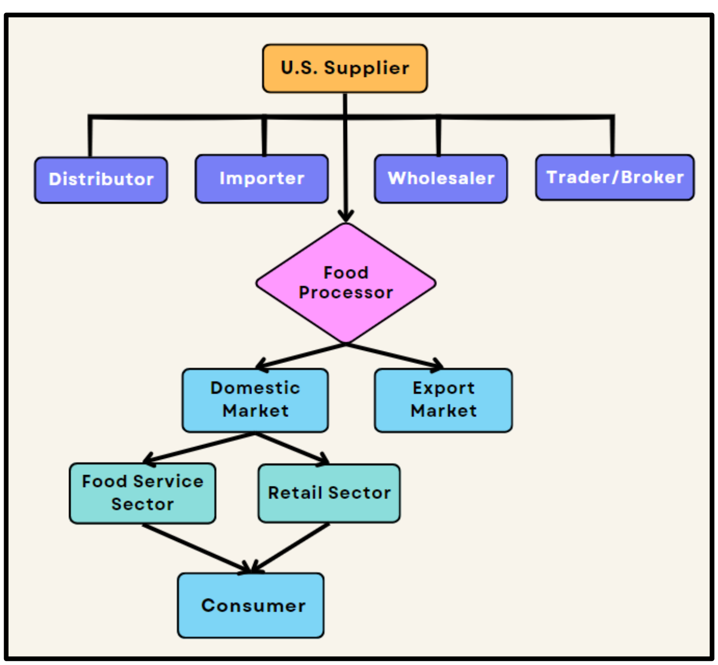
Table 2. Best Consumer-Oriented Product Prospects Based on Growth Trends

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 Imports: 259 Value: $695	1.Portugal-13% 2.Netherlands-8% 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 Imports: 126 Value: $437	1.USA-73% 2.Portugal-11% 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 Imports: 792 Value: $421	1. USA - 15% 2. Canada -12% 3. Argentina- 10%	Strong competition from Argentina, which 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 Imports: 15 Value: $145	1.USA-72% 2. Iran -11% 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 Imports: 301 Value: $339	1.France-52% 2.China-19% 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.
Sweet Potatoes Value: $11	1.Egypt -27% 2.Portugal -22% 3.Netherlands–14% 4.USA – 14%	Other major suppliers offer high quality products at competitive prices.	Imports from the world and the U.S. have increased considerably in the last five years. Demand and consumption continue to be strong.
Distilled Spirits Value: $1,119	1.U.K.-29% 2. USA-11% 3. Netherlands -10%	Main competitors are other EU countries. Difference in legal format of alcohol containers; exporters need to adapt to EU size.	Increasing interest in U.S. distilled drinks, mainly bourbon and gin.

Source: Trade Data Monitor, LLC

Market Structure:



Food Retail Sector

The supermarket sector is stabilizing again after a period of inflationary crisis. This situation had an impact on commercial margins due to the increase in the cost of food due to the energy crisis and transportation issues, together with the sector's efforts to mitigate the rise in sales prices to the final consumer. In 2024, although companies still face elements of uncertainty impacting the food sector and consumer behavior, new trends are emerging linked to efforts to recover profitability through cost containment plans and the reinforcement of commercial strategies to attract customers. The focus on maintaining margins threatened by constant price increases is being progressively abandoned to focus on regaining market share. Thus, the main operators will likely invest in key tools, such as advertising, promotion, and innovation, as an opportunity for brands to differentiate themselves and generate growth.

In this context, there are significant changes in consumer habits, both in the composition of the shopping basket and in the shopper profile. Consumers emerging from this latest, and not yet completely resolved, inflationary crisis, are no longer as faithful to particular retailers and are more attentive to price and promotions to contain spending. This has translated into a decrease in the frequency with which people go to the supermarket (2.8 times per week), in smaller baskets (-11 percent reduction year-on-year, against the 8 percent increase in the average purchase total) and in a greater reorientation of their purchase from traditional stores (greengrocer, delicatessen, fishmonger, etc.) towards supermarkets, which continue to be the main beneficiary of this change.

Table 3. Top 10 Spain Country Retailers

Retail Organization	Sales 2023 ($ Million)*
MERCADONA	34,300
GRUPO CARREFOUR	11,800
LIDL SUPERMERCADOS	7,200
GRUPO EROSKI	5,700
ALCAMPO, S.A.	5,000
DIA RETAIL ESPANA, S.A.	4,500
CONSUM, S. COOP.	4,500
EL CORTE INGLES ALIMENTACION	3,000
BON PREU, S.A.	2,500
AHORRAMAS	2,000

Source: Alimarket; *Estimate

For more information, please see the Spanish Retail Food Sector report.

Hotel, Restaurant and Institutional (HRI) Sector

The HRI sector in Spain is highly connected with tourism. Spain's tourism industry data reflects an extraordinary recovery in tourism, receiving in 2023 more tourists than before the pandemic. In 2023, Spain received 85.1 million international visitors, marking a significant increase of 18.7 percent compared to previous year, but most significantly, 1.9 percent more than in 2019, the real pre-pandemic reference year. Per capita expenditure grew even more during 2023, increasing by 24.7 percent compared to 2022 and 18.2 percent compared to 2019. Specifically, non-resident tourists in Spain spent 116 billion euros in 2023. For 2024, the numbers are pointing to another record year and the sector estimates more than 90 million visitors and more than $130 million total expenditure.

For more information on the Spanish HRI Sector report.

Food Processing Sector

In 2023, this sector provided 463,900 jobs, representing 19 percent of the total industrial workforce. The food industry in Spain consists of mostly small and medium-sized companies: in 2023, there were 28,335 food processors throughout the country. The industry produced $176 billion worth of product in 2023. Exports continue to be critical for the development of the industry and, in 2023, were valued at $51.7 billion. 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.

Exports are a fundamental pillar to support the industry, with a trade surplus of $15 billion. The European Union continues to be Spain's first trading partner. Outside the EU, the main export destinations for Spanish food and beverage products are the United Kingdom, the United States, and China.

For more information on the Spanish food processing sector, visit Spanish Food Processing Sector report.

SECTION V. AGRICULTURAL and FOOD IMPORTS

Table 4. 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: Trade Data Monitor LLC; * 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 -- 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 – pathogen reduction treatments) -- Processed food (with GMO ingredients)

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

If you have any questions, please contact the OAA in Madrid. The FAS website also offers recent reports of interest to U.S. exporters interested in the Spanish market. Additionally, useful contacts include:

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

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

Attachments:

No Attachments