

Spain Looking for the Right Ingredients

By Magdalena Escudero

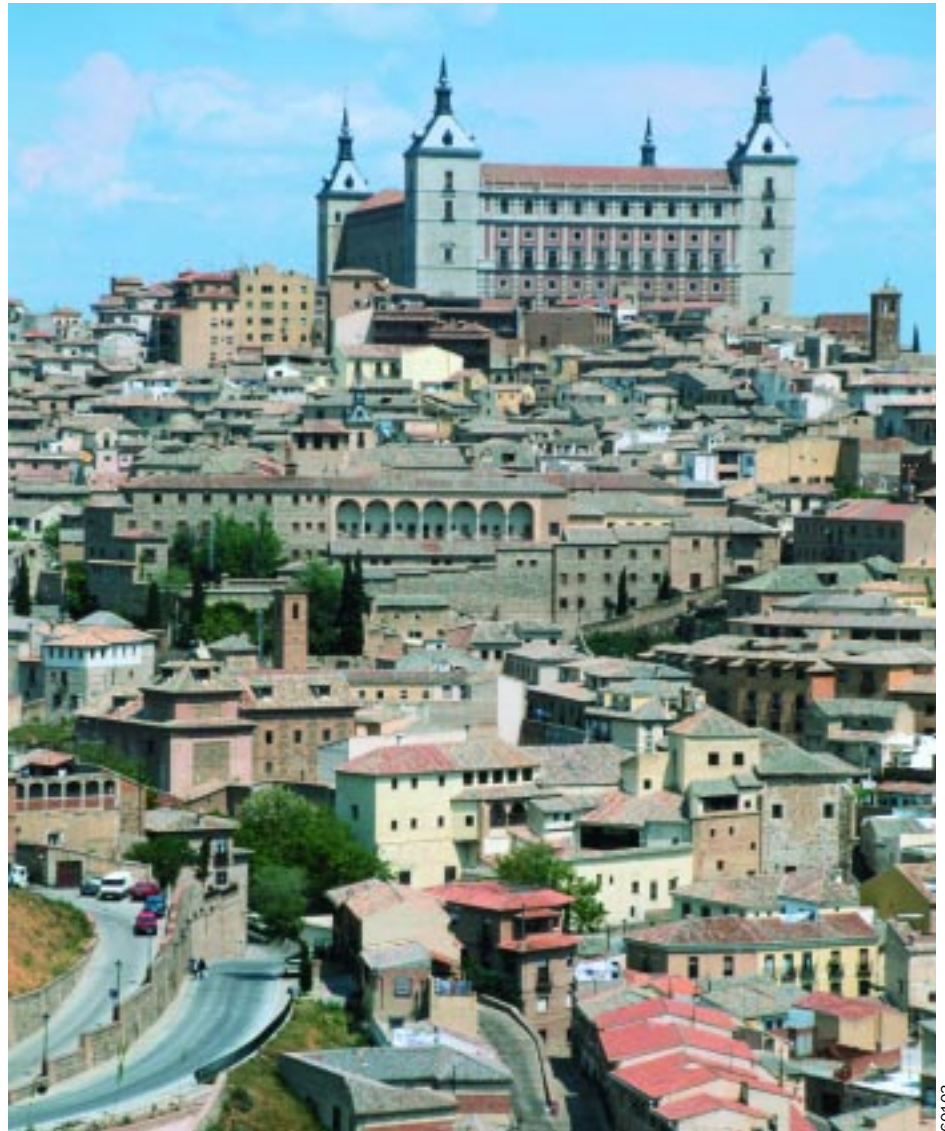
The demographics of the Spanish population are changing. In a population of nearly 43 million, family size has been shrinking to, at most, four people, and the number of one-person households is increasing. With more women in the work force and a growth in purchasing power, consumers are increasingly able and willing to buy foods that require little preparation.

About 70 percent of Spaniards now live in cities, and in large cities like Madrid and Barcelona, the traditional habit of daily trips to the market is changing. In addition, the extended mid-afternoon lunch is becoming less common as the main meal.

Virtually all of Spain's households have refrigerators, while 70 percent have microwave ovens. At the same time, the expanding number of Spaniards who travel abroad and bring back new tastes is increasing the demand for new products. The millions of tourists who flood into Spain each year want some familiar foods and beverages. Also, Spain's immigrant population, currently about 2.5 million, is growing.

The Processing Industry

Spain's food processing industry generates 20 percent of the country's total industrial production. In 2002, the country had more than 33,000 food processing companies. While many of the raw materials for the industry are domestic or from other EU (European Union) countries, weather problems can force the industry



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to look elsewhere for reliable supplies of ingredients. In addition, the continuing decline of seafood in EU waters has necessitated larger imports of these products.

What types of products does the Spanish food processing industry specialize in?

Spain's meat processing industry is the fourth largest in the EU. This industry has

been expanding for the past half century, and meat products account for 22 percent of Spain's total food expenses.

Pork represents 60 percent of the meat processed in Spain, more than 3 million metric tons a year, followed by poultry (1 million tons), beef (650,000 tons) and lamb (235,000 tons).

The world's largest producer of olive oil, Spain manufactured more than 1.4

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billion liters in 2002. Its olive oil is in extremely high demand because it has a reputation of being healthier than oils from other sources.

Dairy processing is also important in Spain, and milk, cheese, yogurt and desserts are all major products.

Canned fruits and vegetables and canned seafood are all growing food processing industries, with canned tomatoes and tuna being particularly popular.

Spain is the third largest wine producer in the world. The wine sector accounts for some 11 percent of the output of the total food processing industry. The country is also a large producer and consumer of beer (No. 3 in the EU after Germany and the United Kingdom). As the market for nonalcoholic beverages grows, Spain is

also increasing its processing of soft drinks, juices and bottled water.

Because of the demographic changes in the Spanish population, processed items increasing in popularity include fruits, olive oil, seafood, meats, wines and ready-to-eat foods. Dairy products, eggs, processed vegetables and potatoes have been in less demand.

Supplying the Processors

Spain is a large agricultural producer and has many of the raw ingredients available to supply its food processors. There are, however, opportunities for U.S. suppliers in the following areas:

- Seafood of all kinds, especially lobster, surimi, monkfish, whiting, hake, squid and salmon



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- Tree nuts, particularly almonds and walnuts
- Ethnic products and seasonings
- Bourbon and other U.S. whiskey varieties
- Ready-to-eat products
- Snacks
- Low-cholesterol and sugar-free products



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- Fresh fruits, particularly pink grapefruit, mangoes and apples
- Ingredients to prepare fruit and vegetable juices
- Ingredients to make snacks

The growing numbers of ethnic restaurants cropping up in Spain also present opportunities for U.S. suppliers. For example, Tex-Mex and Asian cuisine products are becoming increasingly popular.

Road Map for Market Entry

The Spanish market is in fact a series of regional markets. To succeed, a U.S. exporter will need a knowledgeable local

representative who understands the different consumption attitudes and preferences in each of Spain's 17 autonomous regions. Madrid and Barcelona are the primary headquarters for the majority of agents, distributors, importers and government-controlled buying agencies. Fresh products, including seafood, fruits and vegetables, are distributed through a network of 22 public wholesale markets located throughout the country.

All food products imported into Spain must comply with EU standards and regulations. Labels must be in Spanish and may be attached as stickers.

The following documentation is required for customs clearance of food products:

- Bill of lading
- Certificate of origin
- Original commercial invoice with copy
- Import declaration
- Health certificate

A customs agent or broker is normally involved in clearing products at customs. Import declarations are made at the State Secretariat of Commerce or its branch delegations in major port cities. Declarations must use the exact terminology of the tariff classification under which the goods are being imported. A three-month grace period is allowed for U.S.-origin goods arriving without proper documentation, subject to a written guarantee by the customs agent.

The Ministry of Agriculture has offices at customs for the sanitary and phytosanitary inspection of live animals, bulk commodities, fresh produce, planting seeds and forest products, as well as at the Ministry of Health for the veterinary/sanitary inspection of meat, fish and processed food products. ■

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