

18 a 20
Septiembre
2018
MADRID

meat
attraction
LA FERIA DEL SECTOR CÁRNICO



Spain's fourth-largest industrial sector meets at MEAT ATTRACTION 2018

The meat industry comprises more than three thousand companies and generates a turnover of € 24 billion and 100 thousand direct jobs

Madrid, 11 September 2018.- The meat industry is the fourth-largest industrial sector in Spain, behind only the automotive industry, the oil and fuel industry and the electricity production and distribution industry. The industrial fabric of the sector - which includes abattoirs, cutting plants and processing plants - comprises around 3,000 companies, distributed throughout Spain, particularly in rural areas. Although a significant part of the sector comprises small and medium-sized companies, this has not prevented the gradual development and consolidation of large business groups, some of them leaders at the European level. The joint production of all these companies makes the meat industry by far the largest in the entire Spanish food and beverage industry, representing a turnover of € 24 billion and 22.3% of the entire Spanish food sector in 2017, according to the **National Association of Meat Industries of Spain, ANICE**. This powerful sector will naturally be represented at the only trade show in the Iberian peninsula dedicated solely to this industry: **MEAT ATTRACTION, the Trade Show for the Meat Industry**. Co-organised by **IFEMA and ANICE**, the second edition of the trade show will take place from **18 to 20 September 2018** at **Feria de Madrid**

THE SPANISH MEAT INDUSTRY ECONOMIC DATA	
TOTAL TURNOVER*	24 BILLION EUROS
PERCENTAGE OF THE TOTAL TURNOVER OF THE FOOD SECTOR	22.3%
PERCENTAGE OF THE MEAT INDUSTRY OVER THE TOTAL TURNOVER OF SPANISH INDUSTRY AS A WHOLE	4.1%
PERCENTAGE OF MEAT INDUSTRY TURNOVER OVER SPAIN'S TOTAL GDP	2.2%

PERCENTAGE OF MEAT INDUSTRY TURNOVER OVER SPAIN'S INDUSTRIAL GDP	13.6%
TOTAL MEAT INDUSTRY EXPORTS	6 BILLION EUROS
TOTAL IMPORTS OF SPANISH MEAT PRODUCTS	1.3 BILLION EUROS
COVERAGE RATE OF THE SPANISH MEAT SECTOR	477%
NUMBER OF BUSINESSES IN THE MEAT SECTOR	2,860
NUMBER OF INDUSTRIAL FACILITIES	
- ABATTOIRS	538
- CUTTING PLANTS	2,270
- PROCESSING PLANTS	5,001
DIRECT EMPLOYMENT*	85,706 WORKERS
PERCENTAGE OVER TOTAL FOOD SECTOR EMPLOYMENT	24.3%
<p>Source: Compiled by the authors with data from INE, Agencia Tributaria, AECOSAN, FIAB *CNAE 10.1 Meat industry (includes poultry)</p>	

This turnover represents approximately 2.2% of the total Spanish GDP (at market prices), 13.6% of industrial GDP and 4.1% of the total turnover of Spanish industry as a whole. Direct employment by meat industry companies (85,706 workers) represents 24.3% of the total for the Spanish food industry.

Last year, the meat industry exported more than 2.3 million tons of meat, offal and processed products of all kinds, exceeding for the first time the € 6 billion sold in markets around the world, with a very positive trade balance of 477%, which very few relevant economic sectors can claim, helping to alleviate Spain's traditional trade deficit.

. Spanish meat production

Although with a slower growth of 1.6% compared to 2016, Spanish pork recorded yet another production record in 2017, reaching 4.25 million tons.

The beef sector continued the trend toward recovery which began in 2014, producing 641,003 tons (0.6% more than the previous year), while sheep and goat meat fell 1% compared to 2016, with 125,487 tons.

SPANISH MEAT PRODUCTION (Metric tons)	
Livestock	Other meat

Year	Pork	Beef	Lamb and mutton	Goat	Horse	Poultry	Rabbit
1990	1,788,848	513,989	217,396	16,417	7,127	836,700	no data
2000	2,912,390	631,784	232,331	18,801	6,732	986,712	no data
2010	3,389,772	602,509	131,231	10,618	7,110	1,349,428	63,508
2011	3,469,348	604,111	130,587	11,142	11,265	1,373,604	64,139
2012	3,466,323	591,319	121,999	9,696	15,606	1,384,243	64,578
2013	3,431,219	580,840	118,261	8,939	11,668	1,342,578	63,289
2014	3,620,222	578,600	114,220	8,621	11,529	1,436,689	63,790
2015	3,854,658	626,104	115,864	9,120	12,940	1,446,990	63,461
2016	4,181,091	637,013	117,054	9,904	13,088	1,526,631	59,589
2017	4,249,161	641,003	114,767	10,720	11,041	1,542,189	56,782

Source: Compiled by the authors using MAPAMA data

As shown in the table, pork production is the main segment in the Spanish meat industry, representing 64.1% of all meat, including poultry and rabbit.

With this volume of production, which represents 3.75% of world production, Spain has already consolidated itself in recent years as the fourth largest producer of pork meat, behind China (which alone produces 47.9 % of the world's pork), USA (10.4% of world production) and Germany (5.1%), and ahead of Brazil (3.4%), Russia (2.6%), Vietnam (2.3%) and Canada (1.8%). It is also the second European country in terms of production, representing 17.5% of the EU total, ahead of France (8.6%), Poland (8.4%), Denmark (6.7%), Italy (6.6%) and the Netherlands (6.3%). The European Union as a whole is the world's second largest producer, with 21.6% of the total.

Beef occupies third place in terms of volume (after poultry), accounting for 9.7% of Spain's meat production, although in this category Spain is far behind world leaders USA and Brazil. Spain accounts for 8.2% of European production, behind France (18.8%), Germany (14.6%), the United Kingdom (11.7%) and Italy (10.4%).

The same goes for lamb and mutton, with production following the downward trend seen not only in Spain but in the whole of the EU for years. Even so, Spain is the second largest European producer of sheep and goat meat, with 14% of the total, behind the United Kingdom (38.9%) and ahead of France (11.4%) and Greece (10.0%).

SPANISH PROCESSED MEAT PRODUCTION (Metric tons)						
Product	2012	2013	2014	2015	2016	2017
Ham and pork shoulder cured	247,500	254,000	260,500	273,550	287,000	299,000
Cold meats cured	183,000	186,000	191,000	199,000	203,000	209,000

Ham and pork shoulder cooked	176,000	177,500	178,500	177,600	179,000	178,200
Other heat-processed products	421,000	417,000	413,000	418,000	423,000	429,800
Marinated and fresh products	187,200	189,000	191,500	188,200	193,000	197,000
Ready-made meals	86,300	87,500	89,200	91,000	95,000	100,000
TOTAL PROCESSED PRODUCTS	1,301,000	1,311,000	1,323,700	1,347,350	1,380,000	1,413,000

Source: Compiled by the authors.

With regard to processed meat production, it should be noted that Spain, producing 1.4 billion tons per year, is in fourth place within the European Union, behind Germany, Italy and France. In terms of volume, the biggest category is cooked meats, while in terms of value, the biggest category is cured ham and pork shoulder (including *Ibérico*).

. The Spanish meat products market

Spain has one of the richest traditions in producing and consuming a varied selection of ham and charcuterie products. The diversity of its charcuterie production, which extends throughout Spain, is part of the country's cultural and gastronomic heritage, and is popular both domestically and abroad.

As shown in the tables, Spanish consumers' preferred products are cured, *Serrano* and *Ibérico* hams, the flagship products in terms of meat production in Spain. *Serrano* and *Ibérico* ham exceed 30% of the value of products marketed in the self-service and specialist channels. In terms of volume, cooked meats are in the first position ahead of cured hams, thanks mainly to the spectacular growth that cooked turkey has experienced in recent years. These are followed by cooked hams, sausages and chorizo in consumer preferences.

PROCESSED MEAT MARKET BY CATEGORY	
(% of volume)	
CURED HAM	20.9
COOKED HAM	16.1
COOKED TURKEY	13.6
SAUSAGES	12.7
CHORIZO	8.0
OTHER COOKED MEATS	6.6
FUET AND LONGANIZA	6.6
BACON	4.1

PÂTÉ AND FOIE GRAS	3.8
SALCHICHÓN	3.2
PORK LOIN	1.9
COOKED CHICKEN	1.2
SALAMI	0.7
SOBRASSADA	0.6
Source: Nielsen 2016 (total Spain self-service + traditional channel)	

PROCESSED MEAT MARKET BY CATEGORY (% of value)	
CURED HAM	33.7
COOKED HAM	13.3
COOKED TURKEY	12.0
SAUSAGES	5.2
CHORIZO	8.1
OTHER COOKED MEATS	3.8
FUET AND LONGANIZA	7.1
BACON	3.4
PÂTÉ AND FOIE GRAS	3.6
SALCHICHÓN	3.5
PORK LOIN	4.0
COOKED CHICKEN	1.1
SALAMI	0.6
SOBRASSADA	0.5
Source: Nielsen 2016 (total Spain self-service + traditional channel)	

PROCESSED MEAT MARKET - SELF-SERVICE (% of volume)	
CURED HAM	19.0
COOKED HAM	17.3
COOKED POULTRY	15.6
SAUSAGES	14.0

CHORIZO	7.8
FUET/LONGANIZA	7.5
OTHER COOKED MEATS	6.0
BACON	4.9
SALCHICHÓN/SALAMI	3.7
PORK LOIN	2.0
ASSORTED/OTHER	2.2
Source: IRI 2016 (Hypermarkets and supermarkets of more than 100 m ²). Market covered: 439,153 metric tons)	

PROCESSED MEAT MARKET - SELF-SERVICE (% of value)	
COOKED HAM AND PORK SHOULDER	30.6
COOKED POULTRY	14.5
COOKED HAM	14.4
FUET/LONGANIZA	8.2
CHORIZO	7.7
SAUSAGES	5.8
SALCHICHÓN/SALAMI	3.9
BACON	4.4
PORK LOIN	4.4
OTHER COOKED MEATS	3.5
ASSORTED/OTHER	2.7
Source: IRI 2016 (Hypermarkets and supermarkets of more than 100 m ²). Market covered: € 3.64 billion)	

MAIN SALES CHANNELS FOR PROCESSED MEAT IN SPAIN (% of value)	
SUPERMARKETS + SELF-SERVICE	46.8
SPECIALISTS	19.0
HYPERMARKETS	14.6
DISCOUNT	12.7
FOOD STORES	1.7
OTHER	5.2
Source: KantarWorldpanel 2016	

And of course, we must not forget that the very important hospitality and catering channel stands at the top of the list, and is of particular importance for the

consumption of all meat products, but especially for flagship products like *Serrano* and *Ibérico* ham, as well as cured cold meats and cooked meats of all kinds.

. Data on consumption of meat and derivatives

In 2017, domestic consumption of meats and processed products fell by 1.4% in volume, but increased by 1.1% in value, returning to the recovery in some prices seen in 2015.

These data were collected in the last consumption panel by the Spanish Ministry of Agriculture (rolling yearly total December 2017), which shows a more pronounced behaviour in the meat category than the consumer food and drink basket as a whole, which dropped by only -0.7% in volume but increased by +0.6% in value.

According to the Ministry's data, all fresh meats fell in terms of volume (-2.2%) while pork (+2.5%), chicken (+0.8%) and rabbit (+2.2%) rose in terms of value, and beef (-1.6%) and sheep/goat (-2.2%) continued to fall. Moreover, frozen meats grew by 1.3% in volume and 2.7% in value.

The most positive trend was seen in processed meats, which progressed both in volume (1.0%) and in value (+ 1.9%) in that period.

These data should be compared with the information published by Nielsen, which shows that meat products grew by 4% in value in 2017 to € 14 billion.

According to Nielsen, this growth is due to the fact that the sector has been able to satisfy the values demanded by consumers in terms of health, sustainability, innovation, quality and shopping experience. The first two, health and sustainability, are the fundamental drivers of growth in the shopping cart of consumers. According to Nielsen, 60% of consumers claim to strive to make healthy daily purchases and 46% try to buy products that respect the environment. In addition, 57% of consumers say they are willing to pay more for higher quality products.

AT-HOME CONSUMPTION OF MEAT AND PROCESSED MEATS		
	2016	2017
Total volume (million kg)	2,200.46	2,170.73
Value (€ million)	14,057.08	14,209.32
Per capita consumption (kg)	50.13	47.60
Penetration	97.28	97.20
Volume (kg)/total food	7.56%	7.51%
Value (€)/total food	20.95%	21.05%
Source: MAPAMA (Yearly rolling total December)		

DISTRIBUTION OF DOMESTIC CONSUMPTION OF MEAT

	Volume (million kg)		Value (€ millions)	
	2016	2017	2016	2017
Pork	468.64	466.39	2,667.14	2,733.75
Beef	246.38	236.50	2,262.96	2,227.00
Sheep/goat meat	72.27	68.12	759.35	742.61
Chicken	608.68	592.29	2,417.38	2,437.78
Other meat	288.01	285.75	1,529.01	1,561.43
Processed meat	516.48	521.68	4,421.24	4,506.75
TOTAL	2,200.46	2,170.73	14,057.08	14,209.32

Source: MAPAMA (Yearly rolling total December)

. Foreign trade

2017 set yet another record in terms of Spain's foreign meat exports, comfortably exceeding € 6 billion for the first time. It also exceeded the 2.3 million tons of meats and processed products sold in markets around the world.

These spectacular data reflect that, in little more than a quarter of a century, the meat industry has gone from no foreign trade to becoming the largest sector in the Spanish agri-food industry and a leading power in the world meat products market.

Last year, the Spanish meat sector exported 2.33 million tons of meats and processed products of all kinds worth € 6.1 billion to markets around the world, with an increasingly positive trade balance, in this case 477%, and a growth of 2.5% in volume and 9.4% in value compared to 2016, which shows increased exports of products with higher added value and at higher prices.

These outstanding global figures are largely based on the unstoppable external trajectory of the pork sector, an area in which Spain has become the third largest exporter in the world behind only Germany and the United States.

In 2017, 1,554,981 tonnes of pork were exported, worth € 3.6 billion (another record, exceeding 3.5 billion in sales), which represents a 4.4% growth in volume and a 12.5% growth in value, as well as very positive figures in processed products: 197,818 tonnes (+8.3%) and € 1.27 billion (+ 10.1%).

As for beef, the balance of exports of meat and offal was also positive, as it reached the record figure of 171,953 tons of exports (+1.4%) and € 610 million in value, 5.3% more than in the previous year, furthering the progress made since 2015.

In offal exports, this year was a period of consolidation after the spectacular growth seen in 2016. 369,451 tons of offal products were exported, worth € 413 million.

Most of Spain's offal exports still go to the European Union, with most Spanish products going to France, Germany, Portugal and Italy. The sector faces two important challenges in this area: to continue to increase sales to non-EU markets, and to boost exports of our value-added products where Spain stands out from competitors in international markets, starting with flagship products such as *Ibérico* and *Serrano* hams.

In this regard, it should be noted that 37.3% of total exports of pork, offal and fat were sold in third countries. China is already the main consumer of Spanish pork, along with France, and ahead of Italy, Portugal and Japan.

In the case of beef, the percentage of sales to third countries - which recorded more modest levels in previous years - is progressing significantly. In 2017, it represented 14.8% of total exports, with an increase of 7.5% in volume and 16.7% in value. This clearly indicates the prospects and possibilities that this sector and the lamb and mutton sector show on their path toward globalisation.

To do this, it is essential for Spanish industry to make its way into these key markets, which are currently restricted for Spain and in which other competing countries are already selling.

For this reason, the sector calls on the Spanish authorities to do more to open up countries and unify administrative functions to make Spanish industry more competitive and eliminate inefficiencies in international activity.

SPANISH EXPORTS OF MEAT (Metric tons)									
	EXPORTS								
	2009	2010	2011	2012	2013	2014	2015	2016	2017
Pork	864,938	869,020	979,958	1,030,121	984,722	1,076,365	1,254,370	1,490,036	1,554,981
Beef	102,569	116,170	125,159	133,898	127,364	124,404	163,045	169,539	171,953
Lamb and mutton	18,244	27,475	28,854	32,279	34,594	33,531	31,826	34,839	37,175
Offal	231,649	218,597	261,287	276,120	240,228	297,955	326,547	396,539	369,451
TOTAL MEAT	1,217,400	1,231,262	1,395,258	1,472,418	1,386,908	1,532,255	1,775,788	2,090,953	2,133,560
Source: Compiled by the authors with data from ICEX-ESTACOM									

SPANISH EXPORTS OF PROCESSED MEATS (Metric tons)									
	EXPORTS								
	2009	2010	2011	2012	2013	2014	2015	2016	2017

Cured ham	22,282	23,147	26,825	26,978	33,143	36,237	41,948	41,888	45,993
Cured sausages	27,611	29,731	33,341	38,489	40,218	43,463	53,507	56,377	59,968
Cooked ham and pork shoulder	5,503	5,777	6,001	7,222	4,550	4,924	4,564	5,473	6,062
Cooked charcuterie products	8,670	9,173	9,702	11,291	12,026	12,066	11,996	16,296	14,581
Other products	38,668	42,884	41,341	44,114	42,666	51,862	59,919	62,532	71,214
TOTAL PRODUCTION	102,734	110,712	116,071	122,981	138,736	148,552	171,934	182,566	197,818

Source: Compiled by the authors with data from ICEX-ESTACOM

More information:

José Manuel Alvarez
ANICE Head of Communication
jmalvarez@telefonica.net
(+34) 646 65 28 46

IFEMA Press and Communications Department; Jesús González | Chief Press Officer of MEAT ATTRACTION | (+34) 91 722 50 95 / jesusg@ifema.es