Executive summary

Expansion, resilience and new challenges for the Spanish agrifood sector

Spain's agrifood sector is enjoying a rapid expansion in 2025 and is consolidating the growth initiated in mid-2023, after overcoming the challenges stemming from the war in Ukraine and a prolonged drought. In particular, the containment of production costs, improved weather conditions and a rebound in demand are favouring a sustained increase in both production and exports, which are now back at pre-pandemic levels. The food products industry is also showing encouraging trends, with a notable revival in production and a dynamic labour market. However, major challenges remain, such as improving the sector's resilience to increasingly frequent adverse weather events and growing trade protectionism, which could limit the sector's performance over the coming quarters.

In this context of recovery, but also of significant challenges, agrifood exports remain highly dynamic. In the first half of 2025, they grew by 5.0% in volume and by 5.6% in value, far outpacing the growth of exported goods on aggregate. Spain is thus consolidating its position as the EU's fourth agrifood exporting power and the eighth in the world, with a 3.4% share of the global market. This progress is supported by a recovery in production following the drought, strong international demand and high competitiveness. However, the path ahead is not without risks: the fall in prices in some key products, such as oils and fats, the stagnating volume of fruit exports, and the impact of the protectionist shift in markets such as the United Kingdom, the US and China, require a strategic response based on the diversification of trade and geographical regions.

Spain's agrifood sector is facing a more complex trading environment, with new tariff barriers, especially in the US and China, which affect sensitive products such as olive oil, dairy products and vegetables. Although the direct exposure is limited, some products are highly dependent on these markets. In this scenario, the trade agreement between the EU and Mercosur represents a strategic opportunity to open up new export channels, especially in products such as fruits, wine, pork meat and olive oil. However, it also poses competitive challenges in sectors such as beef and sugar, so the ability of the business sector to quickly adapt will be key.

Domestically, the agrifood sector remains an economic and territorial pillar. Although its share of the national gross value added (GVA) has decreased slightly in recent decades – from 5.5% in the 2000s to 4.9% in 2022 – it remains strategically important thanks to its role as a driver of international competitiveness, territorial cohesion and strategic autonomy. In our estimation of the GVA of the agrifood sector (the agriculture, forestry and fishing sector plus the food and beverage industry), we analyse regional differences. Among many conclusions – such as the leading role of Andalusia, Castile and León and Catalonia in the contribution to the sector – we note that the sector is especially important to the economies of Extremadura, La Rioja, Castilla-La Mancha and Castile and León. We also note a growing trend towards industrialisation, with a gradual increase in the relative weight of food processing relative to the primary sector (agriculture, forestry and fishing), especially in regions such as Madrid, Catalonia and the Community of Valencia.