

Executive summary

Adaptation, integration and investment: responses to the challenges of a transforming agrifood sector

Spain's agrifood sector is facing 2026 from a more favourable position than that of recent years, although the environment remains challenging. Agricultural activity is consolidating its recovery and the food industry remains resilient. However, extreme weather events, geopolitical tensions, cost pressures and trade barriers continue to influence their outlook. Adaptation, therefore, is the central theme of this Sector Report, which examines how to transform scale, investment, and the production model into greater competitiveness and value creation.

Current indicators suggest a gradual normalisation. Real agricultural GVA and employment continue to improve, while increased production boosted agricultural incomes in 2025. However, the production outlook is uneven: olive groves and vineyards show high yields, while some herbaceous crops and almond cultivation are experiencing weaker growth. Improved water conditions coexist with increased exposure to storms, hail and heatwaves. On the external front, exports are losing momentum and the trade surplus is shrinking, in a context marked by tariff tensions, international competition and the provisional application of the EU-Mercosur trade agreement.

The European agenda aims to address these challenges with a simpler Common Agricultural Policy (CAP), greater focus on climate resilience and a trade policy geared towards market diversification. The challenge will lie in reconciling regulatory simplification with environmental objectives, ensuring funding for the transition, and opening up new business opportunities without weakening the position of European producers.

The food industry, which is the manufacturing sector that invests the most in Spain, has a solid starting position. However, its investment efforts are concentrated in tangible assets. The next phase of

modernisation requires investments in factories, machinery and energy efficiency to be accompanied by a greater focus on developing intangible assets, such as innovation, digitalisation, data analytics, traceability and branding. The goal is not merely to invest more, but to boost technological sophistication and strengthen differentiation.

The cooperative model is another essential lever. Cooperatives make it possible to consolidate supply, share services and investments and strengthen the bargaining position of farmers and livestock producers. Achieving scale does not necessarily mean reducing their numbers: it can also be achieved through second-tier cooperatives, business alliances, joint platforms, or purchasing and logistics centres. To enhance profitability, this scale must be combined with innovation, industrial transformation, branding, internationalisation and closer links with consumers.

The wine industry provides an illustration of this transformation. Climate change is reducing yields, increasing crop volatility and altering wine profiles, while consumption is declining and shifting towards lighter, differentiated products focused on source and quality. Spain is already making progress with better-adapted varieties, a more diversified product offering, and increasing differentiation, but it must transfer this adaptation to the commercial and export model in order to capture more added value.

Overall, the sector has solid fundamentals, investment capacity and an extensive presence across the country. Consolidating these strengths requires simultaneous progress to be made in climate adaptation, innovation, integration, differentiation and market openness. The challenge does not lie in producing more, but in doing so with greater resilience and in turning the achieved scale into productivity and added value.