

# ECONOMY

## BUSINESS AREA 2



### Agrofood



Although catch phrases can be inaccurate, the saying “**Region of Murcia, orchard of Europe**”, is spot on. The Murcian agrofood industry, pillar of the regional economy, accounts for **32.5%** of employment and **28.3%** of production in the region. Furthermore, this sector is a driver for the creation of other innovative, leading-edge industries, such as farming technology, water management, greenhouses, agrofood machinery, packing and packaging, etc.

The Region of Murcia is internationally known for its fruits and vegetables, ancestral expertise in agricultural practices and unique ecological farming conditions. The range of Murcian farming products is vast in terms of fruits, vegetables and nuts.

Aware of current consumer trends, the region allocates an increasing percentage of its land to organic production (**10%**). In fact, **Murcia is the Spanish region with the highest percentage of land devoted to organic farming**. Furthermore, the region is at the forefront in the production of 4th- and 5th-range food products, which combine advanced processing with healthy properties.

In the Region of Murcia, the industry of canned and bottled fruit and vegetables has historically been tied to the local farming production. The regional canning industry, with over two centuries of tradition, undertook a few decades ago a deep technification process which has contributed to enhanced competitiveness. The canned

production is marketed mainly to destinations in the EU and the USA.

The regional production of **grapes and wine** is also important. Murcia, with excellent conditions for vineyard cultivation and wine-making processes, has three Appellations: Bullas, Jumilla and Yecla. **Over 80% of Murcian wines are exported**, mostly to Europe and North America, where it is increasingly popular, but also to Africa and Asia.

**Olive cultivation** is also relevant as it is essential for olive oil production. Over the last few years, the Region has significantly increased its production of organic olive oil. Although Italy is the main purchaser of Murcian olive oil (nearly **85%** of the total), Japan and France also demand our products.

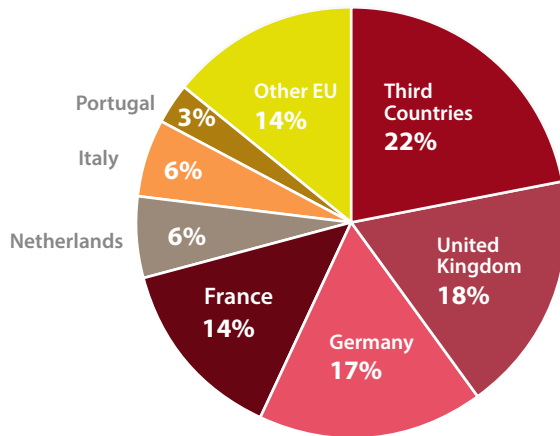
In this sector it is also important to mention the production and marketing of spices, mainly paprika. In fact, Murcia is one of the main paprika producing regions worldwide.

According to Spain’s Ministry of Agriculture, the Region of Murcia, with **2.2%** of the country’s territory, accounts for **5.4%** of agrofood sales, **4.8%** of raw material consumption, **5.7%** of employment and **4.9%** of investments in material assets. It is clear that the region is a national leader, not only in production, but also in the implementation of quality and management systems adjusted to the protocols for good agricultural practices demanded by the main European supermarket chains.

**“Region of Murcia, orchard of Europe”**

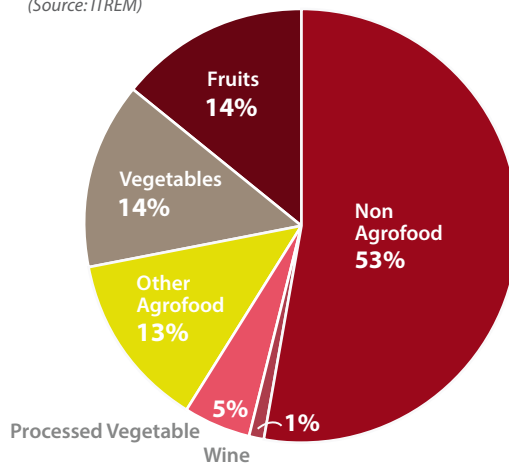
The Region of Murcia, with only **2.2%** of the country's territory, accounts for **20%** of the national fruit and vegetable exportation!

Distribution of exports within EU countries (2016)



Agrofood Product Distribution (2016)

(Source: ITREM)



Main Regional Exports (2017)

PRODUCT	TONNES	% over world-wide total	% over total EU	% over total Spain
Apricot	11,792	4%	9%	37%
Cauliflower & broccoli	192,727	17%	30%	66%
Lettuce and chicory	483,004	27%	44%	72%
Melons	172,252	8%	30%	46%
Grapes	76,386	2%	7%	54%
Lemons and limes	307,503	12%	42%	64%

Source: current results

**COMPANY HIGHLIGHTS:**

The agrofood sector combines tradition and innovation. In this context, the Region has an agrofood research network which addresses the business needs of the sector. Furthermore, the universities in Murcia carry out research for the industry through the Liaison Offices and provide a course portfolio adapted to the professional needs of the industry and the students.

The main destinations of Murcian exports are EU countries (**78.81%**), with sales to other world areas, such as Libya, Algeria, Japan and Saudi Arabia, increasing considerably.

Key players in this sector are **G's, Langmead, Florette, Postres Reina, El Pozo, Ramón Sabater and Agromark**, among many others.