

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 33% of employment and 34% 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 and circular economy awareness, the region allocates an increasing percentage of its land to organic production (10%). Although Murcia has been for a long time the Spanish region with the highest percentage of land devoted to organic farming, the region has nearly tripled in the last ten years the land allocated to environmentally sustainable, ecological practices.

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. 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. Although wine exports dropped 3.5% in 2020, Murcian exports continued to increase once again, this time +5,7%, being the Spanish region with the highest export growth rate. Another important factor of Murcia’s wine production is that while the national average marketed under Appellation is 37%, in Murcia that percentage goes up to 56%, a sign of controlled production and quality.

Europe and North America are the main markets of Murcian wines, which are becoming increasingly popular in Africa and Asia as well.

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, thanks partly to an equipment upgrade in most olive mills in the region. Although Italy is the main purchaser of Murcian olive oil (nearly 75% of the total), Japan France, Russia and the UAE 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 agrofood industry of the Region of Murcia accounts for nearly 41% of all regional exports. 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.



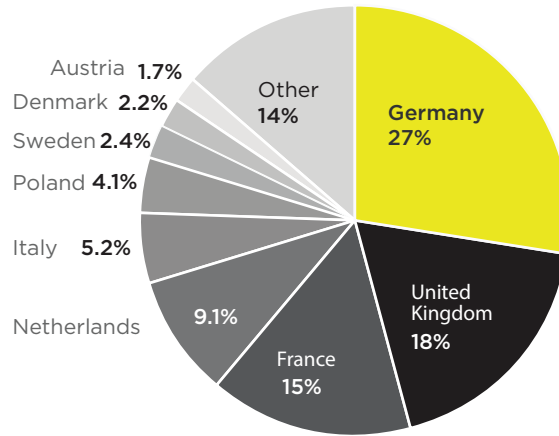
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“Region of Murcia, Orchard of Europe”

Distribution of Exports within EU Countries

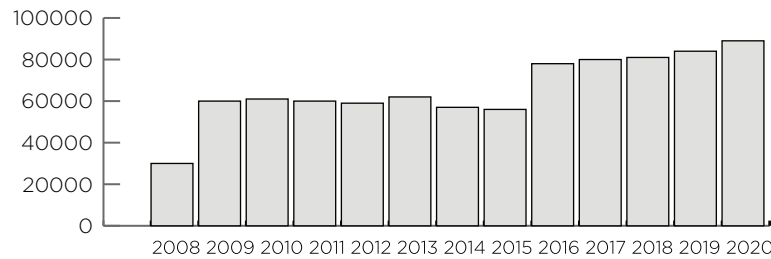


Region of Murcia's Share in National Exports

Product	Percentage %
Lettuce	65.74
Cabbage	69.56
Pepper	13.4
Tomato	8.99
Celery	61.53
Other vegetables	9.25
Total vegetables	23%
Lemon	55.76
Dessert Grapes	67.09
Melon	54.78
Peach	24.21
Watermelon	17.04
Other fruits	5.27
Total Fruits	17%
Total fruits and vegetables	20%

Source: Customs Records

Evolution in Number of Hectares Subject to Organic Farming Control



Source: CAERM

INDUSTRY 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.

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