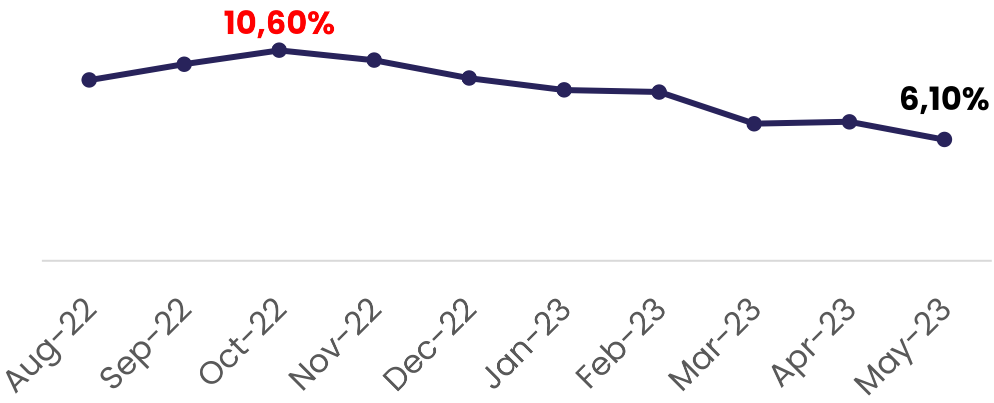
DG AGRI Meat Market Observatory

A retail perspective

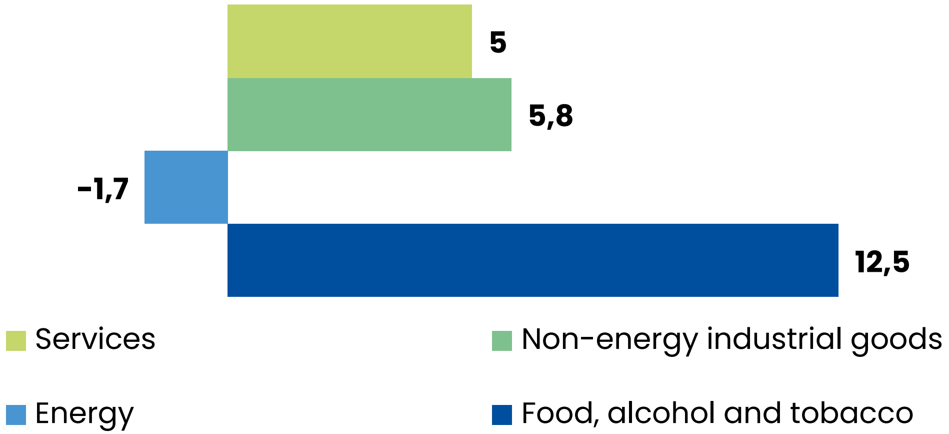
6 June 2023

EuroCommerce
Retail & Wholesale

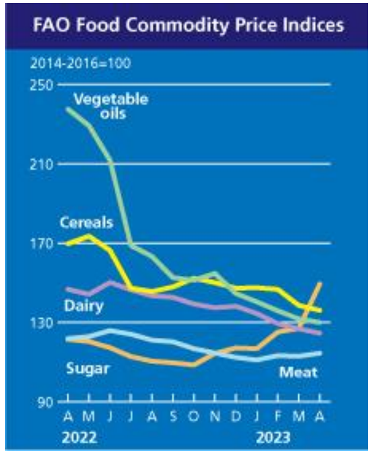
The macroeconomic situation

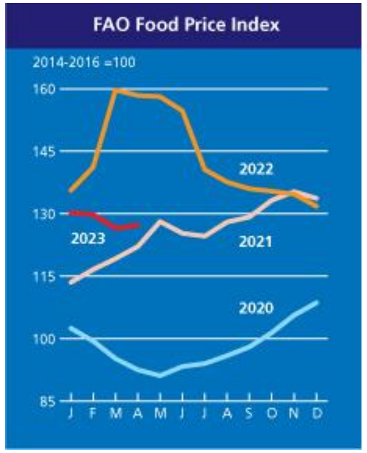


After peaking last October, inflation is slowly decreasing

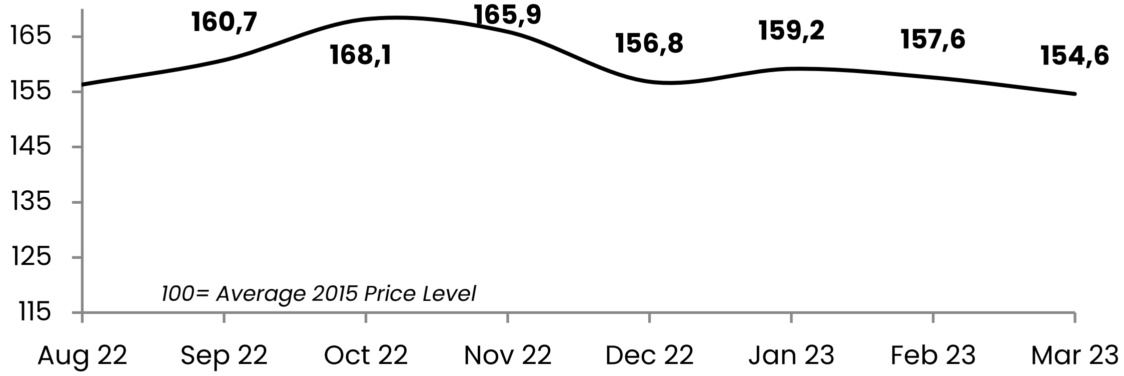


Food inflation remains high at 12,5%





Food prices have been decreasing for a few months



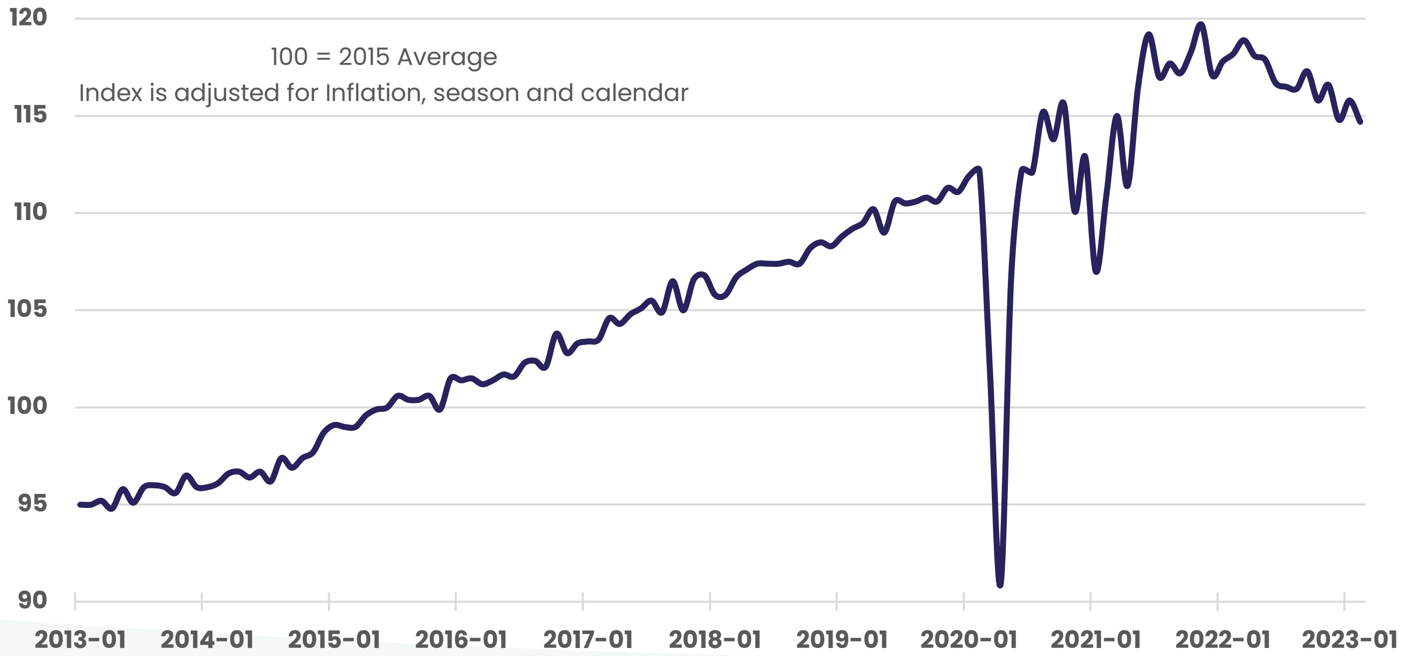
Energy prices have fallen since late 2022

Source: *Eurostat, FAO*

Retail amidst high inflation

Retail sales in 2022 grew by 2.9% only because of inflation

Retail sales volumes have decreased since 2022 as consumers change their shopping habits to make ends meet.



-4.9%

Volume of **food retail trade** in February 2023 vs February 2022

Source: Europanel, EuroCommerce & McKinsey, Eurostat

EuroCommerce Retail & Wholesale

Consumers in a cost-of-living crisis

Consumers have downtraded when shopping

Consumers are reducing purchases of fresh products (meat, fish, fruit and vegetables) and organic food to buy more pasta, rice and canned products.

Consumers prefer shopping at supermarkets and discounters to find better deals and purchase more private label products than branded goods.

+1.9%
Increase of share of private label across Europe in 2022

+1.4%
Increase of market share by discounters

Amidst a cost-of-living crisis, consumers:

Look for ways to save money when shopping	53%	+12
Actively search for best promotions on food	44%	+15
Switch to less expensive foods to save money	39%	+22
Buy high quality/ premium food products	-5%	-10
Pay a higher price to get a healthier product	-4%	-8
Buy organic/ bio products	-3%	N/A
Buy environmentally friendly products (eg, zero pollution, made of recyclable materials, minimizing packaging)	17%	N/A

Source: EuroCommerce & McKinsey, Eurostat

Key trends for the future

01

Normalization of prices/volumes

Retail prices take up to 12 months to follow commodity price evolution. The latter peaked in Q3 2022 so volume decline should halt as prices normalize in H2 2023.

02

Value of private label

84% of consumer respondents rate private labels similar or higher in quality compared to branded products.

03

Online growth

After a period of post-pandemic stagnation, e–grocery is expected to return to moderate growth.

04

Sustainability cooperation

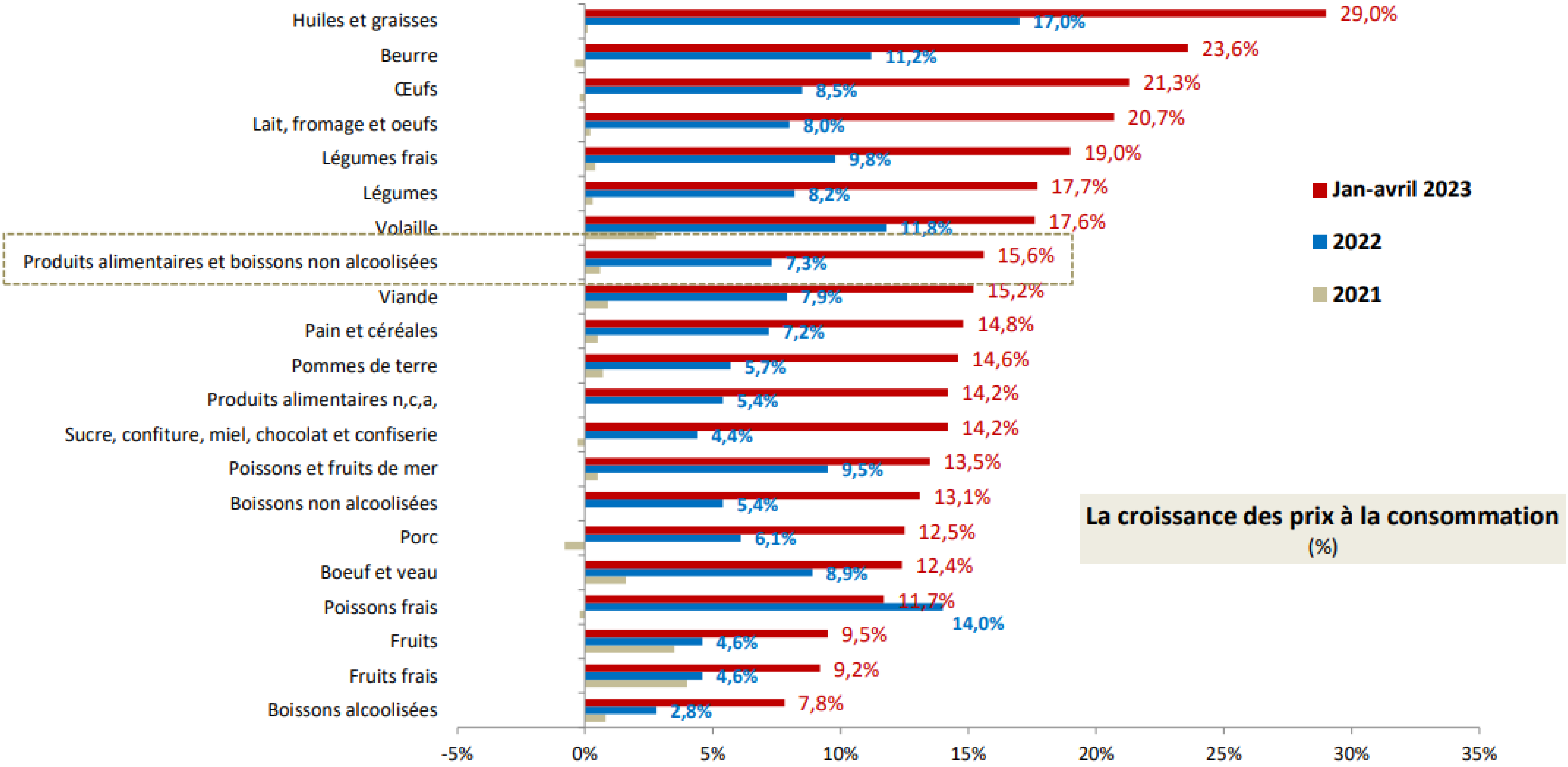
The importance of sustainability continues to increase, despite the current dip in consumer demand.

https://www.eurocommerce.eu/living-with-and-responding-to-uncertainty-the-state-of-grocery-retail-2023/

Source: EuroCommerce & McKinsey

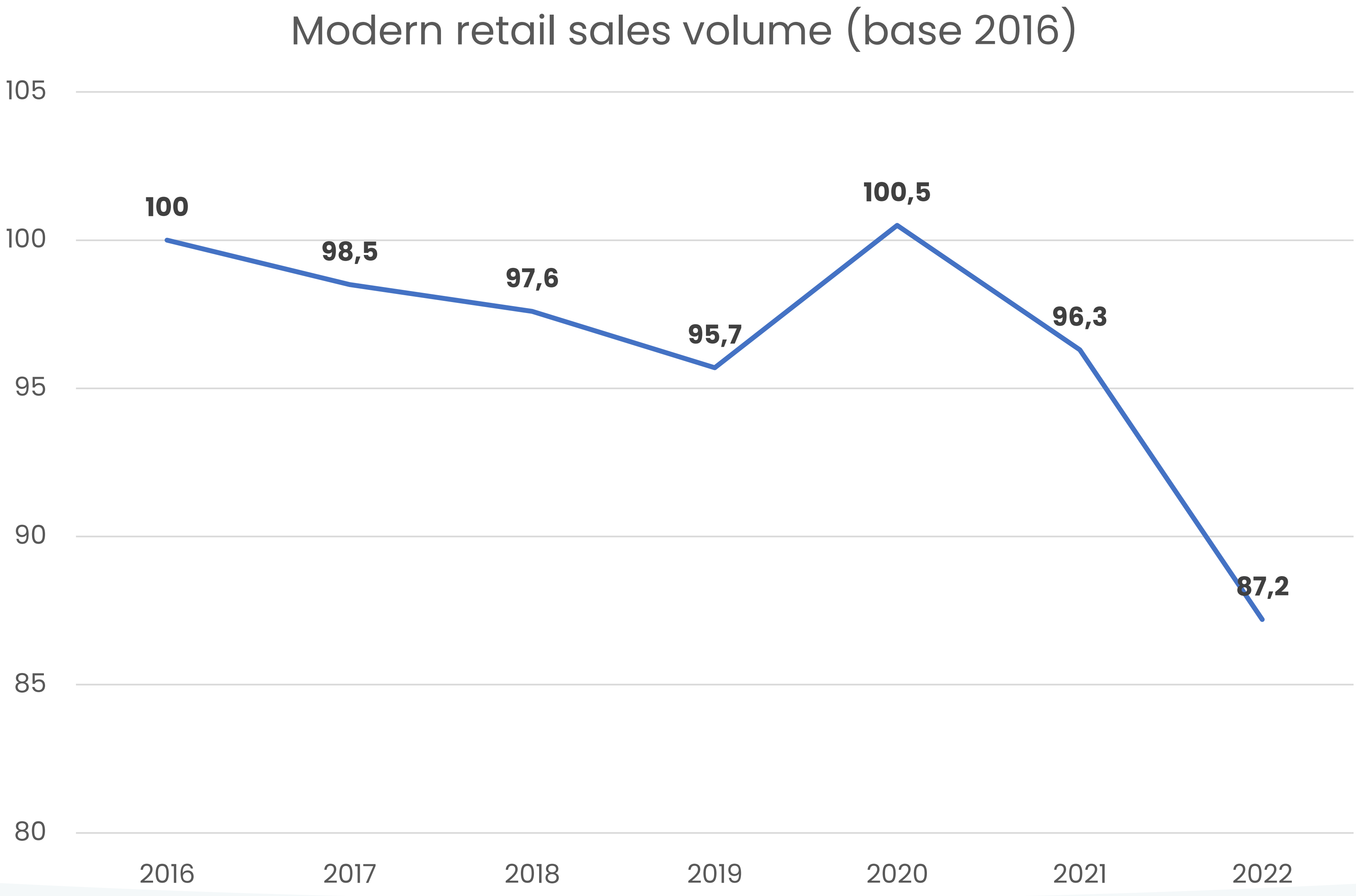
France

Inflation



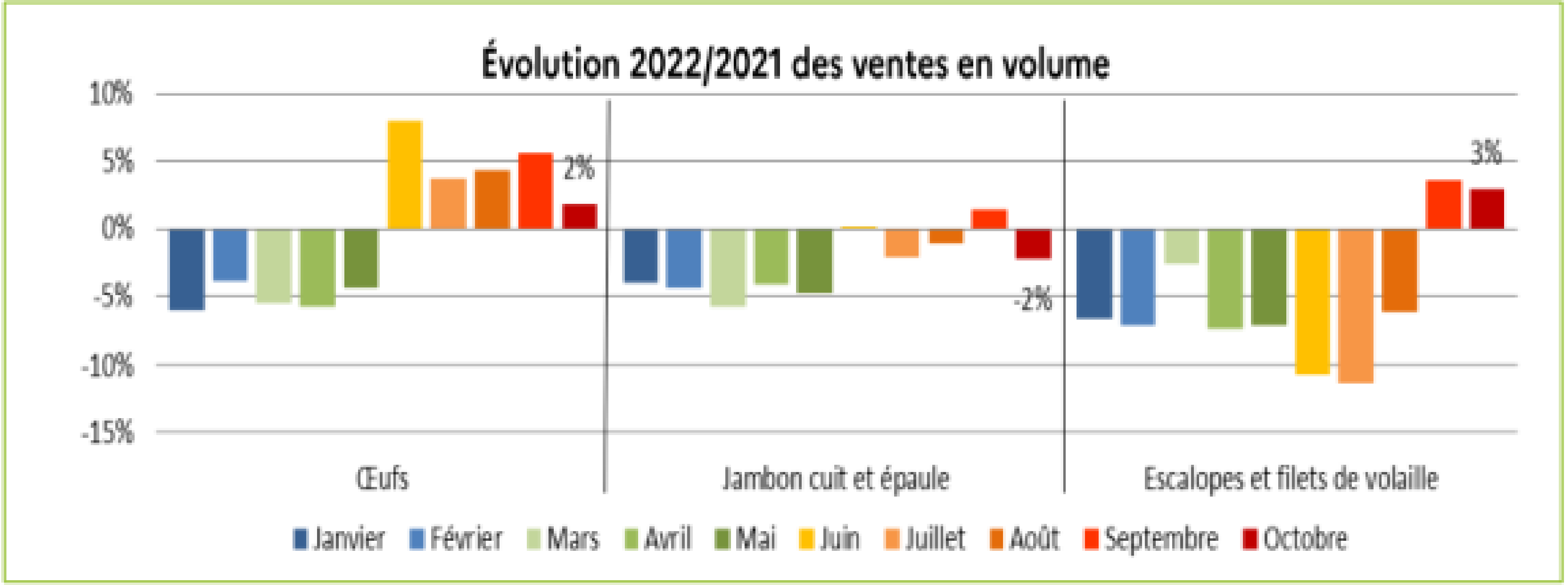
Source : *INSEE - dernière donnée avril 2023*

Beef consumption



Source: *Kantar Worldpanel/Agrimer*

White meat consumption

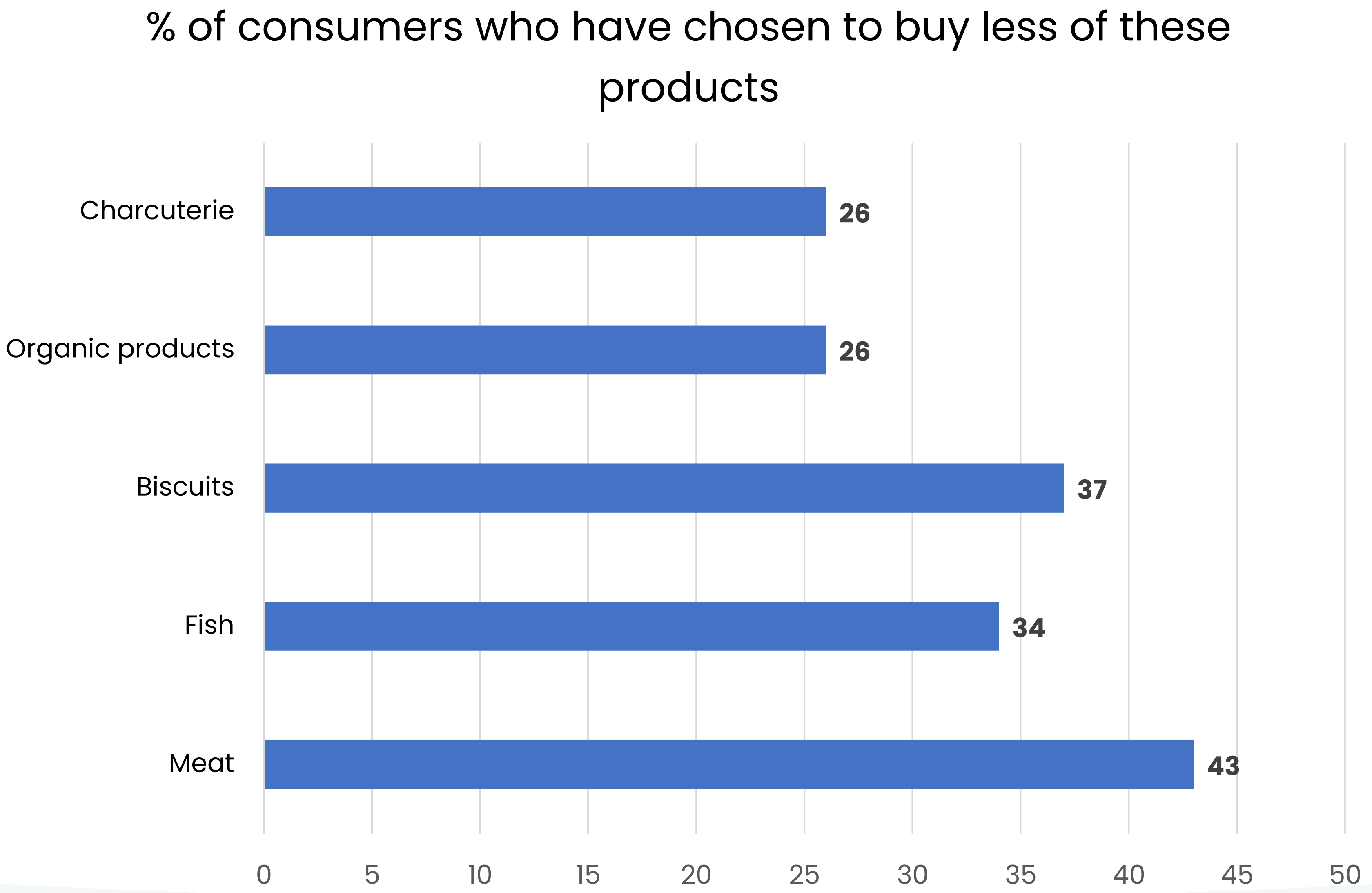


-1.4%
Decrease in volumes of consumption for **poultry** in 2022

+2.9%
Increase in volumes of consumption for **pork** in 2022

Source: *IRI*

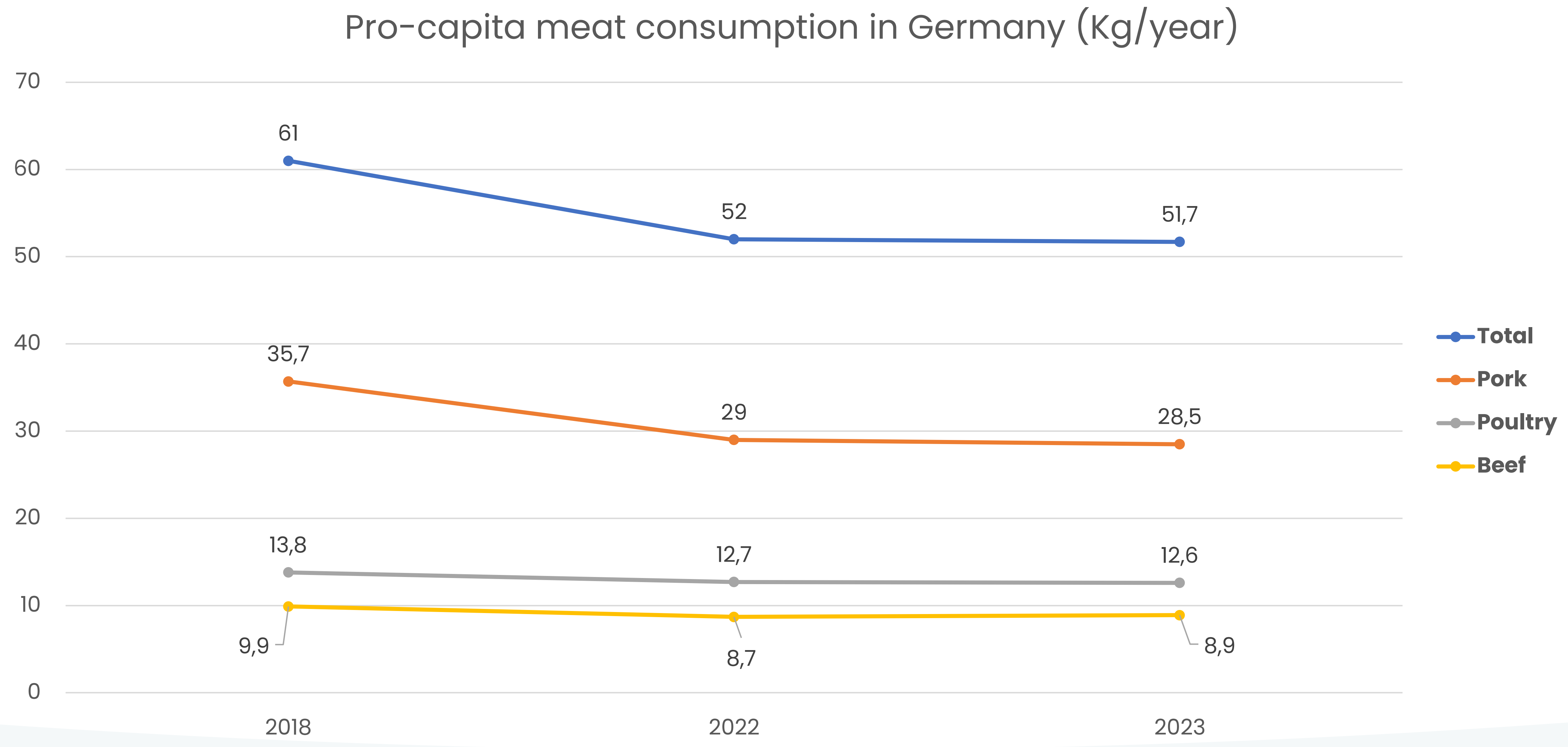
Consumer attitudes towards meat in a cost-of-living crisis



Source: *Elabe May 2023*

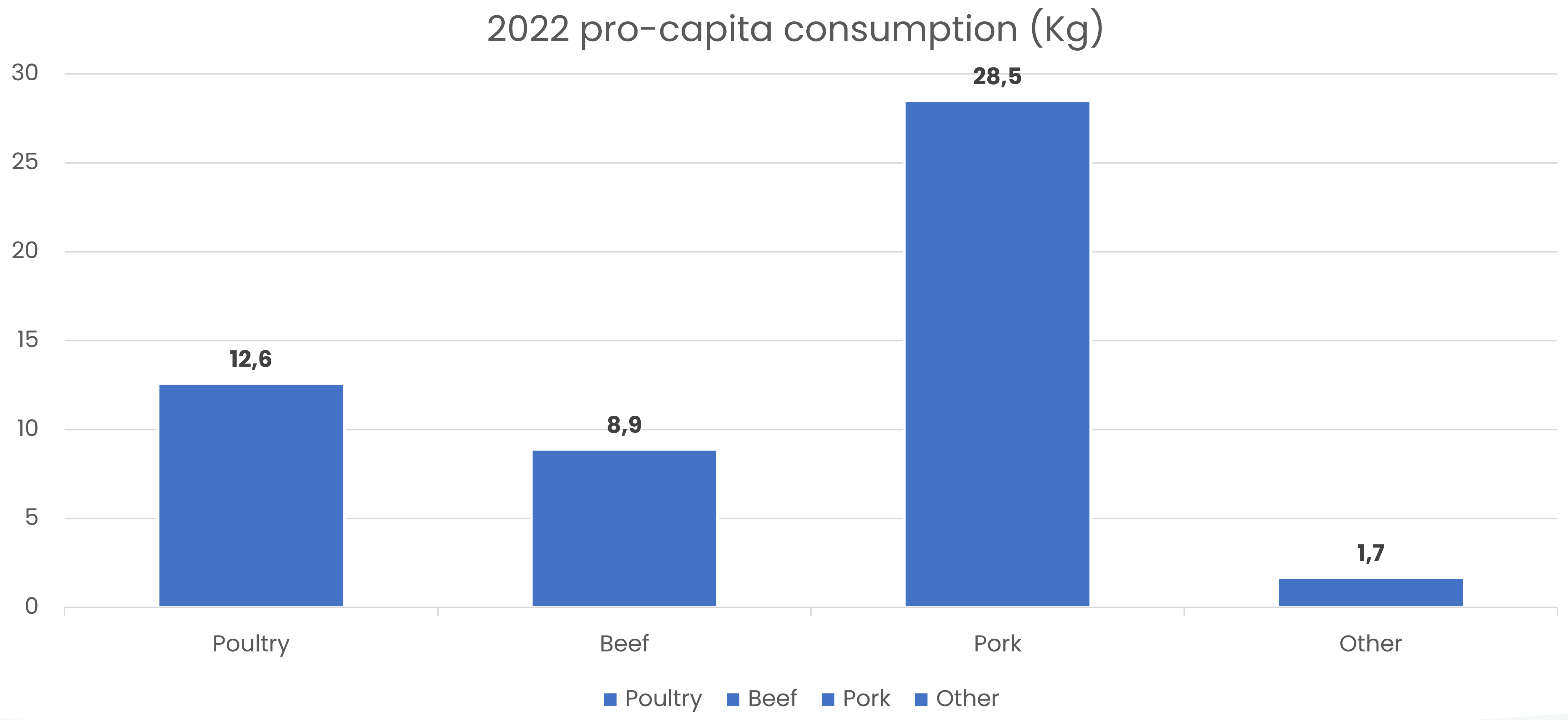
Germany

Meat consumption in Germany (1)



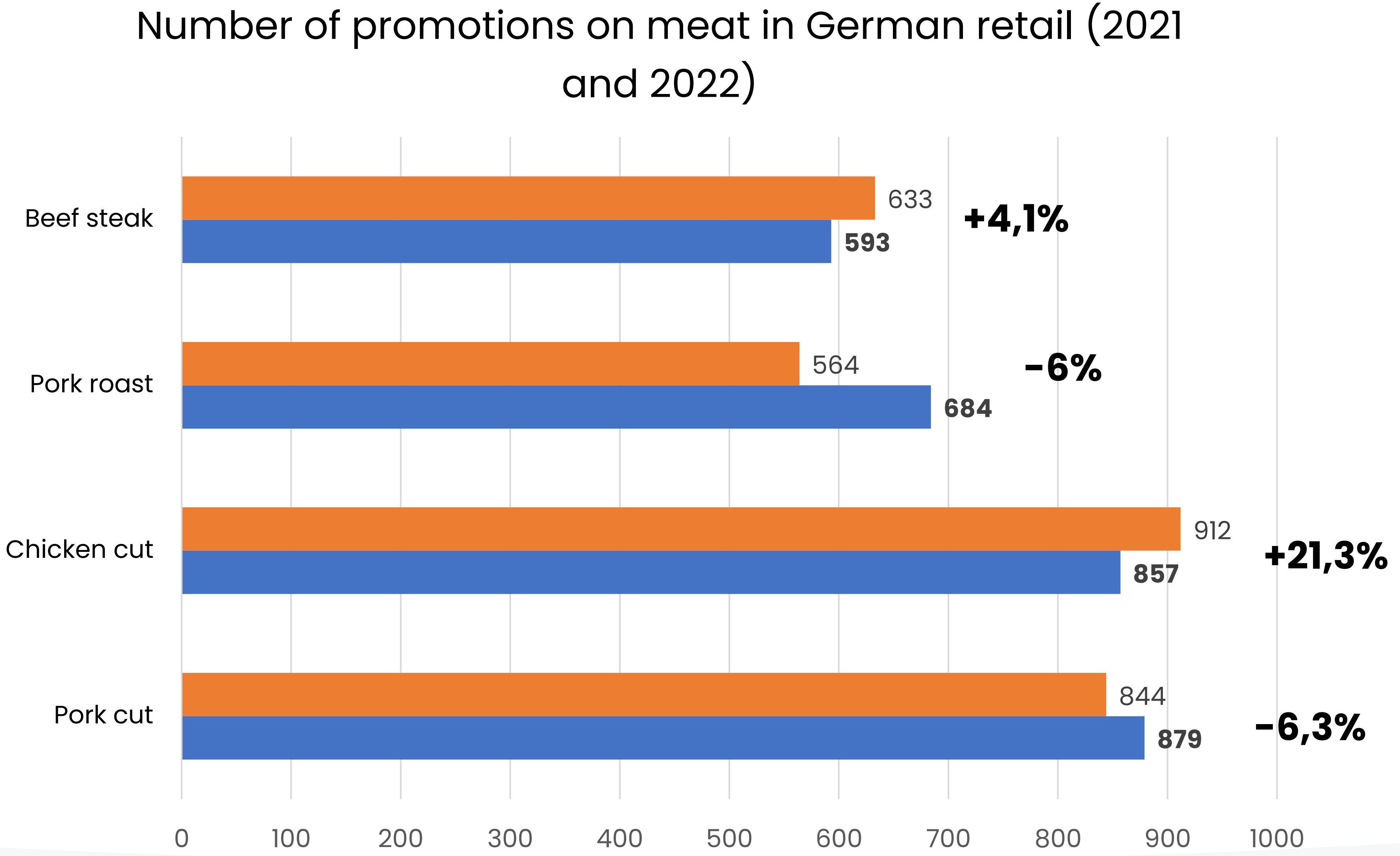
Source: *AMI Informiert*

Meat consumption in Germany (2)



Source: *AMI Informiert*

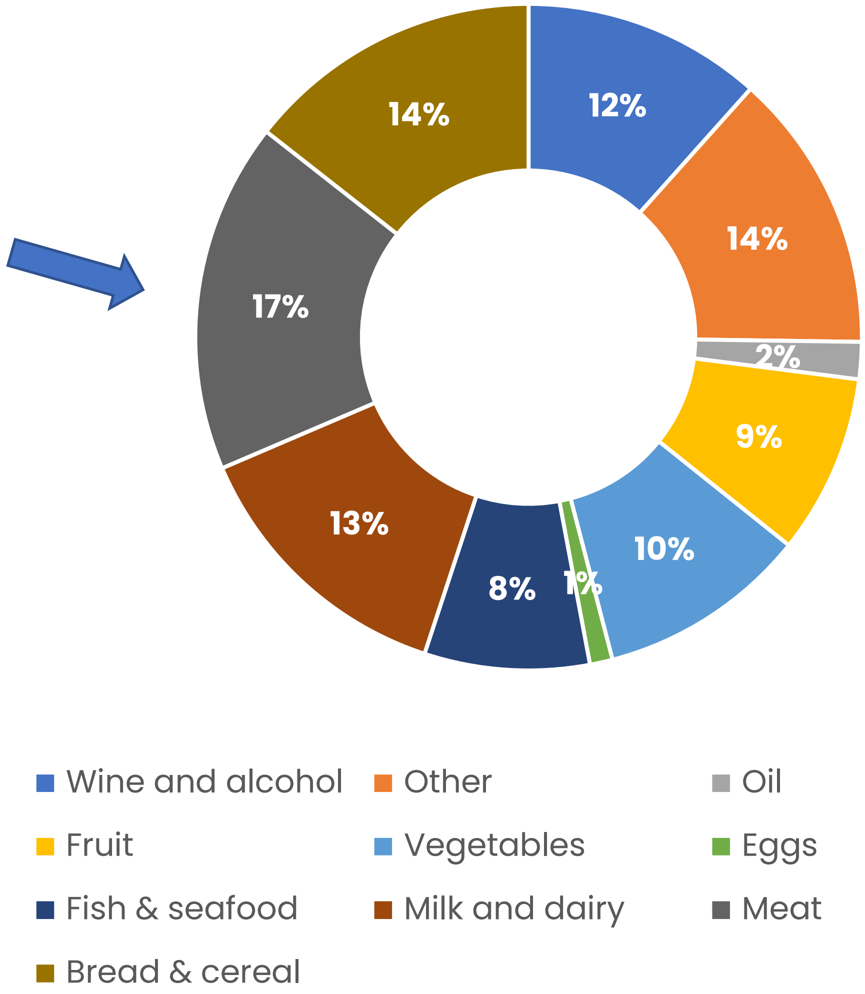
Meat promotions in Germany at retail level

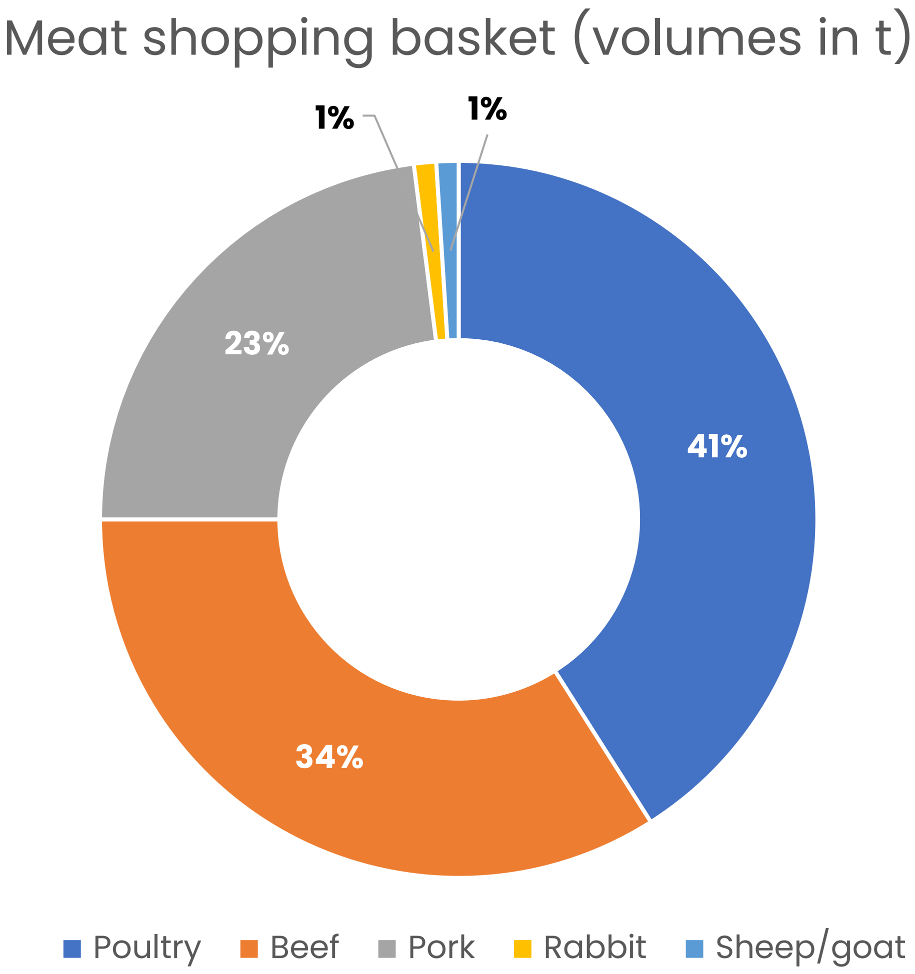


Source: *AMI Informiert*

Italy

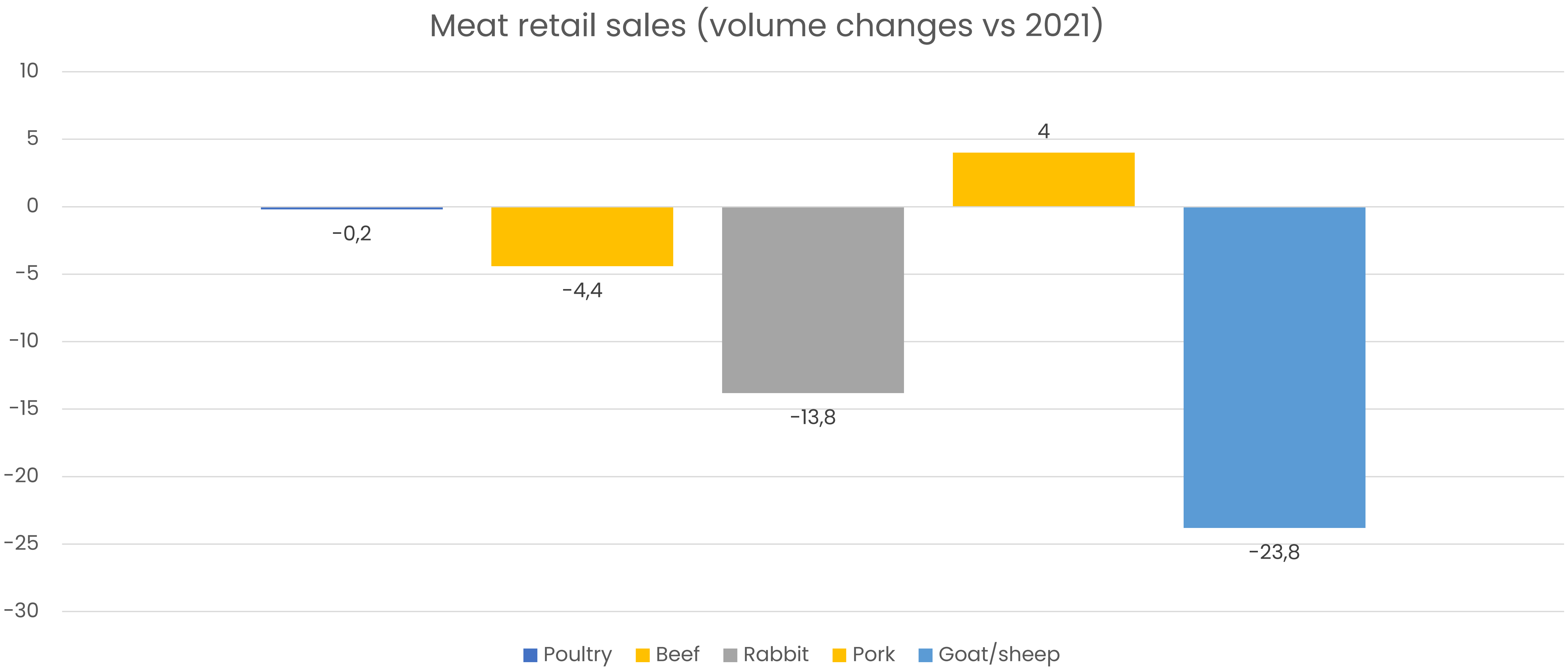
The shopping basket in 2022





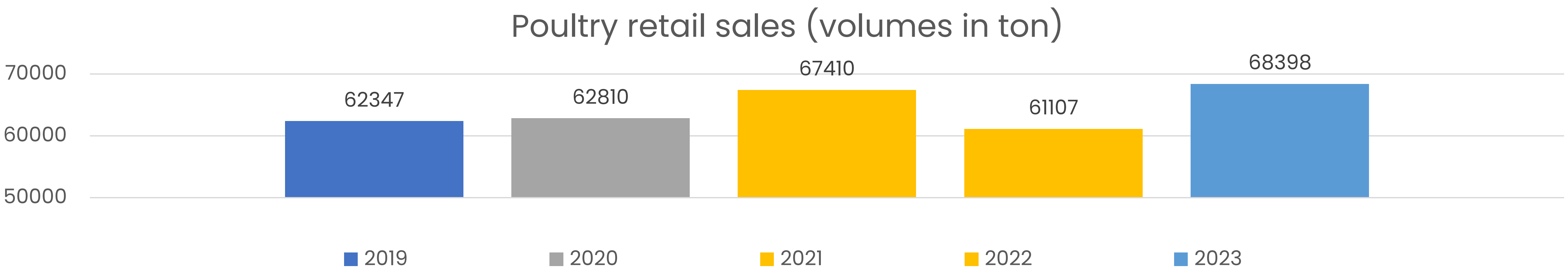
Source: *ISMEA*

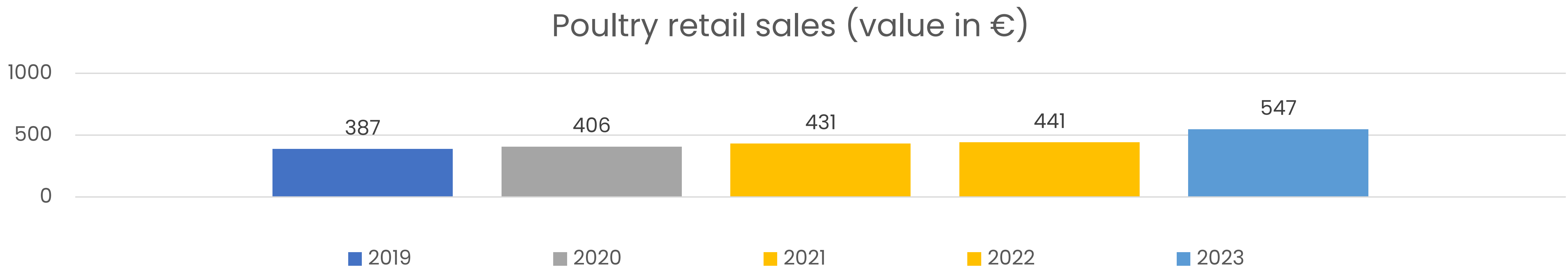
Meat sales



Source: *ISMEA*

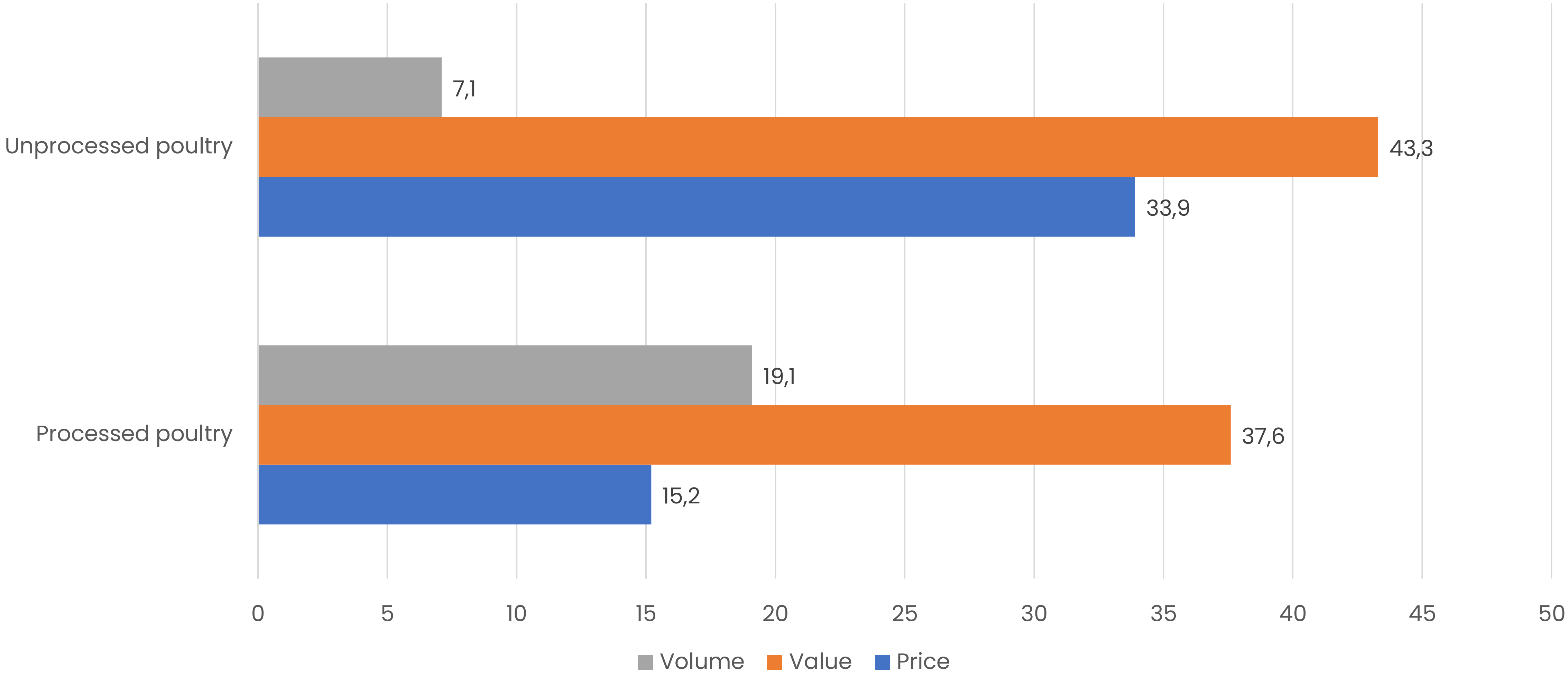
Meat (poultry) home consumption in Q1 2023





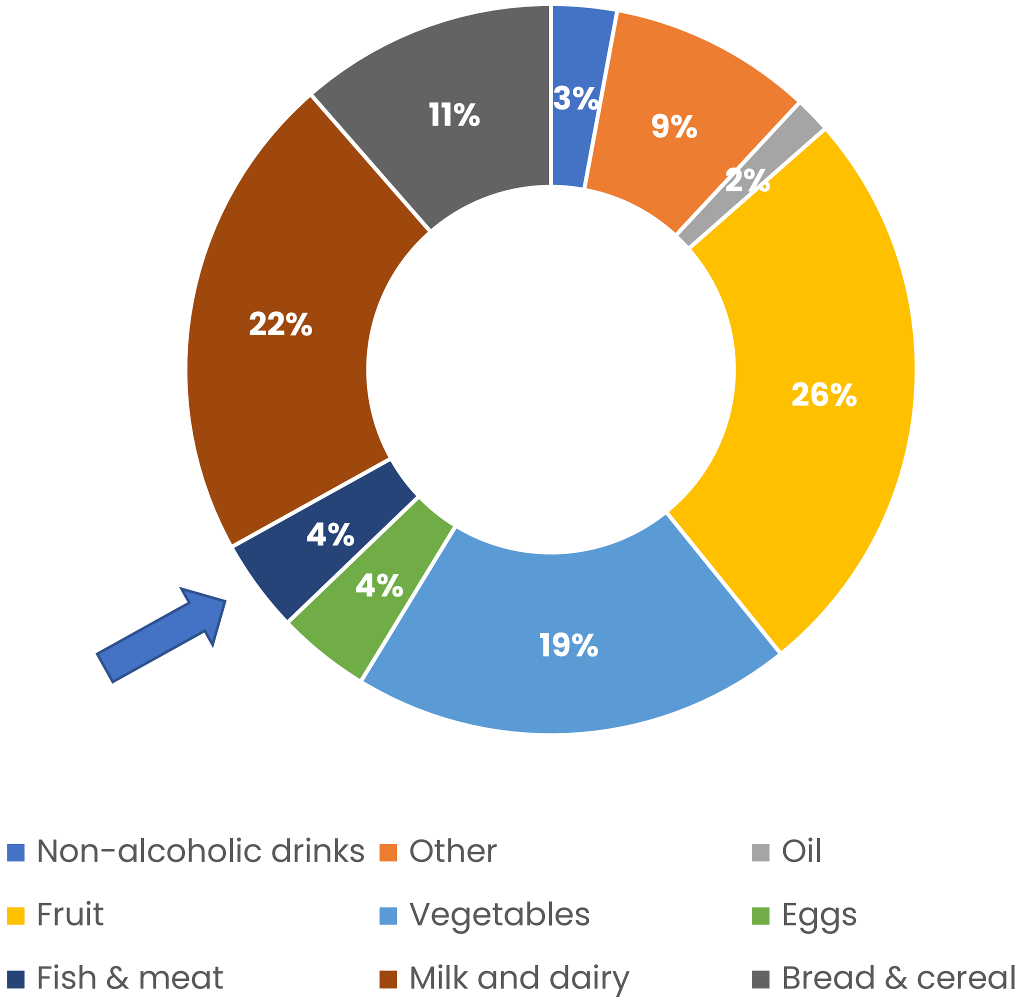
Source: *ISMEA*

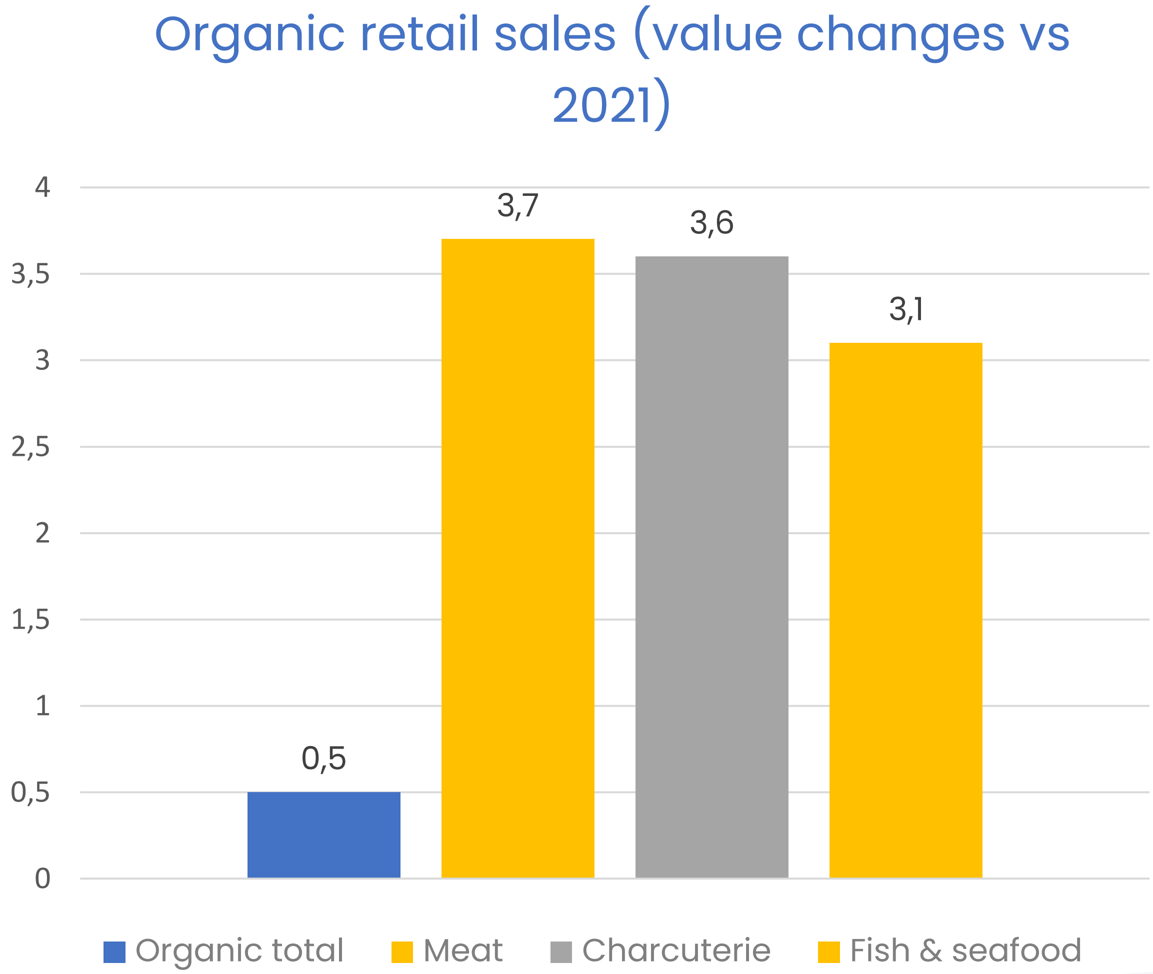
Meat retail indicators 2022: unprocessed vs processed (vs 2021)



Source: *ISMEA*

The organic shopping basket in 2022

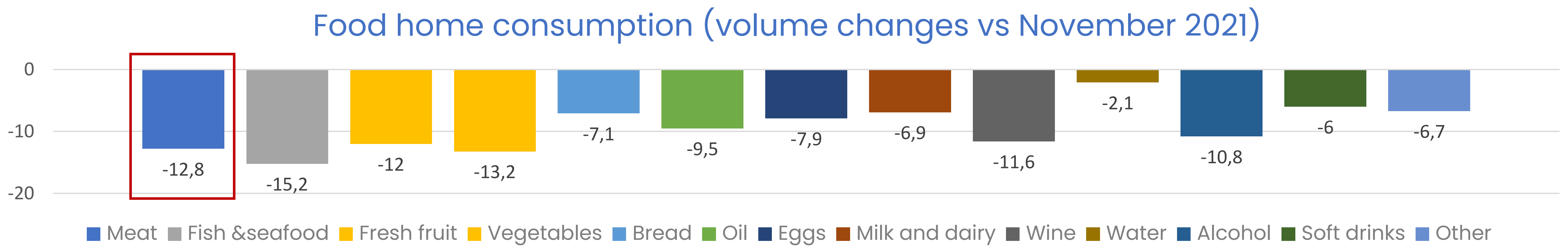


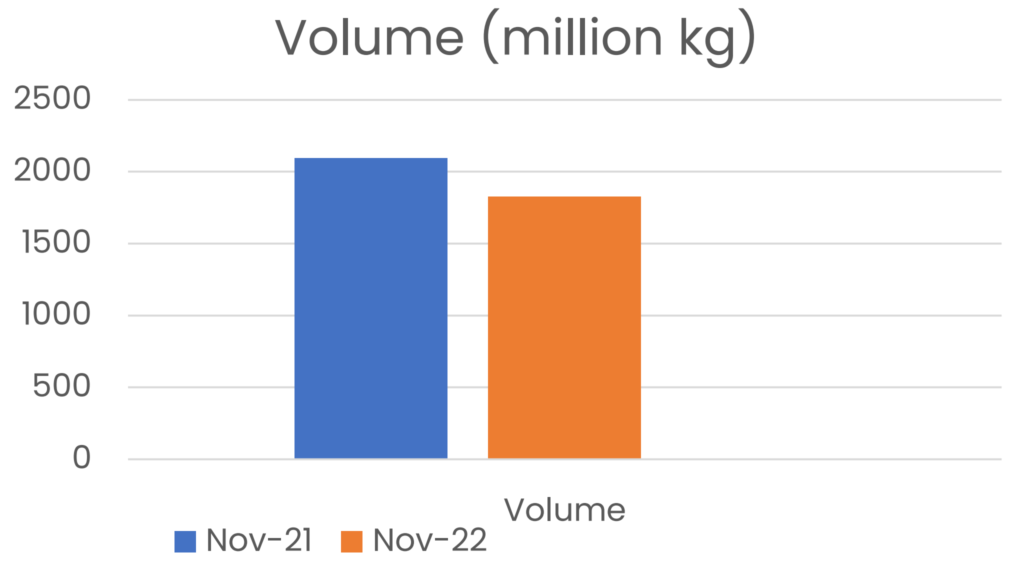


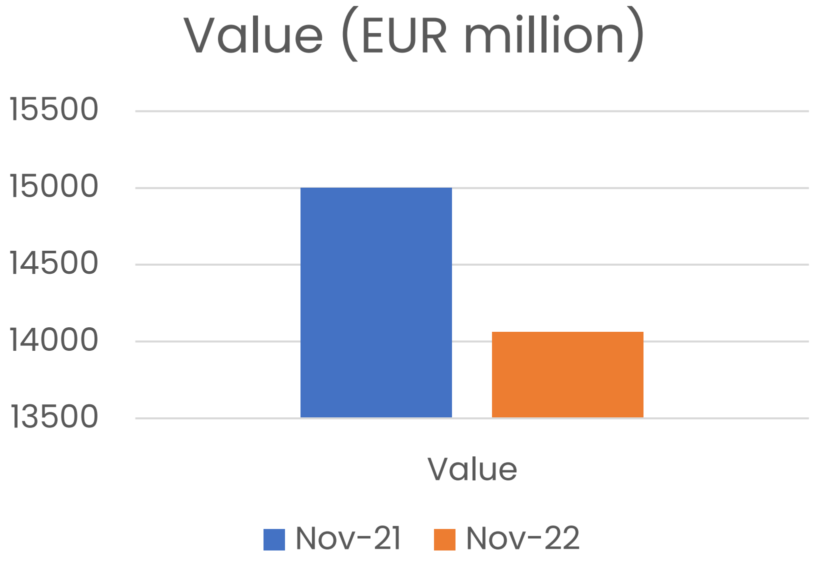
Source: *ISMEA*

Spain

Meat consumption in 2022 (1)



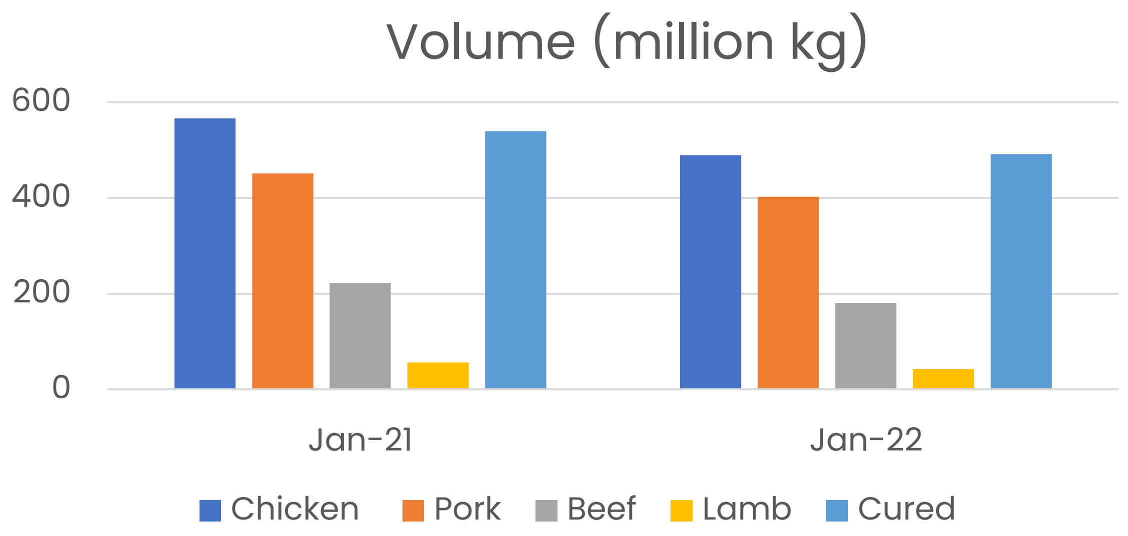


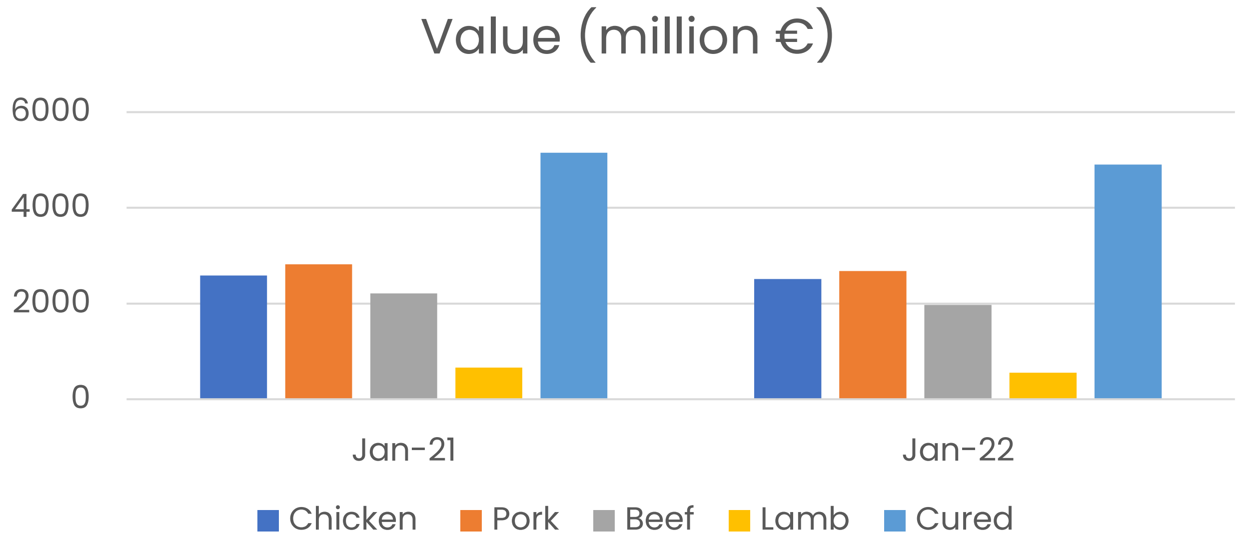


Sales of meat decreased by 12,8% in volume in 2022 compared to 2021 and by 6,3% in value.

Source : *MAPA*

Meat consumption in 2022





Pro-capita home consumption in volume in Spain in 2022:

- -13.5% for poultry;
- -10,7% for pork;
- -18,7% for beef;
- -24,6% for lamb;
- -8.8% for cured meat.

Pro-capita home consumption in Spain in value in 2022:

- -2.8% for poultry;
- -5% for pork;
- -10,8% for beef;
- -16,4% for lamb;
- -4.7% for cured meat.

Source : *MAPA*