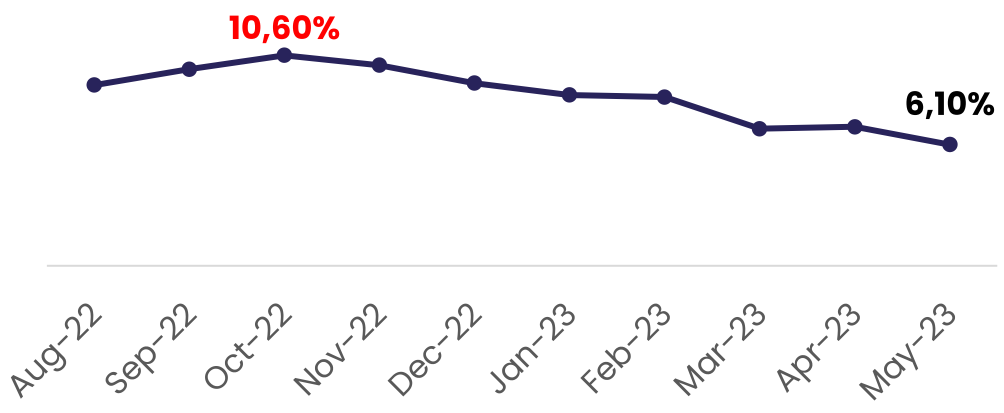
DG AGRI Tomato Market Observatory

A retail perspective

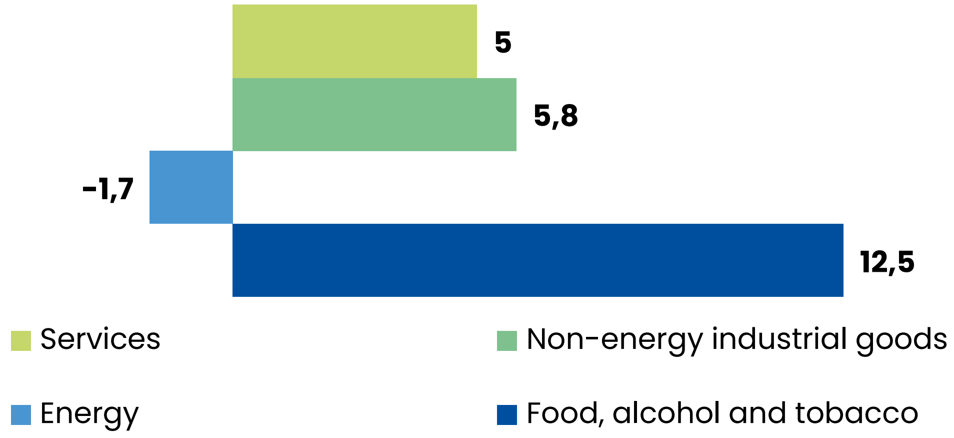
19 June 2023

EuroCommerce
Retail & Wholesale

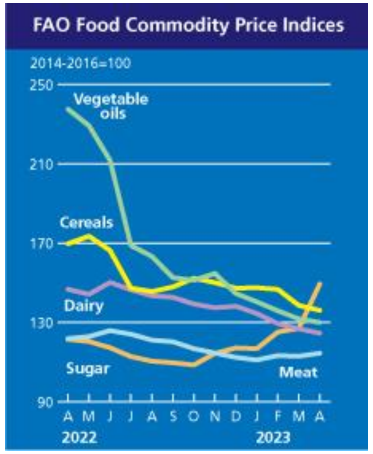
The macroeconomic situation

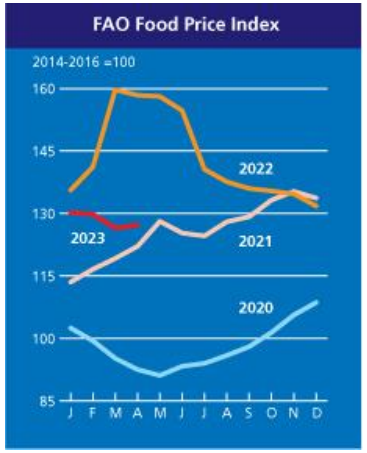


After peaking last October, inflation is slowly decreasing

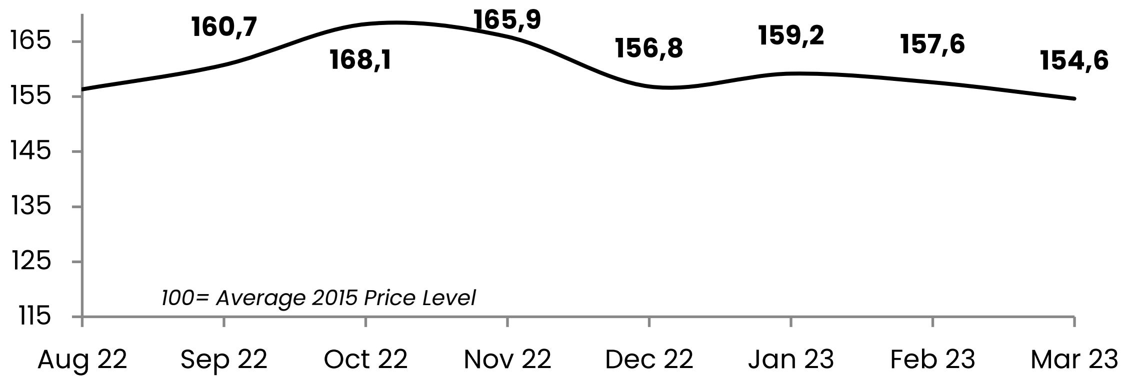


Food inflation remains high at 12,5%





Food prices have been decreasing for a few months



Energy prices have fallen since late 2022

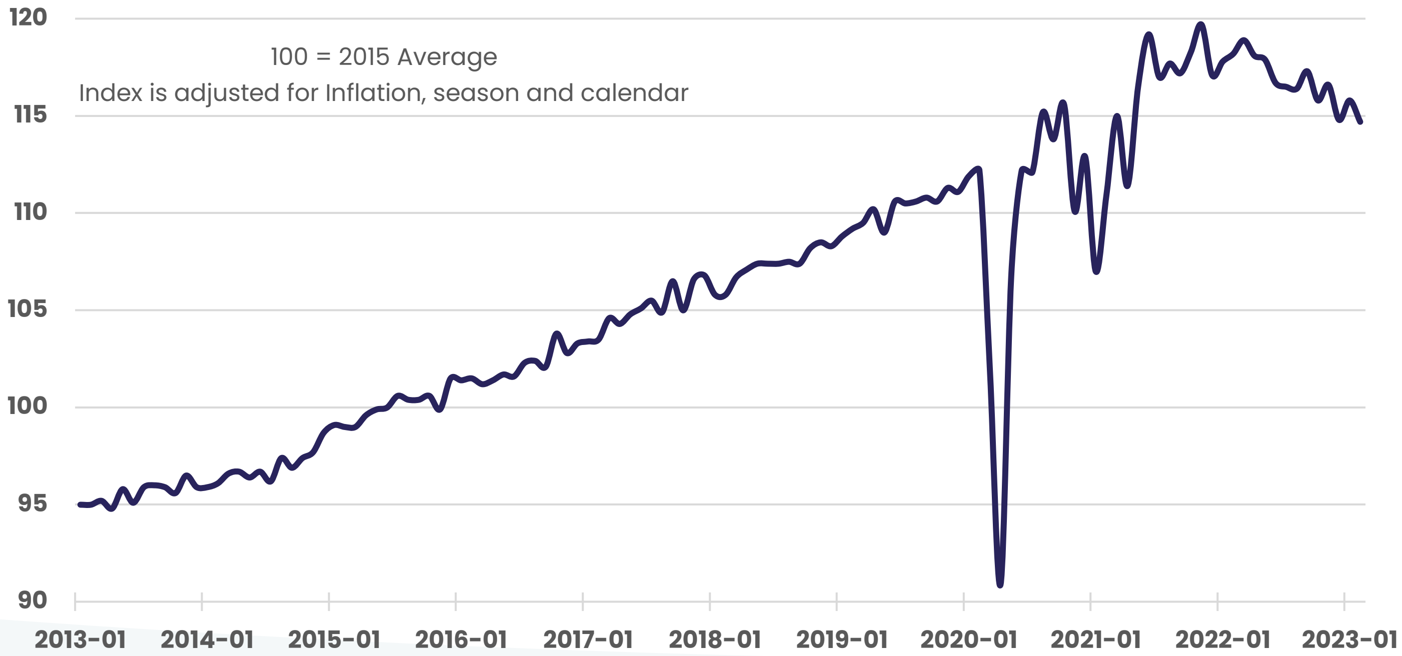
Source: *Eurostat, FAO*

EuroCommerce Retail & Wholesale

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.

04

Sustainability cooperation

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

03

Online growth

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

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

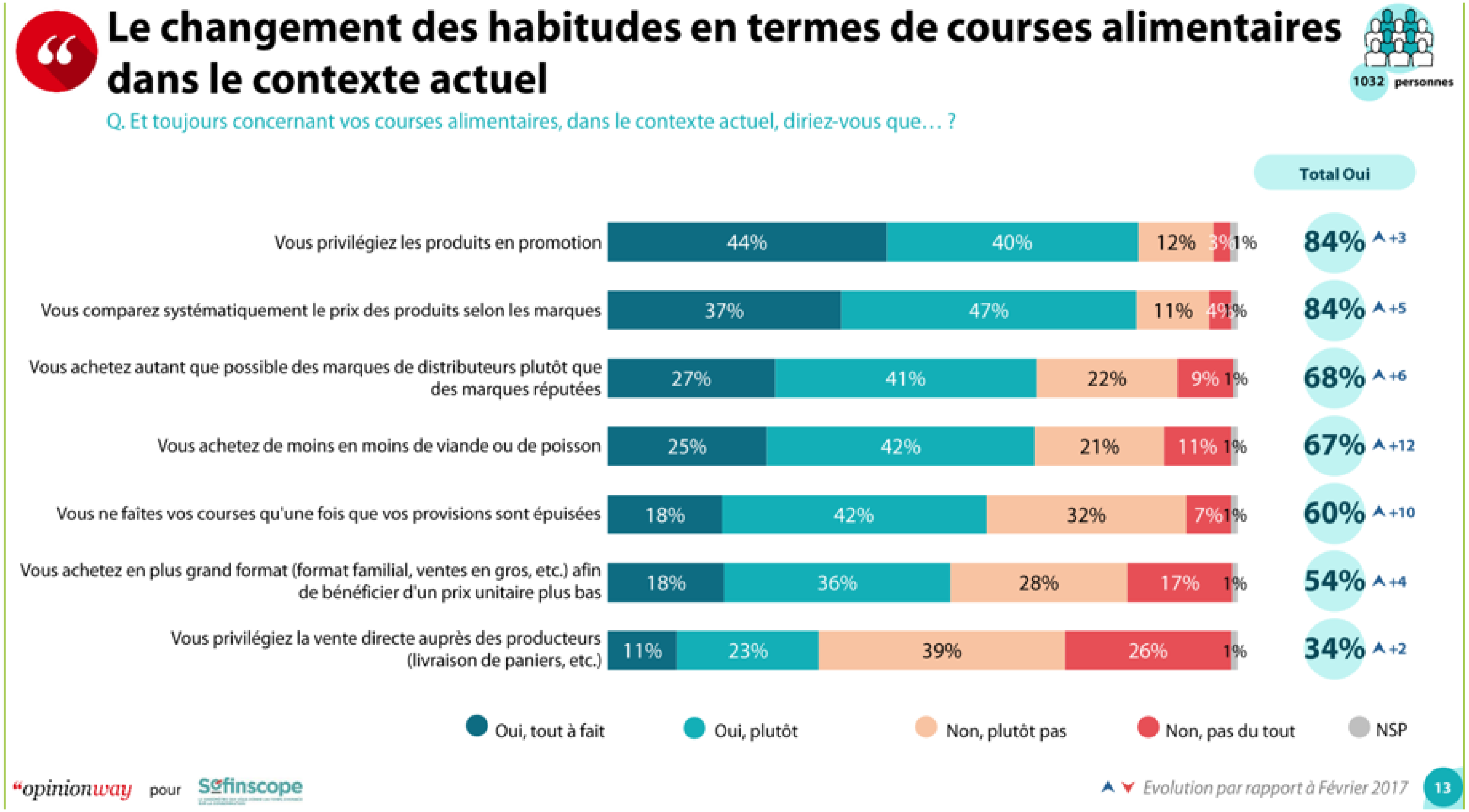
Source: EuroCommerce & McKinsey

EuroCommerce
Retail & Wholesale

France

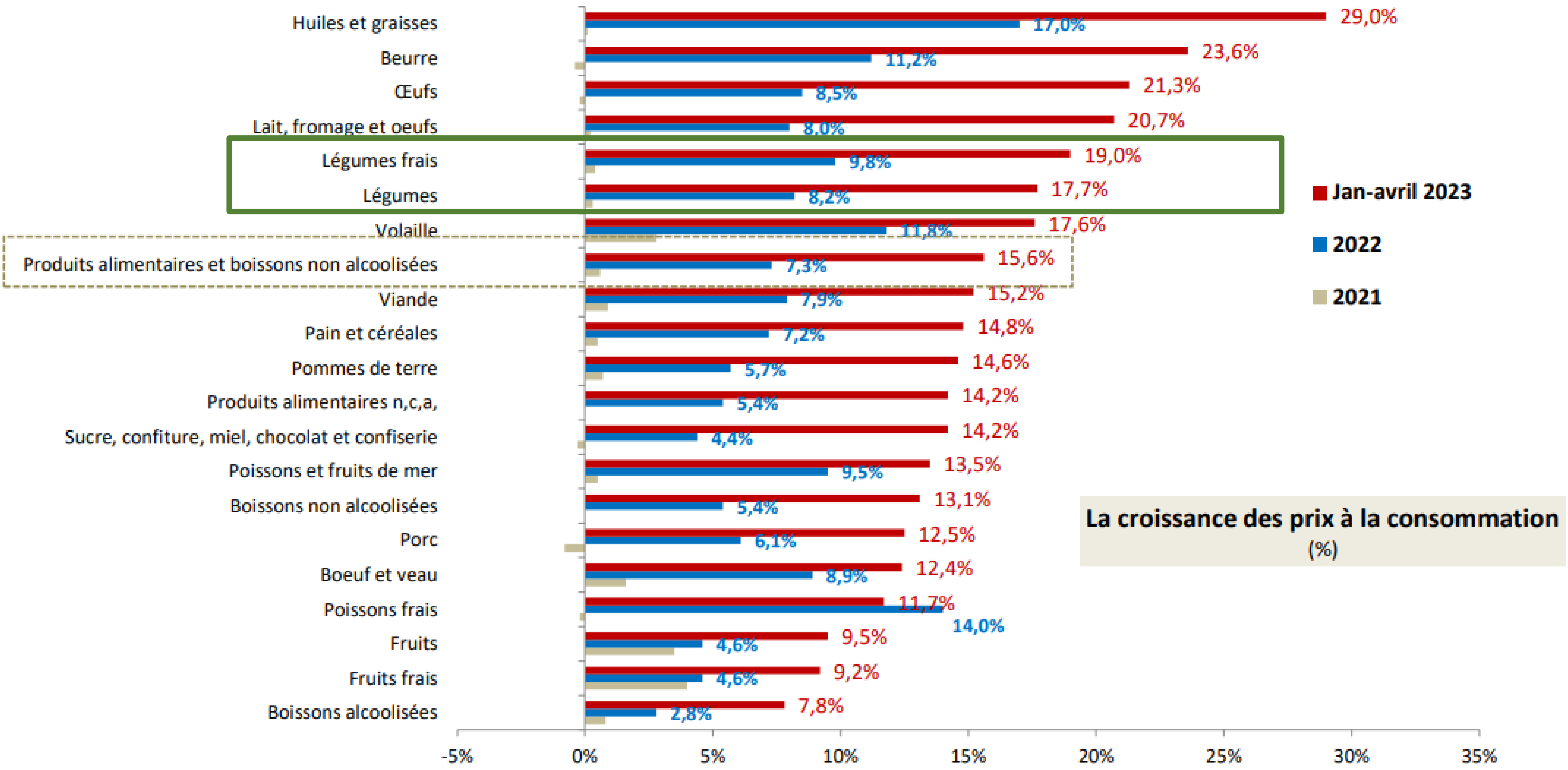
Inflation is changing consumer habits in France

According to the OpinionWay survey conducted in February 2023, 84% of French say they prefer products on special offer (+3 points compared to 2017). 84% systematically compare product prices by brand (+5 points) and 68% buy private labels as much as possible (+6 points). 67% are buying less and less meat or fish (+ 12 points).



Source : Sofinscope, February 2023

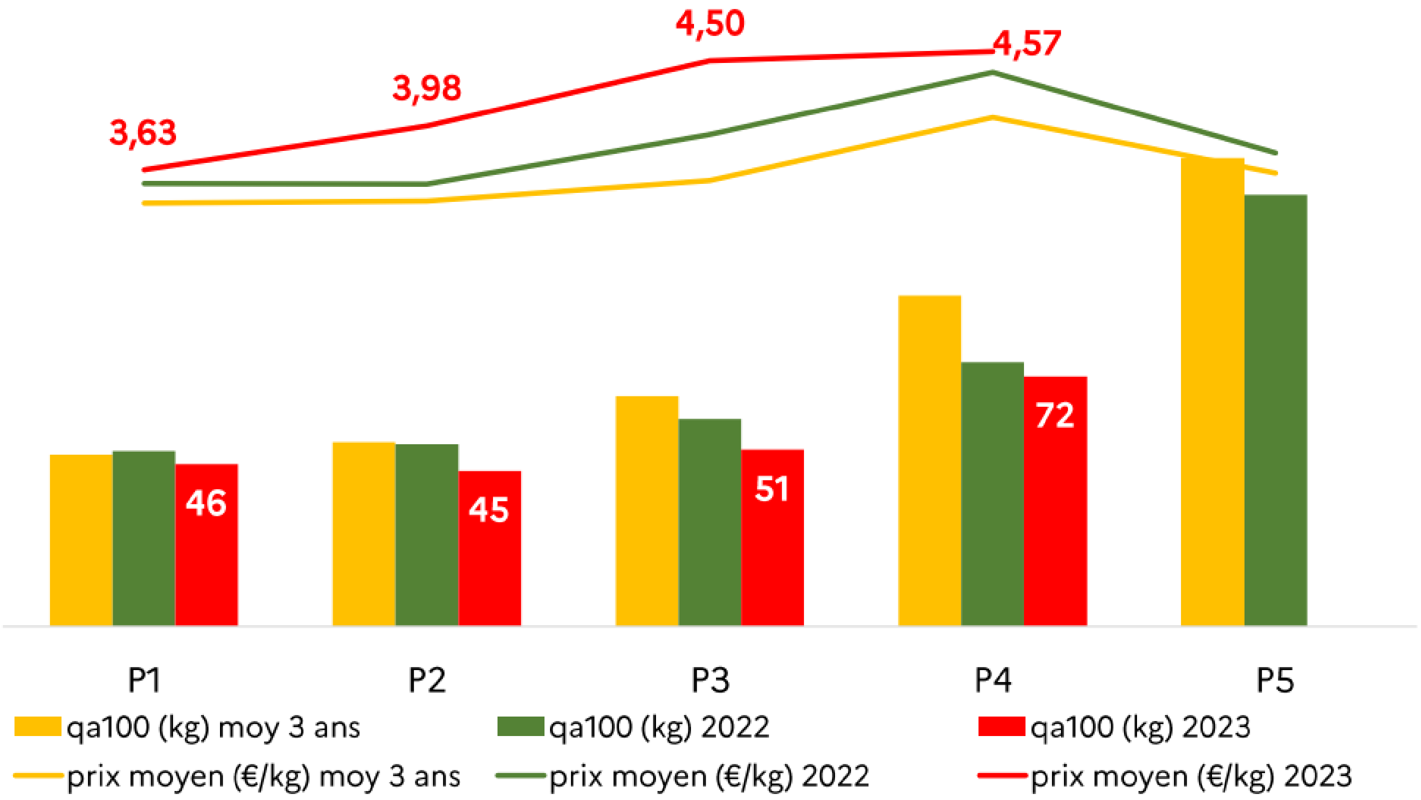
Focus on food inflation



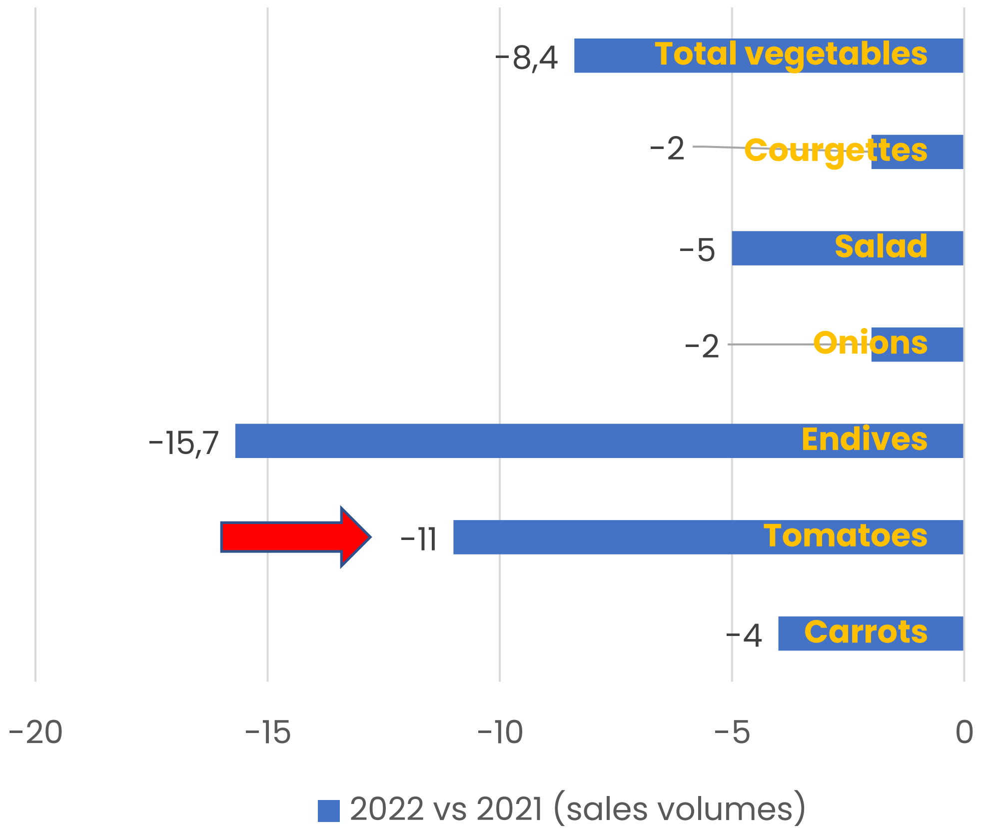
Source : *INSEE - dernière donnée avril 2023*

Vegetables sales and prices in 2022 and 2023

Tomatoes sales volumes and prices in France in 2023



Vegetable sales volumes (2022 vs 2021)

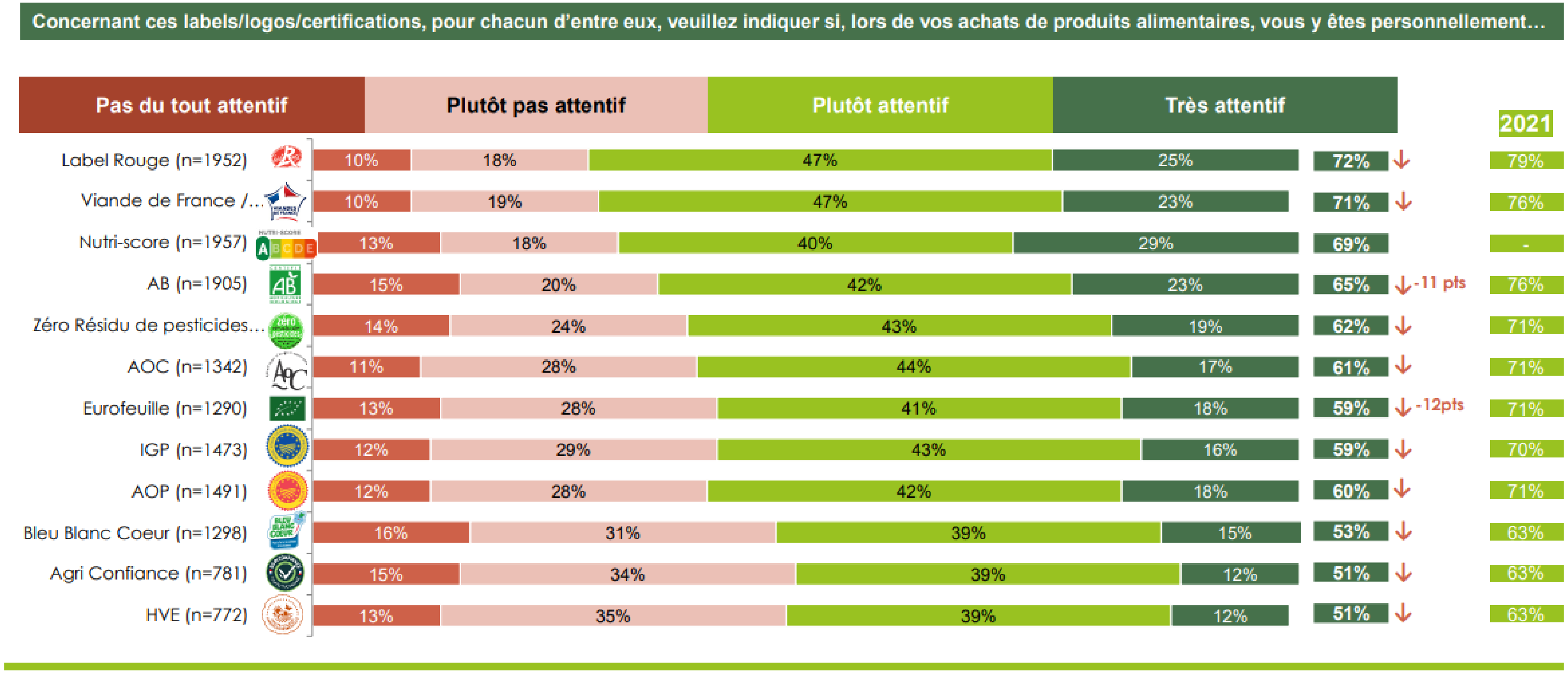


Source : *Agrimer*

Organic market: the French are less interested in the organic label

□ Loss of consumer interest in the organic label in France in 2022
□ Loss of consumer confidence in the French organic label in France in 2022 (85% in 2022 vs 91% in 2021) and in the European label (65% in 2022 vs 76% in 2021)

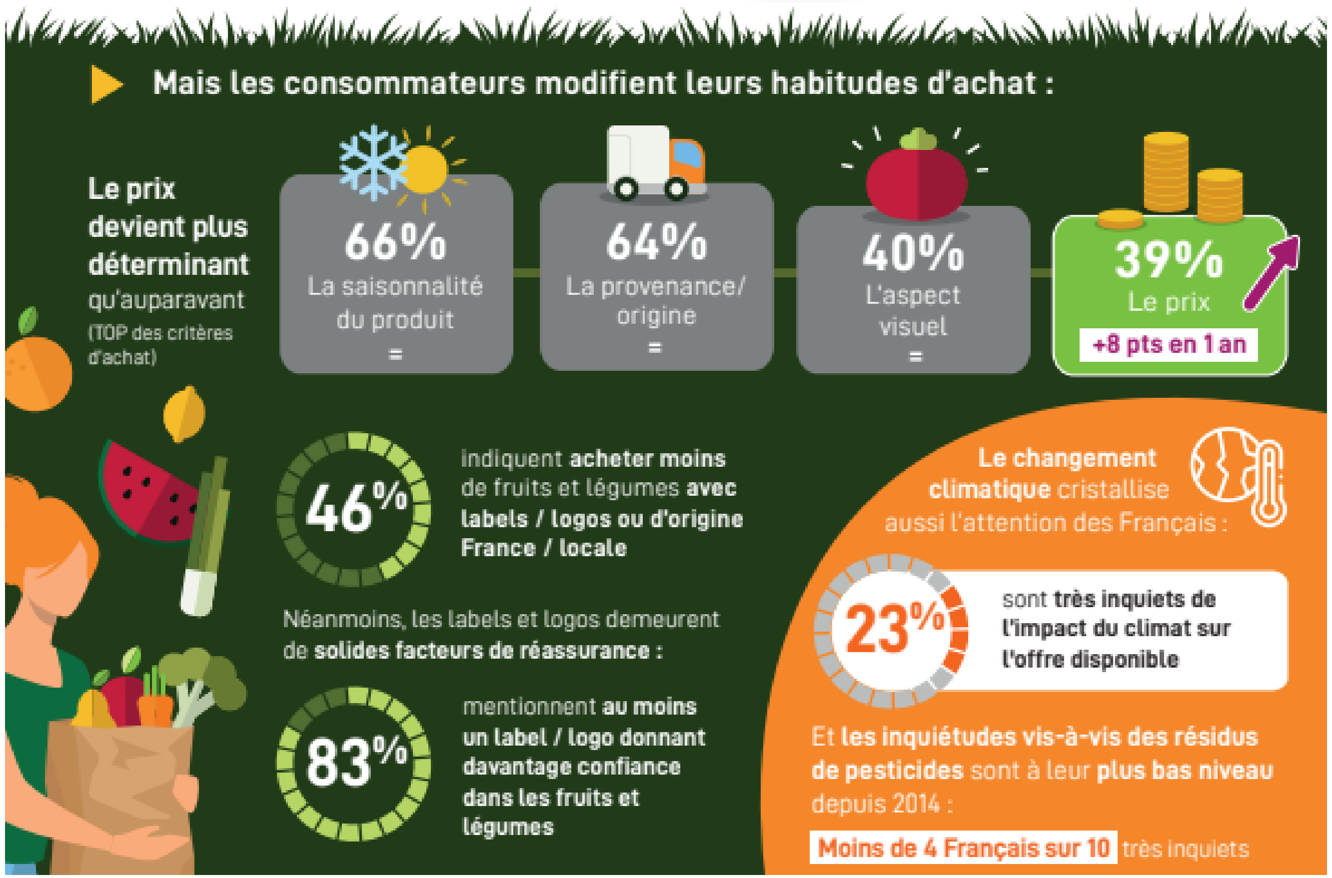
Concerning these labels/logos/certifications, for each of them, please indicate whether you personally pay attention to them when buying food products…



Source : Baromètre des produits biologiques en France, 2022

Consumers in a cost-of-living crisis

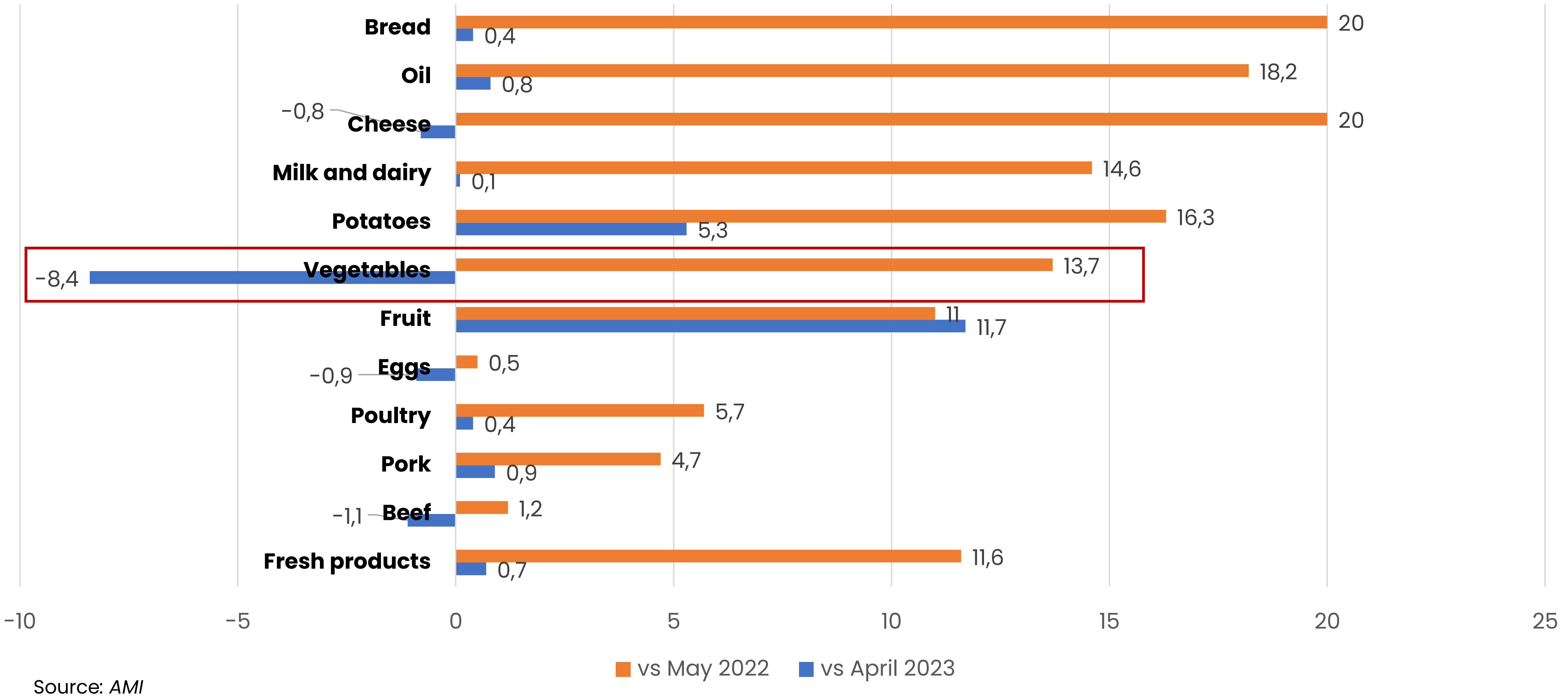
96% of French consumers want to continue buying fresh fruit and vegetables



Source: *Agrimer*

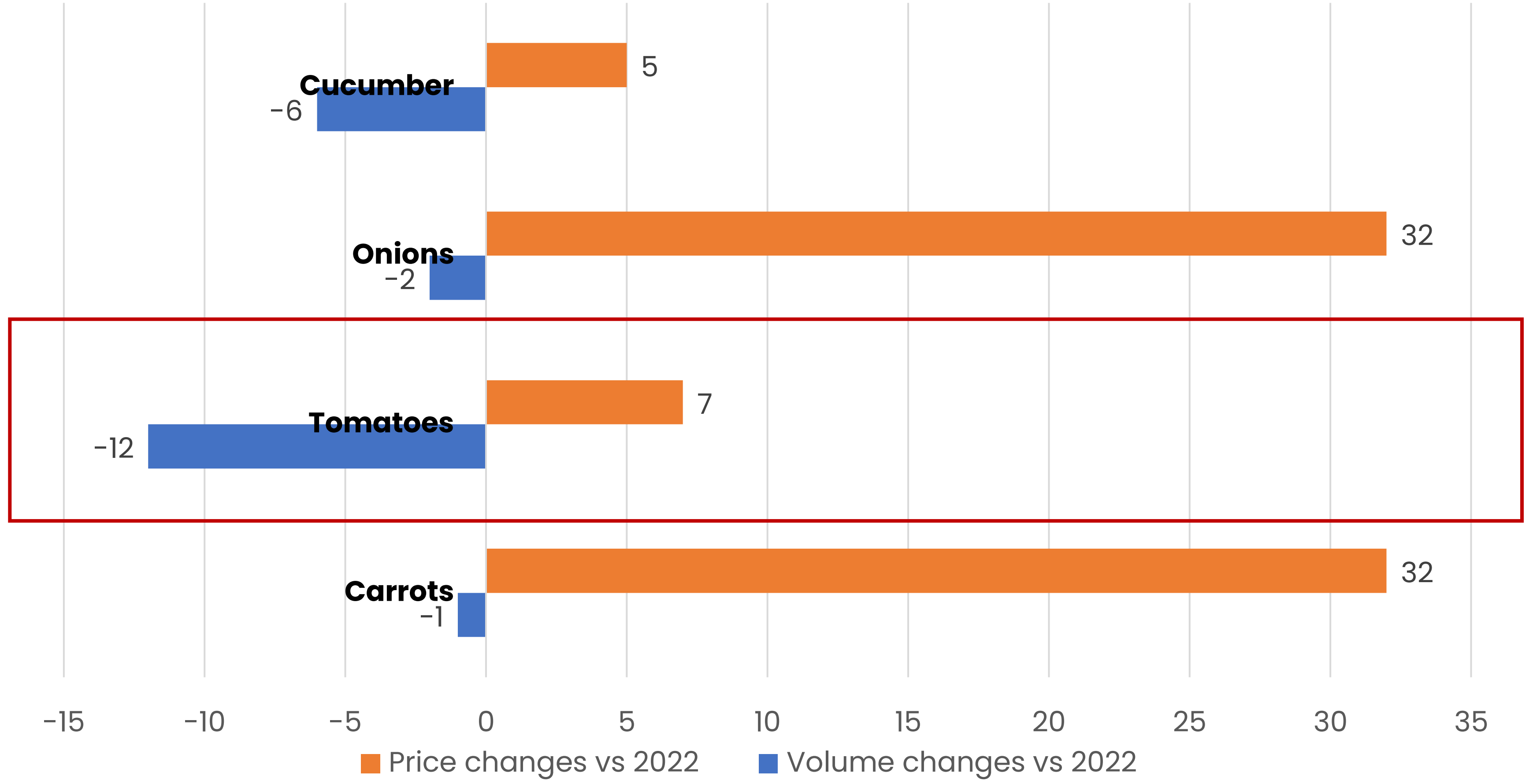
Germany

Focus on food inflation



Source: *AMI*

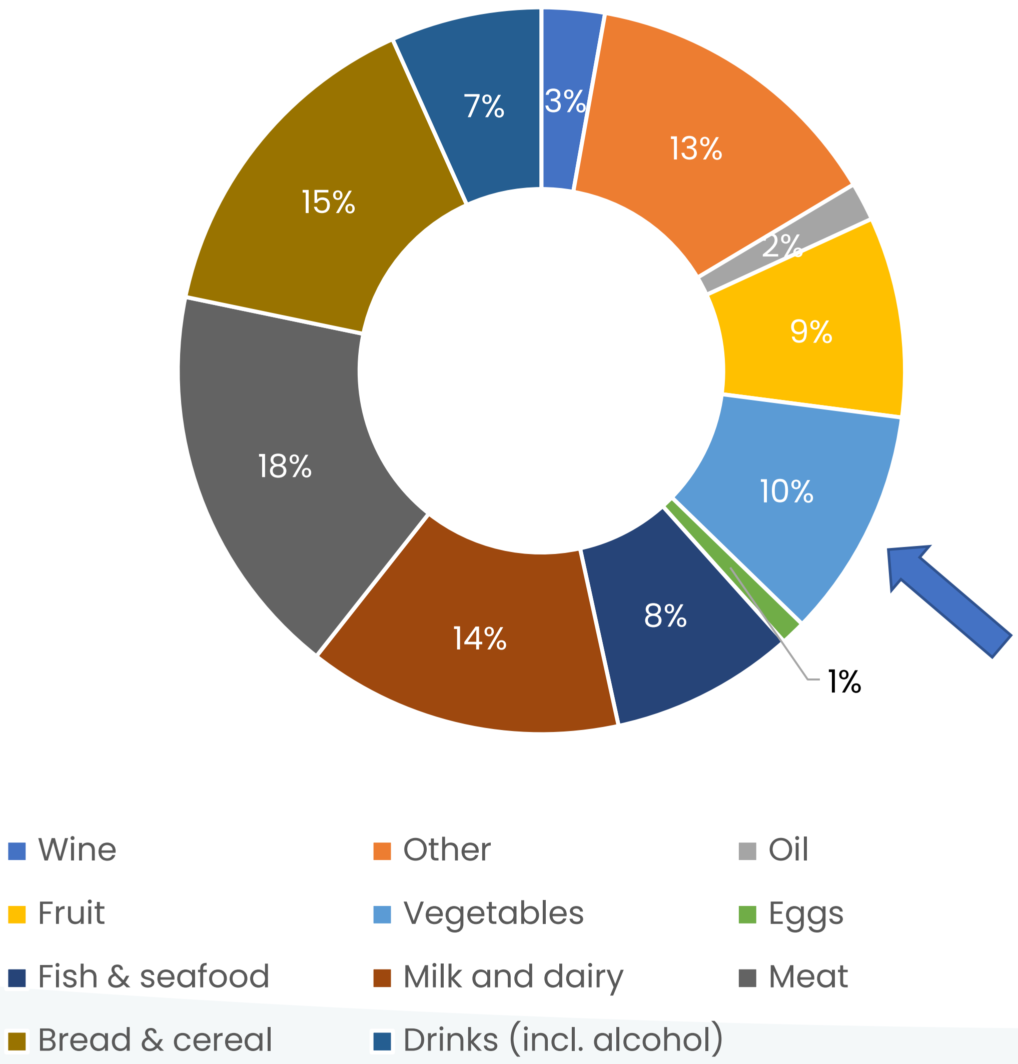
Vegetables sales and prices

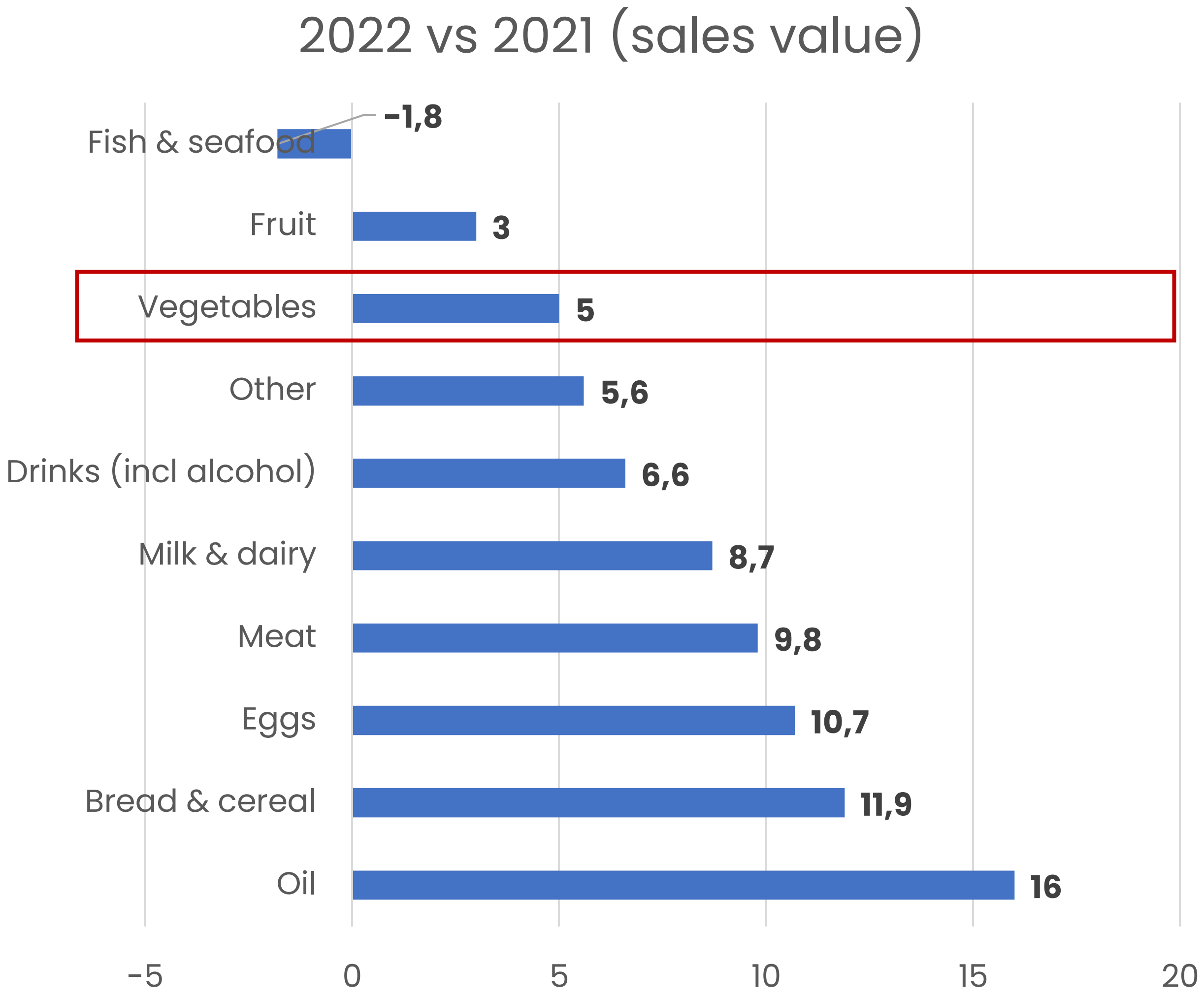


Source: *AMI*

Italy

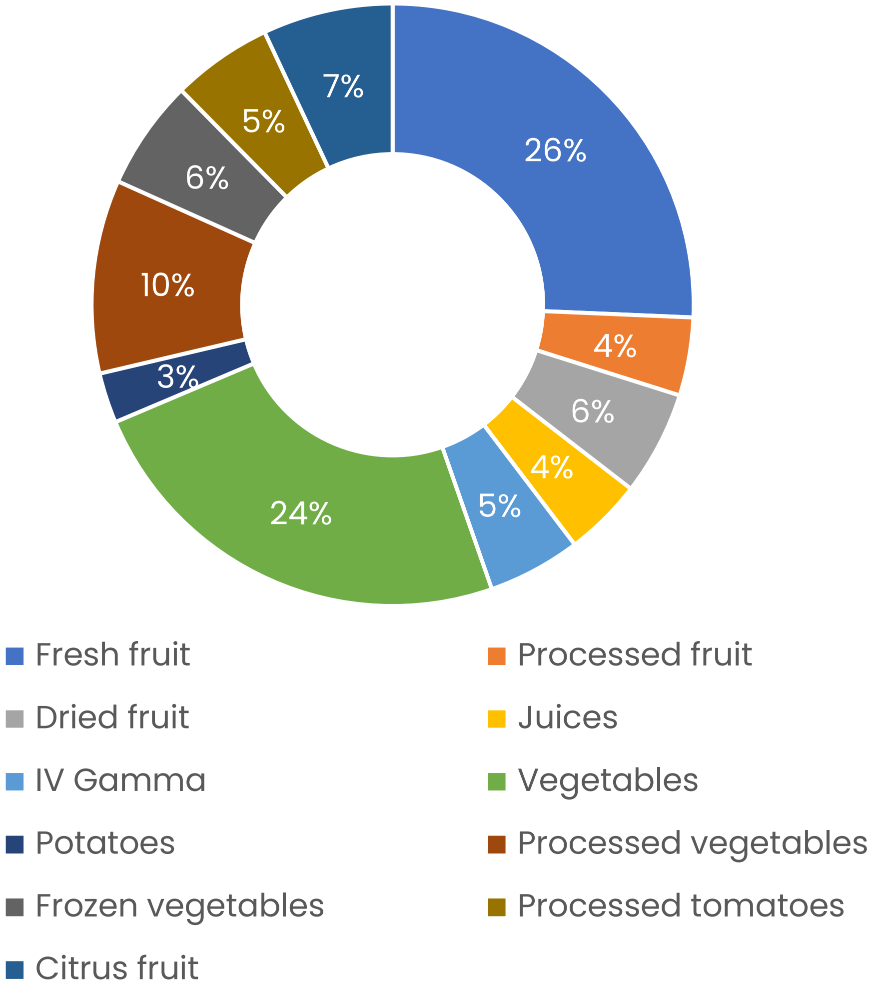
The shopping basket in 2022



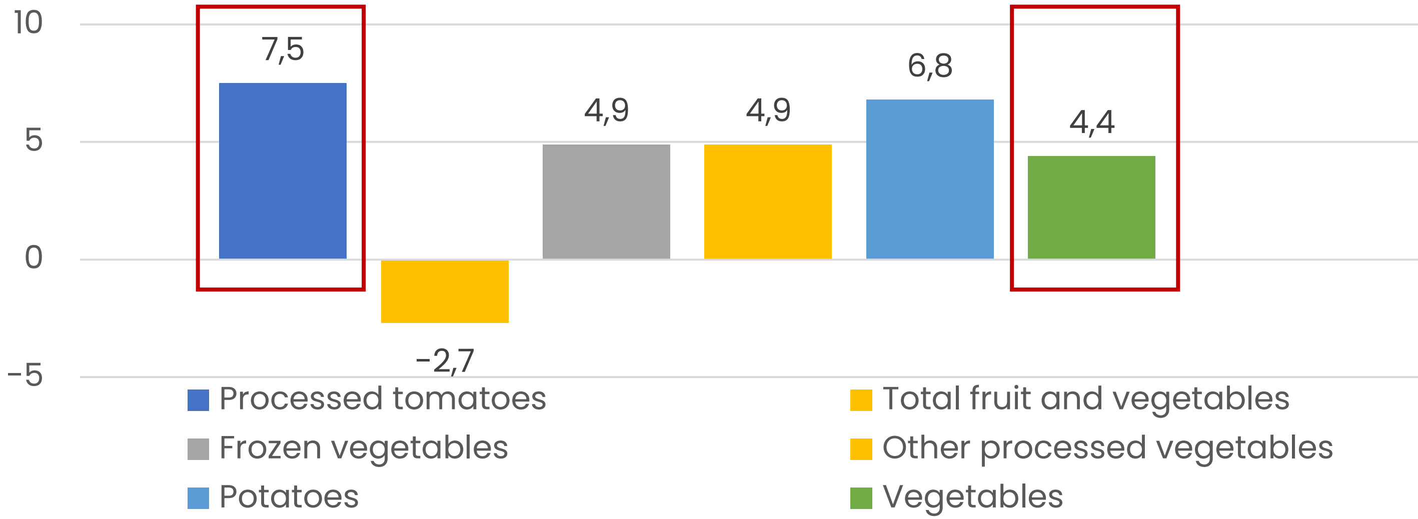


Source: *ISMEA*

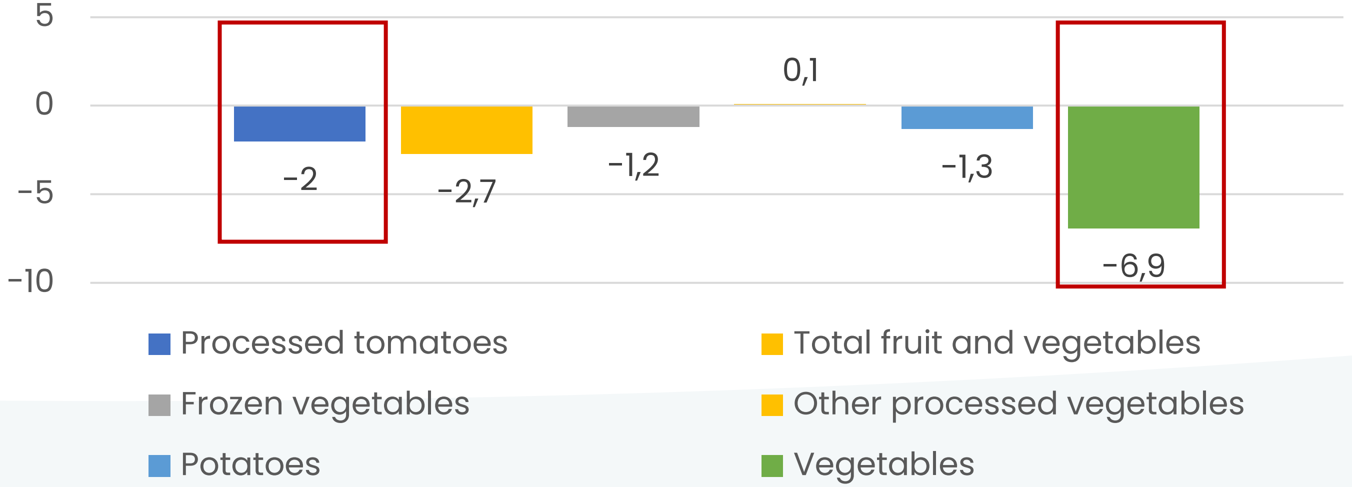
Vegetables sales in 2022



Vegetables retail sales (value changes vs 2021)

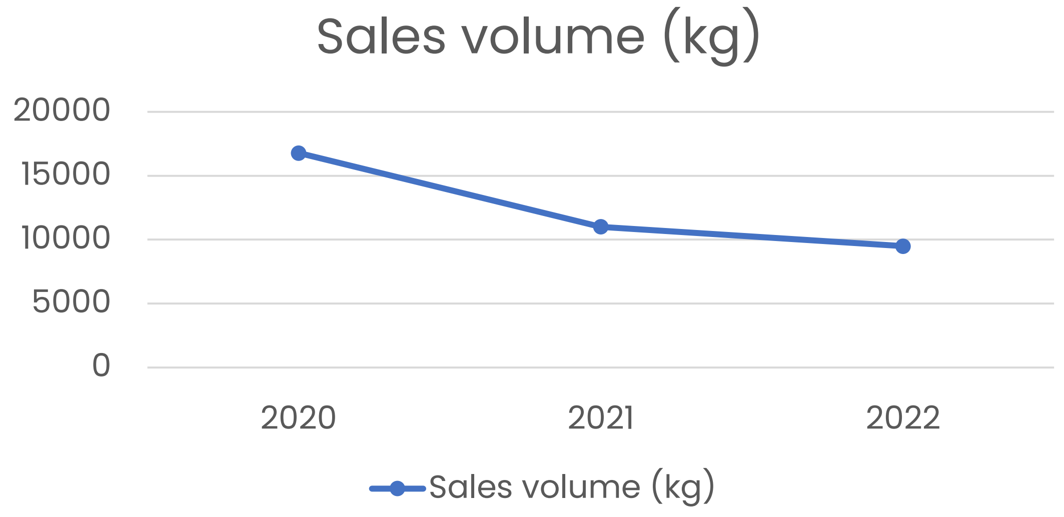


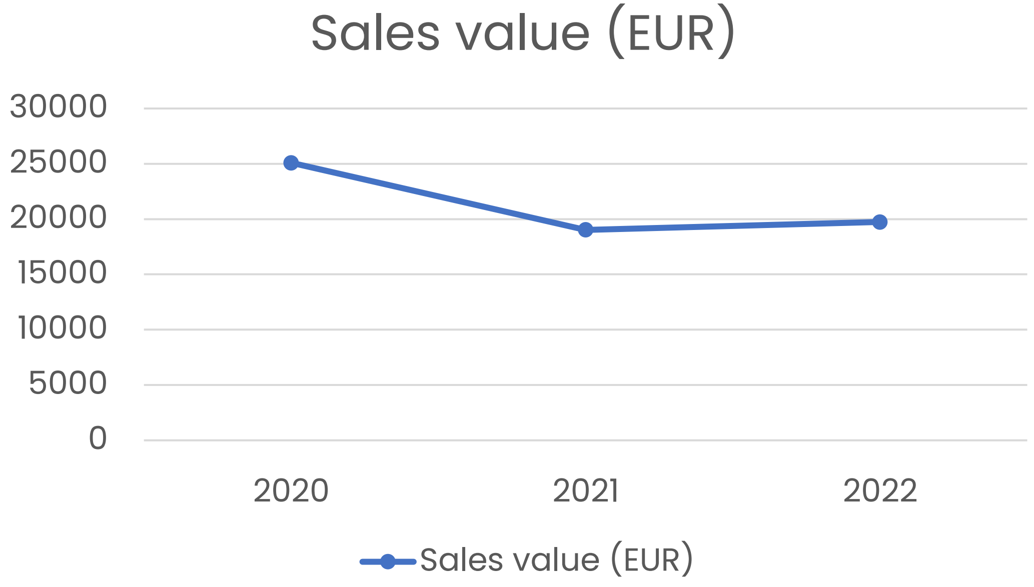
Vegetables retail sales (volume changes vs 2021)

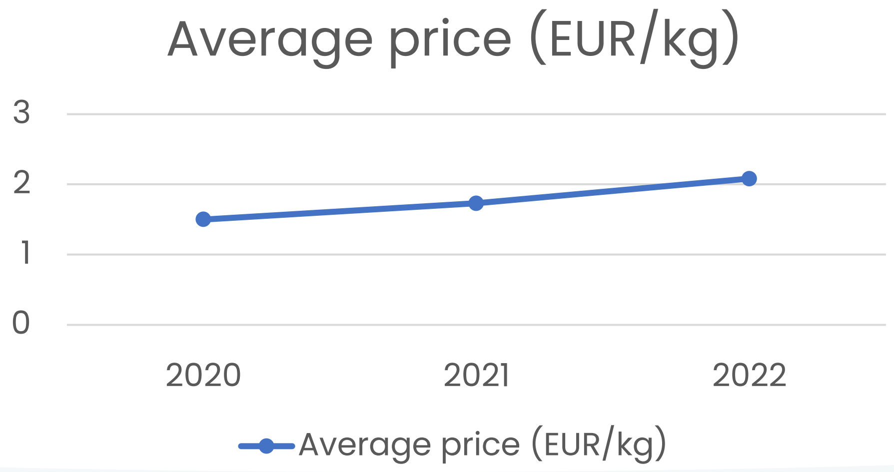


Source: *ISMEA*

Vegetables sales and prices– focus on geographical indications

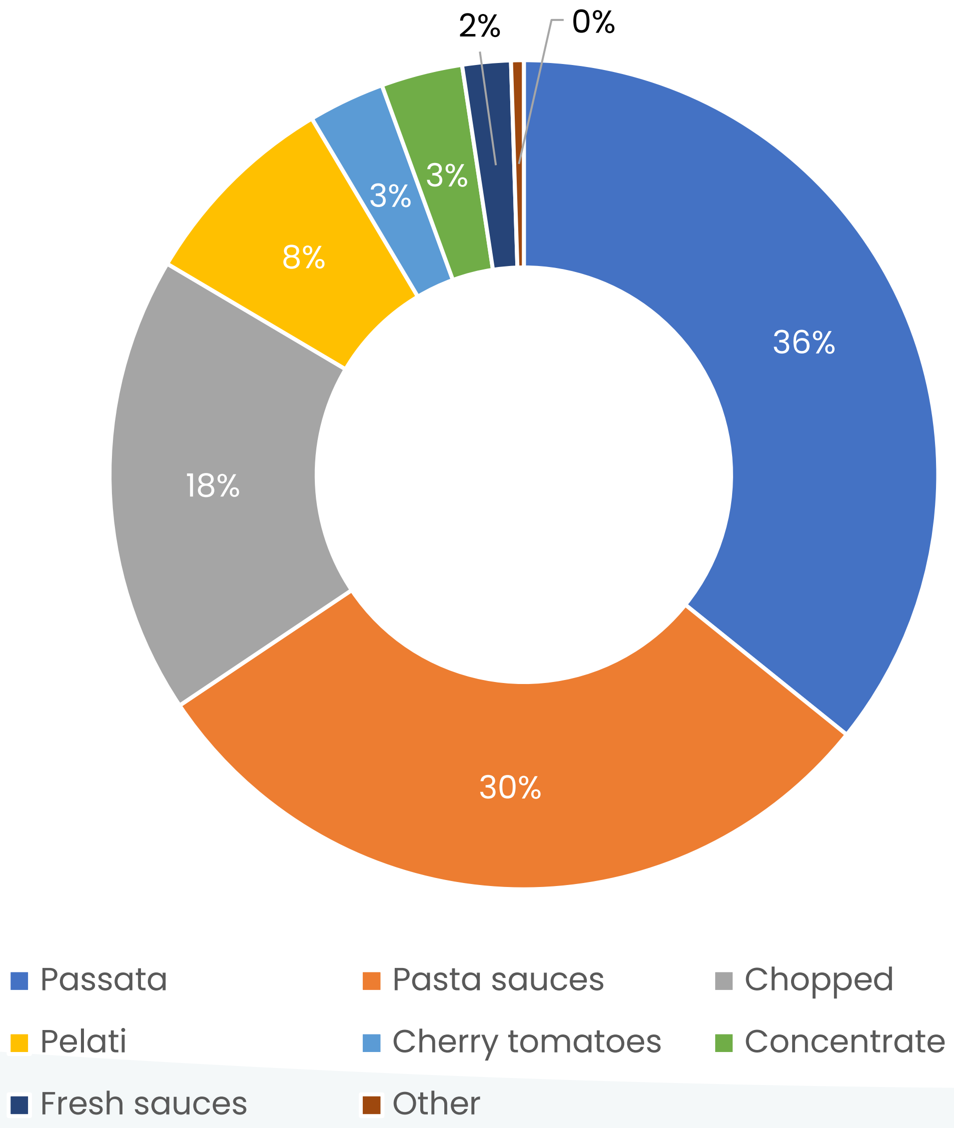


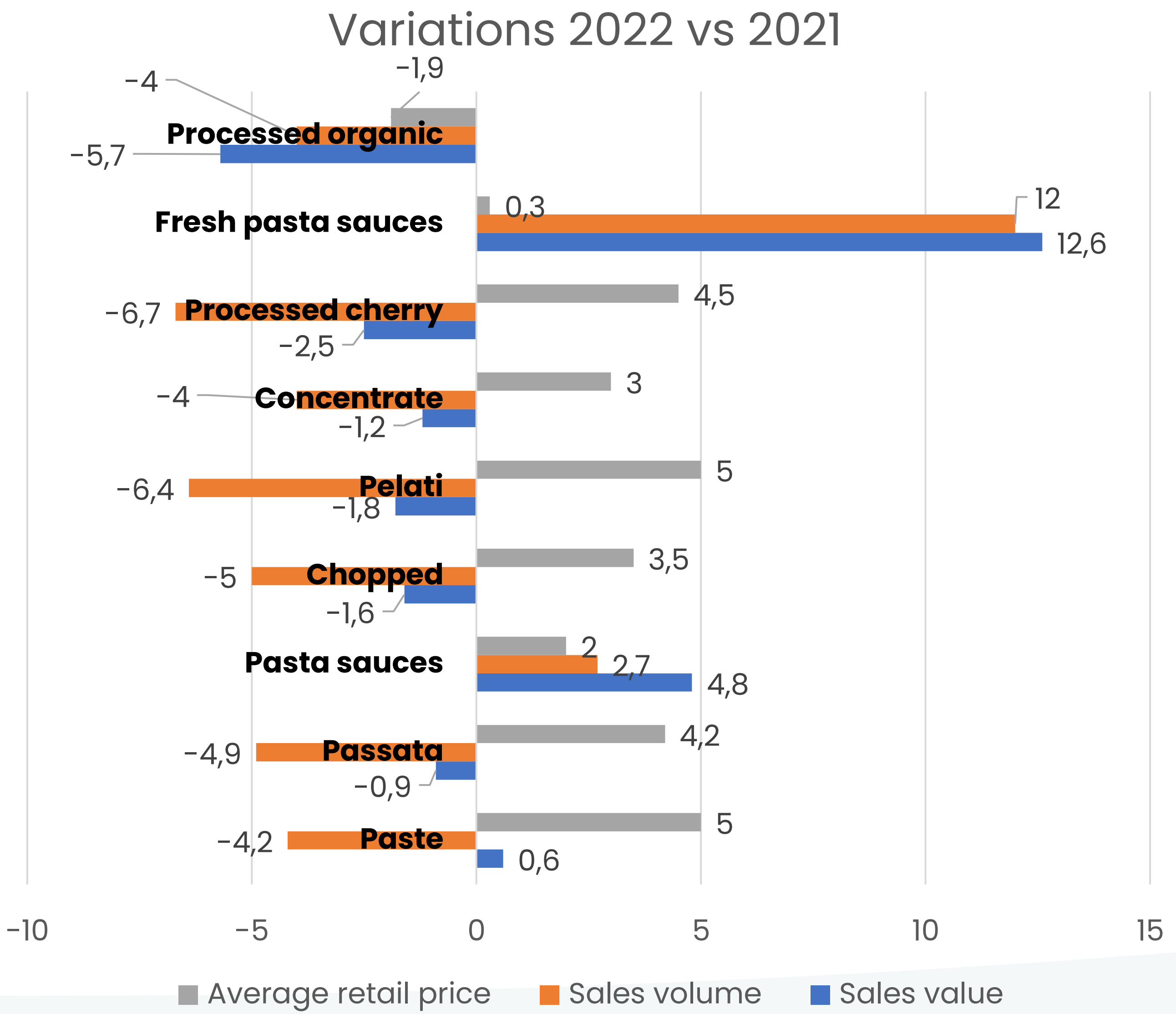




Source: *ISMEA*

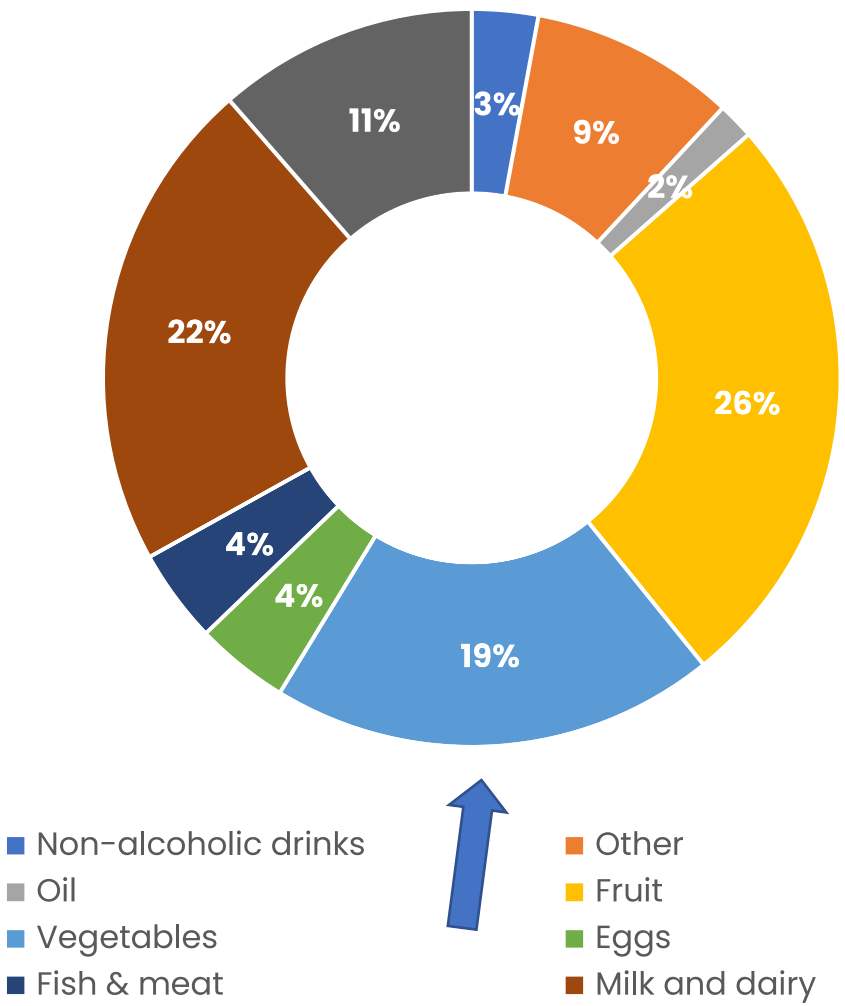
The processed tomatoes basket in 2022

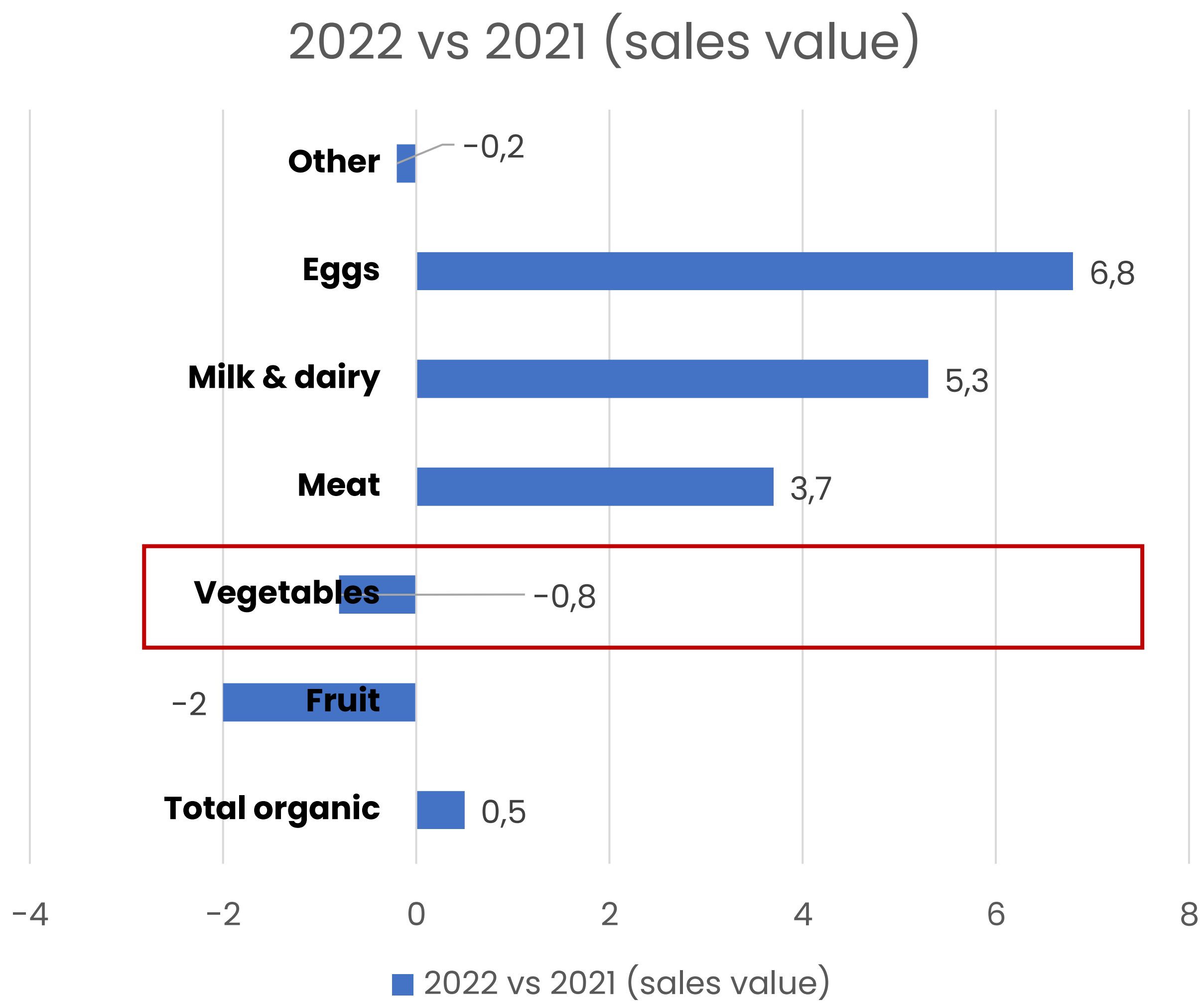




Source: *ISMEA*

The organic shopping basket in 2022

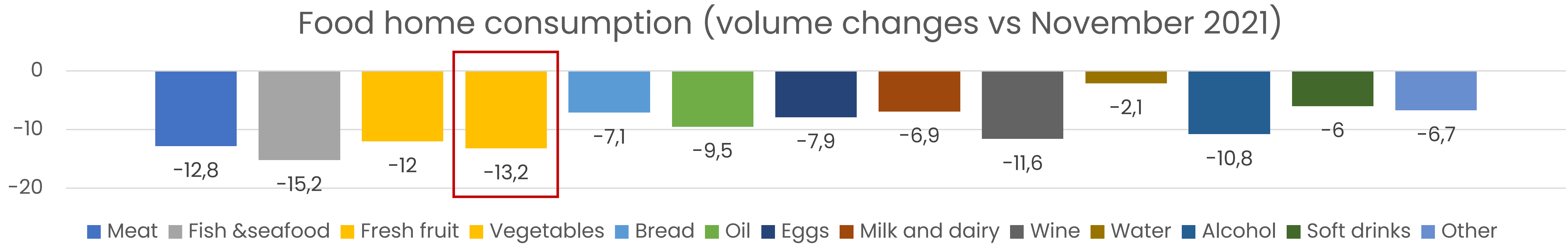


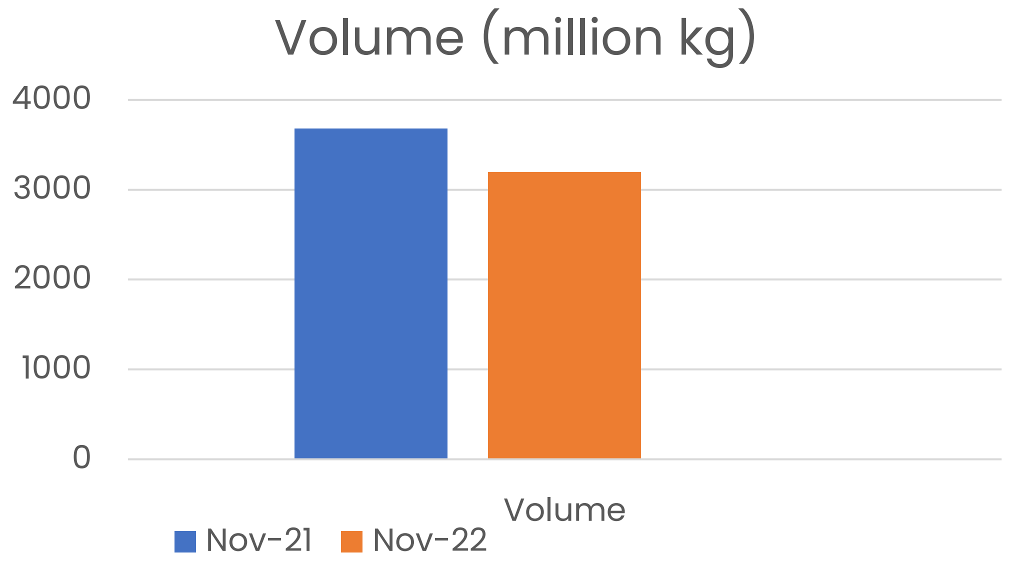


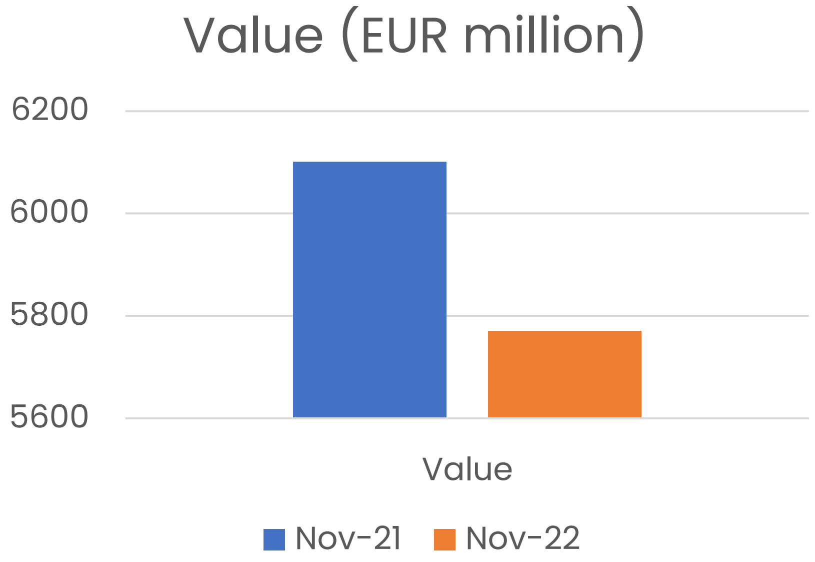
Source: *ISMEA*

Spain

Vegetables consumption in 2022 (1)



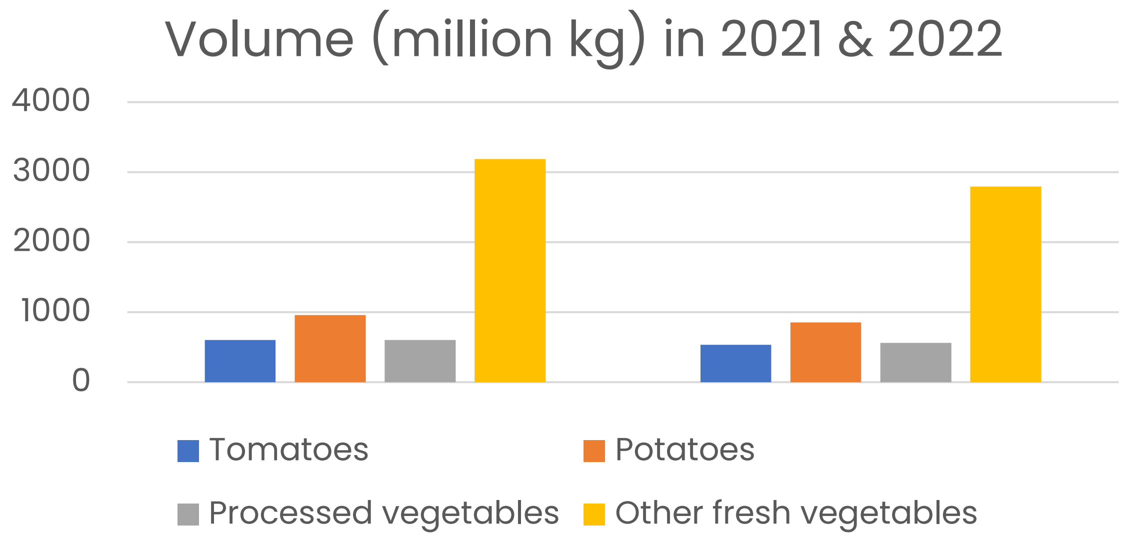




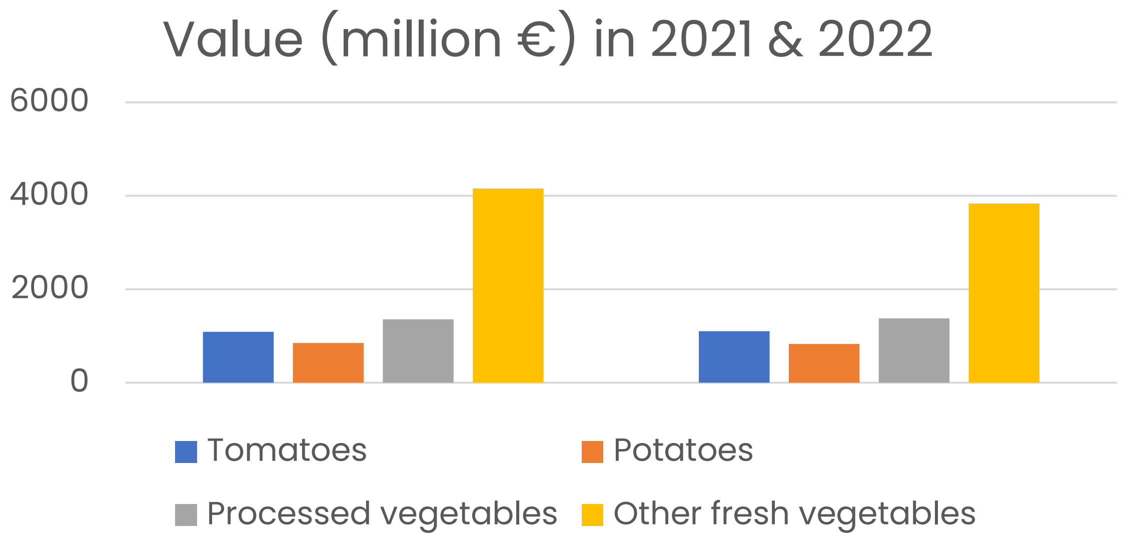
Sales of vegetables decreased by 13,1% in volume in 2022 compared to 2021 and by 5,4% in value.

Source : *MAPA*

Vegetables consumption in 2022 (1)



Pro-capita home consumption in volume in Spain in 2022:
- -11.3% for tomatoes;
- -10.9% for potatoes;
- -7% for processed vegetables;
- -13.7% for other vegetables.



Pro-capita home consumption in value in Spain in 2022:
- +1.1% for tomatoes;
- -2.6% for potatoes;
- +1.5% for processed vegetables;
- -7.7% for other vegetables.

Source : *MAPA*