



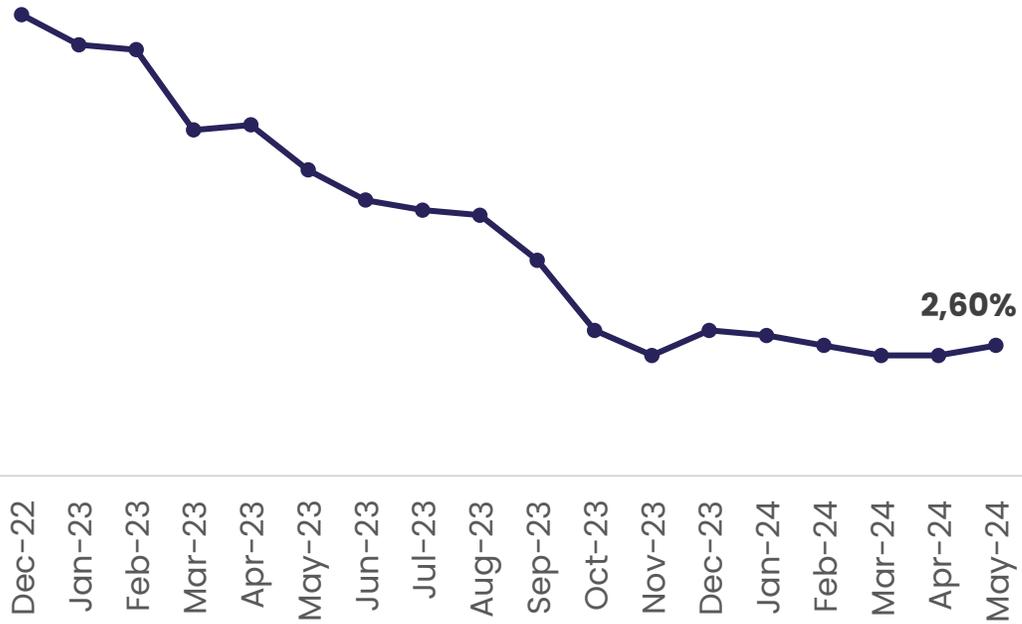
DG AGRI Tomato Market Observatory

A retail perspective

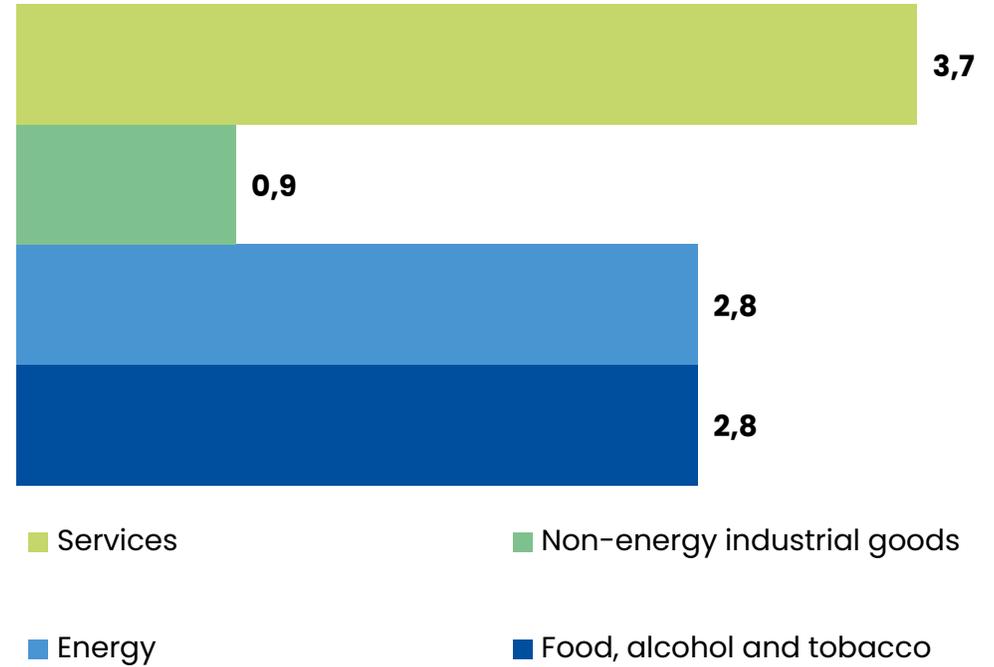
21 June 2024



The macroeconomic situation



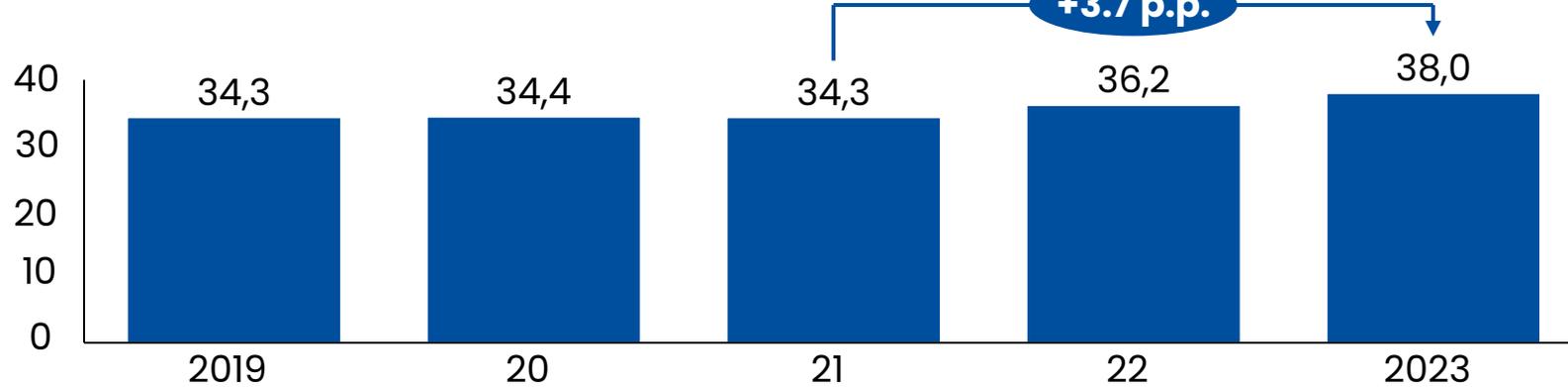
After peaking in 2022, inflation is decreasing



Food inflation remains higher

2023: The year of downtrading

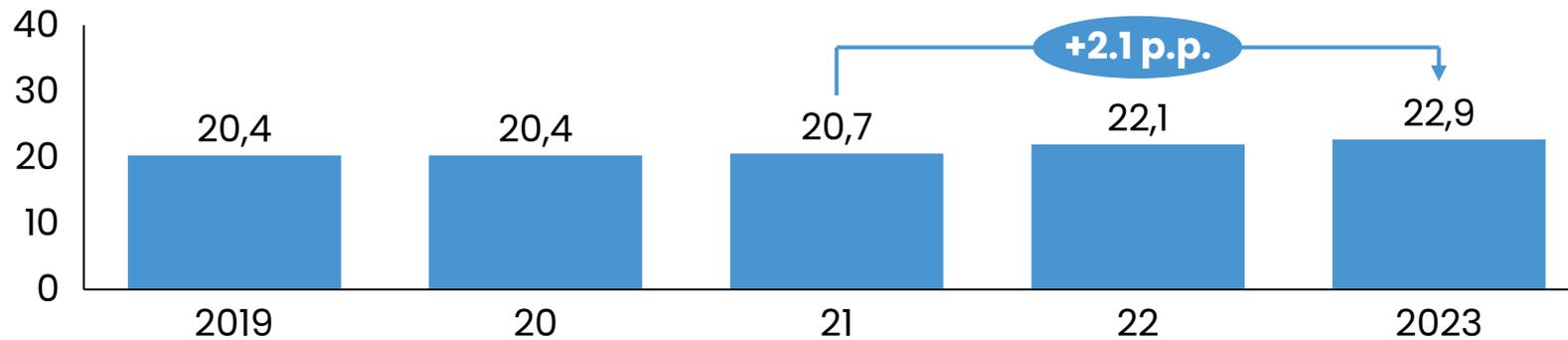
Private label share of total grocery, EU-11, %



Countries

UK, DE, FR, IT, ES, NL, CH, PL, SE, BE, DK

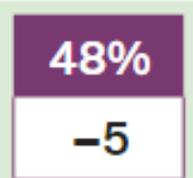
Discounter channel share of total grocery, EU-11, %



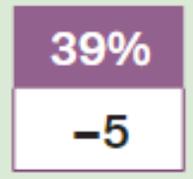
Consumers in a cost-of-living crisis

Consumers have downtraded when shopping, but things are looking up

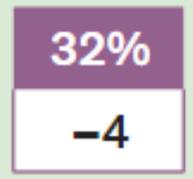
Look for ways to save money when shopping



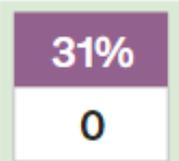
Actively research for best promotion



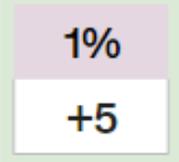
Buy store's own food brands instead of known brands



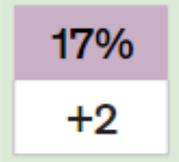
Focus on healthy eating and nutrition



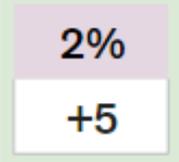
Pay a higher price to get a healthier product



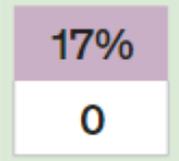
Buy products from local producers and farmers



Buy organic products



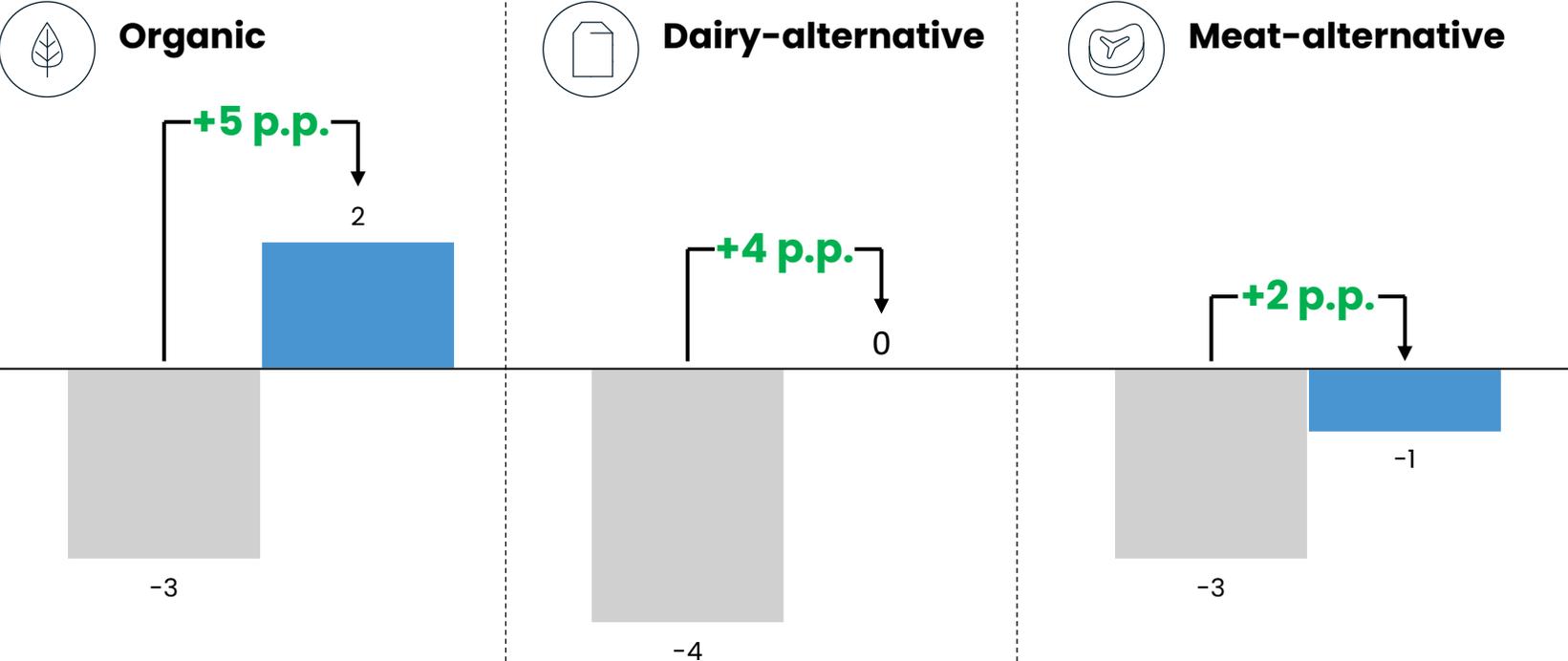
Buy environmentally friendly products



Appetite for organic, dairy & meat alternatives is growing

Attitude¹ towards grocery shopping, EU-11² net intent³ of consumers, 2024 vs. 2023, %

■ 2023 ■ 2024



Not only ethics-driven, but also

- Perceived health benefits
- Increasing quality, diversity & convenience of these alternatives
- Increasing food intolerances
- Increasing food allergies

1. Q: Think about 2024. Are you planning to do more, less or about the same of the following? I plan to...
 2. 2023 and 2024 both cover EU-11 (UK, DE, FR, IT, ES, NL, CH, PL, SE, BE, DK)
 3. Net intent represents the share of consumers who want to do more of the activity minus the share of consumers who want to do less of the activity in 2024 vs. 2023

Consumer Food Decision Matrix

COVID-19 Crisis

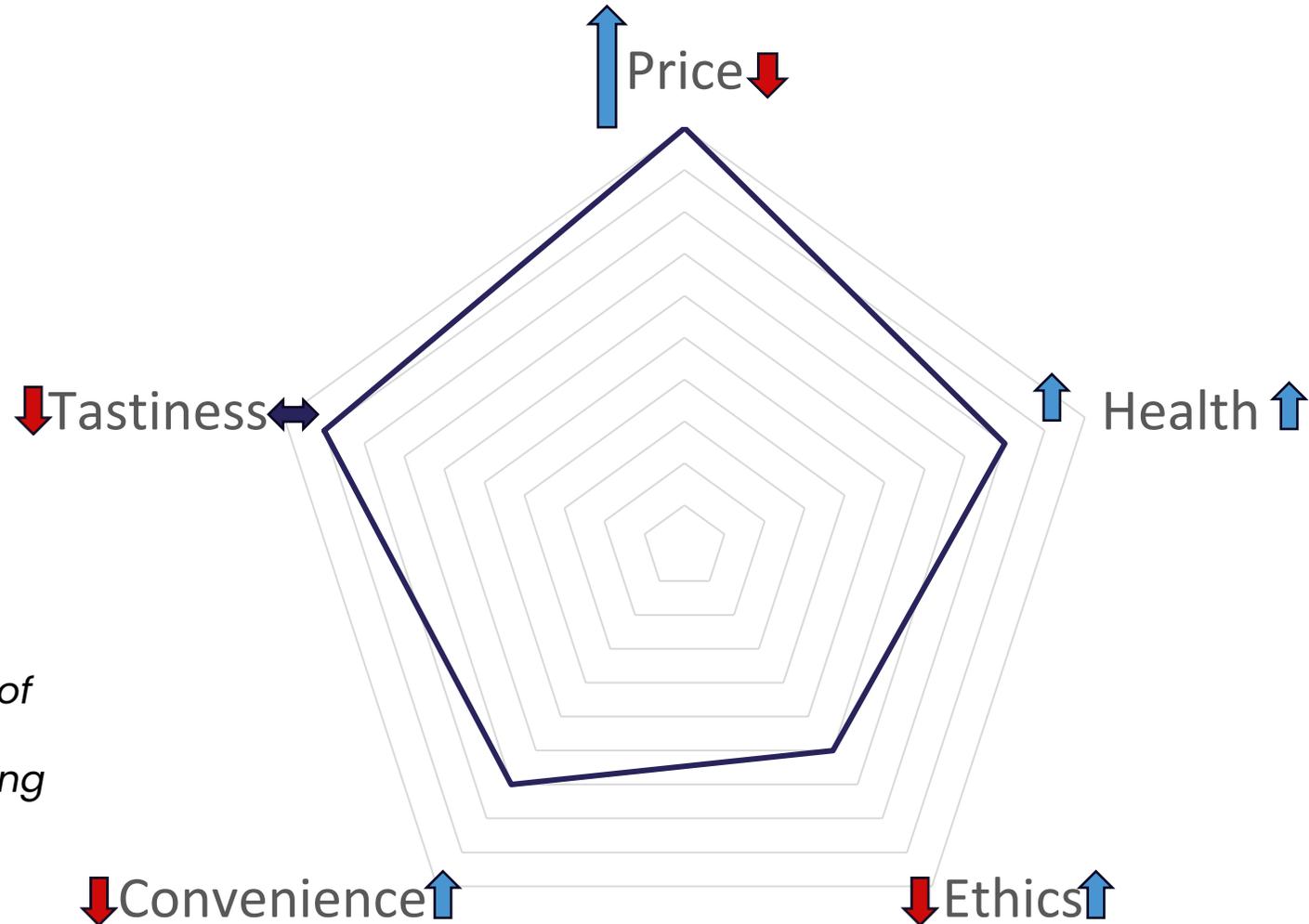
- Strong decline in need for convenience
- Increase in health awareness
- Other elements mostly stable

Inflation Crisis

- Extremely strong increase in price awareness at the expense of all other elements except health.
- Convenience recovers as people return to work

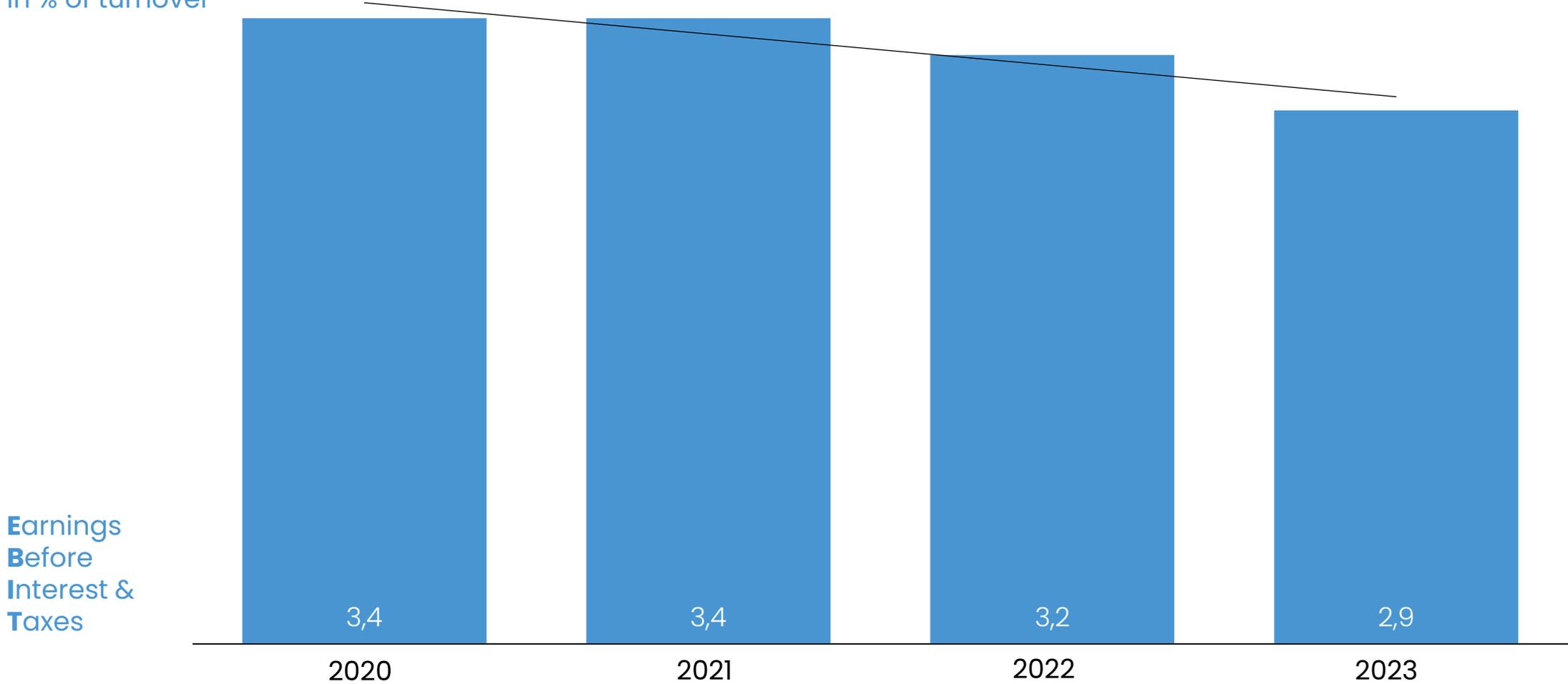
Near future

- Decline in price sensitivity, but some elements of downtrading are sticky.
- Speed of decline linked to recovery in purchasing power different from country to country
- Health keeps slowly gaining importance
- Ethics are 'cost of doing business', growing requirements but decreasing willingness to pay extra



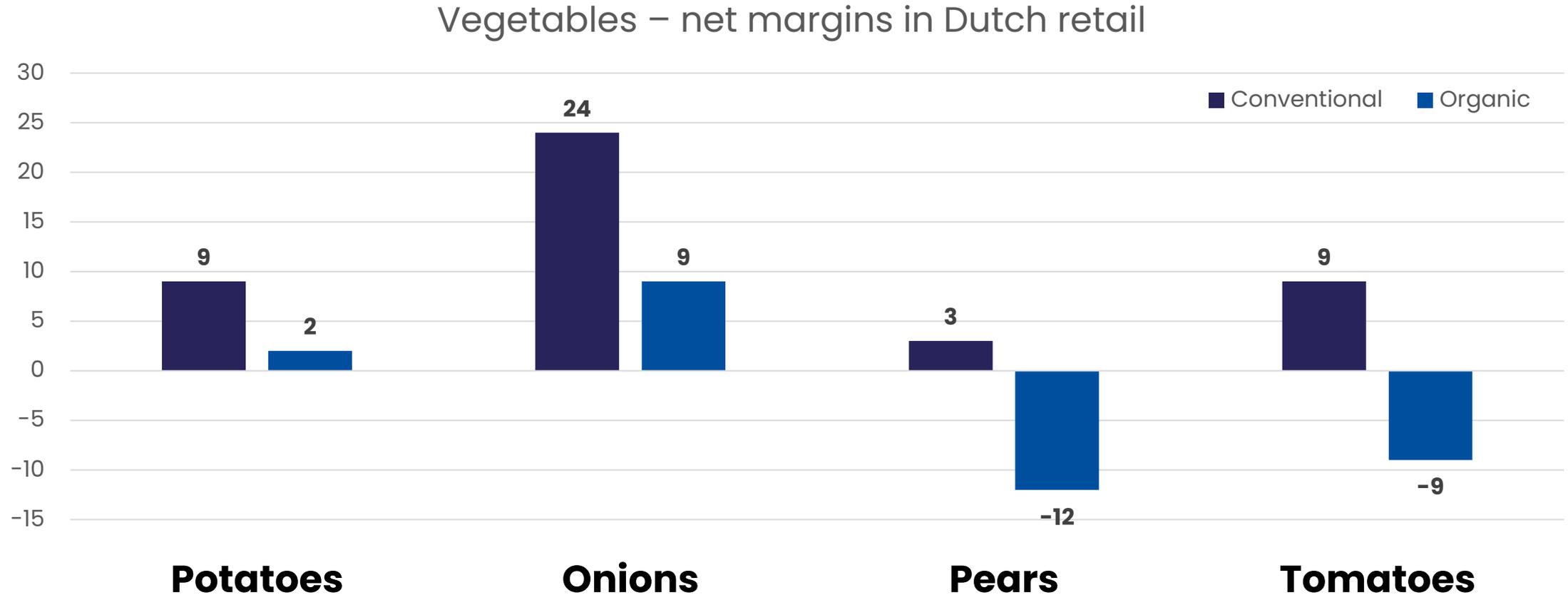
Food retailers operate on low margins

Operating Margin (EBIT)
in % of turnover



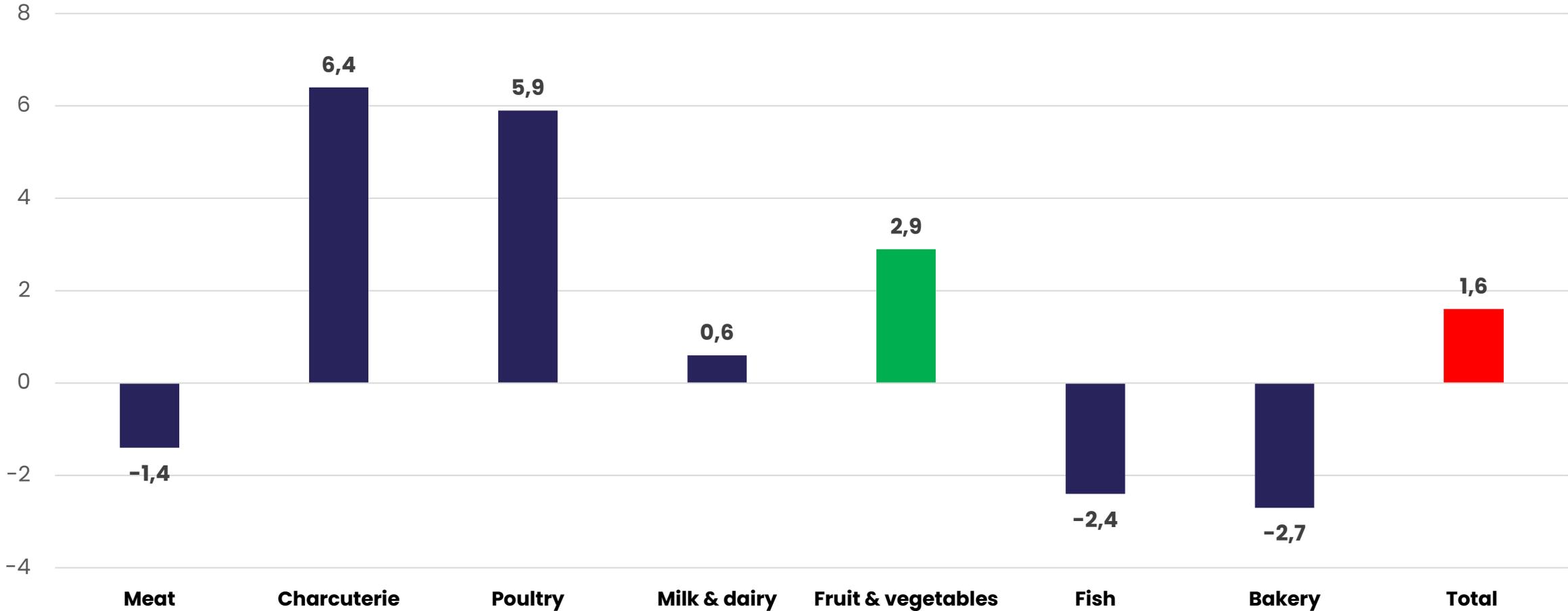
Earnings
Before
Interest &
Taxes

Margins in food retail – focus on vegetables (i)



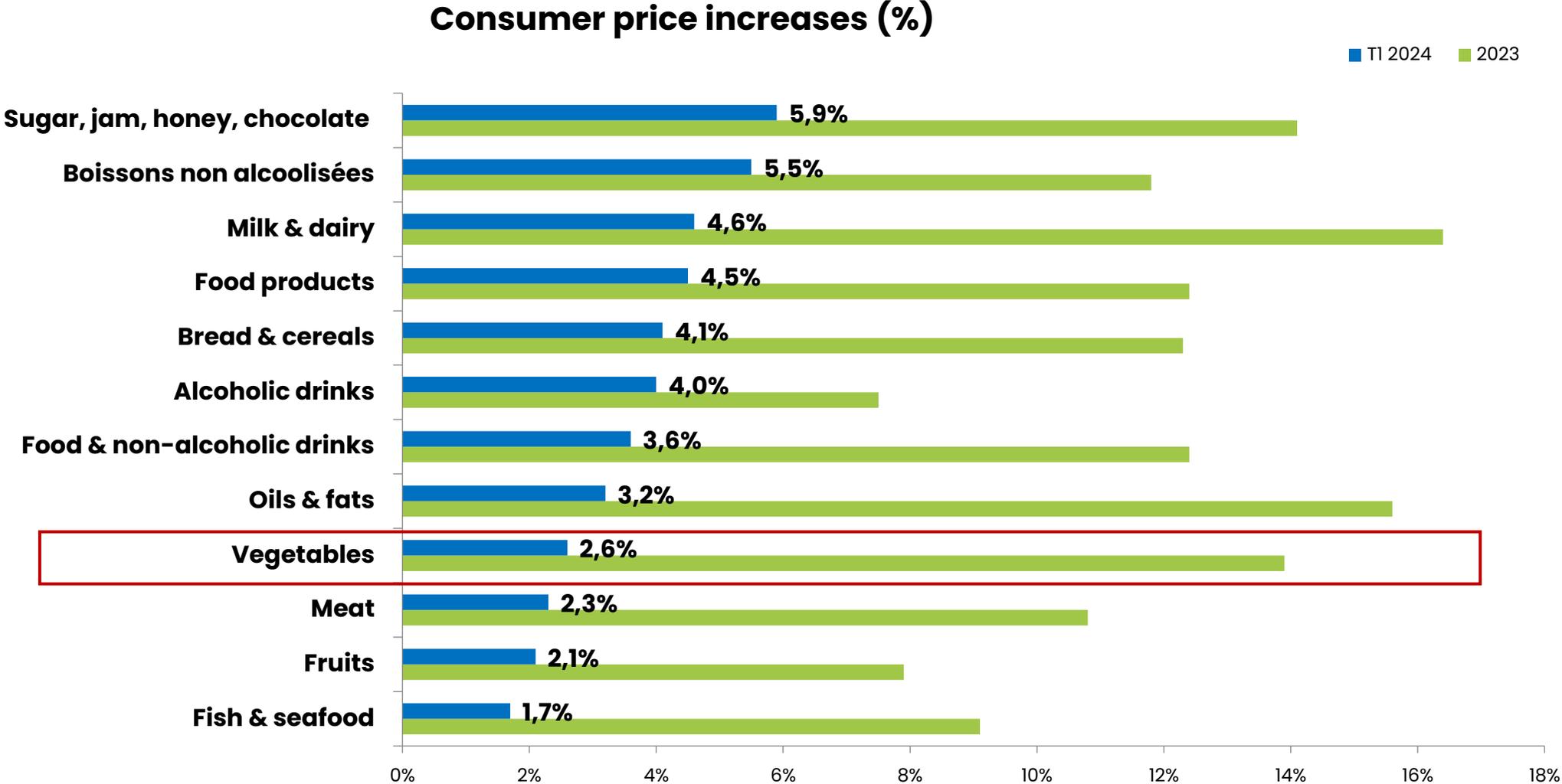
Margins in food retail – focus on vegetables (ii)

Fruit & vegetable shelf – net margins in modern retail in France

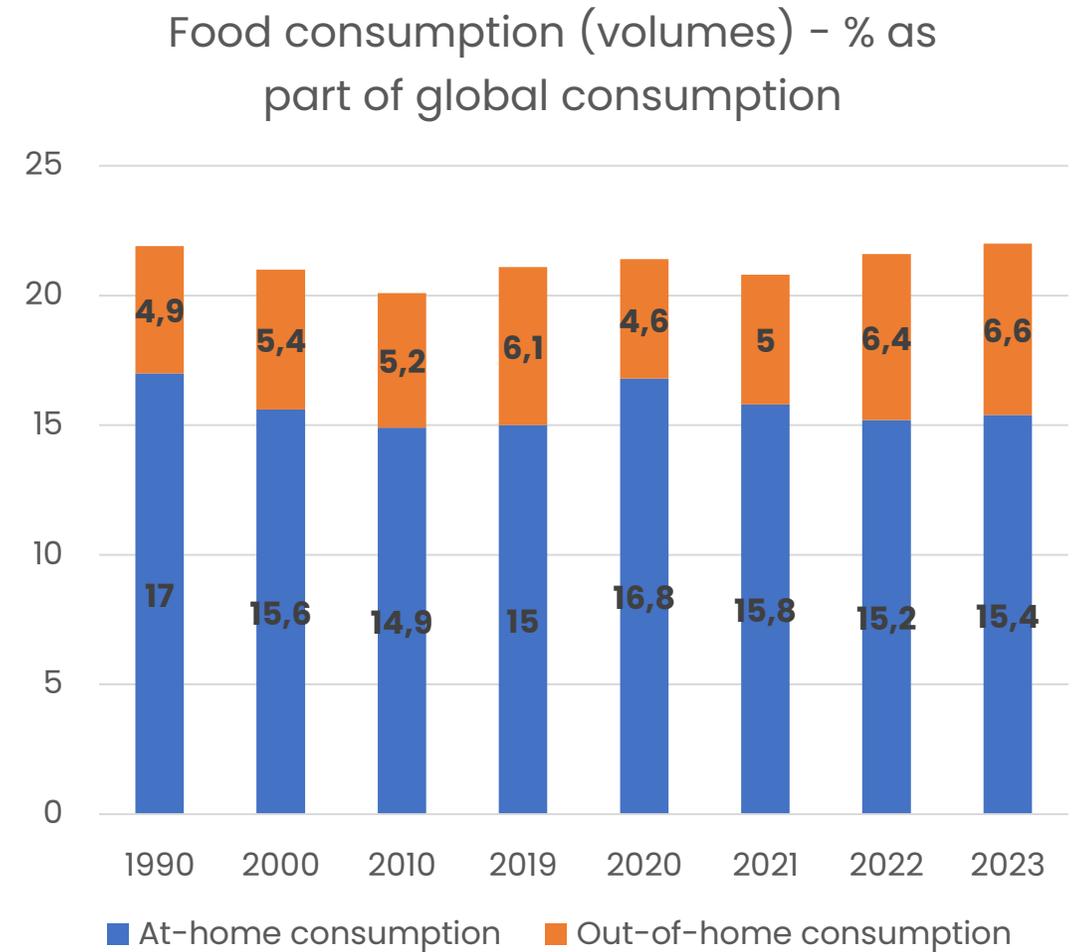
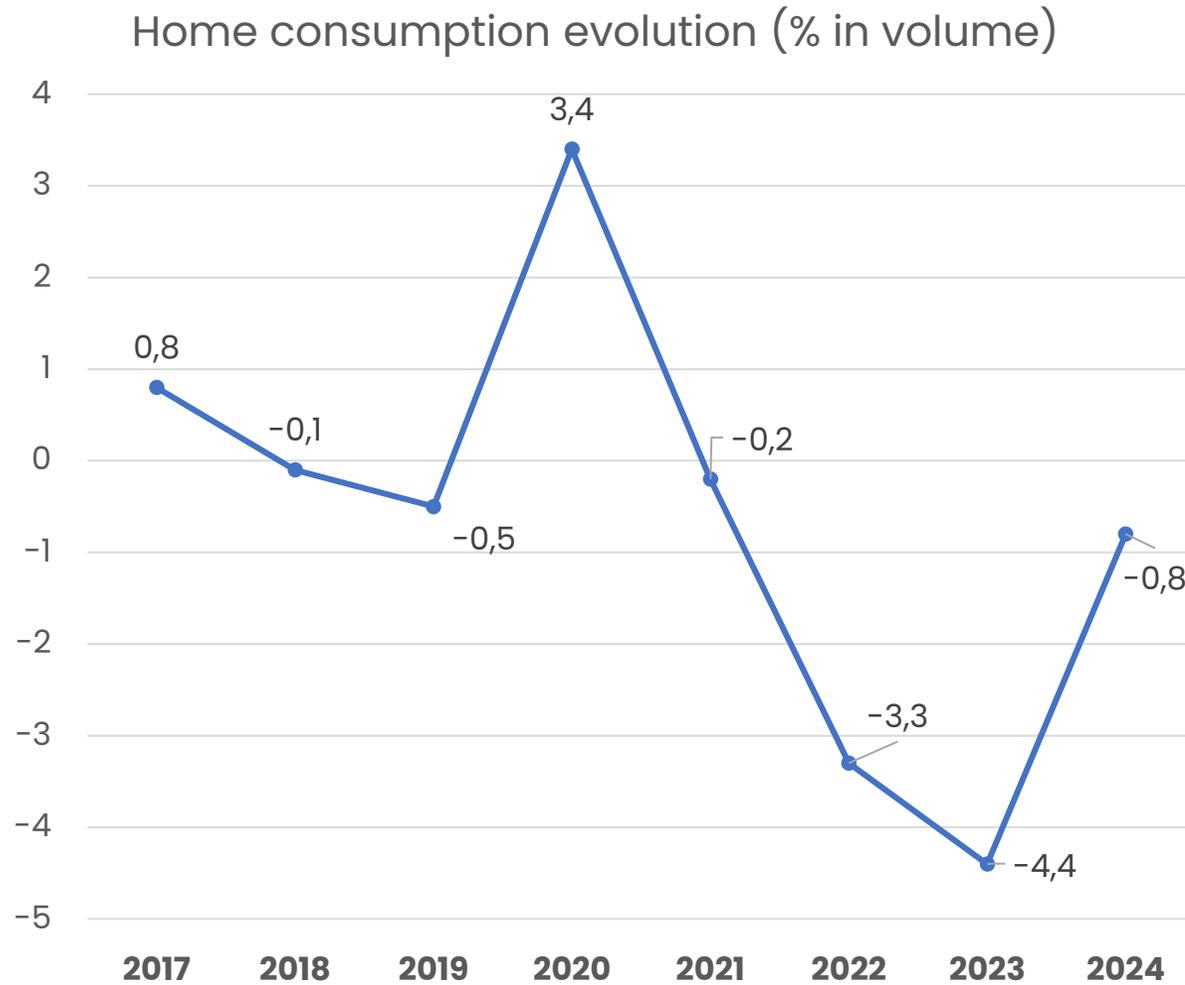


France

Focus on inflation

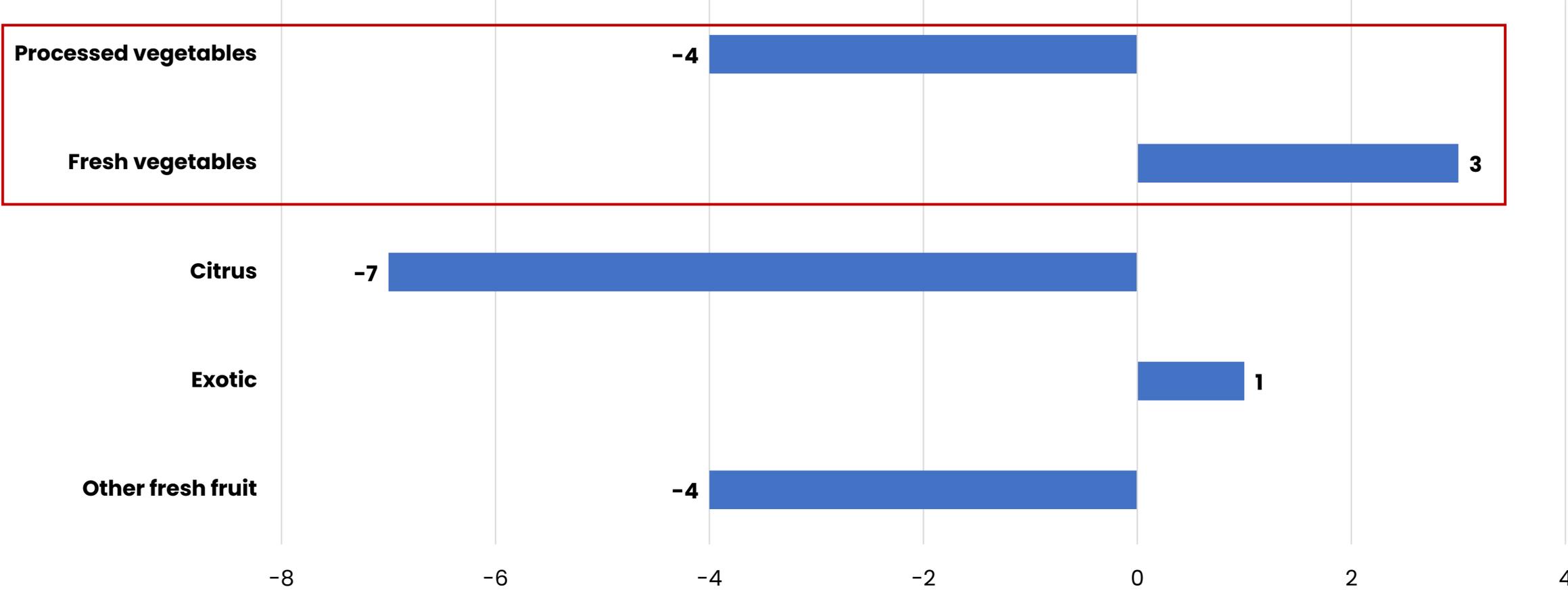


At-home and out-of-home consumption



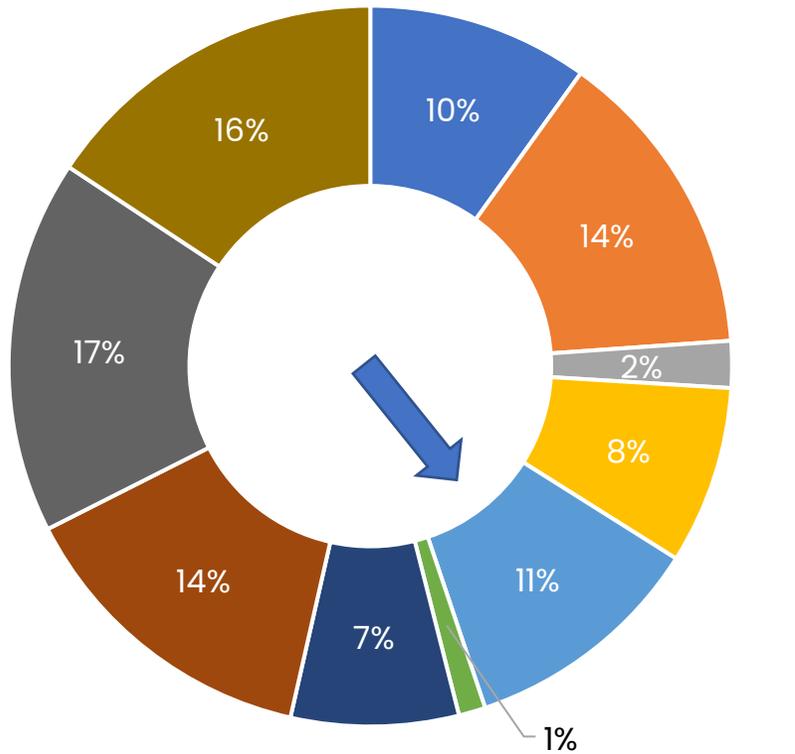
Fruit & vegetables sales in 2024

Sales volume variations in % - Q1 2024 vs 2023

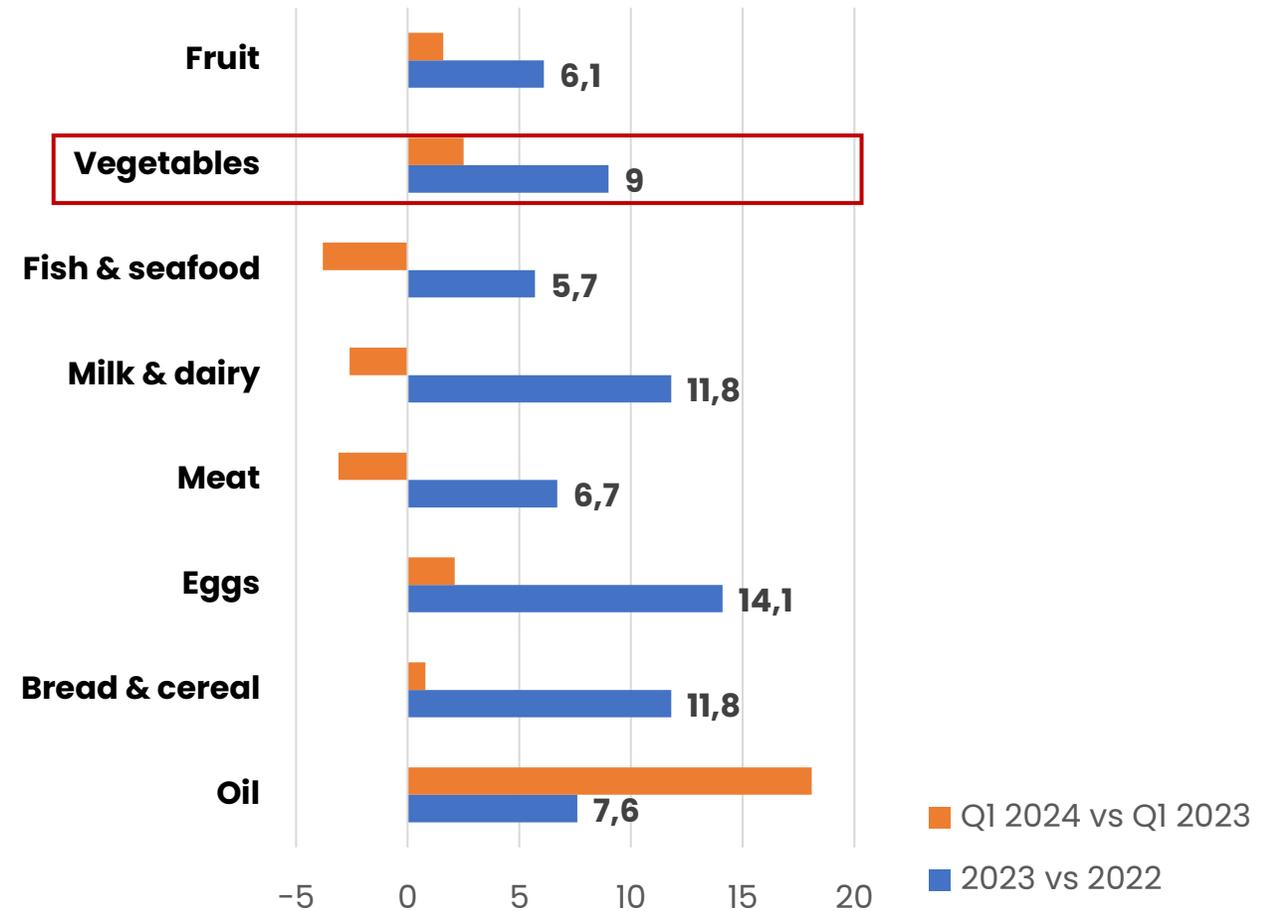


Italy

The shopping basket in Q1 2024

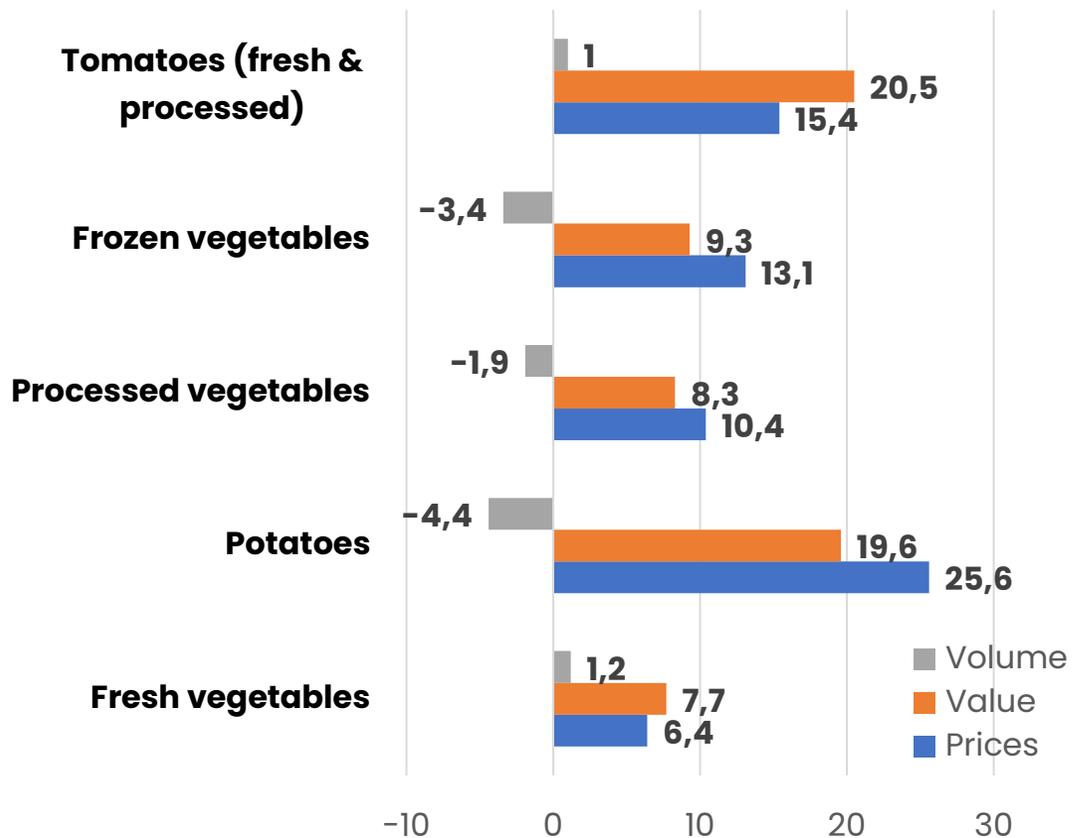


Sales value changes in %

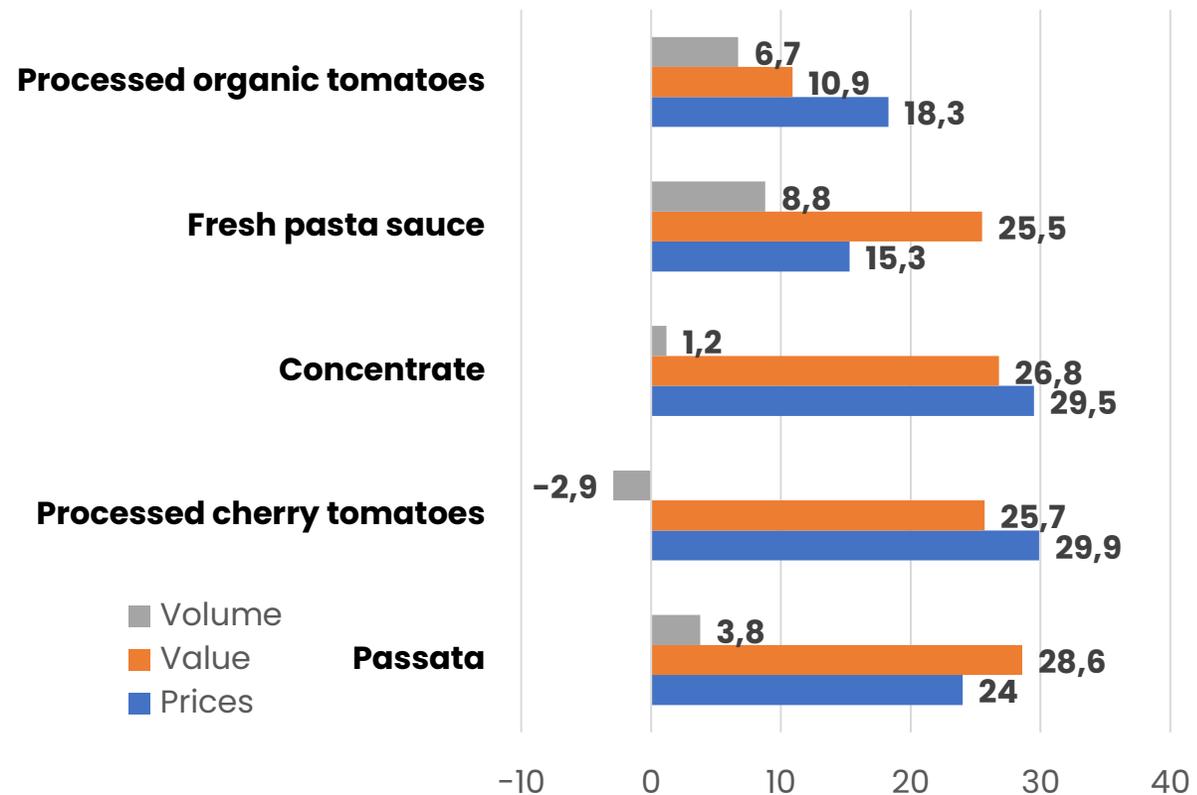


Vegetables sales in 2023

Sales value, volume and price changes (%)
- 2023 vs 2022



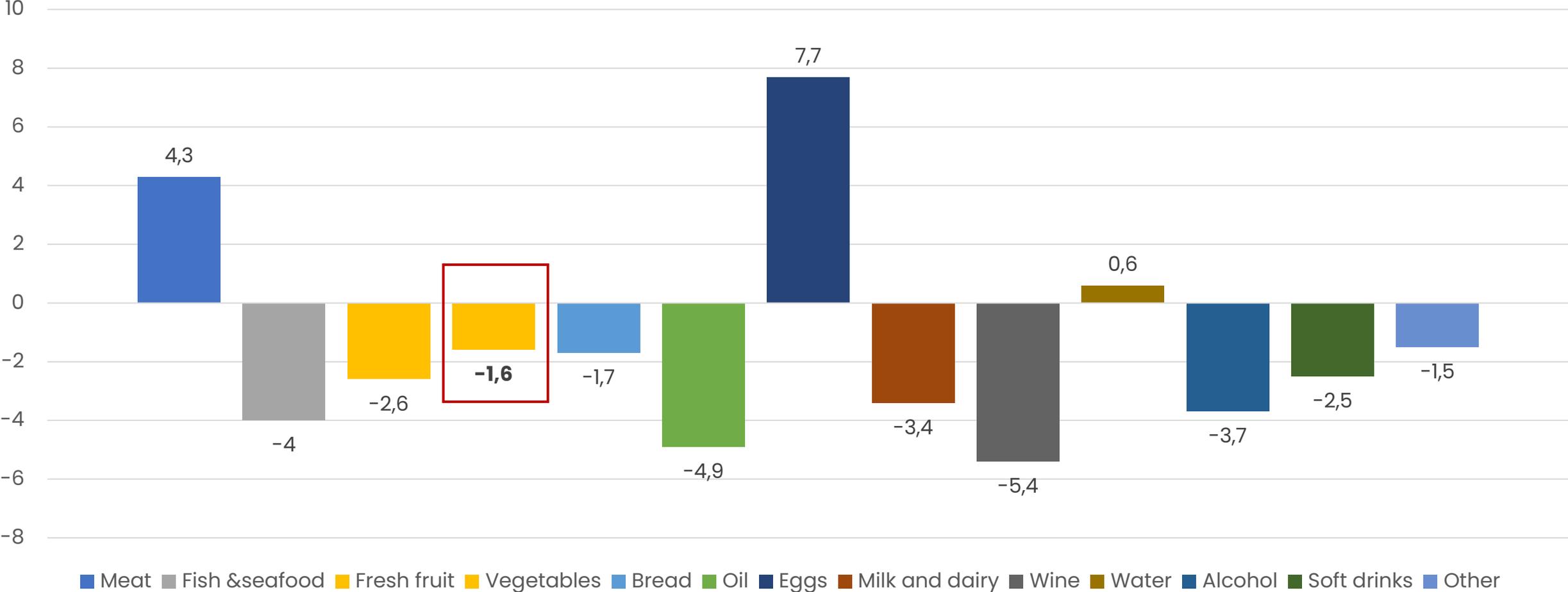
Processed tomatoes - Sales value, volume and price changes (%) - 2023 vs 2022



Spain

Food consumption in 2023

Food home consumption - volume changes (%) in Nov 2023 vs Nov 2022



Vegetables sales in 2023

Volume and value changes (%) 2023 vs 2022

