European Commission

Last update : 22.03.2022.

MMO Economic Board

Meeting of 21 March 2022

- The 41st meeting of the MMO Economic Board took place on 21/03/2022 by video-conference, with the participation of experts from the milk supply chain: COPA-COGECA (producers and cooperatives), CEJA (young farmers), EMB (European Milk Board), ECVC (Via Campesina), EDA (dairy industry), Eucolait (dairy trade) and Eurocommerce (retail). Presentations and information exchanged during the meeting highlighted the following:
- EU cow's milk collection in January 2022 was slightly below January 2021 levels (-0.7%). 14 MS reported reduced milk deliveries, including IE (-4.1%), DE (-2.2%), FR (-2.2%) and NL (-2.7%).
- EU cheese production in Jan-Dec 2021, compared to 2020, increased by 1.9%. Also production increase for cream (+2.7%). Production declined for the other dairy products: concentrated milk (-1.5%), WMP (-12.1%), SMP (-6.2%), butter (-2.7%), fermented milk (-2.1%) and drinking milk (-0.3%).
- EU average farm gate milk prices increased in each and every month in 2021 and continued to increase in 2022, remaining well above recent years' levels (42 c/kg in January 2022,). MS' estimates for February 2022 point to a further increase to 42.3 c/kg (+0.7% compared to January). Raw milk prices in January 2022 in all MS were higher than a year ago (except CY: -0.8 %), with the highest increases reported in LV (+43 %), LT (+40.8%), BE (+39.1%) and IE (+37.6%).
- Feed costs for dairy production in the EU (based on a mix of cereals, rapeseed meal and soybean meal) increased by 16.1 % in week 10, compared to the average of the previous 4 weeks, and energy costs increased by 25.2% in the same period.
- EU average dairy prices improved in the last 4 weeks and are all at much higher levels than a year ago. EU SMP prices have reached their highest level since April 2014 and WMP prices are at a historical record level. EU whey powder prices are at their highest level since July 2007. Butter prices have increased by 58% since the start of 2021 and SMP prices by 55.8%. All dairy prices are above their 5 years' average, including SMP (+90.2%) and WMP (+65.3%).
- The assessment of EU stock levels based on a residual approach (EU production + EU imports – EU internal consumption – EU exports) shows that private SMP stocks are historically low for this period of the year (approx. 60 000 t), as markets changed from oversupply to undersupply. Production is decreasing in the EU and at global level, while demand remains strong. Butter stocks decreased strongly in the last months of 2021 (approx. 75 000 t) due to reduced production, healthy demand and very low imports. Availability is lower than normal in spring. Higher cheese production is fully absorbed by demand and stocks are at very low levels (below 250 000t).
- Milk production is also slowing down in the USA, Oceania and the UK. Overall, milk collection in the main exporting countries/regions (AU, EU, USA, UK, NZ) decreased by -1.8% in January 2022
- Despite Covid and logistical challenges, 2021 was another record year for global trade volumes, with some slowdown in the last months. In Jan-Dec 2021, the EU, NZ and the US had a 76% share of world export volumes (in milk equivalent). EU and global dairy exports are likely to decline this year due to a supply deficit and the impact of high prices. No major direct impact is expected on dairy trade from the war in Ukraine. Repercussions might appear later on. The main exported dairy product to Ukraine is cheese but EU domestic consumption is expected to grow, including with the number of refugees. Chinese imports increased in 2021, but renewed Covid lockdowns are now influencing demand patterns. Milk powders (SMP, WMP, whey) showed the best performance last year. The US, China, and the UK were the main EU export destinations last year.
- Household confidence in Europe has been shrinking in recent months. Food inflation starts to have an impact on retail sales. Home consumption and retail sales of dairy products generally dropped in 2021, in parallel with the relaxation of Covid-19 measures. Sales of organic dairy products declined again in 2021 in France.
- The Commission presented the main drivers for the next short-term outlook, that will be published at the beginning of April. Global and EU milk supply could remain tight in the first half of 2022, before recovering slightly at the end of the year. Feed affordability could keep yields' growth at a similar rate as last year, while the EU dairy herd could be further reduced. Rising input costsare likely to result in food inflation, also for dairy products, with a possible lower growth for cheese and butter consumption in 2022.
- The key word of the meeting was *uncertainty*. Rising input costs, further aggravated by the war in Ukraine that is weighing on the availability of some major inputs, and continued strong dependency on demand in China, where new Covid lockdowns have been introduced, the, cause an unprecedented uncertainty on the dairy market.

ANNEX 1

Milk Market Situation

European Commission

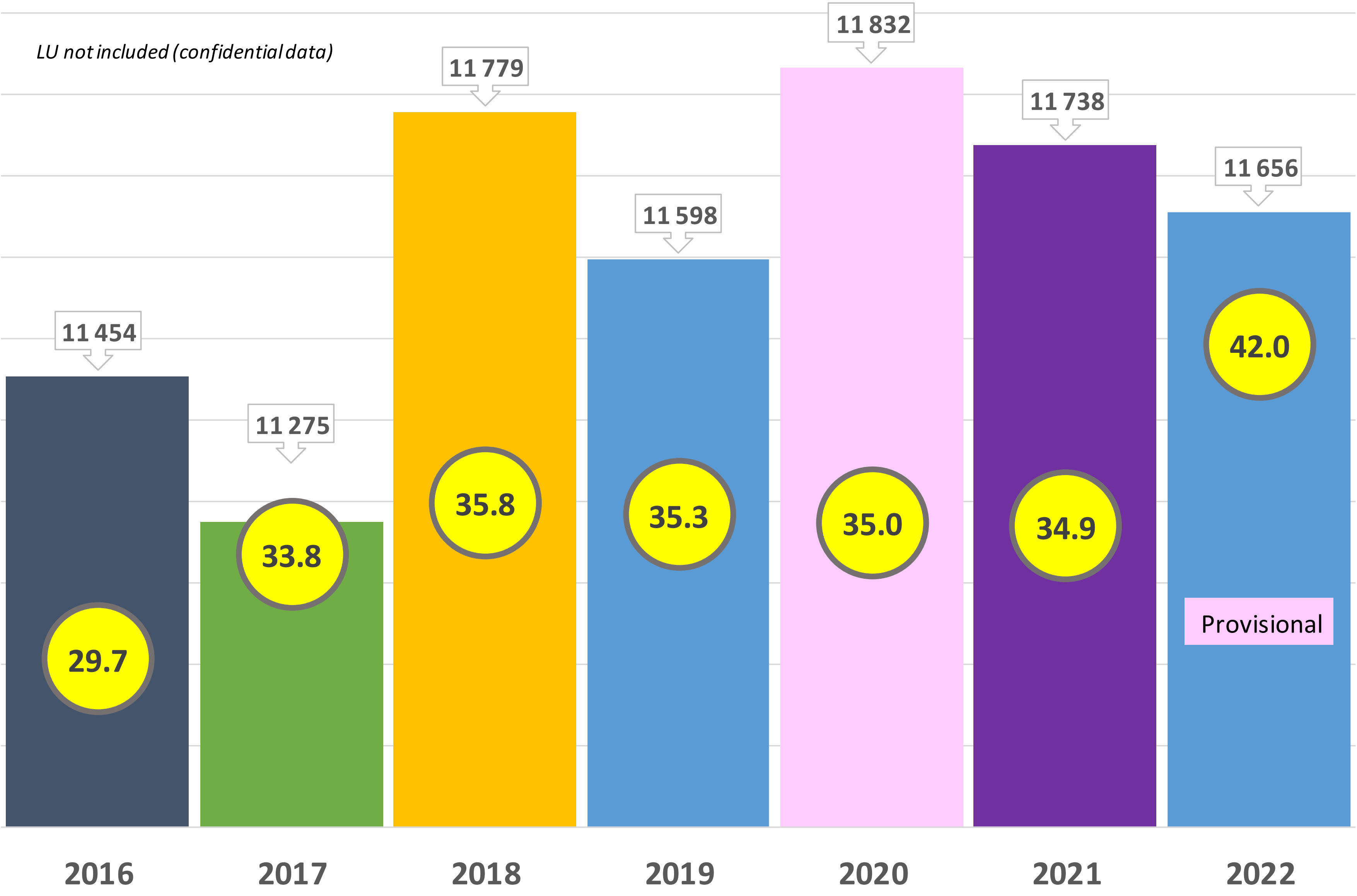
Milk Market Situation

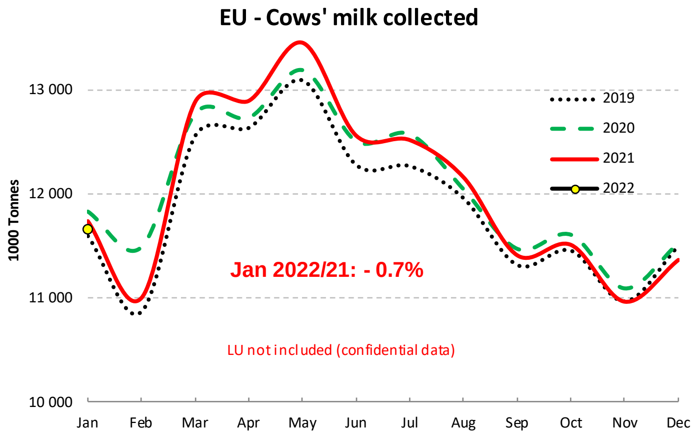
MMO meeting

Brussels, 21 March 2022

European Commission

EU-27 milk deliveries and price
Jan 2016-22 (x1000 t, c/kg)

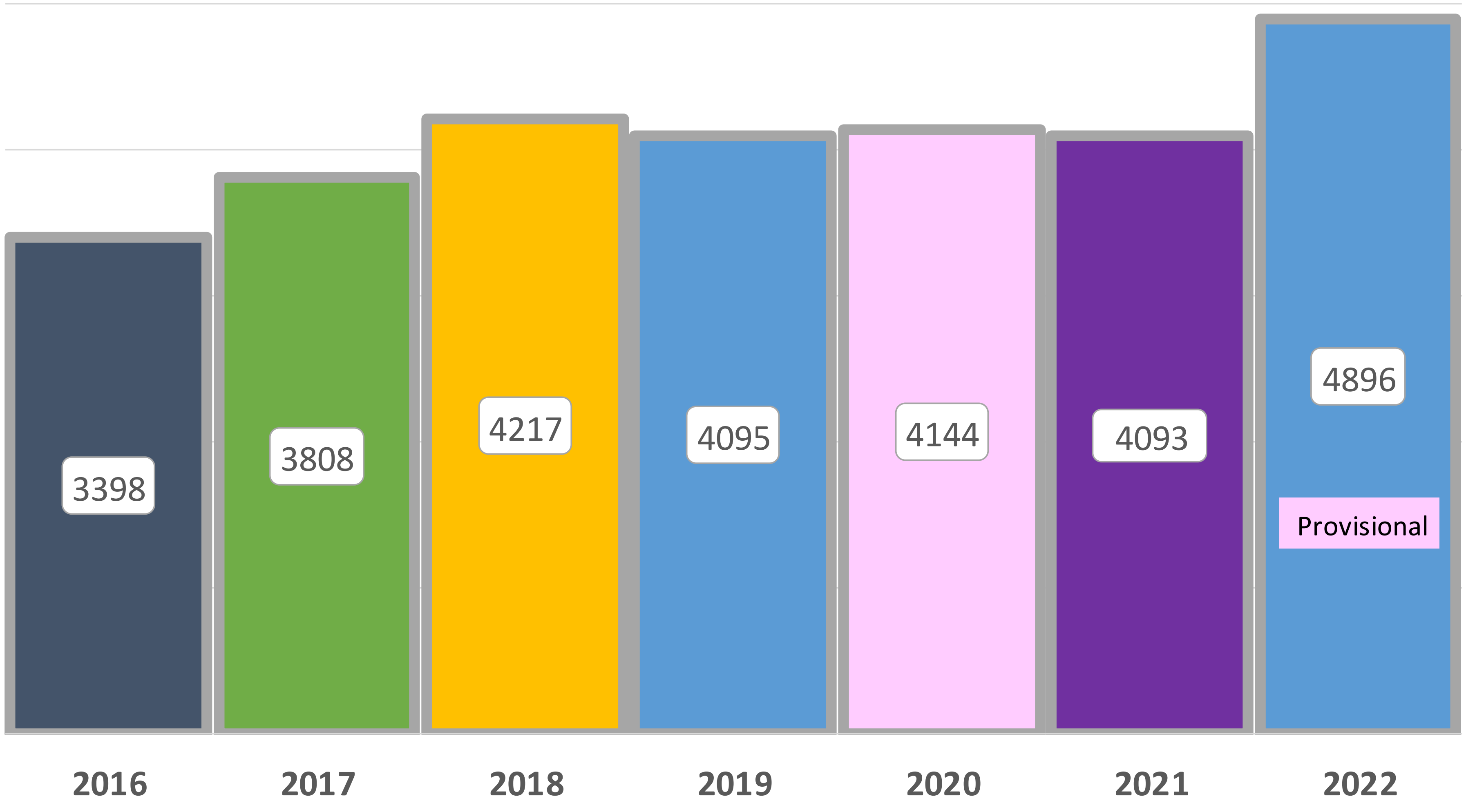




Source: Estat (Newcronos) - MS notifications - CLAL(IT)

EU-27 value milk production
Jan 2016-22 (x million €)

LU not included (confidential data)

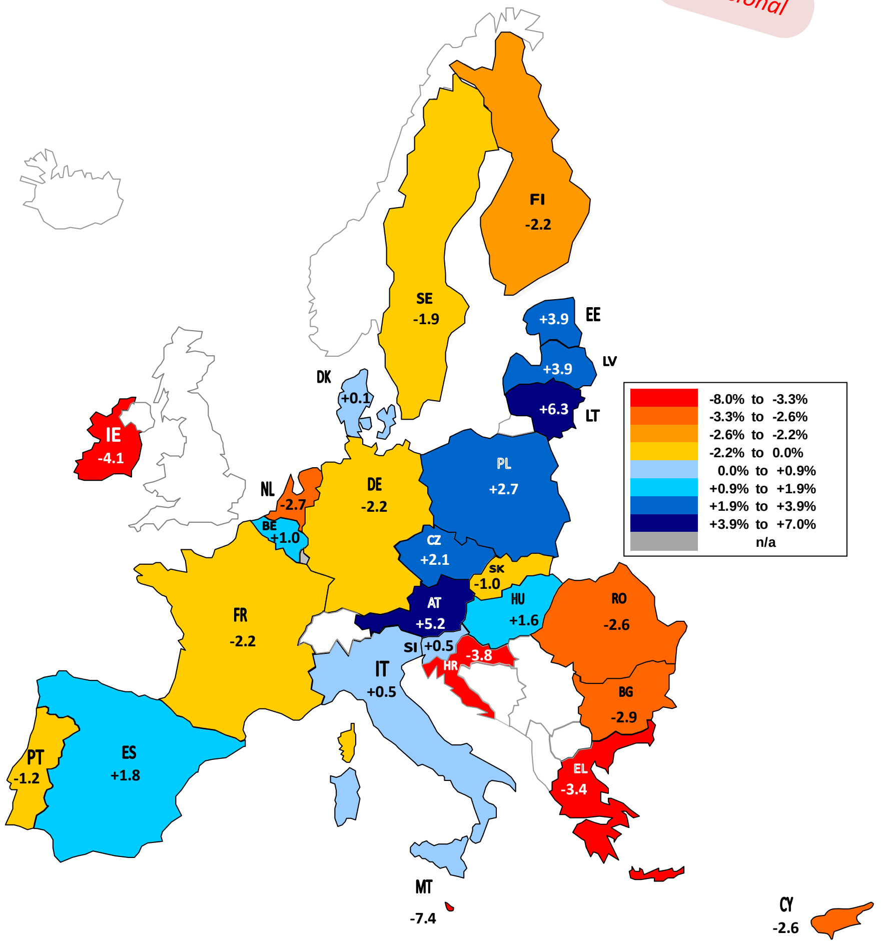


European Commission

EU Milk Deliveries compared to last period (in %)

(Jan 2022 / Jan 2021)

Provisional



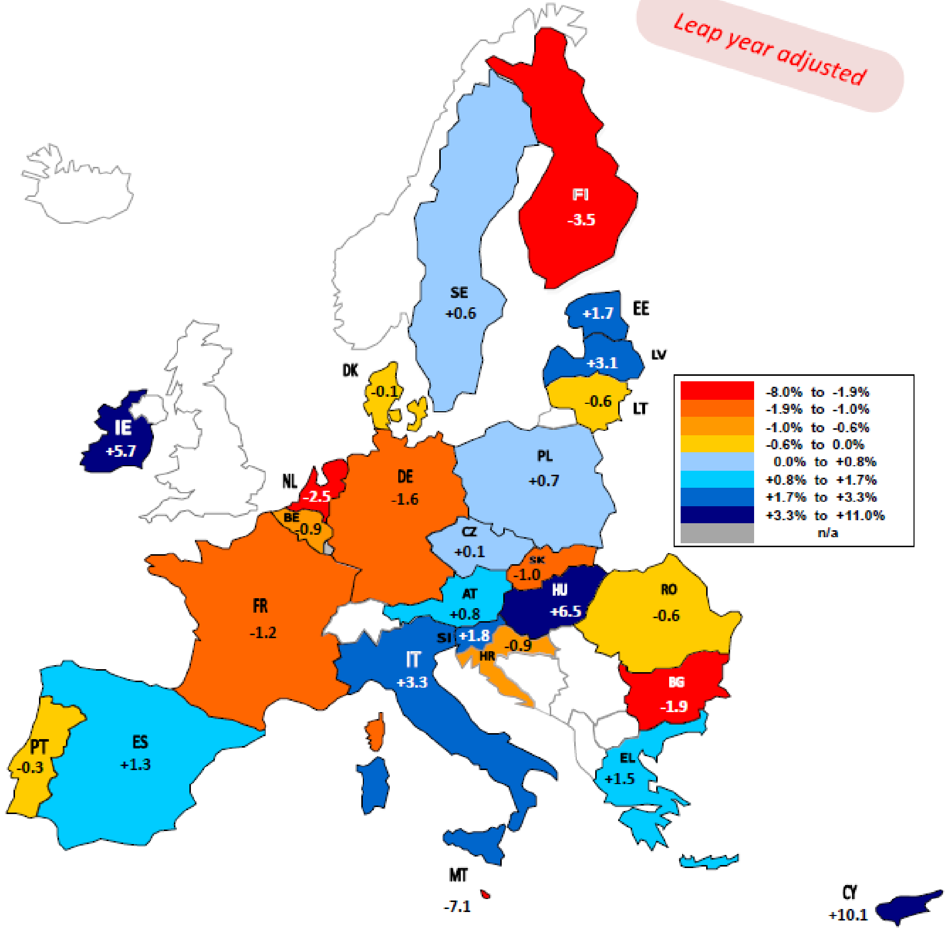
Source : MS' Communications to Eurostat, FEGA, AGEA, Reg.479/2010.1(a)1

The designations employed and the presentation of material on the map do not imply the expression of any opinion whatsoever on the part of the European Union concerning the legal status of any country, territory or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

EU Milk Deliveries compared to last period (in %)

(Jan - Dec 2021 / Jan - Dec 2020)

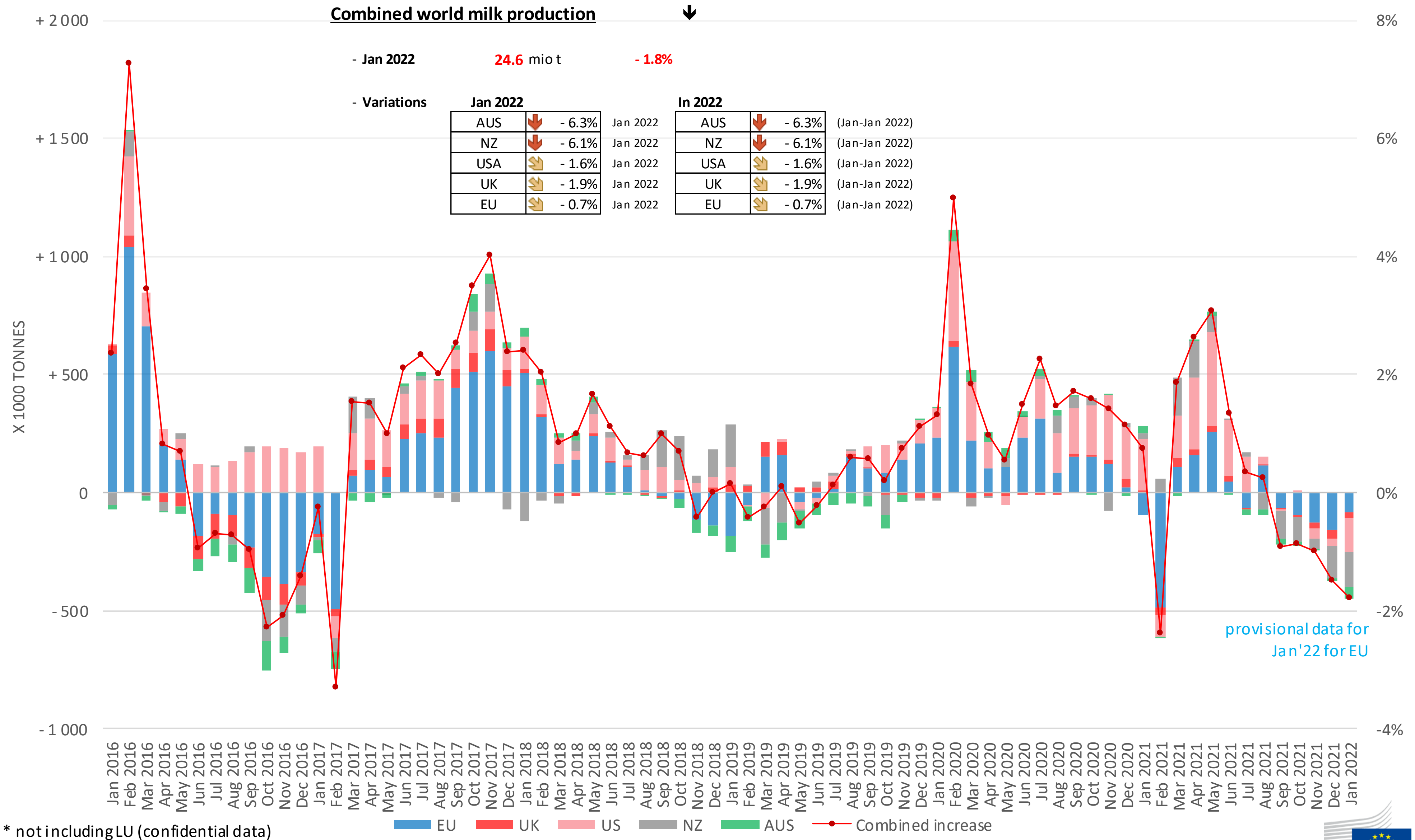
Leap year adjusted



Source : MS' Communications to Eurostat, FEGA, AGEA, Reg.479/2010.1(a)1

The designations employed and the presentation of material on the map do not imply the expression of any opinion whatsoever on the part of the European Union concerning the legal status of any country, territory or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

EU*+UK+US+NZ+AUS COMBINED MILK PRODUCTION GROWTH



Combined world milk production

- **Jan 2022** 24.6 mio t - 1.8%

- **Variations**

Jan 2022

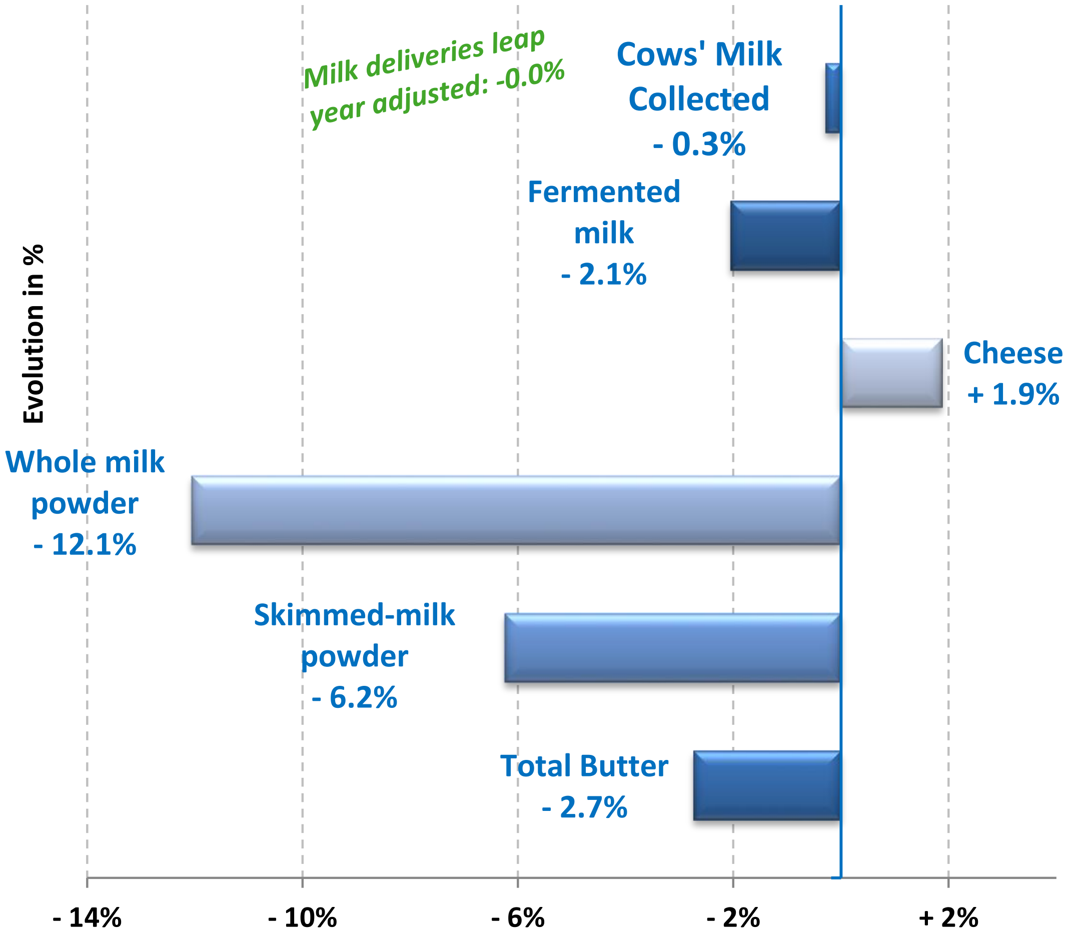
AUS	- 6.3%	Jan 2022
NZ	- 6.1%	Jan 2022
USA	- 1.6%	Jan 2022
UK	- 1.9%	Jan 2022
EU	- 0.7%	Jan 2022

In 2022

AUS	- 6.3%	(Jan-Jan 2022)
NZ	- 6.1%	(Jan-Jan 2022)
USA	- 1.6%	(Jan-Jan 2022)
UK	- 1.9%	(Jan-Jan 2022)
EU	- 0.7%	(Jan-Jan 2022)

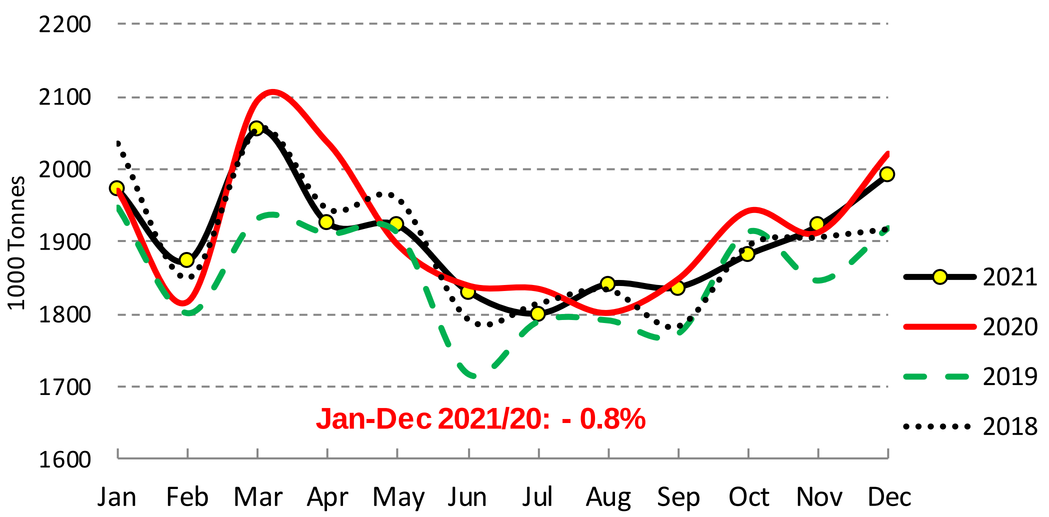
* not including LU (confidential data)

EU Deliveries/Productions development
(Jan-Dec 2021 compared to Jan-Dec 2020)



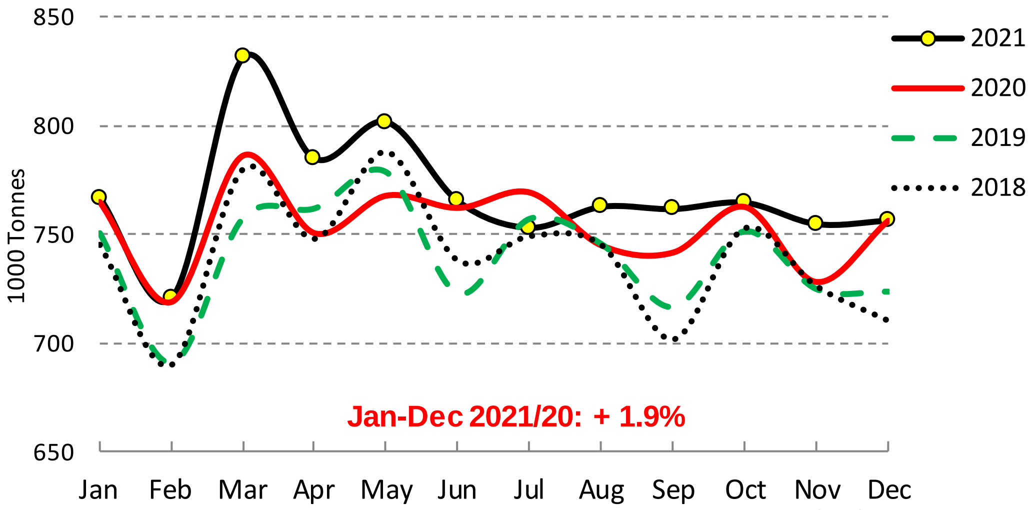
Source : MS' Communications to Eurostat, and, for milk : AGEA, FEGA, Reg. 2017/1185

EU - Drinking milk



Source : Estat - Newcronos

EU - Cheese

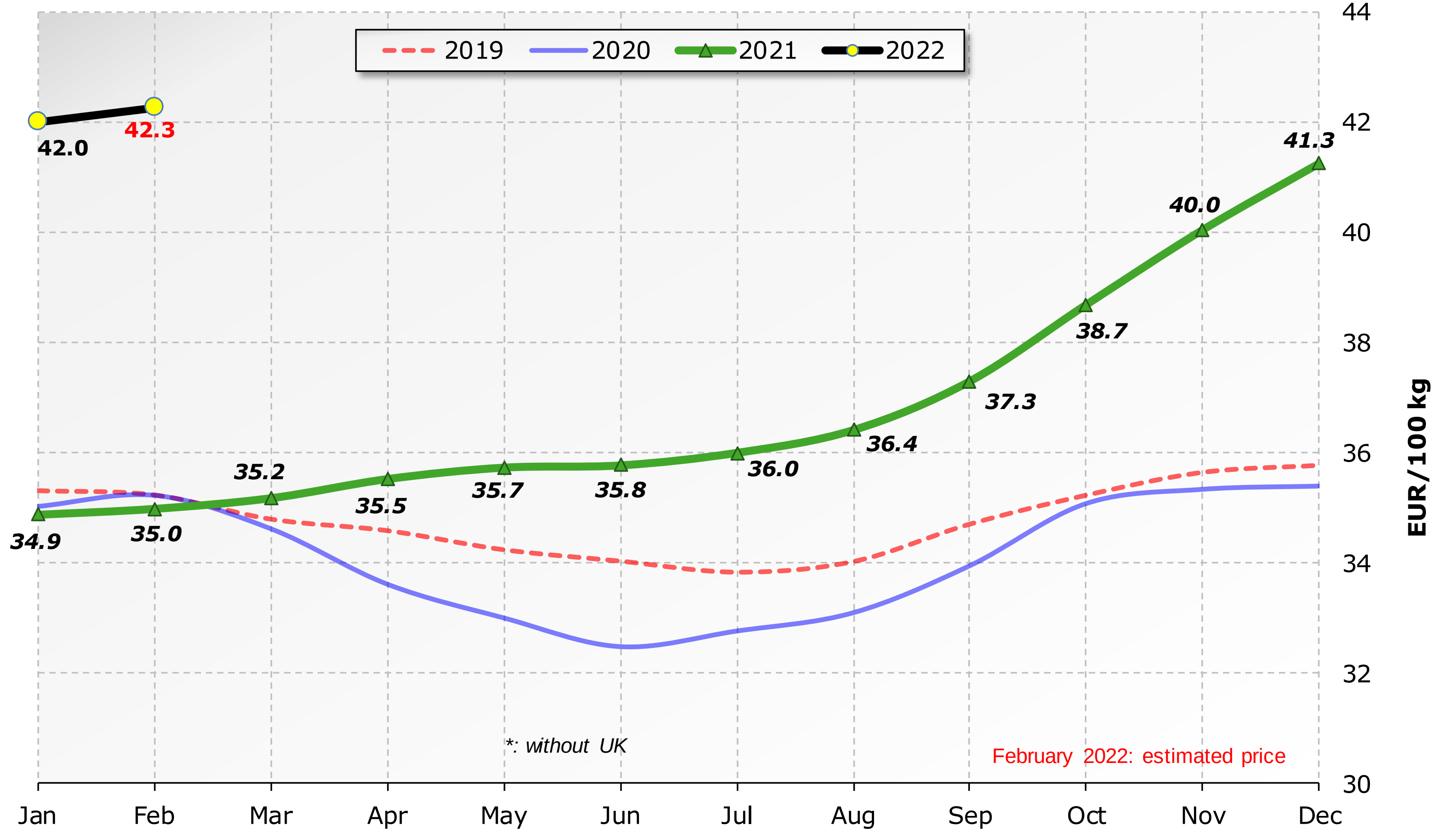


Source : Estat - Newcronos

European Commission

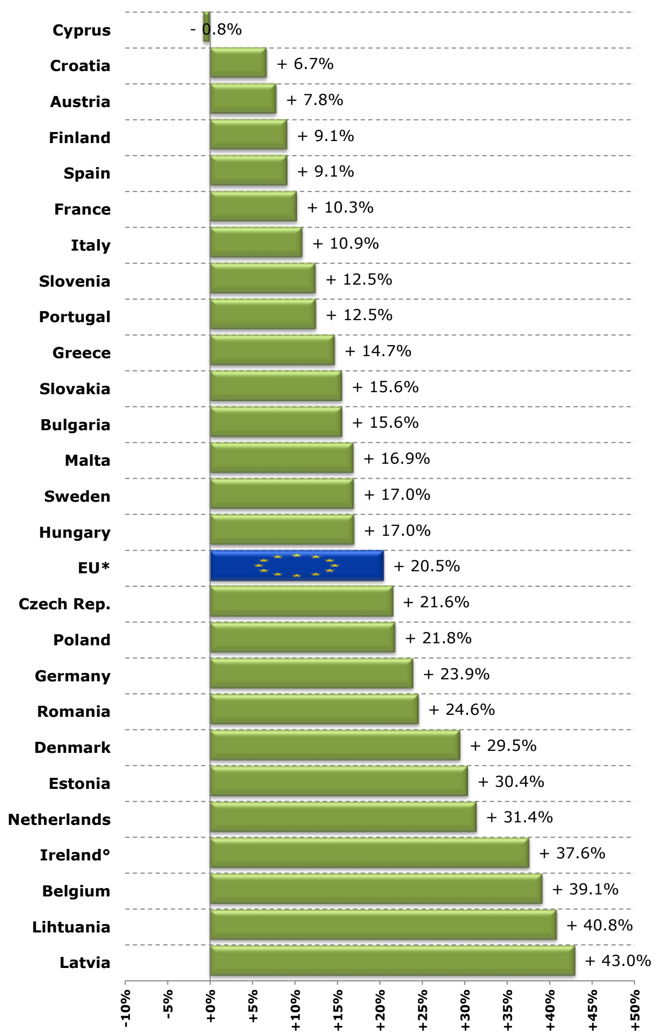
EU milk prices paid to the producers

Milk Prices paid to the Producers
EU (weight. avg.)*



Source : Member States Reg. (EU) No 2017/1185 Article 12(a) - Annex II.4(a))

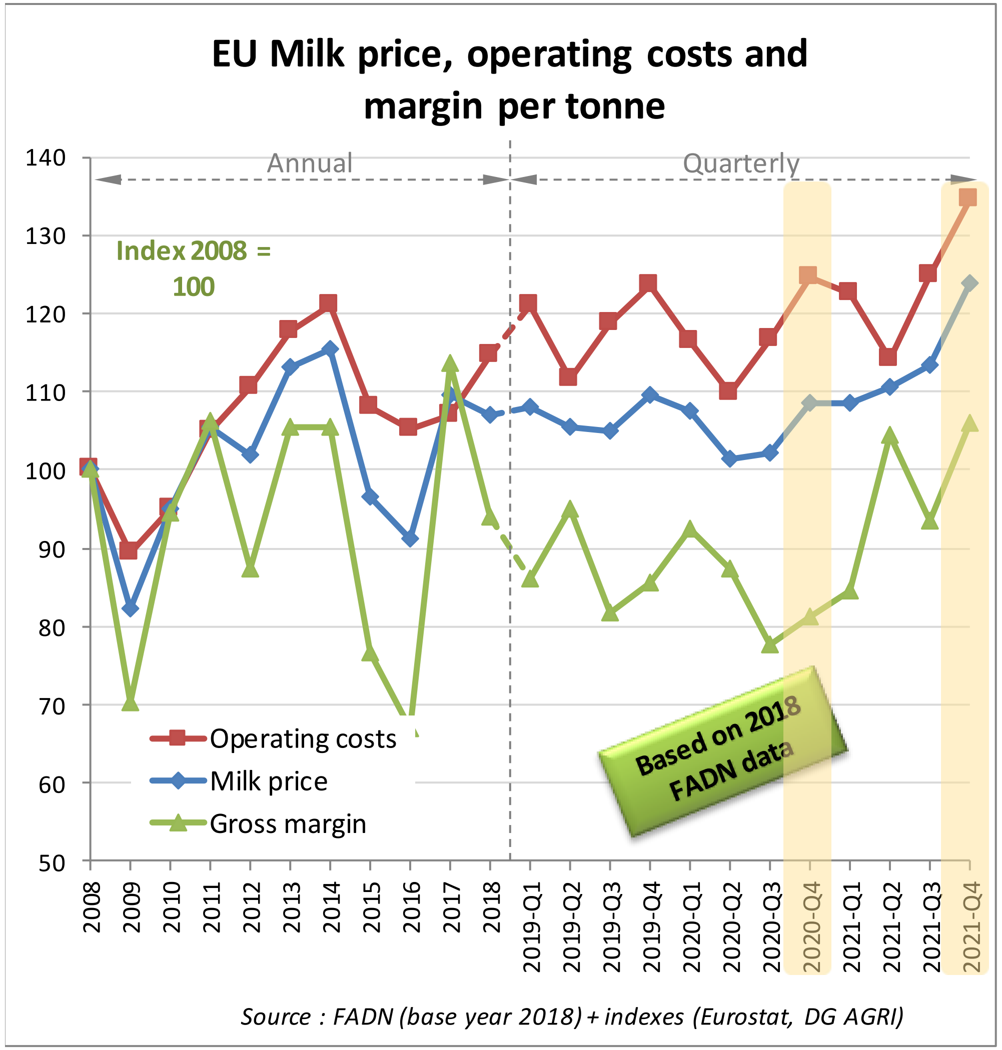
Raw Milk Price evolution in January 2022 compared to January 2021



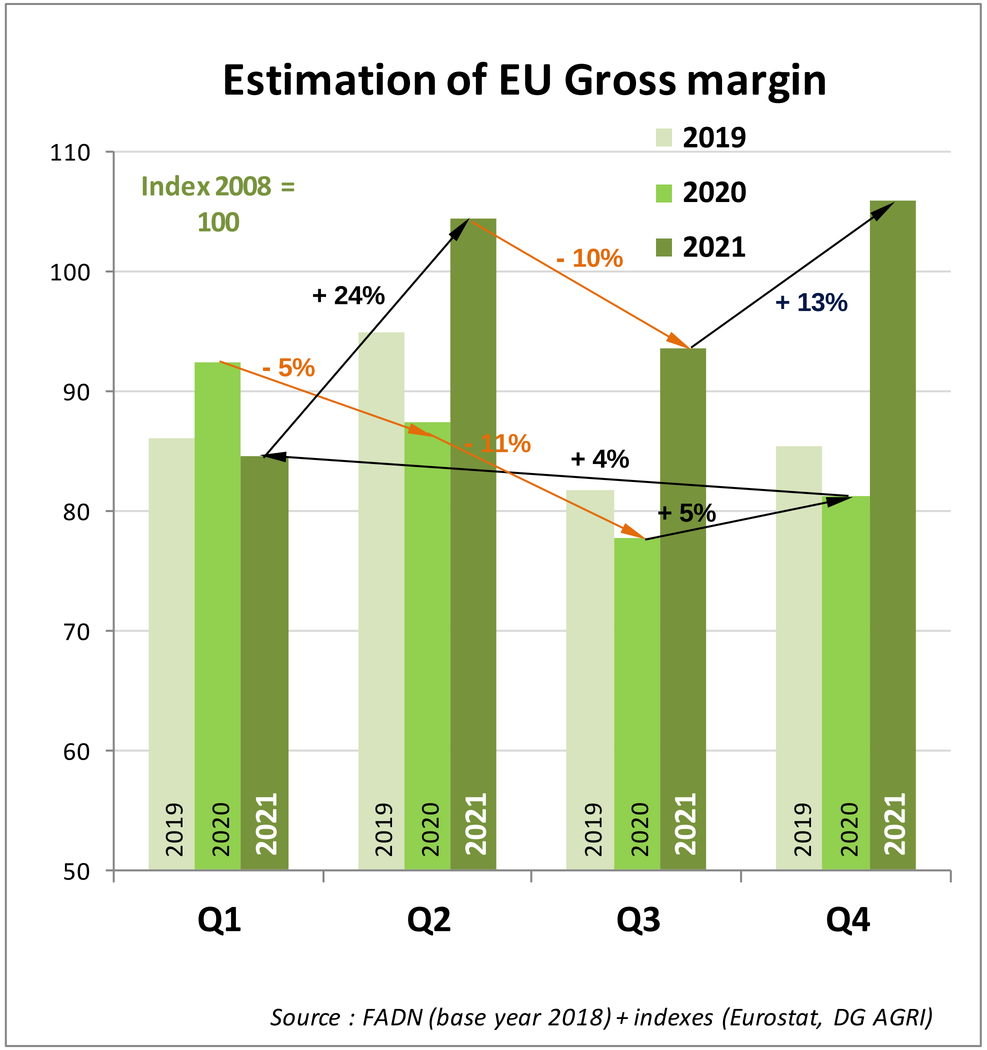
**: without UK* *° : estimated figures for Jan 2022*

Source : Member States (Reg. (EU) No 2017/1185 Article 12(a) - Annex II.4(a))

Margins

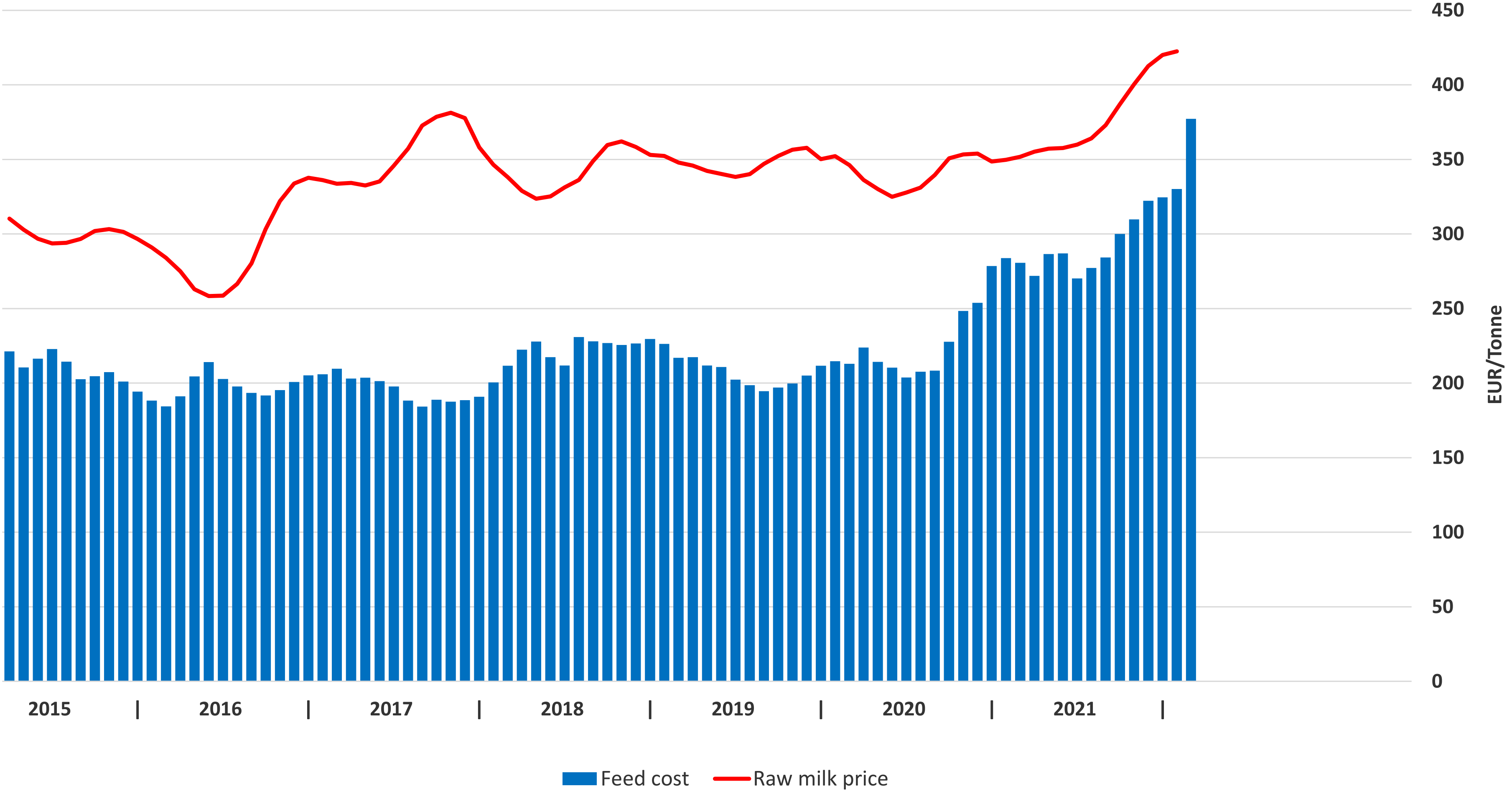


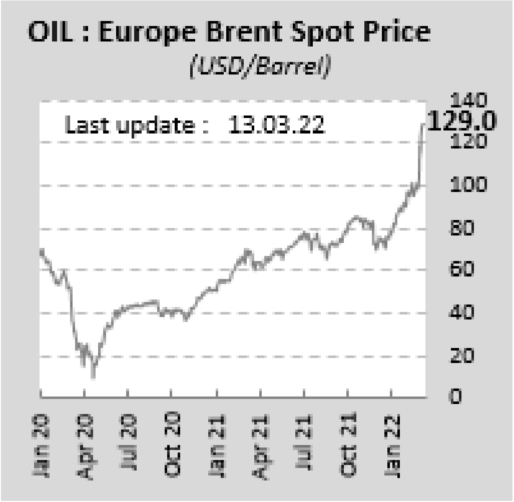
EU Milk price, operating costs and margin per tonne
Annual
Quarterly
Index 2008 = 100
Operating costs
Milk price
Gross margin
Based on 2018 FADN data
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019-Q1
2019-Q2
2019-Q3
2019-Q4
2020-Q1
2020-Q2
2020-Q3
2020-Q4
2021-Q1
2021-Q2
2021-Q3
2021-Q4
Source : FADN (base year 2018) + indexes (Eurostat, DG AGRI)



Estimation of EU Gross margin
Index 2008 = 100
2019
2020
2021
+ 24%
- 5%
- 11%
- 10%
+ 4%
+ 5%
+ 13%
Q1
Q2
Q3
Q4
Source : FADN (base year 2018) + indexes (Eurostat, DG AGRI)

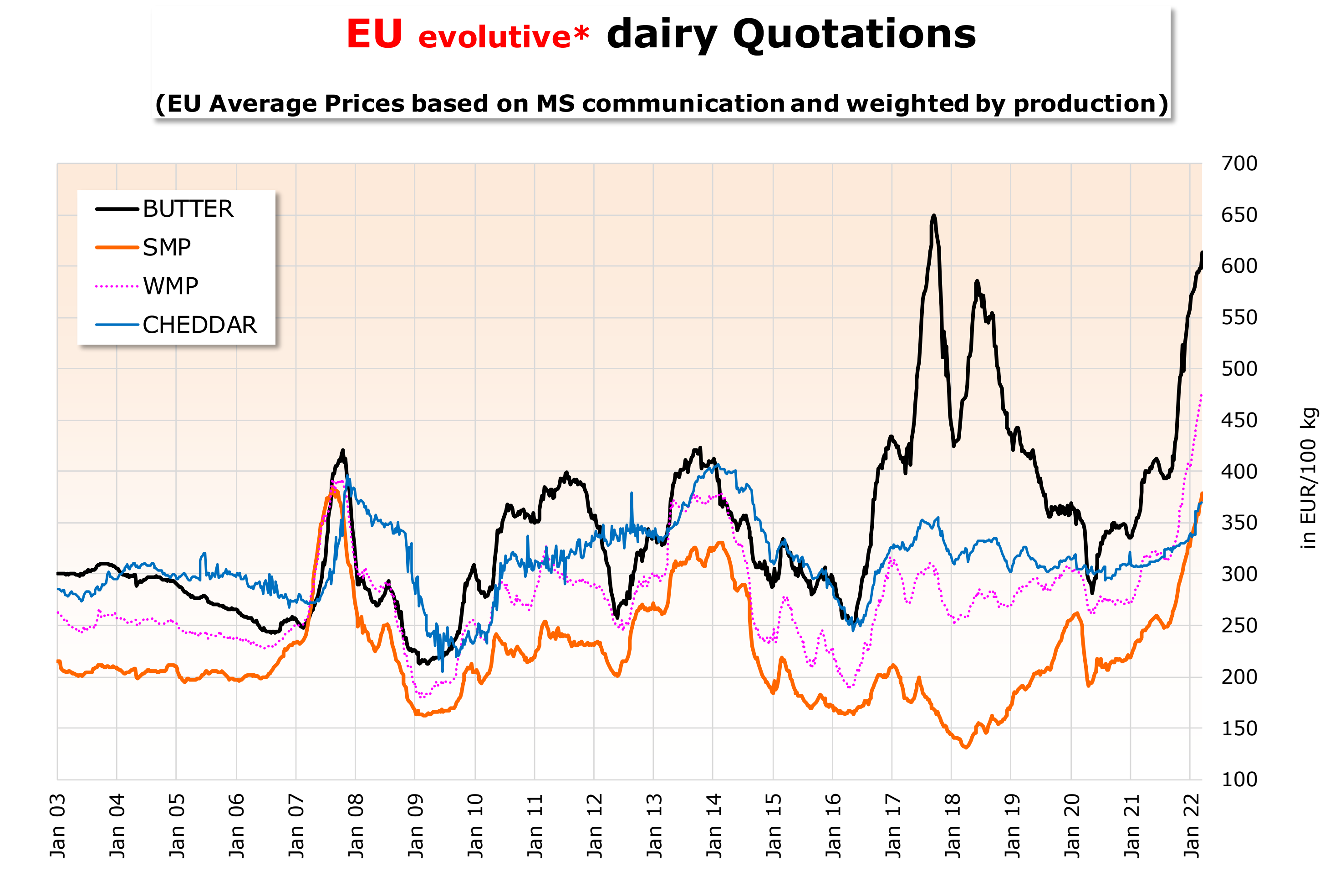
Feed cost in the Dairy sector





European Commission

EU dairy quotations



Source: Regulation (EU) No 2017/1185 Article 11 - Annex I.7

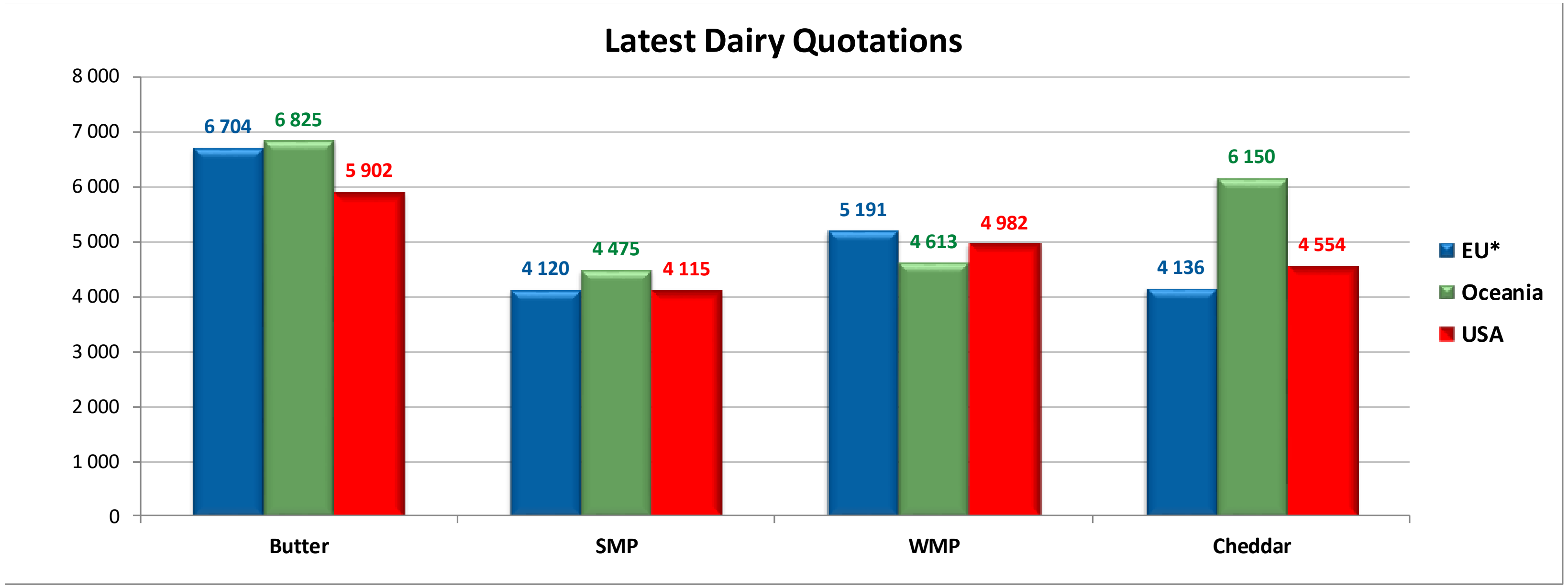
	BUTTER	SMP	WMP	CHEDDAR	EDAM	GOUDA	EMMENTAL	WHEY
Price €/100 kg	**614**	**379**	**477**	**369**	**427**	**414**	**514**	**134**
1 week	*+2.8%*	*+1.9%*	*+2.1%*	*+0.3%*	*+0.2%*	*+0.2%*	*+2.0%*	*+2.5%*
4 weeks	*+3.4%*	*+5.3%*	*+6.6%*	*+2.2%*	*+0.1%*	*+0.4%*	*+2.4%*	*+5.2%*
Year-1	*+58.0%*	*+55.8%*	*+53.0%*	*+20.1%*	*+36.0%*	*+31.5%*	*+6.0%*	*+44.1%*
5-years avg.	*+50.6%*	*+90.2%*	*+65.3%*	*+17.7%*	*+37.7%*	*+31.9%*	*+9.3%*	*+65.1%*

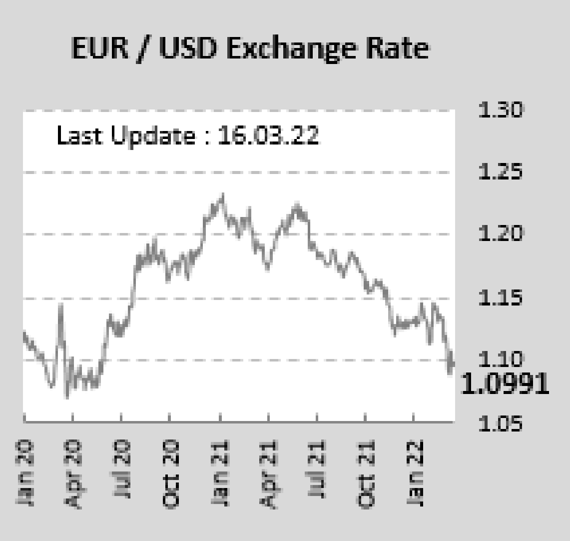
Latest world dairy quotations

Latest World Quotations of Dairy Products

In US$/t	Latest Quotations			Week - 2						Year - 1					
	06/03/2022			20/02/2022			%change (previous quotation)			07 March 2021			%change (1 year)		
	EU*	Oceania	USA	EU*	Oceania	USA	EU*	Oceania	USA	EU*	Oceania	USA	EU*	Oceania	USA
Butter	6 704	6 825	5 902	6 782	6 550	6 096	- 1.1%	+ 4.2%	- 3.2%	4 401	5 513	3 749	+ 52%	+ 24%	+ 57%
SMP	4 120	4 475	4 115	4 109	4 225	4 149	+ 0.3%	+ 5.9%	- 0.8%	2 850	3 325	2 583	+ 45%	+ 35%	+ 59%
WMP	5 191	4 613	4 982	5 111	4 325	4 982	+ 1.6%	+ 6.6%	nc	3 566	4 025	3 737	+ 46%	+ 15%	+ 33%
Cheddar	4 136	6 150	4 554	4 126	5 713	4 349	+ 0.3%	+ 7.7%	+ 4.7%	3 720	4 338	3 888	+ 11%	+ 42%	+ 17%

Source : Member States Notifications under Reg. 2017/1185, USDA





EU* = EU without UK

European Commission

Keep in touch and thank you!

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EU agri-food Data portal

ANNEX 2

EU dairy products monthly stock estimates up to end of December 2021

EDA

EU dairy products monthly stock estimates up to end of December 2021

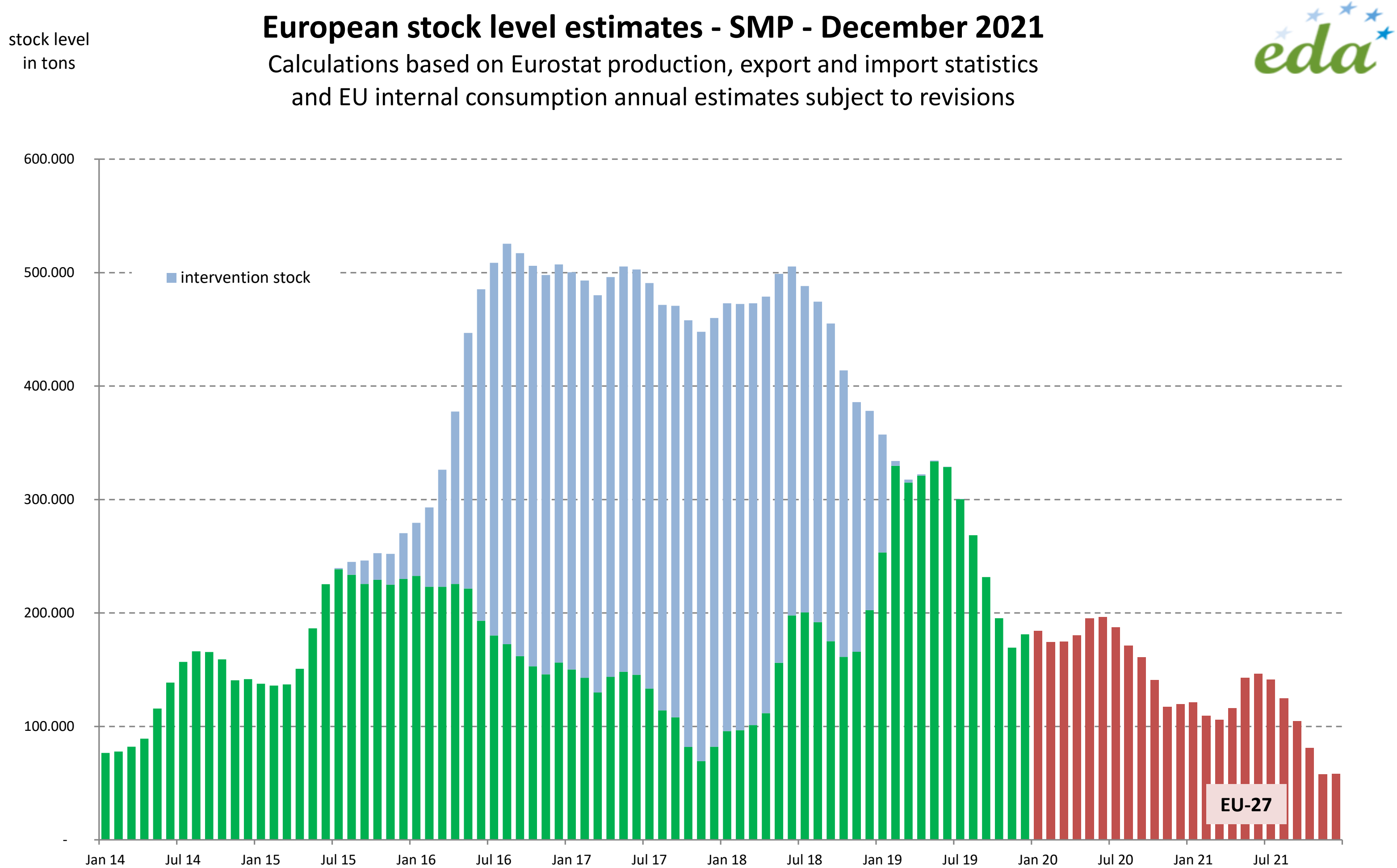
Milk Market Observatory Economic Board

March 21st, 2022

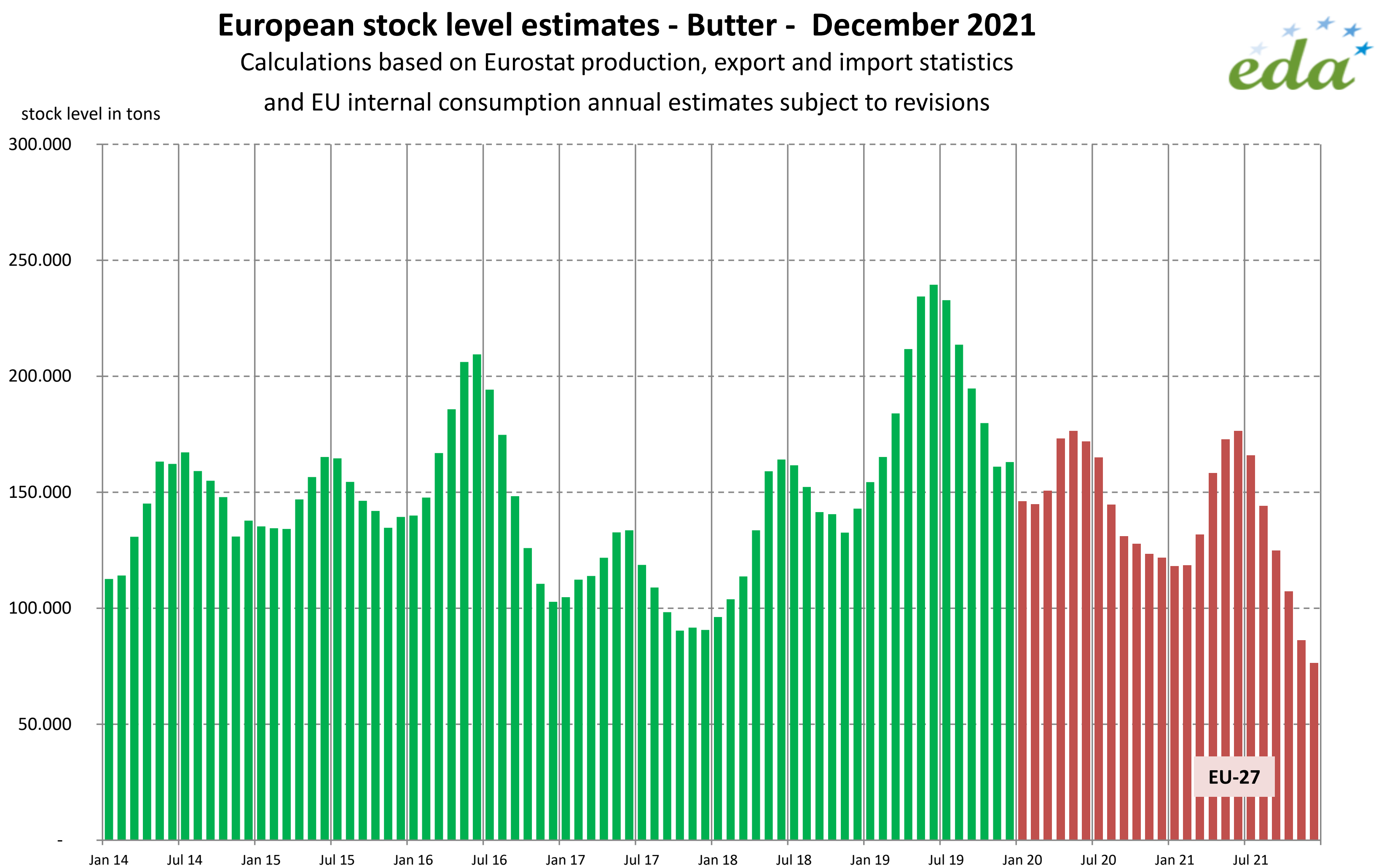
Methodology

- For each dairy product and each month, the stock estimates are based on the equation:
  - Stock variation = EU production + EU import – EU internal consumption – EU exports
- ZMB balance sheets and forecasts have been used as references for :
  - End of year stock levels
  - Yearly consumption levels
- Monthly production statistics are based on ZMB Dairy World publications.
- Exports and imports figures are based on MMO website figures and Eurostat. From 2020 onwards, data refer to the EU-27 (coloured in red).
- The initial stocks entered in the model at the beginning of 2012 are :
  - SMP: 152 000 t
  - Butter: 80 000 t
  - Cheese: 200 000 t (arbitrary basis)
- The green/red parts in each graph mean that this stock level can be considered as normal for the month.
- Orange parts mean that this stock level can be considered as too high for the month; intervention stocks are coloured blue.
- These qualifications are based on the EDA analysts' personal views and past market observations.

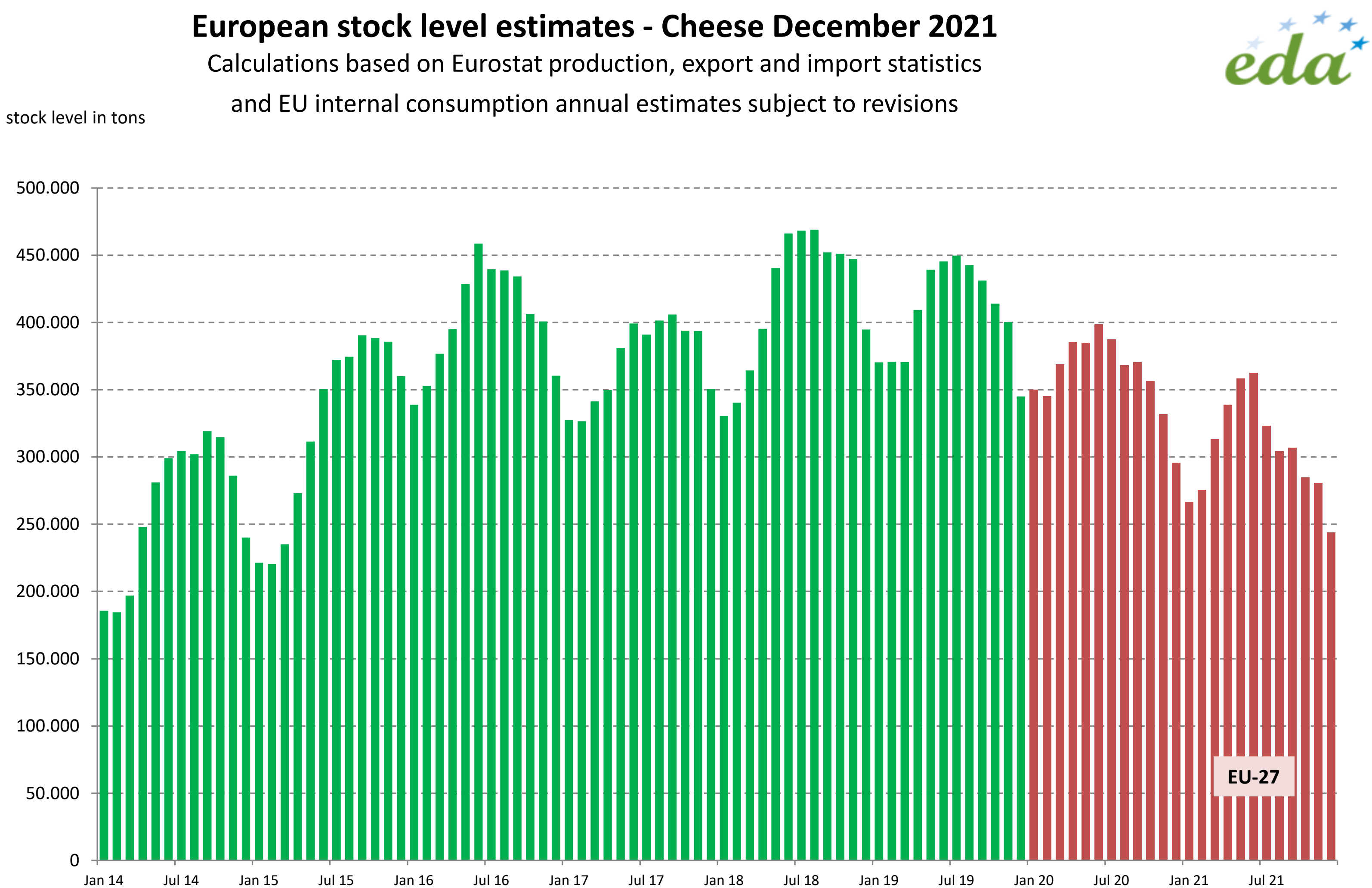
SMP: The market situation changed from oversupply to undersupply. Production is decreasing in the EU and at global level, while demand remains strong. Stocks are historically low and availability is very limited. Prices increased strongly.



Butter-stocks decreased strongly in the recent months of 2021 due to reduced production, healthy demand and very low imports. There was no weakness observed at the beginning of the year – like usual in most years in the past. Since the outbreak of the war in Ukraine buying-interest picked up and prices increased further rapidly. Availability is lower than normal in spring-time.



Strong cheese demand continued world-wide in recent months. Higher production is fully absorbed by demand and stocks are on very low levels. Prices of all types of cheese increased strongly and move on historical high levels.



Situation

Milk deliveries are lower than last year. Milk prices are rising to unusal high levels, but farmers are faced with exceptionally high costs for diesel, fertilizer and feed. Milk output in other exporting regions decreased unexpected.

Demand for dairy products remained good. Commodity-prices are higher than ever before. Consumer-prices didn‘t follow to full extend so far. High food-inflation will take place in the coming months.

Stocks of all dairy products are very low.

ANNEX 3

Global Dairy Trade Flows

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European Dairy Trade Association

Global dairy trade flows

MMO EXPERT GROUP

21/03/2021

Outline

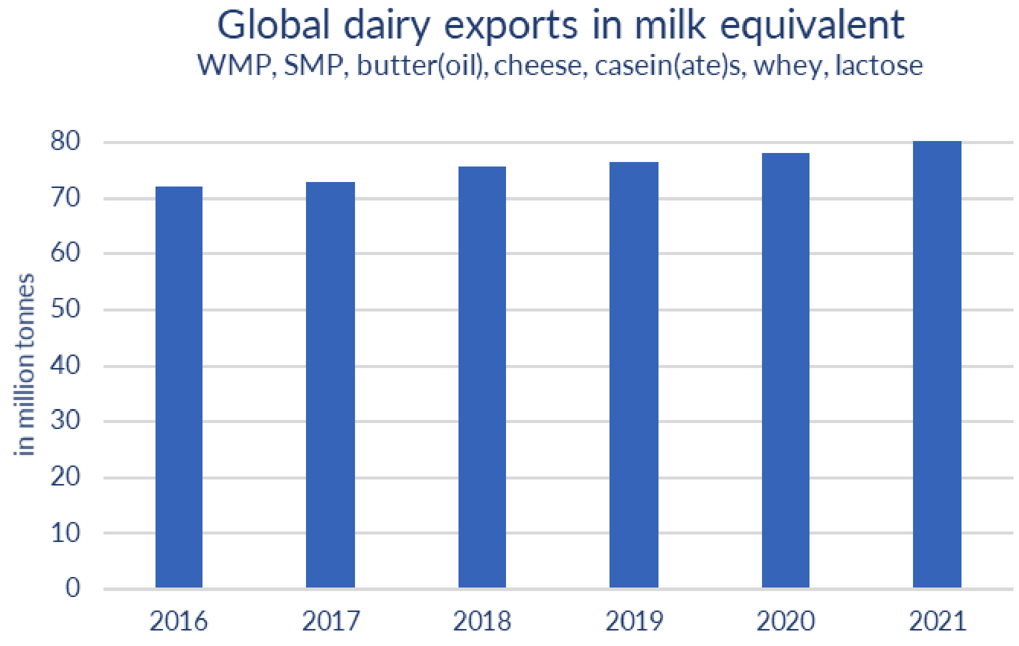
- Global exports & demand
- Developments in key import markets
- Conclusions

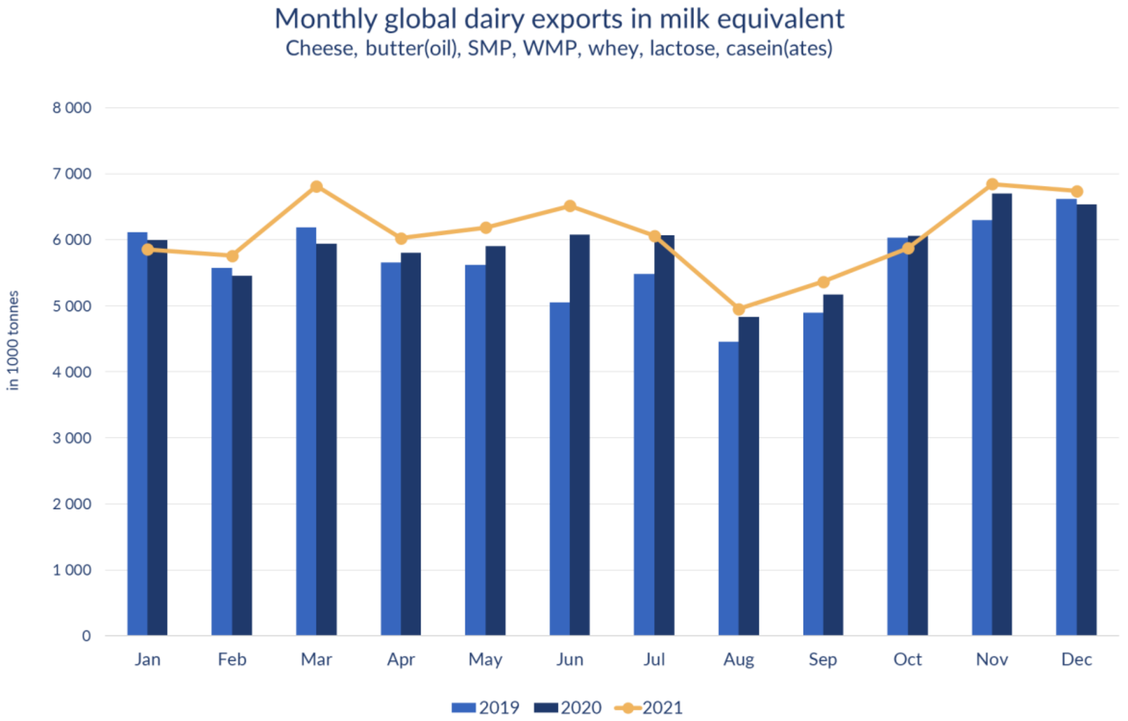
Source: Trade Data Monitor

Global dairy exports in ME

Global dairy exports:

Growth rate 21/20: **+2,6%**





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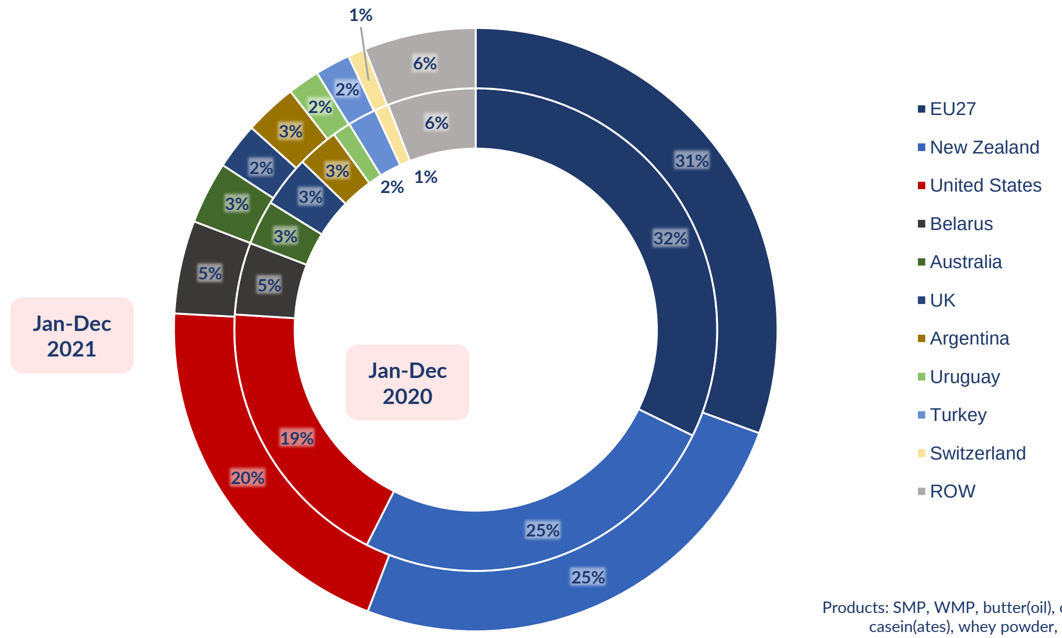
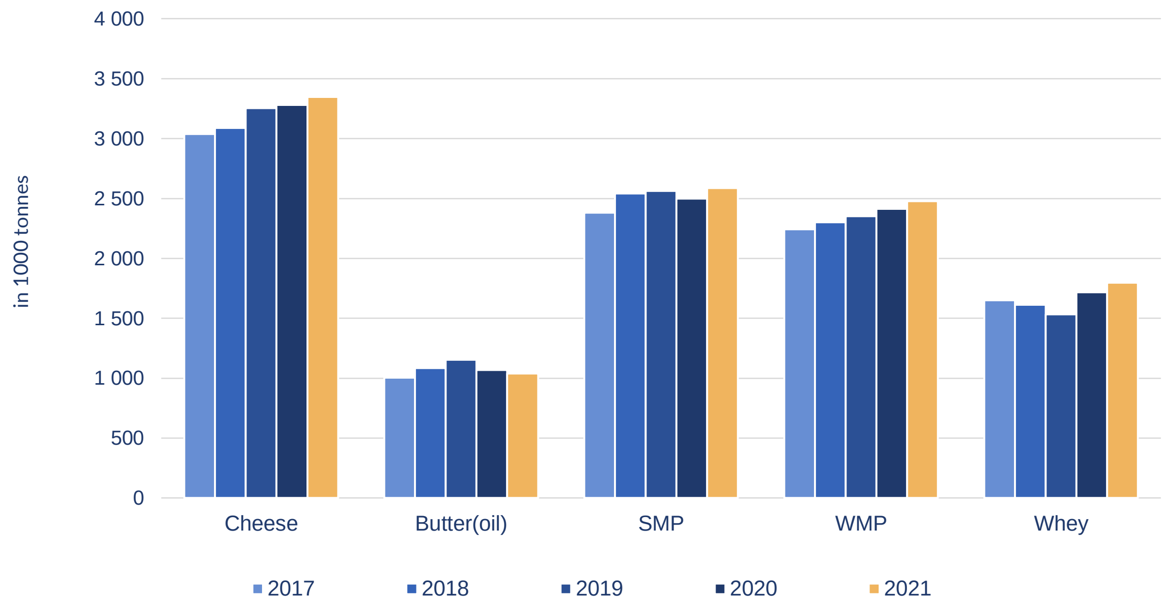
Dairy exports of main market players in ME

Export shares in % of total export volumes
(in milk equivalent)



Products: SMP, WMP, butter(oil), cheese, casein(ates), whey powder, lactose

Global exports of main dairy commodities



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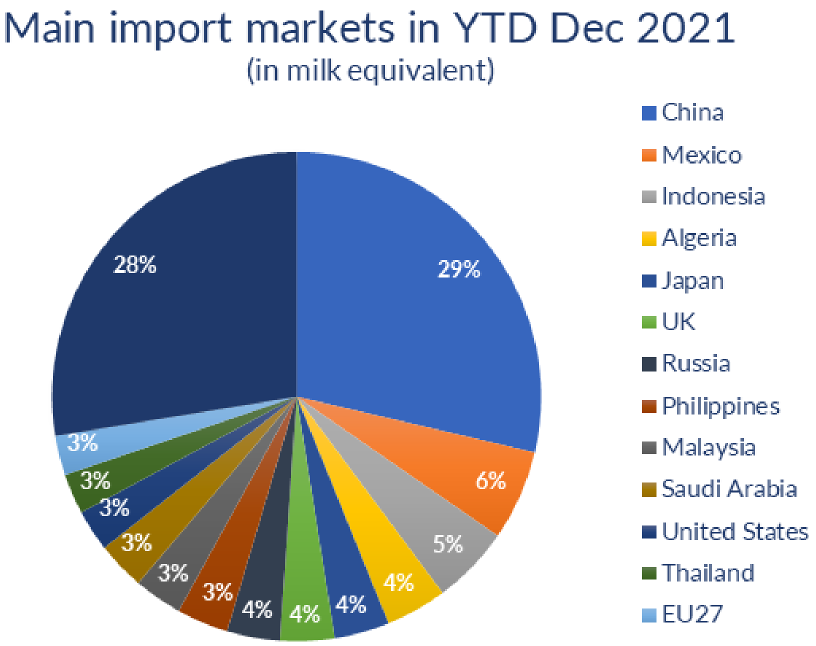
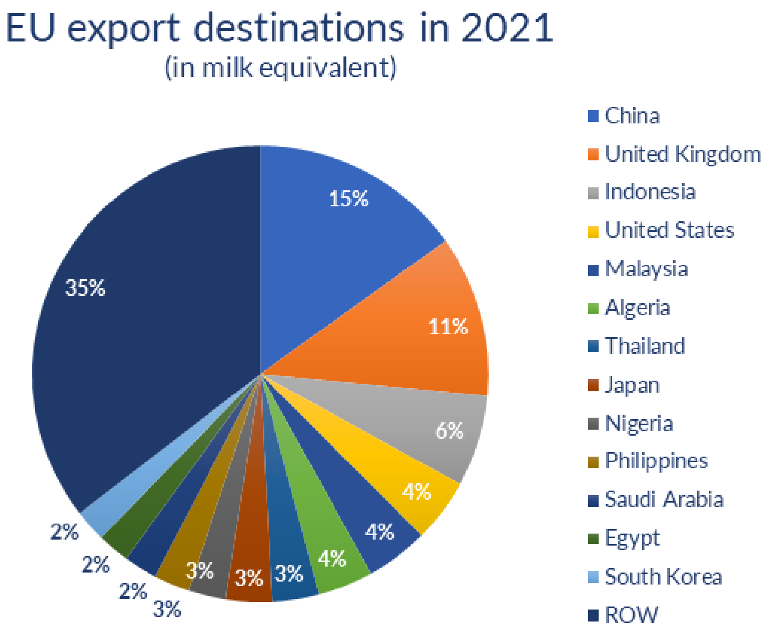
Main import markets & EU export destinations



Products: cheese, butter(oil), SMP, WMP, whey, lactose,



Products: cheese, butter(oil), SMP, WMP, whey, lactose, casein(ates)

Products: cheese, butter(oil), SMP, WMP, whey, lactose, casein(ates)

Cheese trade

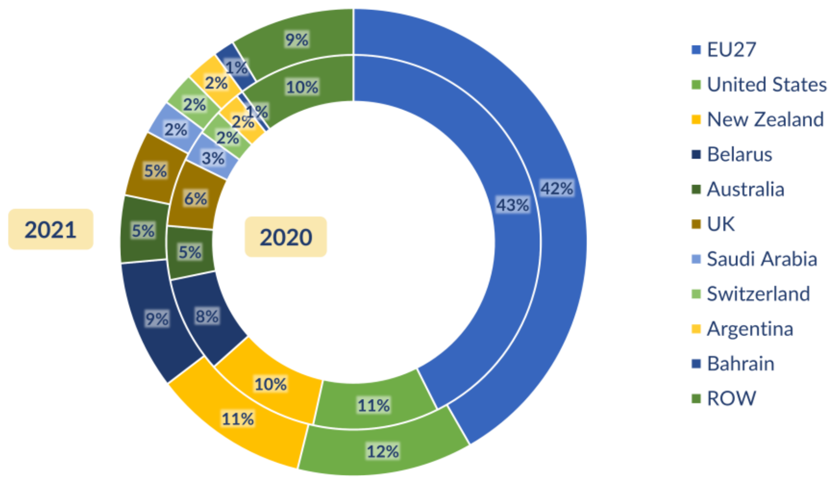
Global cheese exports:

Growth rate YTD 21/20: **+1,8%**

EU cheese exports:

Growth rate YTD Nov 21/20 **0%**

Global cheese export shares (in % of total exports)



MAIN CHEESE IMPORTERS JAN-DEC 2021			
Importers	Volumes in tonnes	Market shares	Δ% 21/20
World	**3 126 091**	**100%**	**+3%**
UK	407 241	13%	-18%
Russia	325 812	10%	+4%
Japan	287 724	9%	-1%
Saudi Arabia	191 682	6%	+6%
United States	187 948	6%	+14%
EU27	206 247	7%	-7%
China	176 152	6%	+36%
South Korea	156 523	5%	+6%
Mexico	129 874	4%	+14%
Australia	97 288	3%	-1%
ROW	959 600	31%	+8%

EU CHEESE EXPORTS JAN-NOV 2021			
Main destinations	Volumes in tonnes	Share of EU exports	Δ% 21/20
Total EU exports	**1 272 350**	**100%**	**-0%**
United Kingdom	391822	31%	-12%
United States	123 186	10%	+14%
Japan	109 298	9%	-7%
Switzerland	66 895	5%	+5%
Ukraine	47 833	4%	+13%
Switzerland	66 895	5%	+5%
South Korea	45 728	4%	-5%
Saudi Arabia	36 236	3%	-1%
China	36 236	3%	+46%
Australia	24928	2%	+1%
ROW	388 216	31%	+7%

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Butter trade

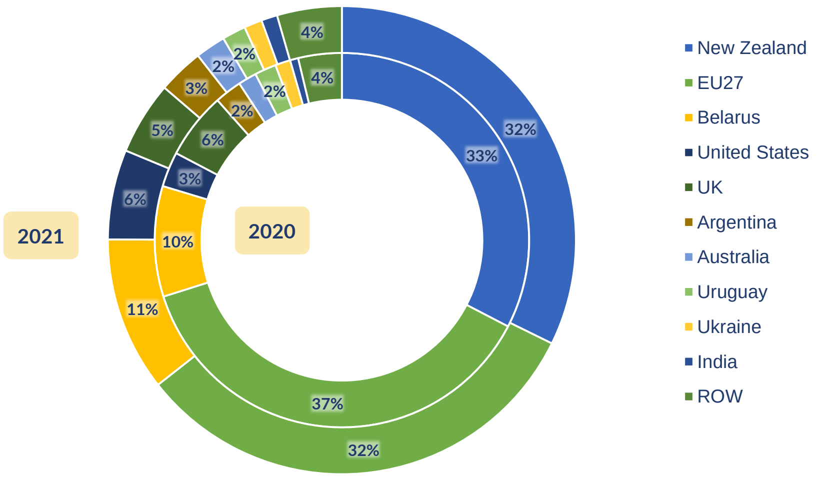
Global butter exports:

Growth rate YTD 21/20: **+1,5%**

EU butter exports:

Growth rate YTD Nov 21/20: **-14%**

Global butter export shares (in % of total exports)



MAIN BUTTER IMPORTERS JAN-DEC 2021			
Importers	Volumes in tonnes	Market shares	Δ% 21/20
World	**656 651**	**100%**	**-3%**
Russia	111 820	17%	+0%
China	97 466	15%	+14%
United States	48 190	7%	+17%
UK	46 755	7%	-32%
Saudi Arabia	35 317	5%	-14%
Australia	28 753	4%	-14%
EU27	29 488	4%	-1%
Canada	23 005	4%	+28%
Egypt	22 026	3%	+4%
South Korea	17 865	3%	+58%
ROW	195 966	30%	-10%

EU BUTTER EXPORTS JAN-NOV 2021			
Main destinations	Volumes in tonnes	Share of EU exports	Δ% 21/20
Total EU exports	**210 190**	**100%**	**-14%**
United Kingdom	39 655	19%	-22%
United States	39 300	19%	+7%
China	15 832	8%	+12%
South Korea	9 809	5%	+56%
Saudi Arabia	8 896	4%	-46%
Morocco	7 997	4%	-17%
Singapore	5 592	3%	-4%
Taiwan	5 139	2%	+3%
Ukraine	4 690	2%	-39%
Israel	4 957	2%	-32%
ROW	68 323	33%	-20%

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SMP trade

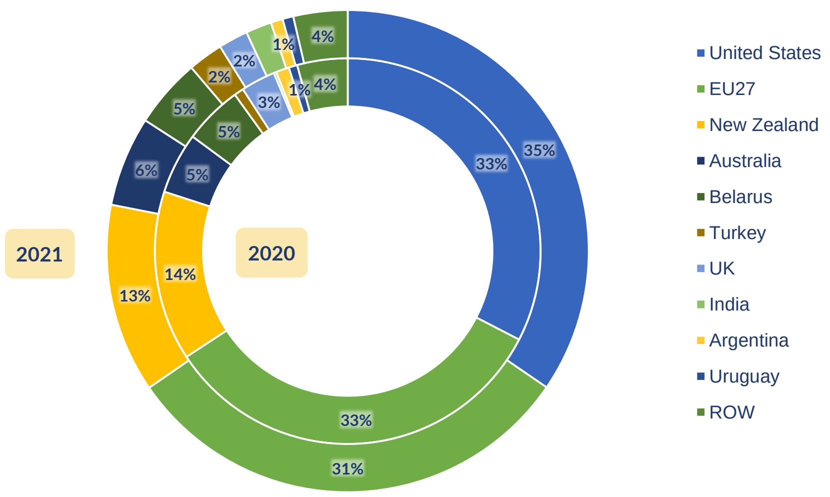
Global SMP exports:

Growth rate YTD 21/20: **+3,2%**

EU SMP exports:

Growth rate YTD Nov 21/20: **-4%**

Global SMP export shares (in % of total exports)



MAIN SMP IMPORTERS JAN-DEC 2021			
Importers	Volumes in tonnes	Market shares	Δ% 21/20
World	**2 267 017**	**100%**	**+1%**
China	426 054	19%	+27%
Mexico	340 696	15%	+10%
Indonesia	199 038	9%	+1%
Philippines	168 014	7%	-6%
Algeria	137 954	6%	-4%
Malaysia	123 838	5%	+6%
Vietnam	119 383	5%	+17%
Egypt	86 976	4%	+8%
Thailand	64 970	3%	+4%
Singapore	60 046	3%	-3%
ROW	540 048	24%	-18%

EU SMP EXPORTS JAN-NOV 2021			
Main destinations	Volumes in tonnes	Share of EU exports	Δ% 21/20
Total EU exports	**734 629**	**100%**	**-4%**
China	119 200	16%	+9%
Algeria	85 440	12%	-25%
Indonesia	61 096	8%	+47%
Philippines	46 839	6%	+19%
Nigeria	42 711	6%	+4%
Malaysia	37 870	5%	+3%
Egypt	32 252	4%	-19%
Yemen	26 512	4%	-5%
Thailand	23 873	3%	+15%
Saudi Arabia	22 337	3%	-22%
ROW	258 836	35%	-13%

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WMP trade

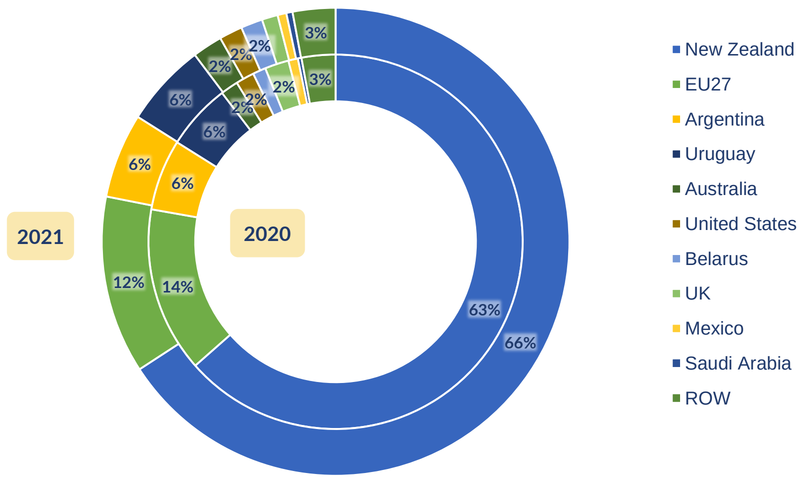
Global WMP exports:

Growth rate YTD 21/20: +2,6%

EU WMP exports:

Growth rate YTD Nov 21/20: -13%

Global WMP export shares (in % of total exports)



MAIN WMP IMPORTERS JAN-DEC 2021			
Importers	Volumes in tonnes	Market shares	Δ% 21/20
World	2 077 401	100%	+1%
China	849 191	41%	+32%
Algeria	220 592	11%	-12%
Saudi Arabia	107 839	5%	-30%
Sri Lanka	71 972	3%	-19%
Nigeria	69 652	3%	+24%
Thailand	63 651	3%	+10%
Indonesia	63 001	3%	+24%
Singapore	61 161	3%	+7%
Brazil	51 842	2%	-42%
Nigeria	43 886	2%	-22%
ROW	474 614	23%	-15%

EU WMP EXPORTS JAN-NOV 2021			
Main destinations	Volumes in tonnes	Share of EU exports	Δ% 21/20
Total EU exports	277 991	100%	-13%
Oman	37 433	13%	-14%
Nigeria	24 858	9%	+23%
China	20 703	7%	+35%
United Kingdom	16 682	6%	-40%
Algeria	16 080	6%	-56%
United Arab Emirates	10 697	4%	+34%
Senegal	9 519	3%	+36%
Singapore	7 773	3%	+13%
Bangladesh	6 525	2%	+55%
Saudi Arabia	6 306	2%	-14%
ROW	121 415	44%	-14%

Whey powder trade

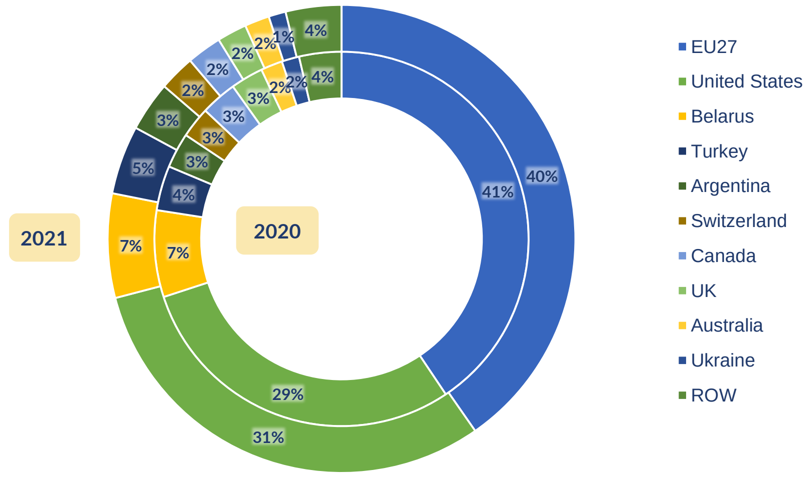
Global whey powder exports:

Growth rate YTD Sep 21/20: **+5%**

EU whey powder exports:

Growth rate YTD Nov: +5%

Global whey export shares (in % of total exports)



MAIN WHEY POWDER IMPORTERS JAN-DEC 2021

Importers	Volumes in tonnes	Market shares	Δ% 21/20
World	**1 726 302**	**100%**	**+7%**
China	718 009	42%	+15%
Indonesia	132 429	8%	+17%
EU27	35 416	2%	-6%
Malaysia	92 529	5%	+9%
Vietnam	73 844	4%	+28%
Thailand	71 012	4%	+6%
Philippines	67 977	4%	+22%
Japan	49 348	3%	-2%
Russia	46 395	3%	-10%
UK	45 644	3%	-12%
ROW	393 699	23%	-10%

EU WHEY POWDER EXPORTS JAN-NOV 2021

Main destinations	Volumes in tonnes	Share of EU exports	Δ% 21/20
Total EU exports	**663 410**	**100%**	**+5%**
China	226 342	34%	+0%
Indonesia	86 602	13%	+36%
Malaysia	61 832	9%	+10%
Thailand	42 391	6%	+19%
United Kingdom	35 938	5%	-28%
Vietnam	23 077	3%	+19%
Japan	18 025	3%	+5%
Philippines	12 893	2%	+3%
South Korea	12 803	2%	-6%
Singapore	11 632	2%	+30%
ROW	131 875	20%	+1%

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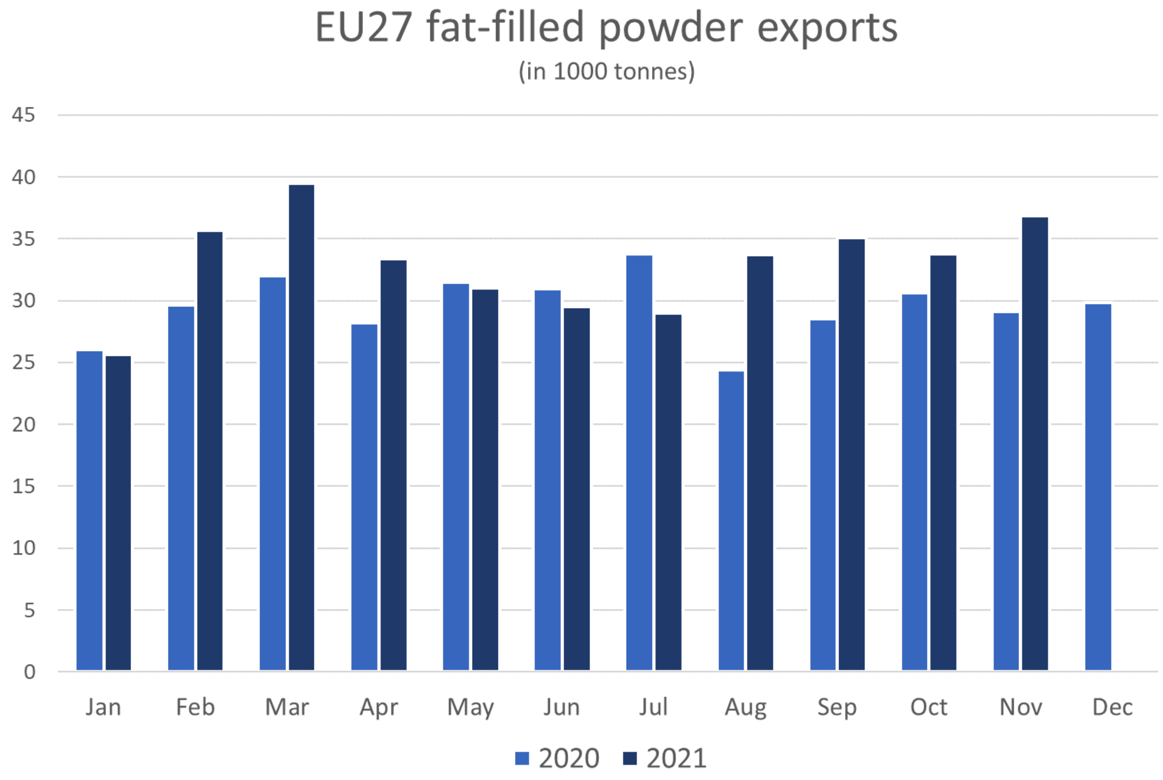
Fat-filled powder trade

EU fat-filled powder exports:

Growth rate YTD Nov : **+12%**



EU27 FFP EXPORTS JAN-NOV 2021			
Main destinations	**Volumes in tonnes**	**Share of EU exports**	**Δ% 21/20**
Total EU27 exports	363 102	100%	+12%
Nigeria	69 602	19%	+34%
Senegal	58 462	16%	+25%
Iraq	26 471	7%	-9%
United Arab Emirates	24 427	7%	-19%
Cote d'Ivoire	19 892	5%	+77%
Bangladesh	19 462	5%	+50%
Egypt	13 069	4%	+35%
Niger	8 656	2%	+82%
Guinea	8 056	2%	-6%
Ghana	7 845	2%	-14%
ROW	107 160	30%	-3%

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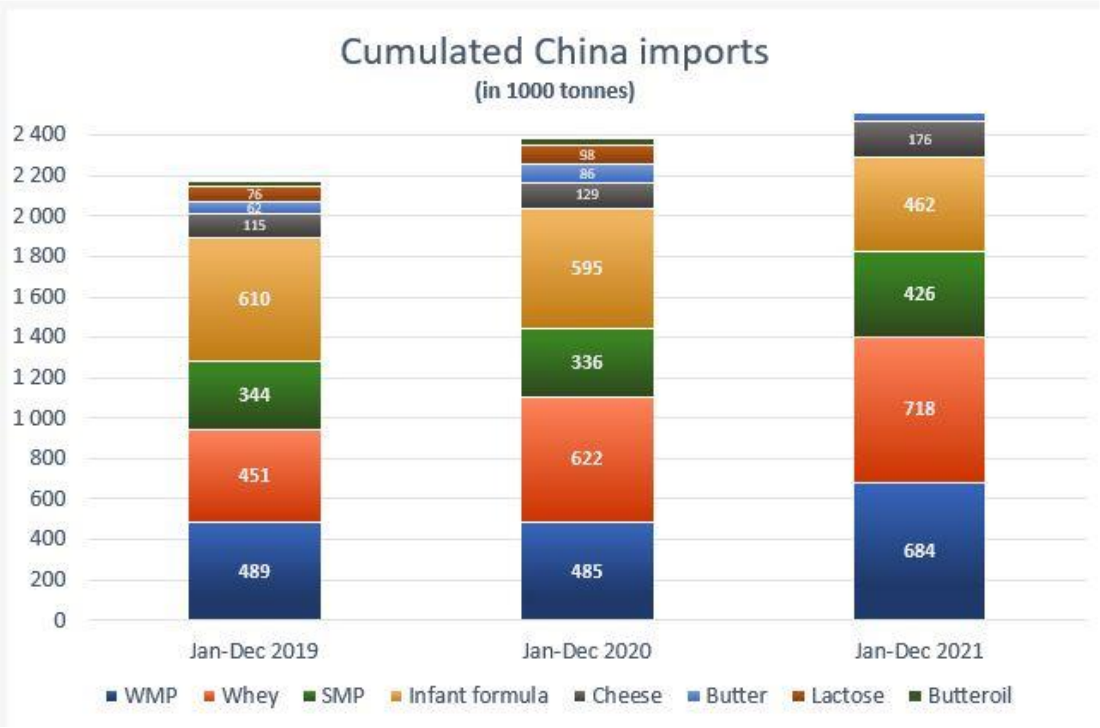
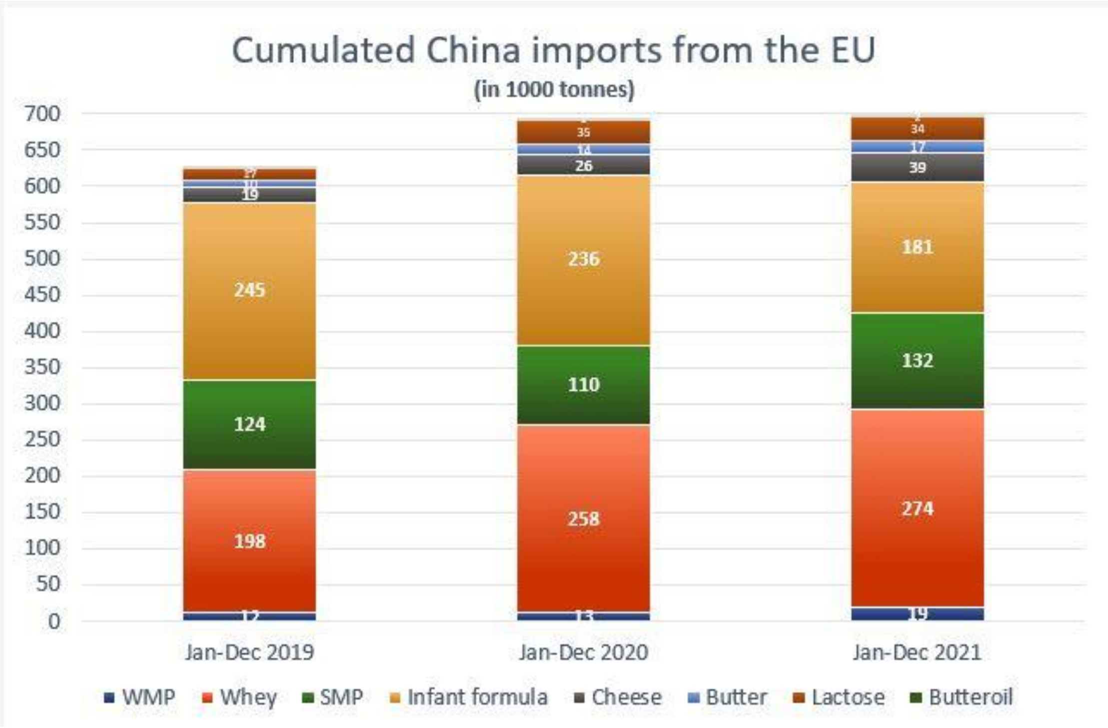
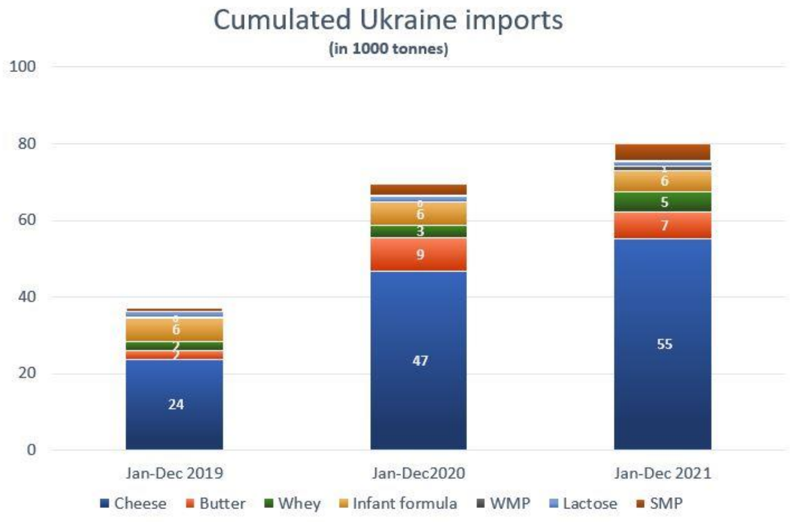
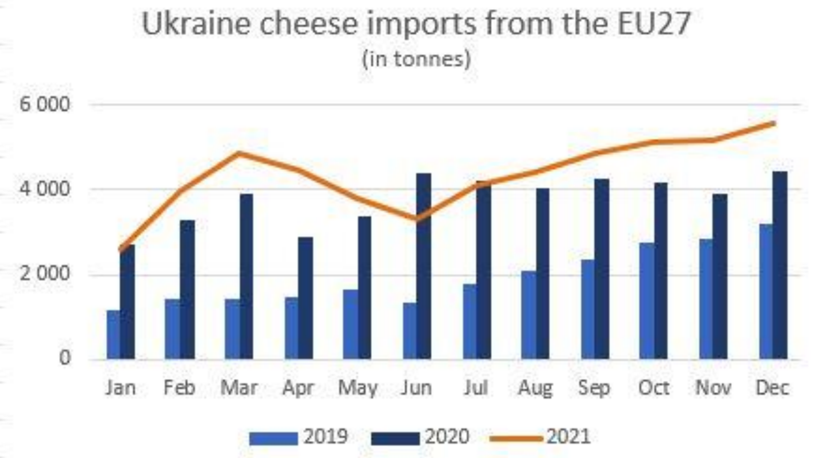
China imports

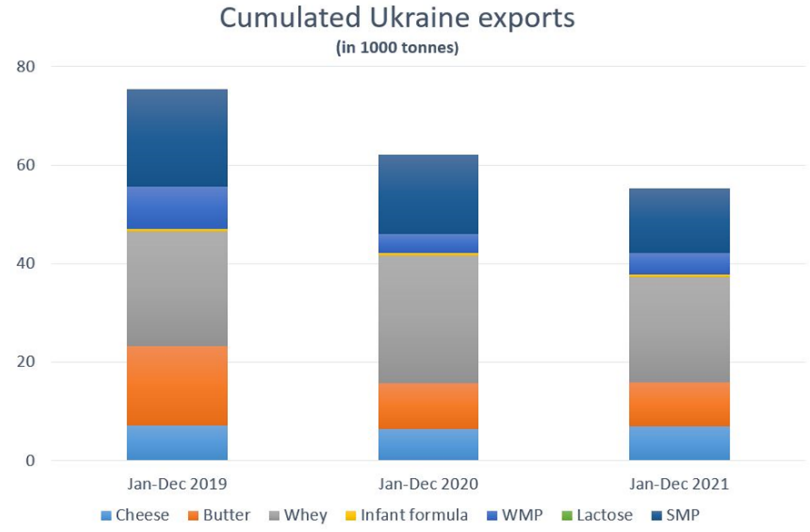


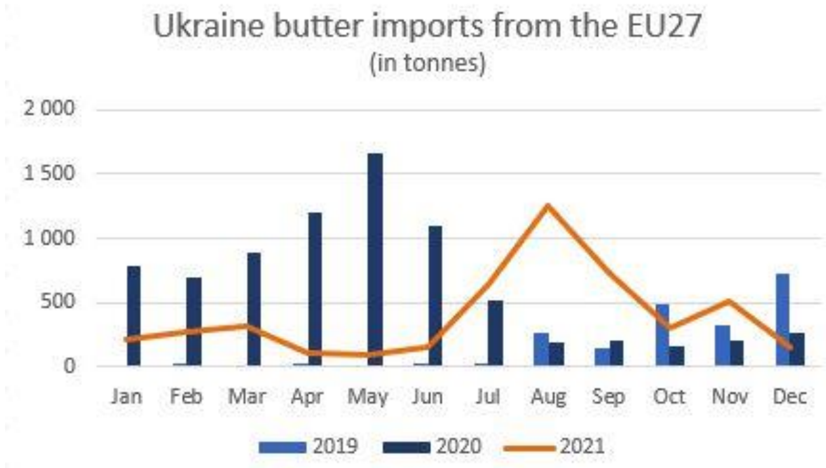


Ukraine trade









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Conclusions (1/2)

- **Markets are very firm** as demand for dairy remains stronger than the globally falling milk flows. Since the beginning of the pandemic, we have gone from demand shocks to **supply shocks, now amplified by the Russian invasion of Ukraine.**

- **Soaring input costs** have been a factor for quite some time and availability of feed, fertiliser and fuel is now tightening further. **Milk output is likely to remain muted** in the short term, despite high milk prices.

- 2021 was another year of growth for global trade. **EU and global dairy exports are likely to decline this year due to the supply deficit and the impact of high prices**, with price-sensitive regions reducing dairy purchases and all buyers acting prudently.

- **The war and the sanctions against Russia will have multiple repercussions and there are fears of stagflation.** Rising energy (affecting farms, processors and trade alike) and input costs, global food security concerns and worsening logistical challenges are but a few examples.

Conclusions (2/2)

- The **direct consequences of the war for dairy trade and markets are not huge.** The main impact is on EU cheese exports to Ukraine. There will in turn be more domestic consumption in the EU given the huge number of refugees. All possible post-2014 ban exports to Russia of food products containing dairy have stopped. Russia imports mainly from Belarus (around 80%), while supplies from most other origins are unlikely to continue.

- The **strength of Chinese demand** is, as always, a key factor. Renewed **covid lockdowns** are currently influencing demand patterns. So far China has taken a **neutral stance on the conflict** but support provided to Russia might lead to sanctions against China which in turn could have consequences on Chinese dairy imports.

- The war has added **new layers of complexity** to what was already an unprecedented market situation. **Geopolitical factors will be more influential than ever**.

Thank You

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ANNEX 4

Potential consequences of war in Ukraine on the dairy sector

European Commission

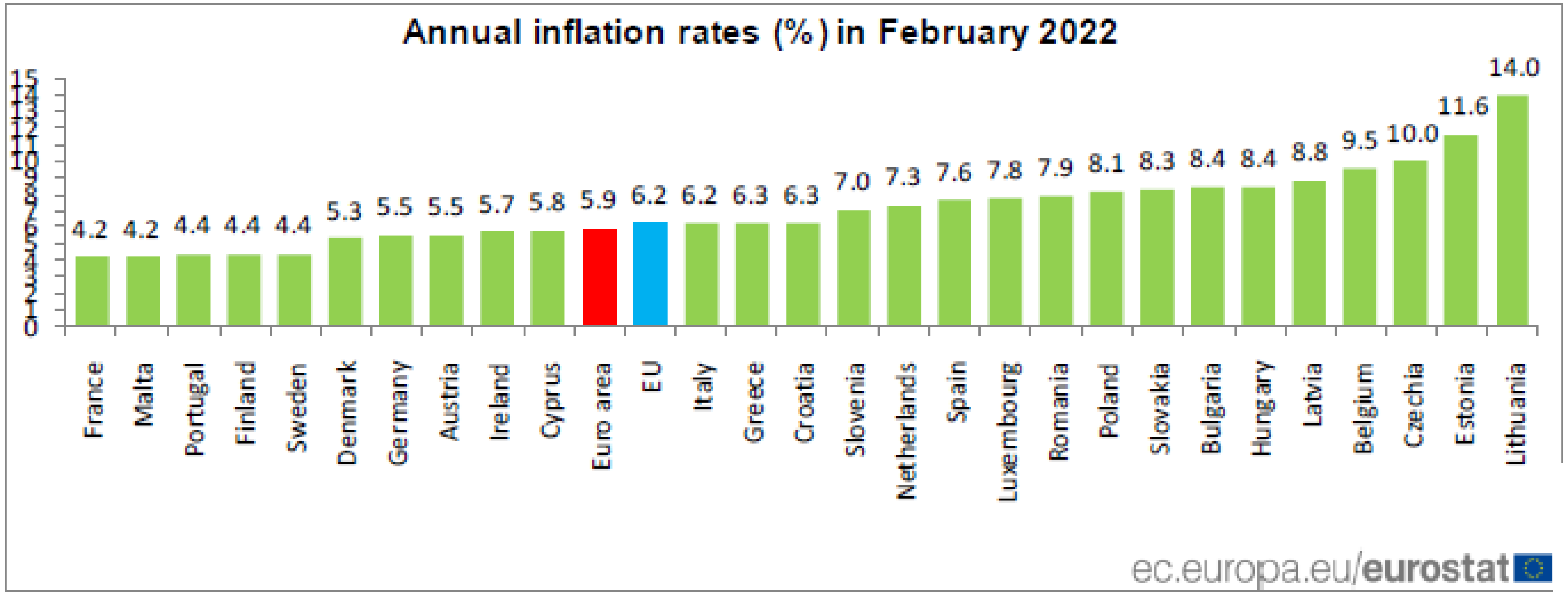
Potential consequences of war in Ukraine on the dairy sector

MMO meeting

Brussels, 21 March 2022

European Commission

Inflation rate in the EU

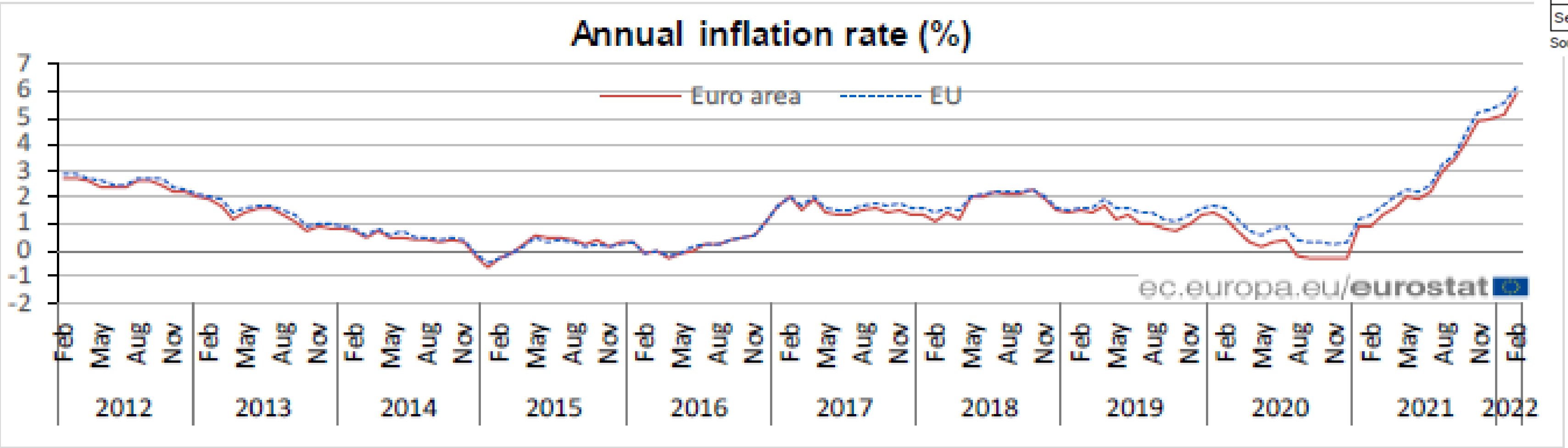


Annual inflation rates (%) in February 2022

Contributions to the euro area annual inflation rate (pp), selected aggregates

	Contributions						
	Feb 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22
Food, alcohol & tobacco	0.29	0.44	0.43	0.49	0.71	0.77	**0.90**
> processed food, alcohol & tobacco	0.21	0.31	0.35	0.39	0.47	0.50	**0.58**
> unprocessed food	0.08	0.13	0.08	0.10	0.23	0.26	**0.31**
Energy	-0.15	1.63	2.21	2.57	2.46	2.80	**3.12**
Non-energy industrial goods	0.26	0.57	0.55	0.64	0.78	0.56	**0.81**
Services	0.55	0.72	0.86	1.16	1.02	0.98	**1.04**

Source dataset: prc_hicp_ctrb



Annual inflation rate (%)

European Commission

Exchange Rates

28 Feb. 2022- 7 March: +74%

Since 28 Feb.: +26%

Minor movement to date

Source: www.xe.com

European Commission

A change in trade partners

Figure 1: Ukraine, exports of goods by destination, % of total goods exported, 2010-2021

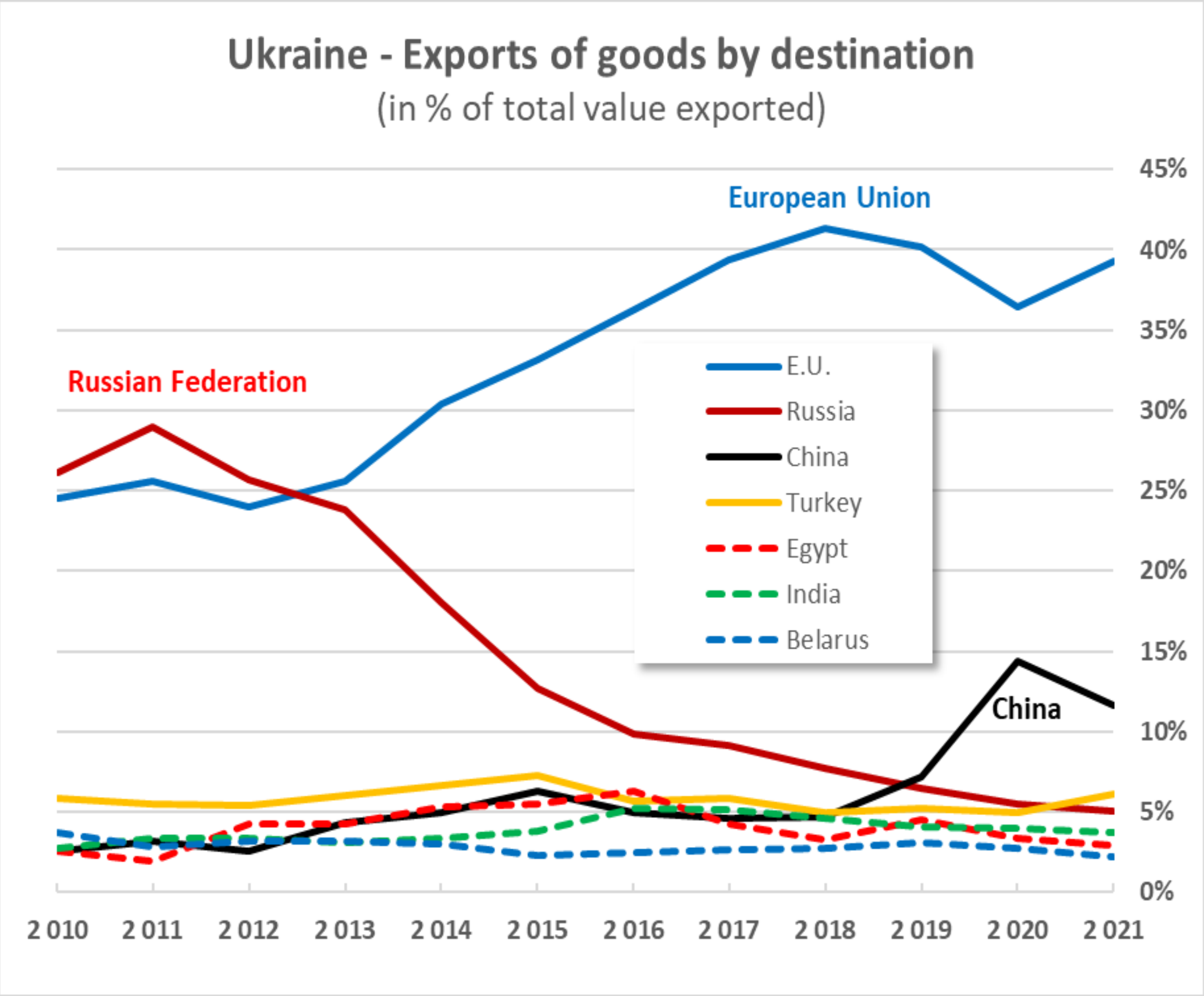
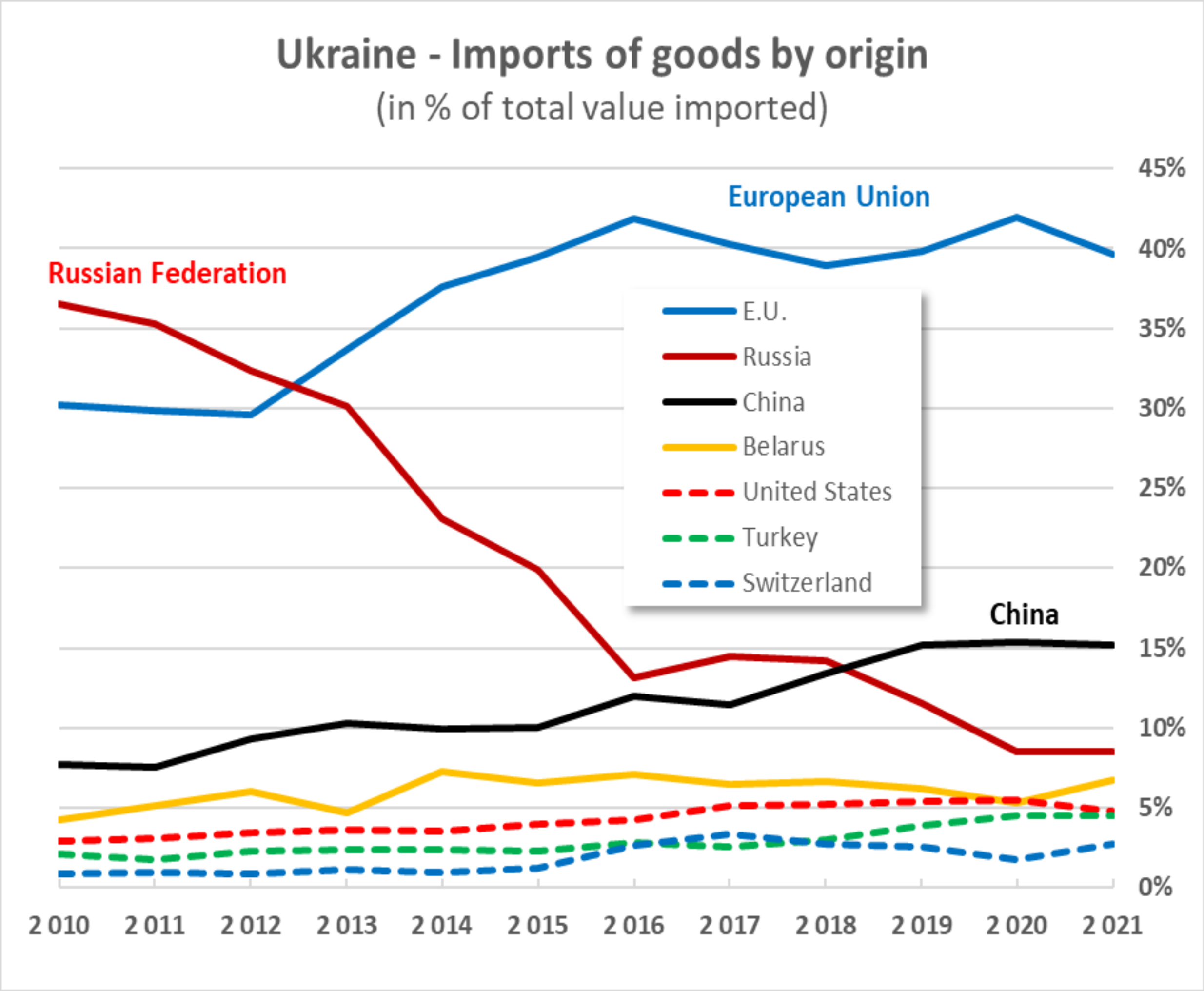
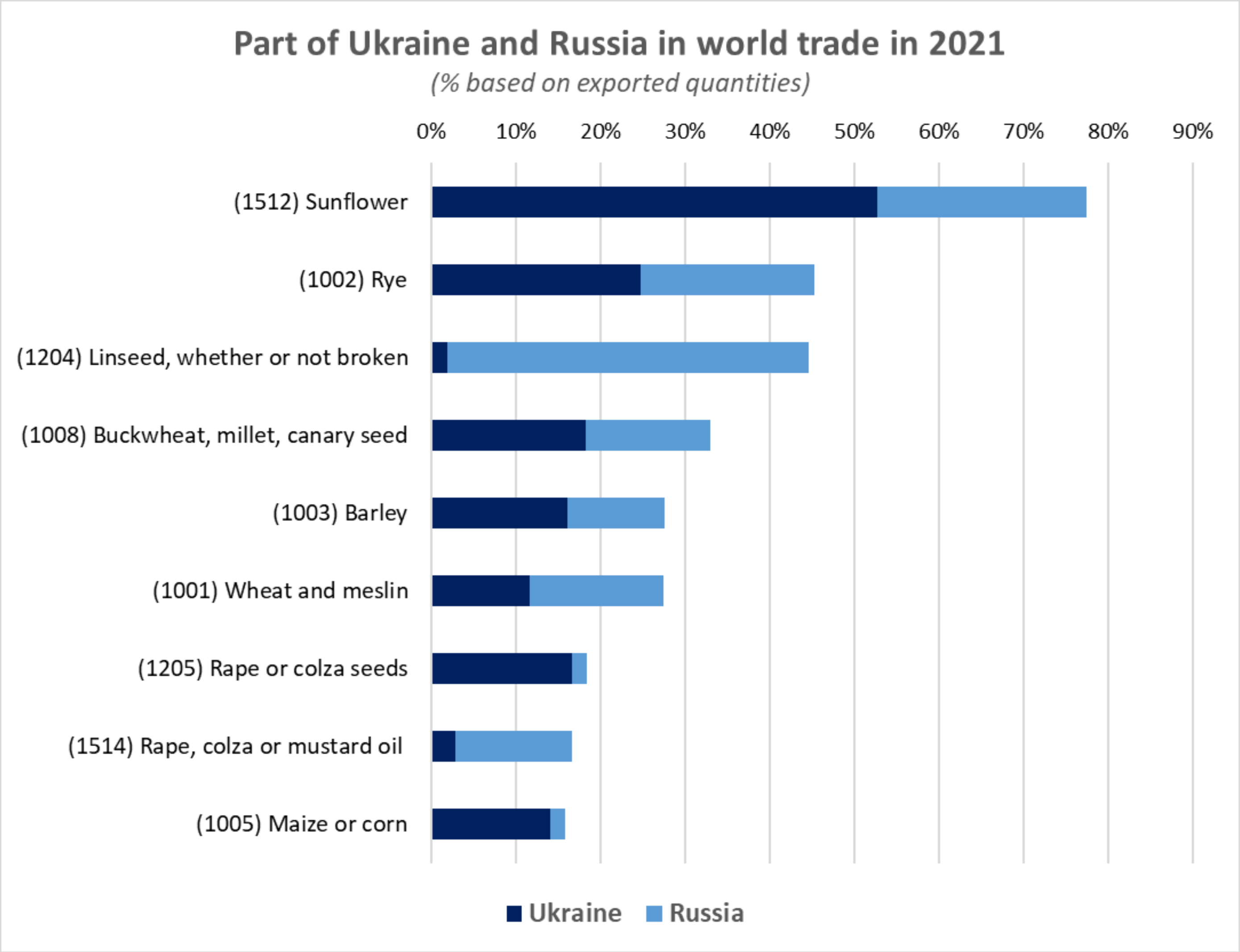


Figure 2: Ukraine, imports of goods by origin,% of total goods imported, 2010-2021



Source: Global Trade Atlas (Connect)

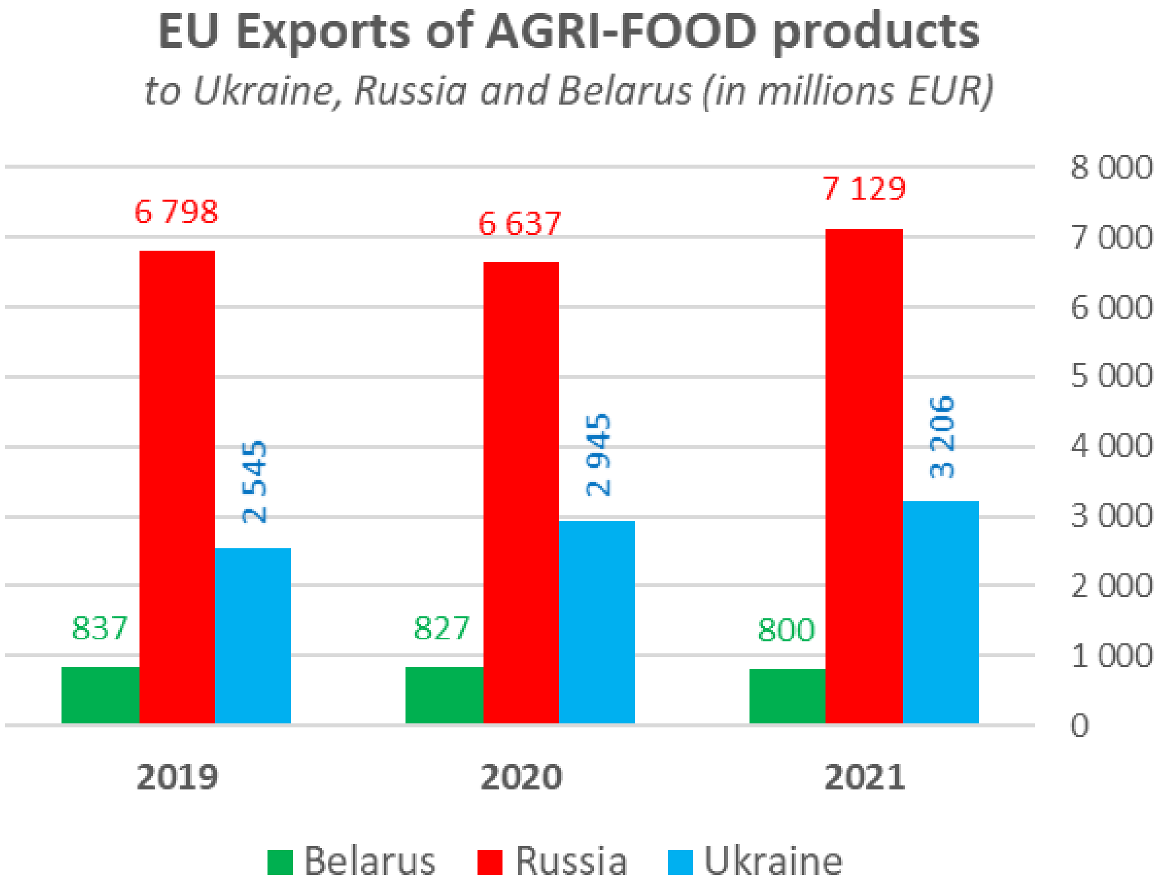
Participation of Ukraine and Russia in world trade in agricultural raw materials

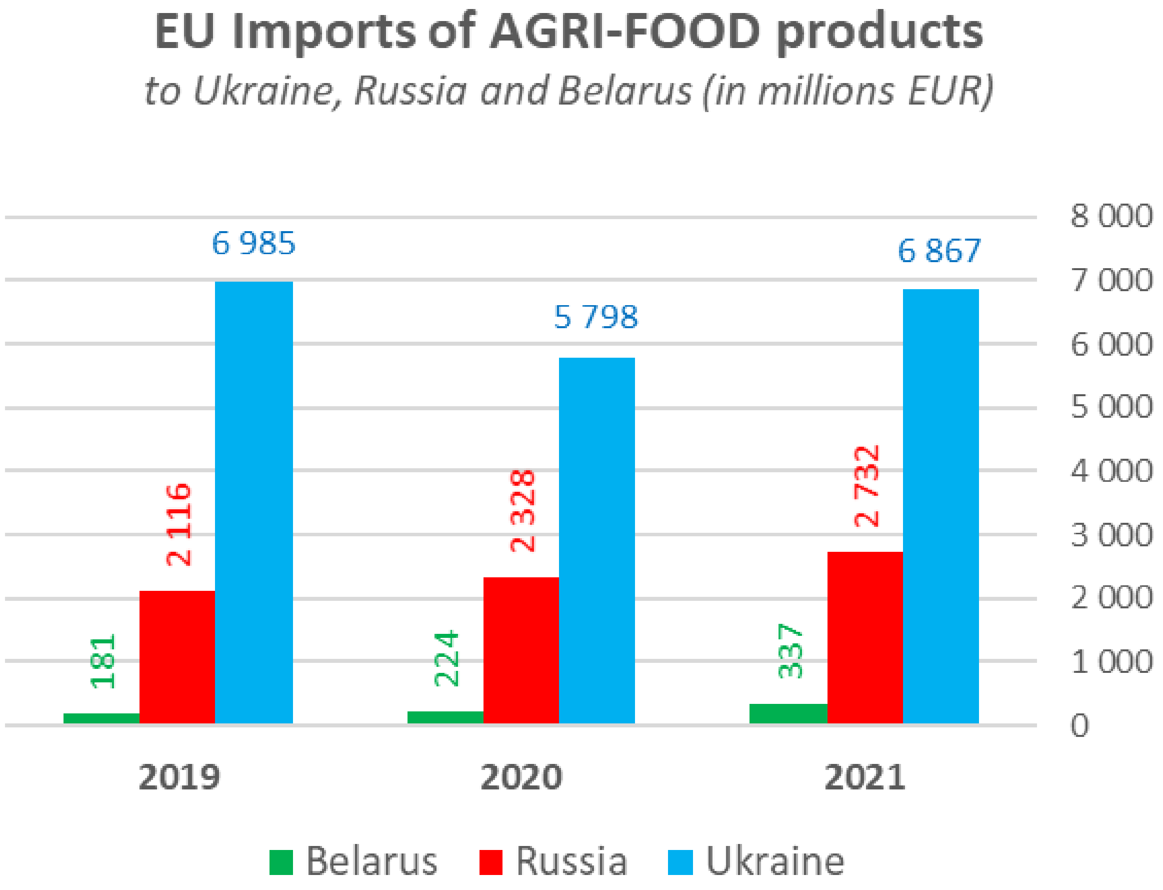


Source: Global Trade Atlas (Connect)

European Commission

EU trade of agri-food products with Ukraine, Russia and Belarus





European Commission

EU trade of agri-food products with Ukraine

EU Exports of AGRI-FOOD products to Ukraine

in 1000 EUR

Chapt.	Product description	2019	2020	2021	% 2021
22	BEVERAGES, SPIRITS	261 620	318 022	346 360	11%
24	TOBACCO	219 010	273 577	242 446	8%
18	COCOA PRODUCTS	205 721	236 370	265 627	8%
21	Other EDIBLE PREPARATIONS	208 973	234 604	251 687	8%
04	DAIRY, EGGS	145 199	251 707	291 271	9%
23	RESIDUES FROM FOOD INDUSTRIES	161 516	208 529	235 053	7%
12	OIL SEEDS	200 646	184 646	192 409	6%
19	PREPARATIONS OF CEREALS	131 702	159 445	188 469	6%
02	MEAT	125 983	124 133	158 880	5%
08	EDIBLE FRUIT, NUTS	124 270	134 598	133 145	4%
09	COFFEE, TEA	97 683	121 085	123 547	4%
03	FISH, CRUSTACEANS	111 050	112 733	114 651	4%
20	PREPARATIONS OF VEGETABLES	90 707	93 529	108 145	3%
10	CEREALS	109 946	93 449	75 891	2%
06	LIVE TREES, PLANTS	65 626	67 948	90 135	3%
	Other products	*285 017*	*330 486*	*387 931*	*12%*
Grand Total		**2 544 667**	**2 944 863**	**3 205 647**	

EU Imports of AGRI-FOOD products from Ukraine

in 1000 EUR

Chapt.	Product description	2019	2020	2021	% 2021
10	CEREALS	2 674 361	1 697 372	1 749 350	25%
15	ANIMAL, VEGETABLE FATS	1 357 768	1 579 973	2 074 806	30%
12	OIL SEEDS	1 450 992	1 084 399	1 330 823	19%
23	RESIDUES FROM FOOD INDUSTRIES	529 553	413 367	431 228	6%
08	EDIBLE FRUIT, NUTS	170 831	191 684	315 982	5%
02	MEAT	174 489	124 501	154 712	2%
19	PREPARATIONS OF CEREALS	82 726	103 616	128 725	2%
04	DAIRY, EGGS	98 238	98 225	115 282	2%
20	PREPARATIONS OF VEGETABLES	80 394	80 851	91 577	1%
22	BEVERAGES, SPIRITS	30 900	67 679	119 637	2%
17	SUGAR PRODUCTS	60 808	72 063	84 959	1%
07	EDIBLE VEGETABLES	69 211	67 666	54 621	1%
18	COCOA PRODUCTS	54 945	61 642	67 711	1%
21	Other EDIBLE PREPARATIONS	49 399	53 162	58 403	1%
14	VEGETABLE PLAITING MATERIALS	46 485	44 885	16 478	0%
	Other products	*54 228*	*57 317*	*72 535*	*1%*
Grand Total		**6 985 328**	**5 798 402**	**6 866 830**	

EU trade of agri-food products with Russia

EU Exports of AGRI-FOOD products to Russia

in 1000 EUR

Chapt.	Product description	2019	2020	2021	% 2021
22	BEVERAGES, SPIRITS	1 538 353	1 450 429	1 531 283	21%
21	Other EDIBLE PREPARATIONS	617 064	634 043	709 103	10%
23	RESIDUES FROM FOOD INDUSTRIES	522 251	547 956	555 549	8%
18	COCOA PRODUCTS	519 511	498 211	597 683	8%
06	LIVE TREES, PLANTS	511 637	498 470	566 378	8%
19	PREPARATIONS OF CEREALS	505 614	495 256	493 227	7%
12	OIL SEEDS	424 728	507 457	489 650	7%
20	PREPARATIONS OF VEGETABLES	422 261	377 172	420 634	6%
24	TOBACCO	278 102	258 872	271 493	4%
15	ANIMAL, VEGETABLE FATS	213 829	210 799	246 556	3%
09	COFFEE, TEA	210 060	211 044	238 813	3%
04	DAIRY, EGGS	203 567	192 555	172 573	2%
01	LIVE ANIMALS	195 721	116 026	134 769	2%
08	EDIBLE FRUIT, NUTS	150 910	129 517	153 388	2%
17	SUGAR PRODUCTS	133 459	119 849	143 783	2%
	Other products	*351 136*	*389 792*	*404 486*	6%
Grand Total		**6 798 201**	**6 637 450**	**7 129 368**	

EU Imports of AGRI-FOOD products from Russia

in 1000 EUR

Chapt.	Product description	2019	2020	2021	% 2021
03	FISH, CRUSTACEANS	631 868	573 776	602 882	22%
23	RESIDUES FROM FOOD INDUSTRIES	482 509	580 144	682 278	25%
12	OIL SEEDS	223 525	340 973	249 215	9%
15	ANIMAL, VEGETABLE FATS	159 349	177 654	249 977	9%
10	CEREALS	145 120	117 128	291 714	11%
22	BEVERAGES, SPIRITS	151 502	125 589	142 269	5%
07	EDIBLE VEGETABLES	72 185	112 163	150 290	6%
21	Other EDIBLE PREPARATIONS	45 496	48 514	69 754	3%
17	SUGAR PRODUCTS	37 745	51 642	47 491	2%
08	EDIBLE FRUIT, NUTS	19 660	44 238	60 251	2%
05	Other ANIMAL PRODUCTS	33 552	32 815	47 817	2%
18	COCOA PRODUCTS	25 303	27 330	26 977	1%
20	PREPARATIONS OF VEGETABLES	15 540	21 232	23 157	1%
24	TOBACCO	21 377	22 209	16 007	1%
19	PREPARATIONS OF CEREALS	10 246	14 522	18 593	1%
	Other products	*41 083*	*38 437*	*53 794*	2%
Grand Total		**2 116 061**	**2 328 363**	**2 732 467**	

European Commission

EU trade of agri-food products with Belarus

EU Exports of AGRI-FOOD products to Belarus

in 1000 EUR

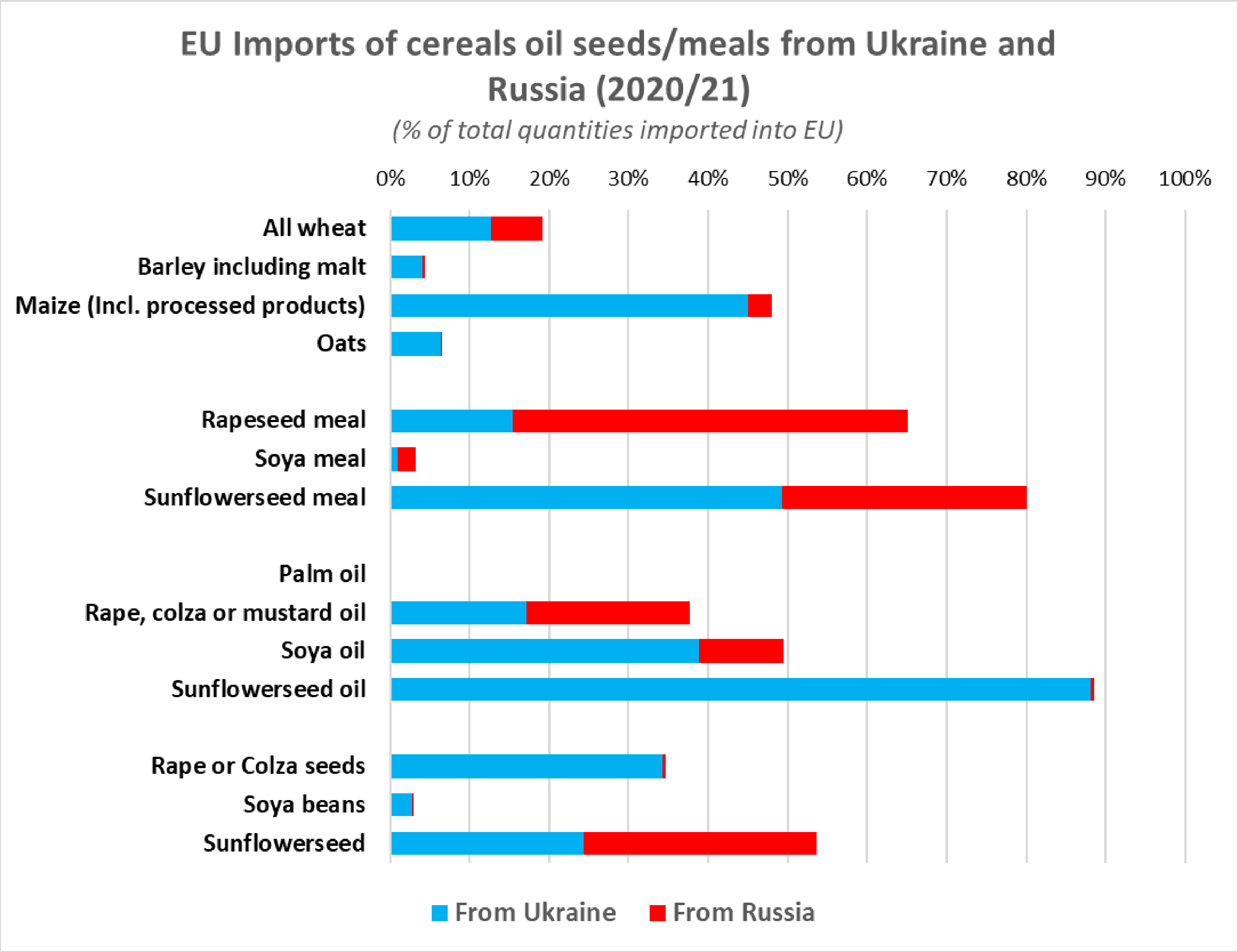
Chapt.	Product description	2019	2020	2021	% 2021
08	EDIBLE FRUIT, NUTS	203 590	191 685	168 596	21%
22	BEVERAGES, SPIRITS	87 477	80 125	74 289	9%
07	EDIBLE VEGETABLES	97 422	67 540	51 551	6%
06	LIVE TREES, PLANTS	70 625	77 027	47 725	6%
21	Other EDIBLE PREPARATIONS	56 763	61 121	73 438	9%
23	RESIDUES FROM FOOD INDUSTRIES	42 968	45 015	44 291	6%
18	COCOA PRODUCTS	31 687	45 434	52 461	7%
03	FISH, CRUSTACEANS	27 400	54 478	43 041	5%
12	OIL SEEDS	36 060	36 382	39 934	5%
02	MEAT	20 093	16 299	38 605	5%
10	CEREALS	19 522	25 368	26 916	3%
20	PREPARATIONS OF VEGETABLES	25 272	20 466	23 774	3%
19	PREPARATIONS OF CEREALS	27 376	19 668	20 708	3%
09	COFFEE, TEA	17 161	22 953	24 078	3%
04	DAIRY, EGGS	17 144	12 837	16 004	2%
	Other products	*56 840*	*50 168*	*54 150*	*7%*
Grand Total		**837 401**	**826 567**	**799 562**	

EU Imports of AGRI-FOOD products from Belarus

in 1000 EUR

Chapt.	Product description	2019	2020	2021	% 2021
15	ANIMAL, VEGETABLE FATS	43 401	56 489	124 998	37%
08	EDIBLE FRUIT, NUTS	29 504	45 879	45 496	13%
23	RESIDUES FROM FOOD INDUSTRIES	32 535	27 336	52 893	16%
07	EDIBLE VEGETABLES	32 955	31 738	36 482	11%
22	BEVERAGES, SPIRITS	16 845	25 402	20 396	6%
17	SUGAR PRODUCTS	7 034	9 439	9 320	3%
10	CEREALS	105	4 732	15 897	5%
16	PREPARATIONS OF MEAT, FISH	4 373	5 667	6 649	2%
12	OIL SEEDS	2 664	4 204	5 946	2%
21	Other EDIBLE PREPARATIONS	2 183	4 202	5 237	2%
18	COCOA PRODUCTS	1 666	2 126	1 605	0%
03	FISH, CRUSTACEANS	819	1 179	2 582	1%
05	Other ANIMAL PRODUCTS	1 363	1 217	1 384	0%
19	PREPARATIONS OF CEREALS	649	1 051	2 215	1%
04	DAIRY, EGGS	1 625	821	1 385	0%
	Other products	*3 377*	*2 500*	*4 685*	*1%*
Grand Total		**181 098**	**223 981**	**337 168**	

European Commission



European Commission

EU Imports of cereals oil seeds/meals from Ukraine and Russia *(2020/21)*

Origin	World	Ukraine		Russia	
	Tons	*Tons*	*%*	*Tons*	*%*
All cereals	**21 023 331**	**7 292 034**	***35%***	**839 043**	***4%***
All wheat	***4 926 256***	***628 288***	***13%***	***313 318***	***6%***
Common wheat (incl. flour and groats)	*2 000 767*	*626 691*	*31%*	*258 936*	*13%*
Durum wheat (incl. flour)	*2 925 489*	*1 597*	*0%*	*54 382*	*2%*
All coarse grains	***16 097 075***	***6 663 746***	***41%***	***525 725***	***3%***
Barley including malt	*1 248 218*	*51 709*	*4%*	*2 861*	*0%*
Maize (Incl. processed products)	*14 519 480*	*6 535 525*	*45%*	*429 596*	*3%*
Oats	*48 980*	*3 117*	*6%*	*0*	*0%*
All oilmeals	**19 757 154**	**1 554 081**	***8%***	**1 423 564**	***7%***
Rapeseed meal	*466 616*	*72 210*	*15%*	*231 993*	*50%*
Soya meal	*16 606 629*	*157 752*	*1%*	*366 581*	*2%*
Sunflowerseed meal	*2 683 910*	*1 324 120*	*49%*	*824 990*	*31%*
All vegetable oil	**7 993 679**	**1 727 289**	***22%***	**121 512**	***2%***
Palm oil	*5 517 265*	*133*	*0%*	*0*	*0%*
Rape, colza or mustard oil	*308 443*	*52 698*	*17%*	*63 512*	*21%*
Soya oil	*478 318*	*185 486*	*39%*	*51 075*	*11%*
Sunflowerseed oil	*1 689 653*	*1 488 972*	*88%*	*6 925*	*0%*
All oilseeds	**21 642 029**	**2 598 965**	***12%***	**260 103**	***1%***
Rape or Colza seeds	*5 796 579*	*1 988 462*	*34%*	*20 639*	*0%*
Soya beans	*15 028 316*	*411 404*	*3%*	*69*	*0%*
Sunflowerseed	*817 134*	*199 099*	*24%*	*239 395*	*29%*

European Commission

EU dairy trade with Belarus

EU Exports of Animal Products to Belarus in tons

Milk Products

	2017	2018	2019	2020	2021
Fresh	5.113	48	36	83	17
Yoghourt	52	79	93	116	150
Fermented Milks	-	-	-	-	-
Butter	9	2	-	-	1
Butteroil	-	-	-	-	-
Condensed Milk	-	-	-	35	22
SMP					
WMP	-	-	-	-	-
Cheese	1.049	1.472	1.830	2.147	2.025
Dairy Spreads	2	-	-	-	-
Wheypowder	10	3	5	2	-
Whey not in powder	0	-	-	-	-
Casein	-	13	0	1	1
Caseinates	-	-	-	-	-
Milk Constituents	-	0	0	-	-
Total Milk	**6.234**	**1.616**	**1.964**	**2.384**	**2.214**

EU Exports of Animal Products to Belarus in Thousand Euros

Milk Products

	2017	2018	2019	2020	2021
Fresh	3.269	94	67	126	32
Yoghourt	272	397	465	577	748
Fermented Milks	-	-	-	4	6
Butter	38	9	-	0	1
Butteroil	0	-	-	-	-
Condensed Milk	-	-	-	52	34
SMP					
WMP	0	-	-	-	0
Cheese	5.167	6.744	8.328	10.089	11.221
Dairy Spreads	9	-	-	-	-
Wheypowder	56	31	47	22	-
Whey not in powder	4	0	0	1	-
Casein	-	66	1	3	6
Caseinates	-	1	1	1	1
Milk Constituents	-	0	0	-	-
Total Milk	**8.816**	**7.341**	**8.909**	**10.876**	**12.050**

European Commission

EU dairy trade with Ukraine

EU Exports of Animal Products to Ukraine in Thousand Euros

Milk Products

	2017	2018	2019	2020	2021
Fresh	1.364	1.880	3.152	9.944	10.546
Yoghourt	4.115	4.625	3.913	6.158	8.380
Fermented Milks	207	974	2.905	4.154	6.089
Butter	1.260	1.115	8.635	26.189	19.916
Butteroil	2.448	4.616	5.409	5.599	9.548
Condensed Milk	59	32	77	386	598
SMP	5	971	1.930	3.415	4.993
WMP	889	868	366	431	1.213
Cheese	41.491	58.066	96.529	180.560	213.121
Dairy Spreads	22	48	71	138	71
Wheypowder	2.011	2.096	2.472	2.973	3.524
Whey not in powder	21	8	11	101	16
Casein	236	75	412	238	58
Caseinates	15	29	156	203	101
Milk Constituents	595	1.653	2.164	3.050	4.471
Total Milk	**54.740**	**77.055**	**128.203**	**243.539**	**282.645**

EU Exports of Animal Products to Ukraine in tons

Milk Products

	2017	2018	2019	2020	2021
Fresh	983	1.401	3.609	12.020	13.271
Yoghourt	3.527	3.738	3.206	5.631	7.332
Fermented Milks	104	967	2.915	3.786	5.869
Butter	265	207	2.222	7.863	4.839
Butteroil	441	762	1.067	1.229	2.061
Condensed Milk	27	28	48	255	546
SMP	1	424	836	1.266	1.845
WMP	315	287	120	117	358
Cheese	9.960	13.948	23.665	46.670	53.120
Dairy Spreads	5	9	11	26	12
Wheypowder	1.204	1.858	2.054	2.458	3.143
Whey not in powder	1	0	0	4	1
Casein	33	14	69	40	10
Caseinates	5	10	26	30	13
Milk Constituents	255	855	976	1.992	4.124
Total Milk	**17.126**	**24.508**	**40.823**	**83.386**	**96.541**

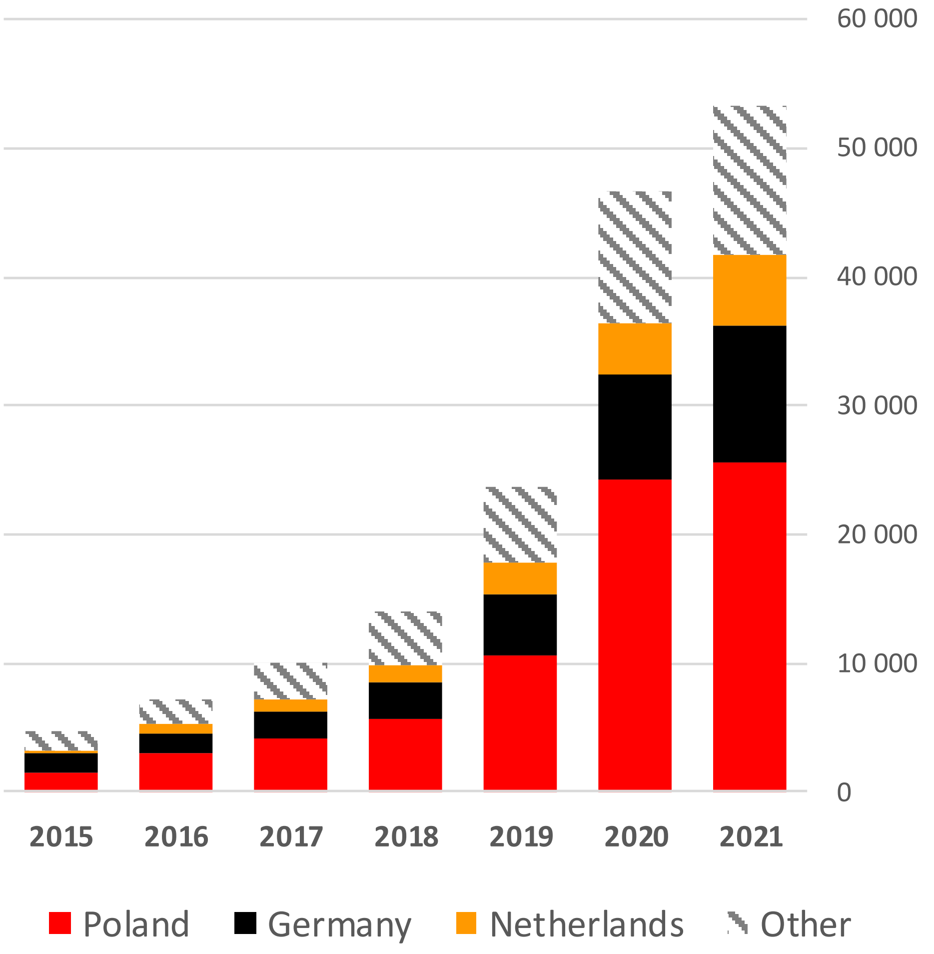
EU export of cheeses to Ukraine per MS

EU Exports of Cheese to Ukraine by Member State

in tonnes

Source: Eurostat (Comext)

MS	2015	2016	2017	2018	2019	2020	2021	*% 2021*
Poland	1 465	2 933	4 186	5 630	10 577	24 225	25 646	*48%*
Germany	1 539	1 610	2 096	2 955	4 797	8 194	10 492	*20%*
Netherlands	255	653	836	1 317	2 387	4 023	5 573	*10%*
France	475	546	936	1 359	1 795	2 555	2 581	*5%*
Italy	372	332	432	662	715	1 694	2 418	*5%*
Lithuania	58	100	211	241	452	1 029	1 770	*3%*
Czech Republic	190	201	212	207	198	437	1 181	*2%*
Denmark	35	91	154	325	608	728	957	*2%*
Slovakia	58	316	533	750	1 365	1 775	550	*1%*
Belgium	38	44	26	51	85	395	517	*1%*
Latvia	50	163	87	106	212	812	486	*1%*
Estonia		3	64	106	95	202	241	*0%*
Hungary	1	3	15	22	167	183	235	*0%*
Slovenia						58	181	*0%*
Finland	112	107	112	123	131	181	173	*0%*
Spain	13	15	25	39	53	102	143	*0%*
Other MS	*34*	*44*	*34*	*63*	*58*	*87*	*124*	*0%*
E.U.	**4 695**	**7 160**	**9 960**	**13 957**	**23 694**	**46 678**	**53 269**	



European Commission

EU dairy trade with Russia

EU Exports of Animal Products to Russia in tons

Milk Products

	2017	2018	2019	2020	2021
Fresh	140	205	94	0	2
Yoghourt	11	-	0	0	3
Fermented Milks	1	0	-	1	6
Butter	1	-	1	1	3
Butteroil	-	1	-	-	-
Condensed Milk	-	-	-	-	1
SMP	0	-	120	1	28
WMP	1	1	-	-	20
Cheese	42	14	37	310	390
Dairy Spreads	-	-	-	-	-
Wheypowder	28	97	21	-	-
Whey not in powder	-	0	-	-	-
Casein	4.597	4.998	6.006	4.890	5.701
Caseinates	384	386	428	531	363
Milk Constituents	529	1.145	1.711	2.520	2.363
Total Milk	**5.735**	**6.846**	**8.418**	**8.253**	**8.878**

EU Imports of Animal Products from Russia in tons

Milk Products

	2017	2018	2019	2020	2021
Fresh	-	-	-	-	19
Yoghourt	-	-	-	-	-
Fermented Milks	-	-	-	-	-
Butter	-	-	-	-	-
Butteroil					
Condensed Milk	14	35	-	-	-
SMP	0	0	-	-	-
WMP	-	-	-	-	-
Cheese	47	26	72	103	81
Dairy Spreads	-	-	-	-	-
Wheypowder	-	-	20	-	-
Whey not in powder	-	-	-	-	-
Casein	20	-	-	-	-
Caseinates	-	-	-	-	0
Milk Constituents	-	-	-	-	-
Total Milk	**81**	**61**	**92**	**103**	**101**

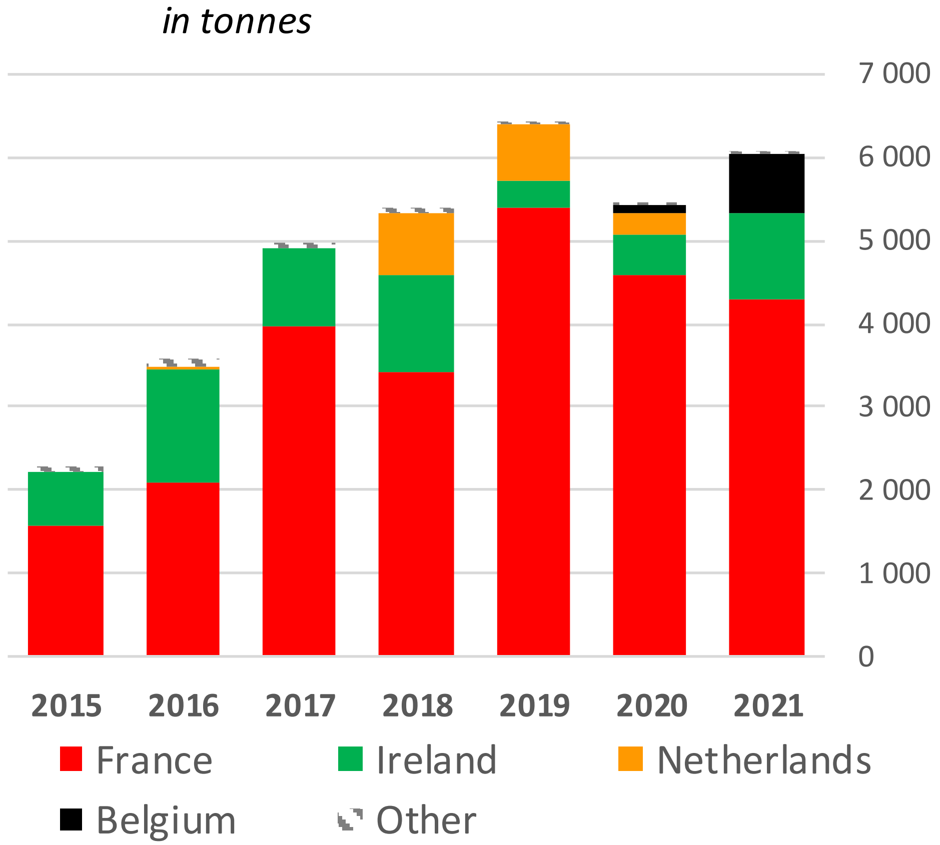
European Commission

EU export of casein to Russia per MS

EU Exports of Casein(ate)s to Russia by Member State

Source: Eurostat (Comext)

MS	2015	2016	2017	2018	2019	2020	2021	*% 2021*
France	1 580	2 073	3 977	3 428	5 385	4 580	4 297	*71%*
Ireland	622	1 374	935	1 146	345	505	1 047	*17%*
Netherlands	0	24		758	676	228		*0%*
Belgium	0	0	0	0	0	99	693	*11%*
Germany	44	25	45	24	25	2	25	*0%*
Estonia	21	63		0				*0%*
Poland	0	1	21		2	1	2	*0%*
Latvia				21		0		*0%*
Italy	3	7	1	7	1	2	0	*0%*
Lithuania		17	0		0	0	0	*0%*
Other MS	*6*	*1*	*2*	*0*	*1*	*2*	*1*	*0%*
E.U.	**2 275**	**3 585**	**4 981**	**5 384**	**6 434**	**5 420**	**6 064**	



Keep in touch and thank you!

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EU agri-food Data portal

European Commission

ANNEX 5

Trends in sales of Milk & Dairy products – a retail perspective

EuroCommerce

TRENDS IN SALES OF MILK & DAIRY PRODUCTS – A RETAIL PERSPECTIVE

Milk Market Observatory

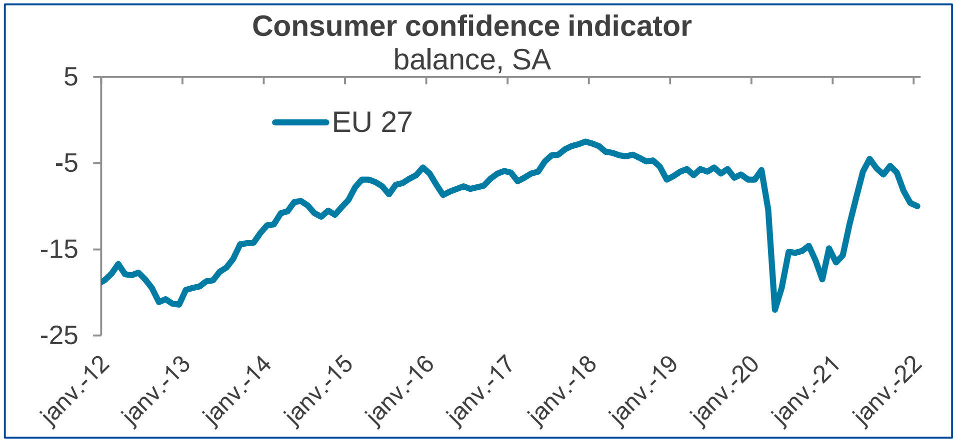
21 March 2022

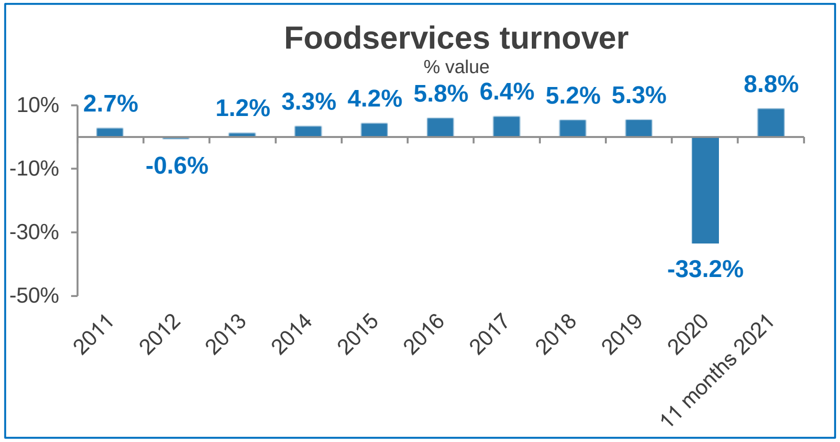
EuroCommerce
for retail & wholesale

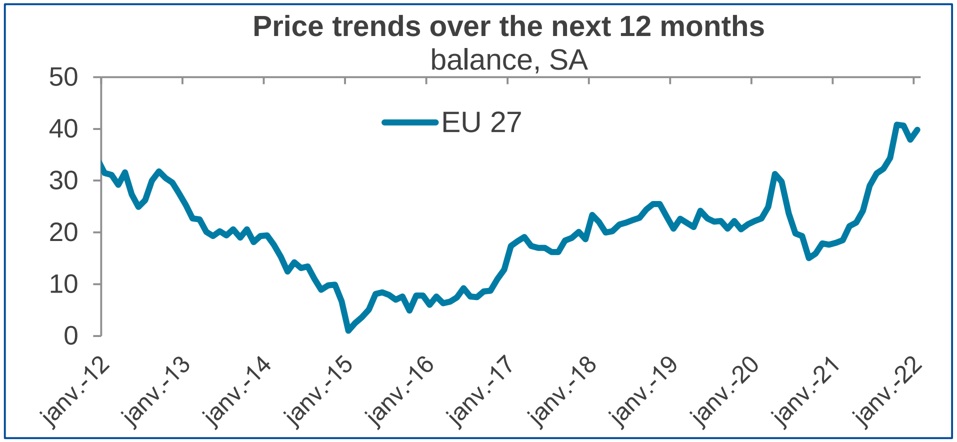
EU

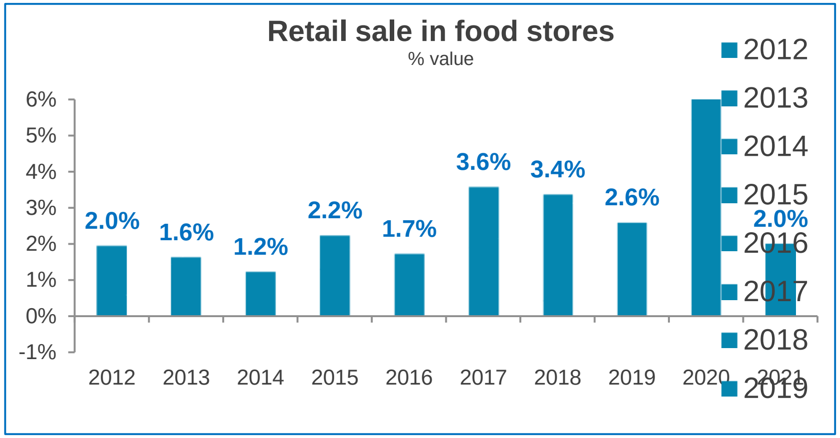
Economic context

① Household confidence in Europe has been shrinking in recent months. Households continue to anticipate price increases in the coming months.
② In terms of retail channels, the sales of non-specialised food retailers continued to grow. At the same time, foodservice sales have returned to growth in 2021, but their level remains below that of 2019.









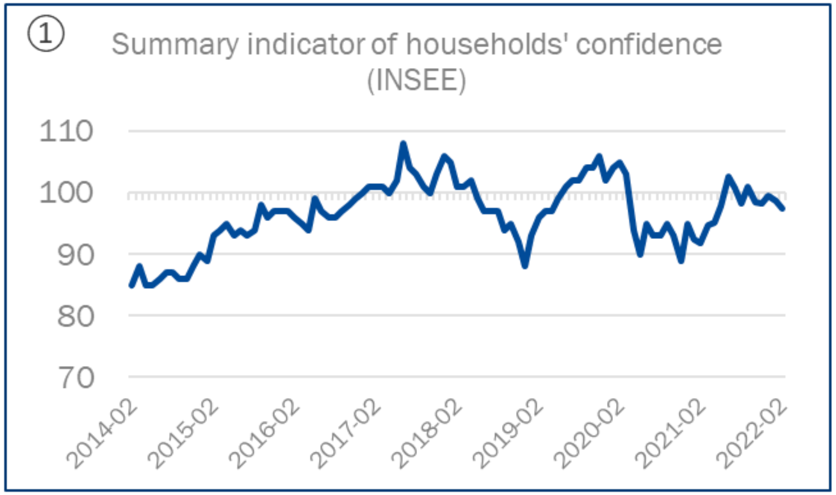
Source : Eurostat

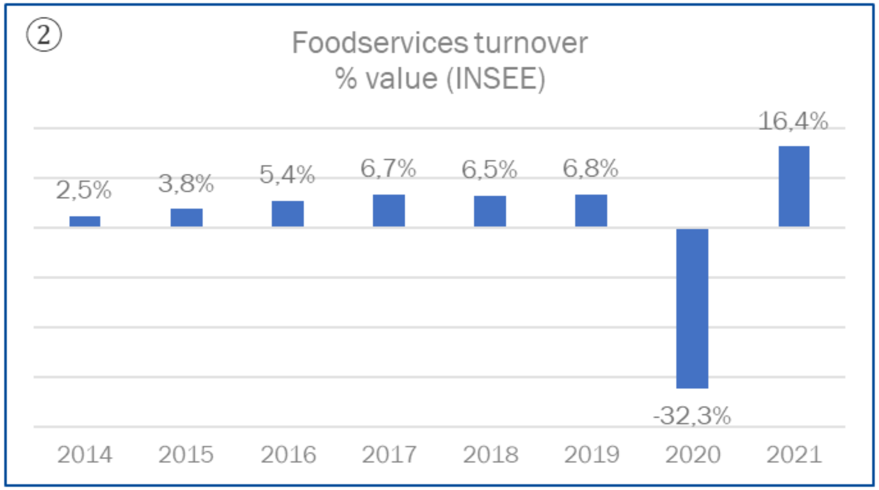
EuroCommerce

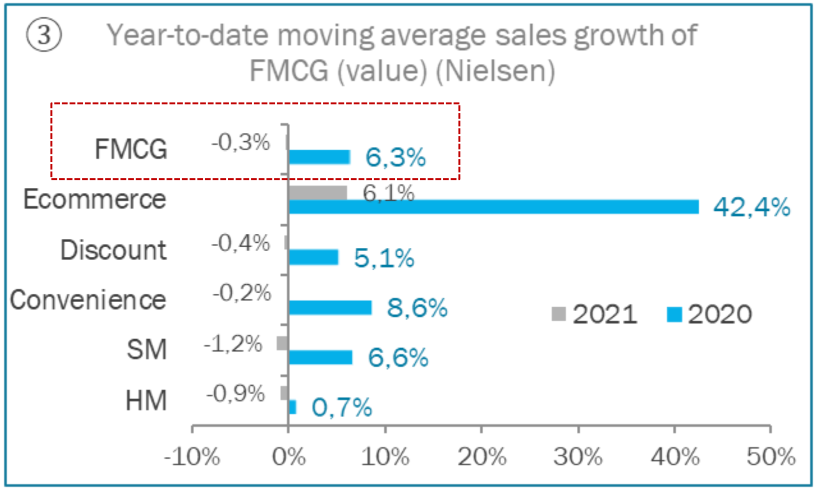
France

Economic context (1)

① In February 2022, households' confidence in the economic situation has fallen slightly. At 98, the indicator is below its long-term average (100). The share of households who consider that prices have increased over the past twelve months has risen sharply.
② Restaurant sales rebounded 16% in 2021, but their activity level remains 21% below 2019. Within the European Union, the trend is similar: -33% in 2020 and +13% in 2021.
③ FMCG sales declined slightly from 2020 (-0.3%), but remain above 2019 levels.





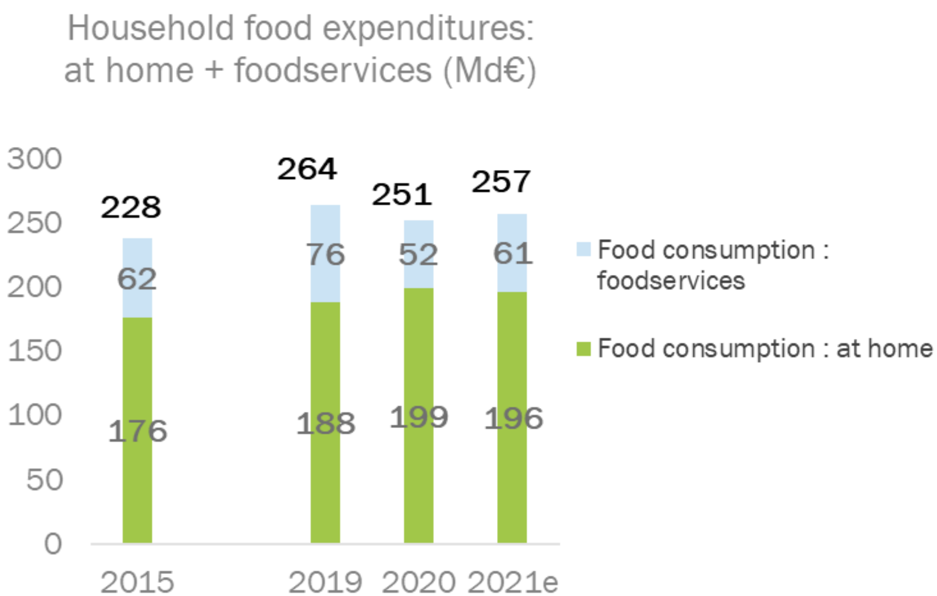


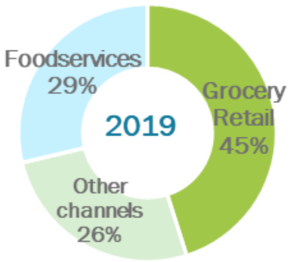
EuroCommerce

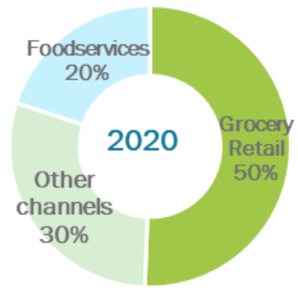
France

Economic context (2)

- Household food expenditures (at home + out of home) represent nearly 21% of the overall consumption expenditures of the French. This share has been stable overall for the last ten years.
- Changes in consumption trends will occur in 2022 in an inflationary context, which will affect purchasing power.







Source : INSEE – calculs et estimation FCD

France

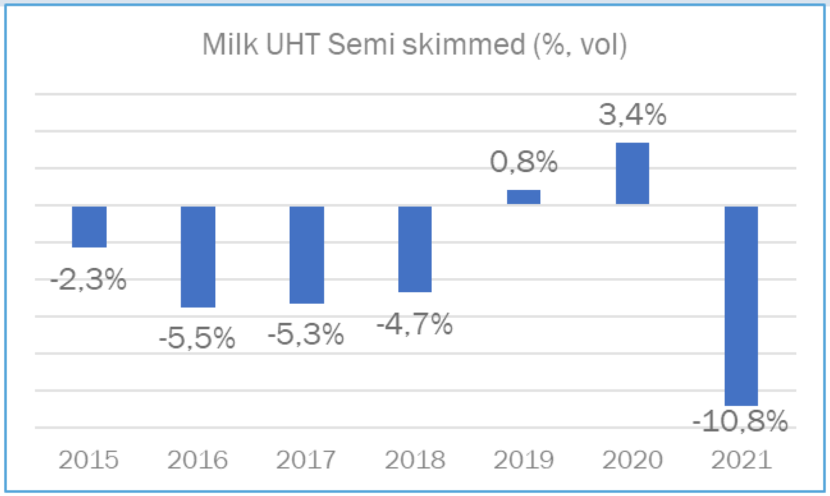
Home consumption - Period ending 31 December 2021

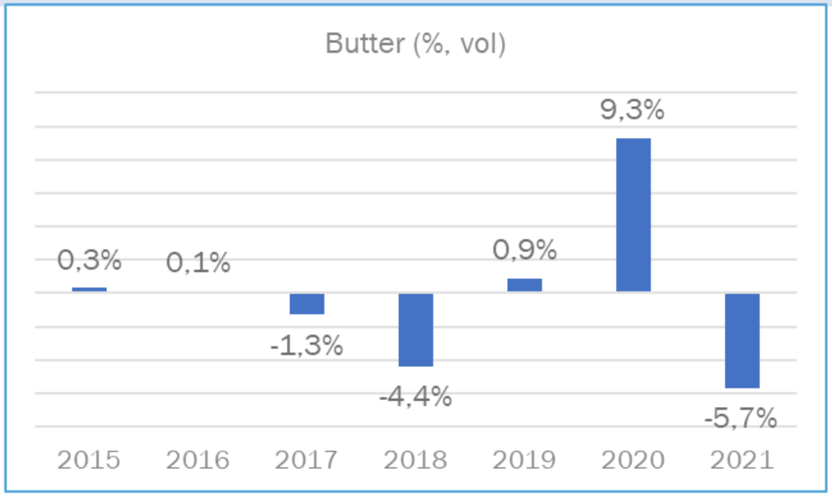
Product category	Volume (% change) 2021/2020	Volume (% change) 2021/2019	Price (% change) 2021/2020
Total liquid milk	-6,8%	-2,3%	1,2%
Of which UHT semi-skimmed milk	-10,8%	-7,8%	1,1%
Yoghurt & fresh cheese	-3,9%	-0,3%	2,6%
Butter	-5,7%	3,1%	-0,8%
Cream	-4,3%	8,9%	-0,3%
Cheese	-3,8%	4,1%	1,7%

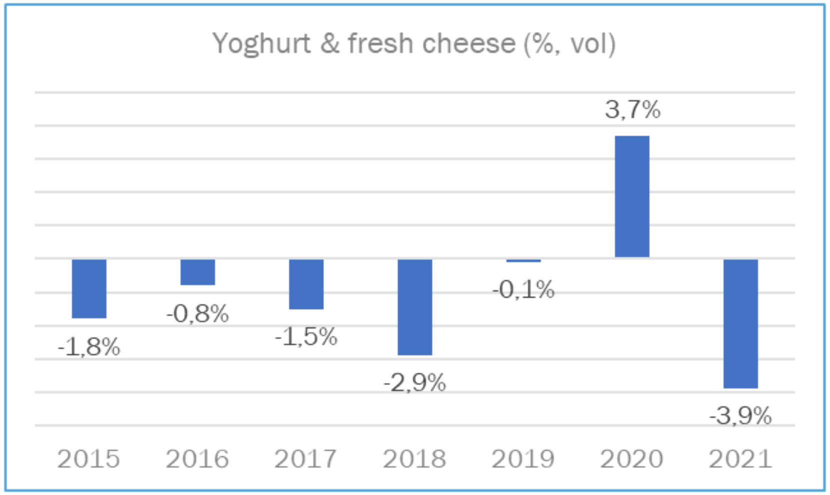
Source: Kantar World Panel via FranceAgriMer (Min. de l'Agriculture)

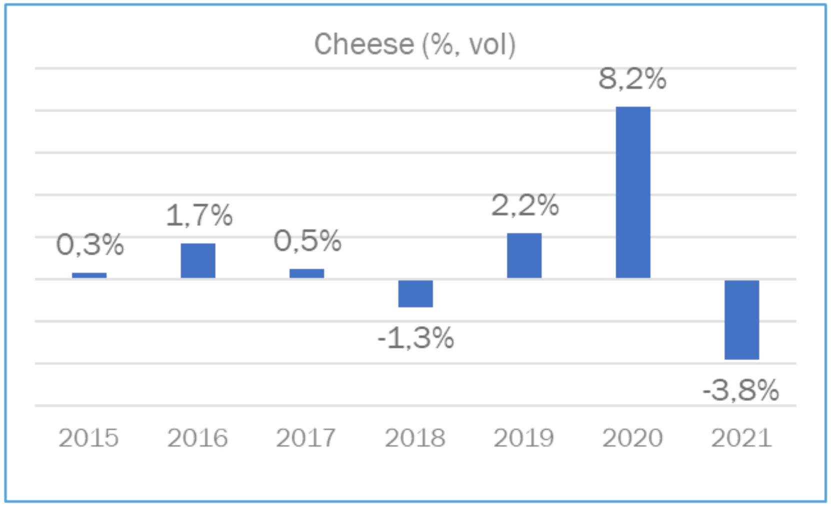
France

Home Consumption (vol.) - Period ending 31 December 2021









Source: Kantar World Panel via FranceAgriMer (Min. de l'Agriculture)

France

Focus on hypermarkets and supermarkets

Sales of dairy products in hypermarkets and supermarkets fell by 3,1% in value in 2021 compared to 2020 but were up by 3,7% compared to 2019.

2021 / **2020**

CC_TOUS CIRCUITS	Evol.CA
TOTAL PGC	**-1,1%**
DPH	**-4,2%**
ENTRETIEN	-2,7%
HYGIENE	-5,0%
EPICERIE	**-1,7%**
EPICERIE SALEE	-2,9%
EPICERIE SUCREE	-0,7%
FLS POIDS FIXE	**-0,9%**
CREMERIE	-3,1%
FRAIS NON LAITIERS LS	2,0%
SURGELES GLACES	-3,3%
LIQUIDES	**2,4%**
BIERES ET CIDRES	4,2%
BRSA ET EAUX	-0,1%
SPIRITUEUX ET CHAMPAGNES	3,9%

2021 / **2019**

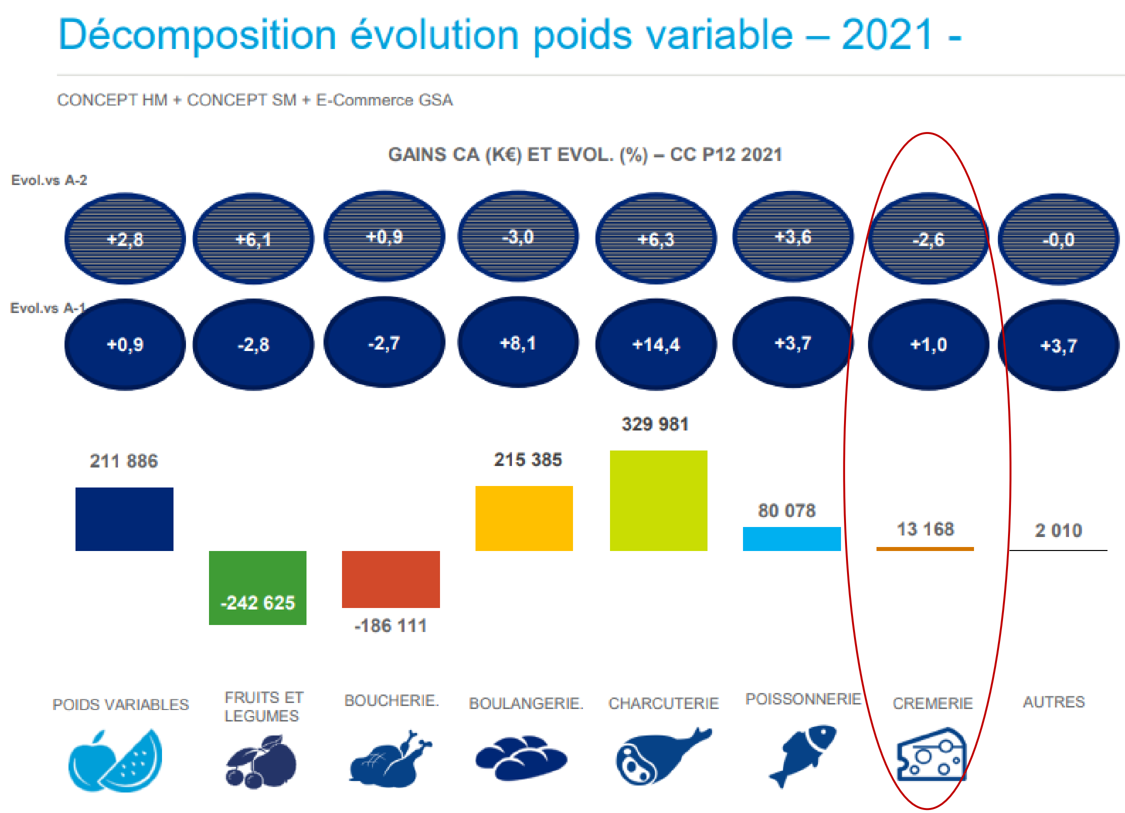
CC_TOUS CIRCUITS	Evol.CA VS A-2
TOTAL PGC	**5,8%**
DPH	**2,4%**
ENTRETIEN	5,5%
HYGIENE	0,7%
EPICERIE	**5,8%**
EPICERIE SALEE	6,4%
EPICERIE SUCREE	5,3%
FLS POIDS FIXE	**6,8%**
CREMERIE	3,7%
FRAIS NON LAITIERS LS	9,4%
SURGELES GLACES	8,2%
LIQUIDES	**6,7%**
BIERES ET CIDRES	15,8%
BRSA ET EAUX	0,9%
SPIRITUEUX ET CHAMPAGNES	7,8%

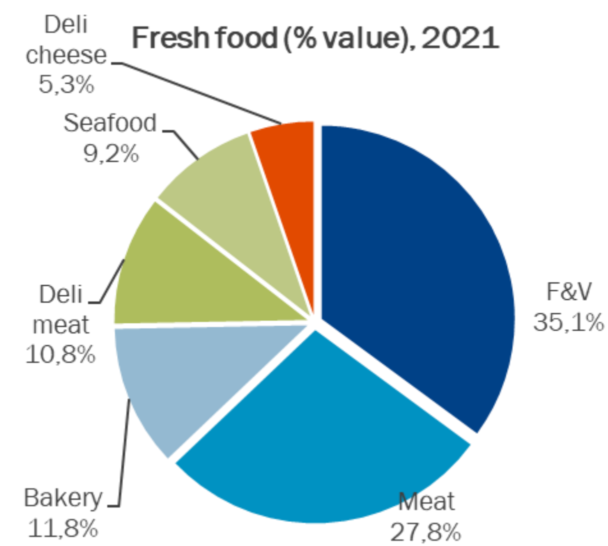
Source: IRI

France

Focus on fresh food in hypermarkets and supermarkets

The sales of fresh food products (unpacked products) increased by 0,9% in 2021 compared to 2020 (+2,8% // 2019). The sales of **cheese** increased by 1% in 2021 compared to 2020, but they decreased by -2,6% in comparison with 2019.





Source: IRI (hypermarkets, supermarkets, e-commerce)

EuroCommerce

France

Focus on inflation

Source: IRI (hypermarkets, supermarkets, e-commerce

Inflation in **February 2022** : FMCG

- One-year inflation accelerated sharply to +0.58% overall.
- All types of brands are now inflationary, including national brands at +0.22%.
- The grocery (salted) section is the most inflationary section at +2.05%.
- Dairy prices increased by 0.61% between February 2021 and February 2022. Within this group, the "first prices" have increased by 3.12%.

	Tous Circuits			
	Tous produits	MN	MDD	PPX
TOTAL INFOSCAN IRI	0,58	0,22	1,28	3,97
INFOSCAN ALIMENTAIRE	0,55	0,18	1,27	4,04
DPH	**-0,77**	**-1,29**	**0,32**	**4,12**
ENTRETIEN	-1,05	-1,61	0,47	2,56
HYGIENE	-0,61	-1,10	0,25	4,66
EPICERIE	**1,33**	**0,68**	**2,97**	**7,78**
EPICERIE SALEE	2,05	1,29	3,37	8,60
EPICERIE SUCREE	0,73	0,24	2,47	6,32
FLS POIDS FIXE	**0,63**	**0,52**	**0,70**	**2,45**
CREMERIE	0,61	0,52	0,67	3,12
FRAIS NON LAITIERS LS	0,59	0,59	0,48	1,97
SURGELES GLACES	0,92	0,19	1,68	2,82
LIQUIDES	**-0,14**	**-0,33**	**0,85**	**1,95**
BIERES ET CIDRES	-0,04	-0,20	2,18	4,28
BRSA ET EAUX	0,08	-0,10	0,78	0,36
SPIRITUEUX ET CHAMPAGNES	-0,40	-0,61	0,73	1,45

EuroCommerce

France

Organic market (hyper, supermarkets, discount, ecommerce)

Trend Reversal. According to Nielsen data, organic sales have decreased by **-3.8%** over the last 12 months (vs -1% for the overall market). Organic represents 5.1% of FMCG sales, down slightly from 5.2% a year ago. In terms of distribution channels, organic sales in hypermarkets fell by -4,6% (-1.3% for all FMCG), in convenience, they fell by 5,3%. Note an increase of 1,4% in the discount channel.

Pénétration 97.9% — *+0.3 point vs An-1*

Sommes dépensées par acheteur (€) 171 € — *-7.7€ vs An-1*

CAM P01	Evolution PGC FLS	Evolution BIO	Poids du BIO (vs PGC FLS)	Contribution du BIO aux pertes valeur	Contribution des fabricants et distributeurs aux pertes du BIO (MDD BIO / MN BIO)
HMSM+SDMP+ECOMMERCE+PROXI	**-1.0%**	**-3.8%**	**5.1%**	**-21.1%**	**-63.3 -36.7**
ENSEIGNES HM	-1.3%	-4.6%	4.4%	-16.2%	-71.7 -28.3
ENSEIGNES SM	-1.8%	-4.4%	5.5%	-13.5%	-68.8 -31.2
ENSEIGNES PROXI	-0.4%	-5.3%	6.0%	-94.5%	-75.7 -24.3
TOTAL ECOMMERCE	3.0%	-2.0%	8.3%	-100.0%	-26.6 -73.4
ENSEIGNES SDMP	-0.4%	1.4%	3.1%	100.0%	-100.0 100.0

	Basket
2017	109,5 €
2018	130,6 €
2019	152,7 €
CAM P6 2021	175,7 €
CAM P 01 2022	171,0 €

Source: Nielsen

EuroCommerce

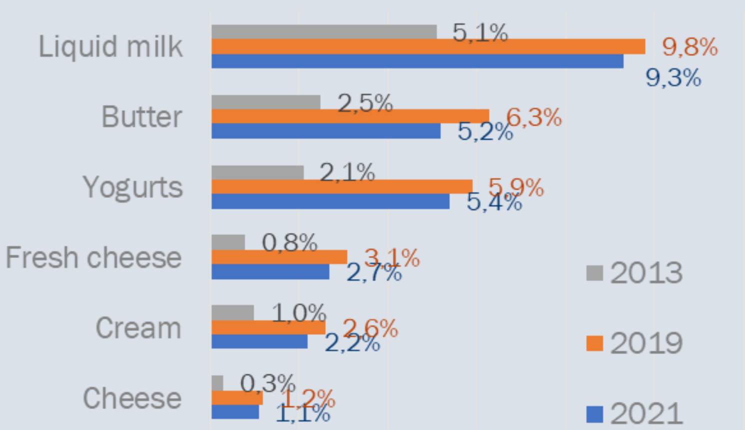
France

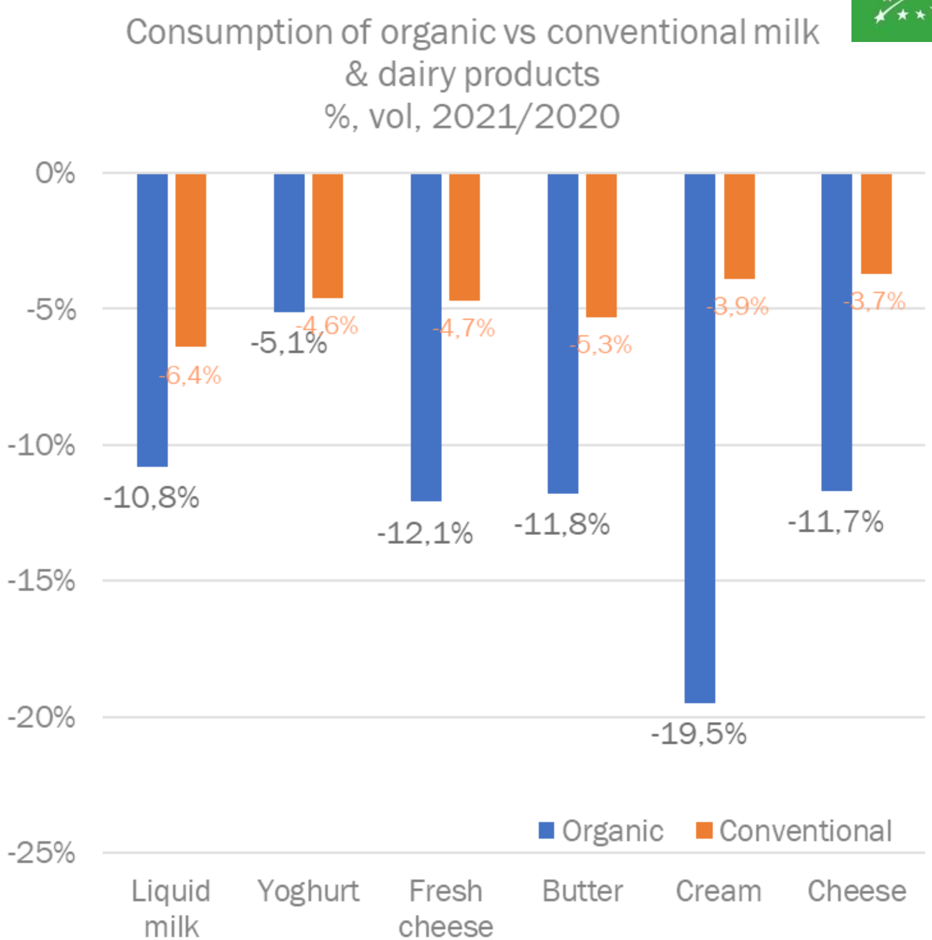
Sales of organic versus conventional milk & dairy products

Organic milk & dairy products

❖ Organic dairy products sales decreased during in 2021. Their decline was stronger than that of conventional products

Organic *market* shares (% vol. 31/12/2021)



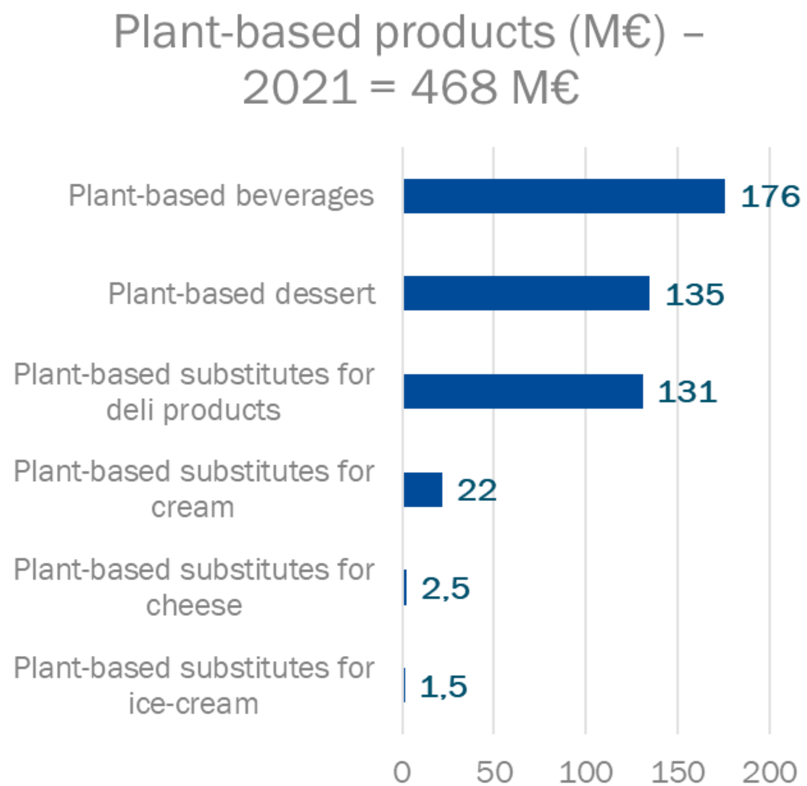


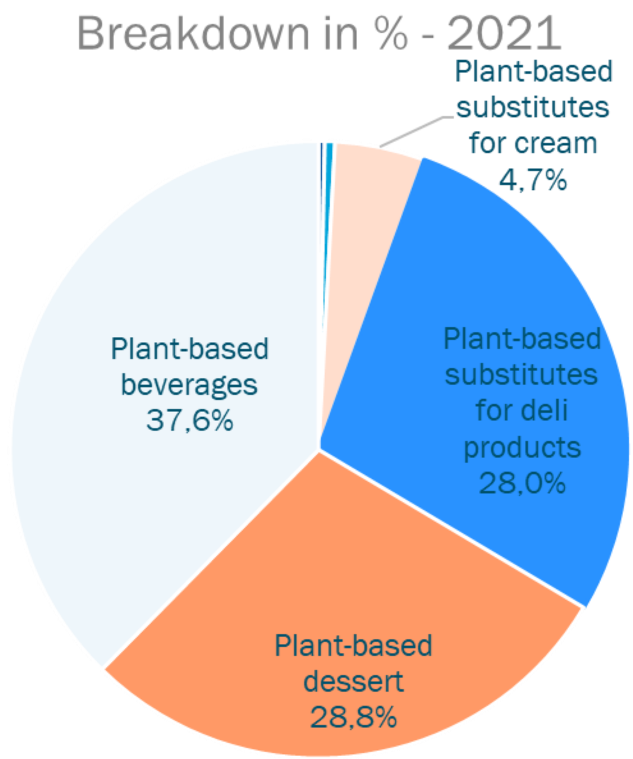
Source: Kantar World Panel via FranceAgriMer (Min. de l'Agriculture)

France

Plant-based Options

❖ The plant-based food market represented 468 M€ in 2021. The market is dominated by dairy substitutes, which account for 72% of sales (€337 million).





HMSM-Discount-Ecommerce-Convenience
Source: Points de Vente

France

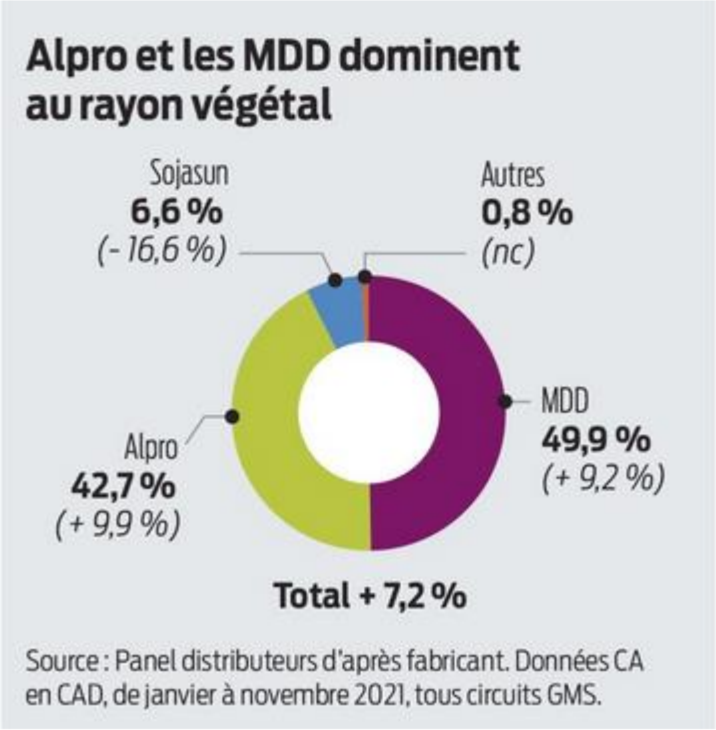
Plant-based Options

- The share of vegetable drinks in the total liquid milk + vegetable drinks is low: 2% of the volumes. But sales are up: +5.3% in volume against -5,1% for UHT milk.
- Private labels are dominant in the vegetable drinks market. They represent half of the market, ahead of Alpro (Danone group) with 43% of sales volumes.

Liquid milk + plant-based beverages

	% vol.	Évol. vol. 1 an	CA M€	Évol. 1 an
Lait UHT	95,0	- 5,1 %	1 800,5	- 4,0 %
Lait frais et fermenté	3,0	- 6,2 %	82,2	- 6,4 %
Boissons végétales	2,0	+ 5,3 %	58,1	+ 6,1 %
Total		**- 5,0 %**	**1 940,8**	**- 3,8 %**

Source : Panel distributeurs d'après fabricant. Données sur un an, tous circuits GMS, arrêtées au 7 novembre 2021.

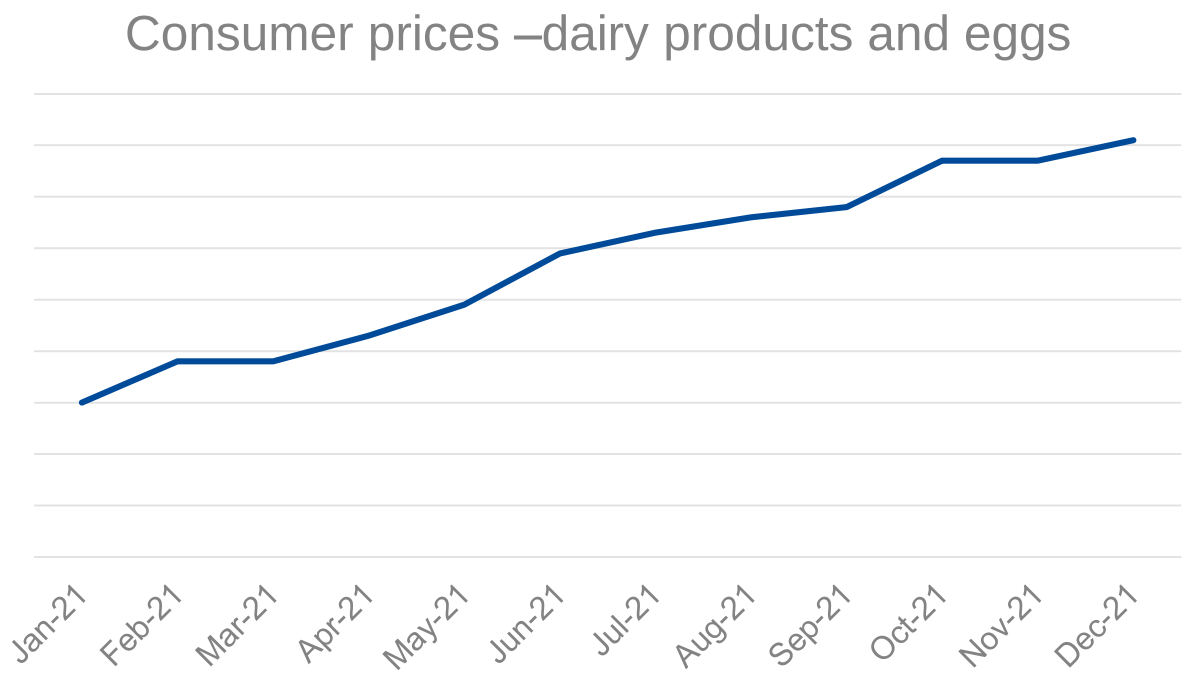


Source: Linéaires

EuroCommerce

Germany

prices and consumption



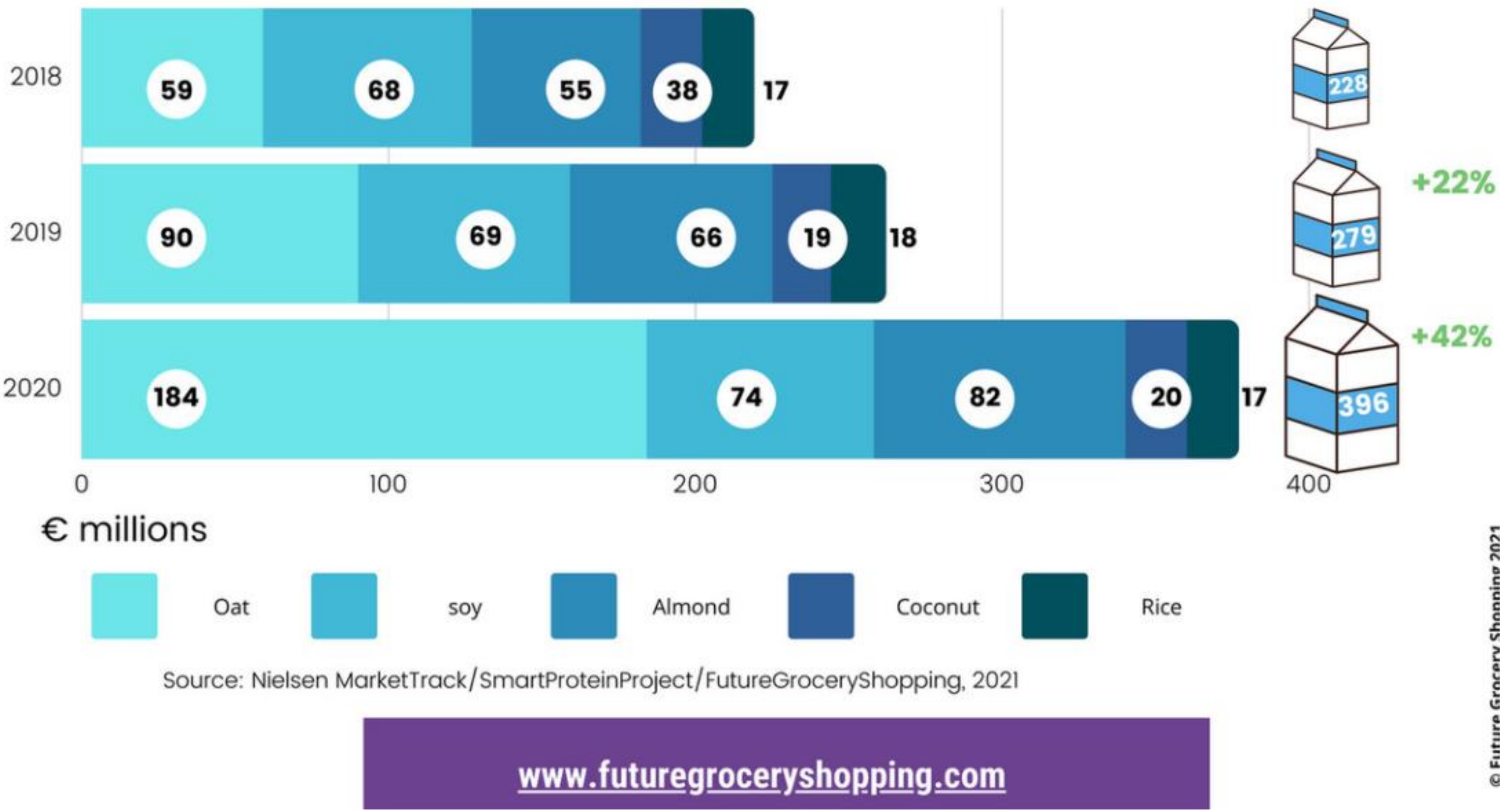
- Consumer demand for dairy products fell in 2021
- Only sales for ready-to-eat desserts and dairy beverages increased
- consumer prices increased across all products but that did not lead to purchasing restraint
- Increase in consumption for organic milk, butter and cheese but decrease for organic yoghurt

Source: statista and AMI

EuroCommerce

Germany

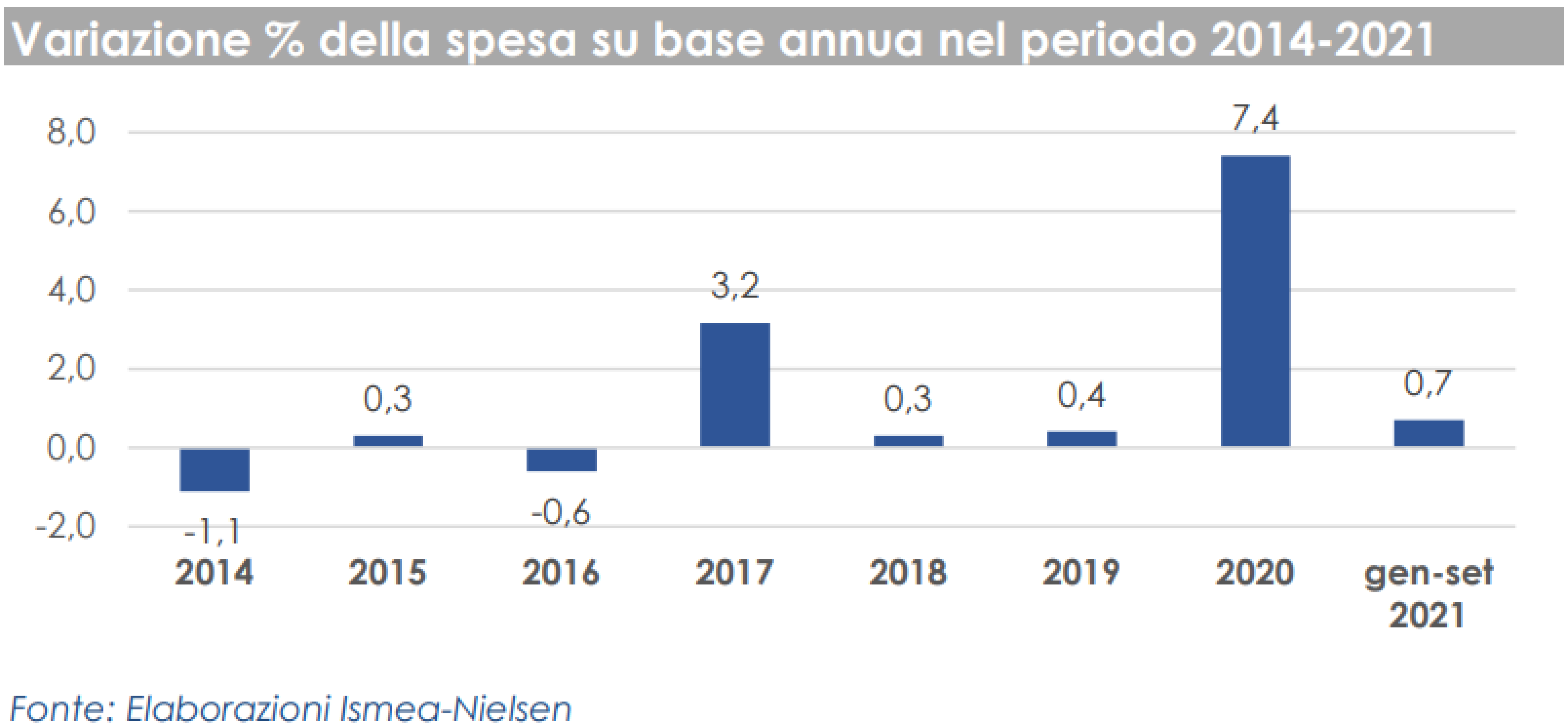
Plant-based Options



Italy

Household food consumption

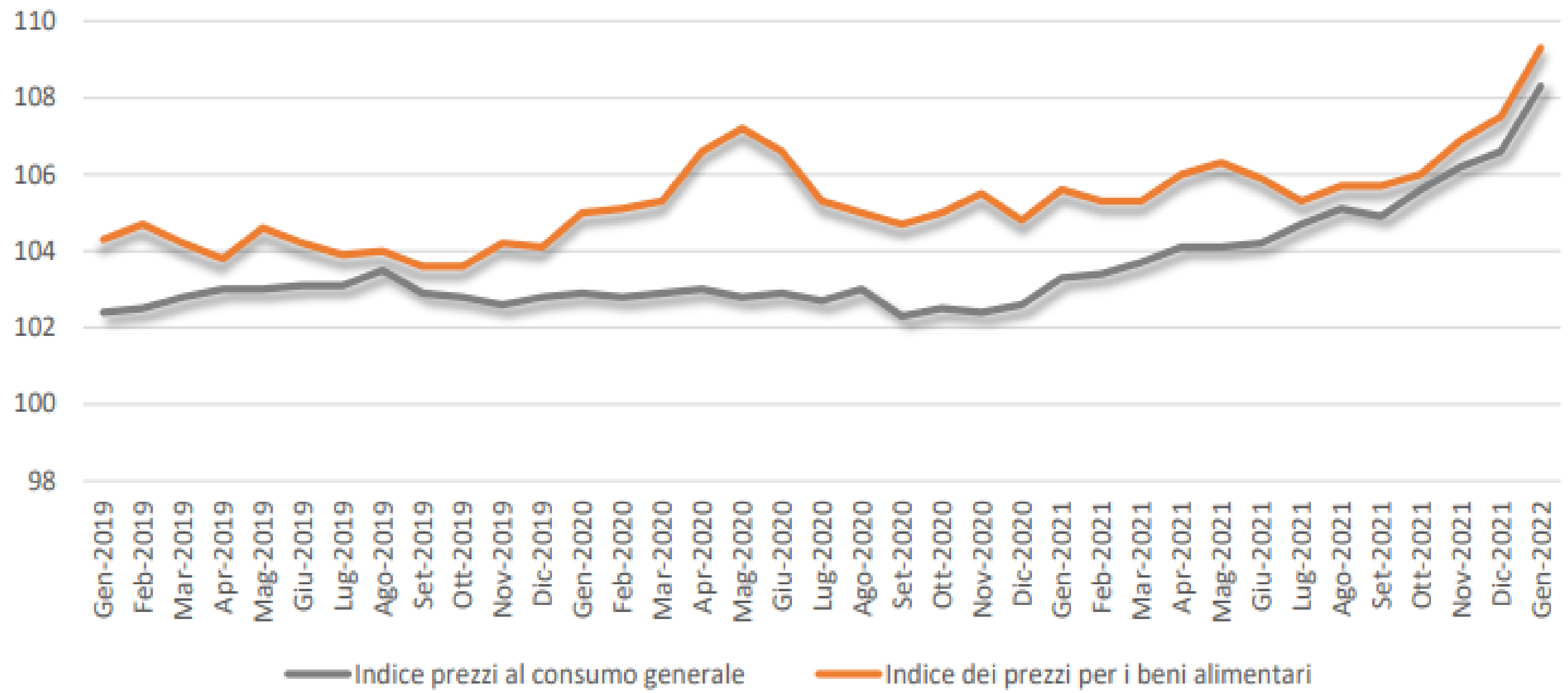
After the boom of 2020, growth in household **food consumption** has slowed significantly in 2021.



Italy

Inflation

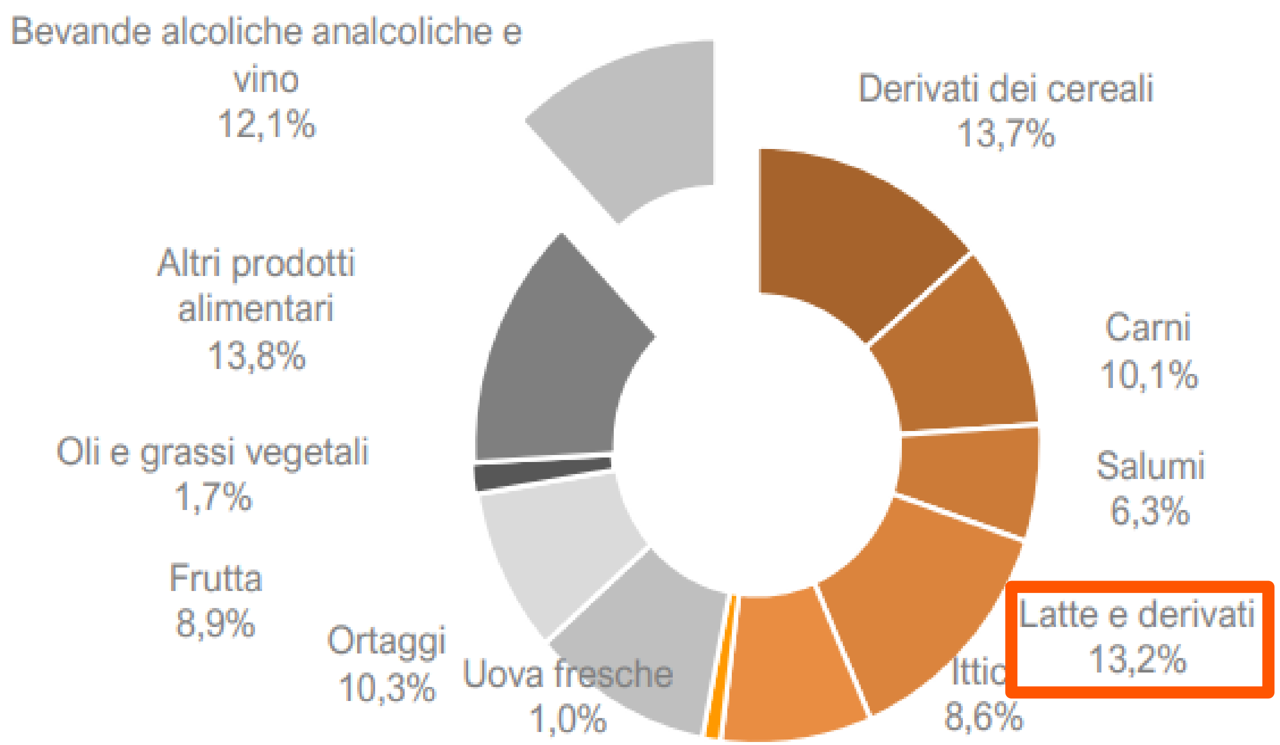
Gli indici di prezzo al consumo per l'intera collettività dei beni alimentari e totali



Italy

The shopping trolley in 2021

Composizione dello scontrino nel 2021

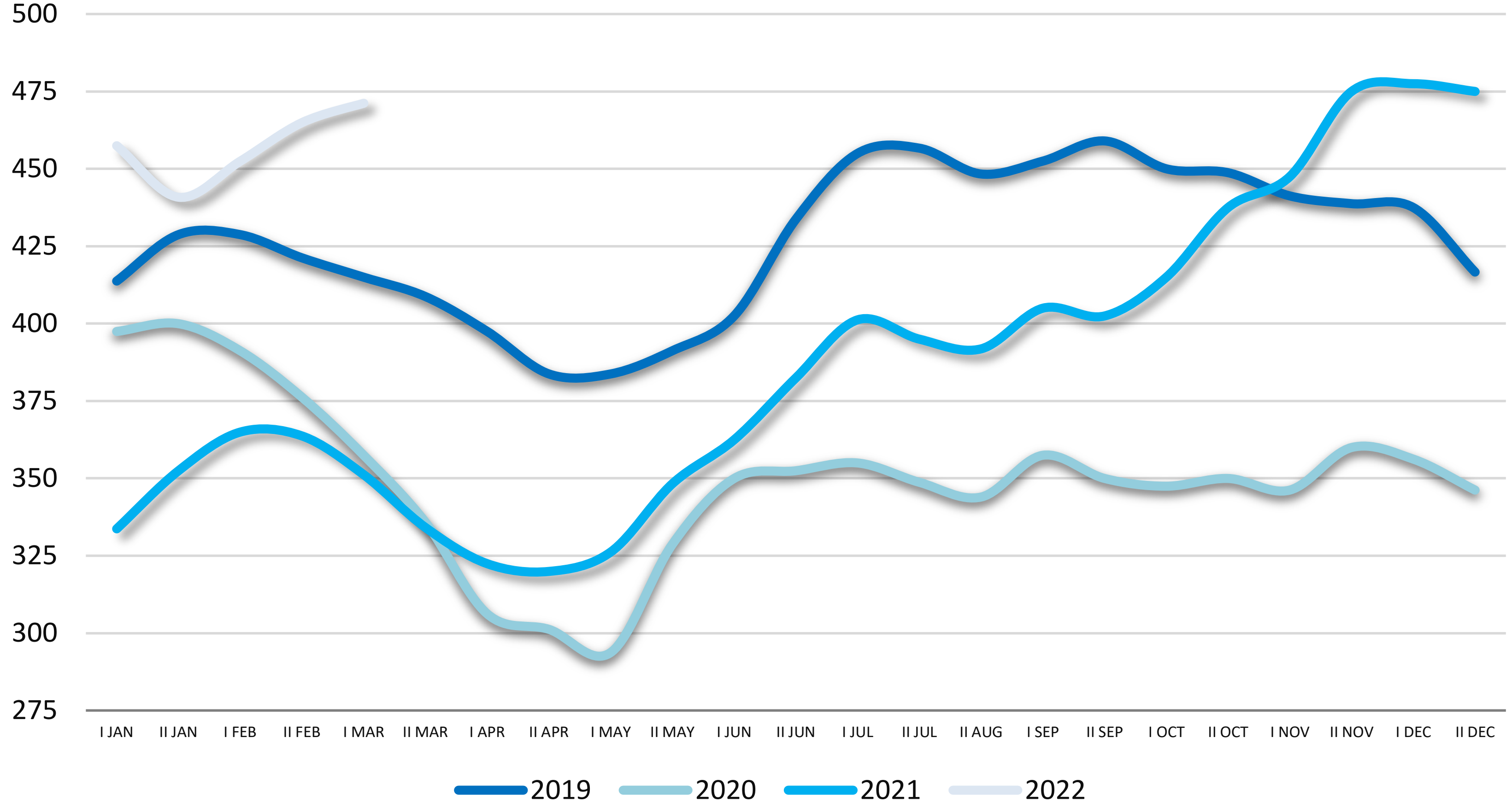


Fonte: elaborazioni Ismea su dati Nielsen

EuroCommerce

Italy

Milk – Milk Spot Price (euro/1000 kg)



Source: Assolatte

Italy – Modern retail

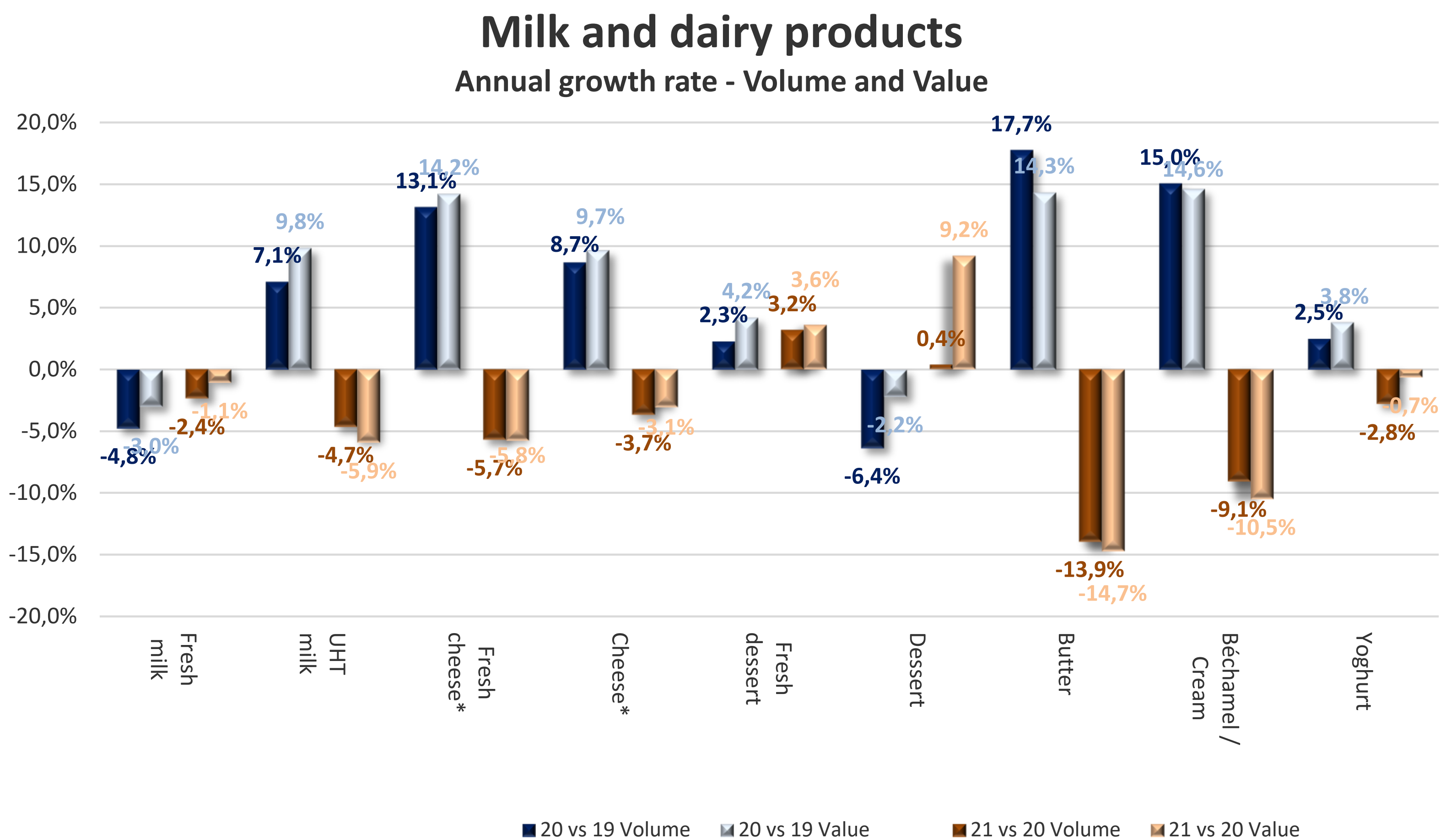
Milk and dairy products

Product category	VOLUME (2021 vs. 2020) % change)	VALUE (2021 vs. 2020) % change)	VOLUME (4Q 2021 vs 4Q 2020 % change)	VALUE (4Q 2021 vs 4Q 2020 % change)
Fresh milk	-2,4%	-1,1%	-4,1%	-2,4%
UHT milk	-4,7%	-5,9%	-5,9%	-5,7%
Fresh cheese*	-5,7%	-5,8%	-8,9%	-7,8%
Cheese*	-3,7%	-3,1%	-5,4%	-2,8%
Fresh dessert	3,2%	3,6%	7,4%	10,7%
Dessert	0,4%	9,2%	8,3%	25,3%
Butter	-13,9%	-14,7%	-12,9%	-11,1%
Béchamel / Cream	-9,1%	-10,5%	-9,4%	-10,1%
Yoghurt	-2,8%	-0,7%	-5,7%	-2,8%

Source: Market Track Nielsen
* Peso imposto

Italy – Modern retail

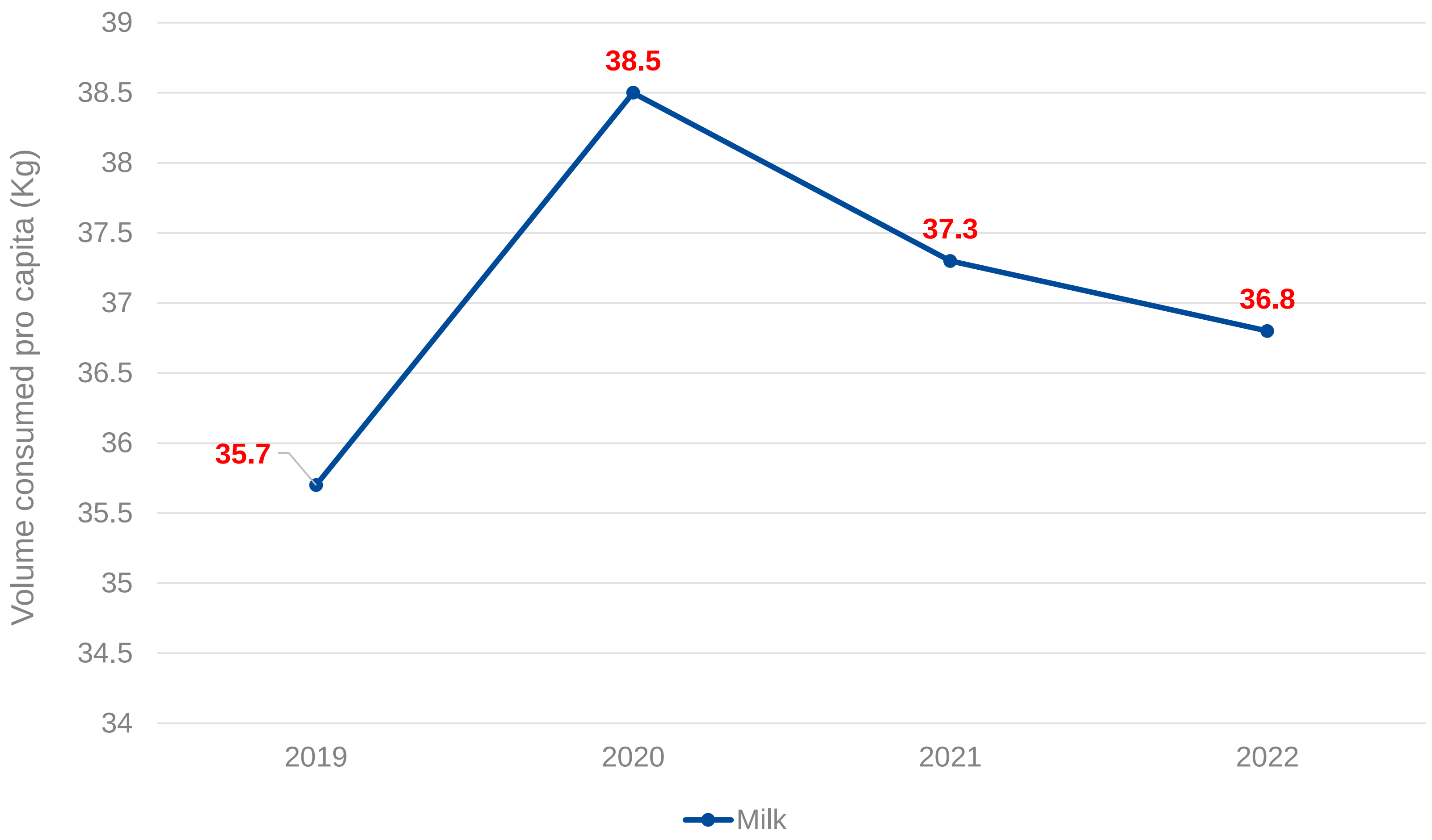
Milk and dairy products



Source: Market Track Nielsen
* Peso imposto

Netherlands

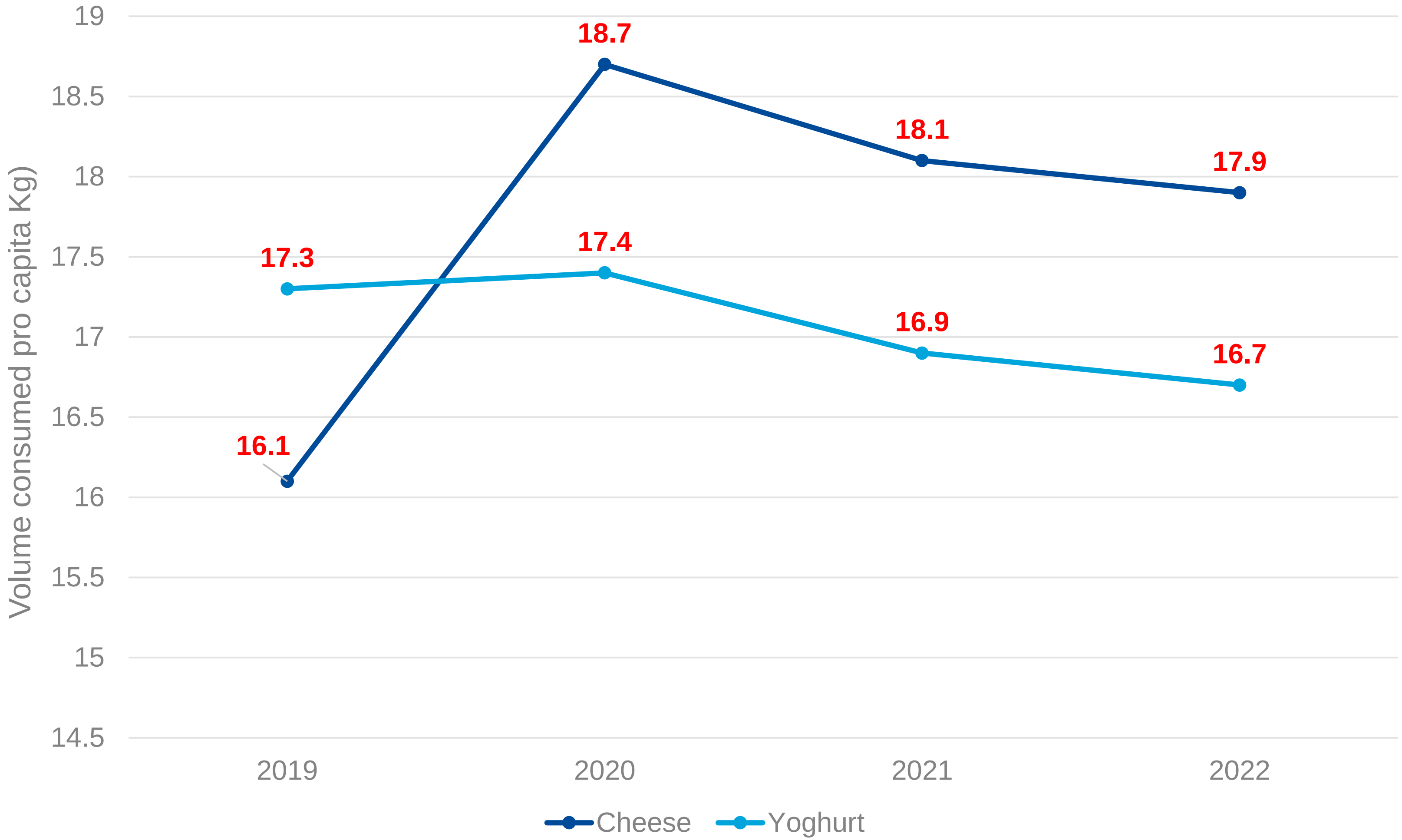
Milk consumption



Source: statista

Netherlands

Dairy consumption

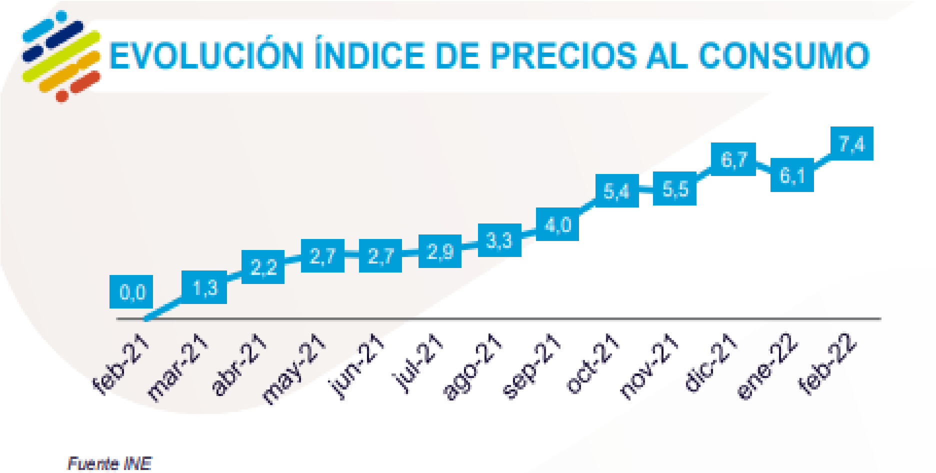


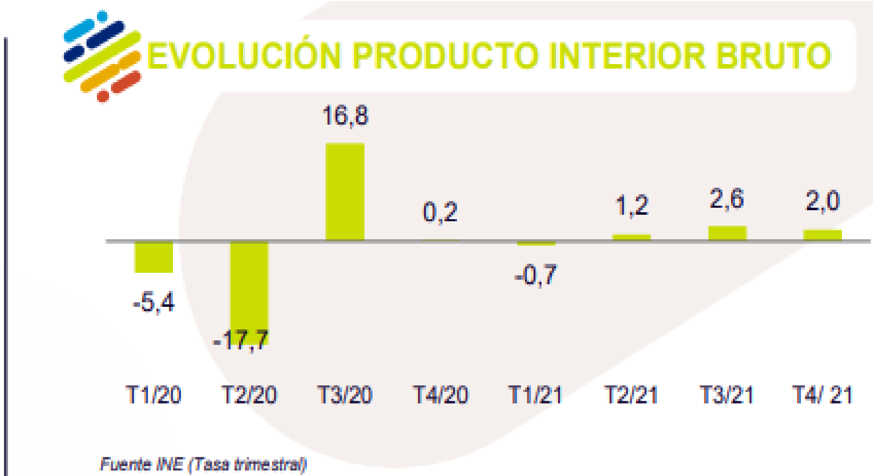
Source: statista

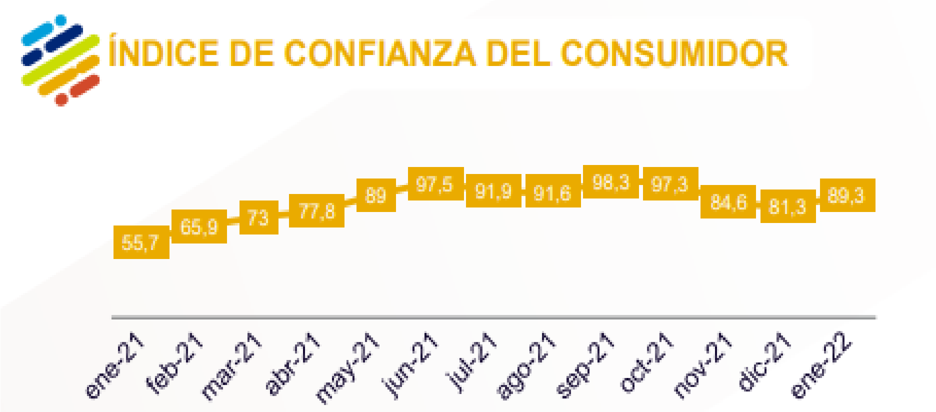
EuroCommerce

Spain

Economic context







Source: IRI

Spain

Prices for the shopping trolley

Análisis del precio de la cesta básica

**Nota: excluidos los productos frescos del análisis*

Precio medio por volumen de las categorías que hacen el 30% en valor en el 2022 sobre el total gran consumo

	CESTA 2020	CESTA 2021	Evol. 21 vs. 20	CESTA 2022	Evol. 22 vs. 21	Evol. 22 vs. 20
CERVEZAS	1,29 €	1,35 €	4,6%	1,40 €	3,1%	7,6%
LECHE LARGA CONSERVA	0,74 €	0,74 €	0,7%	0,75 €	1,2%	2,0%
YOGURES FRESCOS SOLIDOS	2,14 €	2,17 €	1,6%	2,20 €	0,3%	1,7%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PESCADO CONGELADO SIN PREP.	8,83 €	9,18 €	3,9%	9,35 €	1,7%	5,7%
PLATO COCINAD SEC.FRESCO	5,76 €	5,84 €	1,3%	5,91 €	0,7%	2,0%
AGUA SIN GAS	0,23 €	0,22 €	-2,5%	0,22 €	0,0%	-2,6%
ATUN EN CONSERVA	8,51 €	8,56 €	0,6%	8,60 €	0,6%	1,2%
FRUTOS SECOS Y SEMILLAS	8,27 €	8,29 €	0,3%	8,35 €	0,8%	1,0%
ACEITE DE OLIVA	3,16 €	2,91 €	-7,9%	3,48 €	19,9%	10,3%
PASTELER/BOLLER INDUSTRIAL	4,11 €	4,15 €	1,0%	4,40 €	4,1%	4,9%
HUEVOS (DOCENAS)	1,77 €	1,77 €	-0,1%	1,85 €	4,8%	5,2%
PAPEL HIGIENICO SECO	2,85 €	2,92 €	2,4%	2,97 €	1,4%	2,9%
	48,61€	49,10€	+1,0%	50,56€	+3,0%	+4,0%

Source: IRI

EuroCommerce

Spain

Evolution in value 2022 vs 2-year average

Evolución por sección: alimentación, frescos y bebidas

Evolución en valor vs. YA y vs. 2YA

ALIMENTACIÓN	2022 vs. 2021	2022 vs. 2020
	-0,6%	+7,8%
ALIMENTACION SECA	0,4%	9,6%
CONSERVAS	-6,4%	2,6%
CONGELADOS	-3,2%	10,7%
DERIVADOS LACTEOS	-3,0%	2,1%
PRODUCTOS 4-5 GAMA	12,6%	9,8%
HUEVOS	-1,5%	6,8%

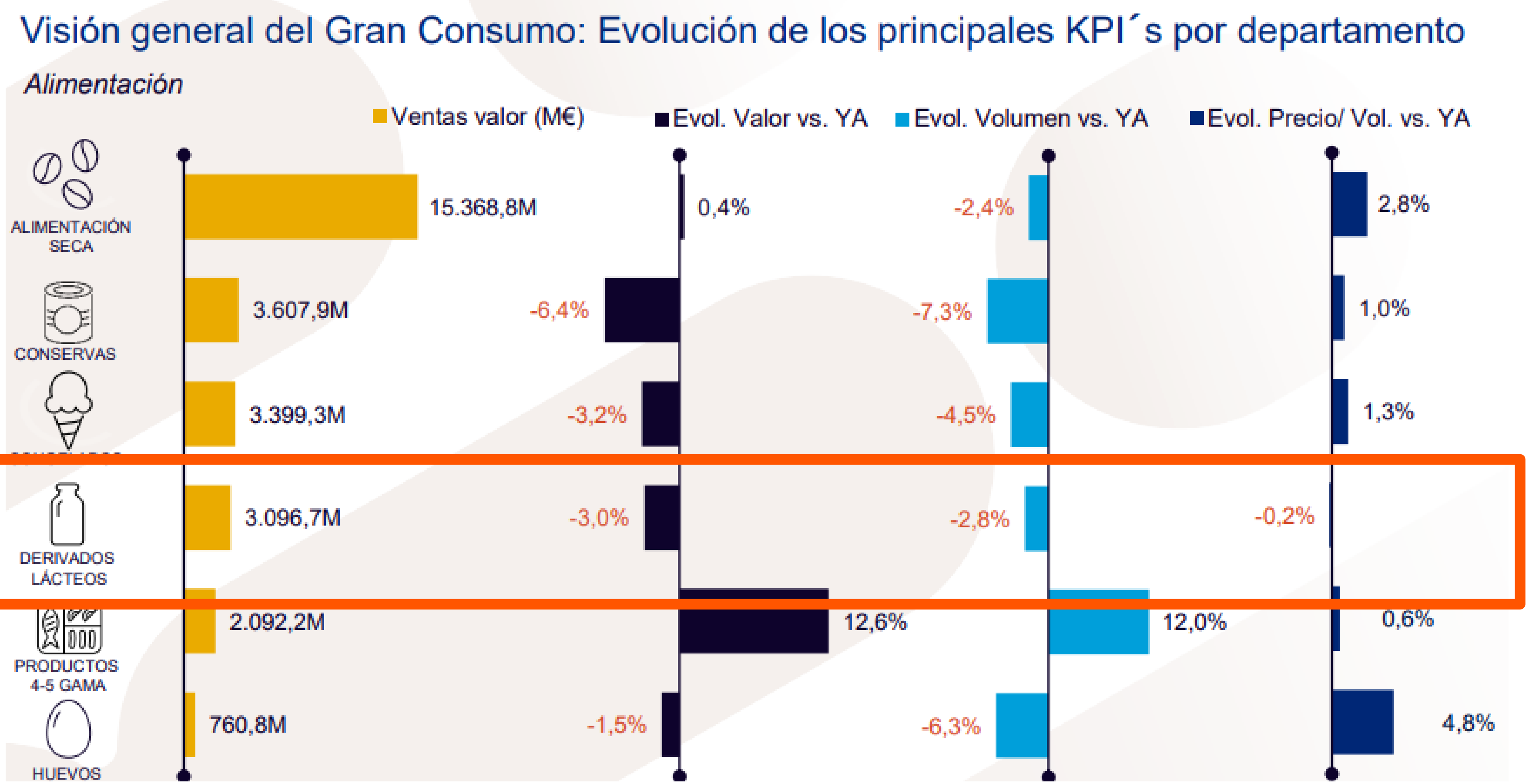
FRESCOS	2022 vs. 2021	2022 vs. 2020
	-2,5%	+6,4%
CARNE	-3,8%	7,4%
CHARCUTERIA	-0,5%	4,2%
FRUTAS	-0,3%	10,7%
VERDURAS Y HORTALIZAS	-6,9%	4,3%
QUESOS	-1,0%	8,0%
PESCADO	-1,7%	5,3%
MARISCO	-6,1%	0,4%

BEBIDAS	2022 vs. 2021	2022 vs. 2020
	+0,2%	+8,1%
LECHES Y BATIDOS	-3,2%	1,7%
CERVEZAS	-3,7%	17,0%
BEBIDAS REFRESCANTES	6,3%	10,6%
VINOS	-6,3%	7,3%
BEBIDAS ESPIRITUOSAS	6,8%	14,2%
AGUAS	3,1%	2,5%
ZUMOS	7,0%	-4,7%
BEBIDAS VEGETALES	0,9%	13,6%
ESPUMOSOS	4,1%	3,0%

Source: IRI

Spain

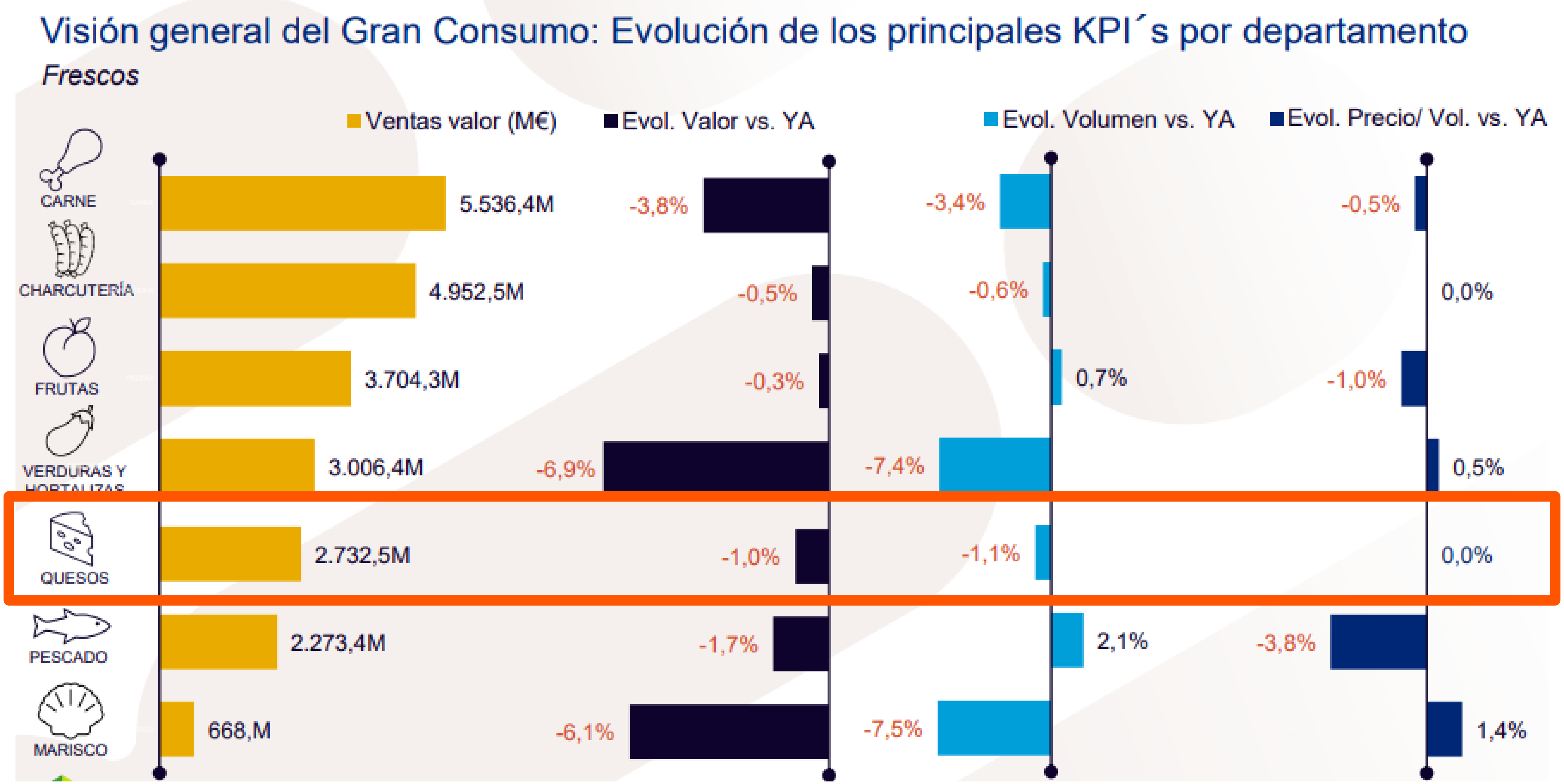
KPI evolution



Source: IRI

Spain

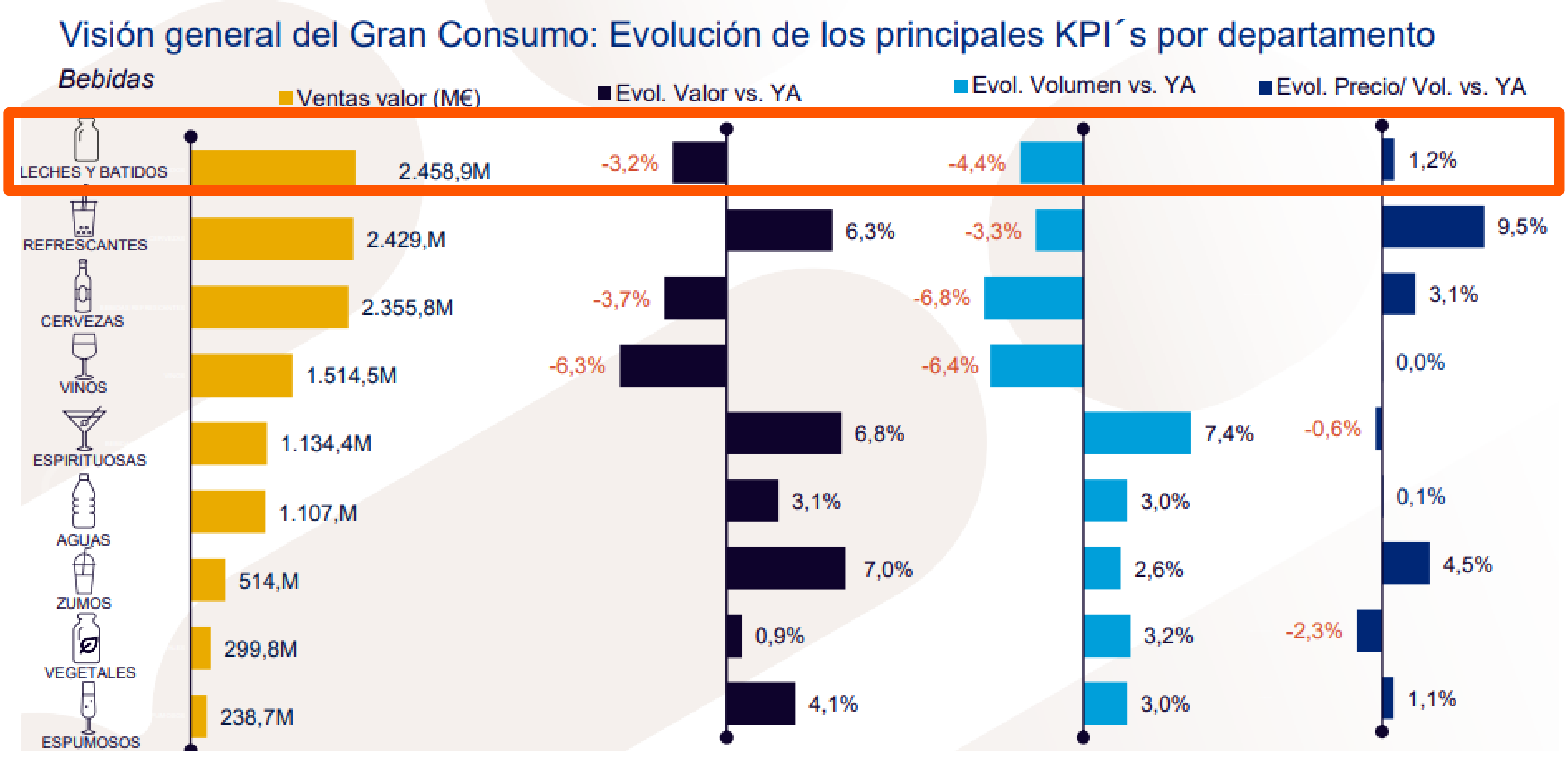
KPI evolution



Source: IRI

Spain

KPI evolution



Source: IRI

EuroCommerce

Sweden

	Value trend		Volume trend	
	Last 4 weeks	Last 52 weeks	Last 4 weeks	Last 52 weeks
MILK	-1,5		-5,2	-2,3
HARD CHEESE	3,7	1,1	-0,3	-1,8
CREAM	-4,3	-1,2	-6,2	-2,5
YOGHURT	1,0	-0,6	-2,3	-2,3
COTTAGE CHEESE, CURD CHEESE	4,4	8,5	5,9	9,6
COLD DESSERTS	7,8	7,5	3,4	6,0
BUTTER	-11,3	-4,0	-12,4	-3,8

Source: Nielsen