TRENDS IN SALES OF MEAT PRODUCTS – A RETAIL PERSPECTIVE

Meat Market Observatory

22 February 2021

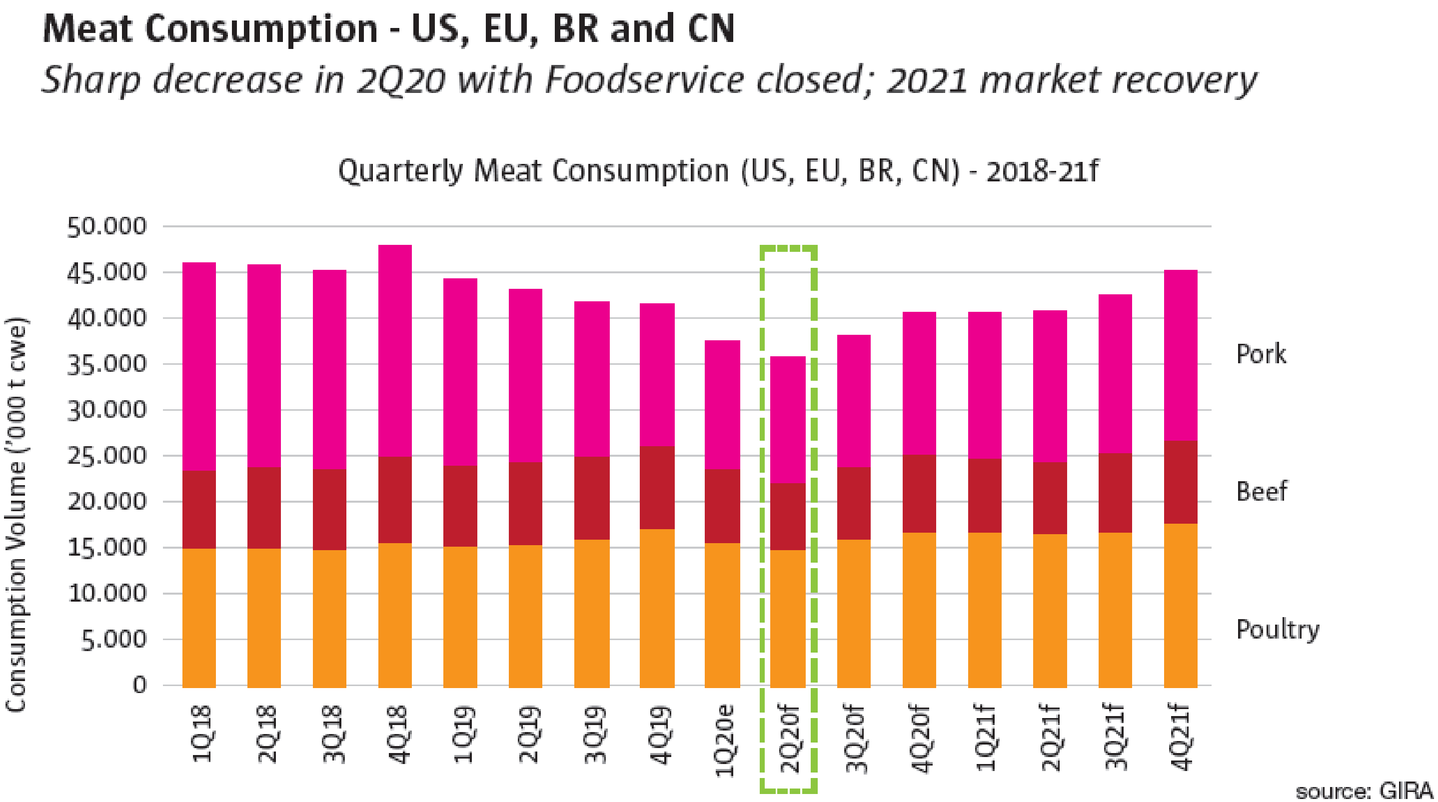
EuroCommerce for retail & wholesale

General trends – pandemic impact on consumer food behaviour – EIT food study findings

- People changing the way they shop
  - More online, more bulk, less impulse purchasing
- Increased attention to price
  - 34% respondents lost part of their income; 55% find it difficult to make ends meet at the end of the month
- Greater food spent:
  - Largest increases in fruits and veg (32% and 27% respondents increased consumption), flour (27%), snacks (28%)
  - Meat: 19% increased consumption and 15% decreased consumption; except FR and DE (decrease)
- More cooking at home
- Heath & nutrition will continue to be a priority as well as sustainability (local foods, packaging, etc.)

Source: Covid-19 impact on consumer food behaviours in Europe; study of 5000 consumers in 10 EU countries

Meat consumption is declining

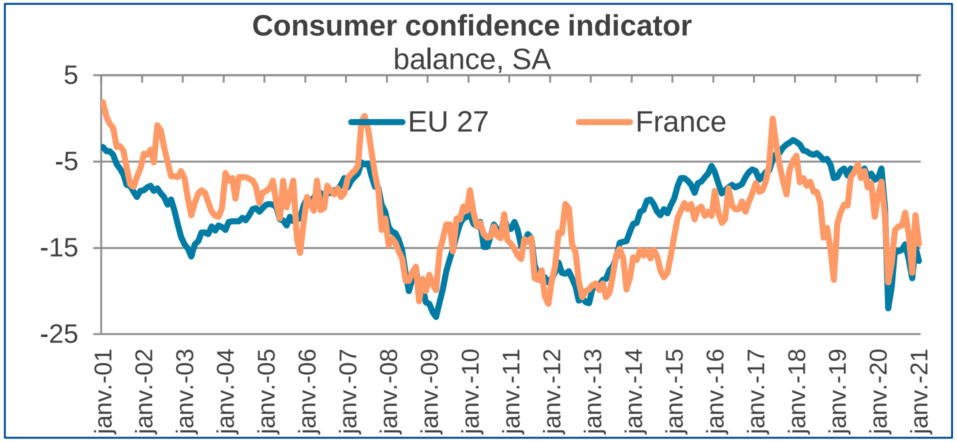


Europe is more affected than other parts of the world; lower consumer confidence resulting in consumers trading down and lower demand ; food service losses not fully compensated by retail – source: Belgian meat office (here)

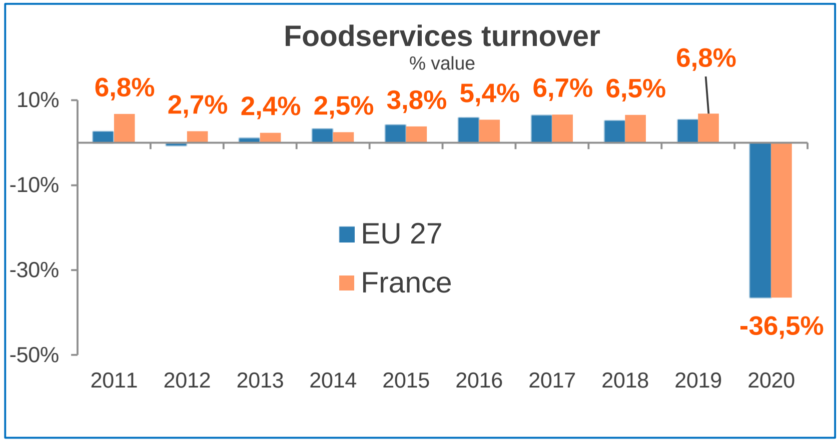
France & EU

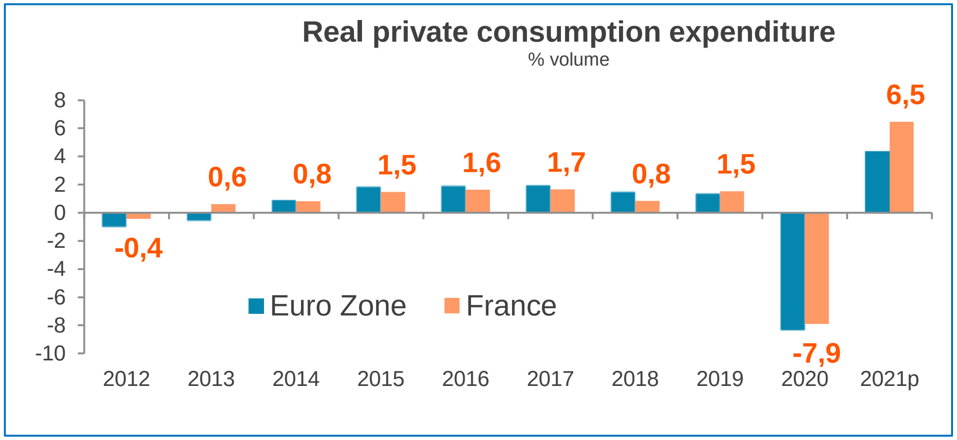
Economic context

① Households remain relatively pessimistic and tend to favour savings over consumption.
② For the global food market, the growth in hypermarket and supermarket sales will not be enough to offset the collapse of the Foodservices business.

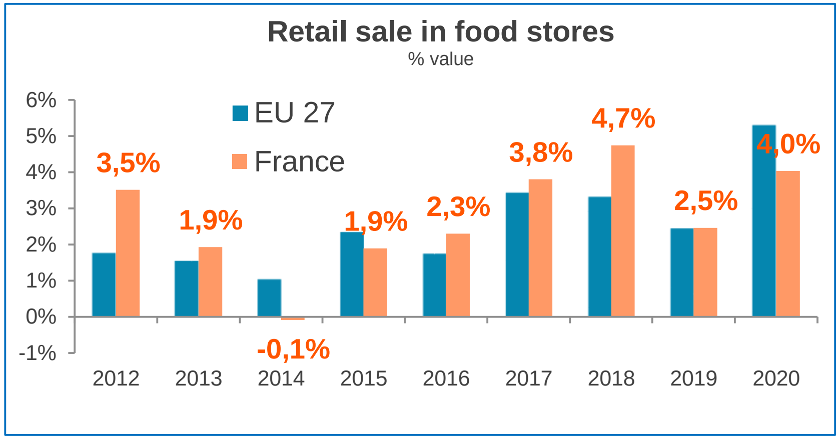


Source : Eurostat





Source : OECD



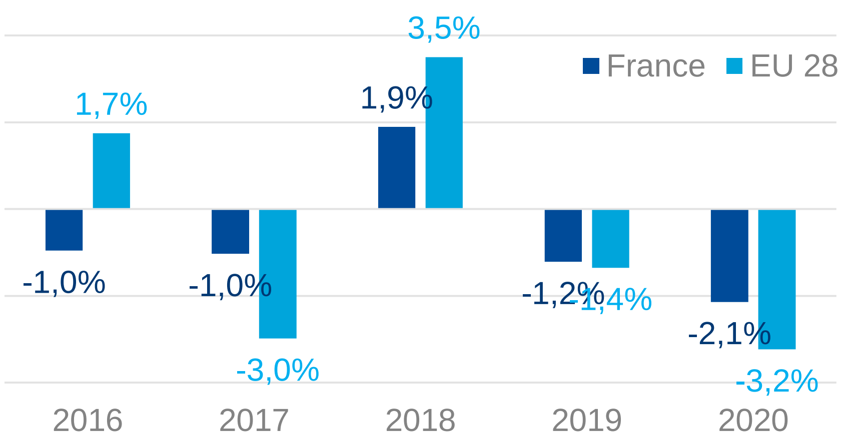
Source : Eurostat

EuroCommerce

France & EU

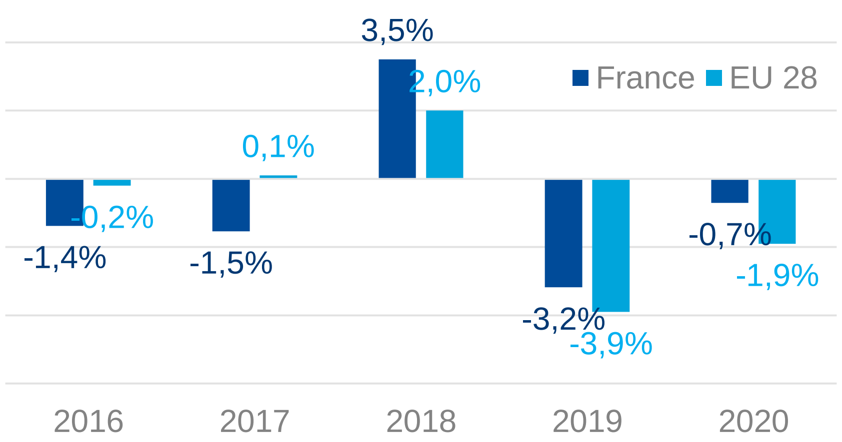
Meat consumption, global overview: a drop in consumption in 2020

Beef & veal : domestic consumption
(%, volume)



The strong increase in home consumption of beef has not offset the decline in the horeca sector. Consumption decreased by 2.1% in France and by 3,2% in UE 28. The overall fall in consumption is due to the decline in imported volumes, which traditionally go to restaurants. The consumption of French meat is estimated to have increased by 1.4%.

Pigmeat : domestic consumption
(%, volume)

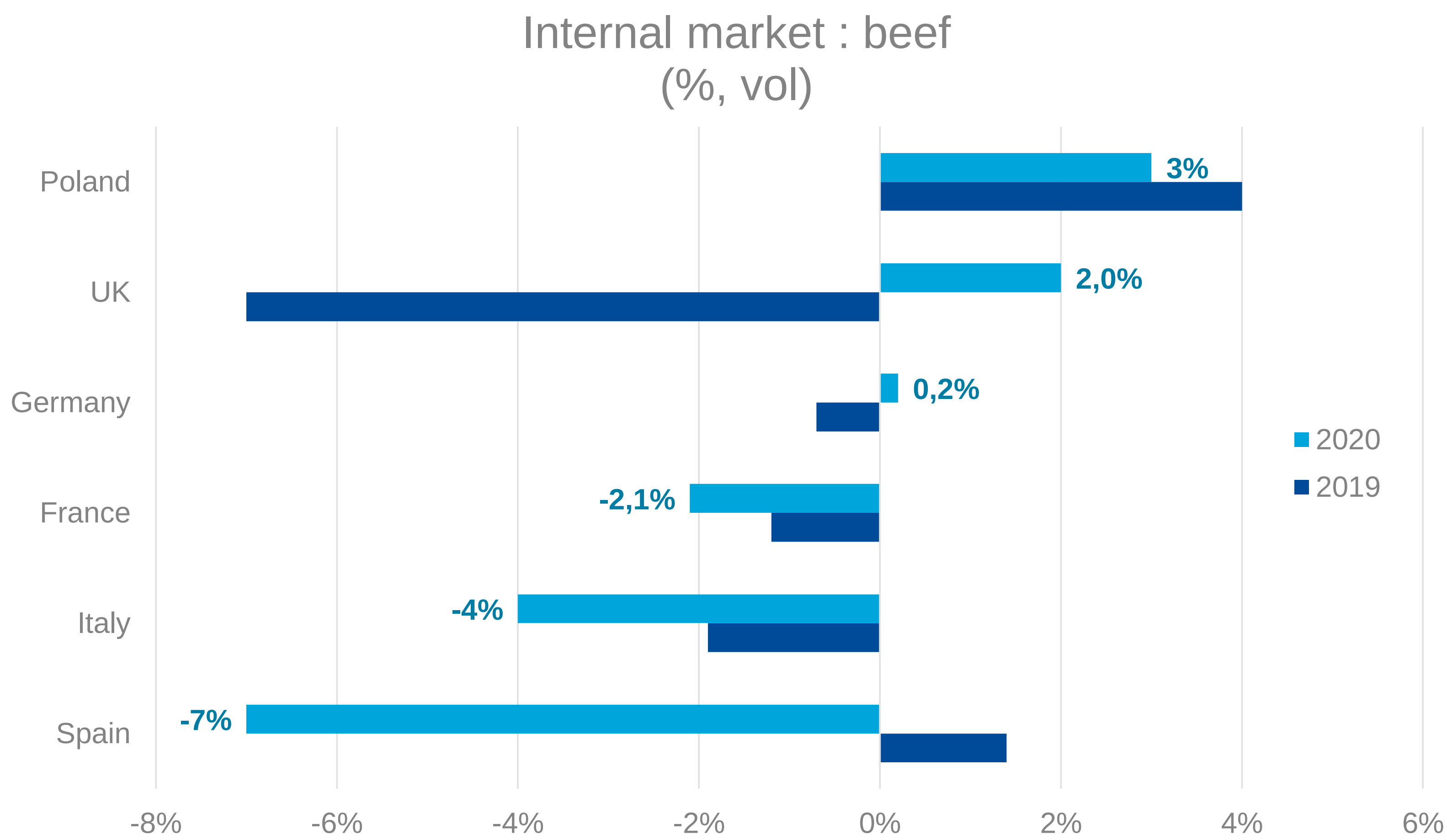


Porkmeat consumption fell by 0,7% in France in 2020, slightly less than in 2019.

Source : FranceAgriMer

France & EU

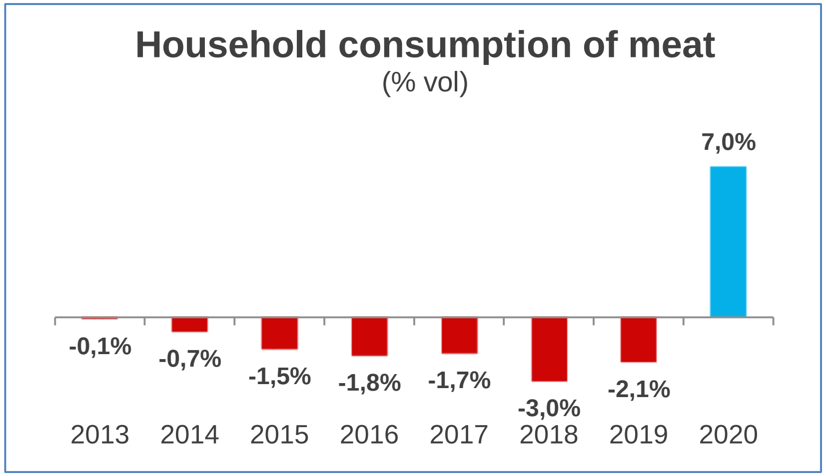
Beef : domestic consumption

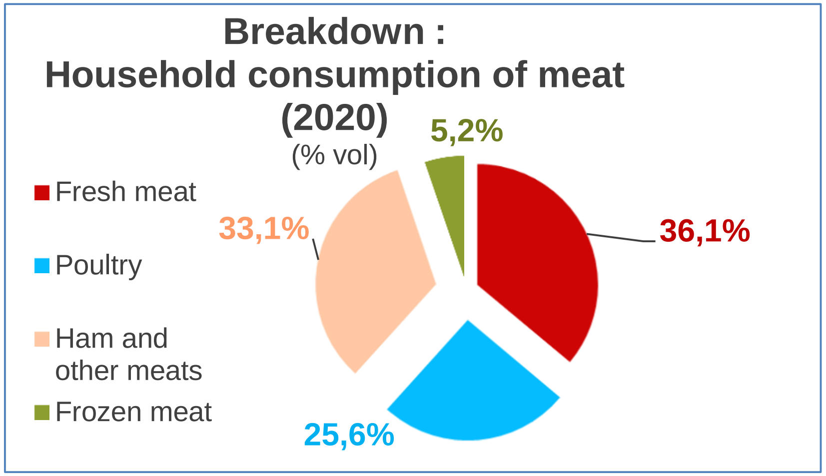


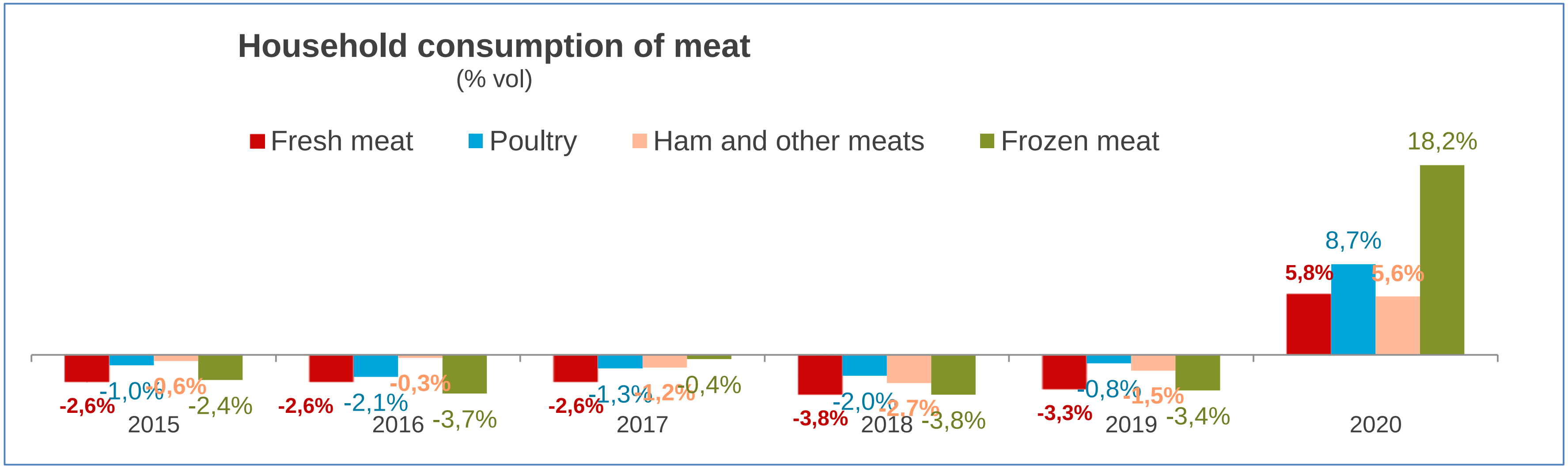
Source : Idele

France

Period ending 31 Dec 2020







Source: Kantar Worldpanel

EuroCommerce

France

Period ending 31 Dec 2020

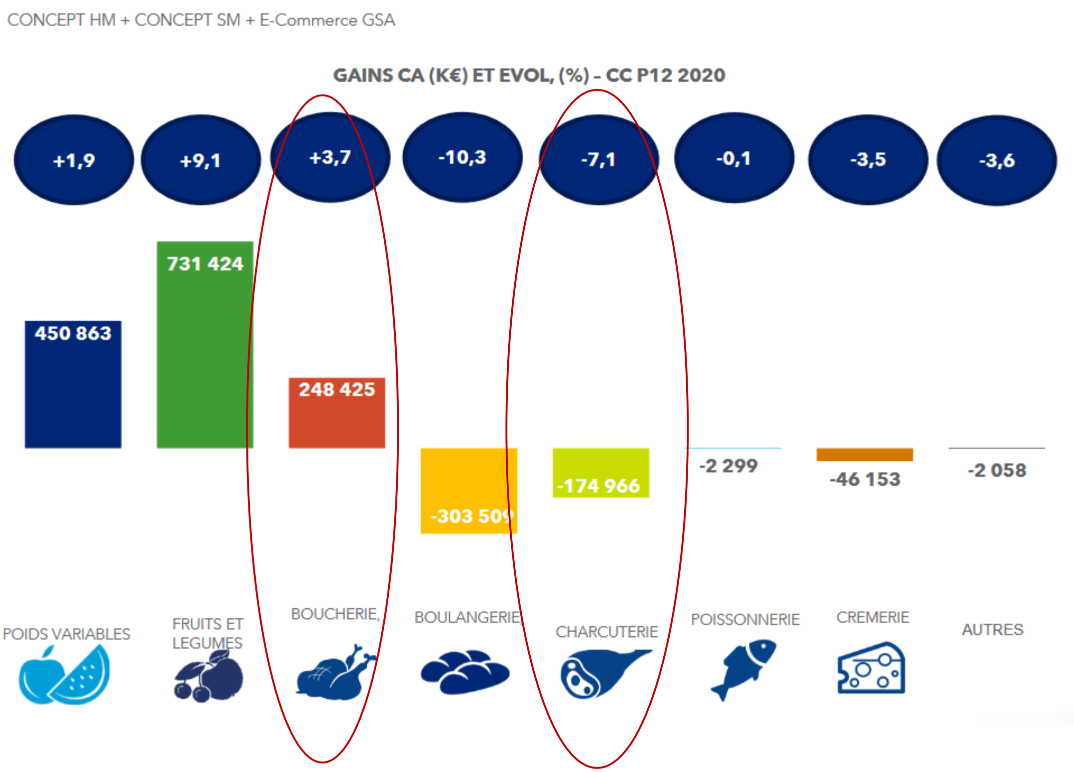
Product category	volumes (% change) 2020	price (% change) 2020	Average prices (€ / kg)
Fresh meat	**5,8%**	**2,4%**	**11,47**
Fresh beef	2,8%	2,5%	15,12
Fresh veal	1,4%	0,3%	16,16
Fresh lamb	-4,0%	3,3%	15,37
Fresh pork	7,2%	3,6%	7,86
Tripe Products	-4,3%	1,3%	9,35
Processed meat, including ground meat	10,3%	4,0%	10,52
Poultry	**8,7%**	**0,9%**	**8,34**
Frozen Meat	**18,2%**	**1,6%**	**7,43**
Ham and other meats	**5,6%**	**4,2%**	**11,70**

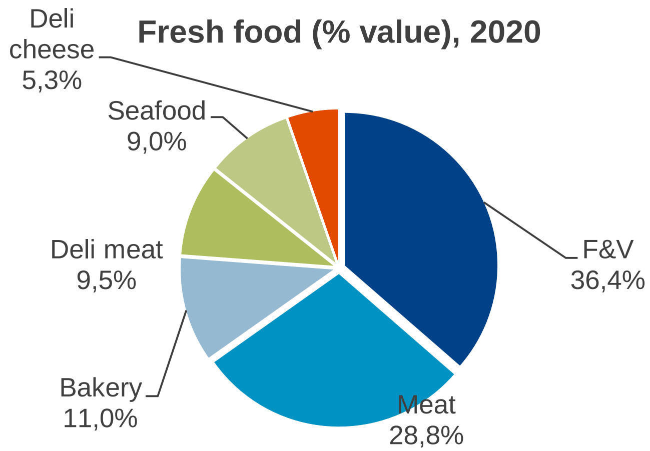
Source: Kantar Worldpanel

France

Focus on fresh food in hypermarkets and supermarkets

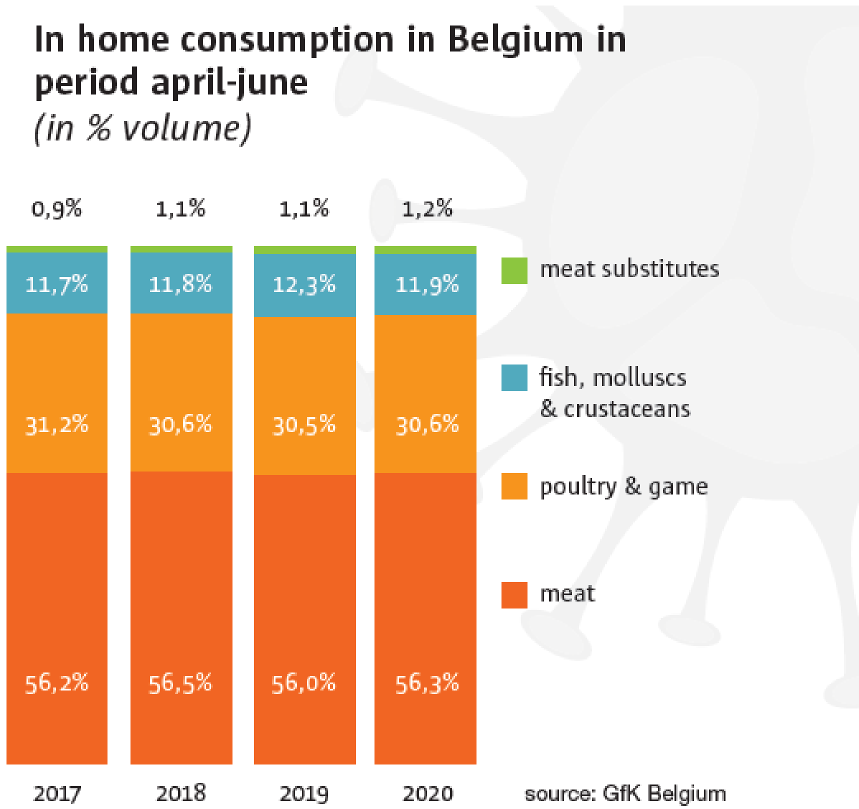
The sales of fresh food products (unpacked products) increased by 1,9% in 2020, this increase is mainly linked to the sales of fruits & vegetables and **meat.**





Source: IRI (hypermarkets, supermarkets, e-commerce

Belgium



COVID-19 impact on food consumption:
➥at home consumption of fresh produce, and especially meat, increased. In the second quarter of 2020, fresh meat consumption was 23% higher than the same period last year. Mixtures of different types of meat grew the most.
➥ Highest growth rates for convenience stores and discounters in the first phase of the crisis. In the second quarter, hard discounters achieved the highest growth rates, especially in the meat category.
The impact of COVID-19 on Belgian consumption habits is, however, limited: products normally consumed at home perform slightly better than products normally consumed outdoors (e.g. beef). In general, however, one can conclude that Belgians maintain their traditional eating habits and are using more or less the same products as before (although consumption at home has increased).
Even though Belgians plan to purchase more regional and healthy products in the future, one can assume that - with an economic crisis looming in the background - price will continue to play an important (if not more important) role in purchasing decisions.

source: Belgian meat office (here)

Italy

Meat – 4Q2020 *and* Year 2020

Total Modern Retail
(only fixed weight)

Product category	VALUE (4Q2020 vs. 4Q2019 - % change)	VOLUME (4Q2020 vs. 4Q2019 - % change)	VALUE (2020 vs. 2019 - % change)	VOLUME (2020 vs. 2019 - % change)
Preserved Meat	+6,4	+5,2	+5,5	+3,8
Frozen Meat	+18,6	+17,2	+15,7	+14,0
Fresh Meat (Fixed weight)	+18,5	+16,9	+16,1	+11,6
Fresh meat	+23,4	+22,6	+16,4	+12,1
Processed meat - Poultry	+14,1	+14,8	+10,8	+8,6
Processed meat - Beef	+25,6	+22,5	+26,4	+21,4
Processed meat - Pork	+21,2	+13,8	+22,5	+13,2
Processed meat - Horse	-4,0	-5,0	-4,9	-5,3
Salumi (Fixed weight)	+14,6	+9,2	+14,1	+7,6
Cold cuts	+14,0	+9,7	+12,8	+7,3
Sliced	+19,3	+12,0	+21,0	+10,1
Pre-Cooked	+11,8	+6,8	+11,3	+6,2

Source: Nielsen – Market Track

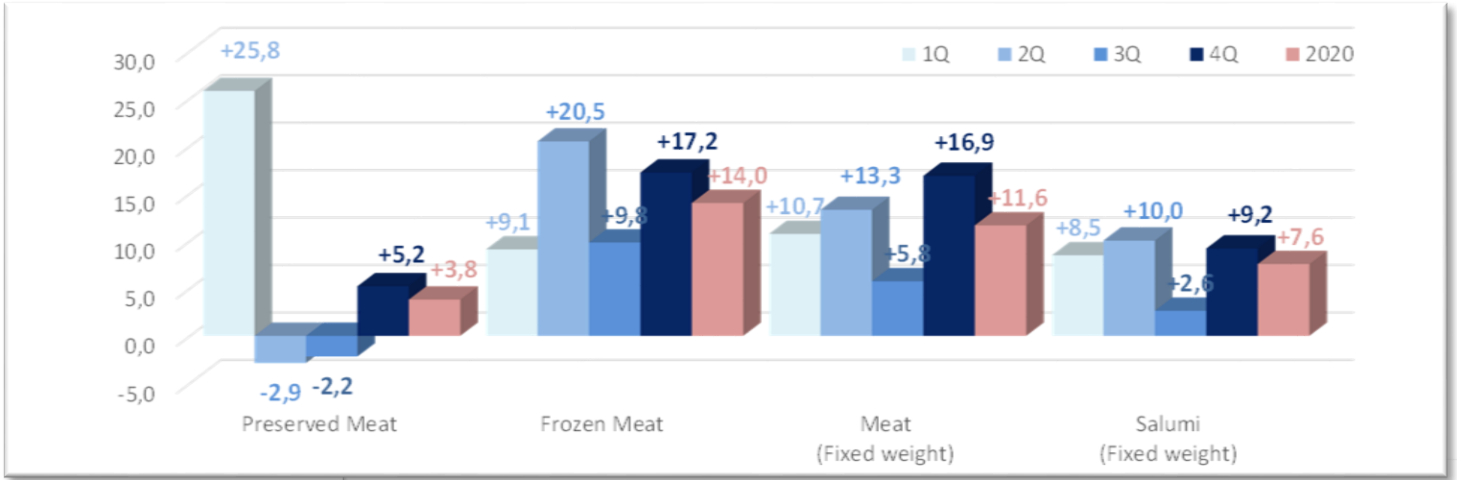
EuroCommerce

Italy

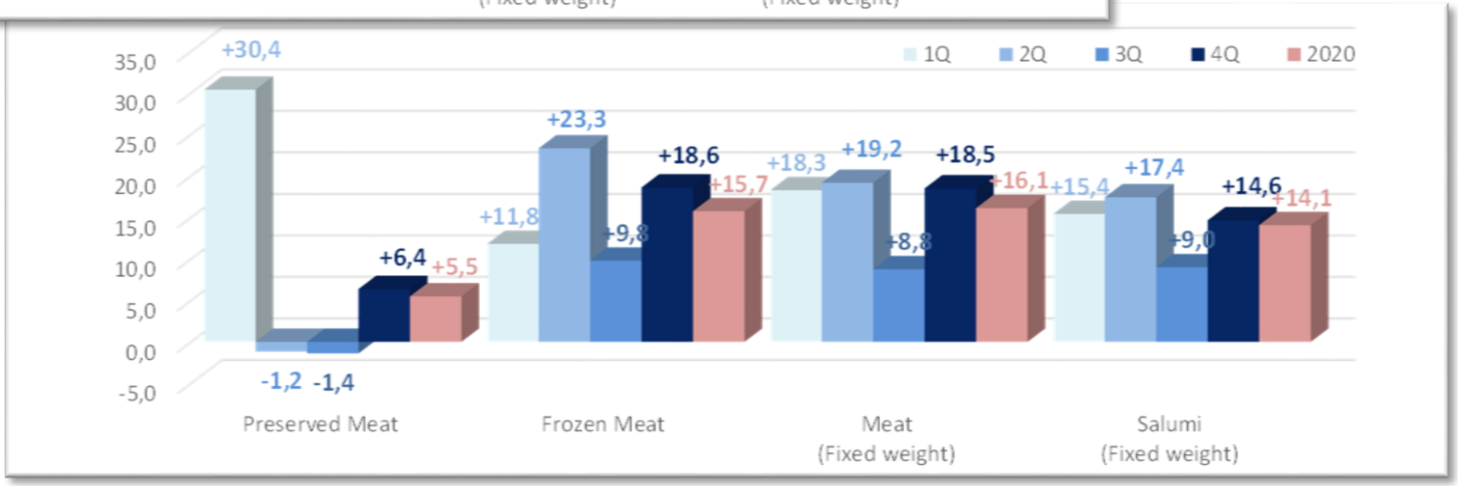
Meat – Trend growth (*Percentage change on the same period of the previous year)*

Total Modern Retail (only fixed weight)

VOLUME



VALUE



Source: Nielsen – Market Track

EuroCommerce

Spain

Higher food consumption in general (+9.6% in value nov 2020 v. Nov 2019)

- meat purchases increased end nov. (+4.1%) as a result of fresh (4.1%) and frozen (+9.6%) meat; processed meat (3.4%)

Dec 2019 – Nov 2020: food consumption +10% in volume, +13% in value:

- Outstanding growth for fresh and frozen meats (9.6% and 17.7% respectively)
- Processed meat is also growing, but its growth is more contained than that of the meat segment in general (8.2 %).
- Within fresh meat, there was an increase of 9.6 % for chicken and 12.4 % for pork.
- The other types of meat also remained positive; variation of 8.4 % for beef and veal, 3.8 % for fresh rabbit meat and 5.4 % for sheep/goat meat

Spain

GOBIERNO DE ESPAÑA

MINISTERIO DE AGRICULTURA, PESCA Y ALIMENTACIÓN

CONSUMO ALIMENTARIO EN EL HOGAR

TAM NOVIEMBRE 20

TOTAL ALIMENTACIÓN (HOGAR)	
CONSUMO PER CÁPITA	VOLUMEN EN LA CESTA DE LA COMPRA
710,19	**31.573,7**
Kg / l per Cápita	Cantidad (Millones de kg/ l)

Kg / l per Cápita

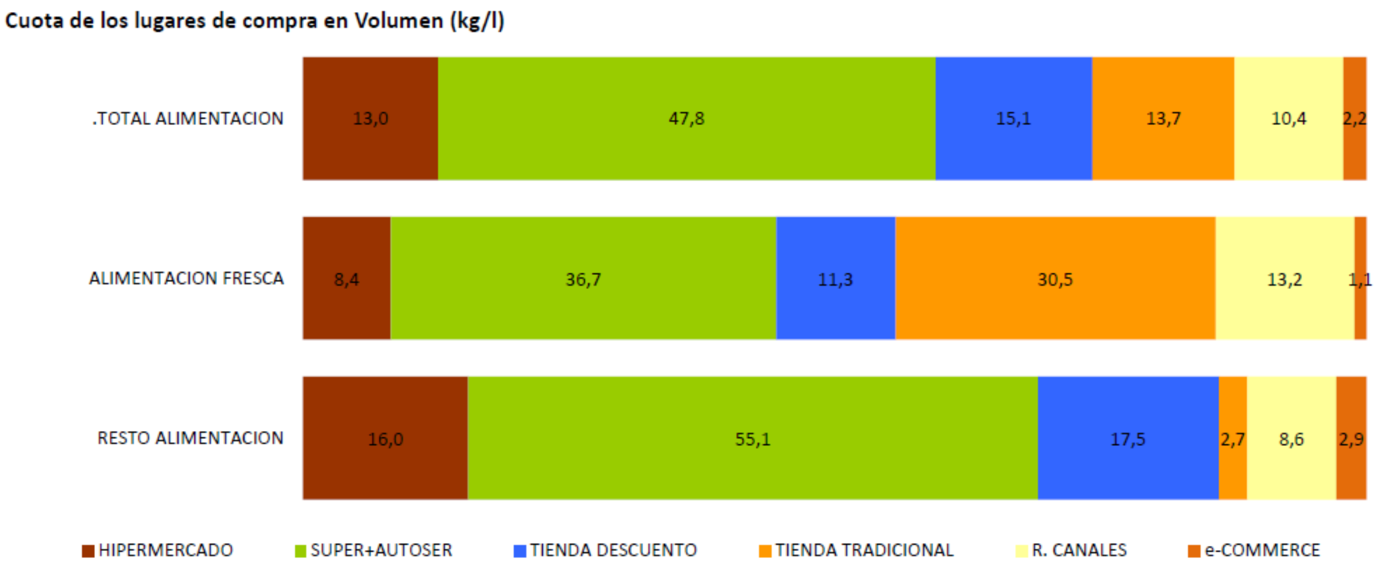
% Evolucion Volumen

Spain – key shopping destinations and trends

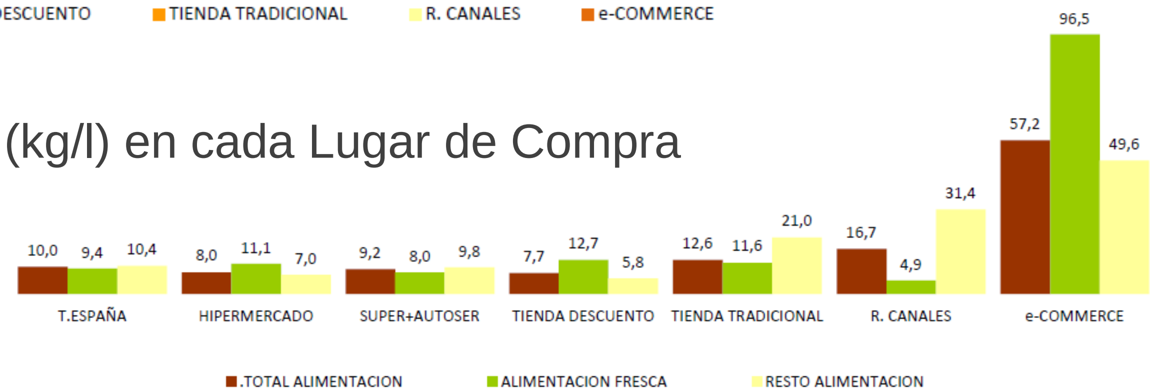
GOBIERNO DE ESPAÑA MINISTERIO DE AGRICULTURA, PESCA Y ALIMENTACIÓN

CONSUMO ALIMENTARIO EN EL HOGAR

TAM NOVIEMBRE 20

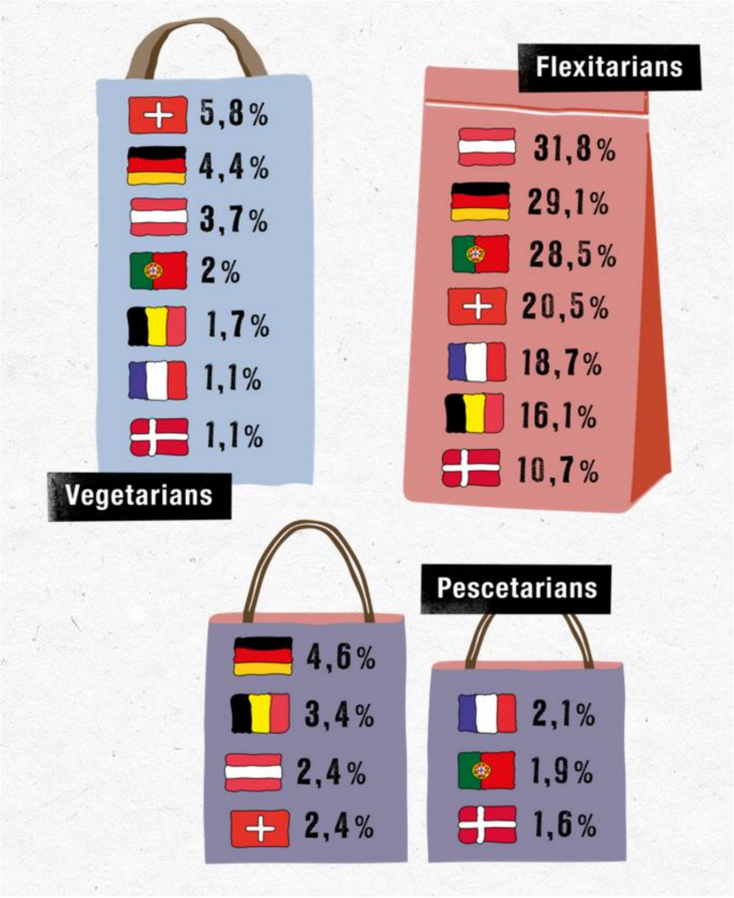


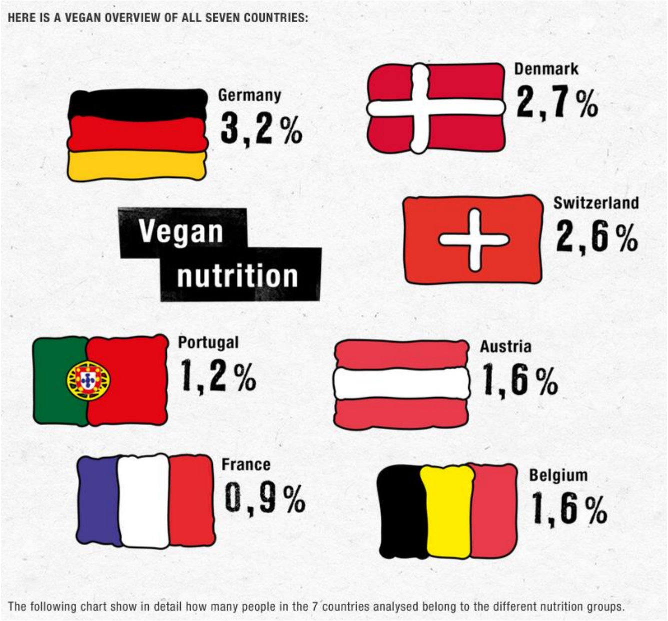
% Evolución de Volumen (kg/l) en cada Lugar de Compra



EU

Alternative meat markets : flexitarism, vegetarism...

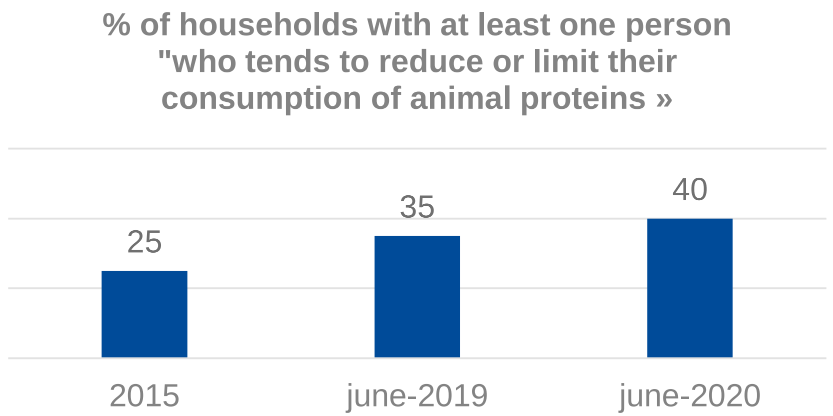




Source: Veganz 2020 (https://veganz.com/blog/veganz-nutrition-study-2020/)

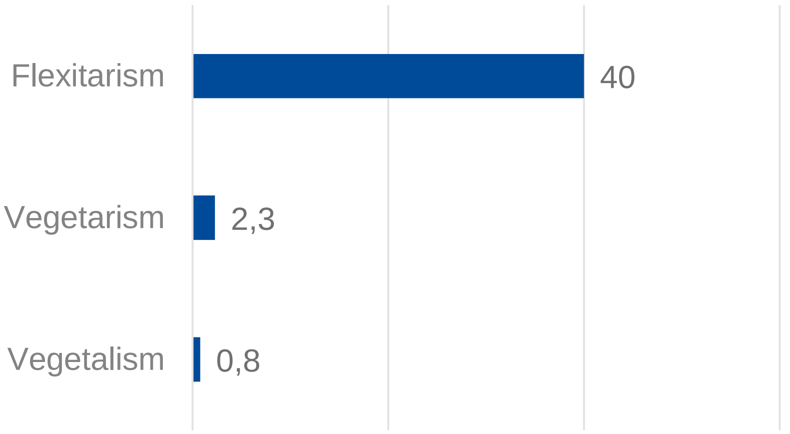
France

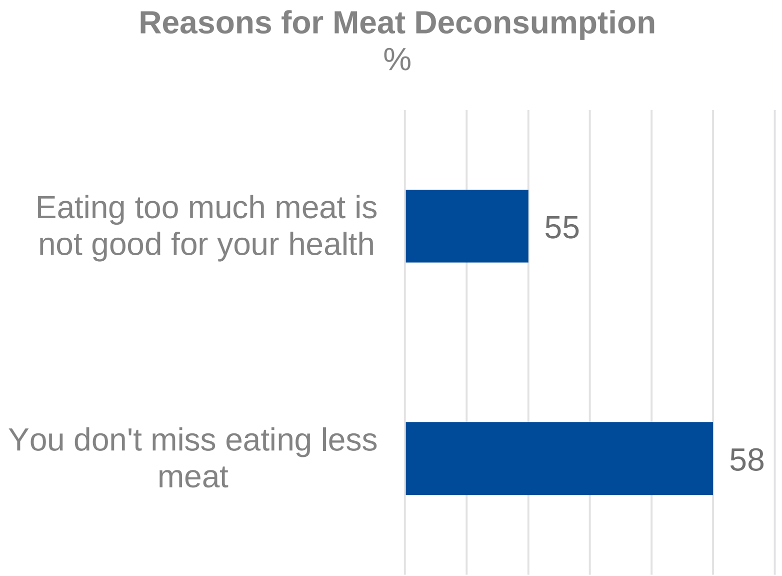
Alternative meat markets : flexitarism, vegetarism...



More and more French people declare themselves to be flexitarian (40% in 2020 vs 25% in 2015). But only 2,3% to be vegetarian.

For 55% of consumers, eating too much meat is not good for their health.





Source: Kantar – June 2020

EuroCommerce

France

Alternative meat markets : flexitarism

the French tend to have a lower carbon diet, and declare that they are reducing their consumption of red meat and charcuterie.

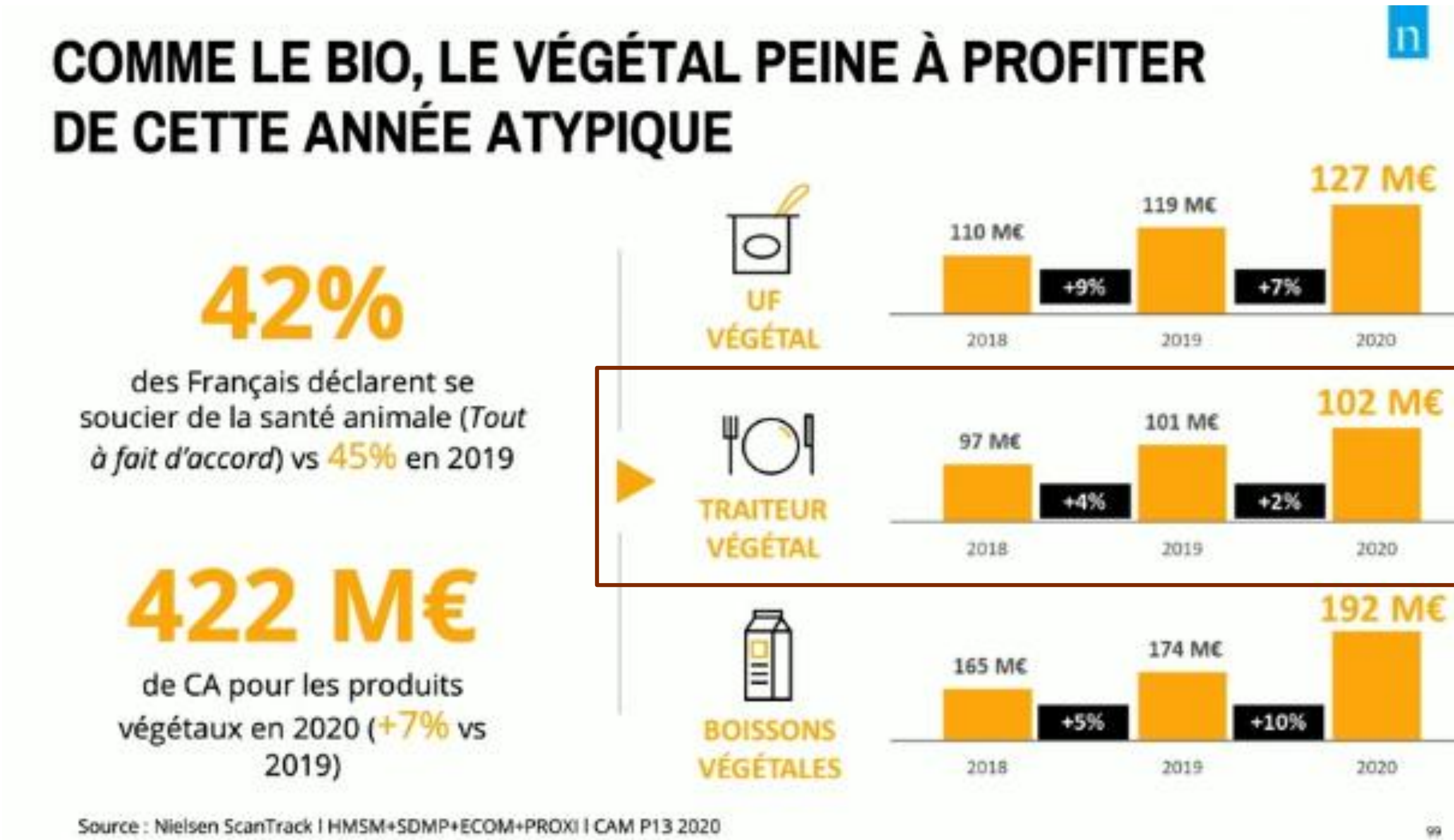
Compared to two or three years ago, do you feel that you have increased, reduced or stabilized your intake of the following foods….?

	Increased	Stable	Decreased	Suppressed	Never eaten	Total
Red meat	4%	44%	43%	5%	4%	100%
White meat	15%	63%	18%	3%	2%	100%
Charcuterie	4%	40%	45%	7%	5%	100%
Poultry	14%	65%	16%	3%	2%	100%

Source: Obsoco - 2020

France

Alternative meat markets : the growth rate slows down

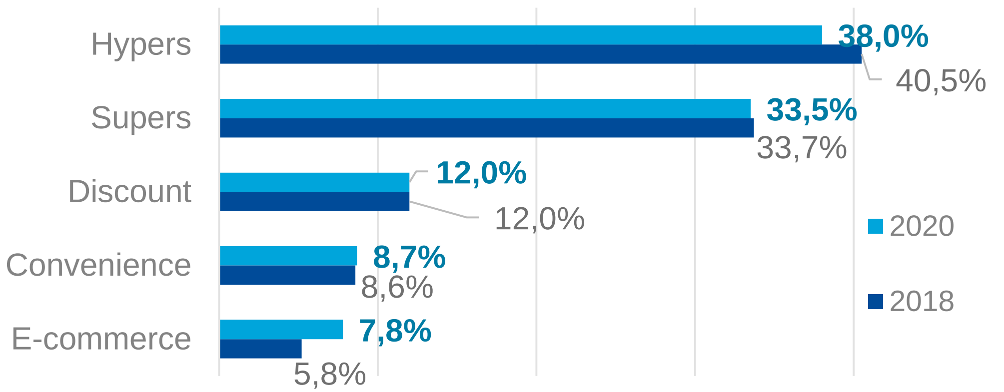


Source: Nielsen

France

Annexes

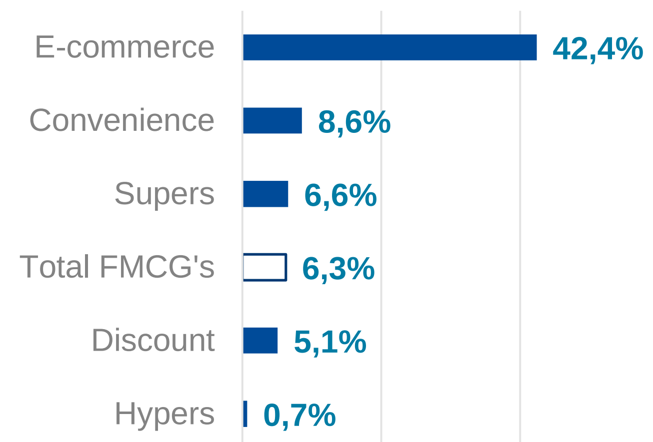
Breakdown of retail channels (%, value)



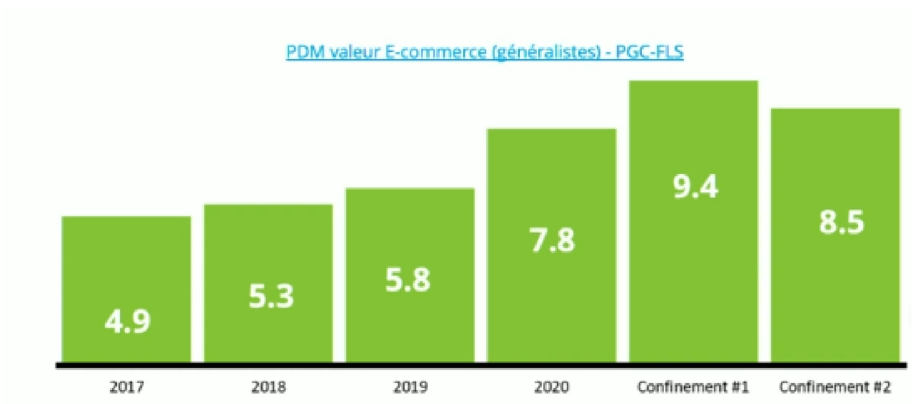
A big winner in 2020: food e-commerce... and the big "loser" is the hypermarket. The lockdowns and the closure of non-essential departments have penalised large hypermarkets in particular (the turnover of hypermarkets of more than 7,500 m² has fallen by 1% in 2020)

2020 : FMCG Market

(% value)



Market share of food e-commerce



Source: Nielsen