TRENDS IN SALES OF MEAT PRODUCTS – A RETAIL PERSPECTIVE

Meat Market Observatory

25 October 2021

EuroCommerce for retail & wholesale

General trends in retail in 2021

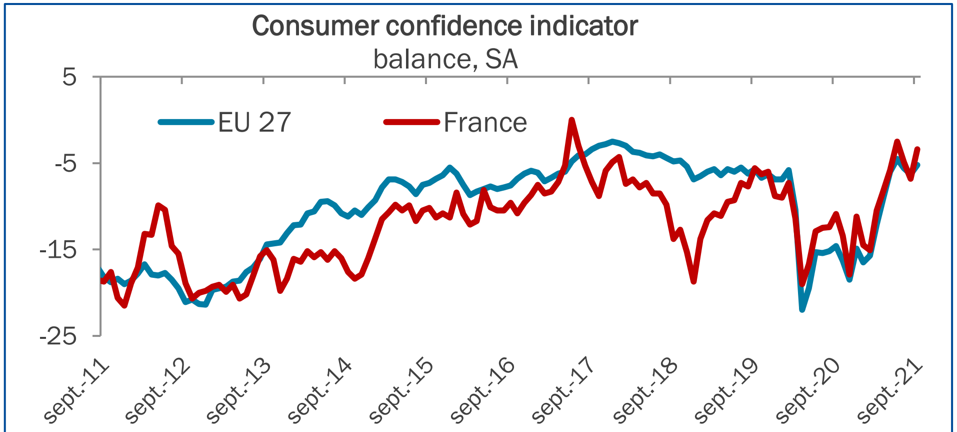
- Grocery spending at an all time high (due to HoReCa closures, lockdowns)
- Going towards a ‘new normal’ - retail will once again need to rebalance its role within the broader ecosystems with Horeca
- Impact of the pandemic: consumers both uptrading and downtrading
- In 2020-21, significant shift towards healthy/sustainable/local product:
  - ✓ 30% of European consumers will focus on **healthy** eating in 2021
  - ✓ 60% of European consumers are willing to pay more for **sustainable alternatives** - 70% for fresh food (fruit, vegetables, and meat)
- Increased demand for organically certified products

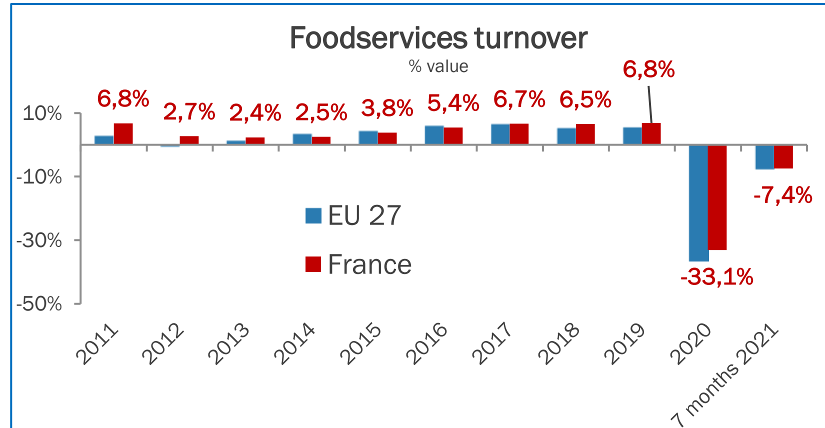
Source: McKinsey 2021

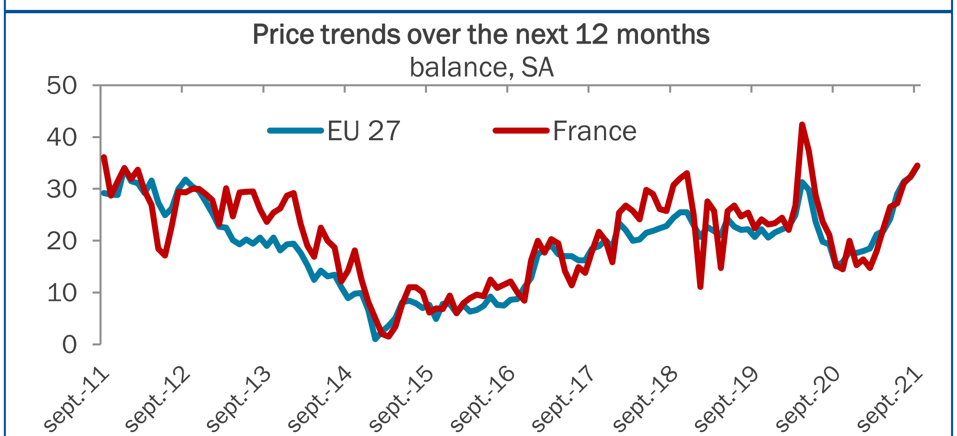
France & EU

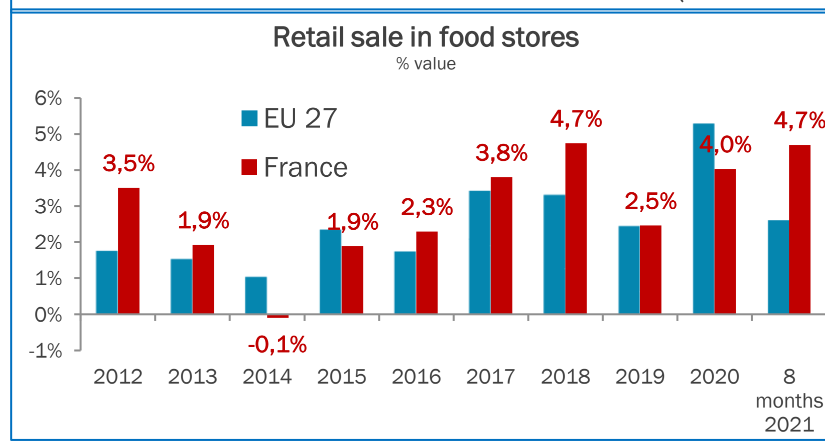
Economic context

① households have become more optimistic with the economic recovery. But they are increasingly concerned about rising prices.
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

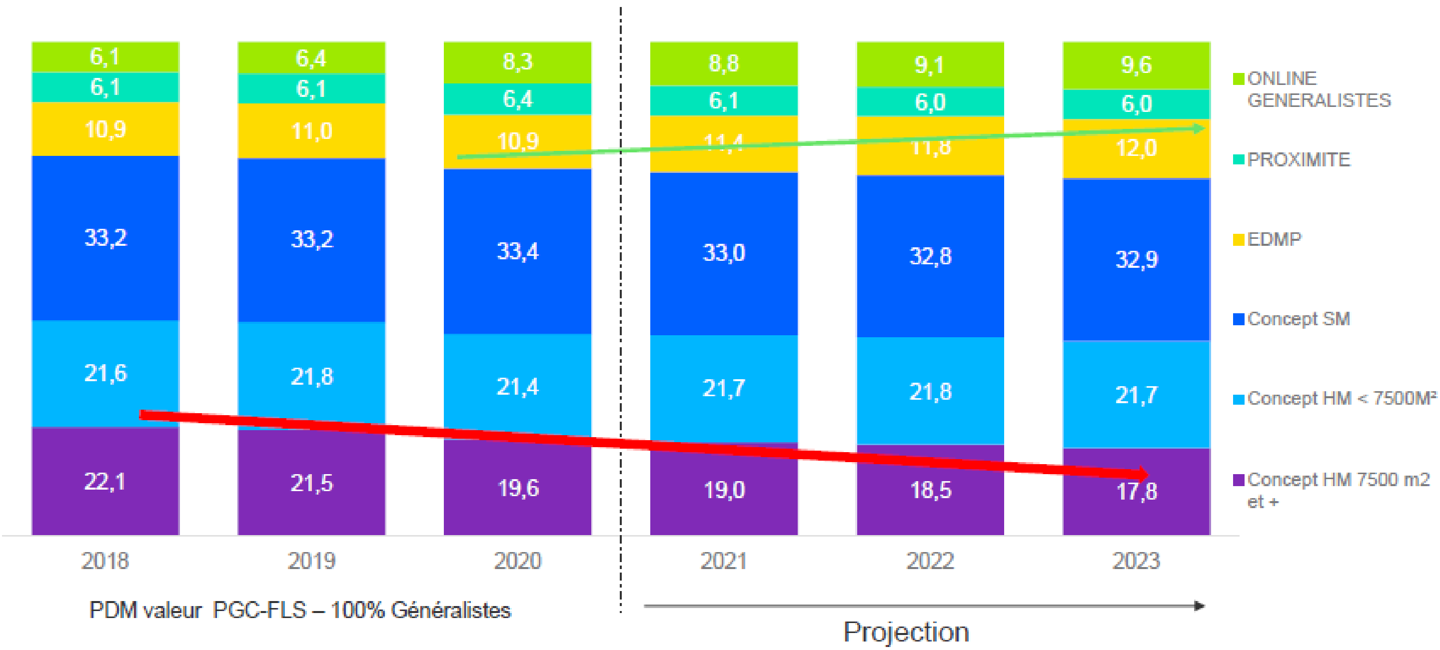
EuroCommerce

France

Food Retail : convenience, discount and online should continue to grow

Les clients se tourneront vers des « Grands SM / Petits Hypers » et vers les achats web *(consommation domicile)*

A ce constat s'ajoute la crise économique favorisant les magasins à la perception prix solide



KANTAR Périmètre : PGC-FLS – 100% Généralistes – Achat pour la Consommation domicile - données réelles pour 2018 à 2020 / Projection sur les années 2021 à 2023 30

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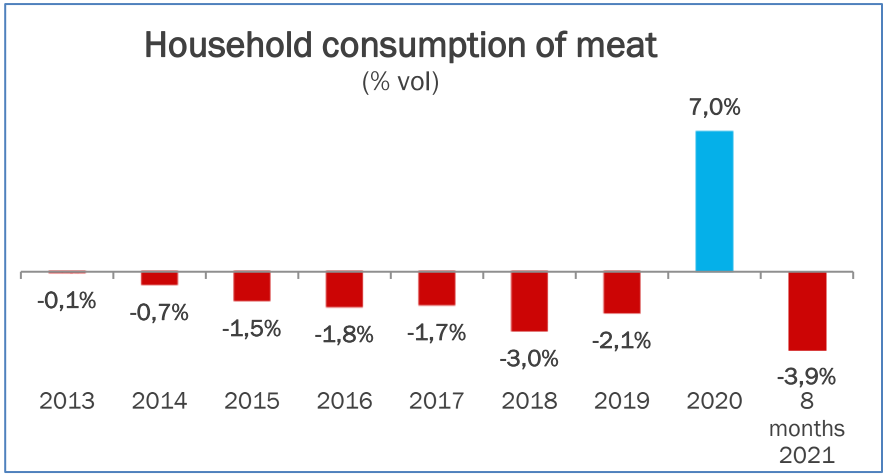
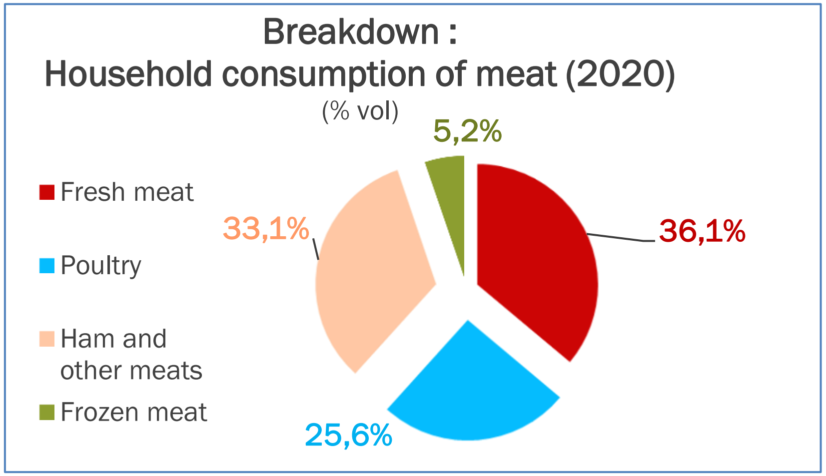
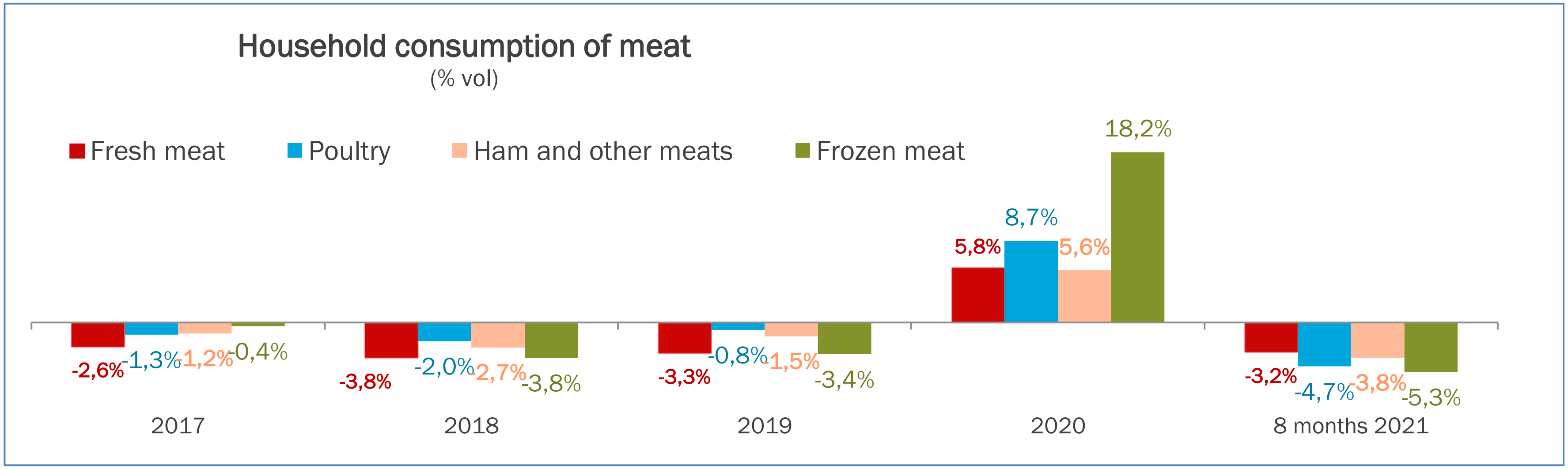
France

Period ending 31 August 2021







Source: Kantar Worldpanel

France

Period ending 31 August 2021

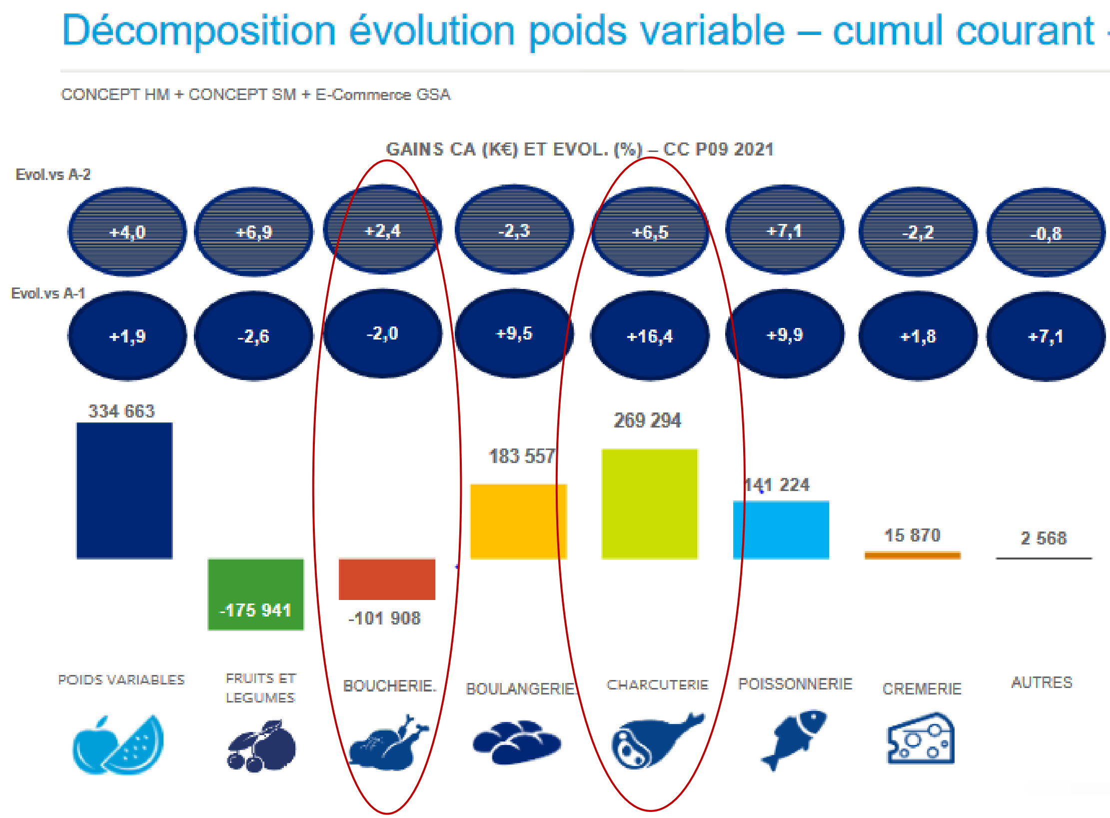
Product category	volumes (% change) 8 months 2021 / 8 months 2020	price (% change) 8 months 2021 / 8 months 2020	volumes (% change) 12 months to August 2021	price (% change) 12 months to August 2021	Average prices (€ / kg) / August 2021
MEAT	-3,9%	1,2%	-0,4%	1,3%	10,62
Fresh meat	-3,2%	1,1%	-0,1%	1,1%	11,55
Fresh beef	0,1%	1,0%	2,5%	1,3%	15,22
Fresh veal	0,0%	-0,4%	1,5%	-0,2%	16,12
Fresh lamb	-0,4%	3,2%	0,4%	3,0%	15,71
Fresh pork	-6,4%	-3,7%	-2,0%	-3,2%	7,71
Tripe Products	0,4%	2,3%	2,8%	0,6%	9,48
Processed meat, including ground meat	-5,0%	1,2%	-1,5%	1,9%	10,61
Poultry	-4,7%	1,7%	-0,9%	1,2%	8,43
Frozen Meat	-5,3%	2,0%	0,8%	2,5%	7,56
Ham and other meats	-3,8%	0,6%	-0,9%	1,3%	11,75

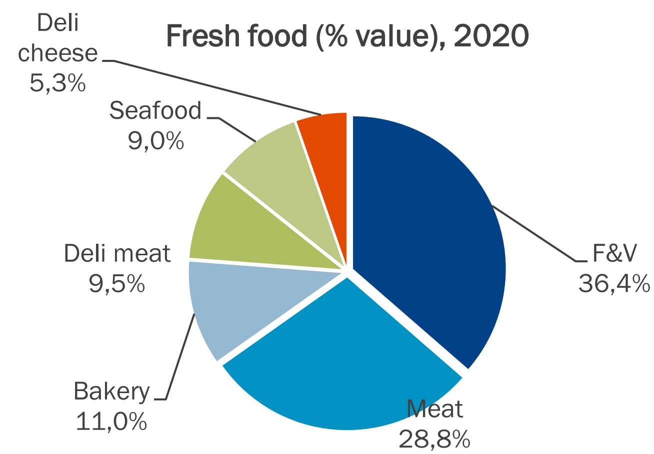
Source: Kantar Worldpanel

France

Focus on fresh food in hypermarkets and supermarkets

The sales of fresh food products (unpacked products) increased by 1,9% during the first 9 months of 2021 compared to the same period in 2020 (+4% // same period in 2019). The sales of meat decreased by -2% (+2,4% // 2019), the sales of charcuterie jumped by 16,4% (+6,5% // 2019).





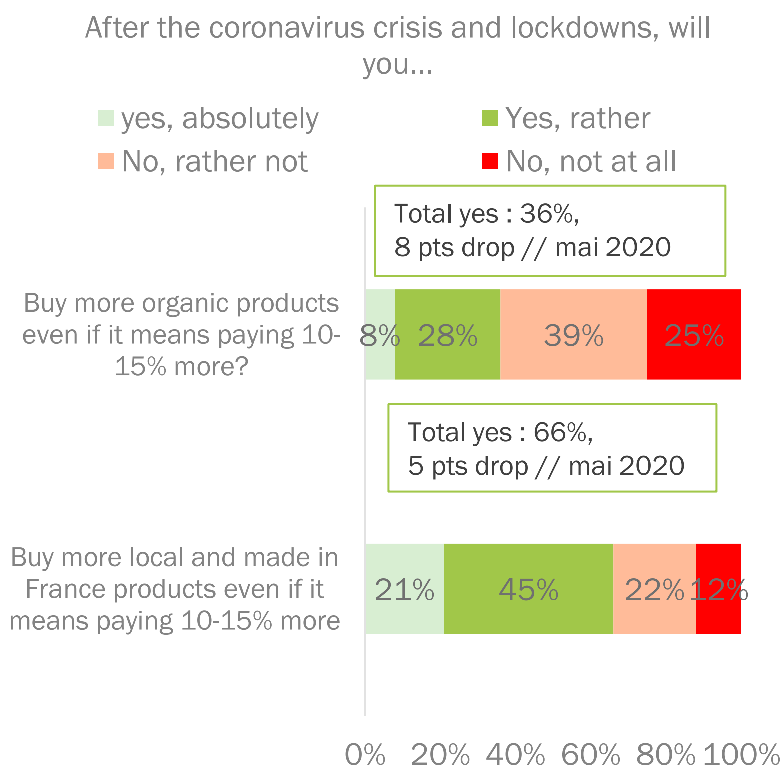
Source: IRI (hypermarkets, supermarkets, e-commerce)

EuroCommerce

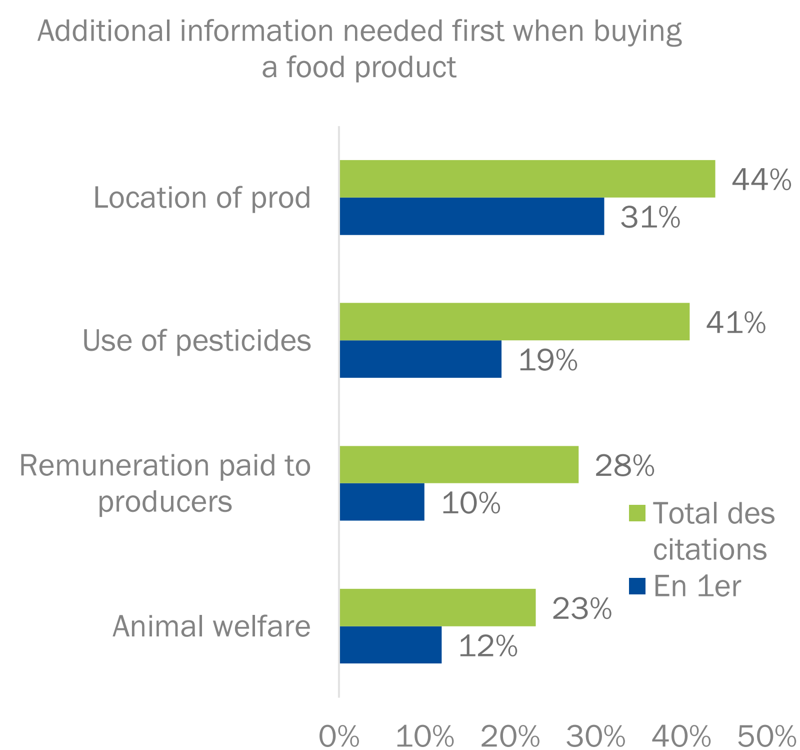
France

French consumers' expectations

The expectations of the French in terms of local food supply, respect for the environment, animal welfare, etc. remain high, judging by various surveys. 66% of French people say they are ready to buy more made in France/local products, even if it means paying 10% to 15% more. However, according to the IFOP survey, this share fell by 5 points between May 2020 and June 2021. Concerning the purchase of organic food products, only 36% of respondents think they will buy more (even if it means paying 10% to 15% more)... they were 44% in May 2020.



Source : Quelles sont les nouvelles tendances de consommation, IFOP, Sept 2021

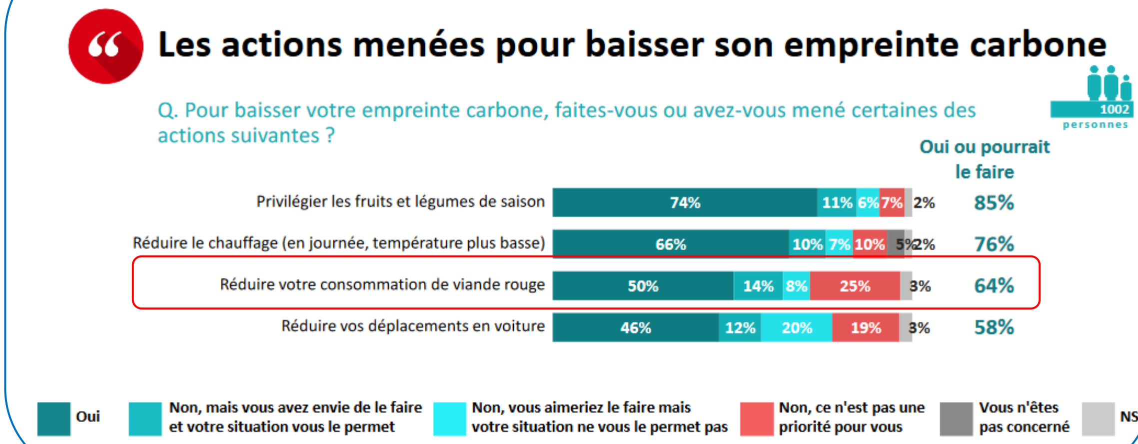


Source : Le regard des Français sur la RSE, IFOP, Sept 2021

France

A context less favorable to meat consumption

Reducing red meat consumption is the third most important action taken by the French to reduce their carbon footprint



Source : Les Français et le changement climatique, AXA-Opinionway, sept. 2021

FRANCE STRATÉGIE
ÉVALUER. ANTICIPER. DÉBATTRE. PROPOSER.

- Quelques sujets spécifiques sont déjà bien identifiés : ainsi, la réduction de la part de la viande bovine et des produits laitiers, accompagnée d'une évolution des pratiques d'élevage, peut contribuer à la réduction des émissions de gaz à effet de serre tout en étant favorable à la santé

France Stratégie proposes to establish a food transition by 2040 in France, with the objective of reducing the consumption of meat and dairy products. To achieve this, he proposes to modulate the VAT rate.

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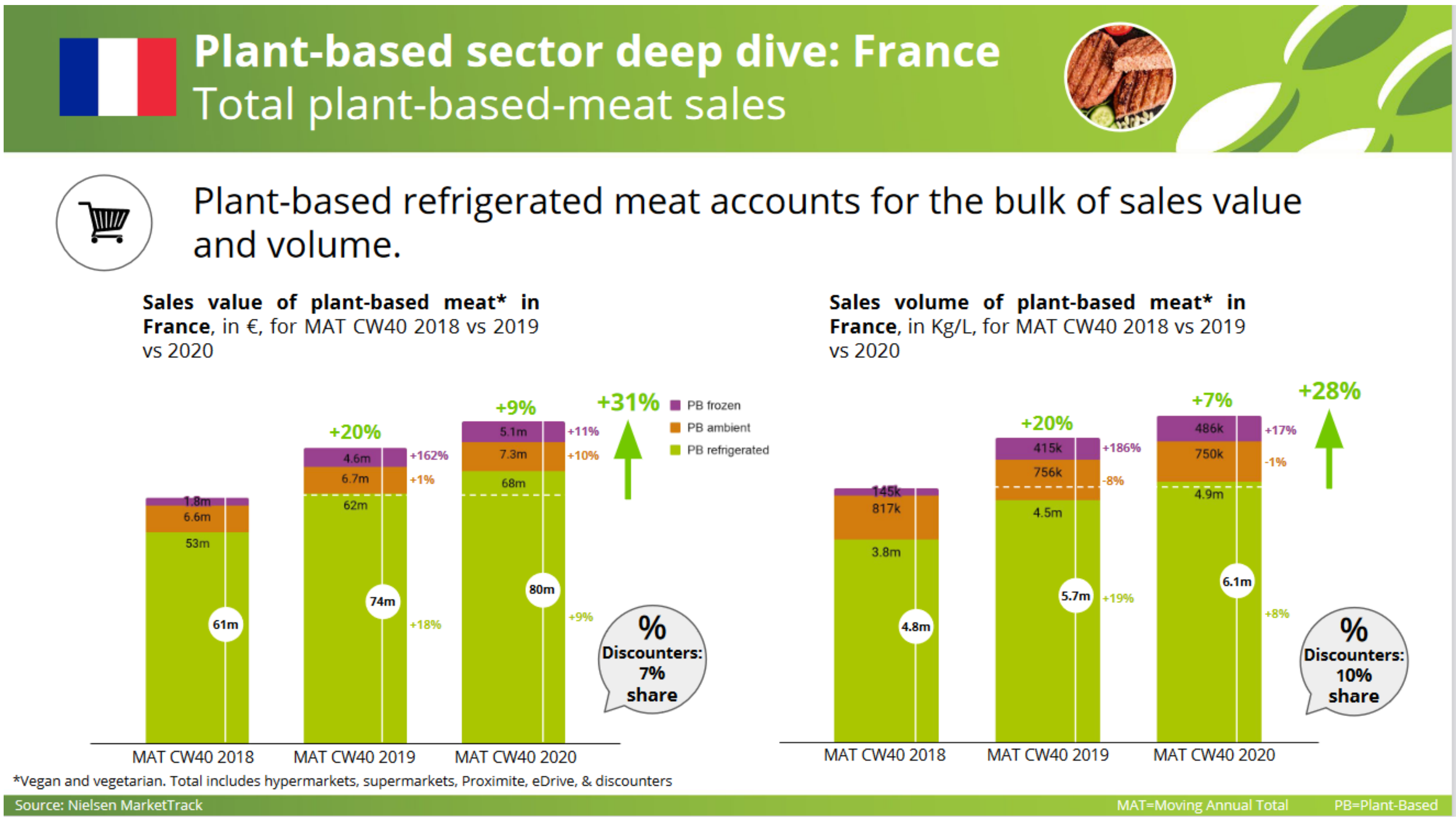
France

Plant-based meat market



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Italy

Meat – 2Q2021 *and* 1H 2021

Total Modern Retail
(only fixed weight)

Product category	VALUE (2Q2021 vs. 2Q2020 - % change)	VOLUME (2Q2021 vs. 2Q2020 - % change)	VALUE (1H2021 vs. 1H2020 - % change)	VOLUME (1H2021 vs. 1H2020 - % change)
Preserved Meat	-7,2	-6,7	-12,6	-11,2
Frozen Meat	-1,5	+0,7	+3,6	+5,6
Fresh Meat (Fixed weight)	+3,3	+4,1	+5,8	+7,3
Fresh meat	+2,1	+5,4	+7,4	+13,2
Processed meat - Poultry	+7,4	+9,0	+6,3	+8,5
Processed meat - Beef	+0,9	-1,9	+5,9	+3,9
Processed meat - Pork	-5,1	-7,2	+3,2	+1,2
Processed meat - Horse	+8,3	+10,6	+1,8	+2,9
Salumi (Fixed weight)	-4,1	-5,0	-0,2	-2,0
Cold cuts	-0,5	+2,4	+2,3	+3,9
Sliced	-11,8	-10,2	-4,0	-3,6
Pre-Cooked	-15,5	-12,5	-10,7	-10,1

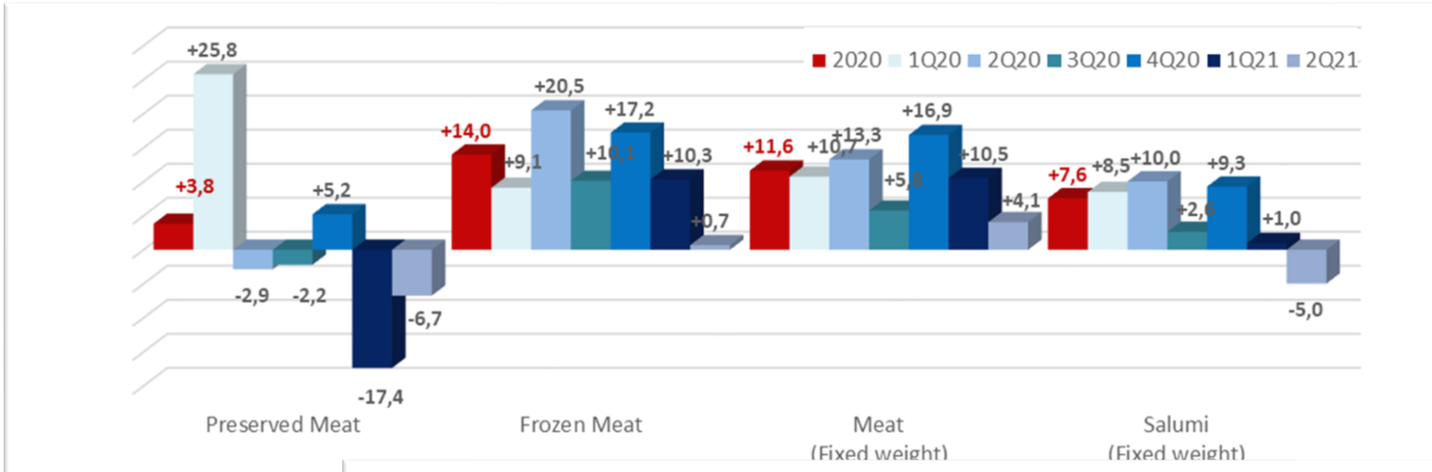
Source: Nielsen – Market Track

Italy

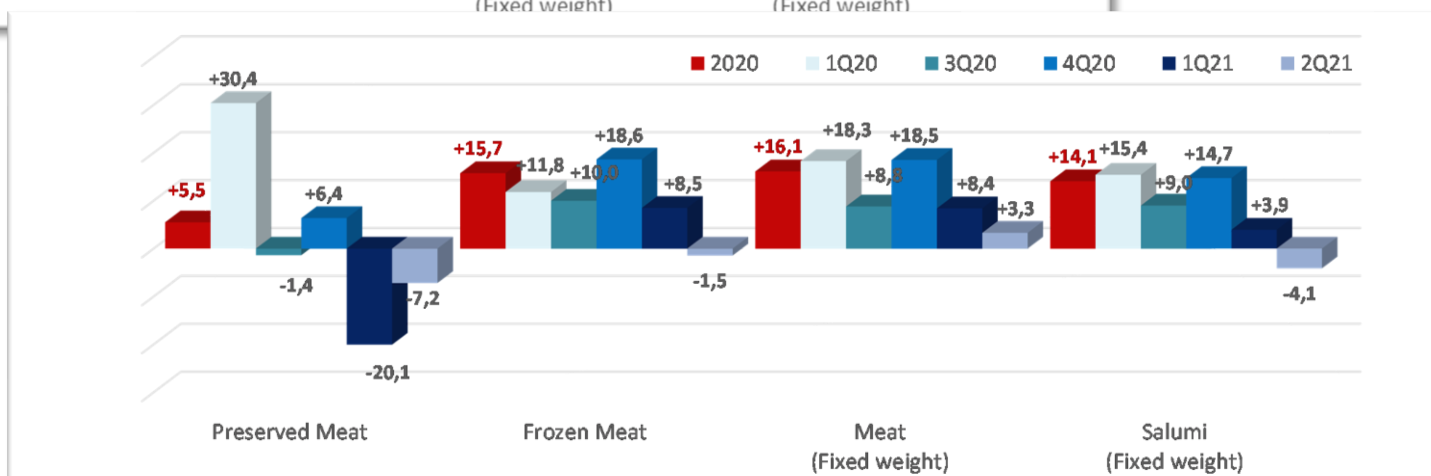
Meat – Trend growth (% change on the same period of the previous year)

Total Modern Retail

VOLUME



VALUE



Source: Nielsen – Market Track

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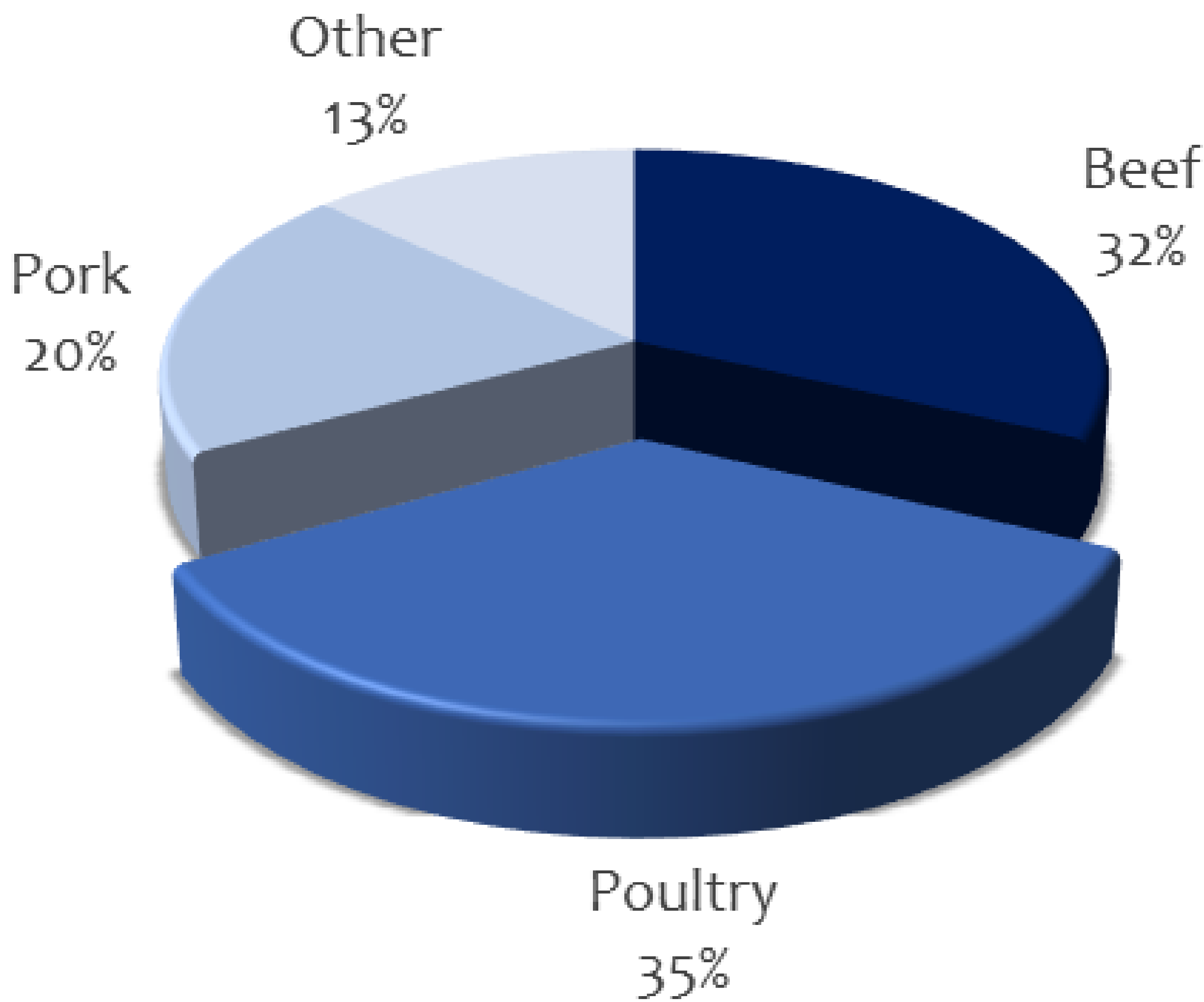
Italy

Meat – Household consumption of fresh meat (2020)



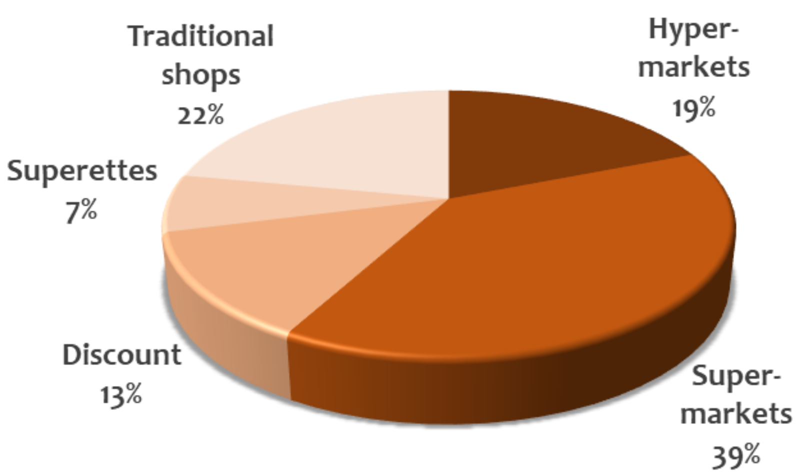
Source: ISMEA

Italy

Meat – Focus on bovine meat

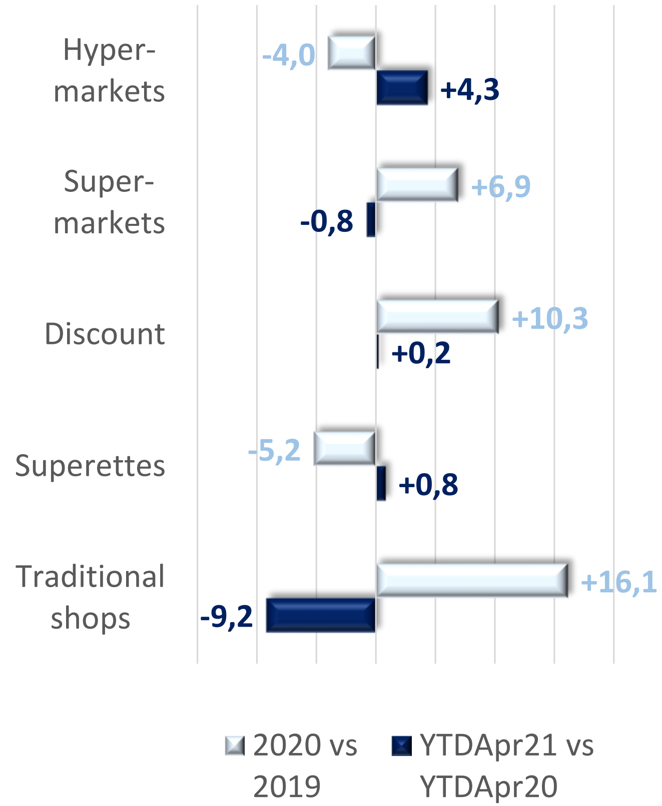
Sales channels

Year 2020



Sales volume

(% change)



Source: ISMEA – Nielsen Consumer Panel

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Italy
Meat – Focus on bovine meat

Supply balance of bovine meat

(Data in .000 meat equivalent tonnes)

	2018	2019	2020	2020 vs 2019 % change
Domestic production	546	523	514	-1,7%
Imports of live animals*	231	237	240	1,3%
Exports of live animals*	1,5	1,4	1,3	-11,3%
Net production	775	759	753	-0,7%
Imports of meat	435	434	393	-9,6%
Availability	1.210	1.193	1.146	-4,0%
Exports of meat	164	153	145	-5,4%
Human apparent consumption	1.047	1.039	1.001	-3,7%
Per-capita consumption (kg)	**17,3**	**17,2**	**16,8**	**-2,6%**
Self-sufficiency rate	**52,1%**	**50,3%**	**51,4%**	**2,2%**

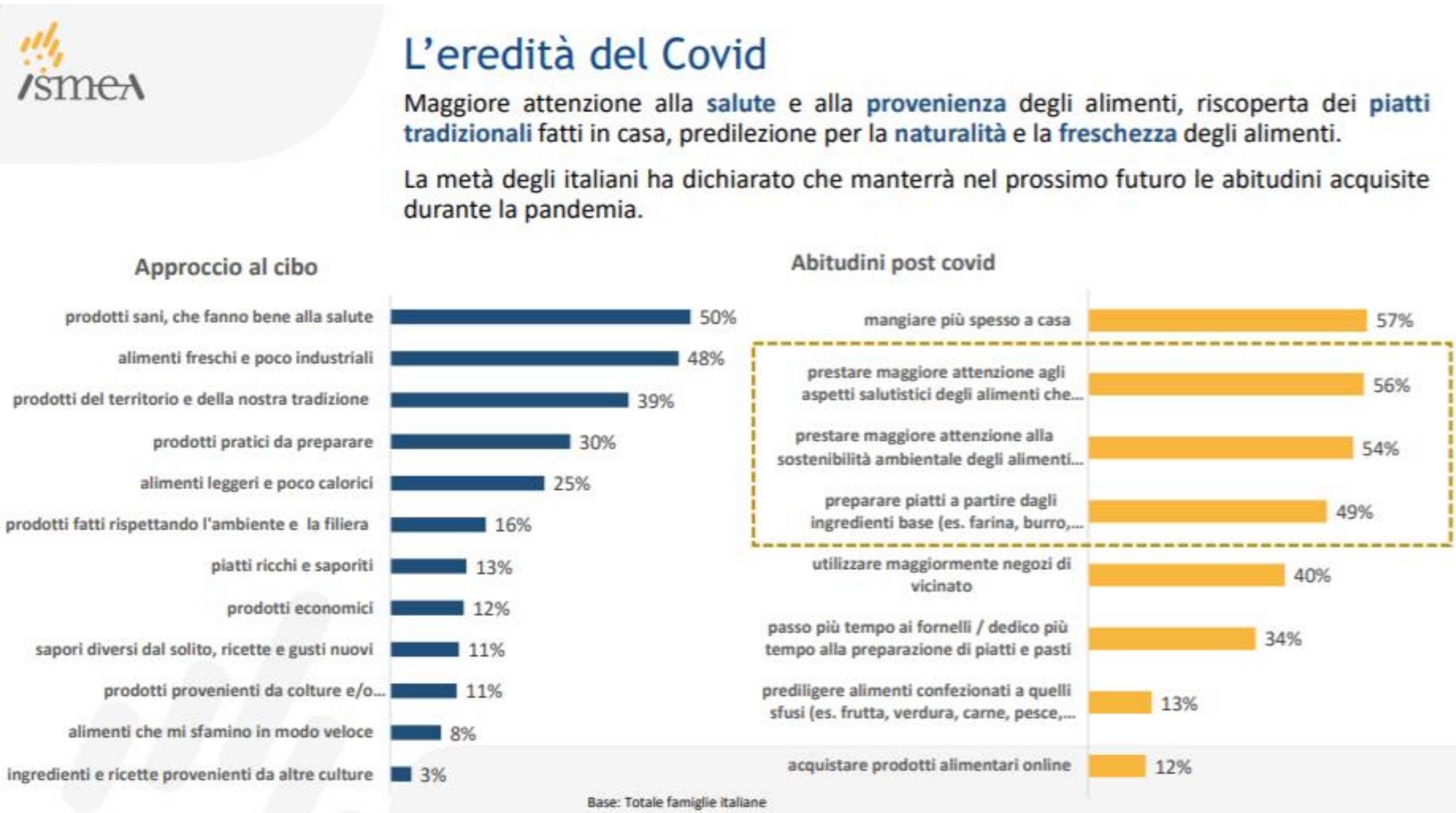
The self-sufficiency rate is one of the lowest among food products. The trade balance is one of the worst among the agricultural production chains (considering both live animals and meat, in 2020 the balance showed a deficit of about 2.48 Mn€)

Source: ISMEA

* In meat equivalent

Italy

Meat – Study on poultry meat



L’eredità del Covid

Maggiore attenzione alla **salute** e alla **provenienza** degli alimenti, riscoperta dei **piatti tradizionali** fatti in casa, predilezione per la **naturalità** e la **freschezza** degli alimenti.

La metà degli italiani ha dichiarato che manterrà nel prossimo futuro le abitudini acquisite durante la pandemia.

Source: ISMEA

Italy

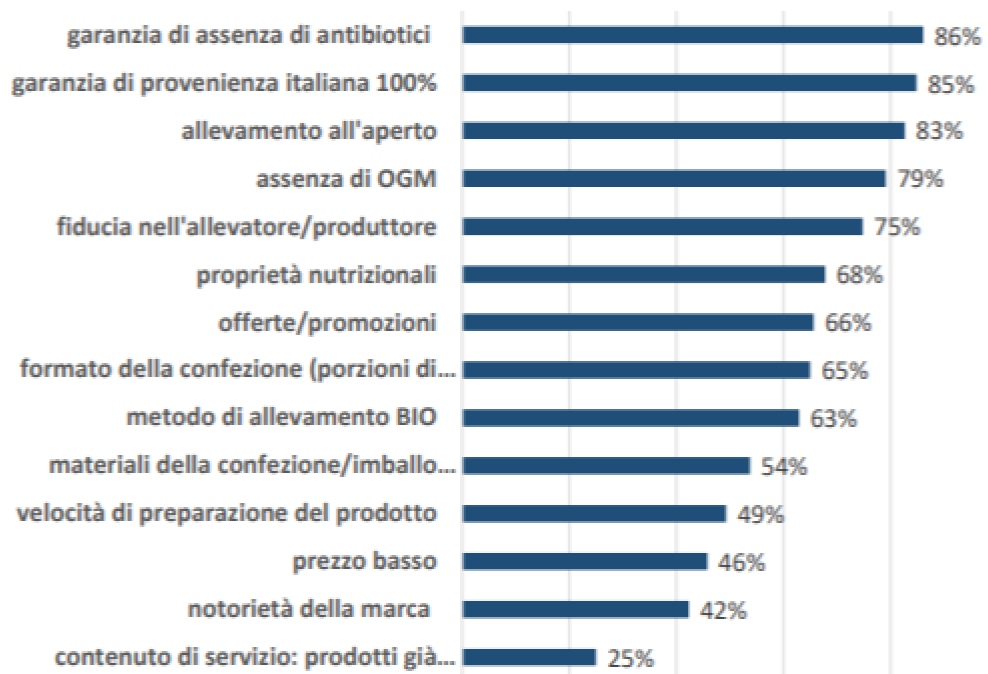
Meat – Focus on poultry meat

Gli attuali driver di acquisto per le carni avicole

Domanda: quale tra questi aspetti ritiene più importante in fase di acquisto?
Base: famiglie che consumano carne avicola

- ✓ **Garanzie di salubrità** (soprattutto assenza di antibiotici e OGM, modalità di allevamento) e alle certezze sulla **provenienza** sono i driver più importanti
- ✓ Poco meno della metà degli intervistati considera il **prezzo** come fattore determinante la scelta
- ✓ La presenza di una **offerta promozionale** è ritenuta importante da circa 7 italiani su 10; si tratta soprattutto di consumatori giovani (<35 anni)
- ✓ 4 su 10 scelgono in base alla **marca**

Driver di acquisto carni avicole



Source: ISMEA

Italy

Meat – Focus on poultry meat

Fabbisogno informativo e etichettatura

Domanda: Indichi quanto ritiene importante trovare queste informazioni sull'etichetta quando acquista un prodotto elaborato di carne avicola
Base: Totale Famiglie Italiane

Informazioni in etichetta prodotti elaborati

- ✓ I consumatori si aspettano soprattutto **informazioni tecniche** (data di scadenza e modalità di conservazione)
- ✓ Ma assumono rilevanza - soprattutto per i consumatori over 55 - anche le informazioni di carattere qualitativo, in particolare su **aspetti ambientali** (indicazioni su smaltimento confezione, impatto ambientale, ecc.)
- ✓ I **giovani** sono interessati anche alle **ricettazioni** e a consigli sugli **abbinamenti** con altri prodotti (p.e. vini)

Source: ISMEA

Spain

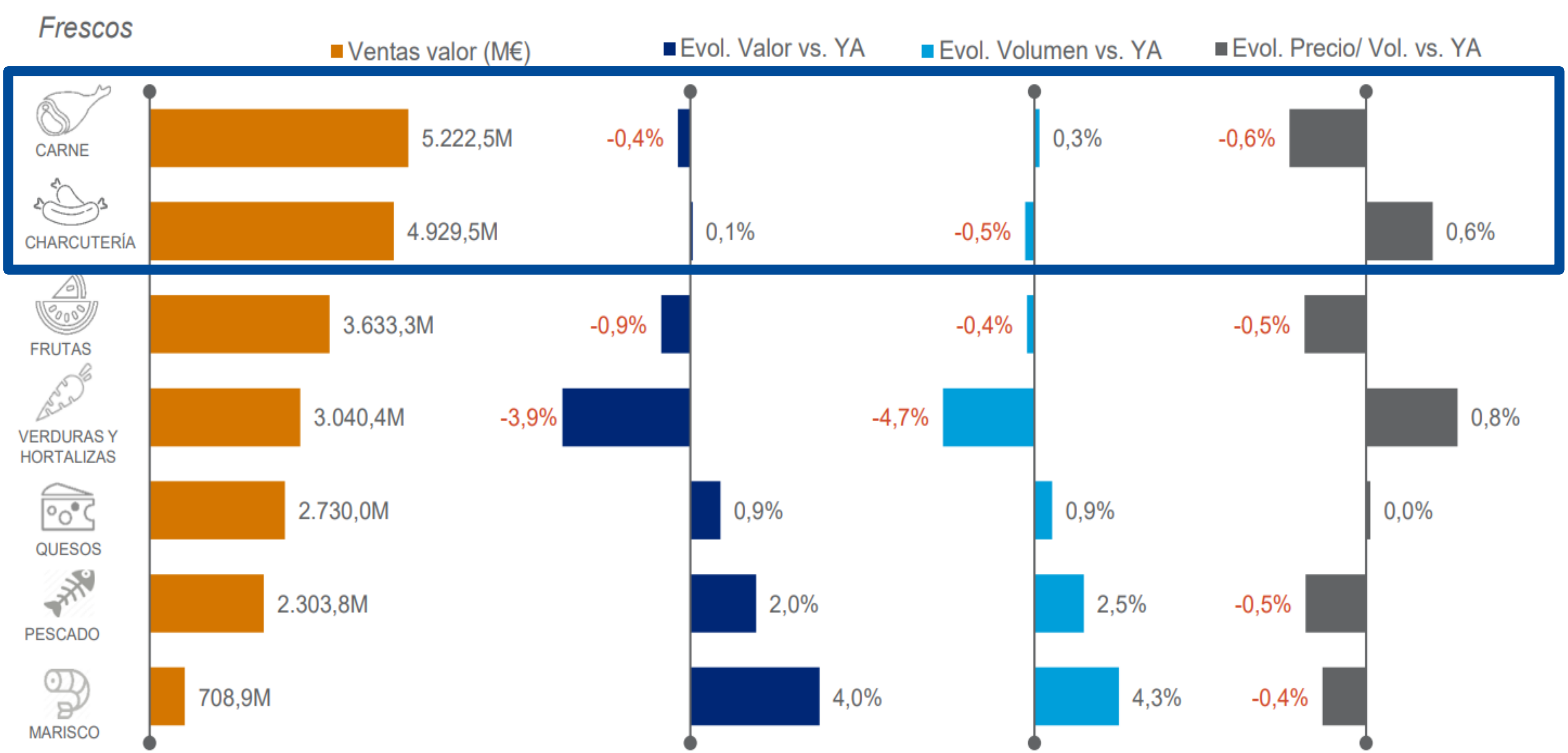
Evolution in value - YTD August 2021

FRESCOS	YTD 21 vs. 20	YTD 21 vs. 19
FRESCOS	-2,9%	8,3%
CARNE	-3,9%	9,2%
CHARCUTERIA	-1,2%	5,5%
FRUTAS	-3,1%	11,6%
VERDURAS Y HORTALIZAS	-7,3%	7,5%
QUESOS	-1,3%	9,8%
PESCADO	-0,1%	7,8%
MARISCO	0,6%	5,2%

Source: IRI

Spain

Evolution of value, volume and price, YTD August 2021



Fuente: IRI Infoscan TAM Agosto 2021
Hiper + Super > 100m + Perfumería y Droguería Moderna

Source: IRI

Spain

Grocery shopping instore and online

TIENDA FÍSICA

	PESO EN VENTAS VALOR
CARNE	7,1%
FRUTA	4,9%
VERDURAS Y HORTALIZAS	4,1%
CERVEZAS	3,3%
LECHE LARGA CONSERVA	2,7%
PESCADO FRESCO	2,3%
YOGURES FRESCOS SOLIDOS	1,9%
REFRESCOS DE COLA	1,6%
FIAMBRES Y JAMÓN COCIDO	1,6%

LA CESTA DE LA COMPRA

Estas categorías suponen el

30%

de las ventas en valor para el TAM sobre el **TOTAL FMCG**

TIENDA ONLINE

	PESO EN VENTAS VALOR
CREMAS BELLEZA FEMENINA	3,7%
CARNE	3,4%
LECHE LARGA CONSERVA	3,2%
PAÑALES	3,2%
CERVEZAS	2,7%
FRAGANCIAS FEMENINAS	2,6%
FRUTAS	2,3%
VERDURAS Y HORTALIZAS	2,3%
COMPLEMENTOS ALIMENTACIÓN	1,9%
AGUA SIN GAS	1,9%
CEPILLOS DE DIENTES	1,9%
REFRESCOS DE COLA	1,7%

Source: IRI

Portugal

General trends

Due to consumer demand new products launched:

- Organic and antibiotic-free
- antibiotic-free
- Discounted products

Source: Jeronimo Martins

Portugal

Sales and price evolution (YDT September 2021)

Month	% change volume	% change sales
January	6,60%	-0,40%
February	-5,90%	-9,30%
March	4,90%	3,60%
April	5,30%	9,40%
May	-0,60%	4,40%
June	-1,80%	5,80%
Total Semester	**1,40%**	**2, 10%**

Month	% change volume	% change sales
July	2,90%	7,30%
August	-4,00%	-1,90%
September	2,20%	4,30%
Total Trimester	**0,30%**	**3,10%**

Price evolution 2021

Q1	Q2	Q3
-6,7%	-2,7%	0,4%

Source: Jeronimo Martins

EuroCommerce