

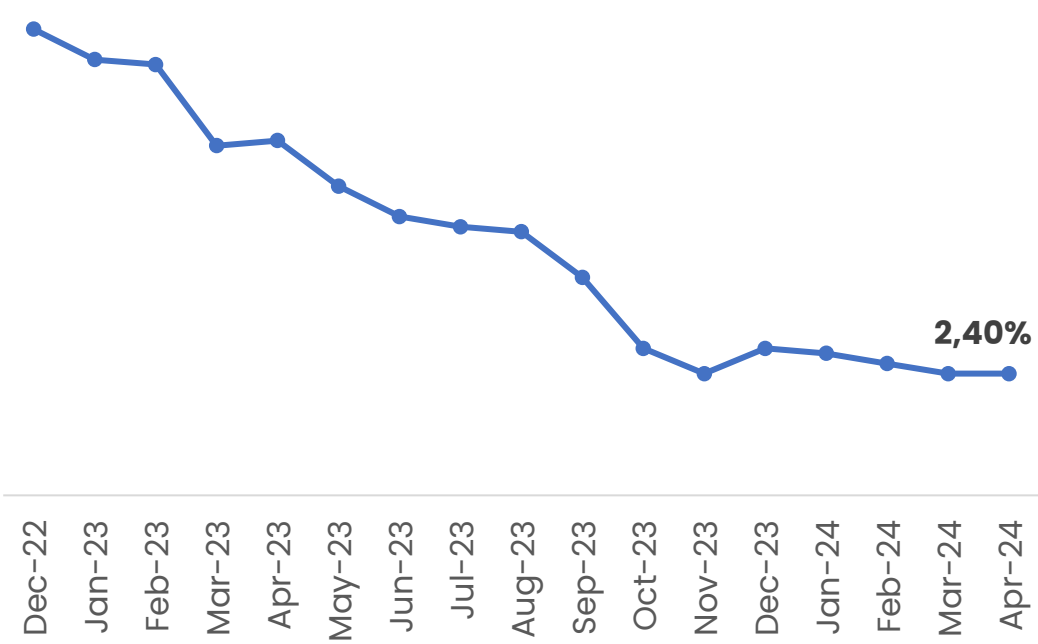


DG AGRI Meat Market Observatory

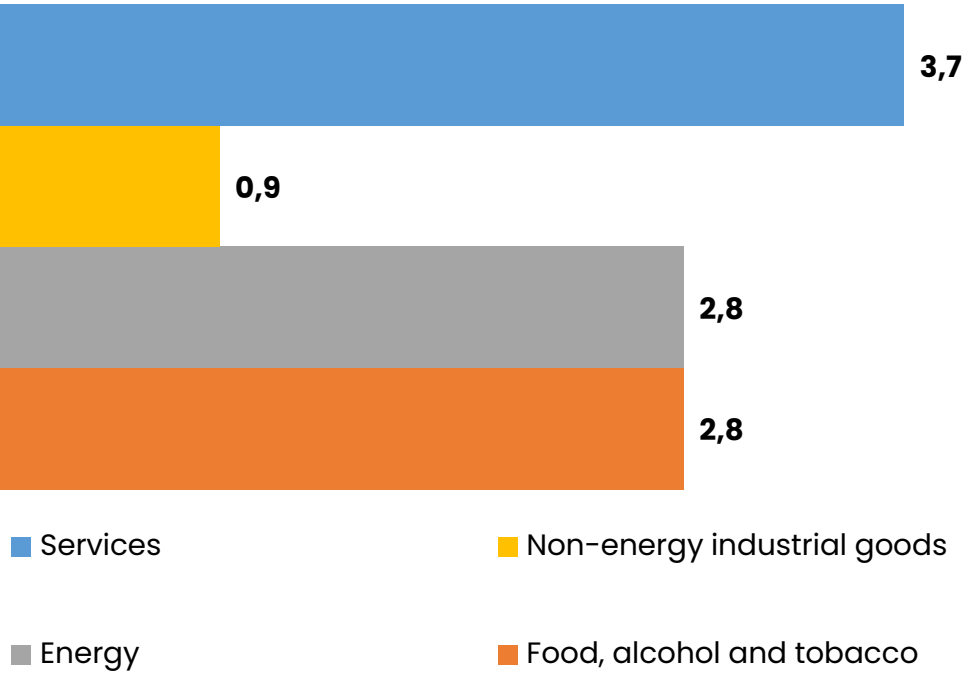
A retail perspective
June 2024



The macroeconomic situation



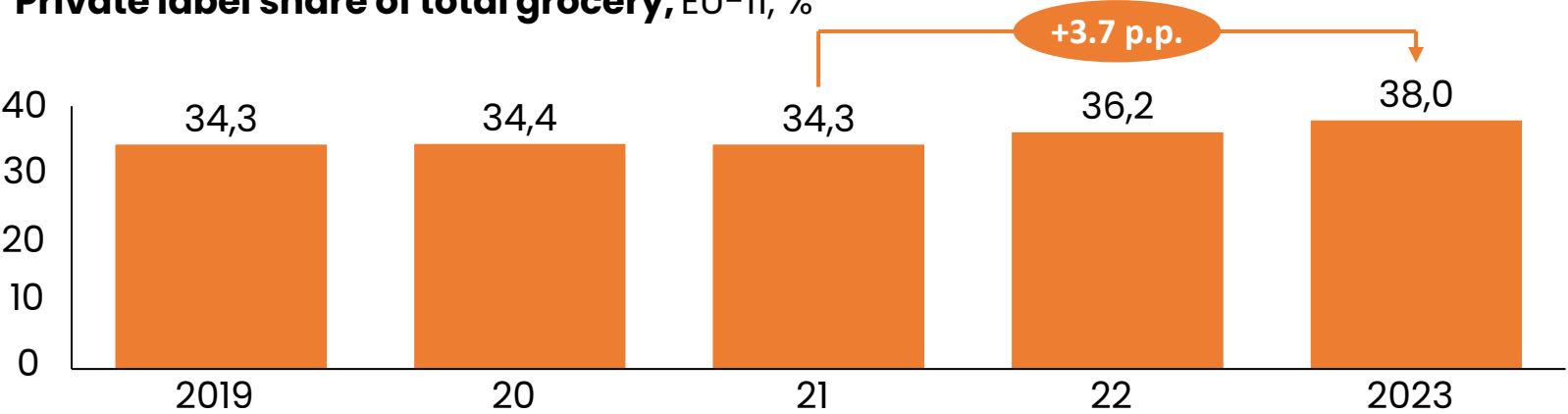
After peaking in 2022, inflation is decreasing



Food inflation remains higher

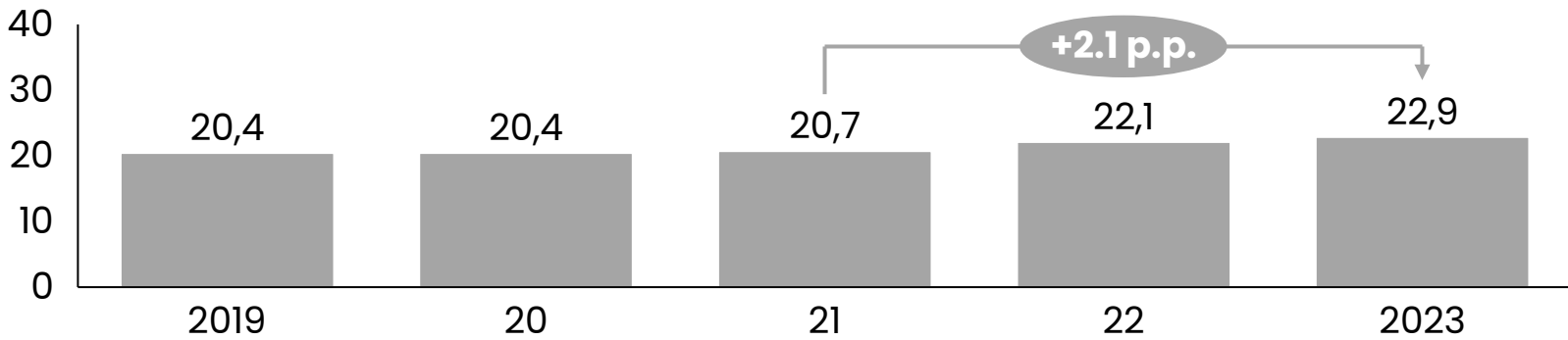
2023: The year of downtrading

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, %



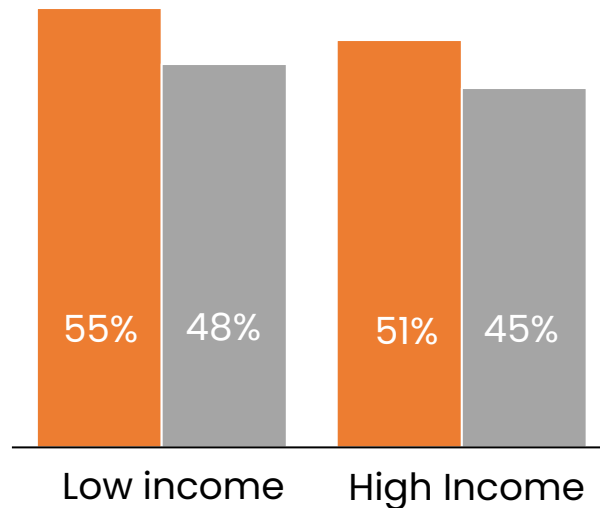
Consumption is polarizing towards low-cost and premium

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



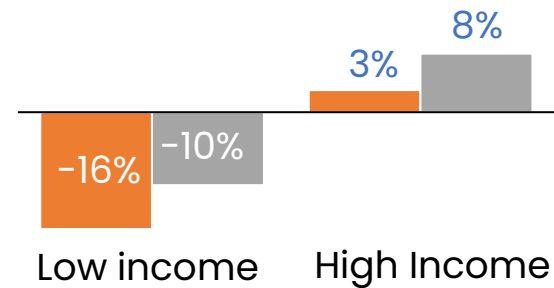
Price

Intention to look for more ways to save money remains high but decreases



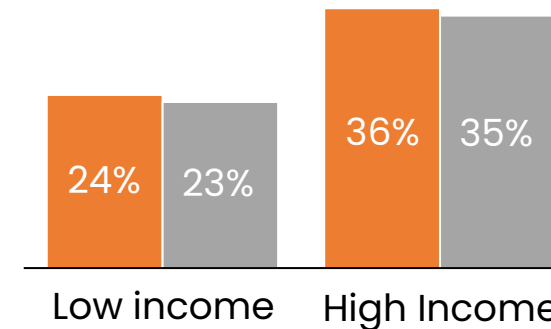
Quality

Intention to buy high-quality / premium food products increases



Health

Intention to pay a higher price to get a healthier product



Data Source:
Consumer Survey 2024,
N=12 598,

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

Sample matches
general population 18+
years

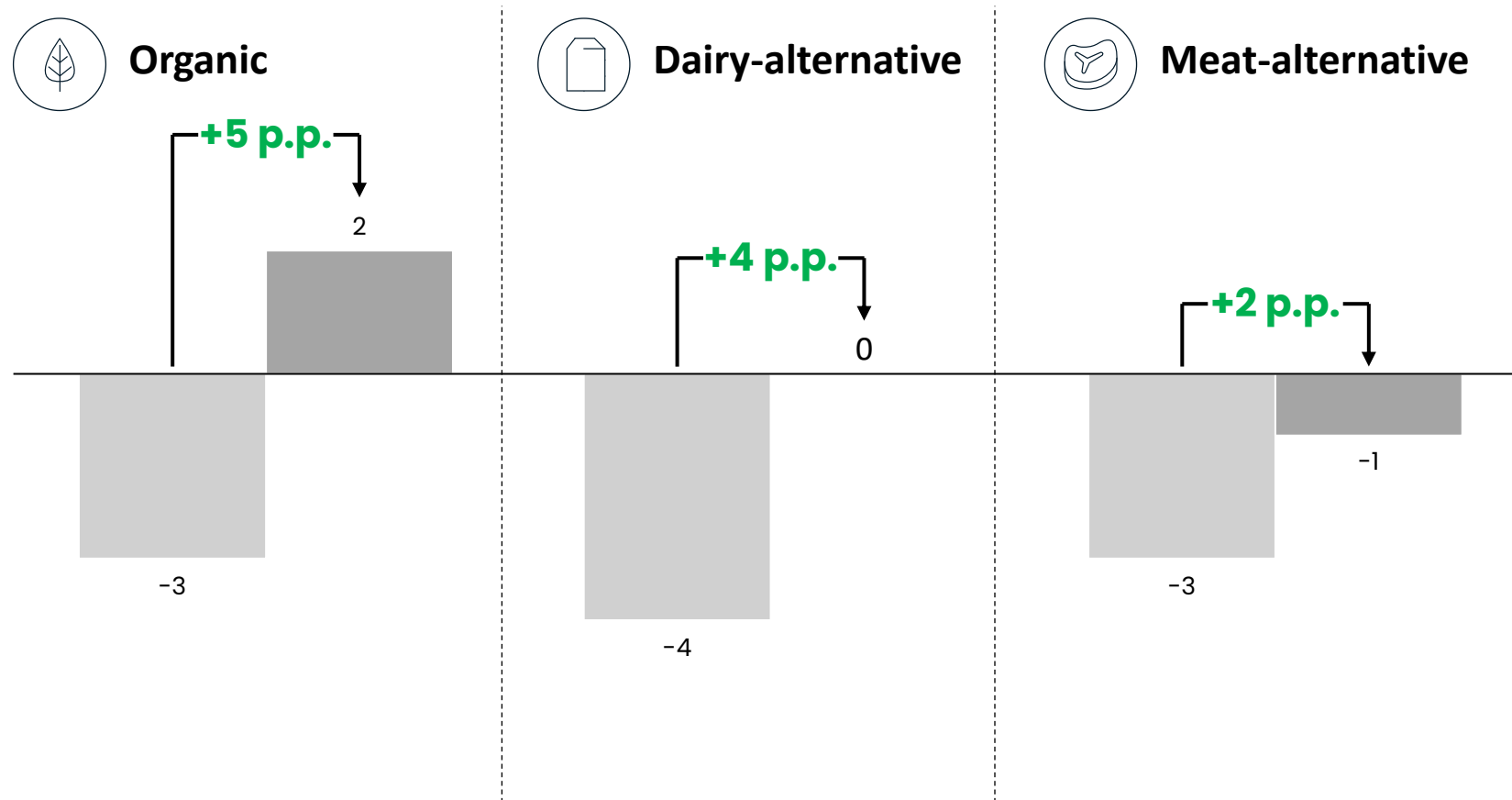
Before the inflation crisis the difference between low and high income in “Price” was 20 pp, now just 3 pp!

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

Appetite for organic, dairy & meat alternatives is growing

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

■ 2023 ■ 2024



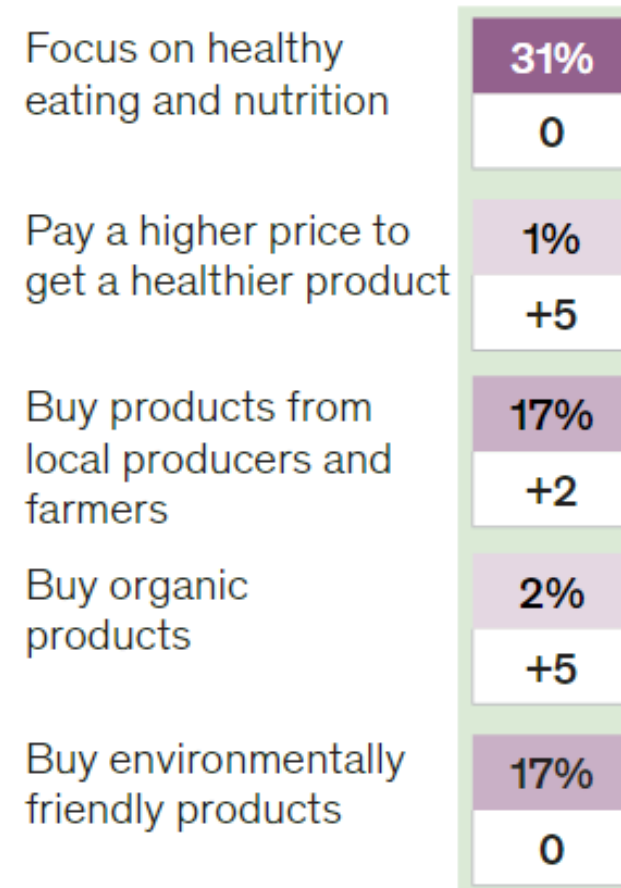
Not only ethics-driven, but also

- 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...
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Consumers in a cost-of-living crisis

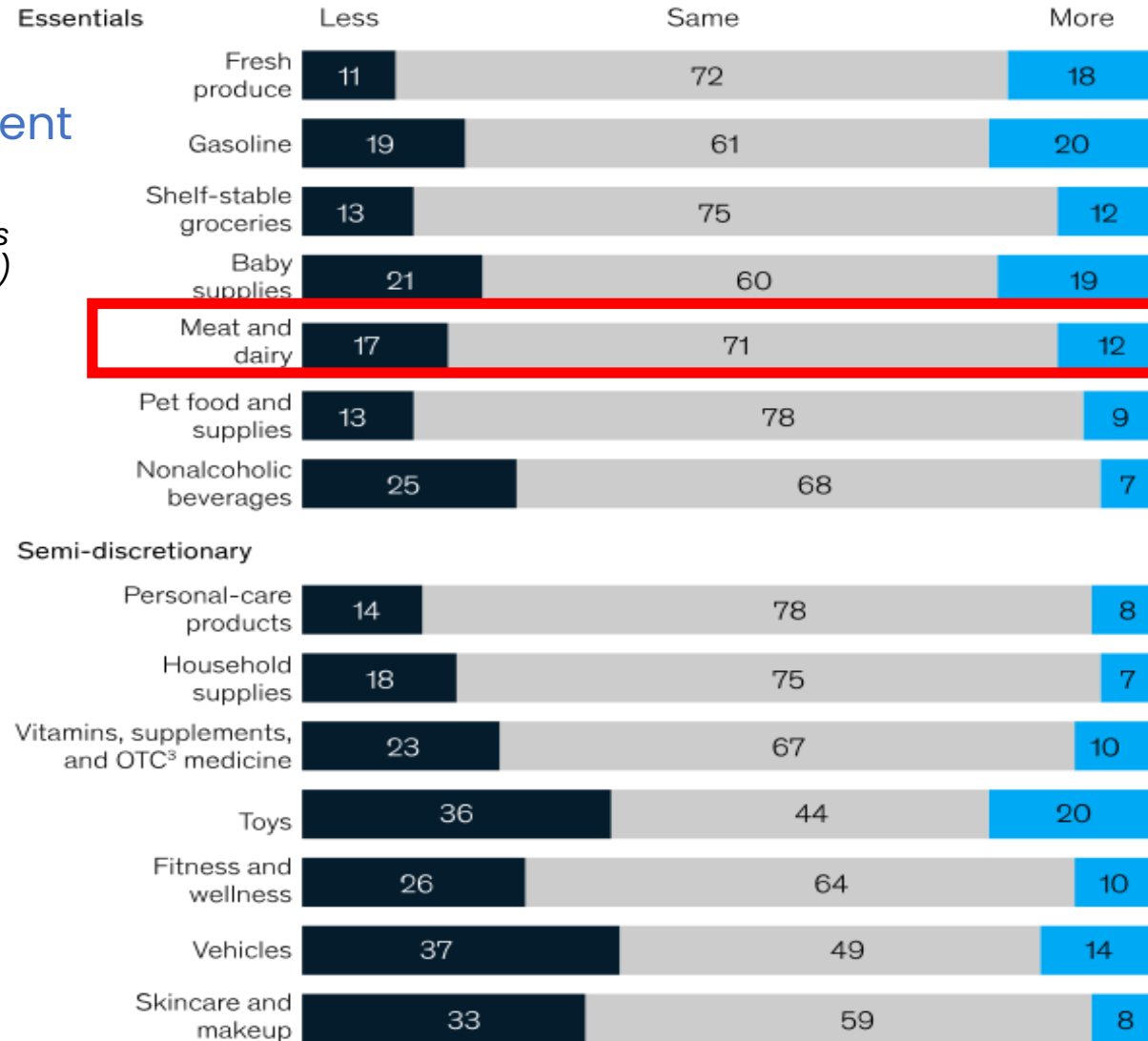
Consumers have downtraded when shopping, but things are looking up



Consumers still careful, only trading up for health

Consumer Spending Intent Q1 2024

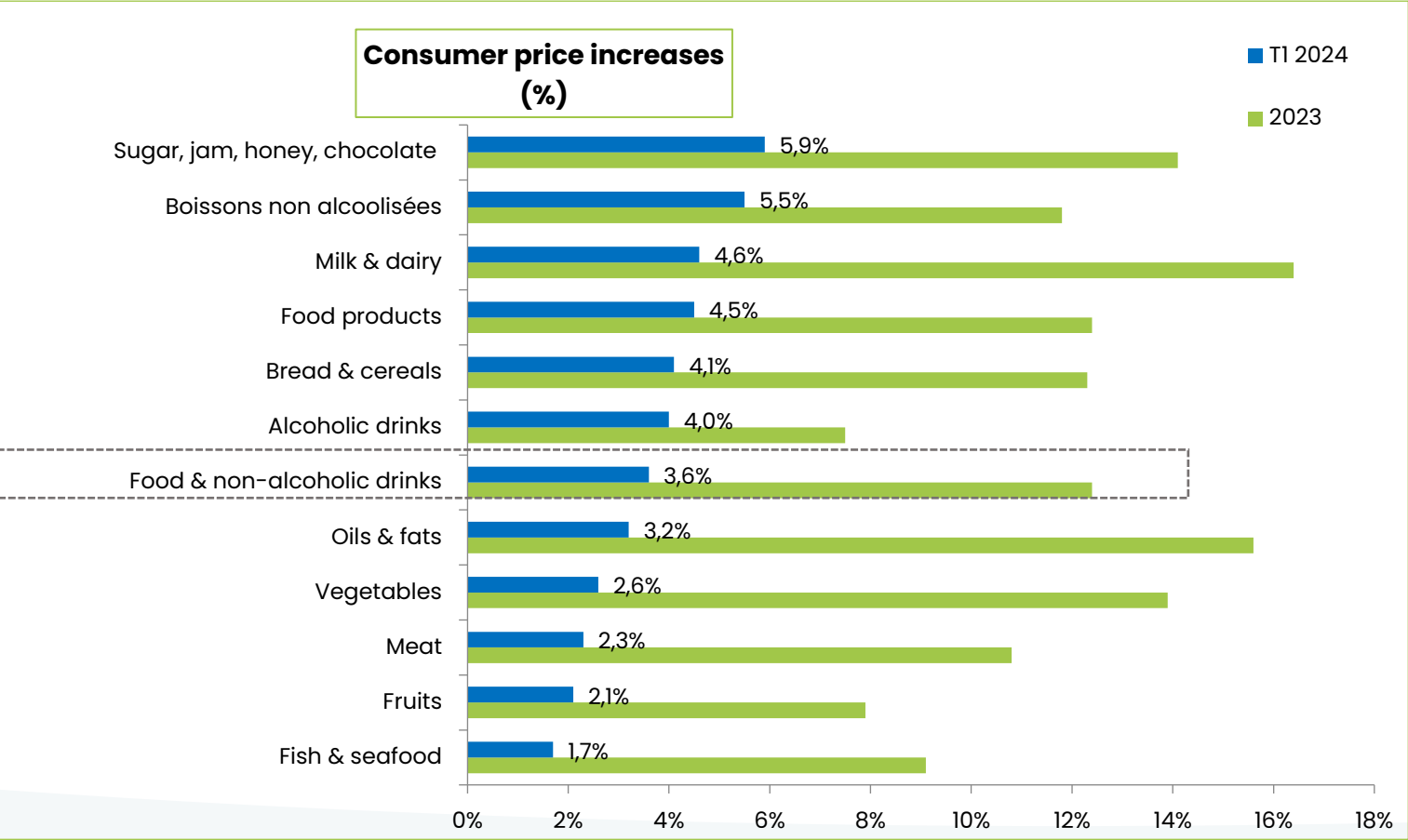
*in the 5 biggest European Countries
(France, Germany, Italy, Spain & UK)*



France

Inflation (I)

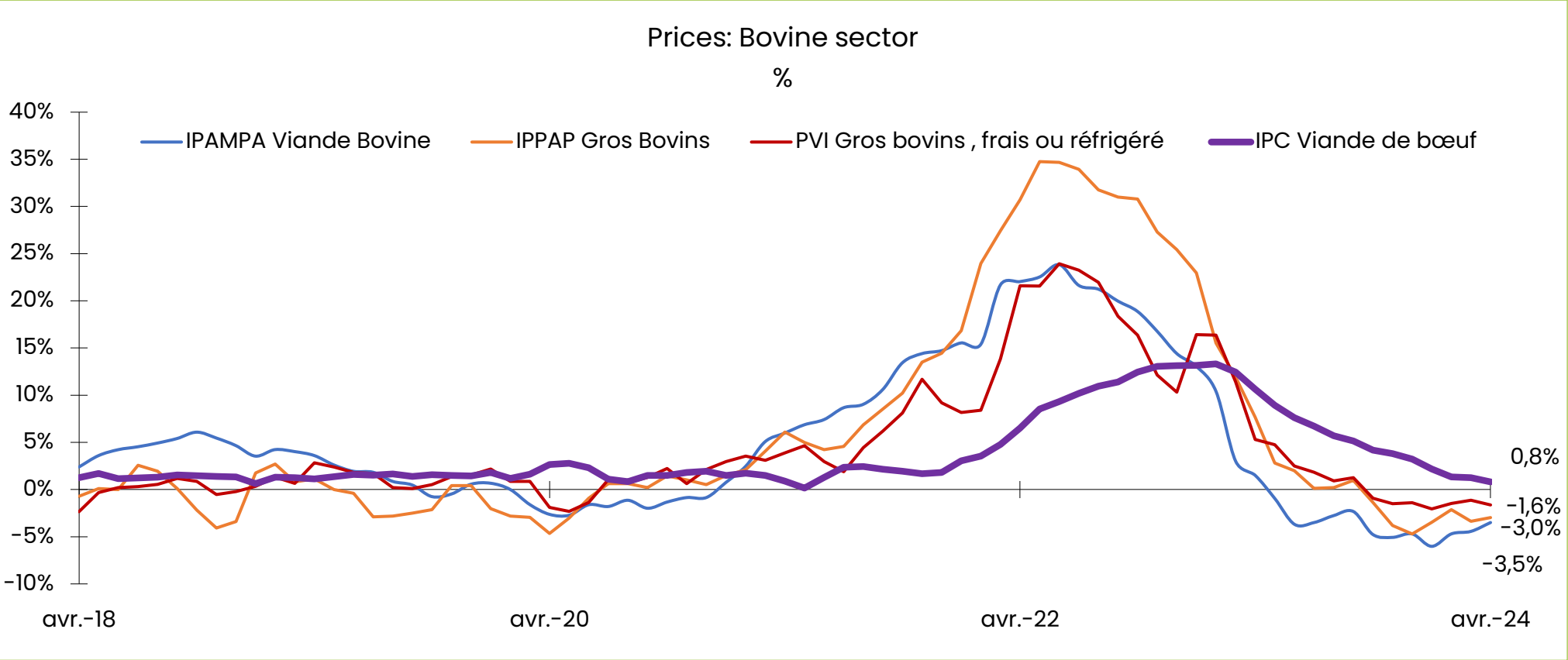
After a sharp rise in 2023, price growth is slowing down in France. This fall in inflation also concerns meat prices. Consumer meat prices jumped 10,8% in 2023. They rose by 2,3% in the first quarter of 2024. Note the fall in poultry prices (-1,1% I Q1 2024) linked to the decline in poultry feed prices.



	2023	Q1 2024
Food	12,4%	3,6%
Meat	10,8%	2,3%
Beef	7,8%	1,6%
Pork	9,5%	3,7%
Poultry	9,0%	-1,1%
Lamb	9,7%	2,2%
Dried, salted, smoked meat	6,8%	3,0%

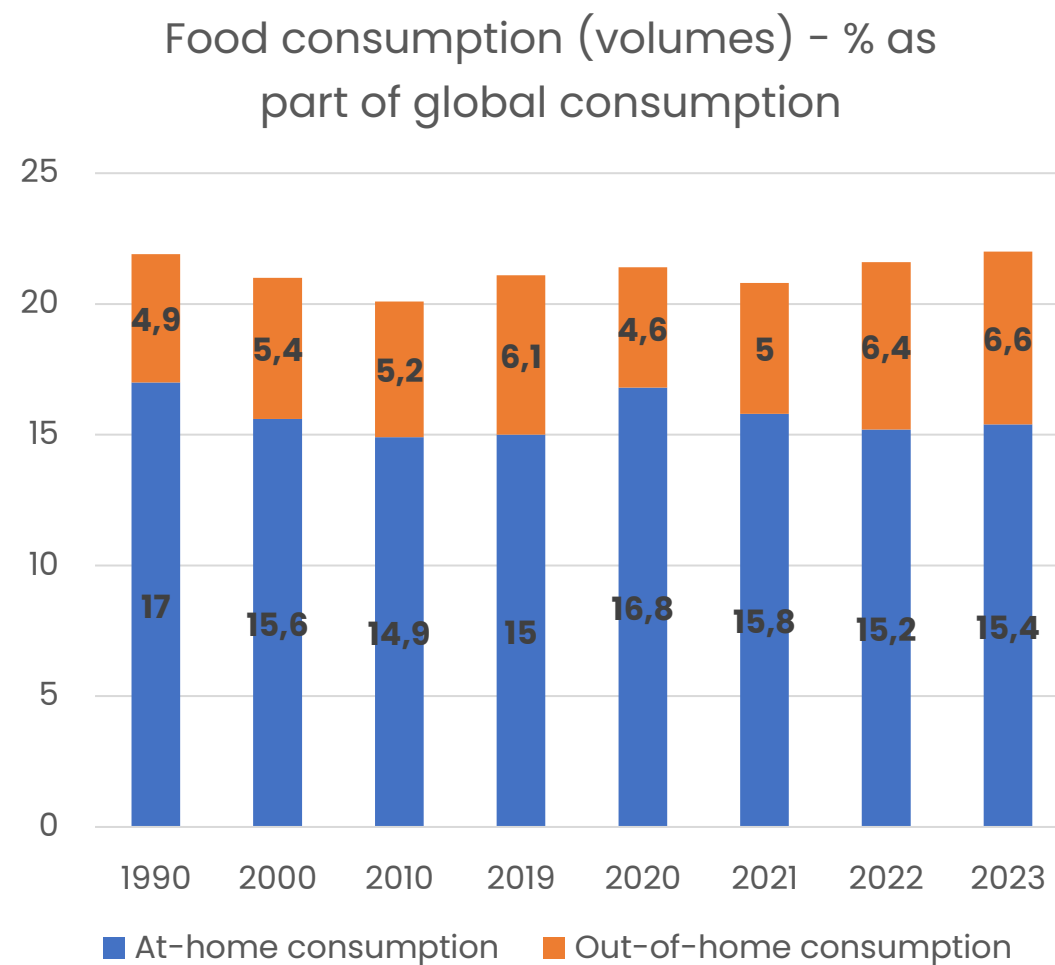
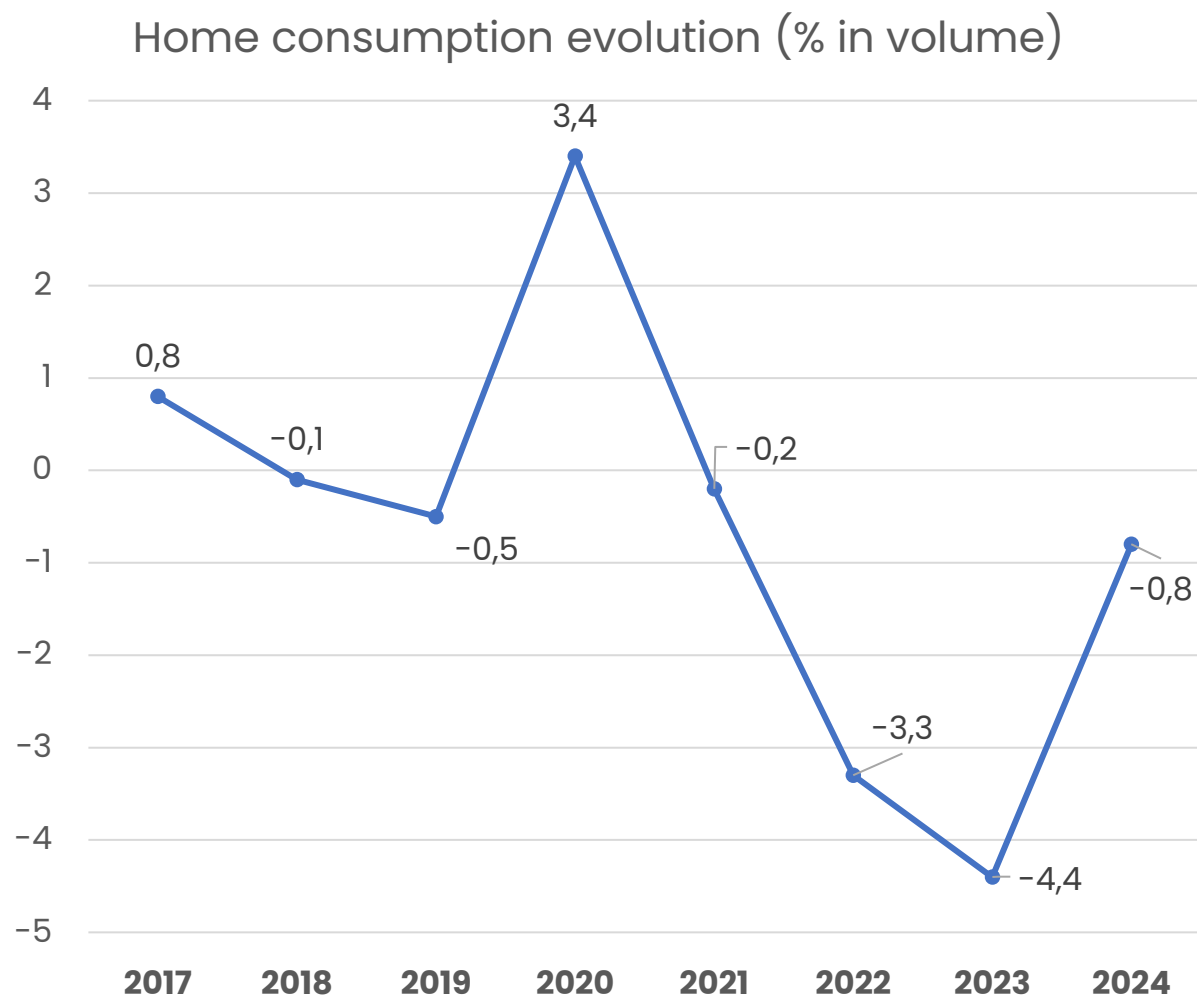
Inflation (II)

Price transmission in the sector : the rise in prices has gradually been passed down the supply chain. The trend is now towards slower growth along the entire food chain: from farmers' supply costs to consumer prices

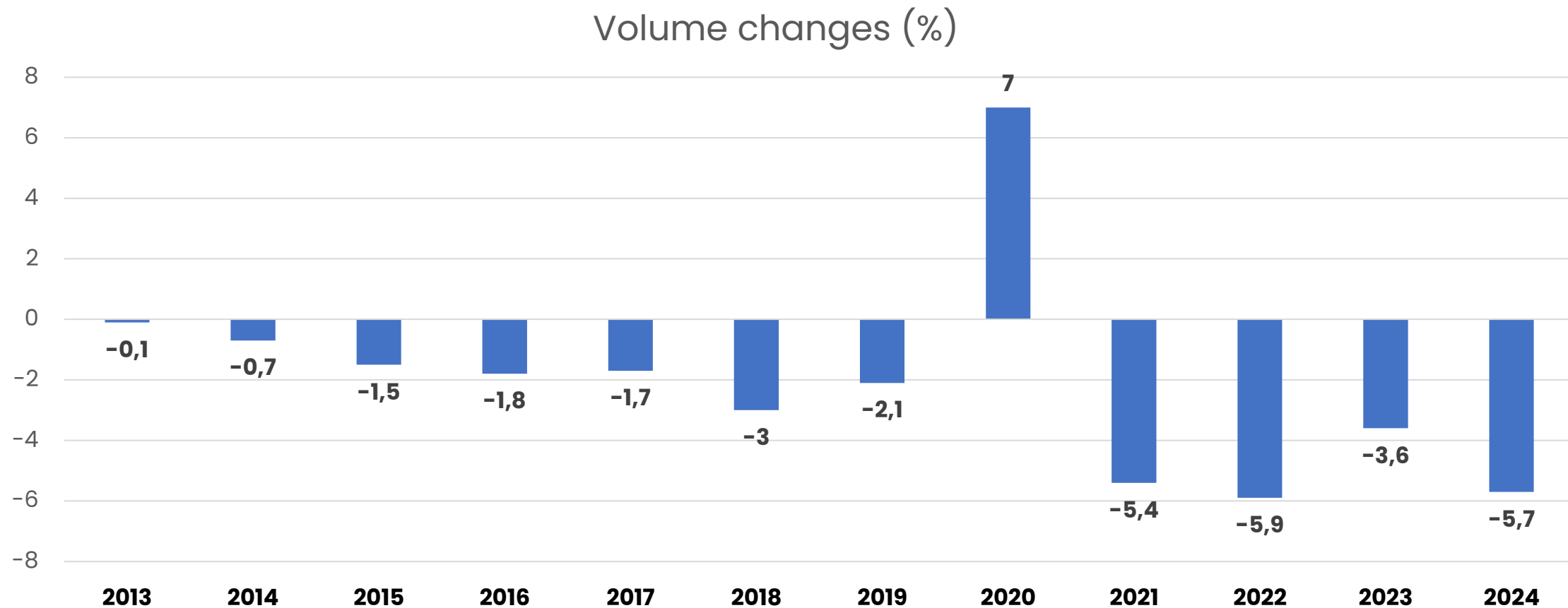


IPAMPA = agricultural means of production purchasing price index / IPPA : agricultural producer price indices / PVI : Producer price index / IPC: Consumer price index

At-home and out-of-home consumption

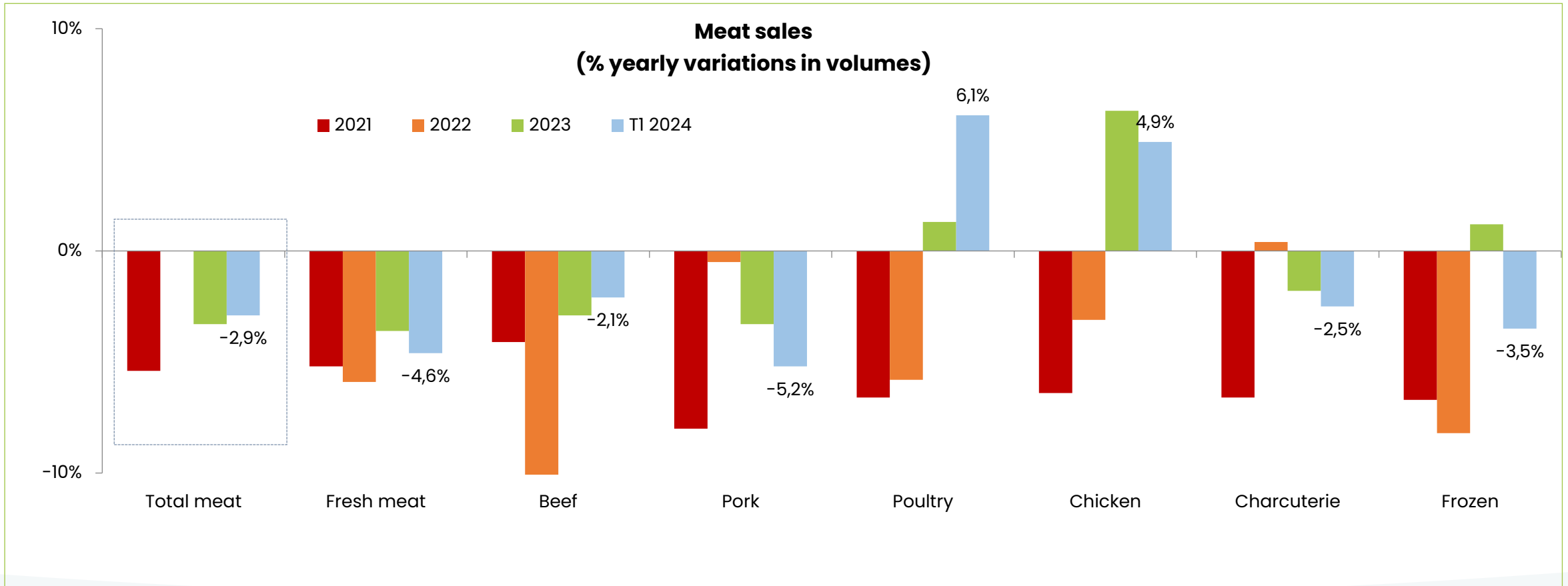


Meat consumption evolution



Meat market (home consumption)

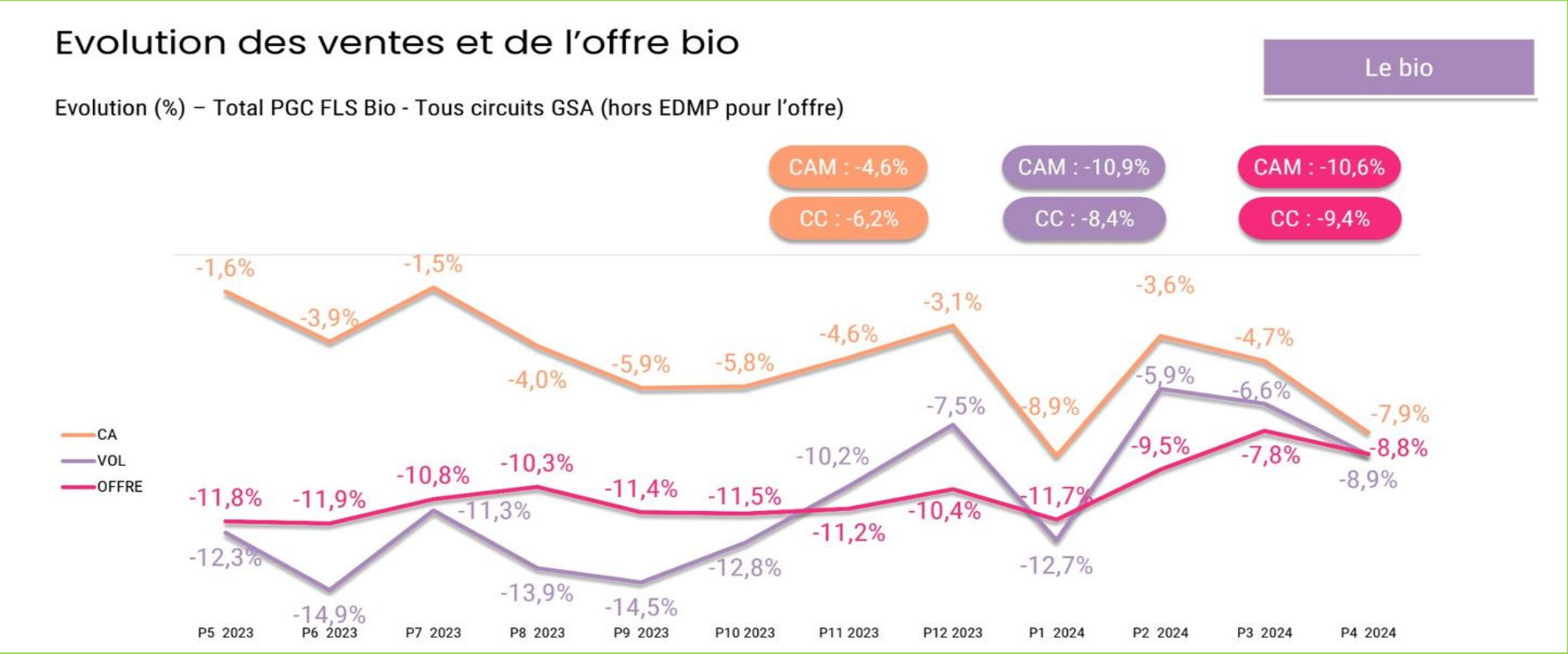
Household purchases of meat fell by -3,3% in volume in 2023, and by a further -2,9% in Q1 2024. Consumption was dragged down by the fresh beef (-4,6%), fresh pork (-5,2%). The poultry market held up better (+6,1% Q1 2024, of which +4,9% for chicken).



Source: FranceAgriMer

Organic market

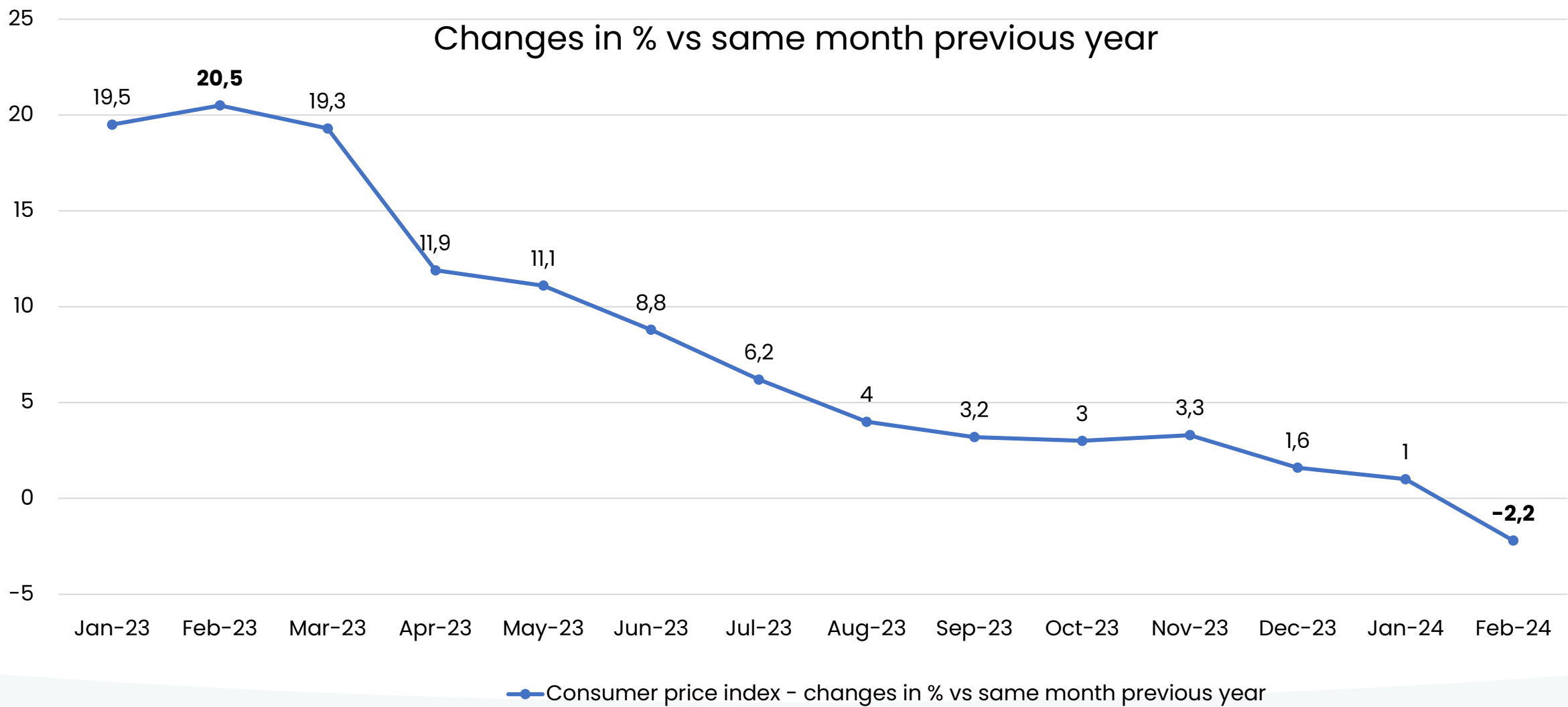
The organic products market in France has been on the decline for several months. During the last 12 months (April 2023 => April 2024), sales in supermarkets have decreased by -4,6% in value and by -10,9% in volume. They had fallen by 3.1% in 2021 and increased by 13% in 2020



Source: Circana

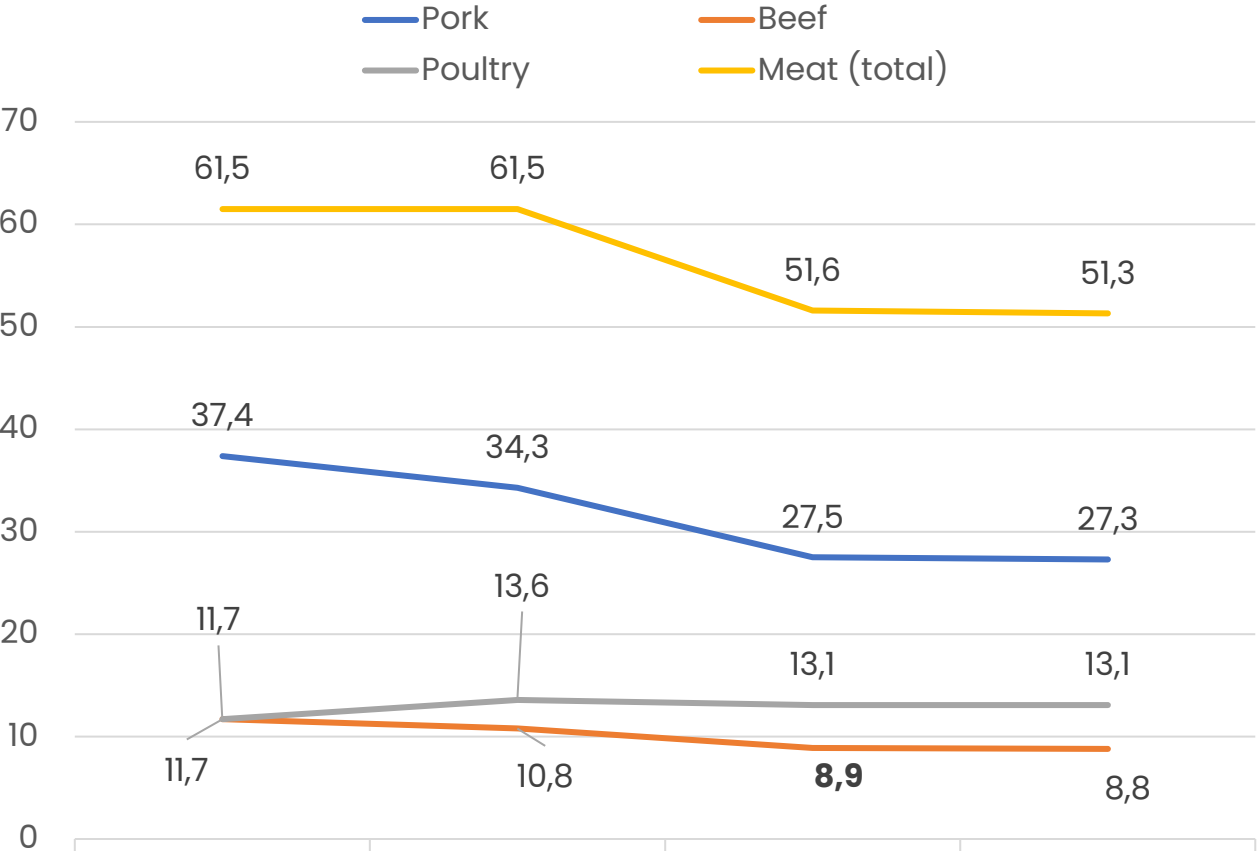
Germany

Food inflation in Germany

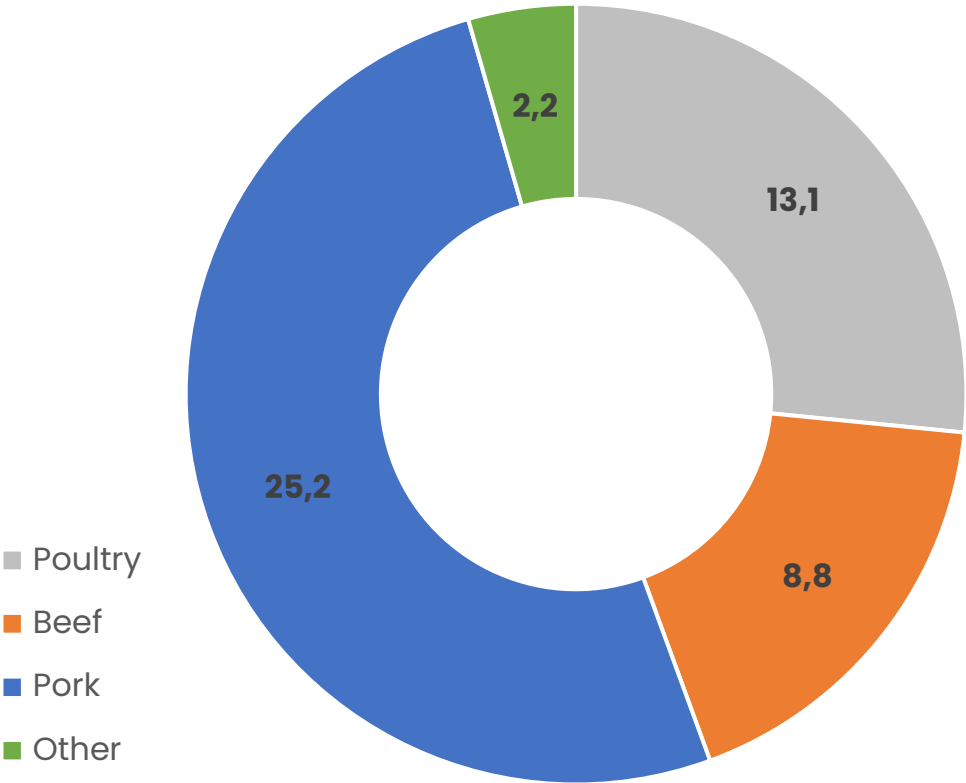


Meat consumption in 2023

Meat consumption (kg pro capita)

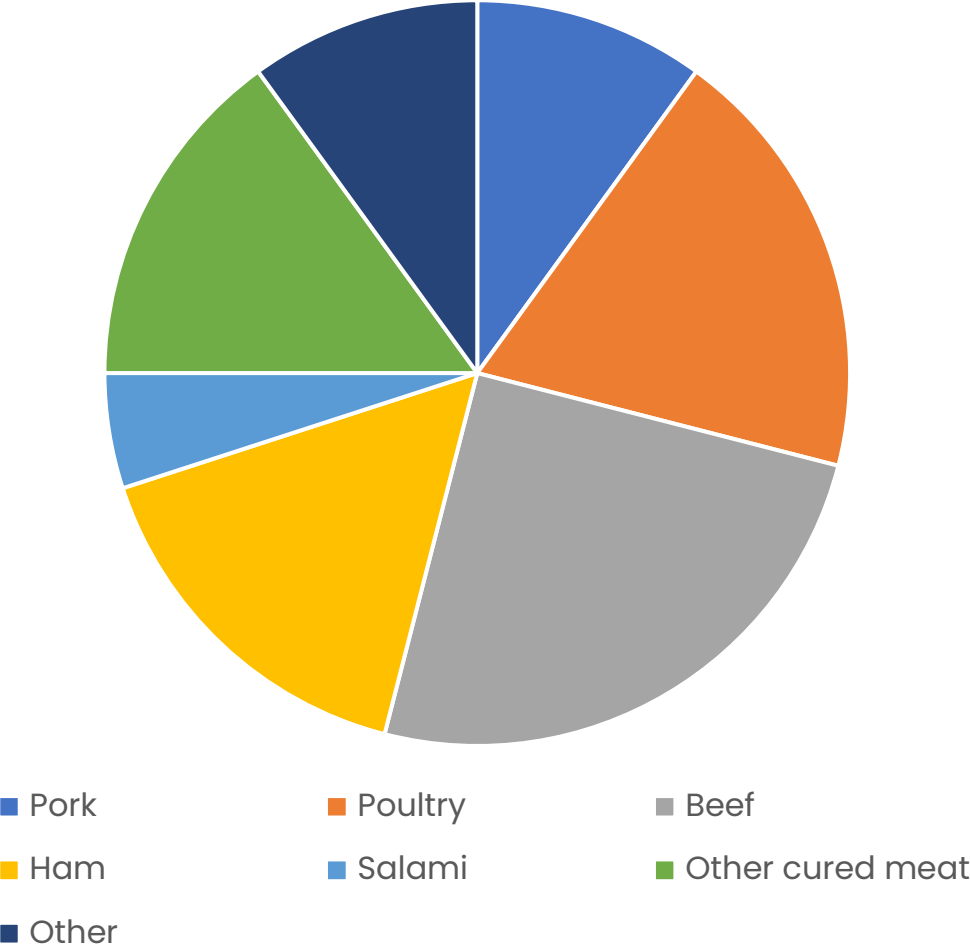


2024 pro-capita consumption (Kg)
- expected

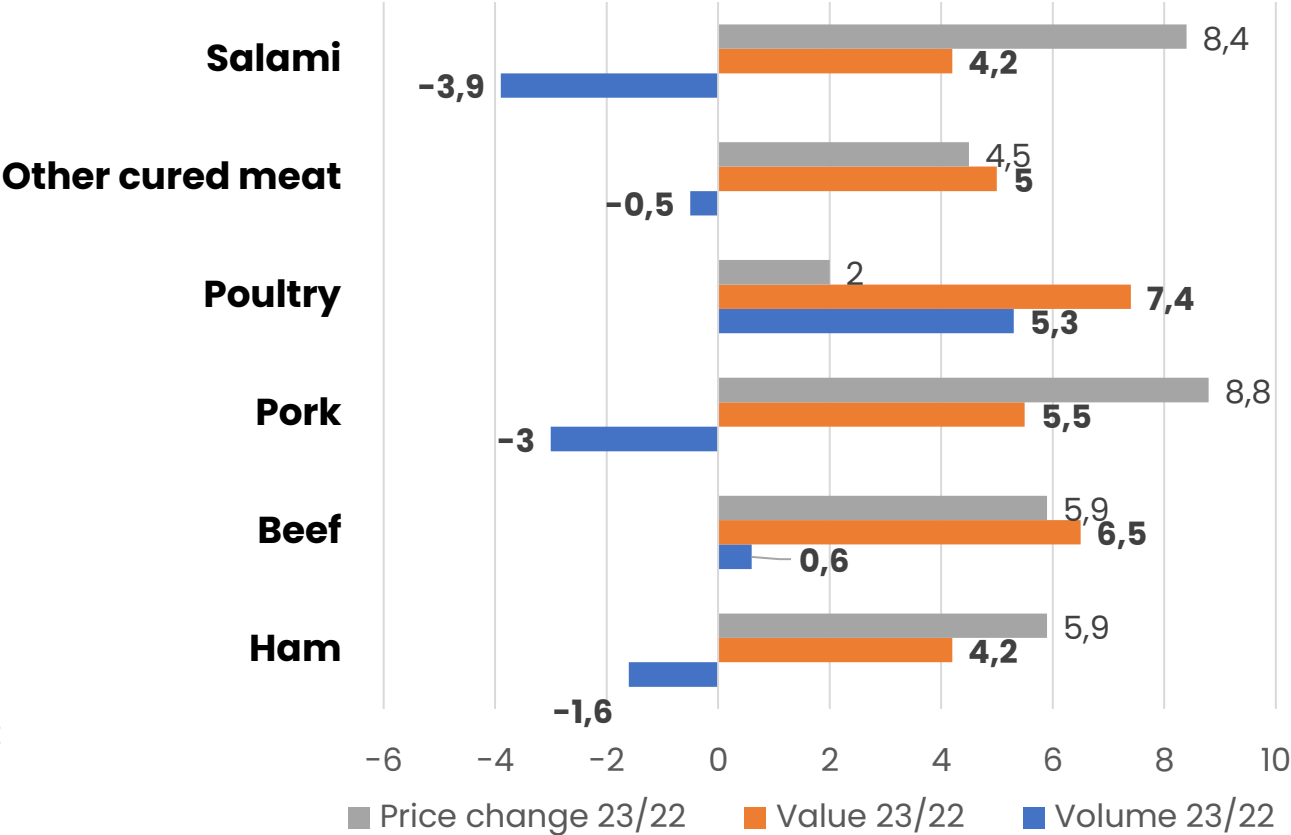


Italy

The meat shopping basket in 2023

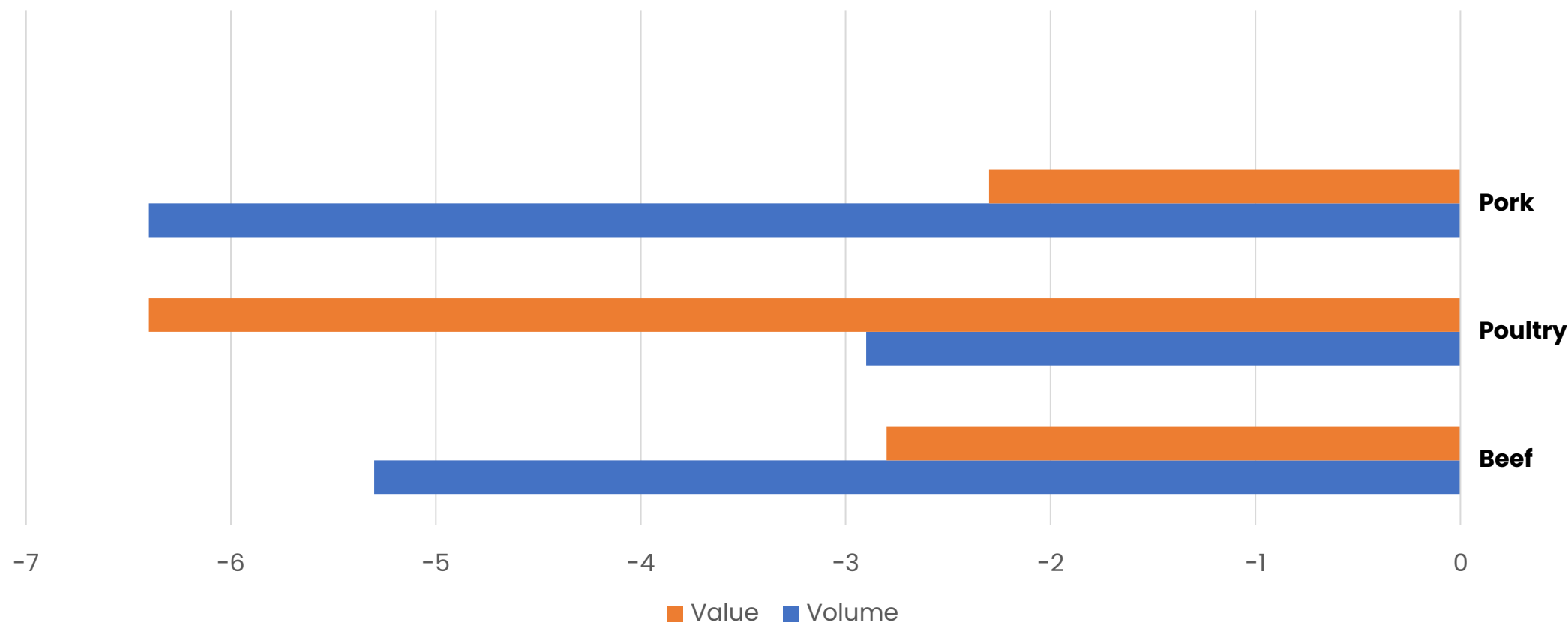


Volume, value, price changes (%) for meat (annual variations)



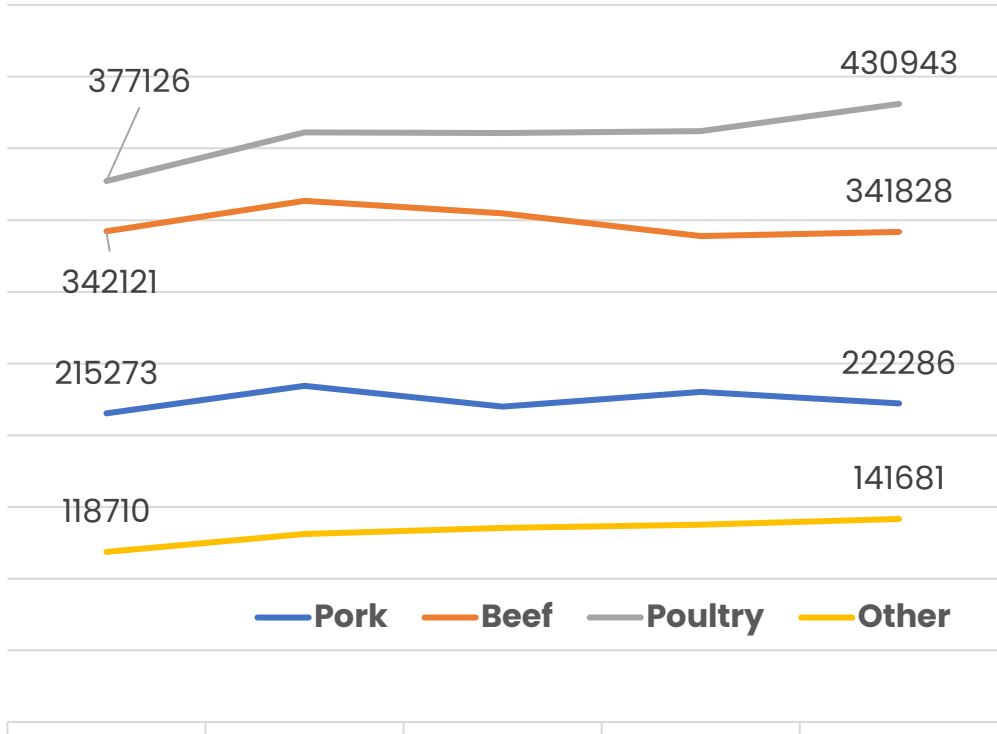
Meat consumption in early 2024

Volume and value changes (%) Q1 2024 vs Q1 2023

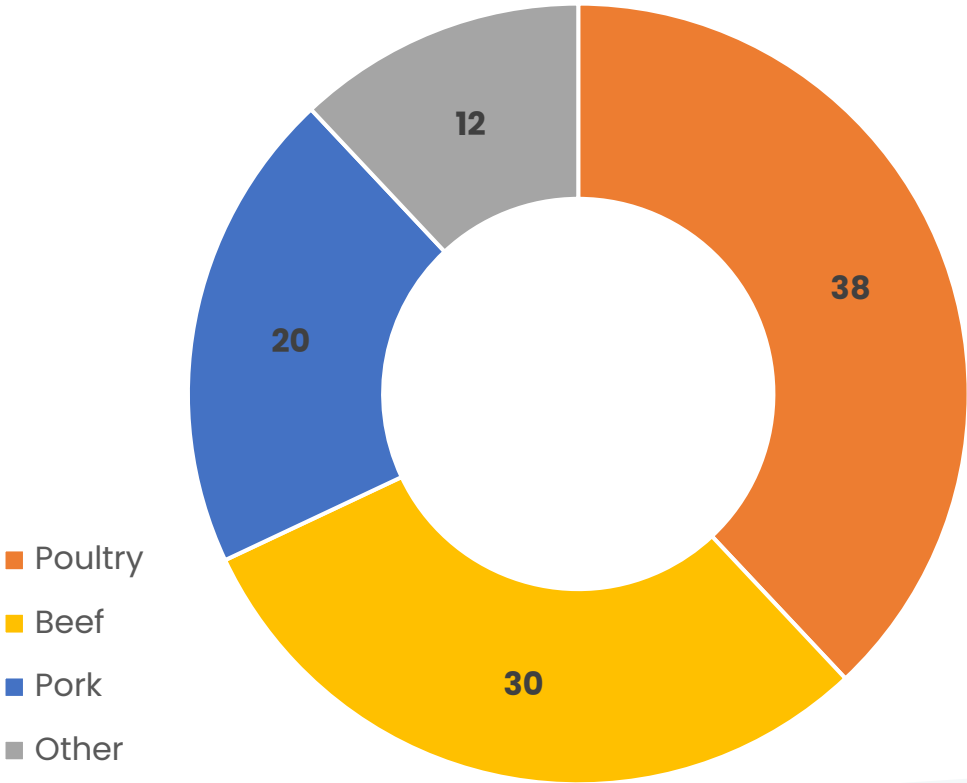


Meat consumption in the last 5 years

Meat consumption (volumes in t)



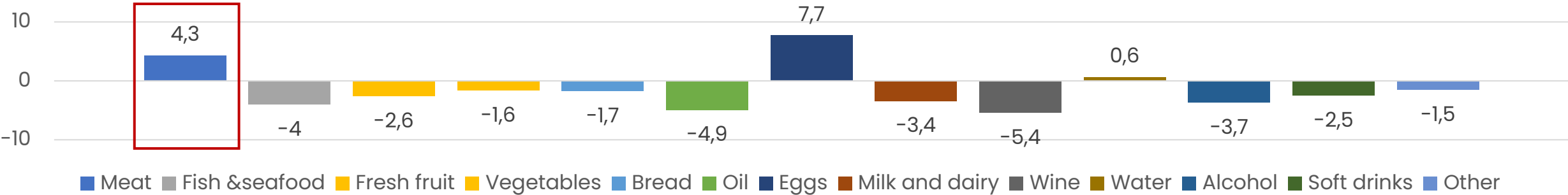
2019-2023 meat consumption (%)



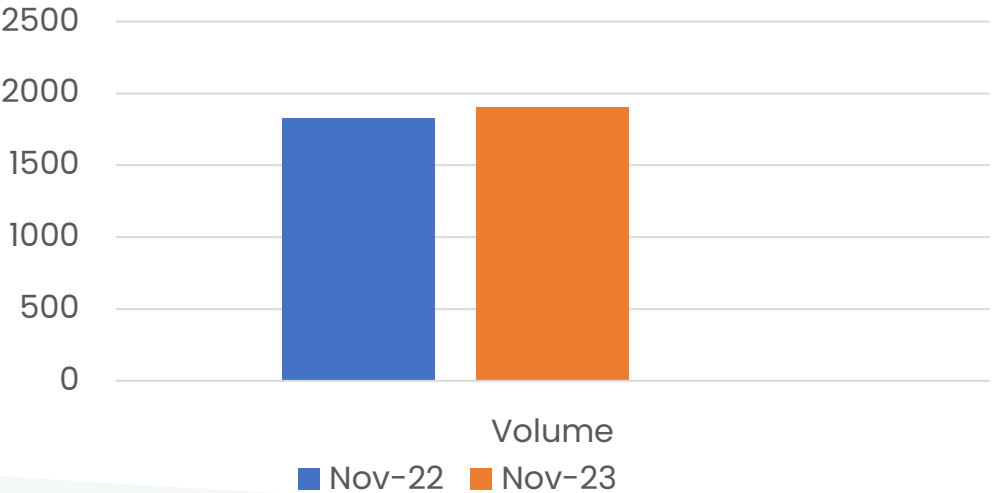
Spain

Meat sales in 2023 (I)

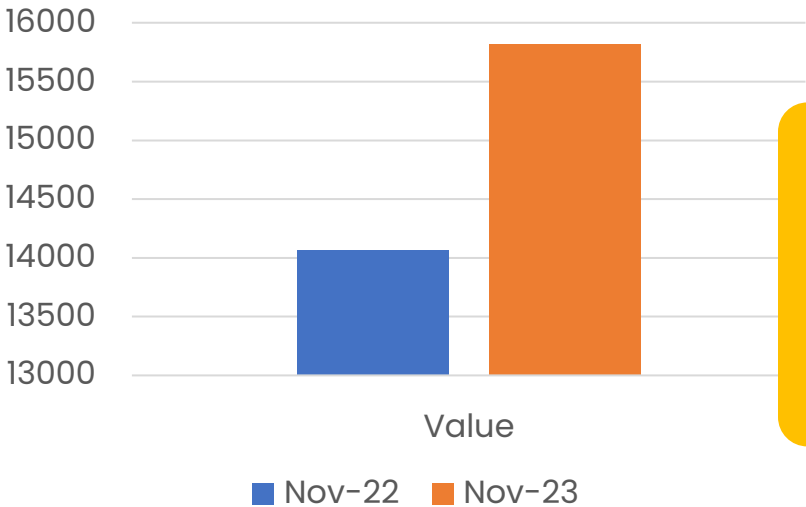
Food home consumption – volume changes (%) in Nov 2023 vs Nov 2022



Volume (million kg)



Value (EUR million)



Sales of meat increased by 4,3% in volume in 2023 compared to 2022 and increased by 12,5% in value.

Meat sales in 2023 (II)

Volume and value variations (%) 2023 vs 2022

