“European Further Processed Meat Markets to 2025”

6 main markets: Germany, France, Italy, Spain, Poland, UK
3 major exporters: Netherlands, Denmark, Belgium

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1. Introduction to Gira’s 5th edition: dynamic FPM market changes

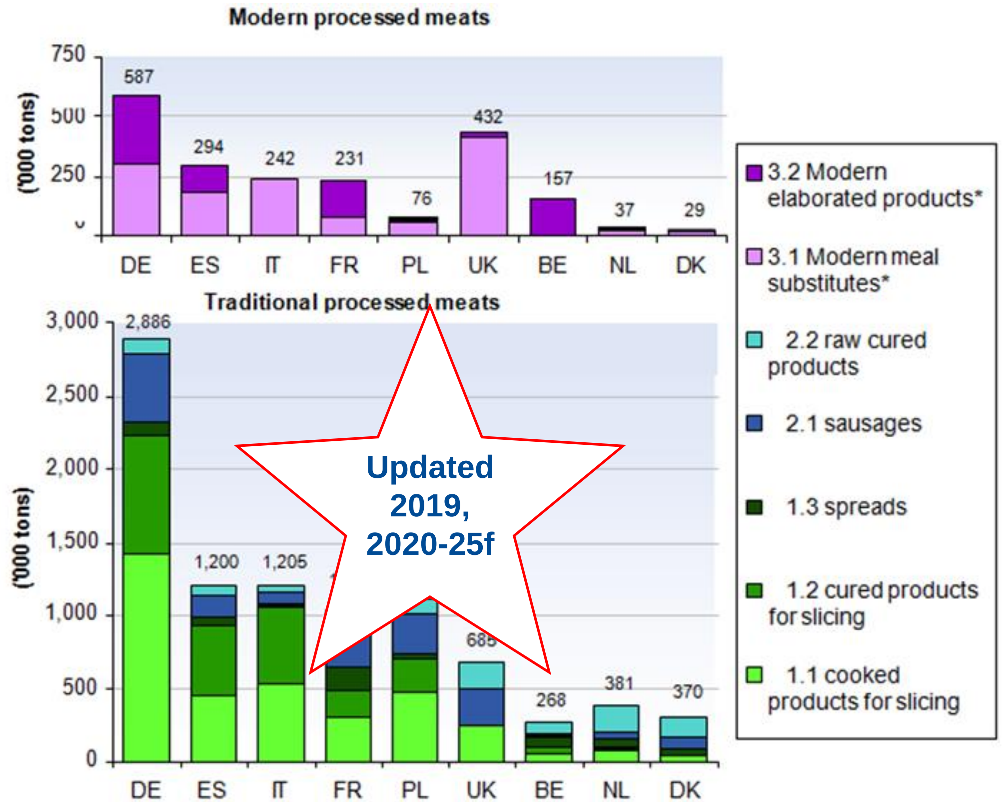
Large and diverse European processed meat market – under increased pressure

The EU+UK **processed meat market is vast** at approx. 14 million tonnes product weight. It is also extremely diverse and complex – with a multitude of national and regional variations on a theme.

It comprises a mix of traditional (mainly pigmeat based) products in which preservation was an important part of history, and many modern products, for which convenience and variety are the consumer drivers. These national markets are diverse, with different segment sizes and characteristics – but they are subject to similar but **very dynamic drivers for change**:

- **Challenging socio economics** which result in changed consumer habits. Economic uncertainty, **aggravated by Covid 19**, trading-down and growing consumer mistrust & anxiety (health, unemployment etc.) have **‘stalled’ the growth**, and at worst, led to a period of value destruction in some categories. Some products continue to grow, ‘pulled’ by strong convenience and/or quality character, others have declined or been commoditized, and margins squeezed.
- **Raw material meat cost increases** threaten: the 2019/20 surge of Chinese imports ‘pulled’ meat from domestic markets and forced European meat ingredient costs higher … albeit reversed by the contradictory impact of ASF in Germany since September 2020 – by which time margin pressure had caused major problems.
- The combined **pressures of environmental and animal welfare** movements – linked to sustainability - are changing consumer perceptions of meat and processed meats and their supply chains.
- Increased reporting on the **negative impact of processed meat on human health** is gaining traction – after many false starts in the media.
- **Meat Alternative products are dynamic**, developing fast from a low base and threatening to take share from meat … and certainly have captured the attention of the industry … as well as the media and consumers.
- **Advances in packaging** materials are changing the way processed meat products can be produced and distributed, but now the anti-plastic movement looks to disrupt.
- **Added-value, differentiation … and branding** are still key. But **Hard Discounter success** and **rising retail brand penetration**, are changing relative brand roles.
- **Developing demand for European-style products in Asia**, can exports underpin dwindling domestic demand?
- The **FPM industry is restructuring** in its integration and relationships. Spain has overtaken Germany as the most dynamic pork processing country. What next?

EU Processed Meat Segmented by Country and Product Type 2007



The figure above shows the size and segmentation of the key EU Member State markets in Gira’s 4th edition Processed Meat Report.

The new programme probes the drivers of consumer demand change and forecast its growth impact on the different segments to 2025f.

All these dynamic issues made this an **ideal time to reassess the market prospects** and the **implications of this for the European FPM supply chain**.

- How will **demand develop in the future**? How should it be captured?
- Who are the **main players in the industry** … and how are their **strategies evolving**, through these turbulent times?

2. Study objectives

Forward looking market and industrial analysis

The key objective of Gira's new report is to measure the market size and segmentation, analyse developments in its industrial supply chains, and provide forecasts in light of the dynamics: changing consumer demands, product & technological innovations, industry structures, raw meat supply (& cost) issues and the many different operator and distributor strategies.

For this, we carried out the following sub-analyses:

- A **clear segmentation** of this vast, under-documented and highly complex market; by product, distribution channel, and **growth potential** from the pre-Covid (2019) and to Covid-afflicted 2020, then forecast on to 2025 (in historical context).
- An analysis of the **main trends in these 6 retail markets** for all categories of processed meat; producer brands vs. retailer brands vs. entry-price level brands; quality segmentations; packaging; self service vs. service counters vs. traditional retail; etc.
- An analysis of **foodservice trends in FPM** markets: commercial – social – modern system catering: and how they recover from the shock of the Covid pandemic.
- Industrial research on the impact of the **key forces for change:** including Covid-recovery, technology & regulatory changes, the threats & opportunities posed by meat alternatives, changing perceptions on human health, consumer ethics & sustainability demands …
- **Raw meat supply**: buying methods – pricing and relationships in the chain – passing on raw material price changes – incorporation of new ingredients and raw materials, the importance of origin etc.
- Description and analysis of the **FPM supply structures** in each of the countries covered, together with the supply and corporate strategies of both manufacturers and retailers/caterers.
- **Company profiles**, including review of the product ranges and branding policies of the main processed meat manufacturers … and how these will fare against the ever-powerful, but rapidly changing retailers.
- Assessment of significant **product & technological innovation** in the last 2 years in the 6 major consumer markets.
- An analysis of **exports and imports**, and the strategies for all 9 countries covered.
- **Qualitative and quantitative forecasts for 2025**. These are the concrete manifestations of the qualitative trends through the next 5 years.

The research was documented into 9 self-standing Country Reports, a pan-European (EU+UK) Synthesis Volume, and Company Profiles, in which the markets are put into comparable perspective, and strategic conclusions and recommendations drawn.

Former Glory?

Meat Alternative Challenge

Retail Battleground!

Focused research on the key European FPM markets and industries

Product: market segments

We cover all **traditional and modern processed meats** in Gira's segmentation, developed with the industry (shown in detail on page 6).

The report provides complete coverage of all **pigmeat, beef and poultrymeat based FPM;**

- Poultrymeat-based FPM: e.g. chicken nuggets etc.. Have been added to this 5th edition of the study, as they now represent a major competing segment.

Distribution channels:

Retail:
- Modern Multiple Retailers: hyper- & supermarkets, hard discounters & convenience stores: including counter-service vs. self-service
- Traditional retailers (butchers, charcutiers, Metzger etc.)
- E-commerce

Foodservice & industrial ingredient usage:
- Commercial and social.

Countries covered: 9 self-standing country reports

6 major European markets - the Study covers all aspects of FPM - production, trade, consumption etc. in:
- France
- Germany
- Italy
- Poland
- Spain
- The UK

3 main FPM export-lead countries - it will also cover production and trade (but with much lighter analyses of their much smaller domestic markets) in:
- Denmark
- The Netherlands
- Belgium.

The above 9 countries are the top producers of FPM and represent over 80% of total 'EU27+1' production.

Manufacturers: profiles in the top 45 processors

All industry structures will be analysed; the large groups, but also, where relevant, artisanal production.

Particular attention is paid to the **largest and the most dynamic companies**.
- Around 40 will be profiled (including the large subsidiaries of the international groups).
- We will also look at high-growth niche players, particularly those on added-value segments.

All available information will be given and analysed (in the form of a SWOT) for each company.

A unique League Table

Of the largest European (9 country) manufacturers (by volumes produced) will also be presented in our Study.
- Observing what has changed, and why … and where the industry is heading strategically, and by major player.

Pan-European synthesis report:

Pulling together the key trends in these 9 countries, and strategic changes for the future… what do you need to watch for now and later.

Gira's international, end-user-based product classification

Main product categories agreed with the industry

In order to ensure a rational base for comparing countries, for the last 25 years Gira has used a simple, internationally valid FPM classification based on consumption use, into which every country's production "fits".

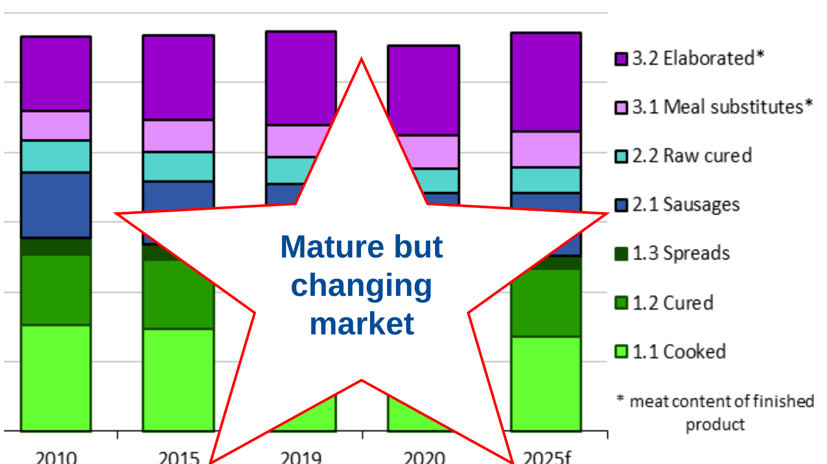
- It was developed by Gira in conjunction with some of Europe's leading FPM producers to match industry standards, whilst bridging national variation. Where appropriate and relevant, we may revise the segmentation.

This is a unique and very powerful tool for measuring sector growth, prioritising market presence, etc.

- It is used by us alongside each country's traditional product names and categories to clarify our analyses.
- We have extended it to modern convenience products – which we group together to compare trends with the traditional products.

Moreover, in each Country Report, extensive photos are given of the main products in each Gira category, so that everyone knows exactly what we are talking about.

Top 9 – Processed Meat Consumption, 2010-2025f



Source: Gira compilations

Gira's Processed Meat Product Categories

1. Traditional Processed Meats for Cold Consumption

1.1 **Cooked** products for slicing:
- Cooked hams, shoulders & sausages (excluding liver sausages).

1.2 **Cured** products for slicing:
- Cured hams and cured sausages (e.g. salami).

1.3 **Spreads**:
- Liver sausage, pâtés, etc

2. Traditional Processed Meats for Hot Consumption

2.1 **Sausages** for hot consumption:
- Cooked or normally re-heated before eating (e.g. franks/wieners).

2.2 **Raw Cured** products:
- Essentially products requiring cooking – mainly bacon in sliced and piece form.

3. Meat Preparations (*just the* meat content of these products)

3.1 **Meal substitutes:**
- Ready meals and meal kits: frozen, chilled, or shelf stable.
- Pizza,
- Pies, quiches and similar: covering a wide variety of products
- Filled pasta
- Salads
- Sandwiches
- Snacks.

3.2 **Elaborated meat products:** Convenience meal components
- Burgers, meat balls
- BBQ products: Kebabs, skewered meat, etc.
- Bolognese sauces (with meat), etc.
- Marinated Raw
- Breaded and battered – including chicken products

The study does not include ground meat unless formed into a burger or "other" in an industrial process.

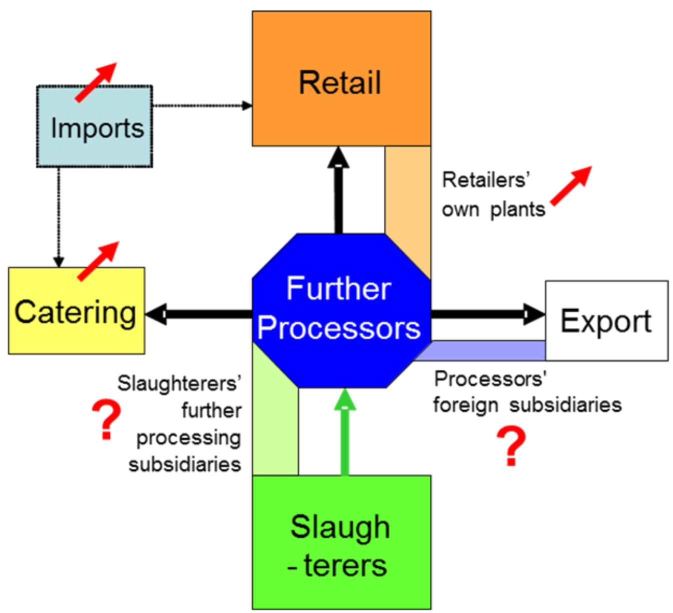
The Study comprises the following reports:

1. European Synthesis volume: 90 pages

Pan-European analysis and 2025f forecasts

- Trends in FPM market segments across Europe, which are stronger and why.
  - The major differences (or similarities) between the main markets. Leaders & followers.
- Key Forces for Change … and how they apply
- Changing structure of the Further Processing industry, now and in 5 years.
- Strategic developments.

Supply Channel Structure and changing relationships



2. Country Reports: 9 market reports: detailed descriptive and analytical reports for each country, covering:

- The key drivers for change & their impact, in context.
- Raw meat supply … and cost implications.
- Production: size & segmentation.
- Trade.
- Market: size & segmentation.
- Innovation and other drivers for change.
- Retail and catering structure: and their demands and needs.
- Manufacturers and industry structure.

a) **The 6 major FPM markets of the EU + UK:** 60-80 pages
- France, Germany, Italy, Poland, Spain and The UK

b) **The 3 leading export focused FPM producers:** 30-40 pages
- Belgium, Denmark and The Netherlands

3. Company Profiles: 45 of Europe's major Further Processors

- Their ownership and level of integration, up and downstream.
- Details of the location, and development of the leading companies.
- Production capacities.
- Product range, including Meat Alternatives.
- Key brands.
- Development strategies .

Structure & contents of the Reports (2/3)

Detailed reports at country level, and pan-European synthesis

Synthesis Volume contents

90-page report: comparing and contrasting developments on the key markets

1. **Executive Summary**
2. **Methodology**
3. **Forces for Change**
   - Demographic & economic
   - Covid-19 impact
   - Changing consumer preferences: health, convenience, ethics & sustainability
   - Regulatory change: labelling, sustainability, additives
   - Technology developments
   - Ingredient costs
   - Branding & marketing
   - Product innovation: Meat alternatives, Packaging
4. **FPM Market & Industry size & segmentation: forecasts**
   - Macro data: Production, Trade, Consumption, Prices
   - PM market segmentation (key products) & size, & forecasts
   - The outlook: C-19 impact, winners and losers
5. **Retailers' FPM strategies**
   - Retail structure influence: product range, branding & price structure; sustainability & supply chain strategies
     - Modern retail, Hard-discount, e-Commerce, Traditional retailers
6. **Foodservice FPM strategies**
   - Structure & developments & influence: Covid recovery
7. **FPM Industry Structure & Manufacturers' strategies**
   - Industry structure: league table of top manufacturers, concentration, integration, diversification
   - Raw material sourcing and manufacturing strategies
   - Winners & losers
8. **Conclusions**

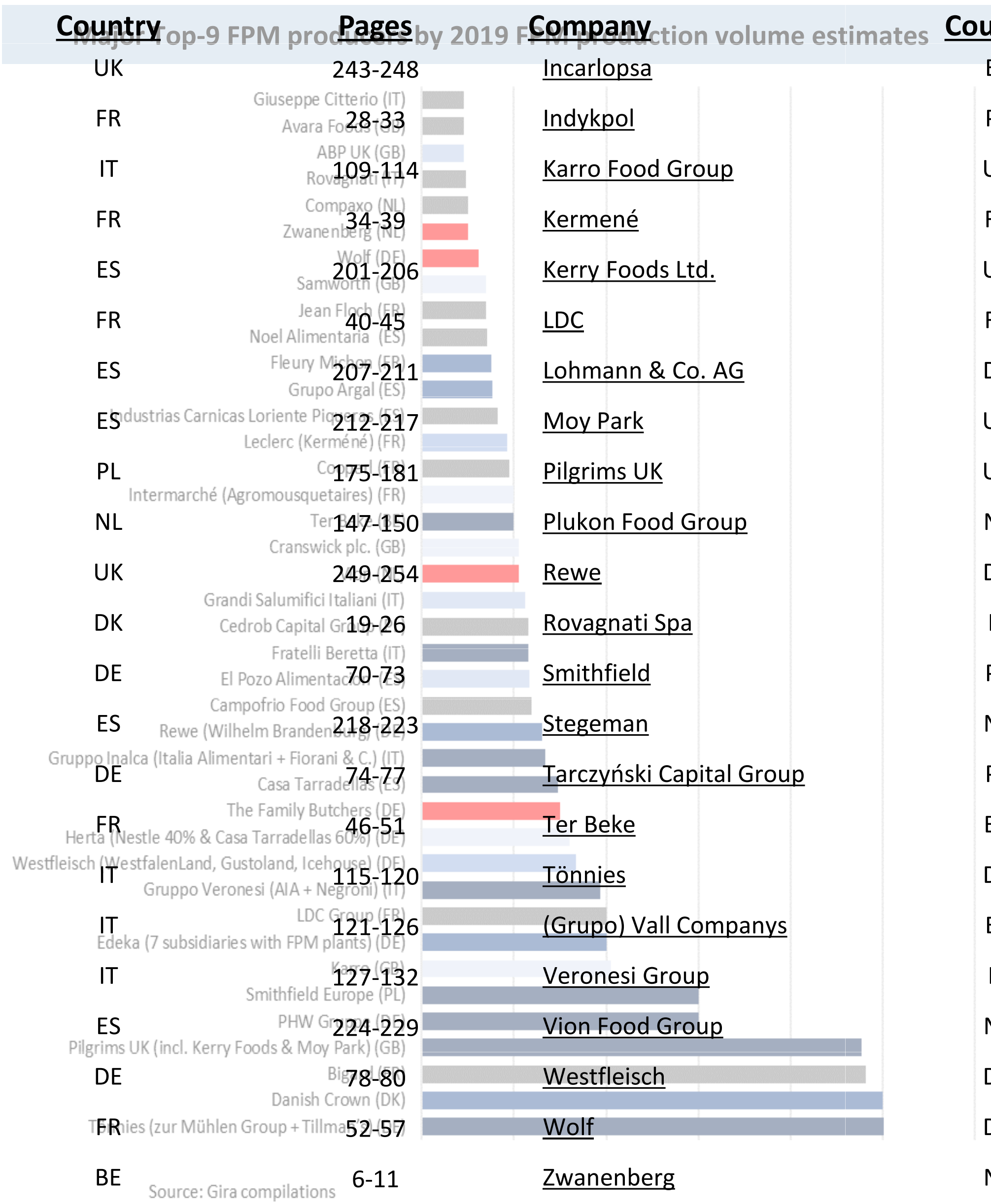
Country Report contents

Detailed reports: following a standard structure

1. **Executive Summary**
2. **Methodology:** Key categories defined, background data
3. **Forces for Change** (same topics as Synthesis Volume)
4. **FPM Production: Size and Segmentation**
5. **FPM Trade: Volumes and categories**
6. **FPM Consumption: size, segmentation and trends: forecasts**
   - Macro FPM data: Production, Trade, Consumption, Prices
   - PM Market segmentation & outlook by products categories
   - Distribution channel segmentation: C-19 impact
7. **Route to Market**
   1. **FPM in Retail**
      - Retail Structure & typology: key retailers: outlets, share
      - PM Product range; the products, branding & price structure, packaging, merchandising;
      - Sustainability & supply chain strategies for FPM
      - Retailer strategy & influence on FPM
   2. **FPM in Foodservice**
      - Key FS operators, their use of FPM, and sector influence
   3. **FPM in Manufacturing**
      - Key uses of FPM as an ingredient, buyer 'needs' and influence
8. **FPM Industry Structure & Processor Strategies**
   - Industrial structure, leading companies: volume & share
   - Industry dynamics: vertical integration, concentration etc
   - Raw material sourcing: origins, specifications & needs. The implications of cost volatility
   - Marketing & general business strategies
9. **Conclusions**

Report Structure (3/3): Top Company Profiles (45)

Profiles of the Top 45 Companies: clear leaders with on-going concentration, but long 'tail'



Timing:

Reports and service are available immediately. The research took 9 months to complete - through 2021, with initial reports issued to Founder Clients in late 2021, and the final publication in February 2022.

Subscription:

The following purchase options are available:

- **The Complete Study** is **Euro 26,000** (before any tax). The price includes:
  - The Synthesis volume, the 6 major Country Reports and the 3 Exporter Country Reports.
  - A tailored presentation of results and recommendations (excluding travel expenses).

- **Individual Client Reports** - for clients interested only in parts of the Study, the single Country Report price options are:

France, Germany, Italy, Poland, Spain, U.K.	**Euros 8,500** each	Belgium, Denmark, Netherlands	**Euros 5,500** each

- **The Company Profiles Chapter** – 45 companies priced at **Euro 8,500**.

- **The Synthesis Volume** is available separately at **Euro 13,000**. In this case, a half-day presentation is available at an additional cost of **Euros 2,000** (plus travel).

- Other combinations of reports can be priced on request.

Purchasers of at least the Synthesis volume and two other Country Reports will be entitled to a half-day Presentation in their offices of results and recommendations, tailored to their particular requirements, at no cost other than the travel expenses of the presenter to the Client's office (providing the presentation takes place in Europe).

Payment will be 100% on invoicing, with 30-day terms.

Reports:

The full Study is available in English in 11 separate reports (the Synthesis & 9 Country Reports & Company Profiles).
Clients will receive the reports electronically in searchable and printable PDF format.

Well 'tried & tested' research approach enabled by good industry contacts

Gira credibility

We have been researching and analysing European processed meat markets since 1976, over which time Gira has built an understanding of the industry and a contacts base within it, that allows Gira to deliver thoughtful insight on the how and why, alongside the how much.

- We have a 25-year background of FPM reports, statistics and contacts for all the countries covered here.
  - Except Poland, where we "only" have 17 years.
- This unique study will be Gira's fifth major analysis of European FPM markets, coming after our: 1993, 1997, 2002 and 2008 editions
- Experienced Gira research team, with excellent domestic and international contacts in the industry.

In this Study, Gira will use its three "classic" research methodologies, each one supplementing and complementing the others:

Documentary Research

- Gira's in-house FPM, raw meat, retail and catering databanks.
- The trade press, existing studies, internet resources, company websites etc.
- National production and foreign trade statistics – contacts with administrations and producer associations.

In-depth interviews with decision-makers in all facets of the FPM supply chain:

- Further processed meat manufacturers,
- Their raw material suppliers,
- Retailers,
- Major catering operators and wholesalers,
- Trade associations,
- Packaging system and ingredient suppliers.

Gira's reputation in the sector allows us unrivalled access to those very managers who are actively making the future.

Extensive indicative storechecks

- Our in-store reality-check.
- Verifying product ranges, brand presence, price positioning and packaging used, and noting new and innovative products.

All of the above were analysed in depth and used in the compilation of the 9 individual Country Reports and the Manufacturer Profiles, and to detect the trends for our forecasts for the next 5 years.

All of this is then further analysed, and the conclusions and recommendations extracted at EU and product segment level for inclusion in the Synthesis volume.

Some of Gira's Meat Sector Clients

'Blue chip' clients with varied interests … and quality relationships with Gira

Client	Country
Abbott Laboratories	Intl.
ABF	UK
ABP	IE/UK
Agri Ranch	US
Agroeco	RU
AHDB	UK
Alic	JP
AMIC	AU
Animex (Smithfield)	PL & Intl.
Asoporcicultores	CO
Australian Pork ltd.	AU
AVEC (European Poultry Association)	EU
Aviagen	Intl.
Bain	Intl.
Bemis	Intl.
BRF	BR - Intl.
Bunge	Intl.
Canada Beef	CA
Canada Pork	CA
Canadian Cattleman's Assoc	CA
Cargill Inc	US
Cargill Meats Europe	EU
Cobb	Intl.
CP Foods	Intl.
CFG (Campofrio Food Group)	EU
COV	NL
Danish Crown	DK
Danish Farmers Abroad	DK
Dawn Meats	IE/UK

Client	Country
DSM Nutritional Products	Intl.
DuPont	Intl.
Elanco	EU/Intl.
European Commission	EU
FAO	Intl.
FECIC (Catalan Meat Industry Association	ES
Fedegan	CO
Fenavi	CO
Foss	DK
Handtmann	DE
HCC	UK (Wales)
Hilton Food Group	UK/EU
IFC (World Bank)	Intl.
I.M.S.	Intl.
INAC	UY
Inalca/Cremonini	IT
Inaporc	FR
Interbev	FR
Irish Food Board	IE
JAPFA	Asia
JBS	BR - Intl.
Kemin	Intl.
Landbrug & Fødevarer	DK
LMC	UK
McDonald's	EU
Meat & Livestock Australia	AU
Meat Industry Association NZ	NZ
Minerva	BR
Multivac	Intl.

Client	Country
National Pork Board	US
Nutreco	NL - Intl.
O.E.C.D.	Intl.
Pfizer	Intl.
Rabobank	Intl.
Rusagro	RU
Scottish Assoc'n of Meat Wholesalers	UK
Sealed Air	Intl.
Silver Fern Farms	NZ
Smithfield (WH Group)	US/CN
TVI	DE
USB	US
UECBV	EU
Unic	IT
Unigrains	FR
United Soybean Board	US
USMEF	US
Vion	NL/DE
Virbac	FR
VLAM	BE
Westbridge Foods (CP Foods)	UK

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