February 2020

To thank our interviewees

who kindly gave their time and shared their opinion with us:

A European Bakery Markets Overview

Composed of extracts from the study:

Bake-off Bakery Markets in Europe

2008-2018/2019-2023

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Thank You Very Much

The following extracts from the Gira "**Bake-off Bakery Markets in Europe**" 2019 study are presented in thanks to those who were kind enough to be interviewed by our consultants and to give us their opinions on matters of current interest in the European bakery markets.

If you feel you might be interested in acquiring all or parts of the Gira "Bake-off Bakery Markets in Europe" study, please have a look at the brochure on our website: www.girafood.com or contact us on: a.fremaux@girafood.com

Important Disclaimer

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This Overview contains information and conclusions drawn from our last study: "Bake-off Bakery Markets in Europe" published in December 2019 and covering 16 individual countries listed on the right.

The Bake-off Bakery Markets in Europe study covers consumption, distribution and production regarding the fresh and bake-off bakery products in each country, listing the relative importance of the key industrial players and what is happening in the business.

The Bake-off Bakery Markets in Europe study contains an array of relevant corporate, structural and market information in its 5 sections:

- Bakery markets overview with a focus on fresh consumption, a detailed breakdown by main recipes and formats, and the impact of key food trends
- Fresh bakery distribution structure with a focus on key expanding sectors
- Fresh bakery supply strategies by channel and criteria for choosing a bake-off technology
- Bake-off market by products, focusing on technologies, recipes and outlets
- Bake-off production and trade balance, key bake-off producers, future challenges and bake-off producer profiles.

Work on the study was carried out between March 2019 and October 2019.
It has involved extensive documentary and on-line research in all countries, and above all a major interview programme with key operators and top decision-makers all along the bakery chain.

Country coverage:

DE	Germany
ES	Spain
FR	France
IT	Italy
PL	Poland
UK	United Kingdom
NL	Netherlands
BE	Belgium
PT	Portugal
CZ	Czech Republic
HU	Hungary
DK	Denmark
SE	Sweden
FI	Finland
RU	Russia
TR	Turkey

EU 14 refers to all the countries except Russia and Turkey

Bakery products include the following segments:

Bread:

- Standard white bread
- Special bread
- Soft bread
- Toast bread
- Flatbread

Viennoiserie:

- Laminated dough
- Risen dough/Brioche
- Fried products
- Danish pastries

Patisserie:

- Cakes
- Tarts
- Chou
- Multi-layered cream pastries
- US pastries

Savoury pastry snacks:

- Tarts/Pies
- Pizza
- Topped bread/Baguette
- Savoury puffed pastry

"**Bakery**" means ONLY those products that we cover here, i.e. BREAD, VIENNOISERIE, PATISSERIE and SAVOURY PASTRY. *Biscuits and cereals are not covered.*

At consumer level, B2C bakery products are further split into:

- Fresh products: presented fresh at the consumer level, usually sold at the bakery counter, most of the time without branding
  - *Fresh products are further split by production method: baked on-site from scratch, baked-off or bought fresh*
- Packaged "long-life" products: ambient branded products sold at the self-service counter - shelf-life usually over 3 days
- Packaged products "to bake": ambient, chilled or frozen branded products sold directly to the consumer, who will carry out the final baking/thawing at home.

Distribution channels:

Retail distribution:

- Artisan bakers: craft bakers, confectioners
- Modern retail: hypermarkets, supermarkets, hard-discount stores
- Other retail: convenience stores, petrol stations and small grocery stores.

Foodservice:

- Social foodservice : education, workplace, health/welfare
- Commercial foodservice: restaurants and hotels (independent and chains), fast-food and coffee chains, transport catering
- Bakery chains (more than 10 sales outlets) – including sandwich chains.

Supply structure:

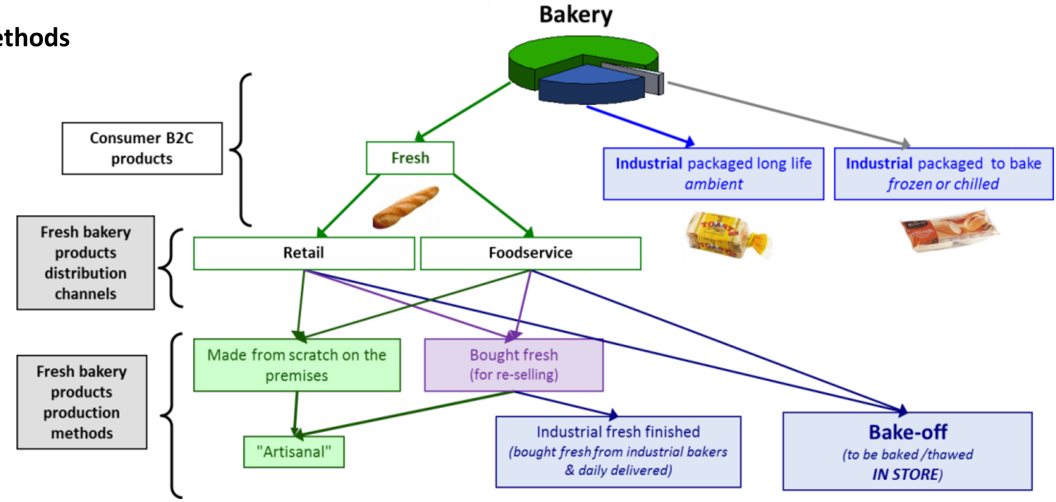
Bakery consumption is broken down between artisanal and industrial production methods

Artisanal supply: fresh bakery products scratch baking at the point of sale, using flour or pre-mixes, with the product being directly sold to the consumer

- Artisan bakers
- Modern retailers' in-store scratch baking
- Others: other retail sectors and foodservice.

Industrial supply:

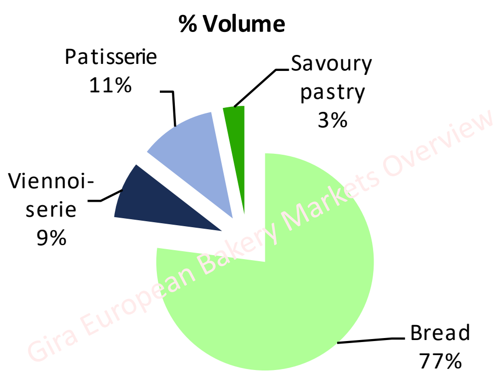
- B2B Industrial fresh finished products: daily delivered by industrial bakers to the stores - to be re-sold fresh
- B2B Bake-off: industrial semi-finished frozen, ambient or chilled products, to be baked at the point of sales in bake-off stations and sold fresh
- B2C Packaged long-life products
- B2C Packaged to bake products.



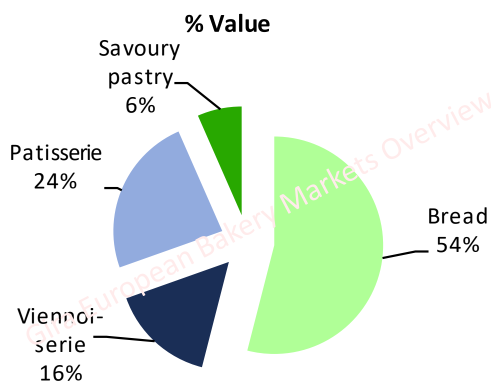
Consumption figures:

- Total consumption of bakery products in the 14 European countries covered by the research was **31.5 mio tons in 2018** with a **market value of almost EUR 130 bn** (consumer price).
  - Bread and fresh products dominate consumption, with respectively 77% and 72% of volumes and 54% and 69% of the market value.
  - **Per capita** consumption was 71.5 kg/year in 2018.
- EU14 bakery product market remains almost static, but a small recovery is expected between 2018 and 2023
  - **By product**: savoury pastry will drive market growth, whereas sweet bakery products growth will slow down, and bread consumption may recover after years of decline.
  - **By technology**: packaged long life products consumption decline will slow down and fresh consumption will increase slightly.

Total bakery product consumption, EU14 – By product, 2018

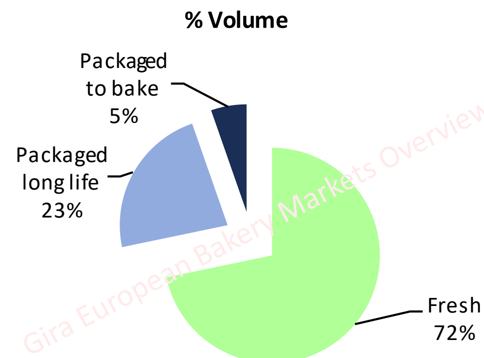


Source: Gira compilation



Source: Gira compilation

Total bakery product consumption, EU14 – By technology, 2018



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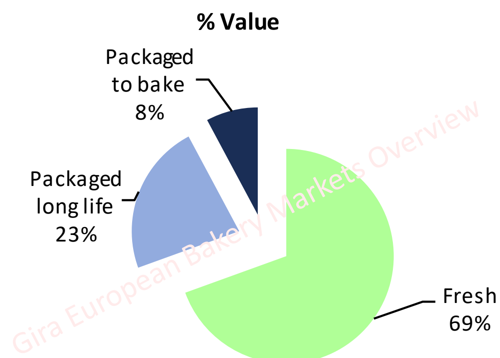
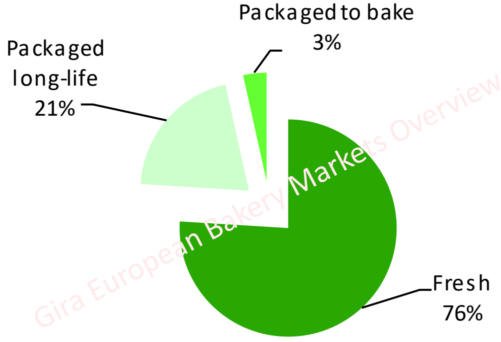


Source: Gira compilation

Total bakery consumption by technology

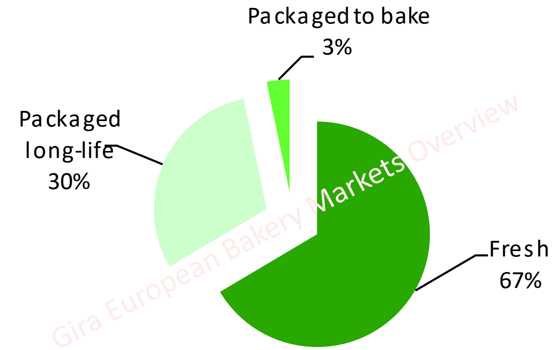
Fresh remains dominant for all bakery products

Bread consumption by technology, EU14, 2018 *(% volume)*



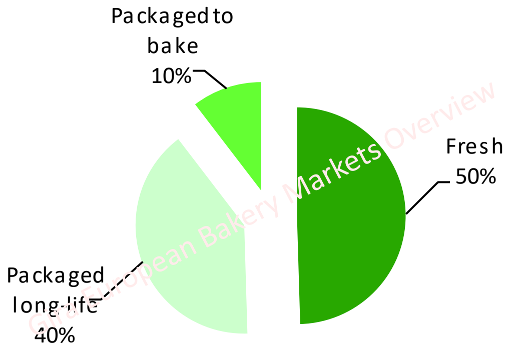
Source: Gira compilation

Viennoiserie consumption by technology, EU14, 2018 *(% volume)*



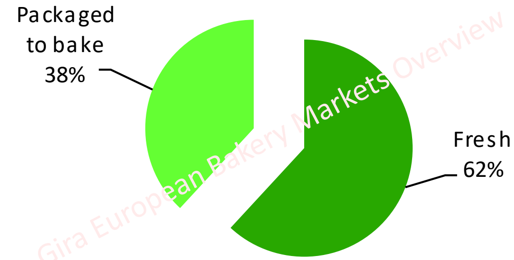
Source: Gira compilation

Patisserie consumption by technology, EU14, 2018 *(% volume)*



Source: Gira compilation

Savoury pastry consumption by technology, EU14, 2018 *(% volume)*



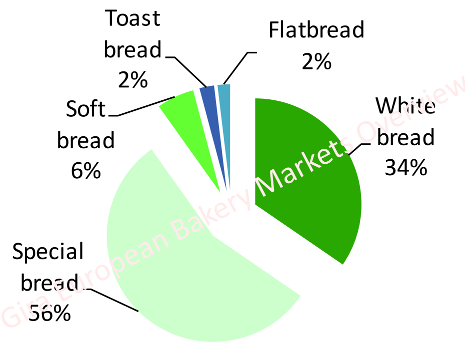
Source: Gira compilation

Premiumization and differentiation are important

Graph: EU14 data - recipe breakdown in % volume

Fresh bread segmentation

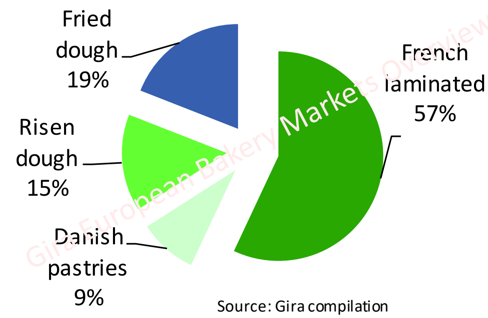
- Driving format: small bread
- Driving products: cereals, rustic



Source: Gira compilation

Fresh viennoiserie segmentation

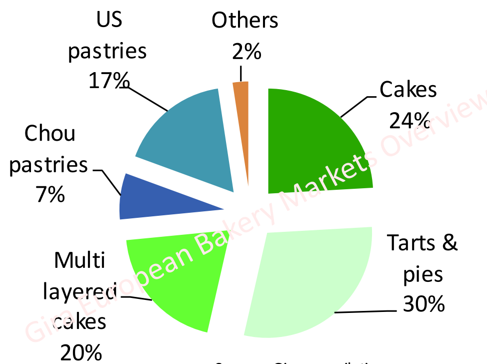
- Driving format: individual
- Driving products: donuts, croissants



Source: Gira compilation

Fresh patisserie segmentation

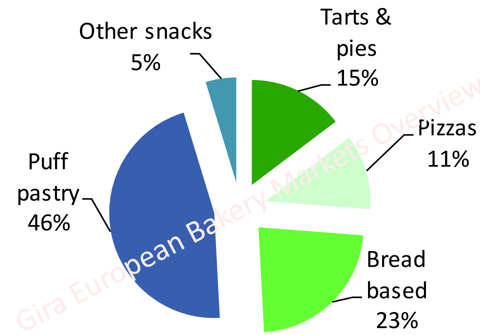
- Driving format: mini sized
- Driving products: US pastries



Source: Gira compilation

Fresh savoury pastry segmentation

- Driving format: mini sized
- Driving products: topped bread, mini pizza

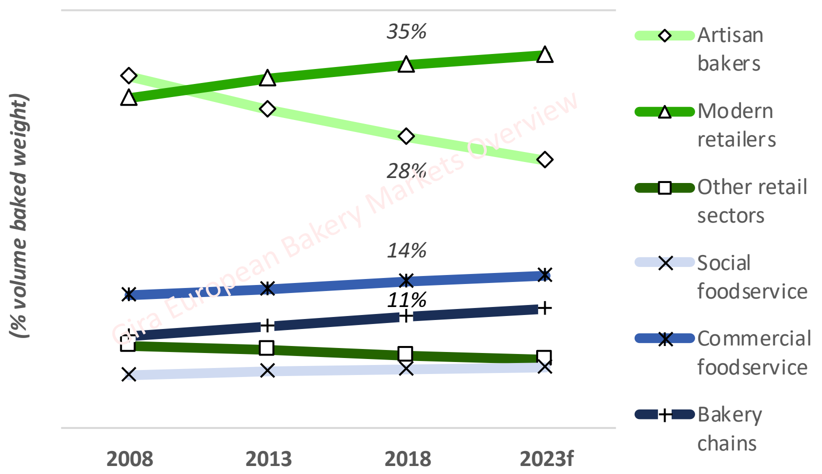


Source: Gira compilation

Fresh bakery product distribution

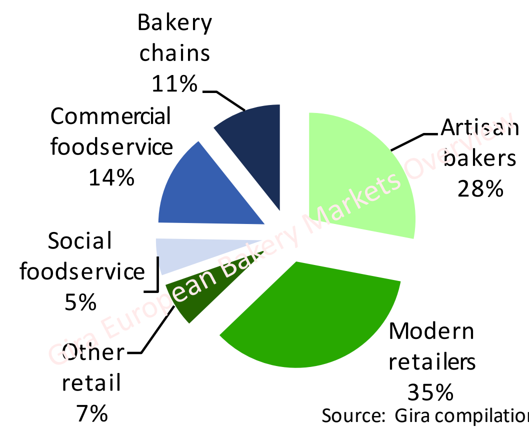
Modern retailers are gaining artisan's shares

Trends in fresh bakery product distribution channels, EU14, 2008-2018, 2023f



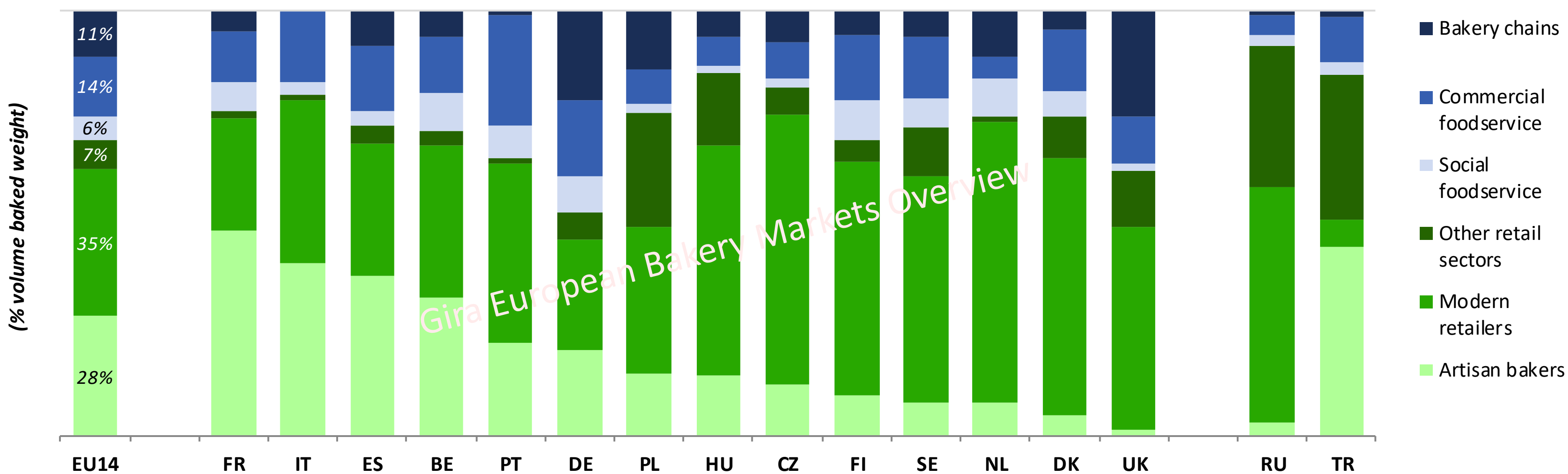
Source: Gira compilation

Fresh bakery product distribution channels, EU14, 2018 *(% volume)*



Source: Gira compilation

Fresh bakery product distribution channels, EU14 and by country, 2018

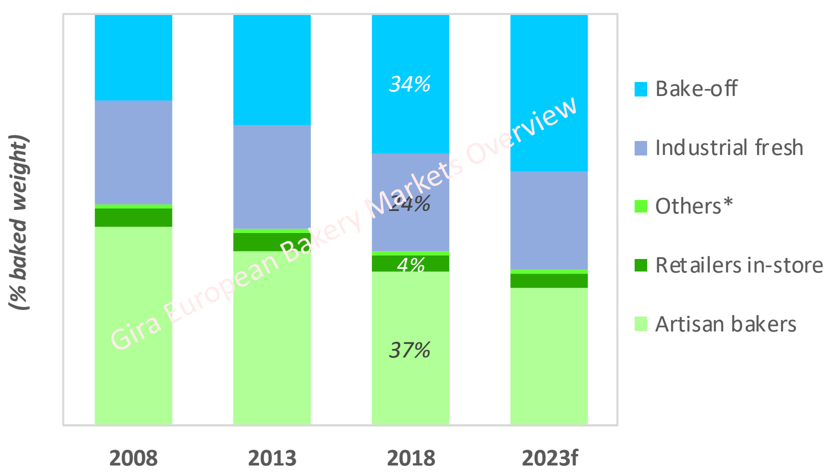


Source: Gira compilation

Fresh bakery product supply structure

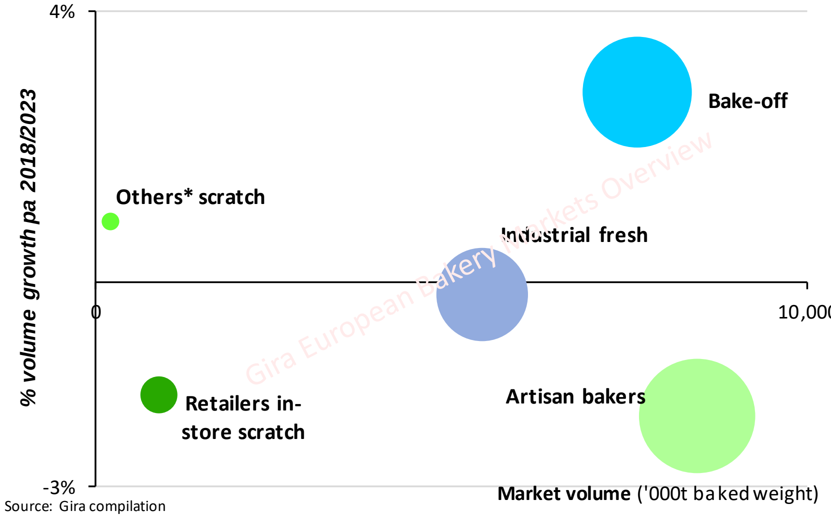
Bake-off is increasing at the detriment of scratch baking

Trends in fresh bakery product supply structure by product, EU14, 2008-2018, 2023f *(% volume baked weight)*



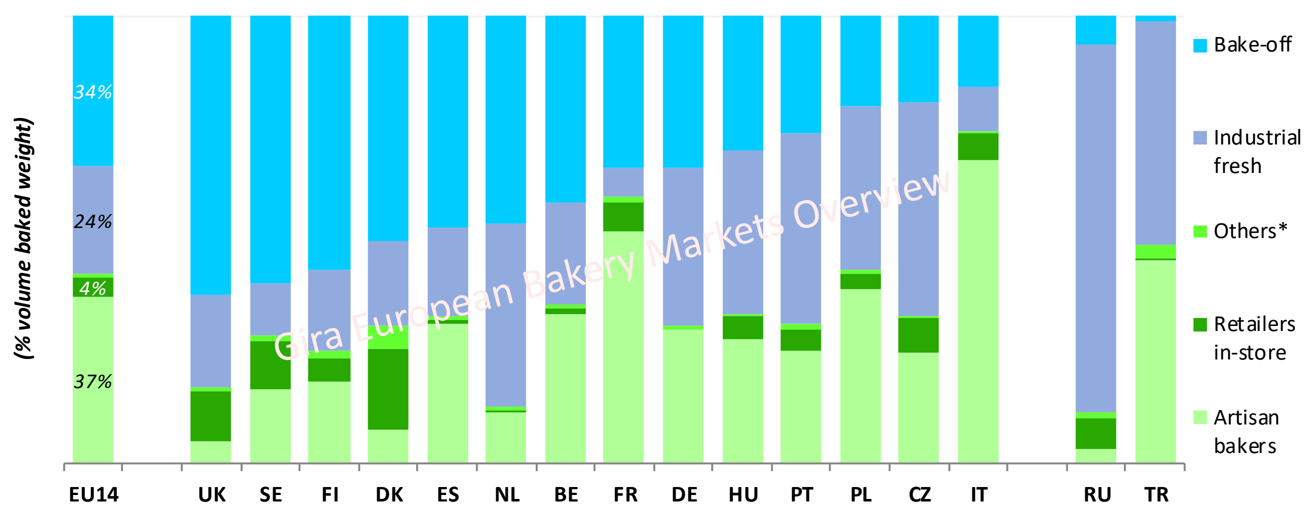
Source: Gira compilation

*: other retail, bakery chains & foodservice sectors



Source: Gira compilation

Fresh bakery product supply structure, EU14 and by country, 2018

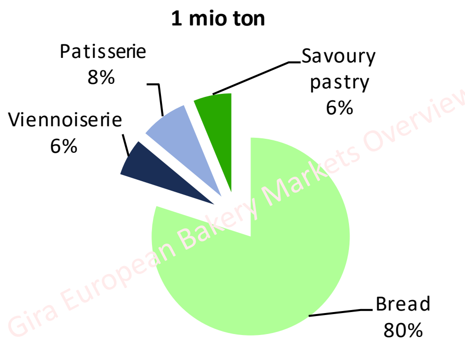


Source: Gira compilation

*: other retail, bakery chains and foodservice

Total and fresh bakery product consumption

Total bakery product consumption, Netherlands – By product, 2018



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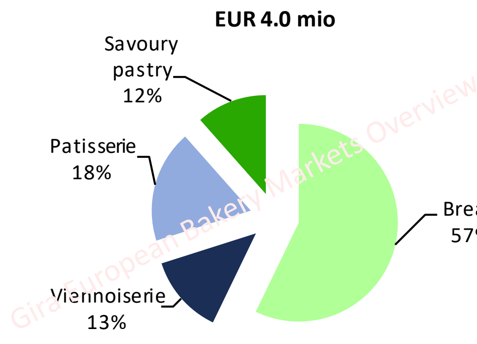
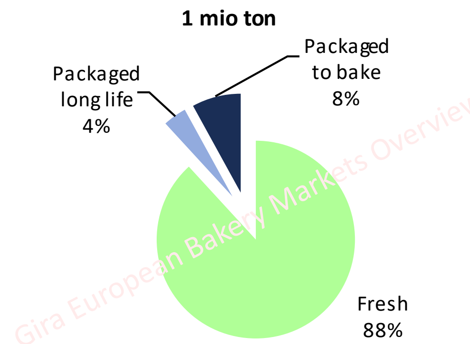


Source: Gira compilation

Total bakery product consumption, Netherlands – By technology, 2018



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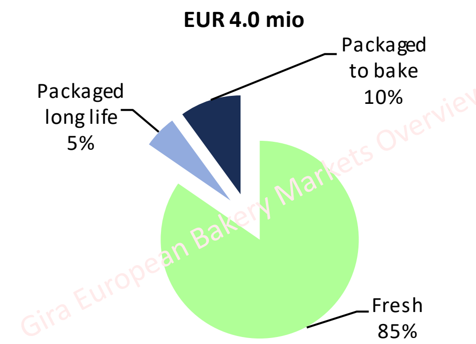


Source: Gira compilation

Consumption figures:

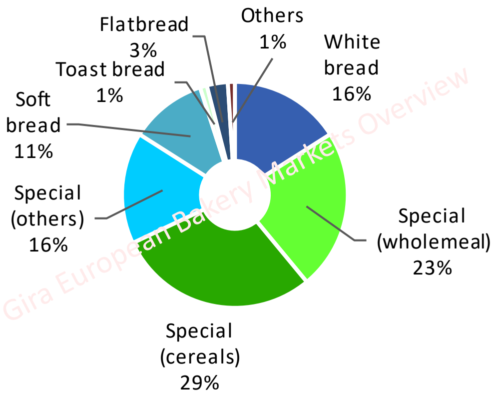
- **Total consumption of Dutch bakery products was 1 million ton in 2018 with a value of EUR 4.0 bn** (consumer price).
- This represents a consumption per capita of 56.5 kg/inhabitant/year.

Main fresh bakery product consumption trends:

- **Bread** volumes fell between 2013-17 but stabilised in 2018.
  - Value increased over the same period, indicating a shift to higher-value bread products.
- **Viennoiserie** volumes have increased in line with population.
  - Croissants represent by far the largest volumes in this segment.
  - Traditional Dutch viennoiserie products are the appelflap (apple turnover) and koffiebroodje (coffee roll).
- **Patisserie** volumes are increasing but growth has slowed down since 2013.
  - The main categories are fruit tarts (taart) and flans (vlaai), followed by cakes, then small patisserie items (klein gebak), including tompouce, éclairs, brownies, etc.
- **Savoury pastry** volumes are showing a rapid increase in consumption.
  - The bulk of the fresh market is made up of puff pastry filled with meat (e.g. sausage - saucijzenbroodjes), cheese (kaasbroodjes), cheese and ham or vegetables.

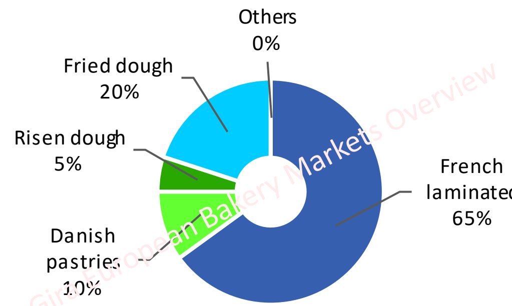
Fresh bakery product segmentation

Fresh bread segmentation by recipe, Netherlands, 2018 *(% volume)*



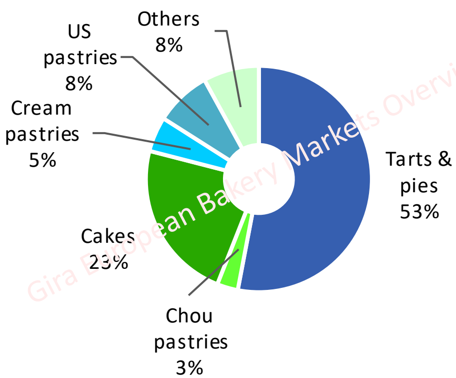
Source: Gira compilation

Fresh viennoiserie segmentation by recipe, Netherlands, 2018 *(% volume)*



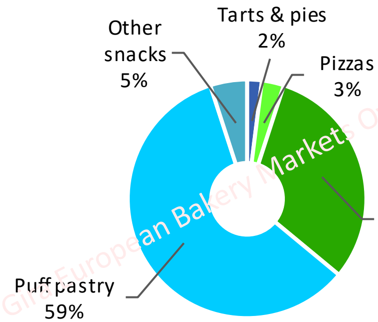
Source: Gira compilation

Fresh patisserie segmentation by recipe, Netherlands, 2018 *(% volume)*



Source: Gira compilation

Fresh savoury pastry segmentation by recipe, Netherlands, 2018 *(% volume)*



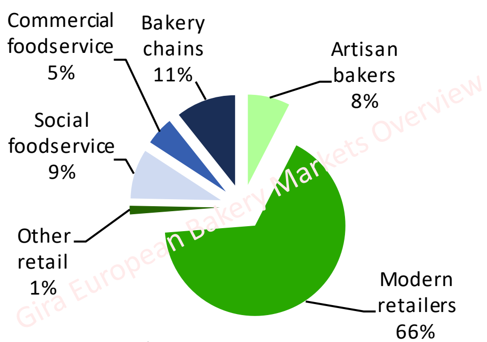
Source: Gira compilation

Fresh bakery product distribution channels

Main trends by channel:

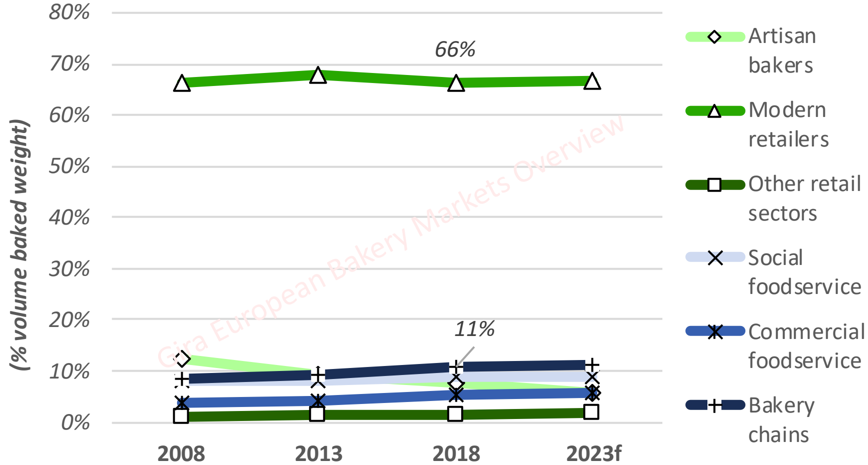
- **Modern retail** is consistently the biggest distributor of fresh bakery products with 66-68% of the market in recent years.
- At the other end of the spectrum, **artisan bakers**' market share for fresh bakery products has fallen from 12% in 2008 to 8% in 2018.
  - This channel is still a force in fresh patisserie and, to a lesser extent, fresh bread.
  - Viennoiserie and savoury pastry are losing importance.
- **Bakery chains** have benefited from the decline in artisan bakers and are seen as a compromise between tradition and modern life.
  - These outlets often provide filled sandwiches, drinks and seating areas, which most artisan bakers do not.
  - They are thus strong in bread, viennoiserie and savoury snacks, but less so in patisserie.
- **Foodservice** is growing steadily across all bakery segments.
  - Commercial foodservice is enjoying particular success in savoury snacks.
- **Other retail** remains small in volume but is well adapted to modern trends such as on-the-go eating and irregular purchasing patterns.

Fresh bakery distribution channels, Netherlands – By volume, 2018



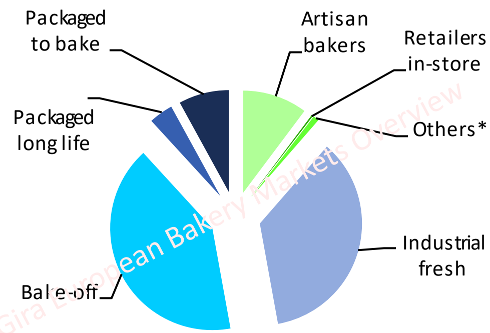
Source: Gira compilation

Trends in fresh bakery product distribution channels, NL, 2008-2018, 2023f



Source: Gira compilation

Total bakery supply structure, Netherlands – By volume, 2018

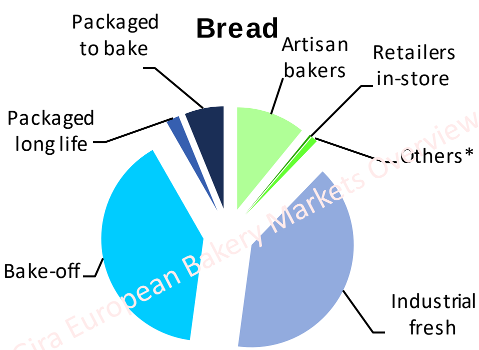


Source: Gira compilation

Total is consumption, baked weight

**: Other retail channels & foodservice*

Total bakery product supply structure, Netherlands – By volume, 2018



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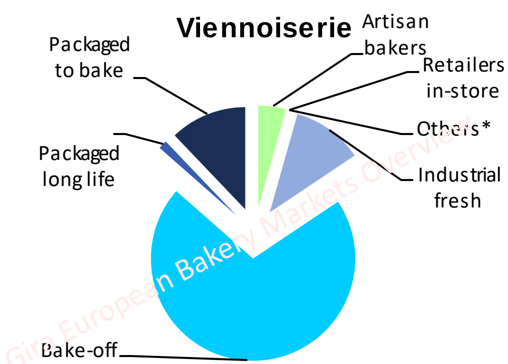

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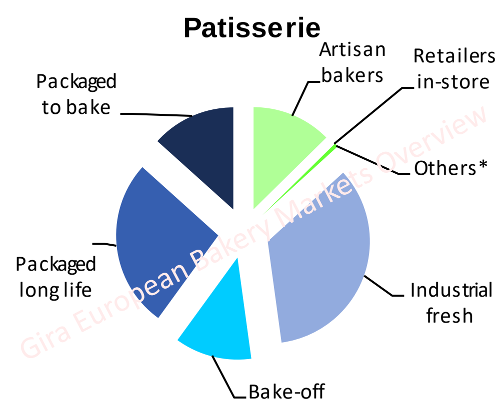

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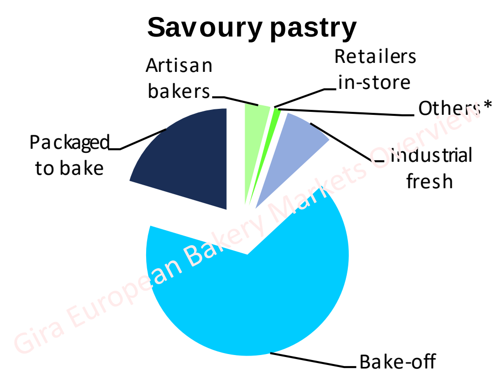
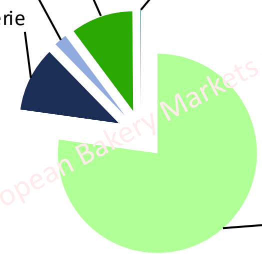


Source: Gira compilation

Bake-off market, Netherlands – By product, 2018 *(% volume raw weight)*

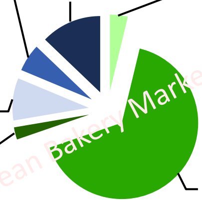


Source: Gira compilation

Bake-off market, Netherlands – By technology, 2018 *(% volume raw weight)*

Source: Gira compilation

Bake-off market, Netherlands – By outlet, 2018 *(% volume raw weight)*



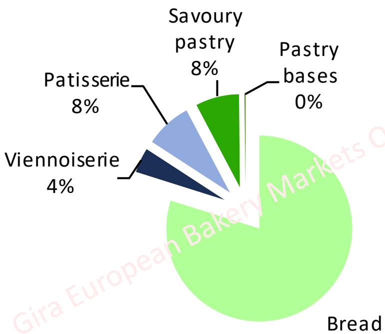
Source: Gira compilation

Top 5 bake-off bakery product producers, Netherlands, 2018/2019

Company	Group (Country)
Goedhart en Borgesius	Borgesius (NL)
Europastry + Grand Duet	Europastry (ES)
De Graaf	Wouter de Graaf (NL)
Smilde Bakery	Royal Smilde (NL)
Bake Five	Egeria (NL)

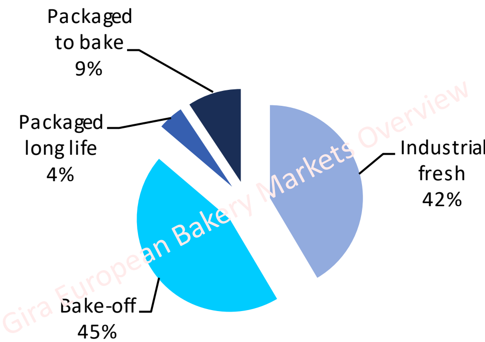
Source: Gira compilation

Breakdown of industrial production by product, Netherlands, 2018



Source: Gira compilation

Breakdown of industrial production by technology, Netherlands, 2018



Source: Gira compilation

% volume baked weight