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Report Highlights:

This report provides an overview of Italy's retail food market, outlines market trends, and identifies opportunities for product growth. Italy's retail food sales reached \$173.6 billion in 2023, rising nearly four percent over the previous year. Increased sales were most prominent in discount stores (up 5.8 percent) while supermarkets, convenience stores and small local grocers each rose around 3.5 percent.

Market Fact Sheet: Italy

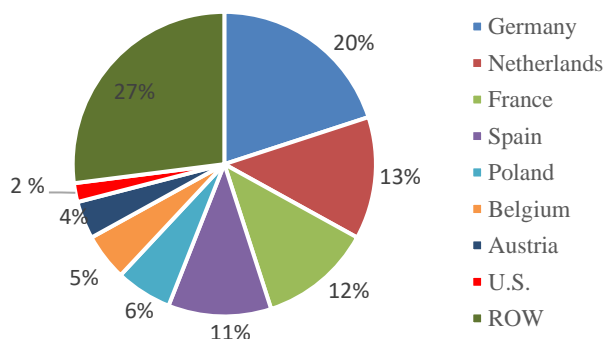
Executive Summary

Italy's economy is the ninth largest in the world and the third largest in the euro-zone, with a GDP estimated at \$2.2 trillion and a per capita GDP of \$38,221 in 2023. Being a net agricultural importer, most raw materials and ingredients are imported, as Italy's economic strength is in the processing and the manufacturing of goods. Italy exports mainly consumer-oriented products to the United States, while the United States exports mostly bulk commodities to Italy. In 2023, U.S. agricultural exports to Italy were \$1.5 billion, while U.S. imports from Italy were \$7.4 billion.

Imports of Consumer-Oriented Products

In 2023, Italy's imports of consumer-oriented products were \$35.7 billion, of which 85 percent originated from other EU-27 member states. Imports from the EU-27 were primarily dairy products, meat, and fruits and vegetables.

Imports of Consumer-Oriented Products, 2023



Food Processing Industry

The Italian food-processing industry continues to be highly fragmented, even with the consolidation of smaller companies. Progress in food technology, marketing innovations, "Made in Italy" products, and exports of finished food products are a mainstay contributing to Italy's increasing demand for food ingredients. Italian consumers have not diverged from their favor for baked goods, processed meat, seafood, and dairy products.

Food Retail Industry

The Italian food retail industry continues to be highly diversified. Hypermarkets, supermarkets, convenience stores, major discount stores, and specialized stores coexist with traditional corner grocery stores and open-air markets. Italy's food retail sales reached \$173.6 billion in 2023, a 3.8 percent increase compared to the previous year.

Food Service Industry

In 2023, Italy's consumer food service value sales registered an increase of 8.8 percent compared to 2022, strengthened by tourism which has reached pre-pandemic levels.

Quick Facts CY 2023

Imports of Consumer-Oriented Products: \$35.7 billion

List of Top 10 Growth Products in Italy

- 1) Dairy Products
- 2) Processed Meat and Seafood
- 3) Processed Vegetables
- 4) Baked Goods
- 5) Pasta and Rice
- 6) Chocolate Confectionary
- 7) Tree Nuts
- 8) Sauces, Dressings, and Condiments
- 9) Savory Snacks
- 10) Ready Meals

Food Industry by Channels (\$ billion)

Retail Food Industry	\$173.6
Food Service-HRI	\$88.6
Food Processing	\$154.1
Food and Agriculture Exports	\$69.5

Top 10 Italian Retailers

- 1) Conad
- 2) Esselunga SpA
- 3) Coop Italia
- 4) Selex Gruppo Commerciale SpA
- 5) Crai Secom SpA
- 6) Gruppo VEGÉ
- 7) Consorzio C3
- 8) DIT
- 9) Carrefour SA
- 10) Despar Italia

GDP/Population

Population: 59 million
 GDP: 2.2 trillion (2023 data)
 GDP per capita: \$38,221 (2023 data)

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
Italy's food consumption levels are among the highest in the world.	Competition from EU countries that export to Italy tariff-free.
Opportunities	Threats
Italy is dependent on raw imports for its processed food industry. Italian food products have a reputation for being of high quality.	Non-tariff barriers, including traceability requirements, can hinder U.S. exports.

Data and Information Sources:

Trade Data Monitor (TDM), LLC;
 Euromonitor; industry contacts

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Section 1. Market Summary

The Italian retail food market is modern and diverse. Hypermarkets, supermarkets, convenience, discount, and specialty stores co-exist with traditional corner shops and open-air markets. Supermarkets are most concentrated in northern Italy, followed by the south, and then the country's central region. Convenience stores and small supermarkets are commonly located in densely populated city and town centers while hypermarkets and supermarkets are found in large shopping complexes in suburban areas or outskirts of cities.

Italy's retail food sales reached \$173.6 billion in 2023, a 3.8 percent increase from 2022. Increased sales were registered at discount stores (+5.8 percent), supermarkets (+3.6 percent), convenience stores (+3.5 percent), small local grocers (+3.4 percent), and hypermarkets (+2 percent). Supermarkets have the highest penetration for retail food sales in Italy which continued to grow in 2023 with easing inflation and despite relatively high prices. While e-commerce is growing, in-store shopping at supermarkets remains the top method of retail food purchasing for Italian consumers, especially for consumers over age 50.

Grocery retailers tailor product offerings to meet Italy's evolving consumer preferences, expanding the range of locally grown, but also ethnic, vegan and vegetarian alternatives, "free from" products (e.g. gluten, lactose, or sugar free), and "super foods." A key factor in Italy's retail sector future will be the decline of small local grocers operating in the market. This gap in the market will likely be filled by the expansion of supermarket chains and online shopping. Furthermore, given Italy's rapidly ageing population it is expected proximity and convenience will be an increasingly important factor for where and how people choose to shop, with the elderly in particular preferring to stay closer to home (Euromonitor, 2024).

Key market drivers and consumption trends

- Ageing population and increased consumer health consciousness fuels Italy's demand for health and wellness products, as well as functional foods.
- Demographic evolution is driving change in consumer buying habits, as single and two person households are growing, while households of four or more declining.
- Locally grown, but also ethnic, vegan, vegetarian, and flexitarian alternatives, and "free from" products (e.g. gluten, lactose, or sugar free) attract Italian consumers.
- Consumers increasingly require traceability and information about production methods.

Advantages	Challenges
Italians are becoming more aware of foreign cuisines.	Competition in the Italian food market is fierce, and many consumers prefer traditional Italian products.
Italy is a member of the Euro zone, which eases market entry.	The Italian retail sector is fragmented, and mandatory customs duties, sanitary inspections, and labeling requirements can be onerous.
Interest in new and innovative products, especially with a health benefit.	Competition from similar food products from EU countries that enter tariff-free.

American food and food products remain quite popular in Italy.	Complying with European and Italian regulations.
There are many specialty importers interested in buying from the United States.	Italy has well-established brands for mainstream products, and private label products remain popular.

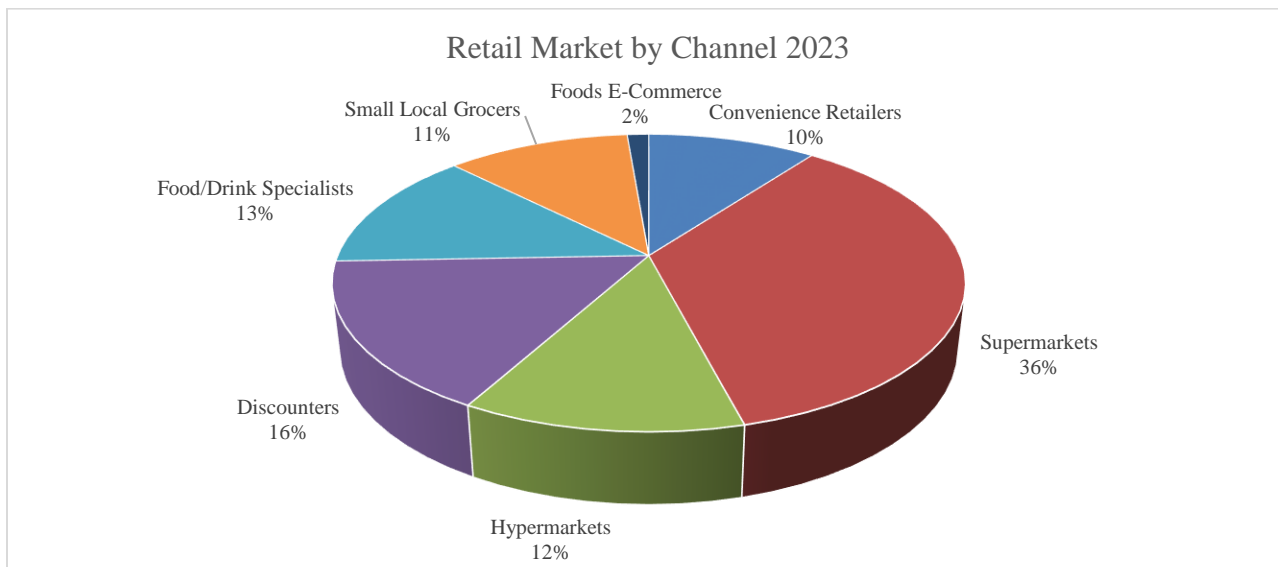


Chart 2: Retail Market by Channel 2023

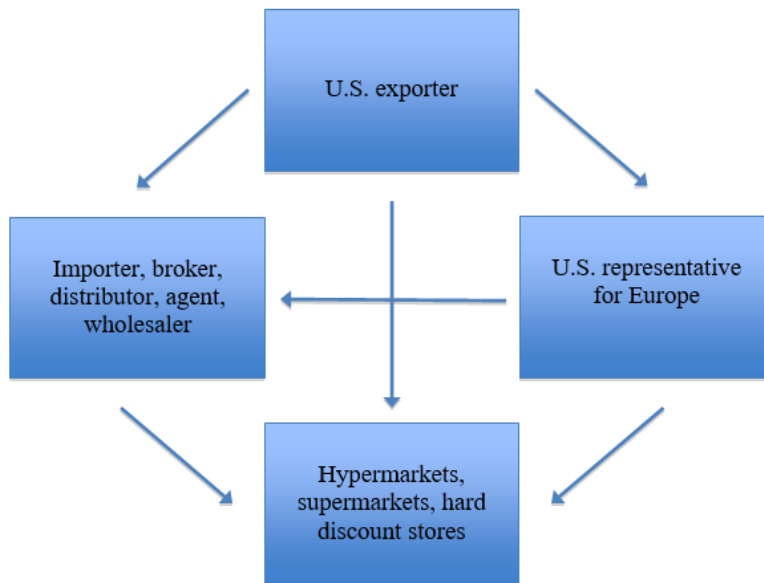
Section 2. Road Map for Market Entry

o Entry Strategy

- Survey existing and potential opportunities by reviewing [FAS GAIN](#) reports and consider engaging a market research firm to assist in analyzing market opportunities and challenges.
- Identify a key importer, broker, distributor, agent, or wholesaler, as they know how to best navigate the import and distribution process and can engage directly with Italian food retailers.
- Price is important, although quality and novelty do help move some imported products.
- Be prepared to start small by shipping a few pallets or cases of a product and recognize it could take several months or years before an importer is ready to order full containers. Italians place high importance on building trust before expanding a business relationship.
- Be willing to meet special EU labeling requirements and consider working through a consolidator or participate in mixed container shipments.
- Participation in some of the larger European international food trade shows (ANUGA, SIAL, and TUTTOFOOD) offers a good opportunity to get a sense of the Italian market and provides the opportunity to meet potential Italian importers or distributors.

○ **Market Structure**

Most imported food products enter the Italian market through brokers or specialized traders. Italian importers are usually small to medium-sized companies, rather than those larger varieties found in northern Europe. Consequently, these companies import on a smaller scale, but often have a broader range of products than their larger counterparts. Imported products from North America often enter Italy indirectly from the Netherlands' Port of Rotterdam or directly via air.



○ **Leading Food Retailers**

- [Conad](#)
- [Esselunga SpA](#)
- [Coop Italia](#)
- [Selex Gruppo Commerciale SpA](#)
- [Crai Secom SpA](#)
- [Gruppo VèGè](#)
- [Consorzio C3](#)
- [D.IT Distribuzione Italiana Soc. Coop.](#)
- [Carrefour Italia](#)
- [Spar International](#)

○ **Import procedures**

To the extent that EU food laws have been harmonized, Italy's food laws and regulations follow EU rules. Similarly, Italy employs the same tariffs and border measures as the other EU member

states. Products imported into Italy must meet all Italian and EU food safety and quality standards, as well as labeling and packaging regulations.

For more information, see the latest *Italy Food and Agricultural Import Regulations and Standards (FAIRS)* and *Italy FAIRS Certificate* reports at: <https://gain.fas.usda.gov/#/>. You may also want to review the FAIRS reports produced by the U.S. Mission to the EU in Brussels, Belgium that are available at: <https://usda-eu.org/reports/fairs-report/>.

Section 3. Competition

Nearly 70 percent of Italy’s agricultural imports (by value) are sourced from EU-27 countries due to proximity and price competitiveness.

Italy’s leading suppliers of consumer-oriented products

Partner Country	January - December (Value: USD)			Market Share (%)			%Δ 2023/22
	2021	2022	2023	2021	2022	2023	
World	28,806,947,942	30,688,077,393	35,669,012,883	100	100	100	16.23
Germany	5,461,054,314	5,668,535,407	7,011,833,642	18.96	18.47	19.66	23.7
Netherlands	3,490,385,701	3,821,964,178	4,694,365,736	12.12	12.45	13.16	22.83
France	3,621,640,444	3,747,783,347	4,395,592,357	12.57	12.21	12.32	17.29
Spain	3,103,916,785	3,335,711,486	4,123,540,315	10.78	10.87	11.56	23.62
Poland	1,604,578,965	1,814,726,195	2,098,502,577	5.57	5.91	5.88	15.64
Belgium	1,334,309,867	1,581,167,498	1,827,369,508	4.63	5.15	5.12	15.57
Austria	1,099,088,757	1,185,870,481	1,339,295,119	3.82	3.86	3.76	12.94
United States	626,827,942	659,829,805	730,026,040	2.18	2.15	2.05	10.64
Greece	528,701,610	561,086,675	703,727,349	1.92	2	1.85	8.03
Denmark	552,863,241	612,233,953	661,369,928	1.84	1.83	1.97	25.42

Source: TDM, LLC

Competitive situation for selected consumer-oriented products

Commodity	Italy’s imports from the world 2023	Italy’s imports from the United States 2023	Key constraints over market development	Market attractiveness for the United States
Pork meat and products	\$3.5 billion	\$0	Competition from other EU countries, mainly Germany, Spain, the Netherlands, and Denmark.	Growing consumer demand.
Processed vegetables	\$2.2 billion	\$26.2 million	Competition from other EU countries, mainly the	Growing consumer demand.

			Netherlands, Spain, France, and Belgium.	
Bakery goods, cereals, and pasta	\$2.2 billion	\$11.5 million	Competition from other EU countries, mainly Germany, France, Austria, and Spain.	Growing consumer demand. Strong demand for pasta.
Tree nuts	\$1.5 billion	\$339.9 million	Competition from Turkey, Spain, and Chile.	Growing demand from manufacturers, confectionary, and snack industry.
Chocolate and cocoa products	\$1.4 billion	\$427,892	Competition from other EU countries, mainly Germany, France, the Netherlands, and Belgium.	Growing consumer demand.

Source: TDM, LLC

Section 4. Best Product Prospects

- **Top consumer-oriented products imported from the world**
 - Dairy products (especially cheese, and milk and cream)
 - Pork and pork products
 - Beef and beef products
- **Top consumer-oriented products imported from the United States**
 - Tree nuts
 - Distilled spirits
 - Beef and beef products
- **Products present in the market which have good sales potential**
 - Tree nuts
 - Distilled spirits
 - Food preparations
 - Sauces, dressings, and condiments
- **Products not present in significant quantities, but which have good sales potential**
 - Functional and health food
 - Free-from products (lactose-free, gluten-free, sugar-free)
 - Specialty foods
 - Beef, sold under the High-Quality Beef Quota
- **Products not present in the market because they face significant barriers**

- Poultry (sanitary procedures – chlorine wash)
- Processed food products containing genetically engineered (GE) ingredients

Section 5. Key Contacts and Further Information

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Agricultural Service, U.S. Embassy Rome

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<http://www.fas.usda.gov>

<https://it.usembassy.gov/embassy-consulates/rome/sections-offices/fas/>

FAS Italy publishes numerous market and commodity reports available through the Global Agricultural Information Network (GAIN) at: <https://gain.fas.usda.gov/#/>

For more information on Italian regulatory agency and Ministry contacts, please see the latest *Italy Food and Agricultural Import Regulations and Standards (FAIRS)* and *Italy FAIRS Certificate* reports at: <https://gain.fas.usda.gov/#/>.

Attachments:

No Attachments