

Grocery retail in Europe

Structure, diversity and economic environment

EU Agri-food Chain Observatory, 15 October 2025



**Independent
Retail Europe**



What we want to cover

1. Grocery retail: a diverse sector of key importance to a wider ecosystem – delivering for consumers

2. Retail shelves in practice: diversity, scale and assortment to serve consumers everywhere

3. Retail in agri-food supply chains: our costs, our margins and our role in agri-food ecosystems

01

Grocery retail:

a diverse sector of key
importance to a wider ecosystem

Retailers operate at the centre of wider supply chains – or rather supply ecosystems



Our value proposition: deliver an essential service to everyone's daily life

Retailers provide an essential service: making food and other daily products available and affordable, all the time, everywhere



Grocery retail: a major European employer

The food chain

(EU, 2022)



99%
Number of SMEs in
food retail

Note: value added at basic prices for agriculture. Value added at factor cost for the other parts of the food chain.
For agriculture: number of holdings and employment, 2020.

Source: Eurostat (online data codes: [ef_m_farmleg](#), [aact_eaa01](#) and [sbs_sc_act](#))

A sector with diverse business models

Traditional independent shops

- very small businesses with no support network

Groups of independent retailers (retailer cooperatives/associative models, symbol groups)

- Shops operated by independent (SME) entrepreneurs – wide freedom (store strategy, assortment, sourcing, organisation, local partnerships, etc.)
- Supported by a central organisation in which they have a (strong/decisive) say – similar to farmers cooperative but at retail level
- Examples: CONAD, EDEKA, ICA, Les Mousquetaires, Leclerc, REWE, SPAR, etc.

Integrated chains

- Single company operating a network of own stores directly or through subsidiaries
- Integrated chains could also be organised through franchising (independent companies – not subsidiaries – with a franchise agreement and bound by obligations with the franchisor)
- Examples: Carrefour, Ahold Delhaize, Lidl, Auchan, Mercadona, etc.

02

**Retail shelves in practice:
diversity, scale and assortment**

Different sizes and assortments for different stores

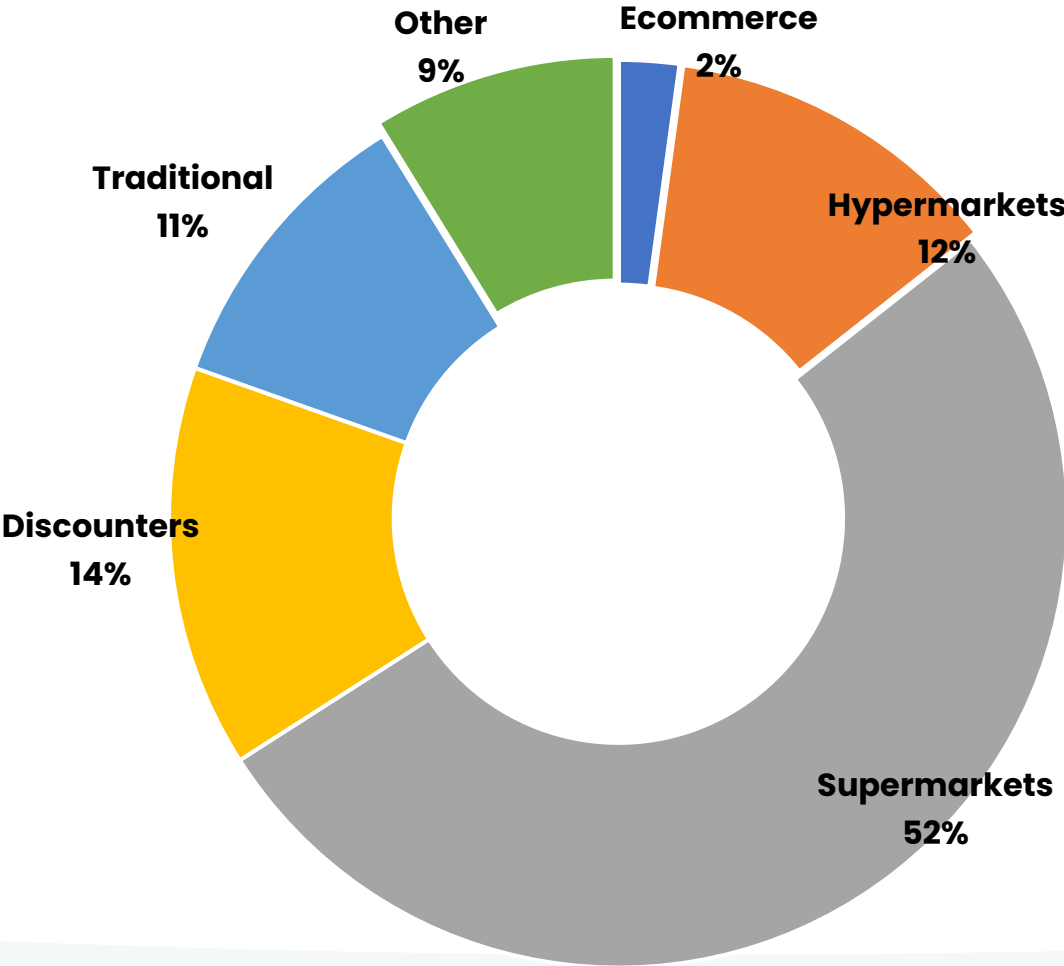
- **Grocery retail has large, diverse assortments – and this is also true for SMEs and smaller formats**

Format	Floor area (m2)	Number of products/SKUs	Composition (food /non-food)
Hypermarket	3,000 – 10,000	20,000 – 100,000	60 – 40%
Supermarket	1,000 – 3,000	5,000 – 15,000	80 – 20%
Small supermarket	400 – 1,500	1,500 – 4,000	
Discounter	400 – 1,500	1,500 – 4,000	
On The Go/Proxy/Traditional	50 – 30	1,500 – 4,000	

Source: members estimates

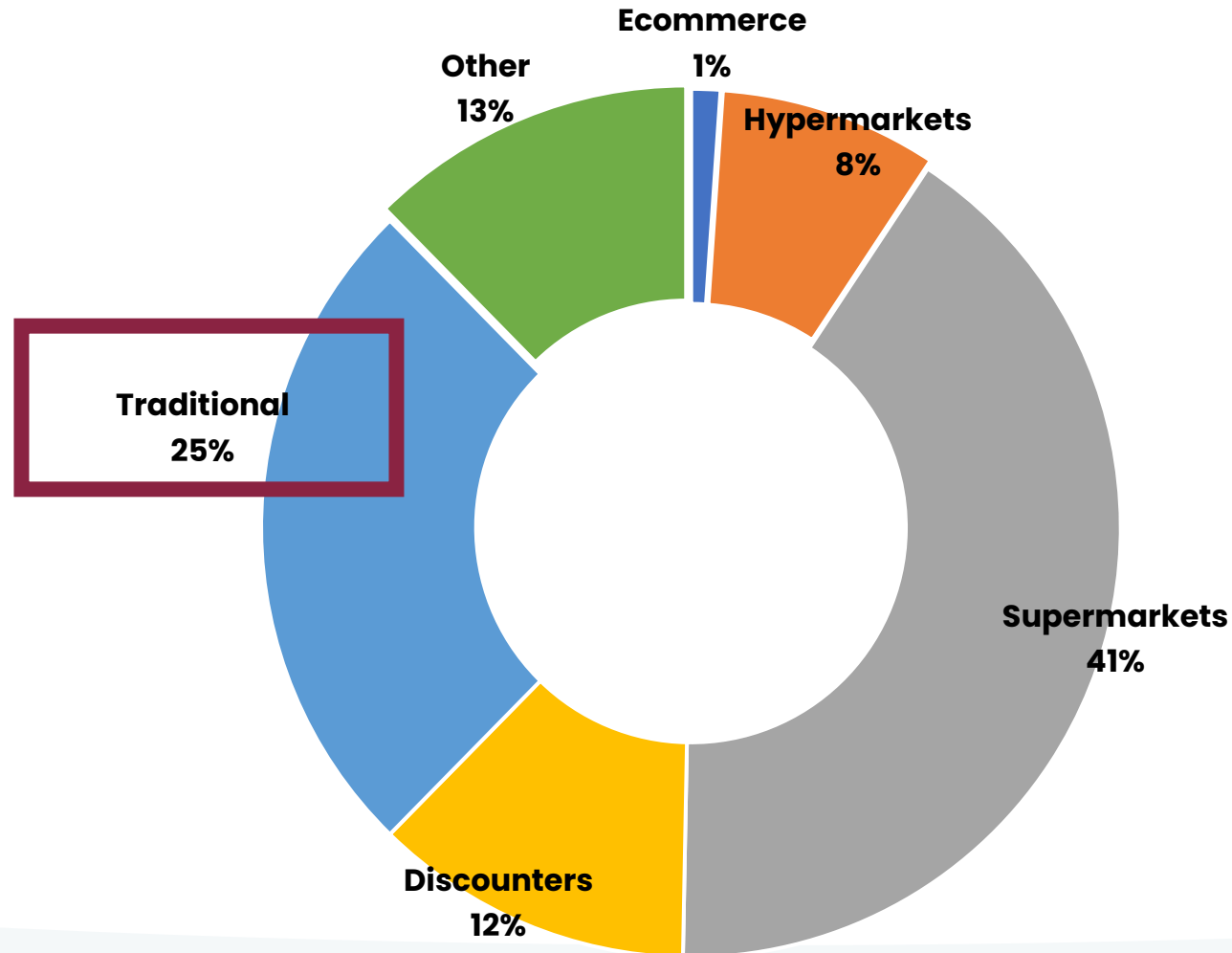
Consumers shops everywhere...

Where do Spanish consumers shop?



...also depending on the type of food

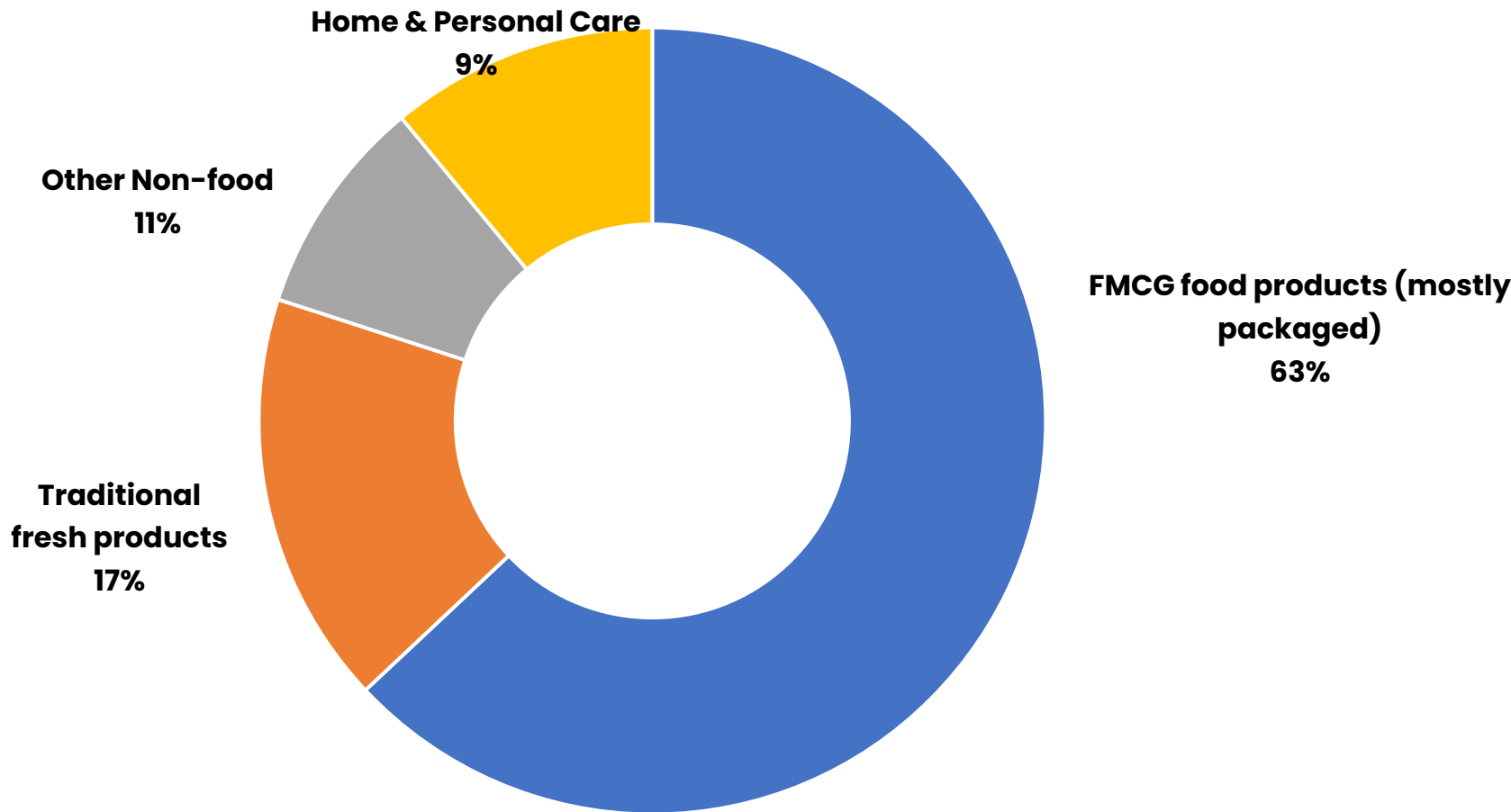
Where do Spanish consumers shop for fresh food?



For fresh food, traditional markets, butchers and fishmongers play an important role

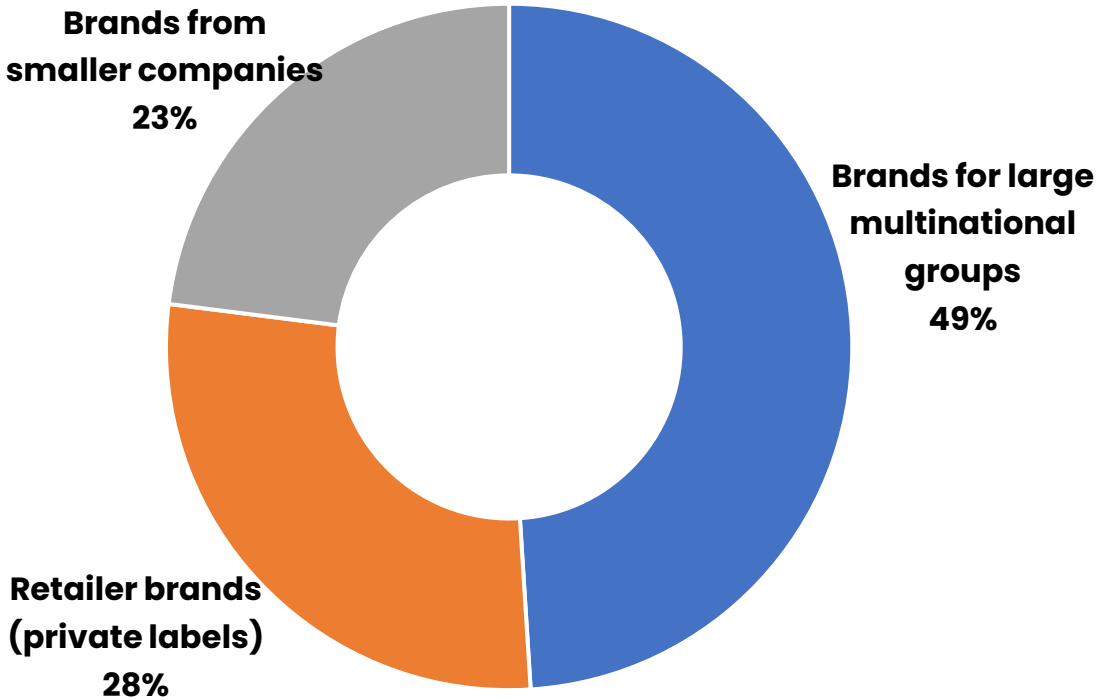
What kind of products do we sell?

Sales value in all French Grocery

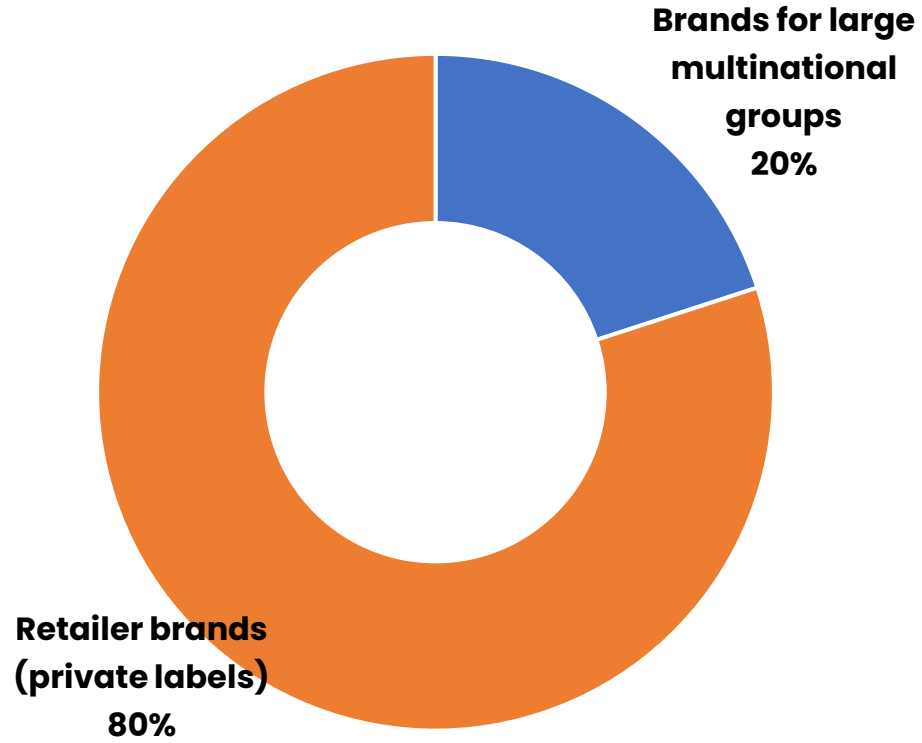


What kind of products do we sell?

Sales value in all French grocery

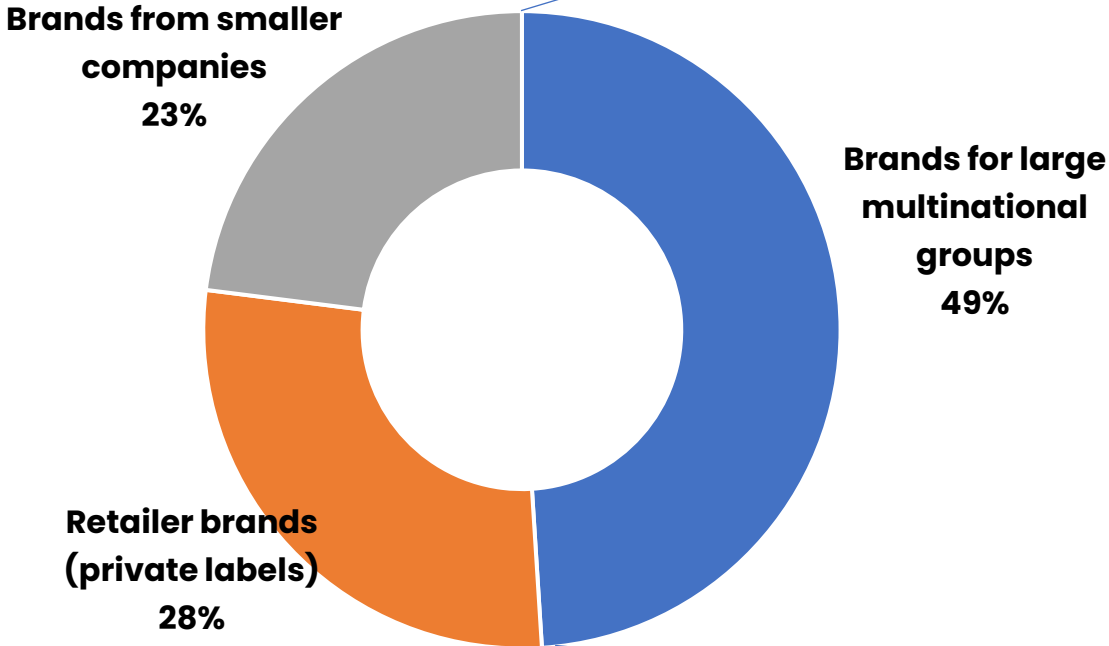


Sales value in EU discounters



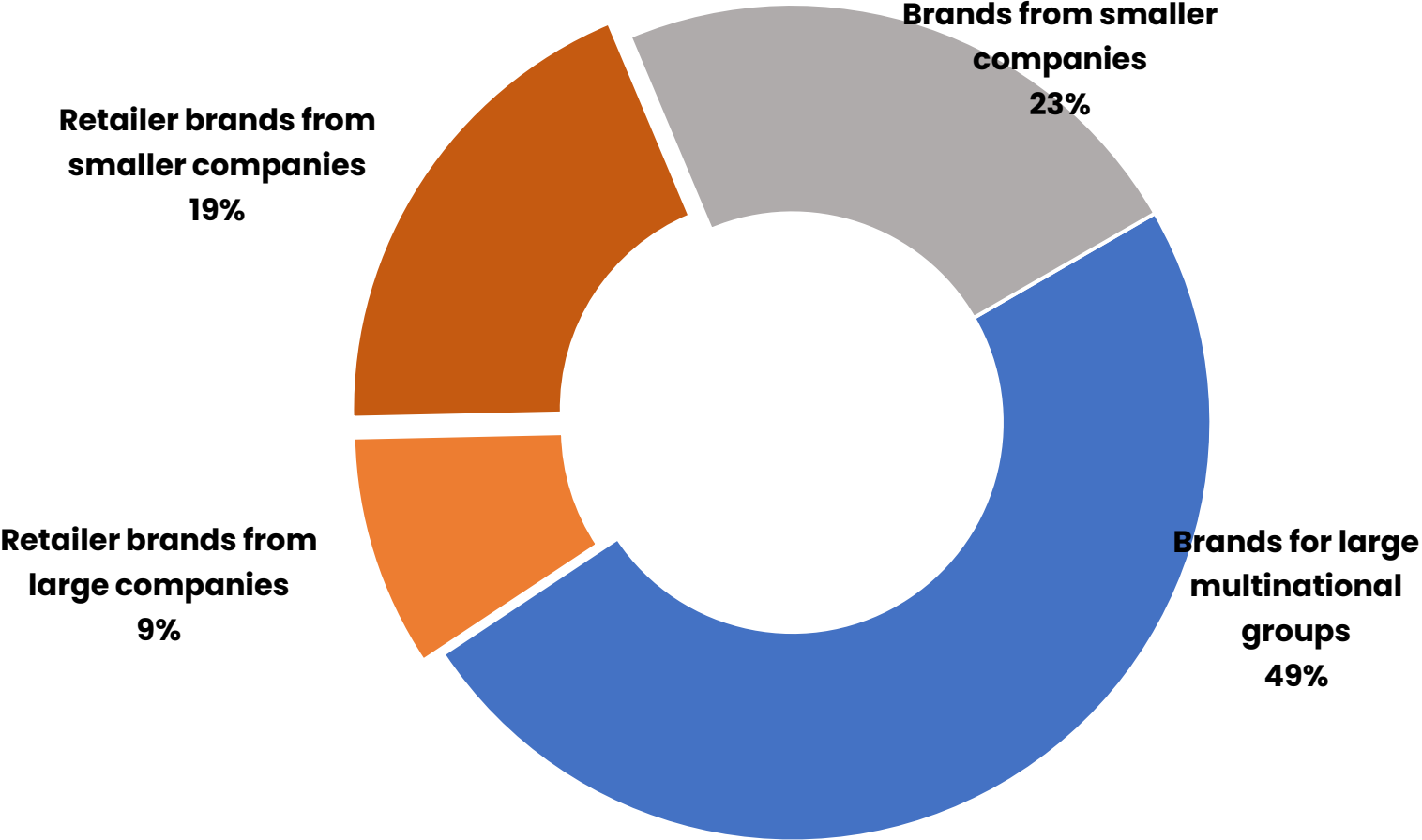
Major brands are a key part of the assortment

Sales value in French grocery



Retailers support smaller suppliers with a route to market

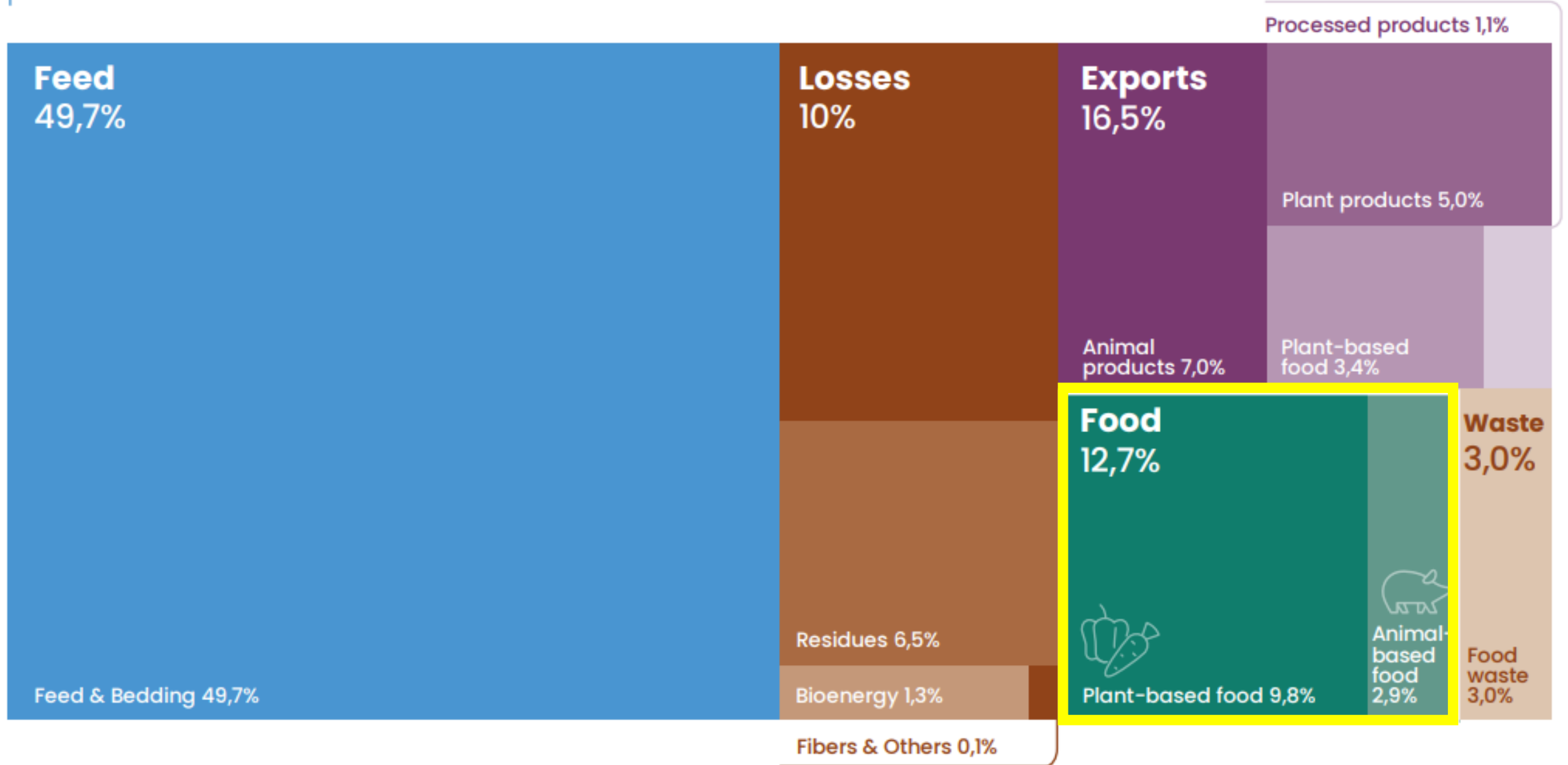
Sales value in French grocery



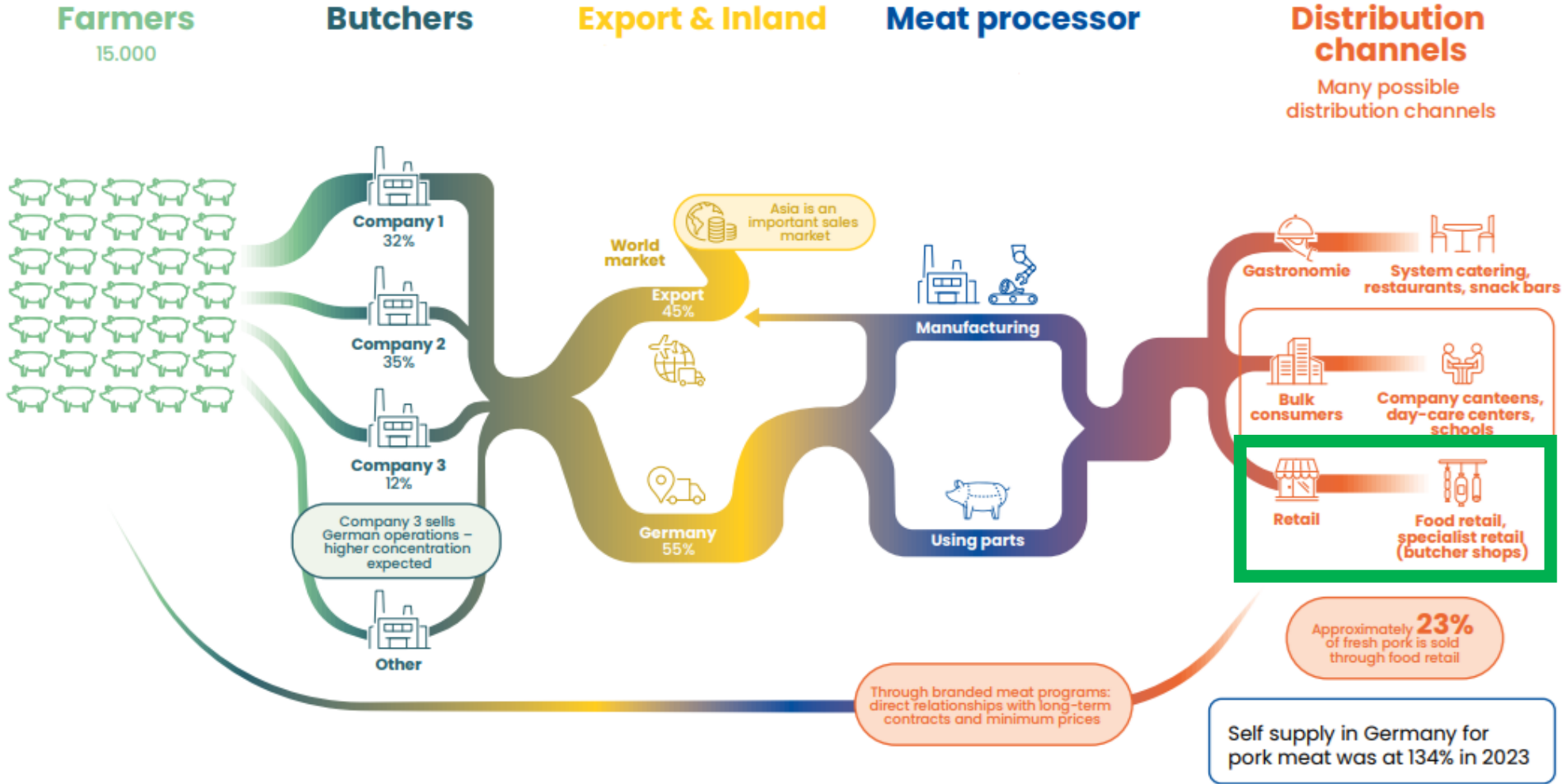
03

Retail in agri-food chains: our costs, our margins and our role in agri-food ecosystems

Only 13% of EU farm production ends up directly as food for the EU

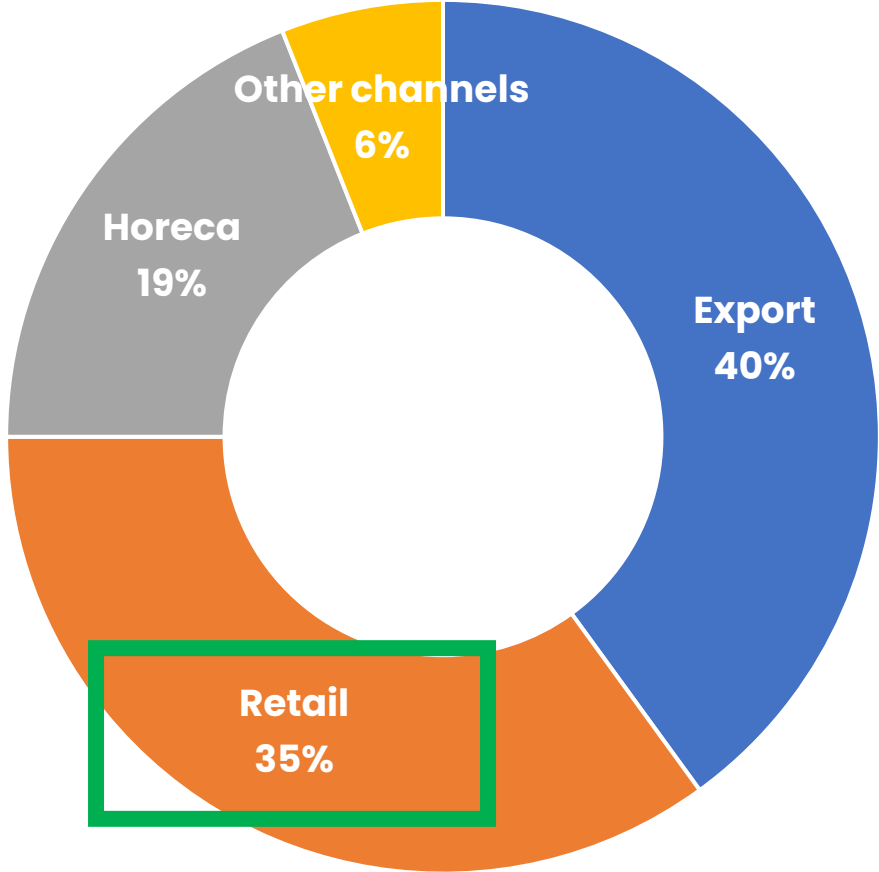


Supply chains are rather complex webs – retail is just one output



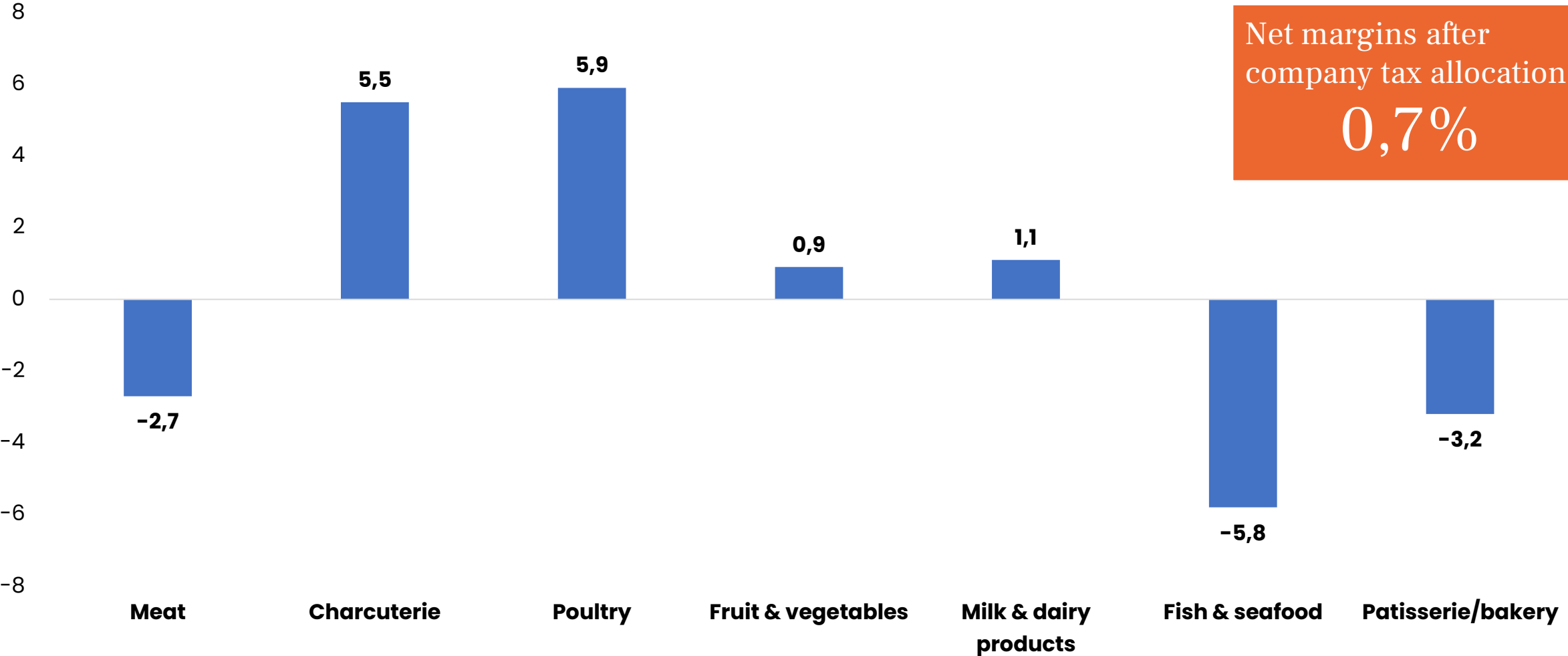
Fresh produce is sold through a diversity of channels

French milk production goes to...



Retail is a low-margin, high-turnover business

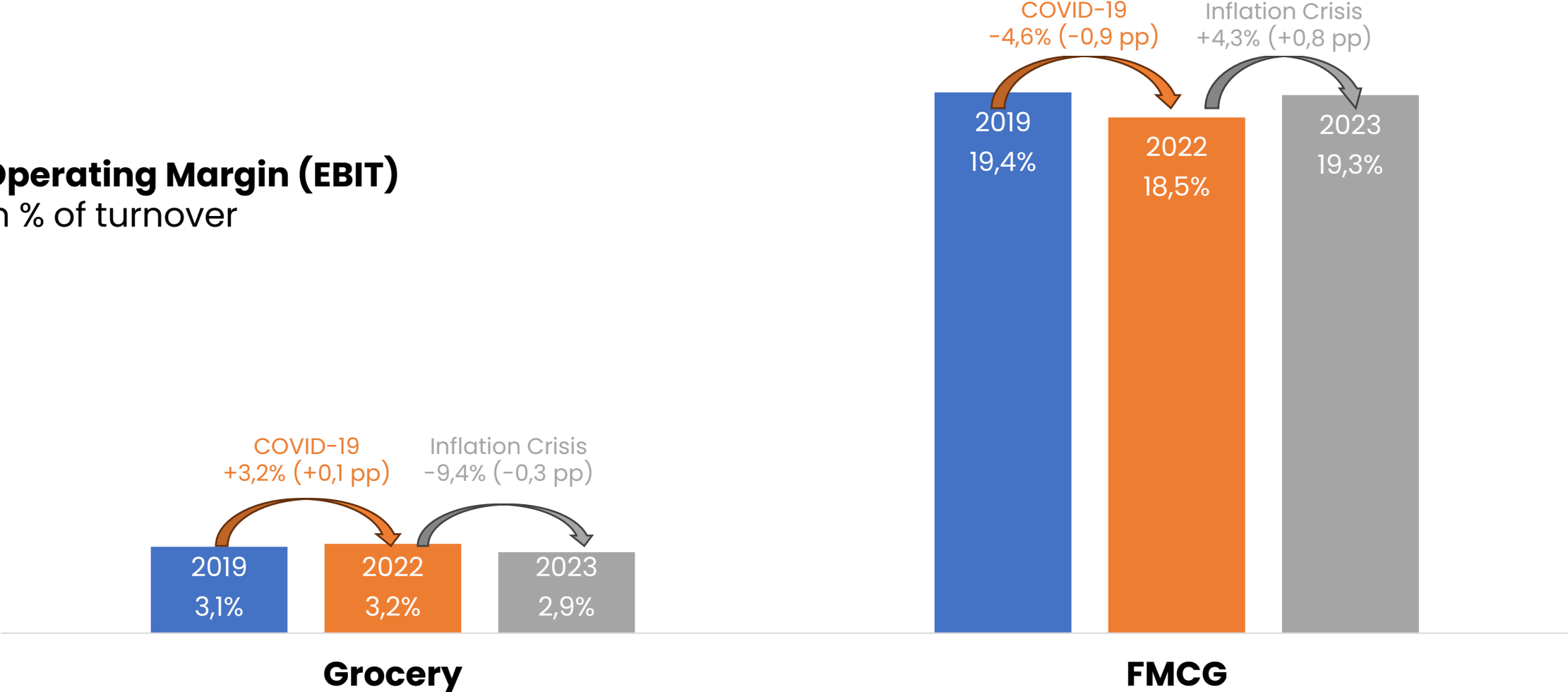
Net margins in % of food shelves – French retail



Net margins after company tax allocation
0,7%

Retail margins remain under significant pressure

Operating Margin (EBIT)
in % of turnover



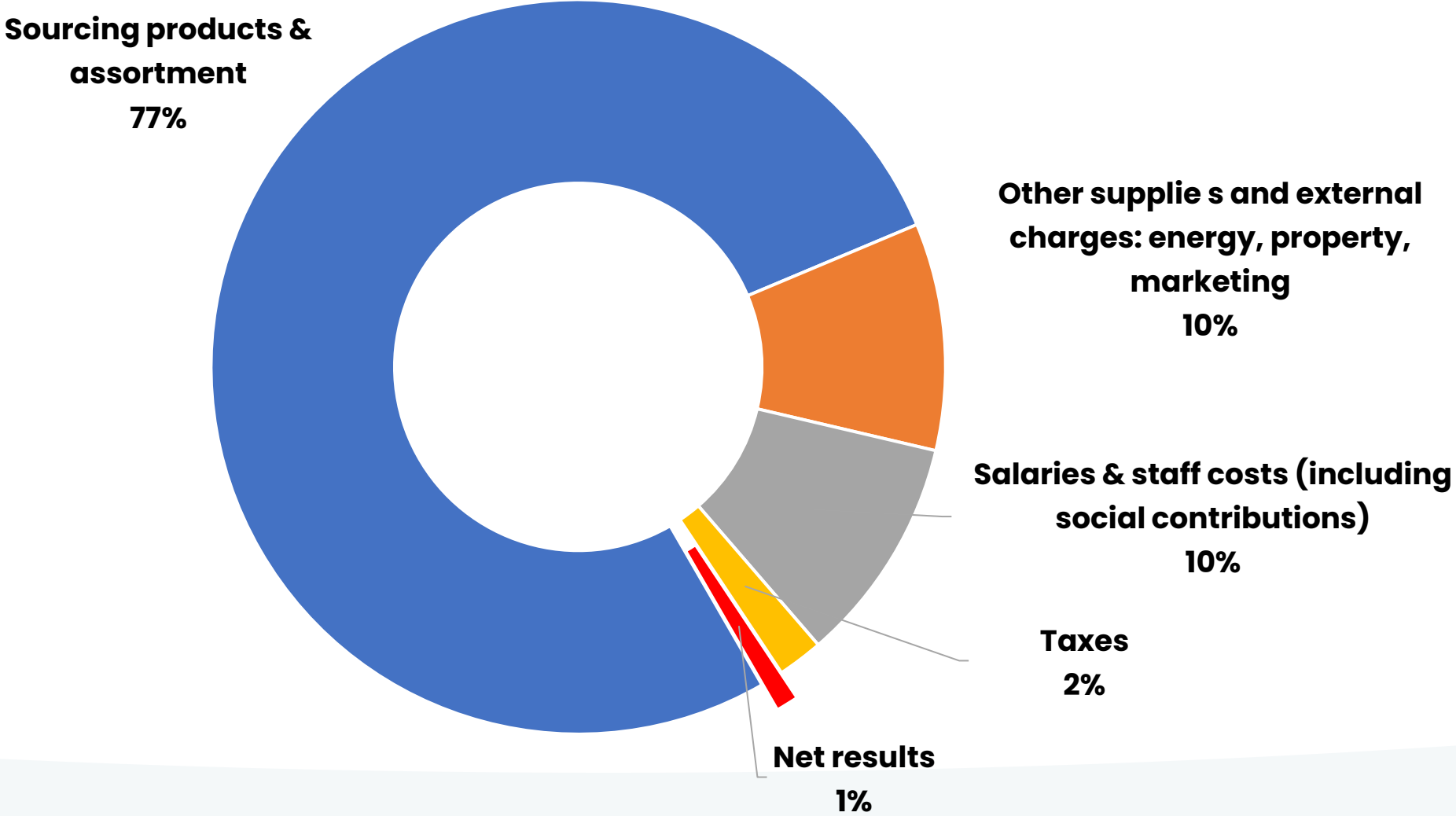
EBIT = Earnings Before Interests & Taxes

* Grocery retailers in sample: Ahold Delhaize, Carrefour, ICA, Axfood, ELO S.A (Auchan), Kesko, DIA, Jeronimo Martins, and Sonae Retail

** FMCG producers in sample: Nestlé S.A., P&G, PepsiCo Inc., the Coca-Cola Company, Kraft-Heinz, Mondelez, Kellogg

Our basic cost structure – to be explored with DG AGRI

Retail costs – France



Some conclusions

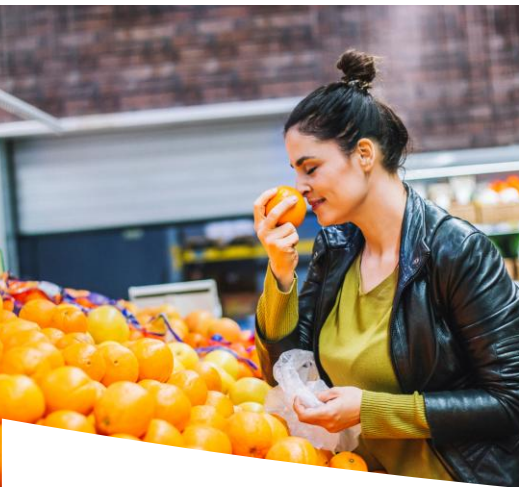
Retail has a key economic and societal importance across the EU

Great diversity of business models with diverse and large scale assortments (even for SME retailers)

Retail is more than selling fresh products – very high share of packaged products (food & non-food) sourced from large brands

Only a small share of EU farm and food production ends up in retail as fresh or processed product

Grocery retail is a very low-margin business with high fixed costs



Thank you!

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What kind of food do we sell?

Sales value in all Italian Grocery

