



Food Industry Monitor

Innovation and sustainability in the food industry

The contribution of family businesses

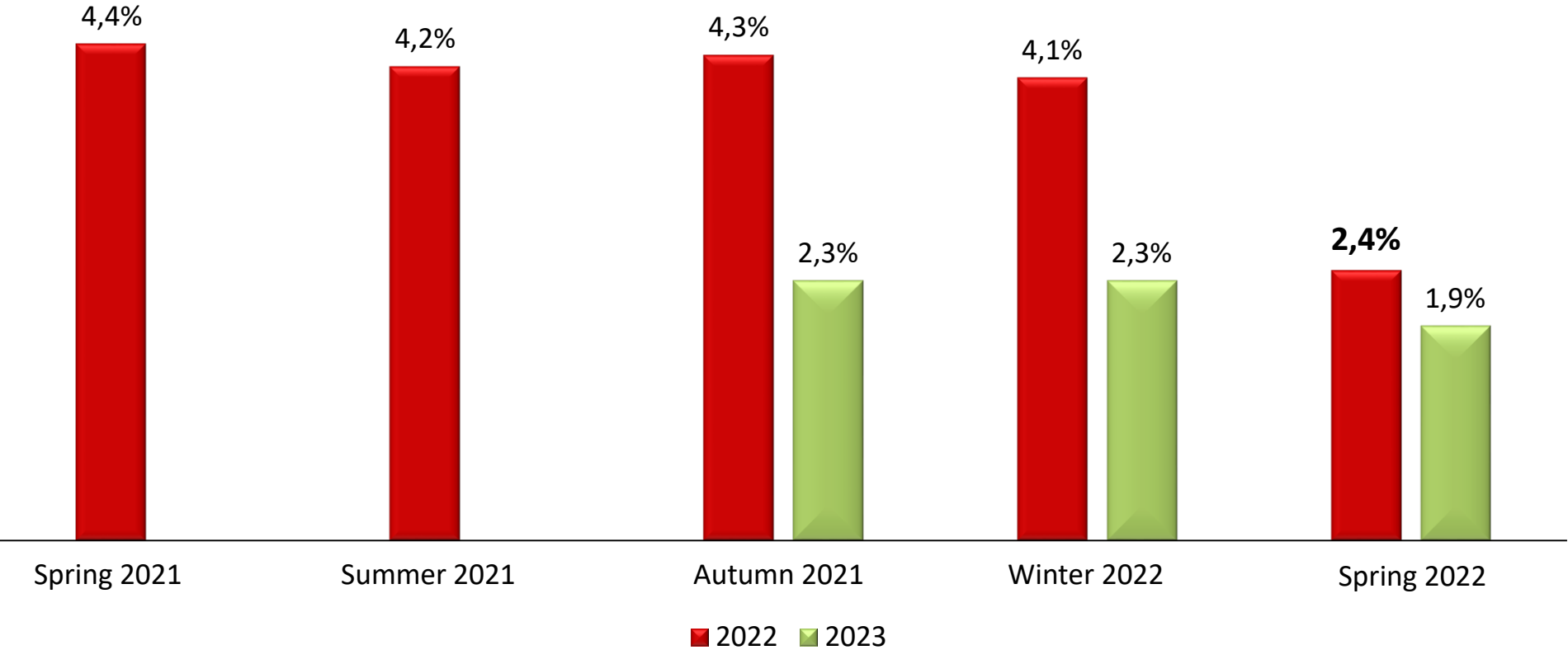
Prof. Carmine Garzia

June 23, 2022

1- Evolution of the economic scenario and growth prospects for food

EU Commission GDP forecasts

Italy GDP growth forecast

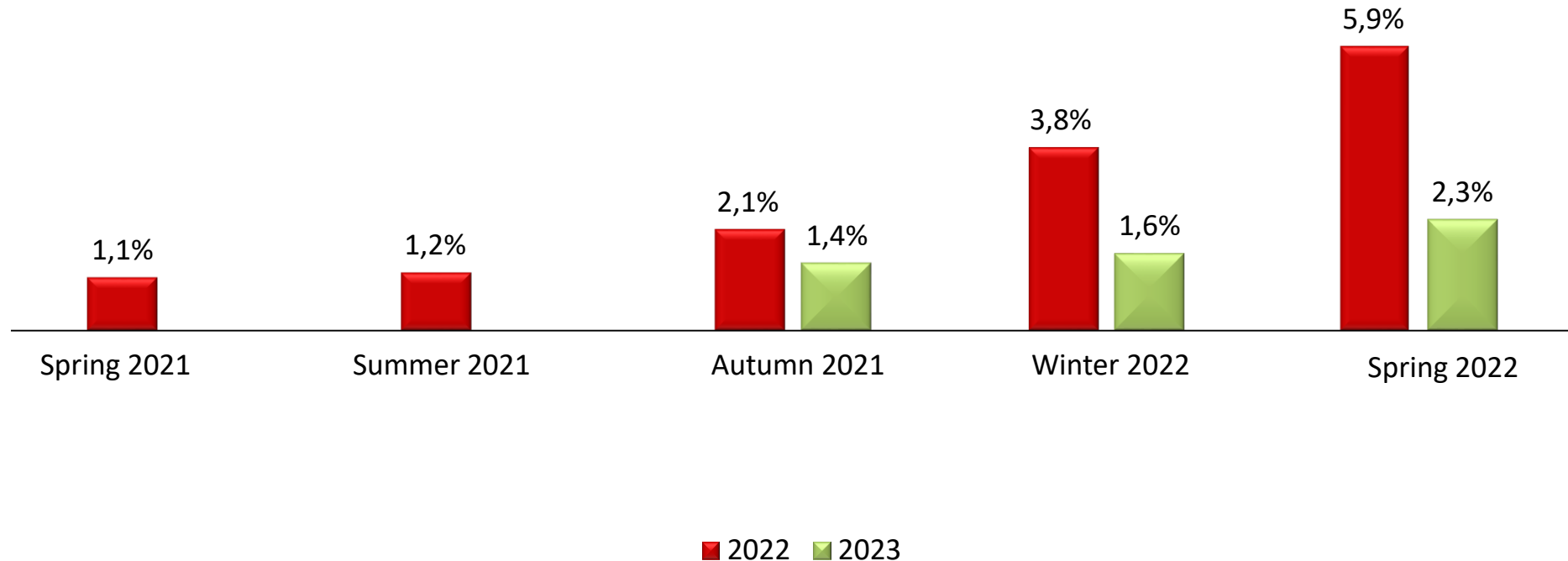


Source: EU Commission.
2022, 2023: forecast



EU Commission inflation forecast

Italy inflation forecast

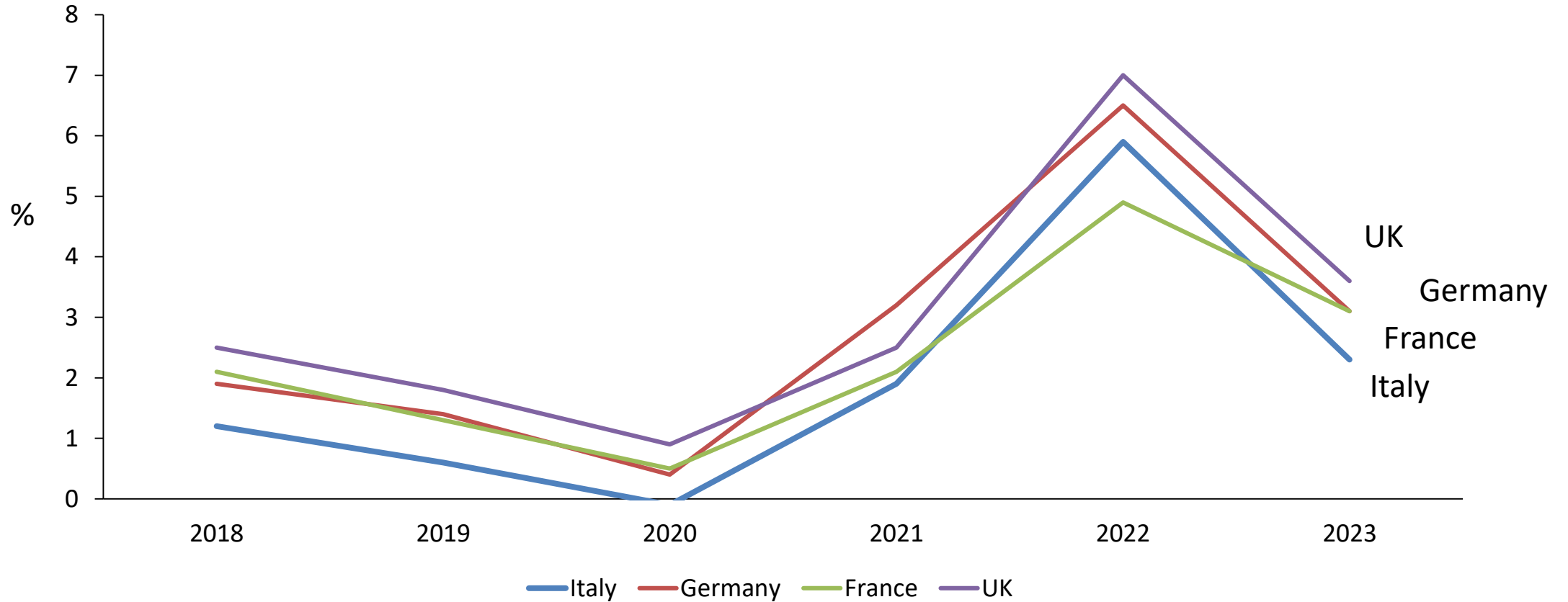


Source: EU Commission.
2022, 2023: forecast



EU Commission inflation forecast

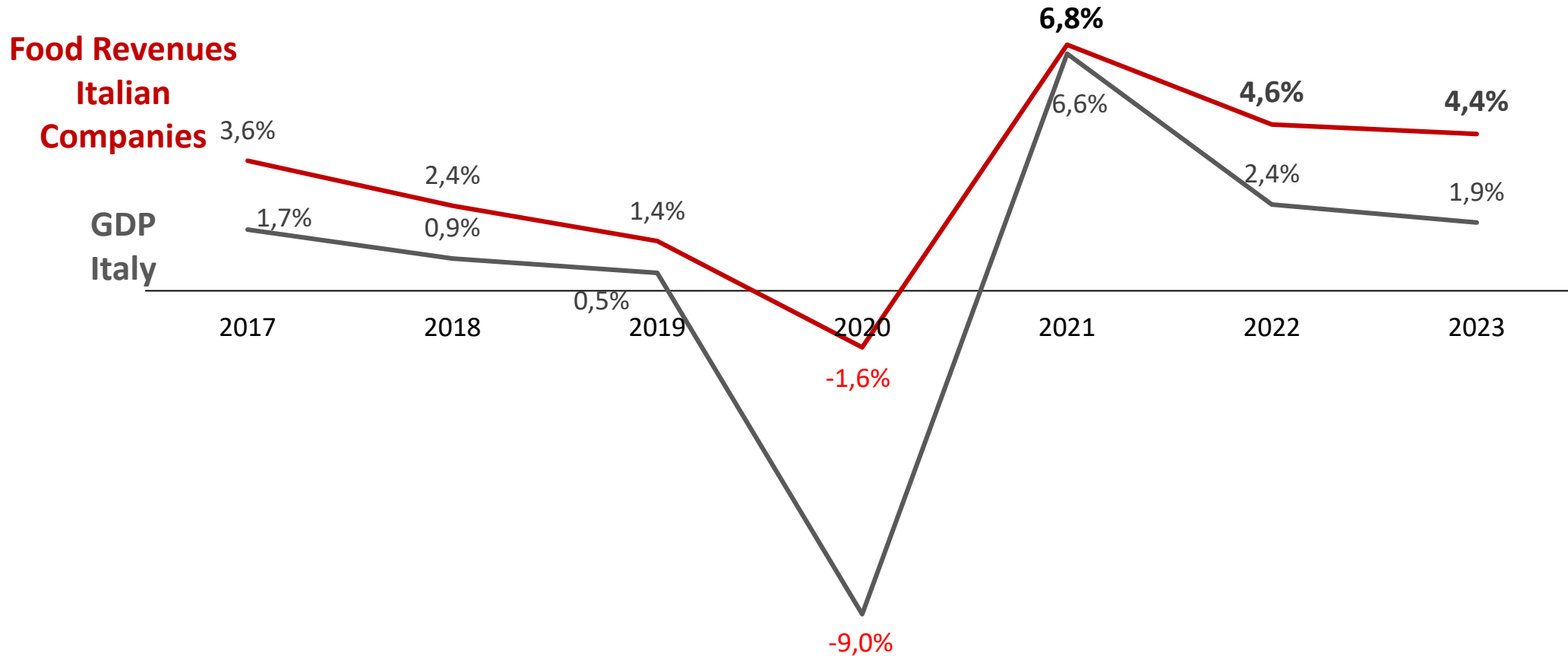
Inflation in major European countries (%)



Source: EU Commission.
2022, 2023: forecast



Performance analysis - Food growth vs. GDP Italy



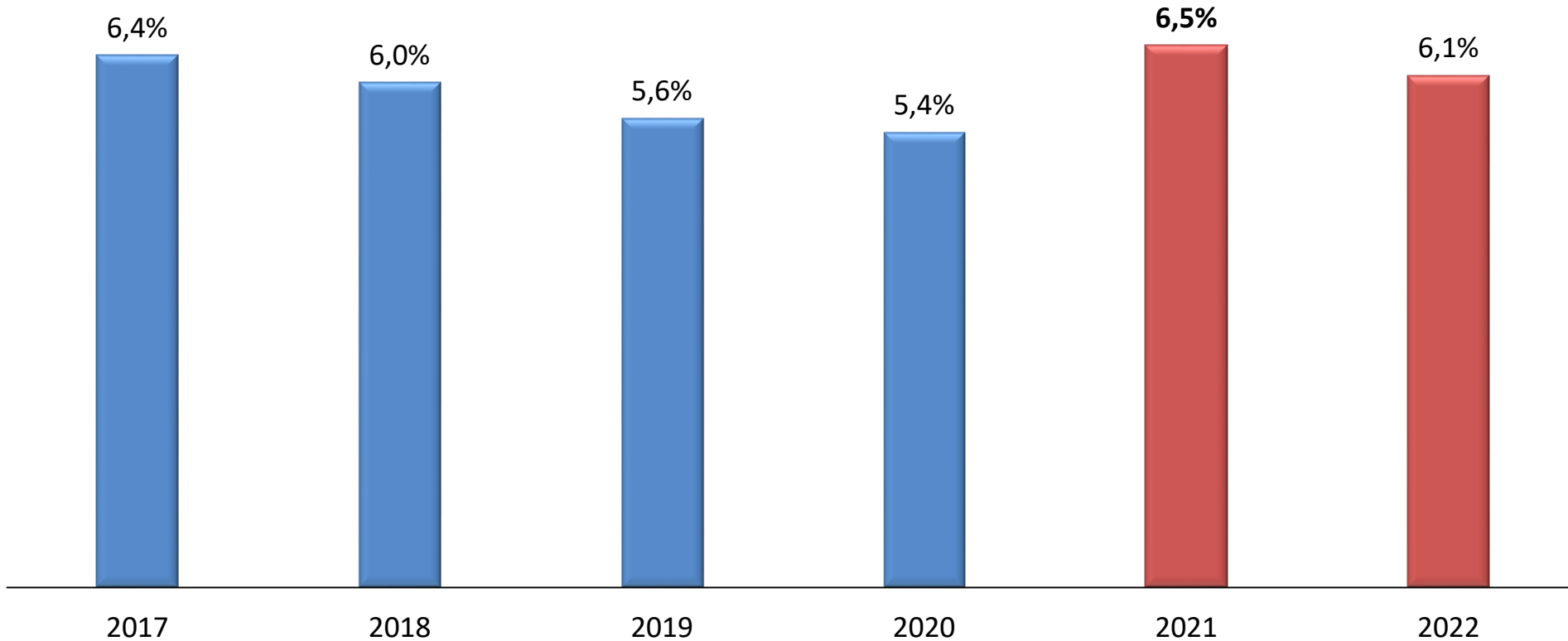
852 food companies, 15 divisions, 65 bn aggregate revenue

The forecasts presented in the paper are subject to quarterly revision. Forecasts for 2022 have a margin of error of +/- 10%, for those for the year 2032 the margin of error is +/- 30%.



Performance Analysis - Profitability

Trade profitability - ROS %



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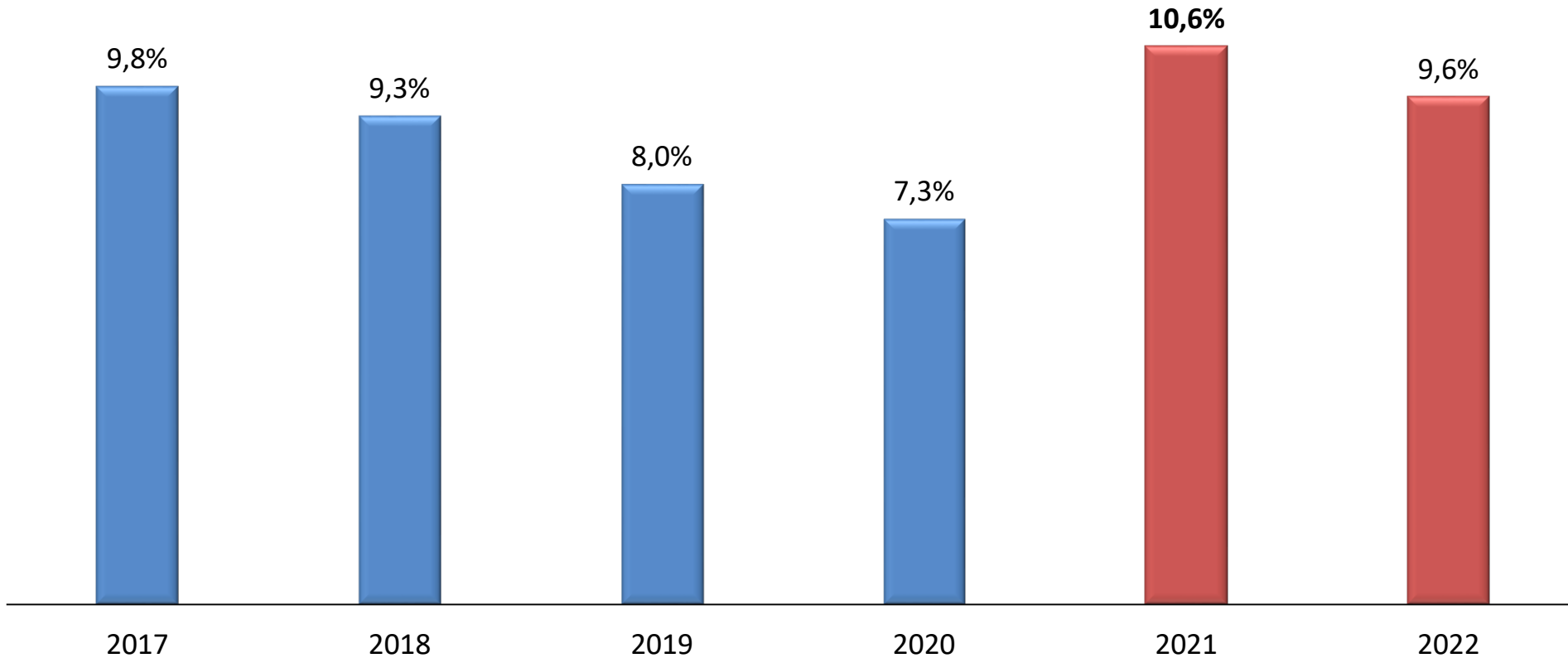


2021, 2022: forecast
Independent variable: Italian GDP Forecast EU Commission of 16/05/2022



Performance Analysis - Profitability

Return on investment - ROIC %



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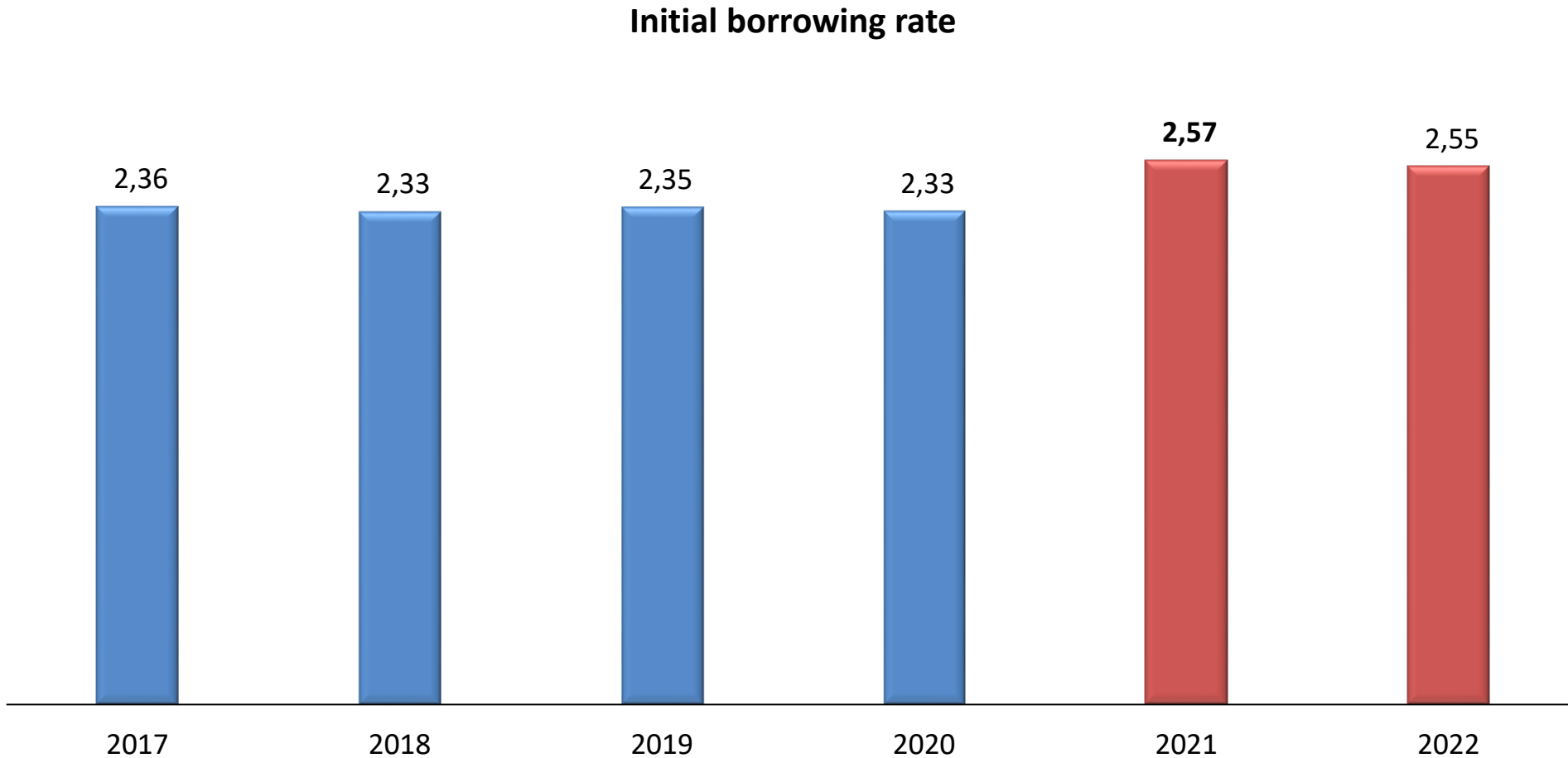


2021: forecast

Independent variable: Italian GDP Forecast EU Commission of 16/05/2022



Performance Analysis - Financial Structure



The forecasts presented in the paper are subject to quarterly revision. Forecasts for 2022 have a margin of error of +/- 10%, for those for the year 2032 the margin of error is +/- 30%.

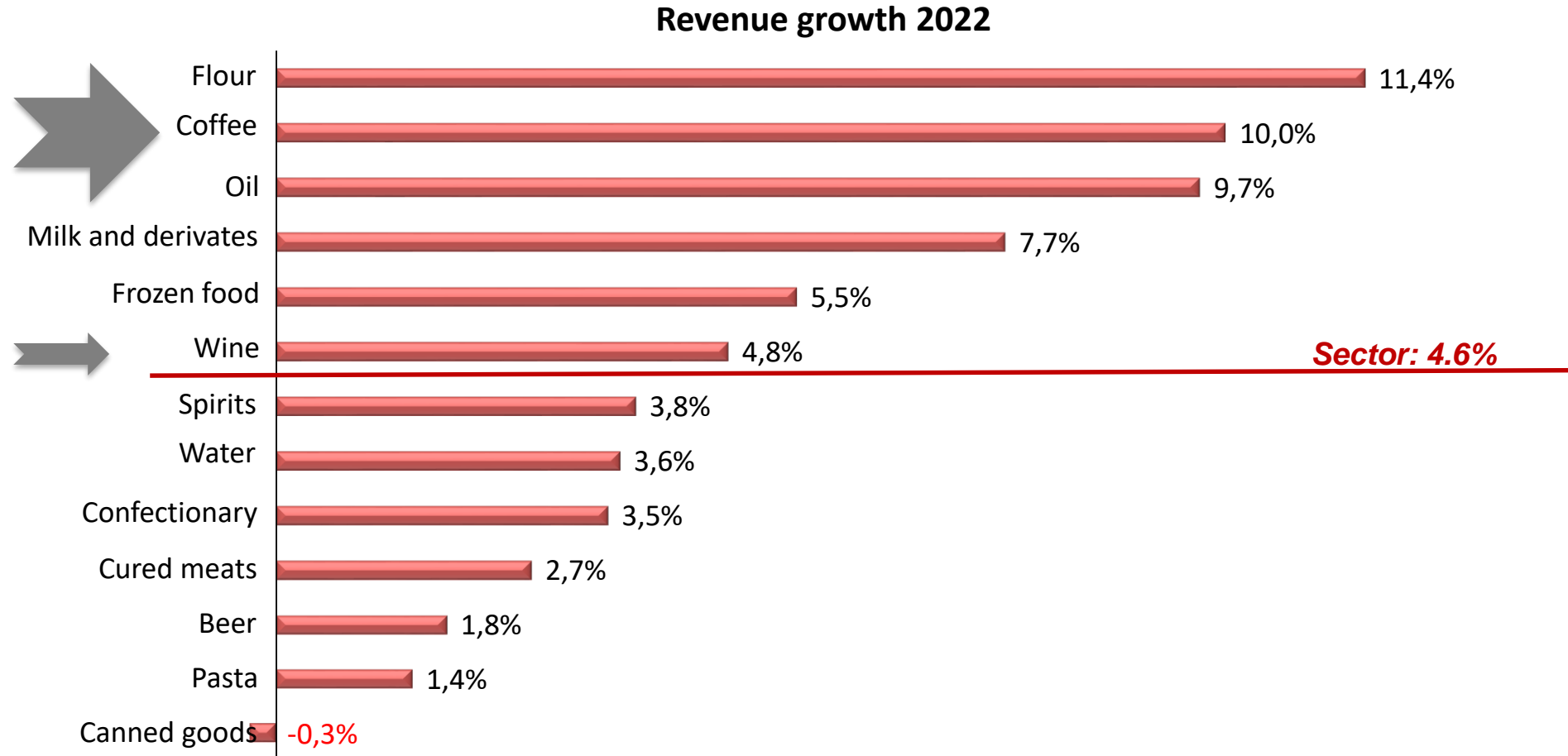


2021: forecast

Independent variable: Italian GDP Forecast U Commission of 16/05/2022



Performance analysis - Growth of subdivisions

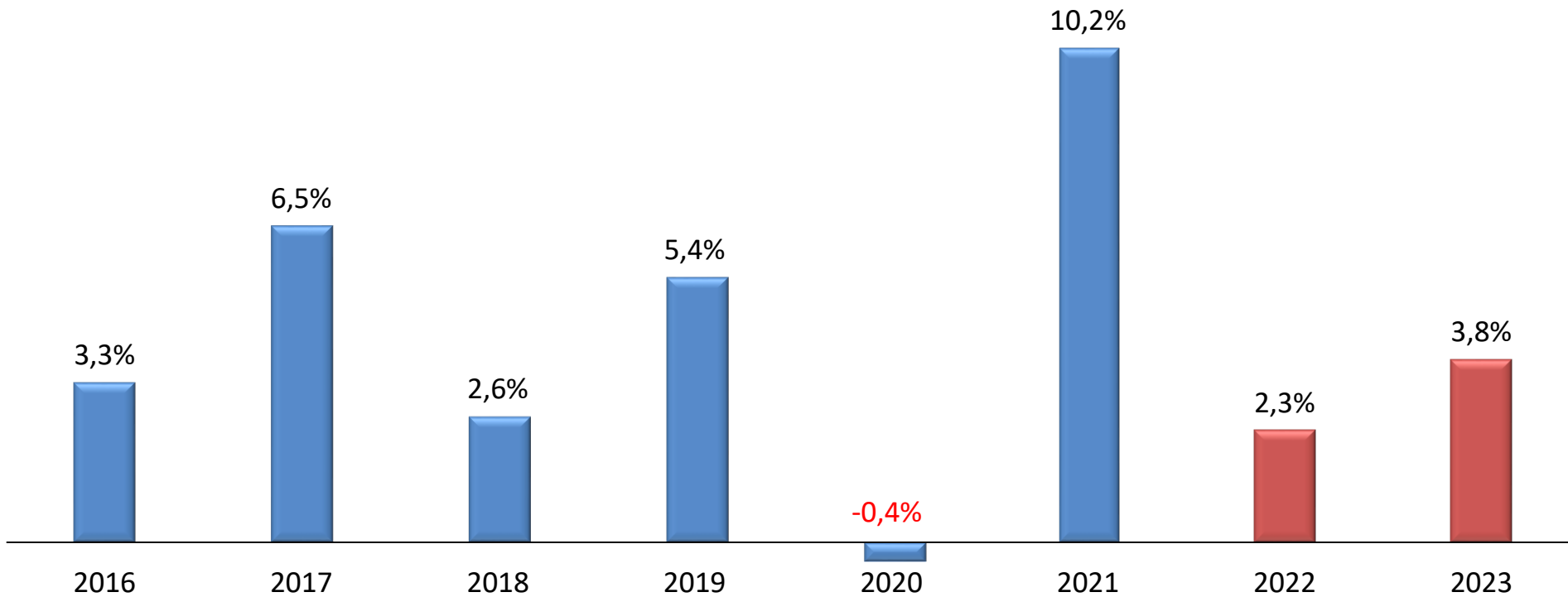


2022: forecast
Our calculations based on ISTAT data.



Performance Analysis - Export Growth

Food export growth rate (in value)



The forecasts presented in the paper are subject to quarterly revision. Forecasts for 2022 have a margin of error of +/- 10%, for those for the year 2023 the margin of error is +/- 30%.



2022, 2023: forecast
Our calculations based on ISTAT data.



2- The commodities market and the impact on growth and profitability

Commodity Prices - WTI Oil Prices.

Published on Investing.com, 15/Jun/2022 - 15:25:04 GMT, Powered by TradingView.

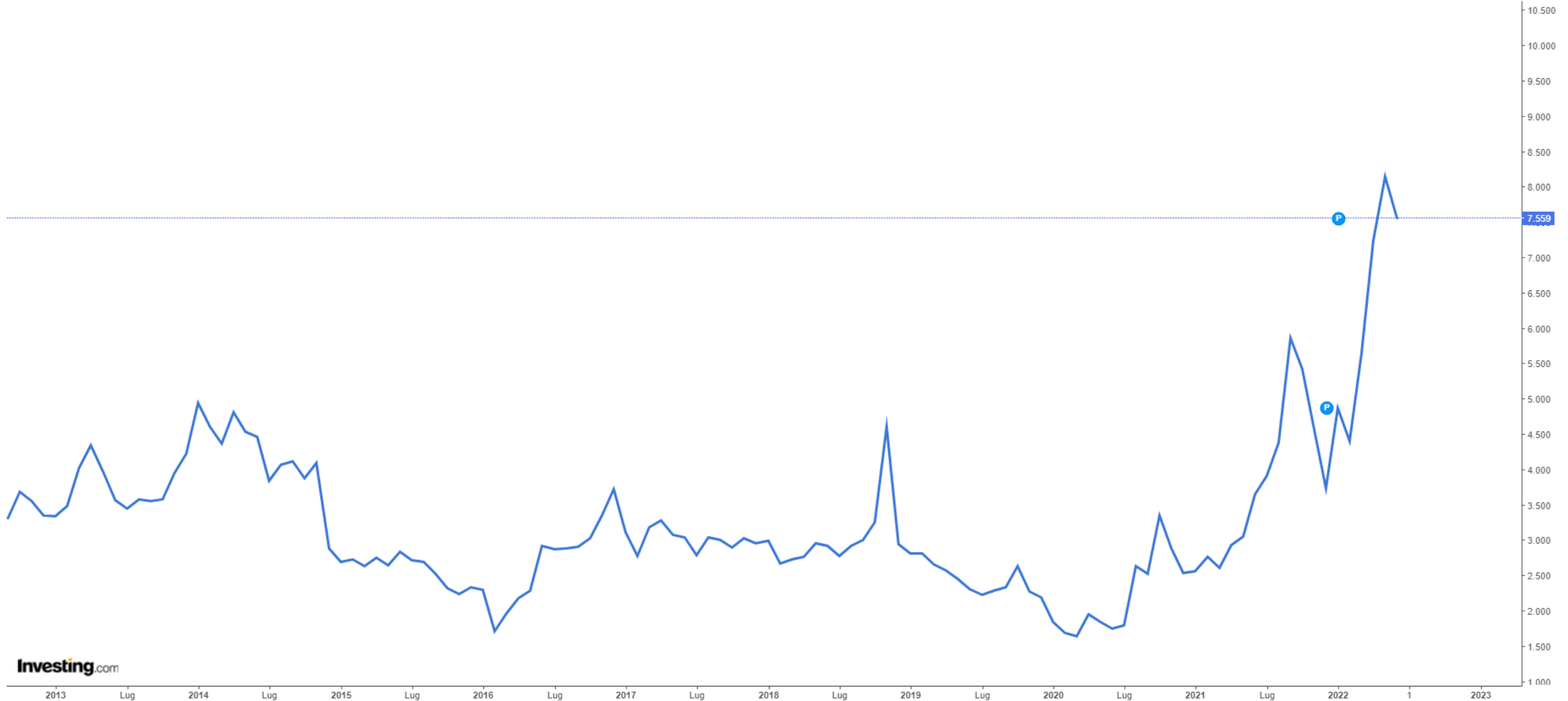
Future Petrolio Greggio WTI, (CFD):T, M



Commodity Prices - Natural Gas Quotes

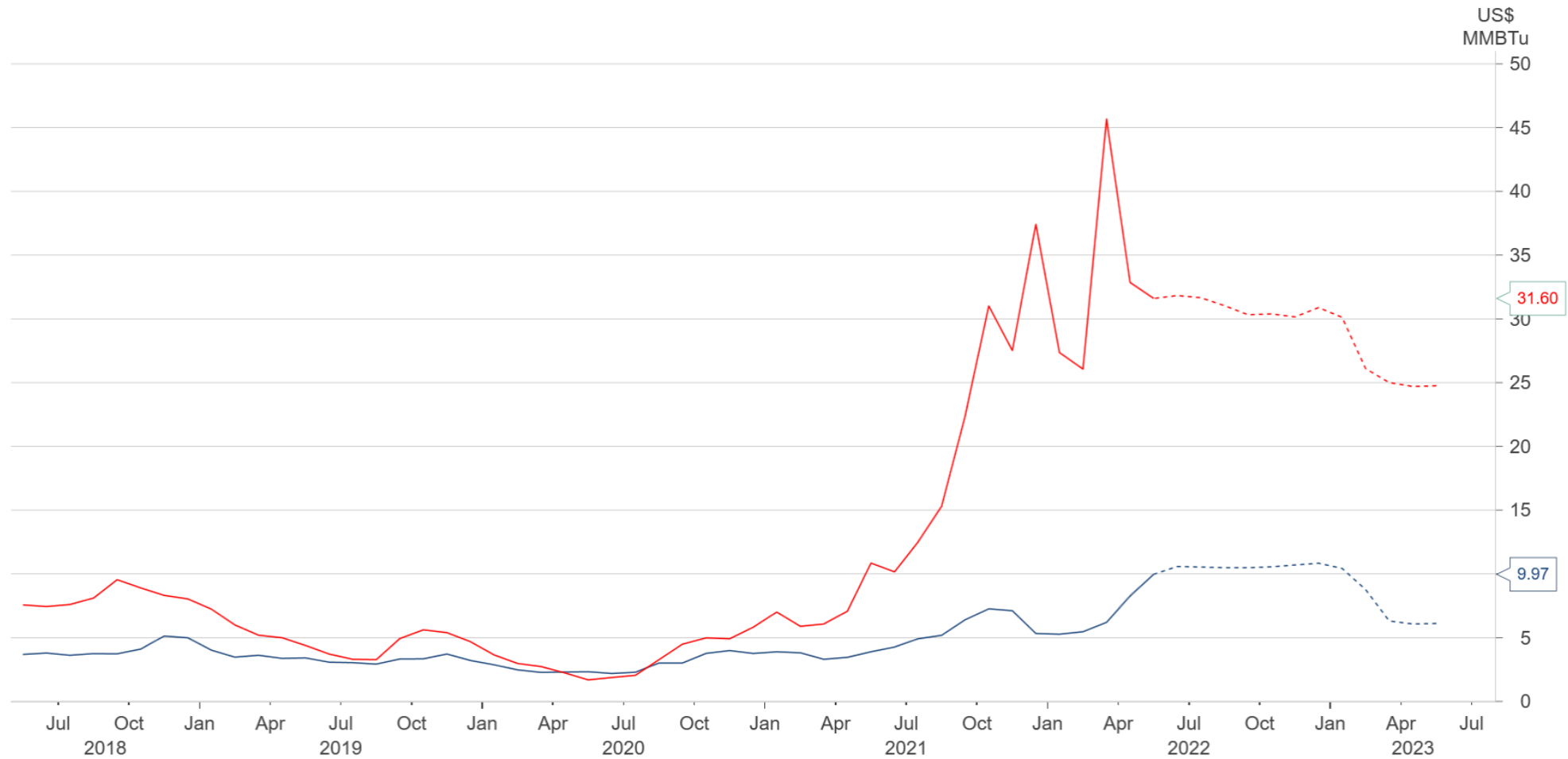
Published on Investing.com, 15/Jun/2022 - 15:27:26 GMT, Powered by TradingView.

Future Gas naturale, (CFD):NG, M



Commodity Prices - Natural Gas Quotes

Natural gas prices: US (blue) & Europe (red)
US\$ per Million British Thermal Unit (MMBTu)



Source: Bloomberg

Courtesy of Ceresio Investors

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Commodity prices - Future corn

Published on Investing.com, 15/Jun/2022 - 15:29:56 GMT, Powered by TradingView.

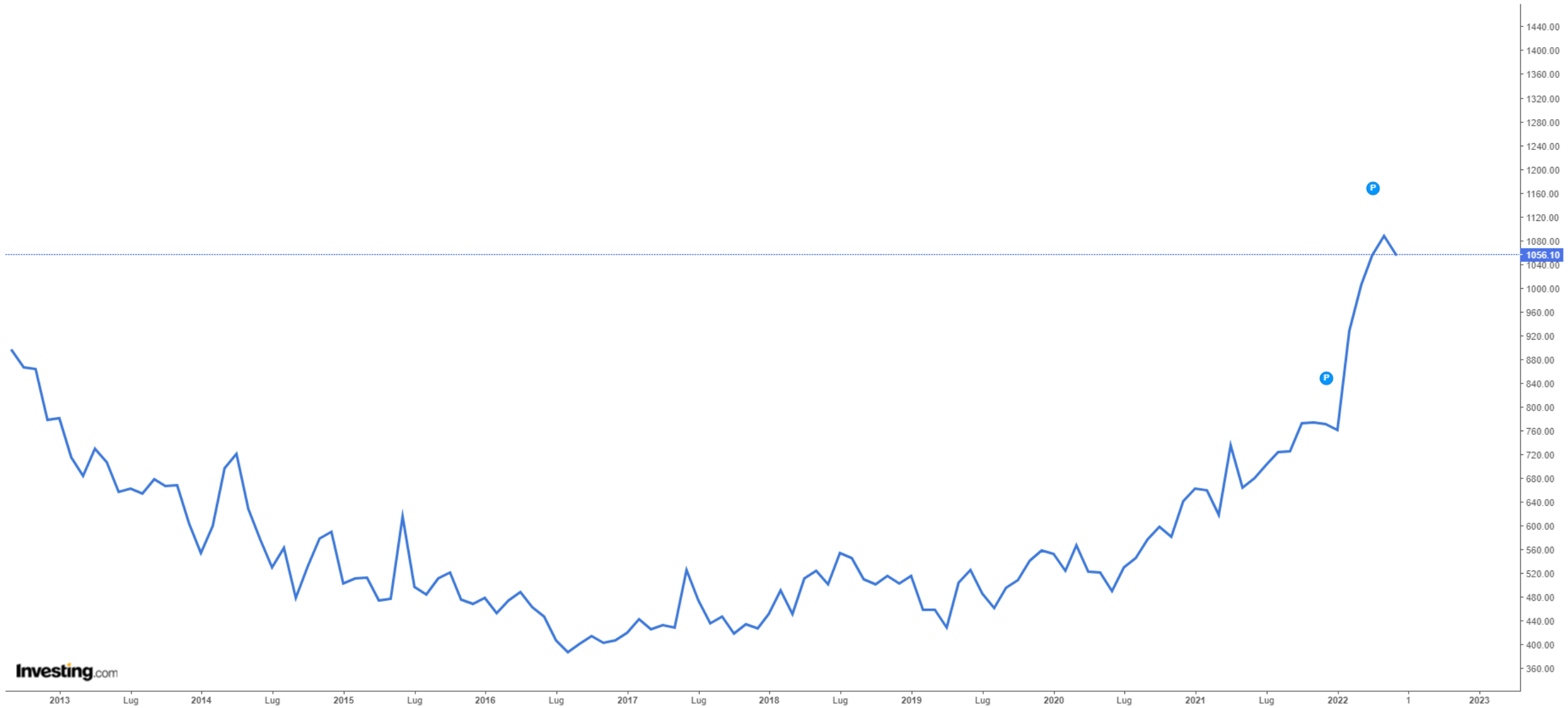
Future Mais, (CFD):ZC, M



Commodity Prices - Future Wheat

Published on Investing.com, 15/Jun/2022 - 15:28:22 GMT, Powered by TradingView.

Future Frumento, (CFD):ZW, M

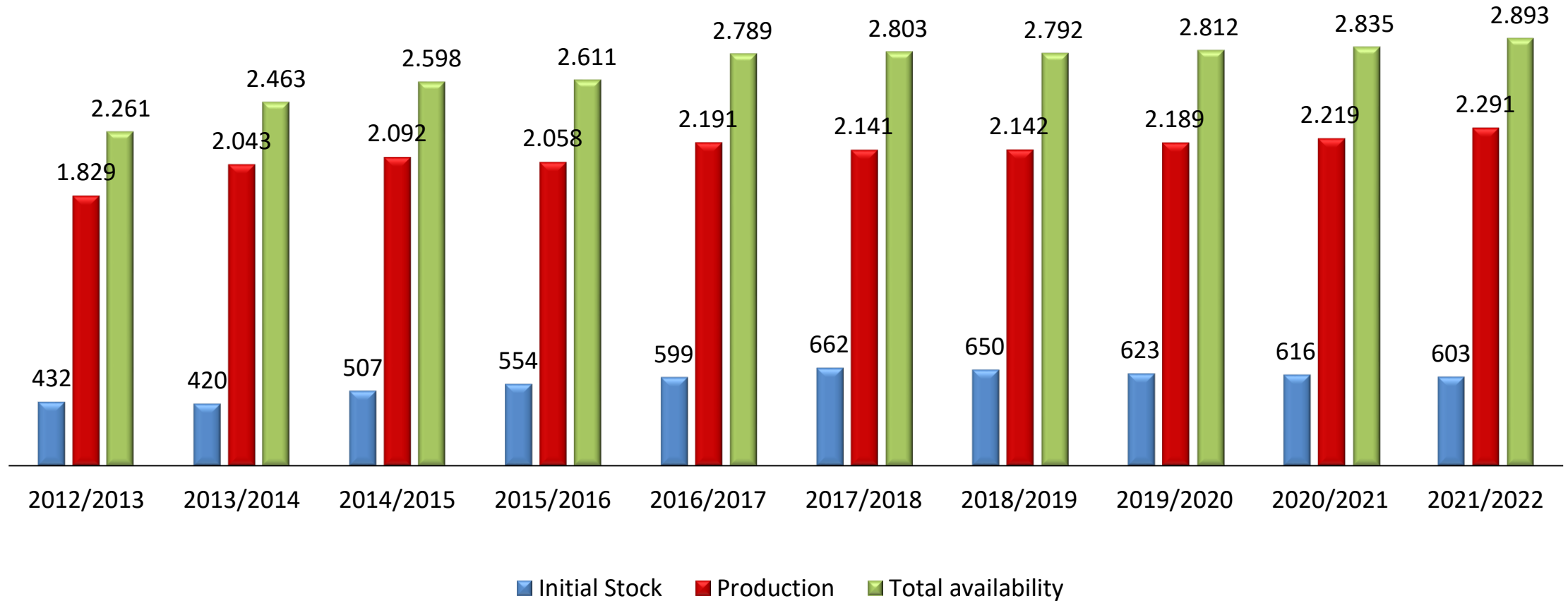


Investing.com



Grain production and availability

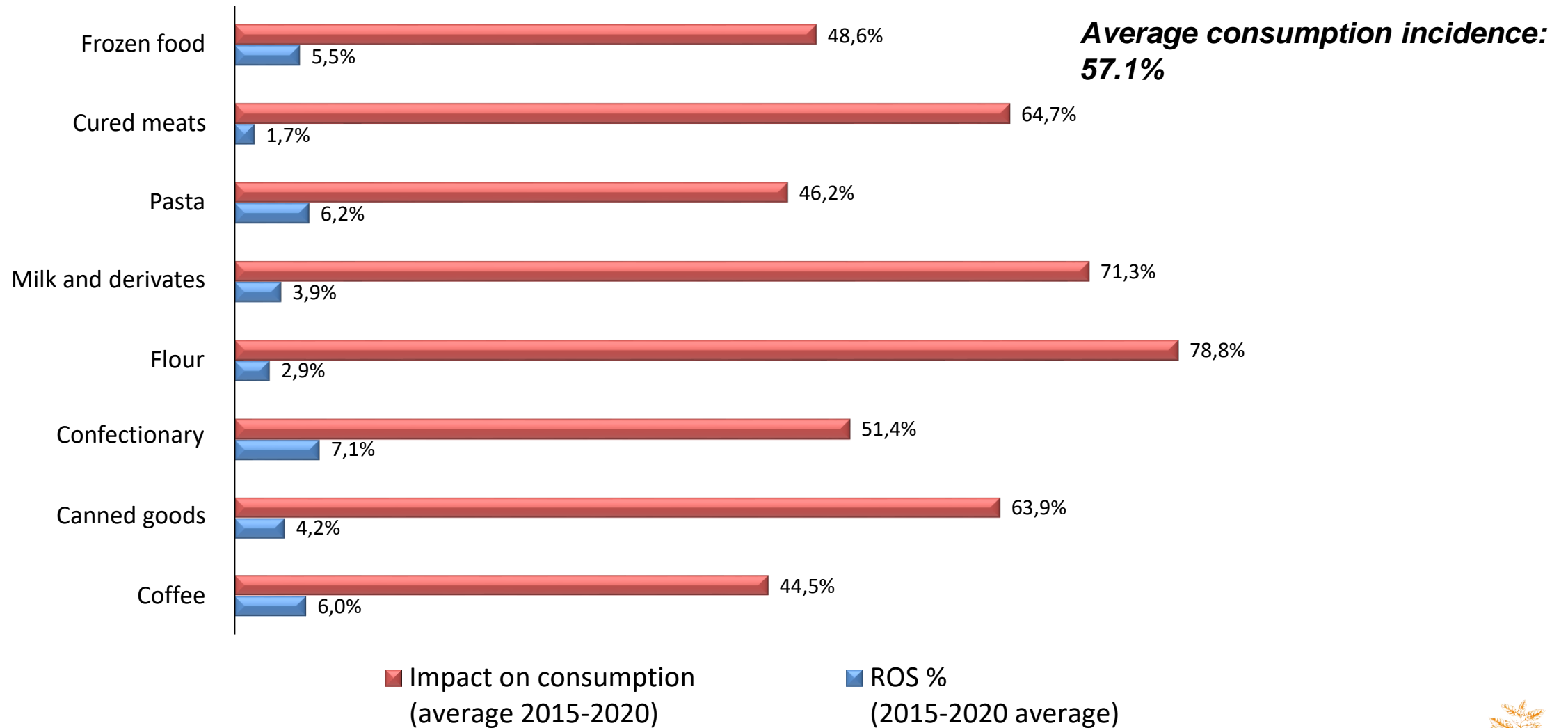
Wheat supply in the global market (million tons).



Source: IGC



Incidence of raw materials on the cost structure



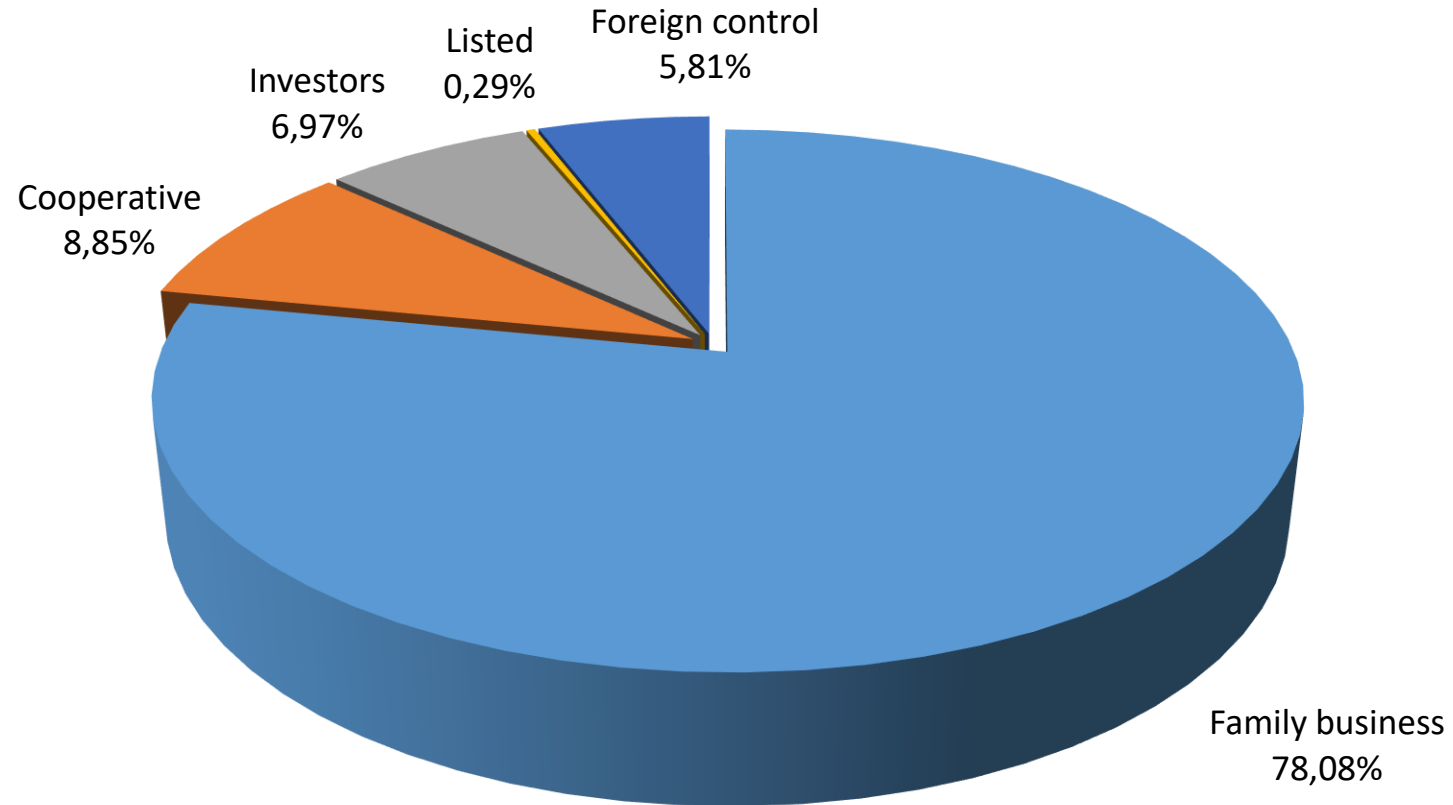
Source: our elaborations



3. The contribution of family businesses to the development of the Italian food sector

Family businesses in the food sector

Proprietary sample structure

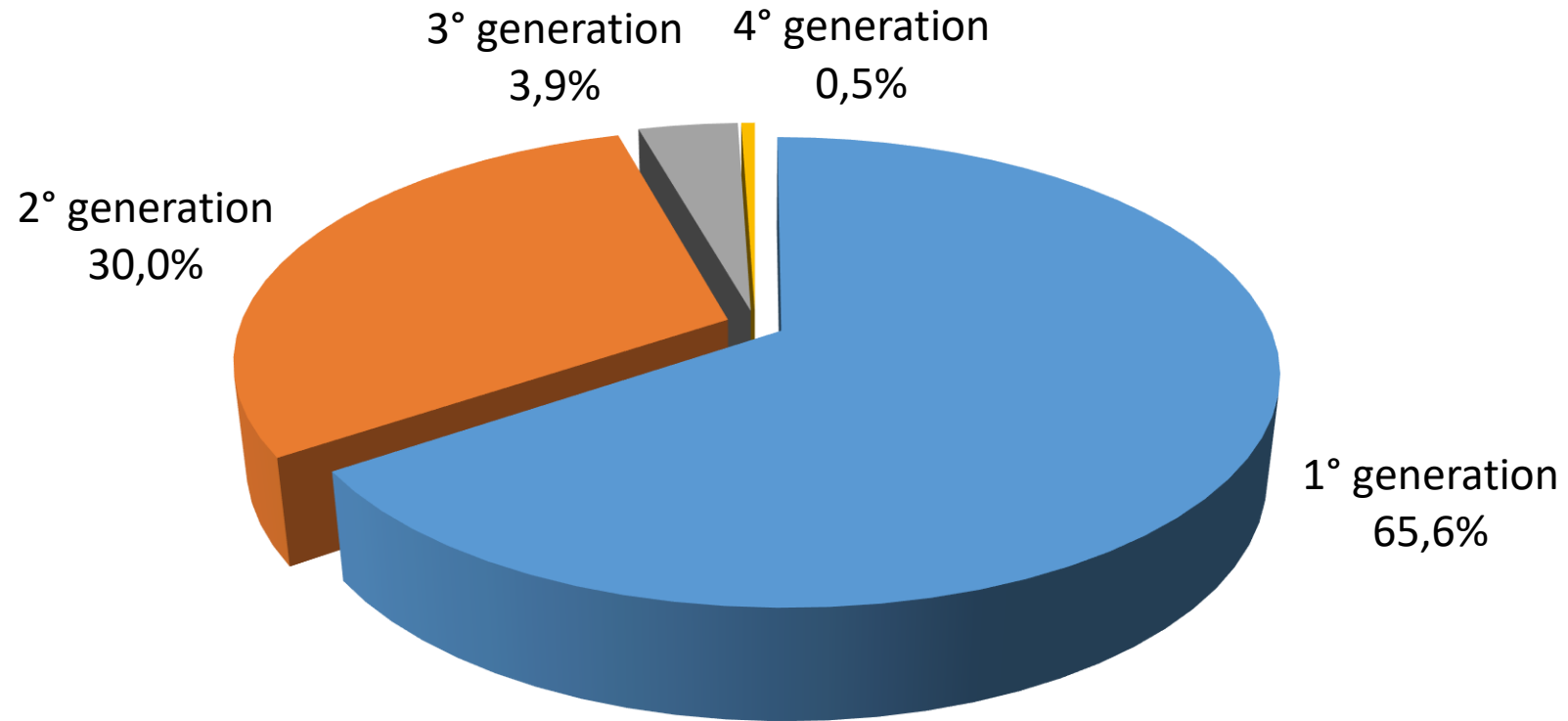


Number of respondents: 689



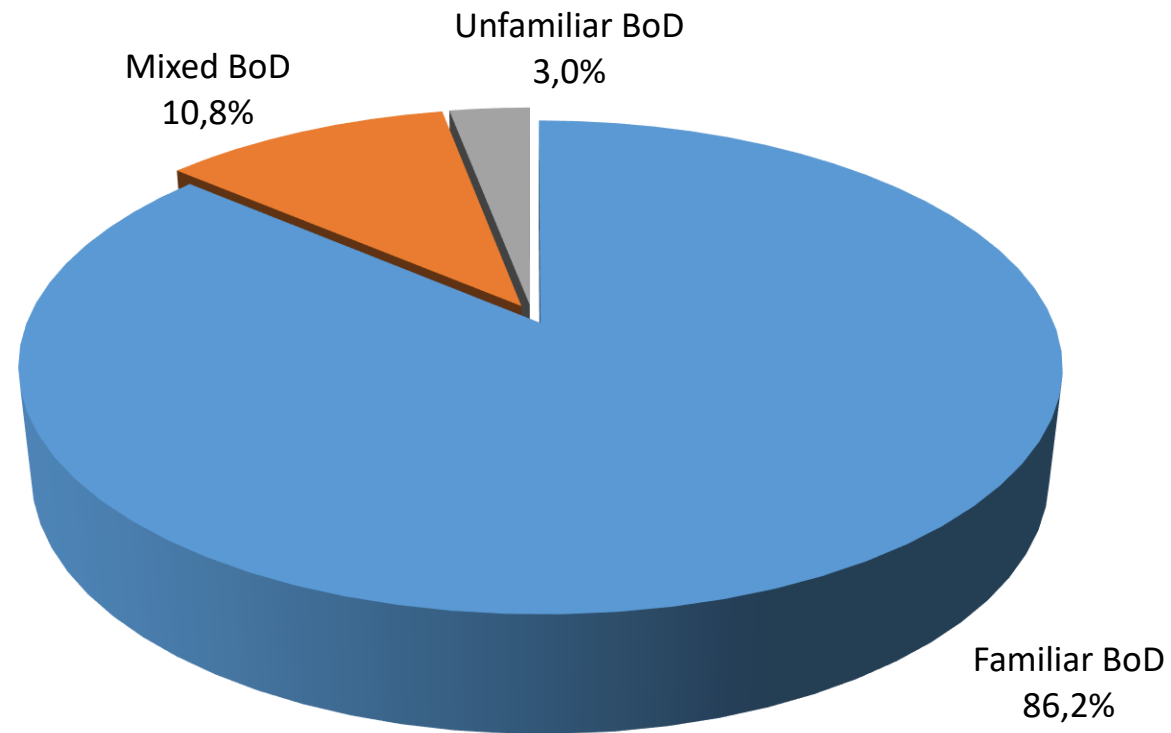
Family businesses in the food sector

Generations owning the company



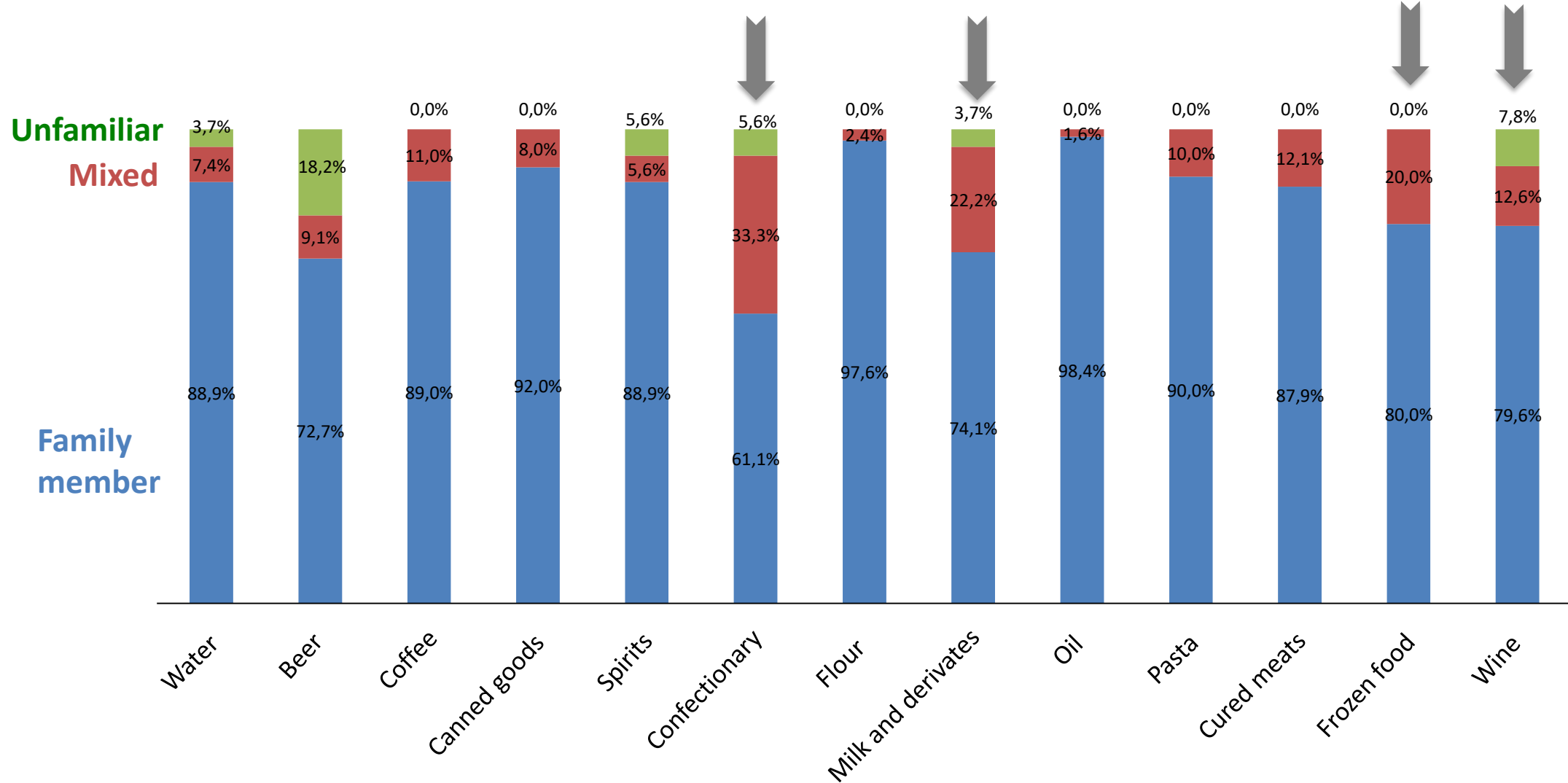
Family businesses in the food sector

Composition of the Board of Directors of family businesses



Family businesses in the food sector

Composition of the board of directors



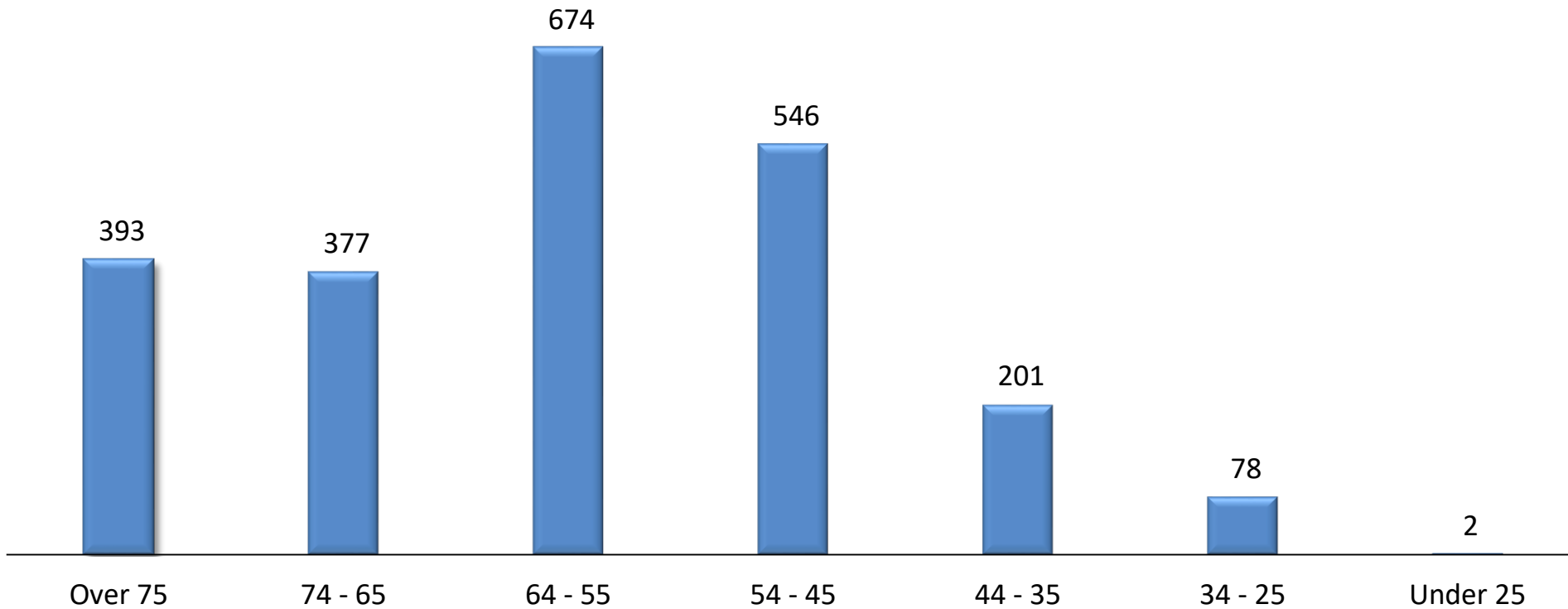
Data for only 566 enterprises with family-type shareholders



Family businesses in the food sector

Age distribution of administrators

Average age of administrators: 60 years old



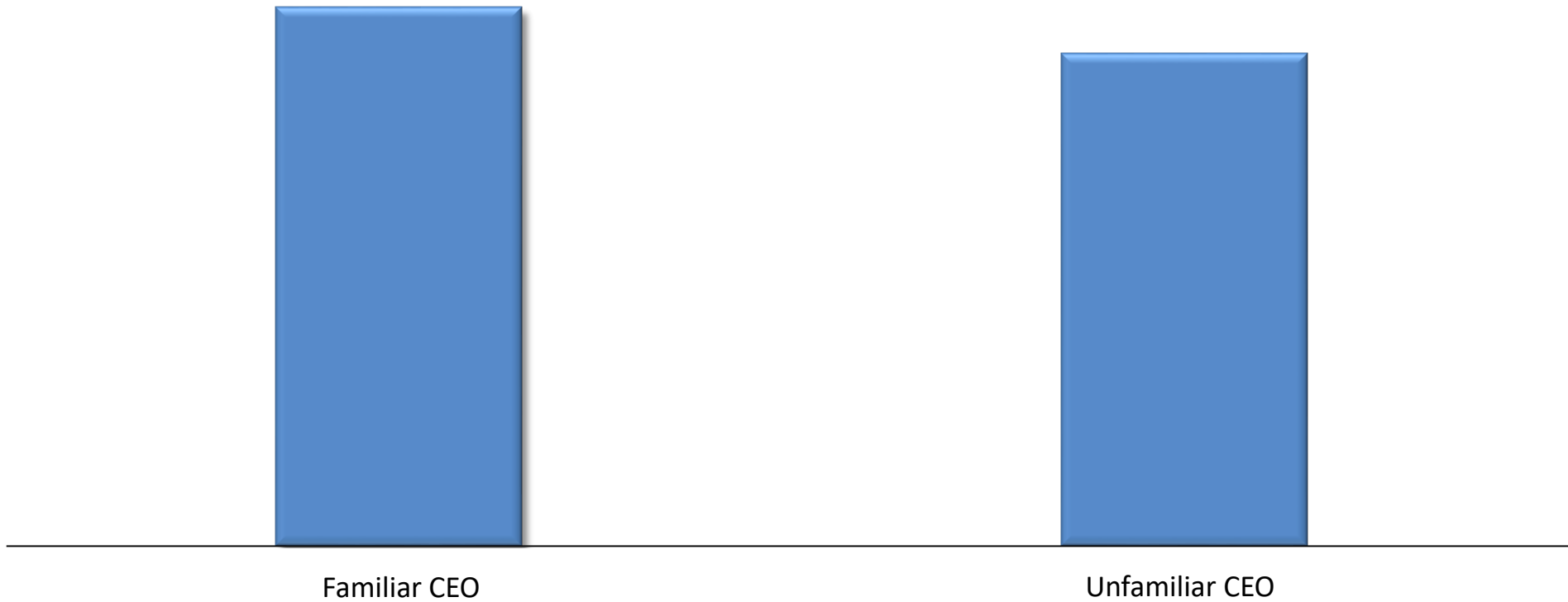
Age groups



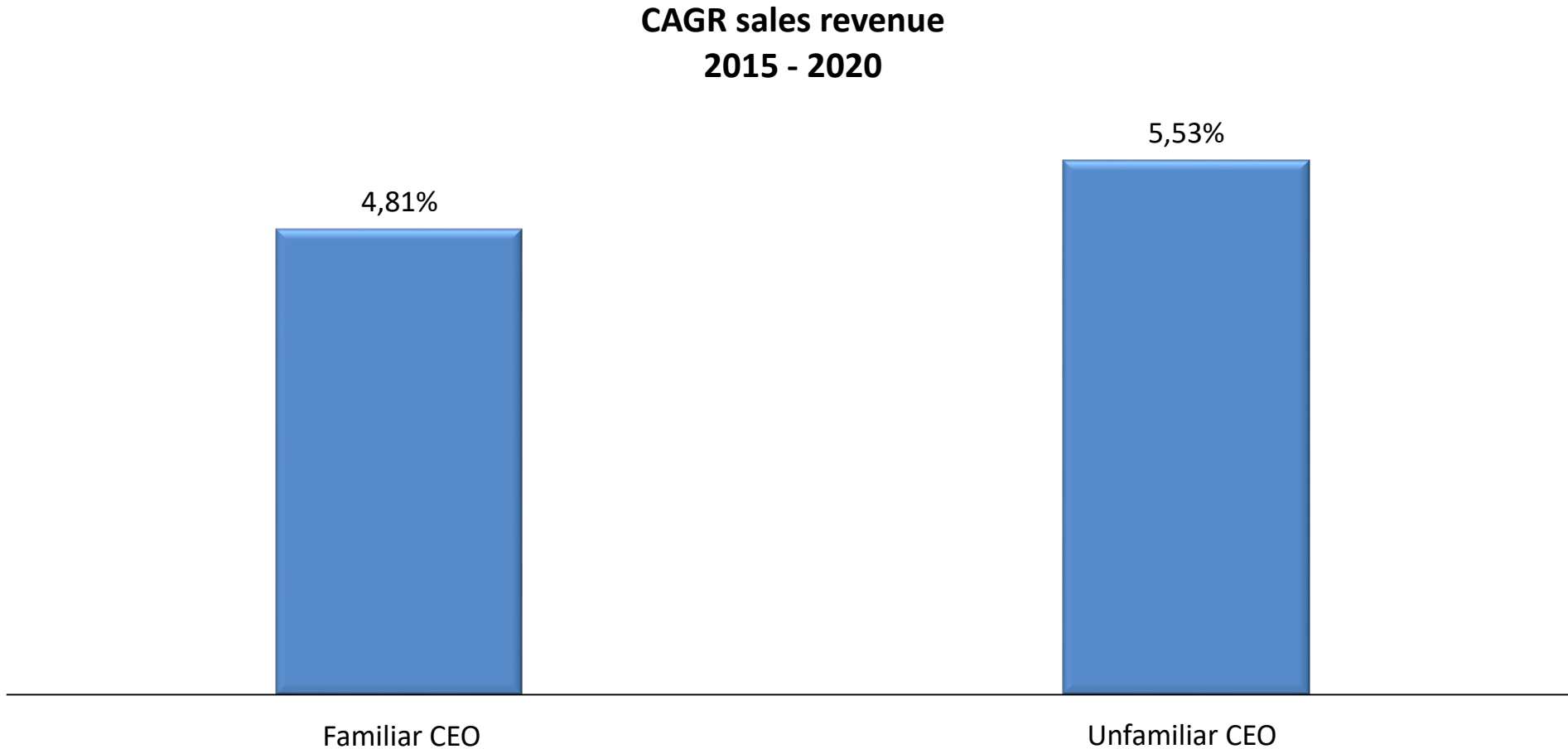
Data for only 566 enterprises with family-type shareholders



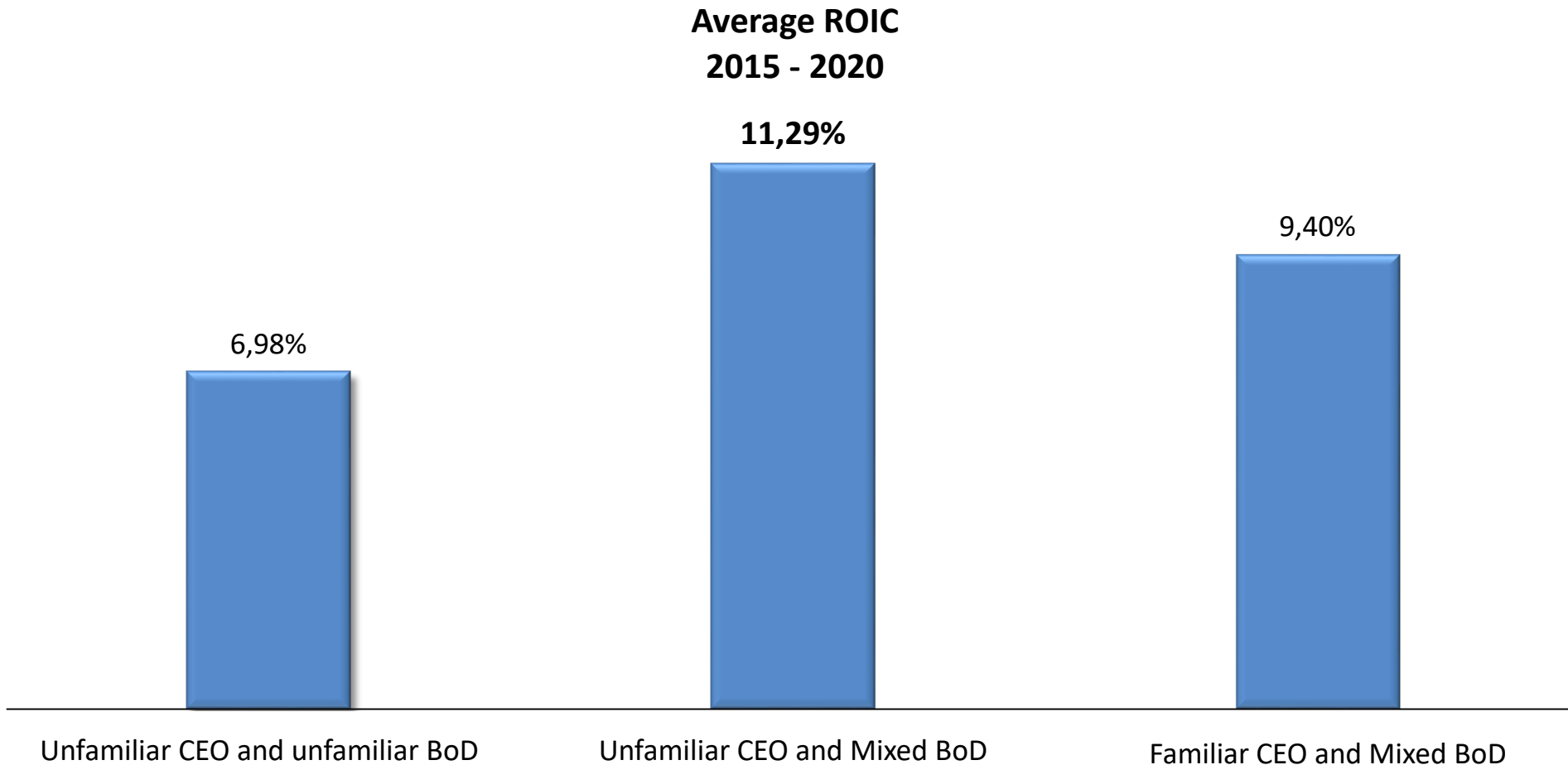
Family businesses in the food sector - Governance models and performance



Family businesses in the food sector - Governance models and performance



Family businesses in the food sector - Governance models and performance



Some final reflections

1. The **heritage** constituted by **new generations of consumers** must be defended against the possible "involution" of consumption trends
2. Businesses and entrepreneurs are called to a **test of courage** to keep the "straight tiller" on **sustainable growth strategies**
3. We need an **industrial policy** for **sustainable food development** that brings production and industry together



Methodology

This research report was based on public data and data collected from restricted-access databases, which were processed by a team of researchers at the University of Gastronomic Sciences in Pollenzo, Bra.

Representative samples of the different sectors of the food industry were constructed from an extraction of companies with ATECO codes; all companies identified in this way were checked for congruity of the activity carried out with the sector they belonged to.

The financial statements of the companies were acquired from the AIDA and CERVED databases in optical format and were reclassified according to the financial statement formats currently in use in business-economic analysis.

The report was prepared by Prof. Carmine Garzia in collaboration with Dr. Francesco Maria Gentile who coordinated the research team for interview collection, database construction and statistical processing. Econometric computations are by Dr. Edoardo Slerca. Empirical data collection on corporate sustainability was carried out by Claudia Di Meo.

The research project was carried out with the support of Ceresio Investors.

All forecasts presented in the paper are subject to quarterly revision. Forecasts for 2022 have a margin of error of +/- 10%, for those for the year 2032 the margin of error is +/- 30%.

The calculations were made on the basis of public budget data available as of 05/16/2022. The report was closed as of 01/06/2022.

<http://www.foodindustrymonitor.com>

