



**HELLENIC REPUBLIC  
COMPETITION COMMISSION  
INDEPENDENT ADMINISTRATIVE AUTHORITY**

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Subject: **Mapping of the conditions of competition in the market for Feta cheese**, pursuant to the provisions of Article 14(2) subparagraphs of Law 3959/2011

**OCTOBER 2024**

**DIRECTORATE-GENERAL FOR COMPETITION/ Market Mapping, Research and Merger Task Force Unit**



- This mapping study aims at presenting data and information collected by the HCC's Market Mapping, Research and Merger Task Force Unit on the market for **Feta cheese**.
- The collection, processing and presentation to the HCC of these data is part of the mapping of the conditions of competition, in accordance with the provisions of Article 14 par. 2 s) of Law 3959/2011, (hereinafter referred to as "**Mapping**").
- The main focuses of this mapping are set out below.

### Focus : Market Shares



#### Focus-driven work

- Identification and market shares in the supply market,
- SM's market shares.



### Focus : impact of the Household Basket (HB) mechanism on the prices of private label and branded products

#### Focus-driven work

- Price developments in HB products **before and after** their inclusion in the Household Basket,
- Respective price developments in similar products that were not included in the Household Basket,
- Price developments in terms of **branded versus private label products included and non included in the Household Basket**.

### Focus : impact of the Household Basket (HB) mechanism on consumer purchasing habits.

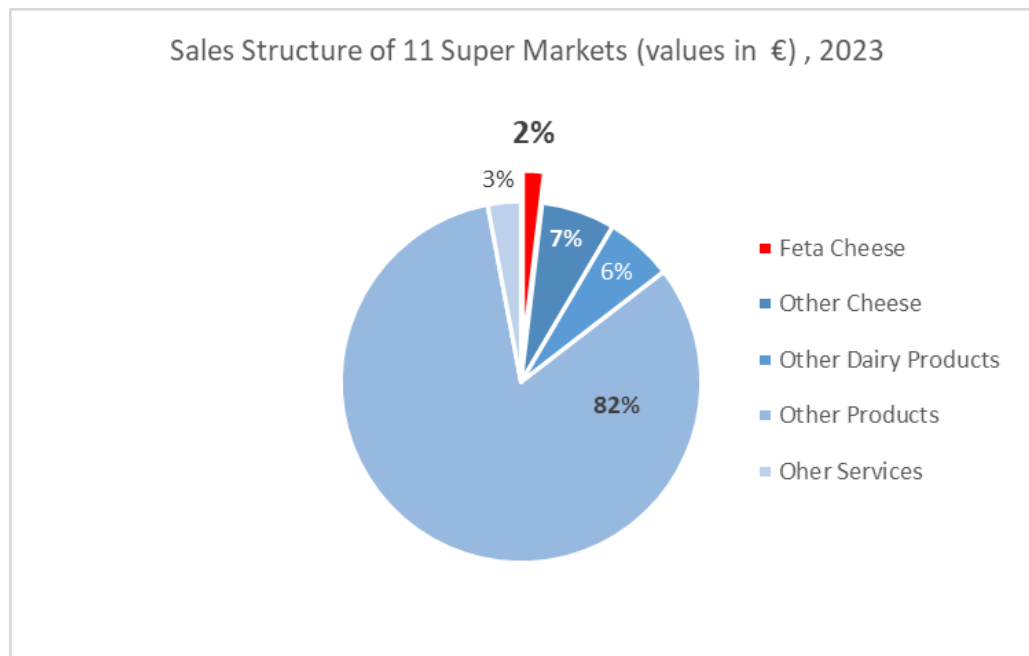


#### Focus-driven work

- Sales developments (in volumes) of branded versus private label products / products included and non included in the basket within the period of reference,
- Selection by Supermarkets of products included in the Household Basket and consumer switching between baskets.



- Product concerned: Feta cheese (from goat's and sheep's milk)
- Period of reference: **1/2/2023-30/6/2024**
- In the context of this Mapping, questionnaires were sent by the Directorate-General for Competition to **11 retailers (Supermarkets, hereinafter "SMs")** operating in the above markets. These 11 SMs have a combined market share of over 95% of the retail food sector (Nace code 47.11).
- The Household Basket ("HB") was in effect throughout the period of reference.
- Suppliers' market shares were calculated based on the 11 SMs' sales made. The analysis does not include other distribution channels.
- All calculations have been performed using normalized prices (price per kilo) and weighted prices.
- The analysis concerns prices and sales quantities of Feta products, without a simultaneous analysis of their qualitative characteristics.
- Feta crumble was excluded from the sample, both because it is regarded as a residual product and because it does not come from a specific supplier.
- The VAT rate applied to the prices concerns the 13% applied on cheese products. The collected data did not allow any differentiation in the final price for the islands of Leros, Lesvos, Kos, Samos and Chios where a rate reduced by 30% is applied, i.e. VAT 9%.



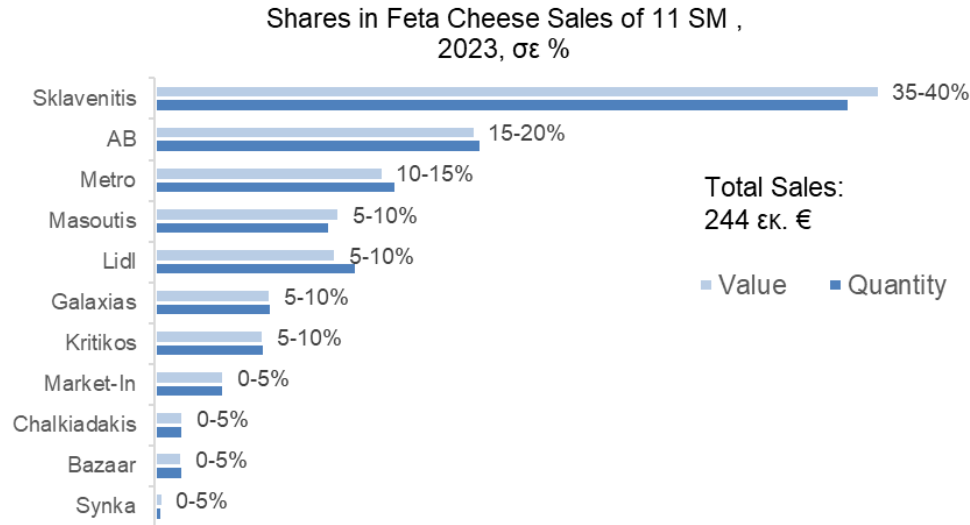
In 2023, the amount of Feta cheese sales, based on the data provided by the 11 largest SMs operating in the Greek territory, amounted to €244.1 million, from €214.4 million in 2022.

Feta cheese sales constitute a 2% of the total sales made by the 11SMs, while the sales of other cheese types account for a 7% or €855.5 million and other dairy product sales account for a 6% or €782.2 million.

The annual rate of change in the sales value for Feta cheese was around 14% for both 2022 and 2023, while in the first half of 2024 it dropped to 3% on an annual basis.



## 11 SMs' Sales Structure and Shares (by Value and Volume) for Feta - Total



Source: Data from 11 SM, calculations HCC

The volume of Feta sales by the 11 SMs, as mentioned above, amounted to €244.1 million in 2023, out of which the sales of standardised products constitute a 29%, while the remaining 71% was sales of weighed Feta products.

Also, in total sales, the largest share is held by the company **Sklavenitis (35-40% by value and 35-40% by volume)**, followed by AB-Vassilopoulos (15-20% by value and volume) and Metro (10-15% by value and volume).

Shares between 5%-10% are held by Masoutis, Lidl, Galaxias and Kritikos. Shares below 5% are held by Market-In, Chalkiadakis, Bazaar and SYNKA.

In 2023, based on the sales value **of branded Feta products**, the largest share is held by SM SKLAVENITIS (40-45%), followed by METRO (10-15%), AB (10-15%) and MASOUTIS (10-15%). SM GALAXIAS and SM KRITIKOS hold shares ranging between 5% and 10%. SMs MARKET-IN, HALKIADAKIS, LIDL, BAZAAR, SYNKA have a share below 5%.

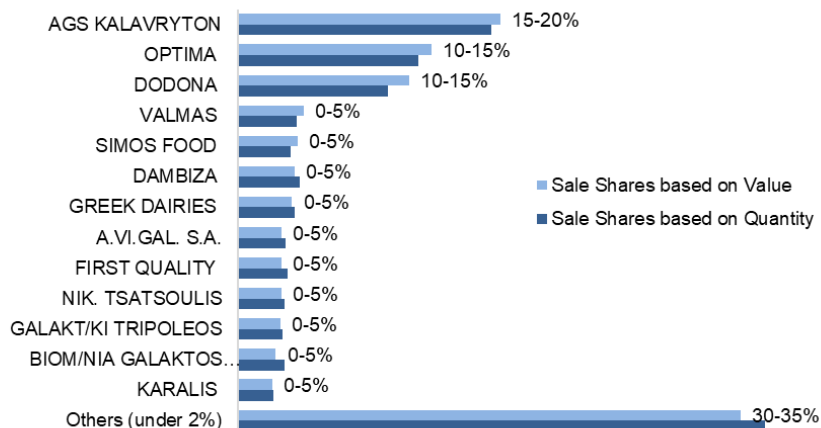
Based on the sales value of **private label products**, the largest share of sales is held by the SM LIDL (40-45%). This is followed by AB Vasilopoulos (30-35%), MARKET-IN (10-15%), MASOUTIS (5-10%). The shares of the remaining SMs range between 0%-5%.

It is noted that SMs Sklavenitis and Chalkiadakis (which belong to the same group) did not report that they sell a private label Feta cheese.



## Market shares of Feta cheese suppliers - Total Sales by the 11 SMs

Sales Shares of the Largest Feta Cheese Suppliers, 2023, %



Source: Data from 11 SM, calculation HCC

The initial dataset includes **~150 Feta suppliers**. 13 of them with the largest proportion in the 11 SMs' sales, with a market share exceeding 2%, are listed above.

**These 13 suppliers together account for 70%** of total Feta sales. The number of suppliers and the allocation of shares show that the SM supply market in Feta cheese is characterised by a low level of concentration with CR3 at 39% and HHI at 652.

AGS KALAVRYTON (Kalavryta Agricultural Dairy Cooperative) is the leading supplier of Feta (share range of approximately 15-20% in terms of sales value and volume). The company OPTIMA holds a share of 10-15%, while DODONI holds a share of 10-15% in sales value and 5-10% in sales volume.

Shares below 5% are held by the companies VALMAS, SIMOS FOOD, DABIZAS, HELLENIC DAIRIES S.A., A.VI.GAL., FIRST QUALITY, NIK. TSATSOUNIS, GALAKTOKOMIKI TRIPOL, LESVIGAL S.A. - LESVOS DAIRY INDUSTRY and KARALIS.

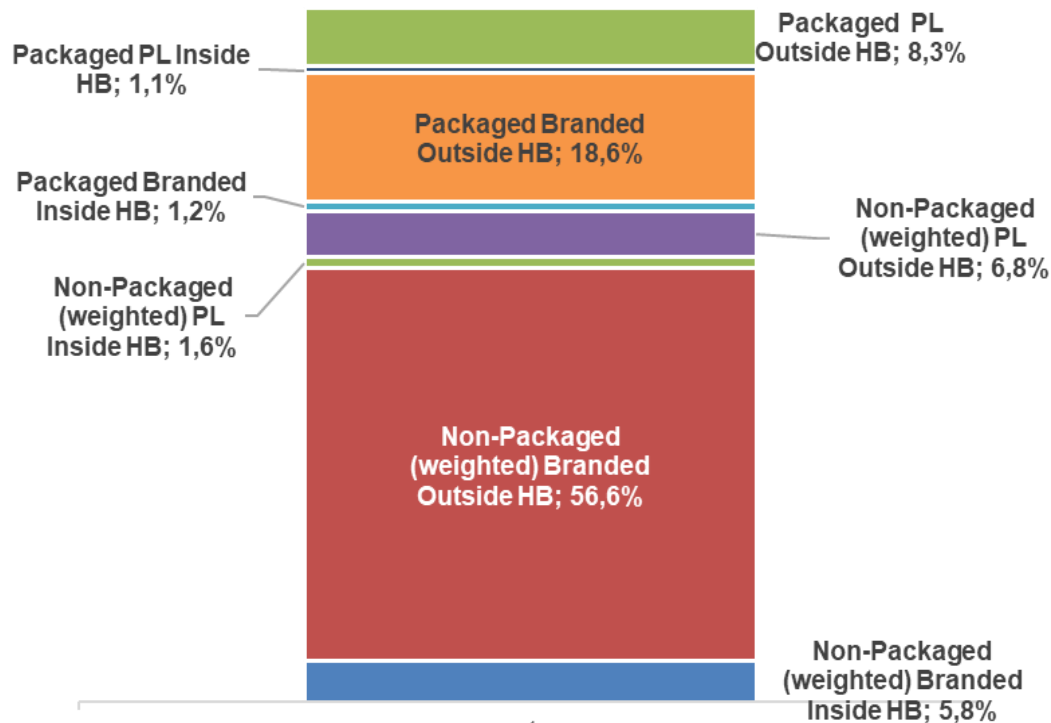
**In 2023, branded Feta products account for 80% and private labelled Feta products for 20% (included and/or non included in the HB, in terms of sales volume).**

AGS KALAVRYTON is the largest supplier of **branded Feta** (with a share of sales between 15-20% in terms of value and volume), followed by the OPTIMA and DODONI (with shares ranging between 10-15% in terms of value and volume). VALMAS' share ranges between 0-5%. The SM's supply market for branded Feta cheese is characterized by low concentration with CR3 at 47% and HHI at 888.

The company I. DABIZAS is the most important supplier of **private label Feta** (with a share between 15-20% in terms of value and volume). Lesvos Dairy Industry and the Tripoli Dairy Company follow (10-15% in terms of value and volume). Next in the sales ranking are 5 companies with a range of shares between 5-10% by value and volume. The SM supply market for private label Feta is characterised by low concentration with CR3 at 39% and HHI at 995.



Structure of Feta Cheese Sales per Category  
(in values) of 11 SM, Feb. 2023- June 2024



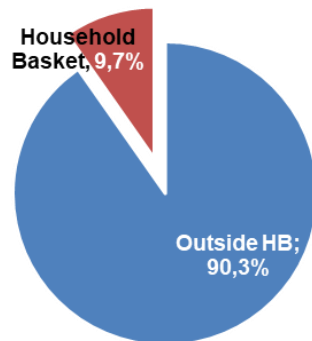
Source: Data from 11SM, calculations HCC

The above graph presents a breakdown of Feta sales throughout the period of reference, with distinctions between branded, private label, included/not included in the Household Basket, and weighed and packaged products.

The category with the highest percentage, i.e. 57%, concerns weighed products not included in the HB.

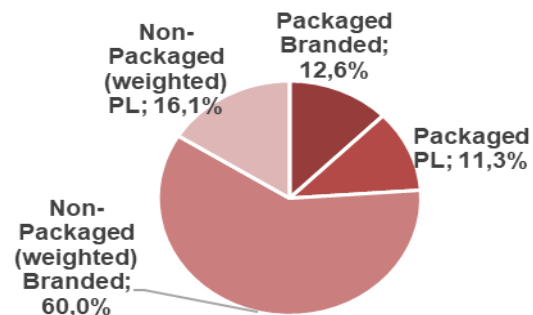


**Feta Cheese in Household Basket as a Percent of Total Feta Cheese Sales (in values) of 11 SM, Feb. 2023- Jun. 2024**



Source: Data from 11SM, calculations HCC

**Household Basket Structure (in values), February 2023-June 2024**



Source: Data from 11SM, calculations HCC

During the reference period (February 2023-June 2024) the “Feta HB” sales amounted to 31 million euros (value) and 3.6 million kilos (volume) of Feta, which constitutes approximately 10% of the total Feta sales by the 11 SMs.

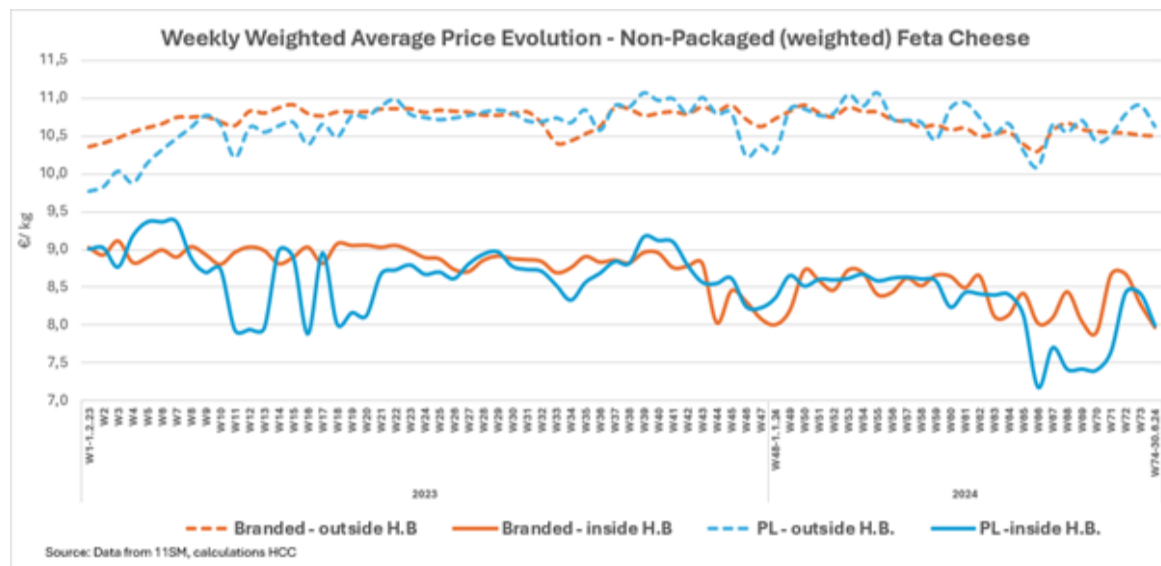
Both in terms of value and volume, a 60% of these sales concerns weighed branded products, 16% weighed private label products, while approximately 13% concerns packaged branded Feta products and approximately 11% concerns packaged private label products.

Most of the products included in the HB concern weighed products and branded and private label products (76%).



## Evolution of the Normalised Price of Weighed Feta (VAT excluded) (Combinations: Included/Not included in the HB and Branded/Private Label Feta products)

The analysis presented in this section concerns the weekly price evolution of Feta products (weighted average price per kilo). Prices include discounts and are net of VAT. A distinction has been made between weighed and packaged Feta products, as it was observed that, especially with regard to branded Feta not included in the HB, there is a price difference of around 2.5 euros between the packaged and weighed product.



### Regarding the weighed, non-HB products:

- Prices of branded products (dashed orange line) ranged from approximately 10.4 to 10.9 euros during the period of reference. Prices of private label products (dashed blue line) ranged from approximately 9.8 to 11.1 euros.
- It is observed that in the non-HB weighed products, private label and branded products are in the same price range between 10-11 euros or between 11.3-12.4 euros respectively, including VAT.

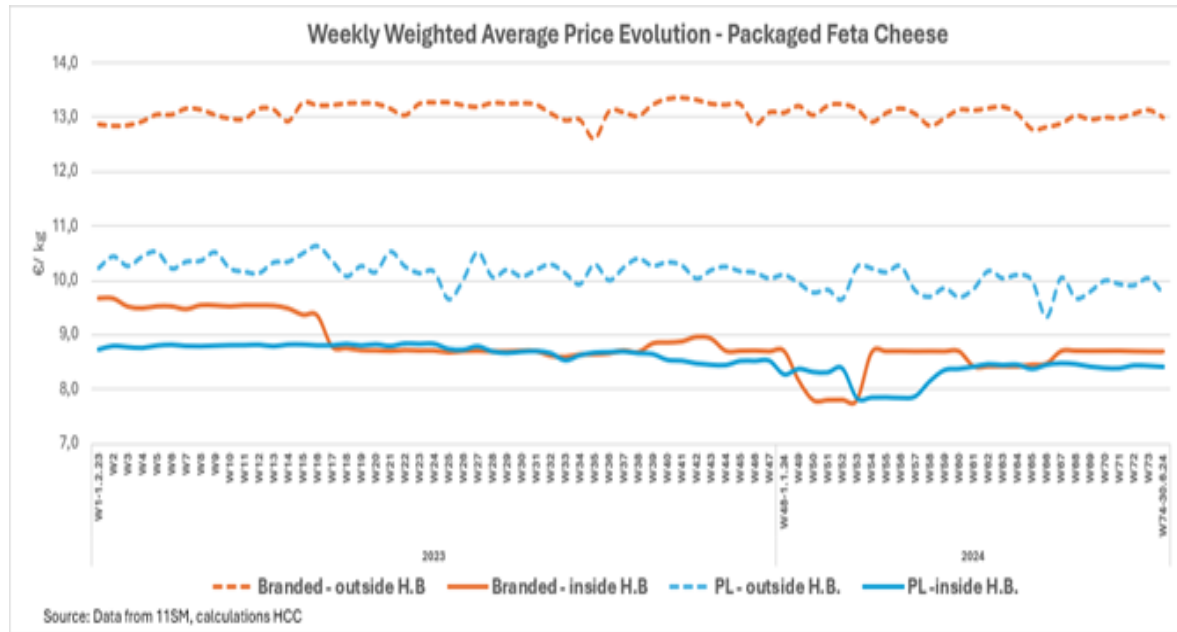
### Regarding the weighed, HB products:

- Prices of branded products (orange line) ranged from around 8 to 9 euros during the period of reference. Prices of private label products (blue line) ranged from around 7.2 to 9.4 euros, showing higher volatility.
- It is observed that, also regarding weighed Feta products included in the HB, both branded and private labelled, prices also are at the same level, ranging between 8-9 euros (with some exceptions at the beginning and the end of the period of reference) or between 9-10.2 euros including VAT.
- The products included in the HB have a lower price compared to those not included in the HB (by about 2-3 euros), but there is no significant price differentiation between branded and private label products.
- The product price difference (HB vs non-HB) increases over time during the reference period for branded and private label products. In the latter products, this difference is larger and is due to the lower HB price (66<sup>th</sup> week and onwards - top chart).

# Evolution of the Normalised Price of Packaged Feta (VAT excluded)

## (Combinations: Included/Not included in the HB and Branded/Private Label Feta products)

The picture differs if we examine the evolution of packaged Feta prices. In particular:



### Regarding the packaged, non-HB products:

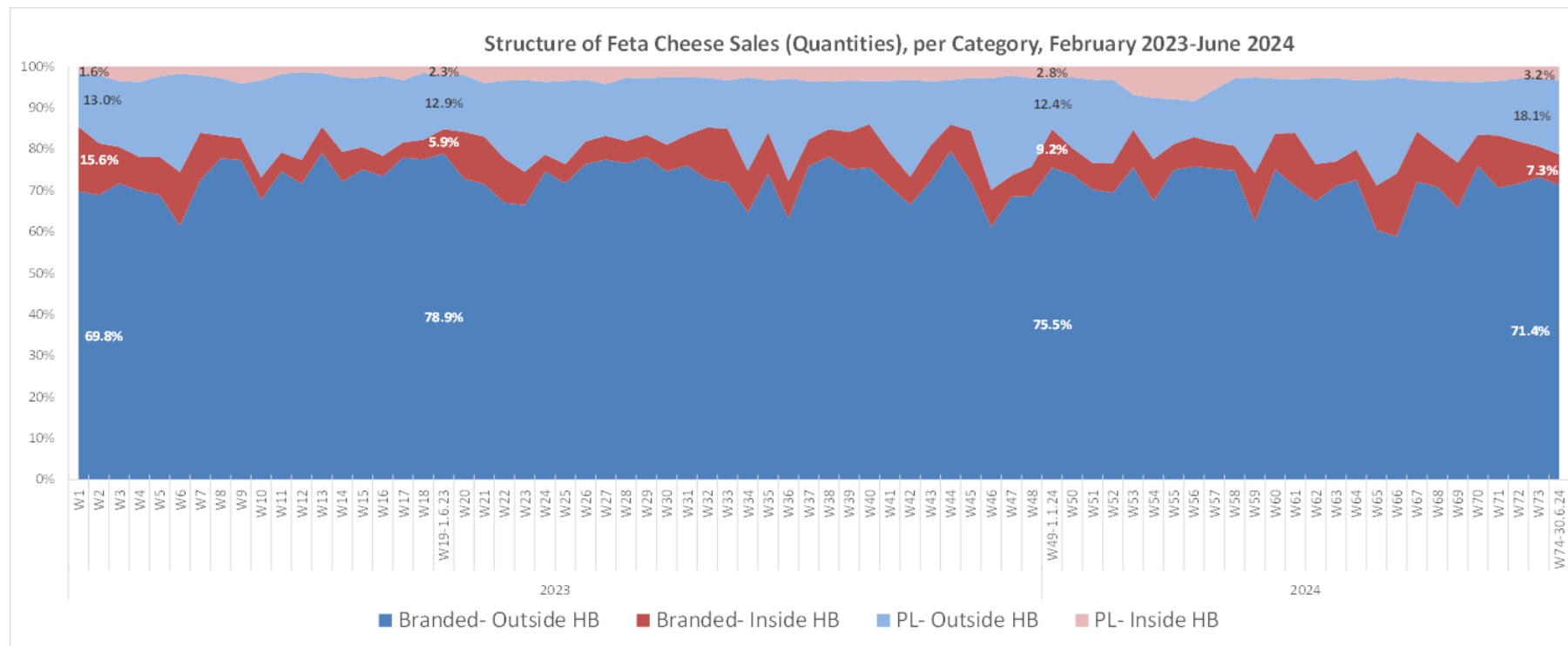
- Over the period considered, prices of branded products (dashed orange line) ranged around 13 euros net of VAT or 14.7 euros including VAT. Furthermore, prices of private label products (dashed blue line) ranged from around 9.5 -10.5 euros or between 10.7 and 11.9 euros including VAT, at considerably lower levels compared to branded products.
- A similar price difference (of around 2.5 euros) between branded and private label products was not observed in the weighed products, where prices moved within the same range.

### Regarding the packaged, HB products :

- Prices of branded products (orange line) ranged from approximately 7.9 to 9.8 euros (excluding VAT). Prices of private label products (blue line) ranged from approximately 7.9 to 8.9 euros (excluding VAT).
- In general, the prices of branded products and private label products included in the Household Basket, regarding this category, did not show significant differences and moved within a price range between 8.9 and 11.1 euros including VAT.
- The product price difference (HB vs non-HB) increases over time during the reference period for branded products and is around 4.5 euros. In contrast, a constant price difference (HB vs non-HB) of approximately 1.50 euros is observed for private label products.



## Sales Ratio (Volume, weekly data) of Branded vs. private label Products during the HB Implementation period

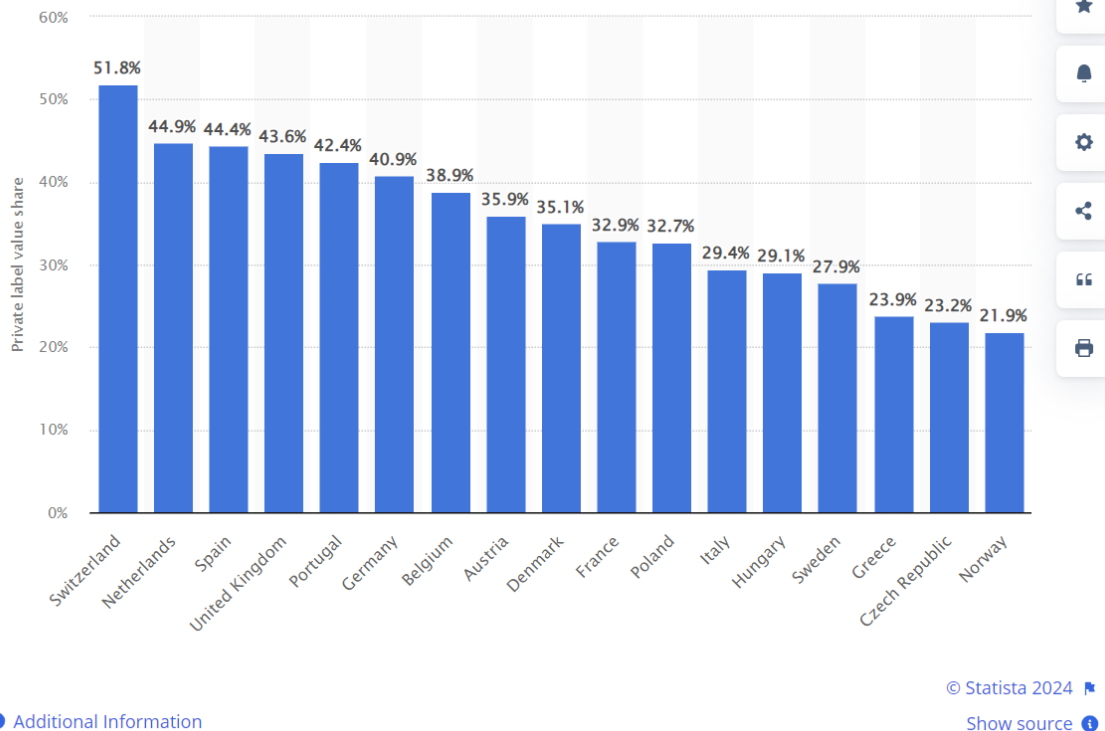


Source: Data from 11 SMs, Processing by the HCC's Market Mapping, Research and Merger Task Force Unit

- In terms of sales value, limited volatility was observed in Feta sales, between €4 - €5.5 million. The volume and value of Feta sold increase over holiday seasons (Easter and Christmas) and summer periods.
- Over a period of almost a year and a half (1/2/23-31/6/2024), the sales volume of branded products dropped from approximately 85% at the beginning of the period of reference, to 79% at the end, respectively the sales volume of private label products increased from 15% to approximately 21%. During 2023 and the first half of 2024, the gradual substitution, which had already begun in 2022 (based on the findings of a previous mapping study), in consumer preferences in favor of private label Feta products continued.
- An even greater substitution of branded Feta with private label Feta was also observed during periods of sharp increase in demand such as holiday seasons (Easter and Christmas) and summer periods.
- The HB does appear to have influenced consumer preferences, except occasionally during holiday seasons and summer periods. The share of products included in the HB averaged 12%, with a maximum percentage of 24% and a minimum of 4%. In the first week of observations, it was 17% and, in the last week, at 10%. The increased percentage of HB private label product sales, i.e. from 3% to 7-8% over a four-week period, starting from the second week of February 2024, is credited to one SM's sales of private label Feta.



### Sales value of Private Label Fast-Moving Consumer Goods (FMCGs), 2023



- The above graph shows the share of sales value of fast-moving consumer goods (FMCGs) held by private labels products in selected European countries, in 2023. According to these figures, it appears that Greece is among the last countries in the ranking in terms of consumer preference for private label products, at a rate of 23.9% compared to 51.8% in Switzerland.
- It has been observed\* that the strength of private labels generally varies depending on economic conditions. It means that private label market share generally increases in adverse economic conditions and decreases in robust economic contexts. It also demonstrates that, a few years ago, there was a clear gap in terms of quality between private label products and branded products. Today, this gap has narrowed. Private label quality levels are much higher than ever. Companies that contract for private label production have improved their processes for obtaining supplies and are more careful about monitoring quality.

\*Harvard Business Review (<https://hbr.org/1996/01/brands-versus-private-labels-fighting-to-win>)



### **In terms of shares**

- On the Supply side, there is a strong fragmentation. No supplier has a total share of more than 16%. In the category of branded Feta products, one supplier has a share of ~20%, and in the private label category, one supplier has a share of ~19%.
- On the SM side, the largest share by sales value in branded products is held by SM 1 (44.1%), while in private label products, one Supermarket also has a share of around 44.7%.

### **In terms of price evolution**

- Price differentiation between branded and private label Feta seems to exist in packaged Feta which is not included in the HB. In all other cases a) weighed Feta included in the HB b) weighed Feta not included in the HB and c) packaged Feta included in the HB, no significant price differentiation is observed between branded and private label Feta.
- Comparatively, the lowest prices in Feta (weighted average price per kilo) are presented in the private label-weighed-included in HB category, with a price of approximately 7.2 to 9.4 euros excluding VAT or 8.1 and 10.6 euros including VAT.
- The highest price in Feta products (weighted average price per kilo) concerns branded packaged products, not included in the HB, with an average price of approximately 13 euros excluding VAT or 14.7 euros including VAT.
- The inclusion of a branded product in the HB, on the one hand, creates competitive pressure on price between branded products included in the HB and, on the other hand, strengthens competition by private label products included the HB, as they have similar prices.
- Products included in the HB have a lower price compared to those not included in the HB (by around 2-3 euros) but there is no significant price differentiation between branded and private label products included in the HB.

### **In terms of consumer preferences**

- Consumers mainly prefer branded Feta (at around 82%, Feta products included and not included in the HB).
- However, during the reference period 2/2023-6/2024, a shift towards private label products was observed. This trend began in 2022 and continued throughout 2023 and in the first half of 2024.
- The HB does not seem to have affected consumer preferences (except occasionally in holiday seasons and summer periods). The share of the products that are included in the HB averaged 10% in terms of sales value.

**By considering the possibility of purchasing private label products and/or branded and private label products included in the HB, consumers can benefit from the lowest prices.**