



BPC Retail Report

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Potato Statistics

Highlights

Total Frozen value shows a marginal increase of 0.3% year on year but volume shows a slight decrease of 1.8%

In value terms, frozen potato products show a decrease of 4.6% while all other categories show an increase

In volume terms, recon. & convenience potatoes show a 15% increase and chilled potatoes and crisps also show marginal increases

POTATO PRODUCTS 52 wks to 5 Nov 2006	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Frozen Chips	270,558	3.6	306,881	-1.1	0.88
Frozen Potato Products	172,305	-4.6	133,062	-3.2	1.29
TOTAL FROZEN	442,863	0.3	439,943	-1.8	1.01
Recon. & Conven. Potato	27,364	5.9	12,844	15.0	2.13
Chilled Potatoes	16,912	11.3	5,851	0.8	2.89
Canned Potatoes	14,466	0.3	24,342	-4.6	0.59
Crisps	565,254	1.0	116,590	0.2	4.85

Highlights

Total fresh potatoes show growth of 4.4% by value and a small decrease of less than one per cent by volume

In terms of value growth, pre-packed new show the highest growth of 11.9%, followed by pre-packed baking at 10.8% and organic at 8.2%. Total loose shows a 6.6% decrease

Pre-packed baking continues to show the highest volume growth at 14.2% with organic at 8.6% and pre-packed new at 7.4%. The pre-packed sector overall shows value growth of 7.4% and volume growth of 1.4%

POTATOES by PACK TYPE 52 wks to 5 Nov 2006	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Pre-packed New	229,985	11.9	310,115	7.4	0.74
Pre-packed Maincrop	360,012	3.9	902,229	-2.4	0.40
Pre-packed Baking	99,320	10.8	158,784	14.2	0.63
TOTAL PREPACKED	689,317	7.4	1,371,127	1.4	0.5
Loose New	66,555	-13.1	89,805	-14.1	0.74
Loose Maincrop	23,611	-1.2	38,714	-6.2	0.61
Loose Baking	73,961	-1.7	75,808	-6.3	0.98
TOTAL LOOSE	164,126	-6.6	204,327	-9.9	0.80
Organic	24,445	8.2	30,141	8.6	0.81
Conventional	828,998	4.3	1,545,313	-0.4	0.54
TOTAL FRESH (Retail)	853,444	4.4	1,575,454	-0.2	0.54

DATA SOURCE—TNS

All potatoes—GB & Imports

Retail Detail



RETAILER SHARE OF FRESH POTATO MARKET 52wks to 5 Nov 2006	VALUE %			VOLUME %		
	Total Potatoes	Prepack Potatoes	Loose Potatoes	Total Potatoes	Prepack Potatoes	Loose Potatoes
Tesco	28.2	29.5	22.4	30.1	31.3	21.8
Sainsbury	16.5	16.8	15.3	14.1	14.1	14.0
Morrisons	12.2	12.7	10.2	12.4	12.7	10.5
Asda	13.3	14.0	10.4	15.1	15.8	10.1
Somerfield	4.7	4.5	5.6	4.3	4.2	4.5
Co-Op Grocers	4.4	4.6	3.4	4.4	4.6	2.9
Marks & Spencer	3.7	4.0	2.8	1.5	1.5	1.6
Waitrose	4.0	3.5	5.9	2.7	2.4	4.8
Aldi	1.9	2.4	0.1	2.5	2.8	0.1
Lidl	1.5	1.7	0.3	2.2	2.5	0.3
All others	9.6	6.3	23.6	10.7	8.1	29.4
TOTAL MARKET	100.00	100.00	100.00	100.00	100.00	100.00

DATA SOURCE—TNS

Retail News

'139,000sq ft mega store planned'

Mega Tesco's

According to press reports, Tesco is seeking planning permission for the UK's biggest supermarket yet. It is set to apply to Croydon Council in south London for permission to increase its Purley Extra from 82,000 sq ft to 139,000 sq ft. Tesco's largest supermarket at the moment is a 119,000 sq ft Extra in Newcastle-upon-Tyne. Asda has a 110,000 sq ft site in Milton Keynes while Sainsbury's biggest store is its 87,000 sq ft store in St Albans.

'Discounters account for 18% of the continent's grocery sales'

Discounters grow

Discounters have increased their share of UK grocery from 5.7% in 2002 to 6.3% in 2005, according to new figures from IGD. Their share in the UK, however, remains well below the average across Europe, where discounters now account for 18% of the continent's grocery market and IGD forecasts that their march across the Continent will slow.

A spokesperson for IGD said, "The sector experienced phenomenal growth in Europe after the introduction of the euro in 2002, and related consumer concerns about rising prices in the eurozone, but we now expect growth to slow to pre-2002 levels." Apparently, discounters have the greatest market share in Norway where they control almost half of all grocery sales.

'this is the future'

Whole Foods Market's bow wave

It has yet to open a store in the UK, but the pre-publicity has already hit us hard, and many food retailers in this country are nervous of its arrival. Whole Foods Market started out as a single vegetarian store in Texas in 1980 but has become one of the biggest retail success stories of recent times – it is now worth £3bn.

Ahead of its first store opening in the UK next spring, it has just come top of the Grocer's World's Greatest Food Retailers list for the second year running and drawn significant praise from industry luminaries. "This is the future," said Spar managing director Jerry Marwood while CEO of WPP, Sir Martin Sorrell said; "Simply the best merchandised anywhere." High praise indeed – meanwhile the food industry waits with bated breath for the opening of the first Whole Foods Market UK store, in London.

Make a date with National Chip Week 2007 – 12th to 18th February

National Chip Week 2006 generated an 8% increase in awareness and £2.75m of positive coverage for chips. There is another high profile PR campaign planned for National Chip Week 2007, so make sure your business benefits from the buzz around chips! This year National Chip Week will be celebrating chips as a National Treasure.

In a previous year incorporating the National Chip Week logo, a recipe and a celeb quote into the potato pack design for Maris Piper resulted in an average sales uplift of 5%. Why not add our oven chip recipe sticker onto your potato packs for chipping varieties during National Chip Week 2007? The artwork is available to be supplied to you free of charge.

Alternatively, help us raise awareness of the week by displaying a National Chip Week lorry sticker. Or why not

support one of the 5 Guinness World Record attempts during the week? If you have plans to carry out activity during the week, promote them on, the soon to be relaunched, National Chip Week website:

www.lovechips.co.uk.

You can find all the details about National Chip Week on www.potato.org.uk or

contact Caroline in BPC Marketing on 01865 782260 to find out more.



National Chip Week
12th - 18th February 2007

A closer look at homemade food

A recent report by TNS has taken a closer look at homemade food and the resurgence of cooking in general with one of its key findings being the impact of celebrity chefs.

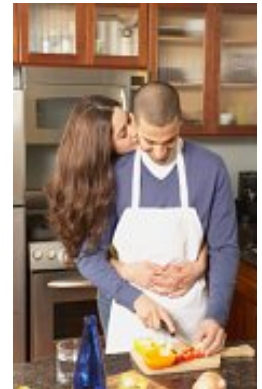
The report points out that there are more cookery programmes than ever now on television, and consequently, chefs have become household names. Cooking has become 'cool' again, with certain sections of the population having found a new respect for food and preparing meals at home using fresh ingredients. It is suggested this is, in part, due to an ever increasing awareness of obesity and pre-packaged food ingredients. This has in turn led to longer preparation times highlighted by the fact that there has been an increase of 266 million more meals, that take over 20 minutes to prepare, since 2005.

The report produces a number of interesting points about this new generation of cooks.

- 10 per cent of all food is homemade, accounting for 6.4bn meal occasions.
- Surprisingly, it is the 17 to 34 age group, the traditional takeaway and fast food heartland, which is driving the resurgence as cookery has suddenly become cool. Homemade food prepared by this group has grown by nearly ten per cent.
- Men of all age groups are now consuming more homemade food.
- Although relatively small, another group of consumers are an easily identifiable and attractive group. Wealthy (they are much more likely to be AB) older couples (they mostly inhabit 2 person households and 45 plus) and are likely to be childless. They are also at the forefront of

the growing consumer move towards less processed and more wholesome food that has also contributed to the growth in the organic movement.

- Looking at their attitudes, their passion for organic is clear; they are much more likely than the average consumer to agree that organic food tastes better and is generally better quality. Their concern for the food they eat extends into a greater social conscience, they are more prepared to pay the extra for fair trade, buy environmentally friendly products and shun GM foods.
- Their general philosophy is one of holistic, rather than dietary health. They do not necessarily eat food for health reasons as only 13 per cent of homemade food is consumed for health reasons, as opposed to 19 per cent for all foods. More homemade food is consumed because it is something special or because these consumers are cooking for social events.
- The key day for homemade food is Sunday, much of which can be accounted for by roast dinners which are largely homemade.



The spread of world cuisine

Despite the negative aspect of the debate in this country about immigration, a recent article in the Guardian newspaper pointed out that one overwhelmingly positive aspect of Britain's tradition of immigration is often overlooked – it's great impact on British palates.

As Britain's population becomes more diverse, so does its food, and while chicken tikka masala may still be the nation's favourite dish, challengers to the crown are emerging.

Polish food has already made an impact, with delicatessens and restaurants springing up across the UK. In Edinburgh, where more than 20,000 Poles registered to work between 2004 and 2006, Tad Krzysik has launched Polish restaurant Bigos. He says that the cuisine has

already been accepted by locals. "The Scots have really been interested in what we are doing. I would say that 80% of our customers are Scottish people. Some days we only have bookings from Scottish people. It's been a big surprise."

Why is it so popular? Krzysik points to familiar flavours such as beetroot and cabbage, and value for money with three courses only costing about £10.

While the Scots are tucking into their speciality dumplings others are heading out to sample new neighbourhood restaurants including those offering Brazilian, Ethiopian and Swedish cuisine.

Market briefing - Ethnic foods

'worth £1.1bn and growing at 1% per annum'

While it is difficult to place a value on the ethnic food market because it covers a wide and subjective range of categories – from ready meals to ingredients – TNS, none the less, have come

up with a figure.

They estimate the ethnic foods market to be worth £1.1bn per year in the UK and growing at 1% year on year.

According to TNS the main reason for choosing ethnic food is as a 'favourite' (20% of individual meal occasions) and 'fancied a change' (16% of individual meal occasions).

Ethnic foods are more likely to be eaten at the weekend compared with total food, with 15.4% of ethnic meals eaten on a Friday and 18.6% on a Saturday. Some 69% of ethnic foods are eaten at the evening meal.

Ethnic ready meals and main meal accompaniments, comprising Indian, Chinese, Thai, and Mexican, are worth £455m, representing 24% of the total chilled ready meal and main meal accompaniments category.

Annually, 60% of the population purchase an ethnic ready meal on average eight times a year.

Tesco is the leading retailer with a 28% spend share, followed by Sainsbury's with a 20% spend share.

The fastest growing ethnic categories are chilled ethnic premium bitesized snacks, poppadoms and rice. Chilled ethnic bitesized snacks grew 13% in value, driven by more people buying into the category and more frequent purchasing.

Tesco is again the leading retailer with a 24% share followed by Sainsbury's with an 18% share.

Poppadoms grew 11% in spend driven by more frequent and larger shopping trips. Sharwood's is the number one brand in this category.

Tesco is the leading retailer in poppadoms with a 24%

Total ethnic foods market

	VALUE (£k)	SHARE %	% CHG Y-O-Y
Chilled ethnic ready meals	455,417	41.3	-4.0
Total rice	190,534	17.3	5.0
Ethnic cooking sauces	188,022	17.1	0.0
Naan bread	58,803	5.3	1.0
Pitta bread	32,448	2.9	4.0
Noodles	26,404	2.4	-5.0
Poppadoms	16,641	1.5	11.0
Soy Sauce	11,461	1.0	-1.0
TOTAL	1,101,712	100	1.0

TNS – 52 w/e 13 Aug 2006

spend share, followed by Asda with a 20% spend share. Rice grew 5% in spend year on year, driven by more frequent and larger shops compared with the previous year. Uncle Ben's is the number one brand and has performed strongly in the latest year.

It must be true, it's in the media



Spotted in the Guardian:-

New York City health chiefs have voted unanimously to ban artificial trans fats at restaurants, from the humble corner pizzeria to luxury bakers. Restaurants will be barred from using most frying oils and shortenings containing the fats by 1st July next year, and will have another year to eliminate them from all foods. Trans fats are believed to be harmful because they contribute to heart disease by raising bad cholesterol and lowering good cholesterol at the same time.

Spotted in Just Food:-

Danone has declined to comment on reports in the French media that it is preparing to launch a yoghurt, called Essensis, which has a moisturising effect on the skin. The beauty-enhancing yoghurt will have a specific taste and texture while its packaging will be different from other Danone dairy products.

Spotted in Food and Drink industry news:-

Additives that fool the body into believing that it has ingested more food than has actually been eaten are a key trend that will develop during 2007, analysts have said. Food and beverage producers with an eye on the massive US diet market have only just begun to explore using the hormonal reactions that tell the body that it is full. Nonetheless, Business Review analysts say that satiety-enhancing additives will take the market by storm when they begin to reach the public consciousness.

Also spotted in Food and Drink industry news:-

A new report has revealed that consumers who are actively engaged in the process of creating and preparing their own meals are likely to have better diets than other shoppers. Research by groups working at the University of Minnesota suggests that those more at home in the kitchen are rewarded with increased health benefits and met more dietary requirements. According to the study, 31 per cent of those who played an active part in meal preparation said that they ate the recommended five portions of fruit and vegetables a day, compared with just three per cent of those who said they did not usually occupy themselves with home cooking.

Spotted in the NFU Food Chain Newsletter:-

Sainsbury's is planning a children's healthy eating promotion 'Active kids get cooking', as a spin off from its Active Kids scheme. Under the scheme, schools and children will receive free cooking lessons and recipe ideas. The Active Kids voucher is likely to be maintained and schools may be able to redeem them for cooking equipment early next year.

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