Prepared by AHDB Market Intelligence

# Potato Retail Report - May 2012

(Data to 15 Apr 2012)

## Market Summary

| 52 w/e 15 Apr 2012 | | | | |
|---|---|---|---|---|
| **Produce Type** | Value (£000s) | % Chg YOY | Volume (Tonnes) | % Chg YOY |
| **TOTAL FRESH** | 1,067,242 | -3.9 | 1,626,250 | -1.7 |
| Pre-packed | 871,255 | -1.2 | 1,484,842 | -0.4 |
| Loose | 195,987 | -14.3 | 141,408 | -13.9 |
| Total Organic | 14,679 | -25.5 | 16,541 | -25.6 |
| **TOTAL FROZEN** | 610,412 | 13.3 | 472,285 | 1.0 |
| Frozen Chips | 391,685 | 14.5 | 331,479 | 1.0 |
| Frozen Potato Products | 218,727 | 11.1 | 140,807 | 1.1 |
| **CHILLED Potatoes** | 190,656 | 7.8 | 54,300 | 4.6 |
| **CANNED Potatoes** | 11,027 | -4.5 | 14,841 | -3.4 |
| **CRISPS** | 882,345 | 8.0 | 134,196 | 0.3 |
| **SAVOURY SNACKS** | 805,811 | 7.7 | 116,024 | 3.3 |
| **RECON. & CONV.** | 24,313 | -0.3 | 12,212 | -6.0 |

| 12 w/e 15 Apr 2012 | | | | |
|---|---|---|---|---|
| **Produce Type** | Value (£000s) | % Chg YOY | Volume (Tonnes | % Chg YOY |
| **TOTAL FRESH** | 244,848 | -4.3 | 390,889 | 2.0 |
| Pre-packed | 203,750 | -3.4 | 359,942 | 2.7 |
| Loose | 41,098 | -8.5 | 30,948 | -5.8 |
| Total Organic | 3,135 | -24.7 | 3,526 | -24.1 |
| **TOTAL FROZEN** | 157,487 | 19.7 | 117,743 | 6.2 |
| Frozen Chips | 95,644 | 12.7 | 80,316 | 2.0 |
| Frozen Potato Products | 61,843 | 32.4 | 37,427 | 16.4 |
| **CHILLED Potatoes** | 49,439 | 8.0 | 14,247 | 3.8 |
| **CANNED Potatoes** | 2,624 | 5.5 | 3,390 | 2.6 |
| **CRISPS** | 207,453 | 6.2 | 30,780 | -0.5 |
| **SAVOURY SNACKS** | 182,733 | 9.8 | 25,708 | 7.2 |
| **RECON. & CONV.** | 5,997 | 3.0 | 2,988 | -4.7 |

**FRESH**

- The latest 12-week period has seen positive volume growth +2% for potatoes driven by pre-pack and this has impacted on the 52-week total data although volume is still down 1.7% on the year. However, reduced retail price per kg has seen value suffer a fall of 4.3% in the 12-week period with the 52-week being 3.9% down.
- Loose potato sales continue to see a fall in volume and value in both the 52-week and 12-week periods suggesting that consumers are turning to the pre-packed option more and more.
- Organic sales are just under 1% of total volume and this has seen significant falls in both the 12 and 52-week periods as consumers consider their options and look to save money as opposed to following what may be a more long-term preferred option.

**FROZEN**

- Frozen potato sales have enjoyed strong volume and value growth over the latest 12 weeks although the volume in the year is flat. The significant difference between volume change and value change in both periods would indicate some strong upward movements in retail price although there may be a smaller effect caused by some trading up occurring as new lines are introduced into the market.

**CHILLED POTATOES**

- Although a smaller sector of the market, chilled potato has seen positive growth in both volume and value terms. While consumers are looking to save money, the drive to convenience is continuing and chilled potato seems to be following the ready meal trend and seeing growth in these austere times.

**CRISPS & SAVOURY SNACKS**

- Volume on crisps is flat in both the latest quarter and the year while value sales are well ahead indicating, as with other products, price increases going through.
- Crisps may be showing flat sales growth but savoury snacks are putting on something of a growth spurt in the last quarter +7.2% volume and +3.3% in the year. Retail price changes in this market seem to be much more moderate than crisps.

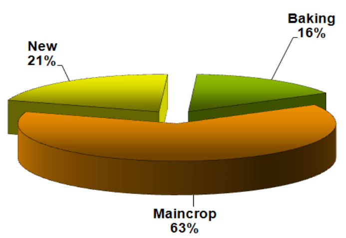
**CANNED POTATOES + RECONSTITUTABLE AND CONVENIENCE**

- Canned potatoes have had a strong quarter with volume up 2.6% and value 5.5%, however, the yearly data is more negative with both value and volume falling.
- Reconstituted and convenience seem to be missing the consumer's desire for convenience with negative volume growth in both the 12 and 52-week periods.

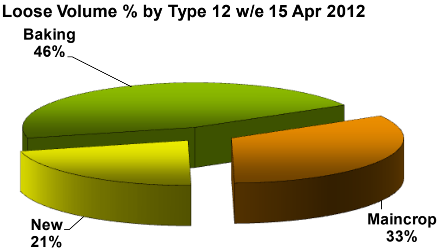
**PRE-PACK VS. LOOSE**
**(12-week data)**

- In pre-pack, baking share of pre-packed has increased to 16% vs. the 14% seen in the last quarter. New potatoes has also increased share to 21% from 18%.
- Baked potato is the largest sector in loose while new holds the same share as in pre-packed.

Pre-packed Volume % by Type 12 w/e 15 Apr 2012




Loose Volume % by Type 12 w/e 15 Apr 2012

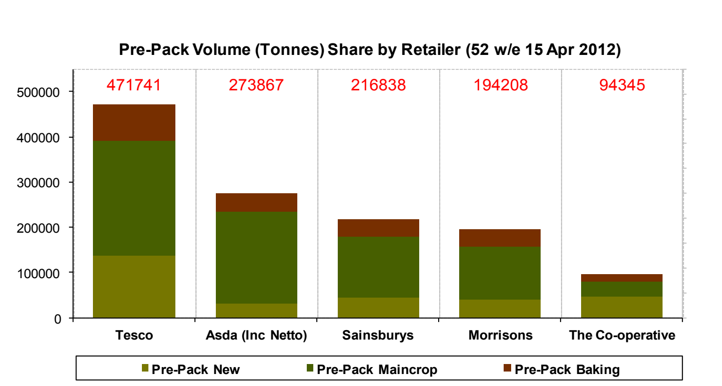


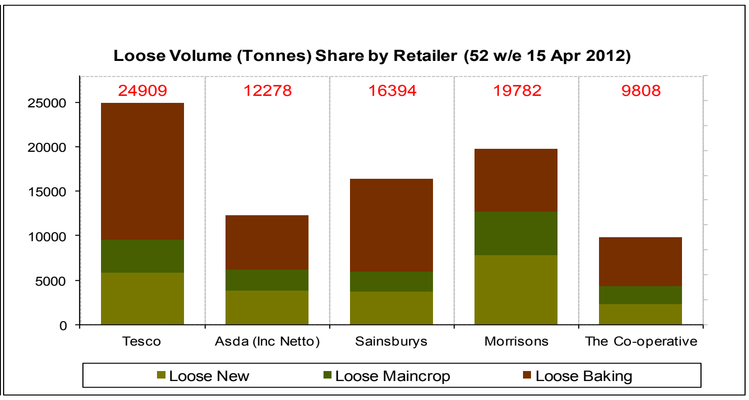

## Pre-packed and Variety

| Pre-packed | Economy | | King Edward | | Maris Piper | | Reds | | Whites | |
|---|---|---|---|---|---|---|---|---|---|---|
| 12 w/e 15 Apr 2012 | Actual | % Chg | Actual | % Chg | Actual | % Chg | Actual | % Chg | Actual | % Chg |
| Value (£000's) | 10,550 | 12.4 | 11,020 | 9.4 | 24,851 | -14.8 | 21,871 | 10.7 | 128,154 | -7.8 |
| Volume (Tonnes) | 28,260 | 24.4 | 20,438 | 22.4 | 35,641 | -14.9 | 36,660 | 27.6 | 228,075 | -3.4 |

- The latest 12 weeks has seen economy put on significant growth which appears to be at the expense of Maris Piper and White
- Volume growth is ahead of value in Economy, King Edwards and Whites indicating quite large retail price movements downwards year on year.

## Retailer Performance - Fresh Potatoes




**TESCO:**

- While overall, Tesco is showing a decline in both volume and value, this been adversely affected by a much weaker year-on-year performance on new potatoes while maincrop has seen strong volume +12.4% and +4.8% value growth.

**ASDA (inc. Netto):**

- Like Tesco, Asda has seen significant declines in new potatoes, however, they have also seen large volume falls in baking and their growth in maincrop is 3.8% in volume and 1% in value.

**SAINSBURY'S:**

- Overall, performance is down in both volume 3.4% and value 6.8%, again, new potatoes are down as are baking although this fall in baking is only 4.8% in volume. Their maincrop sales are flat in volume and down 4.3% in value.

**MORRISONS:**

- Morrisons are bucking the trend in the other top four retailers, their volume sales of new potatoes are up 5.4%, maincrop is 0.9% down but they have managed to put on growth in baking volume of 5.2%, this leaves their overall potato volume up 1.7%.
- While volumes are positive, value like the others is falling down 1.9% although this is significantly lower than the other top 4 retailers.

**CO-OPERATIVE:**

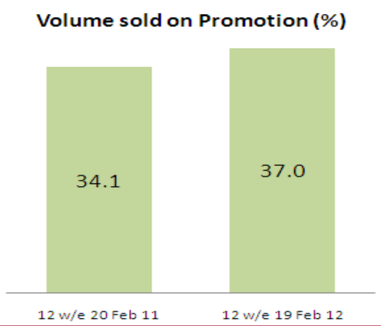
- The Co-operative is behind last year in volume and value 11.7% and 13.3% respectively with maincrop being over 17% down in both measures.

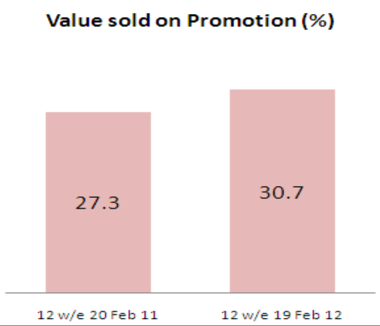
**OTHER:**

- Iceland, Lidl and Aldi have all put on value growth although only Iceland and Lidl have repeated the trick in volume, with Aldi managing to see a twenty per cent volume fall.
- Independents are showing they are alive and kicking with volume growth of 2.3% although this does go with a 1.3% decline in value. These figures are being driven by a strong performance in maincrop.

| 52 w/e 15 Apr 2012 | Waitrose | | Marks & Spencer | | Aldi | | Lidl | | Iceland | | Tot. Independents | | All Others | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Chg% | Total | Chg% | Total | Chg% | Total | Chg% | Total | Chg% | Total | Chg% | Total | Chg% |
| Value (£000s) | 48,200 | -3.4 | 30,900 | -8.0 | 28,326 | 8.7 | 32,478 | 26.0 | 11,373 | 4.5 | 9,776 | -1.3 | 65,135 | -3.8 |
| Volume (Tonnes) | 46,907 | -2.8 | 26195 | -9.6 | 44,320 | -20.0 | 71,046 | 28.3 | 26,112 | 15.9 | 9,759 | 2.3 | 67,741 | -4.0 |

## Promotional Update - Fresh Potatoes




- In the 12 weeks to 19 February 2012, 37% of potato volumes sales were on promotion. This represents a 2.9%pt increase vs. the same period in 2011. In terms of value, just over 30% of sales are via promotion, this is also an increase vs. the previous year.
- A Temporary Price Reduction (TPR) is the most prominent promotional mechanic used. Over the quarter, 29.1% of total fresh potato volumes were sold via TPR. This figure has increased from 23% in 2011. The total value of sales from fresh potato products with TPR was £55.6m.
- Y for £X is the next most frequently used promotional mechanic. However, while TPR has increased prominence YOY, Y for £X sales have declined. In the 12 weeks to 19 February 2012, the share of volume sales sold via Y for £X was at 7.5% - this is down from 9.7% in the previous year. Value sales from a Y for £X promotion were £13m.

## What's been in the News?

**Frying the flag: red, white & blue crisps from Tyrrells**

*The Grocer - 5 May 2012*

Tyrrells has brought together three coloured potato varieties to create packs of red, white and blue crisps. It is marking the Jubilee with 150g bags of the salted crisps, made with potato varieties Highland Burgundy Red, White Lady Claire and Salad Blue.

**Cornish potatoes hit Tesco and Asda**

*The Grocer - 20 April 2012*

Suppliers are heralding the start of the Cornish new potato season, as the product starts to hit shelves.

QV Foods' Cornish Crystal potatoes – sold through Asda's Extra Special range – hit Asda stores this week. The potatoes are hand-lifted and delivered to Cornish stores the same day.

**Walkers extends its Baked range**

*The Grocer - 10 March 2012*

Walkers is introducing Baked Stars, an extension of its Baked crisps range. Baked Stars have 70% less fat on average than standard crisps.

**Fish and chips voted Britain's most iconic food**

*The Grocer, 16 March 2012*

The British public have voted fish and chips as Britain´s most iconic food, in a poll conducted for The Grocer magazine. The fish supper accounted for 20% of votes, with tea and roast dinner getting 9.4% and 8% respectively.