

What are the top two jacket potato toppings?

Beans? Cheese? Tuna?

See page 4

BPC Retail Report

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Potato Statistics

Highlights

Overall, total frozen value shows a year on year increase of 10.5% but a decrease of 1.8% by volume

In value terms, all categories again show an increase. The largest increase is seen by chilled potatoes up 14.6%, followed by frozen chips up 14.1%

In volume terms, only recon. & convenience potatoes, chilled potatoes and crisps continue to show an increase, up 7.7%, 8.3% and 2.8% respectively

POTATO PRODUCTS 52 wks to 7 Oct 2007	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Frozen Chips	306,006	14.1	306,115	-0.6	1.00
Frozen Potato Products	180,487	4.8	128,379	-4.4	1.41
TOTAL FROZEN	486,493	10.5	434,494	-1.8	1.12
Recon. & Conven. Potato	27,871	1.7	13,859	7.7	2.01
Chilled Potatoes	19,129	14.6	6,256	8.3	3.06
Canned Potatoes	15,012	3.4	21,646	-12.3	0.69
Crisps	612,025	7.1	119,636	2.8	5.12

Highlights

Total fresh potatoes show growth of 15.8% by value and 0.5% by volume. Within this, total pre-packed shows a value increase of 17% and an increase of 1.5%, while total loose shows a value increase of 10.2% but a volume decrease of 6.9%.

In terms of value growth, all categories show an increase but with organic showing the highest growth of 20%, followed by pre-packed maincrop and loose baking with 18.7% and 17.3% respectively

Organic is the category showing the highest volume growth at 15.4%, with pre-packed new at 7.2% and pre-packed baking at 5.1%. Loose maincrop at 13.2% and loose new at 12.3%, show the highest rate of decrease.

POTATOES by PACK TYPE 52 wks to 7 Oct 2007	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Pre-packed New	262,643	15.5	331,422	7.2	0.79
Pre-packed Maincrop	421,222	18.7	895,815	-1.0	0.47
Pre-packed Baking	111,082	14.5	165,723	5.1	0.67
TOTAL PREPACKED	794,964	17.0	1,392,967	1.5	0.57
Loose New	68,162	2.4	79,020	-12.3	0.86
Loose Maincrop	25,776	10.6	33,879	-13.2	0.76
Loose Baking	85,833	17.3	77,366	2.7	1.11
TOTAL LOOSE	179,772	10.2	190,265	-6.9	0.94
Organic	29,300	20.0	34,817	15.4	0.84
Conventional	945,436	15.6	1,548,415	0.1	0.61
TOTAL FRESH (Retail)	977,115	15.8	1,585,984	0.5	0.62

DATA SOURCE—TNS

All potatoes—GB & Imports

Retail Detail



RETAILER SHARE OF FRESH POTATO MARKET 52wks to 7 Oct 2007	VALUE %			VOLUME %		
	Total Potatoes	Prepack Potatoes	Loose Potatoes	Total Potatoes	Prepack Potatoes	Loose Potatoes
Tesco	28.0	29.3	22.5	29.8	31.0	21.6
Sainsbury	16.3	16.3	15.3	14.6	14.5	14.3
Morrisons	12.1	12.3	11.2	12.6	12.8	11.5
Asda	13.7	14.8	9.2	15.9	16.8	9.1
Somerfield	4.5	4.1	6.2	3.8	3.7	4.7
Co-Op Grocers	4.6	4.9	3.5	4.3	4.5	3.0
Marks & Spencer	3.4	3.7	2.6	1.5	1.5	1.5
Waitrose	4.1	3.5	6.8	2.7	2.4	5.4
Aldi	2.1	2.6	0.1	2.9	3.3	0.1
Lidl	1.8	2.1	0.9	2.9	3.1	1.0
All others	9.4	6.4	21.7	9.0	6.4	27.8
TOTAL MARKET	100.00	100.00	100.00	100.00	100.00	100.00

DATA SOURCE—TNS

Retail News

'M&S – top ethical food retailer'

Marks & Spencer voted the most ethical

M&S has been voted the most ethical food retailer by consumers for a second year, while Tesco was down five places on last year in 15th position. M&S was voted 'good' or 'very good' by 60% of the 1067 people polled in the Ethical Reputation Index, coming second overall behind Boots. The consumers were asked to rate 50 UK retailers on their treatment of environment, employees, customers and suppliers. Despite the launch in January of a £100m environment programme, Tesco was ranked 15th, Sainsbury's came 11th, Morrison's 20th, and Asda 14th.

'London to take ambitious view of plastic bags'

London to enforce carrier bag ban?

The pressure to discard plastic bags as packaging is mounting following an announcement by London Council. According to the body a Bill could soon be enforced that would mean carrier bags are no longer given away free in the capital's shops. London Council's chairman councillor Merrick Cockell commented that the city is keen to become a leader on the topic of plastic carrier bags.

"As a society, we need to do far more to reduce the amount of waste we are sending to landfill and London as a city is determined to take an ambitious lead on this issue," he said.

The decision by London Councils to push this decision follows a large consultation with Londoners, with 90 per cent on consumers responding to the poll calling for action on carrier bags. Brighton announced a few weeks ago that it is planning to rid the city of plastic bags.

'British food represents three quarters of what we buy'

Local sourcing grows in appeals to caterers

Campaigns like British Food Fortnight (BFF) are forcing a sea-change in demand from traditionally large volume, low cost caterers. Foodservice giant Brakes has just launched a Best of British web service for customers to locate local products. The company said it had introduced more than a dozen UK lines to support BFF.

"British produce adds value to menus and justifies its higher price," said a spokesman. "By value, British food now represents nearly three-quarters of what we buy."

He said that Brakes' own brand range of more than 3,000 products was made increasingly from home produced ingredients.

GDA system given boost by EU

Supporters of the Guideline Daily Allowance (GDA) labelling system, have been given a significant boost by a European Commission proposal to make the system mandatory across the EU.

In plans aimed at shaking up food labelling, recently leaked to the national press, it is believed the Commission want the amount of energy, fat, saturates, sugar and salt in a product to be included in the 'principle field of vision of the pack'. The quantity of each nutrient in the product should also be expressed 'as a percentage of the reference intakes', the commission said.

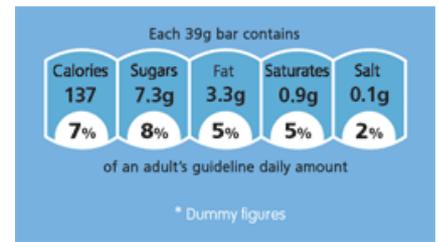
The standard format for this would be for 100g or 100ml. However, where a food is sold in a single portion – such as a packet of crisps – it would be acceptable to express the percentage reference intake on a portion basis. Percentages could also be expressed on a portion basis where the Commission had already agreed on a standard, guideline portion size for a product category.

The Commission has also proposed making it compulsory to display the energy content of alcoholic drinks over 1.2% abv on pack. However it is suggesting that unprocessed single ingredient foods, such as fruit and vegetables, should be exempt from the requirements.

Other exemptions include bottled water, tea, vinegar and single ingredient foods that have only been subject to smoking or maturing.

While supporters of the traffic light system of food labelling will be disappointed, the Commission's proposals do not necessarily mean the end of red lights on food and drink. Provided food retailers and suppliers meet the legal obligations on labelling, they could be permitted to add extra information, such as traffic lights.

The debate over front of pack nutrition labelling has divided the food industry with Tesco and some major manufacturers preferring pure GDA's while others including Sainsbury's have adopted versions of the traffic light style system. Asda, on the other hand, has decided to use a hybrid approach, which combines both.



Fat get fat, thin stay thin

The food industry has again come under fire for contributing to the nation's bulging waistline, but a new study has challenged the assumption that food is chiefly to blame for obesity.

People have a genetic susceptibility to weight gain, claimed a Cancer Research UK study published within the last month. Put simply, fat people are getting fatter while thin people are staying thinner, said the 'Weight Gain in the Population' report. For some, decreasing the amount of fatty foods they eat would make very little difference to their weight, it added.

The findings come hard on the heels of the government's Foresight report, which branded the food and drink industry as one of the major causes of obesity and predicted that 60% of men, 50% of women and 25% of children would be obese by 2050.

"Although personal responsibility plays a crucial part in weight gain, human biology is being overwhelmed by the effects of today's 'obesogenic' environment, with its abundance of energy-dense food, motorised transport and sedentary lifestyles," said the report.

Fast food industry bites back

A few years ago you would have been forgiven for thinking that the fast food industry in the US was on death's doorstep. The obesity epidemic, class action lawsuits and the revelations in the Eric Schlosser's book *Fast Food Nation* and Morgan Spurlock's film *Super Size Me*, all pointed to an industry in its last throes. But in the last two years fast food has undergone one of the most remarkable turnarounds in business.

Recently, the share prices of the two largest chains - McDonald's and Yum Brands (KFC, Pizza Hut & Taco Bell) – hit record highs. So have they ridden the storm?

There is one man who should know. David Novak, CEO of Yum Brands, employs one million chicken grillers, taco toasters and pizza bakers who serve 6 billion customers a week, and in a recent interview with the *Sunday Times* he put forward his view of the situation.

"The industry no longer puts its head in the sand on nutritional issues," he said. "Would I love to have everybody eat in a KFC every day? From a sales standpoint, yes. But I don't think it is a good idea for everyone to eat fried food at KFC every day. There isn't a nutritionist who would say that is the right thing to do." Perhaps most important of all, the big firms have changed the habits of a lunchtime. By phasing out artery clogging



trans-fats and dumping pre-cooked, additive laced foods in favour of healthier snacks, they were giving customers more reasons to eat fast food.

"We were the first to take out the trans-fats from all the oil that we cook with in all our restaurants. McDonald's has salads and fruit and we now offer salads and roasted, not fried chicken at KFC.

Firms, notably McDonald's, had begun to encourage customers to take more exercise. "There is a real disease out there called sedentariness. People are sitting round and not exercising as much as they need to." Now customers are resisting blaming the fast food industry for obesity and other health problems, said Novak.

Detractors point out that one of the key drivers of McDonald's recovery in the US is the firm's dollar menu, which offers a fatty double cheeseburger, salty fries and a sugary soda for just 50p.

Novak insists the future looks bright. "Five years ago people said McDonald's were history. But we are power brands, not fly-by-night brands. There might be issues that you have to address from time to time, but we'll still be around 50 years from now."

Carb Watch – Pasta

'ambient is driving growth in both sectors – pasta and sauces'

The pasta and pasta sauces markets have grown again in the latest year according to new figures out from TNS Worldpanel.

Pasta sauces are now worth £280m per annum, having

grown 7%, while the pasta market is worth £222m – up 3%. However, while growth in the pasta sauces market has accelerated, it has slowed in the pasta market. Ambient is driving the growth in both sectors, with ambient pasta sauces and ambient pasta growing year-on-year at 7% and 4% respectively.

Purchasing behaviour runs counter to the macro market trend of shoppers moving towards more convenient and healthy fresh alternatives in other sectors. Within pasta the 3% growth in value, worth £5m has come from dried pasta, where tagliatelle, noodles and macaroni have recorded strong sales.

The fresh sector, which was driving growth last year, is underperforming as fresh filled pasta has declined in value year-on-year. Total fresh pasta is not in decline, however, due to the strong growth in fresh cut pasta offsetting the filled pasta decline.

Pasta sauces are worth £280m and have been growing strongly through the ambient sector, which accounts for 84% of the market. Chilled pasta sauces last year were

Total pasta & pasta sauces – by sales and market share

	VALUE £m	SHARE %	% change Y-O-Y
Ambient	128	57.4	4
Chilled	95	42.6	1
TOTAL PASTA	222	100	3
Ambient	236	84.1	7
Chilled	45	15.9	2
TOTAL PASTA SAUCES	281	100	7

Source – TNS Worldpanel 52 w/e 12 Aug 2007

driven by promotion but these levels have fallen, while ambient sauces have maintained their level of promotion. Consumers see pasta and pasta sauces as great standby foods. As the market has matured, manufacturers have tried to innovate by targeting specific consumer groups, be it children, the health-conscious or those after a premium offer.

BPC CONSUMER NEWS

The on-going PR campaign to keep potatoes in the news, recently revealed the results of research into microwave usage in this country. The research amongst 1,300 adults, revealed that the jacket potato is the top food cooked in the microwave. Twenty six per cent of those with access to a microwave at home or work named the jacket potato as the food they were most likely to use it for, compared with 18 per cent who use their microwave for ready meals, 9 per cent who use it for baked beans, 8 per cent for porridge and 5 per cent for warming or reheating food. The favourite topping for a baked potato was grated cheese (30%), more than double second place tuna and sweetcorn (14%).

To find out more visit www.britishpotatoes.co.uk

It must be true, it's in the media



Spotted in Just Food:-

UK crisp maker Tyrells Potato Chips, is planning to produce vodka made from potatoes and apples at its site in Herefordshire. The company is to inject cash won from a recent Bank of Scotland entrepreneurial prize into the construction of the distillery, which will produce 100,000 bottles of vodka a year. A Tyrells spokesperson said it is "very much the early days" of the project but forecast that the company would launch its vodka, made from potatoes, in premium food halls in time for Christmas with a nationwide launch next summer.

Spotted in the Grocer:-

Buy-one-get-one-free promotions are now as influential as television advertising in getting consumers to try new products, research by IGD has revealed. A survey of 1,000 shoppers found that 25% had tried a new product because it was a bogof, up from 19% in 2004. This is now in line with television advertising, which also persuaded 25% to buy a product for the first time. However, getting consumers to trial a new product did not mean that they will continue to use it – only 14% said they frequently carried on purchasing a new product after a promotion ended.

Spotted on Food and Drink Industry News:-

Consumers have been warned by a new report that online food shopping may be convenient but that the food might not be as fresh. The research by Which shows that food bought in store will on average have a longer shelf life compared to the same products purchased on the web on the same day. Thus the watchdog has concluded that food purchased online may not be as fresh as items bought in store, despite the convenience.

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