



See pages 3 & 4

# BPC Retail Report

Issue 52

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## Potato Statistics

### Highlights

Overall, total frozen value shows a year on year increase of 9.7% but a decrease of 1.4% by volume

In value terms, all categories again show an increase. The largest increase is seen by frozen chips up 13.1%, followed by chilled potatoes up 11.9%

In volume terms, only recon. & convenience potatoes, chilled potatoes and crisps continue to show an increase, up 8.7%, 4.7% and 2.0% respectively

POTATO PRODUCTS 52 wks to 4 Nov 2007	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Frozen Chips	306,780	13.1	306,247	-0.4	1.00
Frozen Potato Products	180,369	4.3	128,629	-3.6	1.40
<b>TOTAL FROZEN</b>	<b>487,149</b>	<b>9.7</b>	<b>434,877</b>	<b>-1.4</b>	<b>1.12</b>
Recon. & Conven. Potato	27,845	1.7	13,984	8.7	1.99
Chilled Potatoes	18,955	11.9	6,136	4.7	3.09
Canned Potatoes	14,914	2.9	21,530	-11.6	0.69
Crisps	613,461	6.9	119,502	2.0	5.13

### Highlights

Total fresh potatoes show growth of 14.1% by value and 0.6% by volume. Within this, total pre-packed shows a value increase of 15.4% and a volume increase of 1.9%, while total loose shows a value increase of 8.7% but a volume decrease of 8.3%.

In terms of value growth, all categories show an increase but with organic showing the highest growth of 17.7%, followed by pre-packed maincrop and loose baking with 16.4% and 15.6% respectively

Organic is the category showing the highest volume growth of 12.9%, with pre-packed baking at 8.1% and pre-packed new at 7.7%. Loose maincrop at 13.6% and loose new at 13.2% show the highest rate of decrease.

POTATOES by PACK TYPE 52 wks to 4 Nov 2007	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Pre-packed New	263,552	14.3	334,421	7.7	0.79
Pre-packed Maincrop	419,895	16.4	892,698	-1.2	0.47
Pre-packed Baking	111,679	14.0	169,683	8.1	0.66
<b>TOTAL PREPACKED</b>	<b>795,143</b>	<b>15.4</b>	<b>1,396,810</b>	<b>1.9</b>	<b>0.57</b>
Loose New	67,585	1.6	77,946	-13.2	0.87
Loose Maincrop	25,238	6.8	33,453	-13.6	0.75
Loose Baking	85,587	15.6	75,996	0.1	1.13
<b>TOTAL LOOSE</b>	<b>178,410</b>	<b>8.7</b>	<b>187,395</b>	<b>-8.3</b>	<b>0.95</b>
Organic	29,107	17.7	34,329	12.9	0.85
Conventional	944,446	14.0	1,549,876	0.3	0.61
<b>TOTAL FRESH (Retail)</b>	<b>975,732</b>	<b>14.1</b>	<b>1,586,740</b>	<b>0.6</b>	<b>0.61</b>

DATA SOURCE—TNS

All potatoes—GB & Imports

## Retail Detail



RETAILER SHARE OF FRESH POTATO MARKET 52wks to 4 Nov 2007	VALUE %			VOLUME %		
	Total Potatoes	Prepack Potatoes	Loose Potatoes	Total Potatoes	Prepack Potatoes	Loose Potatoes
Tesco	28.1	29.4	22.7	30.0	31.2	21.4
Sainsbury	16.3	16.3	15.4	14.6	14.5	14.4
Morrisons	12.0	12.3	11.1	12.7	12.9	11.4
Asda	13.7	14.8	9.1	15.9	16.9	9.1
Somerfield	4.4	4.1	6.2	3.8	3.6	4.7
Co-Op Grocers	4.6	4.9	3.6	4.3	4.5	3.1
Marks & Spencer	3.5	3.7	2.5	1.5	1.5	1.5
Waitrose	4.1	3.5	6.8	2.7	2.4	5.5
Aldi	2.1	2.6	0.1	2.9	3.3	0.1
Lidl	1.8	2.1	0.9	2.8	3.0	1.0
All others	9.4	6.3	21.6	8.8	6.2	27.8
<b>TOTAL MARKET</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

DATA SOURCE—TNS

## Retail News

*'M&S – awards keep coming'*

### Marks & Spencer has most respect

In addition to last month's news that M&S had been voted the most ethical food retailer by consumers for a second year, they have now been rated as the most respected company in the UK, according to a CBI survey of more than 2,000 consumers. The retailer topped the list, gaining twice as many mentions as second placed John Lewis Partnership. Tesco and Asda also made it into the top ten, in fourth and sixth place respectively.

*'the supermarket for local produce'*

### Sales of local products rise at Tesco

Tesco has increased the number of local products it sells by 20% to 600 over the past year and now has opened its seventh and final English regional buying office in Horsham, West Sussex. It is now planning to further expand its range. A spokesperson for the new office said, "Everyone in regional sourcing is passionate about their role and Tesco will become the supermarket for local produce."

*'more wastage due to bruising'*

### Asda hold fire on loose product rollout

Asda has admitted that removing packaging and selling fresh produce loose hasn't been a complete success. An initial pilot scheme took place in Asda's Southport store last March with a subsequent extension to four more stores during the summer. Claire Costello, general manager for packaging at Asda admitted that the trial was only a qualified success. "Our customers wanted loose produce for convenience but we found that when they had to buy enough for a family of four they didn't like the fact that they had to pick it and put it in the bag themselves. Also there were more waste issues to contend with. Customers were touching and feeling the produce and there was more bruising." Asda will decide in the spring whether it will extend the scheme to further stores.

*'Big five already signed up'*

### New recycling logo

Retailers hope to end consumer confusion about recycling of packaging with a new on-pack logo. Proposed by the British Retail Consortium in partnership with the Waste and Resources Action Programme (WRAP), the mark will indicate whether an item of packaging is 'widely recycled', 'not currently recycled', or if consumers need to 'check locally'.

Asda, Marks & Spencer, Sainsbury's, Tesco, The Co-operative Group and Waitrose have already signed up to the scheme. It is hoped the new logo will be in use early in the new year.

## 2008 – International Year of the Potato

Potatoes are one of the world's most important crops; a highly regarded food staple, not least in the developing world. Their role around the world is set to be even more significant as 2008 has officially been declared the International Year of the Potato (IYP).

Launched recently at the United Nations (UN) Headquarters in New York, the IYP will focus on the importance of the potato in providing food security and alleviating poverty. The British Potato Council has pledged its support for the year long event and is highlighting the great opportunities it offers the UK potato industry.

This year will play a major role in the BPC's marketing activity as it continues to promote the health and nutritional benefits of potatoes. One of the main audiences for IYP is young people and in particular,



school children where the BPC's 'Grow Your Own Potatoes' project has already seen significant take-up.

The 'Grow Your Own Potatoes' project is now in its third year and is being rolled out to even more primary schools across the country in the coming twelve months. It is a fun, hands-on activity that brings learning to life and helps primary school children learn about potatoes; how they grow, where they come from and their role in a healthy balanced diet. Growers are a key part of the initiative and activities such as school presentations and farm visits have meant that the project really connects with children.

In fact, the Grow Your Own project has been so successful that the UN has launched a similar campaign modelled on the BPC's!

## Eco-friendly crisps

At Frito-Lay's factory in Casa Grande, Arizona more than 225,000 kilograms of potatoes arrive everyday from New Mexico to be washed, sliced, fried, seasoned and portioned into bags of Lay's and Ruffles chips – 212 million bags a year. The process devours enormous amounts of energy, and creates vast amounts of waste water, starch and potato peelings.

Now, Frito-Lay is embarking on an ambitious plan to change the way the factory operates, and in the process, create a new type of snack: the environmentally benign chip (crisp to you and I).

Its goal is to take the Casa Grande plant off the power grid, or nearly, and run it almost entirely on renewable fuels and recycled water. Net zero, as the concept is called, has the backing of the highest levels within PepsiCo, the parent company of Frito-Lay.

There are benefits besides the potential energy savings. Like many other large corporations, PepsiCo is trying to establish its green credentials as consumers become more focused on climate change. There are marketing opportunities too. The company, for example intends to advertise that its popular SunChips snacks are made using solar energy.

"We don't know what the complete payoff for net zero is going to be," said Indra K. Nooyi, PepsiCo's chairman and

chief executive. "If it works even to 50 or 60 per cent of its potential, that is fantastic, and it's so much better than what we already have."

Over the next few years, FritoLay plans to install high-tech filters that would recycle most of the water used to rinse and wash the potatoes, as well as the corn used to make Doritos and other snacks, and then burn the leftover sludge to create methane gas to run the plant's boiler. The company will also build at least 20 hectares of solar concentrators behind the plant to generate solar power. A biomass generator, which will probably burn agricultural waste, is also planned to provide additional renewable fuel.

The planned work, scheduled to be finished in 2010, will reduce electricity and water consumption by 90% and natural gas by 80%. Greenhouse gas emissions would be cut by 50%. If successful, the new plant blueprint would be rolled out to FritoLay's other 36 plants across North America.



## Fresh pasta maker targets UK

It is a staple of the young, middle class household. Like balsamic vinegar and shaved parmesan, fresh pasta is decidedly hip. To some it is the respectable face of fast food – just as convenient as Pot Noodles but without the embarrassment. Now Italy's largest producer of fresh pasta is mounting an aggressive drive to persuade Britons that fresh pasta is the best thing since sliced bread. Having conquered its home market and several European countries as well, the Rana group has now set its sights on the UK.

In Britain, sales of pasta of all varieties have mushroomed over the past fifteen years. According to one survey, British children put pasta ahead of burgers, fish fingers and fish and chips as their favourite food. For the British, fresh pasta, which cooks much more quickly than dried pasta (one to two minutes versus ten to twelve minutes) is scarcely a novelty as 22% of households buy it.

These consumers are heavy users, says Rana's sales and marketing director. They actually eat more per head than the 80% of Italians who buy it.

Each year, nearly £100m is spent in this country on fresh pasta. Of that, more than two thirds goes on "filled" varieties. Dry pasta is still larger but Rana think Fresh pasta can be very successful. Director of the company and son of the founder, Gian Luca Rana said, "In the past fresh pasta was made by the women at home – it was for Sundays and holidays, but now it is available for everyone."



## Food Trends for 2008

**'seven possible trends from the USA for the coming year'**

the USA are shown below, but will they cross the pond?

**Probiotics:** These have already moved beyond yoghurt into cheese and other dairy products. Chocolate could be next!

**Organics for kids:** Organic food and drink producers are beginning to aggressively target the children's market in the USA – look out for it here.

**Steam:** New frozen foods cooked with steam in special microwave packages like ravioli in the USA are part of the up and coming 'fresh' trend. *More about this to follow*

**Superfruits:** High nutrient 'superfruits' like acai, goji berries and pomegranates are set to go mainstream in 2008 as larger companies begin to get in on the act. Yumberry

Probiotics, superfruits and sleep aids are among the top trends to watch for in packaged goods in 2008, according to Datamonitor.

The future trends emanating from



could be the year's new superfruit, already forming the basis of a new line of drinks.

**Sleep aids & stress relief:** With research showing a link between lack of sleep and obesity, there is likely to be growth in sleep aids and stress relieving products. A prime

example is Nakazawa milk in Japan, which comes from cows milked at dawn and is naturally high in melatonin.

**Bold flavours:** Sense of taste and smell can diminish with age, and an ageing population is likely to demand hotter, spicier and bolder flavours. These could crop up in unusual areas, such as yoghurt drinks with chilli.

**Green:** Packaged goods manufacturers are finding new ways to be planet-friendly, with production methods incorporating wind and solar power. Procter & Gamble has launched Pur Flavor Options, which enables consumers to flavour water as it comes out of the tap, avoiding the waste of bottled water. Wonder Tablitz offers a line of household cleaners and deodorisers that use effervescent bottles and special spray bottles. Consumers add their own water and reuse the bottles.

### BPC CONSUMER NEWS

The BPC will be acting as the UK press office for the International Year of the Potato (IYP) and as such will be linking in with IYP activity to positively encourage the public to eat more potatoes while raising the profile of the British potato industry. Kathryn Race, BPC Marketing Director said "We have been advised that the IYP logo (as shown on the front page) can be used for promotional activity. In addition, the BPC's promotional vehicle can be taken on tour to help raise awareness of the year directly with consumers and children, and there is further potential for dedicated stands at County and Agricultural shows. Regular updates and further information will be available from the dedicated IYP pages on all of the BPC's websites."

To find out more visit [www.britishpotatoes.co.uk](http://www.britishpotatoes.co.uk) or call Kathryn on 01865 782256

## It must be true, it's in the media



### Spotted in the Grocer:-

Obesity will become the biggest single issue for the industry within the next five to ten years, according to a new survey by retail research consultant Allegra, of 187 food and drink industry leaders. Allegra MD Jeffrey Young said, "There's a feeling among executives that something must be done about obesity before it bites back in the form of a public backlash against the over supply of food. The executives feel the government must carve out more policies to encourage healthy eating."

### Spotted in Talking Retail:-

Premium foods are becoming more popular with consumers, new research has discovered. According to a poll by IGD, sales of top quality food ranges are estimated to top £20billion by 2012, Talking Retail reports. Fairtrade foods, organic products and locally and regionally sourced goods are expected to lead the growth, the firm has predicted. An IGD spokesman said that demonstrating provenance has emerged as one of the most important success factors in this area.

### Spotted in Research:-

Two significant statistics to round off 2007 –

70% of UK consumers will class themselves as foodies by 2013, which will allow 'huge scope for food manufacturers and retailers in terms of new product development', according to just-food.com

88% of senior US marketing executives rank Baby Boomers as the most important customer target, according to the recent First Marketing Executives networking group survey.

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