



**National Chip Week**  
11th - 17th February 2008

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# BPC Retail Report

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## Potato Statistics

### Highlights

Overall, total frozen value shows a year on year increase of 9.3% but a decrease of 1.1% by volume

In value terms, all categories again show an increase. The largest increase is seen by frozen chips up 12.1%, followed by chilled potatoes up 10.5%

In volume terms, only recon. & convenience potatoes, chilled potatoes and crisps continue to show an increase, up 9.6%, 3.1% and 3.5% respectively

<b>POTATO PRODUCTS</b> 52 wks to 2 Dec 2007	<b>VALUE (£000s)</b>	<b>VALUE CHANGE % Yr on Yr</b>	<b>VOLUME (Tonnes)</b>	<b>VOLUME CHANGE % Yr on Yr</b>	<b>AVERAGE RETAIL PRICE (£ per kilo)</b>
<b>Frozen Chips</b>	307,112	12.1	305,896	-0.3	1.00
<b>Frozen Potato Products</b>	180,646	4.7	128,685	-2.8	1.4
<b>TOTAL FROZEN</b>	<b>487,759</b>	<b>9.3</b>	<b>434,581</b>	<b>-1.1</b>	<b>1.12</b>
<b>Recon. &amp; Conven. Potato</b>	27,981	2.3	14,114	9.6	1.98
<b>Chilled Potatoes</b>	18,946	10.5	6,083	3.1	3.11
<b>Canned Potatoes</b>	14,713	0.6	21,317	-11.7	0.69
<b>Crisps</b>	618,927	7.6	120,946	3.5	5.12

### Highlights

Total fresh potatoes show growth of 13.5% by value and 1.3% by volume. Within this, total pre-packed shows a value increase of 14.8% and a volume increase of 2.8%, while total loose shows a value increase of 8.1% but a volume decrease of 8.8%

In terms of value growth, all categories show an increase but with organic showing the highest growth of 16.3%, followed by pre-packed maincrop and loose baking with 15.8% and 14.6% respectively

Organic is the category showing the highest volume growth of 11.7%, with pre-packed baking at 10.0% and pre-packed new at 8.9%. Loose maincrop and loose new both at 12.8% show the highest rate of decrease

<b>POTATOES by PACK TYPE</b> 52 wks to 2 Dec 2007	<b>VALUE (£000s)</b>	<b>VALUE CHANGE % Yr on Yr</b>	<b>VOLUME (Tonnes)</b>	<b>VOLUME CHANGE % Yr on Yr</b>	<b>AVERAGE RETAIL PRICE (£ per kilo)</b>
<b>Pre-packed New</b>	264,451	13.7	338,035	8.9	0.78
<b>Pre-packed Maincrop</b>	422,694	15.8	894,621	-0.5	0.47
<b>Pre-packed Baking</b>	112,423	13.8	172,293	10.0	0.65
<b>TOTAL PREPACKED</b>	<b>799,585</b>	<b>14.8</b>	<b>1,404,957</b>	<b>2.8</b>	<b>0.57</b>
<b>Loose New</b>	67,233	1.2	77,420	-12.8	0.87
<b>Loose Maincrop</b>	25,135	6.6	33,117	-12.8	0.76
<b>Loose Baking</b>	86,063	14.6	74,959	-2.0	1.15
<b>TOTAL LOOSE</b>	<b>178,431</b>	<b>8.1</b>	<b>185,496</b>	<b>-8.8</b>	<b>0.96</b>
<b>Organic</b>	29,098	16.3	34,311	11.7	0.85
<b>Conventional</b>	948,918	13.5	1,556,142	1.1	0.61
<b>TOTAL FRESH (Retail)</b>	<b>979,948</b>	<b>13.5</b>	<b>1,592,715</b>	<b>1.3</b>	<b>0.62</b>

DATA SOURCE—TNS

All potatoes—GB & Imports

## Retail Detail



RETAILER SHARE OF FRESH POTATO MARKET 52wks to 2 Dec 2007	VALUE %			VOLUME %		
	Total Potatoes	Prepack Potatoes	Loose Potatoes	Total Potatoes	Prepack Potatoes	Loose Potatoes
Tesco	28.2	29.5	22.6	29.9	31.1	21.1
Sainsbury	16.3	16.3	15.5	14.5	14.4	14.5
Morrisons	12.0	12.3	11.0	12.8	13.0	11.4
Asda	13.6	14.7	9.1	16.0	16.9	9.2
Somerfield	4.4	4.0	6.2	3.7	3.6	4.8
Co-Op Grocers	4.6	4.8	3.6	4.3	4.5	3.1
Marks & Spencer	3.5	3.7	2.6	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	1.9	2.1	0.9	2.8	3.0	1.0
All others	9.3	6.5	21.6	8.9	6.3	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

*'Waitrose pips Aldi and Lidl'*

### Waitrose top for consumer satisfaction

Waitrose is the best grocery retailer for consumer satisfaction, according to a poll by Verdict Research. The supermarket chain came top of Verdict's Consumer Satisfaction Index 2008 for food and grocery retailers, which asked more than 6,000 shoppers to rate stores.

The big four were squeezed out of the top three by the discounters, with Aldi ranking second and Lidl third. Waitrose just missed out on being voted the UK's overall favourite retailer to its parent company John Lewis.

*'Morrisons top of the pops at Xmas'*

### Morrisons' top Christmas sales chart

Morrisons was the grocery sector's big winner this Christmas with sales growth of 9.3% in the 12 weeks to 30 December, according to TNS Worldpanel data. The retailer put in a magnificent performance leading up to Christmas, it easily beat growth figures from the big four food retailers and the average figure for the grocery industry as a whole at 4.9%.

Two smaller multiples also fared reasonably with 6.5% for Lidl and 8.1% for Aldi. Meanwhile rivals Tesco and Asda achieved 5.3% and 5.2% growth, with Sainsbury's trailing at 4.7%.

*'Three billion plastic bags are used a day'*

### China bans free plastic bags

China is to ban the use of free plastic bags in supermarkets from 1<sup>st</sup> June in an attempt to reduce the estimated three billion used in the country every day. In future, shoppers will have to pay either for a new bag or reuse an old one. "While providing convenience to consumers, they have also caused serious pollution, and waste energy and resources, because of excessive use and inadequate quality recycling," the Chinese government said in a statement.

*'Hope for fresh produce'*

### Fresh produce companies set to ride out the economic storm

The UK economy is set for a rocky year ahead, but three quarters of fresh produce companies look surprisingly well placed to benefit, according to leading market analysts Plimsoll Publishing. Despite predictions of doom and gloom, the fresh produce sector will not suffer terminal fallout in 2008, according to the company's latest in-depth report on the industry.

## The rise of the discounters!

For some years now the low cost supermarkets, or discounters, have been building their chains of stores in the UK. Initially the industry felt there was probably little to worry about with these continental supermarkets, but that view has gradually changed as they have gained both prominence and market share. The worry has increased somewhat with the thought of the impending recession, because as consumers tighten their purse strings going into an economic slowdown, the popularity of these cheap and cheerful chains is likely to increase. According to a report in the Telegraph, Tesco has taken them so seriously that it has secretly built a replica of one of the stores in an old warehouse in an effort to understand them and implement any positive findings.

Relatively little is known about these secretive discount chains. Their relatively small size excludes them from joining the hallowed 'big four' – Tesco, Sainsbury, Asda and Morrisons – and their foreign status means that UK retail watchers do not scrutinise their financial performance as much as they would a domestic chain.

But it is clear that Aldi and Lidl mean business. They have wealthy backers and ambitious expansion plans for the UK. More importantly, they are gaining rapid favour among savvy middle class shoppers who like them for their simple value for money lines as well as the luxury items they sell. The Telegraph goes so far as to say that Aldi might even



overtake Waitrose as the sophisticated urbanite's food store of choice.

These discounters are akin to Easyjet and Ryanair but of food retailing. They work by offering c.10,000 lines instead of the more usual 40,000 lines of the big four operators. They are offered straight from the pallet in stripped down stores with no sophisticated merchandising techniques. So that rather than offer 15 types of jam, they will offer just one with the larger volumes that they sell allowing for greater discounts.

Aldi was founded by Karl Albrecht, now one of the world's richest men. Aldi have 410 stores in the UK and plan to open a staggering 1,500.

Lidl, which has more than 400 stores, is part of the Schwartz Group, one of the largest grocers in Europe, and has equally ambitious plans.

"If you offer the consumer the lowest prices and the highest quality then you shouldn't be surprised that we take market share," says Paul Foley, the UK head of Aldi. He says that the company has noticed a surge in the number of upper and middle class shoppers in recent years, which contradicts the traditional view of the discounters appealing only to the lower social classes.

"We have a broad demographic spectrum of customers that 15 years ago we didn't have. We are not strong on groups A or E but we are strong in the middle," he says.

*The growth of the discounters should come as no surprise to followers of BPC research, which identified the 'polarisation of shopping' trend several years ago.*

## Later, faster and foreign!

They are derided by celebrity chefs, foodies and public health campaigners, yet ready meals are more popular than ever according to the latest government survey of British eating habits, trebling over the past decade.

The report also suggests that we tend to eat out more, that fixed meal times are becoming a thing of the past and that we consume our food faster than ever.

Every person in the UK now spends roughly 25 minutes a day eating in restaurants or cafes at an average cost of £11.41p a week, nearly a third more in real terms than 10 years ago. When we go out to eat we increasingly forego traditional foods in favour of more exotic fare. Sales of Indian, Chinese, and Thai meals increased 36% between 2001 and 2006 according to the report, compiled by several government agencies.



We also eat at different times. Instead of three distinct daily mealtime peaks, at 8am, 1pm and around 5.30pm in 1961, Britons now eat much later and more often. Breakfast is taken some time between 7am and 11am, with far fewer people eating lunch at all, and the evening meal is a moveable feast anytime between 6pm and 10pm.

But while we are becoming more sophisticated in our tastes, we are also becoming a nation of 'scoffers'. Survey data shows that more than half of all the meals eaten out of home in 2000 took 30 minutes or less to consume. This compares with 22% in 1975.

Much of the change in eating habits, the report suggests, is due to the rise of the fast food industry, which increased its sales by 73% between 1995 and 2005. But researchers



said they found no firm evidence to suggest that the family meal was in decline.

"The popularity of convenience food snacking and eating out have led to concerns about the demise of the family meal as well as a decline in knowledge and skills about food but the majority of family meals are still eaten together. Even in single person households, eating remains a social activity with young single people tending to invite people to dinner more often than their married counterparts," the report says.

However, the report points out that there has been a 20% reduction in the time spent eating at home since 1975, and that convenience food consumption has increased by 300% since 1997.

It also illustrates the growing complexity of the relationship we British have with our food. One sub group of people wants its food to be politically and ethically correct, another wants it grown locally and sustainably. A third significant group says it prefers fast food. There is also growing

concern, says the report, about food packaging and the distance that food has travelled.

More than 60% of people say they cook at least one meal from scratch every day, 25% more than just four years ago. "Food is now a key part of our leisure time," the report says, "and we are eating out more often. It is no longer unfashionable to cook but this trend can be at odds with desires for convenience or intentions to make ethical or healthy choices."

*A real danger here for potatoes, as revealed by BPC research, is the possibility that they become seen more as an indulgent food and less everyday.*

## Food trends 2008

**'ten likely trends that might be affecting the US this year'**

In the last issue we gave you eight predictions for food this year from the Just Food organisation. Here are ten from the Chicago Tribune in the US.

Expect to see new foods boasting their ailment-specific benefits. It's not what foods don't have they will be bragging about, but what they do have. Authentic not artificial.

1. **Junk free foods** – more companies will remove additives, preservatives and colourings
2. **Naturally nutrient rich** – people will be seeking more natural sources of nutrients
3. **Ethical eating** – stay tuned for a wide range of eco-labels, ranging from carbon footprint and food miles to wild-caught and dolphin safe
4. **Phytonutrients** – no longer antioxidants, but phytonutrients, natural plant compounds such as polyphenols, flavonoids, lycopene, lutein and anthocyanins

5. **Better kids food** – worries over obesity and marketing to children will produce a more positive nutritional profile of children's food – less sugar, more organic
6. **Inner beauty** – beauty from within products are claiming to erase wrinkles, give you shinier hair and even make your lips look fuller. Look out for beauty drinks from Coca Cola and L'Oreal
7. **Brain food** – certain food compounds like Omega 3 and flavanoids may have the ability to improve memory and sharpen concentration and reduce the risk of Alzheimer's disease
8. **Being good to your gut** – once limited to yogurts, beneficial bacteria will be found in other foodstuffs such as cheese, milk, snack bars etc
9. **Foods with fullness** – foods that make you feel full for longer – satiety is likely to be the new diet buzzword
10. **Eating to ease inflammation** – baby boomers will drive the demand for joint-health foods and beverages to help ease the pain of arthritis

## BPC CONSUMER NEWS

National Chip week is here again from 11<sup>th</sup> to 17<sup>th</sup> February 2008 and we are already off to a flying start. With the help of chip-loving celebrity Keith Chegwin and the 'Chip Inspector' we have already reached some 15 million radio listeners following a guest slot on the Chris Moyles BBC One Breakfast Show on the 16<sup>th</sup> January and a further 25 interviews for radio stations across the country. Cheggers will also be touring the country urging consumers to log on to the official Chip Week website – [www.lovechips.co.uk](http://www.lovechips.co.uk) – and nominate their favourite chip for the National Golden Chip Award. In addition there are plenty of other activities and events including posters on the sets of television soaps, hundreds of chip shops registering for the National Chip Week promotion and press coverage secured in national consumer magazines in the coming weeks.

To find out more visit [www.lovechips.co.uk](http://www.lovechips.co.uk) or call Caroline on 01865 782260

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



### Spotted on BBC.com:-

The UK is the country most attached to fast food, closely followed by the United States, a recent survey revealed. A poll of 9,000 people in 13 nations by market research company Synovate, alongside a BBC investigation into global obesity, found vast variations in attitudes towards food and weight. For example, many French get on the scales every day the poll found, while Singaporeans are the least likely to weigh themselves. Few people blamed their government for rising obesity levels, but 40% blamed the food that was now available, 18% blamed lack of exercise, 13% blamed the individual and 11% put it down to genetics. People in the UK and the US were the most likely to nominate 'no self discipline' as the leading factor in obesity.

### Spotted in the Observer:-

A multimillion pound campaign to encourage Britons to eat five portions of fruit and vegetables a day is not proving to be the success the government hoped for according to a report in the Observer. Overall we are falling well below the five-a-day recommendation, although there is some good news in that 44% of schoolchildren do apparently now eat five-a-day, up from 27% in 2004.

### Spotted on Foodnavigator:-

In the US, functional snack food company Corazonas is launching potato crisps containing plant sterols for cholesterol reduction, and claims to be the first manufacturer to take the healthy ingredient into this kind of snack product.

### Spotted on PotatoReporter:-

Asian countries may be forced to switch from rice to potatoes to fulfil their food requirements, as climate change, water shortages and the demands on land increase pressure on feeding populations. Dr Pamela Anderson from the Peru-based International Potato Center, has told Radio Australia that the rice growing of Asia may face dramatic shifts towards potato crops, to achieve future food security.

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