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Highlights

Overall, total frozen value shows a year on year increase of 7.8% and an increase of 2.5% by volume

In value terms, all categories show an increase except canned potatoes – down 5.8%. The largest increase is seen by chilled potatoes up 15.0% followed by frozen chips up 8.3%

In volume terms, recon. & convenience potatoes and chilled potatoes show the largest increase, up 12.7% and 9.6% respectively, while canned potatoes are down 11.2%

Highlights

Total fresh potatoes show growth of 9.9% by value and 3.5% by volume. Within this, total pre-packed shows a value increase of 11.1% and a volume increase of 5.6%, while total loose shows a value increase of 4.6% but a volume decrease of 11.0%

In terms of value growth, all categories, bar two, show an increase but with organic and pre-packed maincrop on 11.9%

Pre-packed new is the category showing the highest volume growth of 11.6%, with pre-packed baking at 8.1%. Loose new and maincrop show the highest rate of decrease – 14.4% and 11.9% respectively

Retail Report

Issue 57

May 2008



Potato Statistics

POTATO PRODUCTS 52 wks to 23 Mar 2008	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Frozen Chips	308,703	8.3	309,550	2.2	1.00
Frozen Potato Products	184,870	7.0	132,621	3.2	1.39
TOTAL FROZEN	493,573	7.8	442,171	2.5	1.12
Recon. & Conven. Potato	28,676	4.5	14,714	12.7	1.95
Chilled Potatoes	19,991	15.0	6,350	9.6	3.15
Canned Potatoes	14,027	-5.8	20,745	-11.2	0.68
Crisps	627,470	6.3	121,600	3.5	5.16

POTATOES by PACK TYPE 52 wks to 23 Mar 2008	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Pre-packed New	269,762	11.4	350,322	11.6	0.77
Pre-packed Maincrop	435,003	11.9	909,111	3.0	0.48
Pre-packed Baking	113,560	7.0	176,681	8.1	0.64
TOTAL PREPACKED	818,342	11.1	1,436,121	5.6	0.57
Loose New	66,318	-1.5	74,552	-14.4	0.89
Loose Maincrop	23,717	-0.4	30,370	-11.9	0.78
Loose Baking	86,445	11.3	71,253	-6.7	1.21
TOTAL LOOSE	176,480	4.6	176,174	-11.0	1.00
Organic	28,824	11.9	33,292	6.5	0.87
Conventional	965,998	9.8	1,579,004	3.4	0.61
TOTAL FRESH (Retail)	994,821	9.9	1,612,295	3.5	0.62

DATA SOURCE—TNS

All potatoes—GB & Imports

Retail Detail



RETAILER SHARE OF FRESH POTATO MARKET 52wks to 23 Mar 2008	VALUE %			VOLUME %		
	Total Potatoes	Prepack Potatoes	Loose Potatoes	Total Potatoes	Prepack Potatoes	Loose Potatoes
Tesco	28.1	29.4	22.2	30.2	31.4	20.5
Sainsbury	16.1	16.2	15.5	14.3	14.3	14.4
Morrisons	12.1	12.2	11.3	12.6	12.8	11.6
Asda	13.8	14.7	9.7	16.2	17.0	9.6
Somerfield	4.4	4.1	5.9	3.9	3.8	4.6
Co-Op Grocers	4.7	4.9	3.7	4.3	4.5	3.3
Marks & Spencer	3.5	3.7	2.6	1.5	1.5	1.5
Waitrose	4.1	3.5	7.0	2.7	2.3	5.7
Aldi	2.3	2.8	0.1	3.4	3.9	0.1
Lidl	1.9	2.0	0.9	2.6	2.7	1.1
All others	9.0	6.5	21.1	8.3	5.8	27.6
TOTAL MARKET	100.00	100.00	100.00	100.00	100.00	100.00

DATA SOURCE—TNS

Retail News

'price cuts are beating Bogofs'

Bogofs on the decline

Bogofs (Buy one get one free) could be on the decline according to the Grocer magazine. Supermarkets are reacting to the economic downturn by axing bogofs in favour of straight price cuts. The figures show that last year 36 per cent of deals offered by Tesco were bogofs, but in the first four months of this year that fell to 12 per cent while the ratio of 'save' deals doubled to 46 per cent. The story is similar across the other multiples with the exception of Sainsbury's where Bogofs are up from 10 per cent of deals in 2007 to 27 per cent so far this year – although Sainsbury's dispute the figures.

'we want to reflect the ambience of a traditional grocery shop'

Waitrose to downsize in market towns

Waitrose is planning new outlets of half size stores for market towns. The company said the new smaller stores would focus on fresh food. More than half the shop space will be devoted to fresh produce and the number of locally produced food and drink lines will be tripled. Mark Price, managing director, said he was aiming to "reflect the ambience of a traditional grocery shop".

The grocer refused to say how many of the new outlets were planned but insisted it was not moving into the neighbourhood convenience store sector and going head-to-head against Tesco's Express outlets and Sainsbury's Locals.

The new style Waitrose stores are part of a plan to more than double the size of the business over the next decade. It has 187 outlets and 4% of the grocery market. The first of the new stores will open in St Neots, Cambridgeshire.

Marks & Spencer is also opening smaller food stores, while the co-op is negotiating to buy Somerfield to focus on convenience retailing. Asda insist the business case for small grocery stores is not convincing, saying that future growth was still expected to come mainly from out of town superstores and selling online.

'Value ranges moved to front of store'

Preference for value lines at Tesco

Tesco has taken the unprecedented step of relocating its Value food and drink lines to the front of its stores in response to rising prices. Its stores across the country have repositioned Value ranges to the more prominent location several weeks ago. The move comes as discounters such as Aldi and Netto have emphasised their price proposition in relation to the country's current credit crunch. See next article.

Boom time for discount supermarkets

What is it that has given rise to the increase in business through the so called 'discounters' – this was the question that the Guardian recently tried to answer in an article that looked in detail at this latest shopping trend.

According to the Office of National Statistics, food prices have risen 6.6% over the last year. The big supermarkets, which constantly juggle prices across the whole of their range dispute this, although a recent study by myconsumer.co.uk which looked at all supermarket chains found that the average family is now spending 20% more on its weekly food bill than a year ago.

Could this be the catalyst that has provoked a change in consumer shopping habits? Wily consumers who have been loyal to brands in the past are starting to search for better value. Sales of organic products are also beginning to slow down.

"I'm seeing real change," said Paul Foley, managing director of Aldi UK. "I'm seeing people in my stores who I would never have seen a few years ago. To be fair, it has been a growing trend for the last three years or so, but it has accelerated. I think rising utility bills, fuel bills, mortgages and now food bills have jolted people into considering trying somewhere new."

Aldi says its shoppers have increased by 25% over the past three months compared with a year ago, while the number of ABC1 customers passing through the doors is up an impressive 17%. Fully half the discounter's shoppers now belong to those higher socio-economic groups. Foley believes that part of the shift is to do with the fact that Aldi has changed too. "We now offer more upmarket ranges; we've won national food awards for quality; and our fresh section has been hugely expanded, he said."



According to Foley, a full weekly shop that would cost a family £100 at Sainsbury's costs around £70 at Aldi. Research published recently by TNS Worldpanel shows that Aldi, Iceland and Morrisons have shown sales growth of 17%, 12% and 9% respectively.

But stretched budgets are not tempting everyone to ditch their regular retailer, however. "The automatic assumption is that as soon as prices go up, people switch supermarket," says Johnny Stern, managing director of the mysupermarket.co.uk price comparison website. "That is happening to some extent, certainly. But in fact most people are actually quite loyal to their supermarket, especially to its brands, and what they are doing more often is not swapping their whole basket but products within that basket. The cost of their basics – eggs, milk, pasta, tea, fruit, meat and so on – may have leapt by over 19% over the past year, but the cost of their basket has gone up by quite a lot less. They're doing some clever product switching."

According to Stern, smart consumers are not only switching between brands but also between pack sizes to pick up some real bargains. Consumers are suddenly much less product and packaging loyal than they have been.

As if to confirm a nation of more cost conscious consumers, sales of organic food have dropped from 30% growth in 2007 to 10% so far this year. Also, while we now seem to be buying more from the supermarket's premium ranges such as Tesco's Finest, Sainsbury's Taste The Difference and Morrison's The Best, this is not necessarily because we can afford it, rather that we cannot afford to eat out in restaurants.

More choice means more sales – wrong!

The shopper wants to buy some cheese, but in a typical supermarket he or she must decide between 197 varieties on offer. Conventional wisdom says that such a huge choice makes it more likely the consumer will make a purchase. But that doesn't take into account human unpredictability, according to the new discipline of behavioural economics.

A typical Sainsbury's store will stock 197 varieties of cheese (plus another 27 diet versions), 42 types and sizes of bottled water, plus enough varieties of soup to sink an aircraft carrier. A slalom course of options and decisions of a sort the consumer faces everyday, and not only in the supermarket - the question is; do we always choose what is right for us?

No, argues Dan Ariely, one of an increasingly influential group of behavioural economists, who analyse how people behave everywhere from supermarkets to stock markets – and they have found a chasm between what traditional economists and regulators presume we do, and what really happens. One of the most exciting areas of research, behavioural economics could overturn many of the assumptions and assertions that shape modern policy making.

Attacking the belief that people always want more choice, Ariely uses the example of jam! He uses the example of an experiment where academics set up a tasting booth in a store in California. On some days they put out six jams on



show, on other days 24. When the display had 24 types, it was mobbed – "there was more colour, more excitement," Ariely said, but it was the sales that were truly remarkable. With six jams on display, 30 per cent of customers bought a jar; when 24 were out, only 3 per cent did. "Jams are hardly complex things, but people saw 24 stacked together and thought – 'I have no idea how to deal with this'."

What Ariely's jam study suggests is that, contrary to economic belief more choice is better, confronted with too much complexity, we make bad decisions, or stick with what we have already got. The problem with this is that orthodox economists do not recognise habits. "They assume ordinary people do a constant cost-benefit analysis on everything they do. But actually, after you reach a decision, you say, 'That's the end of it!' – and just continue," Ariely says. This is one reason why more competitors entering a market do not necessarily prompt customers to swap.

Belief in this new economic discipline is increasing fast with the Office of Fair Trading setting up a behavioural economics unit and even White House hopeful, Barack Obama taking on behaviourists as advisers.

It goes to show that, in terms of their purchasing behaviour, consumers are far from simple to either understand or predict.

Nutritional Nugget – Vitamin B6

'Vitamin B6- what is it and why do we need it?'

This month we take a look at another vitamin found in abundance in potatoes – vitamin B6. We ask the questions - what is it and why is it good

of the nervous system and the immune system; and lastly it helps haemoglobin to form.

There is some evidence that the vitamin may also benefit sufferers of asthma, diabetes and PMS (premenstrual syndrome).

How much do we need?

Like vitamin C, vitamin B6 is a water soluble vitamin, which means you need it in your diet everyday as it passes through the system and is not stored.

The Recommended Daily Amount or RDA is 2mg and a medium jacket potato with its skin (180gms) will deliver 49% of this RDA, compared with rice and pasta which struggle to get into double figures.



for us?

Vitamin B6 is also known as pyridoxine and is found in a wide variety of foods as well as potatoes – foods such as pork, chicken, cod, bread, whole cereals, eggs, soya beans, peanuts and milk. It is also widely available as a dietary supplement.

What does it do?

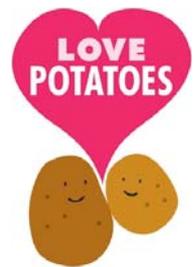
Vitamin B6 has a number of important functions, with the main ones being to allow the body to use and store energy from the protein and carbohydrates found in the foods we eat; it is essential for the proper functioning

We love potatoes!

This year's health campaign is all about "Love potatoes". In particular, in times of the credit crunch we will urge the nation to 'return back to British Basics' and will feature the historical, nutritional and nosh-talgia aspects around potatoes. The nation will be challenged to love potatoes – as they have been doing over many generations.

The campaign will include high profile PR stories, a leading nutritionalist, new recipes, sampling in retail car parks and educational activities at county shows as well as at regional PR events that challenge mums to love potatoes.

If you would like to find out more, please call Heike Kroemer on 01865 782227 or hkroemer@potato.org.uk



It must be true, it's in the media



Spotted in the Guardian:-

A new museum, dedicated to the chip (although they prefer to call it the Belgian 'friet') opened in Bruges recently. The Frietmuseum tells how bitter tubers found in Peru in 15,000BC became the most irresistible slice of junk food in the world. According to the Frietmuseum, fries were born in the 1700s. Belgians would catch small fish, fry them and eat them whole but during a severe winter the rivers froze so they cut and fried small fish-shaped potatoes instead.

According to Eddy Van Belle, the museum's creator, the French often disagree but Belgian legend has it that their fry became the 'French fry' during the first world war when US soldiers were introduced to it by Belgium's French speaking Walloons, who they assumed were French.

Spotted on Reuters:-

The potato, celebrated by the UN this year as a cheap source of nourishment, is also turning heads in global free trade talks where both rich and poor countries are vying to protect their farmers. Potatoes are on the list of tropical and alternative products that would get special treatment under the World Trade Organisation's Doha round.

Spotted on China View:-

The Bangladeshi caretaker government has arranged a three day potato fair in the capital Dhaka with companies and hotels showcasing recipes to popularise the potato as a top food item to ease pressure off the main staple rice. The country's first ever potato show comes amid a bumper potato harvest in the country and a skyrocketing price of rice. Bangladesh's farmers this year harvested eight million tons of potatoes, up at least 40 per cent on last year.

The agricultural adviser to the caretaker government said, "It is high time to motivate the people here to consume more potato as prices of rice are going up globally. We are not telling them to change their food habits completely, but rather to consume more potatoes in order to lower the pressure on rice."

Spotted in the Grocer:-

A new 'thin skinned' cucumber has been launched to appeal to shoppers seeking convenience. Available in Sainsbury's the cucumbers have a thin translucent skin, is mint green in colour, and is smaller than a conventional cucumber. It aims to attract snackers. *A great example of product innovation to meet ever changing consumer requirements.*



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