

Seen
the news
lately?

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Highlights

Overall, total frozen value shows a year on year increase of 8% and an increase of 4% by volume

In value terms, all categories show an increase except canned potatoes – down 8.2%. The largest increase is seen by chilled potatoes up 14.7% followed by frozen chips up 8.2%

In volume terms, recon. & convenience potatoes and chilled potatoes show the largest increase, up 15.8% and 12.1% respectively, while canned potatoes are down 11.4%

Highlights

Total fresh potatoes show growth of 8.4% by value and 4.2% by volume. Within this, total pre-packed shows a value increase of 10% and a volume increase of 6.7%, while total loose shows a value increase of 1.6% but a volume decrease of 13.1%

In terms of value growth, all categories, bar two, show an increase - with pre-packed maincrop at 12%

Pre-packed new is the category showing the highest volume growth of 11.4%, with pre-packed baking at 7.2%. Loose new and maincrop show the highest rate of decrease – 16.9% and 14.4% respectively

Retail Report

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Potato Statistics

POTATO PRODUCTS 52 wks to 20 Apr 2008	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Frozen Chips	310,059	7.9	312,436	3.5	0.99
Frozen Potato Products	186,800	8.2	133,687	5.1	1.40
TOTAL FROZEN	496,858	8.0	446,122	4.0	1.11
Recon. & Conven. Potato	29,601	7.9	15,206	15.8	1.95
Chilled Potatoes	20,179	14.7	6,461	12.1	3.12
Canned Potatoes	13,792	-8.2	20,579	-11.4	0.69
Crisps	630,078	6.1	121,522	3.0	5.18

POTATOES by PACK TYPE 52 wks to 20 Apr 2008	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Pre-packed New	268,616	8.8	352,131	11.4	0.76
Pre-packed Maincrop	440,530	12.0	917,972	4.9	0.48
Pre-packed Baking	113,482	5.4	176,768	7.2	0.64
TOTAL PREPACKED	822,644	10.0	1,446,878	6.7	0.57
Loose New	64,595	-5.8	72,479	-16.9	0.89
Loose Maincrop	23,238	-4.1	29,297	-14.4	0.79
Loose Baking	86,561	9.8	70,437	-8.1	1.23
TOTAL LOOSE	174,394	1.6	172,213	-13.1	1.01
Organic	28,726	8.2	33,618	4.9	0.85
Conventional	968,312	8.4	1,585,473	4.2	0.61
TOTAL FRESH (Retail)	997,038	8.4	1,619,091	4.2	0.62

DATA SOURCE—TNS

All potatoes—GB & Imports

Retail Detail



RETAILER SHARE OF FRESH POTATO MARKET 52wks to 20 Apr 2008	VALUE %			VOLUME %		
	Total Potatoes	Prepack Potatoes	Loose Potatoes	Total Potatoes	Prepack Potatoes	Loose Potatoes
Tesco	28.2	29.5	22.1	30.3	31.5	20.4
Sainsbury	16.1	16.2	15.6	14.4	14.3	14.6
Morrisons	12.1	12.2	11.2	12.6	12.7	11.6
Asda	13.9	14.7	9.8	16.3	17.1	9.6
Somerfield	4.5	4.2	5.9	3.9	3.8	4.6
Co-Op Grocers	4.6	4.8	3.7	4.3	4.4	3.3
Marks & Spencer	3.5	3.7	2.6	1.5	1.5	1.6
Waitrose	4.1	3.5	7.1	2.7	2.3	5.8
Aldi	2.4	2.9	0.1	3.5	3.9	0.1
Lidl	1.8	2.0	1.0	2.5	2.7	1.2
All others	8.8	6.3	20.9	8.0	5.8	27.2
TOTAL MARKET	100.00	100.00	100.00	100.00	100.00	100.00

DATA SOURCE—TNS

Retail News

Forty more Sainsburys stores to offer online shopping

Despite recent technical problems, Sainsbury's is rolling out its internet shopping service to a further 40 stores in the next few months in response to soaring demand for home delivery – increasing its reach by almost 25%.

The expansion will be spread across the UK but focus particularly on Wales and Northern Ireland, areas in which Sainsbury's has only limited presence. The retailer said however that it would also target urban areas where online shopping had already been in operation, and would also be equipping more stores with the service to meet rising customer demand.

Sainsbury's equipped 36 of its stores to handle online shopping in April and 150 now offer the service. It currently serves more than 90,000 online customers and claims to be the UK's second largest online grocery retailer covering 84% of postcodes. See article on next page

'Sainsbury's online will cover 84% of postcodes'

Asda north-south divide on plastic bags

A difference in behaviour has emerged amongst Asda shoppers since the company removed plastic bags from its checkouts three weeks ago.

A north-south divide appears to be opening up with customers in the south-west of England cutting their usage by 40%, while those in Liverpool and the North East appearing more reluctant to change by only reducing their usage by 9% and 13% respectively.

Asda was the first retailer to take the step of completely removing single-use carrier bags from the checkouts, the company believing it to be the best way to encourage shoppers to change their habits. Customers now have to ask a checkout assistant to use plastic bags, and many shoppers have turned to the sustainable option of 'bags for life'.

'Asda – encouraging shoppers to change their habits'

Consumers' shopping frustrations

Customers are more frustrated by the shopping experience than ever before, a retail survey by Kronos has revealed. Long queues and poor service frustrate shoppers the most, with around 80% saying they are irritated with queues and poor product availability. If queues are too long, 70% said they would leave the store without buying anything.

'80% irritated by queues'

Is the boom time for organics over?

After a significant period of rising sales, food industry experts are beginning to question whether the organic sector is approaching a watershed.

According to TNS Worldpanel figures, year-on-year sales to 23 March 2008 were up by 13% to £1,124m, but the worry is by how much the weakening economy, food inflation and subsequent household belt-tightening will affect this growth.

In the year to March, six out of eight organic product sub-sectors showed double digit growth – the laggards being bakery and frozen food. The fastest growing category is chilled, but dairy and produce are still neck and neck with the largest shares of the market at 27.4% and 26.9% respectively.

However, 2008 has not got off to a good start despite the successful campaign by Jamie Oliver and Hugh Fearnley-Whittingstall in January against factory farmed chickens and eggs. Since then Delia Smith has said she “doesn’t do organic” and a BBC documentary questioned whether there

was any benefit in eating organic food. There have also been claims that consumers find the category confusing. Recent research from the Dunnhumby Academy of Consumer Research found that shoppers were often confused about why they bought organic food, with many of them disappointed with the taste of fruit and vegetables. As a result, the research found that consumers tend to buy organic out of guilt or a sense of duty, leading to repeat purchase figures well below those for conventional produce. This is compounded by the lack of in-store and on-pack information about organic products, which perpetuates the issue.

If you believe the media reports, every year it seems will be the last for organics and every year they are proved wrong. The credit crunch is the latest potential stumbling block to test the sector. It remains to be seen whether the 22 million people who purchased organic food in the past year will be affected enough to change their buying behaviour.

Growth in online shopping continues unabated

Despite forecasts of economic doom and gloom, fuelled by things like the credit crunch and rising energy costs, the growth in online shopping carries on regardless.

According to Verdict, UK consumers spent a record £14.7bn online in 2007 – a 35 per cent increase on the previous year and a rate of growth almost 10 times higher than that of the total retail market.

The total for 2008 is forecast to be £19bn rising to £44bn by 2012.

Verdict say the convenience of the internet continues to be the main driver of sales, but improved retail websites and increased broadband penetration also helped. The fact that consumers have less disposable income to spend was boosting retail online sales as consumers seek out bargains and use price comparison sites.

Within the market as a whole, food and grocery look on course to oust electricals from the top spot by 2012, say Verdict. Improvements in supermarket delivery options, website functionality and a consumer desire for convenience have attracted grocery shoppers online.

Electricals and grocery made up just under half of online retail spending last year, with electricals taking the lion’s share at 25.1%. Verdict, however, predict that online grocery will takeover electricals in 2012 and account for 29% of the market.

Malcolm Pinkerton, an analyst with Verdict said, “supermarkets have made major improvements to the functionality of their websites, product ranges and availability of goods,” he said. “But most importantly they have improved delivery. They have made buying groceries online even more convenient, encouraging more consumers, especially those with families, to do their big weekly shop online using local stores for top up shopping.”

A spokesman for Asda said that the growth in online grocery shopping had been massive in the last two years, while a spokesman for Ocado said that its sales were growing at 25% a year and that the average transaction value was £115. The Ocado spokesman also said that the growth is coming from new customers, who apparently spend less initially but then spend more as they become regulars.



Generation Y – connecting is the problem!

They are hailed as the most educated, affluent, assertive and civic minded generation in history. They are ambitious, self-absorbed, gregarious, demanding, connected 24/7, confident and believe they can change the world. Here is a group that has never known or witnessed hardship, recession or mass unemployment and does not fear redundancy or repossession. They have seen their parents in stressful jobs, working long hours and realise that hard work does not necessarily bring prosperity and happiness, or even make the world a better place. Welcome to the world of Generation Y.

This generation born between 1980 and 2000 – the restless offspring of the ‘baby boomers’ – is proving a struggle for employers to both understand and to accommodate and for marketers to sell to.

Savvy employers are finding that just offering high salaries is simply not enough but a package comprising flexible hours, the chance to work from home, the offer of long periods of family leave to look after children or elderly

parents, and the promise of regular sabbaticals are what is required. Research in the US has estimated that a typical Generation Y member will have had 10 jobs by the time they are 38 – they are simply not staying in jobs they do not enjoy.

From the marketers perspective the key questions are how do they communicate with this group and how do they persuade them to buy their products.

One company that has managed to connect with them is Cadbury’s, who made the breakthrough with their ‘drumzilla’ television advert, showing an ape playing drums to Phil Collins’ ‘In the air tonight.’ A hugely successful campaign that captured their imagination and transformed the image of the chocolate bars overnight.

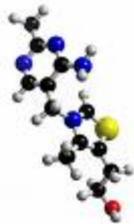
Connecting with this group is a big challenge for the potato industry as research has shown that the younger lifestages – predominantly ‘Generation Yers’ – are the lifestage groups that use potatoes the least.



Nutritional Nugget – Vitamin B1

‘Vitamin B1- what is it and why do we need it?’

This month we take a look at another vitamin found in abundance in potatoes – vitamin B1. We ask the questions - what is it and why is it



keeping nerves and muscle tissue healthy. Be warned though as alcohol and coffee can destroy it!

How much do we need?

Like vitamin C and B6, vitamin B1 is a water soluble vitamin, which means you need it in your diet everyday as it passes through the system and is not stored.

There isn't enough evidence to know what the effects might be of taking high doses of thiamin, but a deficiency can lead to nerve degeneration and beriberi. It is also believed that there might also be a link between diabetes and thiamin deficiency.

The Recommended Daily Amount or RDA is 1.4mg and a medium jacket potato with its skin (180gms) will deliver 48% of this RDA, compared with rice and pasta which deliver 3% and 5% respectively.

good for us?

Vitamin B1 is also known as thiamin and is found in a wide variety of foods as well as potatoes – foods such as pork, vegetables, milk, cheese, peas, fresh and dried fruit, eggs, wholegrain breads and some breakfast cereals. Yeast and liver have the most concentrated amounts of the vitamin.

What does it do?

Thiamin has a number of important functions including working with other B-group vitamins to help break down and release energy from the food we eat, and also

Seen the news lately?

Well 7 million more shoppers have and are now thinking more positively about potatoes. The One Show, Country File, BBC Breakfast, The Mirror, The Star, The Daily Telegraph, The Guardian, various websites, 40 plus radio interviews, women's and men's press and even live web chats have all heralded the potato as 'easy on the wallet and on the waistline' promoting potatoes as a healthy food and one to help in times of household belt-tightening.

In addition, there has been promotional activity in supermarket car parks proving very effective with sales of of potatoes doubling in one Sheffield store a few weeks ago. Children have also been involved, joining in healthy eating workshops across the country as part of the Grow Your Own Potatoes campaign, and over 2,000 hits a day have been recorded on the www.britishpotatoes.co.uk website.

To find out more about how you can spread the love for potatoes please email Kathryn Race at krace@potato.org.uk

It must be true, it's in the media



Spotted in the Independent:-

New European directives could see the return of misshapen food on shopshelves. Major reforms proposed by the EU's Danish agriculture commissioner, Mariann Fischer Boel, say rules should be loosened on fruit and vegetable produce in a bid to make the commodities more affordable, reports the Independent.

Currently blemishes or unusual shaped greens cannot be sold in stores as 'class one' goods but Ms Boel maintains they should not be disqualified altogether. Instead, they could be sold under a 'for cooking' label, with minimum standards rules narrowed to just ten basic food items instead of all fresh produce.

Michael Mann, a spokesman for the European Commission, tells the newspaper, "People are saying that prices are too high, so it makes no sense to be chucking food away. We want to have two classes, allowing supermarkets to sell funny shaped vegetables."

Waitrose was the first British supermarket to reintroduce misshapen products to consumers, selling the items at discounted prices since 2006.

Spotted on FDIN:-

A recent survey by Just-Eat.co.uk reaffirmed that Tikka Massala is the nation's favourite takeaway meal. Indian takeaway meals are preferred by 30% of the public, with Chinese and Pizza finishing in 2nd and 3rd place. Of more relevance is the answer to a the question "What type of takeaway food would you most like to see that is not already available?" 57% said they would like to see a healthier range of takeaway food such as Japanese, sandwiches and salads, but 11% said they would like to see fish and chips as a delivered takeaway.

Spotted on the internet:-

In Sencur, Slovenia last month a monument to the potato was unveiled – a bronze life-size statue of Maria Theresa, the Archduchess of Austria, in peasant's clothing, seated and offering a potato in her outstretched hand. The statue is a mark of gratitude to the Archduchess who, after a series of famines in the country in the mid-1700's, decreed that farmers should start growing potatoes.



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