Love Chips
National Chip Week
15th-21st February 2010

Retail Report

Issue 76 December 2009

POTATO COUNCIL

Potato Statistics

Observations

Overall, total frozen value shows a year on year increase of 4.8% and an increase of 0.7% by volume

In value terms, all categories show an increase except canned potatoes – down 13.6% and recon. and convenience potatoes – down 10.2%. The largest increase is seen with chilled potatoes up 11.4% followed by crisps up 10.6%

In volume terms, chilled potatoes show the largest increase, up 17.3%, while canned potatoes are down 14% and recon. and convenience potatoes are down 13.4%

POTATO PRODUCTS 52 wks to 1 Nov 2009	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Frozen Chips	339,839	6.2	327,089	1.9	1.04
Frozen Potato Products	199,259	2.5	136,866	-2.1	1.46
TOTAL FROZEN	**539,097**	**4.8**	**463,955**	**0.7**	**1.16**
Recon. & Conven. Potato	28,638	-10.2	13,945	-13.4	2.05
Chilled Potatoes	144,504	11.4	42,879	17.3	3.37
Canned Potatoes	11,399	-13.6	17,264	-14.0	0.66
Crisps	754,393	10.6	127,039	1.2	5.94

Observations

Total fresh potatoes show a decrease in value of 2% but growth in volume of 1.2%. Within this, total pre-packed shows a value increase of 0.7% and a volume increase of 3.4%, while total loose shows a value decrease of 15.6% and a volume decrease of 20.6%

In terms of value growth, the largest increase is shown by pre-packed baking at 4.3% with organic showing the largest decrease of 26.6%

Pre-packed baking is also the category showing the highest volume growth of 12.2%. Loose new and organic show the highest rate of decrease – 31.5% and 28.1% respectively

POTATOES by PACK TYPE 52 wks to 1 Nov 2009	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Pre-packed New	278,851	0.1	377,905	0.8	0.74
Pre-packed Maincrop	522,233	0.1	1,046,931	2.9	0.50
Pre-packed Baking	82,390	4.3	124,121	12.2	0.66
TOTAL PREPACKED	**885,251**	**0.7**	**1,553,728**	**3.4**	**0.57**
Loose New	58,751	-15.8	41,356	-31.5	1.42
Loose Maincrop	20,391	-6.9	24,592	-4.1	0.83
Loose Baking	71,813	-17.6	55,148	-17.1	1.30
TOTAL LOOSE	**150,955**	**-15.6**	**121,096**	**-20.6**	**1.25**
Organic	21,404	-26.6	25,223	-28.1	0.85
Conventional	1,014,798	-1.3	1,649,578	1.8	0.62
TOTAL FRESH (Retail)	**1,036,206**	**-2.0**	**1,674,824**	**1.2**	**0.62**

DATA SOURCE—TNS All potatoes—GB & Imports

Retail Detail

RETAILER SHARE OF FRESH POTATO MARKET 52wks to 1 Nov 2009 % change year on year	VALUE %				VOLUME %			
	Total Potatoes		Prepack Potatoes	Loose Potatoes	Total Potatoes		Prepack Potatoes	Loose Potatoes
Tesco	28.4	-0.8	29.8	20.2	28.9	-4.1	29.8	18.0
Sainsbury	15.7	-1.6	16.0	13.9	14.1	0.2	14.2	12.5
Morrisons	12.2	-1.9	11.9	13.6	12.4	5.6	12.3	12.8
Asda	14.8	2.2	15.7	9.5	17.2	4.5	17.9	8.8
Somerfield	3.3	-25.6	3.1	4.3	2.8	-26.1	2.7	3.3
Co-Op Grocers	5.6	1.3	5.6	5.5	5.0	3.3	5.1	4.6
Marks & Spencer	2.9	-14.0	3.0	2.3	1.5	2.1	1.5	1.7
Waitrose	3.8	-4.2	3.2	7.5	2.4	-2.1	2.2	5.8
Aldi	3.2	14.5	3.7	0.1	5.6	44.9	6.0	0.1
Lidl	1.9	6.6	2.0	1.1	2.5	11.3	2.6	1.4
All others	8.2		6.0	22.0	7.6		5.7	31.0
TOTAL MARKET	**100.00**	**-2.0**	**100.00**	**100.00**	**100.00**	**1.2**	**100.00**	**100.00**

DATA SOURCE—TNS

Retail News

'5% of grocery sales within 5 years'

Online sales slow

Latest figures from TNS show that online grocery sales are growing at 24.4% year-on-year, down from 34.5% this time last year. Online sales are still growing market overall, and are increasing as a proportion of overall groceries. In the 52 weeks to 1st November, internet orders were £3.37bn representing a 3.5% share of total grocery sales, up on last year's 3%.

Ocado said it was growing 30% year-on-year, while Sainsbury's said its online business was up 20% year-on-year. Laura Wade-Gery, chief executive of Tesco.com said that online sales would account for 5% of all grocery sales within five years.

'average shopper buys 4.7 luxury food items'

Spending on gourmet food surges

Sales of luxury food, such as the supermarkets' premium ranges, steak, smoked salmon and champagne, grew more quickly over the past quarter (17%) than at any other time in the past two years, as shoppers tire of being thrifty in the credit crunch.

Analysis of shopping data by mySupermarket.co.uk, the grocery shopping and comparison website, reveals that the average shopper is now buying 4.7 luxury food items per weekly shop, compared with an average of only 4 luxury treats per weekly shop between June and September 2009.

'48% think they are a nightmare'

Self service checkouts not to everyones liking

First introduced in the UK in the 1990s, the number of self-service checkouts is set to double in the next few years. This is because they offer supermarkets cost savings and the shopper a faster alternative to checkout queues. However, new research suggests 48% of Britons think self-service checkouts are a nightmare, neither quick nor convenient, quite the opposite in fact. Shoppers main gripes' include items not scanned properly, not being able to use their own bags and the fact that they have to do all the work. If you are a self service hater don't worry as the supermarkets say they have no plans to get rid of manned tills completely.

Trends to look for in 2010

With the festive season upon us and the new year rapidly approaching it is the time when mystics and marketeers thoughts turn to the future. What does 2010 and beyond hold in terms of marketing and consumer trends?
We have picked out some of these predictions below.

General consumer trends
Market intelligence company Mintel believe there will be

seven
main trends to look for in 2010, these are shown in the chart below.
Elsewhere, Martin Lindstrom, author of Buyology believes 2010 is shaping up to be dominated by guilt. Guilt for spending money in the middle of a global economic downturn, guilt for polluting the world, and parental guilt, as children increasingly engage in their own online world.
Judy Franks from Marketing Democracy believes the adult 18-49 demographic will become even less relevant as a target cohort. She says the diversity of the 18-49 demographic certainly isn't new, and on the surface shouldn't be cited as a notable trend for 2010. But, when you see how different the media world is for an 18 year-old, relative to a 49 year-old, you might just be ready to step away from a target cohort that doesn't hold up. It's a basic divide between 'internet-raised' and 'television-raised'.

Food trends
Among the predictions for packaged goods from Mintel are those around three areas – health and wellness, convenience and indulgence.
Under health and wellness, Mintel believe there is currently data overload and that 'real data' such as calorific value will take over front-of-pack statements. They also believe we will see growth in lighter, slimmer, easier products with a growth in 'natural' claims and easier to understand ingredients. Sodium reduction is also seen as gaining ground with manufacturers and government regulations – government push rather than consumer pull.
Under the convenience banner Mintel believe we will see much more use of colour coding or colour blocking of product packaging, to create product standout in-store. They also predict growth in products that serve several needs or can be used in a variety of ways as consumers learn to make do with less.

Under the heading of indulgence, Mintel see that 'fresh' products will continue to do well as 'fresh' in its widest sense can mean better for you, local, additive free, less processed, more natural, traditional, authentic.

A recent industry report from Food & Drink Towers highlights ten trends for next year.
1 - The Marks & Spencer effect – out with the new and in with the old as nostalgia and the 'good old days' make a comeback with products which have a heritage and fulfil a basic need for reassurance and sustenance.
2 - Positive nation – in contrast to the above, for many, life has been too serious for too long and more brands will harness the power of the feel good factor to appeal to shoppers fed up with doom and gloom. There will be more new products focusing on novelty value.
3 - Moody food - foods that make claims relating to improved mood and emotional wellbeing represent the next generation of functional products. Mood-enhancing foods with ingredients that uplift mood and boost mental health.
4 - Antioxidant scoring – this taps into the growing number of people who are grasping the idea that the more antioxidants you consume the healthier you will be. The concept of ORAC (Oxygen Radical Absorbance Capacity) scoring will gain ground.
5 - Just a handful of ingredients – cooking from scratch recipes that require just a handful of ingredients and are quick to prepare will become more important to budget-conscious consumers. One pot meals equal less preparation and less cleaning up.
6 - Official foodies – it's now all about what you eat, when you eat, where you eat and how you eat. The desire to be recognised as a 'foodie' is set to grow through 2010 with, among other things, increases in keeping hens, bees and pigs in your garden and growing your own vegetables.
7 - Raw food on the go – the raw food revolution is gaining ground with raw food restaurants, and raw food delivery services springing up as well as it being available in 'ready to go' formats in independent retailers.

8 - Quality and price – consumers are rediscovering the true meaning of value, not necessarily cheaper prices, but quality. Smaller amounts of higher quality food will be the way forward.
9 - Cheese please…what next? – Blur bassist Alex James has done wonders for the cheese industry by producing his own and gaining lots of publicity. Linking celebrities to products can be the ultimate scoop and is set to continue.
10 - I see seaweed – Seaweed and all things algae will become more frequently used as a key ingredient in premium, healthy and functional food and drinks. Seaweeds and algae are rich sources of protein making them ideal for people choosing to follow a vegetarian, vegan or raw food lifestyle.

What's happening in America?

Healthy eating has been a big casualty of the recession

Contrary to popular belief, Americans did not cook more at home as a result of the economic downturn, shown by data in this year's Report on Eating Patterns in America, NPD's annual compilation of food and beverage market research. The study identifies 10 major changes in the way Americans are feeding themselves and sorts the changes by whether they are or are not attributable to the economy.

According to the report, six of last year's behavioural changes were shifts from longer-term trends, and they appear to be attributable to the economic downturn:

* Americans used their microwave ovens more last year and their stove tops less. Approximately 20 percent of all meals prepared in US homes from 1990 to 2007 involved the use of a microwave, until last year when usage rose 10 percent.
* Men stopped cooking more meals last year and women prepared more of them, after a several-year trend of men preparing a greater percentage of the home-cooked meals.
* Consumers are visiting restaurants only if there is a deal, otherwise they are going to restaurants less often.
* Healthy eating has been one of the big casualties of this economic downturn. Last year consumers cut back on eating "better for you" and organic foods.
* Supermarkets are attractive sources for food not because consumers want to cook more at home, but because prices are actually less than a year ago, while restaurant prices are higher than a year ago.
* Consumers stopped buying so many breakfasts at restaurants. After years of buying more breakfasts at restaurants, there was no increase last year.

The report noted that some eating pattern changes were in motion long before the recession began:

* Americans are eating more often at home, and have been since the beginning of this decade.
* Consumers continue to prepare "easy" meals, and there is no evidence of "cooking" more meals.
* Store and private label products have been increasing in consumption since 2002.
* Overall, Americans are going out less often to restaurants, but have been for at least 25 years.

Grow Your Own Potatoes

"The look on the children's faces was one of the greatest moments of my teaching career. All children should experience this" Can you help make this experience reach more schools?

The Potato Council is committed to teaching young children about potatoes. We have 15,000 free Grow Your Own kits to give to schools, which demonstrate how potatoes are grown and their role in a healthy balanced diet. We are asking for your help to ensure schools near you sign up.

Please contact Sue Lawton on 0247 6478 774, or by email slawton@potato.org.uk for further information. Alternatively schools can register direct at www.potatoesforschools.org.uk

It must be true, it's in the media

Spotted in the Sunday Times:-

The nuclear family is dead: it is now normal for British children to be raised by relations other than parents. The trend has been highlighted recently by Katherine Rake of the Family and Parenting Institute. One in four children now live in a single parent family, compared with one in fourteen in the early 1970's. Almost half of children are now born outside marriage against only one in ten a generation ago.

Spotted on TG Daily:-

Potatoes are carnivorous! Many common plants - including petunias and potatoes - are actually carnivorous, according to scientists from the Royal Botanic Gardens, Kew and London's Natural History Museum. Several groups have been generally recognised as carnivorous plants, including sundews, Venus flytraps and pitcher plants. But while others have been suggested as possible carnivores, most scientists have been pretty dubious. Professor Mark Chase reckons that carnivory should not be treated as a black and white situation, and that plants should be seen as being on a sliding scale between those that show no carnivorous characteristics and those that are proper meat eaters such as the Venus flytrap.

Plants like petunias, tomatoes and potatoes have sticky hairs that trap insects, and some species of campion have the common name catchfly for the same reason. It's now been demonstrated that when the insects they catch fall to the ground, the plant is absorbing the nutrients through its roots.

Spotted on FDIN:-

Fit Wash, which is a 100 per cent natural Fruit and Vegetable Wash has just become available in the UK after success in the US where it has become 4th fastest growing domestic product.

FIT Wash is claimed to remove 99.9 per cent of all pesticides and dirt that are commonly found on store-bought produce. It claims to be a 100% natural and makes eating natural produce that much safer than washing with water, or heaven forbid, not at all.

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Happy Christmas from the Potato Council marketing team