



BPC Retail Report

Issue 44

April 2007



Potato Statistics

Highlights

Total frozen value shows a year on year increase of 4.9% but a decrease of 2.7% by volume

In value terms, all categories show an increase except frozen potato products which shows a year on year decrease of 1%. The largest increase is shown by chilled potatoes, up 10.2%

In volume terms, only recon. & convenience potatoes and crisps continue to show an increase – 9.7% and 1.9% respectively

POTATO PRODUCTS 52 wks to 25 Feb 2007	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Frozen Chips	282,788	8.8	304,001	-2.0	0.93
Frozen Potato Products	172,353	-1.0	129,339	-4.3	1.33
TOTAL FROZEN	455,141	4.9	433,340	-2.7	1.05
Recon. & Conven. Potato	27,510	5.5	12,995	9.7	2.12
Chilled Potatoes	17,176	10.2	5,767	-1.4	2.98
Canned Potatoes	14,782	2.4	23,487	-6.8	0.63
Crisps	577,959	3.5	117,693	1.9	4.91

Highlights

Total fresh potatoes show growth of 8.9% by value but a decrease of 2.1% by volume. Within this, total pre-packed shows a value increase of 12.1% and a marginal volume increase of 0.8%, while total loose shows both value and volume decreases

In terms of value growth, pre-packed new and pre-packed baking show the highest growth of 14.5% and 12.9% respectively followed by pre-packed maincrop with 10.4% and conventional with 9.1%. Loose new shows a decrease of 10.2%

Pre-packed baking is the category showing the highest volume growth at 10.7% with pre-packed new at 6.1% and organic at 5.3%

POTATOES by PACK TYPE 52 wks to 25 Feb 2007	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Pre-packed New	239,213	14.5	313,059	6.1	0.76
Pre-packed Maincrop	381,877	10.4	887,416	-4.8	0.43
Pre-packed Baking	104,036	12.9	161,073	10.7	0.65
TOTAL PREPACKED	725,126	12.1	1,361,548	-0.8	0.53
Loose New	66,577	-10.2	87,256	-15.0	0.76
Loose Maincrop	23,779	0.5	35,461	-11.6	0.67
Loose Baking	76,962	3.4	76,503	-3.0	1.01
TOTAL LOOSE	167,318	-2.9	199,219	-10.1	0.84
Organic	25,143	4.2	30,786	5.3	0.82
Conventional	867,302	9.1	1,529,982	-2.3	0.57
TOTAL FRESH (Retail)	892,444	8.9	1,560,767	-2.1	0.57

DATA SOURCE—TNS

All potatoes—GB & Imports

Retail Detail



RETAILER SHARE OF FRESH POTATO MARKET 52wks to 25 Feb 2007	VALUE %			VOLUME %		
	Total Potatoes	Prepack Potatoes	Loose Potatoes	Total Potatoes	Prepack Potatoes	Loose Potatoes
Tesco	28.2	29.4	22.9	30.0	31.1	22.6
Sainsbury	16.6	16.9	15.3	14.5	14.5	14.1
Morrisons	12.3	12.7	10.7	12.7	12.9	11.0
Asda	13.4	14.3	9.8	15.4	16.2	9.7
Somerfield	4.6	4.3	5.8	4.2	4.1	4.5
Co-Op Grocers	4.4	4.7	3.2	4.4	4.6	2.8
Marks & Spencer	3.5	3.7	2.6	1.5	1.5	1.6
Waitrose	4.0	3.5	6.1	2.8	2.4	5.1
Aldi	2.0	2.5	0.1	2.7	3.1	0.1
Lidl	1.5	1.7	0.5	2.3	2.5	0.5
All others	9.5	6.3	23.0	9.5	7.1	28.0
TOTAL MARKET	100.00	100.00	100.00	100.00	100.00	100.00

DATA SOURCE—TNS

Retail News

'the scorecard rates individual companies efforts'

Asda to score its suppliers

Suppliers to Asda are to be issued with a new 'packaging scorecard' this year as part of its bid to cut waste. The scheme, to be implemented immediately, is being imported from across the atlantic, where it was rolled out by Asda parent Walmart in February.

The scorecard rates companies' efforts to make their packaging more environmentally friendly, enabling the retailer to compare the performance of suppliers.

Criteria will include the carbon emissions during production, levels of material use, product/packaging ratio, and recycled content. Suppliers will be offered incentives to meet the criteria, which are based on Walmart's seven r's of packaging' – remove, reduce, reuse, recycle, renew, revenue and read.

'Italy is Europe's largest organic producer'

Italian organic body launches marketing initiative

The Italian Organic Farmers Association (AIAB) is preparing to launch an initiative to promote increased consumption of regional organic food products.

The initiative, named Primavera Bio, will see the AIAB organising trips to local production facilities and technical control shows to increase awareness of organic products. The group will also sponsor sports and cultural events, a spokesperson for AIAB said. "Our goal is really to increase awareness of regional organic goods. In Italy, we have a profound regional identity," the spokesman said.

Italy is Europe's largest organic producer, the AIAB said, emphasising the growing importance of the sector in the country.

'their grocery offer is unmatched'

Aldi has Sir Terry's vote

Tesco chief executive, Sir Terry Leahy has revealed that discounter Aldi is the rival supermarket chain he admires most in the world. The revelation came as a surprise to the audience at the inaugural World Retail Congress in Barcelona recently. Sir Terry said Aldi, which has more than 5,000 stores across the globe and sells only own-label products, had a grocery offer unmatched by any other chain globally. Sir Terry said, "Aldi has a unique formula which has enabled it to achieve a consistent rate of growth over a sustained period of time, I really admire that."

Potatoes get a fashion makeover

The recent Mintel report on potatoes, which used a lot of BPC data in it, caused quite a lot of press coverage recently, not least in the Times newspaper who took the following view.

Since the days of Sir Walter Raleigh, the potato has been the dowdy and dependable staple of the British diet. But according to the research company Mintel, it is now excelling as the fancy bit on the side.

Mintel found that despite the exclusion of potatoes from the Government's five-a day campaign and the prevalence of low carbohydrate diets, spending has grown by 20% since 2001.

Consumers are turning to upmarket and obscure varieties. We are not eating any more potatoes, but the rise in spending shows a developing taste for organic and more expensive varieties. Organic potatoes generated about £24 million in sales last year, continuing an increase of about 10% each year, the research found. The shift has been reflected in the increases variety of prepacked named potatoes. Sales of loose potatoes meanwhile have plummeted.

Julie Sloan, a senior analyst, said that environmental concerns helped to explain the trend. "People are becoming increasingly aware of food miles, seasonal produce and support for local farmers, and Mintel believes that this trend offers the fresh potato sector the means to resume its fashionable status," she said. "With potatoes on our doorstep there is little doubt that more modern carbohydrate alternatives, such as pasta and rice, cannot

compete with the clear-conscience shopping of buying home-grown potatoes."

While fresh potatoes account for 60% of total potato sales - £855 million a year - the soaring success of dehydrated potatoes has left analysts puzzled. Sales of convenience foods have suffered in recent years as consumers become more health aware. But sales of products like Smash have increased by 22% since 2004.



Julie Sloan said that Smash had capitalised on a trend toward comforting convenience food. She said "Although many of us are moving towards premium products, convenience is still a key trend and dehydrated potato is perfectly placed to take full advantage of this. The strength of the Smash brand and the fact that it continues to launch new varieties has also helped boost popularity." Sales of potatoes are eight times higher than sales of dry pasta, and three times that of rice. After fresh potatoes, the frozen variety are the next most popular, making up a third of the market. The remainder of the market consists of chilled convenience products (4%), dehydrated (2%), fresh prepared (1%) and canned (1%).

'Digging for victory, or taste?'

During the second world war the government famously urged every able man and woman in Britain to "dig for victory" - to grub up their flower beds and tear up their lawns to grow vegetables to avoid widespread hunger. Today a new British land army of gardeners appears to be doing the same to avoid eating industrially-produced foods.

Figures from the Horticultural Trades Association show a 31% increase in the sales of vegetable seed to householders, and a corresponding 32% decline in the sale of flower seeds. We are also buying nearly twice as many seedlings and young edible plants like tomatoes and marrows, and are growing far more herbs than ever before.

Sales of vegetable seeds are outstripping flower seeds for the first time since the second world war. A recent article in the Guardian newspaper quotes Suttons, who sell nearly a third of all household vegetable seeds in the UK, as saying, "We are seeing a big move away from flower seeds to vegetables. There has been a dramatic rise in things like sales of onions and potatoes. Spuds in particular are nearly 60% up on last year, which was 20% to 30% up on the year before." This year the company expects a 30% increase in its sales of UK vegetable seeds. The proof that we are going back to our roots is seen in Britain's 330,000 allotments. Thirty years ago thousands of acres fell into disuse and were taken back by local authorities for development. Today, almost all allotments are full.

But why the shift back to vegetable growing? The Guardian puts it down to a mixture of political desire to not be beholden to large supermarkets, to a new awareness about healthy food and the environment, and deep down dissatisfaction with industrially grown food. Seed sellers also say that vegetable growing is no longer for middle aged men. "Now there are a lot of young people getting interested," said Ben Gabel, a director of the rapidly expanding Real Seed catalogue. "There are very definitely two classes now and a big age gap between them. There's the traditional allotment holder, but definitely a younger group, people around the age of 30 who are more adventurous in what they grow."



The grow-it-yourself food movement is increasingly controlled by women, says the Horticultural Trades Association. They now account for 77% of total spend on herbs, 59% on young edible plants and 47% on edible seeds. Moreover, around 80% of the total expenditure on grow-your-own vegetables gardening is from households without children.

Carb watch - Bread

'for a commodity item with a household penetration of 99%, this is some feat'

The bread market has been suffering as a result of changing consumption patterns, but where it has lost out in volume, it has made great gains in value.

While some consumers are avoiding bread on diet

grounds and eating it less often, others are actively expanding their repertoire to include more healthy, speciality and premium varieties.

As a result, volume sales fell 14% between 2001 and 2006 to reach 1.8m tonnes, but the value of the market grew 9% in real terms to reach £2.1bn, according to Mintel. For a commodity item with a household penetration of 99%, this is some feat.

The growth of the premium bread market has been fuelled by a growing diversity of products, thanks to investment in development, as well as introducing a variety of recipes, brands have experimented with different loaf sizes designed for smaller households.

Premium white bread has been the best performer in recent years, with an average annual growth rate of 10%. Wholemeal, granary and brown breads such as baguettes and ciabatta. Healthy varieties have been positioned as premium products, which has boosted the market in value terms, most notably with the introduction of the 'white-plus' category, aimed at consumers who like the taste of white bread but want the health benefits of wholemeal, and into which all leading brands have entered.

However, this has had a detrimental effect on own-label, standard and economical brands already struggling with rising manufacturing costs, which they have had to pass on to customers.

The market is split between bread from plant bakeries that

Bread types – by sales and market share

	VALUE £m	SHARE %	% change 02-06
White	1020	48	2.2
Special/ethnic	412	19	13.2
Wholemeal & granary	395	19	44.2
Brown	145	7	12.4
Vienna & French	142	7	-6.0
Total	2115	100	10.4

Source – Delira/Mintel

is then stocked on grocery shelves – typically branded wrapped products - and bread baked in-store or by high street specialists. Plant bakers dominate the market and are building on their strong position; in 2002 they accounted for 75% of the value of the market, and this rose to 79% in 2006. There are about 1600 in-store bakeries that either bake from scratch or produce breads that are finished off in-store, but this type of bread has suffered as premium branded offerings have taken off and because of its shorter shelf life.

It must be true, it's in the media



Spotted on BBC News:-

An edible vaccine against the deadly liver disease hepatitis B may have been developed by scientists in the US. Chunks of genetically modified potato may be enough to give immunity without the need for an injection, they hope. Researchers in Buffalo, New York, found signs of immunity in 60% of the 42 people who tested the potato vaccine. An oral vaccine would be an affordable way to tackle a disease which kills 1 million people a year, the Proceedings of the National Academy of Sciences reported.

A hepatitis B vaccine is already available as an injection but it is too expensive for some poorer countries to buy and store in refrigerators. The relatively low cost and simplicity of an oral hepatitis B vaccine would make it ideal for global immunisation programmes.

Spotted on IGD:-

New research from IGD shows that own label food and grocery products will account for more than a quarter of the market (26.8%) across Europe within four years. By 2010, Europeans will be spending around €430bn on supermarkets' own brands, up 45% from €298bn. Own label already accounts for £2 of every £5 spent in UK supermarkets (it is 35% and 26% respectively in Germany and France), and is set to continue growing across Europe. Future growth is likely to be highest in Russia and other eastern and central European countries.

Spotted in the Grocer:-

All households in the UK will be buying organic food and drink within a decade, said Soil Association commercial director Jill Twine this week. Seventy per cent of households already shopped organic and more would do as the movement continued to shake off its 'geek' image.

Also spotted in the Grocer:-

Newly published research from Italian scientists seems to show that growing tomatoes in diluted seawater significantly raises the level of vitamins C and E that are said to help prevent cancer.

Spotted in essential-marketing.com:-

Viagra works for flowers according to research carried out by an Israeli scientist. His research showed that a small amount of Viagra added to the water of cut flowers kept the flowers fresh and erect for up to twice as long as untreated flowers.

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