

Potatoes give
you more
Vitamin C than
rice or pasta

More details on page 4

BPC Retail Report

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Potato Statistics

Highlights

Overall, total frozen value shows a year on year increase of 6.0% but a decrease of 4.4% by volume

In value terms, all categories show an increase except frozen potato products which shows a marginal year on year decrease of 0.5%. The largest increase is shown by frozen chips up 10.2%, followed by chilled potatoes, up 9.6%

In volume terms, only recon. & convenience potatoes show an increase, up 7.1%

POTATO PRODUCTS 52 wks to 20 May 2007	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Frozen Chips	289,319	10.2	300,851	-3.3	0.96
Frozen Potato Products	172,427	-0.5	126,294	-6.8	1.37
TOTAL FROZEN	461,745	6.0	427,145	-4.4	1.08
Recon. & Conven. Potato	27,253	2.4	13,104	7.1	2.08
Chilled Potatoes	17,835	9.6	5,827	-3.2	3.06
Canned Potatoes	15,096	5.0	23,032	-7.5	0.66
Crisps	585,417	4.0	117,207	-0.2	4.99

Highlights

Total fresh potatoes show growth of 14.4% by value but a decrease of 2.7% by volume. Within this, total pre-packed shows a value increase of 16.6% and a volume decrease of 1.8%, while total loose shows a value increase of 5.9% but a volume decrease of 8.6%.

In terms of value growth, all categories show an increase but with pre-packed new showing the highest growth of 18.2%, followed by organic with 16.6%.

Organic is the category showing the highest volume growth at 13.6% with pre-packed new at 5.0% and pre-packed baking at 4.3%. Loose maincrop at 14.8% and Loose new at 13.1%, show the highest rate of decrease.

POTATOES by PACK TYPE 52 wks to 20 May 2007	VALUE (£000s)	VALUE CHANGE % Yr on Yr	VOLUME (Tonnes)	VOLUME CHANGE % Yr on Yr	AVERAGE RETAIL PRICE (£ per kilo)
Pre-packed New	250,518	18.2	316,264	5.0	0.79
Pre-packed Maincrop	399,808	16.3	876,666	-5.0	0.46
Pre-packed Baking	107,915	14.0	160,896	4.3	0.67
TOTAL PREPACKED	758,241	16.6	1,353,826	-1.8	0.56
Loose New	71,375	2.0	87,314	-13.1	0.82
Loose Maincrop	24,576	4.3	34,056	-14.8	0.72
Loose Baking	80,318	10.1	76,978	0.5	1.04
TOTAL LOOSE	176,269	5.9	198,348	-8.6	0.89
Organic	27,335	16.6	32,703	13.6	0.84
Conventional	907,175	14.3	1,519,472	-3.0	0.60
TOTAL FRESH (Retail)	934,510	14.4	1,552,174	-2.7	0.60

DATA SOURCE—TNS

All potatoes—GB & Imports

Retail Detail



RETAILER SHARE OF FRESH POTATO MARKET 52wks to 20 May 2007	VALUE %			VOLUME %		
	Total Potatoes	Prepack Potatoes	Loose Potatoes	Total Potatoes	Prepack Potatoes	Loose Potatoes
Tesco	28.3	29.5	23.0	30.2	31.2	22.8
Sainsbury	16.5	16.8	15.1	14.7	14.8	14.0
Morrisons	12.3	12.5	11.1	12.6	12.8	11.3
Asda	13.5	14.5	9.3	15.7	16.6	9.3
Somerfield	4.5	4.2	6.0	4.1	4.0	4.7
Co-Op Grocers	4.4	4.7	3.2	4.4	4.6	2.9
Marks & Spencer	3.4	3.6	2.6	1.5	1.5	1.6
Waitrose	4.0	3.5	6.2	2.8	2.4	5.2
Aldi	2.0	2.5	0.1	2.7	3.1	0.0
Lidl	1.6	1.8	0.7	2.5	2.7	0.8
All others	9.5	6.4	22.7	8.8	6.3	27.4
TOTAL MARKET	100.00	100.00	100.00	100.00	100.00	100.00

DATA SOURCE—TNS

Retail News

'Carbon footprint more important than price'

Sainsbury's customers are more concerned

According to a recent Ipsos Mori survey of 966 people, Sainsbury's shoppers are more concerned about the carbon footprint of the products they buy than other supermarket customers. The survey found that when asked which they considered more important, low prices or the carbon footprint of products in a supermarket, 33% of Sainsbury's shoppers opted for the carbon footprint. Just 15% of Asda customers rated the carbon footprint most important. Tesco and Morrisons customers answered 16% and 17% respectively for carbon footprint.

'200 of the 507 stores will be refurbished'

Tesco push One Stop format

Tesco has thrown its full support behind its One Stop c-store chain, revealing plans to refurbish 40% of the estate and halve the number of stores set to convert to the alternative Tesco Express format this year. One Stop chief executive David Turner said that 200 of the chain's 507 stores would be refurbished this year as part of an on-going programme. Five or six One Stops will be converted to the Tesco Express fascia – compared with 13 last year

'We want to put the retailer at the heart'

Retailers name centre stage

MBL (Musgrave, Budgen, Londis) is to give its Londis stores the personal touch by adding the names of store owners to its new fascia. The move, part of the company's overhaul of the Budgens and Londis brands, highlights the independence of Londis stores. "When we conducted the research we found that the retailer's name was very important to customers," said Ross Halliday, MBL marketing director. "Shoppers call their local store by the name of the retailer, not the brand. We want to put the retailer at the heart of everything we do."

'Gold award for croquettes'

Cheviot Foods scoops gold award for Morrisons

Cheviot Foods and Morrisons have won a major award for their new high quality potato product, 'The best' Croquettes. The product, which was launched in more than 150 Morrison's stores earlier in the year was named this year's 'Best New Vegetable-based Product' at the prestigious annual British Frozen Food Federations Awards held at London's Hilton Hotel.

Delia's back – teaching us how to cheat!

She hasn't had a new show on the television for five years, but Delia Smith is returning to our screens soon. A recent article in the Guardian revealed she is currently working on a new book and television series that updates the idea behind her 1971 debut, *How to Cheat at Cooking*, offering quick recipes that use pre-prepared ingredients.

Delia Smith is simply tapping into the trend of 'meal assembly', where people don't necessarily cook from scratch (although they might believe they do), but use quick recipes with pre-prepared ingredients. They want to live the dream, but they also want to be able to come home from work and eat something that same night. "Cheating's come on a lot and there's so much more available," she said.

Waitrose has also been quick to realise that just because we think we're all 'scratch cooks' it doesn't mean we want to cook suckling pig from scratch. It is opening a new premium store in central London soon with an 'easy cheating' counter selling three course meals whose finished results are almost identical to what you could produce.

The principle behind food assembly is that it doesn't feel off-the-shelf. It might feel off menu and possibly a little bit posh, but it still feels like you are producing it - it's your creation.

Food assembly is currently the domain of the middle classes though, as shown by those stores that are really pushing the concept. Marks and Spencer's have their 'Cook' range, while Waitrose has an 'Easy' range, designed, in its own words to "Offer meat and fish that is ready to cook, and then just needs vegetables adding." Sales of the range rose by 11% over the last year as a whole. Waitrose say the range is specially popular with 'scratch cooks' with less time during the week or who would like a night off, or with people who enjoy cooking but might not have the confidence to cook completely from scratch.

Whatever the psychology of the situation, meal assembly is a food trend set to increase rapidly over the next few years.

Recent BPC meal repertoire work fully exposed this fundamental shift from cooking meals to their assembly. Meals no longer result solely by blending a selection of raw materials; they are made by combining three or four sub-assembly components. Opportunities exist by understanding how we can better contribute to this assembly process by making components healthier, less messy and more interesting.

Demand for organic food is outstripping supply

Recent figures from TNS show that sales for organic food for the year to 25th March 2007 grew by 9.3%, a healthy increase but one that is nearly half the previous year's growth rate.

One of the key reasons for this slowing down is cited as supply shortages, particularly in dairy, meat and produce. The main issue here is cost. Organic pigs, for example cost 80% more to rear than non-organic pigs. This is down to the high price of organic feed, which is expensive because it too is suffering from supply shortages.

Shortages can also be found in dairy. "Sustained consumer demand for organic milk has led to a shortage in UK supply, with liquid milk being imported from Denmark and Holland," said Robin Maynard, communications director at the Soil Association.

Renee Elliott, founder of retail chain Planet Organic, says she has to import fruit and vegetables to meet demand. "there's no way we could get all our grocery of fruit and veg from the UK. It just isn't grown here."

The lack of UK grown produce even prompted Asda to place an advertisement in *Farmer's Weekly* last November, asking local organic fruit and veg producers to get in touch.

The media has also come into some criticism about its subjective coverage of lax organic standards in some sectors, and the Soil Association has also been criticised for being the opposite – too hard. There have been calls for the Soil Association to be more lenient on those who almost qualify for certification, but come up a little short. "The temptation to relax standards to enable more producers and retailers to meet this soaring demand is there," said Maynard. "But the Soil Association is fighting to keep the organic bar high."



In terms of food, organic has started reaching beyond its traditional ABC1 demographic, it is no longer the preserve of the well-heeled, southerners. It is not just the same people buying more but more people buying. According to TNS, while 20 million households bought organic products last year, this still only makes up around 0.7% of the total food and drink market.

Health claims on pack work – true or not!

More consumers would be tempted to choose a product if it carried a health claim – even if that claim was fictitious, an American study has shown.

Researchers at the US Food and Drug Administration asked 1,000 consumers to look at the health claims on yoghurt, orange juice and pasta and state how likely they were to buy that product. The claim for yoghurt, linking calcium content with avoiding osteoporosis, and for orange juice, relating potassium content to cutting high blood pressure, were founded in science. But the claim for pasta that it contained a nutrient called lysoton, which could reduce the

risk of heart disease was totally bogus, since lysoton does not exist.

The study showed consumers were more likely to buy a product carrying a health claim if the claim included the exact nutrient responsible for the benefit.

With pasta, 19% said they were very likely to buy the product and 8% said they had heard of lysoton!

BPC research has shown that health messages on pack are received positively, but they should be short, sharp, but above all, prominent.

The Crisps, Nuts and Snacks market

'indulgent motivations have all grown in importance'

The take-home crisps, snacks and nuts market is worth £1.39bn and is growing at 5.4% year-on-year.

Manufacturers such as Walkers and KP have increased their range of

healthier offerings. Nuts have also fared well thanks to increased publicity surrounding their health benefits. Indeed, they were one of the fastest growing sectors, enjoying 8.2% year-on-year growth.

There has been a lot of reformulations occurring, with manufacturers reducing the saturated fat and salt content of their existing products and launching better-for-you brands such as Walkers Baked and McVitie's Go Ahead! This has contributed to new shoppers entering the market and to consumers buying crisps, nuts and snacks more often.

This market is also being driven by price inflation which can largely be explained by the trend towards indulgence and premium ranges, and the growing importance of sharing, which is crucial to the evening snacking occasion.

Indulgent motivations, where consumers opt for crisps or nuts as a treat or to satisfy a craving once in a while, have all grown in importance to the market since last year.

While this is the general snacking trend, it is particularly apparent in the evening. Manufacturers have responded to the demand for more indulgent products by providing shoppers with premium offerings and unusual flavours.

The recovery of the children's lunchbox, driven by the Jamie Oliver effect, has helped virtually all the categories

that feature at school meal times. The number of lunchbox occasions featuring crisps is growing at 5% year-on-year. However, overall children's crisps, nuts and snacks consumption is declining, and for the first time in four years children now represent less than a third of consumption.

Crisps, nuts & snacks – by sales and market share

	VALUE £m	SHARE %	% change Y-O-Y
Total crisps and nuts	1,127	81.4	4.8
Total multipack C&S	759	54.8	2
Multipack crisps	445	32.1	1.9
Multipack snacks	315	22.7	2.1
Sharing C&S	304	21.9	11.8
Nuts	258	18.6	8.2
Total	1,385	100	5.4

Source – TNS Worldpanel 52 w/e 25 Feb 2007

Single bags of crisps satisfies those wanting an 'on the go' snack. Over half of the population consume crisps 'on the go' and, on average, this group purchase 35 bags a year.

Back in September 2006 when crisps were banned in schools in England and Wales, the BPC, realising the threat this would have on the crisp market, produced a sensible lunchbox suggestions card which included crisps, to help parents prepare healthy lunchboxes. Thousands of these have now been sent out by the BPC and are available via e-mail at marketing@potato.org.uk

BPC CONSUMER NEWS

BPC's current marketing campaign goes head to head with rice and pasta. To set the record straight and increase the number of times potatoes are consumed in the weekly meal plan, the BPC is aggressively challenging the health, convenience, taste and provenance of rice and pasta and encouraging swapping pasta and rice for potato meals.

To find out more visit www.potato.org.uk

It must be true, it's in the media



Spotted in the Grocer:-

Food inflation is running at 5% year-on-year, double the rate of consumer price inflation at 2.5%, according to the Office for National Statistics. Bread prices have risen by 8.1%, with cereals up 4.2%, potatoes up 11.3%, fresh fruit up 6.7% and milk up 11.7%, ONS said.

Spotted in the Guardian:-

The government recently unveiled a plan to introduce labels on all products, showing the greenhouse gas emissions created by their production, transport and eventual disposal, similar to the calorie count figures already seen on food packaging. The message was that food miles, which consumers are increasingly taking notice of, are not an accurate way of judging the total environmental impact. For example, fruit and vegetables trucked in from Spain could actually have a lower carbon footprint than those grown in UK greenhouses which use up lots of energy for heating.

According to Tara Garnett from the Food Climate Research Network, eating seasonal field-grown vegetables is a good way to reduce climate change emissions. The more robust the vegetable the better, so UK produced potatoes and root vegetables use relatively little energy to grow.

Spotted in Food and Drink industry news:-

The Co-operative Group has revealed that the launch of new own-label premium and healthy ranges of food products has contributed towards an 8% jump in food sales over the first quarter of 2007. A spokesman for the company said that the two new ranges were the 'principal drivers' behind an increase in food sales during the first three months of the year. The group has added more than 100 products to the 'Healthy Living' range, pushing sales up by 40% and 200 products to the premium 'Truly Irresistable' range.

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