



RETAIL FROZEN SURGES AHEAD DESPITE THE DISMAL SUMMER

The retail frozen market is growing even faster than had previously been reported with the market now showing 3.4% year over year growth as at 9th September 2007 according to the latest TNS data.

Remarkably, in a difficult year for retailers, frozen is growing from strength to strength as growth has accelerated from 1.7% to 2.8% and is now hitting 3.4% year over year growth.

- The ice cream sector that, up until now, had been growing consistently quarter on quarter for the last five quarters experienced a 1.6% downturn year over year as a result of the dismal summer.
- It gives me great pleasure to report that ready meals has grown quarter on quarter and now stands at £623 million in value, compared to £620 million reported at 17th June 2007. This is most heartening when our worst performing sector has begun to turn it around and it should help the total frozen market grow even faster.
- The big winners in the latest information are potato products that are growing at 9.9% year on year whilst the fish sector is not far behind with growth of 8.7%. However the good news doesn't end there with meat and poultry showing a very impressive 6.9% growth year on year lead by a real surge in cook from frozen joints pioneered by Iceland.
- Confectionery and desserts are growing at 5.0% whilst the pizza sector has improved by 4.4% year over year.

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The fantastic performance achieved in frozen is against a backdrop of very difficult numbers within the grocery trade in general. As an example Tesco have announced, as part of their half year numbers, that their like for like growth in their second quarter was only 2.4%.

Inflation continues to play a prominent part in the value growth in the market as volumes remain fairly static. In part the increased listings of retailer premium brands is helping but also there is significant inflation in the potato product sector of 12.8% and in the fish sector of 3.9% both as a result of scarcity of supply.

Meat and poultry is seeing the average price per kilo increase but this is to do with the reducing significance of economy sausages and beef burgers and consumers trading up to joints of meat.

I have been very positive about the prospects for frozen in my previous quarters reports that I send to journalists and, as I have said to them, I see no reason why I should change my views now.

Brian Young

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BRITISH FROZEN FOOD FEDERATION

RETAIL FROZEN FOOD STATISTICS YEAR ON YEAR TO 9 SEPTEMBER 2007

Source: TNS Worldpanel



RETAIL CATEGORIES	VALUE (£000s)			VOLUME (Tonnes)		
	52 w/e 10 Sep 06	52 w/e 09 Sep 07	% Gain/Loss	52 w/e 10 Sep 06	52 w/e 09 Sep 07	% Gain/Loss
Total Frozen Foods	4,428,318	4,576,818	3.4	1,971,296	1,967,182	-0.2
Total Ice Cream	603,137	593,408	-1.6	342,234	330,019	-3.6
Frozen Confectionary & Desserts	249,462	261,824	5.0	75,923	80,510	6.0
Frozen Fish	575,333	625,114	8.7	110,125	115,129	4.5
Frozen Meat & Poultry	479,488	512,333	6.9	186,716	187,274	0.3
Frozen Vegetables	337,640	358,650	6.2	275,191	280,655	2.0
Frozen Potato Products	437,918	481,123	9.9	443,649	432,056	-2.6
Frozen Ready Meals	647,722	622,959	-3.8	198,894	193,704	-2.6
Frozen Pizza	325,761	340,238	4.4	90,239	95,642	6.0
Frozen Savoury Food*	771,856	781,169	1.2	248,324	252,193	1.6

*Savoury Food includes Frozen Bread, Frozen stuffing Cooked poultry, Meat Products, Processed Poultry, Savoury Bakery, vegetarian products and Other Frozen Foods



Source: TNS Worldpanel
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