



## FISH SECTOR SHINES AS RETAIL FROZEN FOOD STORMS AHEAD

The retail frozen food market keeps on growing faster and faster with the latest data from TNS showing year over year growth of 3.6% for the year to 2nd December 2007.

- Despite the ice cream sector declining, as a result of the horrendous summer, the rest of the frozen food market is showing significant growth.
- The star of the show is undoubtedly the Fish category with 9.6% value growth and 5.9% volume growth over last year.
- The key drivers for the surging fish sales are driven by leading brand Young's and also by retailers' brands. There has been significant inflation in chilled, which has led some consumers switching to frozen. Sales of natural fish and salmon are both growing in significant double-digit percentages as well. The trend towards more premium products, which is a common feature of the recent growth in the frozen food market, has been particularly true in the fish sector with Sainsbury's Taste the Difference Fishcakes, Tesco's re-launch and the recent launch of Young's Great Grimsby brand all helping to create value growth.
- The fastest volume growth recorded year over year was in pizzas at 6.7% whilst value has grown by 4.2%.
- Some of the volume gained has been attributed to the poor summer as pizza gained at the expense of sausages and burgers but equally, there have been very significant promotional activities.
- The market has seen perhaps the most amazing turnaround story in the meat and poultry sector which a year ago was suffering a 3.9% value decline and a 4.8% volume decline. Remarkably, volume is now growing significantly at 3.4% year over year and value by even more at 9.1% up year over year.

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The surge in higher price ticket items such as cook from frozen joints at the expense of low value sausages and burgers has seen average price per kilo running at 5.5% higher this year than last. This is partly as a result of the improving mix but also the dramatic underlying cost of inflation especially as a result of animal feed costs going up.

- The potato product sector continues to enjoy significant value growth driven by McCain's heavyweight activity and innovative product launches. The sector is growing by 9.3% in value terms whilst price inflation, as a result of the poor crops of last year, is running at 10.5%, which is lower than the figure recorded last quarter.

The frozen food market has now enjoyed six consecutive quarters of growth with every quarter improving on the previous one. Some observers have indicated they expect a good Christmas. It is clear to see the underlying trends continue to be very positive for the frozen food market.

**Brian Young**

**BFFF**

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# BRITISH FROZEN FOOD FEDERATION

RETAIL FROZEN FOOD STATISTICS YEAR ON YEAR TO 2 DECEMBER 2007

Source: TNS Worldpanel



RETAIL CATEGORIES	VALUE (£000s)			VOLUME (Tonnes)		
	52 w/e 03 Dec 06	52 w/e 02 Dec 07	% Gain/Loss	52 w/e 03 Dec 06	52 w/e 02 Dec 07	% Gain/Loss
Total Frozen Foods	4,459,274	4,621,612	3.6	1,967,684	1,976,148	0.4
Total Ice Cream	611,056	599,913	-1.8	345,506	329,863	-4.5
Frozen Confectionary & Desserts	252,812	261,330	3.4	77,719	80,327	3.4
Frozen Fish	583,596	639,761	9.6	110,285	116,762	5.9
Frozen Meat & Poultry	482,178	526,175	9.1	184,666	191,035	3.4
Frozen Vegetables	342,445	361,640	5.6	275,035	282,421	2.7
Frozen Potato Products	445,712	487,139	9.3	438,995	434,315	-1.1
Frozen Ready Meals	641,084	618,370	-3.5	197,298	192,478	-2.4
Frozen Pizza	328,279	342,037	4.2	91,133	97,258	6.7
Frozen Savoury Food*	772,144	785,079	1.7	247,077	251,650	1.9

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



Source: TNS Worldpanel  
 For further information, contact:  
 Chris Hayward, TNS  
 Tel: 020 8967 4551  
 Email: [chris.hayward@tns-global.com](mailto:chris.hayward@tns-global.com)