

# BPEX Quarterly Category Report

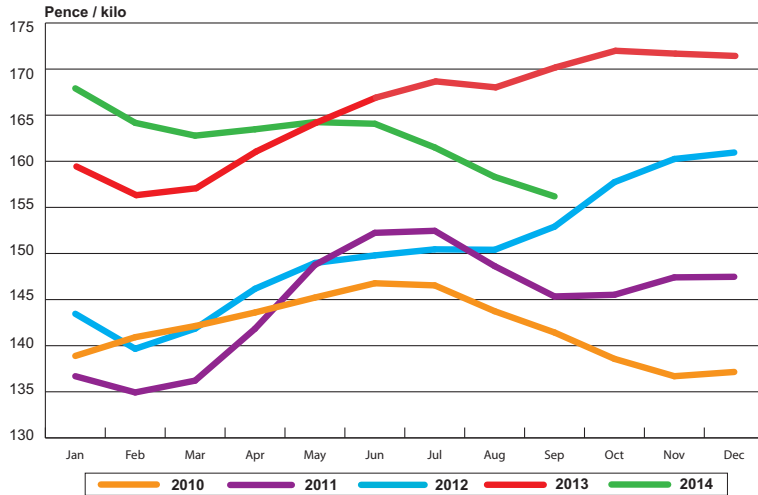


Including data up to 12 Oct 2014

## DAPP to EU Specification

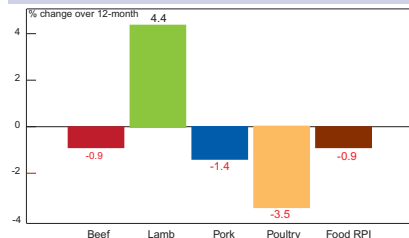
Source: BPEX/AHDB

(DAPP = Deadweight Average Pig Price)



- GB finished pig prices have fallen steadily since the late spring and, unlike recent years, there has been no uplift during the autumn. Increased supplies of UK pigs and heavier weights have been met by subdued consumer demand. Low EU prices have also added to the downward pressure. The average DAPP in September was just over 156p/kg, the lowest since September 2012
- The DAPP was published for the last time at the end of September. It has been replaced by two new price series. The SPP is collected from abattoirs, as the DAPP was, but excludes pigs for which a premium is paid because of things like production system or breed. The APP includes all pigs but prices are collected from sellers (mostly marketing groups) rather than buyers. Based on the new series, prices have fallen further during October

## Category Inflation / Deflation



- The food retail price index for September fell for a third consecutive month to its lowest level since January 2013. The food retail price index for September was almost 1% down on last year's levels
- Lamb was the only red meat to show a year-on-year retail price increase, driven by the lower availability of cheap New Zealand product
- The retail price indices for beef and pork both fell by approximately 1% on last year. The retail price index for poultry showed the largest year-on-year change of all meats, down almost 4%
- The retail price index for bacon was almost 1% higher on last year.

## Retailer Overview

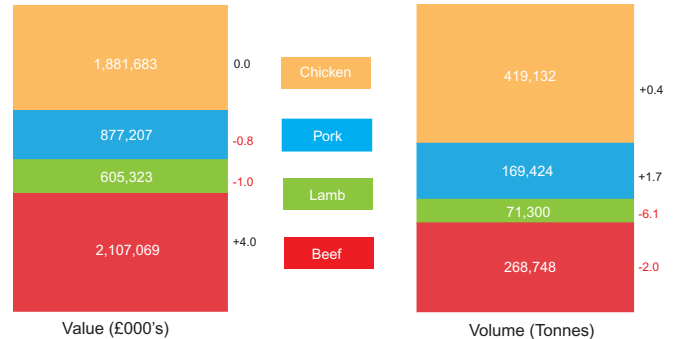
SHARE OF FRESH MARKET VALUE		Total Fresh Meat and Poultry		Pork		Bacon		Sausages		Ham	
52 weeks to 12 Oct 2014	RST**	MAT*	MAT*	% Value	% Change	% Value	% Change	% Value	% Change	% Value	% Change
<b>52 weeks to 12 Oct 2014</b>	<b>RST**</b>	<b>MAT*</b>	<b>MAT*</b>	<b>% Value</b>	<b>% Change</b>	<b>% Value</b>	<b>% Change</b>	<b>% Value</b>	<b>% Change</b>	<b>% Value</b>	<b>% Change</b>
TOTAL MARKET	100	100	100	-0.8		100	-0.6	100	3.2	100	2.3
Tesco	26.0	23.3	24.7	-2.1		23.5	-6.0	26.0	-1.5	27.0	-3.0
Sainsbury's	14.9	16.4	14.8	-3.2		14.8	-2.4	14.6	1.0	15.3	-0.6
Asda	14.5	13.4	14.3	-0.8		14.7	-1.9	13.5	1.7	16.4	1.5
Morrisons	10.6	12.2	14.4	-2.3		11.5	-6.5	10.5	2.8	12.6	0.5
Waitrose	4.7	5.0	3.6	-4.1		4.0	12.6	5.1	7.9	4.7	11.9
The Co-operative	5.2	4.0	3.9	-17.9		5.6	-6.1	4.6	7.9	6.0	11.0
Marks & Spencer	3.1	2.4	0.6	-50.8		4.1	0.8	3.1	11.4	3.6	9.8
Hard Discounters	6.8	8.8	9.9	40.2		10.0	26.3	5.0	39.5	7.2	34.1
Other Multiples	0.5	0.4	0.2	-22.4		0.3	-5.0	0.3	-27.4	0.1	13.6
Butchers	0.6	8.4	8.6	-7.9		3.6	-9.8	8.1	-3.6	1.0	-8.7

- The market share held by the top four retailers for total meat sales fell slightly over the year, down to 65.3% of total market expenditure from 66.0% last year
- None of the top four retailers have seen growth in fresh pork value sales over the year. The top four account for 68% value share for fresh pork; down from 69% last year
- The hard discounters continue to grow in market share, accounting for nearly 10% of market expenditure on fresh pork; up from 7% last year. The hard discounters have seen the most significant sales growth of all retailers, recording an increase in spend on fresh pork of 40% on last year
- Sausage sales grew by 3.2%, with the top four multiples accounting for 65% of sales. None of the top four retailers, however, grew ahead of the market. The hard discounters, with 5% of market share for sausages, recorded a 40% increase in sales compared with last year.

The BPEX Category Report provides market data and insight from AHDB, KANTAR Worldpanel and other sources

## FRESH MEAT 52 WEEKS TO 12 OCTOBER 2014

Source: KANTAR Worldpanel



- For the 52-week period, there was a fall in the amount of fresh beef and lamb bought compared with a year earlier, while sales of pork and chicken both increased. Sales of fresh pork and chicken have been supported by consumers switching away from the relatively more expensive beef and lamb in favour of cheaper sources of protein. However, fresh meat sales have also been affected by households switching to frozen chicken
- Fresh beef was the only meat to record an increase in household spending over the year, largely as a result of price inflation. Spending on lamb fell by a lesser amount than the fall in volume sales, driven by an increase in average price/kg. Household spending on pork fell marginally on last year as the average price/kg fell by 2.5%.
- EU pig prices have fallen sharply since the summer, partly due to the impact of the Russian ban on EU pork products which has been in place since February. Since the end of August, prices have declined as a modest increase in supplies tipped the balance in the market, in the absence of Russian trade (which normally peaks in the autumn). The gap between EU and UK prices was also around 30 cents in September and had reached a record 49 cents (about 40p/kg) by mid-October.

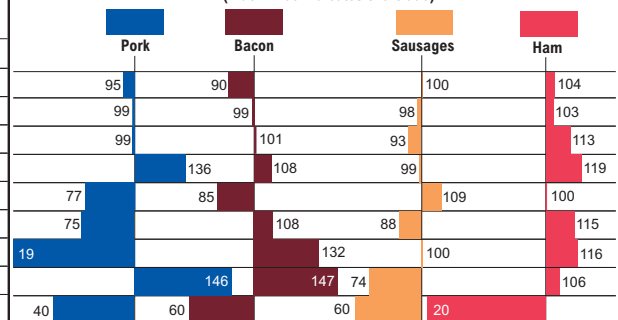
## ANNUAL CHANGE IN RETAIL MEAT PRICES AND THE ALL ITEMS RETAIL PRICE INDEX – SEPTEMBER 2014

Source: AHDB/ONS

## OVER/UNDERTRADE INDEX vs RST\*\*

52 weeks w/e 12 Oct 2014 (FRESH)

(index >100 indicates overtrade)



- The hard discounters trade more than their overall share of the grocery market in pork, bacon and ham
- Only one of the top four multiples trades more than their relative share of the grocery market in pork. All of the top four multiples overtrade in ham
- None of the top four multiples trades more than their relative share of the grocery market in sausages.

\* MAT = Moving Annual Total. \*\* RST = Retailer Share Track.

A consolidation of data for all key commodity products, 237 markets in total.

Markets fall into five key trading sectors: Packaged Groceries • Fresh Foods • Toiletries Healthcare • Alcohol.

Top four multiples = Tesco, Sainsbury's, Asda and Morrisons

# BPEX Quarterly Fresh Pork

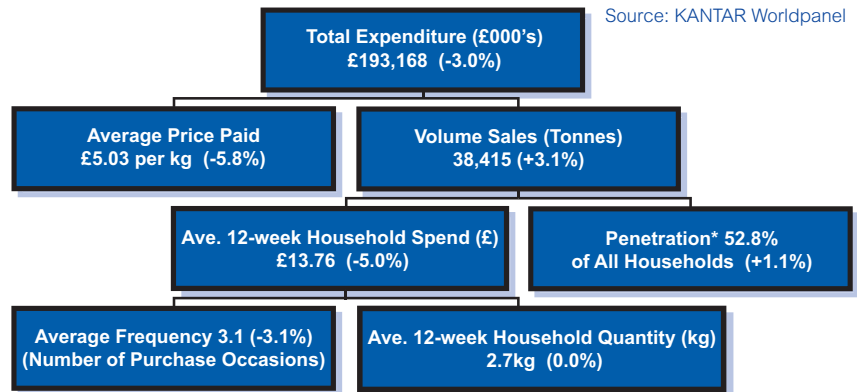


Including data up to 12 Oct 2014

## Fresh Pork 12 weeks to 12 October 2014

- Despite an increase in volume sales, expenditure on fresh pork fell by 3%, driven by a fall in the average price
- The average price of lamb also fell slightly compared to the same 12-week period last year. In comparison, beef prices increased by around 3%
- There has been a slight increase in the number of households buying fresh pork compared with last year. Sales of fresh pork have been supported by shoppers switching away from more expensive fresh beef in favour of cheaper meats.

\*Penetration = Number of GB households that bought fresh pork in latest 12 weeks.  
(% changes are year-on-year)



## Fresh Pork by Tier

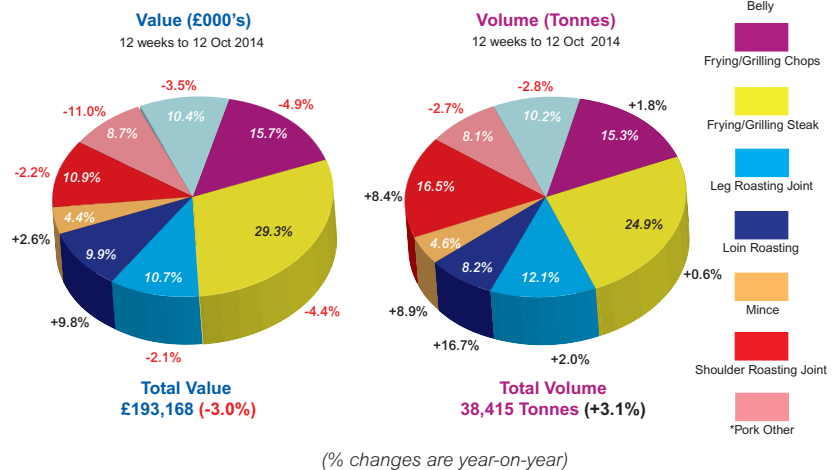
Source: KANTAR Worldpanel



- Standard Private Label (PL) represents over 71% share of pork volume, up from 69% last year. This has been driven by the increase in standard-tier roasting joints and mince sales
- The Value tier's share of pork volume was relatively unchanged, while Premium PL fell to around 1% of market share. The fall in the Premium tier pork has been led by lower sales of roasting joints and pork chops/steak.

## Fresh Pork by Cut

Source: KANTAR Worldpanel



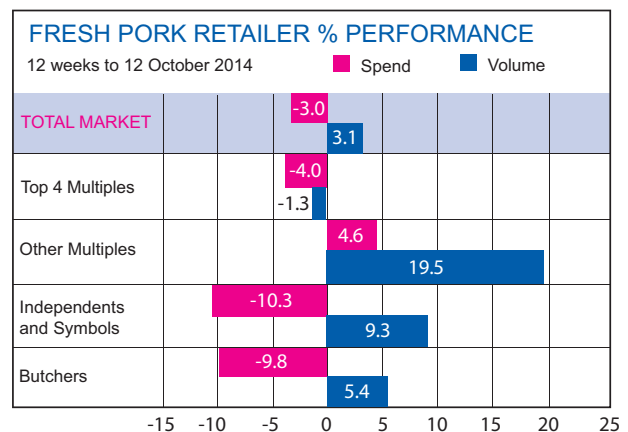
- Leg, loin and shoulder roasting joints all recorded an increase in volume sales over the 12-week period. Pork belly was one of the only categories to show a fall in sales
- Despite the increase in volume sales, total household expenditure on roasting joints recorded only a small increase. This was driven by increased spending on loin joints, which was large enough to compensate for falling expenditure on leg and shoulder joints
- While there was a fall in the amount of pork sold on promotion, three of the top four retailers reduced the average price of pork in their stores.

\*Pork Other = Diced/Cubed, Mixed Cuts Pack, Marinades

## Retailer Share and Performance

Source: KANTAR Worldpanel

FRESH PORK – RETAILER % SHARE 12 WEEK			
Value %	12 weeks to 13 Oct 2013	12 weeks to 12 Oct 2014	£ % Change
TOTAL MARKET	100	100	-3.0
Top 4 Multiples	68.3	67.6	-4.0
Other Multiples	18.7	20.1	4.6
Independents and Symbols	0.5	0.5	-10.3
Butchers	9.2	8.6	-9.8



- For the 12-week period, two of the top four retailers recorded an increase in expenditure on fresh pork compared to last year
- The hard discounters recorded growth in household expenditure of approximately 30%. The hard discounters now account for 11% of the market, up from 8% last year
- There was a 5% increase in the amount of pork bought from butchers, despite a 10% fall in spending. Compared with last year, households are buying more pork from butchers shops on each visit, although they are going less often.

# BPEX Quarterly Bacon & Sausages

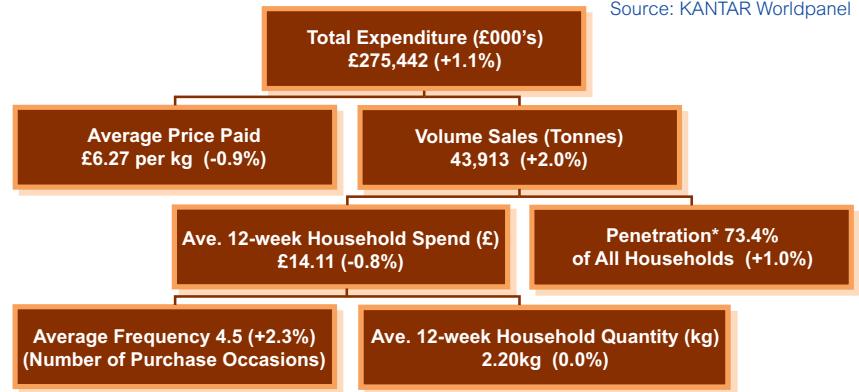


Including data up to 12 Oct 2014

## Bacon 12 weeks to 12 October 2014

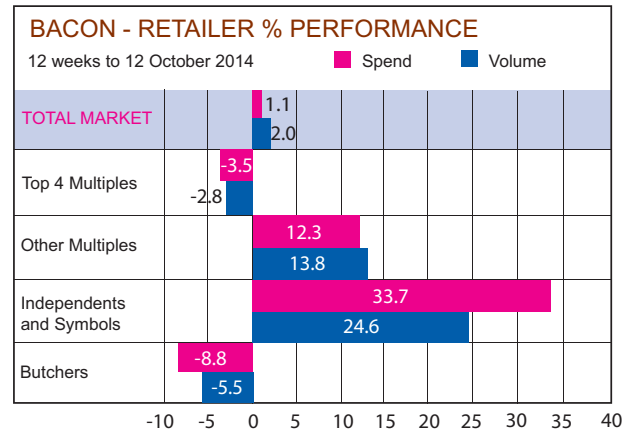
- The amount of bacon sold for the 12-week period increased by 2% compared with last year, while household expenditure increased by 1%. There was a fall in the average price of bacon in two of the big four retailers, while there was also an increase in the amount of bacon sold on promotion
- Despite a small increase in the amount spent on bacon, none of the top four retailers showed an increase in value sales
- The hard discounters saw value sales of bacon increase by 30%. The hard discounters now account for 11% of the market, up from 9% last year
- Year-on-year, both volume and value sales of bacon bought from butchers fell.

Source: KANTAR Worldpanel



\*Penetration = Number of GB households that bought bacon in latest 12 weeks.  
(% changes are year-on-year)

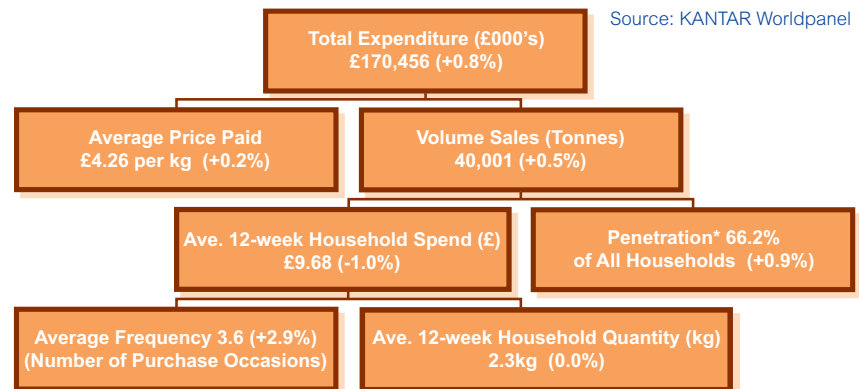
BACON – RETAILER % SHARE 12 WEEK			
Value %	12 weeks to 13 Oct 2013	12 weeks to 12 Oct 2014	£ % Change
TOTAL MARKET	100	100	1.1
Top 4 Multiples	66.4	63.4	-3.5
Other Multiples	25.7	28.5	12.3
Independents and Symbols	0.8	1.1	33.7
Butchers	3.9	3.6	-8.8



## Sausages 12 weeks to 12 October 2014

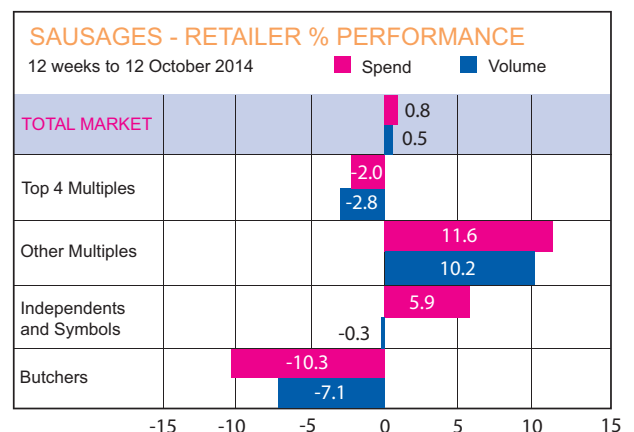
- Due to a small increase in the average price, household spending on sausages increased by more than the growth in volume sales
- The small increase in sales was largely due to sales growth of Standard range sausages. The volume of Economy sausages bought over the 12-week period fell by over 7%, while there was a marginal drop in sales of Premium sausages
- Although there has been an increase in the amount sold on promotion, there was little change in the average price of Standard sausages compared with last year
- Two of the top four retailers recorded an increase in household spending on sausages for the 12-week period
- The hard discounters saw growth of over 20% in value sales. The hard discounters account for 5% of the market value share, up from 4% last year
- Consumers spent 10% less money on sausages bought from butchers than they did last year.

Source: KANTAR Worldpanel



\*Penetration = Number of GB households that bought sausages in latest 12 weeks.  
(% changes are year-on-year)

SAUSAGES – RETAILER % SHARE 12 WEEK			
Value %	12 weeks to 13 Oct 2013	12 weeks to 12 Oct 2014	£ % Change
TOTAL MARKET	100	100	0.8
Top 4 Multiples	65.0	63.2	-2.0
Other Multiples	21.0	23.2	11.6
Independents and Symbols	1.1	1.2	5.9
Butchers	9.1	8.1	-10.3



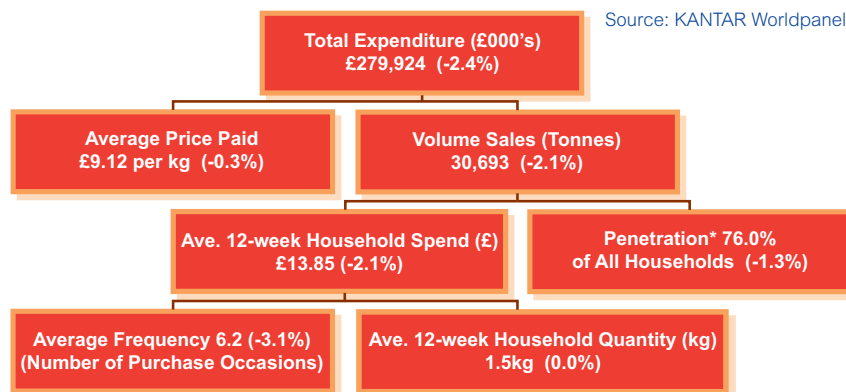
# BPEX Quarterly Ham



Including data up to 12 Oct 2014

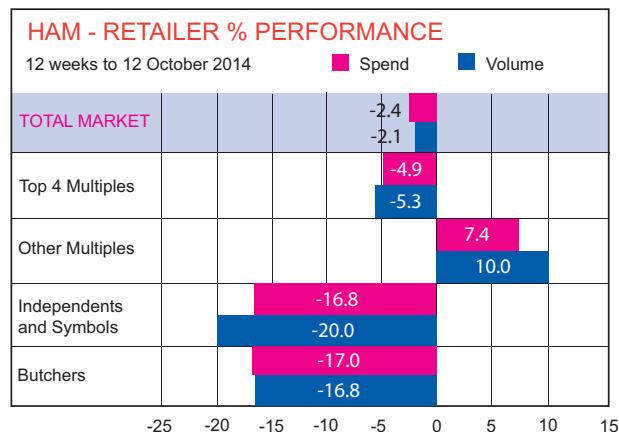
## Ham 12 weeks to 12 October 2014

- Consumer purchases of ham fell over the year, both in terms of spending and the amount bought despite little change in the average price
- Consumers have moved away from both loose and pre-packed ham in favour of pre-packed continental meats and beef
- None of the top four retailers recorded growth in market expenditure on ham over the year. Three of the top four multiples saw sales fall by more than the market average, resulting in a fall in their relative market shares
- The hard discounters recorded both an increase in volume and an increase in the value of sales. The hard discounters account for approximately 8% of the market in value terms
- Butchers saw a fall both in volume and value sales over the year. Butchers account for less than 1% of the value share of the market.



\*Penetration = Number of GB households that bought ham in latest 12 weeks.  
(% changes are year-on-year)

HAM – RETAILER % SHARE 12 WEEK			
Value %	12 weeks to 13 Oct 2013	12 weeks to 12 Oct 2014	£ % Change
TOTAL MARKET	100	100	-2.4
Top 4 Multiples	72.6	70.8	-4.9
Other Multiples	22.9	25.2	7.4
Independents and Symbols	0.7	0.6	-16.8
Butchers	1.2	1.0	-17.0



## Official launch of British Sausage Week



British Sausage Week was officially launched Friday 31 October by Phil Vickery, our celebrity 'rugby legend' ambassador.

- 11 radio interviews were conducted including the likes of BBC stations such as Tees, Jersey, Glos & Cornwall as well as Lincs FM, BFBS and the Yorkshire Coast
- The Launch Event took place at the prestigious home of the Worshipful Company of Butchers in London, where the supermarkets and Brands were presented with their Banger awards. These were:

**Gold** for Tesco's Finest Lincolnshire Sausages and their Finest Pork, Honey & Fennel Sausages

**Silver** for Waitrose's Gourmet Pork with Black Pepper and Nutmeg and also their Subtly Smoky Dogs

**Bronze** for Lidl's Milton Gate Cumberland sausages and Asda's Pork & Toffee Apple.

The Branded sector Gold Winners were:

- In the Traditional category - Debbie & Andrews Cumberland Sausages and Porky Whites Surrey Sausage
- In the Innovative category - Helen Brownings Organic Hotdogs and Lane Farm Country Foods Pork, Apple and Ginger Sausage.

During the Week itself, Monday 3 to Thursday 6 November, a regional tour to seven venues took place to award the best butchers in each region with a banger award.

Starting with London and ending in Bristol, the tour also went to Leeds, Liverpool, Birmingham, Reading and Peterborough.

For more information, go to [www.britishsausageweek.com](http://www.britishsausageweek.com)



## Contacts

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BPEX is a division of the Agriculture and Horticulture Development Board

