

# BPEX Quarterly Category Report

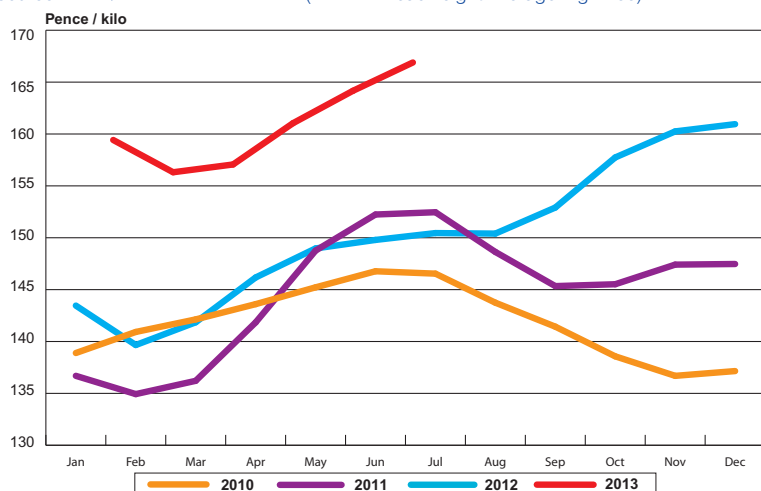
# BPEX

Including data up to 9 June 2013

## DAPP to EU Specification

Source: BPEX/AHDB

(DAPP = Deadweight Average Pig Price)

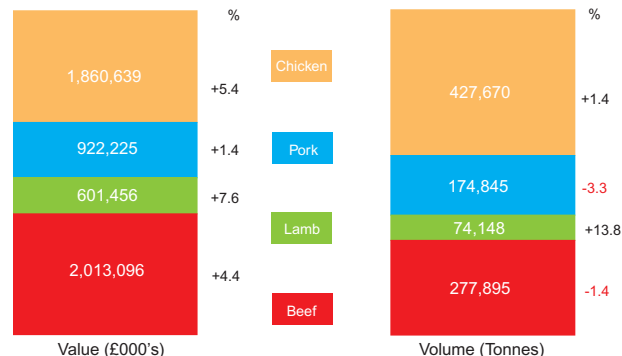


- GB pig prices fell back after Christmas, as consumers tightened their belts, but have been rising from March onwards. Prices have been substantially higher this year and have reached new record levels. By late June, the DAPP was just over 168p per kg, around 7p above the previous high point recorded in the run-up to Christmas. The high prices have come despite pig meat production being similar to last year and relatively low EU prices. This suggests an increasing retailer preference for UK pork
- Despite high pig prices, inflated costs mean that producers have remained in a loss-making position until recently. According to AHDB's provisional estimates, the cost of pig production fell from 173p per kg in January to 164p in June. With cumulative losses since January 2011 totalling around £175 million, prices will need to stay high, relative to costs, for some time for the industry's finances to recover

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

## FRESH MEAT 52 WEEKS TO 9 JUNE 2013

Source: KANTAR Worldpanel



- Pork has seen reduced volume purchases over the past year with leg and shoulder roasting joints struggling, frying/grilling chops also down. Sales losses have been to lamb, chicken and chilled convenience/ready meals
- Lamb's strong performance stands out with volumes increasing 13.8% - this has been caused by the continued uplift in lamb leg (+37%). Heavy leg promotions drove lamb's overall average price decline of 5.4% year-on-year.
- EU pig prices were broadly stable in early 2013 as demand remained weak, both within the EU and on key export markets. The price level was generally higher than in previous years but briefly dropped below year earlier levels in May. Prices increased rapidly into June as better weather boosted demand and pig supplies tightened. By late June, they had reached their highest point of the year at €177. With EU prices rising more rapidly than UK ones, the gap between them closed from around 20p in mid-May to 13p in late June.

## Category Inflation / Deflation

	Year-on-year % Change
Beef	4.5
Lamb	-2.6
Pork	6.2
Poultry	3.5
Food RPI	3.8

- In June, the food retail price index rose by 3.8% compared to the previous year but was down by 0.5% compared to the previous month
- Retail lamb prices in June fell over the 12-month period by 2.6% and by 1.2% on the previous month
- Retail prices for pork were 6.2% higher over the 12-month period but 0.1% down on the previous month
- Retail bacon prices were 7.2% higher over the 12-month period and up 0.5% on prices in May.

## ANNUAL CHANGE IN RETAIL MEAT PRICES AND THE ALL ITEMS RETAIL PRICE INDEX – JUNE 2013

Source: AHDB/ONS

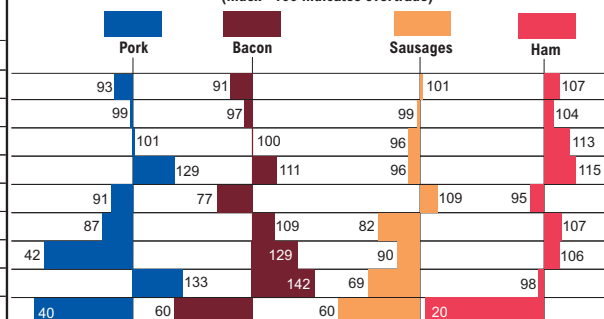
## Retailer Overview

Source: KANTAR Worldpanel

SHARE OF FRESH MARKET VALUE 52 weeks to 9 Jun 2013 Retailers	Total Fresh Meat and Poultry		Pork		Bacon		Sausages		Ham	
	RST**	MAT*	MAT*	% Value Change	MAT*	% Value Change	MAT*	% Value Change	MAT*	% Value Change
TOTAL MARKET	100	100	100	1.4	100	0.9	100	3.4	100	0.7
Tesco	27.1	25.8	25.2	-1.8	24.7	1.7	27.4	1.6	29.1	-1.2
Sainsbury's	15	16.8	14.8	1.3	14.6	-2.1	14.8	5.2	15.6	-1.2
Asda (inc Netto)	14.6	13.3	14.8	-3.1	14.6	0.0	14	4.9	16.5	1.2
Morrisons	11	12.4	14.2	0.9	12.2	-2.4	10.6	0.8	12.7	1.5
Waitrose	4.4	4.8	4	-1.3	3.4	0.8	4.8	3.0	4.2	2.5
Co-op (inc Somerfield)	5.5	4.8	4.8	-1.6	6	-2.9	4.5	-12.7	5.9	-3.1
Marks & Spencer	3.1	2.8	1.3	2.5	4	0.1	2.8	-0.1	3.3	6.6
Hard Discounters	5.2	6	6.9	26.5	7.4	12.1	3.6	28.4	5.1	18.2
Other Multiples	0.5	0.3	0.2	35.3	0.3	10.8	0.3	9.3	0.1	-37.7
Butchers	0.6	7.9	8.9	-2.0	3.9	-1.1	8.7	3.3	1.1	-5.6

- None of the top 4 retailers have seen above market growth for fresh pork, with two out of four actually recording declines in expenditure compared to last year. The top four account for 69% value share for fresh pork – down from 70.6% compared to last year
- The hard discounters continue to increase their share within the grocery market. This has translated into increased shares across its pig meat categories
- The top four multiples account for 66.8% of sausage sales, two of the top four retailers grew ahead of the market.

## OVER/UNDERTRADE INDEX vs RST\*\* 52 weeks w/e 9 June 2013 (FRESH) (index >100 indicates overtrade)



- The hard discounters significantly overtrade in pork and bacon
- All of the top four multiples overtrade in ham, while the hard discounters undertrade
- Three of the top four multiples undertrade 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

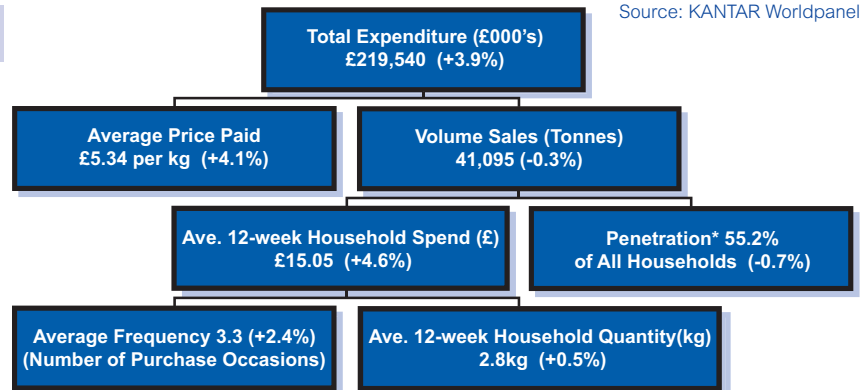


Including data up to 9 June 2013

## Fresh Pork 12 weeks to 9 June 2013

- Fresh pork has seen expenditure growth driven through average price increases. Shoppers buying less per trip, combined with a reduction in the number of households purchasing is driving lower volumes
- More pork has been sold on promotion, with one item price reductions driving the increase
- In the past year, pork lost sales to lamb and chicken, the movement into lamb continued in the 12-week period. However, there were gains from processed products implicated in the horsemeat scandal.

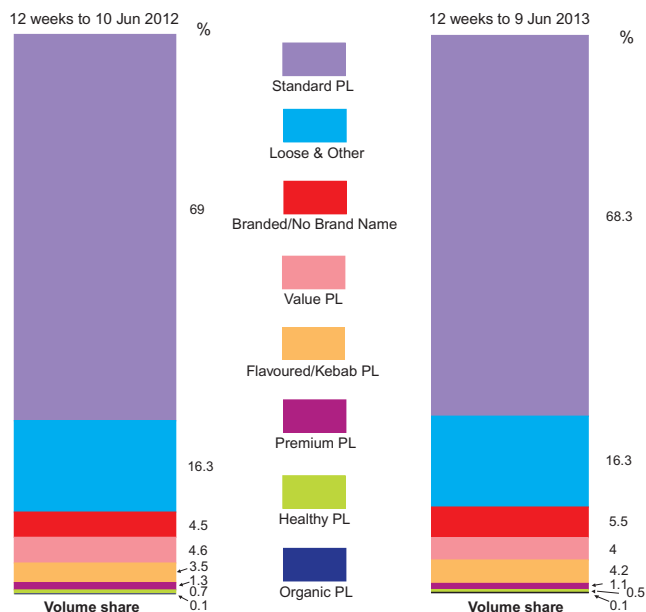
Source: KANTAR Worldpanel



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

## Fresh Pork by Tier

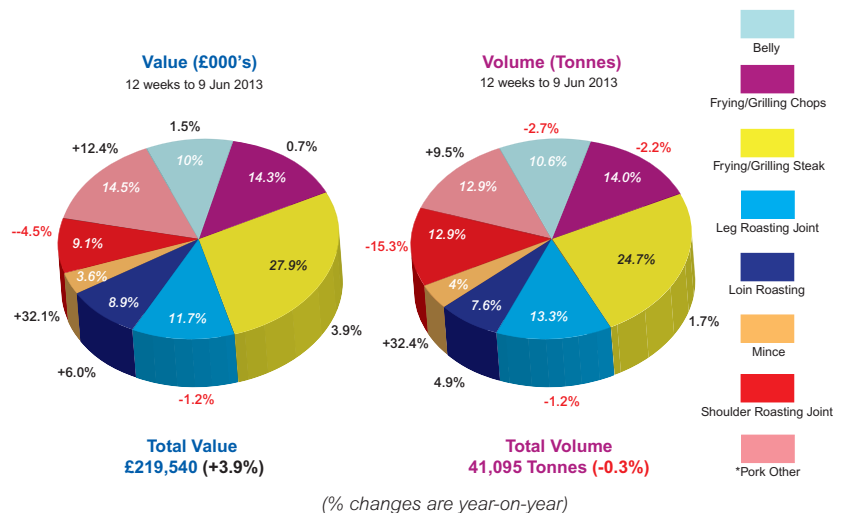
Source: KANTAR Worldpanel



- Standard PL represents 68.3% share of pork volume, making share losses compared to last year. This has been impacted by the 12-week decline in belly, leg and shoulder roasting joints
- The dip in premium share was driven by their biggest participant, chops and steaks. Share gains in flavoured/kebab have come on the back of strong purchase growth for marinades.

## Fresh Pork by Cut

Source: KANTAR Worldpanel



- Loin, mince and marinades have grown in volume share, with chops declining as have leg and shoulder roasting joints
- Loin roasting has seen another share increase, gaining volume from leg and shoulder roasting joints as well as chops/steaks and now represents nearly 8% of the market
- Following the horsemeat scandal, pork recorded slight increases in volumes, with consumers switching from processed meat products. However, this rise was not to the same extent seen for beef and lamb cuts.

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

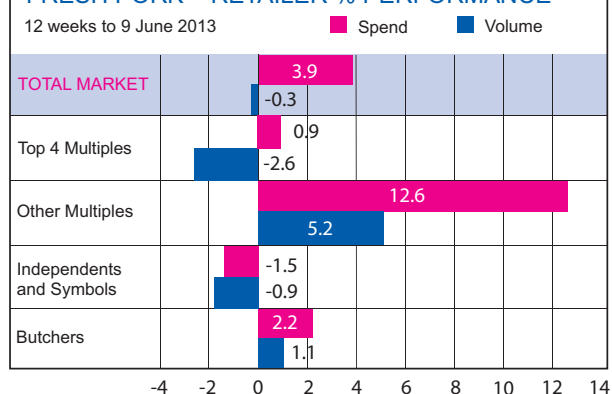
## Retailer Share and Performance

Source: KANTAR Worldpanel

### FRESH PORK – RETAILER % SHARE 12 WEEK

Value %	12 weeks to 10 Jun 2012	12 weeks to 9 Jun 2013	£ % Change
<b>TOTAL MARKET</b>	100	100	3.9
Top 4 Multiples	70.6	68.6	0.9
Other Multiples	18.2	19.8	12.6
Independents and Symbols	0.3	0.3	-1.5
Butchers	8.4	8.2	2.2

### FRESH PORK – RETAILER % PERFORMANCE



- Two of the top four retailers have seen increases in fresh pork expenditure compared to last year. However, only one recorded above market growth to make share gains on last year
- The hard discounters continue to see increases in their value share for fresh pork, now representing 7.5%
- Butchers have seen a small rise in volume over the past 12-weeks, with a higher number of households purchasing. However, expenditure growth was behind the market which meant a slight loss in value share.

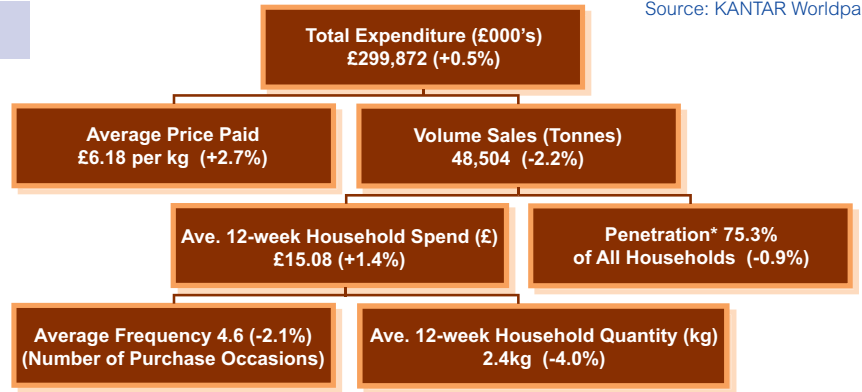
# BPEX Quarterly Bacon & Sausages



Including data up to 9 June 2013

## Bacon 12 weeks to 9 June 2013

- Volume fall was caused by joints and rashers, where there has been fewer households purchasing and lower purchase frequency
- The rise in average price meant expenditure grew 2%. This contributed to overall bacon expenditure remaining positive
- Two out of the top four retailers have seen reductions in bacon expenditure, however the most notable share gains have come from outside the top four
- Hard discounters have continued to record strong growth, with more consumers buying from them. Resulting in the channel making the most notable rise in share of expenditure
- Since the start of the year butchers has seen positive growth in the number of households purchasing bacon compared to the previous year. This rise, along with a slight increase in trip volume helped butchers achieve double-digit growth compared to last year.

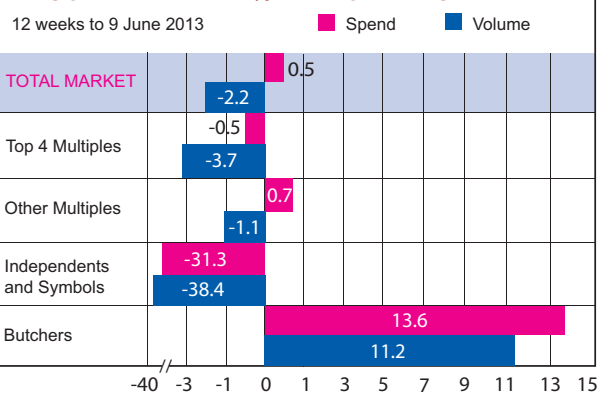


\*Penetration = Number of GB households that bought bacon in latest 12 weeks.  
(% changes are year-on-year)

### BACON – RETAILER % SHARE 12 WEEK

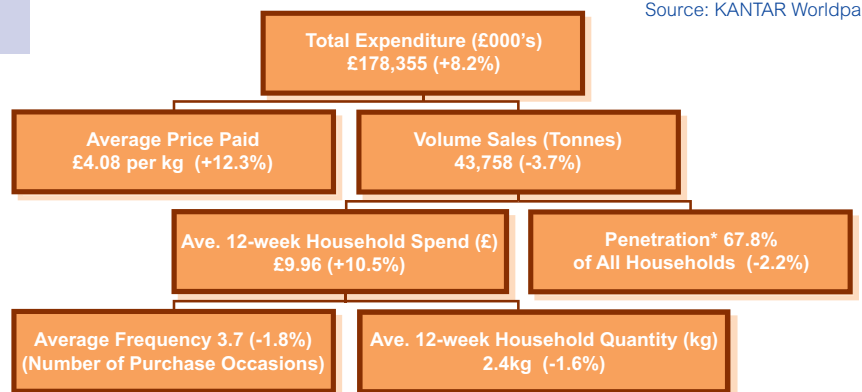
Value %	12 weeks to 10 Jun 2012	12 weeks to 9 Jun 2013	£ % Change
TOTAL MARKET	100	100	0.5
Top 4 Multiples	67.1	66.4	-0.5
Other Multiples	26.5	26.6	0.7
Independents and Symbols	0.9	0.6	-31.3
Butchers	3.5	3.9	13.6

### BACON – RETAILER % PERFORMANCE



## Sausages 12 weeks to 9 June 2013

- Sausages have struggled over the past 12 weeks, with declining volumes across standard and economy ranges
- In contrast, premium sausages have experienced volume and value growth, with shoppers trading up over the past 12 weeks
- The past year has seen notable price increases on sausages and this has intensified to 12.3%. However this has meant that value is still growing
- Two of the top four retailers made value share gains in the last 12 weeks
- Butchers have benefited from some new customers switching in from the multiples, now accounting for just under 9% value share of the market.

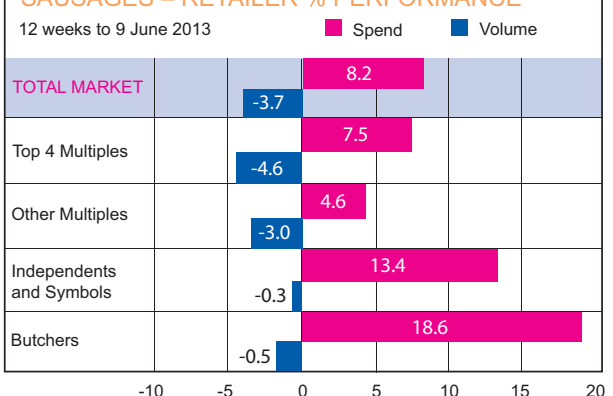


\*Penetration = Number of GB households that bought sausages in latest 12 weeks.  
(% changes are year-on-year)

### SAUSAGES – RETAILER % SHARE 12 WEEK

Value %	12 weeks to 10 Jun 2012	12 weeks to 9 Jun 2013	£ % Change
TOTAL MARKET	100	100	8.2
Top 4 Multiples	67.1	66.7	7.5
Other Multiples	21.7	21	4.6
Independents and Symbols	1.1	1.1	13.4
Butchers	7.9	8.7	18.6

### SAUSAGES – RETAILER % PERFORMANCE



# BPEX Quarterly Ham

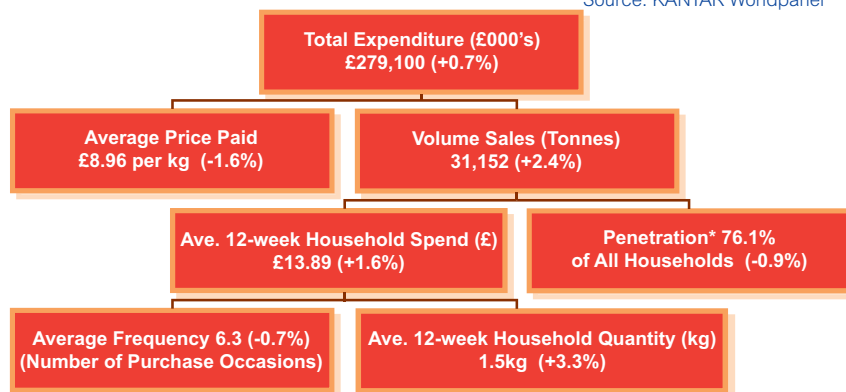


Including data up to 9 June 2013

**Ham**  
12 weeks to 9 June 2013

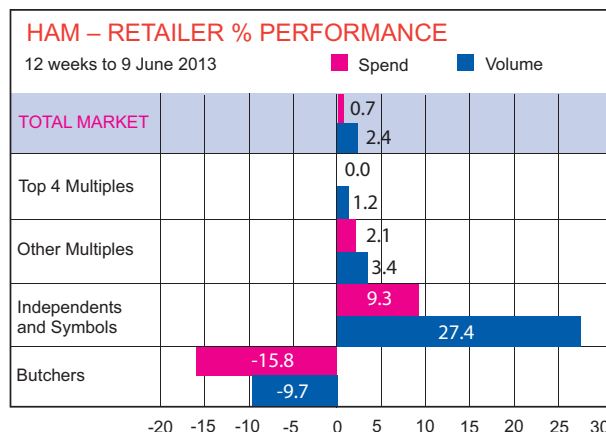
Source: KANTAR Worldpanel

- Volume sales of ham has seen a slight increase over the past 12 weeks, while shoppers have purchased more each trip, they have bought less often and fewer households have purchased
- The horsemeat scandal has seen ham gaining from corned beef but at the same time seeing some small switching changes into continental meats and turkey
- Collectively, the top four retailers have seen value share declines, with only one making notable gains
- The top four still represent the majority ham sales, however, the hard discounters growth momentum continues, with double-digit growth increasing their 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 10 Jun 2012	12 weeks to 9 Jun 2013	£ % Change
<b>TOTAL MARKET</b>	<b>100</b>	<b>100</b>	<b>0.7</b>
Top 4 Multiples	74.1	73.5	0.0
Other Multiples	22.9	23.2	2.1
Independents and Symbols	0.7	0.8	9.3
Butchers	1.1	1	-15.8



## Campaign Updates

### Give a Fork About Your Pork



- New advert live on More4 and Good Food for most of June, aired around 300 times
- The digital side of the campaign featured on:
  - Facebook with above average click-through rates mainly from the posts where the campaign video and image posts are performing the best
  - Channel 4 On Demand and C4 websites saw the new advert being viewed 223,300 times and clicked on 432 times for further information
  - The full length videos on the Channel 4 microsite were played over 4000 times
  - The ad link and ad extend activity on the C4 mini videos also worked well with over 10,000 clicks to other lovepork sites for further information or to comment via Facebook or Twitter
  - Contextual targeting through online news sites saw the Guardian and Sky News showing the best performance in terms of traffic drivers to the lovepork website
- Together, this created lots of further opportunities to raise awareness of the Red Tractor scheme.

## Hambassadors Consumer PR Activity

- Launched w/c 24 June via PR and a short video clip of Jimmy calling for advocates
- Five dedicated supporters of Red Tractor Pork are required to join Jimmy to spread the word about Red Tractor pork
- Through a written application, the entrants will be judged on their suggestions and creative ideas
- The five winners will visit Jimmy's Farm and also receive a year's supply of pork as a reward for their work
- The closing date for entries is the end of July, for further details visit [lovepork.co.uk](http://lovepork.co.uk)

### COULD YOU BE AN HAMBASSADOR?

AND FLY THE FLAG FOR RED TRACTOR PORK?

**WE'RE LOOKING FOR PASSIONATE PORK LOVERS!**

THEY WOULD JOIN JIMMY DOHERTY IN HELPING TO SUPPORT THE RED TRACTOR PORK SCHEME AND ITS FARMERS AND AS A TASTY THANK YOU THE REWARD WILL BE A YEARS SUPPLY OF PORK! INTERESTED?

Then listen to Jimmy's message and read on...

**GIVE A FORK ABOUT YOUR PORK**

**FIND OUT WHY >**

**RED TRACTOR**  
Look for Red Tractor pork

## Contacts

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 BPEX is a division of the Agriculture and Horticulture Development Board

