

BPEX Quarterly Category Report

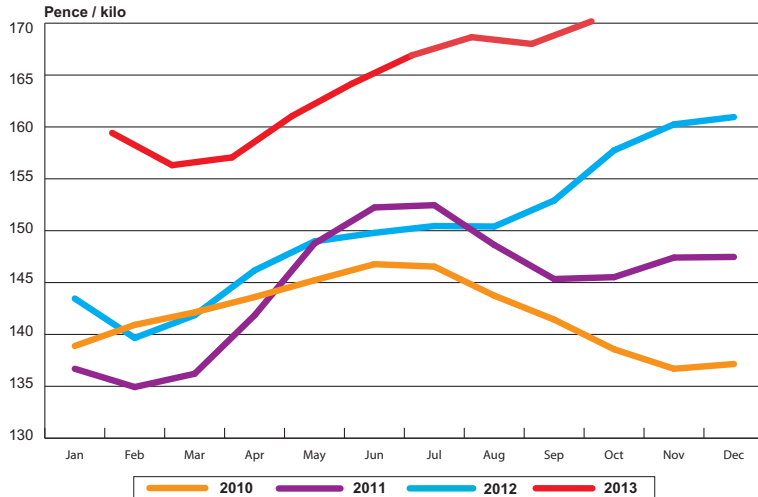


Including data up to 13 October 2013

DAPP to EU Specification

Source: BPEX/AHDB

(DAPP = Deadweight Average Pig Price)

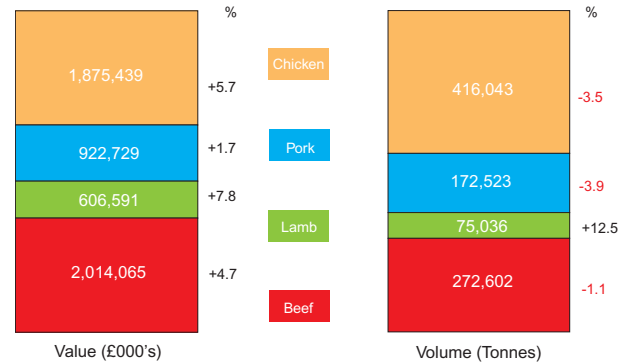


- GB pig prices have been well above last year's levels throughout 2013, with the EU-spec DAPP passing 170p per kg for the first time in September, less than a year after it first passed 160p. The high prices have been fuelled by a combination of tight supplies and increased retailer preference for British pig meat. By mid-October, the DAPP stood at just over 172p per kg, around 14p above its level a year before
- The rise in pig prices, combined with some easing of feed prices following a better global harvest, means that the cost of pig production has fallen below the pig price for the first time in nearly three years. However, the cumulative losses of producers since the start of 2011 are still estimated at over £125 million

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

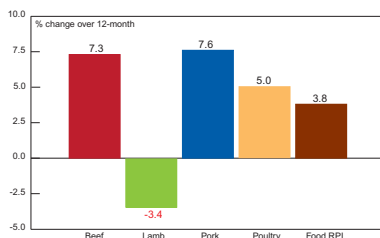
FRESH MEAT 52 WEEKS TO 13 OCTOBER 2013

Source: KANTAR Worldpanel



- Pork has seen a decline in volume purchases, although expenditure has increased over the year. Shoppers buying smaller amounts each trip has been a key factor in the volume fall over the year
- Pork leg and shoulder roasting joints have suffered particularly, with consumers switching to lamb instead throughout the year. Lamb's strong performance stands out with volumes increasing 12.5%
- EU pig prices rose steadily from May until August, reaching a peak in early September at over €195 per 100kg, the highest level ever recorded except during the 2001 FMD outbreak. Higher demand in the EU, robust export demand and tight pig supplies all contributed to the rise. However, prices fell sharply thereafter as supplies eased and EU demand fell back. By mid-October, the average price was back below €180.

Category Inflation / Deflation



- In October, the food retail price index rose by 3.8% compared to the previous year while increasing by 0.3% compared to the previous month
- Retail prices for pork were 7.6% higher over the 12-month period and 3.0% up on the previous month
- Retail bacon prices were 8.4% higher over the 12-month period and up 1.7% on prices in September
- Retail lamb prices in October fell over the 12-month period by 3.4% while beef prices were 7.3% higher over the 12-month period.

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

Source: AHDB/ONS

Retailer Overview

Source: KANTAR Worldpanel

SHARE OF FRESH MARKET VALUE			Total Fresh Meat and Poultry		Pork		Bacon		Sausages		Ham	
52 weeks to 13 Oct 2013					% Value		% Value		% Value		% Value	
Retailers	RST**	MAT*	MAT*	Change	MAT*	Change	MAT*	Change	MAT*	Change	MAT*	Change
TOTAL MARKET	100	100	100	1.7	100	0.2	100	6.9	100	1.7		
Tesco	27	25.5	24.9	-1.8	24.4	-1.6	27.3	5.5	28.5	-2.4		
Sainsbury's	15.1	16.8	14.6	1.2	14.6	-1.3	14.6	6.9	15.4	-2.0		
Asda	14.6	13.3	14.8	-3.5	14.7	0.9	13.7	6.9	16.6	3.8		
Morrisons	11	12.3	14.4	3.3	12	-3.9	10.6	4.5	12.9	4.3		
Waitrose	4.5	4.8	3.8	-6.0	3.4	5.5	4.9	7.8	4.3	6.9		
Co-op (inc Somerfield)	5.4	4.6	4.5	-9.0	5.8	-6.7	4.4	-6.0	5.5	-9.2		
Marks & Spencer	3.1	2.9	1.4	16.7	3.9	-0.3	2.8	6.3	3.4	6.7		
Hard Discounters	5.5	6.4	7.5	28.4	7.8	15.7	3.7	21.7	5.5	25.0		
Other Multiples	0.5	0.3	0.2	-0.9	0.3	-16.1	0.4	41.8	0.1	-15.9		
Butchers	0.6	8	8.9	1.2	3.9	0.2	8.7	9.8	1.1	0.2		

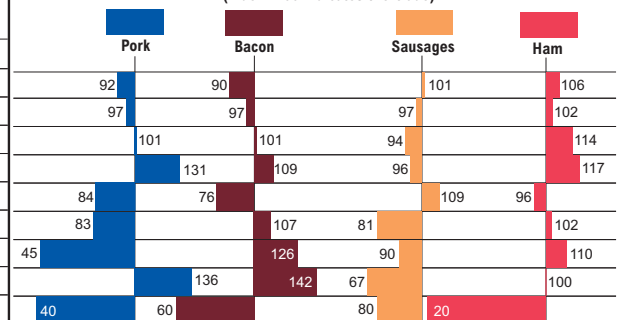
- Two of the top four retailers have recorded a decline in expenditure on fresh pork this year, with total market growth driven by the hard discounters
- The hard discounters continue to perform well at a total grocery level, gaining share across the pig meat categories as a result
- The top four multiples account for 66.2% of sausage sales and 73.4% of ham sales.

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

OVER/UNDERTRADE INDEX vs RST**

52 weeks w/e 13 Oct 2013 (FRESH)

(index >100 indicates overtrade)



- Three of the top four multiples undertrade in sausages, while all four overtrade in ham.
- The hard discounters significantly overtrade in both pork and bacon
- Two of the top four retailers undertrade in fresh pork.

* 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.

BPEX Quarterly Fresh Pork

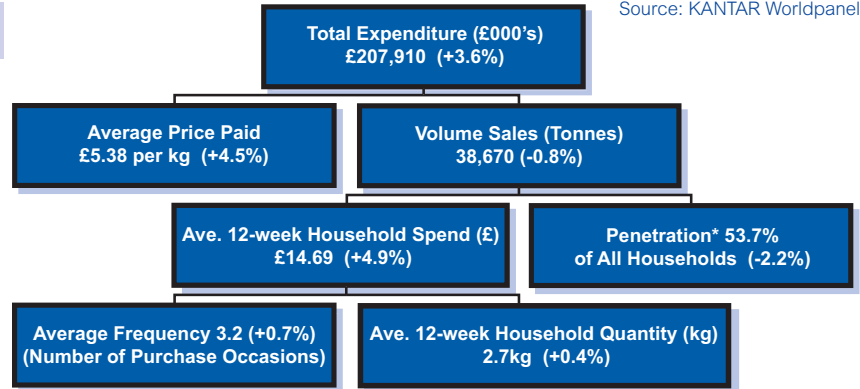


Including data up to 13 October 2013

Fresh Pork 12 weeks to 13 October 2013

Source: KANTAR Worldpanel

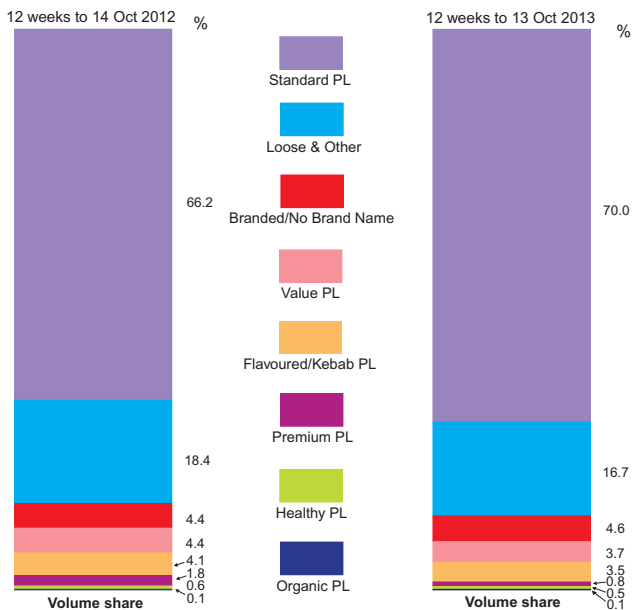
- In the last 12 weeks, expenditure on fresh pork has increased due to a rise in the average price. Volume sales have dipped 0.8%
- Volumes have been impacted by a drop in the percentage of households purchasing pork compared to last year, particularly among those over 45
- There has been a slight increase in the amount of pork sold on promotion this quarter compared to last year, with leg joints showing the largest rise.



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

Fresh Pork by Tier

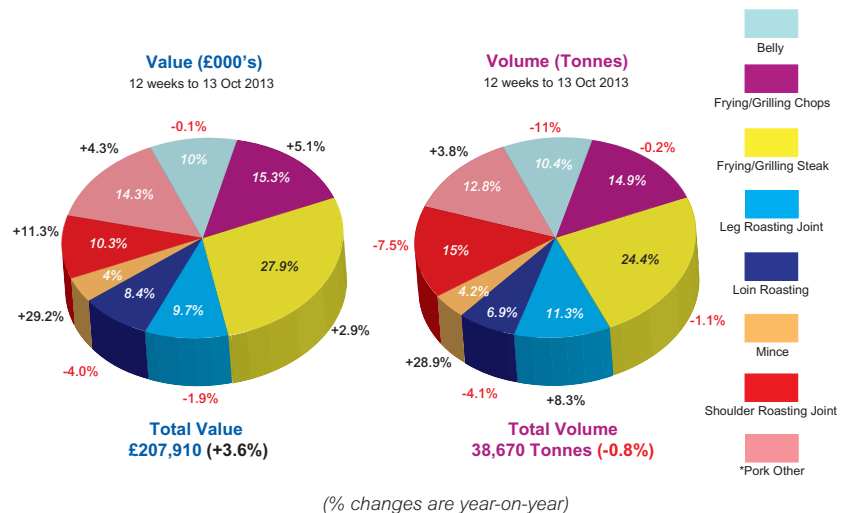
Source: KANTAR Worldpanel



- Standard private label produce represents 70% share of pork volume, making share gains compared to last year from the other tiers. This has been driven by standard leg, shoulder joints and marinades performing well
- The dip in premium share was driven by chops and steaks. Value tier decline has come from shoulder roasting joints in particular.

Fresh Pork by Cut

Source: KANTAR Worldpanel



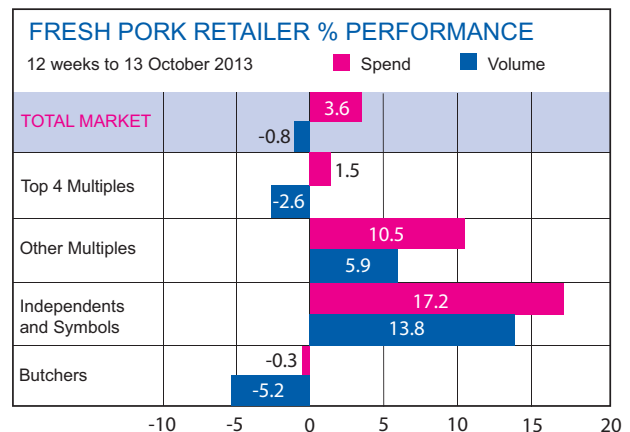
- In the last 12 weeks, leg roasting joints have made volume gains, supported by promotions. However, these have led to a fall in average price, resulting in a decline in expenditure
- Mince has performed strongly again this quarter, boosted by more shoppers buying compared to last year. However, it remains a small share of pork market representing 4% of sales
- Volume sales of shoulder joints fell 7.5%, as shoppers switched to leg joints instead. The price of shoulder joints increased 20.2%, meaning that value sales grew 11.3% despite the volume fall.

*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 14 Oct 2012	12 weeks to 13 Oct 2013	£ % Change
TOTAL MARKET	100	100	3.6
Top 4 Multiples	69.3	67.9	1.5
Other Multiples	18.7	19.9	10.5
Independents and Symbols	0.5	0.5	17.2
Butchers	9.2	8.8	-0.3



- The top four retailers represent 67.9% of the pork market. Three of the four have lost share this quarter
- Total hard discounters have seen strong growth, with shoppers switching from the top four retailers to hard discounters for pork purchases
- Butchers have shown a dip in value share for pork, driven by shoppers buying smaller volumes of pork and buying it less frequently.

BPEX Quarterly Bacon & Sausages

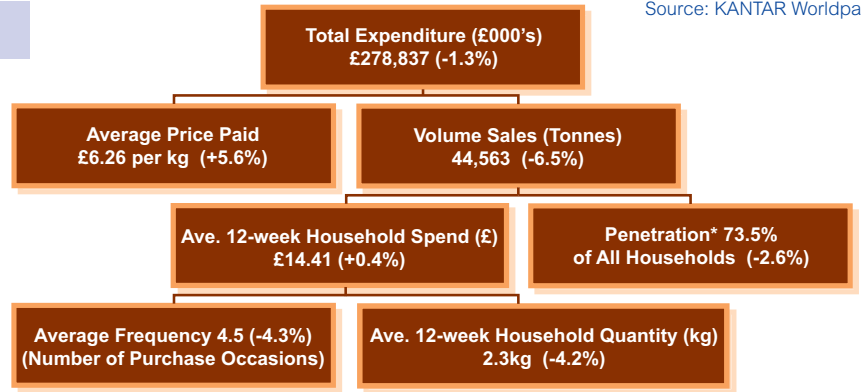


Including data up to 13 October 2013

Bacon 12 weeks to 13 October 2013

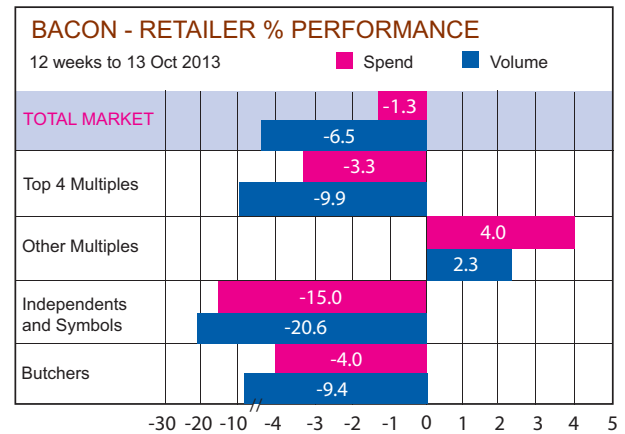
Source: KANTAR Worldpanel

- Overall volume sales of bacon have fallen over the quarter, due to a smaller percentage of households buying and a drop in the average purchase frequency
- Due to the volume fall, expenditure is also below last year, despite rises in average price. All cuts recorded volume declines, with rashers down 5%
- The total market value of bacon is down compared to last year due to volume decline. Three out of the top four retailers have contributed to both the volume and value falls
- Butchers have struggled YOY, with value sales down 4%. This fall has been caused by consumers buying less bacon per trip and buying it less often
- Hard discounters have continued their strong growth during this period, with spend up almost 20%, out-performing the market.



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

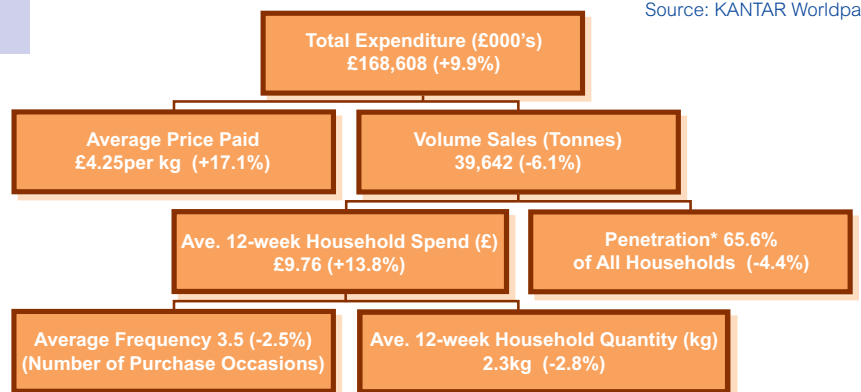
BACON – RETAILER % SHARE 12 WEEK			
Value %	12 weeks to 14 Oct 2012	12 weeks to 13 Oct 2013	£ % Change
TOTAL MARKET	100	100	-1.3
Top 4 Multiples	66.3	64.9	-3.3
Other Multiples	26.8	28.2	4.0
Independents and Symbols	1.0	0.8	-15.0
Butchers	4.0	3.9	-4.0



Sausages 12 weeks to 13 October 2013

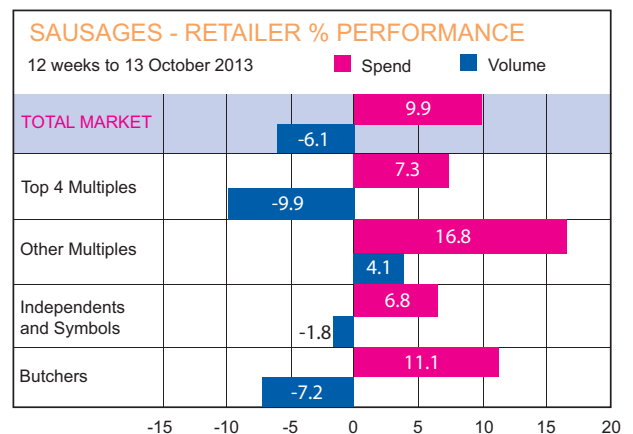
Source: KANTAR Worldpanel

- Volume sales of sausages have continued to fall, although average price rises have meant that spend has increased compared to last year
- Premium sausages have continued their strong performance into the last 12-week period, with price rises further increasing value in the premium sausage market
- Economy sausages have followed the total market decline during this period, with fewer shoppers buying compared to last year
- The top four retailers have seen an increase in sales compared to last year. They currently represent just under 65% of the market, down from 66.5% this time last year
- The discounters have been gaining share with two of the more premium-positioned retailers also outperforming the market
- Total butchers have also increased their value share, due to price rises, and now contribute to just over 9% 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 14 Oct 2012	12 weeks to 13 Oct 2013	£ % Change
TOTAL MARKET	100	100	9.9
Top 4 Multiples	66.5	64.9	7.3
Other Multiples	20.8	22.1	16.8
Independents and Symbols	1.2	1.1	6.8
Butchers	9.0	9.1	11.1



BPEX Quarterly Ham

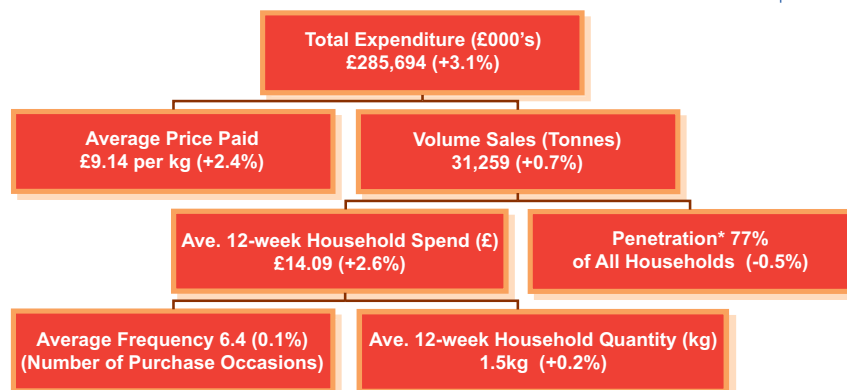


Including data up to 13 October 2013

Source: KANTAR Worldpanel

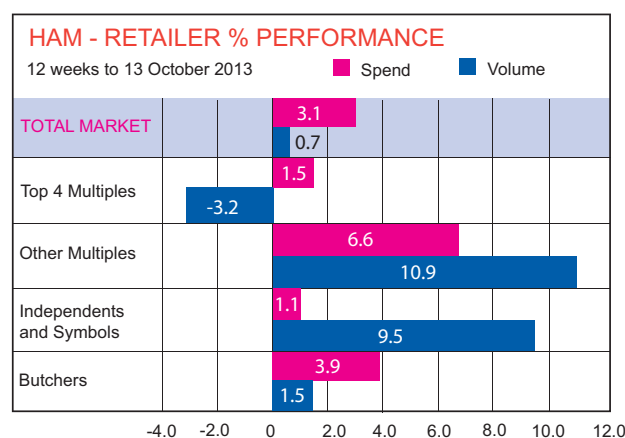
Ham 12 weeks to 13 October 2013

- Spend on ham has risen YOY, boosted by rises in average price. Loose ham prices have risen faster than pre-packed
- Volumes sales have shown a slight uplift, with shoppers switching in from sliced/cooked chicken
- Two of the top four retailers have seen an increase in ham sales during this period, contributing to the total market growth
- The top four retailers have lost a total of 1.2 points of market share compared to last year, losing out to the discounters and more premium retailers.



*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 14 Oct 2012	12 weeks to 13 Oct 2013	£ % Change
TOTAL MARKET	100	100	3.1
Top 4 Multiples	73.6	72.5	1.5
Other Multiples	23.2	24.0	6.6
Independents and Symbols	0.8	0.7	1.1
Butchers	1.2	1.2	3.9



British Sausage Week

British Sausage Week was launched in Spitalfields Market on 1 Nov where the winning sausages from multiple and regional retailers were showcased to the public at a one day only pop-up shop. The day included sampling and displays of sausages along with the multiple retailer awards, where five Banger Awards were presented by Simon Rimmer (the celebrity ambassador) to the following winners.

MULTIPLE RETAILERS AWARDS LIST	
Retail Gold Award	Waitrose 6 Pork Sausages with Caramelised Red Onion Confit
Retail Silver Award	Waitrose 12 Pork & Herb Chipolatas Seasoned with Rosemary & Thyme
Retail Silver Award	Marks and Spencer Grill Posh Dogs
Retail Bronze Award	Asda Butchers Selection Cocktail Cocktails
Retail Bronze Award	Tesco Finest 6 Pork Cheddar & Onion Sausages
Check on www.britishsausageweek.com for more information	



BSW gained great coverage including:

- London Evening Standard** (04.11.13) featured Simon Rimmer and his recommendations on the best places to eat sausages in London
- BBC Radio 2** – Chris Evans Breakfast Show mentioned that it was British Sausage Week on his radio show and said he was 'happier than a pig in blanket' due to the team delivering him sausage sandwiches
- BBC Radio 4** – The Archers (10.11.13) mentioned that it was British Sausage Week on the show, with one of the characters stating he was 'busier than ever' due to it being British Sausage Week
- The Daily Express** had a feature on British Sausage Week in William Hartson's ten things you never knew column using the Sausage factsheet
- London Evening Standard** interviewed Simon Rimmer, our Sausage Sommelier and Master Butcher for their personal choices on the best place to go in London for sausages
- Star Magazine** featured a recipe and news story about British Sausage Week in their 5 November issue
- The Sun, Fabulous Magazine** featured a sausage recipe and mentioned the campaign
- The Sun, TV Buzz** (02.11.13) – British Sausages featured three of the retailer finalists (ASDA, Marks & Spencer and Tesco) in a Bargain, Budget and Splurge section
- Shortlist** featured three of the retailer finalists (Marks & Spencer, ASDA and Tesco) in its regular Chosen Few feature, with Keith presented as our resident expert
- Best Magazine** (05.11.13) – Supermarket Spy featured all five of the retailer finalists with comments from the journalist on each.



The British Sausage Week tour visited seven cities, tasted over 100 sausages and crowned seven regional butchers each with a coveted Banger Award.

The cities included:

- London • Newcastle • Leeds • Nottingham • Birmingham • Cambridge • Bristol

Download the recipe from:

http://www.lovepork.co.uk/wp-content/uploads/BSW_Recipe_Booklet_2013_Finalpdf.pdf

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