

British Frozen Food Federation

You can be sure it's fresh – it's frozen



SIGNIFICANT DROP IN CONTRACT CATERING MEALS SERVED

We are indebted to Peter Backman and Horizons FS for the latest information concerning the contract catering sector of the foodservice market.

Contract catering includes staff catering, healthcare, education and other and it shows that in 2009 compared to 2006 the number of meals served had fallen by some 13.1%, which represents just over 200 million meals.

All parts of the market were down with healthcare showing an 18.8% reduction whilst staff catering was down 15.2% and the educational sector was down 10.4%.

There was a mixed landscape as far as the number of outlets was concerned with staff catering numbers falling by 8.4% whilst healthcare outlets reduced by 15.3% although in stark contrast the number of outlets in education actually increased by 10.9%. The increase in the number of educational outlets is encouraging but the number of meals served despite having 10.9% outlets fell by 10.4%.

The value of the frozen food market in this sector is now worth some £450 million with both staff catering and healthcare being worth in excess of £150 million whilst education is worth just over £130 million.

If you would like to receive more detailed information, data and insight on these market stats, please do contact Peter Backman at www.horizonsforsuccess.com or tel: 020 8349 0162.

**BRITISH FROZEN FOOD FEDERATION
FOCUS ON FOODSERVICE 2006 & 2009 COMPARISON
CONTRACT CATERING**

FOOD PURCHASES

Food Categories	STAFF CATERING	HEALTH CARE	EDUCATION	OTHER	TOTAL
	2009 £ millions	2009 £ millions	2009 £ millions	2009 £ millions	2009 £ millions
Frozen	151	154	131	16	452
Chilled - Long Life	133	130	159	47	470
Chilled - Short Life	333	270	188	60	852
Ambient	364	156	230	85	835
Total	982	711	709	208	2,609



GENERAL INFORMATION

Information Categories	STAFF CATERING			HEALTH CARE			EDUCATION			OTHER			TOTAL		
	2006	2009	Percentage Gain/Loss	2006	2009	Percentage Gain/Loss	2006	2009	Percentage Gain/Loss	2006	2009	Percentage Gain/Loss	2006	2009	Percentage Gain/Loss
No. of Outlets	9,793	8,970	-8.4	875	741	-15.3	5,176	5,740	10.9	677	678	0.1	16,521	16,129	-2.4
No. of Meals Served Millions	738	626	-15.2	272	221	-18.8	405	363	-10.4	145	145	0.0	1,559	1,355	-13.1
Total Food & Drink Sales - £ millions	2,780	2,620	-5.8	925	958	3.6	1,235	1,252	1.4	241	268	11.2	5,180	5,098	-1.6



Source: Horizons FS Ltd. For further information, contact Peter Backman, Horizons FS Ltd.
Tel: 020 8349 0162 Web Site: www.horizonsforsuccess.com

Please note that the information in this report is based on initial estimates which require final confirmation.

FOODSERVICE MARKET

CONTRACT CATERING SECTOR 2006 TO 2009 STAFF CATERING, HEALTH CARE, EDUCATION & OTHER

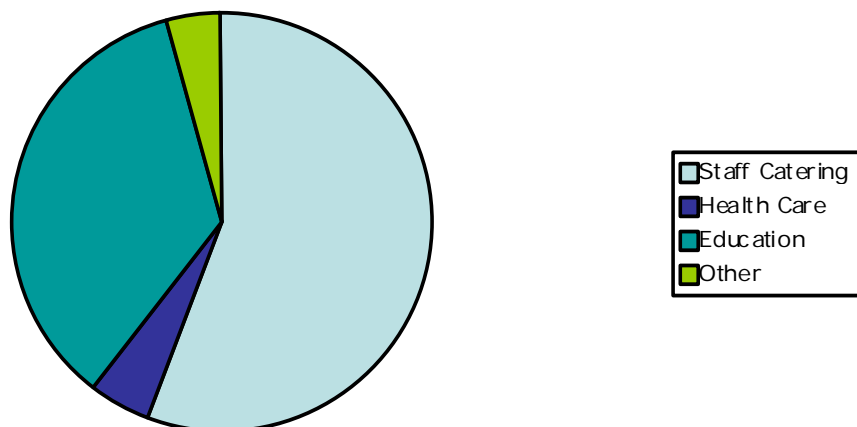
OUTLETS

	2006	2009
Staff Catering	9,793	8,970
Health Care	875	741
Education	5,176	5,740
Other	677	678
TOTAL	16,521	16,129

Source: Horizons

- The contract catering sector is one of the most important foodservice markets for food suppliers despite operating out of only about 16,000 outlets
- This importance arises because of the scale of the companies active in this market and the wide range of food categories that they require
- Despite its importance, the number of outlets operated by contract caterers fell by almost 400 between 2006 and 2009.

Number of outlets: 2009



FOODSERVICE MARKET

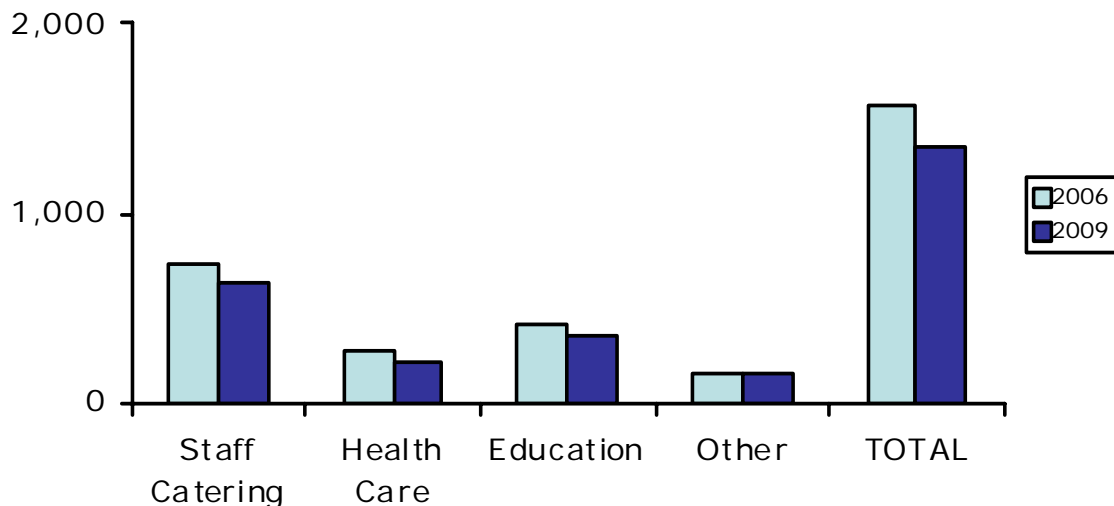
CONTRACT CATERING SECTOR 2006 TO 2009 STAFF CATERING, HEALTH CARE, EDUCATION & OTHER

	MEALS	
	Millions	Millions
	2006	2009
Staff Catering	738	626
Health Care	272	221
Education	405	363
Other	145	145
TOTAL	1,559	1,355

Source: Horizons

- Staff catering – otherwise referred to as B&I or Business & Industry –accounts for 46% half of all meals served by contract caterers
- Although the B&I share has declined over the last twenty years, over the more recent past it has in fact seen its share grow very slightly
- The number of contracted meals accounted for by the Health Care sector continues to fall as contractors have exited unprofitable contracts in this sector
- The number of contracted meals in the Education sector also continues to fall but its overall share has increased slightly over the last few years
- The variety of small sectors combined within the “Others” category have remained stable since 2006

Meals (Millions): 2006 -2009



FOODSERVICE MARKET

CONTRACT CATERING SECTOR 2006 TO 2009 STAFF CATERING, HEALTH CARE, EDUCATION & OTHER

FOOD PURCHASES

	Total	Total	£ Millions			
			Ambient	Chilled - long life	Chilled - short life	Frozen
	2006	2009	2009	2009	2009	2009
Staff Catering	1,121	982	364	133	333	151
Health Care	728	711	156	130	270	154
Education	714	709	230	159	188	131
Other	200	208	85	47	60	16
TOTAL	2,763	2,609	835	470	852	452

Source: Horizons

- Food purchases fell by 6% in inflation adjusted terms compared with 2006 although their value grew when measured at current prices
- Frozen food accounted for 17% of all food purchased by contracted caterers in 2009
- The health care sector – including hospitals and care homes – continued to be especially reliant on frozen foods; they accounted for over a quarter of this sector’s food purchases in 2009
- Chilled-ling life foods accounted for 18% of purchases in this sector and fresh foods (chilled-short life) were a further third of the total

FOOD & DRINK SALES

	£ Millions	
	2006	2009
Staff Catering	2,780	2,620
Health Care	925	958
Education	1,235	1,252
Other	241	268
TOTAL	5,180	5,098

Source: Horizons

- Over the three years from 2006 to 2009, food and drink sales fell by over 1% in inflation adjusted terms and most of this decline was in 2009
- However, contract caterers do not solely rely on sales to customers but they also receive income from their “clients” on whose sites they operate food service or catering services. This helped to grow their turnover more than their sales

For full definitions of these sectors go to Horizons website www.horizonsforsuccess.com and click on the link in the “Resources” section