

British Frozen Food Federation

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



FROZEN DECLINES IN SCHOOL MEALS

The latest data kindly supplied by Peter Backman of Horizons reviews 2008 performance in the Cost Sector and Contract Catering compared to 2005.

In total, frozen is worth £470 million with staff catering being valued at £171 million, healthcare at £154 million and education at £129 million.

The decline in school meals is not unexpected but nevertheless extremely disappointing, Government media hype on fresh and local doesn't help but it is sad to see the number of school meals falling by 9.6%. The data for 2009 is unlikely to see any improvement although primary schools are doing better than secondary.

Generally all sectors are facing reducing subsidies, which are a significant operational element for most outlets. Numbers of outlets are increasing for care homes but falling for education and staff catering.

BFFF continues to lobby government about their blinkered view on so called "fresh" whilst the Food Standards Agency readily accepts that nutritionally frozen food is at least as good as fresh.

If you would like any further detailed analysis on any of these sectors I am sure Peter Backman would be delighted to hear from you.

FOCUS ON FOODSERVICE 2005 AND 2008 COMPARISON - COST SECTOR AND CONTRACT CATERING

FOOD PURCHASES

Food Categories	STAFF CATERING			HEALTHCARE			EDUCATION			SERVICES			TOTAL		
	2005 £ millions	2008 £ millions	% Gain/Loss	2005 £ millions	2008 £ millions	% Gain/Loss	2005 £ millions	2008 £ millions	% Gain/Loss	2005 £ millions	2008 £ millions	% Gain/Loss	2005 £ millions	2008 £ millions	% Gain/Loss
Frozen	169	171	1.2	159	154	-3.1	136	129	-5.1	15	16	6.7	479	470	-1.9
Chilled - Long Life	143	149	4.2	129	129	0.0	159	155	-2.5	42	46	9.5	473	479	1.3
Chilled - Short Life	345	368	6.7	258	264	2.3	180	181	0.6	52	58	11.5	835	871	4.3
Ambient	407	410	0.7	158	155	-1.9	234	225	-3.8	78	83	6.4	877	873	-0.5
Total	1,064	1,098	3.2	704	702	-0.3	709	690	-2.7	187	203	8.6	2,664	2,693	1.1

GENERAL INFORMATION

Information Categories	STAFF CATERING			HEALTHCARE			EDUCATION			SERVICES			TOTAL		
	2005	2008	% Gain/Loss	2005	2008	% Gain/Loss	2005	2008	% Gain/Loss	2005	2008	% Gain/Loss	2005	2008	% Gain/Loss
No. of Outlets	20,625	20,158	-2.3	31,384	31,770	1.2	34,663	34,482	-0.5	3,073	3,084	0.4	89,745	89,494	-0.3
No. of Meals Served - Millions	1,063	1,075	1.1	1,047	1,049	0.2	1,246	1,126	-9.6	244	260	6.6	3,600	3,510	-2.5
Food and Drink Sales £ millions	2,633	2,868	8.9	894	910	1.8	1,230	1,183	-3.8	225	254	12.9	4,982	5,215	4.7



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

FOODSERVICE SECTOR 2005 TO 2008 STAFF CATERING, HEALTH CARE, EDUCATION, SERVICES

OUTLETS

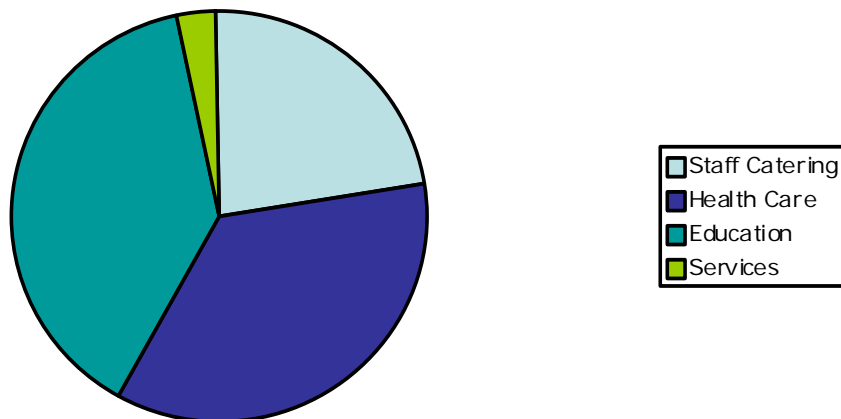
Source: Horizons

	2005	2008
Staff Catering	20,625	20,158
Health Care	31,384	31,770
Education	34,663	34,482
Services	3,073	3,084
TOTAL	89,745	89,494

Note: Contract caterers operate in all these sectors

- These sectors are united in that subsidies are a significant operational element for most outlets although this is decreasing, especially in the staff catering (B&I) sector
- The 90,000 or so outlets in this institutional/non-commercial sector account for a third – 33% - of all foodservice outlets
- Numbers are rising slowly – driven by increases in the care homes sector which outpace the decline in outlet numbers in schools and Staff Catering.

Number of outlets: 2008



FOODSERVICE SECTOR 2005 TO 2008 STAFF CATERING, HEALTH CARE, EDUCATION, SERVICES

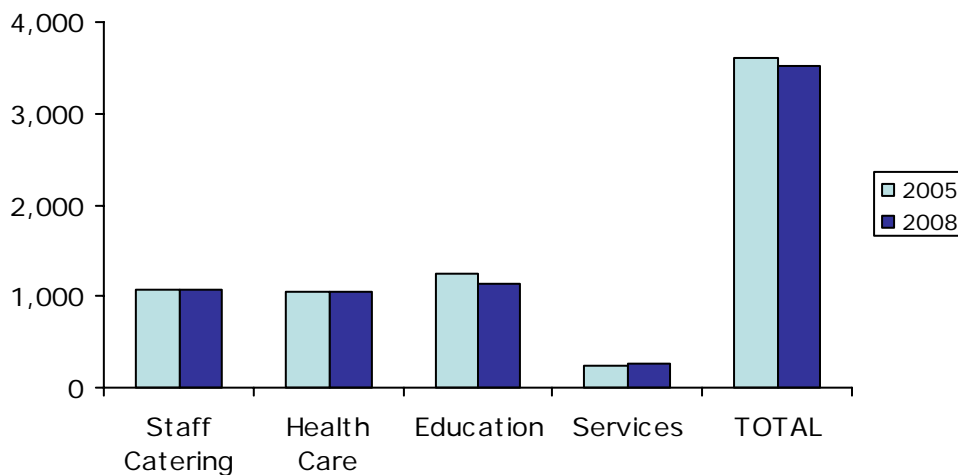
MEALS

	Millions 2005	Millions 2008
Staff Catering	1,063	1,075
Health Care	1,047	1,049
Education	1,246	1,126
Services	244	260
TOTAL	3,599	3,511

Source: Horizons

- The numbers of meals fell by 2.5% between 2005 and 2008
- This decline was a result of the falling numbers of meals served in schools.
- Between 2005 and 2008, meals served in the Staff Catering sector expanded by 1% and in the services sector by over 6% but overall meal numbers in this sector are still small
- There was no real change in meals served in the Health Care sector.

Meals (Millions): 2005 -2008



FOODSERVICE SECTOR 2005 TO 2008 STAFF CATERING, HEALTH CARE, EDUCATION, SERVICES

FOOD PURCHASES - 2005

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Staff Catering	1,065	407	143	345	169
Health Care	704	158	129	258	159
Education	709	234	159	180	136
Services	187	78	42	52	15
TOTAL	2,665	877	473	835	479

Source: Horizons

- Chilled food – long life and short life/fresh combined – still accounts for half of all purchases by operators in these sectors
- Frozen food, on the other hand, accounts for 17% of all food purchased
- The Health Care sector is the most reliant on frozen food at 23% of their total purchases
- In the Staff Catering sector, on the other hand, frozen has a 16% share of total food purchases

FOOD PURCHASES - 2008

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Staff Catering	1,098	410	149	368	171
Health Care	702	155	129	264	154
Education	689	225	155	181	129
Services	202	83	46	58	16
TOTAL	2,691	873	478	872	469

Source: Horizons

- Fresh food (also called chilled – short life food) grew the fastest of all temperatures at over 4% between 2004 and 2007.
- Purchases of Chilled–long life food showed some modest increase broadly stable with much of the growth occurring in the Staff Catering sector
- On the other hand, sales of Frozen food fell as a result of the decline in the Education sector; frozen food sales grew in all other sectors

FOODSERVICE SECTOR 2005 TO 2008 STAFF CATERING, HEALTH CARE, EDUCATION, SERVICES

FOOD & DRINK SALES

	£ Millions	£ Millions
	2005	2008
Staff Catering	2,633	2,868
Health Care	894	910
Education	1,230	1,183
Services	225	254
TOTAL	4,983	5,215

Source: Horizons

- From 2005 to 2008, food and drink sales grew by 4.7% while purchases grew at only 1%, reflecting reflects the ongoing reduction in subsidies with the result that operators are generating more income direct from their customers.
- The Staff Catering sector was the fastest growing sector with an extra £235 million sales – equivalent to growth of 9% with inflation playing its part
- Sales in the Education sector fell by £47 million over the period 2005 to 2008.

For full definitions of these sectors go to Horizons website
www.horizonsforsuccess.com and click on "Detailed definitions"