



FROZEN FOOD CONTINUES TO GROW IN RESTAURANT SECTOR

Latest data from market research specialist Horizons has shown that the restaurant sector within foodservice continues to thrive and that the value of frozen food purchases has now grown to nearly £1.1 billion per annum.

Whilst the number of outlets has grown marginally over the last three years to just under 57,000 the number of meals has continue to increase with 150 million more meals being served in 2006 compared to 2003. In fact 2006 saw just short of three billion meals being served in the restaurant sector. The value of food and drink sales in 2006 from this sector has grown by 6% over 2003 and stands at a little over £17 billion. Frozen is a key element in the success and restaurants rely on circa 30% of their food purchases from frozen wholesalers and producers.

The foodservice sector constantly renews itself but there is never a major change in the number of outlets with newly opened outlets often replacing closed outlets. Indeed from 2003 to 2006 there was only a net increase of 800 outlets whilst the total number of outlets are a little over 250,000. The pubs, hotel and leisure sector have achieved an impressive 90 million meals more served in 2006 compared to 2003 whilst the contract catering and institution sector suffered a similar decline. We are well aware of the problems relating to school meals but it is encouraging that pubs, hotel and leisure continue to serve significantly more meals than three years ago.

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As the BFFF Gala Dinner and Annual Awards event demonstrates, the foodservice frozen food industry is brilliant at constantly developing new products. Foodservice operators are experts at understanding their consumers, their needs and responding to the latest trends and developments within the market place. Frozen food plays a significant part in the development of the foodservice industry and its provision of safe nutritious food of consistent quality and the constant innovation allied to it's ease of use and flexibility helps operators develop their menus and businesses.

BFFF

March 2008

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BRITISH FROZEN FOOD FEDERATION

FOCUS ON FOODSERVICE COMPLETE SECTOR STATISTICS 2003 AND 2006 COMPARISON

Source: Horizons FS Ltd.

FOOD PURCHASES

Food Categories	RESTAURANTS			PUBS, HOTELS, LEISURE			CONTRACT CATERING AND INSTITUTIONS			TOTAL	
	2003 £ millions	2006 £ millions	Percentage Gain/Loss	2003 £ millions	2006 £ millions	Percentage Gain/Loss	2003 £ millions	2006 £ millions	Percentage Gain/Loss	2003 £ millions	2006 £ millions
Frozen	1,050	1,077	2.6	660	683	3.5	451	449	-0.4	2,161	2,209
Chilled - Long Life	396	421	6.3	281	292	3.9	436	448	2.8	1,114	1,161
Chilled - Short Life	1,247	1,361	9.1	725	781	7.7	753	801	6.4	2,726	2,944
Ambient	948	995	5.0	1,473	1,542	4.7	822	828	0.7	3,243	3,364
Total	3,641	3,854	5.9	3,139	3,298	5.1	2,463	2,525	2.5	9,243	9,677

GENERAL INFORMATION

Information Categories	RESTAURANTS			PUBS, HOTELS, LEISURE			CONTRACT CATERING AND INSTITUTIONS			TOTAL	
	2003	2006	Percentage Gain/Loss	2003	2006	Percentage Gain/Loss	2003	2006	Percentage Gain/Loss	2003	2006
No. of Outlets	55,423	56,748	2.4	117,945	116,900	-0.9	89,541	90,009	0.5	262,910	263,657
No. of Meals Served - Millions	2,663	2,812	5.6	2,230	2,319	4.0	3,595	3,510	-2.4	8,488	8,641
Food and Drink Sales - £ millions	16,151	17,319	7.2	14,577	15,520	6.5	4,606	4,732	2.7	35,335	37,571

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

FOODSERVICE SECTOR 2003 – 2006
COMPLETE SECTOR

Outlets

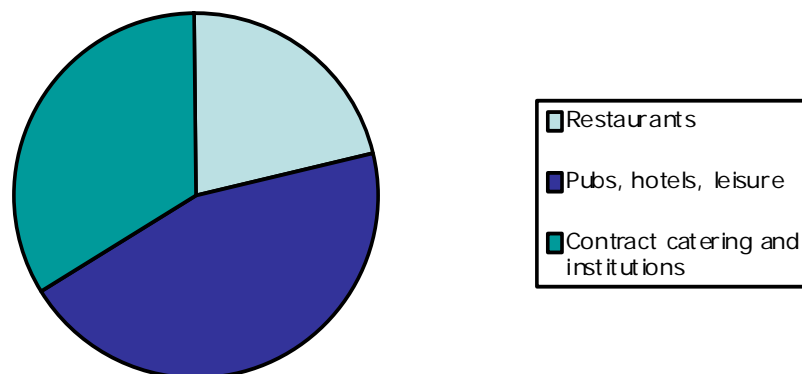
	2003	2006
Restaurants	55,423	56,748
Pubs, hotels, leisure	117,945	116,900
Contract catering and institutions	89,541	90,009
TOTAL	262,910	263,657

Source: Horizons

Note:

- "Restaurants" include full service and quick service/fast food restaurants
- "Contract catering and institutions" covers B&I/workplace, health care, education, military, prisons etc
- The foodservice sector constantly renews itself but there is never a major change in numbers of outlets – with newly opened outlets often replacing closures
- There was a net increase of fewer than 800 outlets between 2003 and 2006
- The combined numbers of pubs and hotels fell reflecting a long term decline in numbers of pubs and B&Bs.

Number of outlets: 2006



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FOODSERVICE SECTOR 2003 – 2006
COMPLETE SECTOR

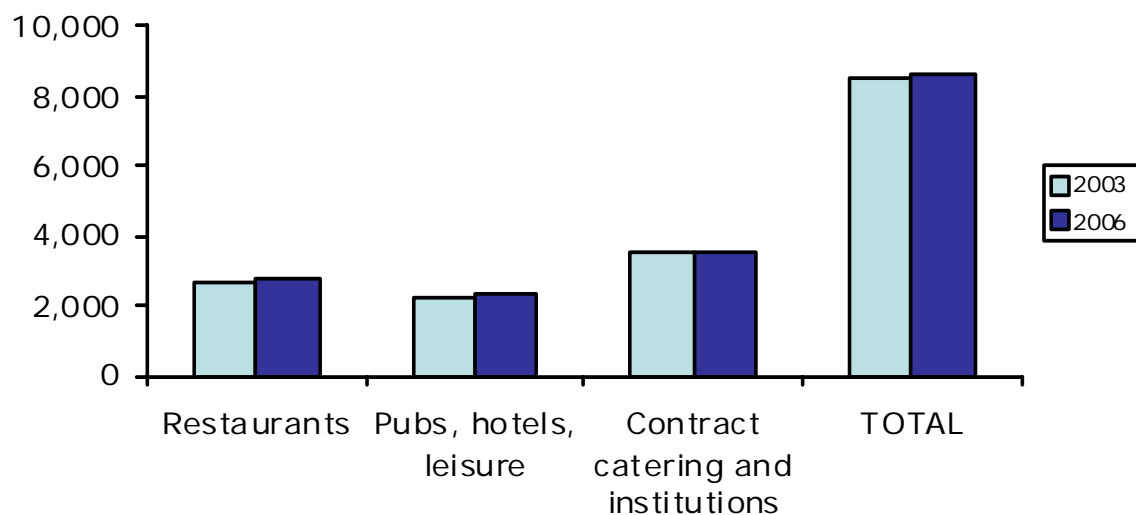
Meals

	Millions	Millions
	2003	2006
Restaurants	2,663	2,812
Pubs, hotels, leisure	2,230	2,319
Contract catering and institutions	3,595	3,510
TOTAL	8,488	8,641

Source: Horizons

- The foodservice sector served 152 million more meals – representing an increase of 2% - between 2003 and 2006
- Growth was especially noticeable in the Restaurant sector where the increase was 149 million meals
- Pubs, hotels and the leisure sector served an additional 89 million meals – but this was offset by a fall in the institutional sector

Meals (Millions): 2003 -2006



FOODSERVICE SECTOR 2003 – 2006
COMPLETE SECTOR

Food Purchases: 2003

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Restaurants	3,641	948	396	1,247	1,050
Pubs, hotels, leisure	3,139	1,473	281	725	660
Contract catering and institutions	2,463	822	436	753	451
TOTAL	9,243	3,243	1,114	2,726	2,161

Source: Horizons

- Chilled food and frozen food accounts for 65% of all the food purchased by foodservice operators
- Frozen food is 23% of the total and Chilled – short life (or Fresh) food represents a further 30%
- Restaurants are especially dependent on frozen food which accounts for 28% of their total food purchases.

Food Purchases: 2006

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Restaurants	3,854	995	421	1,361	1,077
Pubs, hotels, leisure	3,298	1,542	292	781	683
Contract catering and	2,525	828	448	801	449
TOTAL	9,677	3,364	1,161	2,944	2,209

Source: Horizons

- Fresh food (also called Chilled – short life) grew almost twice as fast as the market as a whole between 2003 and 2006
- Purchases of Chilled–long life food grew by 4%, much of it in the Restaurant sector
- Frozen sales grew by over 2% and increased in practically all sectors.

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FOODSERVICE SECTOR 2003 – 2006
COMPLETE SECTOR

Food & Drink Sales

£ Millions

	2003	2006
Restaurants	16,151	17,319
Pubs, hotels, leisure	14,577	15,520
Contract catering and institutions	4,606	4,732
TOTAL	35,335	37,571

Source: Horizons

- From 2003 to 2006, food and drink sales grew by 6% reflecting an increase in all sectors
- Restaurants lead the way with an additional £1.1 billion of sales

For full definitions of these sectors please click here

<http://www.horizonsforsuccess.com/PDFs/Sector%20Definitions.pdf>