

British Frozen Food Federation

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



PUB SECTOR IN DECLINE

We are indebted to Peter Backman and Horizons for providing the latest market statistics for the pubs, hotels and leisure sector within Foodservice. It shows that the sector has suffered some decline over the last three years with the value of the frozen food market dipping by 2.1% to now being worth just above £700 million.

The biggest impact has been the reduction in the number of outlets, particularly in the pubs sector, that has seen 3.3% of pubs disappear in those three years, accounting for over 1,700 pubs. One can also assume that rate of decline in the last year has accelerated as more and more pubs have been hit by the economic downturn.

Whilst it is a disappointing result, there are parts of the landscape that have shown some growth with large hotels, particularly those with over 200 rooms showing some substantial growth.

The number of meals being served in pubs has fallen by just over 40 million in the period under review and it will be interesting to see the next set of data to see how the promotional activity, particularly by the big chains, has impacted on the number of consumers walking through the door.

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FOCUS ON FOODSERVICE 2005 AND 2008 COMPARISON - PUBS, HOTELS & LEISURE SECTOR

FOOD PURCHASES

Food Categories	PUBS			HOTELS			LEISURE			TOTAL		
	2005 £ millions	2008 £ millions	Percentage Gain/Loss	2005 £ millions	2008 £ millions	Percentage Gain/Loss	2005 £ millions	2008 £ millions	Percentage Gain/Loss	2005 £ millions	2008 £ millions	Percentage Gain/Loss
Frozen	485	471	-2.9	124	125	0.8	107	105	-1.9	716	701	-2.1
Chilled - Long Life	84	79	-6.0	161	165	2.5	61	63	3.3	306	307	0.3
Chilled - Short Life	312	312	0.0	360	379	5.3	137	145	5.8	809	836	3.3
Ambient	472	458	-3.0	797	815	2.3	343	354	3.2	1,612	1,627	0.9
Total	1,353	1,320	-2.4	1,442	1,484	2.9	648	667	2.9	3,443	3,471	0.8

GENERAL INFORMATION

Information Categories	PUBS			HOTELS			LEISURE			TOTAL		
	2005	2008	Percentage Gain/Loss	2005	2008	Percentage Gain/Loss	2005	2008	Percentage Gain/Loss	2005	2008	Percentage Gain/Loss
No. of Outlets	51,046	49,343	-3.3	47,009	46,019	-2.1	19,121	19,409	1.5	117,176	114,771	-2.1
No. of Meals Served - Millions	1,104	1,061	-3.9	644	648	0.6	533	538	0.9	2,281	2,247	-1.5
Food and Drink Sales £ millions	5,925	5,997	1.2	7,162	7,706	7.6	3,035	3,252	7.1	16,122	16,955	5.2



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 Pubs, Hotels and Leisure

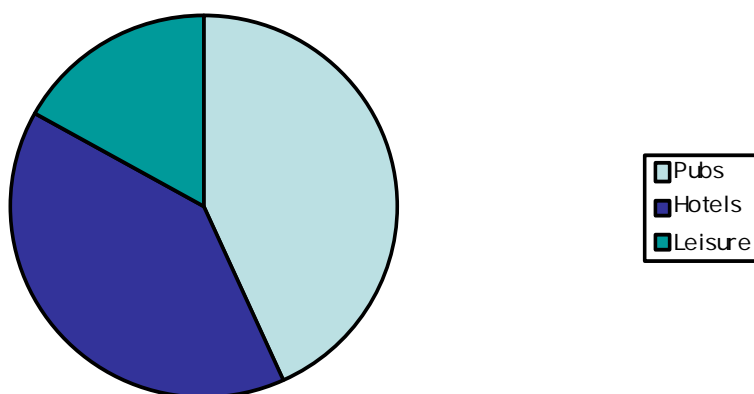
Outlets

	2005	2008
Pubs	51,046	49,343
Hotels	47,009	46,019
Leisure	19,121	19,409
TOTAL	117,176	114,770

Source: Horizons

- This sector is united by the fact that serving food is not their prime business focus. Pubs serve alcohol, Hotels provide accommodation and so on.
- The 115,000 or so outlets in this category account for almost half – 44% - of all foodservice outlets.
- Numbers are falling – and this is especially noticeable in the pub sector where many outlets are failing but where a number are becoming restaurants ie food accounts for more than half of their sales.
- There has been substantial growth in largest hotels – especially those with over 200 rooms.

Number of outlets: 2008



**Foodservice Sector 2005 to 2008
Pubs, Hotels and Leisure**

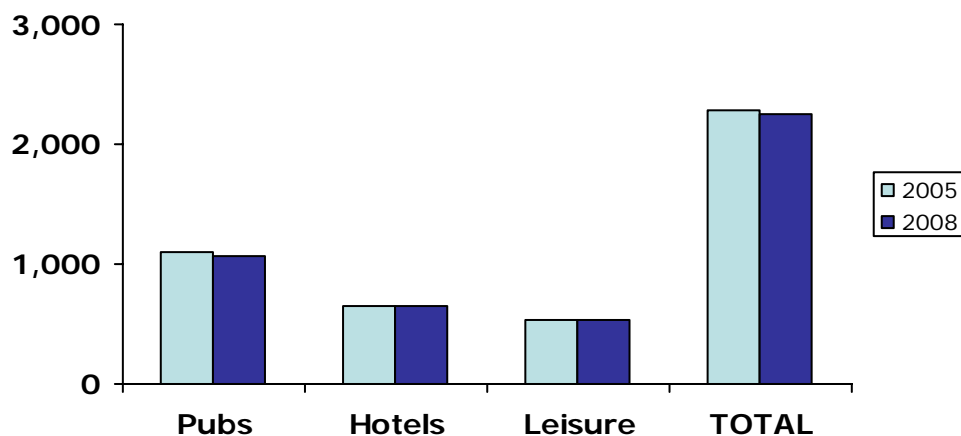
Meals

	Millions	Millions
	2005	2008
Pubs	1,104	1,061
Hotels	644	648
Leisure	533	538
TOTAL	2,280	2,247

Source: Horizons

- Numbers of meals grew by 1.5% between 2005 and 2008
- The number of pub meals, however, fell
- Hotels and the leisure sector served slightly more meals last year than in 2005

Meals (Millions): 2005 -2008



**Foodservice Sector 2005 to 2008
Pubs, Hotels and Leisure**

Food Purchases 2005

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Pubs	1,353	472	84	312	485
Hotels	1,441	797	161	360	124
Leisure	648	343	61	137	107
TOTAL	3,442	1,612	306	809	716

Source: Horizons

- Frozen food accounted for 36% of all food purchased by pubs in 2004
- Hotels, on the other are much more reliant on chilled food – both long life and short life/fresh

Food Purchases 2008

£ Millions

	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Pubs	1,320	458	79	312	471
Hotels	1,484	815	165	379	125
Leisure	667	354	63	145	105
TOTAL	3,472	1,627	307	836	701

Source: Horizons

- Fresh food (also called chilled – short life food) maintained its growth, recording a 3% increase between 2005 and 2008.
- Frozen sales fell by £15 million over the same period – most of it in the pub sector.

Foodservice Sector 2005 to 2008

Pubs, Hotels and Leisure

Food & Drink Sales

	£ Millions	£ Millions
	2005	2008
Pubs	5,925	5,997
Hotels	7,162	7,706
Leisure	3,035	3,252
TOTAL	16,122	16,955

Source: Horizons

- From 2005 to 2008, food and drink sales to consumers grew by 5%
- Sales in the Leisure sector increased by 7%
- In terms of total sales, Hotels lead the way with an additional £544 million turnover

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