



CONTRACT CATERING FLAT AT BEST

The latest data kindly supplied by Peter Backman of Horizons For Success shows that the contract catering sectors food and drink sales have barely moved over the last three years. The data shows that the number of outlets has slightly increased by 2.5% whilst the number of meals served is down by 6.5% and the value of the sales is fractionally down by 0.7%.

The frozen value in this part of the market is just over £200 million with staff catering accounting for £124 million whilst education is small at £35 million.

The educational sector, despite seeing the number of outlets increased by 11.2% has seen the number of meals served reduce by 15.8% over the three-year period resulting in sales being down by 5.3%.

The other sector that is showing significant decline is in healthcare with the number of outlets down by 15.3% whilst the number of meals served is down by 9.2% resulting in the value of sales being down by 10.4%.

Contract catering remains a relatively small part of the opportunity for frozen that commands a value of over £2.2 billion in total foodservice. It's most disappointing that the educational sector continues to struggle despite the glare of media attention but there again that could be part of the problem.

If you would like any further information or analysis please contact Peter Backman of Horizons for Success at info@horizonsforsuccess.com

**BRITISH FROZEN FOOD FEDERATION
FOCUS ON FOODSERVICE 2007 & 2010 COMPARISON
CONTRACT CATERING**



FOOD PURCHASES

Food Categories	STAFF CATERING	HEALTH CARE	EDUCATION	OTHER	TOTAL
	2010 £ millions	2010 £ millions	2010 £ millions	2010 £ millions	2010 £ millions
Frozen	124	43	35	7	209
Chilled - Long Life	110	37	43	22	212
Chilled - Short Life	278	77	52	28	435
Ambient	298	44	63	39	444
Total	810	201	193	96	1,300

GENERAL INFORMATION

Information Categories	STAFF CATERING			HEALTH CARE			EDUCATION			OTHER			TOTAL		
	2007	2010	Percentage Gain/Loss	2007	2010	Percentage Gain/Loss	2007	2010	Percentage Gain/Loss	2007	2010	Percentage Gain/Loss	2007	2010	Percentage Gain/Loss
No. of Outlets	9,061	9,020	-0.5	864	732	-15.3	5,102	5,674	11.2	682	669	-1.9	15,709	16,095	2.5
No. of Meals Served - Millions	763	748	-2.0	303	275	-9.2	404	340	-15.8	143	145	1.4	1,613	1,508	-6.5
Total Food & Drink Sales - £ millions	2,145	2,150	0.2	289	259	-10.4	342	324	-5.3	106	128	20.8	2,882	2,861	-0.7



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.

CONTRACT CATERING

QUARTERLY INFORMATION FOR BFFF June 2011

For further details contact

Peter Backman
Horizons
Winston House
2 Dollis Park
London N3 1HF
United Kingdom

T: +44 (0020 8349 0162

E: info@horizonsforsuccess.com

www.horizonsforsuccess.com

Foodservice Sector 2007 to 2010 Contract Catering

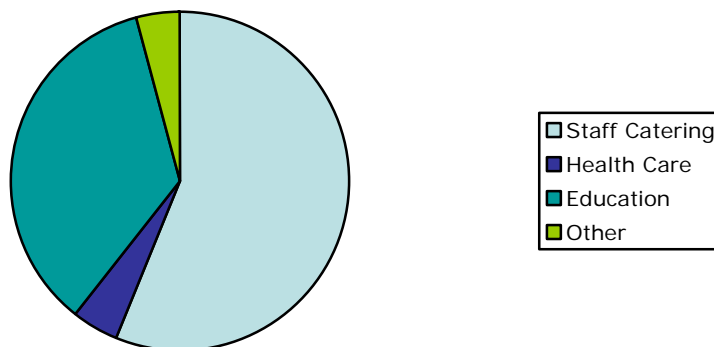
Outlets

	2007	2010
Staff Catering	9,061	9,020
Health Care	864	732
Education	5,102	5,674
Other	682	669
TOTAL	15,709	16,095

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
- Operators were able to increase the numbers of sites where they operate by an average of about 130 a year between 2007 and 2010.

Number of outlets: 2009



**Foodservice Sector 2007 to 2010
Contract Catering**

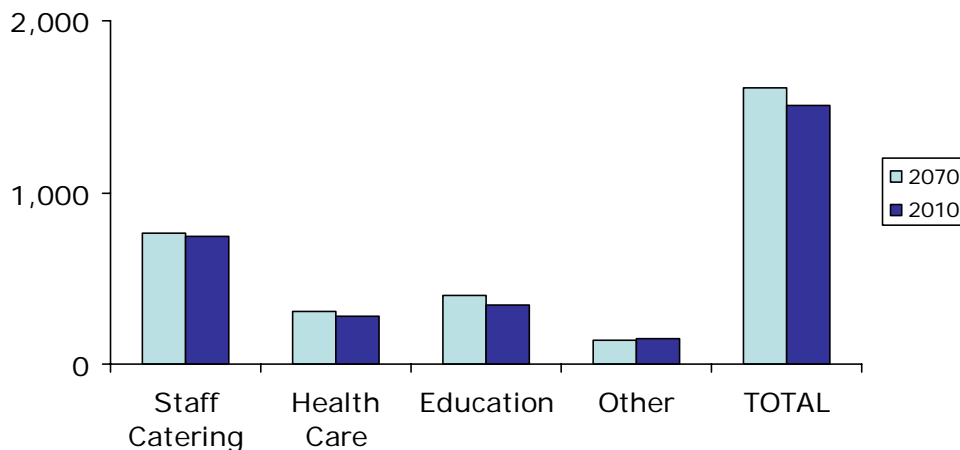
Meals

	Millions 2007	Millions 2010
Staff Catering	763	748
Health Care	303	275
Education	404	340
Other	143	145
TOTAL	1,612	1,508

Source: Horizons

- Staff catering – otherwise referred to as B&I or Business & Industry –accounts for 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 2007

Meals (Millions): 2007 -2010



**Foodservice Sector 2007 to 2010
Contract Catering**

Food Purchases	2007	2010				
	£ Millions Total	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Staff Catering	822	811	298	110	278	124
Health Care	219	200	44	37	77	43
Education	228	194	63	43	52	35
Other	95	97	39	22	28	7
TOTAL	1,364	1,301	444	212	435	210

Source: Horizons

- Food purchases fell by 5% in inflation adjusted terms compared with 2007 even though the numbers of meals fell by 6.5%
- Frozen food accounted for 16% of all food purchased by contracted caterers in 2010
- The health care sector – including hospitals and care homes – continued to be especially reliant on frozen foods; they accounted for about 22% of this sector’s food purchases in 2010
- Chilled long-life foods accounted for 16% of purchases in this sector and fresh foods (chilled-short life) were a further 33% of the total

Foodservice Sector 2007 to 2010 Contract Catering

Food & Drink Sales

	£ Millions	
	2007	2010
Staff	2,145	2,150
Catering		
Health	289	259
Care		
Education	342	324
Other	106	128
TOTAL	2,881	2,861

Source: Horizons

- Over the three years from 2007 to 2010, food and drink sales fell slightly – by £20 million or less than 1%
- 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