

STAFF CATERING SHOWING SIGNIFICANT DECLINE

The latest data kindly supplied by Horizons reveals that the contract-catering sector has declined between 2008 – 2011 by some 8.0% in sales value, by 10.2% in terms of meals served and by 2.6% in terms of the number of outlets.

When we look at the data on outlets we see that in total the sector has declined by just over 400 outlets with staff catering declining by over 100 outlets but education showing the biggest percentage and outlet fall by over 250 outlets.

Staff catering, otherwise referred to as B&I or Business & Industry, accounts for just under half of all the meals served by contract caterers. The B&I share has declined since 1991, and over the more recent past it has in fact seen its share decline quite rapidly. The number of contracted meals accounted for by the Healthcare sector continue 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.

Food purchases fell by 11.5% in nominal terms compared with 2008 whilst the number of meals fell by 13.5%. Frozen food accounted for 16% of all food purchases by contracted caterers in 2011.

The Healthcare sector – including hospitals and care homes – continue to be especially reliant on frozen foods; they accounted for about 21% of this sectors food purchases in 2011.

All in all not appetising reading as contractors review the profitability of the contracts, employers review the cost of providing staff catering and schools and hospitals have their budgets squeezed. This is certainly a sector where riding out the recession is likely to be a bumpy and painful road.

British Frozen Food Federation

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VAT Reg. No. GB 115 5466 23

**BRITISH FROZEN FOOD FEDERATION
FOCUS ON FOODSERVICE 2008 & 2011 COMPARISON
CONTRACT CATERING**



FOOD PURCHASES

Food Categories	STAFF CATERING	HEALTH CARE	EDUCATION	OTHER	TOTAL
	2011 £ millions	2011 £ millions	2011 £ millions	2011 £ millions	2011 £ millions
Frozen	105	34	36	7	182
Chilled - Long Life	95	29	44	21	189
Chilled - Short Life	241	62	53	28	384
Ambient	254	35	63	38	390
Total	695	160	196	94	1,145

GENERAL INFORMATION

Information Categories	STAFF CATERING			HEALTH CARE			EDUCATION			OTHER			TOTAL		
	2008	2011	Percentage Gain/Loss	2008	2011	Percentage Gain/Loss	2008	2011	Percentage Gain/Loss	2008	2011	Percentage Gain/Loss	2008	2011	Percentage Gain/Loss
No. of Outlets	9,164	9,030	-1.5	783	752	-4.0	5,872	5,614	-4.4	668	669	0.1	16,487	16,065	-2.6
No. of Meals Served - Millions	730	608	-16.7	236	222	-5.9	369	350	-5.1	141	145	2.8	1,476	1,325	-10.2
Total Food & Drink Sales - £ millions	2,317	2,091	-9.8	222	209	-5.9	333	330	-0.9	122	124	1.6	2,994	2,754	-8.0



Source: Horizons - for further information, contact Peter Backman, Horizons
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Please note that the information in this report is based on initial estimates which require final confirmation.

Foodservice Sector 2008 to 2011
Contract Catering

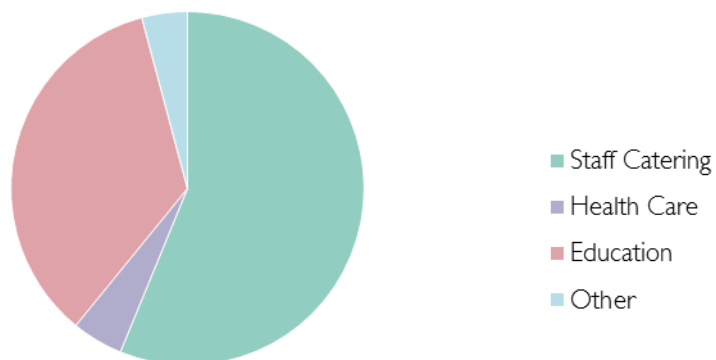
Outlets

	2008	2011
Staff Catering	9,164	9,030
Health Care	783	752
Education	5,872	5,614
Other	668	669
TOTAL	16,487	16,065

Source: Horizons

- The contract catering sector is one of the most important foodservice markets for food suppliers despite operating out of just over 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
- The numbers of sites has fallen by about 400 since 2008.

Number of Outlets 2011



Foodservice Sector 2008 to 2011 Contract Catering

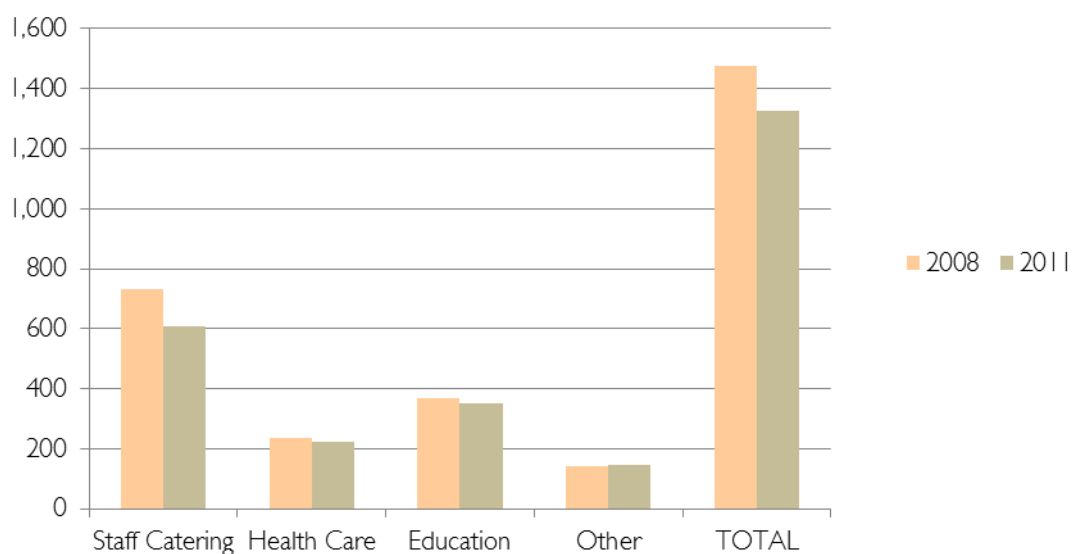
Meals

	Millions 2008	Millions 2011
Staff Catering	730	608
Health Care	236	222
Education	369	350
Other	141	145
TOTAL	1,475	1,326

Source: Horizons

- Staff catering – otherwise referred to as B&I or Business & Industry – accounts for just under half of all meals served by contract caterers
- The B&I share has declined since 1991, and over the more recent past it has in fact seen its share decline quite rapidly
- 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 numbers of meals served in the variety of small sectors combined within the “Others” category have increased since 2008

Meals (Millions): 2008-2011



Foodservice Sector 2008 to 2011 Contract Catering

Food Purchases	2008	2011				
	£ Millions	Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Staff Catering	825	695	254	95	241	105
Health Care	171	161	35	29	62	34
Education	205	195	63	44	53	36
Other	92	94	38	21	28	7
TOTAL	1,294	1,145	389	189	384	182

Source:
Horizons

- Food purchases fell by 11.5% in nominal terms compared with 2008 while the numbers of meals fell by 13.5%
- Frozen food accounted for 16% of all food purchased by contracted caterers in 2011
- The health care sector – including hospitals and care homes – continued to be especially reliant on frozen foods; they accounted for about 21% of this sector's food purchases in 2011
- Chilled long-life foods accounted for 17% of purchases in this sector and fresh foods (chilled-short life) were a further 34% of the total
- Chilled foods generally increased their share of this sector marginally in 2011 compared with the previous year

Foodservice Sector 2008 to 2011 Contract Catering

Food & Drink Sales

	£ Millions	
	2008	2011
Staff Catering	2,317	2,091
Health Care	222	209
Education	333	330
Other	122	124
TOTAL	2,993	2,753

Source: Horizons

- Over the three years from 2008 to 2011, food and drink sales fell slightly – by £140 million or -8% in nominal terms
- However, contract caterers do not solely rely on sales to customers but they also receive income for onsite services (such as cleaning and concierge services). This helped to grow their turnover more than their sales

For full definitions of these sectors go to Horizons website www.hrzns.com, go to “Resources” on the bar at the top and click on “Definitions and Methodology”