



TOUGH TIMES CONTINUE IN FOODSERVICE

The latest data kindly supplied by Horizons shows that in the year 2011 compared to three years ago the total foodservice sector has declined by 1.4% in terms of number of outlets whilst the number of meals served has fallen by 6.2% and the value of sales is down 4.3%.

In terms of outlets the biggest fall has been in pubs, hotels and leisure sectors showing a decline of 3.7%. A significant fall in the numbers of wet-led, mainly tenanted, pubs led to an overall decline in the numbers of outlets in this sector. Even worse for this sector was the decline in the number of meals served with a dramatic 10.8% drop from 2008 to 2011. The value of the sales in this sector given less outlets serving less meals was down by 6.3%.

The restaurant sector has shown some growth in the number of outlets as some pubs become more food dependant rather than wet dependant. The growth in number of outlets was 1656 representing a 2.9% increase although the number of meals served during this time declined by 3.4% and the value of sales declined by 1.2%.

Contract catering and institutions which covers B&I/Workplace, Healthcare, Education, Military, Prisons etc. showed a reduction in outlets over the three years of 1.0% whilst the number of meals served also fell by some 5.4% and the value of the sales declined by 8.7%.

The foodservice sector is anxiously looking for the green shoots of recovery and with at least the economy coming out of its double dip recession perhaps there is a glimmer of hope in the distant future.

The value of the frozen food market in foodservice remains around £2.2 billion and has barely moved over the last three years which given the market conditions and the tough trading environment is perhaps a credible performance

British Frozen Food Federation

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FOCUS ON FOODSERVICE COMPLETE SECTOR STATISTICS 2008 AND 2011 COMPARISON

GENERAL INFORMATION

Information Categories	RESTAURANTS			PUBS, HOTEL & LEISURE			CONTRACT CATERING & INSTITUTIONS			TOTAL		
	2008	2011	% Gain/Loss	2008	2011	% Gain/Loss	2008	2011	% Gain/Loss	2008	2011	% Gain/Loss
No. of Outlets	57,869	59,525	2.9	114,770	110,488	-3.7	89,494	88,566	-1.0	262,133	258,579	-1.4
No. of Meals Served - Millions	2,776	2,681	-3.4	2,247	2,005	-10.8	3,511	3,321	-5.4	8,534	8,007	-6.2
Food and Drink Sales £ millions	20,570	20,321	-1.2	18,505	17,341	-6.3	5,613	5,123	-8.7	44,688	42,785	-4.3

FOOD PURCHASES



Food Categories	RESTAURANTS	PUBS, HOTEL & LEISURE	CONTRACT CATERING & INSTITUTIONS	TOTAL
	2011 £ millions	2011 £ millions	2011 £ millions	2011 £ millions
Frozen	1,128	651	437	2,216
Chilled - Long Life	451	305	463	1,219
Chilled - Short Life	1,509	846	857	3,212
Ambient	1,060	1,623	814	3,497
Total	4,148	3,425	2,571	10,144

Source: Horizons.

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Foodservice Sector 2008 to 2011

The information which follows summarises information that was shown during 2011

Outlets

	2008	2011
Restaurants	57,869	59,525
Pubs, hotels, leisure	114,770	110,488
Contract catering and institutions	89,494	88,566
TOTAL	262,134	258,579

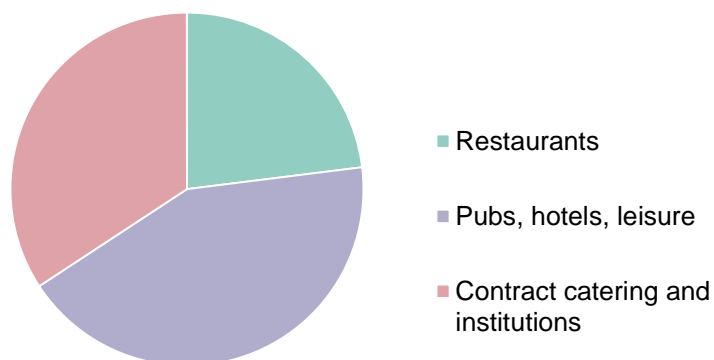
Source: Horizons

Notes:

- “Restaurants” include full service and quick service/fast food restaurants – including especially pub restaurants i.e. pubs for whom food accounts for over 50% of their sales
- “Contract catering and institutions” covers B&I/workplace, health care, education, military, prisons etc

- There was a net fall of 3,555 outlets between 2008 and 2011
- The Restaurant sector expanded with the growth of food-led pubs ie those pubs whose sales of food exceed those of alcohol
- A significant fall in the numbers of wet-led, mainly tenanted, pubs lead to an overall decline in the numbers of outlets in the combined Pubs, Hotel and Leisure sector
- There was also a small fall in the numbers of institutional outlets

Number of Outlets 2011



Foodservice Sector 2008 to 2011

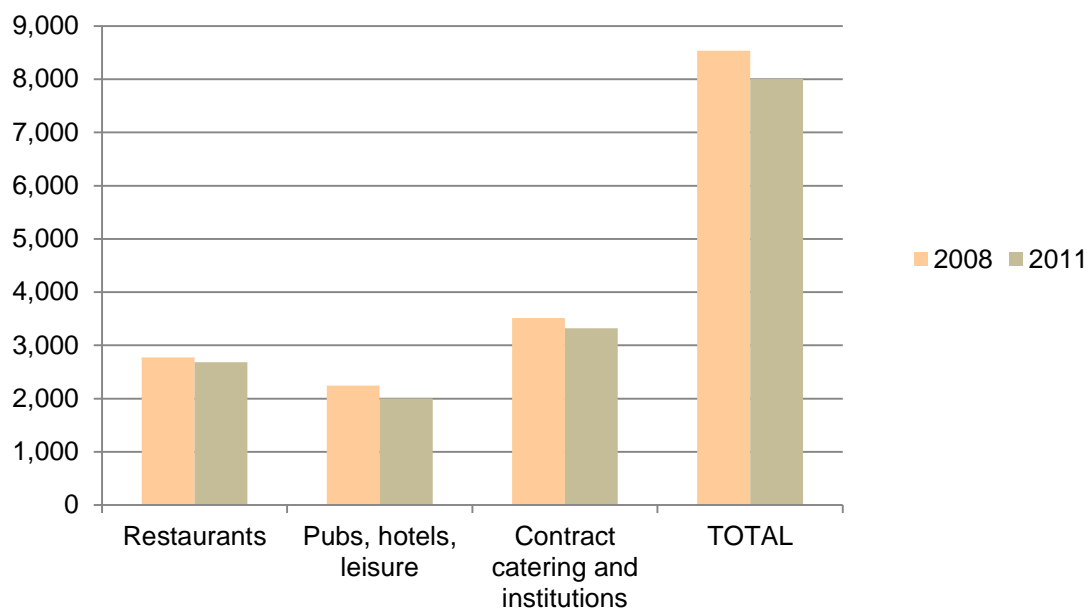
Meals

	Millions 2008	Millions 2011
Restaurants	2,776	2,681
Pubs, hotels, leisure	2,247	2,005
Contract catering and institutions	3,511	3,321
TOTAL	8,535	8,008

Source: Horizons

- The foodservice sector served 527 million fewer meals in 2011 compared with 2008 – representing a fall of -6.2%, slightly less than last year's equivalent figures
- Reductions in meal numbers were seen in all sectors
- The greatest fall in both actual numbers and in percentage terms was seen in Pubs, Hotels, leisure with an overall decline of -10.8%
- Restaurants fell -3.4% and the institutional sector decline was -5.4%

Meals (Millions): 2008-2011



Foodservice Sector 2008 to 2011

Food Purchases	2008	2011				
	£ Millions Total	£ Millions Total	Ambient	Chilled - long life	Chilled - short life	Frozen
Restaurants	4,442	4,148	1,060	451	1,509	1,128
Pubs, hotels, leisure	3,789	3,424	1,623	305	846	651
Contract catering and institutions	2,894	2,572	814	463	857	437
TOTAL	11,124	10,145	3,497	1,219	3,212	2,216

Source: Horizons

- Chilled and frozen food account for 66% of all the food purchased by foodservice operators
- Frozen food is 22% of the total - and Chilled – short life (or Fresh) food represents a further 32%
- Restaurants are especially dependent on frozen and chilled – long life food which account for 36% of their total food purchases.

Foodservice Sector 2008 to 2011

Food & Drink Sales	£ Millions	
	2008	2011
Restaurants	20,570	20,321
Pubs, hotels, leisure	18,505	17,341
Contract catering and institutions	5,613	5,123
TOTAL	44,688	42,785

Source: Horizons

- From 2008 to 2011, food and drink sales declined by -4.3 in real terms continuing the downward trend of the last couple of years
- Restaurant sales fell by over £200 million
- Pubs, hotels, leisure fell by over £1 billion which included a transfer from pubs to pub restaurants (which are included under Restaurants)
- Sales in the Institutional sector also fell, by almost £400 million – or almost -9% - over the period

For full definitions of these sectors go to Horizons website www.hrzn.com and click on “Detailed definitions”