



FROZEN RETAIL MARKET REMAINS FLAT

The latest data kindly supplied by Kantar Worldpanel shows that the total retail frozen food market for the 52 weeks to 28th November is valued at £5.1 billion, which has barely moved in any of the last four quarters. With prices falling in the market, volumes have shown a small gain, increasing year on year by 0.7%.

The pizza market has shown good volume growth at 7.2% year on year whilst its value has grown by 2.3%. The ice cream market also continues to show growth with its value being up by 4.9% year on year and its volume showing an impressive 3.2% growth year on year. The meat and poultry market has been one of the big losers for some time in terms of its value decline being 3.2% down, whilst volume at 5.9% down year on year is better than the previous two quarters.

Away from these shores, information published by Data Monitor shows that some markets in Asia are showing impressive growth rates with the Chinese frozen food market enjoying 10% compound average growth rates and the Indian market enjoying 14.6% compound average growth rates. Japan which is a much more established market has enjoyed growth of 1.8% but the value of its market at \$23.4 billion is still significantly ahead of the Chinese market at \$16.4 billion and the Indian market has barely got off the starting board being valued only at \$172 million. Both the Chinese and the Indian frozen food markets can expect to enjoy significant growth for many years to come.

Back in the UK the frozen food market whilst static over the last year is showing an 11.1% value growth compared to three years ago before the economy turned pear shaped. The big winners in the last three years have been ice cream up 16.5%, fish up 14.3%, vegetables up 14.2%, pizzas up 13.5%, savoury foods up 13.1% and potato products up by 10.5%. The market over the last three years has added £512 million in value and has shown a 2.5% volume growth.

The retail market in general continues to be tight and challenging and the economic prospects with the VAT increase coming through, inflation becoming more of a problem, the comprehensive spending review cuts about to take place and general uncertainty suggest that it will be some while before the economy is back in growth. In those circumstances there is still opportunity for further growth in the frozen food market.



RETAIL FROZEN FOOD STATISTICS YEAR ON YEAR TO 28 NOVEMBER 2010

Retail Categories	Value (000's £)			Volume (000's Kgs)		
	52 w/e 29 Nov 09	52 w/e 28 Nov 10	% Gain/Loss	52 w/e 29 Nov 09	52 w/e 28 Nov 10	% Gain/Loss
Total Frozen Foods	5,113,109	5,110,822	0.0	2,003,426	2,016,626	0.7
Total Ice Cream	663,093	695,880	4.9	331,964	342,665	3.2
Frozen Confectionary	281,895	271,459	-3.7	82,372	79,036	-4.1
Frozen Fish	723,822	727,109	0.5	123,647	126,289	2.1
Frozen Meat & Poultry	564,739	546,945	-3.2	170,016	160,000	-5.9
Frozen Vegetables	408,127	410,928	0.7	287,492	290,520	1.1
Frozen Potato Products	537,001	535,294	-0.3	463,805	472,624	1.9
Frozen Ready Meals	658,326	653,815	-0.7	182,260	180,505	-1.0
Frozen Pizza	378,271	387,097	2.3	99,103	106,236	7.2
Frozen Savoury Food*	897,835	882,295	-1.7	262,767	258,751	-1.5

*Savoury Food includes Frozen Bread, Frozen stuffing Cooked poultry, Meat Products, Processed Poultry, Savoury Bakery, vegetarian products and Other Frozen Foods

KANTAR WORLD PANEL

Source: Kantar Worldpanel
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