## LATEST RESULTS SHOW THIRD CONSECUTIVE QUARTER OF GROWTH FOR FROZEN

The latest retail frozen food statistics from Kantar Worldpanel have shown a reassuring third quarter of growth for the sector, which is up by 3.6% in value.

Covering all product types including meat, ice cream and ready meals, the category has been resilient in the challenging economic climate as more consumers look for better value.

The results are great news for the industry. It has been a difficult 12 months for manufacturers and consumers alike. However, manufacturers have continued to invest in their products and processes and consumers have reaped the benefits of huge variety, excellent value and great tasting products.

The biggest area of growth in volume has been in the frozen fish sector – which is up by 4.1%. Big brands have bolstered the category by introducing premium products, investing in advertising and attaining endorsements from well-loved celebrity chefs. Many branded and supermarket own-label frozen fish products also carry MSC accreditation. Sustainability is of growing importance to consumers - due to fishing practices and species availability being documented in the media. A growing social conscience is persuading consumers to make decisions about the fish they buy based on other factors than price.

Other success stories highlighted in the results include frozen meat and poultry. The area has finally come out of decline and is up by 2.8% in value and 2.9% in volume. The increase is indicative of a switch from fresh to frozen where consumers are looking for the same staples at a better value price point.

Ice cream sales enjoyed uplift due to good weather with significant peaks around April and late September. While total value sales were up by 2.2%, volume sales were in slight decline as ice-cream suffered through the wet summer.

Upselling is however evident in other sectors, with frozen pizza sales growing in both value and volume as more consumers buy-in premium take-away style foods. Top end premium and luxury frozen pizzas are often pounds cheaper than home-delivered equivalents. This sector has seen great investment over the past few years and there is a huge variety of toppings and base combinations offering exceptional quality and value to tempt consumers.

Ready meals have shown great value in growth which have grown 4.4% in value but just 1% in volume. The recent price increase is good news for the sector and ready meals have been under priced and over promoted for countless years. That pricing strategy was simply unsustainable and had damaged perceptions of the category. Selling units at a higher price point will allow manufacturers to invest in product development and use better quality ingredients. With the backing of retailers, this can only be good news for the sector.

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## RETAIL FROZEN FOOD STATISTICS YEAR ON YEAR TO 4 SEPTEMBER 2011

| | Value (000's £) | | | Volume (000's kgs) | | |
|---|---|---|---|---|---|---|
| Retail Categories | 52 w/e 05 Sept 10 | 52 w/e 04 Sept 11 | YOY | 52 w/e 05 Sept 10 | 52 w/e 04 Sept 11 | YOY |
| Total Frozen Foods | 5,087,839 | 5,272,465 | 3.6 | 2,007,568 | 2,042,863 | 1.8 |
| Total Ice Cream | 695,340 | 710,715 | 2.2 | 342,343 | 341,034 | -0.4 |
| Frozen Confectionary | 275,501 | 263,749 | -4.3 | 80,657 | 74,555 | -7.6 |
| Frozen Fish | 723,088 | 755,402 | 4.5 | 125,236 | 130,325 | 4.1 |
| Frozen Meat & Poultry | 553,971 | 569,398 | 2.8 | 161,718 | 166,377 | 2.9 |
| Frozen Vegetables | 412,553 | 427,691 | 3.7 | 289,658 | 298,176 | 2.9 |
| Frozen Potato Products | 534,097 | 564,757 | 5.7 | 469,928 | 475,290 | 1.1 |
| Frozen Ready Meals | 630,474 | 658,013 | 4.4 | 175,636 | 177,476 | 1.0 |
| Frozen Pizza | 382,762 | 397,884 | 4.0 | 105,034 | 108,872 | 3.7 |
| Frozen Savoury Food* | 880,053 | 924,856 | 5.1 | 257,358 | 270,758 | 5.2 |

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

Source: Kantar Worldpanel
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