



Contract Catering Still in the Doldrums

SOURCE: HORIZONS



The latest data supplied by Peter Backman of Horizons shows that the contract catering sector is still bumping along the bottom at best. Between 2009 and 2012, the number of contract catering outlets, the number of meals and the value of food purchases have all declined. Food and drink sales have shown a very marginal increase but a reduction in real terms.

LOOKING AT OUTLETS first, the numbers have fallen by just over 1,000 in the past three years with by far the biggest reduction being in the education sector. The number of meals served in the education sector remains unchanged; the only sector showing a serious decline in meals served is healthcare.

Food purchases in 2012 are slightly down on 2009 in real terms having fallen by 1.7%.

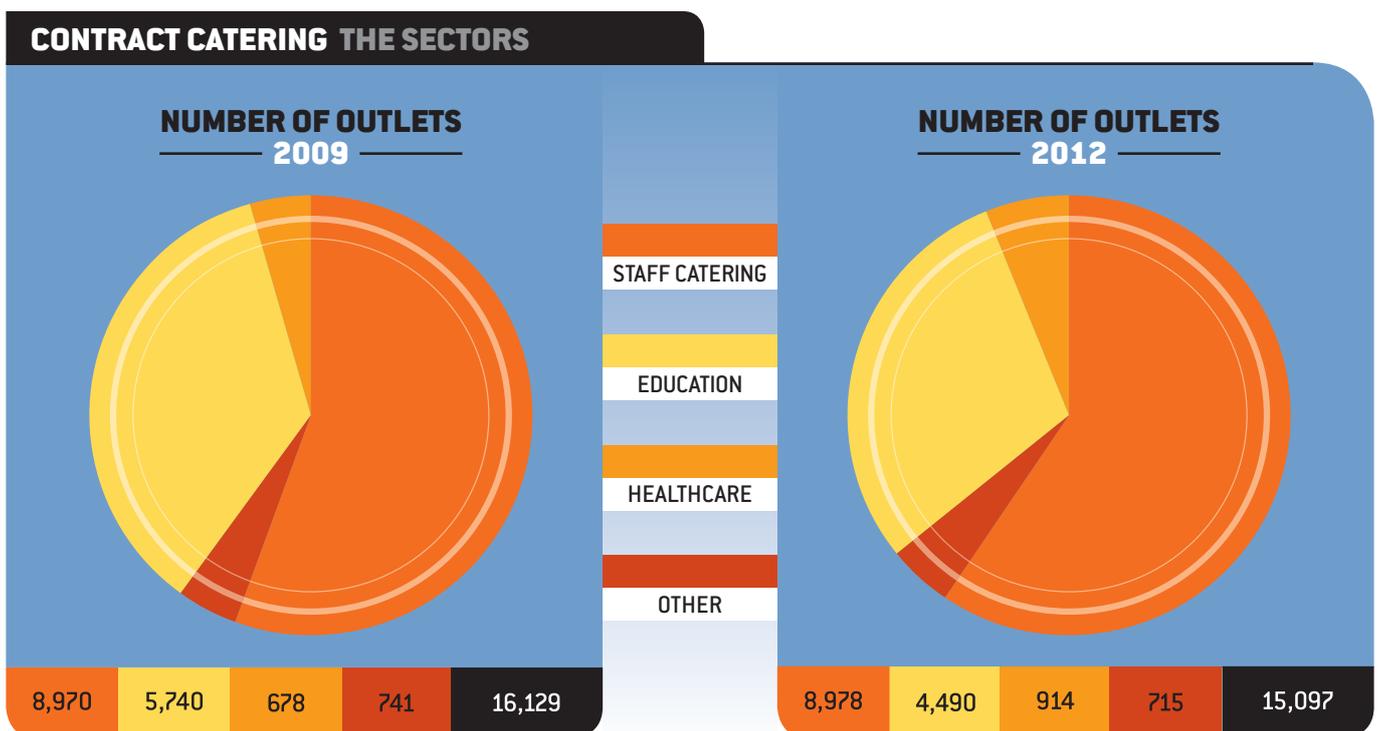
Frozen foods account for 16% of all food purchased by contract caterers in 2012. The healthcare sector, which includes hospitals and care homes, continues to be especially reliant on frozen foods which accounted for about 21% of this sector's food purchases in 2012.

Food and drink sales have declined in real terms by about 4% over the three years,

equating to £104 million. We shouldn't forget that contract caterers do not solely rely on sales to customers but also receive income for onsite services. This helped to grow their turnover more than their sales.

Contract catering will continue to be squeezed for the foreseeable future as the government keeps a tight grip on the public purse and disposable income continues to be hit.

For full definitions of these sectors go to Horizons website www.hrzn.com. Go to "Resources" on the top bar and click "Definitions and Methodology"



FOOD PURCHASES

£millions

	2009	2012	AMBIENT	CHILLED LONG LIFE	CHILLED SHORT LIFE	FROZEN
STAFF CATERING	844	851	308	116	299	128
HEALTH CARE	197	171	37	31	67	36
EDUCATION	208	205	66	46	56	37
OTHER	93	92	37	21	27	7
TOTAL	1,343	1,320	448	214	450	208

■ Food purchases fell by 1.7% in real terms compared with 2009 while the numbers of meals fell by about the same amount, indicating that the amount spent per meal has remained stable over the last few years

■ Frozen food accounted for 16% of all food purchased by contracted caterers in 2012

■ 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 2012

■ Chilled long-life foods accounted for 16% of purchases in this sector and fresh foods (chilled-short life) were a further 34% of the total

MEALS SERVED

in millions



■ Staff catering account for just under half of all meals served by contract caterers

FOOD & DRINK SALES

£millions

	2009	2012
STAFF CATERING	2,236	2,393
HEALTH CARE	256	222
EDUCATION	350	333
OTHER	123	122
TOTAL	2,965	3,069

■ Over the three years from 2009 to 2012, food and drink sales fell slightly – by £104 million or -4% in real terms

■ Contract caterers do not solely rely on sales to customers, they also receive income for onsite services (such as cleaning and concierge services). This helped to grow their turnover more than their sales