# Meat, Fish & Poultry
# MARKET UPDATE

## Chicken can crow about it's performance, but Pork returns to growth

The latest figures from Kantar Worldpanel for the 12 weeks ending 10th September 2017 find Pork returning to both value and volume growth and Chicken continue it's growth. The fresh primary category is still seeing volume decline, despite value increasing as inflation drives spend growth.

The versatility of the nation's favourite meat continues to be reflected in the great performance of fresh processed poultry, which is growing volumes at 9% despite rising prices. Only a few categories within these MFP categories are seeing inflation ahead of the market rate, with Fresh Pork and Fresh Natural Fish all seeing significant inflationary rises.

Nathan Ward, Business Unit Director for MFP explains: "Fresh Primary Meat & Poultry continues to lag behind the supermarket growth rate of 3.6%, with value growing at just over 1% and volumes falling by 0.5%. Promotional volumes continue to fall rapidly as price cuts reduce and the overall level of deals fell by 19% on last year. These trends are leading shoppers to make different choice in terms of proteins, cuts and tiers.", When we look at the proteins in more detail, Red Meat continues to suffer and drive the depressed performance overall. Beef and Lamb are seeing the greatest losses, but Pork has seen a resurgence despite significant inflationary price rises.

Behind pork's growth are 1.1 million more trips compared to last year, despite the average price rising 6.7%. The cuts winning in volume for Pork are Mince and Leg Roasts, with Pork Mince's growth stimulated by lower prices in the category bringing in shoppers across all demographic groups. At the same time, Mince is a big driver of the decline in Beef, followed by Roasts which are the key areas of growth in Pork. Poultry continues to grow, with value and volume growth closely matched, as prices remain static despite the pressure of inflation on the market. Breasts and Legs continue to grow, but volumes are offset by the decline of roast chickens.

Ward continues "Chilled Fish is really struggling to maintain volumes in the face of inflation in Natural and Smoked Fish, which has now dropped behind Added Value in terms of volume sales. The inflation in these two categories remains around 16% which is having a big impact on volumes. Natural Fish has seen 700,000 fewer shoppers as prices rise 16.7% compared to last year. Smoked Fish attracted 750,000 fewer shoppers as these price grew by12%.". This decline is having a big impact on Salmon which dominates these categories and is driving the volume losses for both categories. Added Value products continue to be the success story in the category as people look for meal solutions and simple meals. Value and volume growth are coming with relatively little price inflation, as promotions in this area offset rising base prices. Added value growth is coming from a good mix of promotions with price cuts and y for £X deals helping to stimulate sales. Salmon is winning in this area, offsetting some of the volume losses elsewhere, with Prawns, Mussels, Cod and Haddock also important in driving volume.

When we look outside of the primary market and fresh fish, the traditional BBQ staples of sausages and burgers are struggling in the short term, perhaps linked to poorer weather across late August than we all hoped for. Volumes are down for both categories driven by fewer shoppers making fewer trips as promotions fall. Disappointing August weather, even with the mini-heatwave over the bank holiday, meant a difficult month for many traditional summer categories, with prepared salads, picnic foods and sun care all suffering compared to last year. Fraser McKevitt referenced this wider impact in our Grocery Market Share release , showing that MFP was not alone in suffering from the disappointing weather. The real success story over the last few months has been the fresh processed poultry which remains the best performing market in this area, adding 605,000 more shoppers and 8.8 million more trips this year.

As we move into autumn and the weather changes will we see shoppers move back towards the comfort foods they know and love, or will inflationary pressures drive a different behaviour? Find out in our next update in four weeks' time.

| | 12 weeks to 10/09/17 | Year on Year Change | 12 weeks to 10/09/17 | Year on Year Change |
|---|---|---|---|---|
| | £ millions | % | 000's Tonnes | % |
| **Fresh Primary Meat & Poultry** | 1184.5 | 1.1 | 216.7 | -0.5 |
| Beef | 439.7 | 1.9 | 54.6 | -1.2 |
| Lamb | 112.4 | -6.0 | 12.8 | -7.1 |
| Pork | 167.7 | 6.8 | 35.3 | 0.1 |
| Chicken | 422.5 | 1.1 | 107.0 | 1.0 |
| Turkey | 23.8 | -10.9 | 3.9 | -13.2 |
| Other Red Meat | 3.6 | -10.7 | 0.5 | -22.6 |
| Other Poultry | 14.8 | 1.3 | 2.5 | 6.1 |
| **Fresh Processed Meat & Poultry** | 868.8 | 5.8 | 145.4 | 2.8 |
| Bacon | 245.5 | 2.7 | 43.7 | 2.2 |
| Sausages | 143.9 | 0.8 | 31.8 | -2.1 |
| Burgers & Grills | 85.1 | -4.7 | 13.6 | -6.3 |
| Fresh Processed Poultry | 394.3 | 12.6 | 56.3 | 9.0 |
| **Sliced Cooked Meats** | 505.4 | 1.2 | 55.1 | 0.7 |
| **Chilled Fish** | 412.1 | 3.7 | 35.2 | -1.6 |
| Added Value Products | 107.7 | 10.4 | 11.1 | 9.5 |
| Battered | 4.9 | 47.0 | 0.5 | 44.4 |
| Breaded | 27.8 | 9.9 | 3.6 | 4.0 |
| Natural | 152.0 | 4.9 | 11.0 | -10.1 |
| Shellfish | 51.1 | -9.0 | 4.6 | 0.9 |
| Smoked | 68.5 | -2.4 | 4.4 | -12.7 |