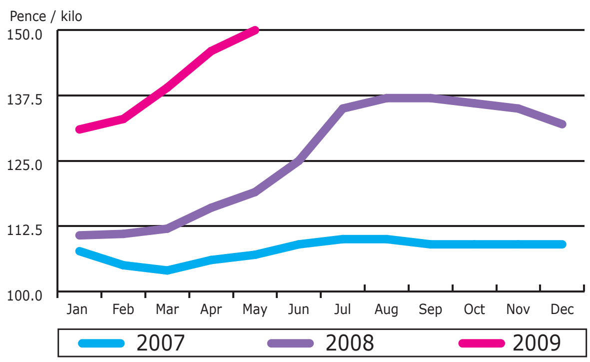
BPEX Quarterly
Category Report

Data up to April 2009

DAPP to EU Specification

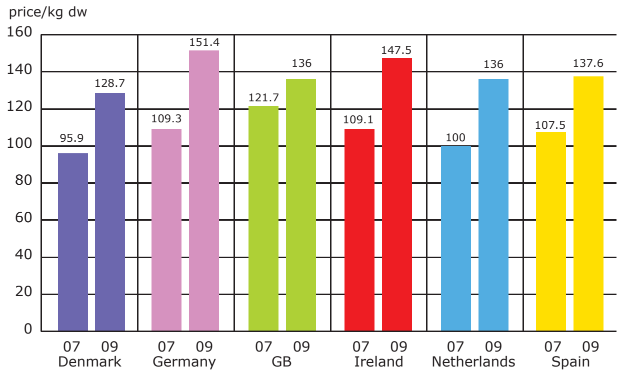
The BPEX Category Report provides market data and insight from AHDB & TNS Worldpanel and other sources.

Source: AHDB Economics (DAPP = Deadweight Average Pig Price)



- The DAPP has steadily increased since June 2008.
- The DAPP is approx 30p higher than this time last year.

CHANGES IN COST OF PIG MEAT PRODUCTION (March 2009 compared with 2007 year)



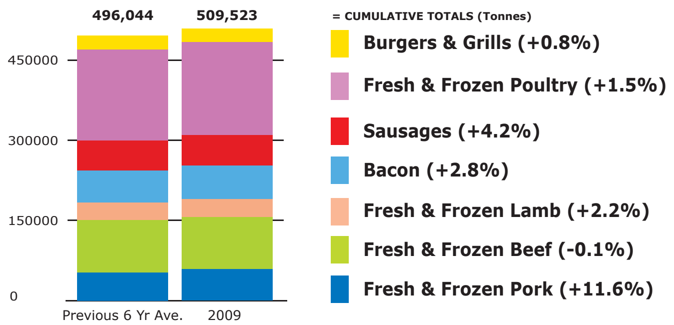
- Production of pigs moved into a small profit in the last 1/4 of 2008.

Category Overview

To judge whether the recession has had any effect on consumption we have used a six year average for comparison purposes. This will reduce the effects of unusual weather, promotional variance or disease outbreaks.

Source: TNS Worldpanel

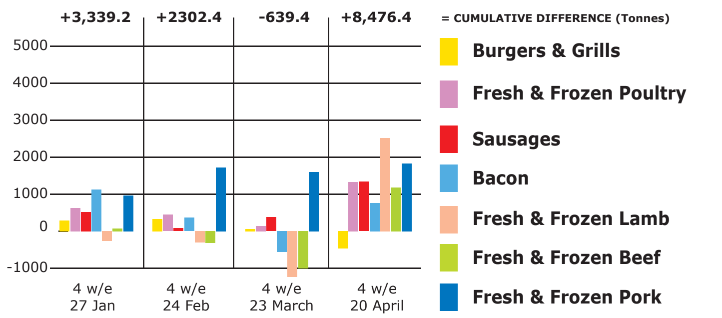
YEAR TO DATE PERFORMANCE 2009 vs PREVIOUS 6 YEAR AVERAGE (Tonnes)



- To date all products except fresh and frozen beef have increased volume sales compared to the past 6 years average.
- Fresh pork and sausages have had the largest increase in volume sales.

CURRENT YEAR PERFORMANCE vs AVERAGE OF PREVIOUS 6 YEARS (Volume Tonnes)

Note: March data is affected by Easter falling on 23 March in 2007 and April 12th 2009, and in April for previous years.



- Year to-date volume sales are higher for all periods except March clearly showing that there is little recessionary effect on meat at present.
- Fresh and frozen pork is the strongest of the red meats with growth in all four periods.
- Lamb has been under performing but the strong April period has brought year to date sales into a growth position.

Retailer Overview

Source: TNS Worldpanel

SHARE OF FRESH MARKET VALUE 52 Weeks to 19 April 2009

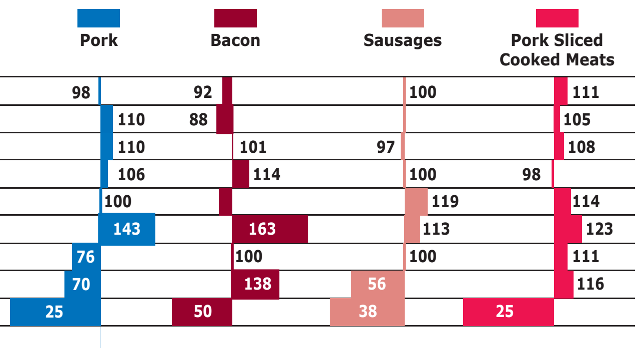
Retailers	RST**	Total Fresh Meat and Poultry MAT*	Pork MAT*	Pork % Value Change	Bacon MAT*	Bacon % Value Change	Sausages MAT*	Sausages % Value Change	Pork SCM* MAT*	Pork SCM* % Value Change
TOTAL MARKET	100	100	100	7.9	100	12.2	100	11.5	100	7.6
Tesco	27	25.3	26.5	12.6	24.9	12.5	27.1	12.7	29.9	9.9
Sainsbury's	15.2	17	16.7	11.9	13.4	10.2	15.2	4.7	16	9.8
Asda	14.6	14.8	16.1	7.6	14.7	13.5	14.1	20.7	15.7	11
Morrisons	10.9	11.1	11.6	11.3	12.4	13.4	10.9	18.1	10.7	1.9
Waitrose	3.6	4.3	3.6	11.2	3.2	12	4.3	8.3	4.1	0.8
Somerfield	3	3.9	4.3	-7	4.9	19.6	3.4	6	3.7	3.8
Co-op	3.8	3.1	2.9	-0.5	3.8	6.3	3.8	-4.5	4.2	0
Hard Discounters	5	3.1	3.5	31.7	6.9	12.2	2.8	36.3	5.8	21
Other Multiples	0.8	0.3	0.2	32.5	0.4	-2.1	0.3	8.5	0.2	2.3
Butchers	0.8	10.1	9.9	-6.7	4.7	3.7	8.5	0.9	1.7	-12.4

*Pork SCM = Pork Sliced Cooked Meats

- The top 4 multiples account for 70.9% and 65.4% of fresh pork and bacon sales respectively.
- Over a quarter of all fresh meat is sold through the leading retailer.
- The top 4 multiples account for 67.3% of sausage sales and 72.3% of pork SCM sales.

OVER / UNDERTRADE INDEX vs RST* 52 Weeks w/e 19 April 2009 (FRESH)

(index >100 indicates overtrade)



- The leading retailer undertrades in fresh pork and bacon.
- Other multiples significantly undertrade across all of the pig meat products.

Top 4 multiples = Tesco, Sainsbury's, Asda, Morrisons.
**MAT = Moving Annual Total. **RST = Retailer Share Track.*
A consolidation of data for all key commodity products, 237 markets in total.
Markets fall into 5 key trading sectors: Packaged Groceries, Fresh Foods, Toiletries, Healthcare, Alcohol

BPEX Quarterly
Fresh Pork

BPEX

Data up to April 2009

Fresh Pork
12 weeks to 19 April 2009

- Consumers are spending more on fresh pork.
- There was a price increase of 32p to £4.74 per kg.
- GB households spent on average an extra £1.52 on fresh pork compared to the same 12 week period last year.

Source: TNS Worldpanel

Total Expenditure (£000's)
£198,475 (+12.1%)

Average Price Paid
£4.74 per kg (+7.2%)

Volume Sales (Tonnes)
41,877 (+4.5%)

Ave. Household Spend / Year
£14.06 (+12.1%)

Penetration* 56%
of All Households (-0.9%)

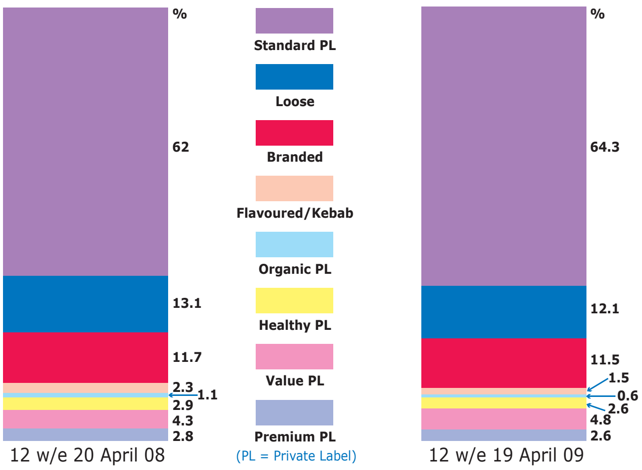
Average Frequency 3.3 (+3.1%)
(Number of Purchase Occasions)

Ave. Household Quantity / Year
3kg (+7.1%)

*Penetration = Number of GB households that bought fresh pork in latest year.
(% changes are year on year).

Fresh Pork by Tier

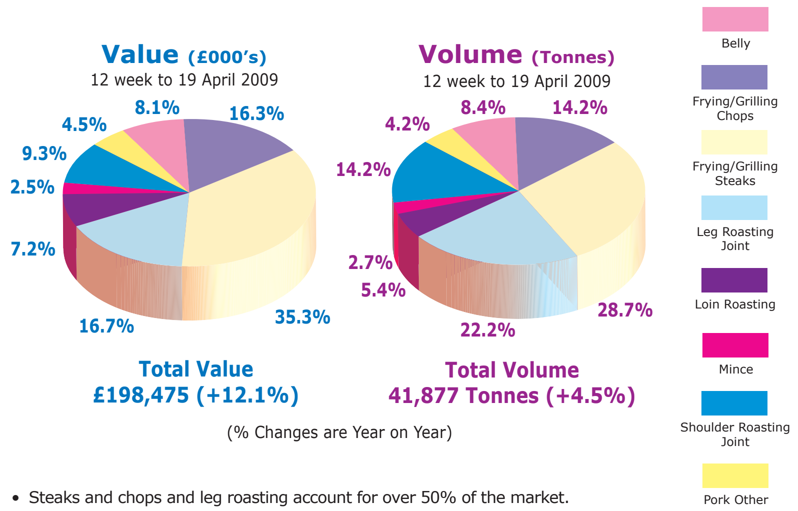
Source: TNS Worldpanel



- Premium private label tier has had a slight decrease in volume share.
- Standard and value private label (PL) tiers have had increases in volume share.

Fresh Pork by Cut

Source: TNS Worldpanel



- Steaks and chops and leg roasting account for over 50% of the market.
- Steaks and chops are a more expensive cut and leg a cheaper cut demonstrated by the different volume and value market shares.
- Pork offers excellent value for money and is the least expensive of the red meats

Retailer Share & Performance

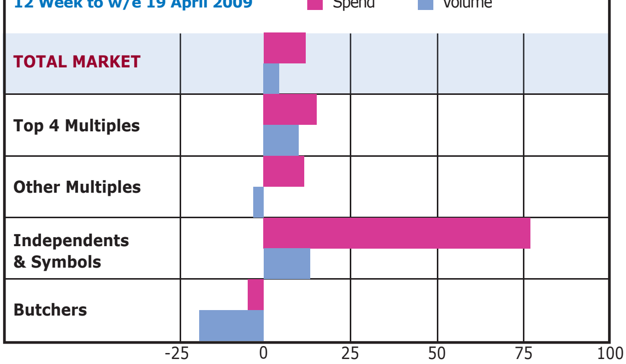
Source: TNS Worldpanel

- All retailers except Butchers have increased their fresh pork value sales.
- Butchers have decreased both value and volume share.
- 3 of the top 4 multiples increased their value % share for fresh pork.
- Whilst three of the top four retailers managed to put on substantial volume growth, the largest retailer - although still in growth - was well behind the others and the market.

FRESH PORK RETAILER % SHARE 12 Week

Value %	12 week to 20 April 2008	12 week to 19 April 2009	£ % Change
TOTAL MARKET	100	100	12.1
Top 4 Multiples	69.7	71.8	15.4
Other Multiples	16	16	11.7
Independents & Symbols	0.2	0.3	77
Butchers	11.1	9.4	-4.5

FRESH PORK RETAILER % PERFORMANCE



BPEX Quarterly
Bacon & Sausages

BPEX

Data up to April 2009

Bacon
12 weeks to 19 April 2009

Source: TNS Worldpanel

- Bacon value sales have increased.
- There was a price increase of 59p to £6.03.
- GB Households spent on average an extra £1.15 on bacon compared to the same 12weeks last year.
- Frequency of purchase remained unchanged and volume fell suggesting that levels of Multi-buy and Y for X promotion may have fallen.
- The top 4 multiples have all increased their bacon value sales.
- Butchers and Other Multiples are the only retailers to have had value sales decreases.
- Substantial volume sales increases in some of the smaller named multiples.

Total Expenditure (£000's)
£277,751 (+8.9%)

Average Price Paid
£6.03 per kg (+10.8%)

Volume Sales (Tonnes)
46,066 (-1.8%)

Ave. Household Spend / Year
£14.1 (+8.9%)

Penetration* 78.1%
of All Households (-0.9%)

Average Frequency 4.8 (0%)
(Number of Purchase Occasions)

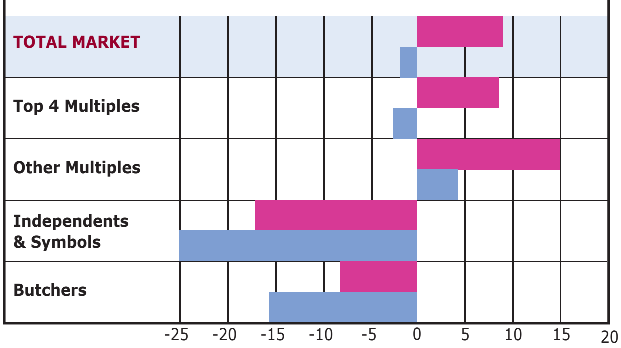
Ave. Household Quantity / Year
2.3kg (-4.2%)

**Penetration = Number of GB households that bought bacon in latest year.*
(% changes are year on year).

BACON - RETAILER % SHARE 12 Week

Value %	12 week to 20 April 2008	12 week to 19 April 2009	£ % Change
TOTAL MARKET	100	100	8.9
Top 4 Multiples	64.8	64.5	8.5
Other Multiples	25.6	27.1	14.8
Independents & Symbols	1.4	1.1	-16.8
Butchers	5.4	4.5	-8

BACON - RETAILER % PERFORMANCE
12 Week to w/e 19 April 2009



Sausages
12 weeks to 19 April 2009

Source: TNS Worldpanel

- Sausage value and volume sales have increased.
- There was a price increase of 36p to £3.44 per kg.
- On average GB households spent 83p extra on sausages compared to the same 12 week period last year.
- Sausages are a cheaper meat alternative and their excellent value for money has meant that volume sales have held up despite an 11.7% increase in price.
- Top 4 multiples had increased sausage value sales.
- Butchers were the only retailers to have value sales decreases.
- Volume sales have reduced in two of the top four and increased in two of the top four retailers.
- The differing levels of volume change would suggest strategy differences between the top 4 retailers for this product group.
- The number of independent butchers is still reducing and this will drive volume declines although individual outlets might be doing better.

Total Expenditure (£000's)
£148,667 (+12.3%)

Average Price Paid
£3.44 per kg (+11.7%)

Volume Sales (Tonnes)
43,175 (0.3%)

Ave. Household Spend / Year
£8.33 (+111.1%)

Penetration* 70.7%
of All Households (0.1%)

Average Frequency 3.8 (+2.7%)
(Number of Purchase Occasions)

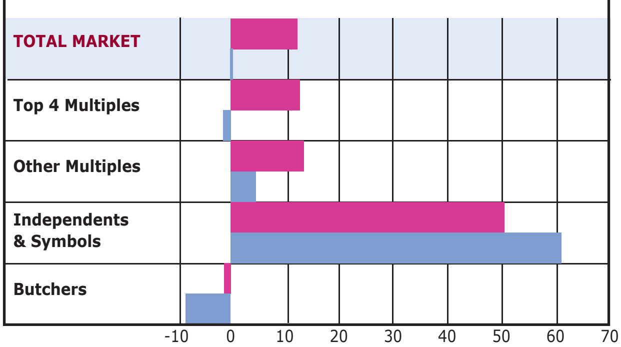
Ave. Household Quantity / Year
2.4kg (0%)

**Penetration = Number of GB households that bought sausages in latest year.*
(% changes are year on year).

SAUSAGES - RETAILER % SHARE 12 Week

Value %	12 week to 20 April 2008	12 week to 19 April 2009	£ % Change
TOTAL MARKET	100	100	12.3
Top 4 Multiples	67.1	67.4	12.8
Other Multiples	20.3	20.5	13.5
Independents & Symbols	0.7	1	50.6
Butchers	9.2	8.1	-1.2

SAUSAGES - RETAILER % PERFORMANCE
12 Week to w/e 19 April 2009



BPEX Quarterly
Sliced Cooked Meats

BPEX

Data up to April 2009

Source: TNS Worldpanel

Pork SCM - Sliced Cooked Meats
12 weeks to 19 April 2009

Pork Sliced Cooked Meats is approximately 90% ham

- Consumers are spending more on pork SCM.
- There was a price increase of 67p to £8.54 per kg.
- GB Households spent on average an extra 41p on pork SCM compared to the same 12 week period last year.
- The increase in lunch box sandwiches is likely to reduce evening consumption when a more premium ham might have been utilised.
- Lunchbox occasion will utilise more thinly sliced product and this will have contributed to volume decline.
- 3 of the top 4 multiples had increased pork SCM value sales.
- Only one of the top four has managed to increase volume sales.
- Britain's biggest retailer has heavily influenced the level of volume decline.
- The level of butcher decline would suggest their customers are stopping buying or purchasing cheaper product from the multiples.

Total Expenditure (£000's)
£282,862 (+3.2%)

Average Price Paid
£8.54 per kg (+8.5%)

Volume Sales (Tonnes)
33,105 (-5.0%)

Ave. Household Spend / Year
£13.95 (+3%)

Penetration* 80.4%
of All Households (-0.7%)

Average Frequency 6.6 (-2.9%)
(Number of Purchase Occasions)

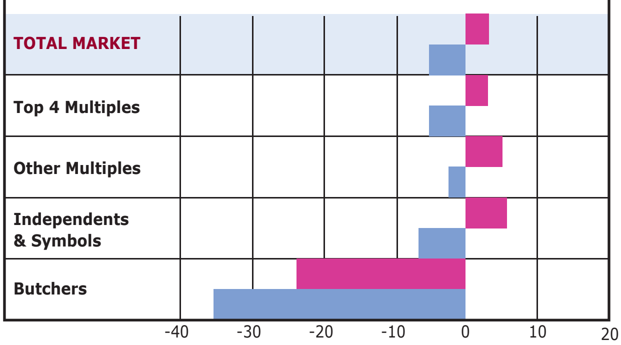
Ave. Household Quantity / Year
1.6kg (-5.9%)

**Penetration = Number of GB households that bought Sliced Cooked Meats in latest year.*
(% changes are year on year).

PORK SCM - RETAILER % SHARE 12 Week

Value %	12 week to 20 April 2008	12 week to 19 April 2009	£ % Change
TOTAL MARKET	100	100	3.2
Top 4 Multiples	72.4	72.4	3.1
Other Multiples	23.2	23.6	5.1
Independents & Symbols	0.8	0.8	5.7
Butchers	2	1.5	-23.4

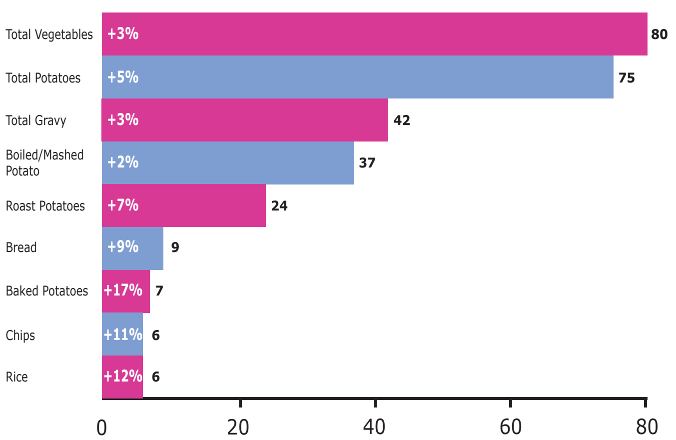
PORK SCM - RETAILER % PERFORMANCE
12 Week to w/e 19 April 2009



In Home Consumption of Pork

TNS Worldpanel Usage / Total In Home, Annual to end Nov 2008

What food is consumed with Pork?
% Change in millions of occasions Vs 2007

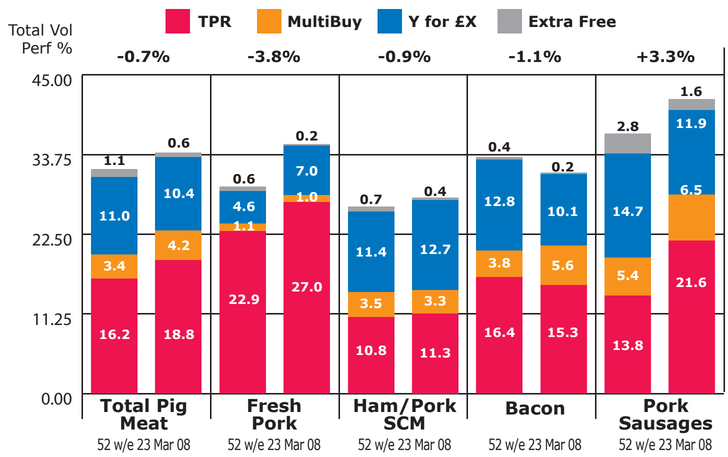


- Pork is still eaten in the traditional way with vegetables and potatoes being easily the most popular accompaniments
- The large increases in baked potato and rice would suggest that consumers are starting to experiment more and are looking for different meal solutions for pork.
- In home 60% of pork is eaten at the evening meal, 24% at lunchtime and 15% at teatime.
- Lunchtime usage is growing by 11% and evening meal by 6%.

Changing Promotional Activity

TNS Worldpanel Usage / Total In Home, Annual to end Nov 2008

How have promotions varied across
Pig Meat sectors? (Volume %)



- Levels of promotion have increased across all pigmeat except bacon.
- Increasing Temporary Price Reductions (TPR) and reducing y for x on sausages seems to have produced the best results.
- TPR gives price reduction off one item and does not increase the cost of the total final basket.

Contacts

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BPEX is a division of the Agriculture and Horticulture Development Board