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Delivered by
Scotland Food & Drink Partnership

Meat & Poultry Deep Dive Report: GB Retail

December 2023

Nielsen Meat & Poultry Category Structure

Category / Sub-category / Sector / Sub-sector

- **TOTAL FRESH MEAT & POULTRY** (Category)
  - **Fresh Meat** (Sub-category)
    - **Beef** (Sector): Steak; Mince; Joint; Burger; Casserole; Meatballs; Ribs; Fillet; All other
    - **Pork**: Bacon Rashers; Other Bacon; Gammon Joint; Loin; Mince; Ribs; Meatballs; Burger; Offal; All other
    - **Lamb**: Leg; Chops; Mince; Shoulder; Joint; Shank; Burger; Meatballs; Offal; All other
    - **Venison**: Burger; Meatballs; All other
    - **Sausage**: Other Sausage; B&W Pudding / Haggis; Sausages in Bacon; Lamb; Venison
    - **All Other**: Burger; Meatballs; Stuffing; All other
  - **Fresh Poultry**
    - **Chicken**: Breast / Fillets / Pieces; Whole / Crown; Thighs / Wings; Drumstick / Legs; Sausages; Drumsticks / Thighs; Offal; Mince; All other
    - **Duck**: Breast / Fillets / Pieces; Whole / Crown; Drumstick / Legs; All other
    - **Turkey**: Breast / Fillets / Pieces; Whole / Crown; Thighs / Wings; Drumstick / Legs; Mince; All other
    - **All Other**: Breast / Fillets / Pieces; Whole / Crown; Thighs / Wings; Drumstick / Legs; All other
  - **Treated & Prepared Meat**
    - Raw meat that has been flavoured and/or prepared for the convenience of the consumer e.g. ribs, steaks and joints.

Meat & Poultry is slowly returning to normality in terms of value and volume performance, although inflation is still influencing sales and consumer decision-making.

1. **Category Performance**
Meat & Poultry has returned to value & volume sales growth after an intense period of inflationary pressures. Some categories are performing better than others, namely Chicken & Sausages , which is largely based on their affordability. Lamb and pork sales are still experiencing greater levels of volume decline due to price sensitivity.

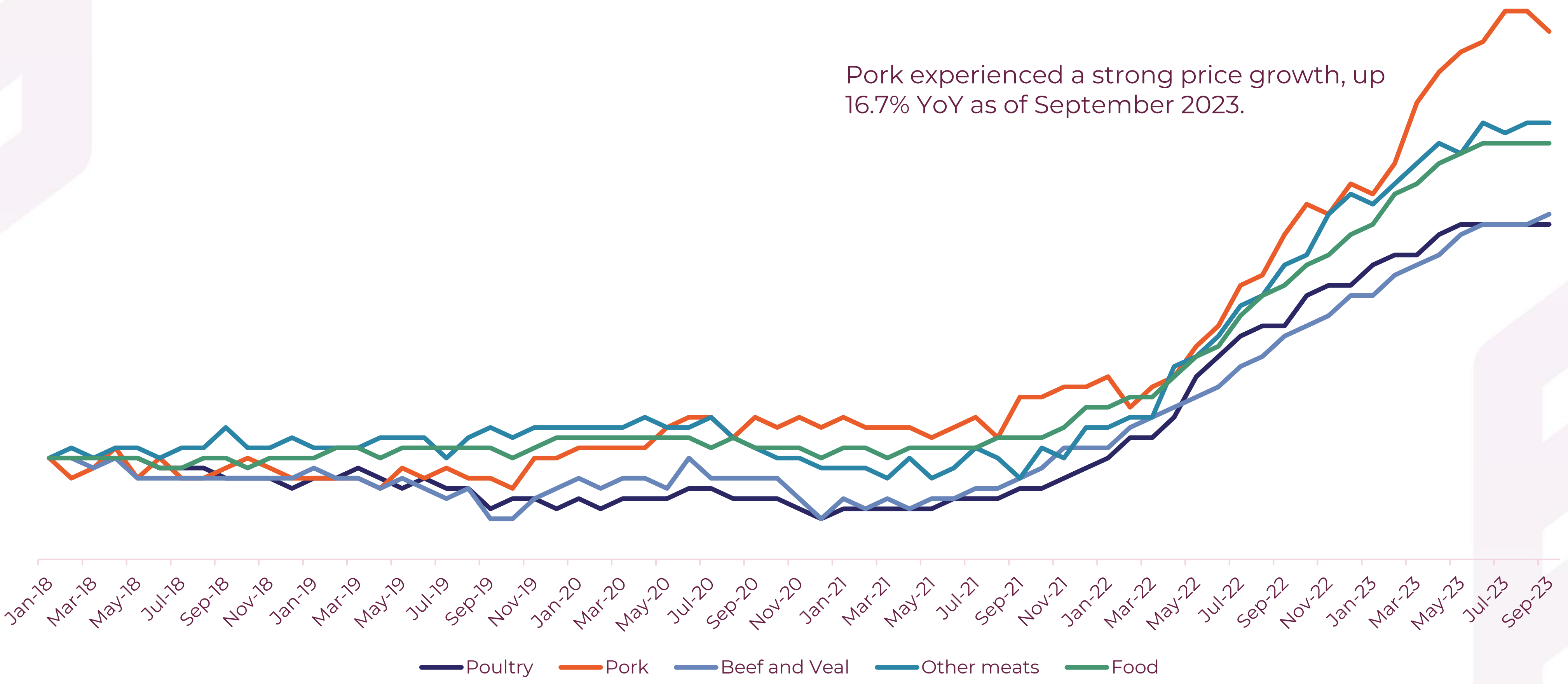
2. **Route to Market**
Grocery Multiples is a competitive channel as it continues to lose volume sales. Discounters continue to gain share of sales as consumers switch for better value. Impulse has performed well as retailers improve their fresh produce offering and capture spend from consumers.

3. **Brands Vs Private Label**
While Private Label retains the majority share of the market, Scotland has double the brand share of Fresh Meat vs GB & over quadruple the brand share of Treated & Prepared Meat vs GB. Provenance still retains its importance despite the tough economic environment. Scottish brands are performing well within key categories such as sausages.

4. **Consumer Attitudes and Behaviour**
A return to volume growth is largely deriving from cheaper proteins and cuts, implying consumers continue to shop for affordable produce. Value for money will still be key going forward but there is still potential for premium products if framed in the right way. Provenance remains important with some consumers willing to pay a modest premium for products.

The Cost-of-Living crisis has seen price increases negatively impact consumers over the previous 2 years, however these increases are beginning to stabilise.

Consumer Price Index by Meat/Poultry Type



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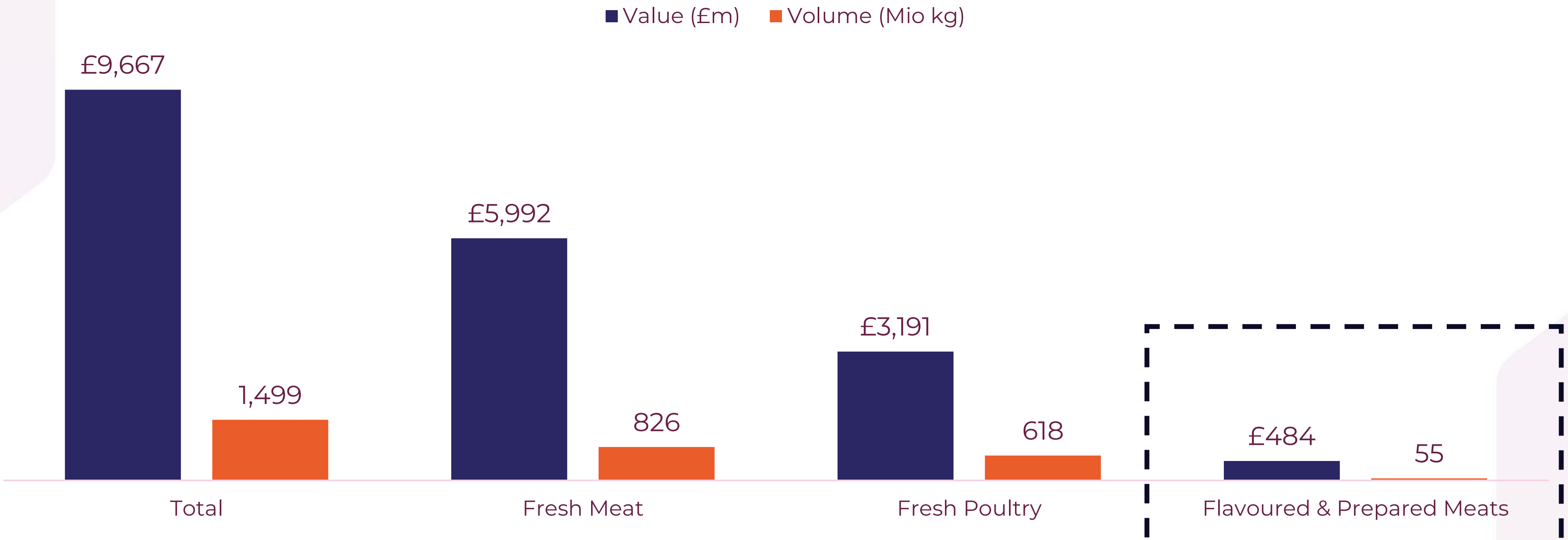
Source: ONS/Mintel - Processed Poultry and Red Meat Main Meal Components – UK – 2023

Inflation continues to impact sales. Meat & Poultry performance has recovered vs the previous year, but Flavoured and Prepared Meats are still experiencing a strong decline in sales.

GB 52-Week Total Fresh Meat & Poultry by Category incl. Discounters



Val Change vs YA %	11.0%	10.4%	14.5%	-1.5%
Vol Change vs YA %	-0.2%	1.1%	2.1%	-11.7%

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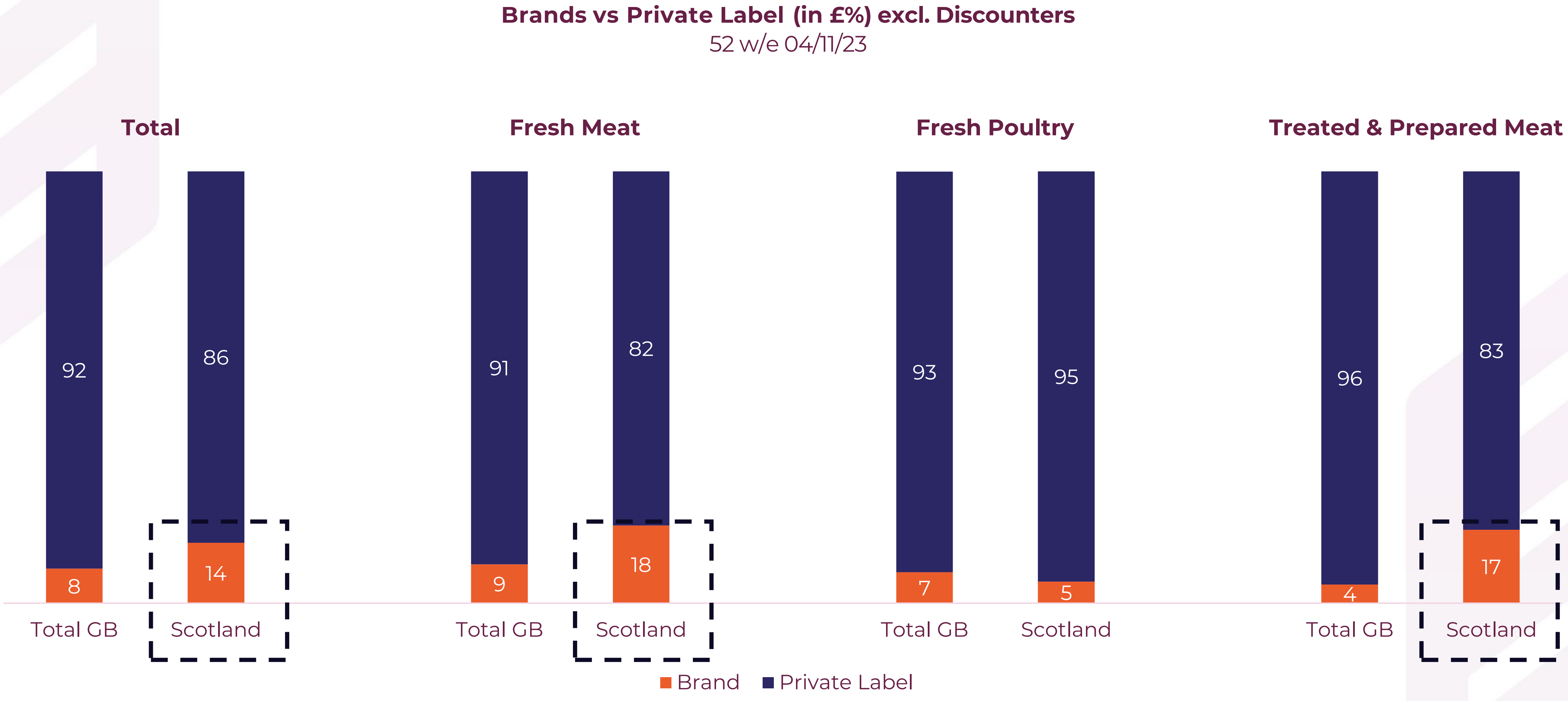
Source: Nielsen Total Coverage incl. Discounters – 52 w/e 04 November 2023

Brand presence remains key to Scottish consumers, where brand shares across most categories are significantly higher than at GB level.



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Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

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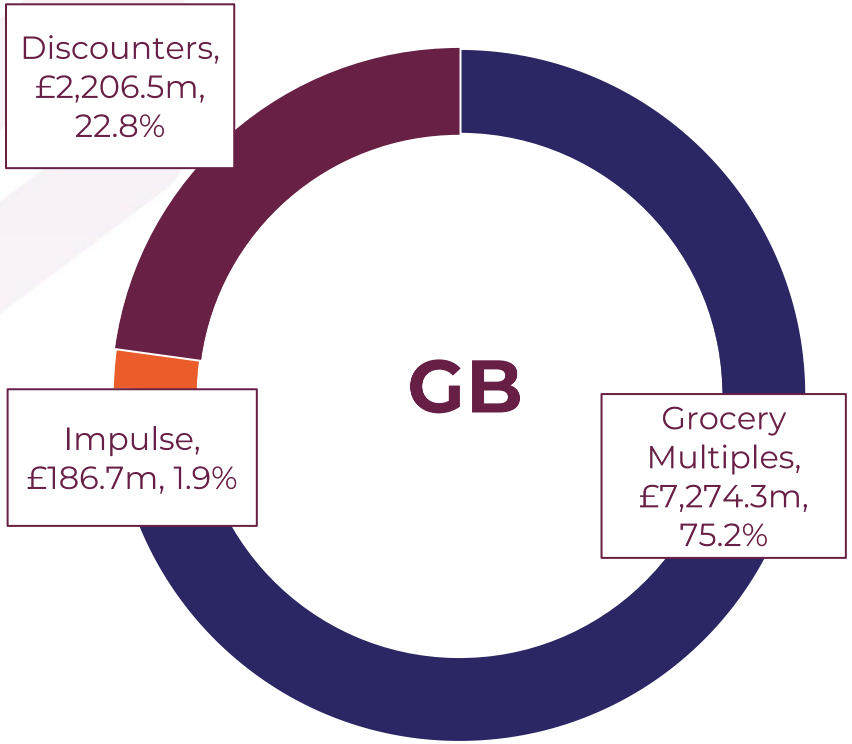
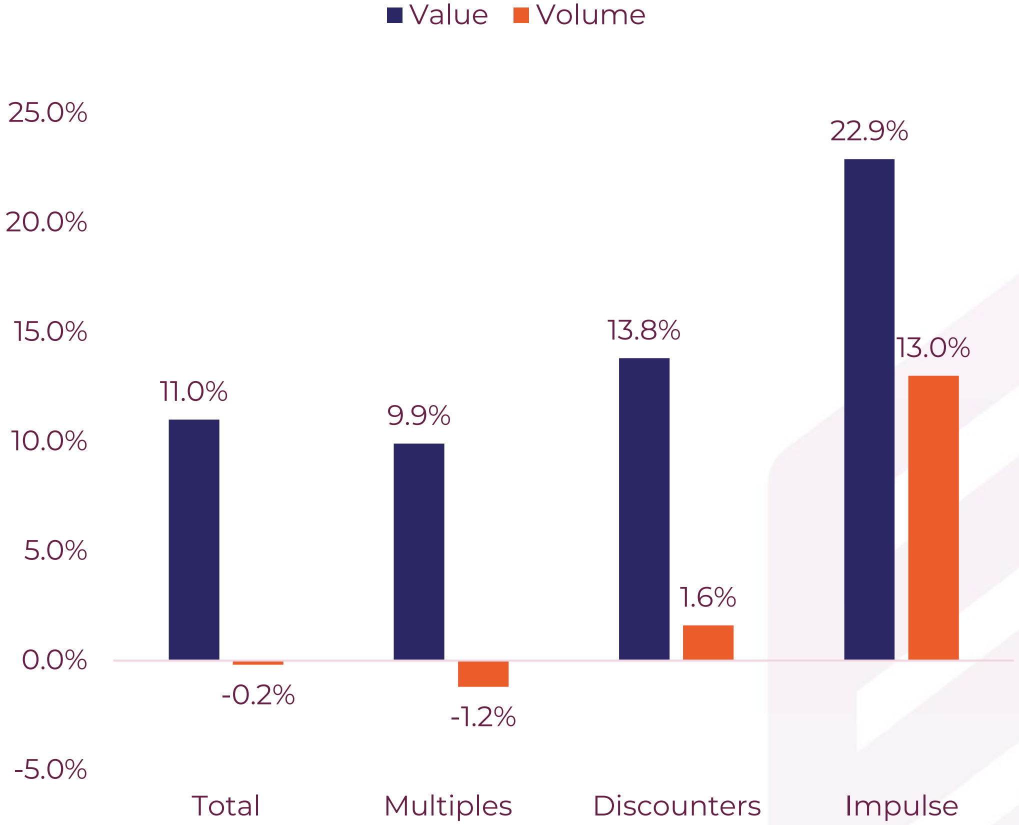
Inflation has had a greater impact on Grocery Multiples performance. Discounters continue to grow volume as they offer good value. Impulse outlets are performing well as they capture share of spend.

Total GB Meat & Poultry Channel Breakdown (in £ & %)



Retail Channel Year-on-Year Change (%)



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Source: Nielsen Total Coverage incl. Discounters – 52 w/e 04 November 2023

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According to Lumina Intelligence, visit frequency and basket size have increased in convenience highlighting that shoppers are using this channel for top up shopping.

ABF Blakemore rolled out their fresh meat range in 2020 to compete with Supermarkets

Dee Bee Wholesale began refreshing the Today's fascia in 2023, to make it a destination for larger, **supermarket-style spending.**

One Stop relaunched their Fresh Produce range in 2023

At the same time fresh produce and meat has been a key area of development for convenience stores over the past few years

Source: https://www.betterretailing.com/symbol-group-news/todays/exclusive-dee-bee-wholesale-begins-refresh-of-todays-symbol-group/
https://www.conveniencestore.co.uk/your-business/bestway-reports-record-sales-for-costcutter-and-bargain-booze-dual-branded-store/681945.article
https://www.grocerypartners.co.uk/winning-in-convenience

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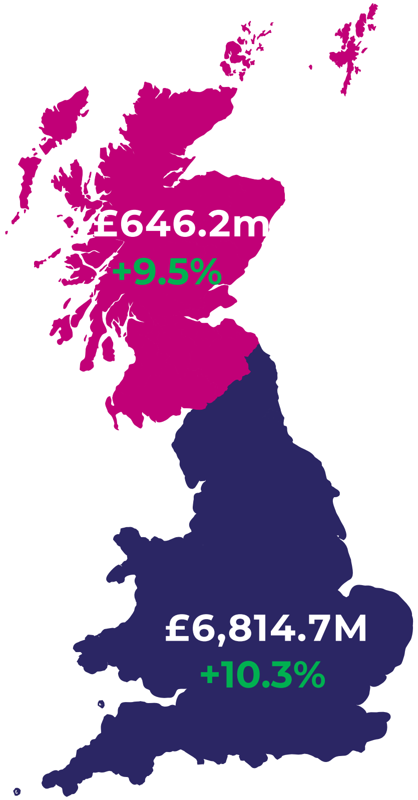
England & Wales marginally outperforms Scotland over the previous year, while both regions are in volume decline.

GB Total excl. Discounters:

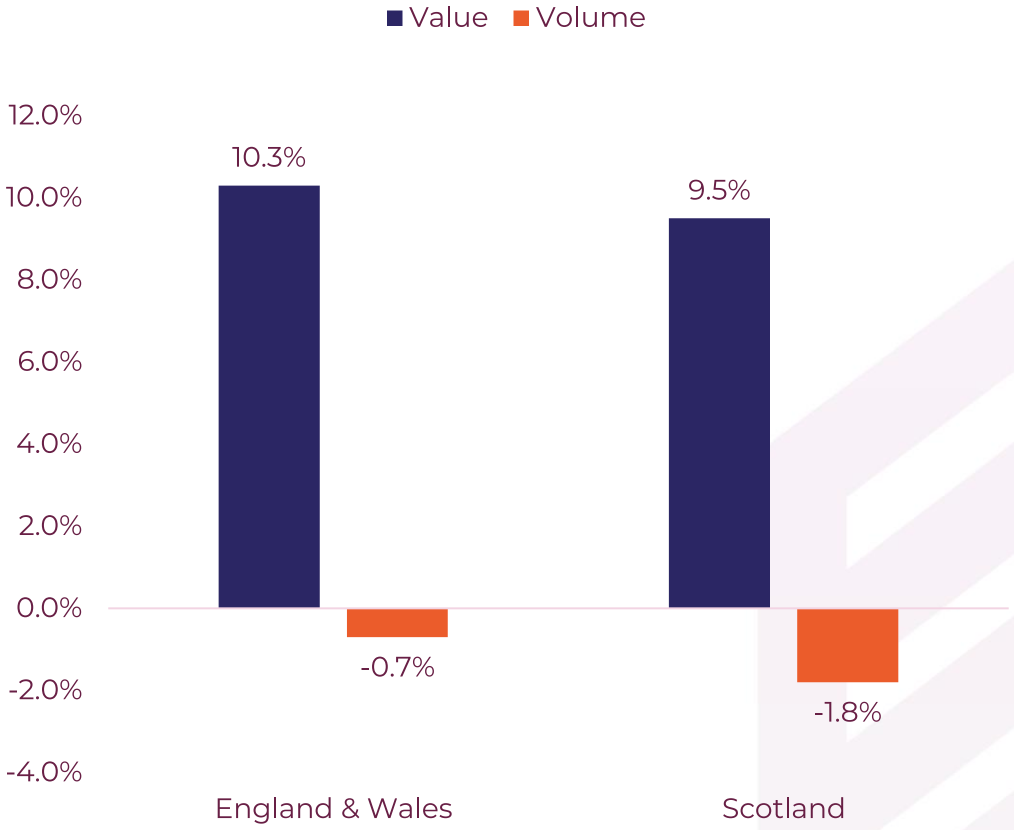
£7.46 billion

Value Change
+10.2%

Total GB 52-week Meat & Poultry by Value excl. Discounters



Total GB 52-week Meat & Poultry Performance (% Change) excl. Discounters



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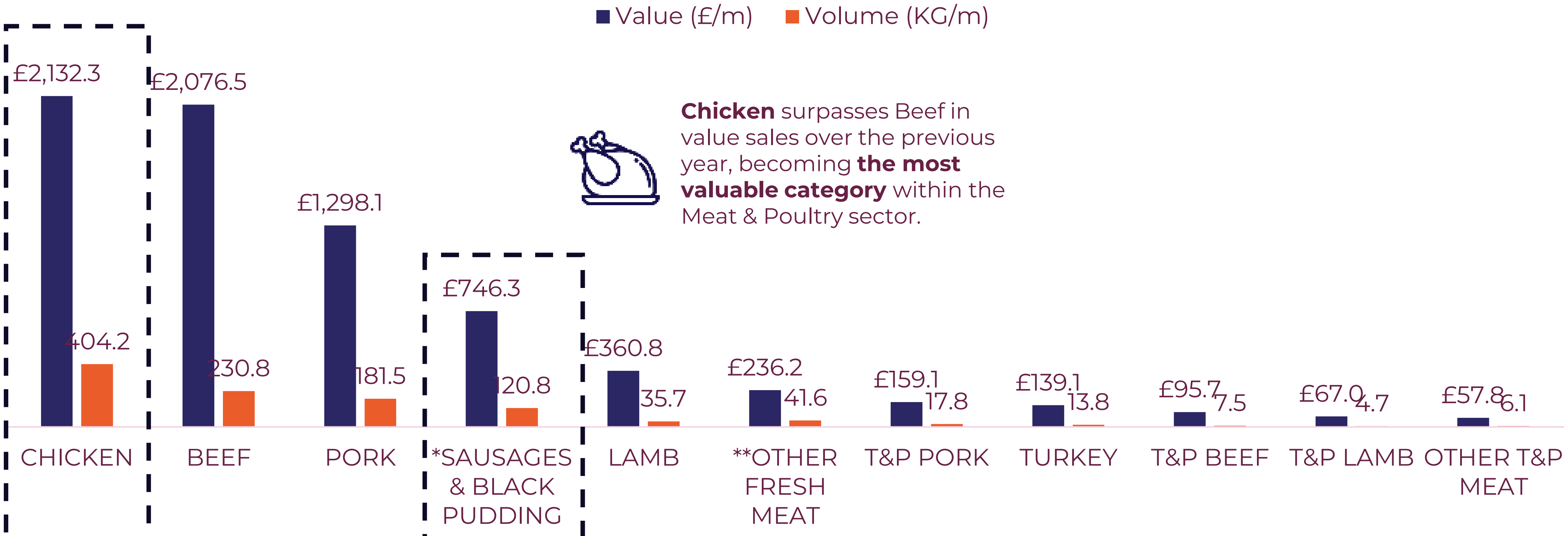
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

In a tough economic climate, consumers are choosing cheaper and more versatile meats. Chicken & Sausages are in volume growth, while Treated & Prepared meats, the more expensive categories, remain under significant pressure.

Fresh Meat Sub-sectors: GB 52-week Performance by Value and Volume



	CHICKEN	BEEF	PORK	*SAUSAGES & BLACK PUDDING	LAMB	**OTHER FRESH MEAT	T&P PORK	TURKEY	T&P BEEF	T&P LAMB	OTHER T&P MEAT
Val Change vs YA %	15.2%	8.8%	10.9%	11.8%	1.9%	5.8%	5.4%	-5.2%	-3.9%	-5.3%	10.0%
Vol Change vs YA %	2.0%	-1.3%	-4.1%	0.2%	-6.4%	-6.4%	-9.1%	-15.1%	-16.0%	-13.6%	0.2%

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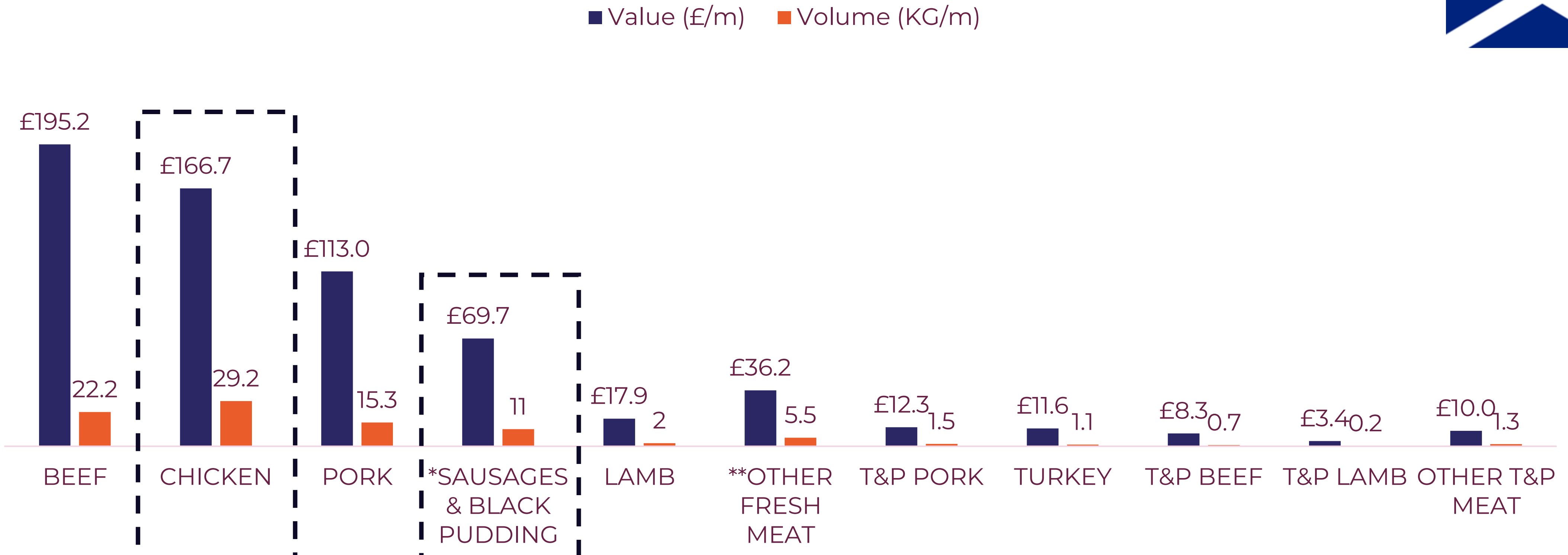
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023 *Sausages & Black Pudding includes Black/White Pudding & Haggis line from Cooked Meat **Other Fresh Meat includes Gammon & Venison

This is also reflected strongly in Scotland; however, beef remains on top, despite Chicken's growth.

Fresh Meat Sub-sectors: Scotland 52-week Performance by Value and Volume



	BEEF	CHICKEN	PORK	*SAUSAGES & BLACK PUDDING	LAMB	**OTHER FRESH MEAT	T&P PORK	TURKEY	T&P BEEF	T&P LAMB	OTHER T&P MEAT
Val Change vs YA %	8.0%	14.0%	9.8%	11.3%	2.0%	6.2%	5.1%	-6.7%	-11.2%	-0.6%	6.7%
Vol Change vs YA %	-1.5%	1.0%	-6.0%	0.0%	-4.7%	-5.3%	-10.0%	-19.9%	-22.9%	-9.3%	-5.5%

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Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023 *Sausages & Black Pudding includes Black/White Pudding & Haggis line from Cooked Meat **Other Fresh Meat includes Gammon & Venison

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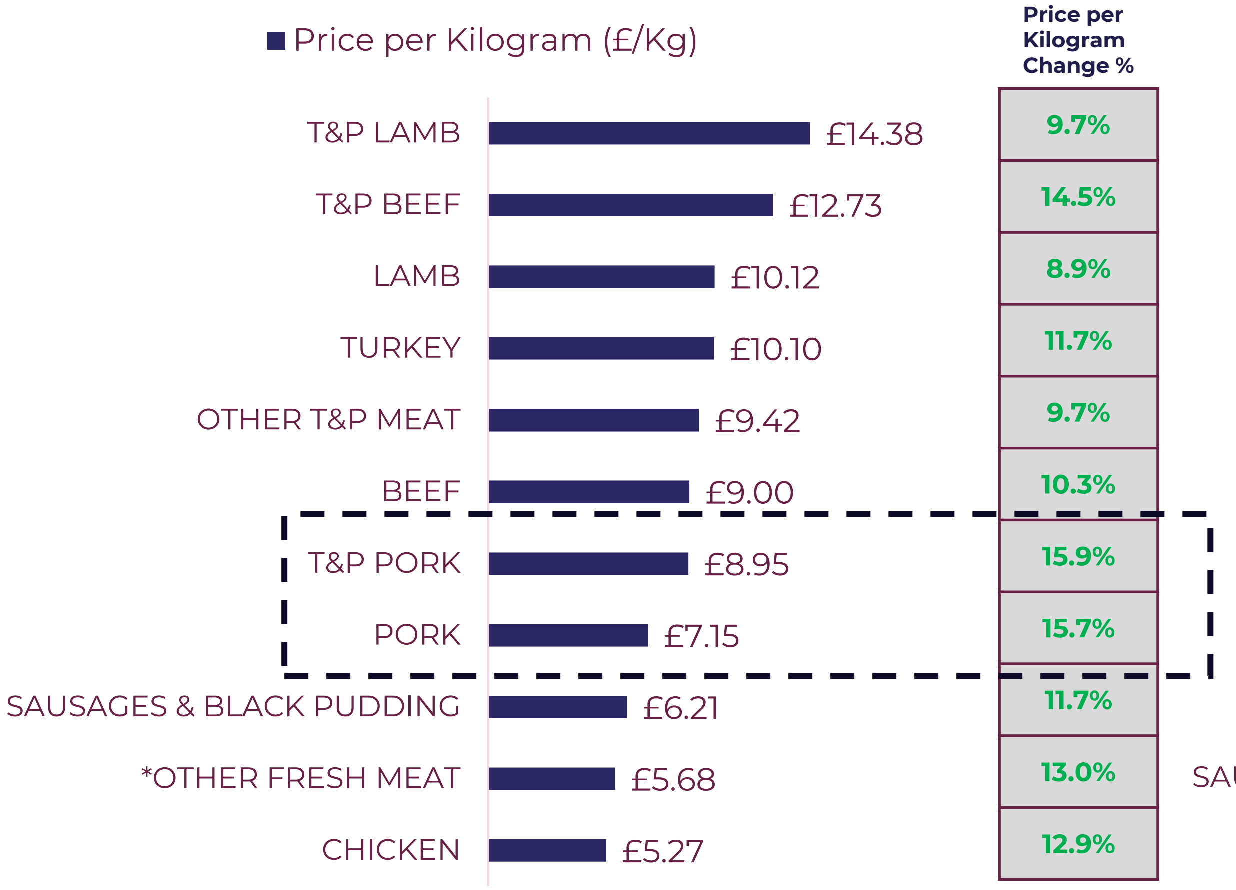
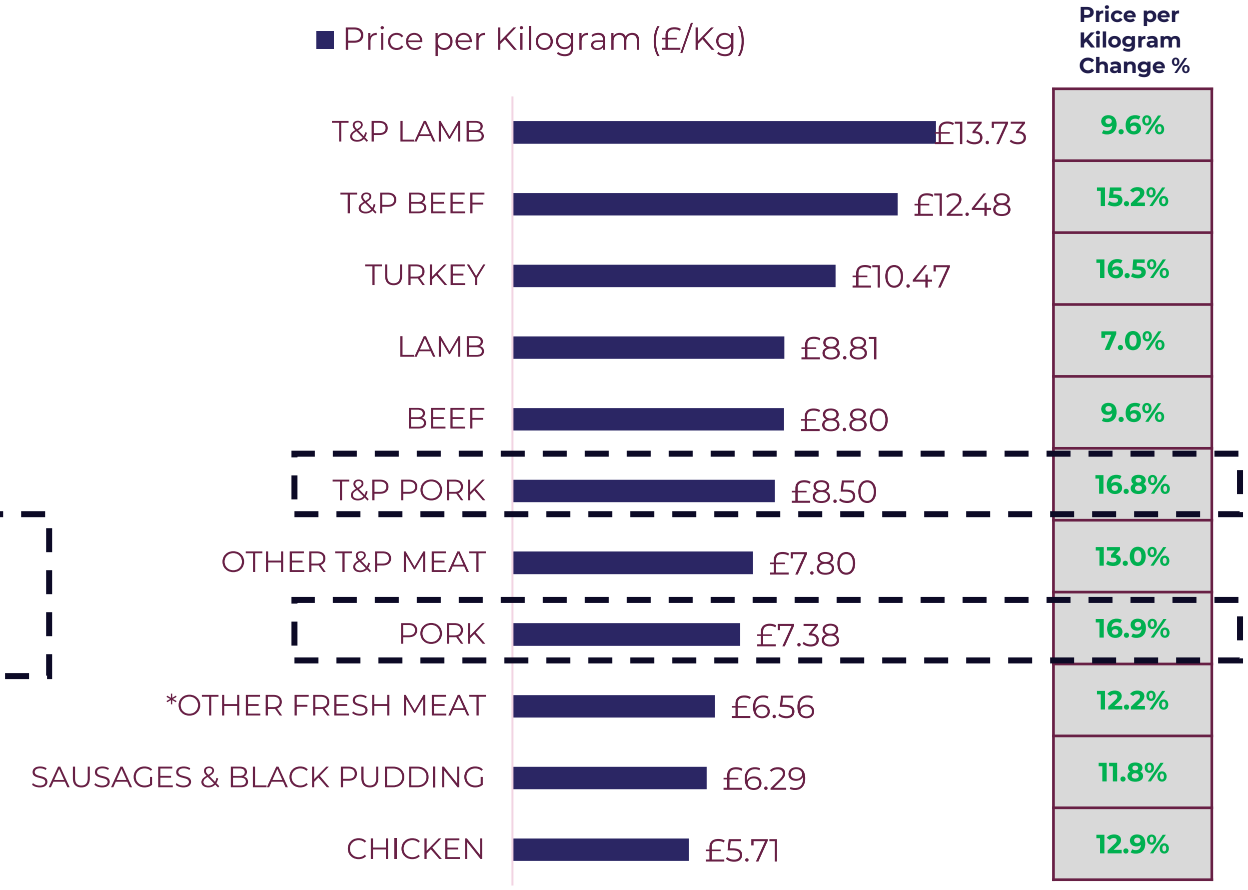
Most categories' volume pricing has increased by over 10% in GB & Scotland. Pork has been the category most impacted by inflation.

Fresh Beef Sub-sectors: GB 52-week Performance by Value and Volume



Fresh Beef Sub-sectors: Scotland 52-week Performance by Value and Volume



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Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023 *Other Fresh Meat includes Gammon & Venison

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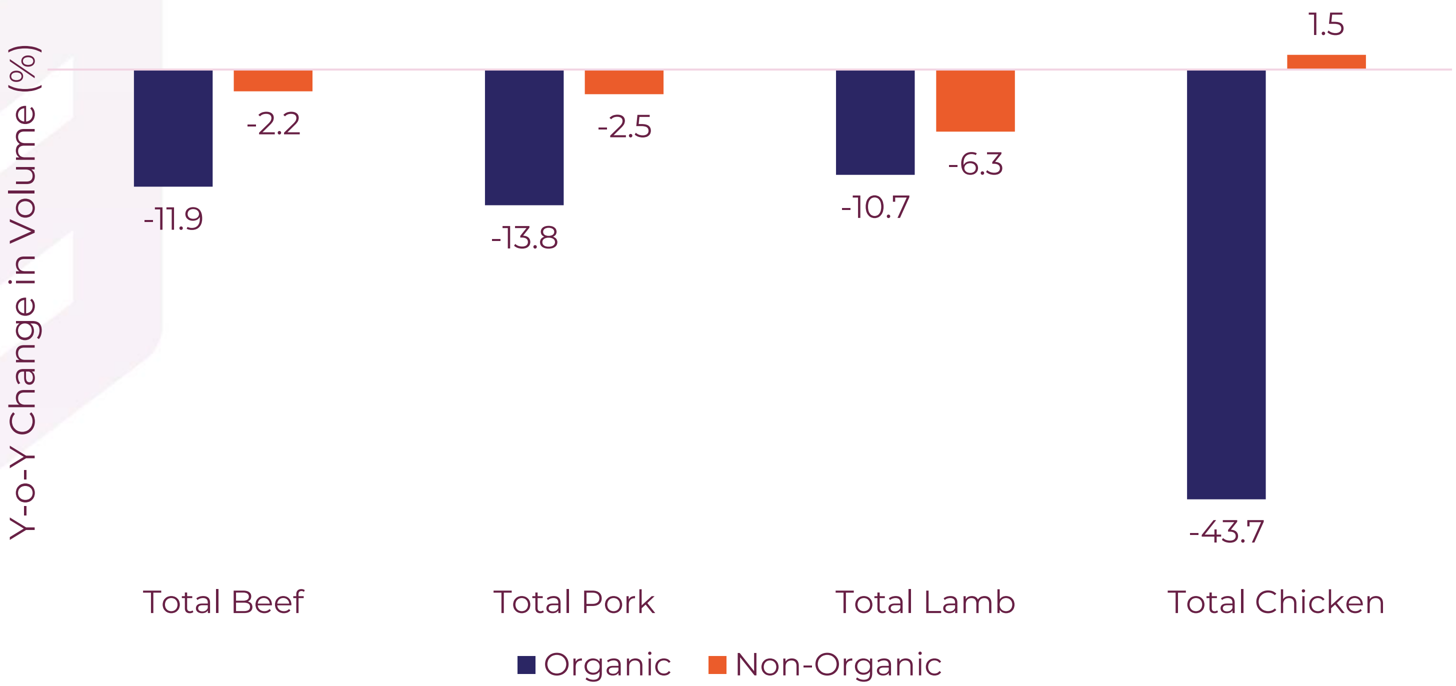
Due to rising prices, higher quality meat products are under pressure. Volume declines for organic red meat outpace conventional products.



2023 Organic opportunities in Scotland & the UK (Aug 23)

Deck **Video**

The cost-of-living crisis has driven consumers to change their purchasing habits to limit spending.

Whilst organic is still relevant (as the 11% of consumers concerned about whether it is organic has remained unchanged YoY (AHDB/You Gov August 2023)), demand for organic meat has fallen.

The importance of organic meat has also dropped with just 27% of consumers claiming buying organic meat is important, down 3 % points YoY (AHDB/You Gov November 2022).

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Source: https://ahdb.org.uk/news/consumer-insight-volume-declines-for-organic-red-meat-and-dairy-outpace-conventional-products
Kantar 52 w/e 03 September 2023

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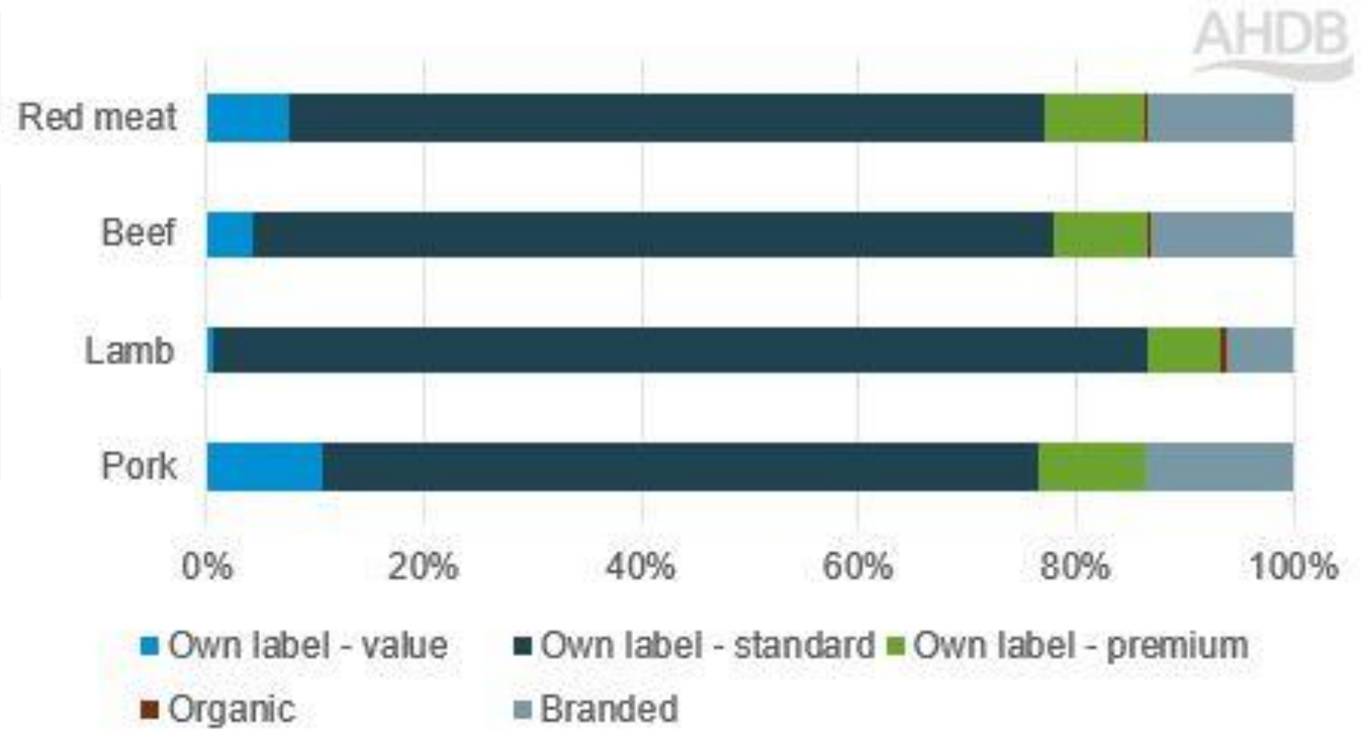
AHDB have seen Value-tier red meat gain share of sales.



Increases to value tier volumes over the last year were seen for:

Beef (+59.1%),
Pork (+30.0%)
Lamb (66.1%)

Partly due to gaining volumes from shoppers switching out of branded, premium and standard tier products

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Source: Source: Kantar, 52 w/e 06 August 2023
https://ahdb.org.uk/news/consumer-insight-value-tier-red-meat-and-dairy-sales-soar-as-other-tiers-suffer

Value tiers have been disproportionately impacted by inflation.

Impacting shoppers from the lowest income groups as they are unable to trade down further.

Mince was the best-performing beef value tier product with sales volumes growing by 179.8% YoY (Kantar, 52 w/e 06 August).

In general, cheaper cuts and family favourites experienced the largest value tier volume gains.

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Source: Kantar, 52 w/e 06 August 2023
https://ahdb.org.uk/news/consumer-insight-value-tier-red-meat-and-dairy-sales-soar-as-other-tiers-suffer

However, there is still a role for premium meat products.

AHDB research identified nearly three in five consumers whose household finances have worsened claim they are going to spend less on eating-out.

Consumers are still looking to treat themselves, with 55% of shoppers agreeing they would be willing to pay extra for better quality meat (AHDB/YouGov Tracker, May 23), despite the current economic challenges.

There have been growth areas in specific types of premium quality meat products, but this tends to be amongst more cheaper cuts.

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Source: https://ahdb.org.uk/news/treat-meals-can-benefit-certain-premium-meat-products

Waitrose looking to broaden beef horizons...

Waitrose has laid out a plan to "widen the availability of native breeds from 2 to 20"

Across all beef ranges, from Fresh meat to sandwich ingredients...

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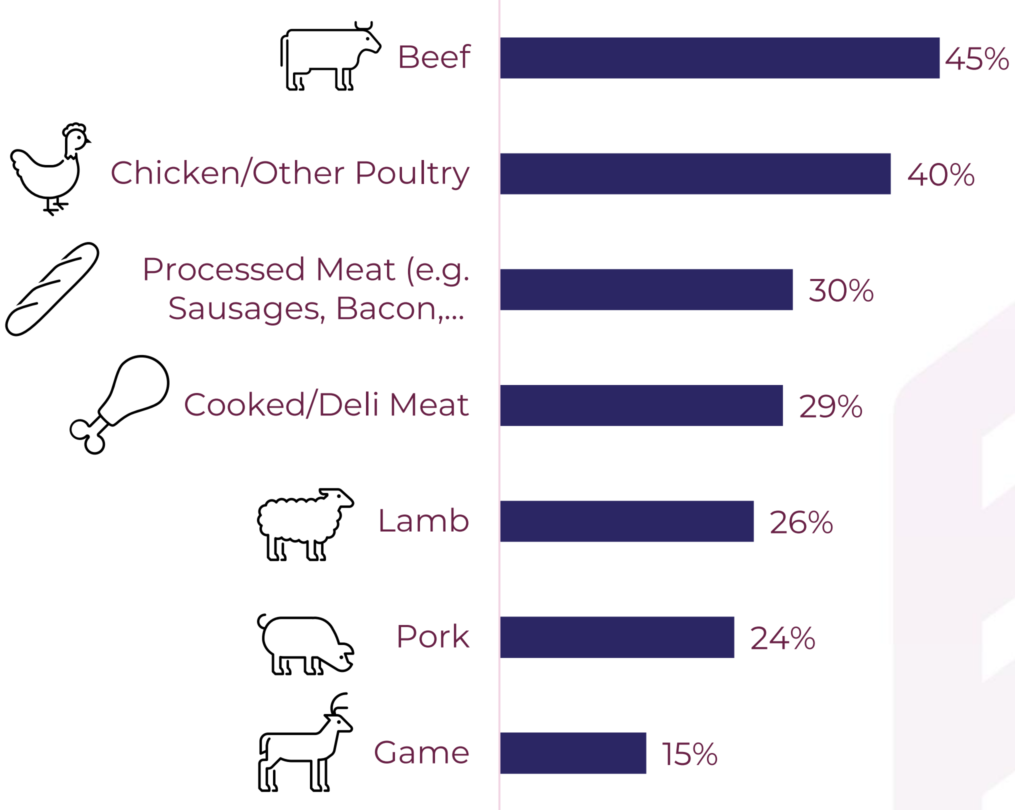
Source: The Grocer, June 2023

Scottish provenance remains important within meat especially for beef and poultry.

Scottish Meat & Poultry Sectors that consumers would like to buy more often



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Source: Scotland Food & Drink, The Knowledge Bank Provenance research, July 2023 I *"Which of the following types of Scottish food and drink, if any, would you most like to be able to buy more"?*

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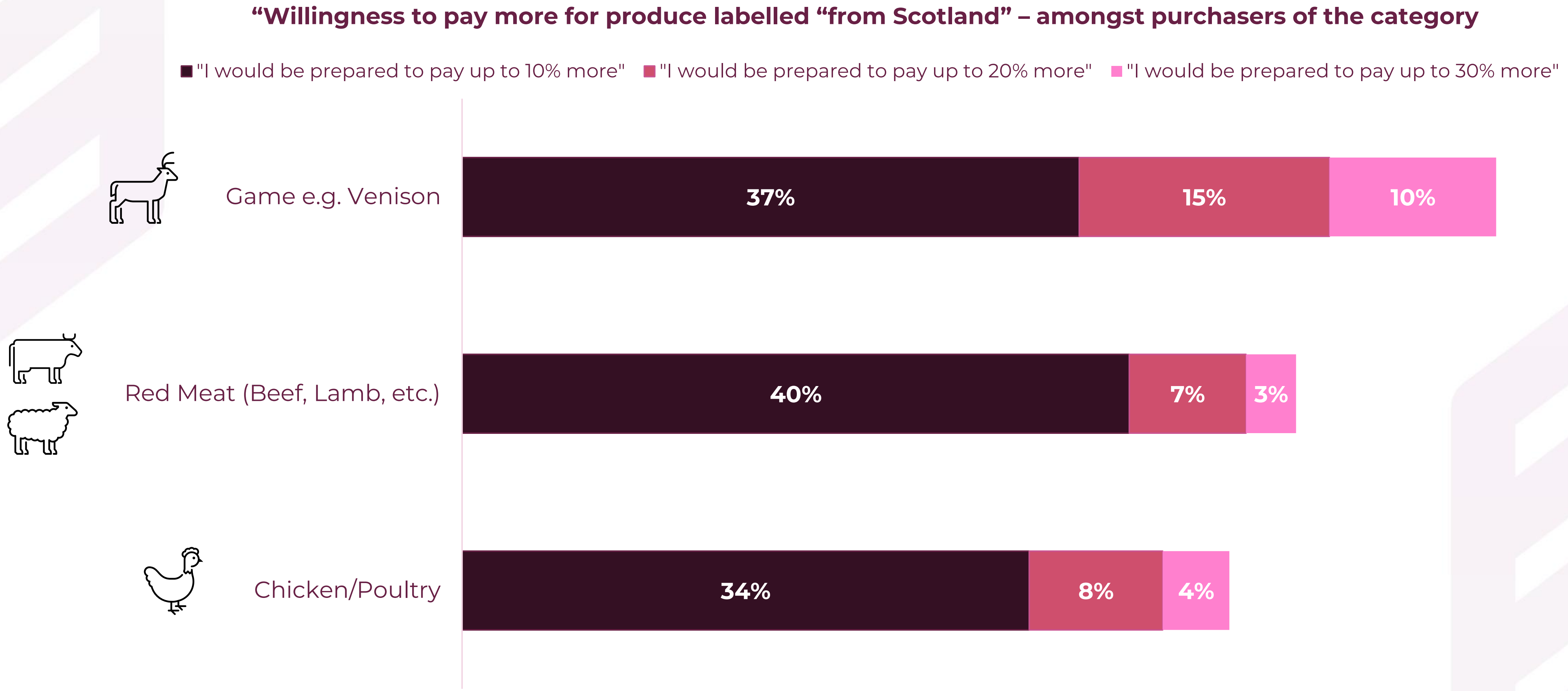
60% of Scottish shoppers would be willing to pay more for a Scottish product. However, the majority of those would only be willing to pay a slight premium for Scottish red meat and poultry.



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Source: Scotland Food & Drink, The Knowledge Bank Provenance research, July 2023 | Scottish Consumers | *“How much would you be willing to pay for each of the following products if they were labelled as from Scotland vs. a product from an unspecified origin? Base: All respondents, amongst* ***purchasers*** *of the category (1,006)*

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Superior taste, meeting high British standards and being fresher due to being made in Scotland are key reasons for choosing Scottish meat.

Top 10 drivers to buy Scottish within MEAT

CATEGORY AVERAGE		Beef	Lamb	Pork	Cooked/ Deli Meat	Processed Meat	Game	Prepared Foods (e.g. Pies, Ready Meals)	Chicken/ Poultry
It has a superior taste	41%	43%	38%	34%	45%	48%	33%	48%	40%
It's made to high British standards	39%	49%	33%	34%	43%	39%	33%	33%	47%
Its fresher by being made in Scotland	35%	36%	36%	34%	28%	32%	50%	27%	34%
It supports the Scottish economy as a whole	33%	32%	31%	30%	35%	38%	36%	28%	31%
It supports local businesses / producers	28%	37%	24%	29%	30%	26%	27%	23%	27%
It features a Scottish flag on pack	27%	32%	29%	33%	26%	29%	27%	17%	25%
Food standards are higher vs. other parts of the world	26%	27%	31%	23%	27%	27%	35%	21%	21%
It features ingredients produced on Scottish farms	26%	34%	18%	20%	28%	29%	35%	22%	23%
It hasn't travelled far to get to store	24%	25%	22%	19%	27%	24%	29%	26%	25%
It's made with local produce or ingredients	24%	27%	21%	25%	25%	24%	27%	25%	15%

More specifically, thinking about occasions when you are deciding which {INSERT CATEGORY} to buy to eat at home, which of the following factors, if any, are important to you? Base: Respondents who purchase products at least once a month (Beef=217, Lamb=100, Pork=132, Cooked/Deli Meat=109, Processed meat=130, Game=66, Prepared foods=110, Chicken/ poultry=102)

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Source: 56 Degree Insight for The Knowledge Bank, Provenance Research, Jul 23

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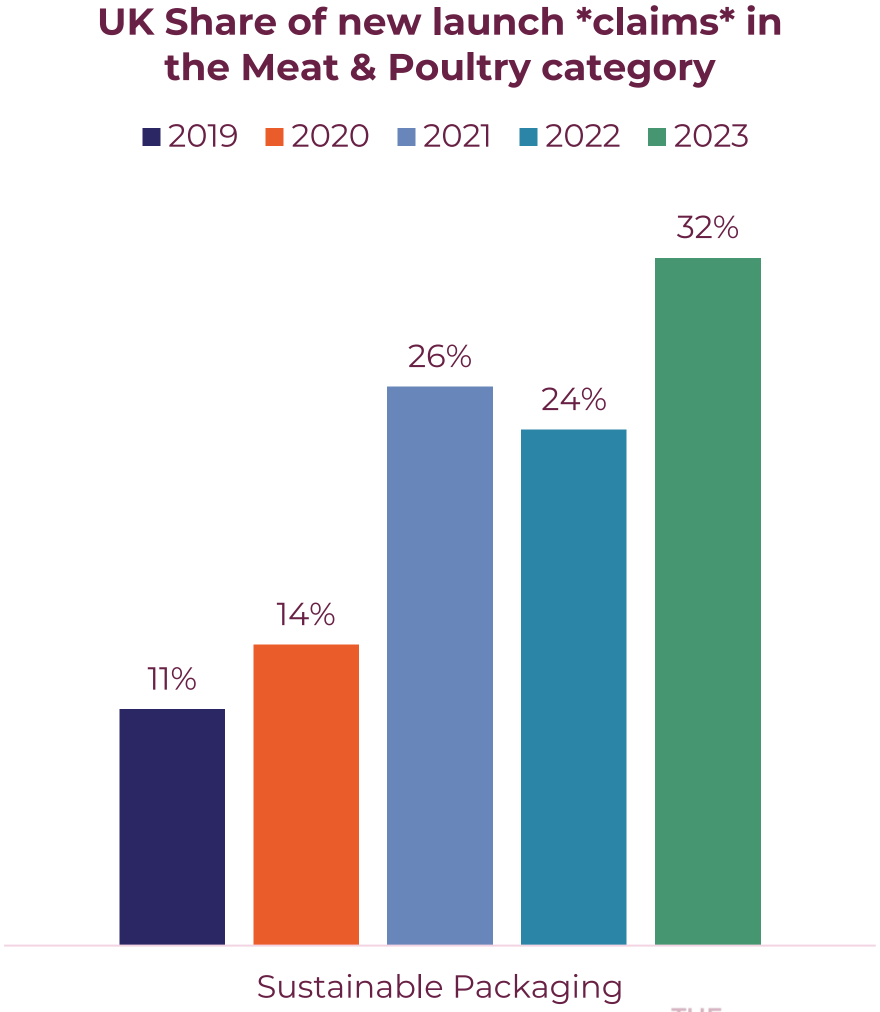
Sustainable packaging has been a key development in the market; Sainsbury's, Co-op, Lidl & Waitrose have introduced new pack formats for mince, while sustainability claims have almost tripled over the last 4 years.



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Source: The Grocer, June 2023

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Further to sustainability, meat substitutes, for dietary or environmental reasons, will continue to rival the sector. Retailers have made public their commitment to grow sales of these products.

Asda

To grow plant-based sales by 100% by the end of 2023.

Co-op

To have 10 products from the GRO range in over 1000 stores by the end of 2023, increasing to 15 by 2025.

Lidl

To increase own brand meat/dairy free product value sales by 400% by 2025.

M&S

To double the sales of plant-based by 2025.

Morrisons

To grow own brand 'Plant Revolution' range by 300% by 2025.

Tesco

To grow meat alternative sales 300% by 2025.

Waitrose

To increase the volume of fruits, vegetables and plant-based foods by 10% by 2030.

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Source: Food Foundation, 2023, 'The State of the Nation's Food Industry'.

Meat alternative products have experienced a difficult year.

Meat-free has been named one of the worst performing categories in 2023 according to new data from NIQ for The Grocer's Top Products survey 2023.

Category sales have declined £34.8m as shoppers look to save money amid the cost-of-living crisis.

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Source: https://www.grocerygazette.co.uk/2023/12/16/meat-free-sales-savings/

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Adverse Press surrounding ultra processed food (UPFs) will also have a potential impact on sales of processed meat such as sausages and bacon.

49%
Heard of UPFs

Changes made because of info seen or read about UPFs?

41%	28%	23%	8%
Yes	No, but I want to make changes	No, and I don't plan to make any changes	Don't know

Source: Levercliff Consumer Tracker. Base: 817 Q Before today, have you ever heard of the term, "ultra processed food"? 402 Q Have you made any changes to what you buy or eat as a result of what you may have seen or read about ultra processed foods?

Major Multiples contending with Discounters

Major multiples continue to ramp up ways to deter consumers from trading down into the Discounters channel, mainly via their loyalty schemes.

Sainsbury's adds Christmas dinner deal to Nectar Prices

"Consumers' appetite for the traditional Christmas dinner was particularly strong in 2023, with volumes of parsnips, sprouts and potatoes up 12%, 9% and 8% respectively, and chilled gravy up by 11%. **Festive meats including pigs in blankets, sausages, hams and, of course, turkeys were also up by 6% collectively**.

Tesco, Sainsbury's, Asda, Morrisons and Waitrose accounted for a combined market share of 70% during the 12 weeks to 24 December. [...] Lidl's market share rose by 0.5 percentage points to 7.7% and Aldi's grew 0.2 percentage points, meaning its market share now stands at 9.3%. "*

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Source: The Grocer, November 2023, Kantar November 2023, *Kantar article "Record numbers hit the shops as supermarkets experience busiest Christmas since 2019"

Price inflation continues to have an impact on consumer behaviour creating opportunities for producers to adapt to changing tastes.

Meat & Poultry Trends Update 2023

Comfort Classics

As prices increase, some consumers have retrenched slightly and stuck with what they know. This has led to a growing interest in mince, a staple in classic dishes.

Value (Affordability)

Meat & Poultry have reached pricing record highs not seen since the 1990's resulting in consumers becoming more resourceful.

Both in terms of a shift towards choosing more cost-effective meat or cheaper cuts, and consciously reducing food waste.

Starring Chicken

Affordability and smaller carbon footprint has made chicken more popular and a greater focal point for NPD.

Selling Sustainably

Producers need to consider how to make it easier for consumers to purchase more sustainably produced meat. Within chicken, consumers have a choice of Higher Welfare, Free Range and Organic meat.

Carbon Hoofprint

Meat consumption has been the subject of intense scrutiny in relation to the climate crisis, which is driving technological advancements to enable farmers become more environmentally friendly.

Consumers are becoming more considered in their meat purchases, which should benefit demand for regional and /or locally produced meat.

Waste Not

Consumers in the current environment are likely to be more open to Nose-to-Tail eating, lesser-known cuts or consuming meat from older animals.

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Source: The Food People: Meat & Poultry Category Snapshot, 2023

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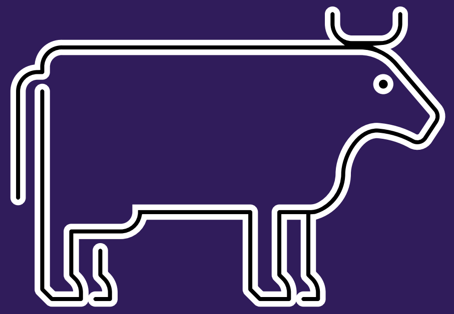
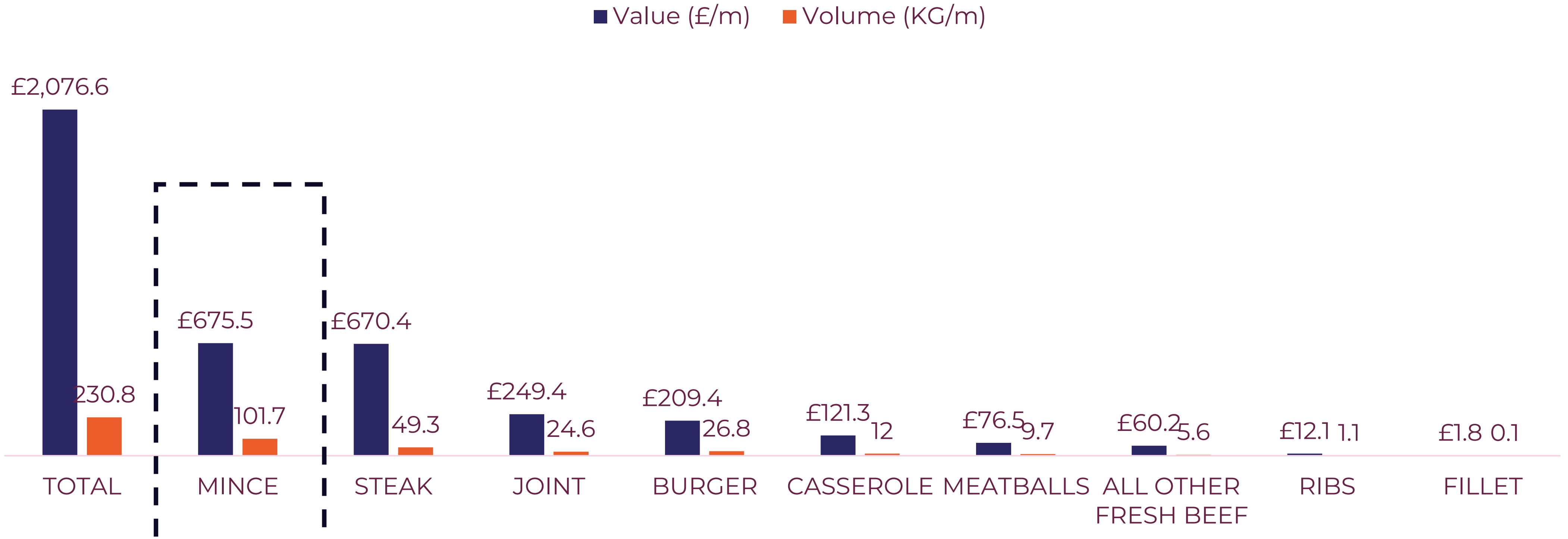
Beef



The performance of most cuts have improved compared to the previous year. Mince is the only major product in growth, driven by its affordability, in addition to being a well-known, versatile cut for consumers seeking to cook from scratch.

Fresh Beef Sub-sectors: GB 52-week Performance by Value and Volume



Val Change vs YA %	8.8%	14.9%	7.3%	3.0%	7.4%	4.1%	10.0%	-0.3%	23.2%	-21.1%
Vol Change vs YA %	-1.3%	1.7%	-1.1%	-7.6%	-0.2%	-10.0%	-2.0%	-14.1%	28.1%	-29.1%

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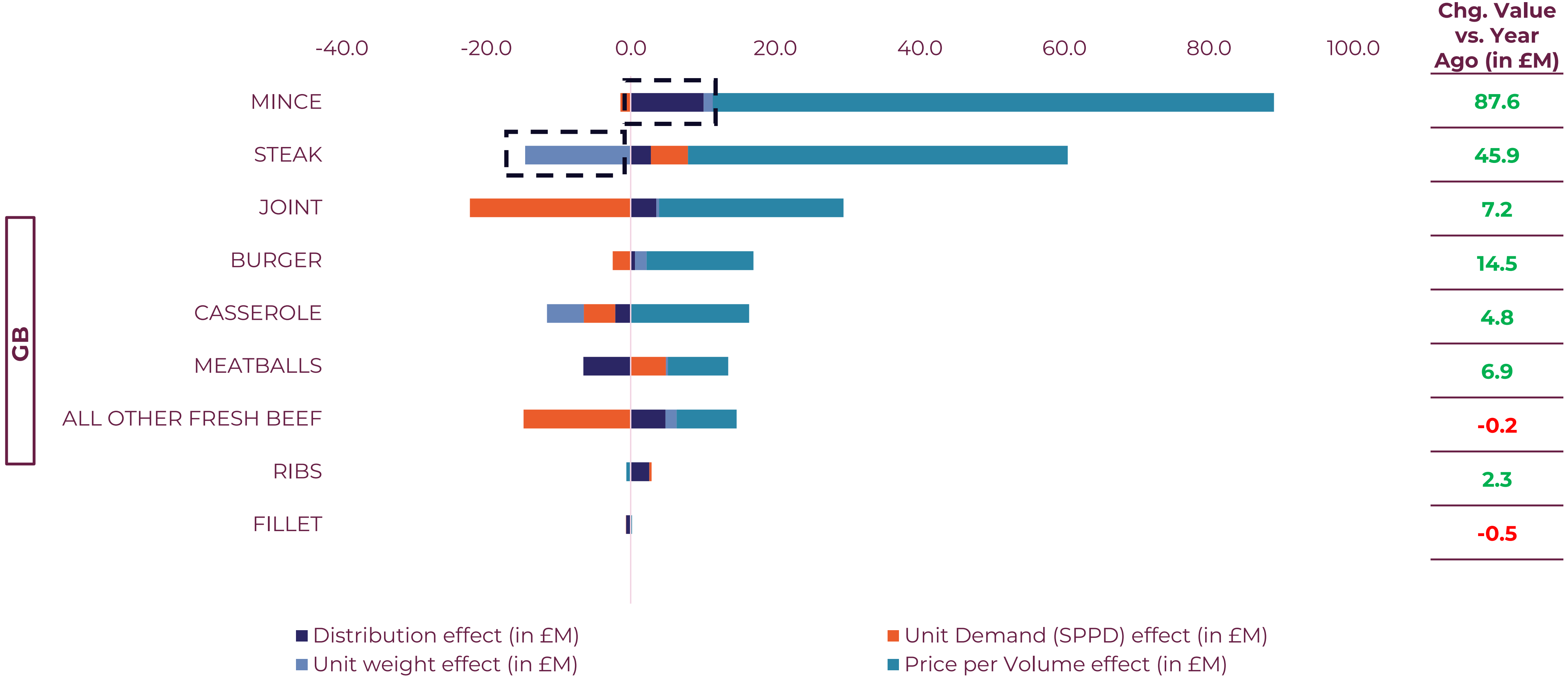
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

Consumers have demonstrated two different coping strategies within beef; buying slightly larger packs of mince to achieve better value and smaller packs of steak to pay a lower price point.

Beef Sub-sectors 52-week Performance Drivers by Value (£M): GB



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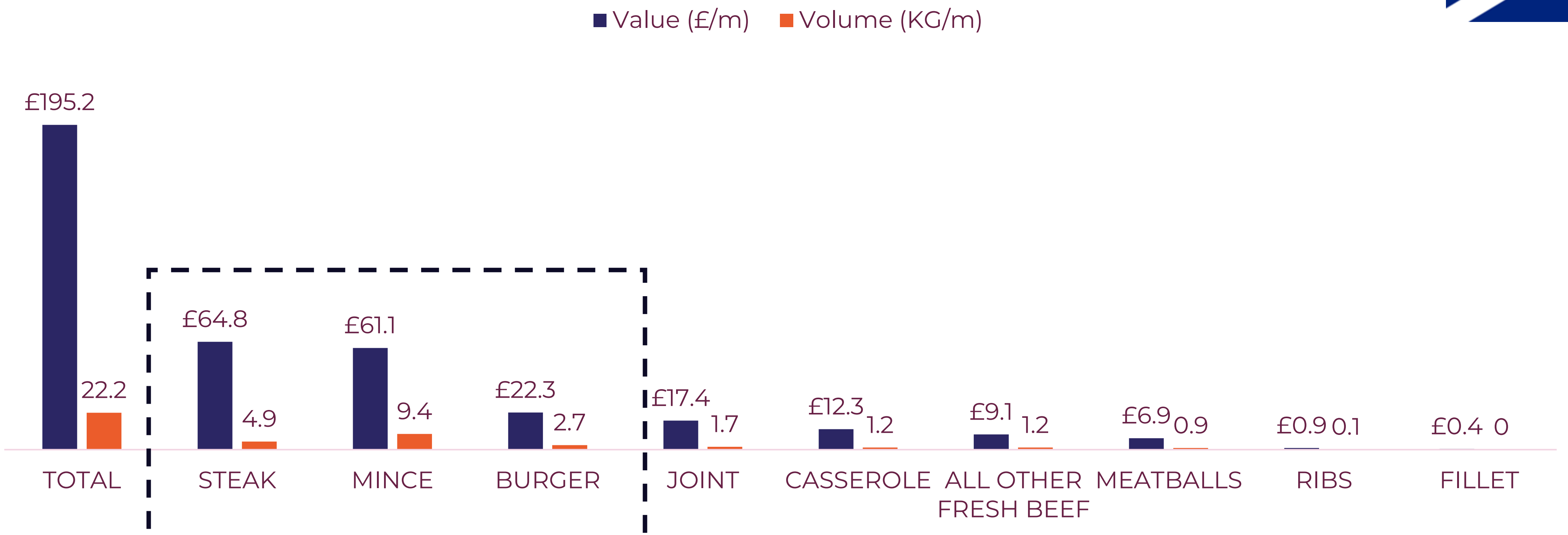
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

The key sub-sectors in Scotland have shown greater resilience. Additionally, Scotland maintains a unique preference for Steak over Mince, while Burgers also have a greater share in Scotland vs GB.

Fresh Beef Sub-sectors: GB 52-week Performance by Value and Volume



Val Change vs YA %	8.0%	5.7%	13.0%	9.2%	2.4%	8.9%	-1.9%	10.3%	21.4%	-19.4%
Vol Change vs YA %	-1.5%	1.0%	0.1%	0.1%	-9.4%	-6.2%	-10.3%	0.2%	13.6%	-19.1%

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Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

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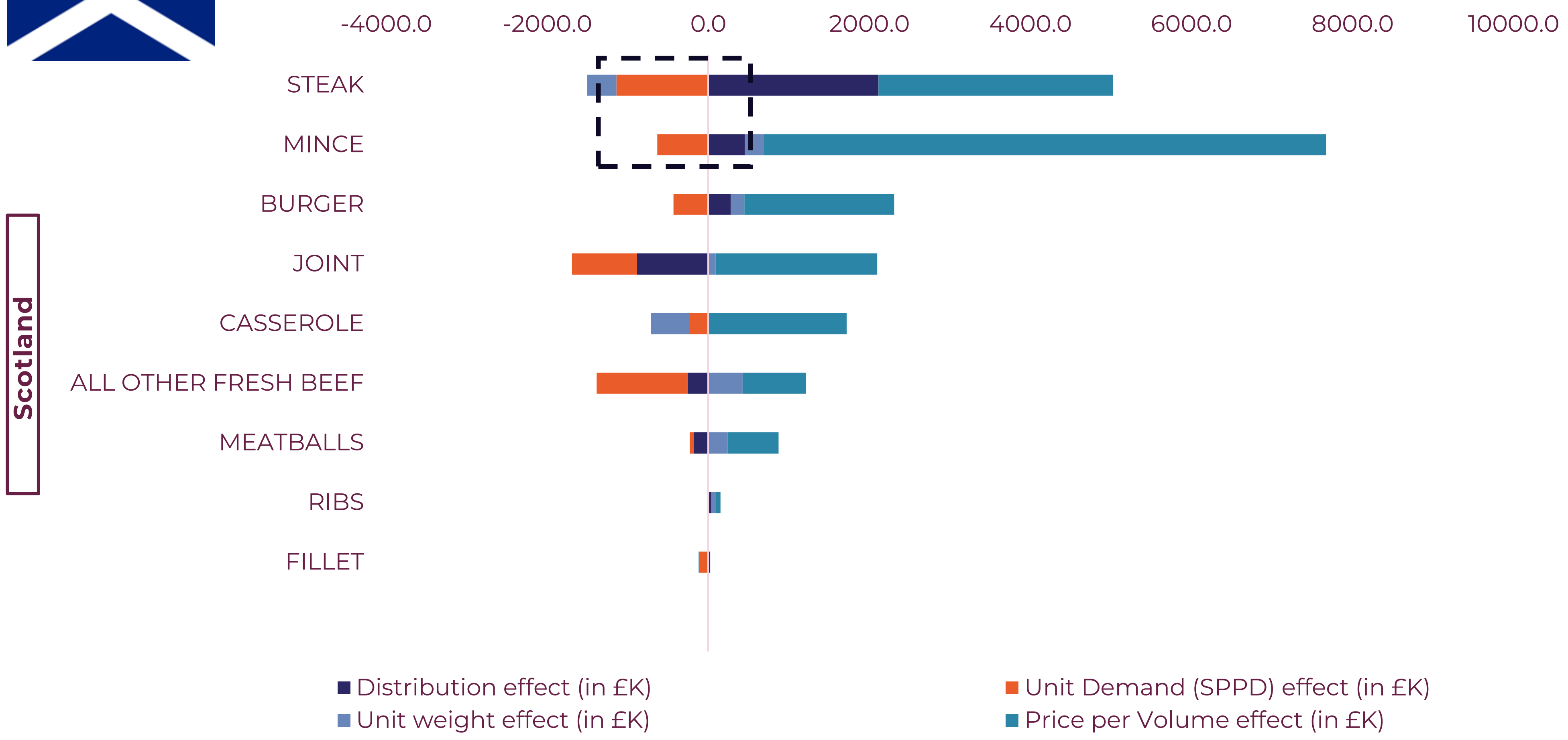
Value growth is more so driven by inflation and distribution in Scotland with underlying unit demand declining across the major segments.

Beef Sub-sectors 52-week Performance Drivers by Value (£K): Scotland



Chg. Value vs. Year Ago (in £K)
3,521.6
7,038.7
1,877.3
408.7
1,006.6
-171.7
644.4
153.5
-92.6

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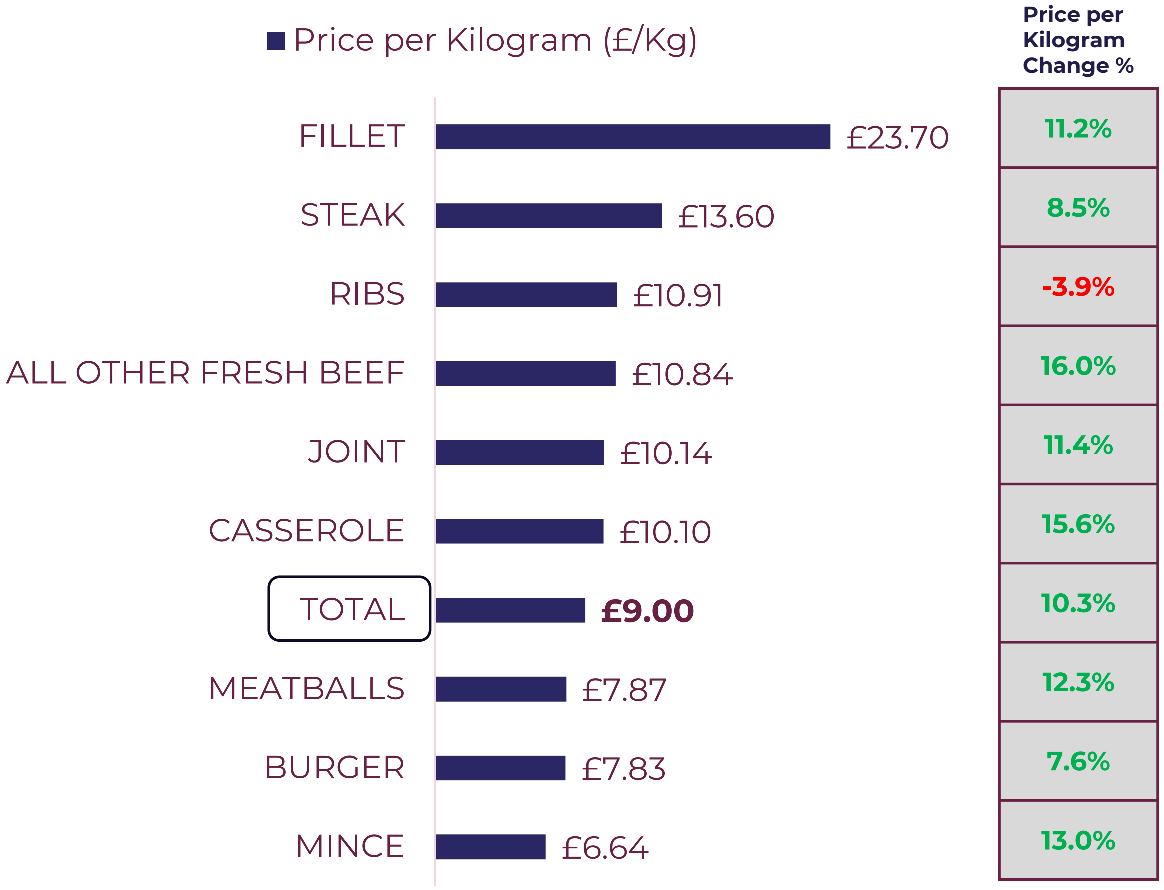
Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

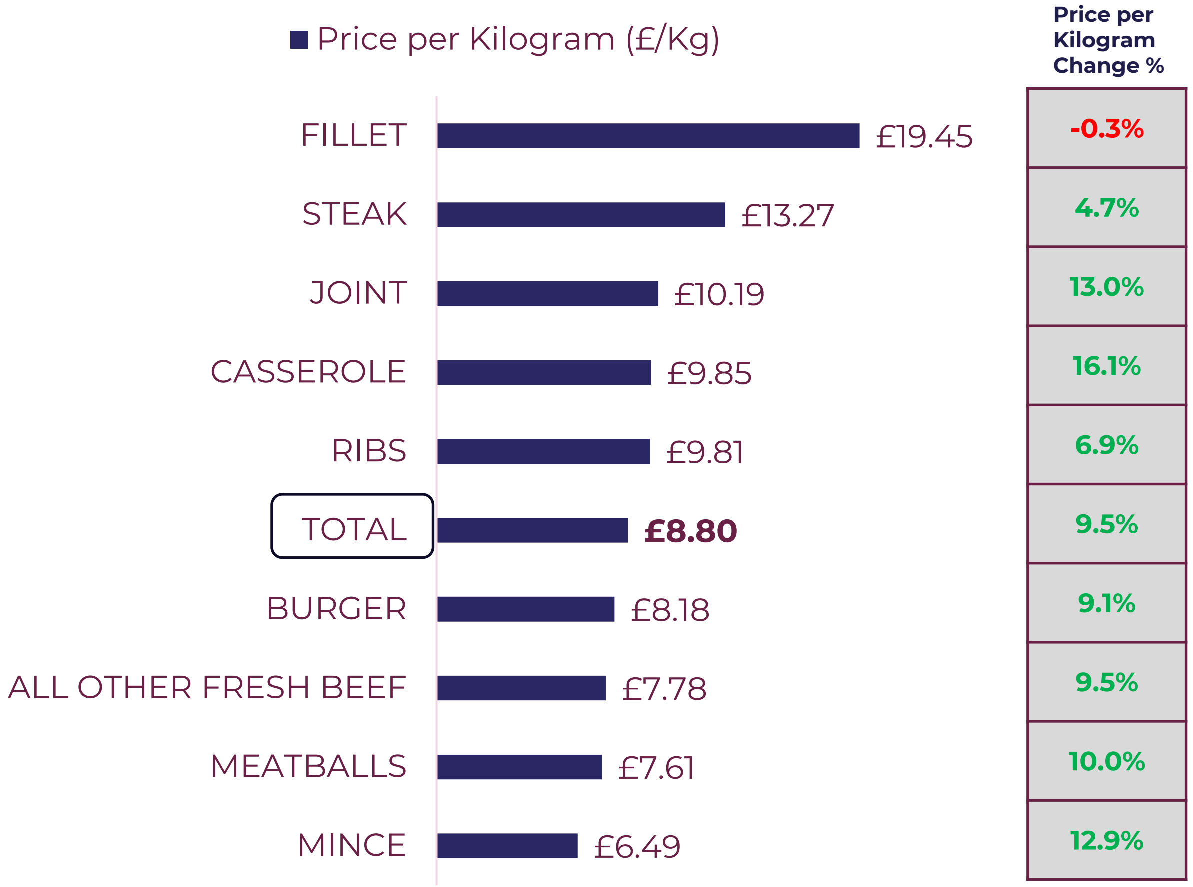
THE KNOWLEDGE BANK

Scottish consumers are paying a cheaper price for beef vs the wider UK market (2% cheaper), Fillet more than £4 cheaper per kilogram. There is a slightly higher uptake on promo activity in Scotland and mainstream retailers have a greater share of sales.

Fresh Beef Sub-sectors: GB 52-week Performance by Value and Volume



Fresh Beef Sub-sectors: Scotland 52-week Performance by Value and Volume



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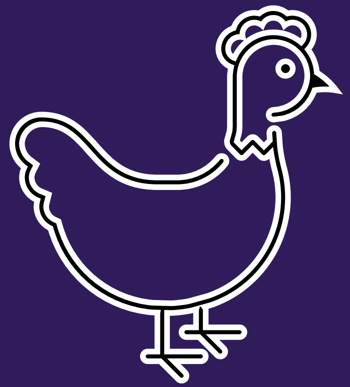
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

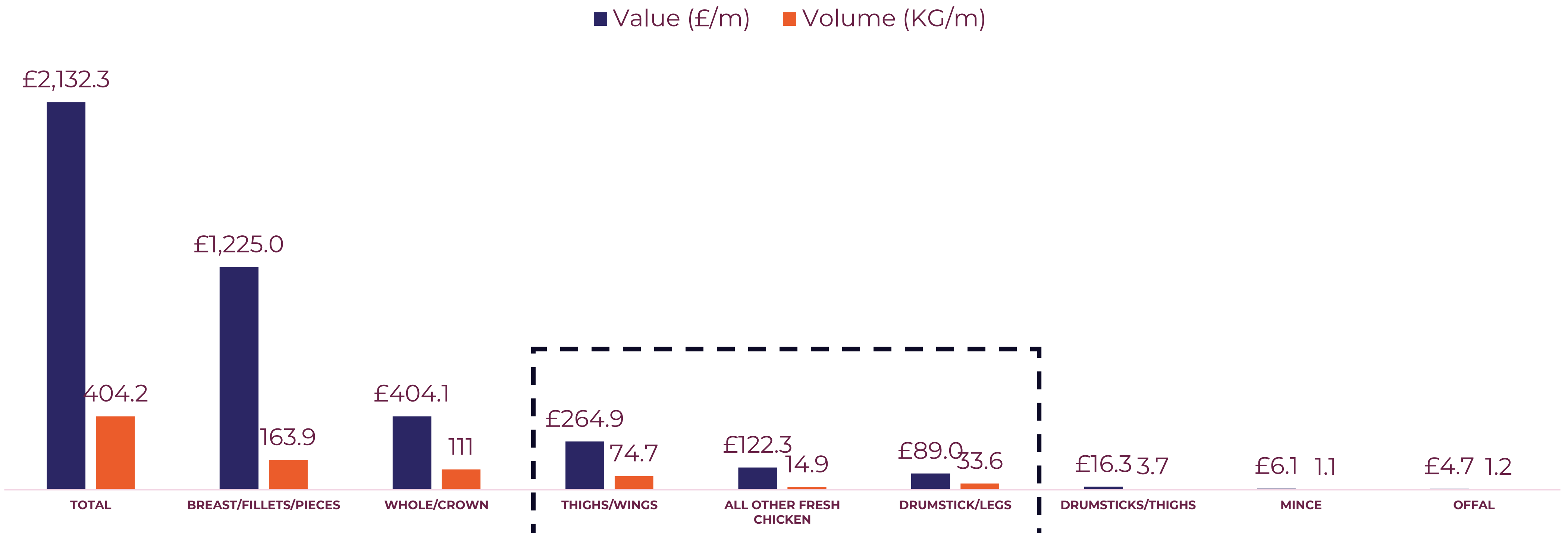
THE KNOWLEDGE BANK

Chicken



The strong growth in chicken has been driven by cheaper cuts. Thighs & Wings have added c.£60 million to the category.

Fresh Chicken Sub-sectors: GB 52-week Performance by Value and Volume



	TOTAL	BREAST/FILLETS/PIECES	WHOLE/CROWN	THIGHS/WINGS	ALL OTHER FRESH CHICKEN	DRUMSTICK/LEGS	DRUMSTICKS/THIGHS	MINCE	OFFAL
Val Change vs YA %	15.2%	12.6%	11.2%	30.9%	15.2%	30.9%	3.5%	37.6%	27.8%
Vol Change vs YA %	2.0%	-2.4%	-0.2%	11.1%	15.4%	2.8%	-9.0%	-8.7%	25.8%

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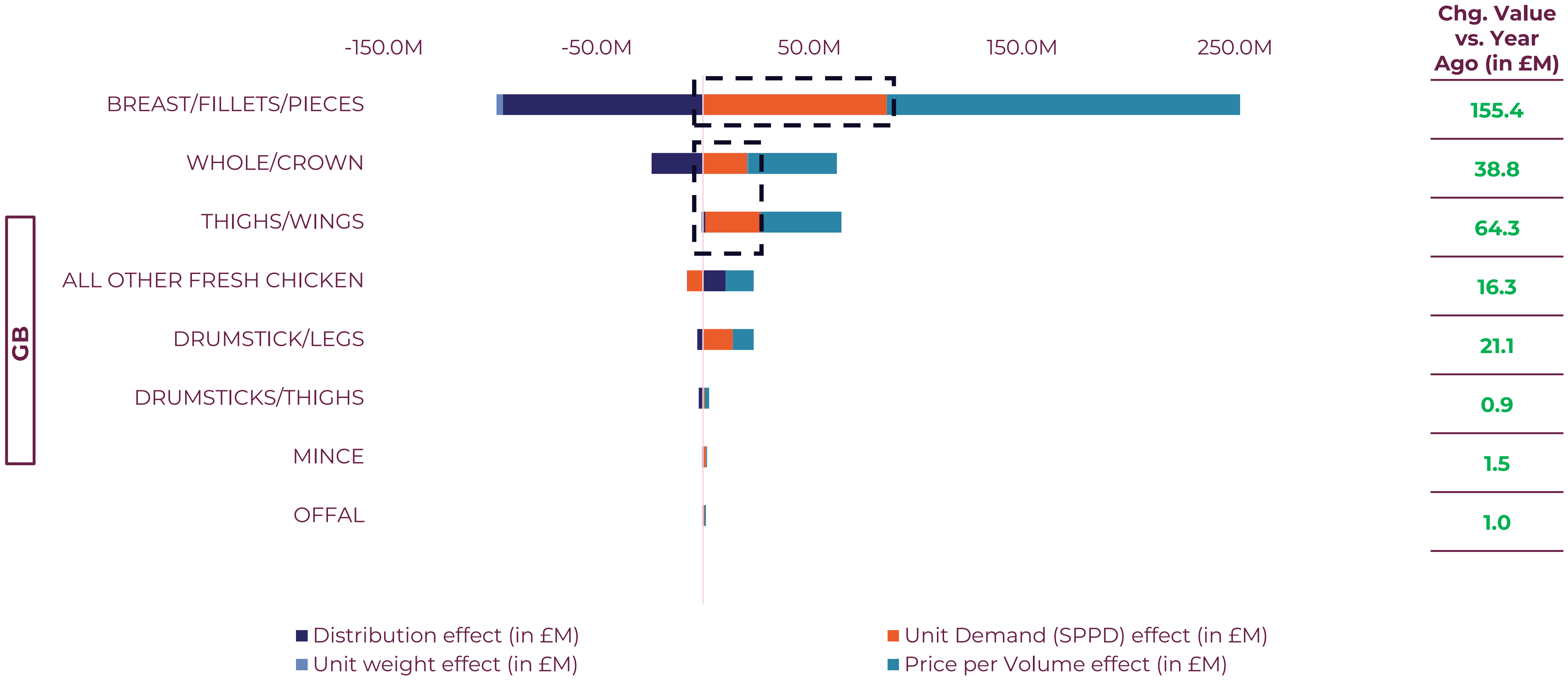
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

THE KNOWLEDGE BANK

While inflation is impacting Chicken, demand is higher due to its relative affordability when compared to other categories.

Chicken Sub-sectors 52-week Performance Drivers by Value (£M): GB



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Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

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This trend is also reflected in Scotland; however, Scotland has a greater preference for Breast/Fillets/Pieces with a value share of 64% of its total chicken sales (57% at GB level).

Fresh Chicken Sub-sectors: Scotland 52-week Performance by Value and Volume

	TOTAL	BREAST/FILLETS/PIECES	WHOLE/CROWN	THIGHS/WINGS	ALL OTHER FRESH CHICKEN	DRUMSTICK/LEGS	DRUMSTICKS/THIGHS	MINCE	OFFAL
Val Change vs YA %	14.0%	11.9%	10.4%	33.6%	13.3%	33.9%	-9.7%	-7.1%	38.0%
Vol Change vs YA %	1.0%	-2.8%	-0.5%	12.4%	1.2%	16.1%	-18.4%	-19.8%	24.0%

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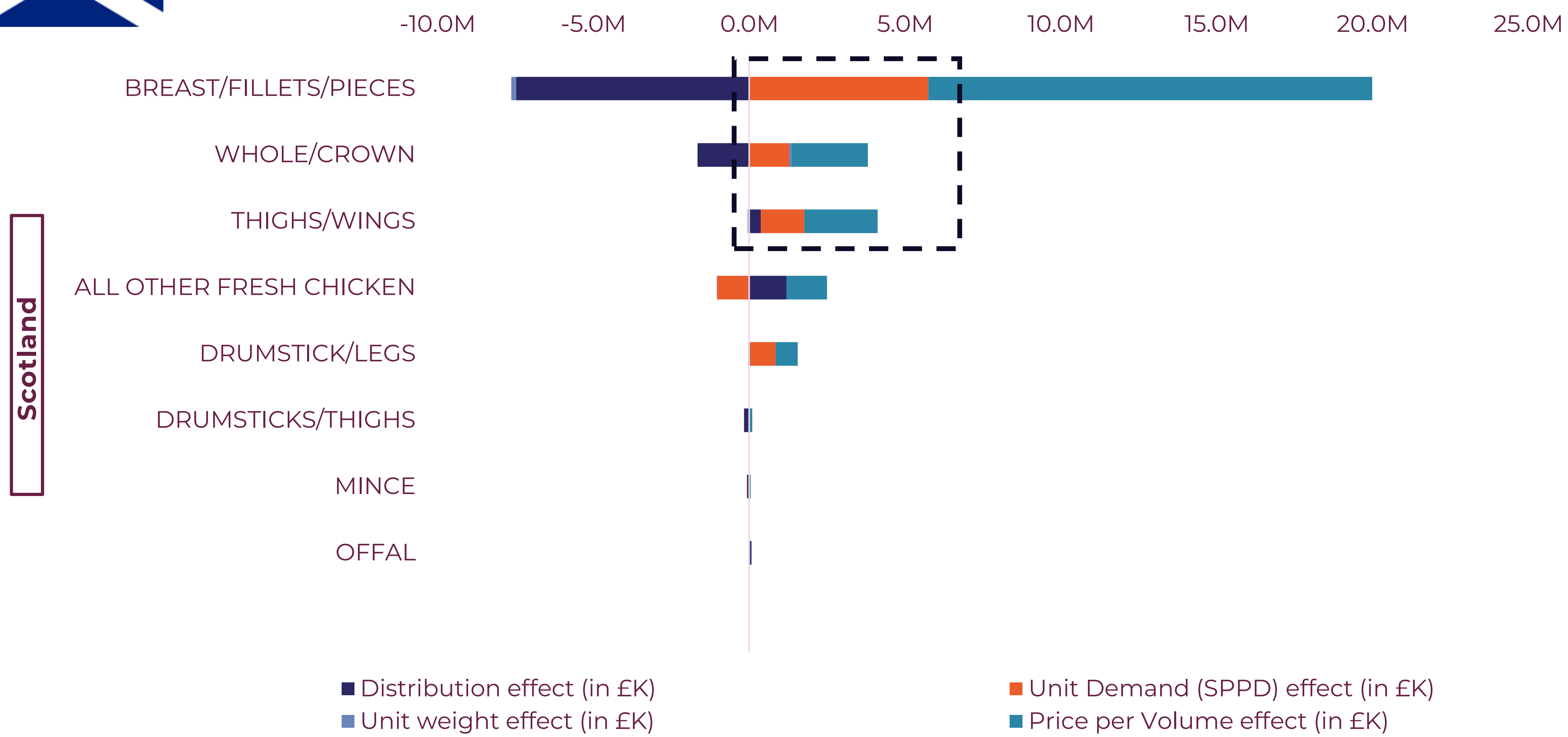
Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

THE KNOWLEDGE BANK

Scottish Chicken value growth is also being driven by inflation and increased demand.

Chicken Sub-sectors 52-week Performance Drivers by Value (£M): Scotland



Chg. Value vs. Year Ago (in £M)
12.4
2.1
4.1
1.5
1.5
-0.1
-0.03
0.1

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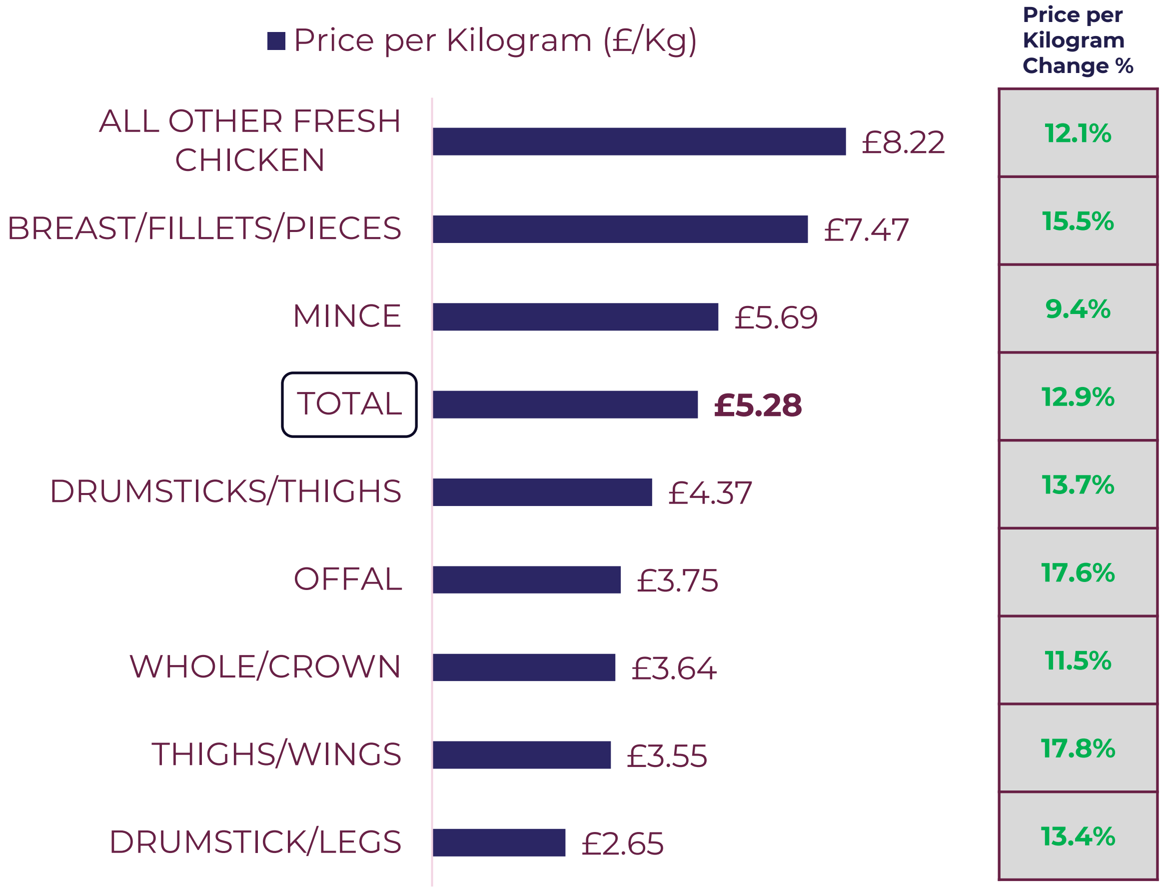
Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

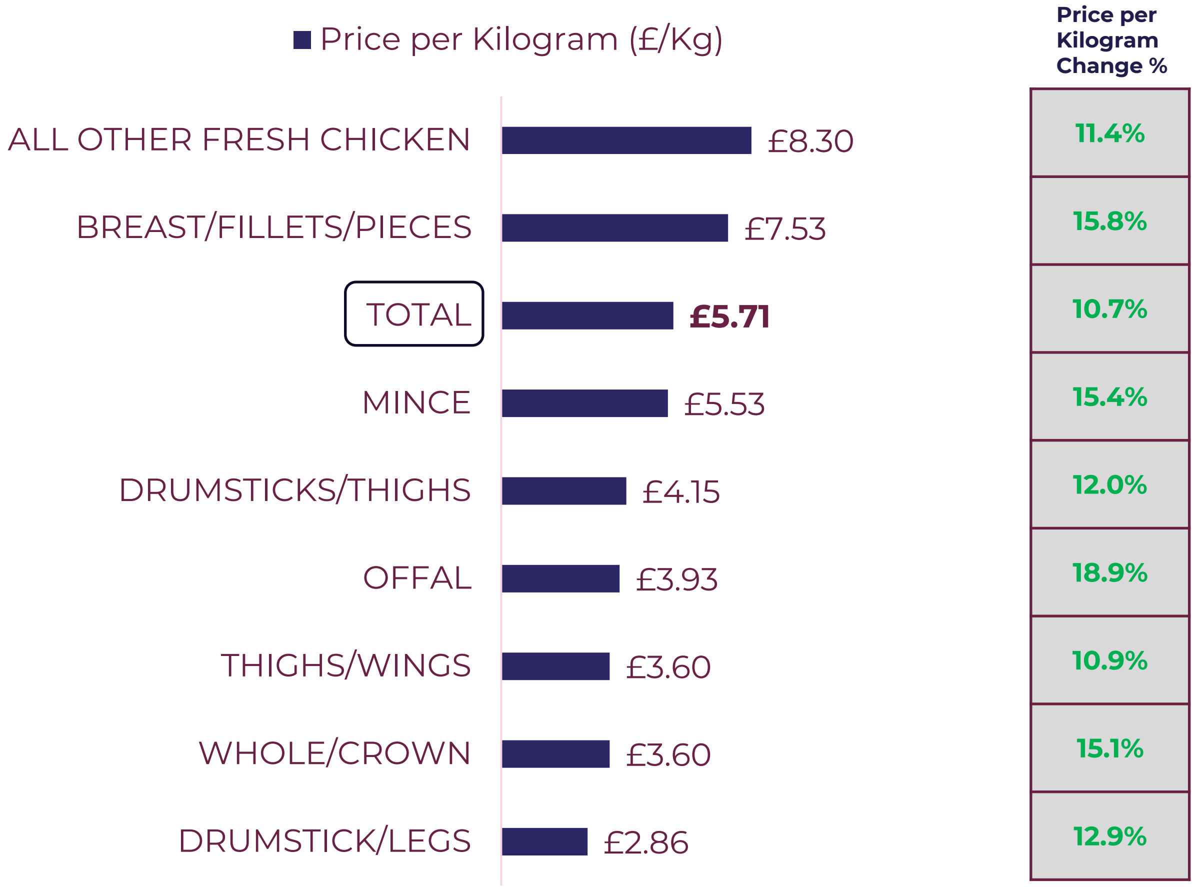
THE KNOWLEDGE BANK

Both Scotland and the wider GB market have similar levels of inflation per sub-sector, though Chicken is roughly 9% more expensive in Scotland compared to GB.

Fresh Chicken Sub-sectors: GB 52-week Performance by Value and Volume



Fresh Chicken Sub-sectors: Scotland 52-week Performance by Value and Volume



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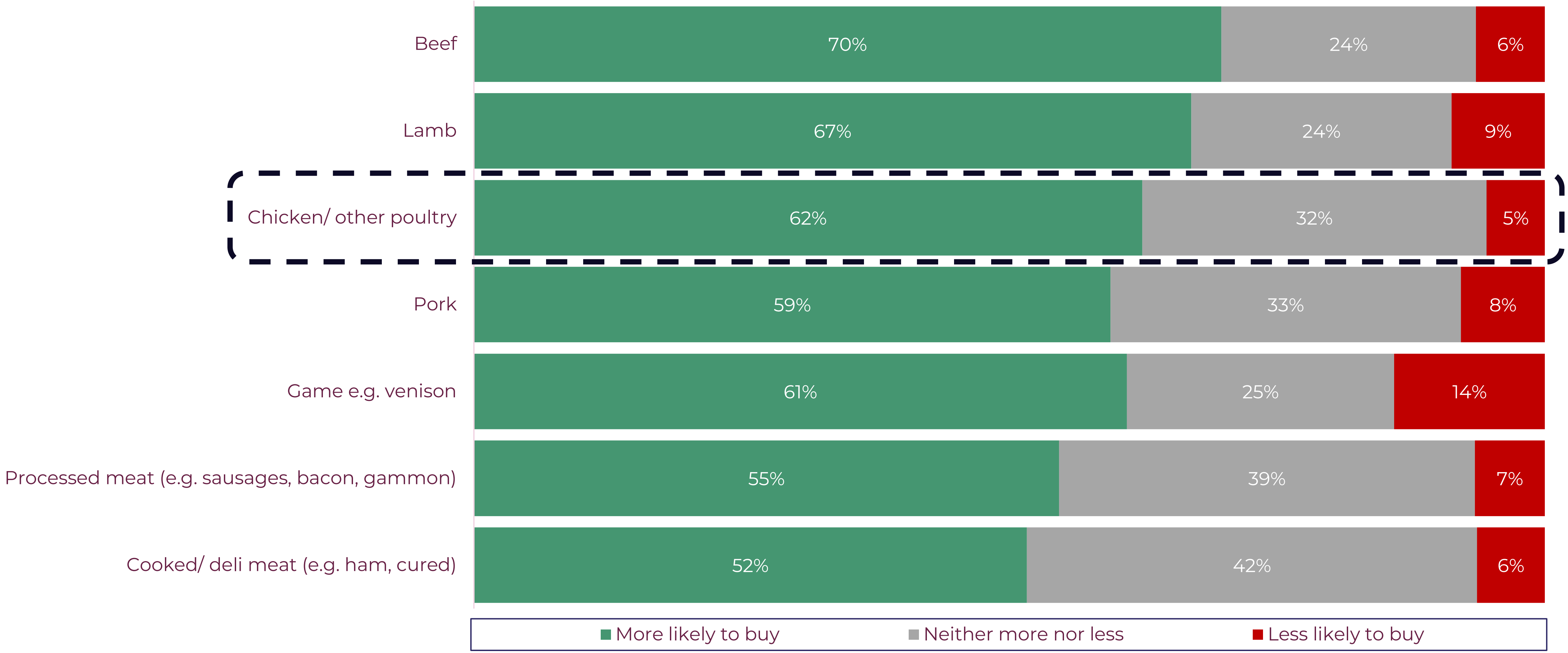
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

THE KNOWLEDGE BANK

There is a similar interest Scottish Poultry vs Beef and Lamb – highlighting its importance to the category.

Whether more or less likely to buy products if they are made in Scotland



Q27 When you are buying food and drink, are you more or less likely to buy the following products if you know that they are grown, reared or produced in Scotland? (Based on those who normally ever buy products in each category ranging from 962 for Vegetables to 189 for low and no alcohol spirits)

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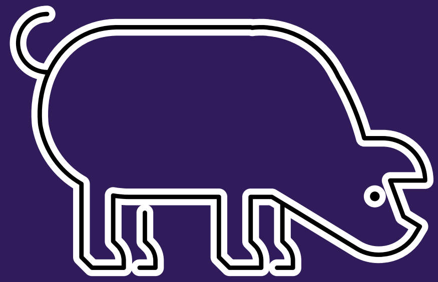
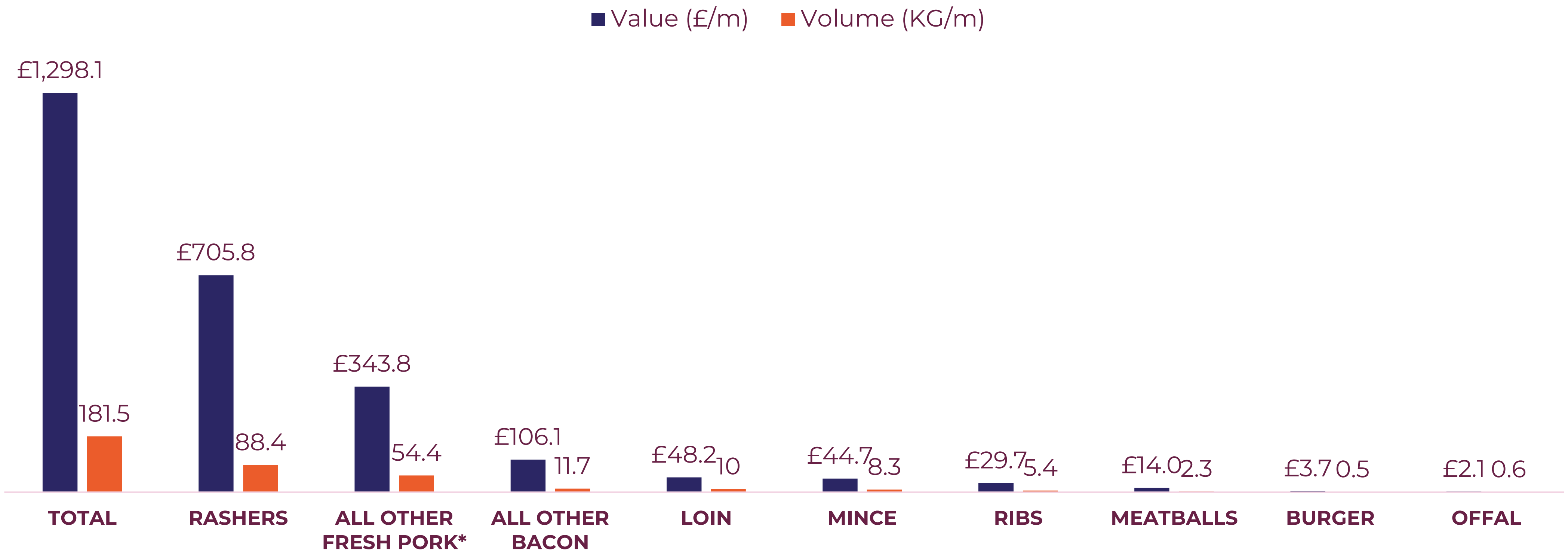
Source: 56 Degree Insight for The Knowledge Bank, Provenance Research, Jul 23

Pork



Pork is being heavily impacted by inflation, more so than any other category, with no leading sub-sector in volume growth. Pork mince is in strong growth due to its relative affordability vs beef mince.

Fresh Pork Sub-sectors: GB 52-week Performance by Value and Volume



	TOTAL	RASHERS	ALL OTHER FRESH PORK*	ALL OTHER BACON	LOIN	MINCE	RIBS	MEATBALLS	BURGER	OFFAL
Val Change vs YA %	10.9%	12.1%	12.9%	1.0%	-2.2%	27.3%	5.0%	11.2%	13.0%	-5.4%
Vol Change vs YA %	-4.1%	-1.8%	-6.3%	-8.5%	-17.4%	11.9%	-5.5%	8.6%	11.6%	-11.2%

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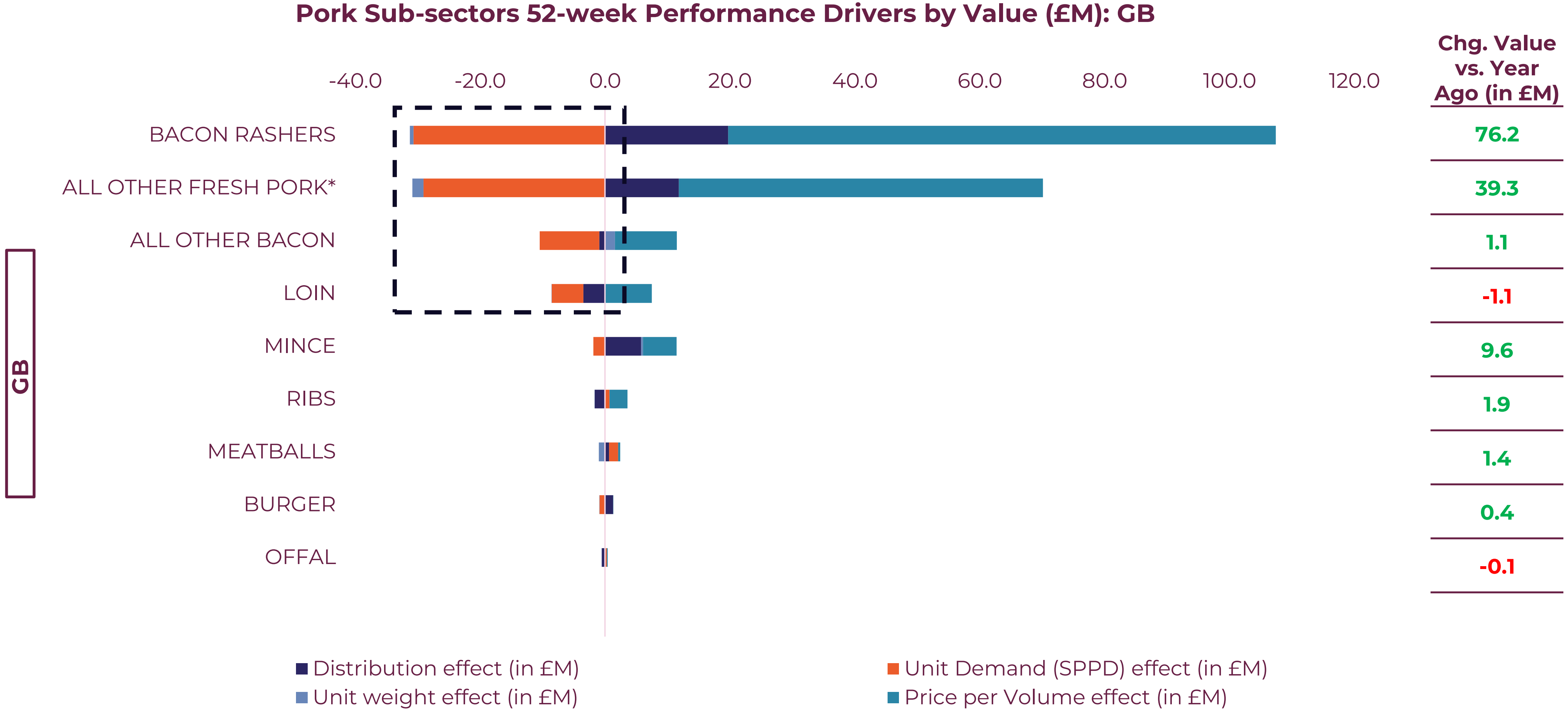
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023 *Includes Steaks, Joints and Chops

THE KNOWLEDGE BANK

Pork suffers heavily from a reduction in demand, despite growing its distribution. Improving consumer awareness on Pork being a quality protein source could help galvanize demand.



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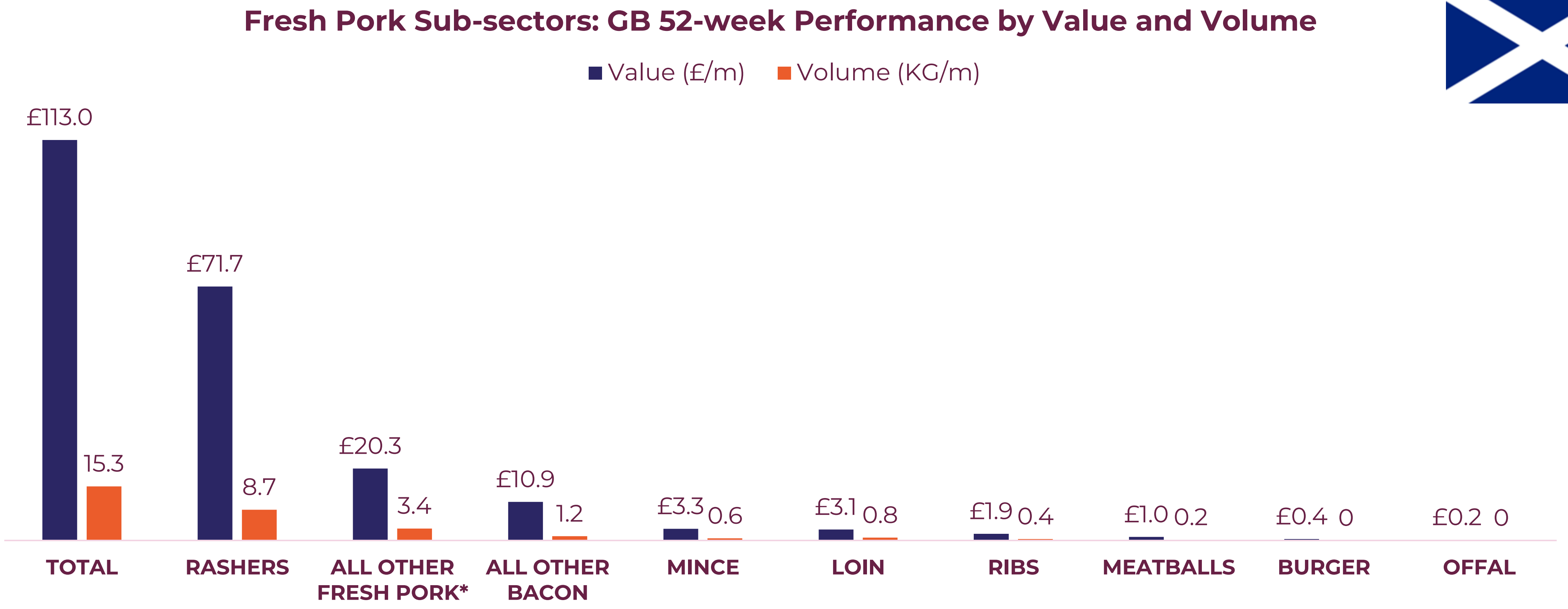
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023 *Includes Steaks, Joints and Chops

THE KNOWLEDGE BANK

The decline in Scotland has been greater than the wider GB market, predominantly driven by a strong decline in raw cuts of pork.



	TOTAL	RASHERS	ALL OTHER FRESH PORK*	ALL OTHER BACON	MINCE	LOIN	RIBS	MEATBALLS	BURGER	OFFAL
Val Change vs YA %	9.8%	12.7%	10.6%	-2.8%	18.5%	-4.4%	10.9%	-8.1%	-9.0%	5.3%
Vol Change vs YA %	-6.0%	-2.5%	-9.4%	-14.5%	0.6%	-18.8%	-0.5%	-12.9%	-13.2%	-1.8%

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Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023 *Includes Steaks, Joints and Chops

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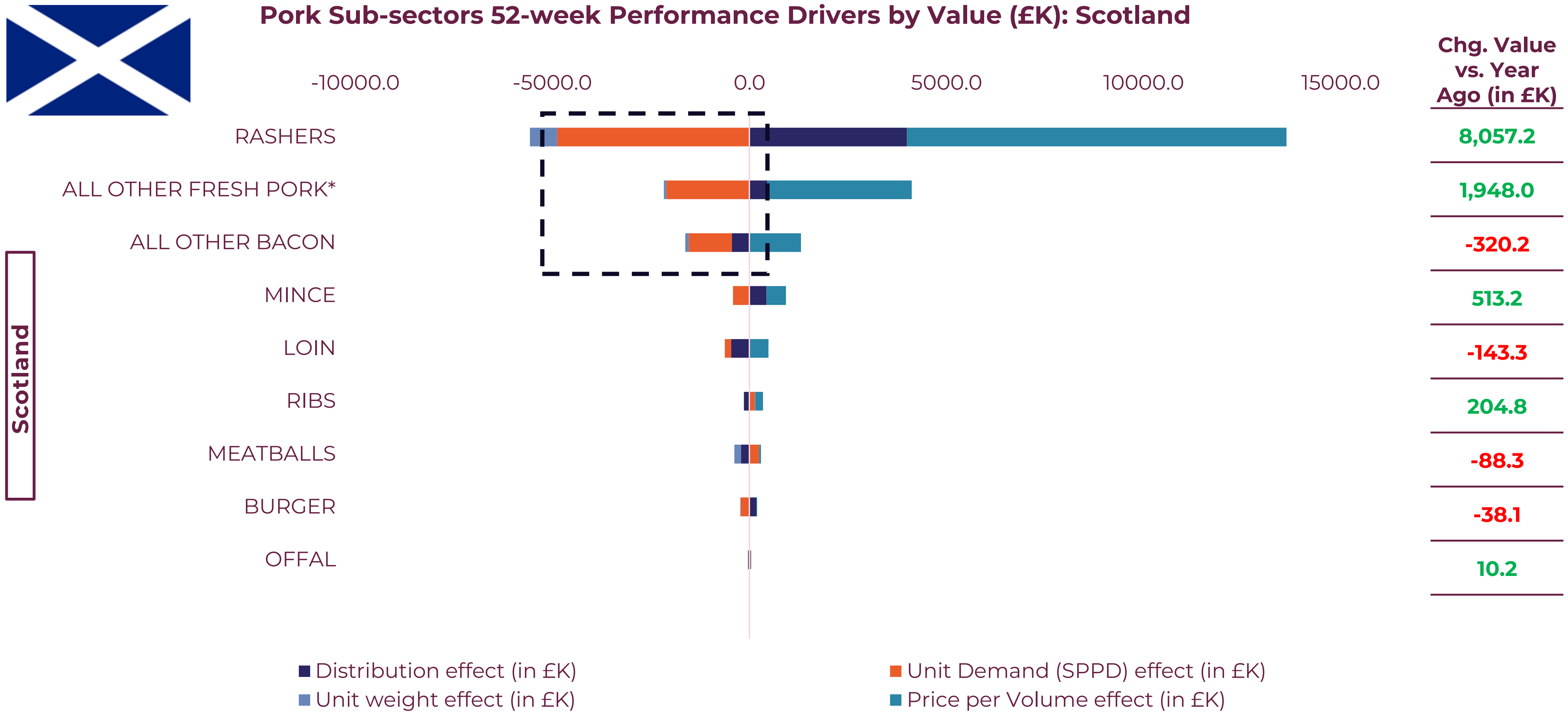
Similar to the wider GB market there is a strong decline in demand.



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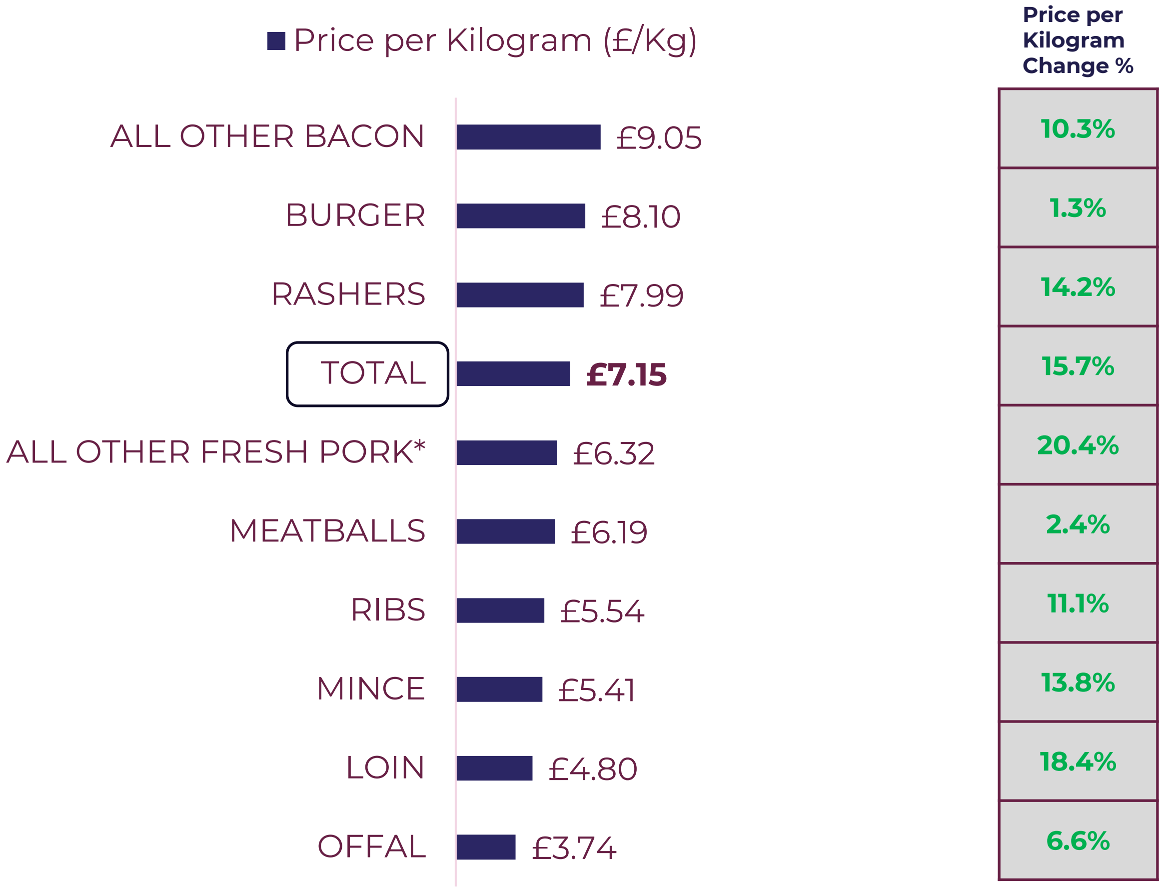
Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023 *Includes Steaks, Joints and Chops

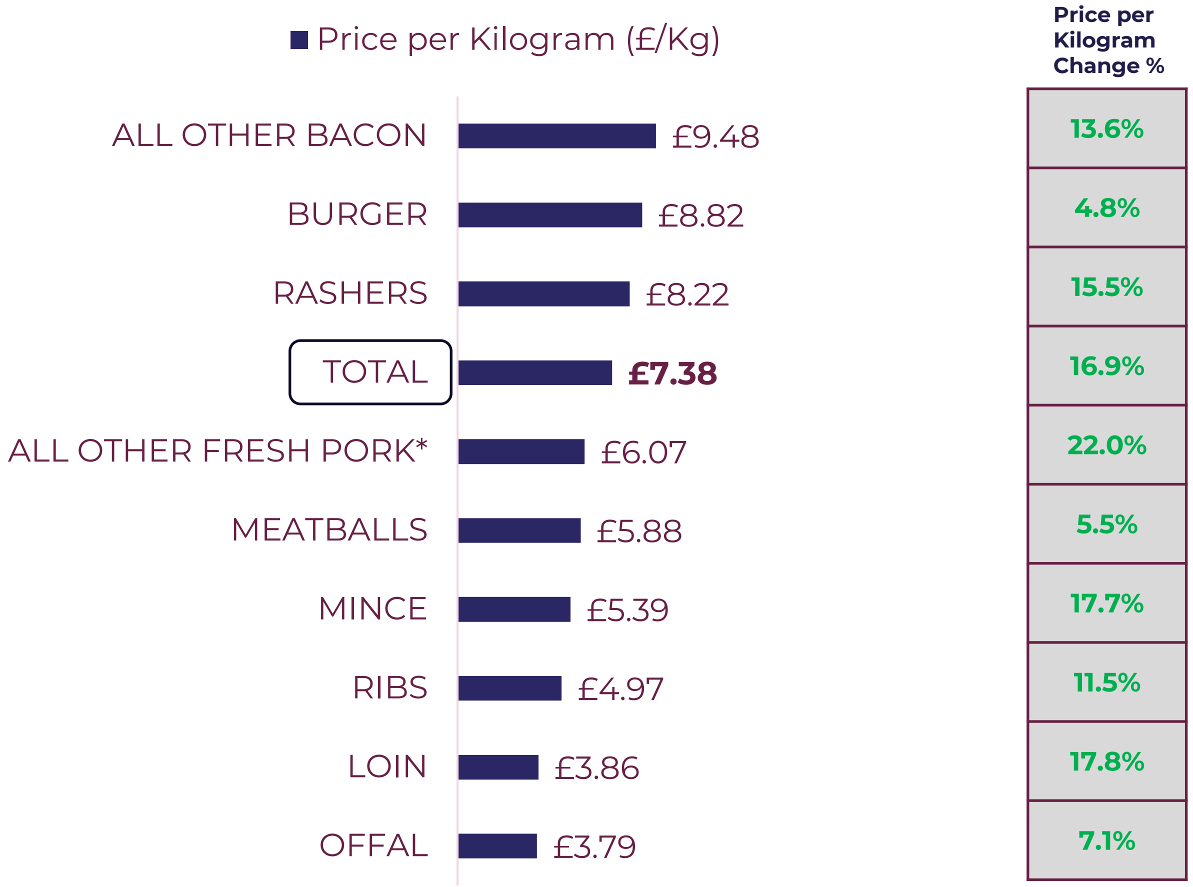
THE KNOWLEDGE BANK

Scottish consumers are paying 3% more for pork in Scotland than GB. Pork has also experienced strong price increases vs other proteins especially in key categories.

Fresh Pork Sub-sectors: GB 52-week Performance by Value and Volume



Fresh Pork Sub-sectors: Scotland 52-week Performance by Value and Volume



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Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023 *Includes Steaks, Joints and Chops

THE KNOWLEDGE BANK

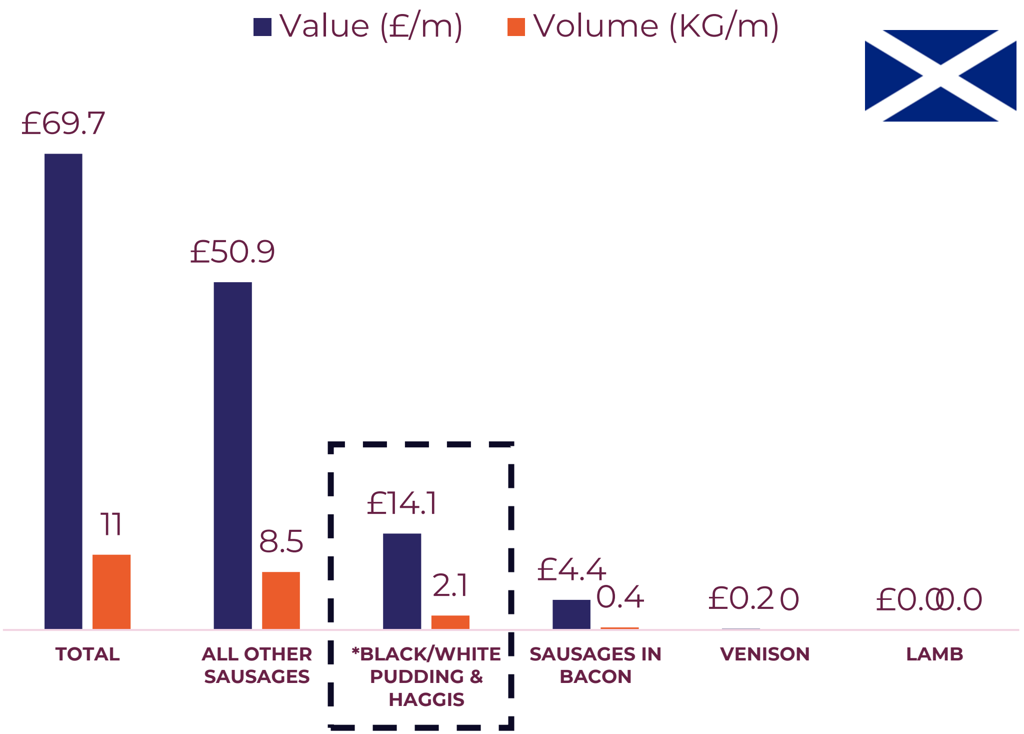
Sausages

Sausages is one of the more resilient categories, however, there has been little volume growth. Black Pudding & Haggis share in Scotland is four time higher than GB, demonstrating its importance.

Sausages & Black Pudding Sub-sectors: GB 52-week Performance by Value and Volume

Val Change vs YA %	11.8%	12.2%	11.5%	5.7%	22.9%	-21.7%
Vol Change vs YA %	0.2%	0.2%	4.0%	-2.7%	5.6%	-25.6%

Sausages & Black Pudding Sub-sectors: Scotland 52-week Performance by Value and Volume



11.3%	13.6%	5.0%	8.6%	-17.7%	-16.9%
0.0%	0.9%	-2.6%	-1.7%	-24.1%	-27.3%

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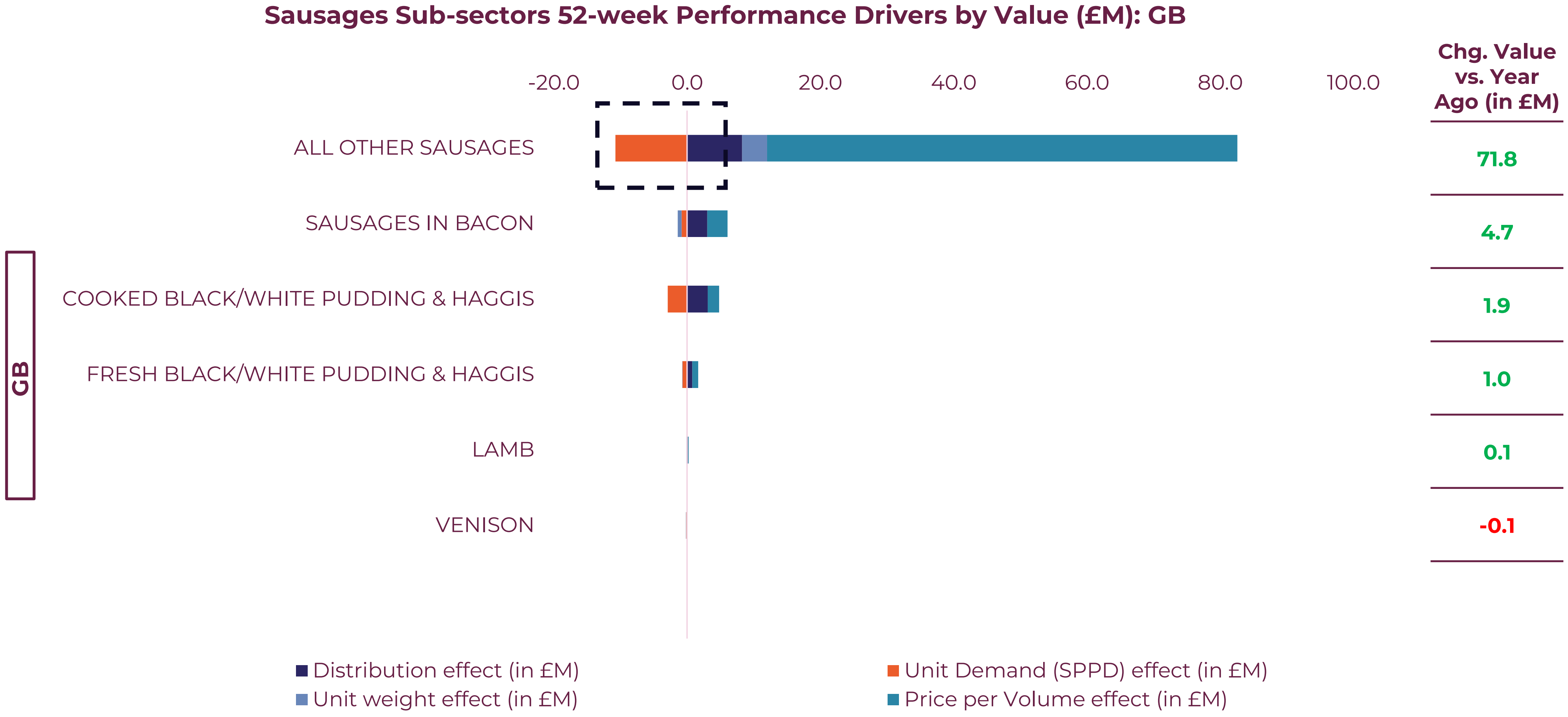
Source: Nielsen Total Coverage/Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023 *Segment also includes Black/White Pudding & Haggis found in Cooked Meat.

THE KNOWLEDGE BANK

As prices have increased, unit demand has dropped as consumers cut back consumption.



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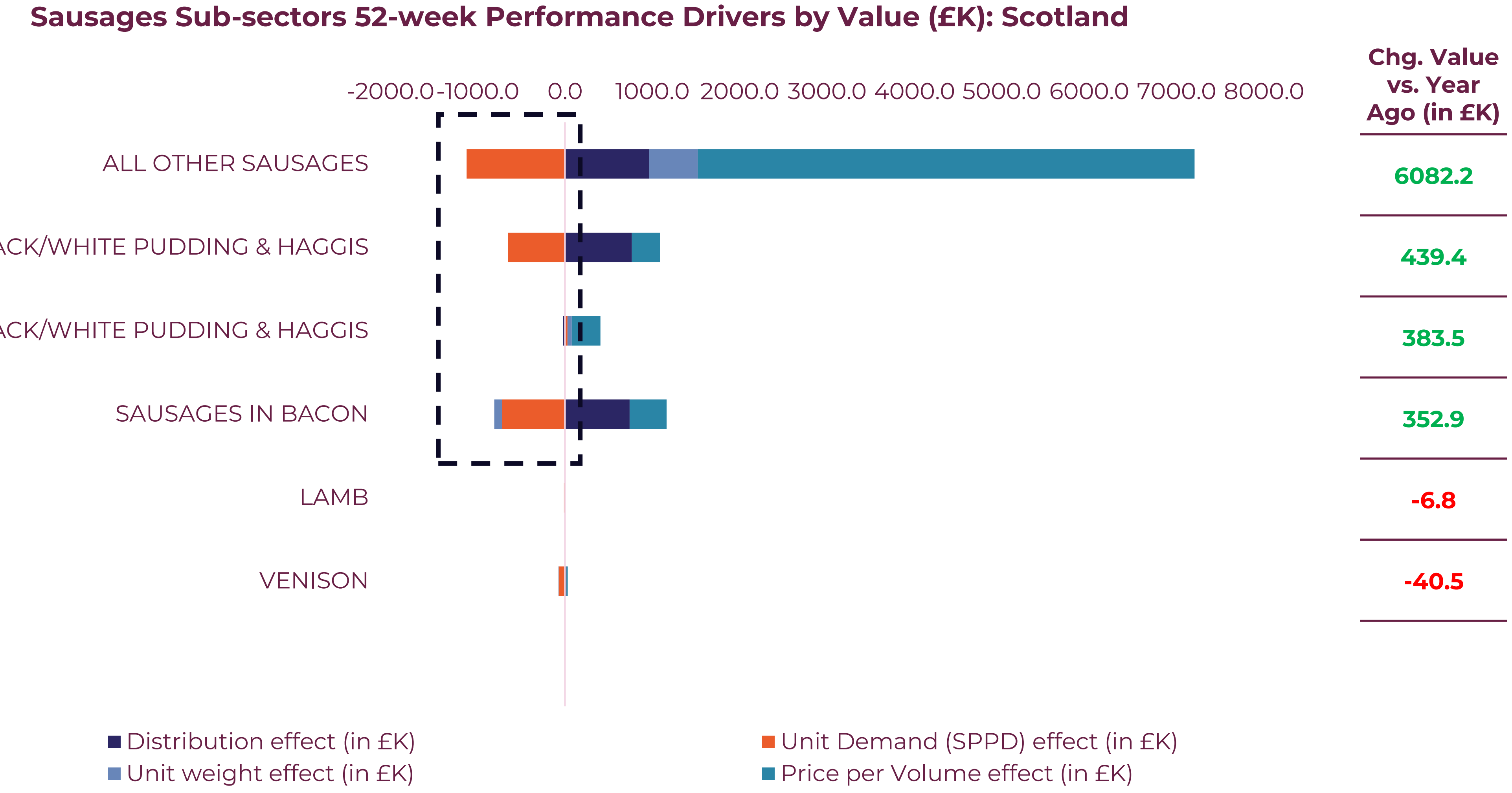
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

A decline in demand has also been apparent in Scotland – in a tough economic climate, consumers are looking to trade down or cut back in this area.

Scotland



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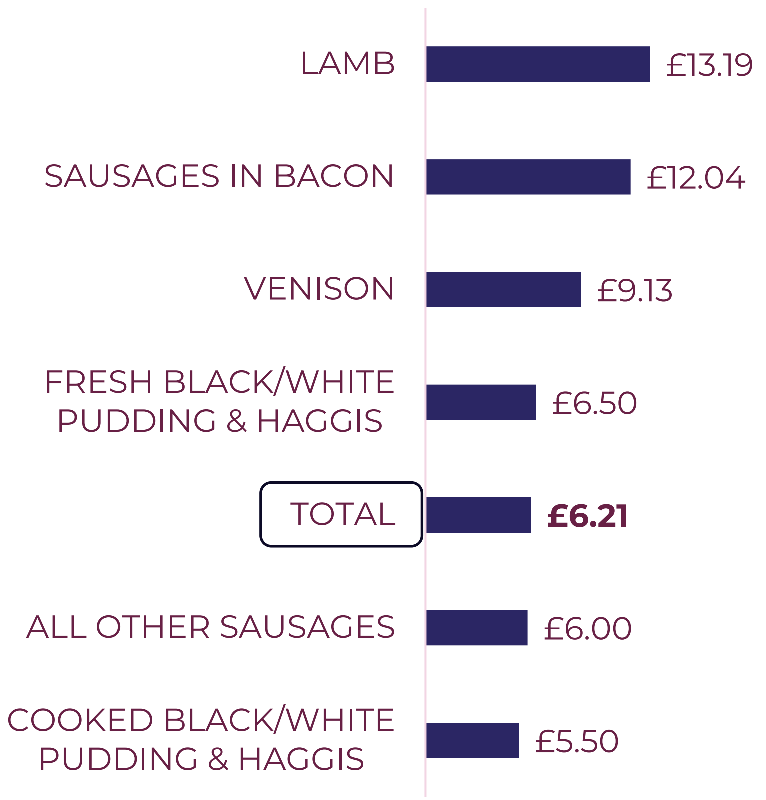
Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

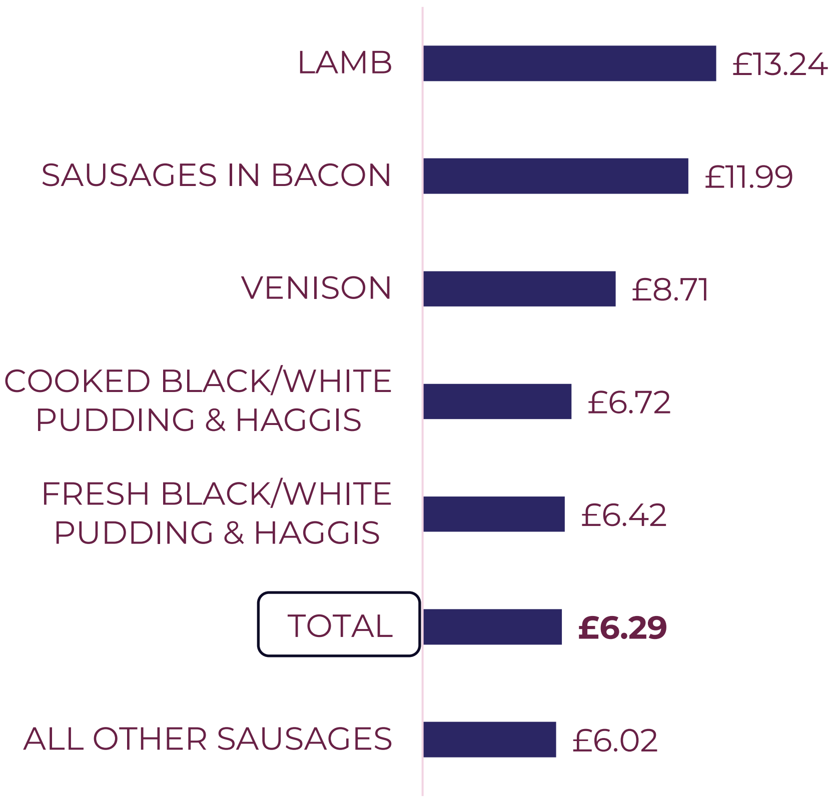
Black Pudding is more expensive at Scottish level, typically due to the strong brand presence. Overall, the category is very similar in volume pricing across Scotland and the wider GB market.

Sausages Sub-sectors: GB 52-week Performance by Value and Volume



Price per Kilogram Change %
16.3%
7.2%
5.2%
8.1%
11.7%
11.9%
8.6%

Sausages Sub-sectors: Scotland 52-week Performance by Value and Volume



Price per Kilogram Change %
14.4%
10.5%
8.5%
8.4%
6.9%
11.7%
12.6%

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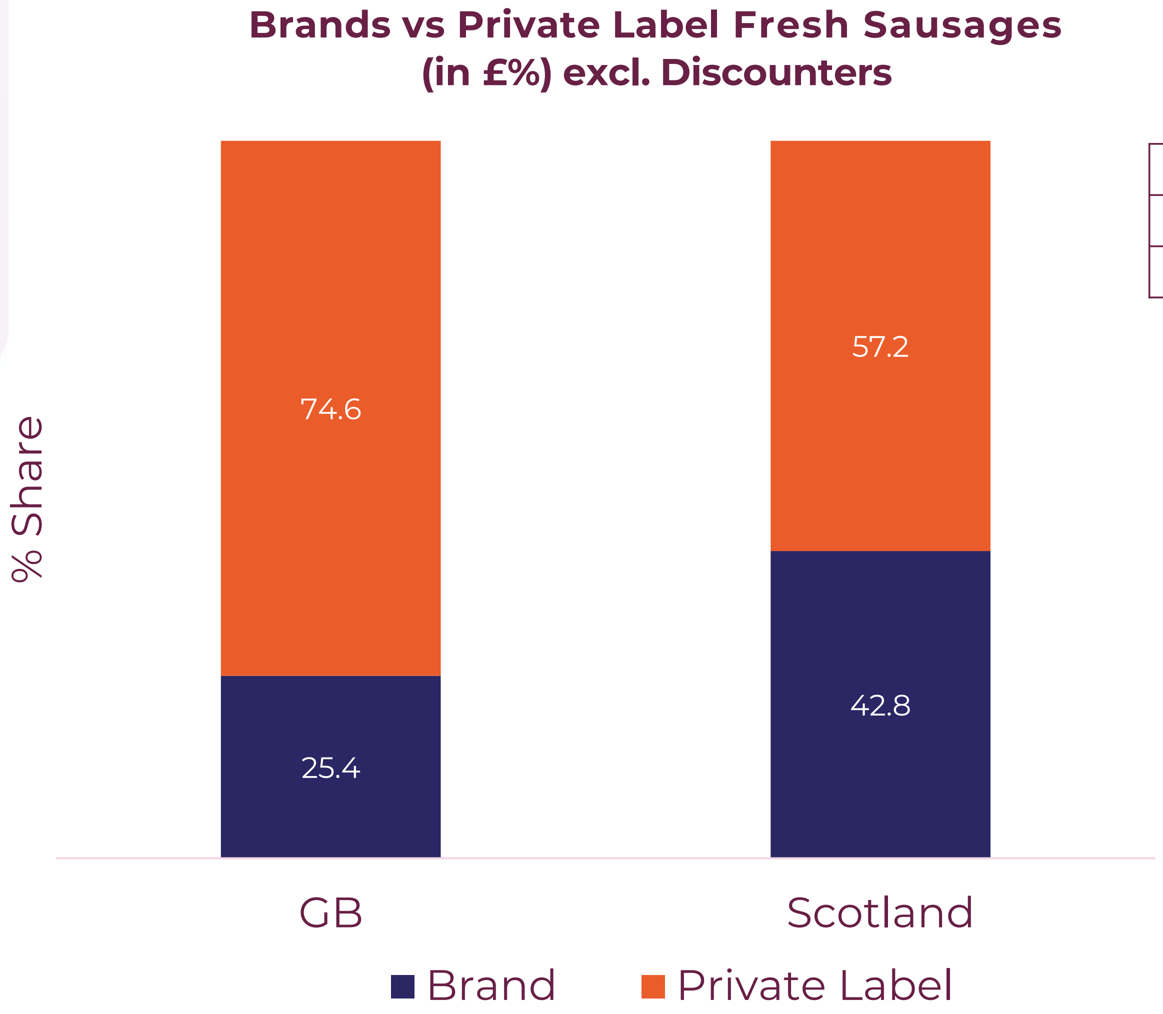
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023 *Other Fresh Meat includes Gammon & Venison

Brands remain important to Scotland, with the largest two brands performing better in Scotland than GB-wide. New listings also boosts Scotland's overall brand performance.



	Brands	PL
GB	+7.0%	+13.9%
Scotland	+10.5%	+14.8%

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Source: Nielsen Total Coverage/Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

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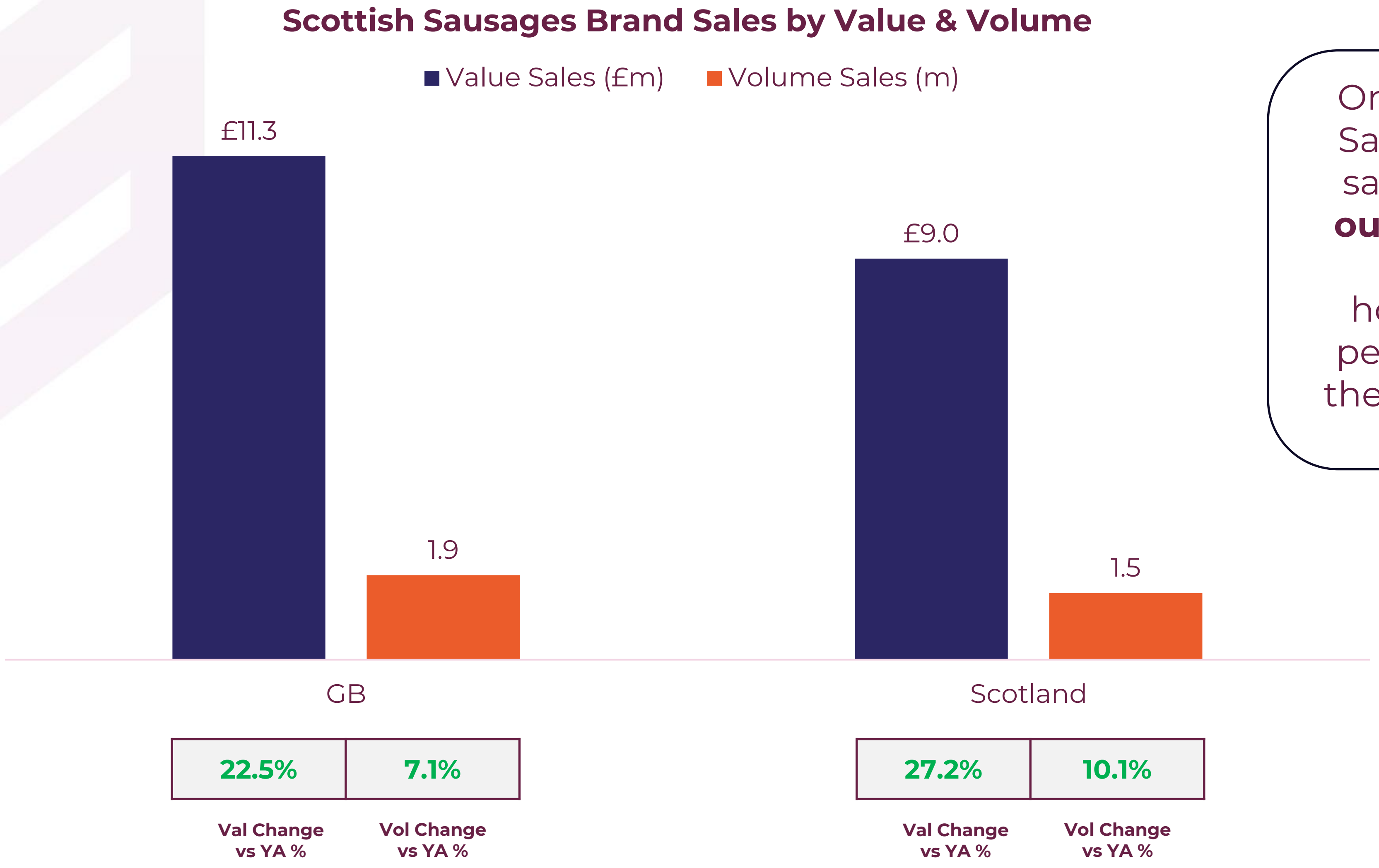
Scottish Brands are performing well in Sausages, across Scotland and the wider GB market. However, 80% of sales are still derived from Scotland.



Only **20.4%** of Scottish Sausage brands' value sales have come from **outside of Scotland** in the previous year, however their strong performance suggests there is **opportunity for growth.**

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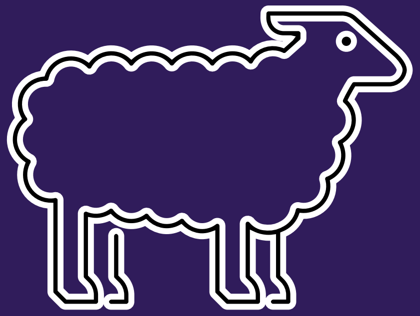
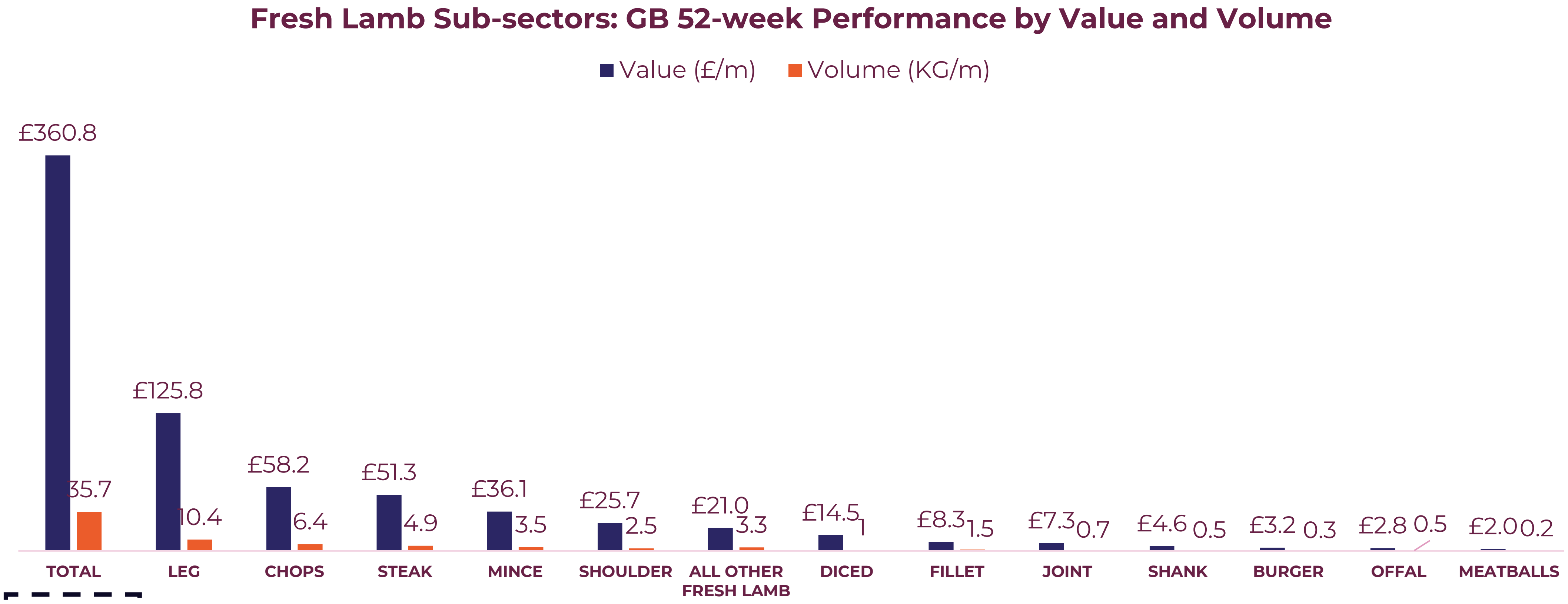
Source: Nielsen Total Coverage/Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023 *Segment also includes Black/White Pudding & Haggis found in Cooked Meat.

Lamb



Lamb is one of the more expensive meat categories and is struggling to return to volume growth.



	TOTAL	LEG	CHOPS	STEAK	MINCE	SHOULDER	ALL OTHER FRESH LAMB	DICED	FILLET	JOINT	SHANK	BURGER	OFFAL	MEATBALLS
Val Change vs YA %	1.9%	9.0%	1.4%	-3.2%	3.3%	-12.7%	2.7%	-14.3%	-5.0%	10.2%	-0.5%	13.8%	17.4%	48.8%
Vol Change vs YA %	-6.4%	0.4%	-4.1%	-9.9%	-3.8%	-20.9%	-5.9%	-24.1%	-28.0%	32.5%	-7.7%	0.2%	0.5%	44.3%

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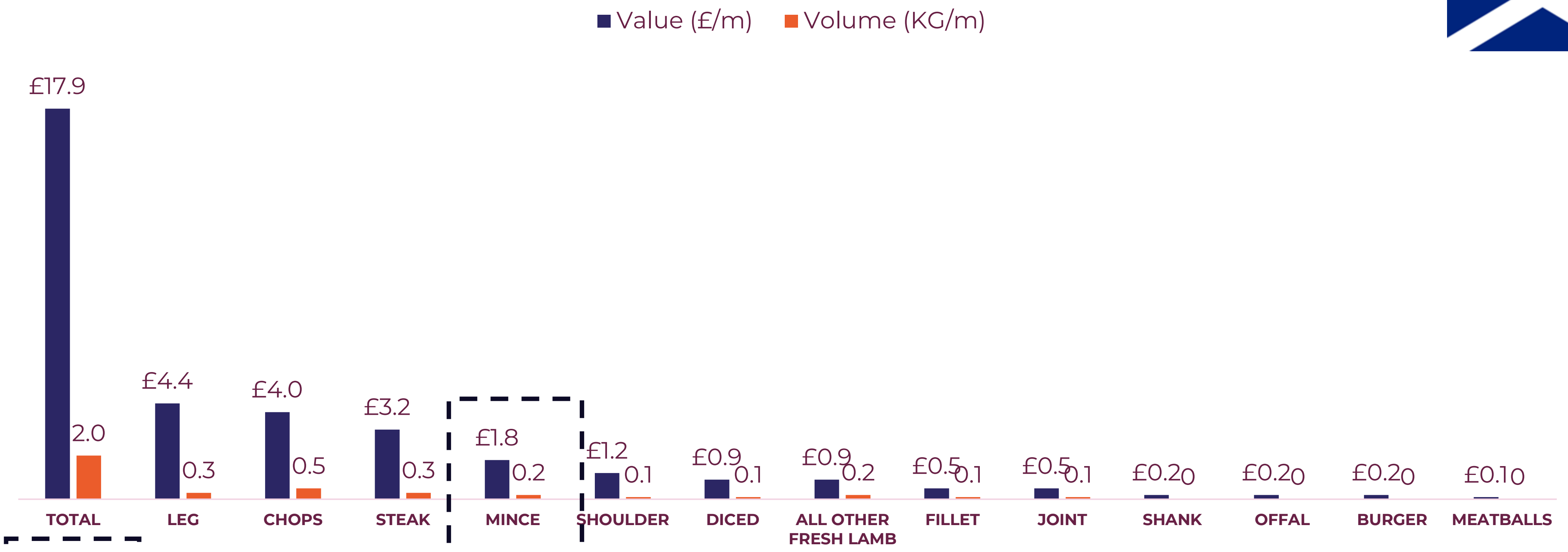
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

THE KNOWLEDGE BANK

Lamb has performed slightly better in Scotland in volume which is primarily due to mince.

Fresh Lamb Sub-sectors: GB 52-week Performance by Value and Volume



	TOTAL	LEG	CHOPS	STEAK	MINCE	SHOULDER	DICED	ALL OTHER FRESH LAMB	FILLET	JOINT	SHANK	OFFAL	BURGER	MEATBALLS
Val Change vs YA %	2.0%	-1.1%	3.7%	-5.2%	12.1%	-1.6%	-10.1%	15.8%	5.6%	18.4%	9.8%	65.1%	11.2%	64.6%
Vol Change vs YA %	-4.7%	-8.6%	-3.1%	-8.7%	2.6%	-12.5%	-22.8%	5.7%	-24.1%	42.8%	0.1%	49.7%	-1.7%	59.8%

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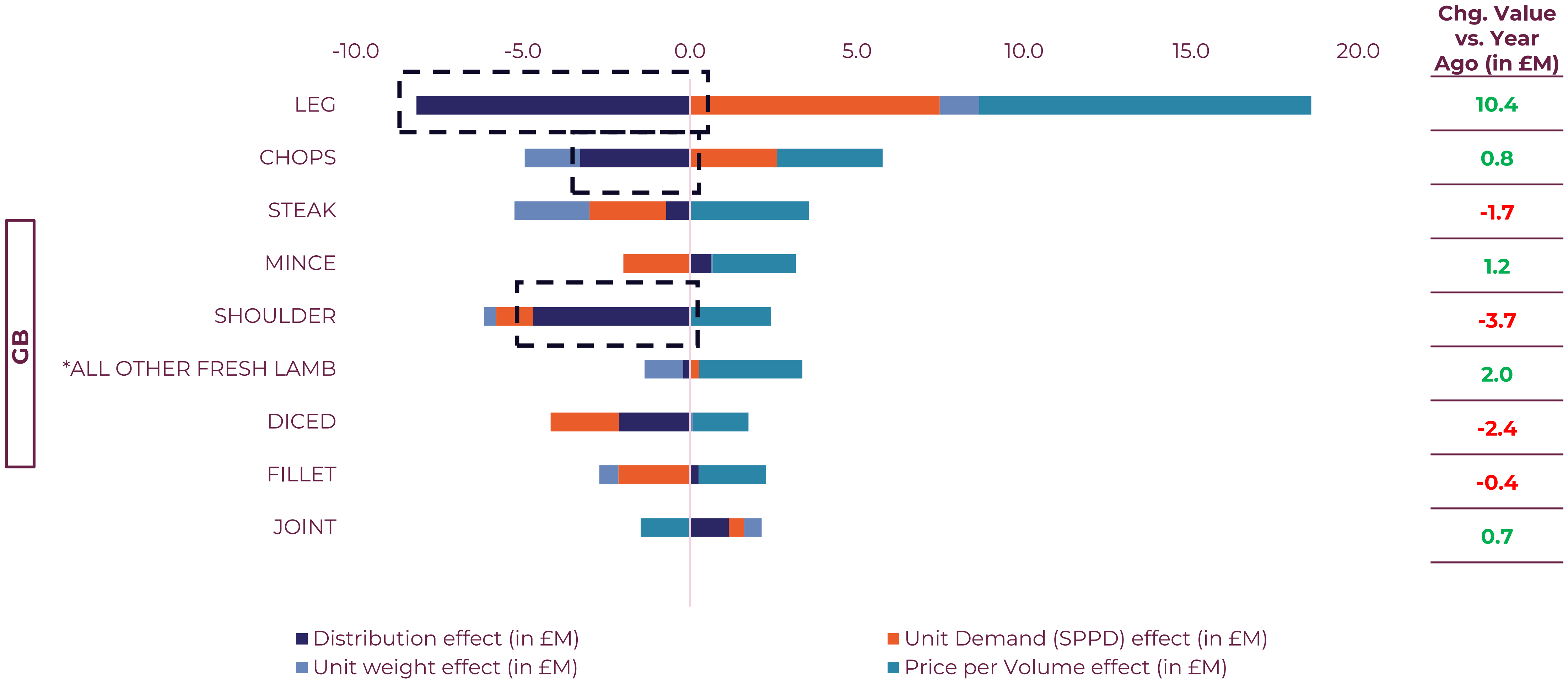
Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

THE KNOWLEDGE BANK

Losses in distribution have impacted lamb at GB level; however, there is relatively strong growth in underlying demand for Leg and Chops.

Lamb Sub-sectors 52-week Performance Drivers by Value (£M): GB



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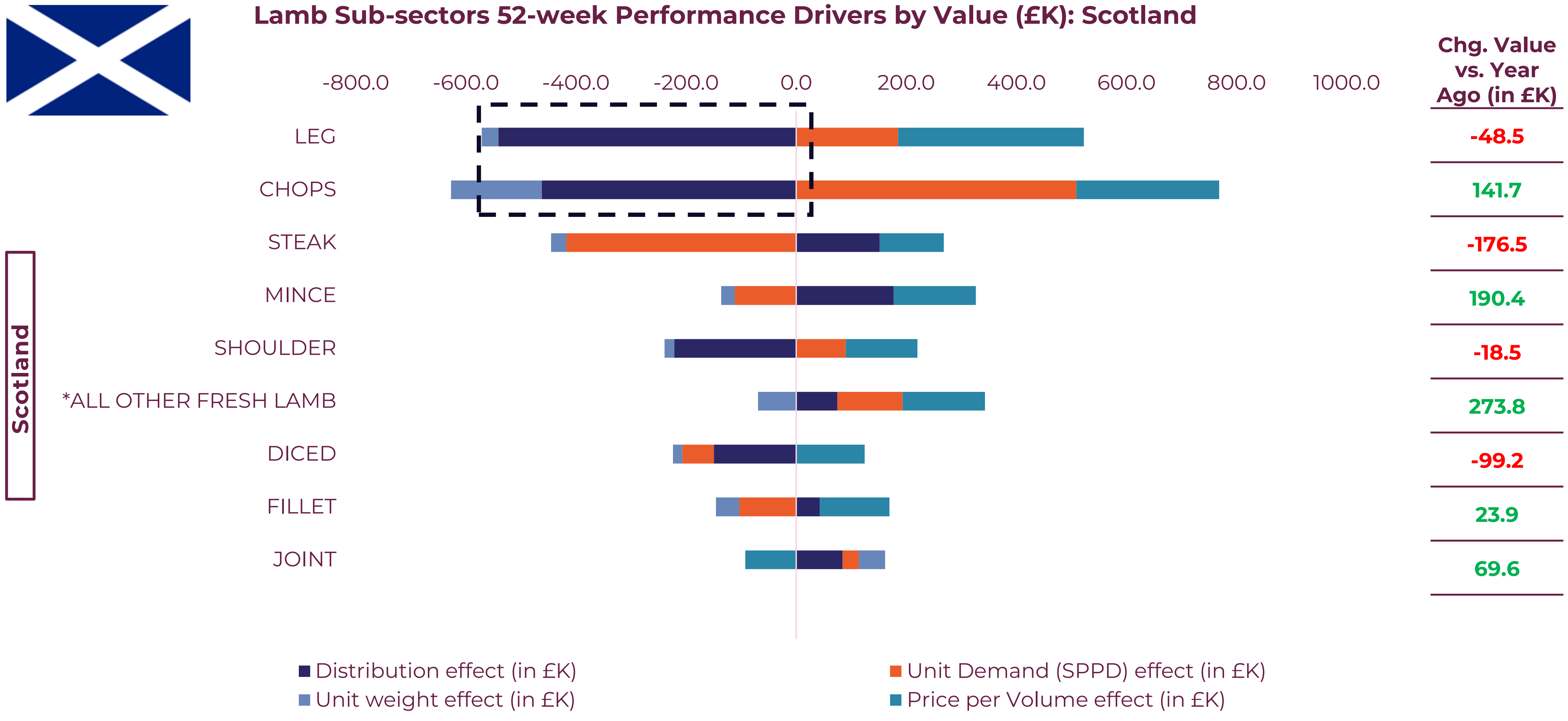
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023. *All Other Fresh Lamb includes Shank, Burger, Offal & Meatballs also.

There is also growing underlying demand for Lamb Legs and Chops in Scotland.



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Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023. *All Other Fresh Lamb includes Shank, Burger, Offal & Meatballs also.

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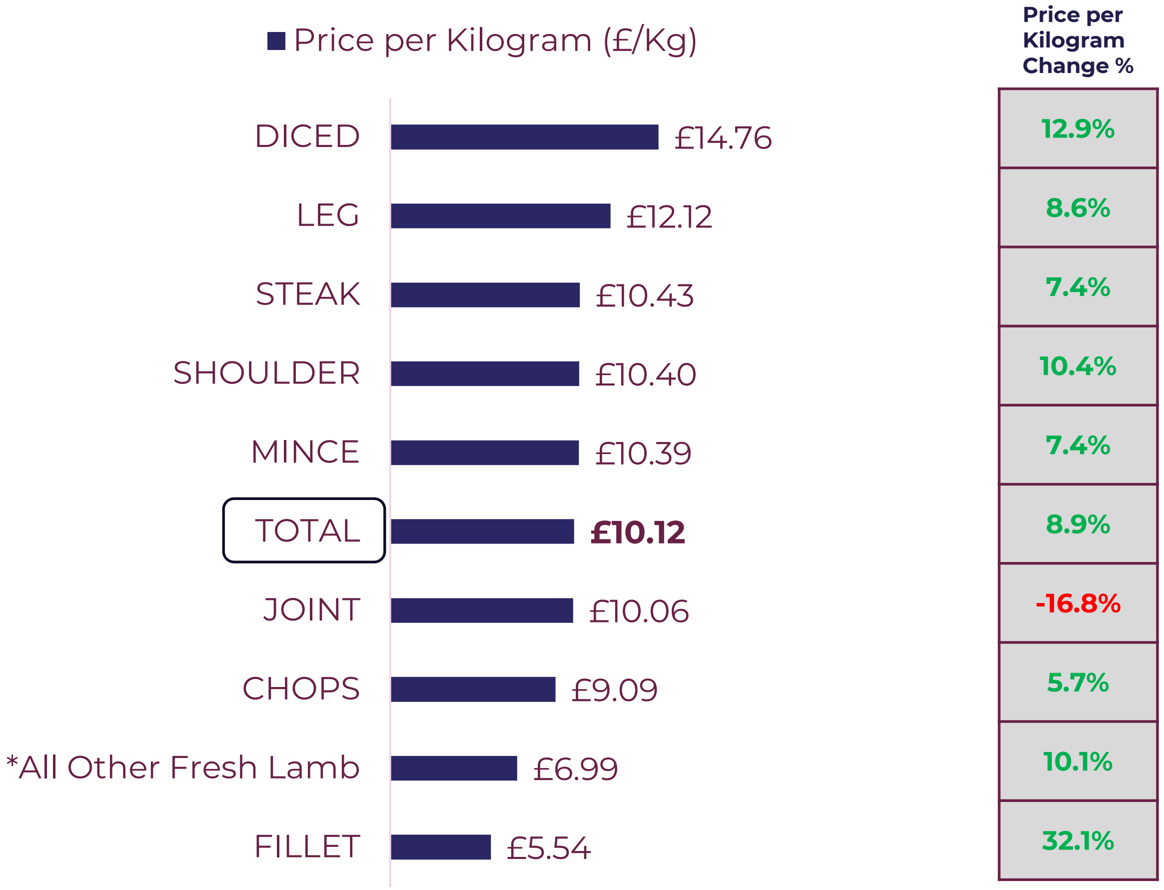
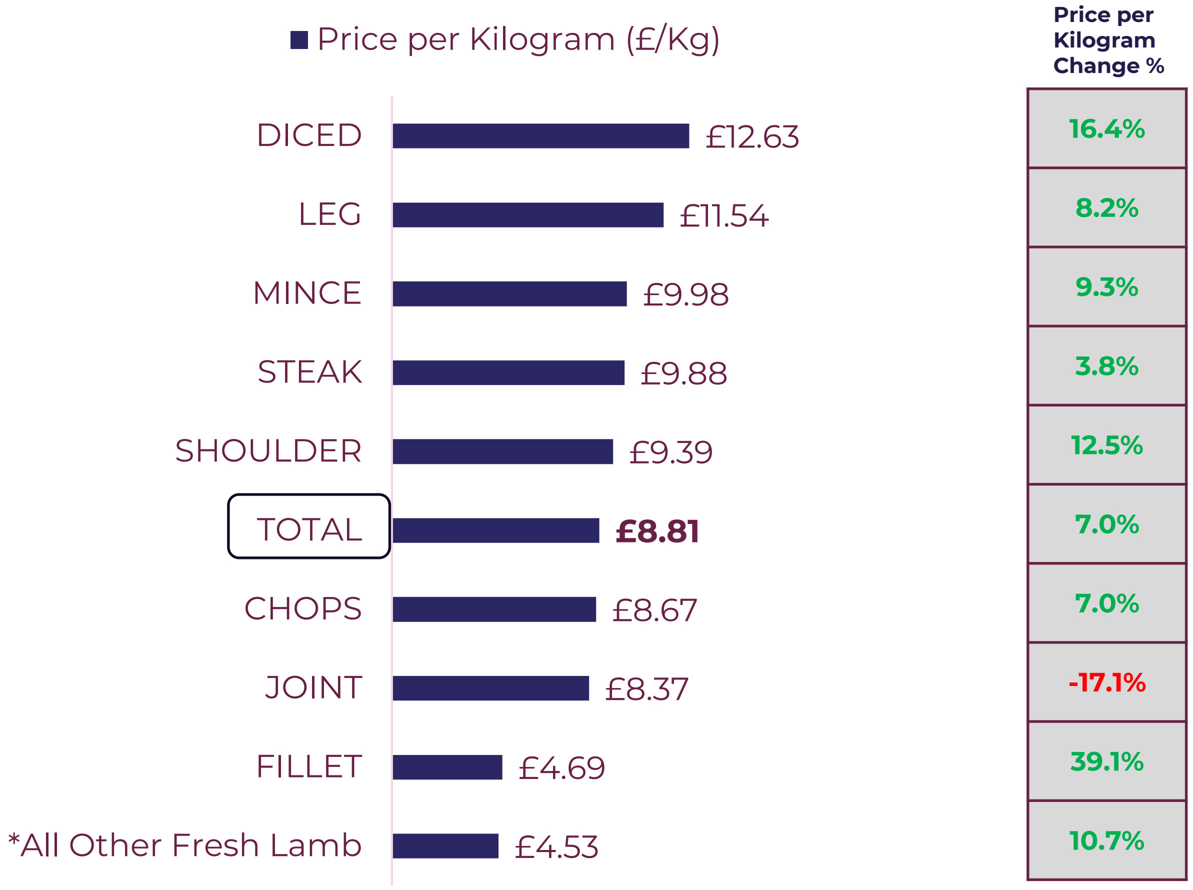
On average Scottish consumers are paying 13% less for Lamb, partly due to their greater focus on chops.

Fresh Lamb Sub-sectors: GB 52-week Performance by Value and Volume



Fresh Lamb Sub-sectors: Scotland 52-week Performance by Value and Volume



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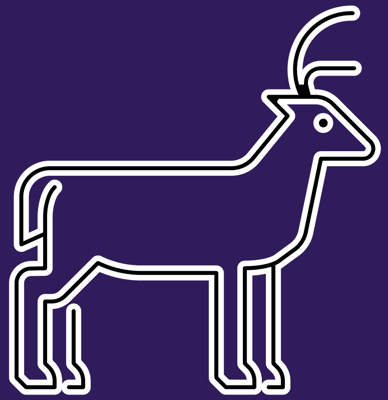
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023 *All Other Fresh Lamb includes Shank, Burger, Offal & Meatballs also.

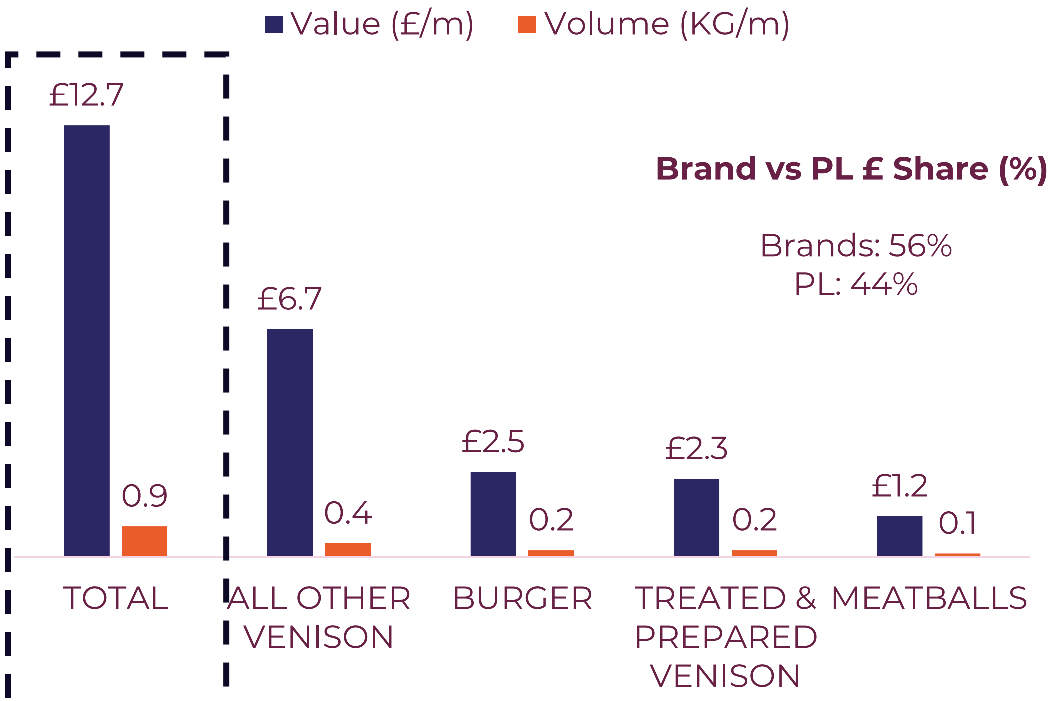
THE KNOWLEDGE BANK

Venison



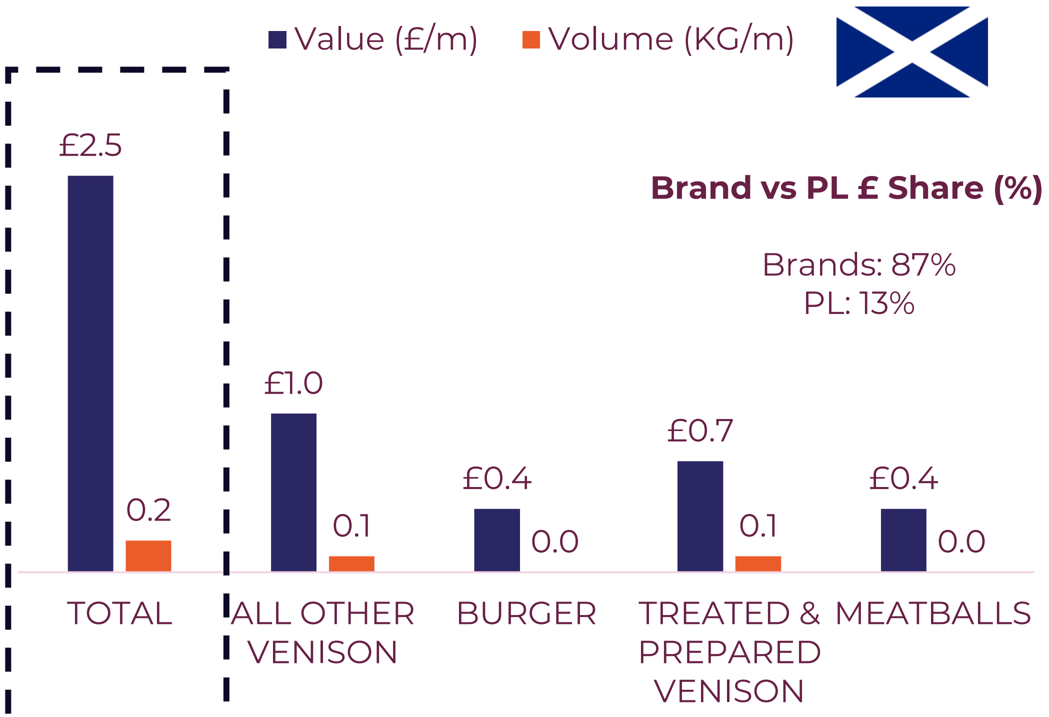
Venison is performing significantly better in Scotland vs the rest of GB. Scotland has a disproportionately high share of the market at 20% share of value sales, of which there is a strong branded presence.

Venison Sub-sectors: GB 52-week Performance by Value and Volume



	TOTAL	ALL OTHER VENISON	BURGER	TREATED & PREPARED VENISON	MEATBALLS
Val Change vs YA %	5.2%	9.9%	-15.3%	14.8%	18.4%
Vol Change vs YA %	-1.5%	6.7%	-26.6%	7.8%	-4.5%

Venison Sub-sectors: Scotland 52-week Performance by Value and Volume



	TOTAL	ALL OTHER VENISON	BURGER	TREATED & PREPARED VENISON	MEATBALLS
Val Change vs YA %	9.0%	10.0%	-21.8%	24.4%	37.1%
Vol Change vs YA %	3.8%	5.0%	-28.2%	16.1%	26.6%

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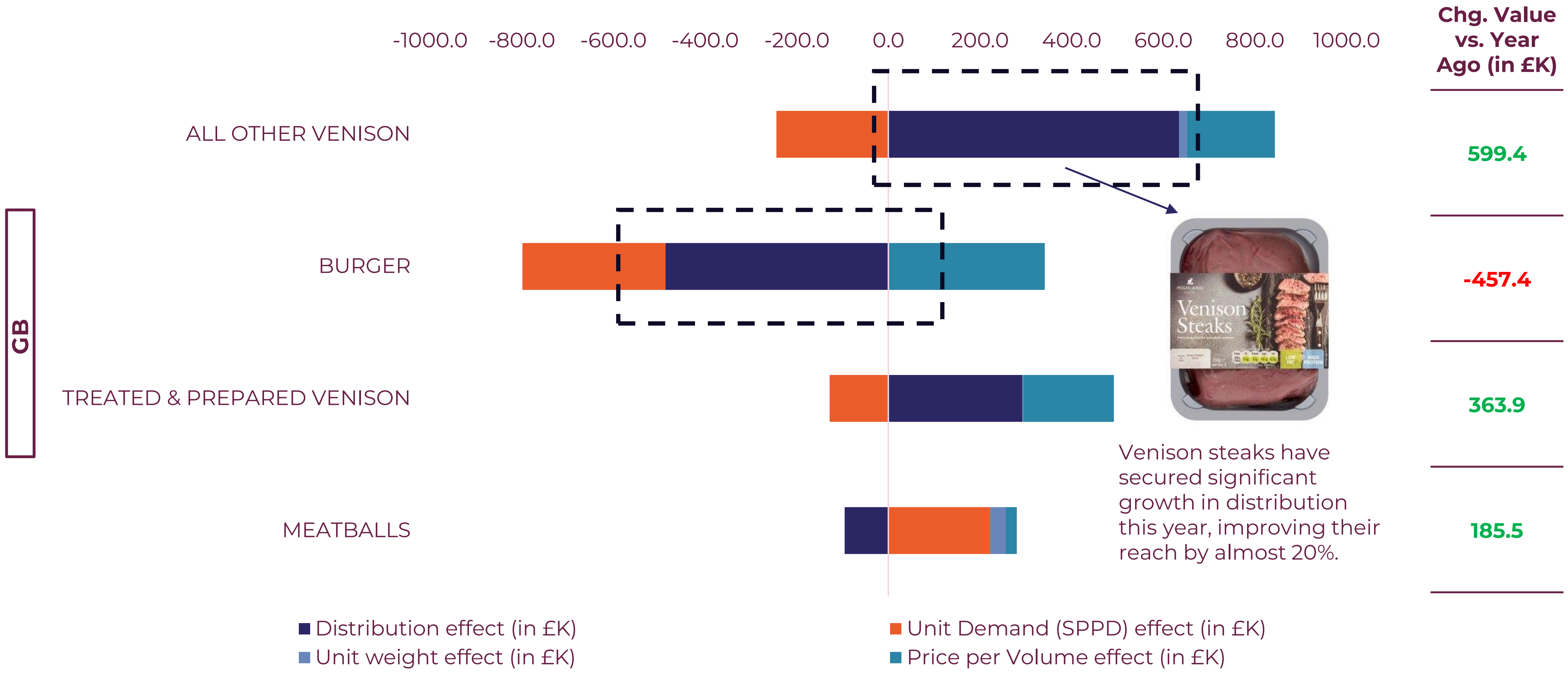
Source: Nielsen Total Coverage/Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

THE KNOWLEDGE BANK

Distribution has driven growth in All Other Venison, with products such as Highland Game's Venison steaks being sold in more stores. In contrast, Burgers have lost distribution and are yet to return to growth.

Venison Sub-sectors 52-week Performance Drivers by Value (£K): GB



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Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023

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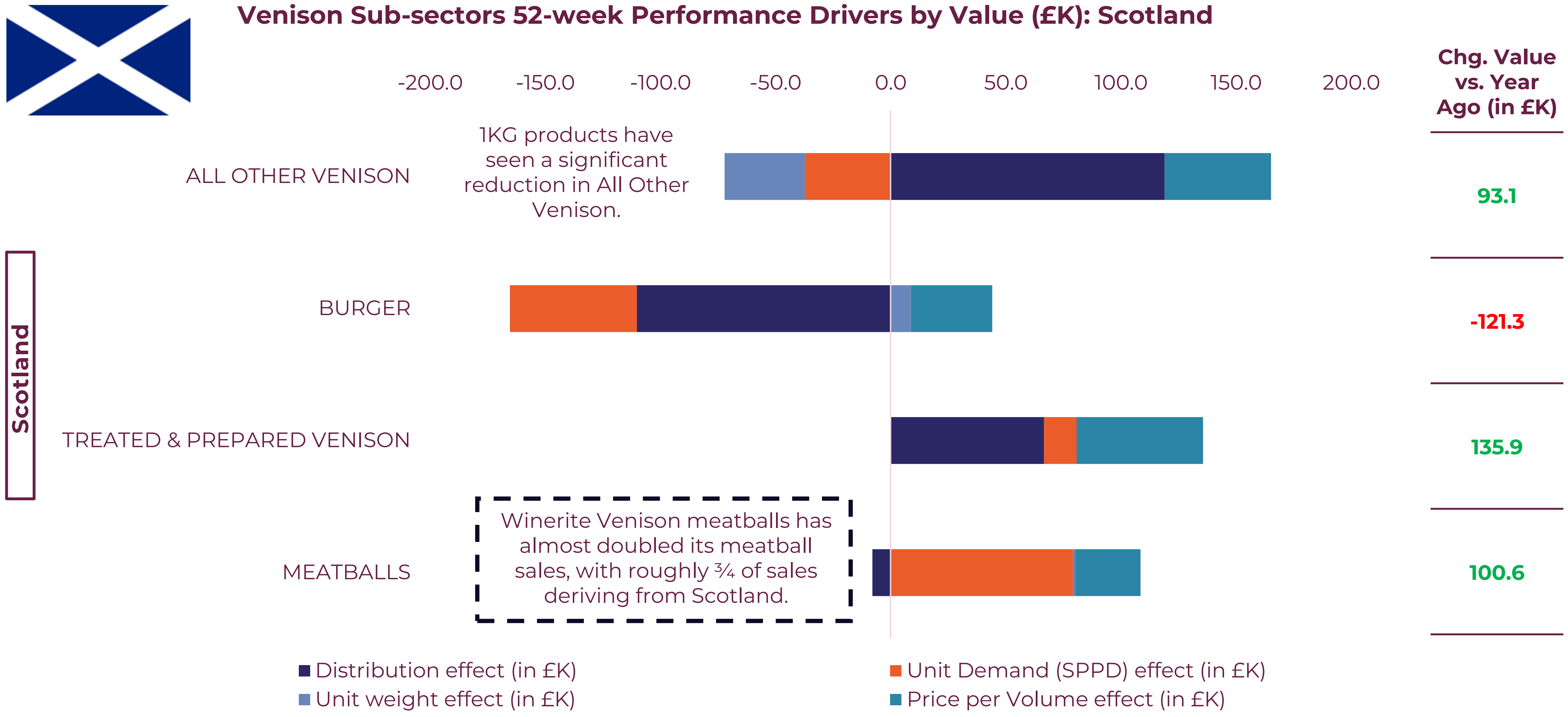
Scottish growth is partly due to growing underlying demand for value added products.



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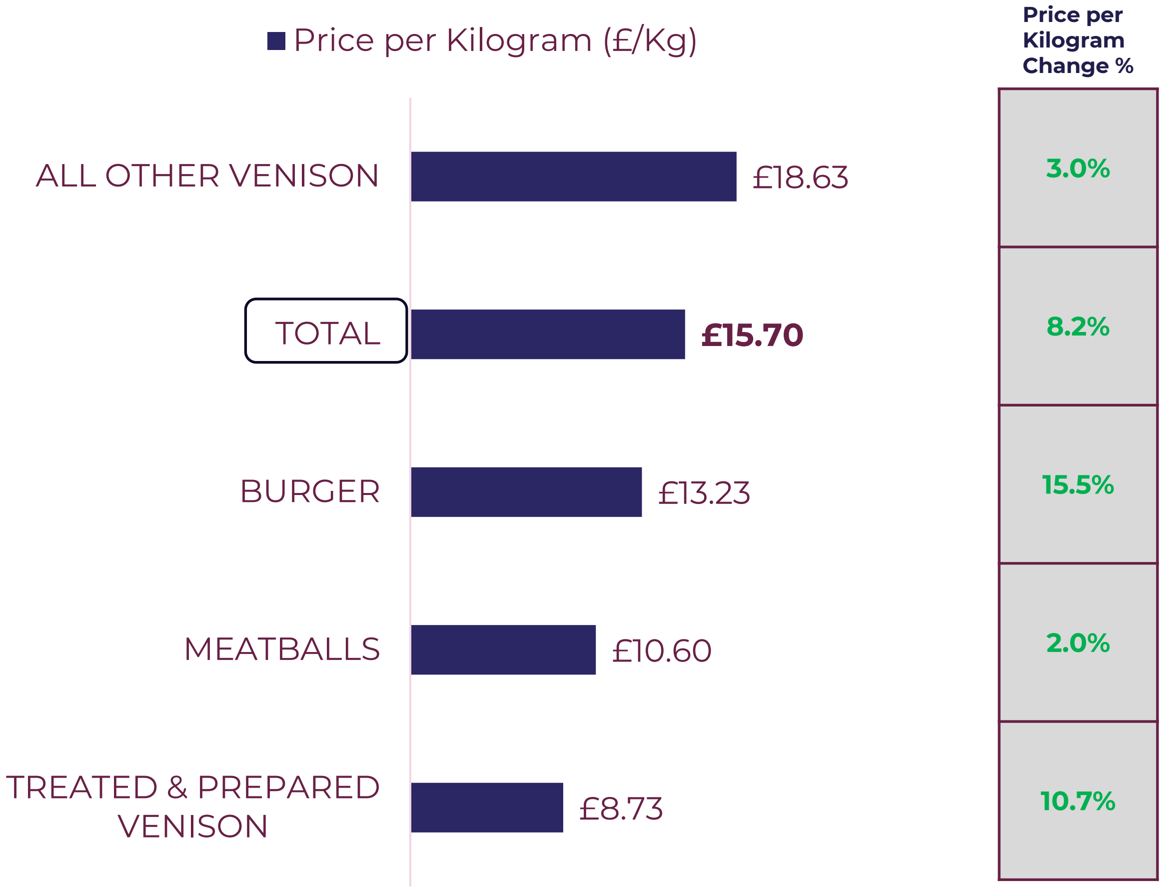
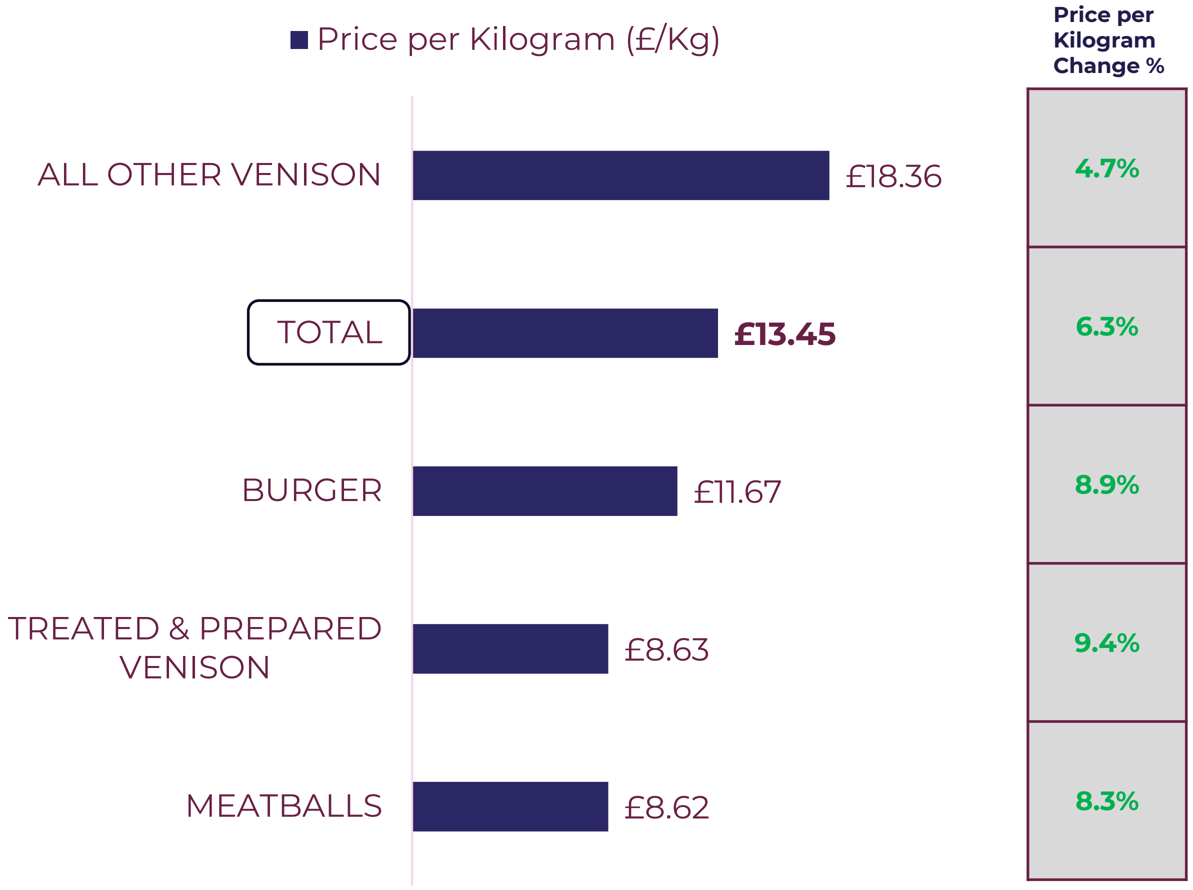
Source: Nielsen Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

Venison is £2.25 cheaper in Scotland, typically due to a greater focus on more affordable products such as burgers and meatballs.

Venison Sub-sectors: GB 52-week Performance by Value and Volume



Venison Sub-sectors: Scotland 52-week Performance by Value and Volume



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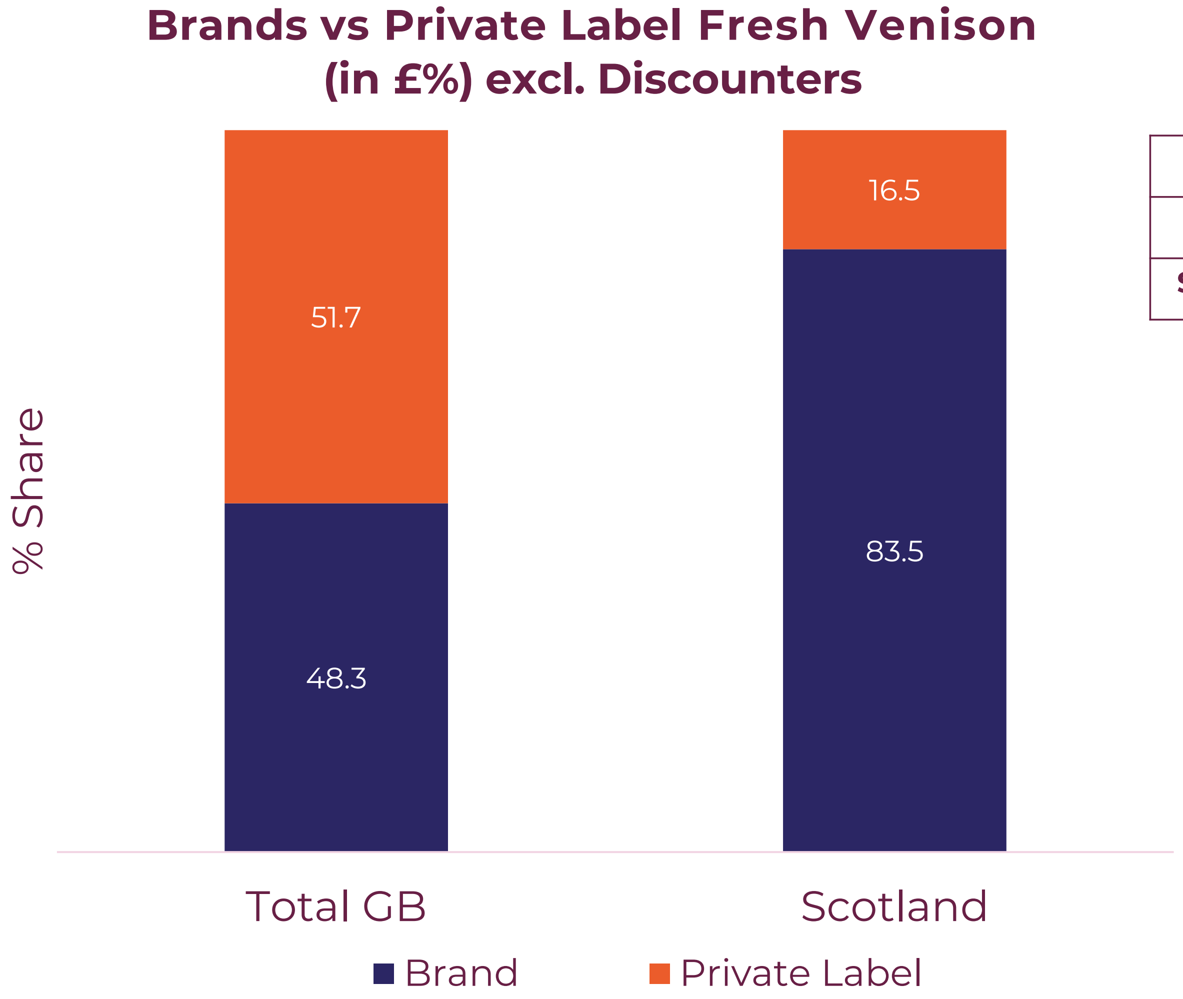
Source: Nielsen Total Coverage Excl. Discounters – 52 w/e 04 November 2023 *Other Fresh Meat includes Gammon & Venison

Brands have increased their share in GB over the previous year, while Private Label slightly declines in sales (-1.9%). Highland Game is a driver for Venison's overall market growth along with other brands.



	Brands	PL
GB	+9.4%	-1.9%
Scotland	+9.2%	-15.6%

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Source: Nielsen Total Coverage/Total Coverage Scotland Excl. Discounters – 52 w/e 04 November 2023

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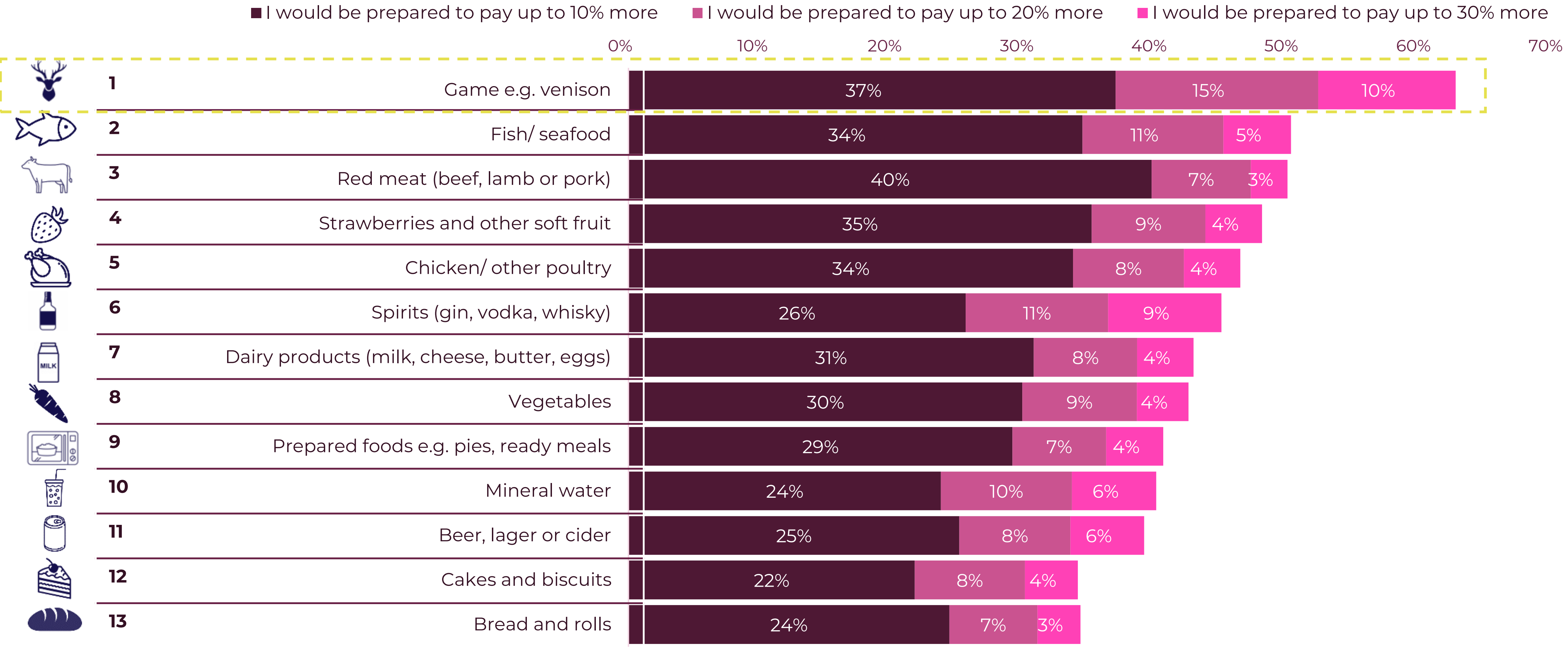
Venison is the category in which Scottish shoppers would be most prepared to pay a premium (62%) – 10% of venison shoppers would be willing to pay up to a 30% increase, more than triple that of beef.

Willingness to pay more for products labelled 'from Scotland', amongst purchasers of the category



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Source: Scotland Food & Drink, The Knowledge Bank Provenance research, July 2023 | Scottish Consumers | *"How much would you be willing to pay for each of the following products if they were labelled as from Scotland vs. a product from an unspecified origin? Base: All respondents, amongst* ***purchasers*** *of the category (1,006)*

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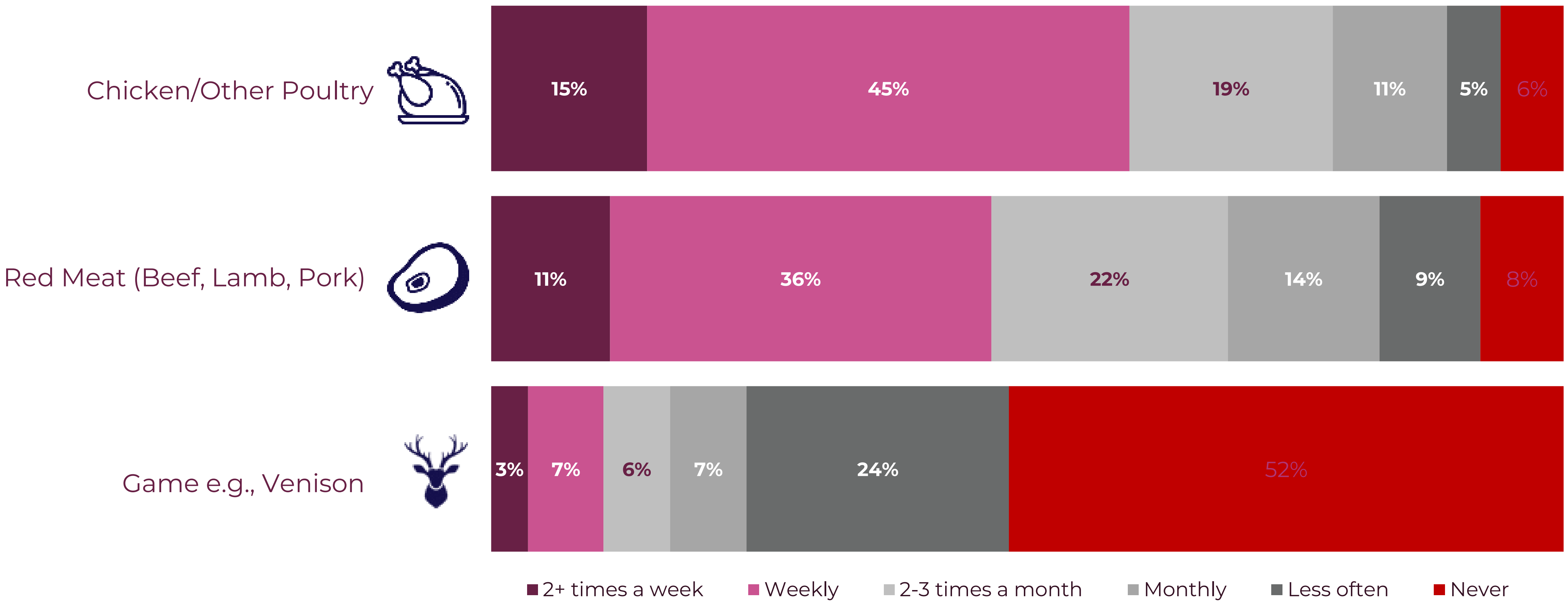
There is still potential to grow venison sales further with only 10% of Scottish consumers eating Venison on a weekly basis, while more than half have not tried Venison at all.

Frequency of purchasing different types of food and drink for in-home consumption during the past 6 months



Q7 Still thinking about the last 6 months, how often, if at all, did you buy each of the following types of food and drink to eat or drink at home? Base: All respondents (1,006)

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Source: 56 Degree Insight for The Knowledge Bank, Provenance Research, Jul 23

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Market Summary

What does this mean for Scottish producers?

- Price **inflation** remains influential on the category, which means producers must consider how they can **bring greater affordability** to the market.
- Producers will need to pay attention to **different cuts** given consumers are strongly resonating with certain **pack sizes** and **price points** – benchmarking vs competitors will be critical.
- Consumers are open to trading both up and down, showing despite current economic challenges, **quality remains important**.
- Producers will need to ensure that they can **justify price premiums**, but also offer better **value** to maintain consumer interest.
- In a tough economic climate with growing environmental concerns, demonstrating **efforts on sustainability** will become even more crucial in the coming years. Producers will need to adhere to current **consumer and retailer expectations on packaging**.
- **Health concerns continue to evolve**. Publicity around ultra-processed food and growing retailer 'plant-based' ambitions show the need for producers to invest in NPD and **deliver healthier and more natural products.**
- There may be opportunity to develop within the **Impulse channel** as retailers continue to **develop their ranges**.

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Other The Knowledge Bank reports of interest linked to the fresh meat category
(please be logged in before clicking on links)

Provenance Part 2 Report

Provenance Webinar Video

All Provenance reports

Report

Webinar Video

Sustainability related reports & webinars

Report

Webinar Video

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Nielsen EPOS data w/e 04th November 2023

Mintel - Processed Poultry and Red Meat Main Meal Components – UK – 2023

Kantar Worldpanel 52 w/e 06th August 2023, 03rd September 2023

ONS Consumer Price Index

56 Degree Insight for The Knowledge Bank, Provenance Research, Jul 23

The Food People: Meat & Poultry Category Snapshot, 2023

The Grocer, 2023

Levercliff Retail Audits, 2023

Levercliff Consumer Tracker, 2023

Food Foundation, 2023, 'The State of the Nation's Food Industry'

Agriculture and Horticulture Development Board (linked below)

Additional Online Publications:

https://ahdb.org.uk/news/consumer-insight-volume-declines-for-organic-red-meat-and-dairy-outpace-conventional-products

https://www.betterretailing.com/symbol-group-news/todays/exclusive-dee-bee-wholesale-begins-refresh-of-todays-symbol-group/

https://www.conveniencestore.co.uk/your-business/bestway-reports-record-sales-for-costcutter-and-bargain-booze-dual-branded-store/681945.article

https://www.grocerypartners.co.uk/winning-in-convenience

https://www.grocerygazette.co.uk/2023/12/16/meat-free-sales-savings/

Source Material

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Delivered by
Scotland Food & Drink Partnership

Thank you

If you have any queries about this presentation, please contact: info@theknowledgebank.scot

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