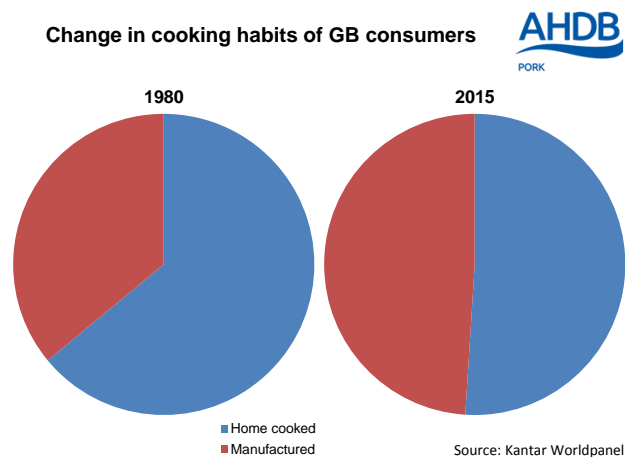


Convenience is key

With ever increasing pressure on time, as a nation we are spending less and less time in the kitchen preparing and cooking an evening meal. According to Kantar Worldpanel, this is down from an average 60 minutes in 1980 to 31 minutes in 2015, leading to ever greater demand for convenient meal solutions. With some of the most popular pork dishes taking far longer than this to prepare and cook, it highlights the vulnerability of primary red meat in fitting in with modern lifestyles. More convenient meal solutions need to be developed to tap into this growing market.



The latest Kantar Worldpanel data show that the growing consumer trend towards convenience is continuing. The meat, fish and poultry convenience market is currently worth £3.6 billion and growing at a rate of almost 4% annually. Chicken currently holds the largest share at 30%, though value sales are down 1% on the year. While pork is sitting at 11%, growing by 3% annually, beef has an 18% share, up 6%.

The convenience category consists of three main markets; ready meals, chilled main meal accompaniments and ready to cook. All provide added value to consumers, given their convenience and so generally command a premium price.

Ready meals are the product most shoppers would recognise. They consist of a complete meal, which in the main is microwaved. This category is worth £2 billion and is growing by 5% year-on-year. The growth is volume driven, mainly due to shoppers buying products more frequently. Switching has also taken place, predominantly from fresh and frozen meats. The strongest growth has been seen in the Hard Discounters, with the Big 4's sales remaining roughly static. Pork currently commands a 9% share of this market but it is growing at a rate of 5%, slightly lower growth than key competitors beef and lamb, but higher than chicken.

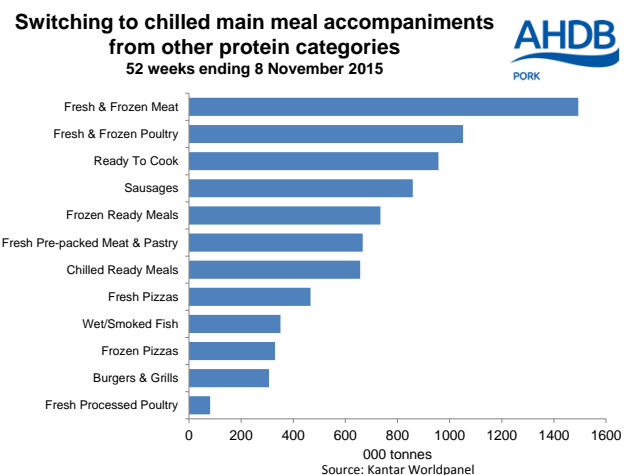
Ready to cook meals are products in a silver tray, usually with a rub or sauce on and that are ready to go straight into the oven. The market is worth is £387 million and bucks the

overall trend, as value sales were down 9% in the latest year, though they are up 8% over a five year period.

A third of all ready to cook products are consumed on a Sunday. An average ready to cook meal takes 56.4 minutes to prepare, a potential barrier to these products spreading to the mid-week market. Currently, chicken holds a 49% share of this market, with pork at 13%, although spend on ready to cook pork products was down 25% over the past year. Product development is crucial to turn this back into growth, which is already being seen in lamb, gaining 13% on the year.

Chilled main meal accompaniments give direction to a meal but still require the consumer to remove the products from packaging. This includes products which can be mixed to create a meal, such as meatballs or pre-made mashed potato. The market is worth £1.2 billion and growing 6% annually, mainly from increased frequency of purchase.

Volume growth has been due to consumers switching out of primary meat and poultry. Pork has seen promising growth of 25%, showing an area of real potential, although coming from a small market share of 5%. By contrast chicken, which has the largest share, was down 3%. Hard Discounters and premium retailers have registered the strongest growth, while a slight decline is evident within the Big 4.



Looking ahead, time-poor consumers will continue to look for convenient 'meal solutions', presenting a real growth opportunity for red meat. This has already been seen within the fish category, with products featuring sauces and marinades being launched, not only increasing volume sales but also adding value to the market.

The rise of convenience products shows that the red meat sector needs to adapt and cater for changing consumer lifestyles. To date the pig meat sector has a fairly low market share, suggesting it has been slow to respond to these trends. However, the opportunities are there to develop new products, such as pulled pork, to build that share, adding value and contributing to overall pig meat demand.