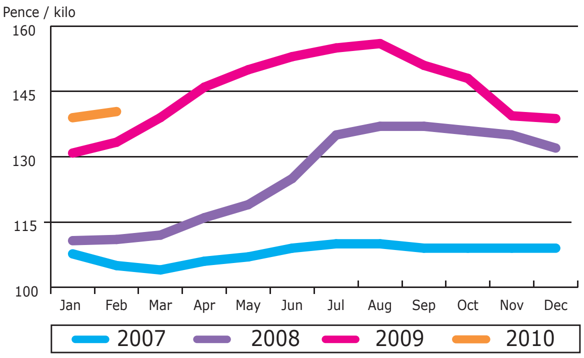
BPEX Quarterly
Category Report

Data up to 24 January 2010

DAPP to EU Specification

Source: BPEX/AHDB (DAPP = Deadweight Average Pig Price)

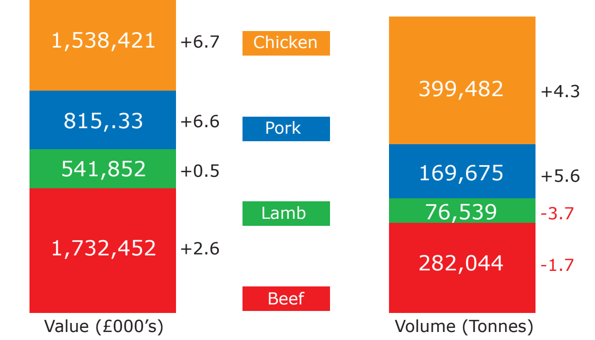


- The DAPP rose steadily between summer 2008 and summer 2009 and has flattened in recent months.

The BPEX Category Report provides market data and insight from AHDB, KANTAR Worldpanel and other sources.

FRESH MEAT 52 WEEKS TO 24 JANUARY 2010

Source: KANTAR Worldpanel



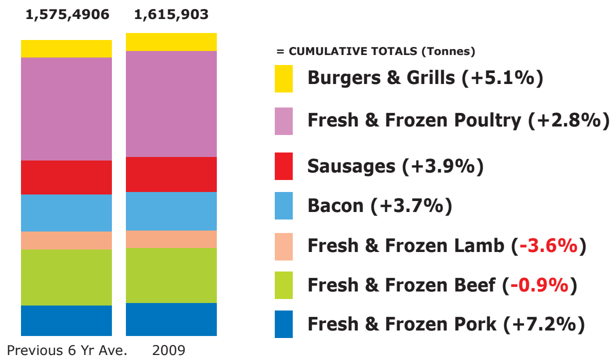
- All sectors have value growth due to price increases
- Over 500,000 tonnes of fresh red meat sold

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.

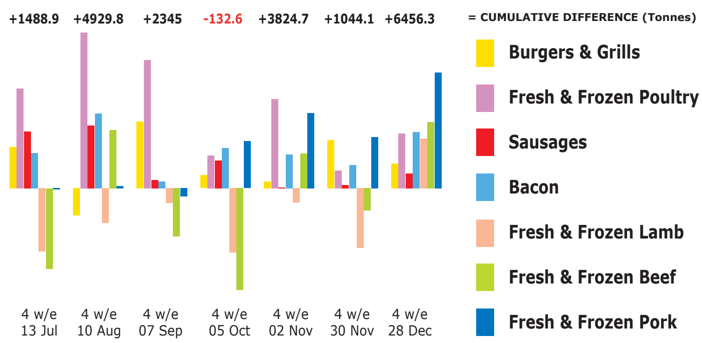
Source: KANTAR Worldpanel

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



- In 2009 all products except Fresh & frozen Beef and Lamb have increased volume sales compared to the past 6 year average.
- Fresh Pork has had the largest increase in volume sales during 2009.

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



- Year-to-date volume sales were higher for all periods except March and September during 2009.
- Fresh and frozen pork has had the strongest performance of the red meats.

Retailer Overview

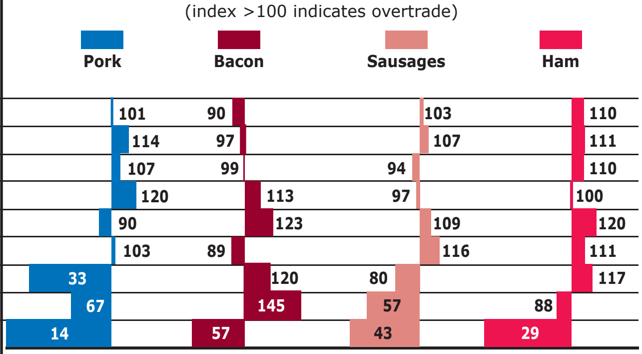
Source: KANTAR Worldpanel

SHARE OF FRESH MARKET VALUE 52 Weeks to 24 Jan 2010		Total Fresh Meat and Poultry	Pork		Bacon		Sausages		Ham	
Retailers	RST**	MAT*	MAT*	% Value Change	MAT*	% Value Change	MAT*	% Value Change	MAT*	% Value Change
TOTAL MARKET	100	100	100	6.6	100	4.3	100	7.3	100	1.2
Tesco	27.1	26.2	27.5	12.7	24.3	3	27.8	11	29.8	-0.1
Asda	14.4	17.2	16.4	7.1	13.9	10	15.4	8.2	16	3
Sainsbury's	14.7	14.7	15.8	6.2	14.6	4.9	13.8	6.6	16.2	9.3
Morrisons	11.2	12	13.4	24.2	12.7	6.4	10.9	8	11.2	9.6
Co-op (inc. Somerfield)	7	6.6	6.3	-14	8.6	-3.9	7.6	0.2	8.4	-12.5
Waitrose	3.7	4.4	3.8	15.5	3.3	8.1	4.3	8.3	4.1	3.2
Marks & Spencer	3	2.8	1	17.8	3.6	1.8	2.4	-2.8	3.5	-9.2
Hard Discounters	5.1	3.3	3.4	8.2	7.4	11.6	2.9	14.9	4.5	-5.6
Other Multiples	0.7	0.2	0.1	-5.8	0.4	-6.8	0.3	14.2	0.2	61.1
Butchers	0.7	8.7	8.5	-14.9	4.2	-7.8	7.3	-7.9	1.3	-25.5

- The top 4 multiples account for 73.1% and 65.5% of fresh pork and bacon respectively.
- Over a quarter of fresh meat is sold through the leading retailer.
- The top 4 multiples account for 67.9% of sausage sales and 73.2% of ham sales.

Top 4 multiples = Tesco, Sainsbury's, Asda, Morrisons.

OVER / UNDERTRADE INDEX vs RST*
52 Weeks w/e 24 January 2010 (FRESH)
(index >100 indicates overtrade)



- The leading retailer undertrades in bacon.
- Other multiples significantly undertrade across all pigmeat products.
- Discounters significantly over-trade in bacon.

**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

Data up to 24 January 2010

Fresh Pork
12 weeks to 24 January 2010

- There was a price decrease of 24p to £4.61 per kg.
- GB Households spent on average an extra 43p on fresh pork compared to the same 12week period last year.
- Fresh Pork continues to have the strongest performance of all of the red meats.

Source: KANTAR Worldpanel

Total Expenditure (£000's)
£192,625 (+7.2%)

Average Price Paid
£4.61 per kg (-4.9%)

Volume Sales (Tonnes)
41,763 (+12.9%)

Ave. Household Spend / Year
£13.76 (+3.2%)

Penetration* 55.3%
of All Households (+3.2%)

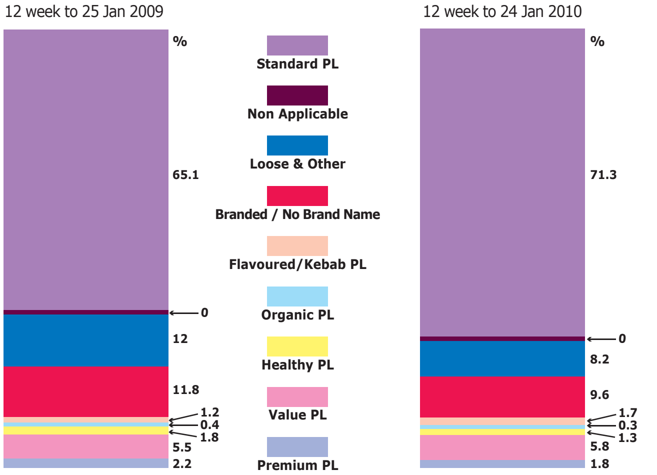
Average Frequency 3.1 (0%)
(Number of Purchase Occasions)

Ave. Household Quantity / Year
3kg (+11.1%)

**Penetration = Number of GB households that bought fresh pork in latest 12 weeks.*
(% changes are year on year).

Fresh Pork by Tier

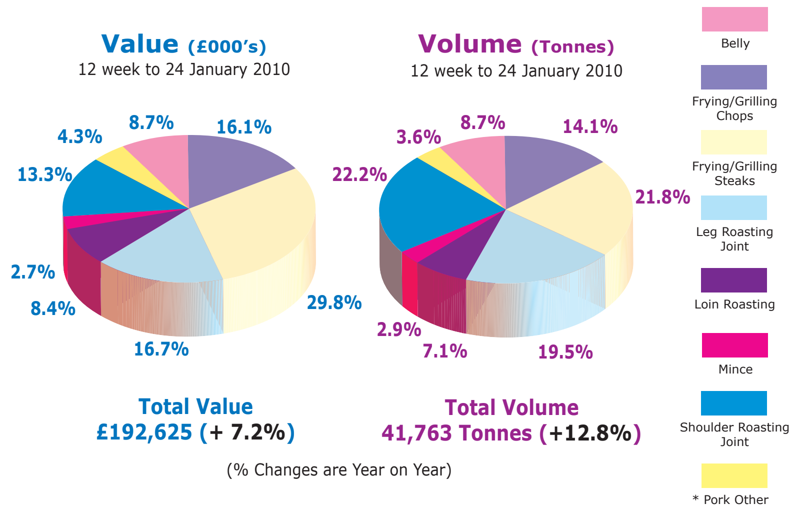
Source: KANTAR Worldpanel



- Standard private label tier has had the greatest increase in volume share.
- Value tier has had a slight increase.
- Loose and premium fresh pork have had the greatest declines in volume share.

Fresh Pork by Cut

Source: KANTAR Worldpanel



- Steaks/chops and leg roasting account for over 50% of the market.
- Shoulder roasting joints have had the largest increase in volume sales.

** Pork Other = Diced/Cubed, Mixed Cuts Pack, Marinades*

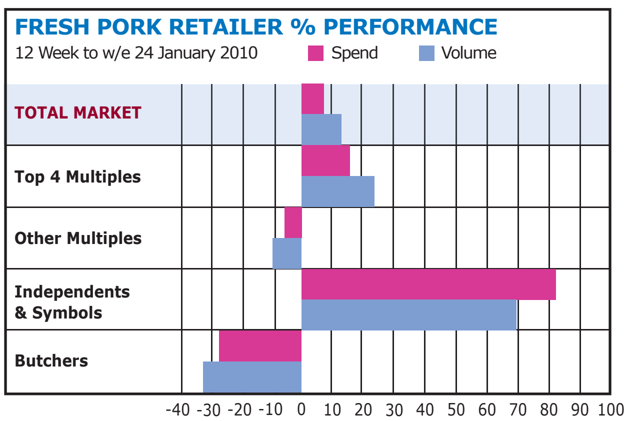
Retailer Share & Performance

Source: KANTAR Worldpanel

- 2 of the top 4 multiples had increased fresh pork value sales compared to last year.
- Butchers have had a slight decline in value % share.

FRESH PORK RETAILER % SHARE 12 Week

Value %	12 week to 25 Jan 2009	12 week to 24 Jan 2010	£ % Change
TOTAL MARKET	100	100	7.2
Top 4 Multiples	70.4	75.9	15.6
Other Multiples	16.4	14.5	-5.5
Independents & Symbols	0.1	0.3	82.1
Butchers	10	6.9	-26.6



BPEX Quarterly
Bacon & Sausages

BPEX

Data up to 24 January 2010

Bacon
12 weeks to 24 January 2010

- Bacon value and volume sales have increased.
- There was a price increase of 5p to £6.00 per kg.
- GB Households spent on average an extra 43p on bacon compared to the same 12 week period last year.
- 2 of the top 4 retailers have increased their bacon value share.
- 3 of the top 4 retailers had value sales increases.
- Butchers had substantial value and volume sale decreases.

Source: KANTAR Worldpanel

Total Expenditure (£000's)
£338,071 (+2.8%)

Average Price Paid
£6.00 per kg (+0.8%)

Volume Sales (Tonnes)
56,314 (+1.9%)

Ave. Household Spend / Year
£16.53 (+2.7%)

Penetration* 80.8%
of All Households (-0.5%)

Average Frequency 4.9 (-2%)
(Number of Purchase Occasions)

Ave. Household Quantity / Year
2.8kg (+3.7%)

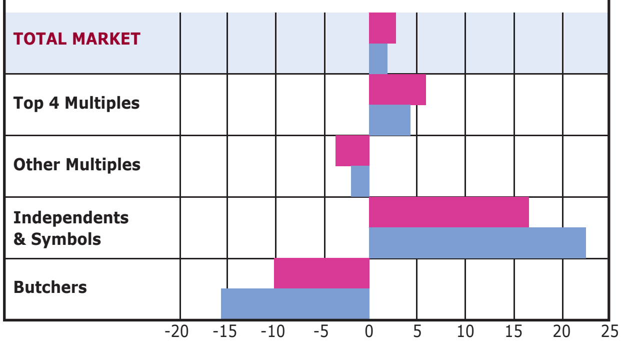
**Penetration = Number of GB households that bought bacon in latest 12 weeks.*
(% changes are year on year).

BACON - RETAILER % SHARE 12 Week

Value %	12 week to 25 Jan 2009	12 week to 24 Jan 2010	£ % Change
TOTAL MARKET	100	100	2.8
Top 4 Multiples	65.2	67.2	5.9
Other Multiples	26.4	24.8	-3.5
Independents & Symbols	0.7	0.8	16.6
Butchers	4.4	3.8	-9.9

BACON - RETAILER % PERFORMANCE

12 Week to w/e 24 January 2010



Sausages
12 weeks to 24 January 2010

- Sausages have had value and volume sales increases.
- There was a price increase of 8p to £3.49 per kg.
- On average GB households spent an extra 38p extra on sausages compared to the same 12 week period last year.
- The top 4 retailers have all had sausage value sales increases.
- Butchers continue to have value and volume sales decreases, mainly due to the number of independent butchers declining.

Source: KANTAR Worldpanel

Total Expenditure (£000's)
£160,330 (+6.6%)

Average Price Paid
£3.49 per kg (+2.3%)

Volume Sales (Tonnes)
45882 (+4.1%)

Ave. Household Spend / Year
£8.63 (+4.6%)

Penetration* 73.4%
of All Households (+1.2%)

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

Ave. Household Quantity / Year
2.5kg (+4.2%)

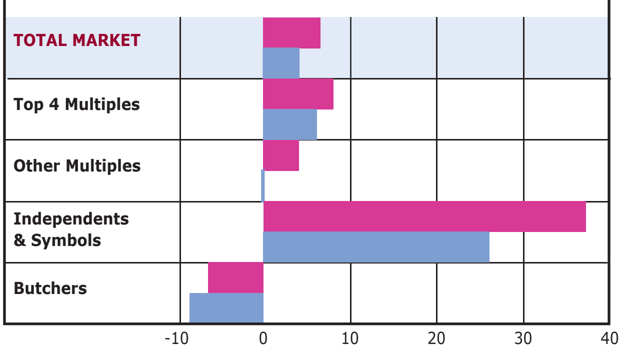
**Penetration = Number of GB households that bought sausages in latest 12 weeks.*
(% changes are year on year).

SAUSAGES - RETAILER % SHARE 12 Week

Value %	12 week to 25 Jan 2009	12 week to 24 Jan 2010	£ % Change
TOTAL MARKET	100	100	6.6
Top 4 Multiples	67.7	68.7	8.1
Other Multiples	20.1	19.6	4.1
Independents & Symbols	0.7	0.9	37.2
Butchers	8	7	-6.4

SAUSAGES - RETAILER % PERFORMANCE

12 Week to w/e 24 January 2010



BPEX Quarterly
Ham

Data up to 24 January 2010

Ham
12 weeks to 24 January 2010

- There was a price increase of 17p to £8.75 per kg
- GB Households spent on average 24p more on ham 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.
- Smaller pack sizes will also account for decreased volume sales.
- 2 of the top 4 retailers have increased their value sales.
- Butchers have had a significant decline in value sales compared to the same period last year.

Source: KANTAR Worldpanel

Total Expenditure (£000's)
£221,655 (+0.9%)

Average Price Paid
£8.75 per kg (+2%)

Volume Sales (Tonnes)
25,324 (-1%)

Ave. Household Spend / Year
£11.85 (+2.1%)

Penetration* 73.9%
of All Households (-1.7%)

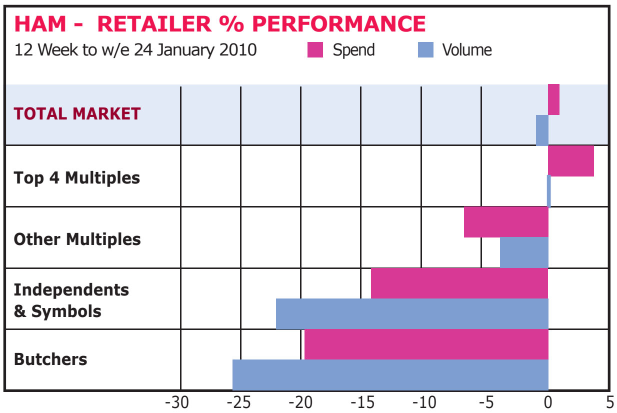
Average Frequency 5.7 (+1.8%)
(Number of Purchase Occasions)

Ave. Household Quantity / Year
1.4kg (0%)

**Penetration = Number of GB households that bought ham in latest 12 weeks.*
(% changes are year on year).

HAM - RETAILER % SHARE 12 Week

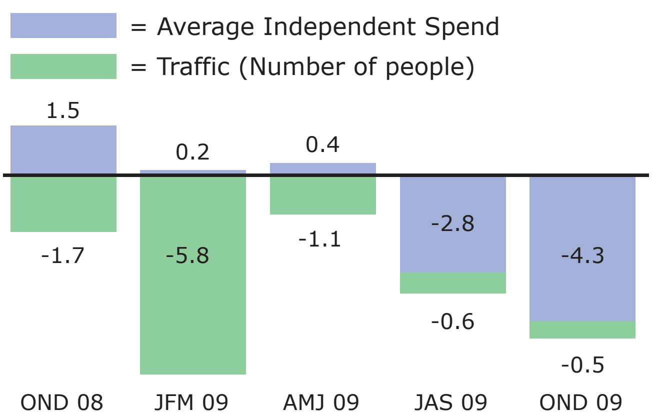
Value %	12 week to 25 Jan 2009	12 week to 24 Jan 2010	£ % Change
TOTAL MARKET	100	100	0.9
Top 4 Multiples	72.6	74.6	3.7
Other Multiples	23	21.2	-6.8
Independents & Symbols	0.9	0.7	-14.3
Butchers	1.6	1.3	-19.7



Out of Home Sales Performance (Foodservice)

Source: NPD Crest

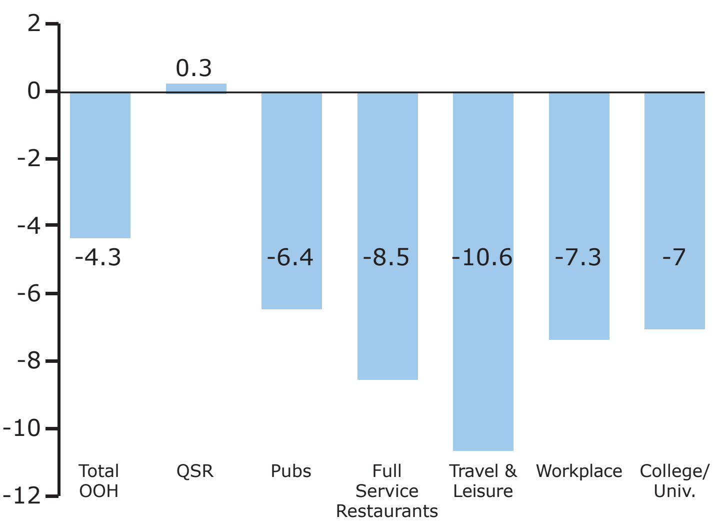
Total OOH: Components of Selling % Change vs. 1 Year Ago



Sales				
-0.1%	-5.7%	-0.7%	-3.4%	-4.9%

- Traffic has declined year on year throughout 2009.
- Spend and traffic down for the 2nd half of 2009 compared to 2008.

Traffic % Change vs. 1 Year Ago October/November/December 2009



- Quick service restaurants (QSR) were the only sector to have year on year increases in traffic.
- The travel and leisure sector have had the biggest declines due to cut backs in business travel and tourism brought by the recession.

Contacts

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BPEX is a division of the Agriculture and Horticulture Development Board