

KANTAR

Price inflation is not going away as the cost-of-living crisis intensifies.

An update on the fresh meat, fish, poultry and meat-free markets covering the 12 weeks to 2 October 2022



Price inflation as a talking point is not going away and remains the key driver of MFP as the ‘cost-of-living crisis’ continues.

Fresh Primary Meat & Poultry continues to see growth in value terms with year-on-year performance at +1.8%, however this is driven primarily by higher prices across all the proteins whilst volume sales decline -7.0%. A similar pattern is seen in Processed Meat & Poultry which has seen spend grow by +4.6% also driven by higher prices (+11.2%) but again suffering volume decline at -5.8%. Chilled Fish prices rise by +4.9%, lower in comparison to Primary & Processed Meats, however greater value and volume decline of -4.8% and -9.2% respectively.

“Chilled Fish starts at the highest price point per kilo at £12.58, meaning there is a lower ceiling in price expansion before it starts to impact shopper numbers.” explains Stewart Wise, Consumer Insight Director, Kantar.

Of all the Fresh Primary Proteins, only Other Red Meat (e.g. Venison) has managed to grow volume +9.2%, and this could be driven by the cost-of-living crisis as it is one of the most competitively priced proteins at £5.18 per kilo and one of the least inflated proteins with prices growing at 2.0%.

Fresh Lamb is the most expensive primary protein at £11.51 per kilo, with prices rising by +10.8%. Consequently, Fresh Lamb has seen a heavy volume decline of -25.8% as well as a spend decline of -17.7%, due mainly to less shoppers. Primary Fresh Beef, though to a lesser extent, suffers similar issues. Fresh Beef prices are up +9.4% to £8.74 per kilo with -12.0% volume losses and spend losses of -4.2%, though this is more commitment reduction than a loss of shoppers. The cost of living and resulting pressures on the family budget are likely having an impact and look to worsen as we move through the year.

Shoppers are tightening their belts and other proteins, such as Chicken and Pork, are benefiting. Despite being one of the most inflated proteins, Primary Chicken remains one of the most affordable at £4.38 per kilo (up +16.5%). With more headroom to drive prices, chicken remains the lowest protein price point resulting in spend growth of +12.5% whilst volume is impacted less than other proteins with decline of -3.6%. To a lesser extent the same can be said of Pork, which is the second lowest protein in terms of price per kilo at £5.43, up +8.4% resulting in 4.8% spend growth and lower than average volume decline of -3.5%.

Processed Meat & Poultry follows a similar pattern to Fresh Primary in that we see strong growth in spend +4.6%, higher prices +11.2% but falling volume -5.8%. All processed proteins have seen spend growth led by Burgers and Grills at +8.8% though all also suffer volume losses driven by Fresh Processed Poultry -6.6% which is the most inflated of the categories at +13.5% and making it the most expensive per kilo at £8.56 per kg. Sausages have the second lowest per kilo at £5.49, however volume continues to decline by -5.6%. Despite Sliced Cooked Meats having the highest price per kilo at £10.94 (+7.8%) the sector has the smallest volume decline within Fresh Processed Meat & Poultry of -1.1% and a value growth of +6.6%, perhaps bolstered a little by shoppers returning to pre-Covid routines.

As stated, Chilled Fish with less headroom to push prices is suffering declines in spend -4.8% and volume -9.2%. The only sector to gain in terms of volume has been shellfish +0.6%, which is also the only protein in total to see a fall in prices -0.7% (but at £11.76 per kilo remains one of the more expensive categories). Natural has experienced the highest increase in prices +8.7% to £14.99, which cements it as the highest-priced protein per kilo ahead of Lamb. Trends across Added Value, Battered and Smoked are all in line with the Chilled Fish Market. Higher prices, but falling volume and value sales generally driven by a fall in shoppers is raising the question of where the price ceiling is.

Fresh Meat Free is also not immune from increases in price with prices rising by +5.5% to £9.15 per kilo. Therefore it remains a higher price protein, which may be impacting the volume decline of -5.4% during the cost-of-living crisis. Spend is stable at -0.2%, which is maintained due to those higher prices as shoppers are generally putting less Fresh Meat Free products into their baskets. Meat Free Sausages and Tofu are driving this volume decline whilst Meat Free Burgers are in growth.

What should we expect in the next month? More of the same as shoppers feel the pinch from rising costs across the board from groceries and energy prices. As the cost-of-living crisis is pushed more to the forefront of consumers minds, we anticipate shoppers looking for ways to manage their budgets and the likelihood of trading down by store and by product choice.

	12 weeks to 02/10/2022	Year-on-Year Change	12 weeks to 02/10/2022	Year-on-Year Change	12 weeks to 02/10/2022	Year-on-Year Change
	£Ms	%	Kg Ms	%	£ per kg	%
Fresh Primary Meat & Poultry	1318.1	1.8%	223.5	-7.0%	5.9	9.5%
Beef	450.6	-4.2%	51.6	-12.0%	8.74	9.0%
Lamb	100.1	-17.7%	8.7	-25.8%	11.51	10.8%
Pork	182.3	4.8%	33.5	-3.5%	5.43	8.4%
Chicken	537.9	12.5%	122.7	-3.6%	4.38	16.5%
Turkey	23.6	-5.4%	3.4	-13.9%	6.9	10.0%
Other Red Meat	7.6	11.2%	1.5	9.2%	5.18	2.0%
Other Poultry	16.0	-14.9%	2.1	-19.7%	7.52	6.1%
Fresh Processed Meat & Poultry	993.5	4.6%	140.8	-5.8%	7.06	11.2%
Bacon	253.2	0.8%	41.1	-6.1%	6.16	7.3%
Sausages	175.5	3.8%	32.0	-5.6%	5.49	9.8%
Burgers & Grills	108.9	8.8%	14.5	-2.3%	7.5	11.3%
Fresh Processed Poultry	455.9	6.2%	53.2	-6.6%	8.56	13.5%
Sliced Cooked Meats	595.3	6.6%	54.4	-1.1%	10.94	7.8%
Chilled Fish	466.9	-4.8%	36.0	-9.2%	12.98	4.9%
Added Value Products	116.9	-4.8%	11.1	-10.5%	10.54	6.4%
Battered	9.3	-9.3%	0.8	-13.1%	12.25	4.3%
Breaded	30.3	-4.6%	3.6	-5.3%	8.44	0.8%
Natural	170.7	-3.0%	11.4	-10.8%	14.99	8.7%
Shellfish	54.9	-0.1%	4.7	0.6%	11.76	-0.7%
Smoked	84.7	-10.3%	4.5	-13.3%	18.93	3.4%
Fresh Meat Free*	66.9	-0.2%	7.3	-5.4%	9.15	5.5%