

Healthy bread and organic rolls in UK

THE BRITISH BAKERY COMPANY WARBURTONS, HAS PUBLISHED A SURVEY ON THE BRITISH BAKERY MARKET – WARBURTON'S BAKERY REVIEW



+ This report, which is mainly based on data from international market research companies, offers an interesting insight.

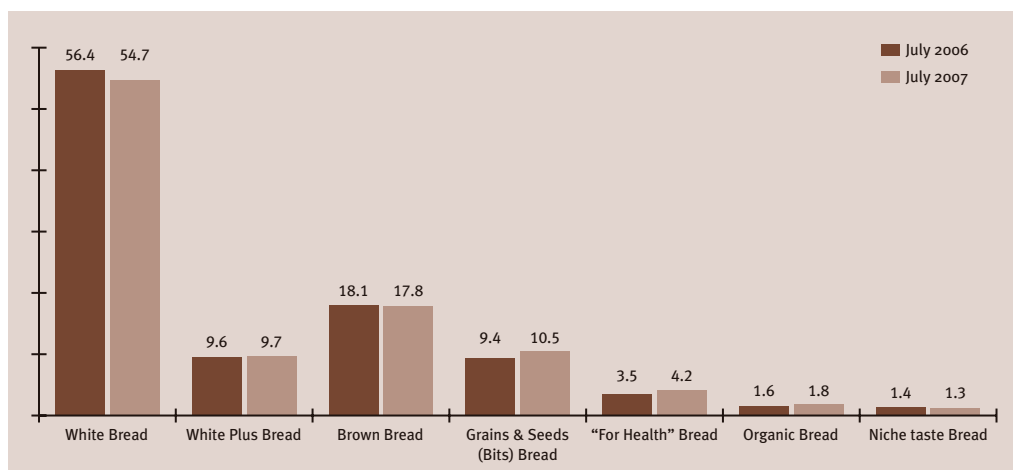
The British family-owned company Warburtons, is the largest British private bakery and ranks number 2 on the British bread market. Warburtons has 13 production sites in which 150,000 bread pieces are baked daily. The company processes 45 tons of flour each day and has 4,200 employees. In the past four years, the company has published a so-called "Bakery Review" which depicts the situation on the British bread market.

For this latest Review another, attractive approach was made, namely to segment the market from the consumer's point of view. Based on a utilization concept and alternatives, two main groups were defined: "for now bakery" and "for longer bakery". The first group comprises products, generally produced in in-store bakeries, which are usually consumed the same day while the "for longer bakery" products are offered in packagings. Both market segments are subdivided into several categories (see picture). According to Warburtons, the British baked goods' market now has a value of GBP 3.2bn which equates to an increase of 7.2%, while the volume has increased to 4.5bn units, which is a 1.5% rise. Approximately 78% of the baked goods are from industrial production.

Consumption of bread according to occasion

- +** Breakfast – The British people are also increasingly changing from bread to more convenient and faster products such as cereals.
- +** Lunch boxes – More attention is paid to the nutrition of children. The lunch boxes now contain more healthy foods such as fruits and healthy types of bread. Also, adults are looking for a healthy, but hearty lunch. Lunch boxes promote the consumption of bread.
- +** Tea time – The snacks at tea time are predominantly consumed by children after school and by ladies over the age of 65. The overall consumption is on the decrease and housewives preparing this type of snack prefer fresh or chilled products rather than frozen ones.
- +** Evening meal – The bread consumption for this kind of meal is also rising. Bread is often offered as a side dish in the evenings.

**Value Shares of Bread in %
(comparison of July 2006 and July 2007)**



Packed bread

Warburtons divides the packed bread market into “bread for every day” and “bread for specific needs and special occasions”. The “bread for every day” category is subdivided into 800g and 400g packs of white, white plus, brown and bits products which are each available in economy, standard and premium quality.

The category “bread for specific needs” is divided by Warburtons into “for health”, “organic”, and “niche taste” with health bread again being divided into “active”, “weight loss” and “free from” types. While the “bread for every day” group experienced a 3.8% loss in volume in 2006, the “bread for specific needs” achieved an increase of 18.1%. However, to be fair, it must be noted that the total volume in the category “bread for every day” is 10 times higher (1,803,161,000 units) than the volume in the category “bread for specific needs” with 136,364,000 units. Both categories saw an increase in terms of value: “breads for every day” rose by 5.9% to GBP 1,460,595,000 while the “bread for specific needs” generated GBP 114,403,000 which is an increase in value of 19.9%. The largest growth was experienced in the health bread sector with 24.5% in volume and 27.8% in value. White bread from the “bread for every day” segment showed the highest losses, while the grain & seed breads generated growth, 10.8% in volume, 18.1% in value. However, the market share of these products is only 10%, while white breads still account for two-thirds of the market.

Packed rolls

Almost 50% of all rolls sold in multi-packs in British supermarkets have been baked in in-store bakeries and subsequently packed. More than 80% of the packs contain 6 rolls. Among the multi-packs, simple white rolls make up the major part with 70%. Organic rolls have – on a small basis – the largest growth rates with an increase of 41% in volume and 56% in value, when compared to the figures of the previous year. +++

Market values of wrapped rolls, excluding in-store bakery multi-packs

	1000 packs, July 2007	%YOYchange
White rolls	243873	7.1
White plus rolls	8617	8.7
Brown rolls	54270	12
Grain & seed rolls	22612	16.3
Flavoured Rolls	10442	18
Organic rolls	2687	41
“For health” rolls	4042	9.9

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