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In this edition:

Burger King launches premium burger. **Page 2**

Asda boss gloomy on consumer spending this year. **Page 2**

Asda to unveil and enhanced buying deal with Walmart, to create 6,000 new jobs. **Page 2-3**

Greater grains for pizza crust. **Page 3**

Farming must embrace GM technology to fight 21st century food crisis. **Page 3-4**

Tofu can harm environment more than meat, finds WWF study. **Page 4**

You've tried sweet, sour, bitter and salty...now tubes of the 'fifth taste' to be sold in Supermarkets. **Page 4-5**

French consumer trends examined. **Page 5**

Auchan develops waste recycling initiative. **Page 5-6**

Yum! Brands to focus on sales 'layers' in 2010. **Page 6-7**

Nectar overtakes Tesco Clubcard. **Page 7**

Traditional sandwich falls out of favour to foreign breads. **Page 7-8**

Waitrose unveils new range inspired by Top Chef. **Page 8**

French Foodservice industry moves towards snacking and fast food. **Page 8**



Burger King launches premium burger, Steakhouse XT

Burger King Holdings Inc. will soon start a national push for its priciest burger ever as the fast-food chain comes off one of its most aggressive discounting periods in history.

Burger King on Sunday began a month-long advertising campaign behind its Steakhouse XT burger line, with an introductory price at \$3.99. The suggested price from there ranges up to \$4.49, the highest for a single-patty burger on the chain's menu. A Whopper burger sells for \$3.19 on average at company stores, though some chicken and other items are priced higher.

The premium burger will be part of a delicate and closely watched transition as Burger King follows a six-month period where its message focused almost exclusively on value, with a \$1 double cheeseburger in the forefront. Mike Kappitt, Burger King's senior vice president of global business intelligence and strategy, called it the "longest, most relentless stint on value" in his eight years with the company.

Burger King executives will try to keep as much of the customer traffic it gained from the \$1 promotion, which will continue in its form until mid-April, as it can, though some inevitably will shift away.

Burger King hopes the XT can win over customers from casual-dining chains like DineEquity Inc.'s (DIN) Applebee's, but it is primarily targeting fast-food leader McDonald's Corp. (MCD) and getting some of its own customers to trade up, Kappitt said. The XT is also skewed to appeal to Burger King's older, more affluent clientele.

The premium items deliver meatier profits, too. The XT, with a 75% profit margin, will have the highest "penny profit" in Burger King's history, Kappitt said, but only until ribs come out in May.

At \$3.99, Burger King would pocket \$2.99 for each XT after food and paper costs. The \$1 double cheeseburger, by comparison, yields a 47-cent profit.

Source: Chicago Tribune, 22/02/2010

Asda boss gloomy on consumer spending this year

Asda's chief executive admitted he was "nervous" about the outlook for consumer spending this year, but said the UK's second-biggest supermarket would still accelerate the opening of smaller Asda groceries and non-food stores over the next five years.

Andy Bond said British families faced a raft of rising costs in 2010 which they did not come up against last year. "Petrol is going up, VAT has increased and for some people taxation is increasing and some household staples are still in inflation," he explained.

"There is no good news to make people feel good so I think sentiment is dropping. I am really quite nervous for this year for consumers."

Source: The Independent, 19/02/2010

Asda To Unveil An Enhanced Buying Deal With Walmart, To Create 6,000 New Jobs

Asda has said it will outline later this today how it will further leverage Walmart's buying strength in 2010. The company said it will be an integral part of Walmart's plans to lower costs through its new Global Merchandising Centres, leveraging the company's global scale in both general merchandising and global food sourcing.

Asda said its fresh produce business – International Produce Limited (IPL) – will also play a key role in reducing prices on imported produce. Now a



wholly-owned subsidiary of Walmart, the company will buy in greater volume for Walmart stores worldwide, helping to lower prices for Asda shoppers. Asda President and CEO Andy Bond said, “We’re putting the right structure in place to generate significant savings to customers over the years ahead, powered by our unique relationship with Walmart.”

Source: Kamcity.com, 18/02/2010

Greater grains for pizza crusts

When it comes to pizzerias catering to customers with food allergies or diet restrictions, gluten-free crust is so 2009 – or rather, that goes for what’s usually employed to make it. Celiac Disease concerns are in fact growing, but those afflicted want more from their food.

Luckily, the ingredients used to make more healthful crusts are getting optimized. There’s an emphasis on exciting new "superfood" components, which are more nutritious than rice flour, the old gluten-free stand-in for bread. And wheat grain or flour, the usual go-to for overall healthier crusts, has been one-upped as well.

The new healthy and non-allergenic crusts aren’t about subtraction, but adding nutritionally multifunctional ingredients, like healthier grains and flours or even antioxidant-rich berries. The result is food that’s nourishing in every sense of the word.

Source: Pizza Market place, 15/02/2010

‘Farming must embrace GM technology to fight 21st-century food crisis’

Farming must fully embrace genetically modified (GM) crops to meet the dual challenges of population growth and global warming, according to Hillary Clinton’s chief scientist.

Nina Fedoroff, who advises the US Secretary of State on science and technology, heads a group of senior researchers who call today for a “radical rethink” of farm practice to meet 21st-century demand for food. Writing in the journal *Science*, they urge world leaders to do more to promote GM technologies so that scientists can create crops that produce higher yields and that can grow in the harsh conditions of a warmer world.

“There is a critical need to get beyond popular biases against the use of agricultural biotechnology and develop forward-looking regulatory frameworks based on scientific evidence,” the scientists say. They argue that an agricultural revolution is needed to address two threats to global food security over the coming century.

The world’s population is forecast to rise from 6.8 billion today to about 9 billion by 2050, creating a vastly increased demand for food. At the same time climate change is likely to reduce the yields of much of the land currently under cultivation, creating a risk that food production will fall as demand for it rises. The authors, who include climate experts, plant biologists and agricultural researchers, point to a little-reported effect of the 2003 European heat wave as a harbinger of things to come.

“The average temperature that summer was only about 3.5C above the average for the last century,” they say. “The 20 to 36 per cent decrease in the yields of grains and fruits that summer drew little attention. But if the climate scientists are right,



summers will be that hot on average by mid-century.”

Global warming is likely to reduce yields because photosynthesis is less efficient in many crops at raised temperatures. GM technology has the potential to deliver improved crop yields from arable land and to create new varieties that can thrive in salty soil and during drought and floods, the researchers say.

The report comes amid increasing pressure from scientists for greater use of GM crops. Britain’s chief scientist, John Beddington, has backed GM as part of the solution to global food security, as has Sir Gordon Conway, a former chief scientist at the Department for International Development.

Source: The Times, 12/02/2010

Tofu can harm environment more than meat, finds WWF study

Becoming a vegetarian can do more harm to the environment than continuing to eat red meat, according to a study of the impacts of meat substitutes such as tofu.

The findings undermine claims by vegetarians that giving up meat automatically results in lower emissions and that less land is needed to produce food.

The study by Cranfield University, commissioned by the environmental group WWF, found that many meat substitutes were produced from soy, chickpeas and lentils that were grown overseas and imported into Britain.

It found that switching from beef and lamb reared in Britain to meat substitutes would result in more foreign land being cultivated and raise the risk of

forests being destroyed to create farmland. Meat substitutes also tended to be highly processed and involved energy-intensive production methods.

The National Farmers’ Union said the study showed that general statements about the environmental benefits of vegetarianism were too simplistic.

Jonathan Scurlock, the NFU’s chief adviser for climate change, said: “The message is that no single option offers a panacea. The report rightly demonstrates the many environment benefits to be had from grazing pasture land with little or no other productive use.”

The study also found that previous estimates of the total emissions of Britain’s food consumption had been flawed because they failed to take account of the impact of changes to the use of land overseas.

Source: The Times, 12/02/2010

Fifth Taste

You've tried sweet, sour, bitter and salty... now tubes of the 'fifth taste' to be sold in supermarkets

Many an amateur chef has tasted a dish only to declare that something is missing.

What follows is the inevitable excursion through the larder looking for that magic ingredient.

But the days of this culinary lottery appear to be numbered as a substance first known only to science - bottled 'deliciousness' - is coming to the High Street.

Umami was discovered 102 years ago by a Japanese scientist but until now has only graced the shelves of Michelin-starred restaurants.



It is the secret to making anything taste fantastic, so much so it is known as the 'fifth taste'.

And pretty soon you will be able to add it to absolute everything as tubes of the wonder stuff go on sale in 197 branches of Waitrose for £2.99 a tube.

Named Taste No 5, evoking the added allure of a high-class perfume, it triggers the sensation of delight in the brain when at least one of the primary tastes of sweet, sour, bitter and salty is also present. Food writer Laura Santtini, who developed the purée, said: 'I wanted to get away from the notion that umami is something of interest to scientists that no one else can really understand.'

'The truth is that umami should be of interest to anyone who has a tongue.'

Far from being a Japanese phenomenon there are examples of foods high in umami in every culture. Worcestershire Sauce and Marmite are two British standard bearers. Human breast milk is also high in umami.

Taste No 5 will be stocked in 197 branches of Waitrose from next week and will go on sale at the Booths supermarket chain in northern England next month.

Source: The Daily Mail, 10/02/2010

French consumer trends examined

The French National Nutrition agency, INPES, have recently published an extensive study, Baromètre Santé Nutrition, on French shopper, consumer and lifestyle trends, with particular emphasis on nutrition. This study which began in 1996, was updated in 2002 and again in 2008, and was conducted via telephone interviews with over 4,700 consumers.

The results highlight that the French National Nutrition Plan, PNNS is having a favourable impact on consumer behaviour, with French consumers snacking less between meals, purchasing fewer ready meals, and more consumers claiming to eat a balanced diet. However, the level of physical exercise still remains insufficient. Over the coming weeks we will look at different elements of this study, starting with an overview of consumer shopping trends.

Almost 84% of French consumers choose supermarkets or hypermarkets for their main shopping trip. Bakeries were cited by 79% as the second most frequented primary shopping destination while discounters were cited by 12%. Only 8.1% chose to shop online or over the phone.

The key factor that influences choice of store in France is proximity (39.6%), followed by price (28.1%) and the quality and product variety (23.7%). The study shows clear socio-demographic differences. Shoppers living in the greater Paris area shop more regularly in supermarkets and hypermarkets compared to consumers in smaller towns and rural areas. However, consumers in the lower income bracket are amongst those that frequent supermarkets and hypermarkets the least and inversely shop most frequently in discounters.

Source: Bord Bia, Food Alert, 05/02/2010

Auchan develops waste recycling initiative

In the aftermath of the global Climate summit in Copenhagen, and in the context of the introduction of carbon taxes in France, environmental issues have taken centre stage in the food industry. The leading French retailer Auchan (with 12.4% market share) is looking to Belgium to help with its waste minimisation initiatives.



While viable food products left over at the end of the day are distributed to food banks, the remainder is classified as waste. In Auchan's case, this amounts to 180,000 tonnes of food and non-food waste annually. In partnership with Belgian waste management group, Vanheede, Auchan has begun to send waste food from 15 stores in Northern France to a processing plant in Belgium for 'methanisation'. The plant allows for the sorting of organic matter from non-organic (such as packaging) through the use of specialized equipment. The packaging is then sent for separate recycling, while the waste food is 'methanised'.

Auchan hopes to reach 74% recycled waste levels in the stores participating in this waste disposal method, in contrast to the 63% average levels in Auchan's other 120 stores. Auchan's drive for higher recycling rates is also driven by the requirements of the EU Landfill Directive, which make it increasingly difficult to dispose of food wastes in landfills. It plans to extend this waste recycling process to all its stores.

Source: Bord Bia, Food Alert, 05/02/2010

Yum! Brands to focus on sales 'layers' in 2010

Yum! Brand's chairman, president and CEO David Novak told investors he was pleased with the company's strong year of performance despite the tough macro environment in the company's fourth quarter earnings call on Thursday.

For the fourth quarter ended Dec. 26, 2009, worldwide same-store sales for the quarter were slightly negative, with comps down 3 percent in mainland China and 2 percent in other international markets. U.S. comps were down sharply by 8 percent, with Pizza Hut leading the slide with a decline of 12 percent. KFC was down 8 percent, and

Taco Bell was down 5 percent. For the year, comps in China were down 1 percent and down 1 percent in other international markets. U.S. yearly comps were down 5 percent.

The company is pushing forward with its emphasis on sales layers as announced in its annual investor update in December. For Yum! Restaurants International, that means the expansion of the Crushers line of frozen beverages at KFC and Pizza Hut moving to a casual dining focus, a successful strategy for the China market. In China, KFC has found success with the addition of home delivery, breakfast and more protein items such as shrimp.

In the United States, Taco Bell's value positioning seems to be working, and the company is prepared to move forward with breakfast, which should launch nationally in 2011, as well as other previously announced initiatives such as new beverages and a soft corn taco. The company is most optimistic about Taco Bell's potential in 2010, the company's strongest "U.S. growth engine," Novak said.

Pizza Hut and KFC face a number of challenges, and the company is "absolutely passionate about addressing" them, he said. Pizza Hut appears to be gaining with its \$10 Any Way You Want It everyday promotion, a response to consumers' saying the pizza is too expensive. The brand's long-term strategy is to expand the brand beyond pizza to include pasta and wings, with new promotions this year. Premium pizzas are still in the pipeline.

KFC's Kentucky Grilled Chicken has added good mix for U.S. stores. The brand will focus on improving operations, particularly speed of service and product availability. Novak expects a tough half-year ahead for the chicken chain, which will focus on value as well as more choice and better service.

"When you look at all our efforts, we are confident our U.S. business is heading towards more reliable



and a more predictable earnings and cash flow," said Rick Carucci, Yum! chief financial officer. "We expect stronger growth in the back half of 2010. And yes, part of the reason for that is we lapped weaker results from the last half of 2009."

Carucci told investors during the call that the company does not expect a strong economic turnaround in 2010 and has built its plans accordingly. Having learned from challenges in 2009, the company is better prepared moving forward, even as it expects first quarter sales to be below normal growth rates. The company does expect to benefit from better foreign currency exchange rates.

Source: OSR Web, 05/02/2010

Nectar overtakes Tesco Clubcard

Nectar, whose partners include Sainsbury's and BP, has overtaken Tesco's Clubcard to become the biggest loyalty card in Britain.

The card said it had added over a million holders in the past year - taking the total to 16.8 million.

That exceeds both Tesco's card, with just over 16 million holders, and about 15 million Boots Advantage Card holders. The milestone comes as Tesco's card prepares to celebrate its 15th anniversary this month.

Nectar has added Homebase in the past year, giving it 14 partners and about 400 internet sites.

Nectar's growth is a coup for Sainsbury's, which is half the size of Tesco. Sainsbury's has also introduced till-side dispensers offering money-off vouchers.

Asda said last week it was also contemplating the introduction of a voucher scheme after recent sales showed signs of flagging.

Source: Thisismoney.co.uk, 08/02/2010

Traditional sandwich falls out of favour to foreign breads

The traditional homemade sandwich is falling out of favour and being replaced by foreign alternatives, according to the latest findings.

Britons are increasingly using foreign breads such as bagels, croissants, tortillas, naans and chapattis, it suggested.

Sales of bread, traditional rolls and baps have dropped 1.2 per cent in the past year, according to the Tesco study of high street retailers.

At the same time, sales of croissants have risen 33 per cent, chapattis and tortillas are up 18 per cent and naan bread is up 13 per cent. Bagels have increased by 11 per cent.

The increase is attributed to the rise of Britain's multicultural society which has helped to boost the popularity of different cuisines and the different types of bread which are now available on supermarket shelves.

Andy Simpson, Tesco's bakery spokesman, said: "It is further proof of how multicultural Britain is moving further away from its hackneyed continental image of a nation that lives on fried breakfasts, and a meat and two veg diet.

"For many Brits having a croissant or bagel with their morning coffee has now become a way of life while filled tortilla wraps are now hugely popular as lunchtime snacks.

"And naans and chapattis have become hugely popular since the curry replaced fish and chips as the nation's favourite dish."



However, while the proportion of traditional bread sales has declined, the amount sold is still significant larger than the amount of alternative bread sold.

Source: Telegraph, 05/02/2010

Waitrose Unveils New Range Inspired By Top Chefs

Waitrose is launching a new range of restaurant inspired ready meals created in collaboration between its executive chef Neil Nugent and other leading chefs including Pierre Koffmann, Anthony Demetre and Bryn Williams. Launching next month, the range of dishes, named 'Menu From', represents a celebration of the most loved dishes from some of the nation's most popular and upcoming restaurants. Made from top-quality ingredients, it is also designed to ensure there is little or no preparation involved.

Neil Nugent, Waitrose Executive Chef said, "We wanted to create a range of dishes that are truly reflective of those found on the menu of top restaurants. By collaborating with Pierre, Bryn and Anthony we have been able to make innovative dishes of restaurant quality that can be enjoyed in the comfort of your own home.

Source: Kamcity.com, 04/02/2010

French foodservice industry moves towards snacking and fast food

In 2009 six thousand restaurants and cafes were forced to close in France, but had VAT not been reduced from 19.6% to 5.5% in July, this figure could have been a lot worse. This number of failed businesses represents an increase of 8.6% on previous year's figures and traditional restaurants were the worst hit, with the closures of 830

independent restaurants that were less than 3 years in business.

However on a more positive note the rate of closure for bars fell by 9% in the wake of a number of difficult years after the introduction of the smoking ban. Furthermore the rate of new restaurants and cafes opening is increasing due to the lowered rate of VAT, demonstrating how the industry is constantly renewing itself.

The fast food sector represents 90% of these new restaurants, with the sandwich category showing turnover growth of 4% in 2009 at €6.3bn in 2009, and three new outlets opening every day. French consumers are spending an average of €3.23 per sandwich.

The main channels to benefit from this trend are Cafes/Sandwich chains (55.3% of the market – including La Brioche Dorée, & Subway who currently have 181 outlets in France and are aiming for 300 by the end of the year) and retailers urban formats (representing 22% of the market – Carrefour City, Chez Jean-part of Casino group & Daily Monop'.

Source: Bord Bia, Food Alert, 29/01/2010