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MarketLine Industry Guide

Frozen Food: Global Industry Guide

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EXECUTIVE SUMMARY

Market value

The global frozen food market grew by 2.7% in 2013 to reach a value of \$119,877.3 million.

Market value forecast

In 2018, the global frozen food market is forecast to have a value of \$141,439.9 million, an increase of 18% since 2013.

Market volume

The global frozen food market grew by 2.3% in 2013 to reach a volume of 25,814.8 million kilograms.

Market volume forecast

In 2018, the global frozen food market is forecast to have a volume of 29,213.1 million kilograms, an increase of 13.2% since 2013.

Category segmentation

Frozen ready meals is the largest segment of the global frozen food market, accounting for 23.9% of the market's total value.

Geography segmentation

Europe accounts for 38.8% of the global frozen food market value.

Market share

Nestle S.A. is the leading player in the global frozen food market, generating a 6.9% share of the market's value.

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INTRODUCTION

This report contains easily comparable data on market value, volume, segmentation and market share. It examines future problems, innovations and potential growth areas within the market.

What is this report about?

This report is a part of MarketLine's Global Industry Guide series, which includes comprehensive category data and analysis across all major industry sectors. These incisive reports include key data points, charts and expert analysis on a global, regional and country basis.

Who is the target reader?

This report should be read by competitive analysts, distribution managers, marketing managers, strategic planners and senior executives.

How to use this report

This introductory section sets out the report style and explains the definitions used in following chapters;

Definitions

The frozen food market consists of the retail sale of frozen fish/seafood, meat products, potato products, pizza, ready meals and bakery products. The "other" segment includes the sale of frozen vegetables, fruit and desserts. The market is valued according to the retail selling price (RSP) and includes all applicable taxes. Any currency conversions used in the creation have been calculated using 2013 constant annual average exchange rates.

GLOBAL FROZEN FOOD

Market Overview

Market analysis

The global frozen food market experienced moderate growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will perform at a similar, albeit accelerated rate, during 2013-2018.

The global frozen food market had total revenues of \$119,877.3m in 2013, representing a compound annual growth rate (CAGR) of 3.1% between 2009 and 2013. In comparison, the European and Asia-Pacific markets grew with CAGRs of 3% and 4.8% respectively, over the same period, to reach respective values of \$46,559.1m and \$28,948.5m in 2013.

Market consumption volumes increased with a CAGR of 2.5% between 2009 and 2013, to reach a total of 25,814.8 million kilograms in 2013. The market's volume is expected to rise to 29,213.1 million kilograms by the end of 2018, representing a CAGR of 2.5% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the global frozen food market in 2013, sales through this channel generated \$88,145.7m, equivalent to 73.5% of the market's overall value. Sales through independent retailers generated revenues of \$15,560.1m in 2013, equating to 13% of the market's aggregate revenues.

The performance of the market is forecast to accelerate, with an anticipated CAGR of 3.4% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$141,439.9m by the end of 2018. Comparatively, the European and Asia-Pacific markets will grow with CAGRs of 3% and 5.2% respectively, over the same period, to reach respective values of \$54,092.0m and \$37,324.0m in 2018.

Market Data

Market value

The global frozen food market grew by 2.7% in 2013 to reach a value of \$119,877.3 million.

The compound annual growth rate of the market in the period 2009–13 was 3.1%.

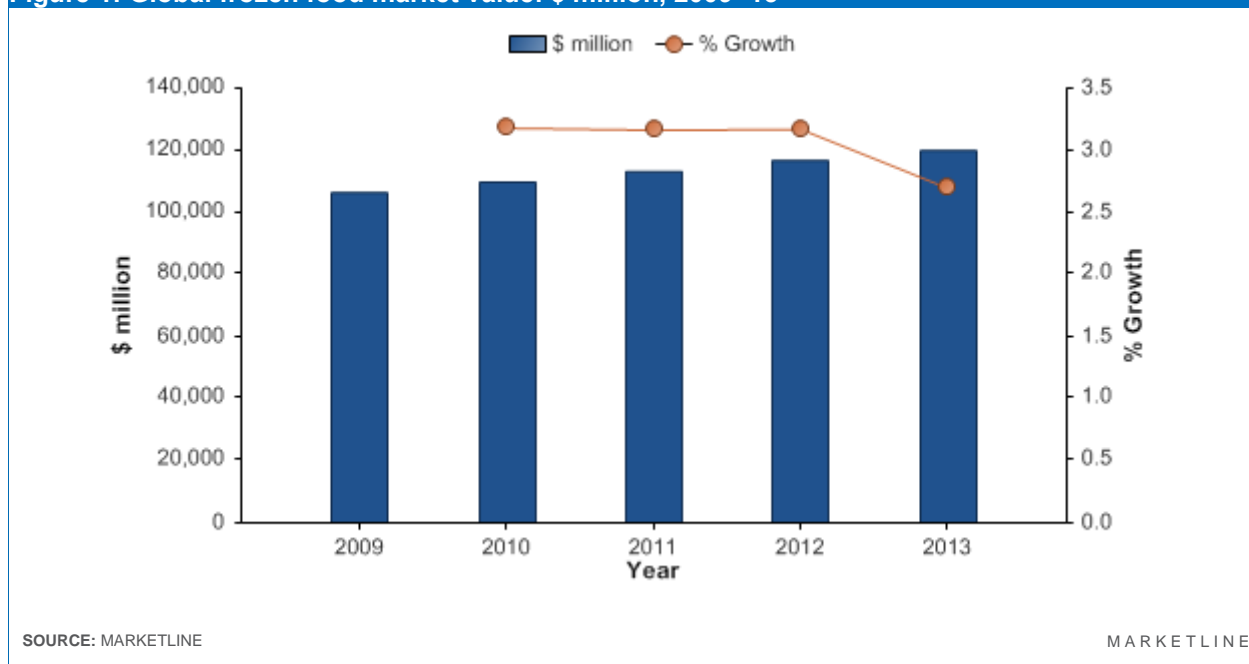
Table 1: Global frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	% Growth
2009	106,297.3	80,037.1	
2010	109,676.9	82,581.8	3.2%
2011	113,145.4	85,193.5	3.2%
2012	116,731.1	87,893.3	3.2%
2013	119,877.3	90,262.2	2.7%
CAGR: 2009–13			3.1%

SOURCE: MARKETLINE

MARKETLINE

Figure 1: Global frozen food market value: \$ million, 2009–13



Market volume

The global frozen food market grew by 2.3% in 2013 to reach a volume of 25,814.8 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 2.5%.

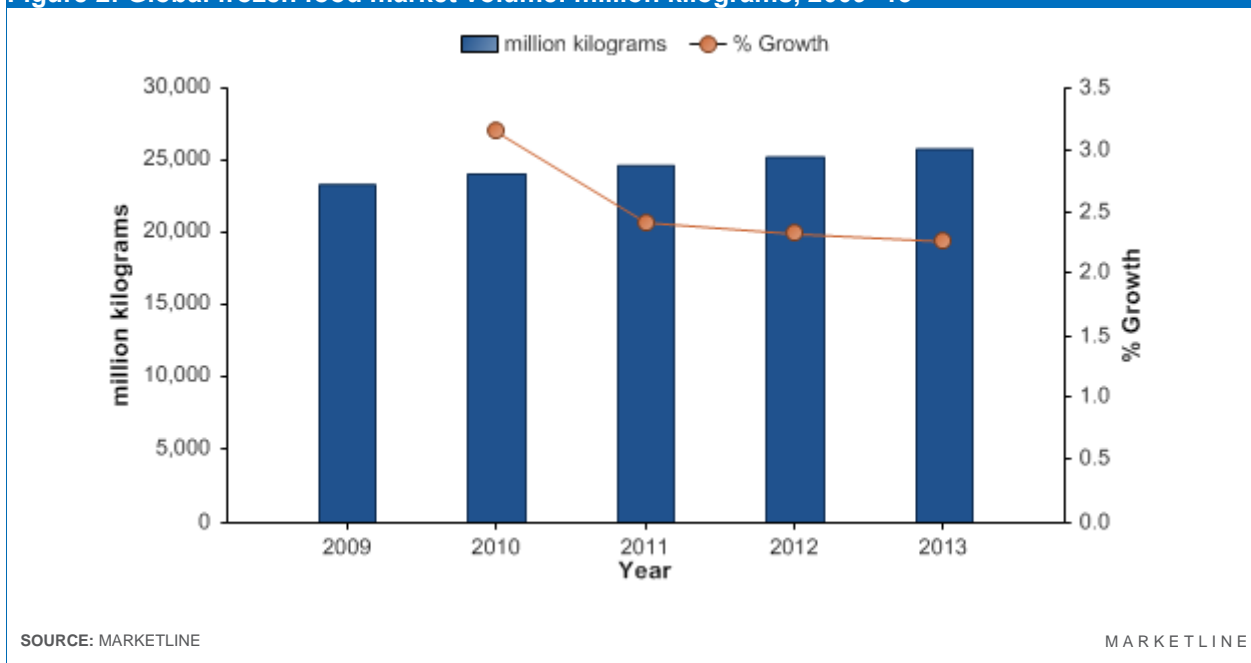
Table 2: Global frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	23,352.3	
2010	24,086.8	3.1%
2011	24,669.2	2.4%
2012	25,243.0	2.3%
2013	25,814.8	2.3%
CAGR: 2009–13		2.5%

SOURCE: MARKETLINE

MARKETLINE

Figure 2: Global frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen ready meals is the largest segment of the global frozen food market, accounting for 23.9% of the market's total value.

The Frozen fish/seafood segment accounts for a further 16.9% of the market.

Table 3: Global frozen food market category segmentation: \$ million, 2013

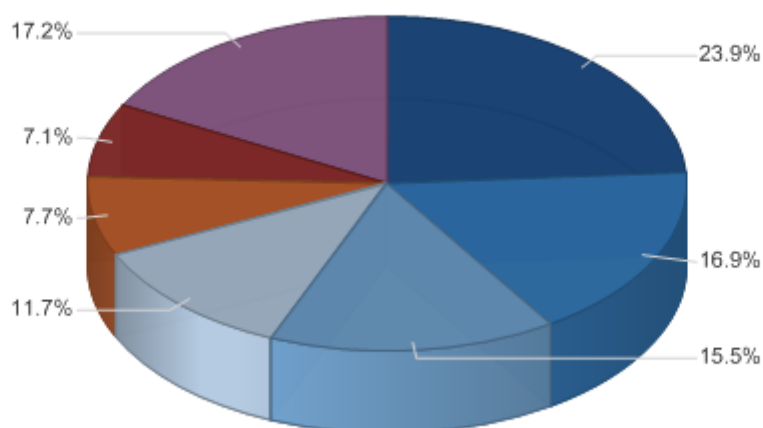
Category	2013	%
Frozen ready meals	28,697.0	23.9%
Frozen fish/seafood	20,220.9	16.9%
Frozen meat products	18,614.2	15.5%
Frozen pizza	14,001.7	11.7%
Frozen potato products	9,175.8	7.7%
Frozen bakery products	8,541.3	7.1%
Other	20,626.4	17.2%
Total	119,877.3	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 3: Global frozen food market category segmentation: % share, by value, 2013

■ Frozen ready meals
 ■ Frozen fish/seafood
 ■ Frozen meat products
 ■ Frozen pizza
■ Frozen potato products
■ Frozen bakery products
■ Other



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

Europe accounts for 38.8% of the global frozen food market value.

Americas accounts for a further 35.7% of the global market.

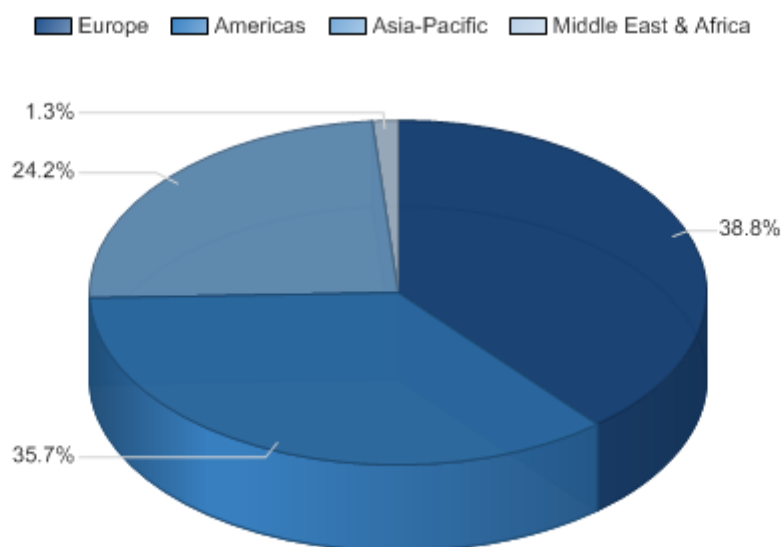
Table 4: Global frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Europe	46,559.1	38.8
Americas	42,760.4	35.7
Asia-Pacific	28,948.5	24.1
Middle East & Africa	1,609.3	1.3
Total	119,877.3	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 4: Global frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Nestle S.A. is the leading player in the global frozen food market, generating a 6.9% share of the market's value.

Permira Advisers LLP accounts for a further 2.6% of the market.

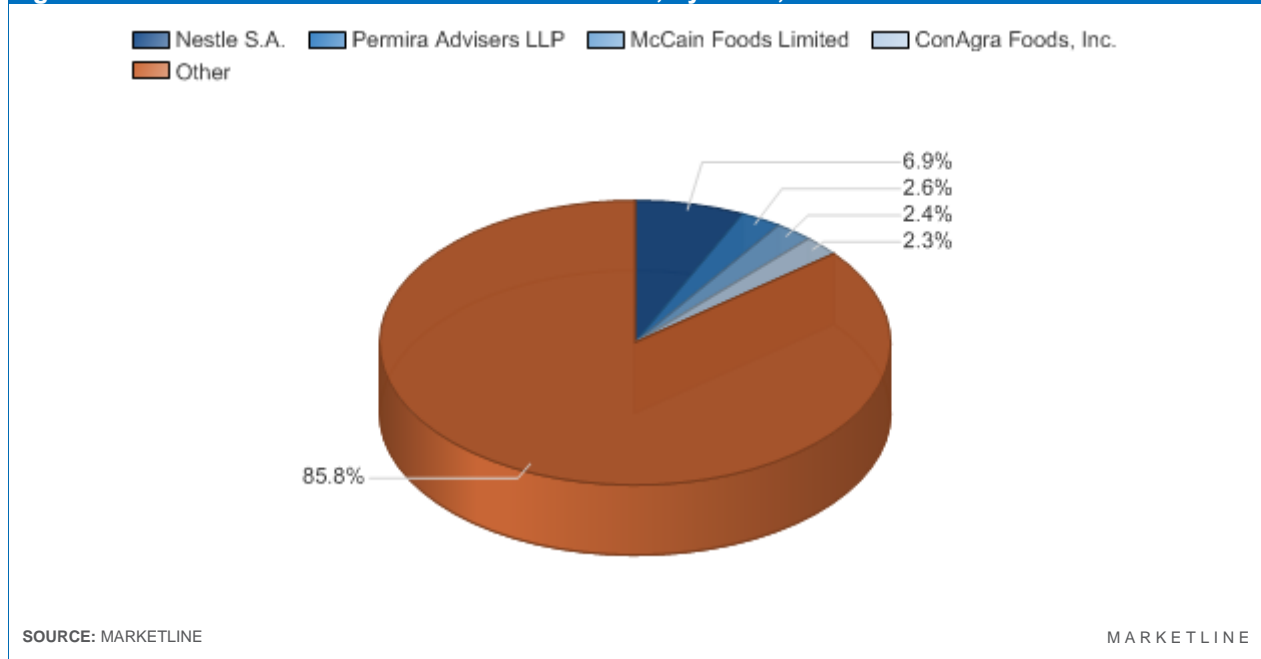
Table 5: Global frozen food market share: % share, by value, 2013

Company	% Share
Nestle S.A.	6.9%
Permira Advisers LLP	2.6%
McCain Foods Limited	2.4%
ConAgra Foods, Inc.	2.3%
Other	85.8%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 5: Global frozen food market share: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the global frozen food market, accounting for a 73.5% share of the total market's value.

Independent Retailers accounts for a further 13% of the market.

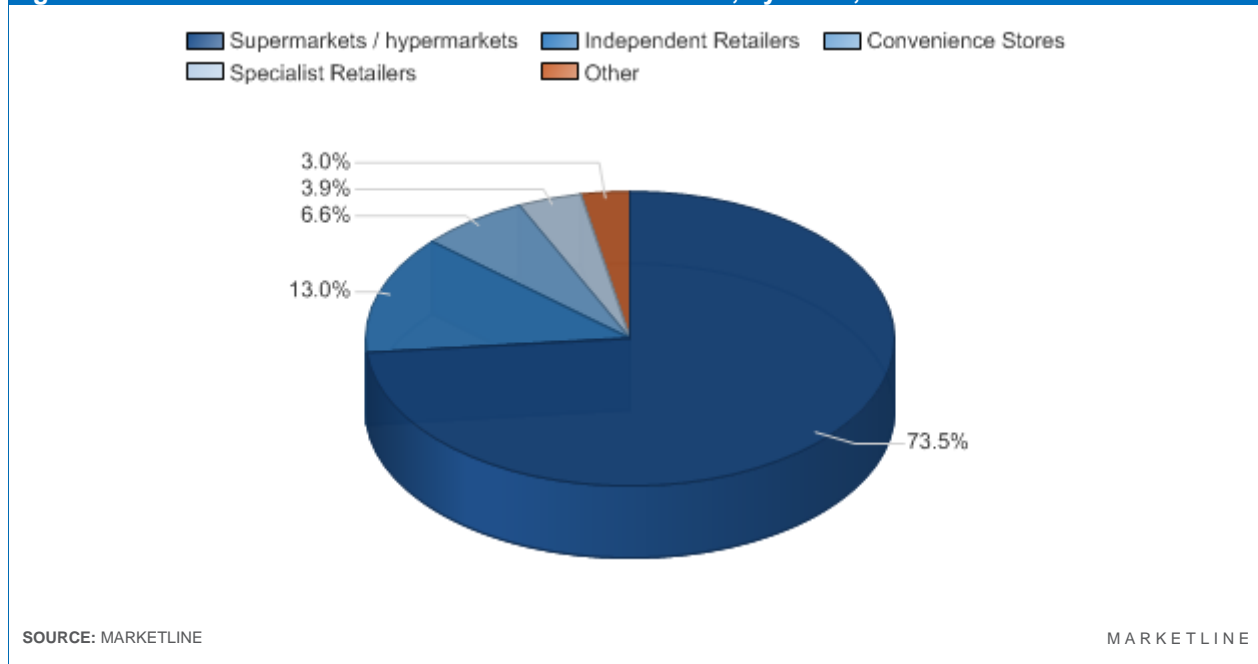
Table 6: Global frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	73.5%
Independent Retailers	13.0%
Convenience Stores	6.6%
Specialist Retailers	3.9%
Other	3.0%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 6: Global frozen food market distribution: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the global frozen food market is forecast to have a value of \$141,439.9 million, an increase of 18% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 3.4%.

Table 7: Global frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	119,877.3	90,262.2	2.7%
20 4	123,533.5	93,015.2	3.0%
2015	127,530.2	96,024.5	3.2%
2016	131,777.7	99,222.7	3.3%
2017	136,432.6	102,727.7	3.5%
2018	141,439.9	106,497.9	3.7%

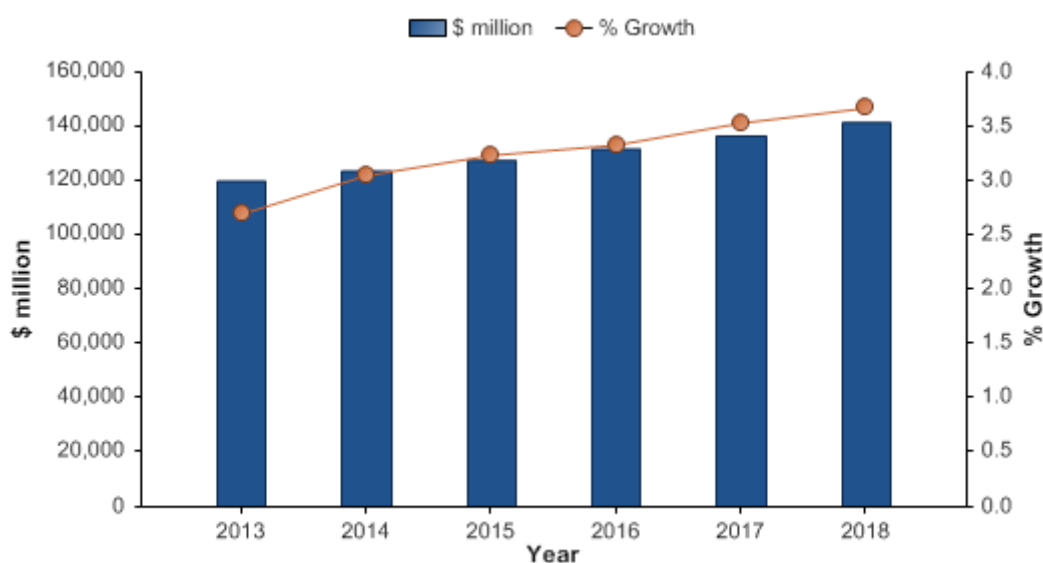
CAGR: 2013–18

3.4%

SOURCE: MARKETLINE

MARKETLINE

Figure 7: Global frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the global frozen food market is forecast to have a volume of 29,213.1 million kilograms, an increase of 13.2% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 2.5%.

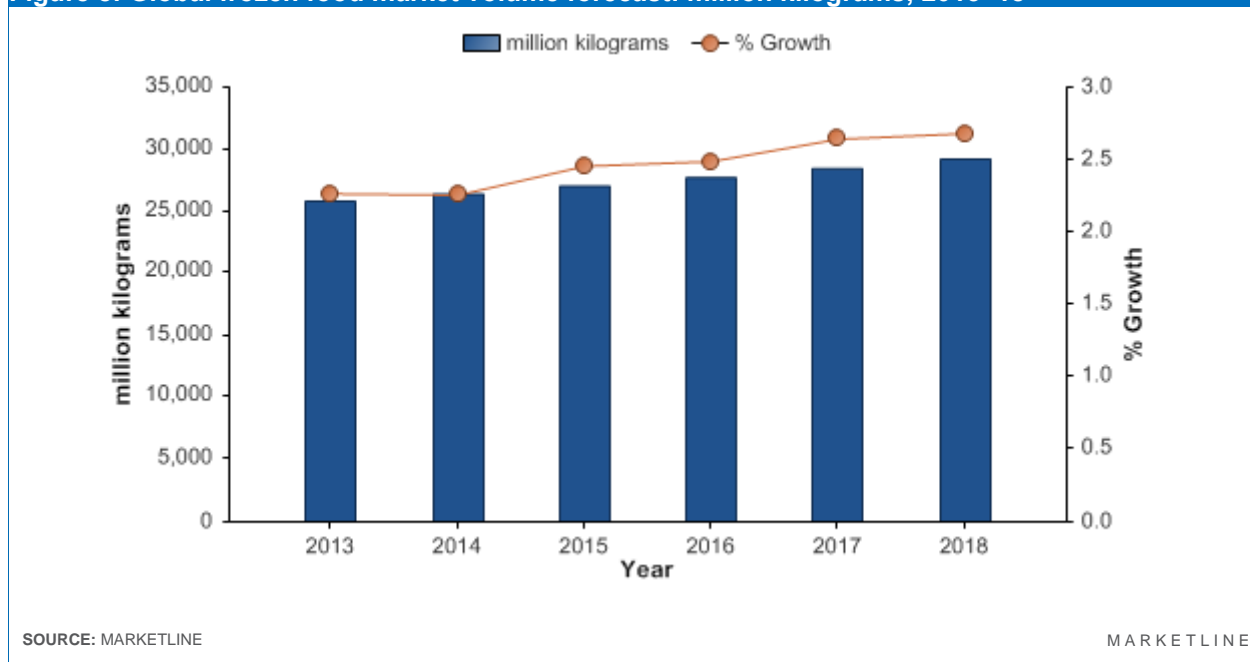
Table 8: Global frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	25,814.8	2.3%
2014	26,397.1	2.3%
2015	27,045.3	2.5%
2016	27,718.3	2.5%
2017	28,450.5	2.6%
2018	29,213.1	2.7%
CAGR: 2013–18		2.5%

SOURCE: MARKETLINE

MARKETLINE

Figure 8: Global frozen food market volume forecast: million kilograms, 2013–18



SOURCE: MARKETLINE

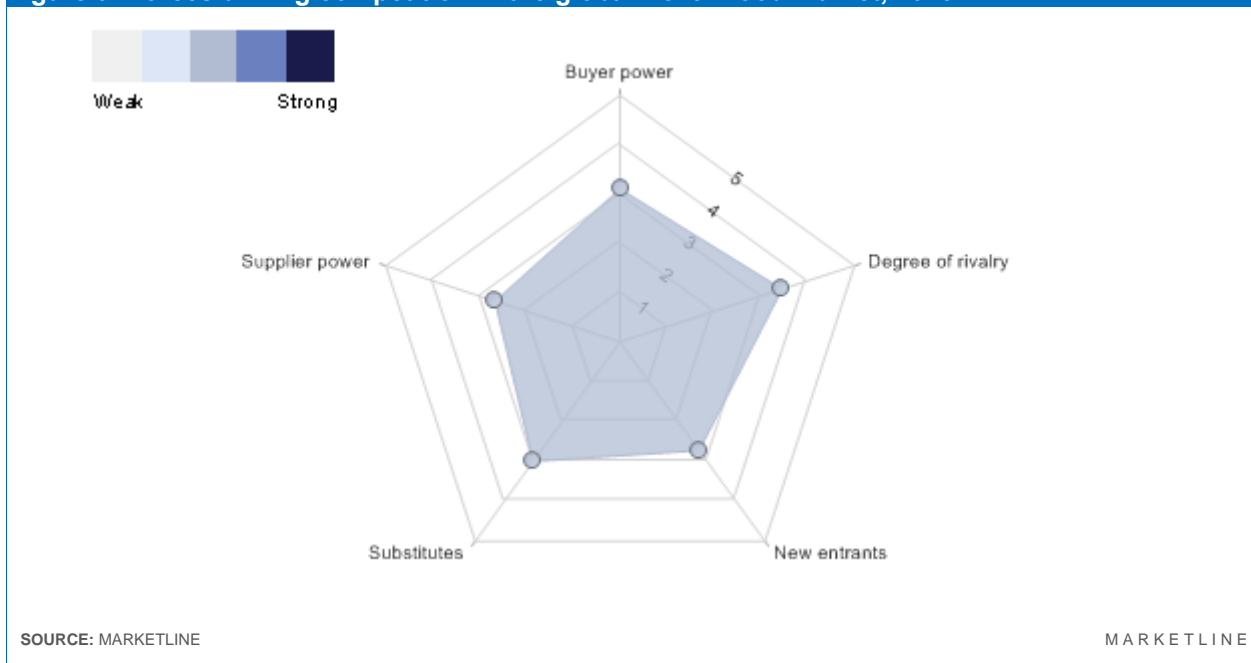
MARKETLINE

Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 9: Forces driving competition in the global frozen food market, 2013

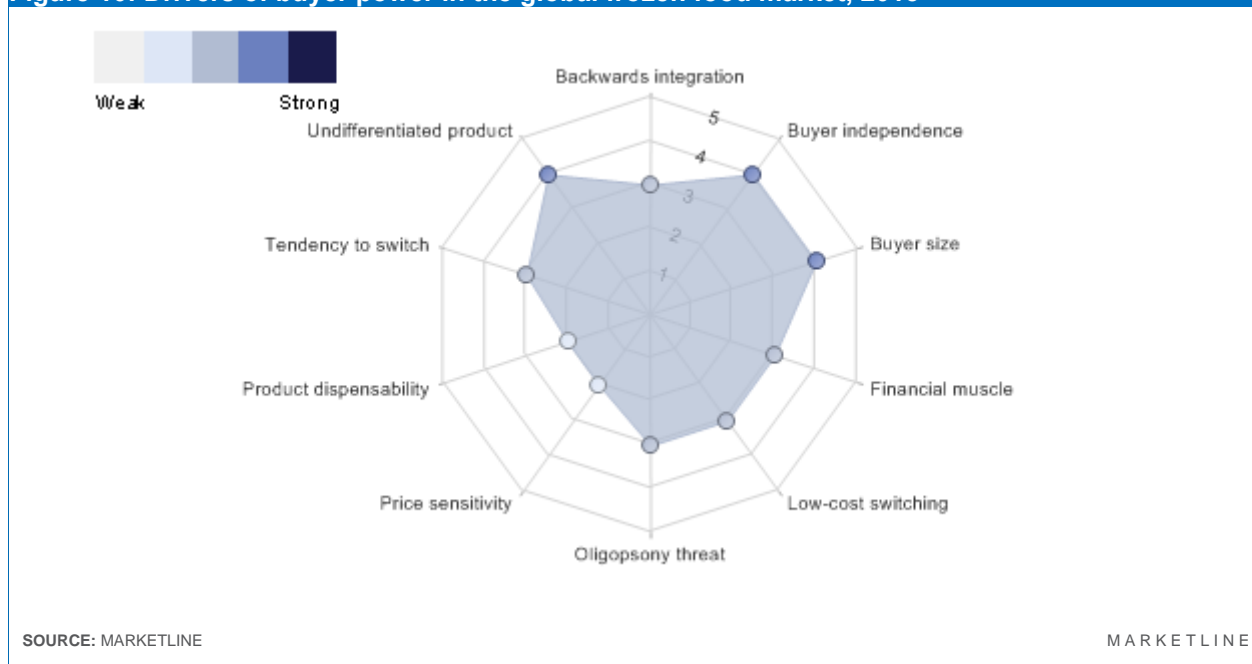


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

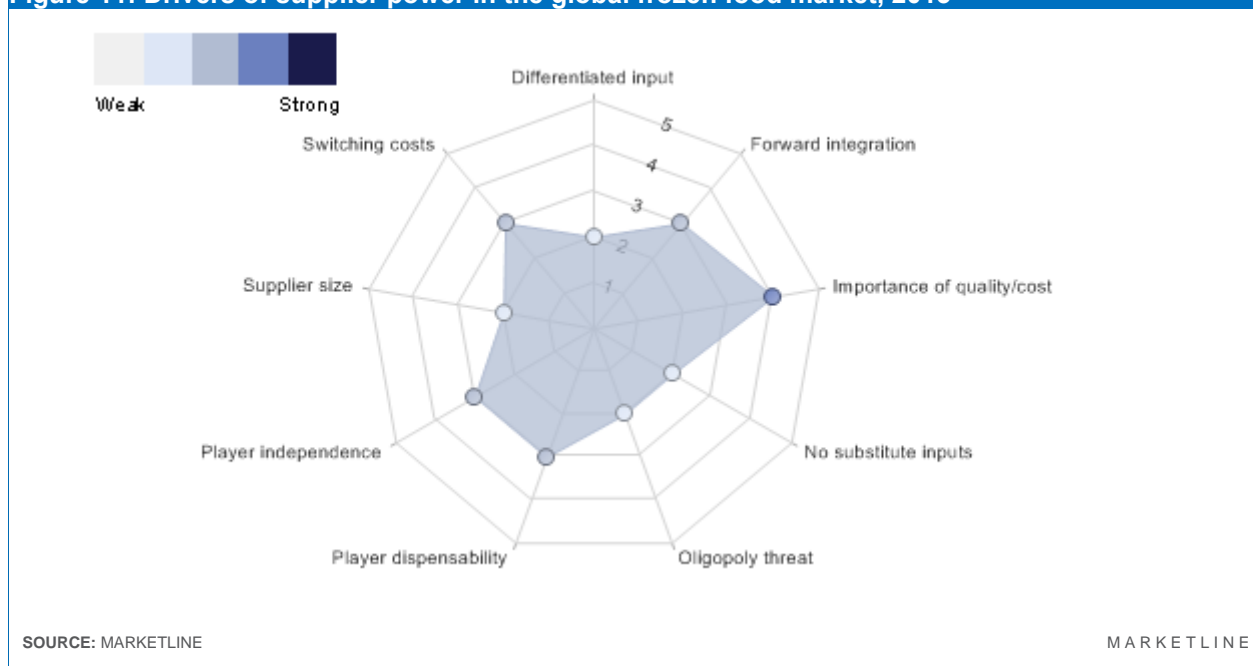
Figure 10: Drivers of buyer power in the global frozen food market, 2013



Globally, the main distribution channels for the frozen food market are supermarkets and hypermarkets, which account for 73.5% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Wal-Mart, Carrefour and Tesco tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 11: Drivers of supplier power in the global frozen food market, 2013

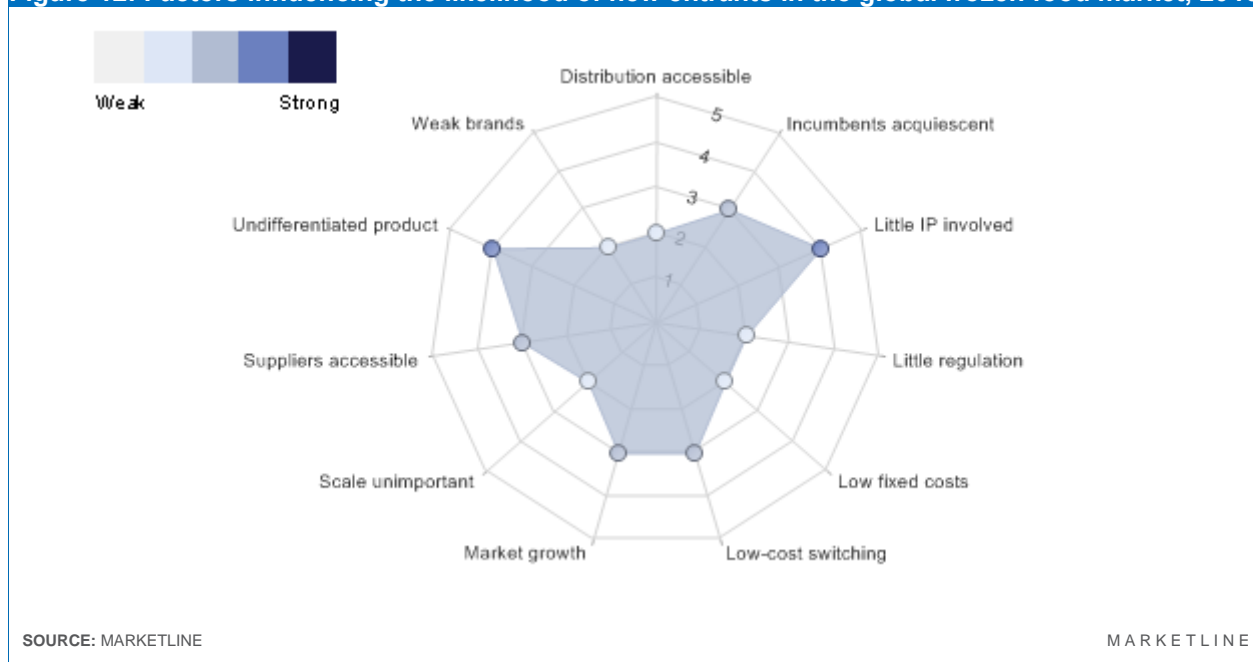


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 12: Factors influencing the likelihood of new entrants in the global frozen food market, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Moderate global growth in recent years is not likely to be particularly enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 13: Factors influencing the threat of substitutes in the global frozen food market, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 14: Drivers of degree of rivalry in the global frozen food market, 2013



The global frozen food market is highly fragmented with the top four players accounting for 14.2% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Moderate global growth in recent years may ease rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

FROZEN FOOD IN ASIA-PACIFIC

Market Overview

Market analysis

The Asia-Pacific's frozen food market experienced relatively strong growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will continue to perform at a similar, albeit accelerated rate of growth, during 2013-2018.

The Asia-Pacific frozen food market had total revenues of \$28,948.5m in 2013, representing a compound annual growth rate (CAGR) of 4.8% between 2009 and 2013. In comparison, the Chinese and Japanese markets grew with CAGRs of 7.3% and 1.7% respectively, over the same period, to reach respective values of \$12,634.1m and \$7,261.9m in 2013.

Market consumption volumes increased with a CAGR of 4.4% between 2009 and 2013, to reach a total of 7,657.3 million kilograms in 2013. The market's volume is expected to rise to 9,777.5 million kilograms by the end of 2018, representing a CAGR of 5% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the Asia-Pacific frozen food market in 2013, sales through this channel generated \$17,455.9m, equivalent to 60.3% of the market's overall value. Sales through independent retailers generated revenues of \$5,954.7m in 2013, equating to 20.6% of the market's aggregate revenues.

The performance of the market is forecast to accelerate, with an anticipated CAGR of 5.2% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$37,324.0m by the end of 2018. Comparatively, the Chinese and Japanese markets will grow with CAGRs of 7.8% and 1.5% respectively, over the same period, to reach respective values of \$18,367.5m and \$7,820.2m in 2018.

Market Data

Market value

The Asia-Pacific frozen food market grew by 4.7% in 2013 to reach a value of \$28,948.5 million.

The compound annual growth rate of the market in the period 2009–13 was 4.8%.

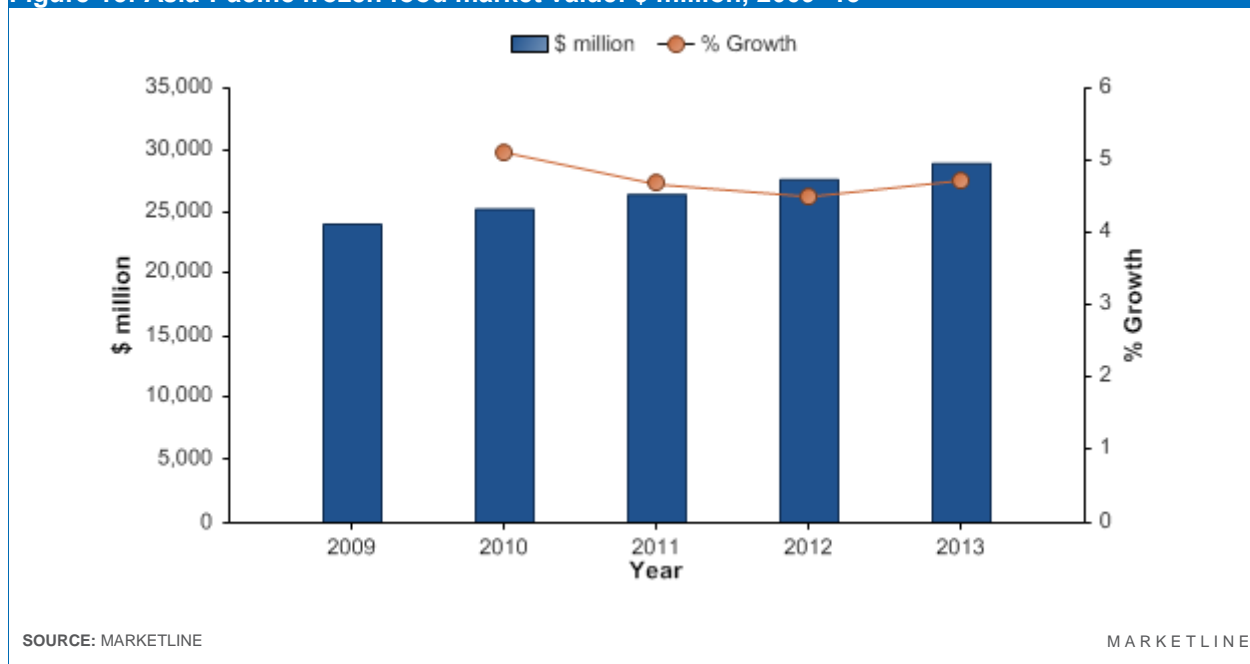
Table 9: Asia-Pacific frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	% Growth
2009	24,039.8	18,100.9	
2010	25,269.4	19,026.7	5.1%
2011	26,450.3	19,915.9	4.7%
2012	27,641.8	20,813.1	4.5%
2013	28,948.5	21,796.9	4.7%
CAGR: 2009–13			4.8%

SOURCE: MARKETLINE

MARKETLINE

Figure 15: Asia-Pacific frozen food market value: \$ million, 2009–13



Market volume

The Asia-Pacific frozen food market grew by 4.3% in 2013 to reach a volume of 7,657.3 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 4.4%.

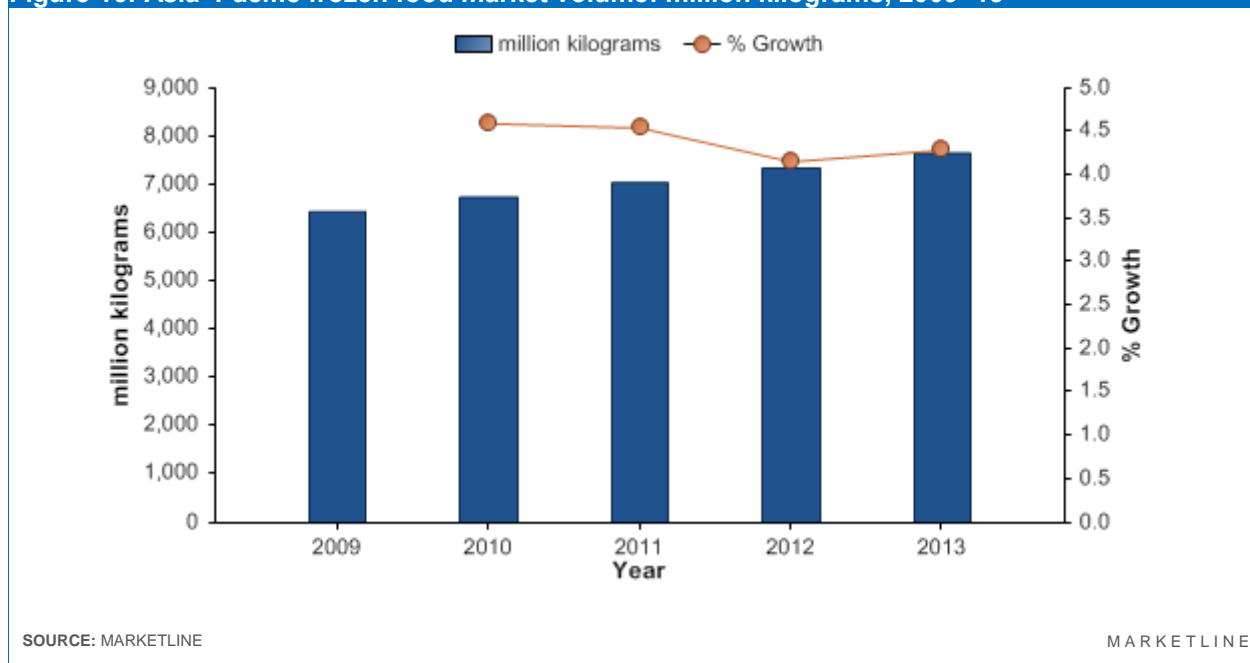
Table 10: Asia-Pacific frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	6,447.3	
2010	6,743.4	4.6%
2011	7,049.7	4.5%
2012	7,342.5	4.2%
2013	7,657.3	4.3%
CAGR: 2009–13		4.4%

SOURCE: MARKETLINE

MARKETLINE

Figure 16: Asia-Pacific frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen meat products is the largest segment of the frozen food market in Asia-Pacific, accounting for 25.5% of the market's total value.

The Frozen fish/seafood segment accounts for a further 23.4% of the market.

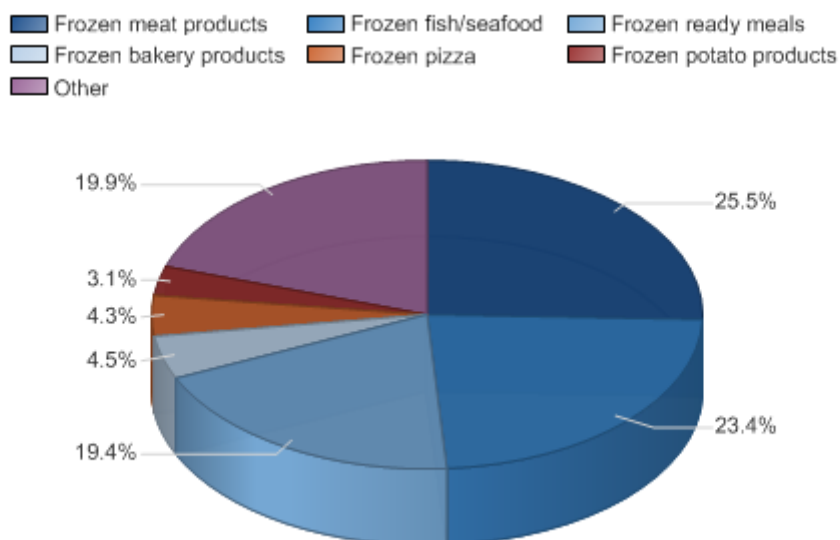
Table 11: Asia-Pacific frozen food market category segmentation: \$ million, 2013

Category	2013	%
Frozen meat products	7,382.4	25.5%
Frozen fish/seafood	6,765.0	23.4%
Frozen ready meals	5,603.4	19.4%
Frozen bakery products	1,311.4	4.5%
Frozen pizza	1,230.5	4.3%
Frozen potato products	888.5	3.1%
Other	5,767.4	19.9%
Total	28,948.6	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 17: Asia-Pacific frozen food market category segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

China accounts for 43.6% of the Asia-Pacific frozen food market value.

Japan accounts for a further 25.1% of the Asia-Pacific market.

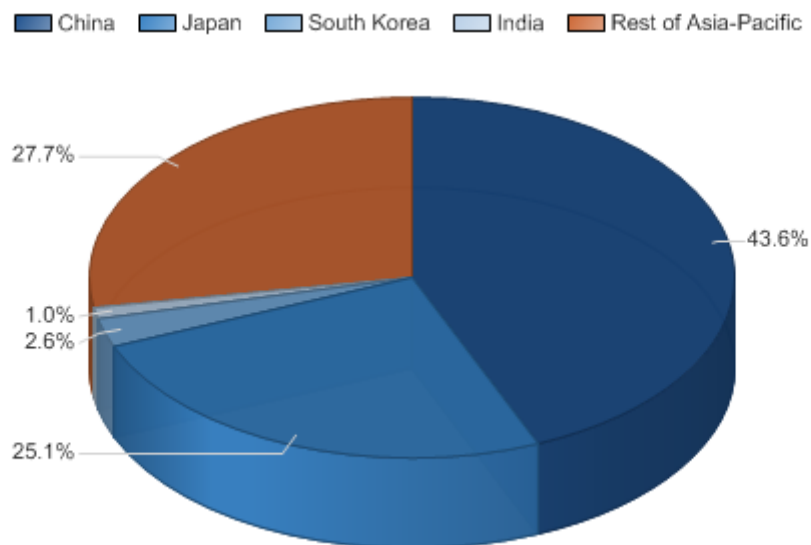
Table 12: Asia-Pacific frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
China	12,634.1	43.6
Japan	7,261.9	25.1
South Korea	746.7	2.6
India	295.0	1.0
Rest of Asia-Pacific	8,010.7	27.7
Total	28,948.4	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 18: Asia-Pacific frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Nippon Meat Packers, Inc. is the leading player in the Asia-Pacific frozen food market, generating a 3.2% share of the market's value.

Nichirei Corporation accounts for a further 2.8% of the market.

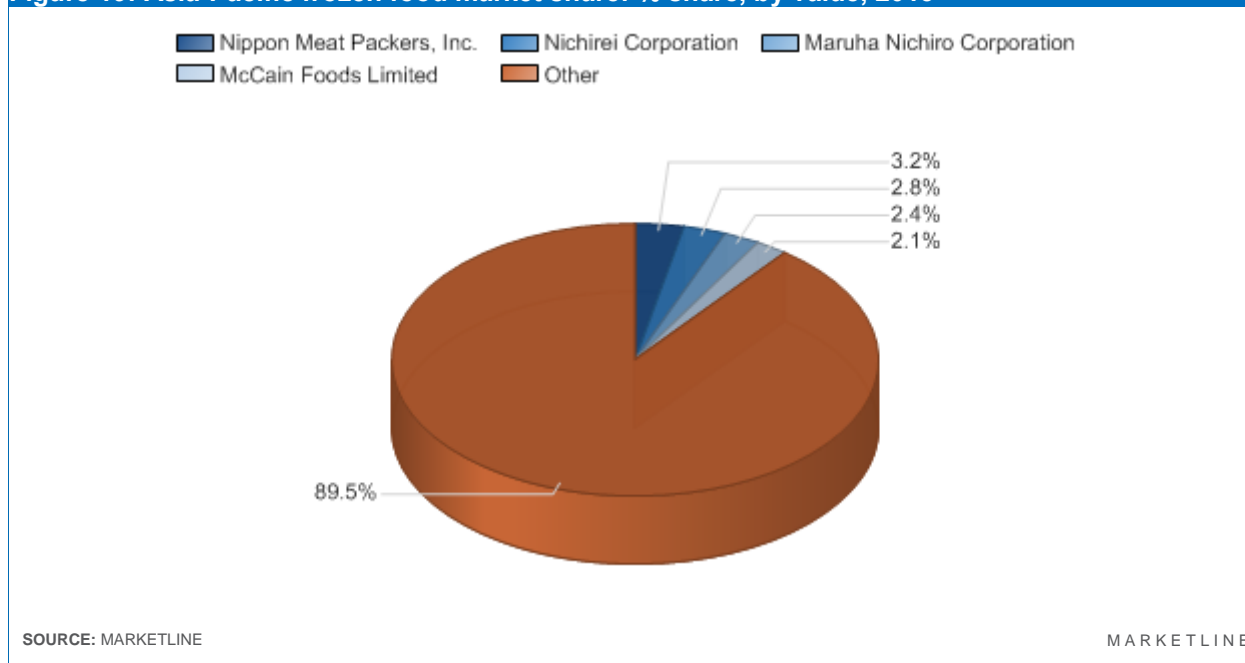
Table 13: Asia-Pacific frozen food market share: % share, by value, 2013

Company	% Share
Nippon Meat Packers, Inc.	3.2%
Nichirei Corporation	2.8%
Maruha Nichiro Corporation	2.4%
McCain Foods Limited	2.1%
Other	89.5%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 19: Asia-Pacific frozen food market share: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the Asia-Pacific frozen food market, accounting for a 60.3% share of the total market's value.

Independent Retailers accounts for a further 20.6% of the market.

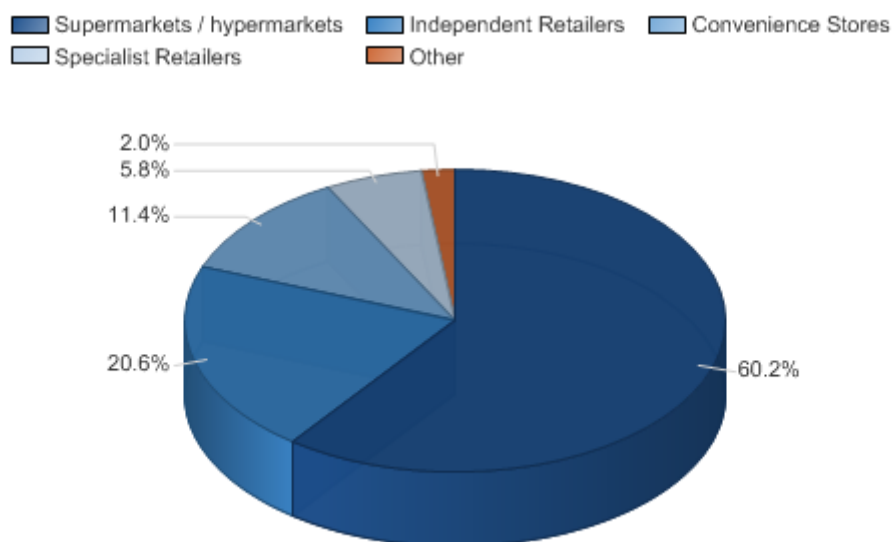
Table 14: Asia-Pacific frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	60.3%
Independent Retailers	20.6%
Convenience Stores	11.4%
Specialist Retailers	5.8%
Other	2.0%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 20: Asia-Pacific frozen food market distribution: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the Asia-Pacific frozen food market is forecast to have a value of \$37,324 million, an increase of 28.9% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 5.2%.

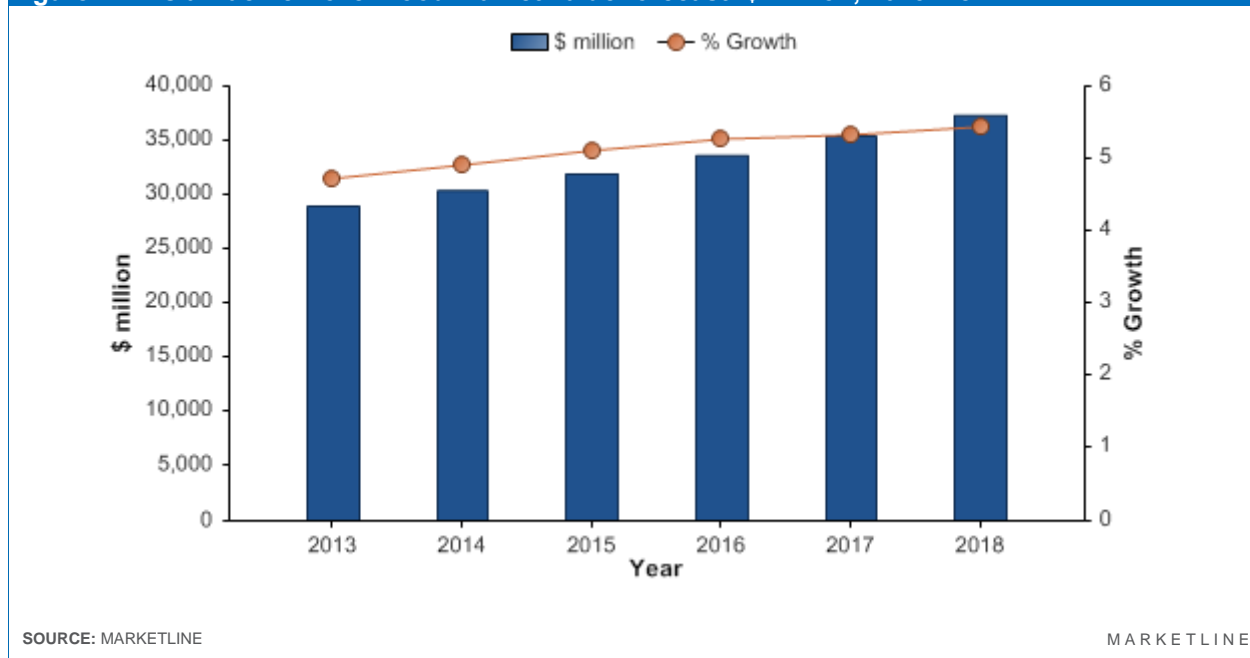
Table 15: Asia-Pacific frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	28,948.5	21,796.9	4.7%
2014	30,371.1	22,868.1	4.9%
2015	31,923.8	24,037.2	5.1%
2016	33,606.5	25,304.2	5.3%
2017	35,397.8	26,653.0	5.3%
2018	37,324.0	28,103.3	5.4%
CAGR: 2013–18			5.2%

SOURCE: MARKETLINE

MARKETLINE

Figure 21: Asia-Pacific frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the Asia-Pacific frozen food market is forecast to have a volume of 9,777.5 million kilograms, an increase of 27.7% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 5%.

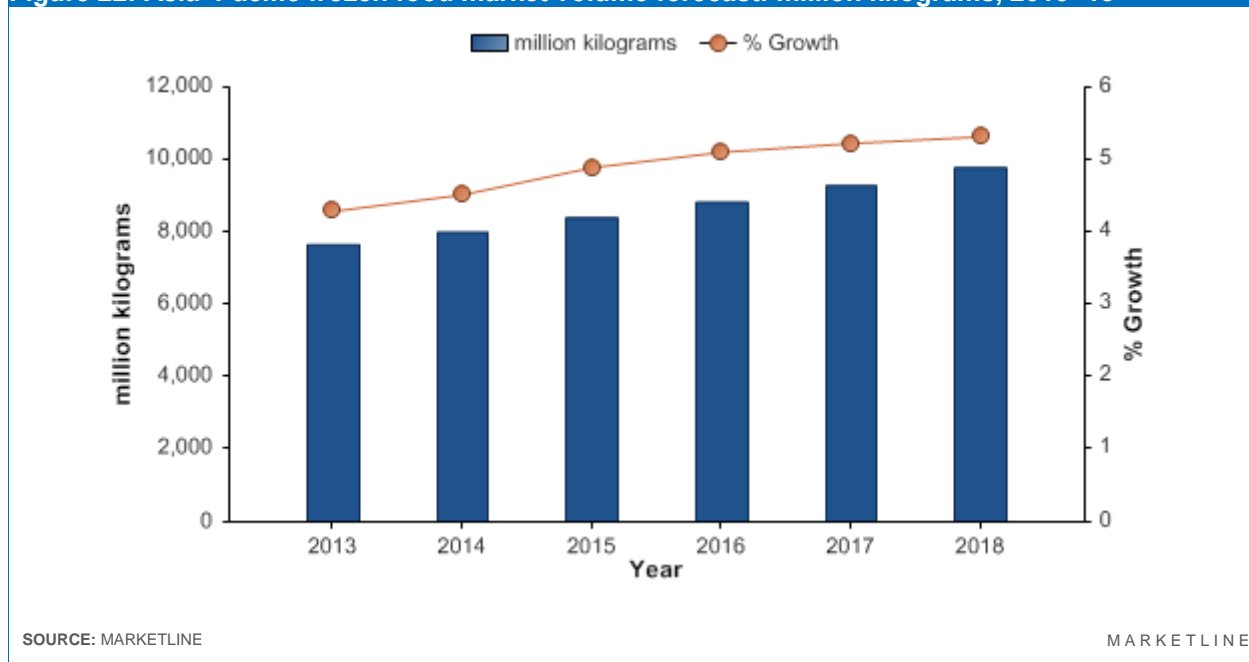
Table 16: Asia-Pacific frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	7,657.3	4.3%
2014	8,003.1	4.5%
2015	8,394.5	4.9%
2016	8,822.9	5.1%
2017	9,283.9	5.2%
2018	9,777.5	5.3%
CAGR: 2013–18		5.0%

SOURCE: MARKETLINE

MARKETLINE

Figure 22: Asia-Pacific frozen food market volume forecast: million kilograms, 2013–18



SOURCE: MARKETLINE

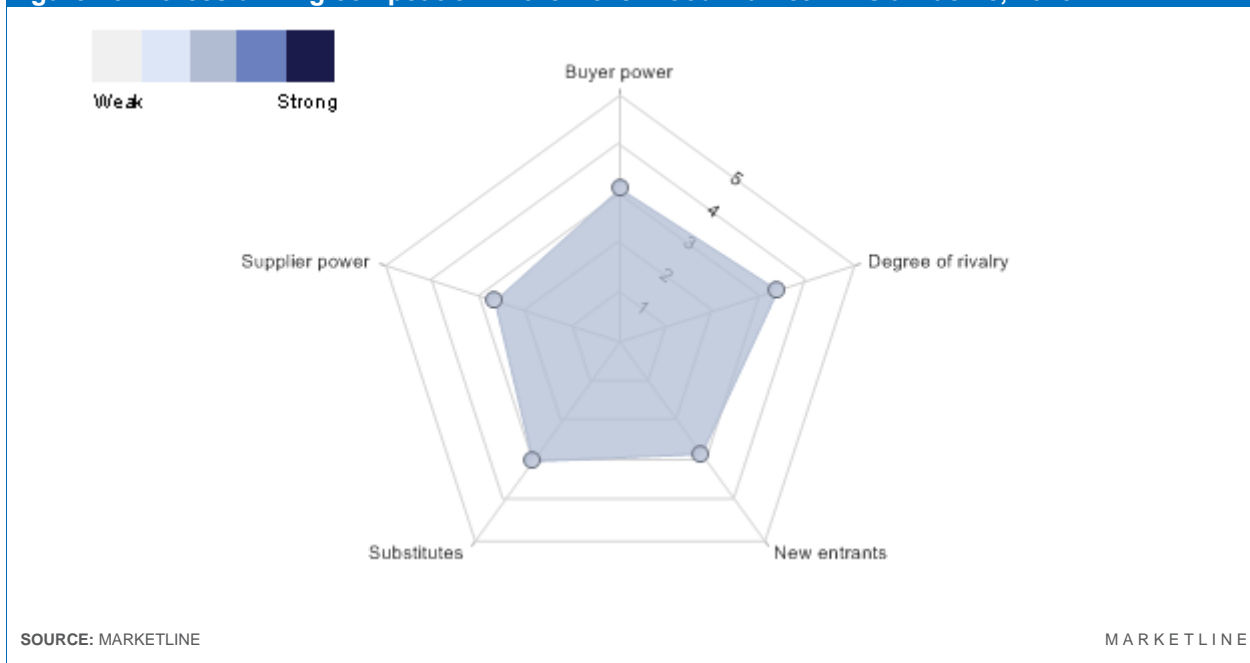
MARKETLINE

Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 23: Forces driving competition in the frozen food market in Asia-Pacific, 2013

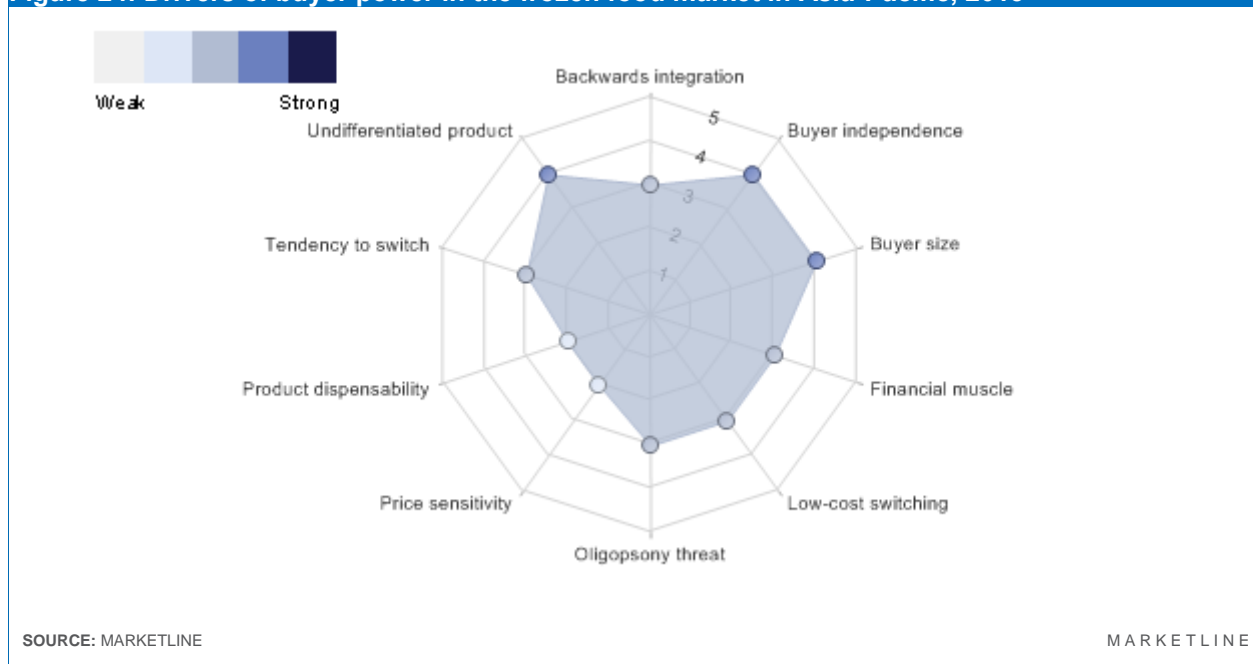


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

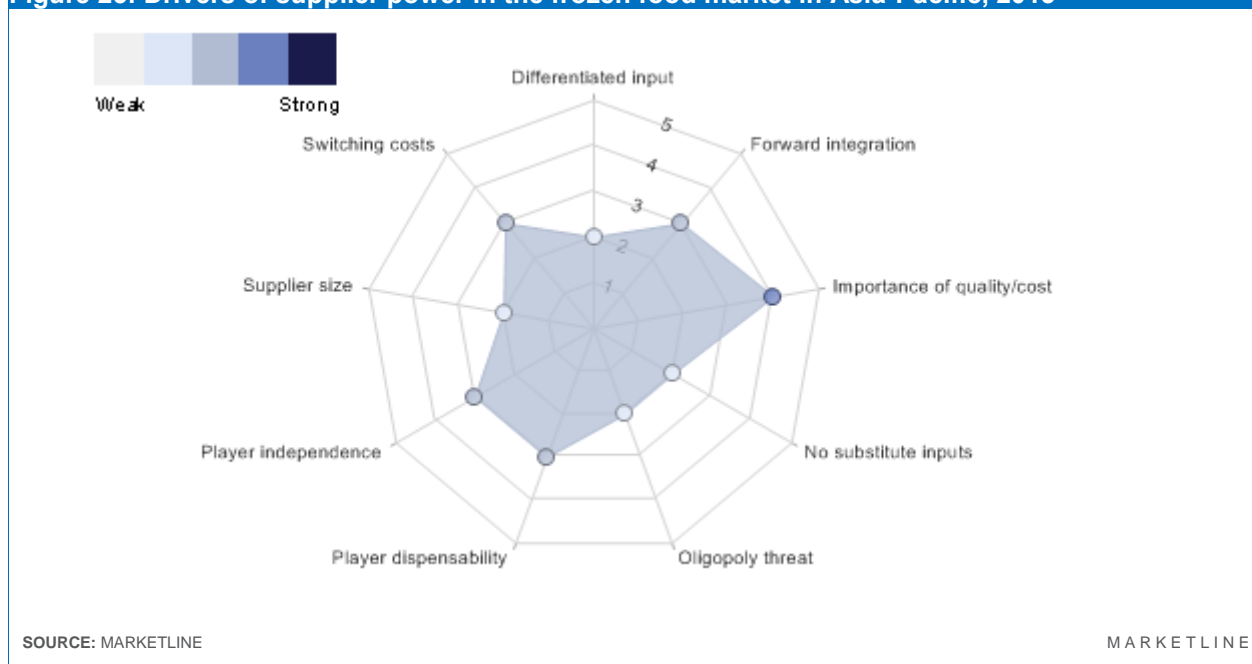
Figure 24: Drivers of buyer power in the frozen food market in Asia-Pacific, 2013



The main distribution channels for the Asia-Pacific region's frozen food market are supermarkets and hypermarkets, which account for 60.3% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Wumart Stores, Inc., Big Bazaar and Coles Supermarkets tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 25: Drivers of supplier power in the frozen food market in Asia-Pacific, 2013

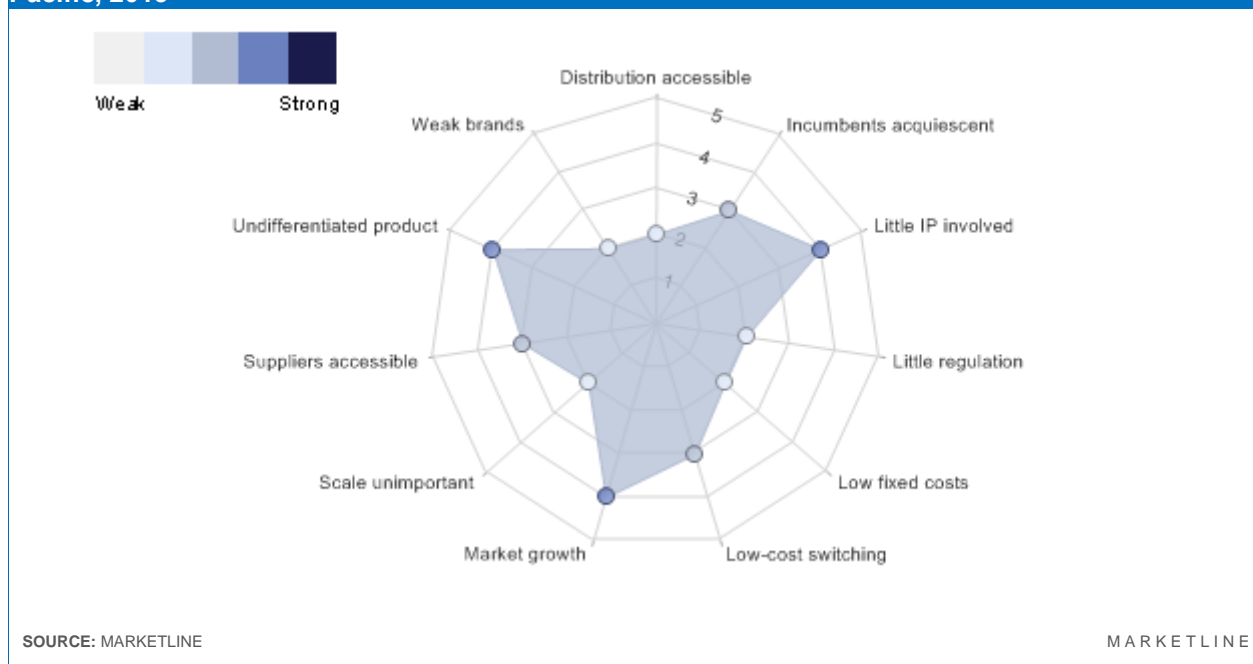


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 26: Factors influencing the likelihood of new entrants in the frozen food market in Asia-Pacific, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Strong growth for the Asia-Pacific region in recent years may prove enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 27: Factors influencing the threat of substitutes in the frozen food market in Asia-Pacific, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 28: Drivers of degree of rivalry in the frozen food market in Asia-Pacific, 2013



The Asia-Pacific's frozen food market is highly fragmented with the top four players accounting for 10.5% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Strong growth for the Asia-Pacific region in recent years is likely to ease rivalry to an extent. Overall, the degree of rivalry is assessed as moderate.

FROZEN FOOD IN EUROPE

Market Overview

Market analysis

Europe's frozen food market experienced moderate growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will perform at a similar rate during 2013-2018.

The European frozen food market had total revenues of \$46,559.1m in 2013, representing a compound annual growth rate (CAGR) of 3% between 2009 and 2013. In comparison, the German and UK markets grew with CAGRs of 3.7% and 1.4% respectively, over the same period, to reach respective values of \$9,855.1m and \$6,367.6m in 2013.

Market consumption volumes increased with a CAGR of 1.7% between 2009 and 2013, to reach a total of 8,791.8 million kilograms in 2013. The market's volume is expected to rise to 9,730.6 million kilograms by the end of 2018, representing a CAGR of 2% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the European frozen food market in 2013, sales through this channel generated \$34,090.6m, equivalent to 73.2% of the market's overall value. Sales through independent retailers generated revenues of \$6,392.6m in 2013, equating to 13.7% of the market's aggregate revenues.

The performance of the market is forecast to follow a similar pattern with an anticipated CAGR of 3% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$54,092.0m by the end of 2018. Comparatively, the German and UK markets will grow with CAGRs of 3.9% and 2.6% respectively, over the same period, to reach respective values of \$11,905.9m and \$7,250.7m in 2018.

Market Data

Market value

The European frozen food market grew by 2.1% in 2013 to reach a value of \$46,559.1 million.

The compound annual growth rate of the market in the period 2009–13 was 3%.

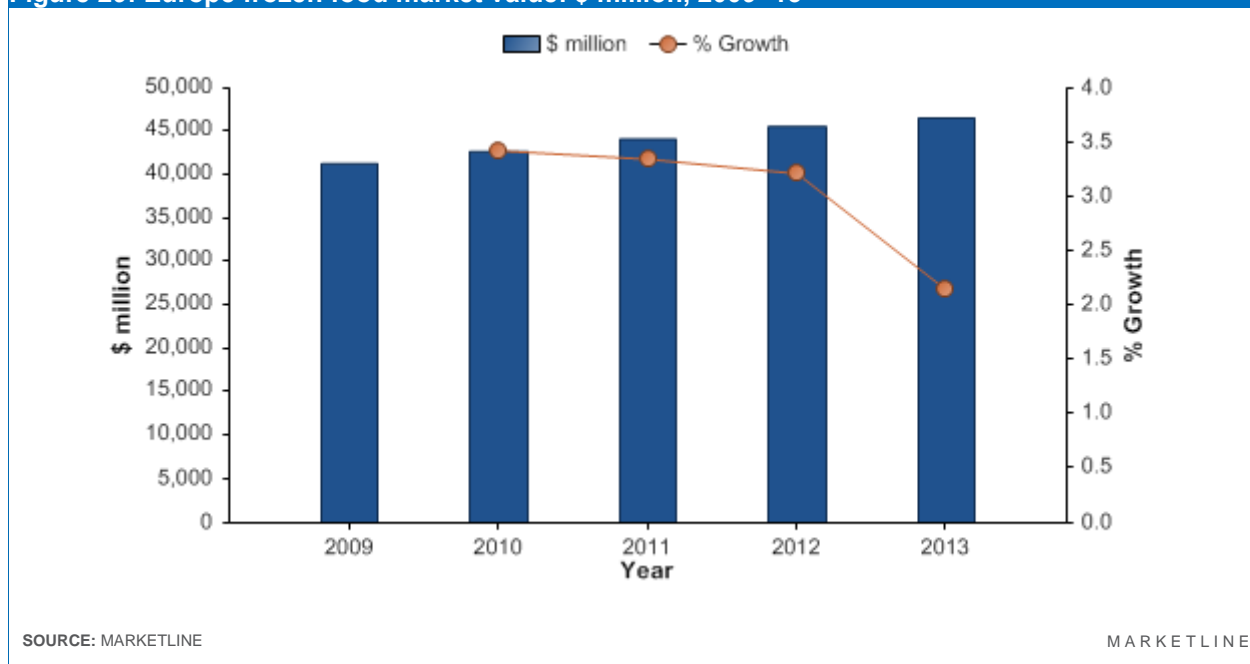
Table 17: Europe frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	% Growth
2009	41,316.0	31,109.1	
2010	42,731.5	32,174.9	3.4%
2011	44,161.7	33,251.8	3.3%
2012	45,581.7	34,321.0	3.2%
2013	46,559.1	35,056.9	2.1%
CAG : 2009–13			3.0%

SOURCE: MARKETLINE

MARKETLINE

Figure 29: Europe frozen food market value: \$ million, 2009–13



Market volume

The European frozen food market grew by 1.3% in 2013 to reach a volume of 8,791.8 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 1.7%.

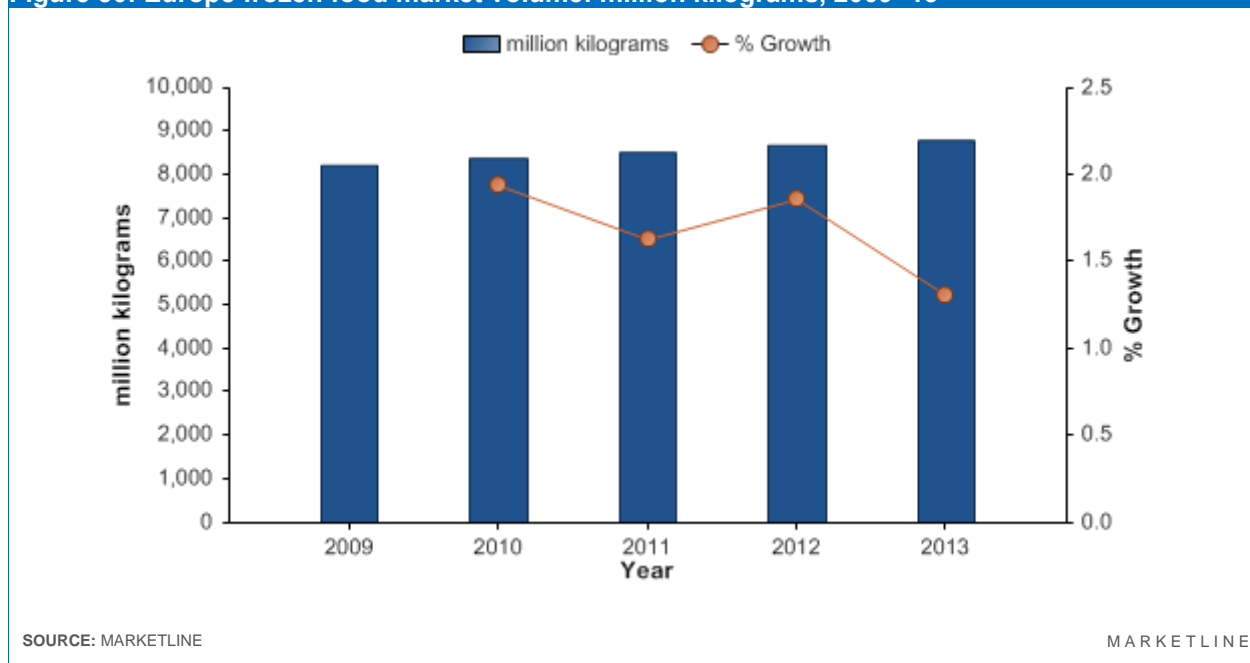
Table 18: Europe frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	8,223.7	
2010	8,383.2	1.9%
2011	8,519.8	1.6%
2012	8,678.3	1.9%
2013	8,791.8	1.3%
CAGR: 2009–13		1.7%

SOURCE: MARKETLINE

MARKETLINE

Figure 30: Europe frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen ready meals is the largest segment of the frozen food market in Europe, accounting for 20.2% of the market's total value.

The Frozen fish/seafood segment accounts for a further 18.2% of the market.

Table 19: Europe frozen food market category segmentation: \$ million, 2013

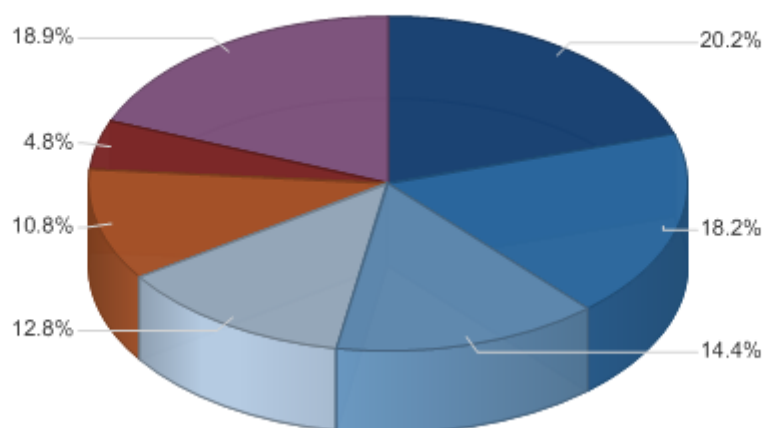
Category	2013	%
Frozen ready meals	9,392.9	20.2%
Frozen fish/seafood	8,480.3	18.2%
Frozen meat products	6,690.9	14.4%
Frozen pizza	5,968.6	12.8%
Frozen potato products	5,023.0	10.8%
Frozen bakery products	2,211.7	4.8%
Other	8,791.8	18.9%
Total	46,559.2	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 31: Europe frozen food market category segmentation: % share, by value, 2013

■ Frozen ready meals
 ■ Frozen fish/seafood
 ■ Frozen meat products
 ■ Frozen pizza
■ Frozen potato products
■ Frozen bakery products
■ Other



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

Germany accounts for 21.2% of the European frozen food market value.

United Kingdom accounts for a further 13.7% of the European market.

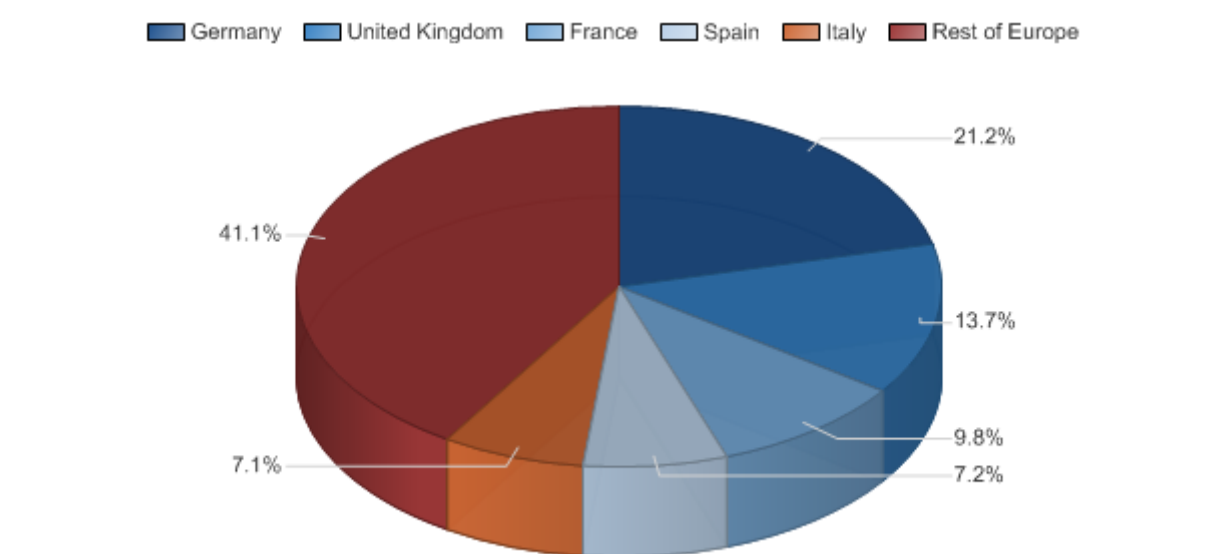
Table 20: Europe frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Germany	9,855.1	21.2
United Kingdom	6,367.6	13.7
France	4,546.7	9.8
Spain	3,341.4	7.2
Italy	3,315.1	7.1
Rest of Europe	19,133.2	41.1
Total	46,559.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 32: Europe frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Permira Advisers LLP is the leading player in the European frozen food market, generating a 6.7% share of the market's value.

Findus Group Limited accounts for a further 4.3% of the market.

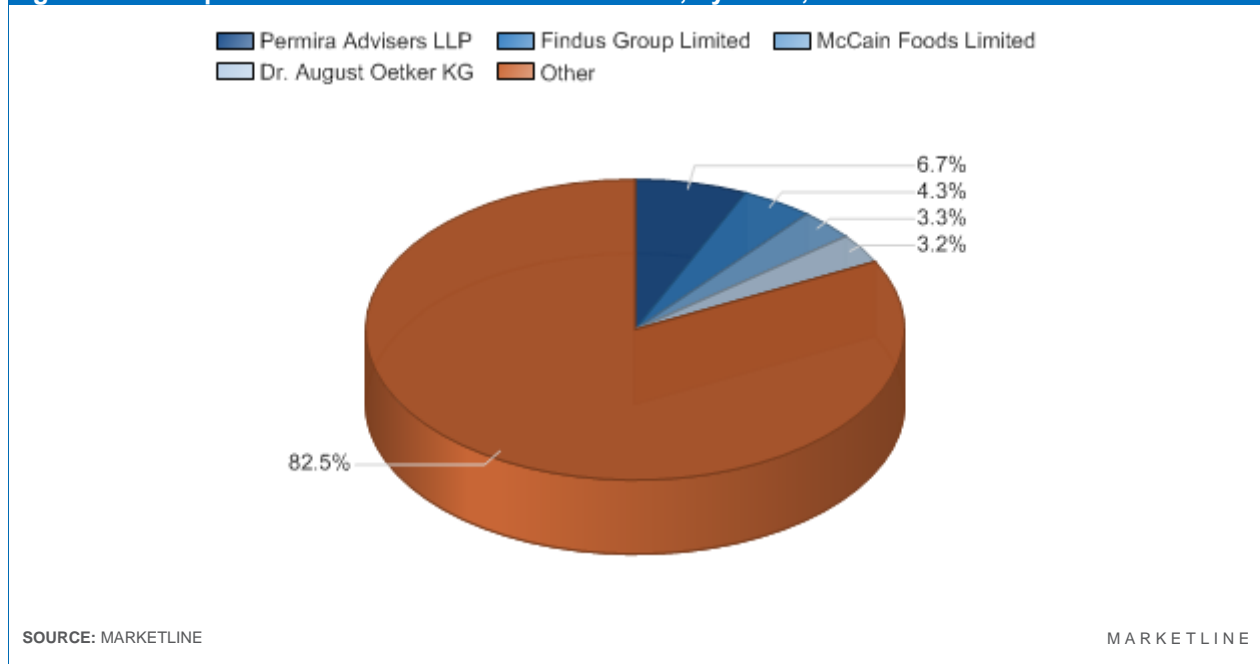
Table 21: Europe frozen food market share: % share, by value, 2013

Company	% Share
Permira Advisers LLP	6.7%
Findus Group Limited	4.3%
McCain Foods Limited	3.3%
Dr. August Oetker KG	3.2%
Other	82.6%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 33: Europe frozen food market share: % share, by value, 2013



Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the European frozen food market, accounting for a 73.2% share of the total market's value.

Independent Retailers accounts for a further 13.7% of the market.

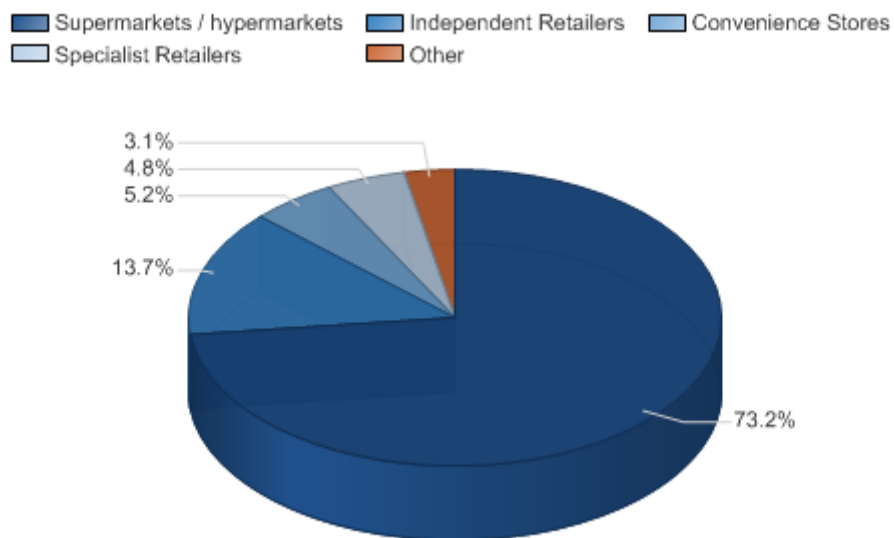
Table 22: Europe frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	73.2%
Independent Retailers	13.7%
Convenience Stores	5.2%
Specialist Retailers	4.8%
Other	3.1%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 34: Europe frozen food market distribution: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the European frozen food market is forecast to have a value of \$54,092 million, an increase of 16.2% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 3%.

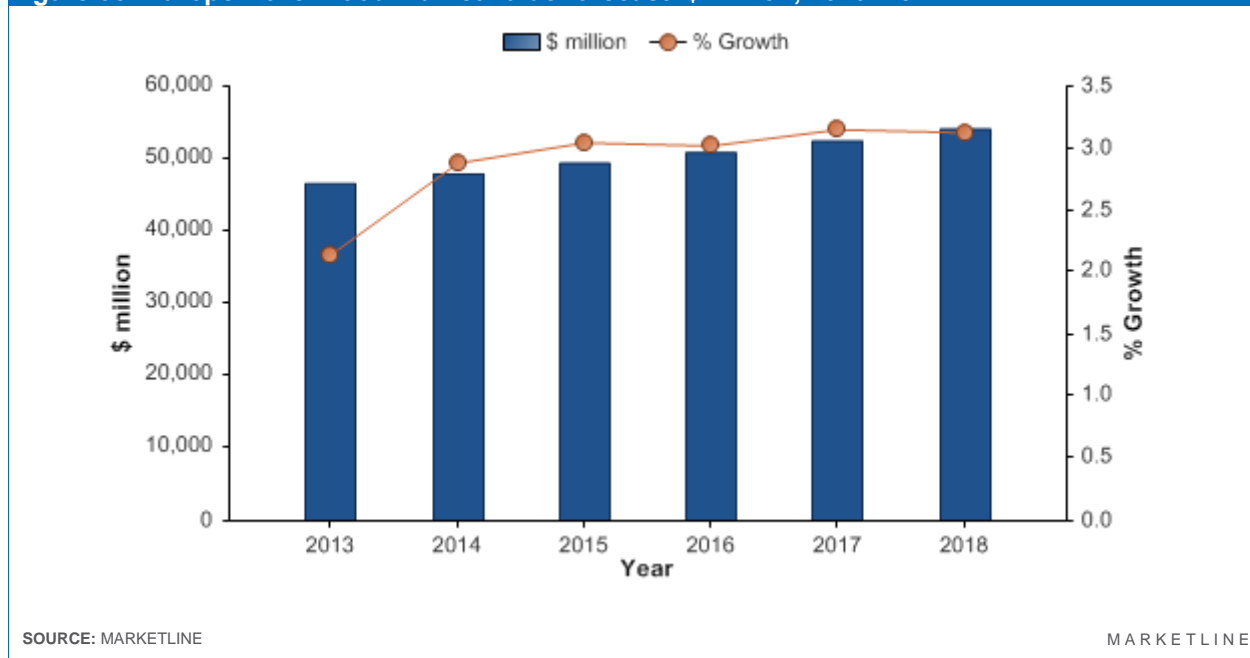
Table 23: Europe frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	46,559.1	35,056.9	2.1%
2014	47,900.4	36,066.9	2.9%
2015	49,359.1	37,165.2	3.0%
2016	50,849.8	38,287.6	3.0%
2017	52,451.8	39,493.9	3.2%
2018	54,092.0	40,728.8	3.1%
CAGR: 2013–18			3.0%

SOURCE: MARKETLINE

MARKETLINE

Figure 35: Europe frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the European frozen food market is forecast to have a volume of 9,730.6 million kilograms, an increase of 10.7% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 2%.

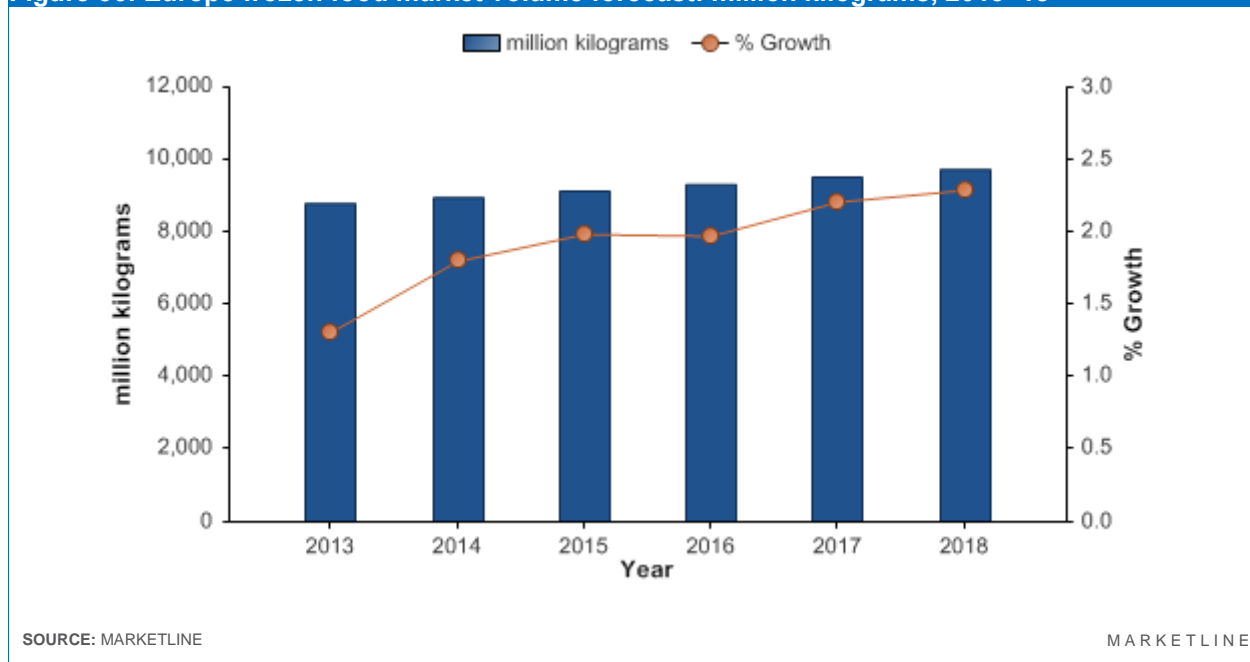
Table 24: Europe frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	8,791.8	1.3%
2014	8,949.9	1.8%
2015	9,127.5	2.0%
2016	9,307.5	2.0%
2017	9,512.9	2.2%
2018	9,730.6	2.3%
CAGR: 2013–18		2.0%

SOURCE: MARKETLINE

MARKETLINE

Figure 36: Europe frozen food market volume forecast: million kilograms, 2013–18

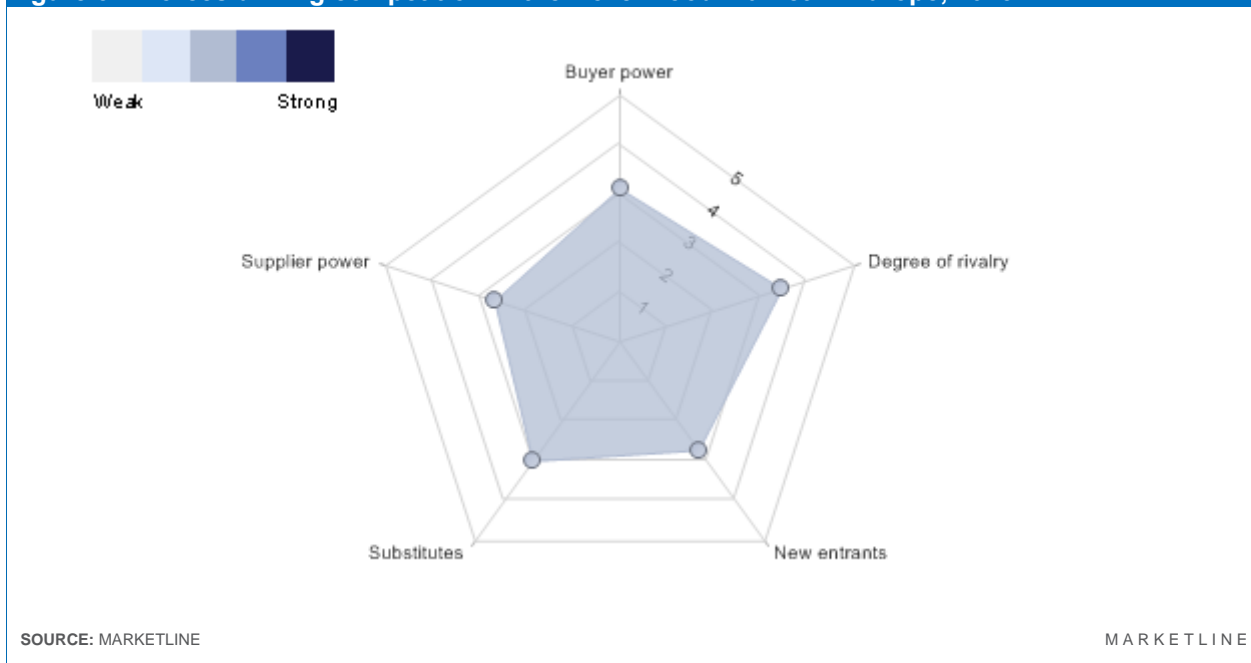


Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 37: Forces driving competition in the frozen food market in Europe, 2013

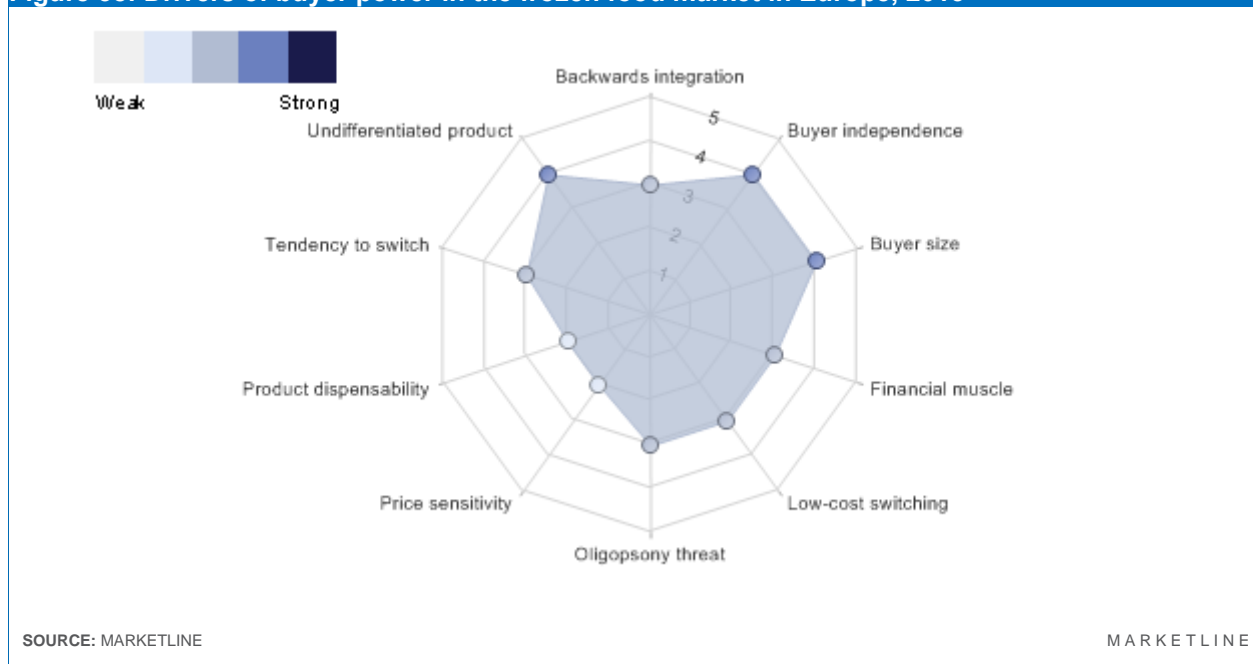


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

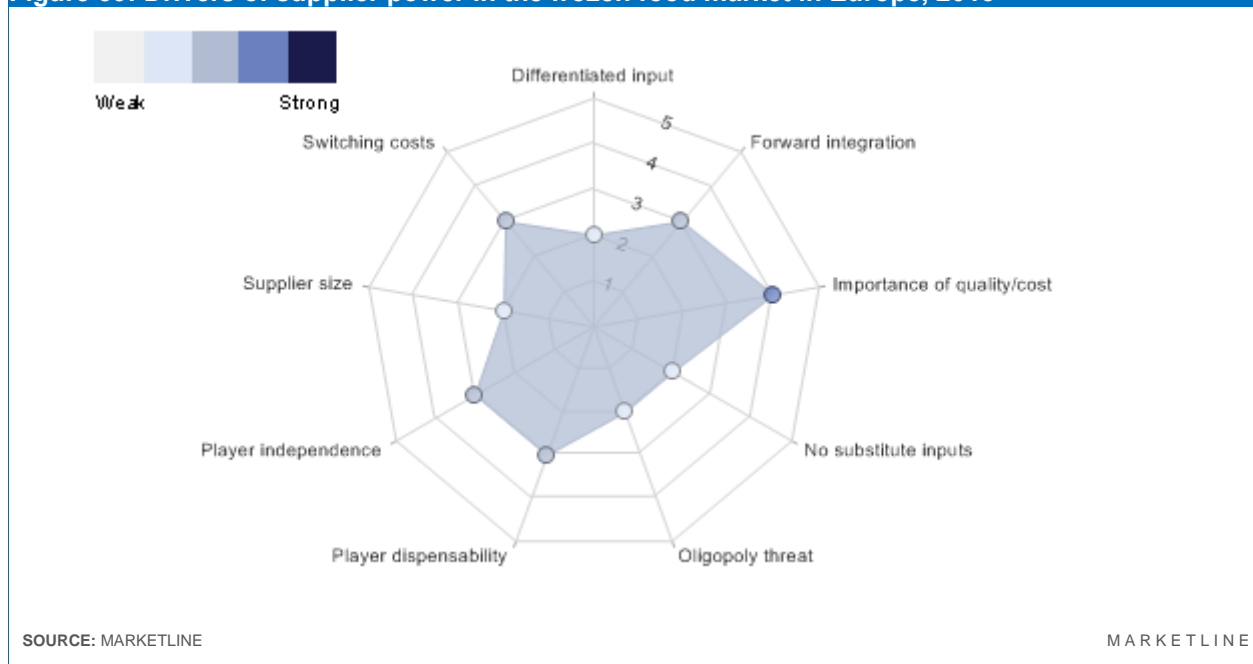
Figure 38: Drivers of buyer power in the frozen food market in Europe, 2013



The main distribution channels for Europe's frozen food market are supermarkets and hypermarkets, which account for 73.2% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Tesco, Carrefour and Aldi tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 39: Drivers of supplier power in the frozen food market in Europe, 2013

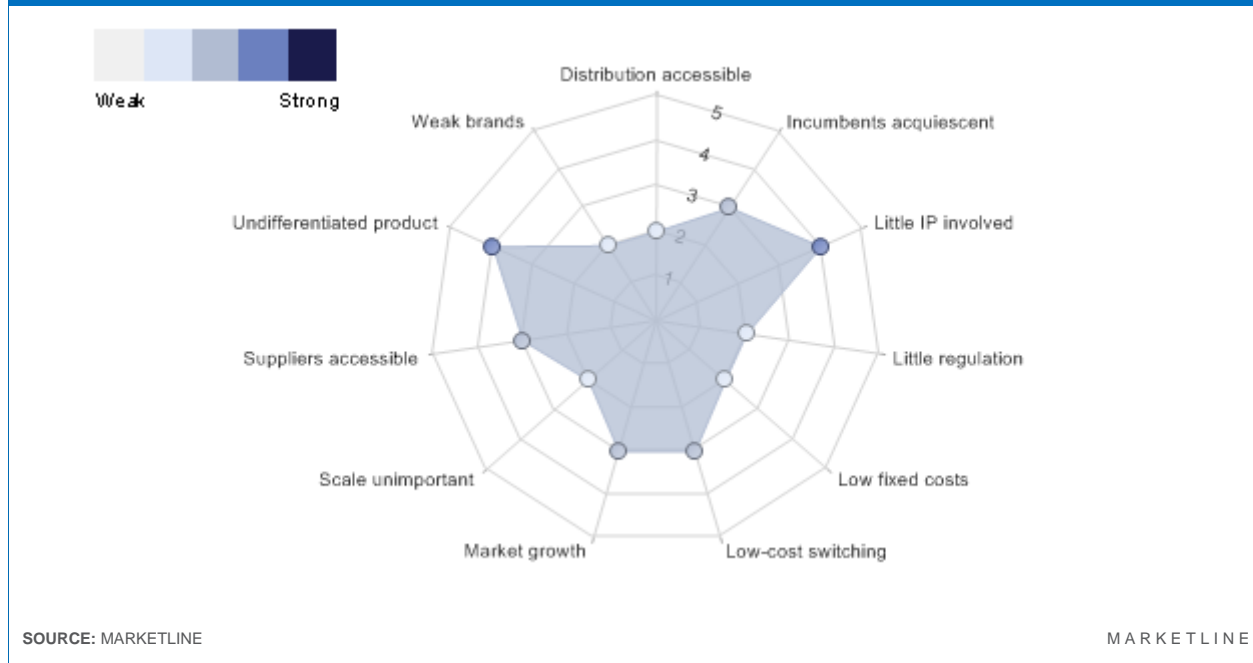


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 40: Factors influencing the likelihood of new entrants in the frozen food market in Europe, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Moderate European growth in recent years is not likely to be particularly enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 41: Factors influencing the threat of substitutes in the frozen food market in Europe, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 42: Drivers of degree of rivalry in the frozen food market in Europe, 2013



The European frozen food market is highly fragmented with the top four players accounting for 17.4% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Moderate European growth in recent years may ease rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

FROZEN FOOD IN FRANCE

Market Overview

Market analysis

France's frozen food market experienced relatively weak growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will decelerate during 2013-2018.

The French frozen food market had total revenues of \$4,546.7m in 2013, representing a compound annual growth rate (CAGR) of 2.5% between 2009 and 2013. In comparison, the German and UK markets grew with CAGRs of 3.7% and 1.4% respectively, over the same period, to reach respective values of \$9,855.1m and \$6,367.6m in 2013.

Market consumption volumes increased with a CAGR of 0.5% between 2009 and 2013, to reach a total of 799.1 million kilograms in 2013. The market's volume is expected to rise to 866.3 million kilograms by the end of 2018, representing a CAGR of 1.6% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the French frozen food market in 2013, sales through this channel generated \$3,491.9m, equivalent to 76.8% of the market's overall value. Sales through independent retailers generated revenues of \$523.3m in 2013, equating to 11.5% of the market's aggregate revenues.

The performance of the market is forecast to decelerate, with an anticipated CAGR of 1.8% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$4,964.1m by the end of 2018. Comparatively, the German and UK markets will grow with CAGRs of 3.9% and 2.6% respectively, over the same period, to reach respective values of \$11,905.9m and \$7,250.7m in 2018.

Market Data

Market value

The French frozen food market grew by 1.9% in 2013 to reach a value of \$4,546.7 million.

The compound annual growth rate of the market in the period 2009–13 was 2.5%.

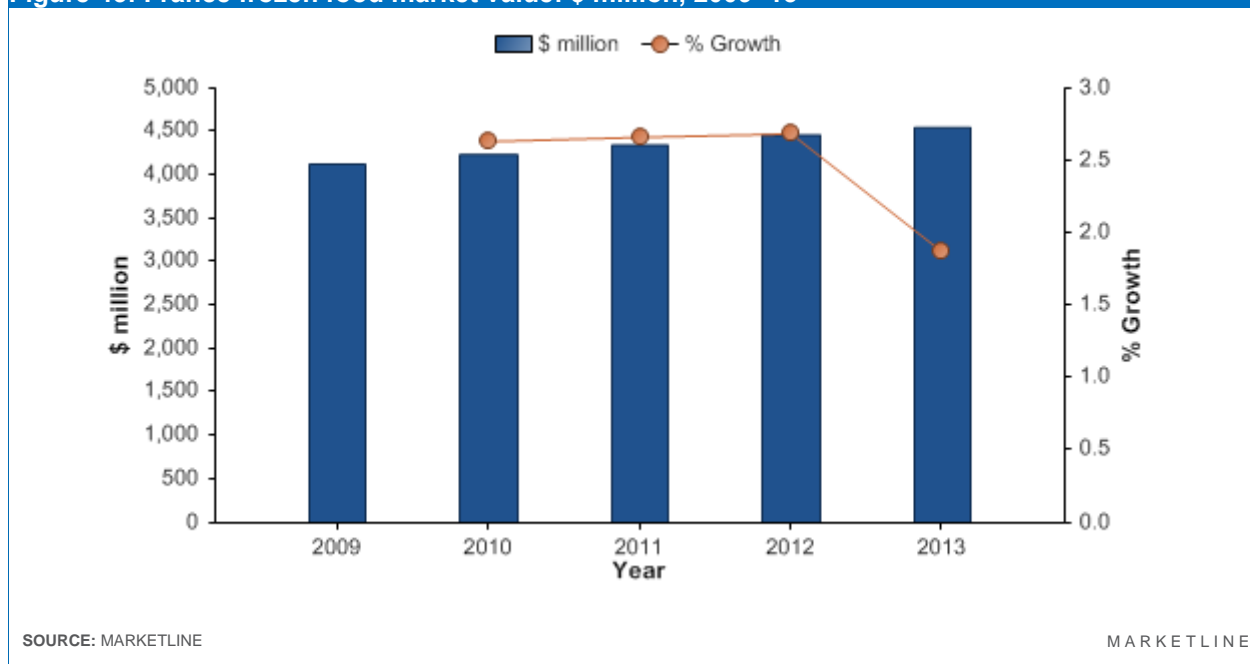
Table 25: France frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	% Growth
2009	4,125.3	3,107.7	
2010	4,233.9	3,189.5	2.6%
2011	4,346.6	3,274.4	2.7%
2012	4,463.3	3,362.3	2.7%
2013	4,546.7	3,425.1	1.9%
CAGR: 2009–13			2.5%

SOURCE: MARKETLINE

MARKETLINE

Figure 43: France frozen food market value: \$ million, 2009–13



Market volume

The French frozen food market grew by 0.4% in 2013 to reach a volume of 799.1 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 0.5%.

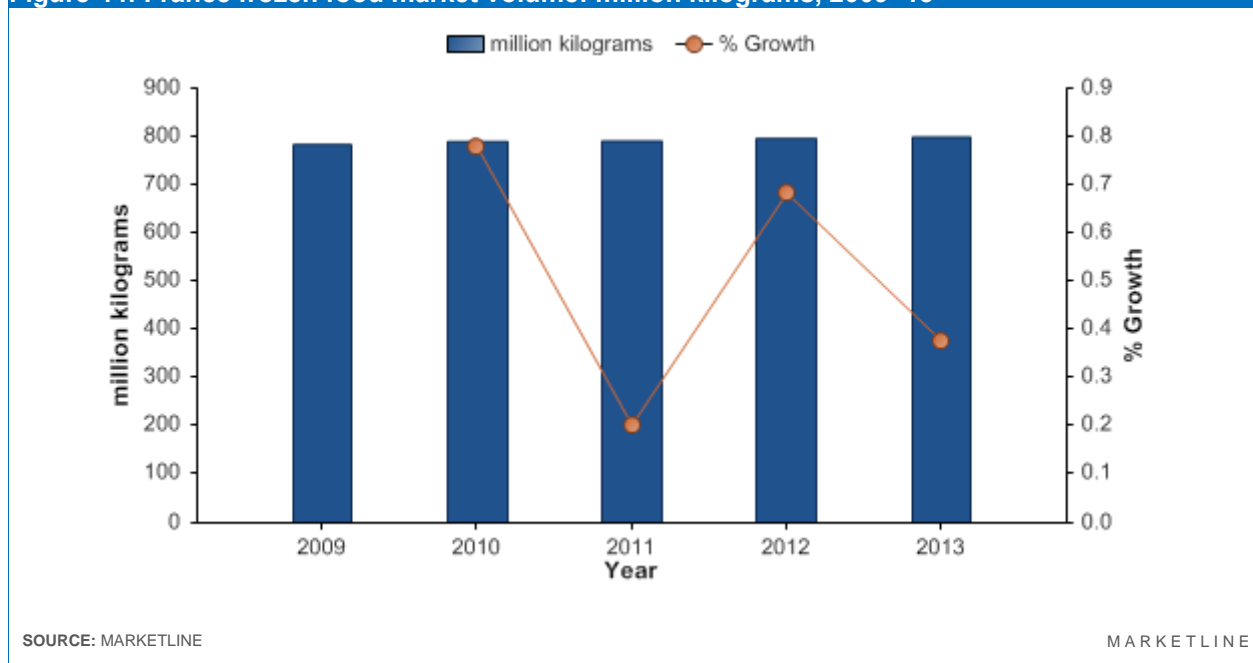
Table 26: France frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	783.0	
2010	789.1	0.8%
2011	790.7	0.2%
2012	796.1	0.7%
2013	799.1	0.4%
CAGR: 2009–13		0.5%

SOURCE: MARKETLINE

MARKETLINE

Figure 44: France frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen ready meals is the largest segment of the frozen food market in France, accounting for 32.3% of the market's total value.

The Frozen fish/seafood segment accounts for a further 14.6% of the market.

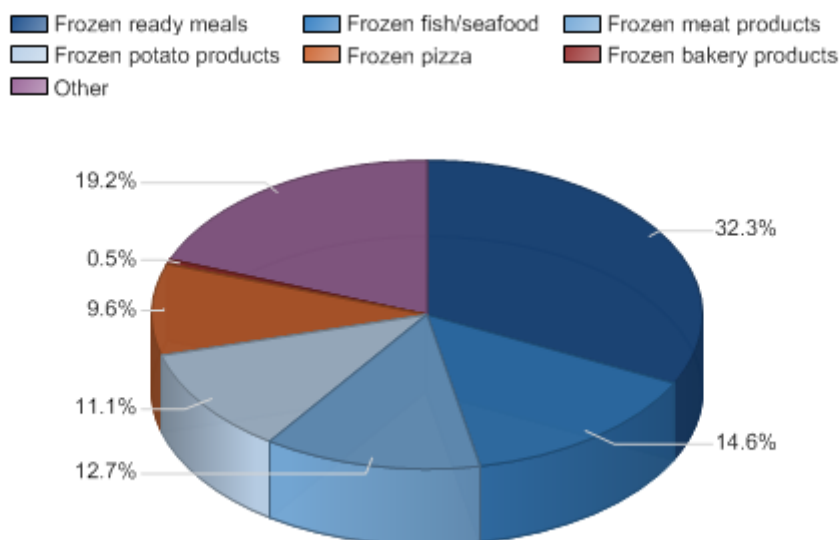
Table 27: France frozen food market category segmentation: \$ million, 2013

Category	2013	%
Frozen ready meals	1,470.0	32.3%
Frozen fish/seafood	663.6	14.6%
Frozen meat products	579.1	12.7%
Frozen potato products	503.7	11.1%
Frozen pizza	436.4	9.6%
Frozen bakery products	23.0	0.5%
Other	870.9	19.2%
Total	4,546.7	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 45: France frozen food market category segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

France accounts for 9.8% of the European frozen food market value.

Germany accounts for a further 21.2% of the European market.

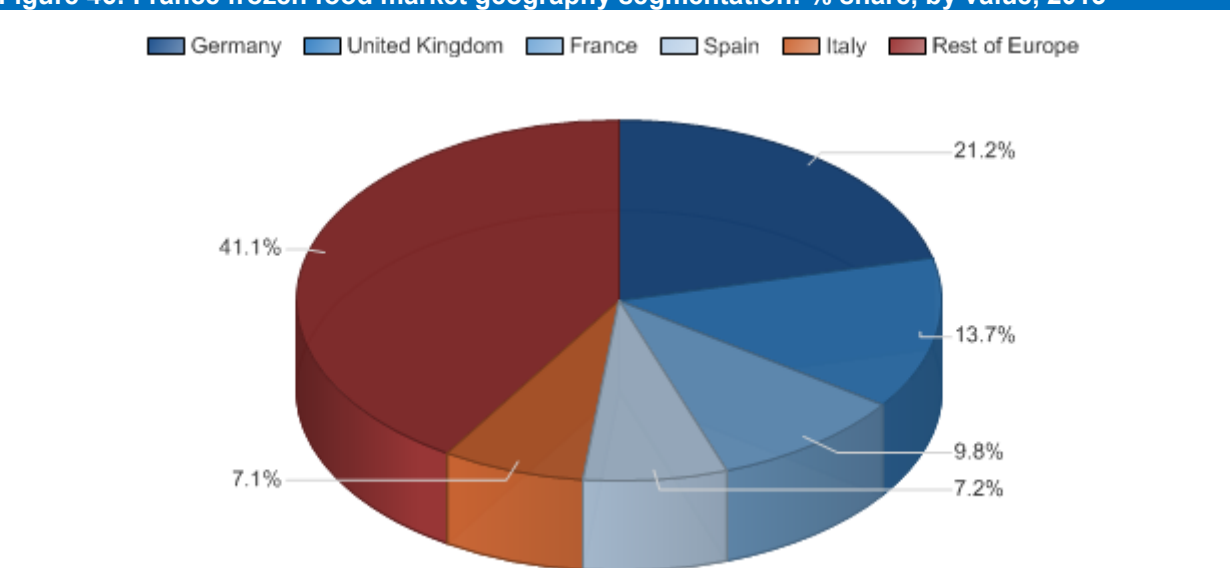
Table 28: France frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Germany	9,855.1	21.2
United Kingdom	6,367.6	13.7
France	4,546.7	9.8
Spain	3,341.4	7.2
Italy	3,315.1	7.1
Rest of Europe	19,133.2	41.1
Total	46,559.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 46: France frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Findus Group Limited is the leading player in the French frozen food market, generating a 9.4% share of the market's value.

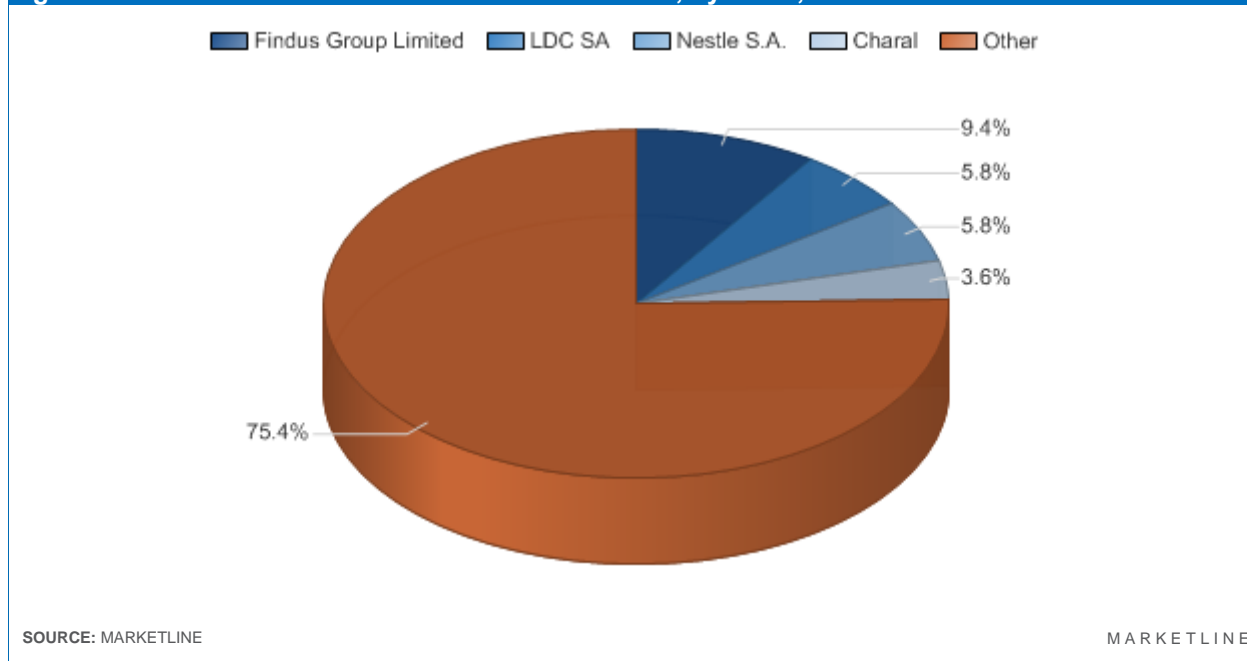
LDC SA accounts for a further 5.8% of the market.

Table 29: France frozen food market share: % share, by value, 2013

Company	% Share
Findus Group Limited	9.4%
LDC SA	5.8%
Nestle S.A.	5.8%
Charal	3.6%
Other	75.4%
Total	100%

SOURCE: MARKETLINE MARKETLINE

Figure 47: France frozen food market share: % share, by value, 2013



Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the French frozen food market, accounting for a 76.8% share of the total market's value.

Independent Retailers accounts for a further 11.5% of the market.

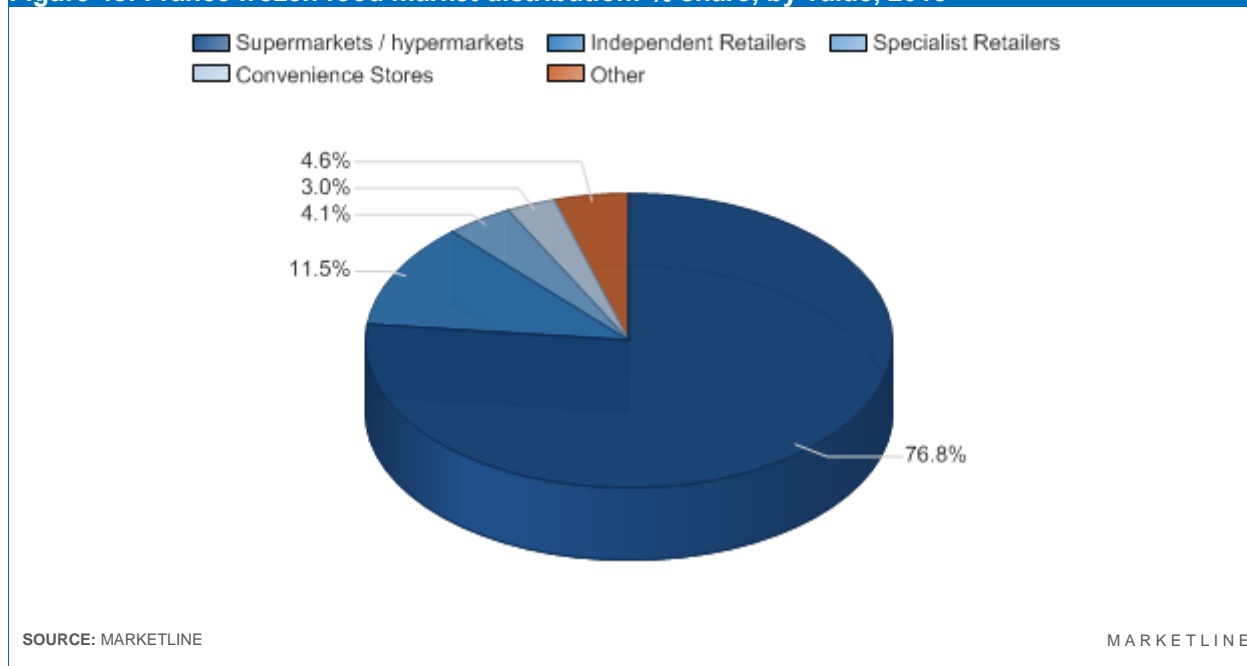
Table 30: France frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	76.8%
Independent Retailers	11.5%
Specialist Retailers	4.1%
Convenience Stores	3.0%
Other	4.6%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 48: France frozen food market distribution: % share, by value, 2013



Market outlook

Market value forecast

In 2018, the French frozen food market is forecast to have a value of \$4,964.1 million, an increase of 9.2% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 1.8%.

Table 31: France frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	4,546.7	3,425.1	1.9%
2014	4,642.6	3,497.4	2.1%
2015	4,724.9	3, 59.3	1.8%
2016	4,813.3	3,626.0	1.9%
2017	4,883.4	3,678.8	1.5%
2018	4,964.1	3,739.6	1.7%
CAGR: 2013–18			1.8%

SOURCE: MARKETLINE

MARKETLINE

Figure 49: France frozen food market value forecast: \$ million, 2013–18



Market volume forecast

In 2018, the French frozen food market is forecast to have a volume of 866.3 million kilograms, an increase of 8.4% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 1.6%.

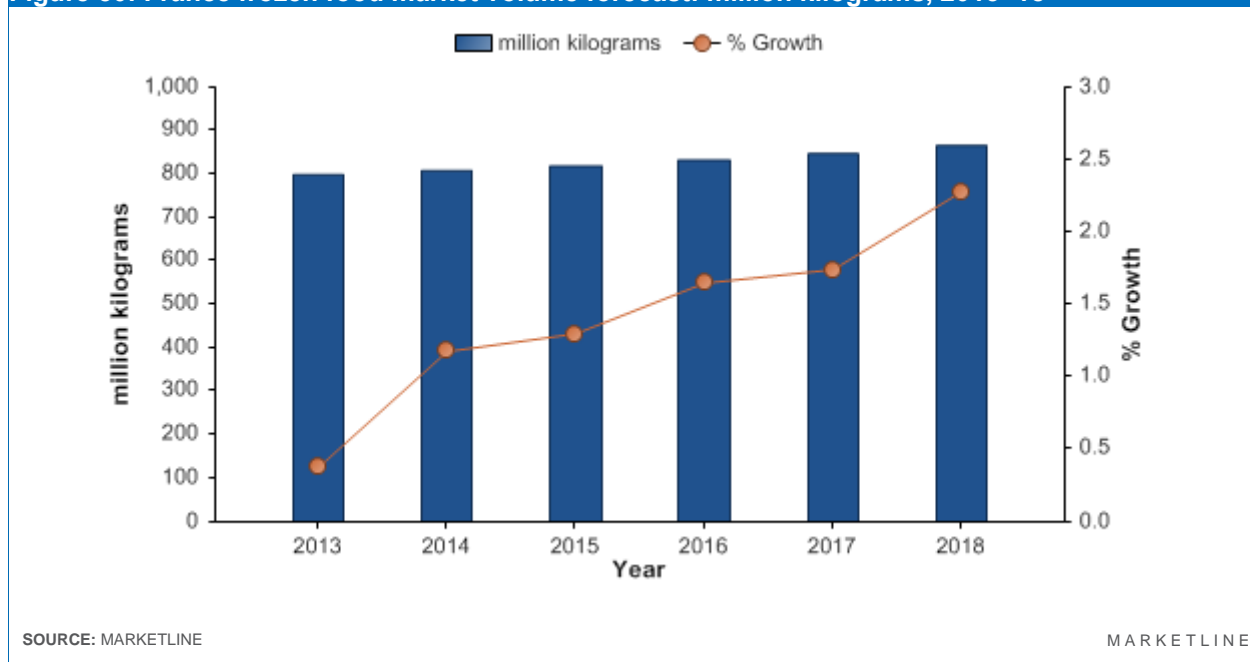
Table 32: France frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	799.1	0.4%
2014	808.5	1.2%
2015	819.0	1.3%
2016	832.5	1.6%
2017	847.0	1.7%
2018	866.3	2.3%
CAGR: 2013–18		1.6%

SOURCE: MARKETLINE

MARKETLINE

Figure 50: France frozen food market volume forecast: million kilograms, 2013–18



SOURCE: MARKETLINE

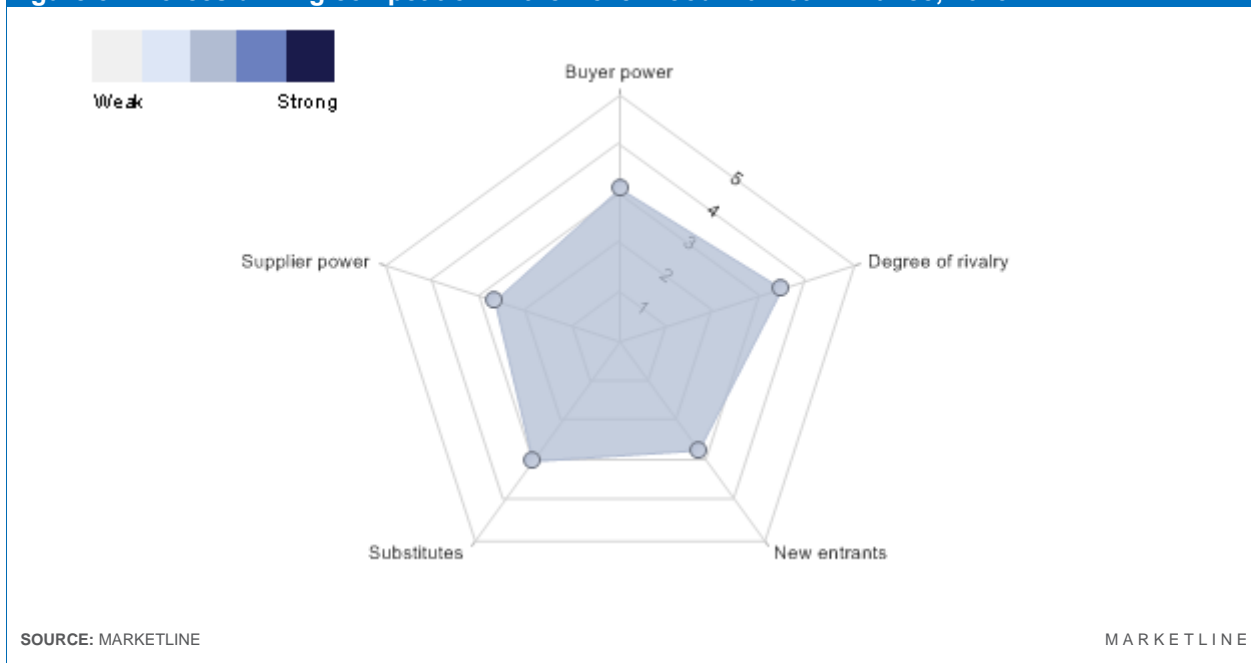
MARKETLINE

Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 51: Forces driving competition in the frozen food market in France, 2013

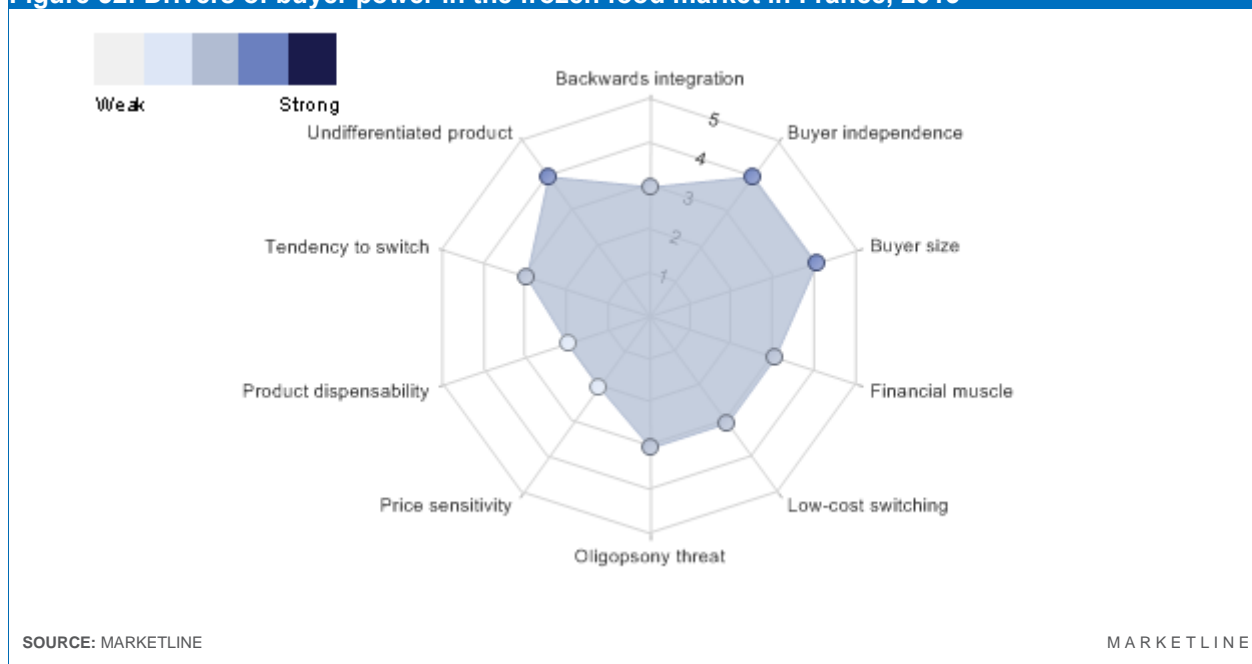


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

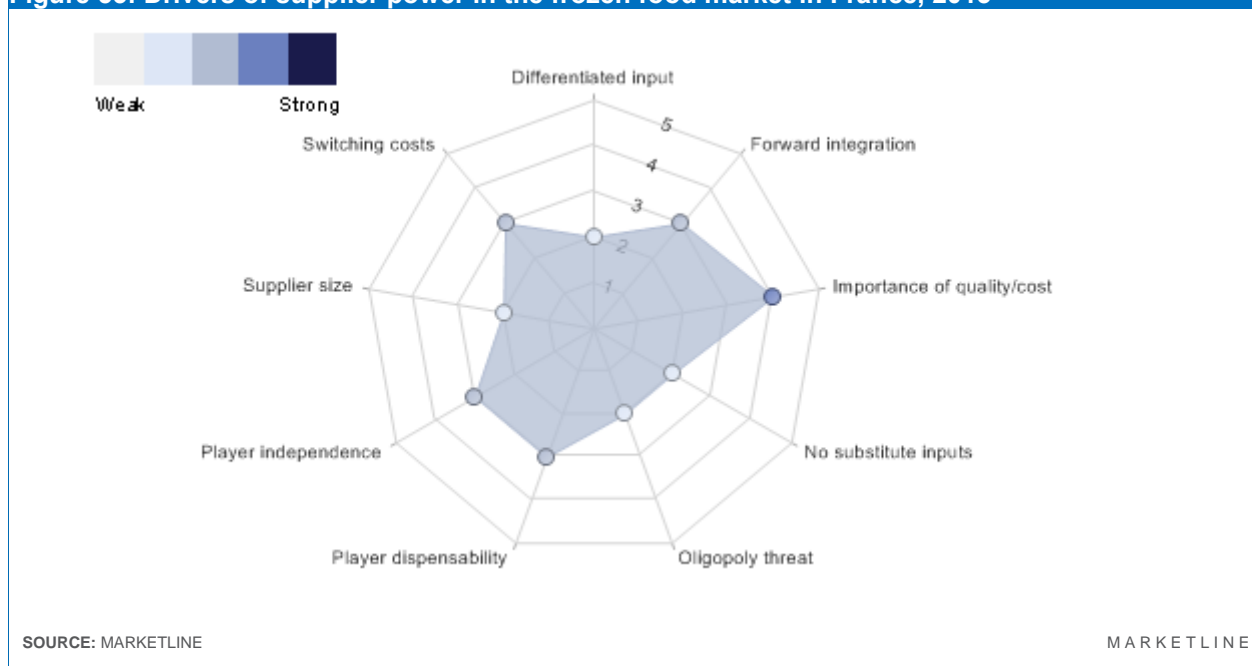
Figure 52: Drivers of buyer power in the frozen food market in France, 2013



The main distribution channels for France's frozen food market are supermarkets and hypermarkets, which account for 76.8% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Carrefour and Groupe Casino tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 53: Drivers of supplier power in the frozen food market in France, 2013

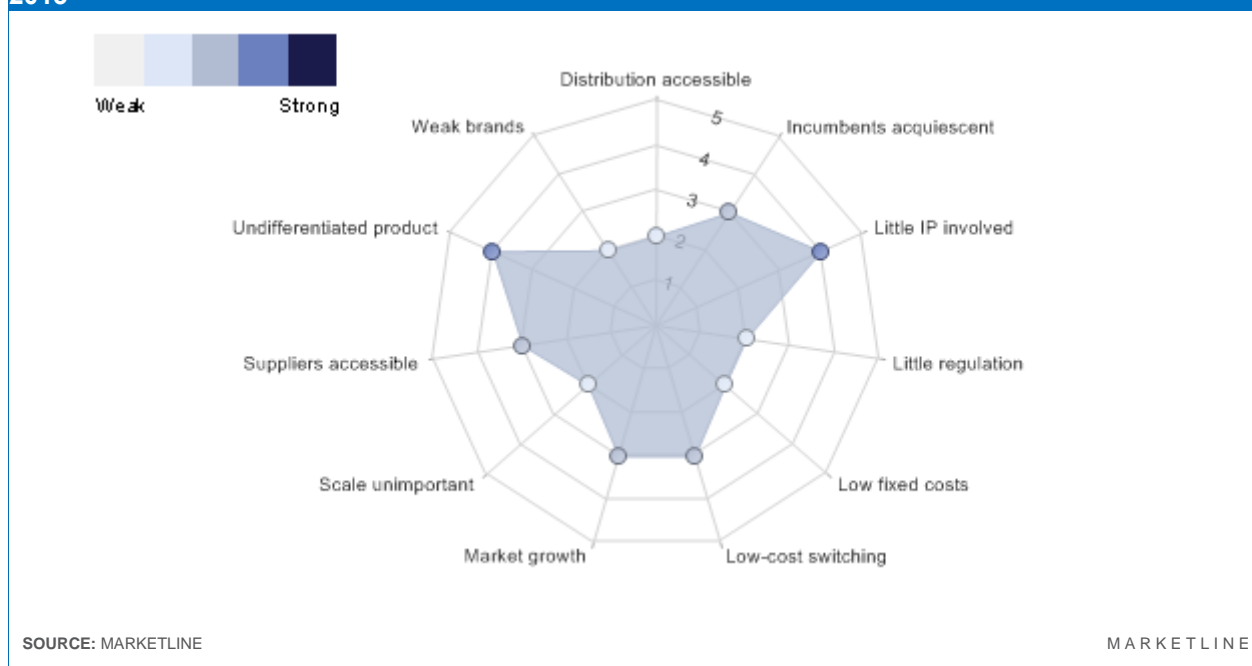


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 54: Factors influencing the likelihood of new entrants in the frozen food market in France, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Moderate to weak French growth in recent years is unlikely to be enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 55: Factors influencing the threat of substitutes in the frozen food market in France, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 56: Drivers of degree of rivalry in the frozen food market in France, 2013



The French frozen food market is fragmented with the top four players accounting for 24.6% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Relatively weak French growth in recent years may contribute somewhat to rivalry. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 33: France size of population (million), 2009–13

Year	Population (million)	% Growth
2009	64.3	0.5%
2010	64.6	0.5%
2011	64.9	0.5%
2012	65.3	0.5%
2013	65.5	0.4%

SOURCE: MARKETLINE

MARKETLINE

Table 34: France gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	2,170.9	(3.1%)
2010	2,208.3	1.7%
2011	2,253.1	2.0%
2012	2,253.4	0.0%
2013	2,259.0	0.3%

SOURCE: MARKETLINE

MARKETLINE

Table 35: France gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	2,626.5	(7.7%)
2010	2,569.8	(2.2%)
2011	2,784.8	8.4%
2012	2,612.7	(6.2%)
2013	2,736.8	4.8%

SOURCE: MARKETLINE

MARKETLINE

Table 36: France inflation, 2009–13

Year	Inflation Rate (%)
2009	0.1%
2010	1.7%
2011	2.3%
2012	2.2%
2013	1.0%

SOURCE: MARKETLINE

MARKETLINE

Table 37: France consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	106.8
2010	108.7
2011	111.1
2012	113.6
2013	114.7

SOURCE: MARKETLINE

MARKETLINE

Table 38: France exchange rate, 2009–13

Year	Exchange rate (\$/€)
2009	0.7192
2010	0.7549
2011	0.7188
2012	0.7782
2013	0.7533

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN GERMANY

Market Overview

Market analysis

Germany's frozen food market experienced moderate growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will perform at a similar rate during 2013-2018.

The German frozen food market had total revenues of \$9,855.1m in 2013, representing a compound annual growth rate (CAGR) of 3.7% between 2009 and 2013. In comparison, the French and UK markets grew with CAGRs of 2.5% and 1.4% respectively, over the same period, to reach respective values of \$4,546.7m and \$6,367.6m in 2013.

Market consumption volumes increased with a CAGR of 1.9% between 2009 and 2013, to reach a total of 1,861.6 million kilograms in 2013. The market's volume is expected to rise to 2,055 million kilograms by the end of 2018, representing a CAGR of 2% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the German frozen food market in 2013, sales through this channel generated \$7,843.6m, equivalent to 79.6% of the market's overall value. Sales through specialist retailers generated revenues of \$952.0m in 2013, equating to 9.7% of the market's aggregate revenues.

The performance of the market is forecast to follow a similar pattern with an anticipated CAGR of 3.9% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$11,905.9m by the end of 2018. Comparatively, the French and UK markets will grow with CAGRs of 1.8% and 2.6% respectively, over the same period, to reach respective values of \$4,964.1m and \$7,250.7m in 2018.

Market Data

Market value

The German frozen food market grew by 3.1% in 2013 to reach a value of \$9,855.1 million.

The compound annual growth rate of the market in the period 2009–13 was 3.7%.

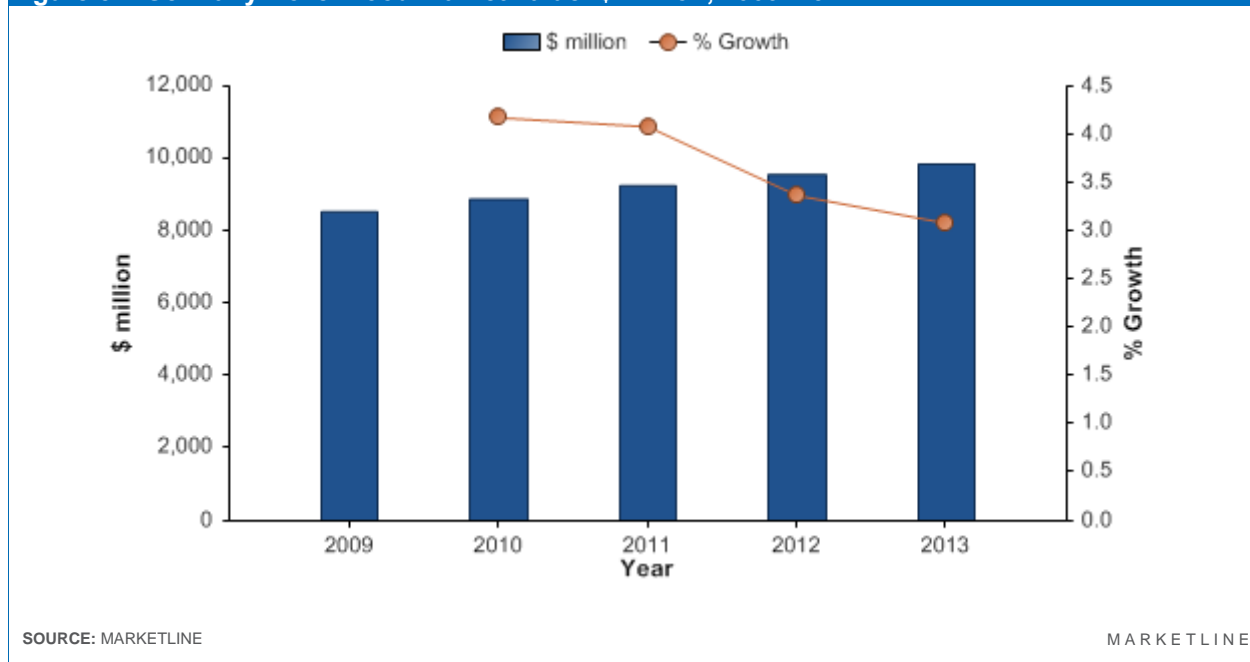
Table 39: Germany frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	Growth
2009	8,530.1	6,425.9	
2010	8,886.1	6,694.1	4.2%
2011	9,248.8	6,967.3	4.1%
2012	9,560.4	7,202.0	3.4%
2013	9,855.1	7,424.0	3.1%
CAGR: 2009–13			3.7%

SOURCE: MARKETLINE

MARKETLINE

Figure 57: Germany frozen food market value: \$ million, 2009–13



Market volume

The German frozen food market grew by 1.7% in 2013 to reach a volume of 1,861.6 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 1.9%.

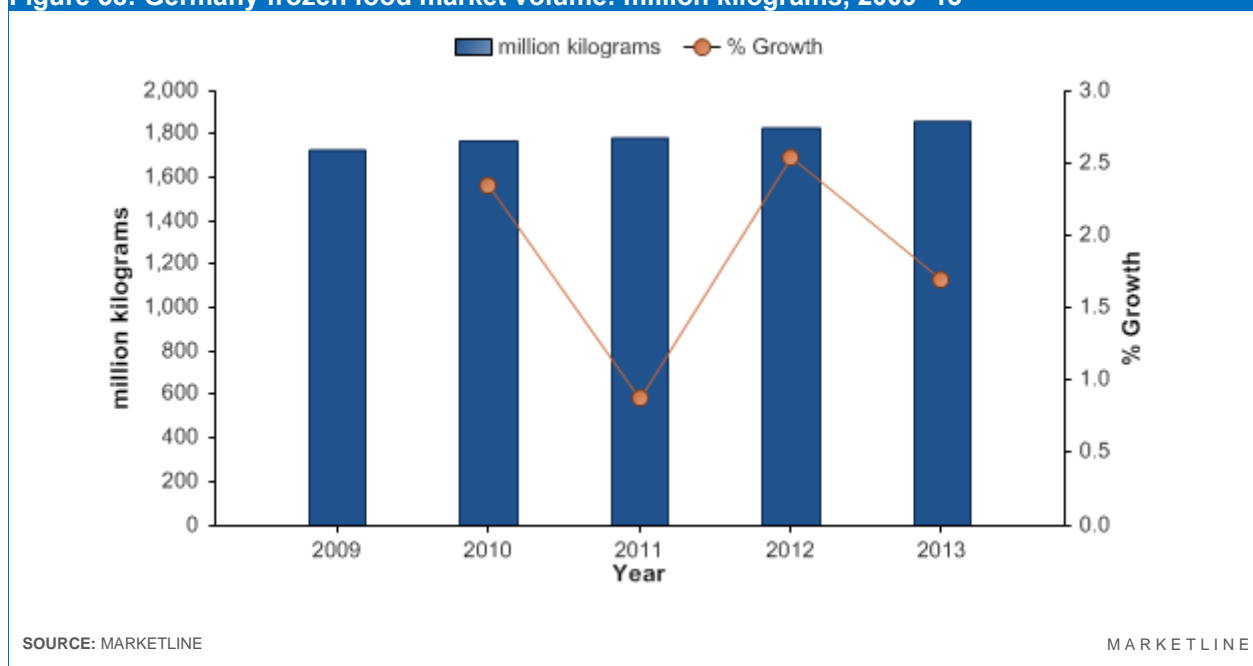
Table 40: Germany frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	1,729.1	
2010	1,769.7	2.3%
2011	1,785.2	0.9%
2012	1,830.6	2.5%
2013	1,861.6	1.7%
CAGR: 2009–13		1.9%

SOURCE: MARKETLINE

MARKETLINE

Figure 58: Germany frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen ready meals is the largest segment of the frozen food market in Germany, accounting for 19.5% of the market's total value.

The Frozen pizza segment accounts for a further 17.4% of the market.

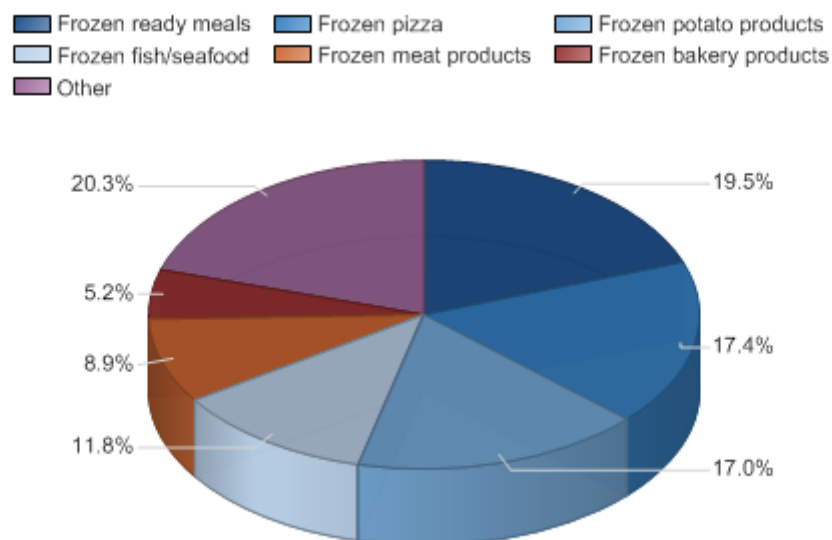
Table 41: Germany frozen food market category segmentation: \$ million, 2013

Category	2013	%
Frozen ready meals	1,918.4	19.5%
Frozen pizza	1,712.6	17.4%
Frozen potato products	1,674.6	17.0%
Frozen fish/seafood	1,163.2	11.8%
Frozen meat products	877.5	8.9%
Frozen bakery products	509.5	5.2%
Other	1,999.2	20.3%
Total	9,855	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 59: Germany frozen food market category segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

Germany accounts for 21.2% of the European frozen food market value.

United Kingdom accounts for a further 13.7% of the European market.

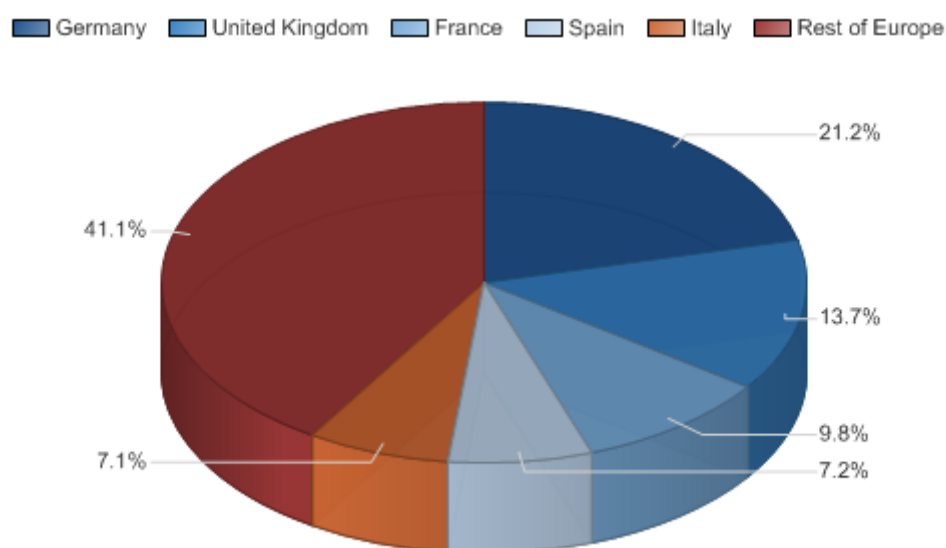
Table 42: Germany frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Germany	9,855.1	21.2
United Kingdom	6,367.6	13.7
France	4,546.7	9.8
Spain	3,341.4	7.2
Italy	3,315.1	7.1
Rest of Europe	19,133.2	41.1
Total	46,559.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 60: Germany frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Permira Advisers LLP is the leading player in the German frozen food market, generating a 10.7% share of the market's value.

McCain Foods Limited accounts for a further 6.8% of the market.

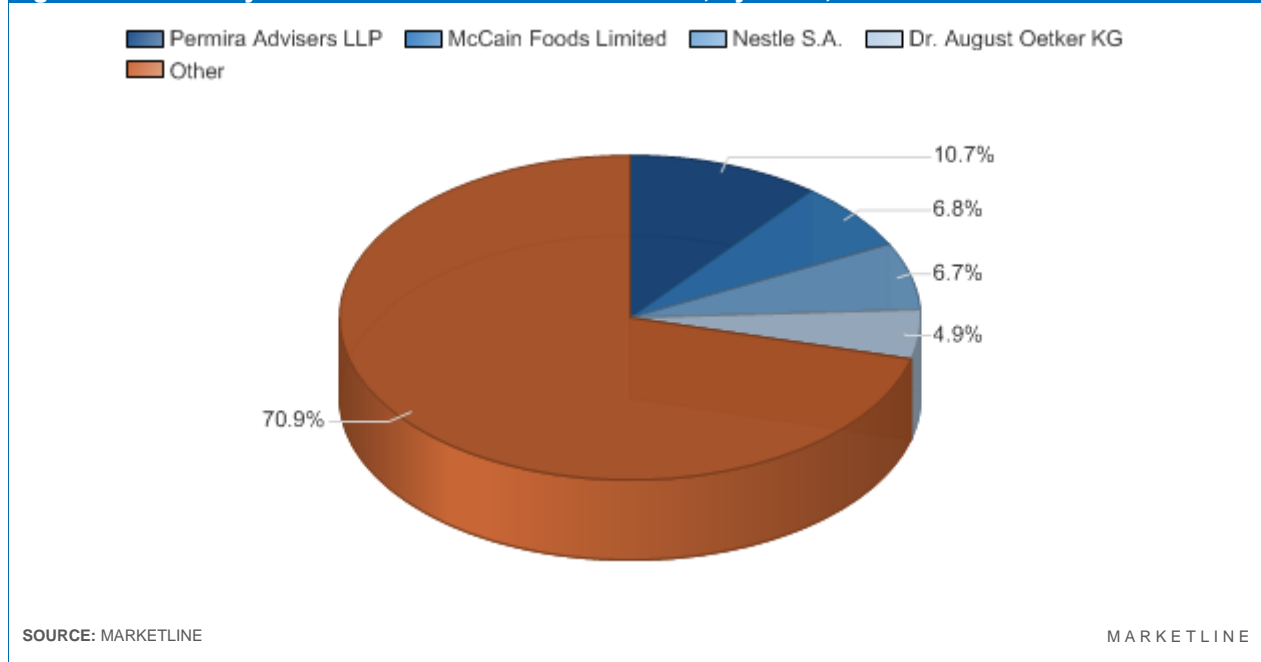
Table 43: Germany frozen food market share: % share, by value, 2013

Company	% Share
Permira Advisers LLP	10.7%
McCain Foods Limited	6.8%
Nestle S.A.	6.7%
Dr. August Oetker KG	4.9%
Other	70.9%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 61: Germany frozen food market share: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the German frozen food market, accounting for a 79.6% share of the total market's value.

Specialist Retailers accounts for a further 9.7% of the market.

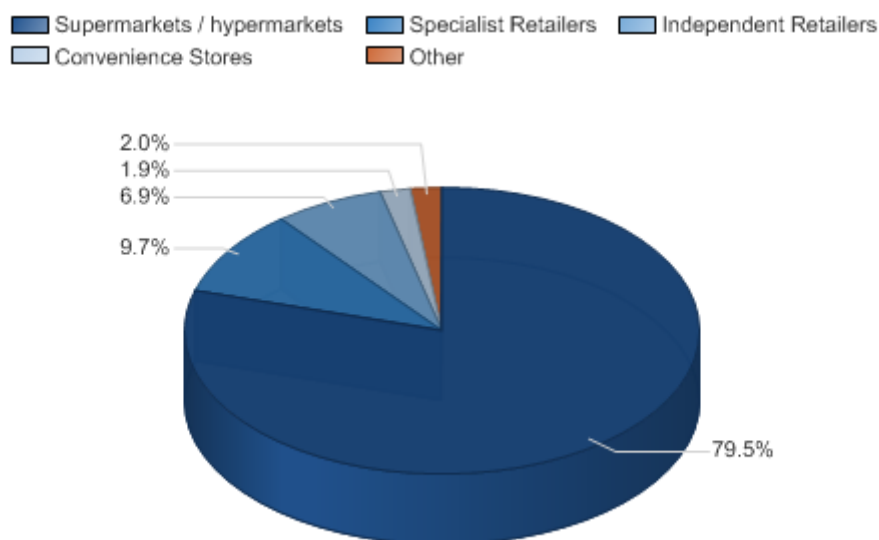
Table 44: Germany frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	79.6%
Specialist Retailers	9.7%
Independent Retailers	6.9%
Convenience Stores	1.9%
Other	2.0%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 62: Germany frozen food market distribution: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the German frozen food market is forecast to have a value of \$11,905.9 million, an increase of 20.8% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 3.9%.

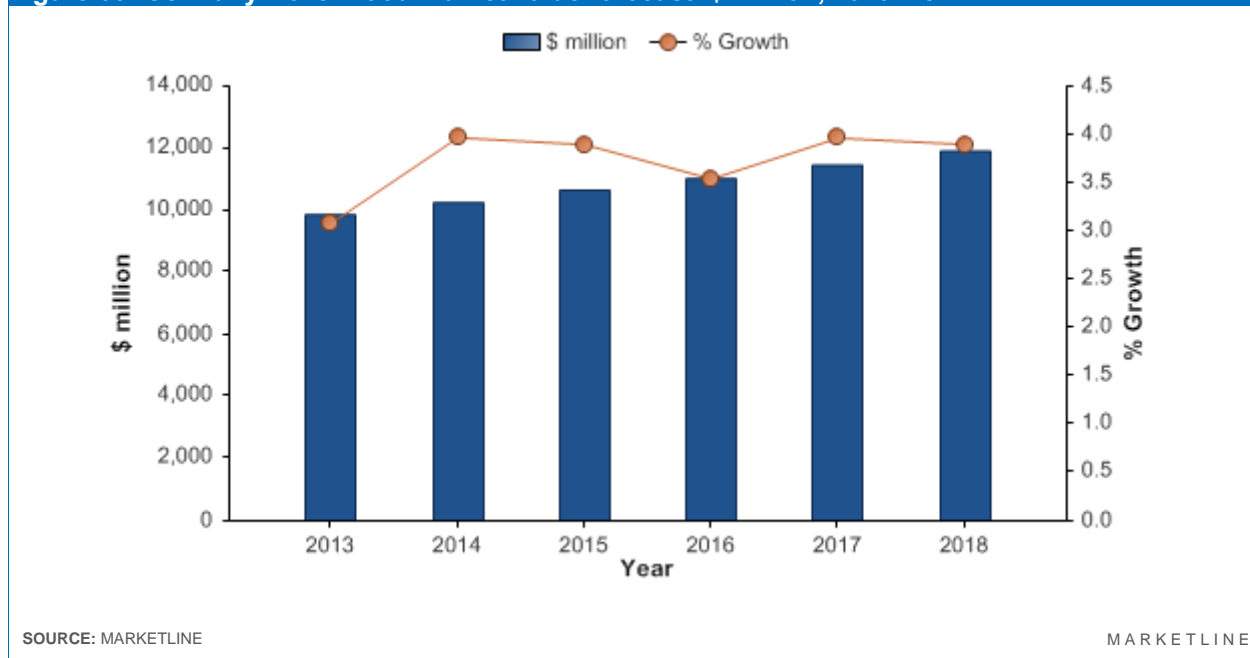
Table 45: Germany frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	9,855.1	7,424.0	3.1%
2014	10,246.1	7,718.6	4.0%
2015	10,645.3	8,019.3	3.9%
2016	11,022.3	8,303.3	3.5%
2017	11,459.2	8,632.4	4.0%
2018	11,905.9	8,968.9	3.9%
CAGR: 2013–18			3.9%

SOURCE: MARKETLINE

MARKETLINE

Figure 63: Germany frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the German frozen food market is forecast to have a volume of 2,055 million kilograms, an increase of 10.4% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 2%.

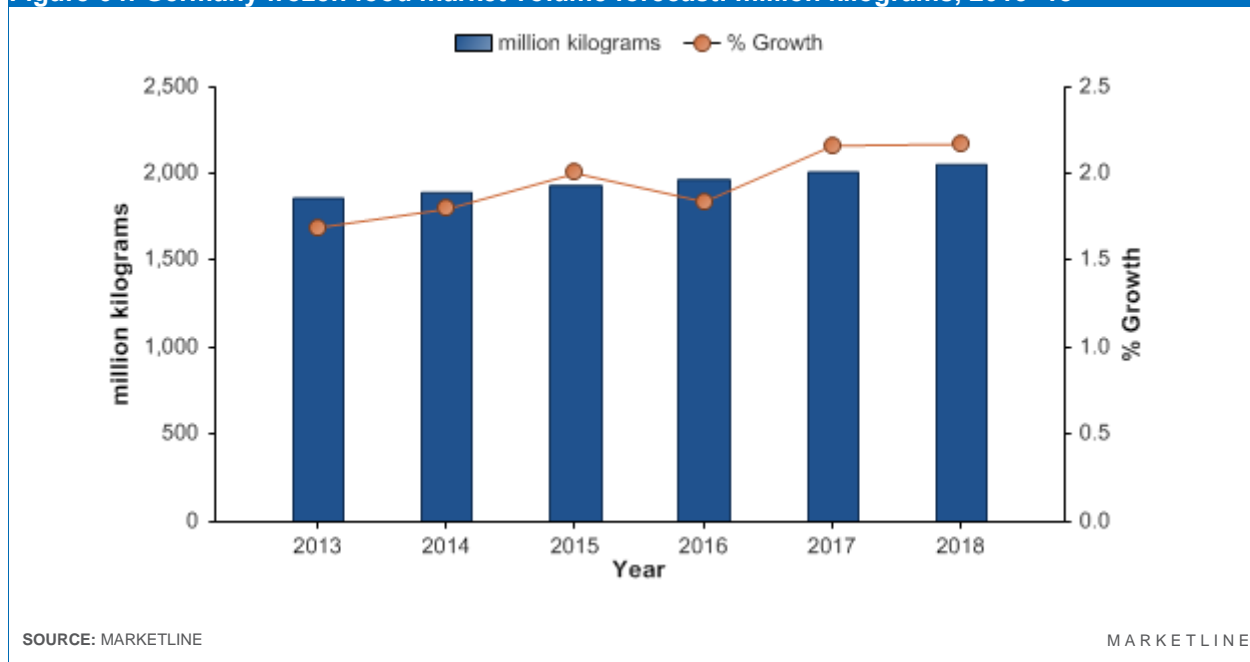
Table 46: Germany frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	1,861.6	1.7%
2014	1,895.1	1.8%
2015	1,933.1	2.0%
2016	1,968.7	1.8%
2017	2,011.3	2.2%
2018	2,055.0	2.2%
CAGR: 2013–18		2.0%

SOURCE: MARKETLINE

MARKETLINE

Figure 64: Germany frozen food market volume forecast: million kilograms, 2013–18

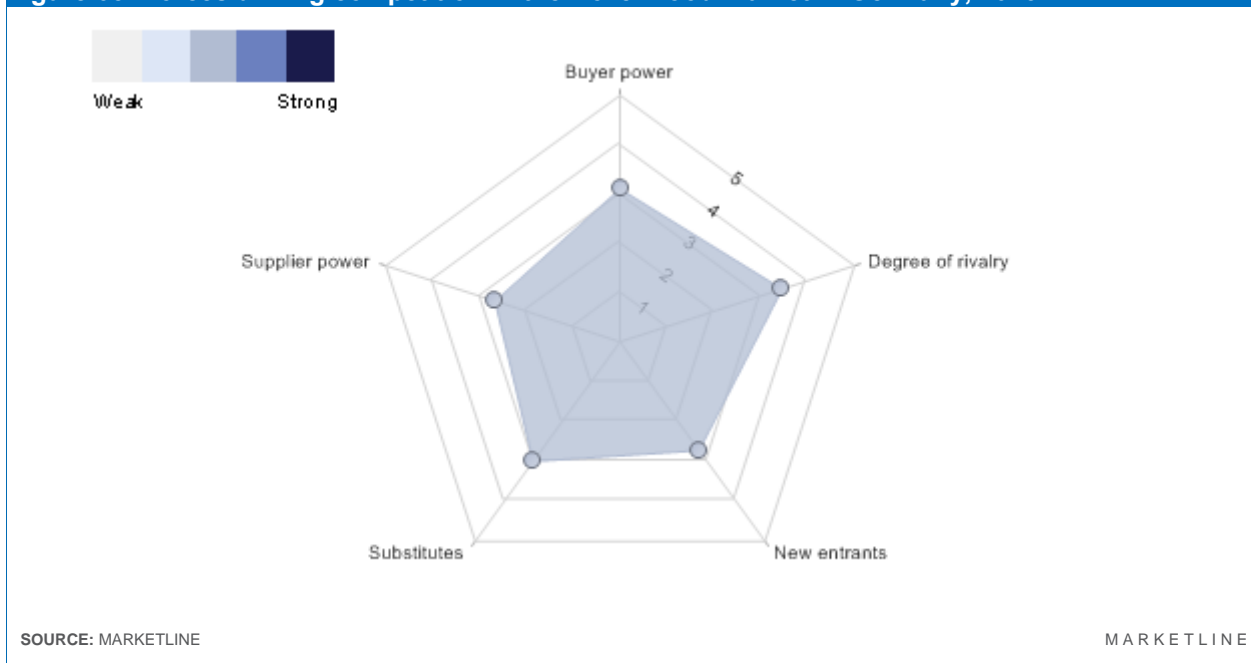


Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 65: Forces driving competition in the frozen food market in Germany, 2013

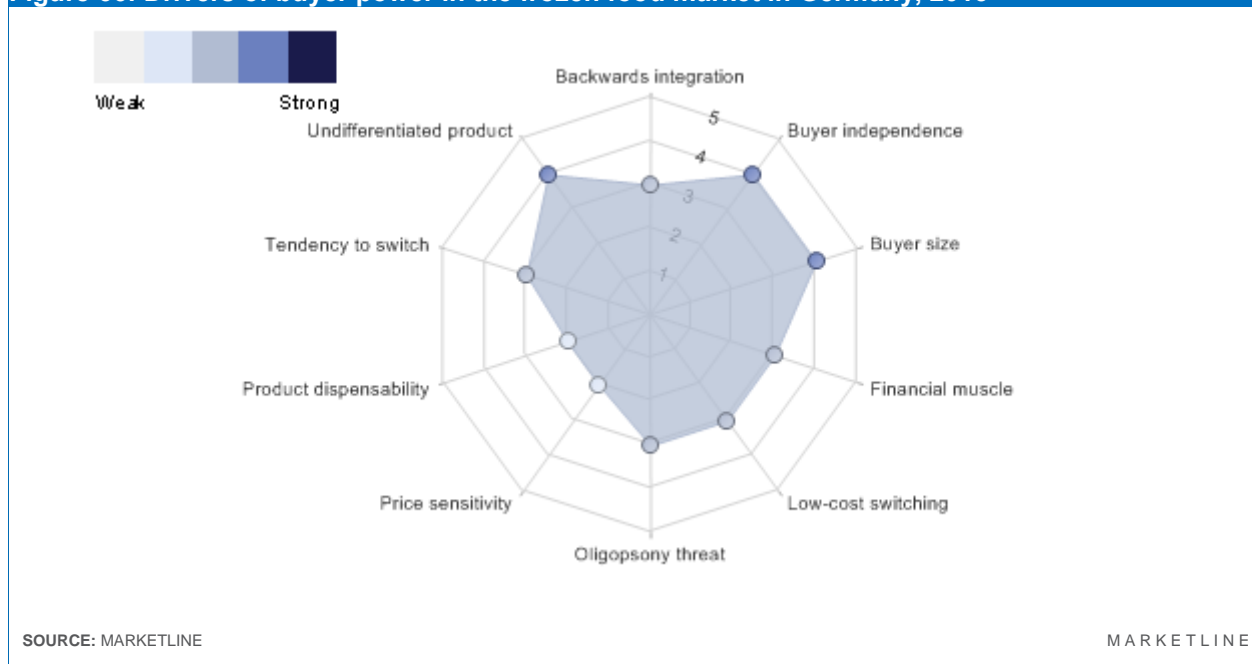


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

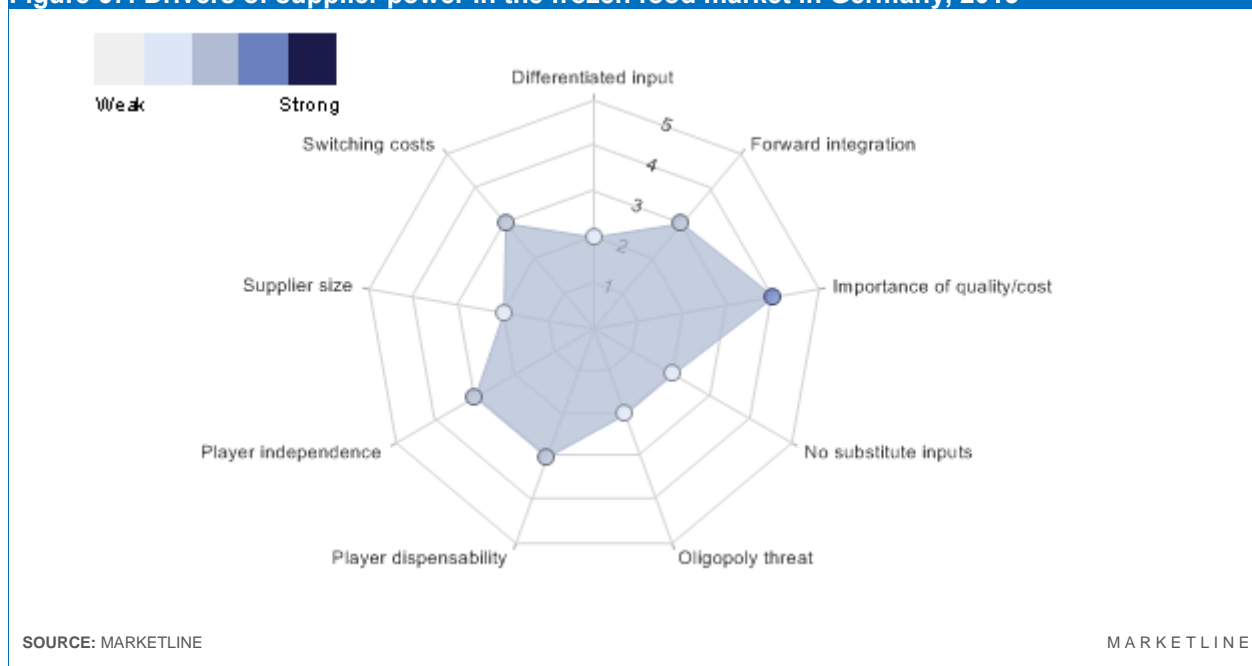
Figure 66: Drivers of buyer power in the frozen food market in Germany, 2013



The main distribution channels for Germany's frozen food market are supermarkets and hypermarkets, which account for 79.6% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Aldi tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 67: Drivers of supplier power in the frozen food market in Germany, 2013

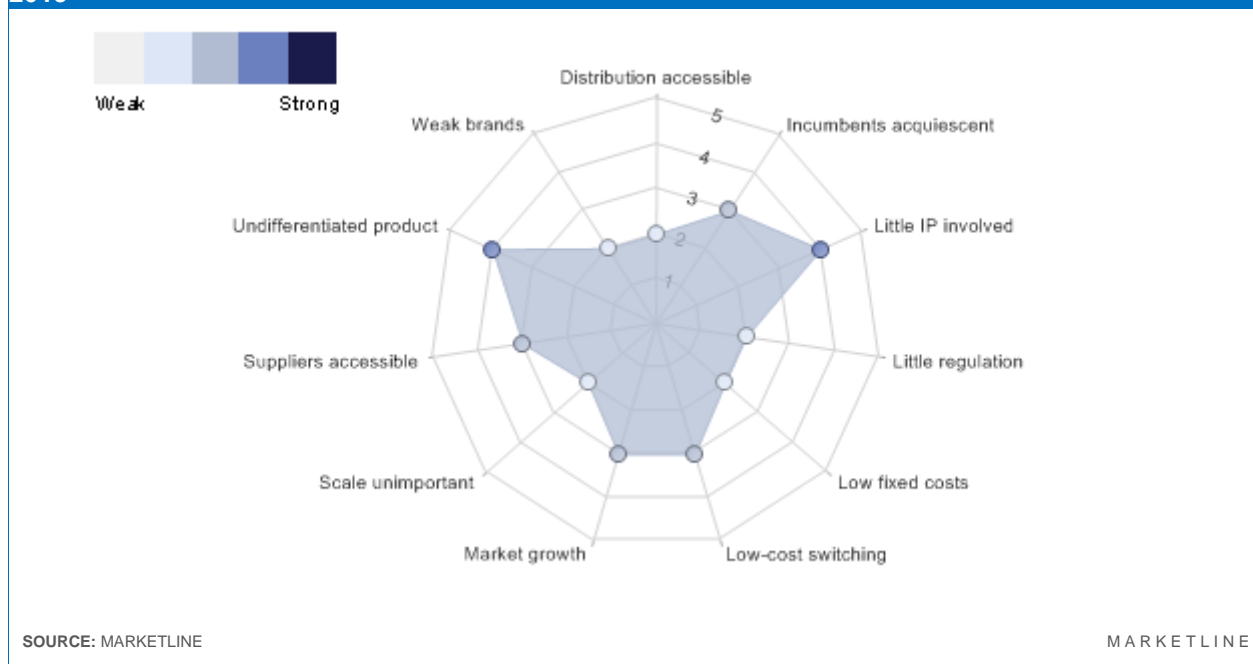


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 68: Factors influencing the likelihood of new entrants in the frozen food market in Germany, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Moderate, approaching strong market growth in Germany in recent years may entice potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 69: Factors influencing the threat of substitutes in the frozen food market in Germany, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 70: Drivers of degree of rivalry in the frozen food market in Germany, 2013



The German frozen food market is fragmented with the top four players accounting for 29.1% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Moderate German growth in recent years may ease rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 47: Germany size of population (million), 2009–13

Year	Population (million)	% Growth
2009	81.8	(0.2%)
2010	81.8	(0.1%)
2011	81.6	(0.1%)
2012	81.5	(0.1%)
2013	81.5	(0.1%)

SOURCE: MARKETLINE

MARKETLINE

Table 48: Germany gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	2,848.1	(5.1%)
2010	2,957.9	3.9%
2011	3,058.5	3.4%
2012	3,085.9	0.9%
2013	3,101.4	0.5%

SOURCE: MARKETLINE

MARKETLINE

Table 49: Germany gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	3,306.8	(9.2%)
2010	3,310.6	0.1%
2011	3,631.4	9.7%
2012	3,427.9	(5.6%)
2013	3,634.7	6.0%

SOURCE: MARKETLINE

MARKETLINE

Table 50: Germany inflation, 2009–13

Year	Inflation Rate (%)
2009	0.2%
2010	1.2%
2011	2.3%
2012	2.0%
2013	1.6%

SOURCE: MARKETLINE

MARKETLINE

Table 51: Germany consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	107.1
2010	108.4
2011	110.9
2012	113.1
2013	114.9

SOURCE: MARKETLINE

MARKETLINE

Table 52: Germany exchange rate, 2009–13

Year	Exchange rate (\$/€)
2009	0.7192
2010	0.7549
2011	0.7188
2012	0.7782
2013	0.7533

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN ITALY

Market Overview

Market analysis

Italy's frozen foods market experienced weak growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will accelerate slightly, although growth will remain relatively weak during 2013-2018.

The Italian frozen food market had total revenues of \$3,315.1m in 2013, representing a compound annual growth rate (CAGR) of 2.1% between 2009 and 2013. In comparison, the French and German markets grew with CAGRs of 2.5% and 3.7% respectively, over the same period, to reach respective values of \$4,546.7m and \$9,855.1m in 2013.

Market consumption volumes increased with a CAGR of 0.9% between 2009 and 2013, to reach a total of 618.4 million kilograms in 2013. The market's volume is expected to rise to 658.7 million kilograms by the end of 2018, representing a CAGR of 1.3% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the Italian frozen food market in 2013, sales through this channel generated \$1,703.3m, equivalent to 51.4% of the market's overall value. Sales through independent retailers generated revenues of \$1,091.7m in 2013, equating to 32.9% of the market's aggregate revenues.

The performance of the market is forecast to accelerate, with an anticipated CAGR of 2.6% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$3,770.5m by the end of 2018. Comparatively, the French and German markets will grow with CAGRs of 1.8% and 3.9% respectively, over the same period, to reach respective values of \$4,964.1m and \$11,905.9m in 2018.

Market Data

Market value

The Italian frozen food market grew by 1% in 2013 to reach a value of \$3,315.1 million.

The compound annual growth rate of the market in the period 2009–13 was 2.1%.

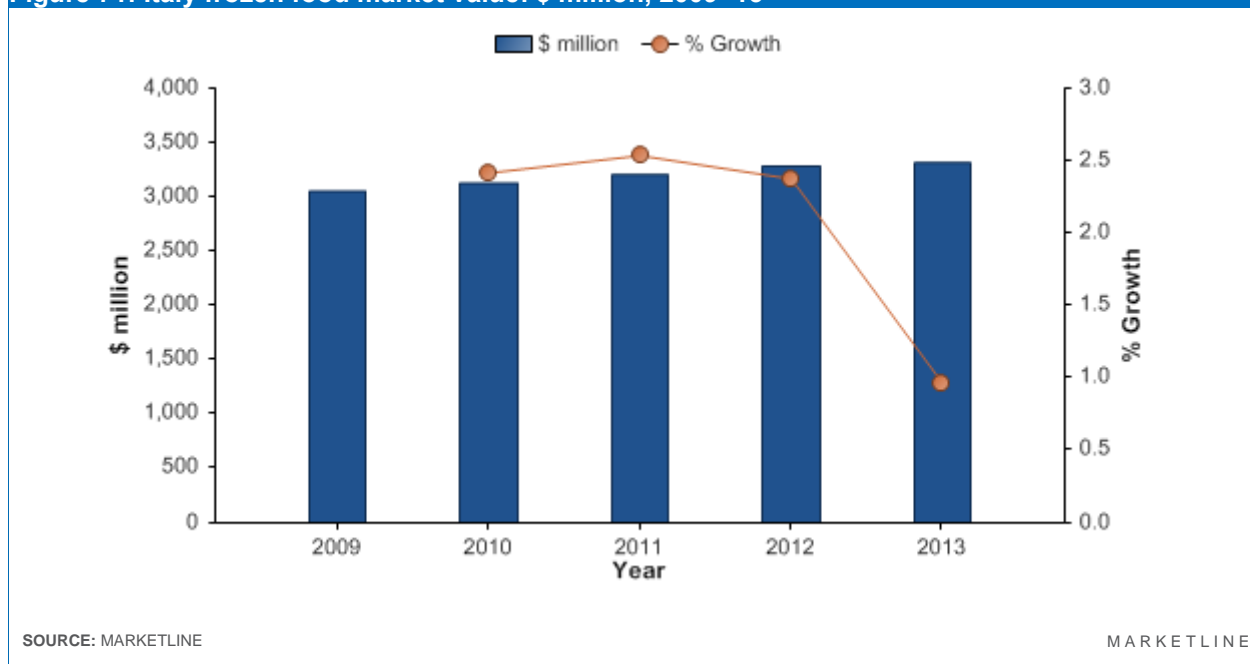
Table 53: Italy frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	% Growth
2009	3,054.2	2,300.8	
2010	3,127.9	2,356.3	2.4%
2011	3,207.2	2,416.1	2.5%
2012	3,283.4	2,473.4	2.4%
2013	3,315.1	2,497.3	1.0%
CAGR: 2009–13			2.1%

SOURCE: MARKETLINE

MARKETLINE

Figure 71: Italy frozen food market value: \$ million, 2009–13



Market volume

The Italian frozen food market grew by 0.3% in 2013 to reach a volume of 618.4 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 0.9%.

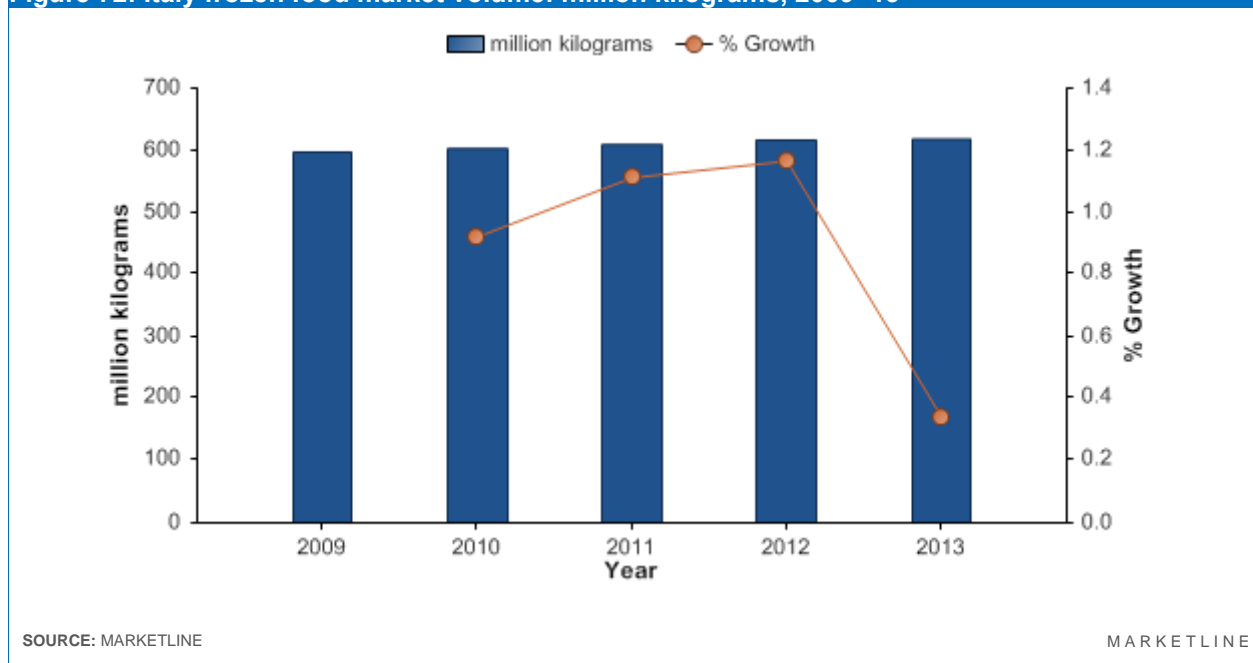
Table 54: Italy frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	597.0	
2010	602.5	0.9%
2011	609.2	1.1%
2012	616.3	1.2%
2013	618.4	0.3%
CAGR: 2009–13		0.9%

SOURCE: MARKETLINE

MARKETLINE

Figure 72: Italy frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen fish/seafood is the largest segment of the frozen food market in Italy, accounting for 24.5% of the market's total value.

The Frozen pizza segment accounts for a further 12% of the market.

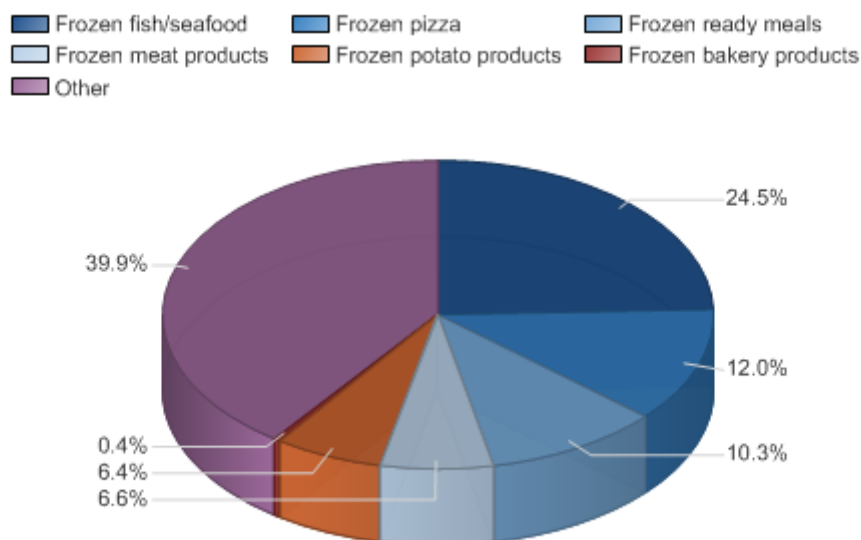
Table 55: Italy frozen food market category segmentation: \$ million, 2013

Category	2013	%
Frozen fish/seafood	810.8	24.5%
Frozen pizza	398.6	12.0%
Frozen ready meals	341.5	10.3%
Frozen meat products	218.2	6.6%
Frozen potato products	210.5	6.4%
Frozen bakery products	13.0	0.4%
Other	1,322.5	39.9%
Total	3,315.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 73: Italy frozen food market category segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

Italy accounts for 7.1% of the European frozen food market value.

Germany accounts for a further 21.2% of the European market.

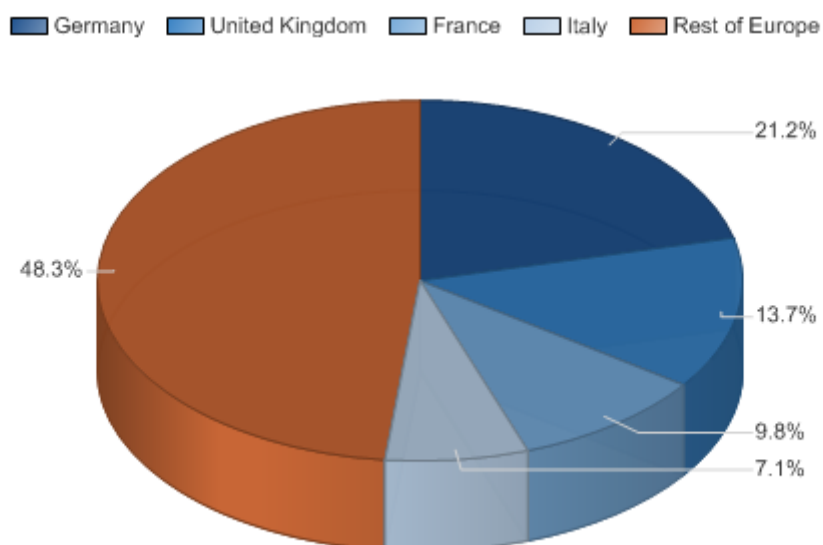
Table 56: Italy frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Germany	9,855.1	21.2
United Kingdom	6,367.6	13.7
France	4,546.7	9.8
Italy	3,315.1	7.1
Rest of Europe	22,474.6	48.3
Total	46,559.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 74: Italy frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Permira Advisers LLP is the leading player in the Italian frozen food market, generating a 16.4% share of the market's value.

Nestle S.A. accounts for a further 12.1% of the market.

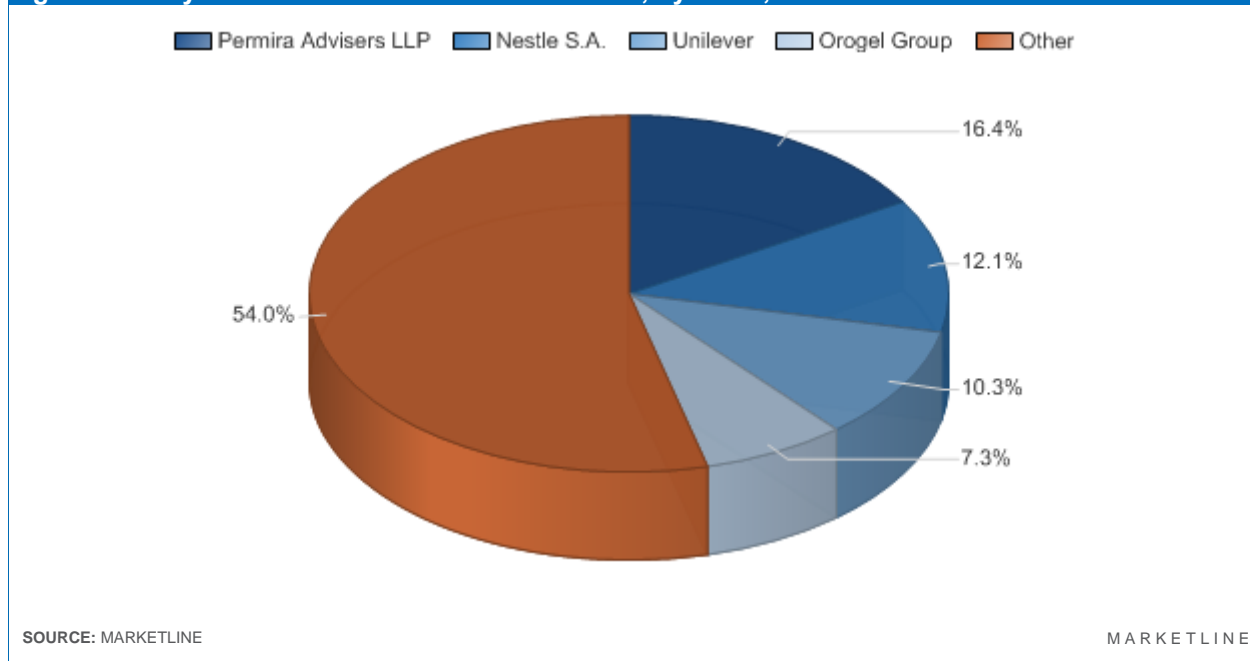
Table 57: Italy frozen food market share: % share, by value, 2013

Company	% Share
Permira Advisers LLP	16.4%
Nestle S.A.	12.1%
Unilever	10.3%
Orolog Group	7.3%
Other	54.0%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 75: Italy frozen food market share: % share, by value, 2013



Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the Italian frozen food market, accounting for a 51.4% share of the total market's value.

Independent Retailers accounts for a further 32.9% of the market.

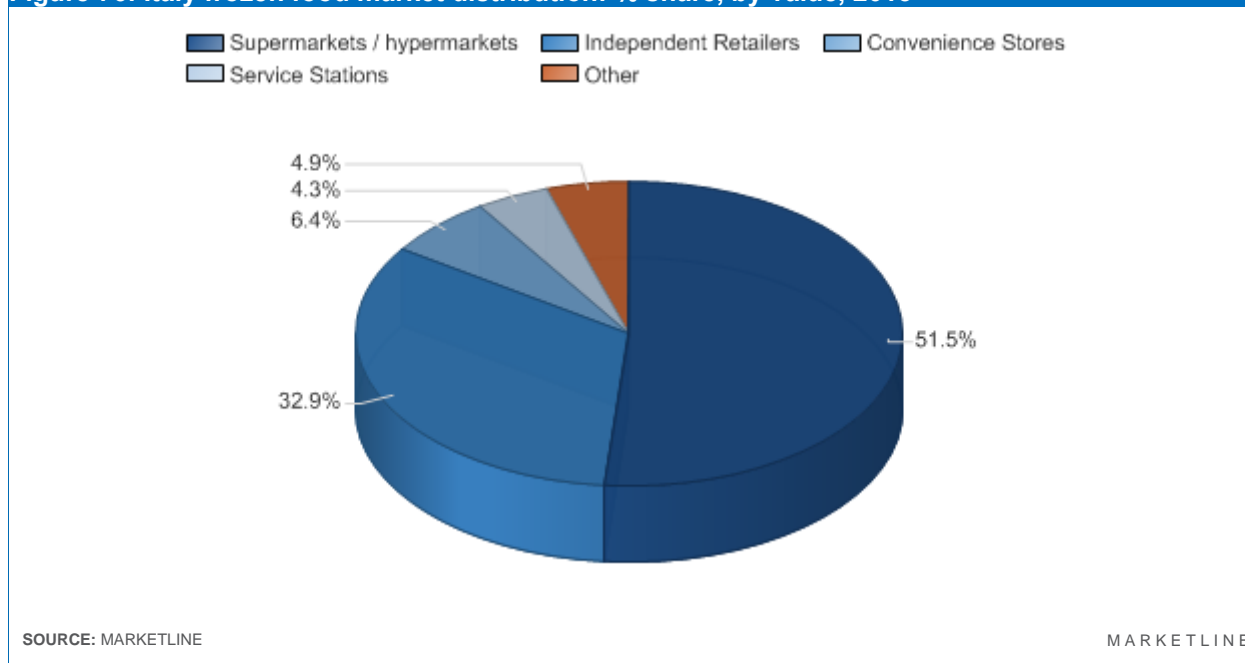
Table 58: Italy frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	51.4%
Independent Retailers	32.9%
Convenience Stores	6.4%
Service Stations	4.3%
Other	4.9%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 76: Italy frozen food market distribution: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the Italian frozen food market is forecast to have a value of \$3,770.5 million, an increase of 13.7% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 2.6%.

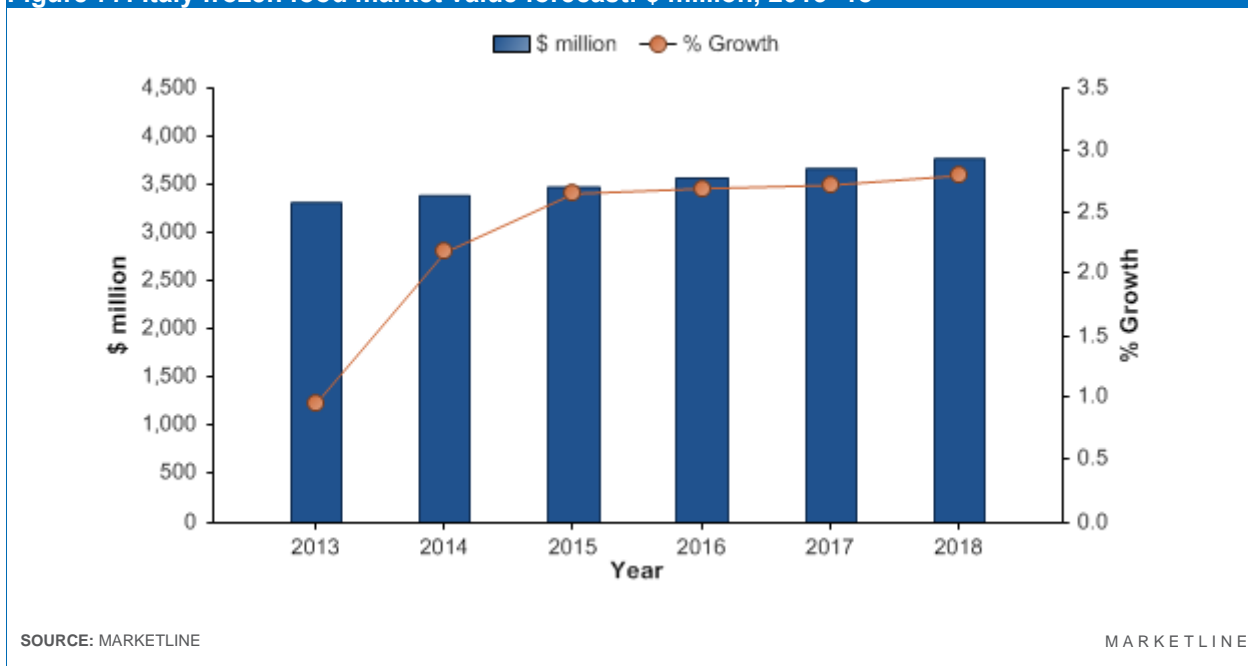
Table 59: Italy frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	3,315.1	2,497.3	1.0%
2014	3,387.3	2,551.7	2.2%
2015	3,477.1	2,619.4	2.7%
2016	3,570.	2,689.9	2.7%
2017	3,667.9	2,763.1	2.7%
2018	3,770.5	2,840.4	2.8%
CAGR: 2013–18			2.6%

SOURCE: MARKETLINE

MARKETLINE

Figure 77: Italy frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the Italian frozen food market is forecast to have a volume of 658.7 million kilograms, an increase of 6.5% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 1.3%.

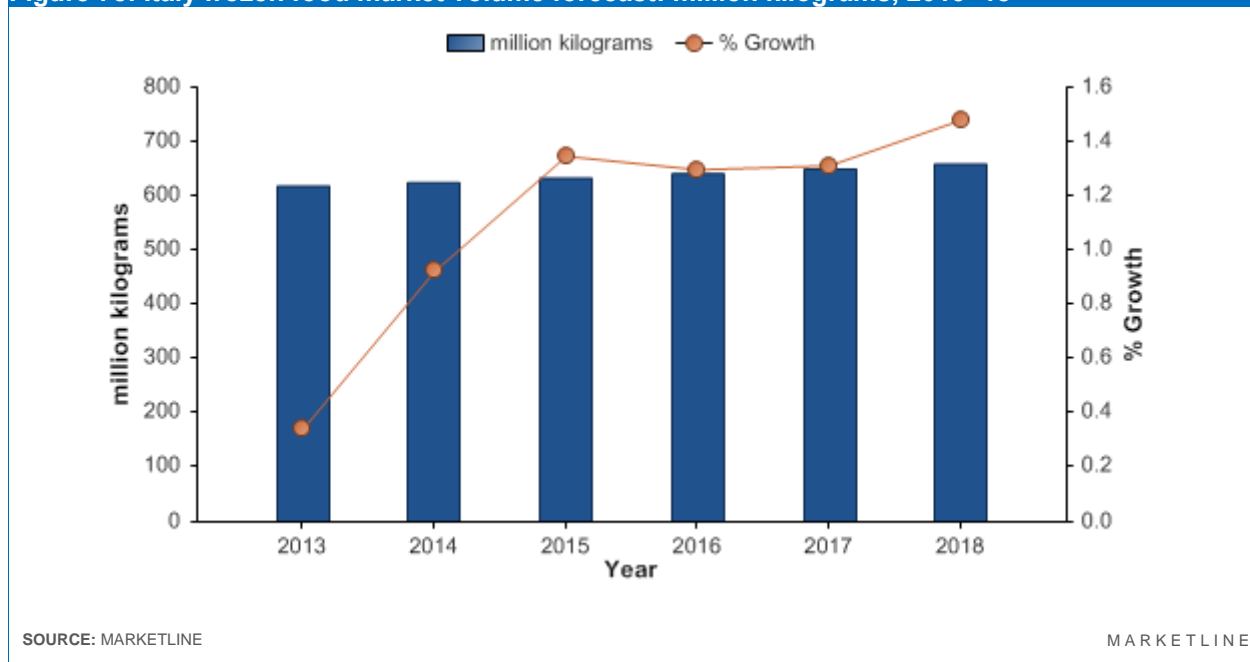
Table 60: Italy frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	618.4	0.3%
2014	624.1	0.9%
2015	632.5	1.3%
2016	640.7	1.3%
2017	649.1	1.3%
2018	658.7	1.5%
CAGR: 2013–18		1.3%

SOURCE: MARKETLINE

MARKETLINE

Figure 78: Italy frozen food market volume forecast: million kilograms, 2013–18

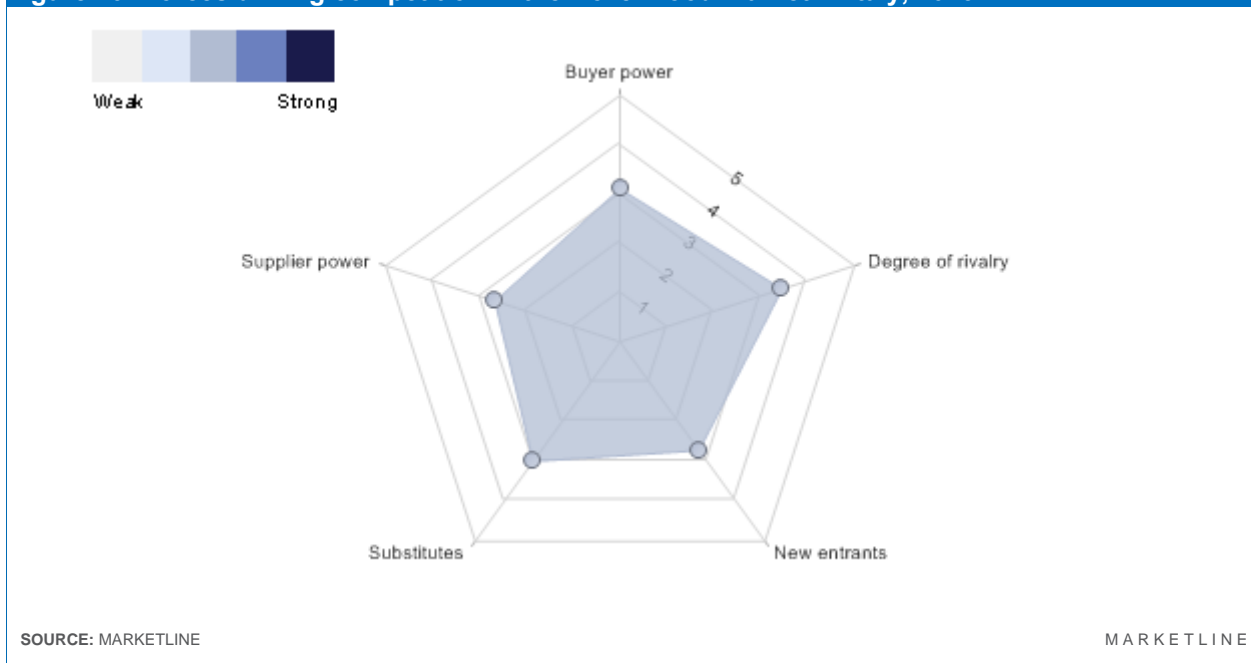


Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 79: Forces driving competition in the frozen food market in Italy, 2013

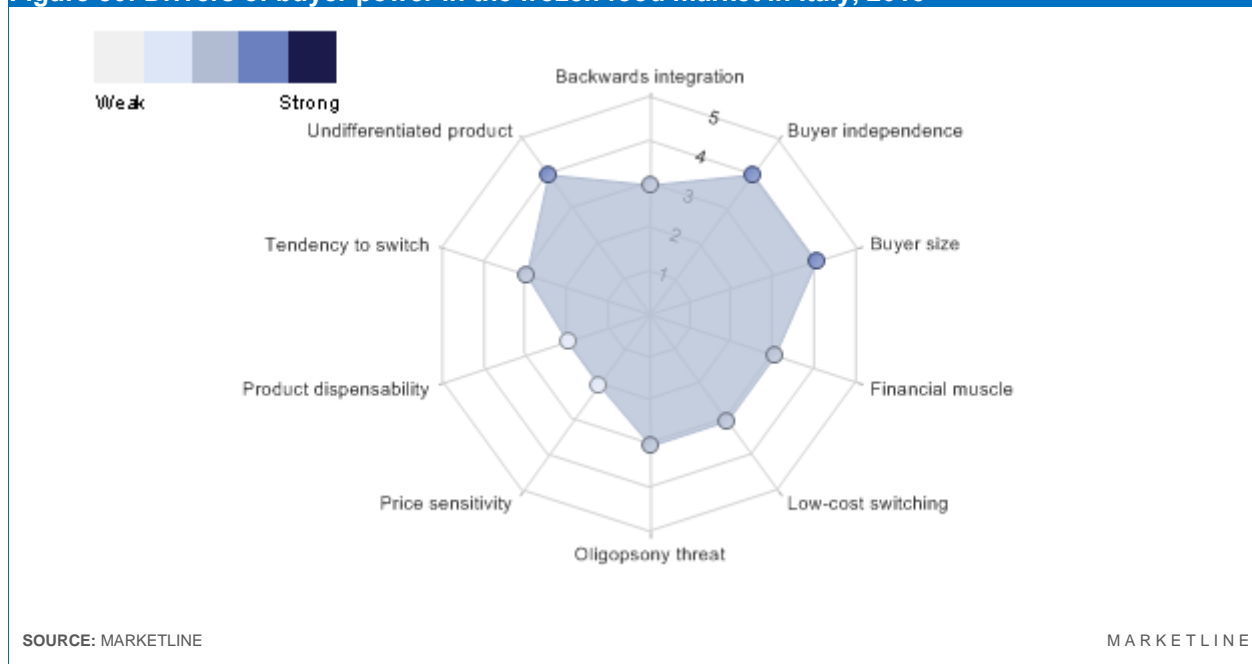


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

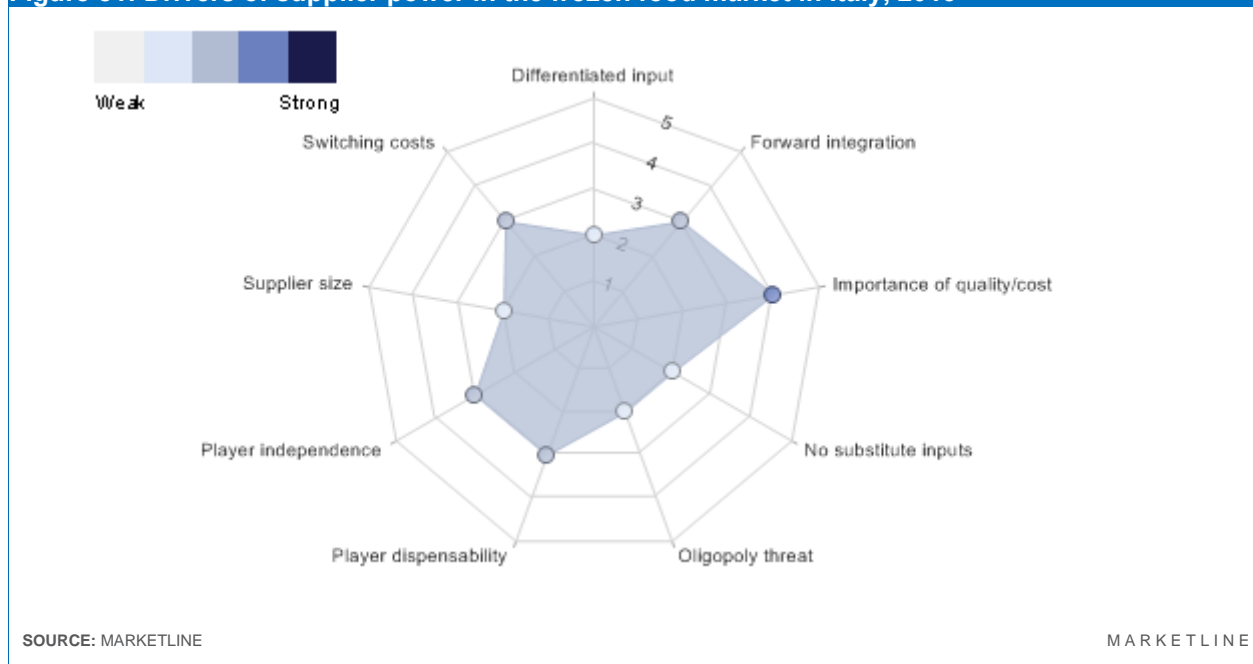
Figure 80: Drivers of buyer power in the frozen food market in Italy, 2013



The main distribution channels for Italy's frozen food market are supermarkets and hypermarkets, which account for 51.4% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Esselunga S.p.A. tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 81: Drivers of supplier power in the frozen food market in Italy, 2013

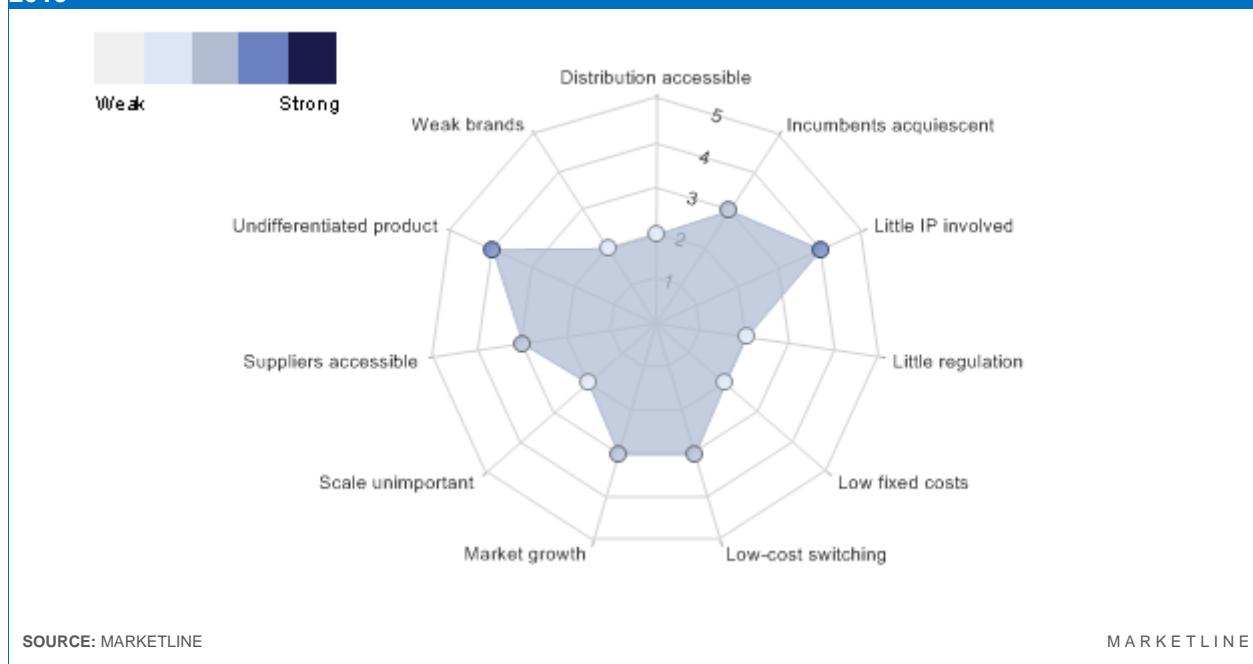


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 82: Factors influencing the likelihood of new entrants in the frozen food market in Italy, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Relatively weak Italian growth in recent years is unlikely to be enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 83: Factors influencing the threat of substitutes in the frozen food market in Italy, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 84: Drivers of degree of rivalry in the frozen food market in Italy, 2013



The Italian frozen food market is relatively fragmented with the top four players accounting for 46% of the total market value, indicating a fairly large number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Relatively weak Italian growth in recent years may increase rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 61: Italy size of population (million), 2009–13

Year	Population (million)	% Growth
2009	60.1	0.7%
2010	60.5	0.7%
2011	60.9	0.6%
2012	61.2	0.4%
2013	61.4	0.4%

SOURCE: MARKETLINE

MARKETLINE

Table 62: Italy gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	1,736.4	(5.5%)
2010	1,766.1	1.7%
2011	1,774.3	0.5%
2012	1,732.0	(2.4%)
2013	1,699.7	(1.9%)

SOURCE: MARKETLINE

MARKETLINE

Table 63: Italy gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	2,116.6	(8.7%)
2010	2,059.2	(2.7%)
2011	2,199.0	6.8%
2012	2,014.5	(8.4%)
2013	2,071.8	2.8%

SOURCE: MARKETLINE

MARKETLINE

Table 64: Italy inflation, 2009–13

Year	Inflation Rate (%)
2009	0.8%
2010	1.6%
2011	2.9%
2012	3.3%
2013	1.3%

SOURCE: MARKETLINE

MARKETLINE

Table 65: Italy consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	108.3
2010	110.0
2011	113.2
2012	116.9
2013	118.4

SOURCE: MARKETLINE

MARKETLINE

Table 66: Italy exchange rate, 2009–13

Year	Exchange rate (\$/€)
2009	0.7192
2010	0.7549
2011	0.7188
2012	0.7782
2013	0.7533

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN JAPAN

Market Overview

Market analysis

Japan's frozen foods market experienced weak growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will perform at a similarly weak level during 2013-2018.

The Japanese frozen food market had total revenues of \$7,261.9m in 2013, representing a compound annual growth rate (CAGR) of 1.7% between 2009 and 2013. In comparison, the Chinese and Indian markets grew with CAGRs of 7.3% and 14.5% respectively, over the same period, to reach respective values of \$12,634.1m and \$295.0m in 2013.

Market consumption volumes increased with a CAGR of 1% between 2009 and 2013, to reach a total of 1,474.1 million kilograms in 2013. The market's volume is expected to rise to 1,508.8 million kilograms by the end of 2018, representing a CAGR of 0.5% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the Japanese frozen food market in 2013, sales through this channel generated \$3,370.2m, equivalent to 46.4% of the market's overall value. Sales through independent retailers generated revenues of \$1,888.1m in 2013, equating to 26% of the market's aggregate revenues.

The performance of the market is forecast to follow a similar pattern with an anticipated CAGR of 1.5% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$7,820.2m by the end of 2018. Comparatively, the Chinese and Indian markets will grow with CAGRs of 7.8% and 12.4% respectively, over the same period, to reach respective values of \$18,367.5m and \$528.4m in 2018.

Market Data

Market value

The Japanese frozen food market grew by 1.6% in 2013 to reach a value of \$7,261.9 million.

The compound annual growth rate of the market in the period 2009–13 was 1.7%.

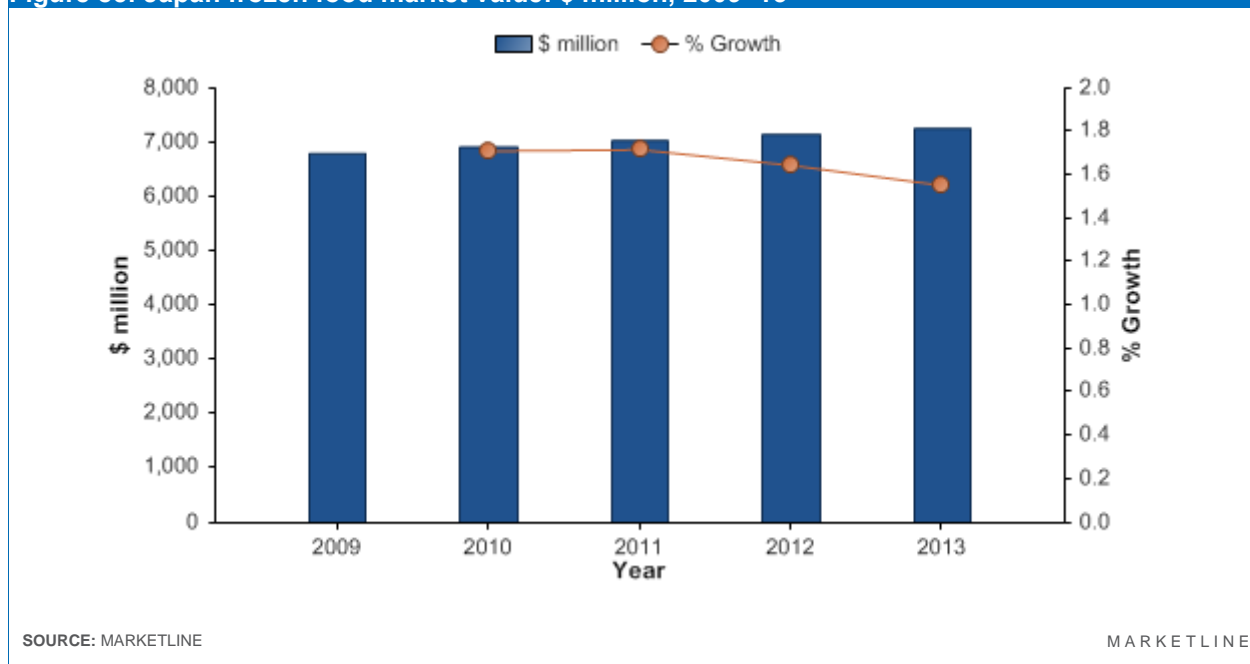
Table 67: Japan frozen food market value: \$ million, 2009–13

Year	\$ million	¥ million	€ million	% Growth
2009	6,799.9	663,469.7	5,118.2	
2010	6,916.3	674,821.8	5,205.8	1.7%
2011	7,035.1	686,413.1	5,295.2	1.7%
2012	7,150.9	697,709.4	5,382.3	1.6%
2013	7,261.9	708,543.4	5,465.9	1.6%
CAGR: 2009–13				1.7%

SOURCE: MARKETLINE

MARKETLINE

Figure 85: Japan frozen food market value: \$ million, 2009–13



Market volume

The Japanese frozen food market grew by 1% in 2013 to reach a volume of 1,474.1 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 1%.

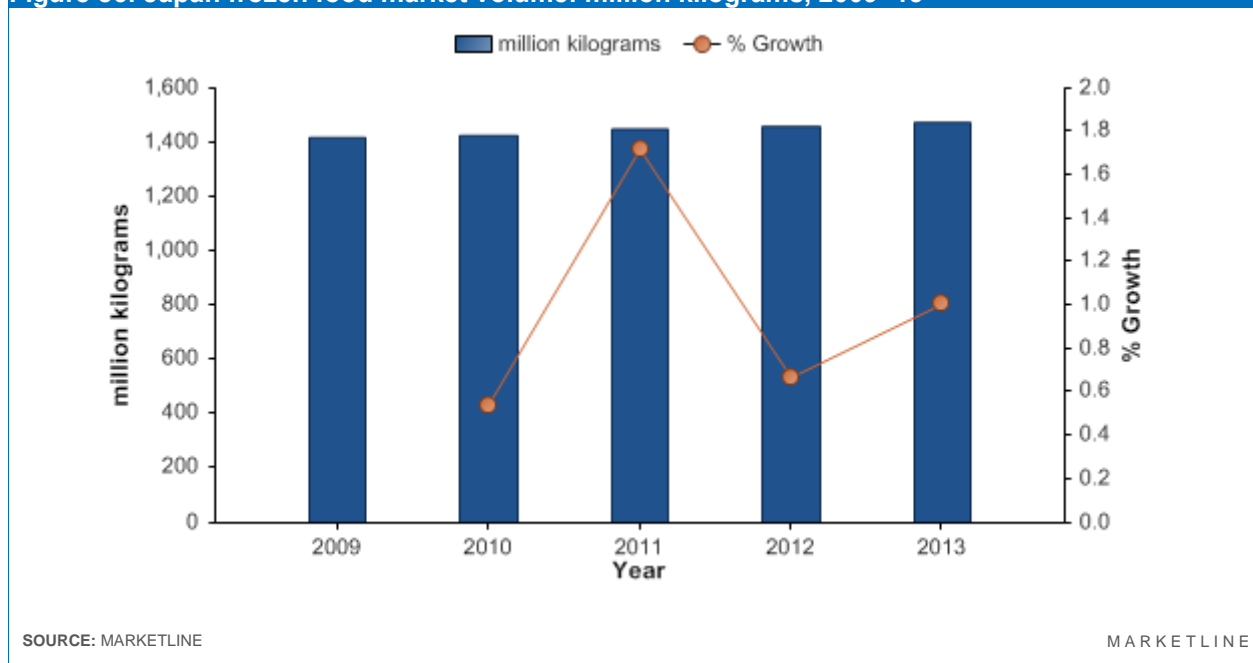
Table 68: Japan frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	1,417.5	
2010	1,425.2	0.5%
2011	1,449.7	1.7%
2012	1,459.4	0.7%
2013	1,474.1	1.0%
CAGR: 2009–13		1.0%

SOURCE: MARKETLINE

MARKETLINE

Figure 86: Japan frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen meat products is the largest segment of the frozen food market in Japan, accounting for 30.8% of the market's total value.

The Frozen ready meals segment accounts for a further 13.9% of the market.

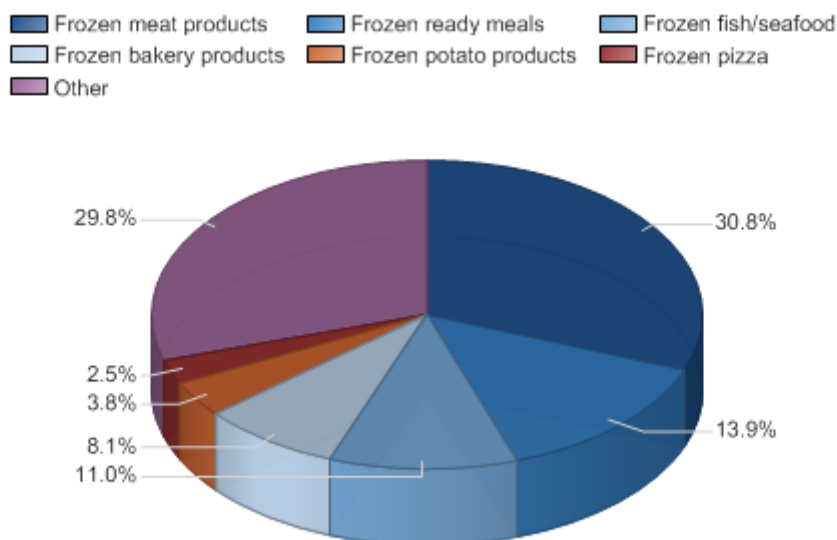
Table 69: Japan frozen food market category segmentation: \$ million, 2013

Category	2013	%
Frozen meat products	2,239.3	30.8%
Frozen ready meals	1,008.8	13.9%
Frozen fish/seafood	799.0	11.0%
Frozen bakery products	591.5	8.1%
Frozen potato products	276.1	3.8%
Frozen pizza	182.8	2.5%
Other	2,164.5	29.8%
Total	7,262	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 87: Japan frozen food market category segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

Japan accounts for 25.1% of the Asia-Pacific frozen food market value.

China accounts for a further 43.6% of the Asia-Pacific market.

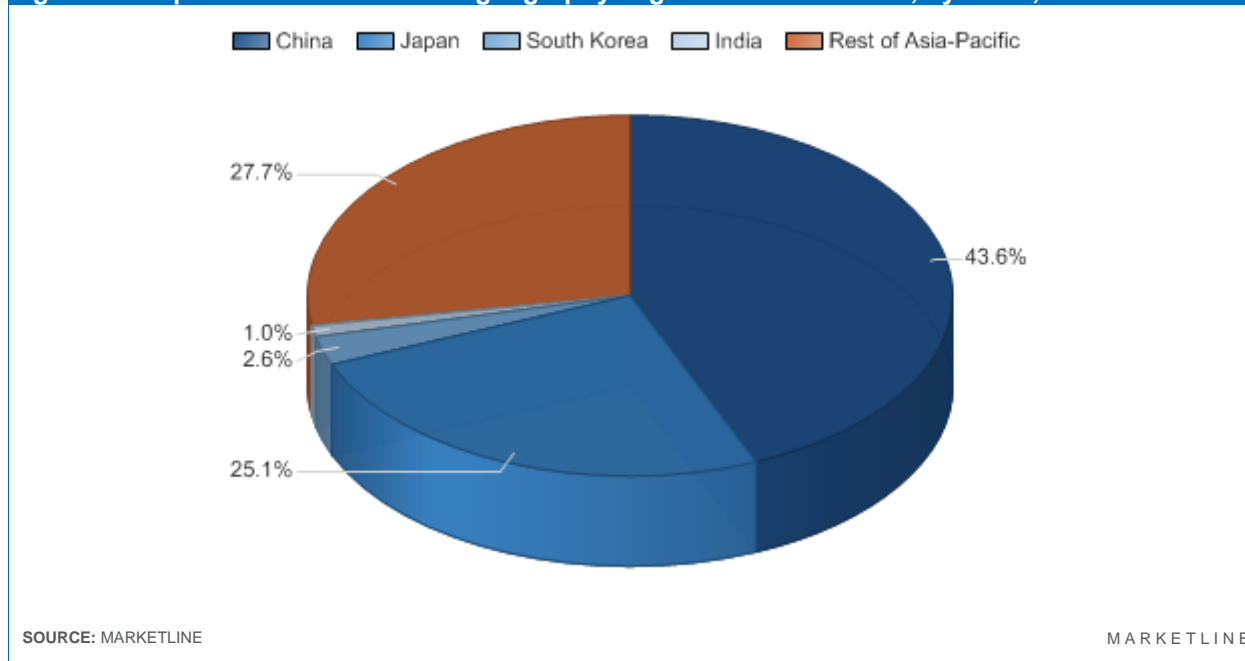
Table 70: Japan frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
China	12,634.1	43.6
Japan	7,261.9	25.1
South Korea	746.7	2.6
India	295.0	1.0
Rest of Asia-Pacific	8,010.7	27.7
Total	28,948.4	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 88: Japan frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Nippon Meat Packers, Inc. is the leading player in the Japanese frozen food market, generating a 10.9% share of the market's value.

Maruha Nichiro Corporation accounts for a further 8.2% of the market.

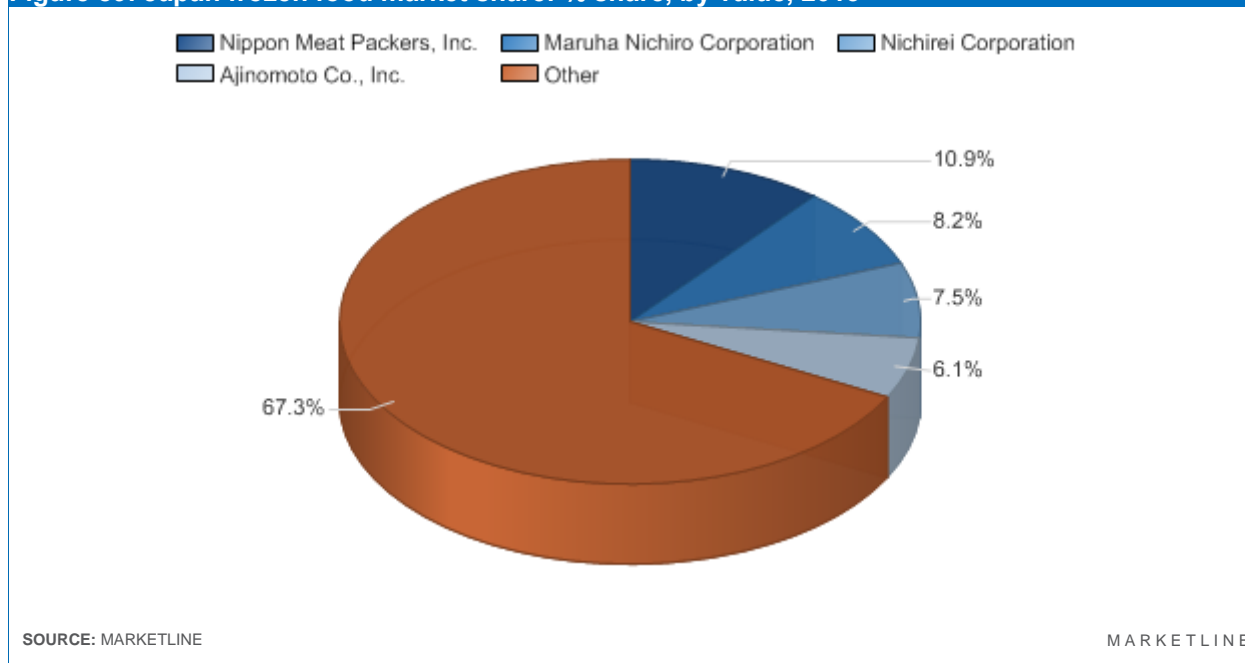
Table 71: Japan frozen food market share: % share, by value, 2013

Company	% Share
Nippon Meat Packers, Inc.	10.9%
Maruha Nichiro Corporation	8.2%
Nichirei Corporation	7.5%
Ajinomoto Co., Inc.	6.1%
Other	67.3%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 89: Japan frozen food market share: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the Japanese frozen food market, accounting for a 46.4% share of the total market's value.

Independent Retailers accounts for a further 26% of the market.

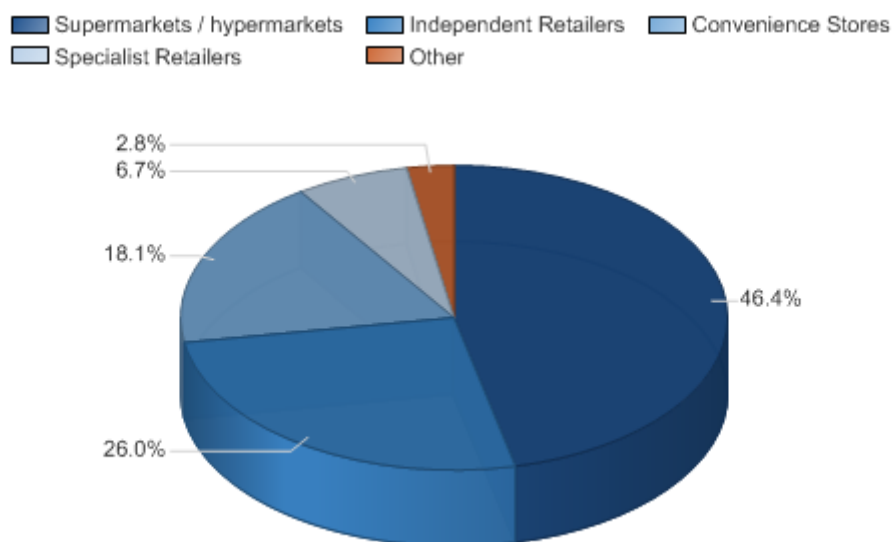
Table 72: Japan frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	46.4%
Independent Retailers	26.0%
Convenience Stores	18.1%
Specialist Retailers	6.7%
Other	2.8%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 90: Japan frozen food market distribution: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the Japanese frozen food market is forecast to have a value of \$7,820.2 million, an increase of 7.7% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 1.5%.

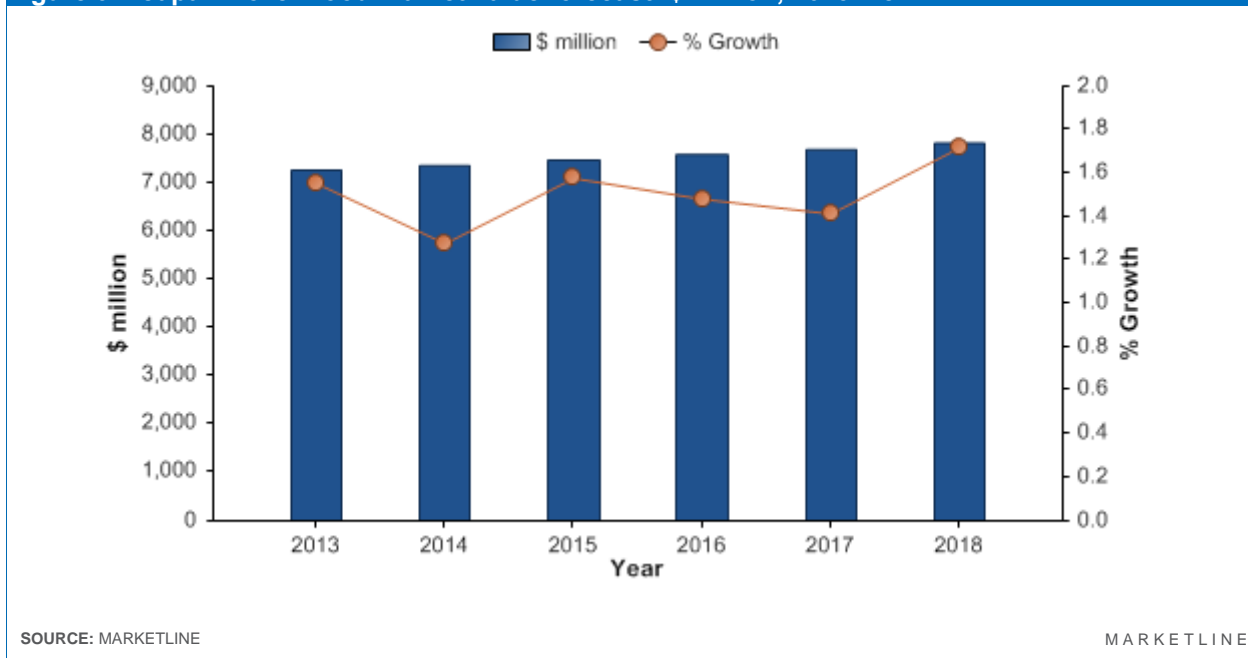
Table 73: Japan frozen food market value forecast: \$ million, 2013–18

Year	\$ million	¥ million	€ million	% Growth
2013	7,261.9	708,543.4	5,465.9	1.6%
2014	7,354.6	717,583.6	5,535.6	1.3%
2015	7,470.5	728,895.9	5,622.9	1.6%
2016	7,581.1	739,690.0	5,706.2	1.5%
2017	7,688.2	750,141.3	5,786.8	1.4%
2018	7,820.2	763,016.1	5,886.1	1.7%
CAGR: 2013–18				1.5%

SOURCE: MARKETLINE

MARKETLINE

Figure 91: Japan frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the Japanese frozen food market is forecast to have a volume of 1,508.8 million kilograms, an increase of 2.4% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 0.5%.

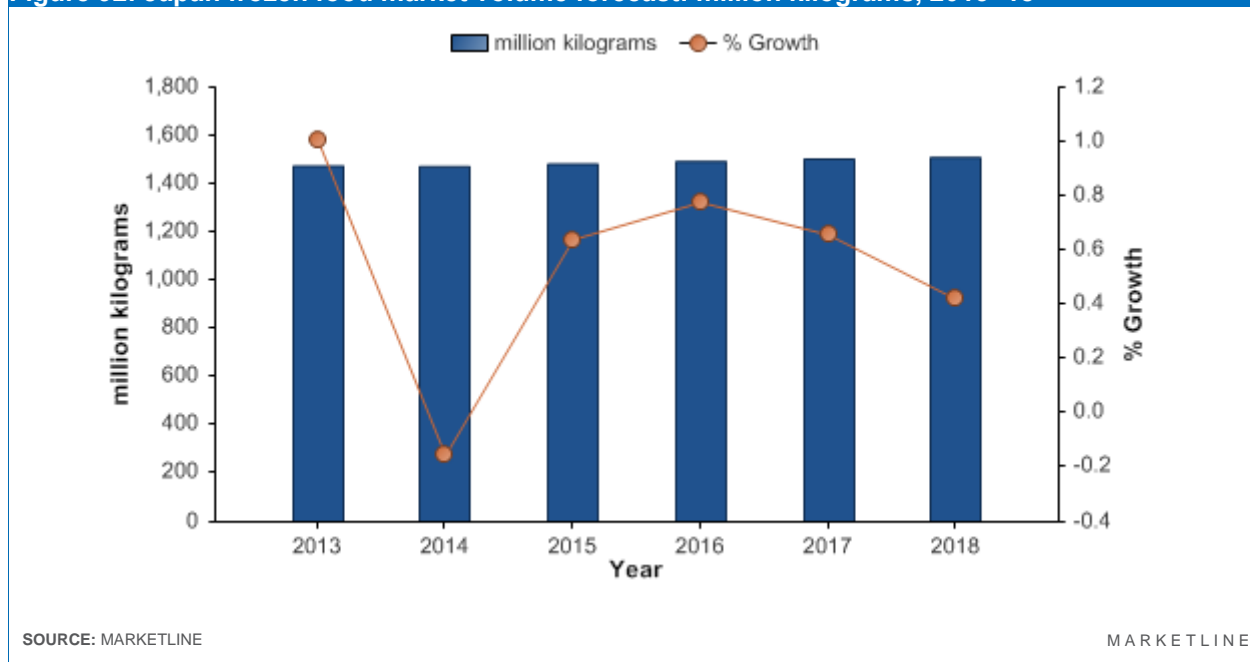
Table 74: Japan frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	1,474.1	1.0%
2014	1,471.8	(0.2%)
2015	1,481.2	0.6%
2016	1,492.7	0.8%
2017	1,502.5	0.7%
2018	1,508.8	0.4%
CAGR: 2013–18		0.5%

SOURCE: MARKETLINE

MARKETLINE

Figure 92: Japan frozen food market volume forecast: million kilograms, 2013–18



Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 93: Forces driving competition in the frozen food market in Japan, 2013

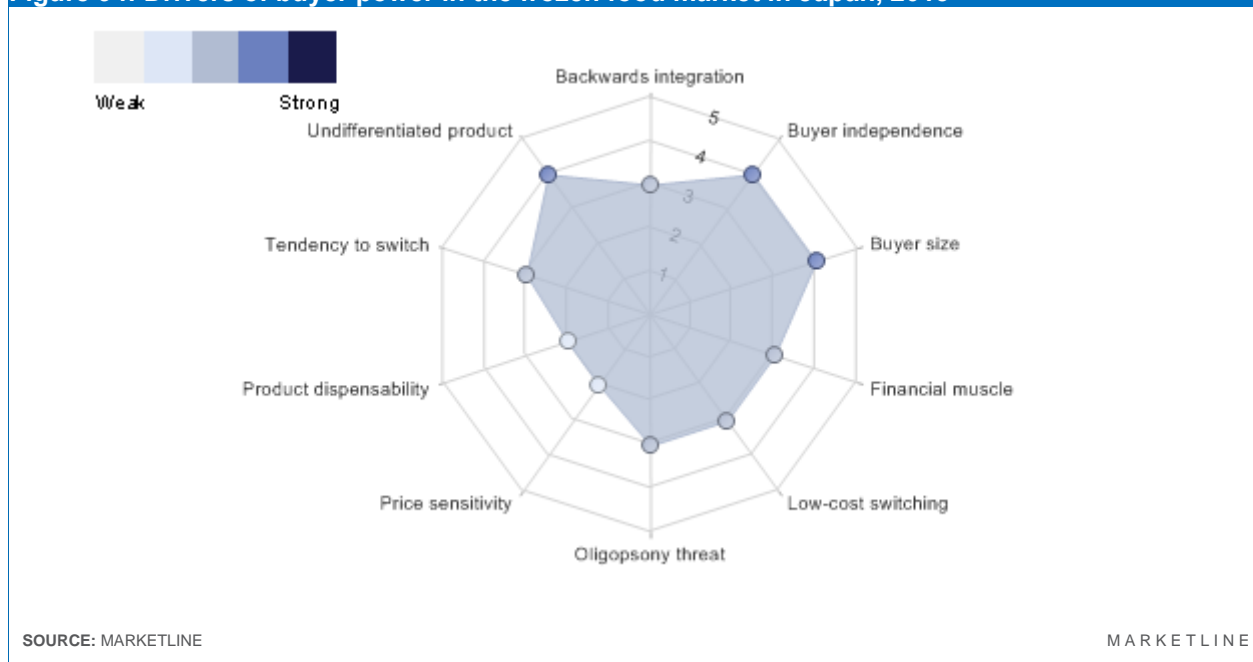


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

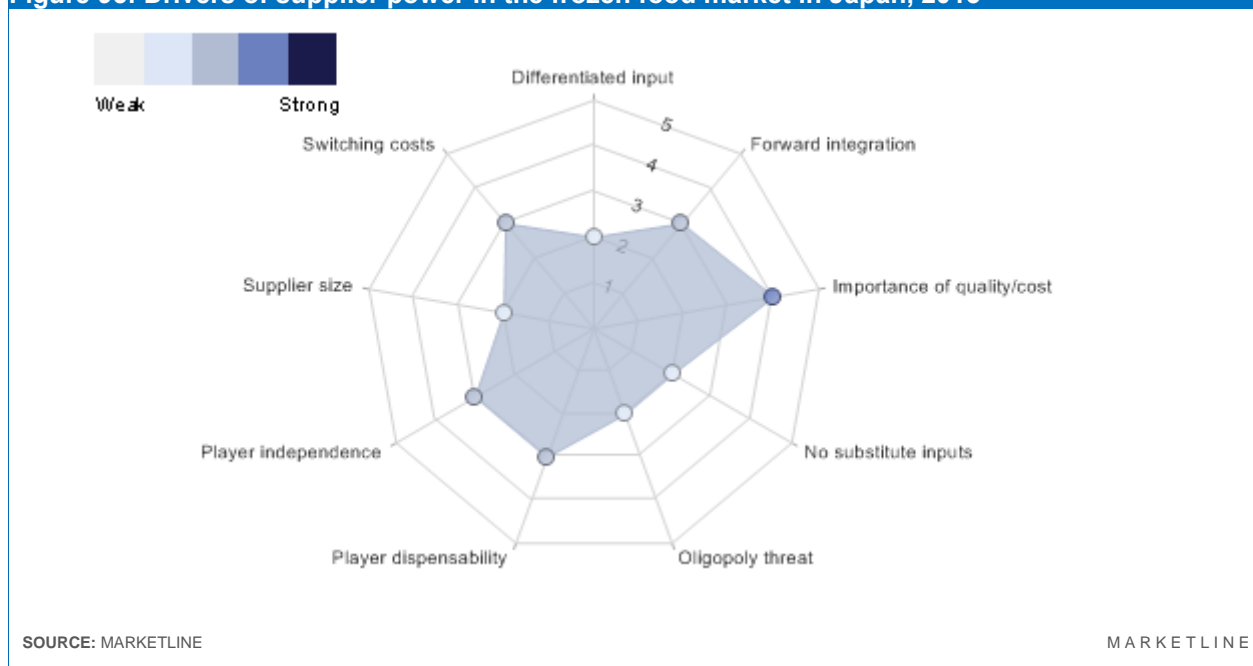
Figure 94: Drivers of buyer power in the frozen food market in Japan, 2013



The main distribution channels for Japan's frozen food market are supermarkets and hypermarkets, which account for 46.4% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as the Seiyu Group and Izumiya tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 95: Drivers of supplier power in the frozen food market in Japan, 2013

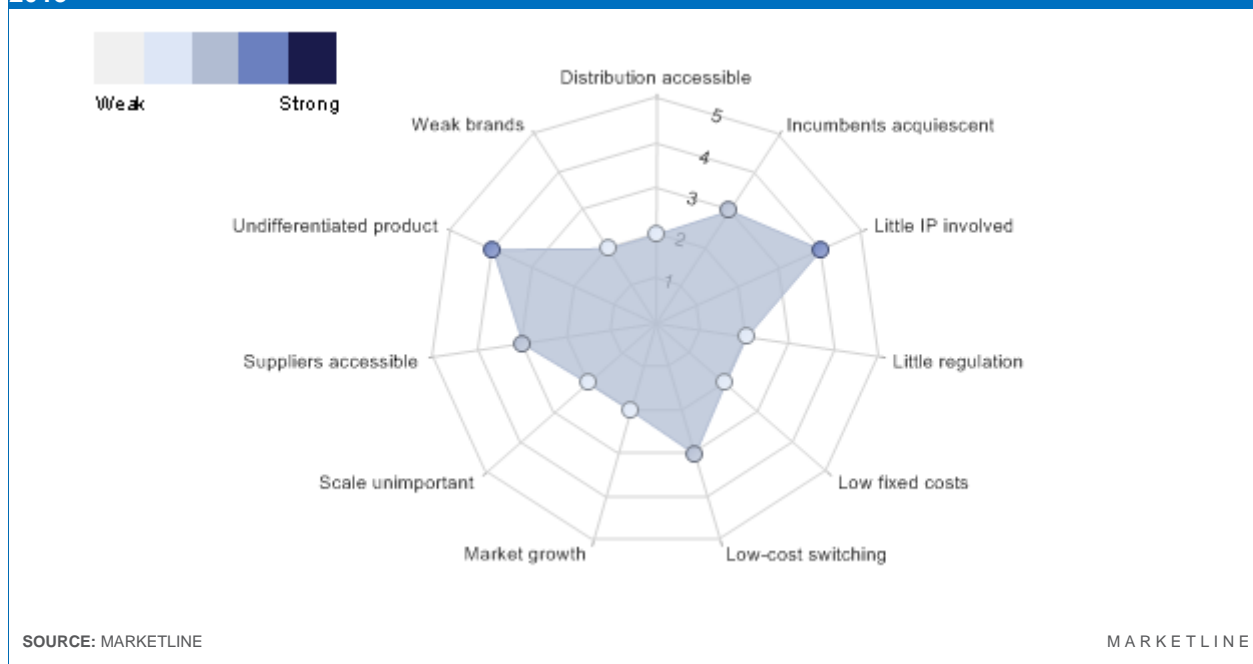


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 96: Factors influencing the likelihood of new entrants in the frozen food market in Japan, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

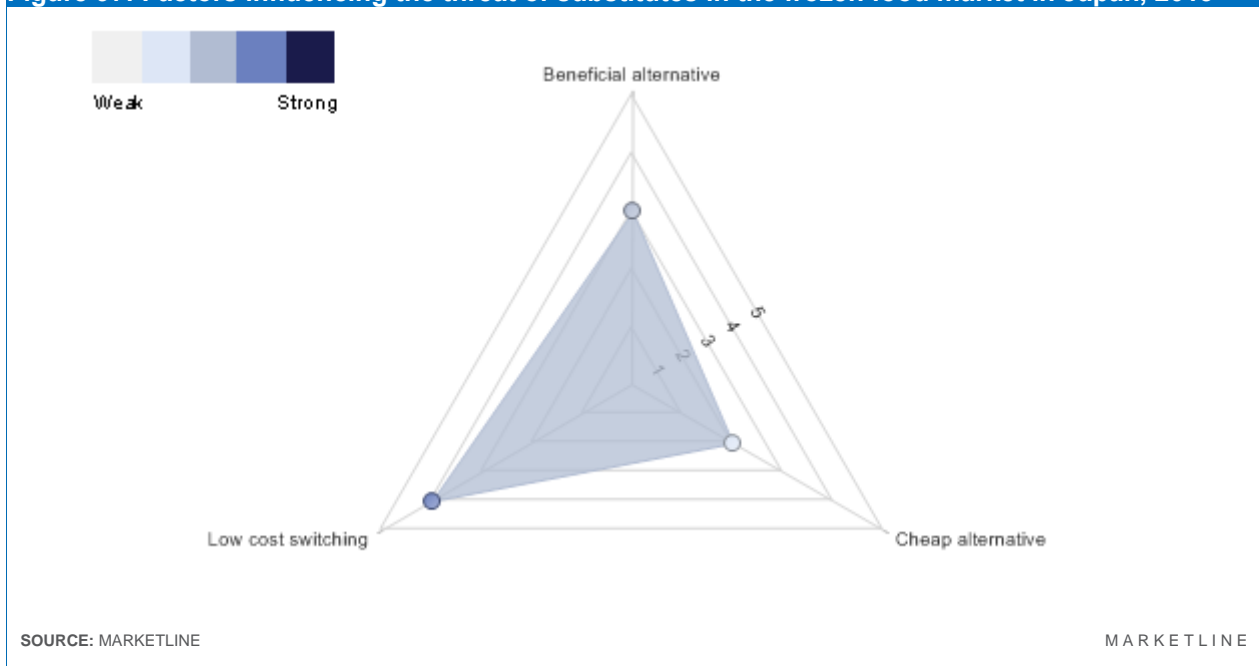
A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Weak Japanese growth in recent years is unlikely to be enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 97: Factors influencing the threat of substitutes in the frozen food market in Japan, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 98: Drivers of degree of rivalry in the frozen food market in Japan, 2013



The Japanese frozen food market is fragmented with the top four players accounting for 32.7% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Weak Japanese growth in recent years may serve to increase rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 75: Japan size of population (million), 2009–13

Year	Population (million)	% Growth
2009	128.0	0.0%
2010	128.1	0.0%
2011	127.8	(0.2%)
2012	127.5	(0.2%)
2013	127.2	(0.2%)

SOURCE: MARKETLINE

MARKETLINE

Table 76: Japan gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	4,441.8	(5.5%)
2010	4,648.7	4.7%
2011	4,627.6	(0.5%)
2012	4,694.6	1.4%
2013	4,766.9	1.5%

SOURCE: MARKETLINE

MARKETLINE

Table 77: Japan gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	5,035.1	3.8%
2010	5,495.4	9.1%
2011	5,896.2	7.3%
2012	5,960.1	1.1%
2013	4,919.9	(17.5%)

SOURCE: MARKETLINE

MARKETLINE

Table 78: Japan inflation, 2009–13

Year	Inflation Rate (%)
2009	(1.4%)
2010	(0.7%)
2011	(0.3%)
2012	0.0%
2013	0.4%

SOURCE: MARKETLINE

MARKETLINE

Table 79: Japan consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	100.3
2010	99.6
2011	99.3
2012	99.3
2013	99.7

SOURCE: MARKETLINE

MARKETLINE

Table 80: Japan exchange rate, 2009–13

Year	Exchange rate (\$/¥)	Exchange rate (€/¥)
2009	93.6167	130.1751
2010	87.8289	116.5760
2011	79.7000	110.9000
2012	79.8014	102.6100
2013	97.5700	129.6300

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN BELGIUM

Market Overview

Market analysis

Belgium's frozen food market experienced relatively strong growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will decelerate into more moderate growth during 2013-2018.

The Belgian frozen food market had total revenues of \$1,412.5m in 2013, representing a compound annual growth rate (CAGR) of 3.7% between 2009 and 2013. In comparison, the French and German markets grew with CAGRs of 2.5% and 3.7% respectively, over the same period, to reach respective values of \$4,546.7m and \$9,855.1m in 2013.

Market consumption volumes increased with a CAGR of 2.2% between 2009 and 2013, to reach a total of 230.9 million kilograms in 2013. The market's volume is expected to rise to 253 million kilograms by the end of 2018, representing a CAGR of 1.8% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the Belgian frozen food market in 2013, sales through this channel generated \$1,070.8m, equivalent to 75.8% of the market's overall value. Sales through independent retailers generated revenues of \$191.1m in 2013, equating to 13.5% of the market's aggregate revenues.

The performance of the market is forecast to decelerate, with an anticipated CAGR of 2.9% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$1,631.0m by the end of 2018. Comparatively, the French and German markets will grow with CAGRs of 1.8% and 3.9% respectively, over the same period, to reach respective values of \$4,964.1m and \$11,905.9m in 2018.

Market Data

Market value

The Belgian frozen food market grew by 1.8% in 2013 to reach a value of \$1,412.5 million.

The compound annual growth rate of the market in the period 2009–13 was 3.7%.

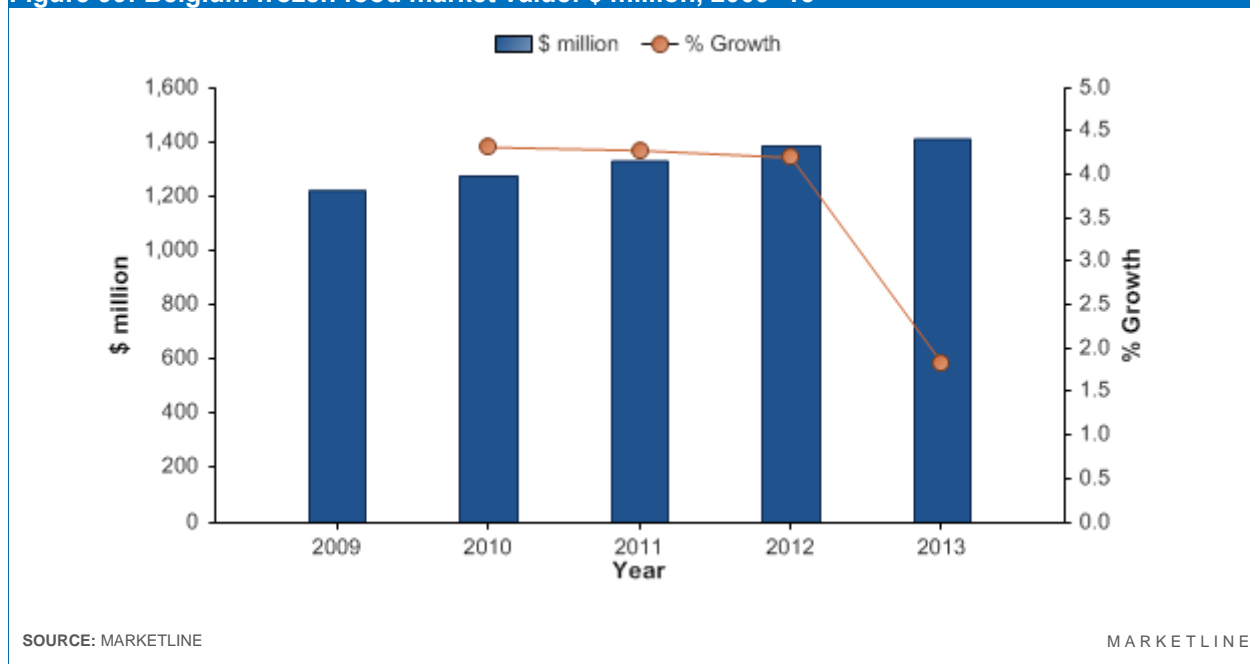
Table 81: Belgium frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	% Growth
2009	1,223.6	921.8	
2010	1,276.5	961.6	4.3%
2011	1,331.2	1,002.8	4.3%
2012	1,387.1	1,044.9	4.2%
2013	1,412.5	1,064.0	1.8%
CAGR: 2009–13			3.7%

SOURCE: MARKETLINE

MARKETLINE

Figure 99: Belgium frozen food market value: \$ million, 2009–13



Market volume

The Belgian frozen food market grew by 1.4% in 2013 to reach a volume of 230.9 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 2.2%.

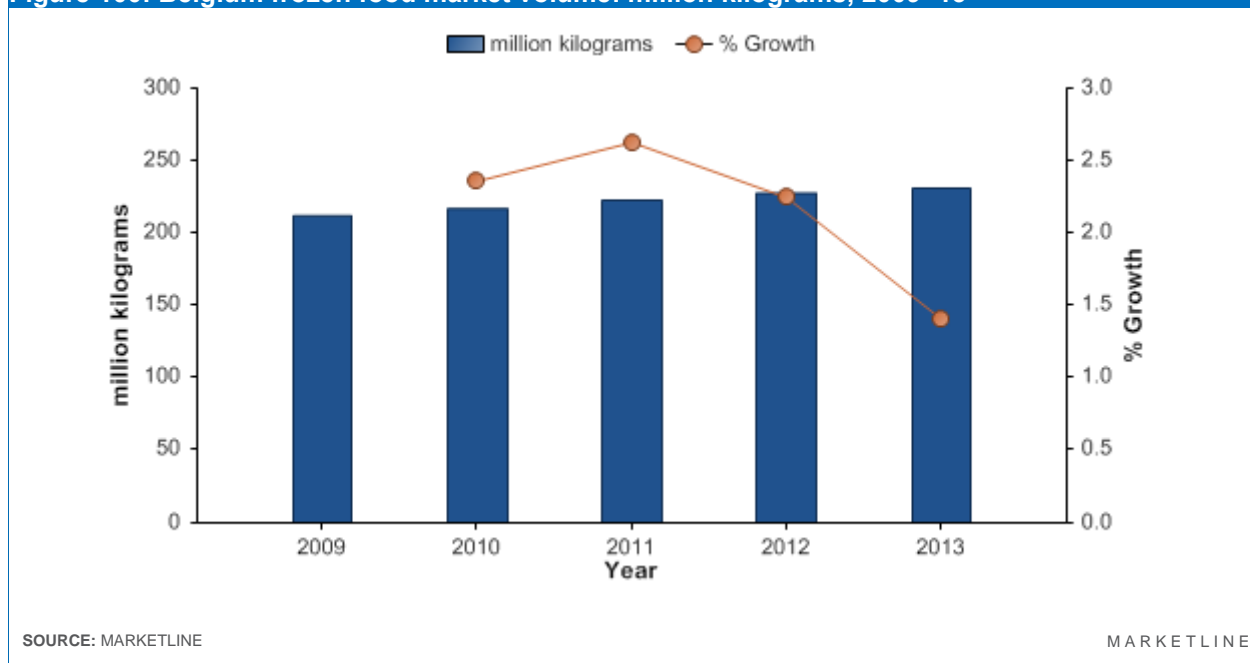
Table 82: Belgium frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	212.0	
2010	217.0	2.4%
2011	222.7	2.6%
2012	227.7	2.2%
2013	230.9	1.4%
CAGR: 2009–13		2.2%

SOURCE: MARKETLINE

MARKETLINE

Figure 100: Belgium frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen fish/seafood is the largest segment of the frozen food market in Belgium, accounting for 27.3% of the market's total value.

The Frozen potato products segment accounts for a further 17.3% of the market.

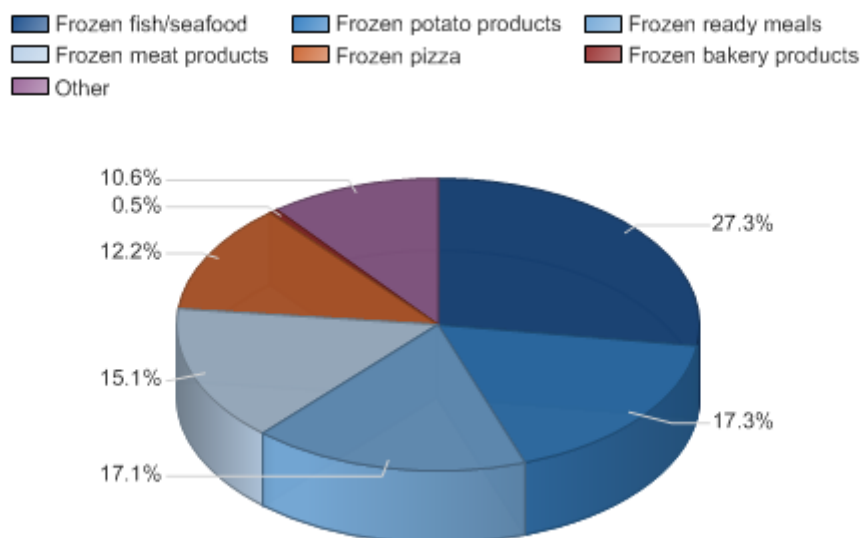
Table 83: Belgium frozen food market category segmentation: \$ million, 2013

Category	2013	%
Frozen fish/seafood	385.5	27.3%
Frozen potato products	244.8	17.3%
Frozen ready meals	240.8	17.0%
Frozen meat products	213.0	15.1%
Frozen pizza	171.7	12.2%
Frozen bakery products	7.3	0.5%
Other	149.4	10.6%
Total	1,412.5	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 101: Belgium frozen food market category segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

Belgium accounts for 3% of the European frozen food market value.

Germany accounts for a further 21.2% of the European market.

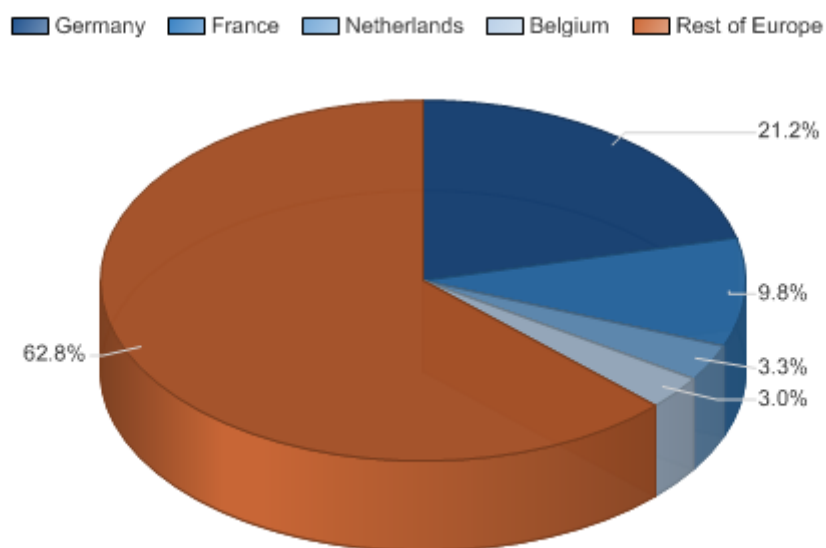
Table 84: Belgium frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Germany	9,855.1	21.2
France	4,546.7	9.8
Netherlands	1,521.9	3.3
Belgium	1,412.5	3.0
Rest of Europe	29,222.9	62.8
Total	46,559.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 102: Belgium frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

McCain Foods Limited is the leading player in the Belgian frozen food market, generating a 11.1% share of the market's value.

Dr. August Oetker KG accounts for a further 9.2% of the market.

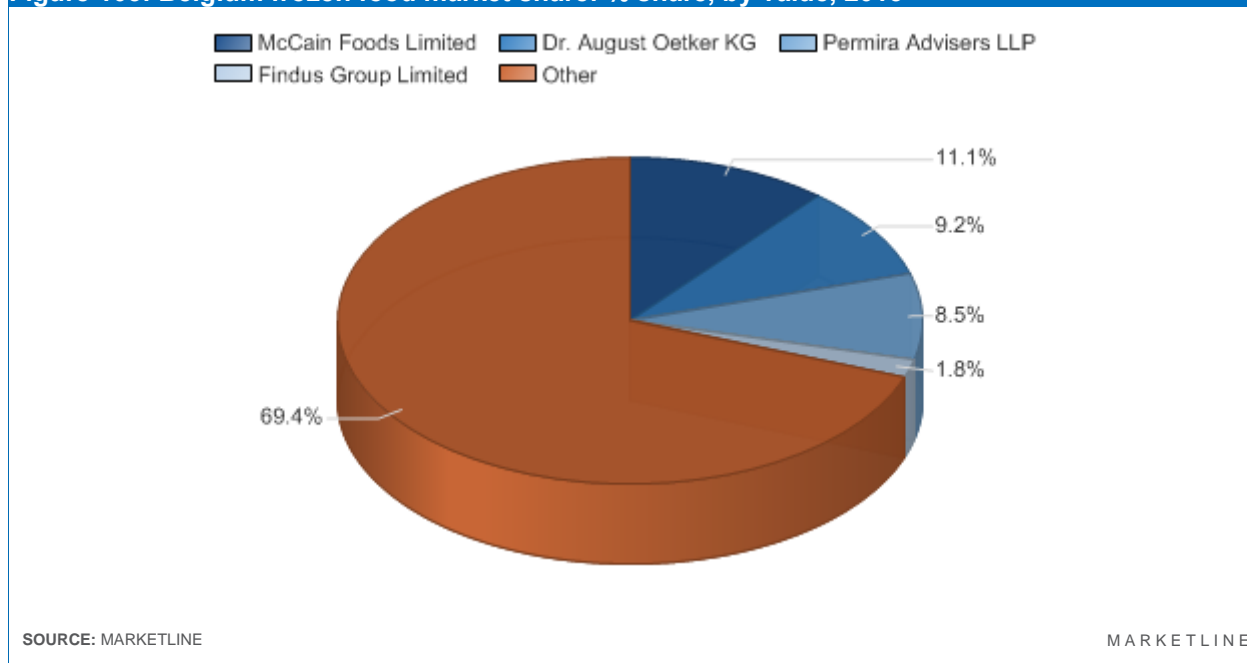
Table 85: Belgium frozen food market share: % share, by value, 2013

Company	% Share
McCain Foods Limited	11.1%
Dr. August Oetker KG	9.2%
Permira Advisers LLP	8.5%
Findus Group Limited	1.8%
Other	69.3%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 103: Belgium frozen food market share: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the Belgian frozen food market, accounting for a 75.8% share of the total market's value.

Independent Retailers accounts for a further 13.5% of the market.

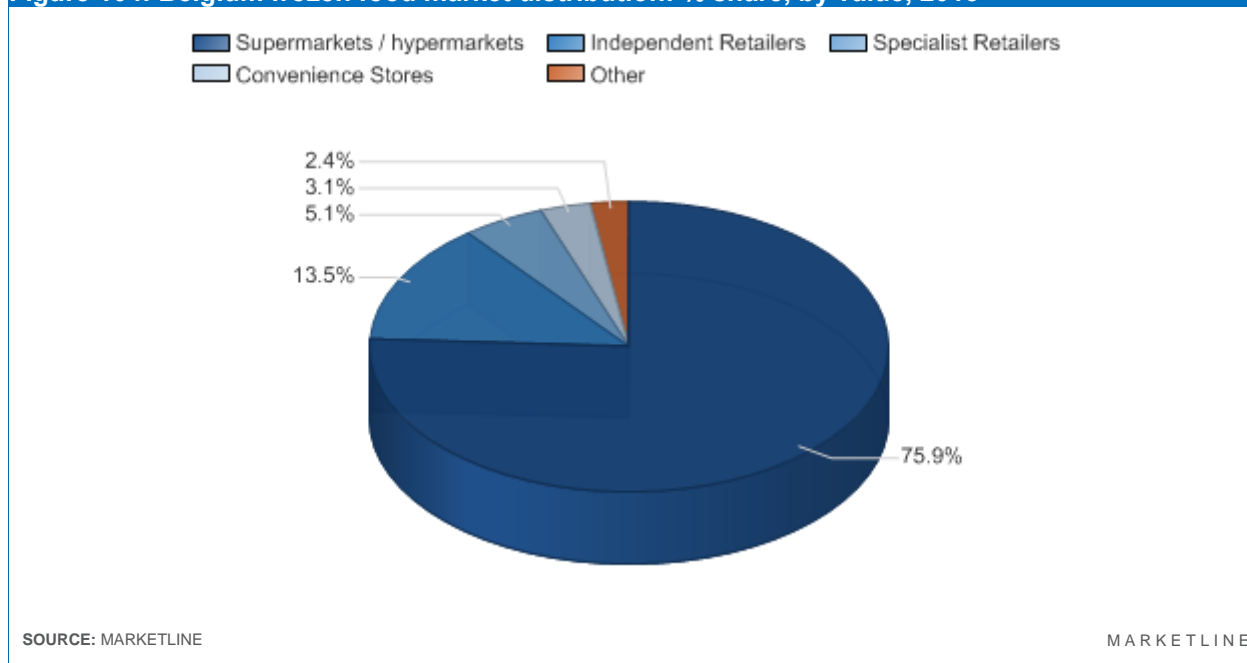
Table 86: Belgium frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	75.8%
Independent Retailers	13.5%
Specialist Retailers	5.1%
Convenience Stores	3.1%
Other	2.4%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 104: Belgium frozen food market distribution: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the Belgian frozen food market is forecast to have a value of \$1,631 million, an increase of 15.5% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 2.9%.

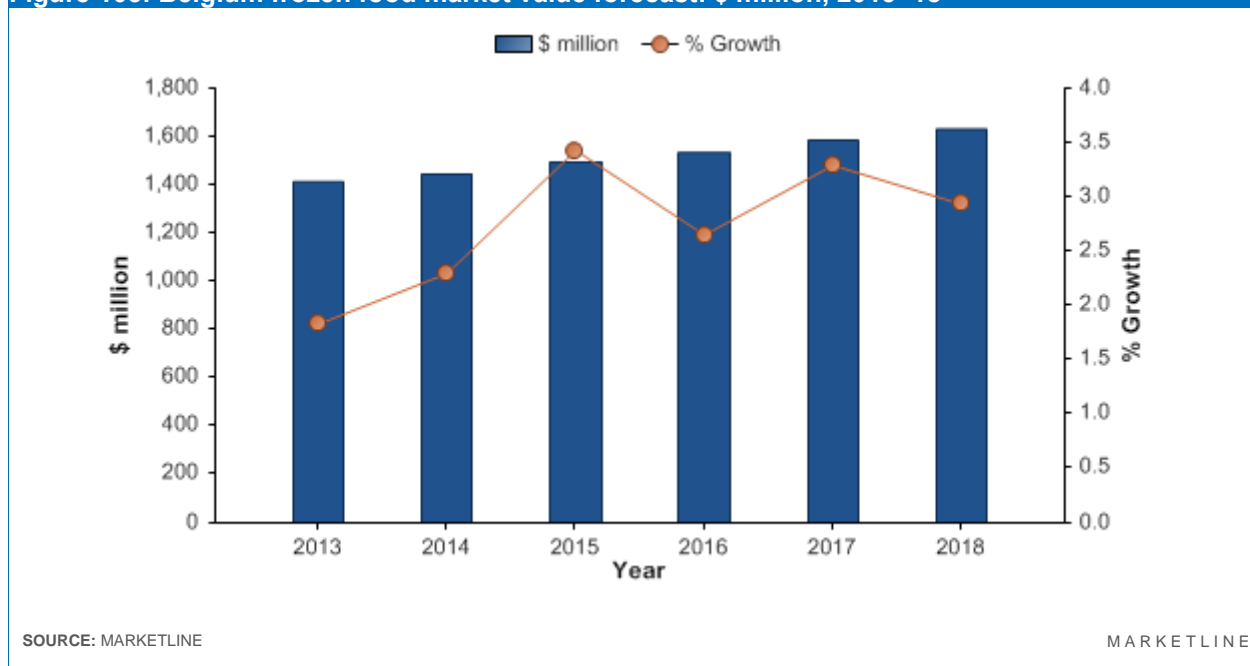
Table 87: Belgium frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	1,412.5	1,064.	1.8%
2014	1,444.9	1,088.5	2.3%
2015	1,494.4	1,125.8	3.4%
2016	1,534.1	1,155.6	2.7%
2017	1,584.5	1,193.7	3.3%
2018	1,631.0	1,228.7	2.9%
CAGR: 2013–18			2.9%

SOURCE: MARKETLINE

MARKETLINE

Figure 105: Belgium frozen food market value forecast: \$ million, 2013–18



Market volume forecast

In 2018, the Belgian frozen food market is forecast to have a volume of 253 million kilograms, an increase of 9.6% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 1.8%.

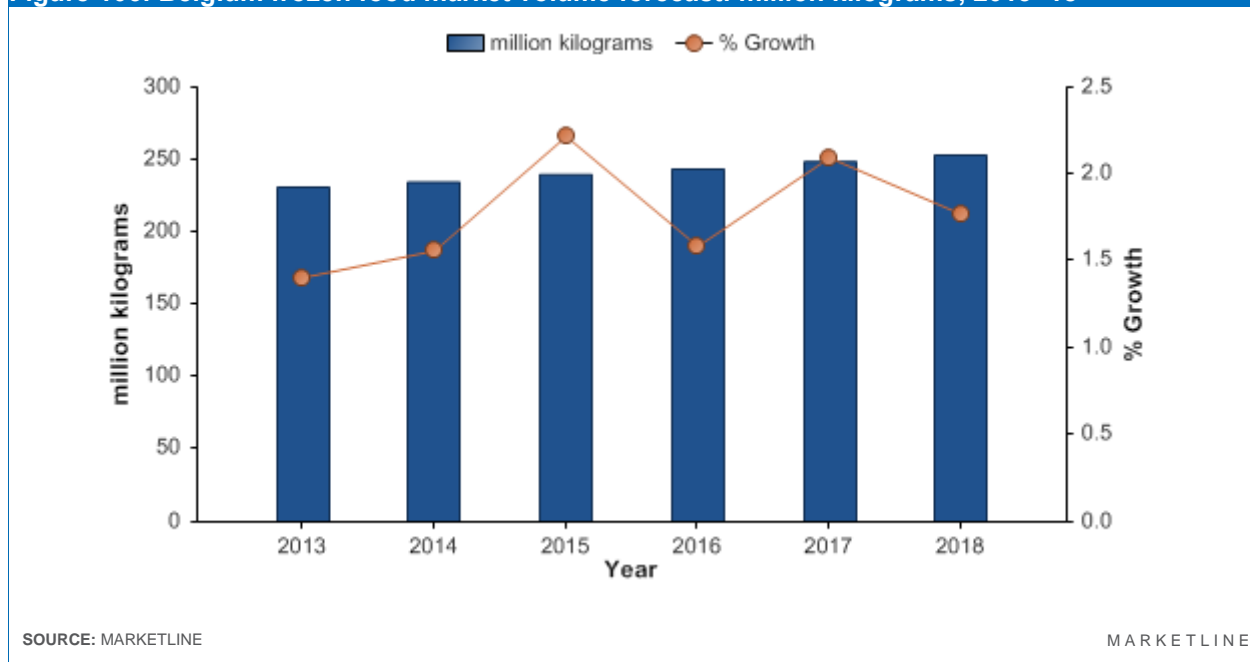
Table 88: Belgium frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	230.9	1.4%
2014	234.5	1.6%
2015	239.7	2.2%
2016	243.5	1.6%
2017	248.6	2.1%
2018	253.0	1.8%
CAGR: 2013–18		1.8%

SOURCE: MARKETLINE

MARKETLINE

Figure 106: Belgium frozen food market volume forecast: million kilograms, 2013–18



SOURCE: MARKETLINE

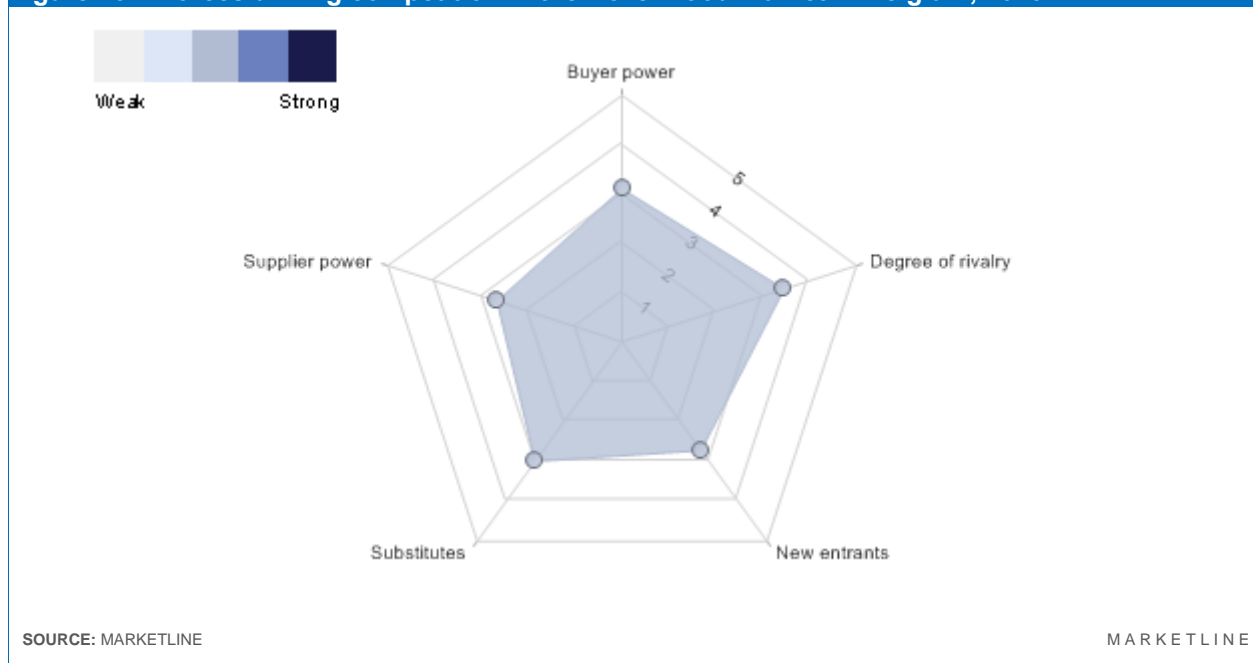
MARKETLINE

Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 107: Forces driving competition in the frozen food market in Belgium, 2013

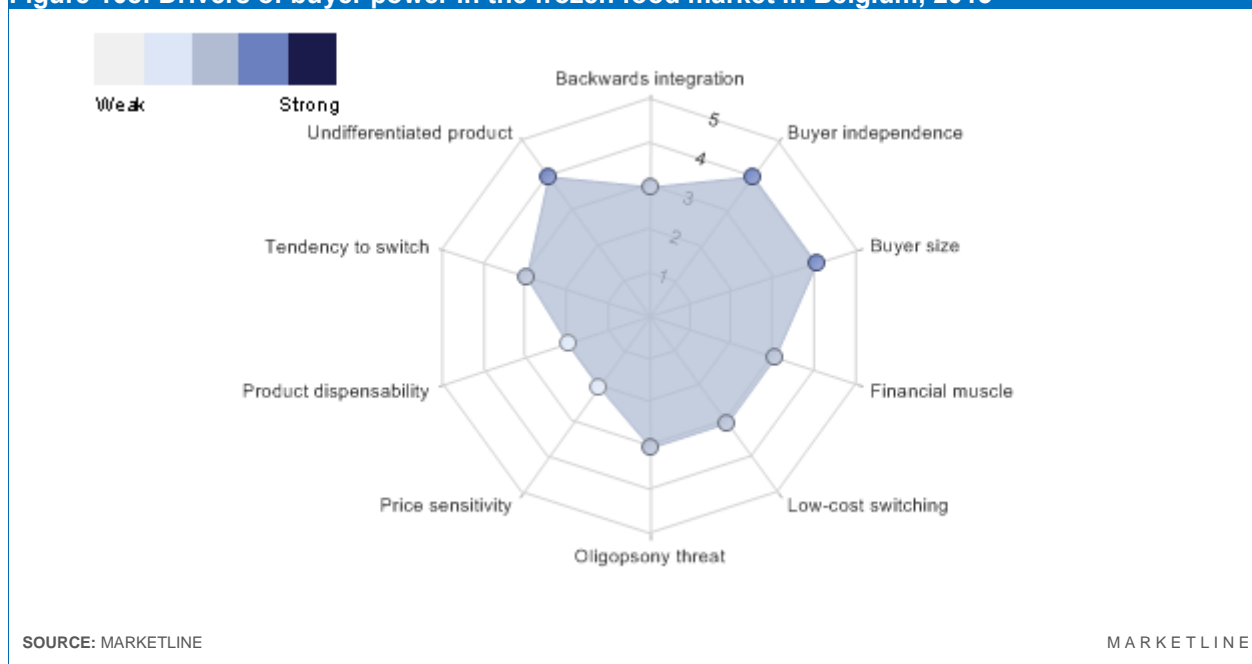


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

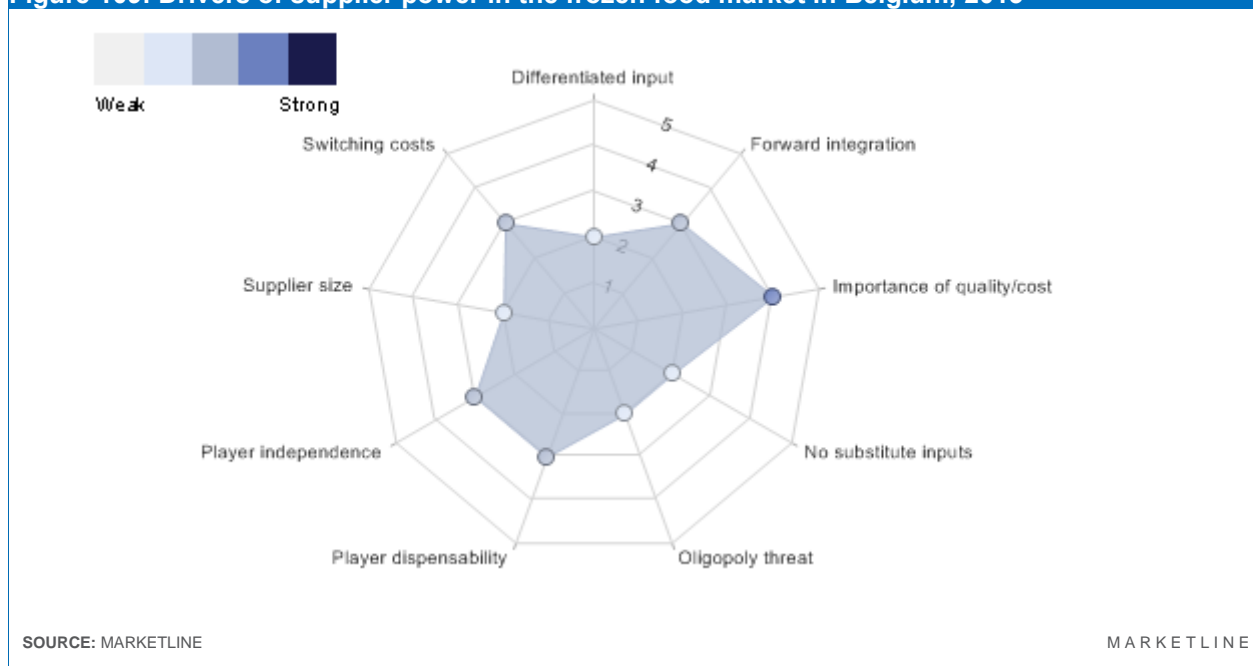
Figure 108: Drivers of buyer power in the frozen food market in Belgium, 2013



The main distribution channels for Belgium's frozen food market are supermarkets and hypermarkets, which account for 75.8% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as the Louis Delhaize Group tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 109: Drivers of supplier power in the frozen food market in Belgium, 2013

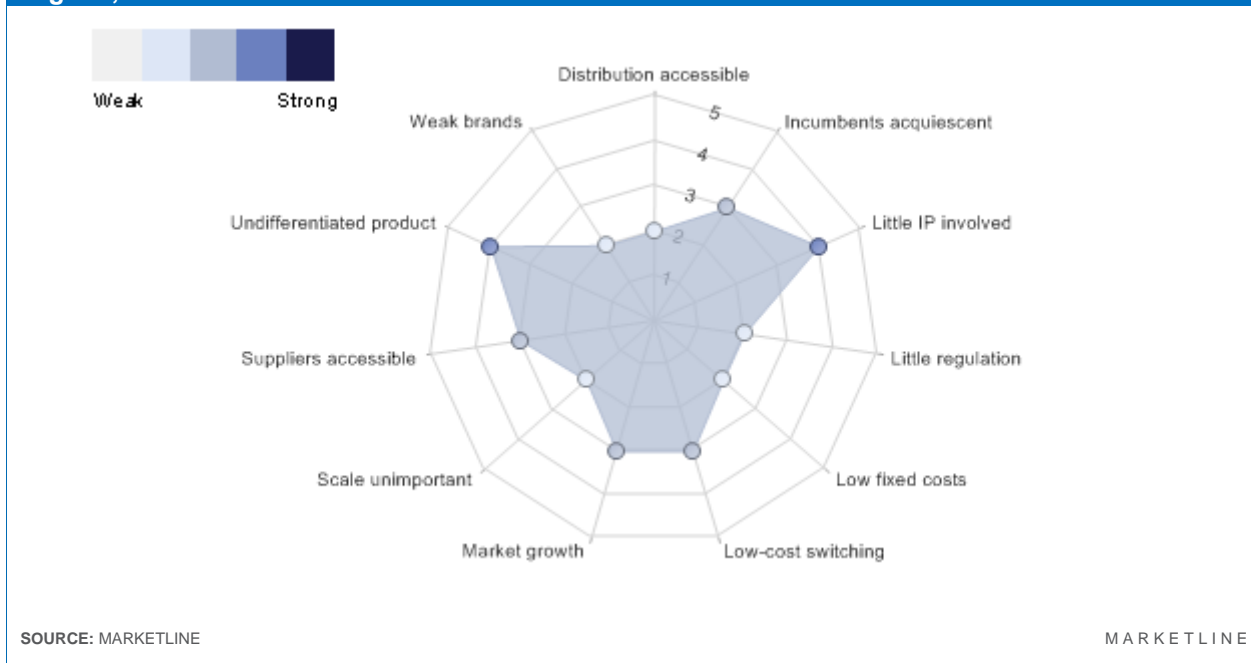


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 110: Factors influencing the likelihood of new entrants in the frozen food market in Belgium, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Moderate, approaching strong market growth in Belgium in recent years may entice potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 111: Factors influencing the threat of substitutes in the frozen food market in Belgium, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 112: Drivers of degree of rivalry in the frozen food market in Belgium, 2013



The Belgian frozen food market is fairly fragmented with the top four players accounting for 30.7% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Moderate Belgian growth in recent years may ease rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 89: Belgium size of population (million), 2009–13

Year	Population (million)	% Growth
2009	10.8	0.8%
2010	11.0	1.0%
2011	11.0	0.8%
2012	11.1	0.7%
2013	11.2	0.7%

SOURCE: MARKETLINE

MARKETLINE

Table 90: Belgium gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	391.8	(2.8%)
2010	400.9	2.3%
2011	408.0	1.8%
2012	407.4	(0.1%)
2013	408.5	0.2%

SOURCE: MARKETLINE

MARKETLINE

Table 91: Belgium gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	474.5	(6.9%)
2010	472.2	(0.5%)
2011	514.2	8.9%
2012	483.4	(6.0%)
2013	506.8	4.8%

SOURCE: MARKETLINE

MARKETLINE

Table 92: Belgium inflation, 2009–13

Year	Inflation Rate (%)
2009	(0.1%)
2010	2.3%
2011	3.4%
2012	2.6%
2013	1.2%

SOURCE: MARKETLINE

MARKETLINE

Table 93: Belgium consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	108.8
2010	111.3
2011	115.1
2012	118.1
2013	119.5

SOURCE: MARKETLINE

MARKETLINE

Table 94: Belgium exchange rate, 2009–13

Year	Exchange rate (\$/€)
2009	0.7192
2010	0.7549
2011	0.7188
2012	0.7782
2013	0.7533

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN CANADA

Market Overview

Market analysis

Canada's frozen food market experienced moderate growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will perform at a similar rate during 2013-2018.

The Canadian frozen food market had total revenues of \$3,917.1m in 2013, representing a compound annual growth rate (CAGR) of 2.7% between 2009 and 2013. In comparison, the US and Mexican markets grew with CAGRs of 1.1% and 3.6% respectively, over the same period, to reach respective values of \$33,441.3m and \$1,161.3m in 2013.

Market consumption volumes increased with a CAGR of 1.8% between 2009 and 2013, to reach a total of 670.1 million kilograms in 2013. The market's volume is expected to rise to 742.5 million kilograms by the end of 2018, representing a CAGR of 2.1% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the Canadian frozen food market in 2013, sales through this channel generated \$2,991.9m, equivalent to 76.4% of the market's overall value. Sales through independent retailers generated revenues of \$503.7m in 2013, equating to 12.9% of the market's aggregate revenues.

The performance of the market is forecast to follow a similar pattern with an anticipated CAGR of 2.7% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$4,476.4m by the end of 2018. Comparatively, the US and Mexican markets will grow with CAGRs of 0.5% and 3.2% respectively, over the same period, to reach respective values of \$34,253.6m and \$1,362.5m in 2018.

Market Data

Market value

The Canadian frozen food market grew by 2.6% in 2013 to reach a value of \$3,917.1 million.

The compound annual growth rate of the market in the period 2009–13 was 2.7%.

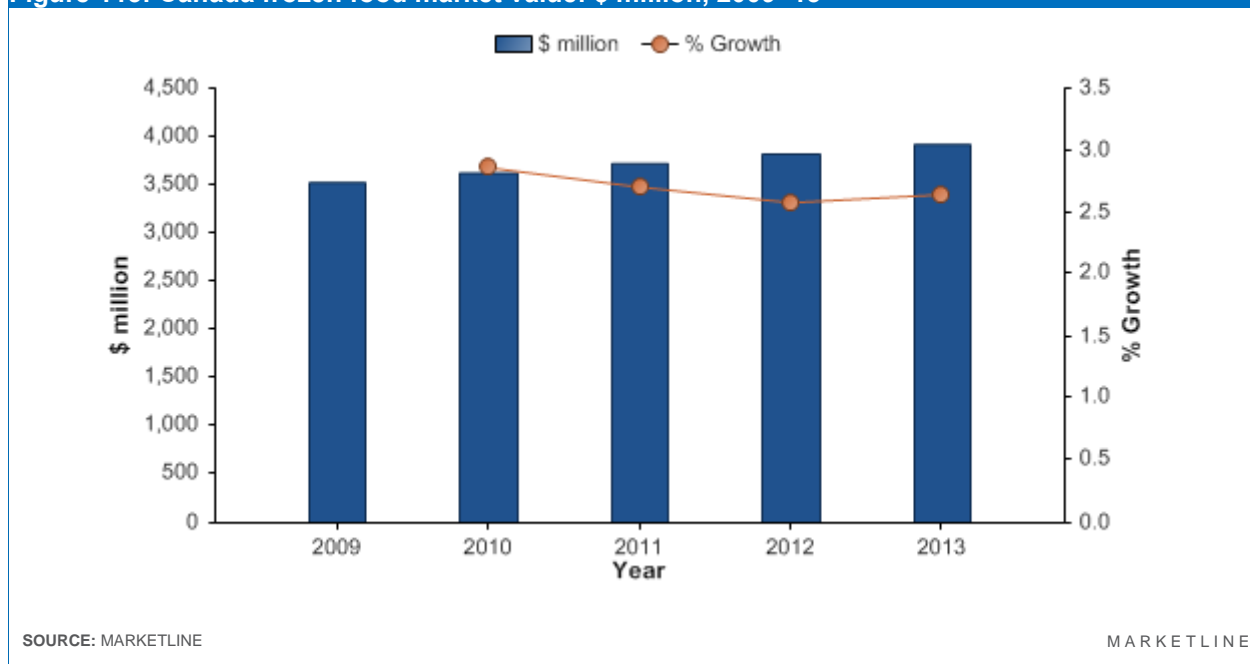
Table 95: Canada frozen food market value: \$ million, 2009–13

Year	\$ million	C\$ million	€ million	% Growth
2009	3,521.5	3,626.8	2,651.0	
2010	3,622.3	3,730.6	2,726.8	2.9%
2011	3,720.2	3,831.5	2,800.6	2.7%
2012	3,816.2	3,930.3	2,872.8	2.6%
2013	3,917.1	4,034.2	2,948.8	2.6%
CAGR: 2009–13				2.7%

SOURCE: MARKETLINE

MARKETLINE

Figure 113: Canada frozen food market value: \$ million, 2009–13



SOURCE: MARKETLINE

MARKETLINE

Market volume

The Canadian frozen food market grew by 1.7% in 2013 to reach a volume of 670.1 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 1.8%.

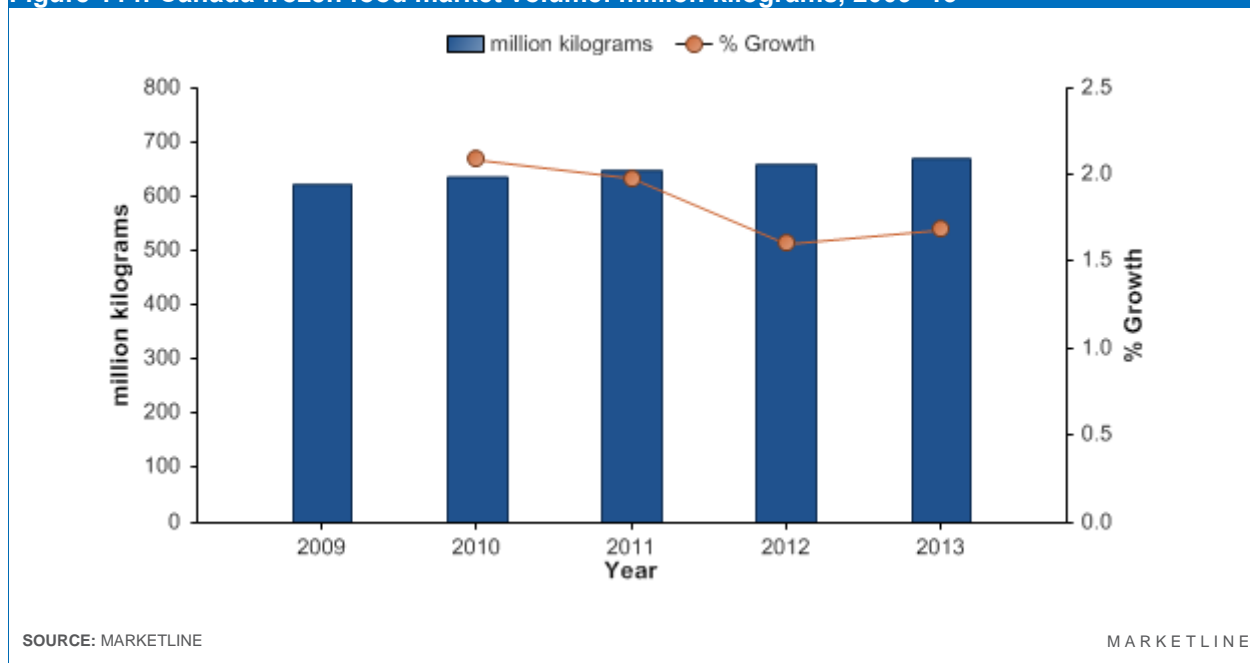
Table 96: Canada frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	623.0	
2010	636.0	2.1%
2011	648.6	2.0%
2012	659.0	1.6%
2013	670.1	1.7%
CAGR: 2009–13		1.8%

SOURCE: MARKETLINE

MARKETLINE

Figure 114: Canada frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen fish/seafood is the largest segment of the frozen food market in Canada, accounting for 20.7% of the market's total value.

The Frozen pizza segment accounts for a further 17% of the market.

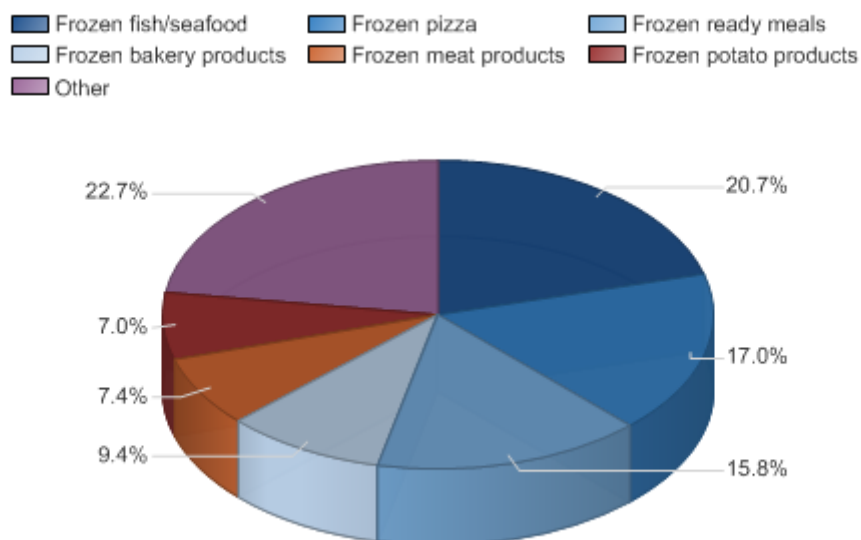
Table 97: Canada frozen food market category segmentation: \$ million, 2013

Category	2013	%
Frozen fish/seafood	812.5	20.7%
Frozen pizza	666.4	17.0%
Frozen ready meals	617.2	15.8%
Frozen bakery products	367.9	9.4%
Frozen meat products	290.1	7.4%
Frozen potato products	274.6	7.0%
Other	888.4	22.7%
Total	3,917.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 115: Canada frozen food market category segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

Canada accounts for 9.2% of the Americas frozen food market value.

The United States accounts for a further 78.2% of the Americas market.

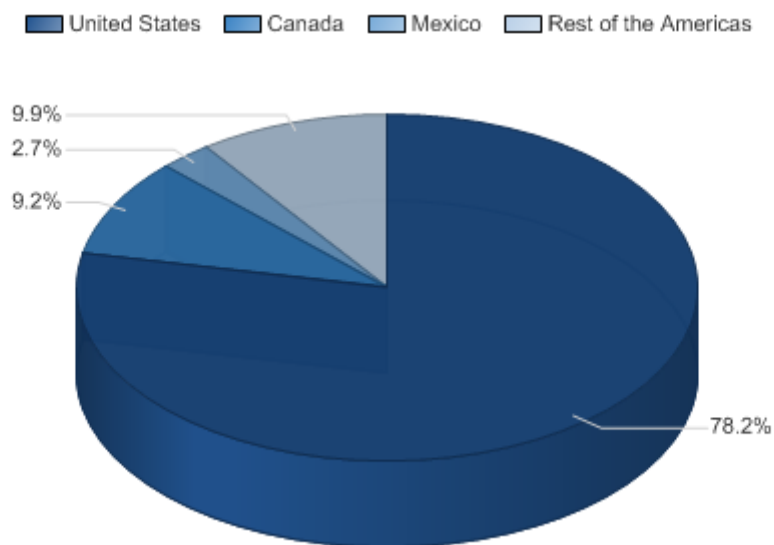
Table 98: Canada frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
United States	33,441.3	78.2
Canada	3,917.1	9.2
Mexico	1,161.3	2.7
Rest of the Americas	4,240.7	9.9
Total	42,760.4	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 116: Canada frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Nestle S.A. is the leading player in the Canadian frozen food market, generating a 8.1% share of the market's value.

Dr. August Oetker KG accounts for a further 4.6% of the market.

Table 99: Canada frozen food market share: % share, by value, 2013

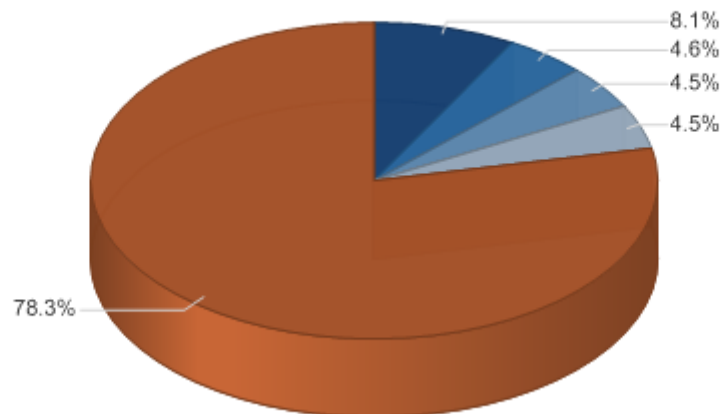
Company	% Share
Nestle S.A.	8.1%
Dr. August Oetker KG	4.6%
George Weston Limited	4.5%
McCain Foods Limited	4.5%
Other	78.3%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 117: Canada frozen food market share: % share, by value, 2013

■ Nestle S.A.
 ■ Dr. August Oetker KG
 ■ George Weston Limited
 ■ McCain Foods Limited
 ■ Other



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the Canadian frozen food market, accounting for a 76.4% share of the total market's value.

Independent Retailers accounts for a further 12.9% of the market.

Table 100: Canada frozen food market distribution: % share, by value, 2013

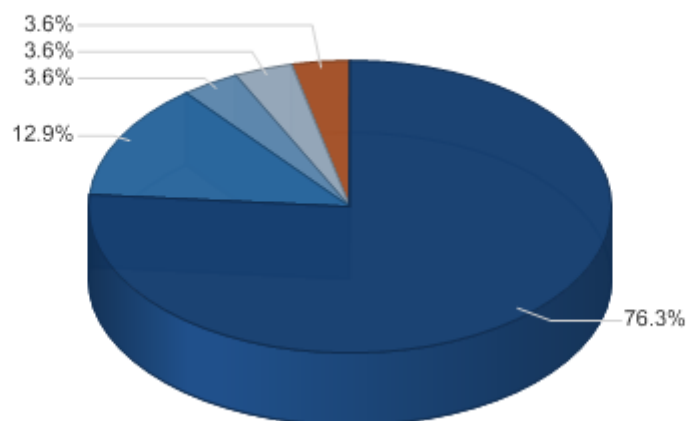
Channel	% Share
Supermarkets / hypermarkets	76.4%
Independent Retailers	12.9%
Convenience Stores	3.6%
Service Stations	3.6%
Other	3.6%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 118: Canada frozen food market distribution: % share, by value, 2013

■ Supermarkets / hypermarkets
 ■ Independent Retailers
 ■ Convenience Stores
■ Service Stations
 ■ Other



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the Canadian frozen food market is forecast to have a value of \$4,476.4 million, an increase of 14.3% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 2.7%.

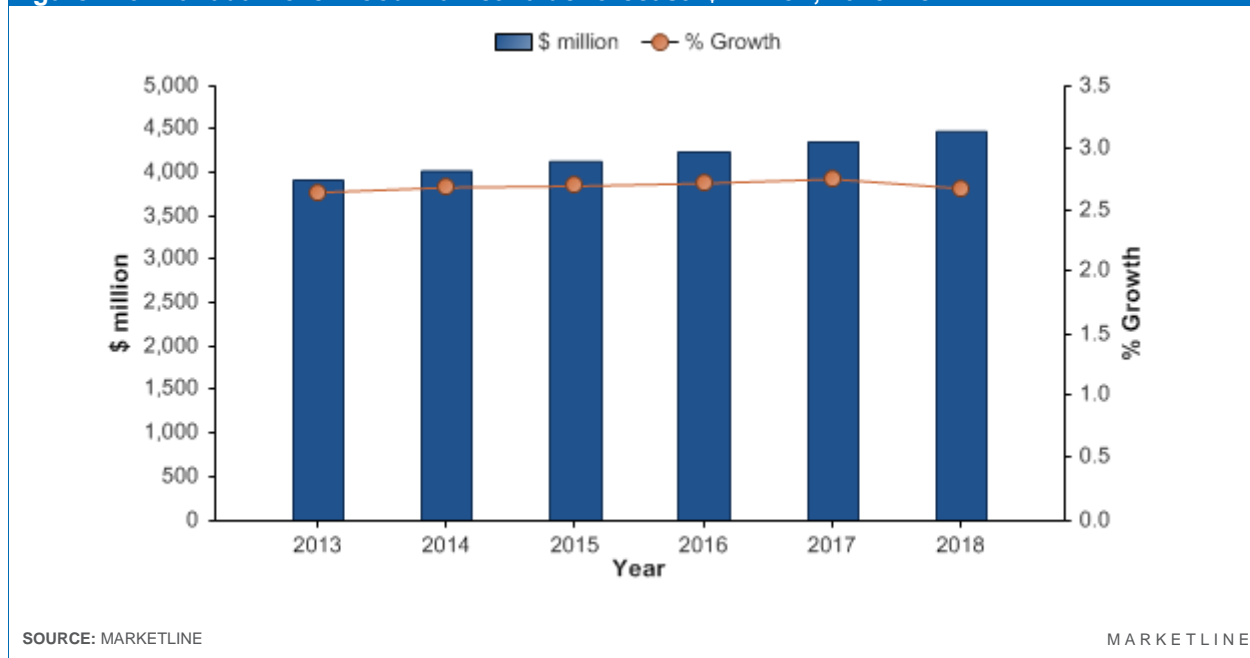
Table 101: Canada frozen food market value forecast: \$ million, 2013–18

Year	\$ million	C\$ million	€ million	% Growth
2013	,917.1	4,034.2	2,948.8	2.6%
2014	4,022.3	4,142.5	3,028.0	2.7%
2015	4,130.7	4,254.2	3,109.6	2.7%
2016	4,243.0	4,369.8	3,194.1	2.7%
2017	4,359.8	4,490.1	3,282.0	2.8%
2018	4,476.4	4,610.3	3,369.9	2.7%
CAGR: 2013–18				2.7%

SOURCE: MARKETLINE

MARKETLINE

Figure 119: Canada frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the Canadian frozen food market is forecast to have a volume of 742.5 million kilograms, an increase of 10.8% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 2.1%.

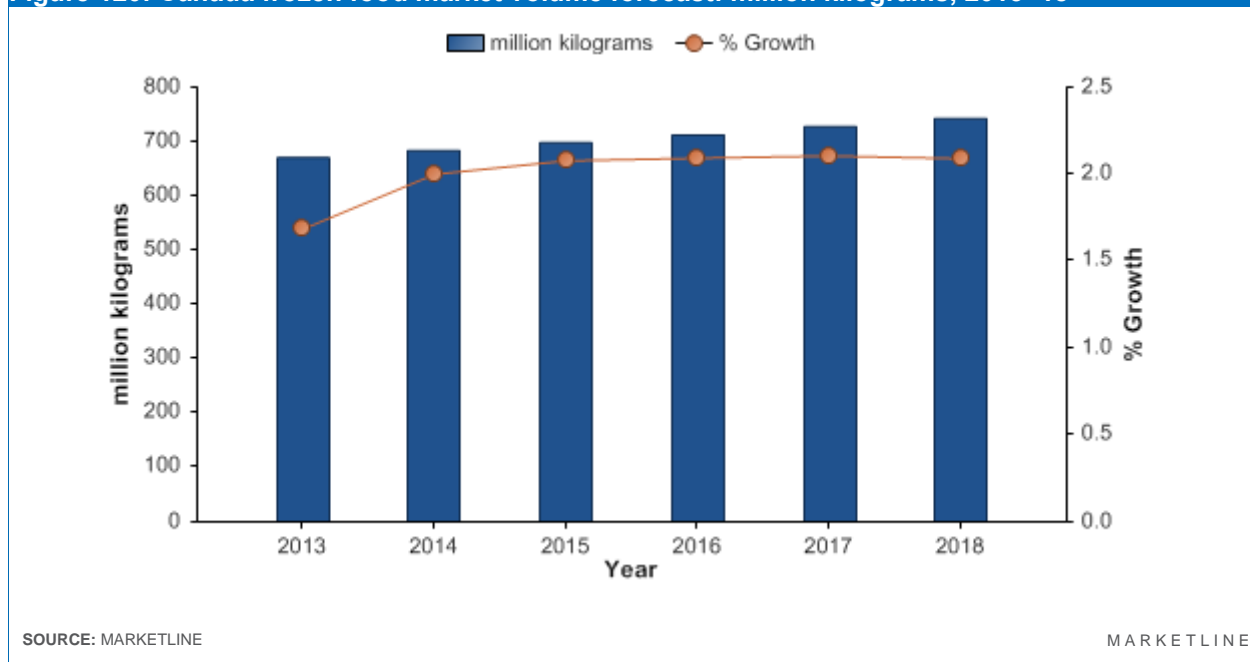
Table 102: Canada frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	670.1	1.7%
2014	683.5	2.0%
2015	697.7	2.1%
2016	712.3	2.1%
2017	727.3	2.1%
2018	742.5	2.1%
CAGR: 2013–18		2.1%

SOURCE: MARKETLINE

MARKETLINE

Figure 120: Canada frozen food market volume forecast: million kilograms, 2013–18



SOURCE: MARKETLINE

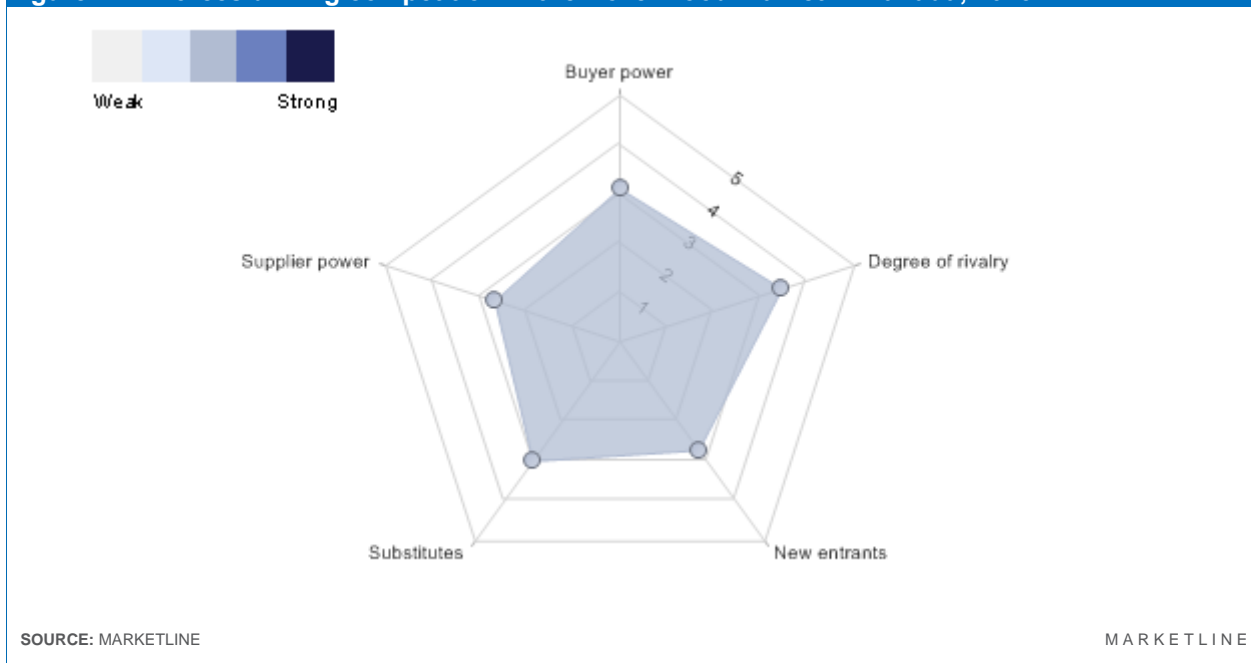
MARKETLINE

Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 121: Forces driving competition in the frozen food market in Canada, 2013

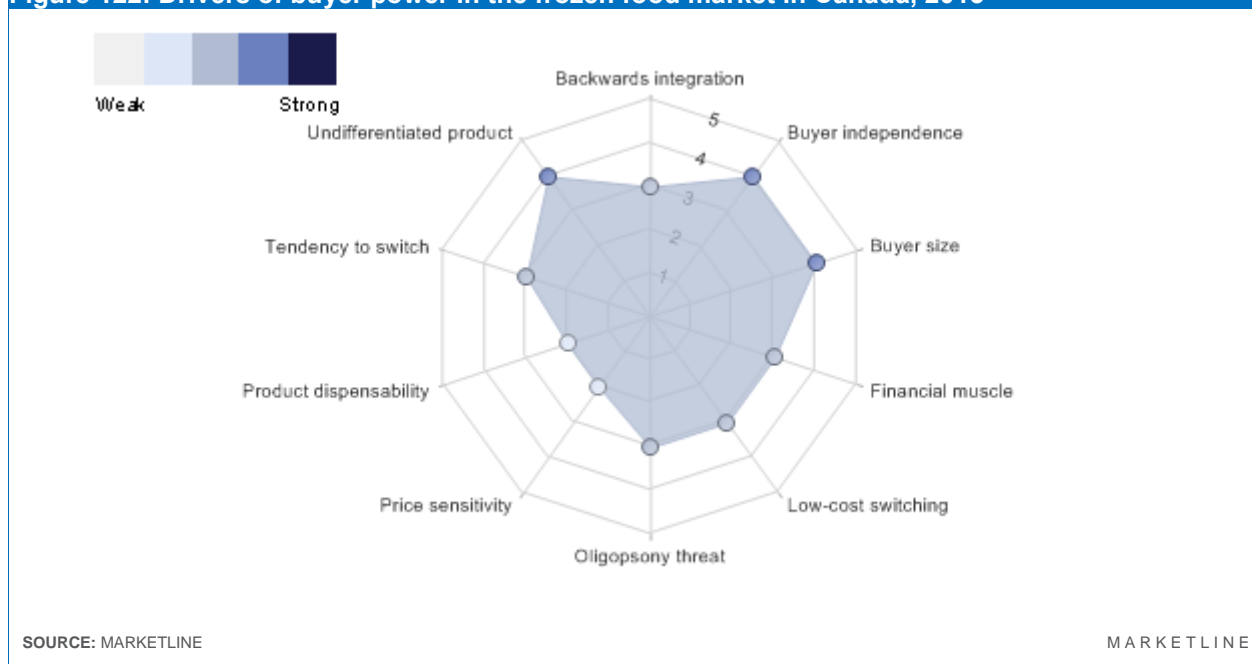


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

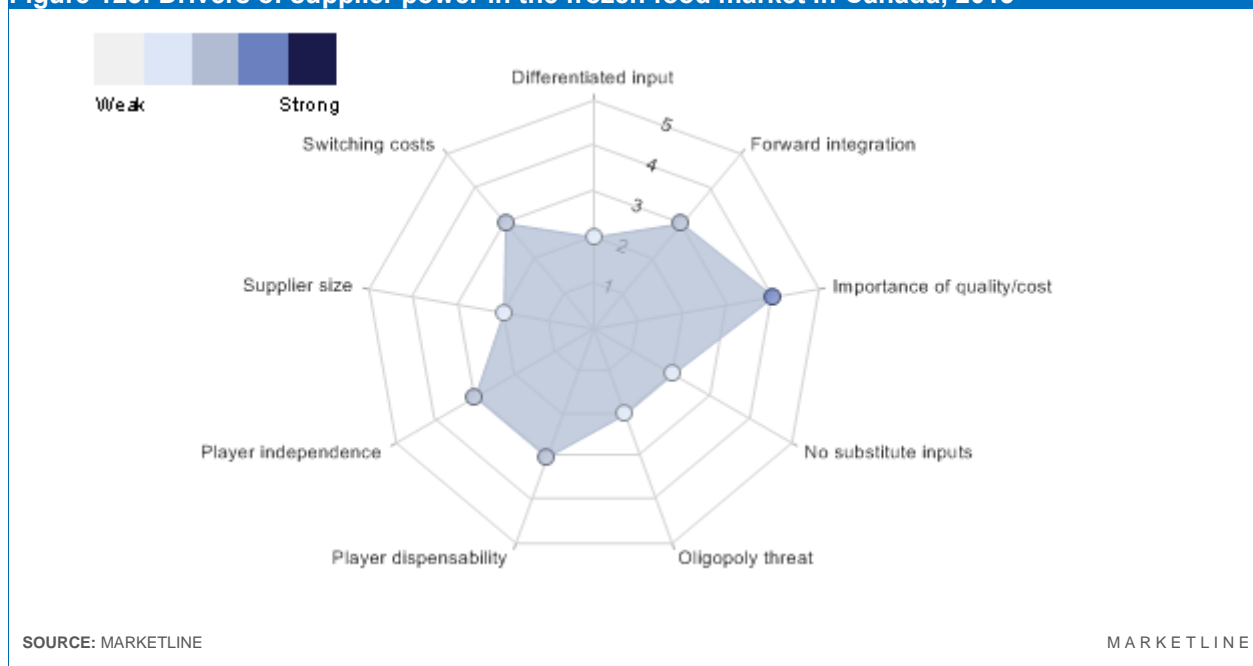
Figure 122: Drivers of buyer power in the frozen food market in Canada, 2013



The main distribution channels for the frozen food market in Canada are supermarkets and hypermarkets, which account for 76.4% of the total market value. Large retailers can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Loblaw Companies Limited and Metro Inc. tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 123: Drivers of supplier power in the frozen food market in Canada, 2013

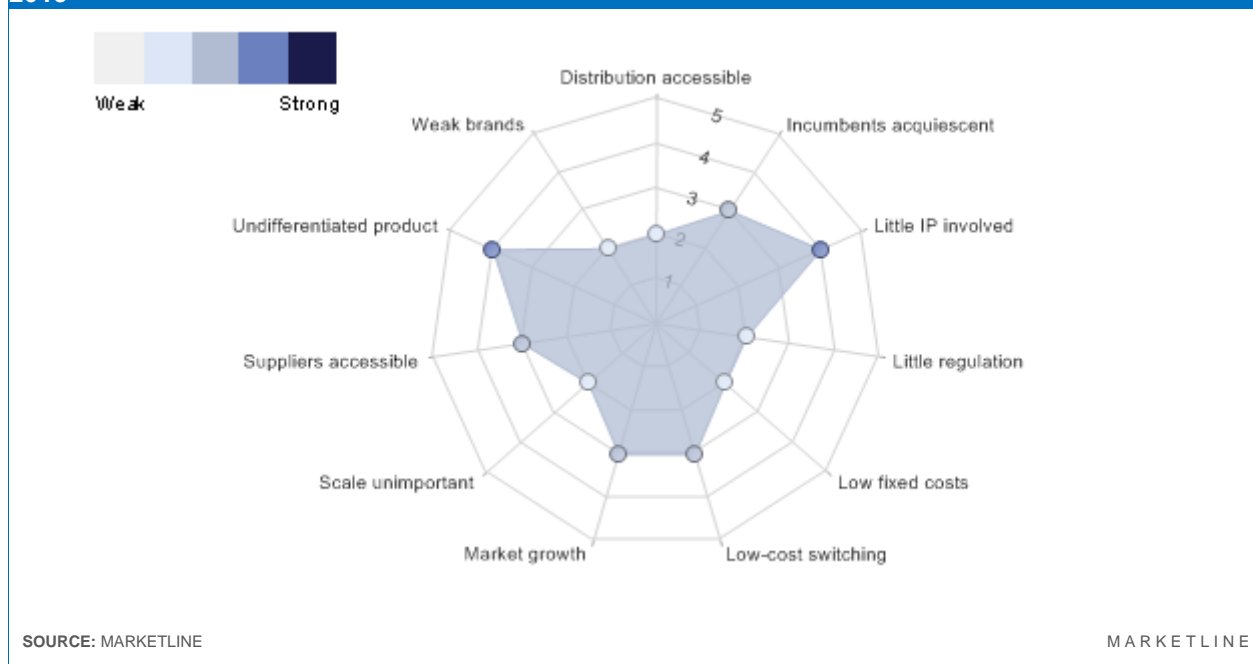


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 124: Factors influencing the likelihood of new entrants in the frozen food market in Canada, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Moderate Canadian growth in recent years is not likely to be particularly enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 125: Factors influencing the threat of substitutes in the frozen food market in Canada, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 126: Drivers of degree of rivalry in the frozen food market in Canada, 2013



The Canadian frozen food market is highly fragmented with the top four players accounting for 21.7% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Moderate Canadian growth in recent years may ease rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 103: Canada size of population (million), 2009–13

Year	Population (million)	% Growth
2009	33.6	1.2%
2010	34.0	1.1%
2011	34.3	1.0%
2012	34.8	1.2%
2013	35.2	1.2%

SOURCE: MARKETLINE

MARKETLINE

Table 104: Canada gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	1,199.6	(2.7%)
2010	1,240.1	3.4%
2011	1,271.4	2.5%
2012	1,293.1	1.7%
2013	1,319.2	2.0%

SOURCE: MARKETLINE

MARKETLINE

Table 105: Canada gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	1,370.8	(11.1%)
2010	1,614.1	17.7%
2011	1,778.6	10.2%
2012	1,821.4	2.4%
2013	1,825.2	0.2%

SOURCE: MARKETLINE

MARKETLINE

Table 106: Canada inflation, 2009–13

Year	Inflation Rate (%)
2009	0.3%
2010	1.8%
2011	2.9%
2012	1.5%
2013	0.9%

SOURCE: MARKETLINE

MARKETLINE

Table 107: Canada consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	107.0
2010	108.9
2011	112.1
2012	113.8
2013	114.8

SOURCE: MARKETLINE

MARKETLINE

Table 108: Canada exchange rate, 2009–13

Year	Exchange rate (\$/C\$)	Exchange rate (€/C\$)
2009	1.1417	1.5876
2010	1.0308	1.3684
2011	0.9888	1.3756
2012	0.9998	1.2849
2013	1.0299	1.3681

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN CHINA

Market Overview

Market analysis

China's frozen food market experienced strong growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will perform at a similar, albeit accelerated rate, during 2013-2018.

The Chinese frozen food market had total revenues of \$12,634.1m in 2013, representing a compound annual growth rate (CAGR) of 7.3% between 2009 and 2013. In comparison, the Japanese and Indian markets grew with CAGRs of 1.7% and 14.5% respectively, over the same period, to reach respective values of \$7,261.9m and \$295.0m in 2013.

Market consumption volumes increased with a CAGR of 6.3% between 2009 and 2013, to reach a total of 4,370.1 million kilograms in 2013. The market's volume is expected to rise to 6,128.3 million kilograms by the end of 2018, representing a CAGR of 7% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the Chinese frozen food market in 2013, sales through this channel generated \$8,253.8m, equivalent to 65.3% of the market's overall value. Sales through independent retailers generated revenues of \$2,662.0m in 2013, equating to 21.1% of the market's aggregate revenues.

The performance of the market is forecast to accelerate, with an anticipated CAGR of 7.8% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$18,367.5m by the end of 2018. Comparatively, the Japanese and Indian markets will grow with CAGRs of 1.5% and 12.4% respectively, over the same period, to reach respective values of \$7,820.2m and \$528.4m in 2018.

Market Data

Market value

The Chinese frozen food market grew by 7.3% in 2013 to reach a value of \$12,634.1 million.

The compound annual growth rate of the market in the period 2009–13 was 7.3%.

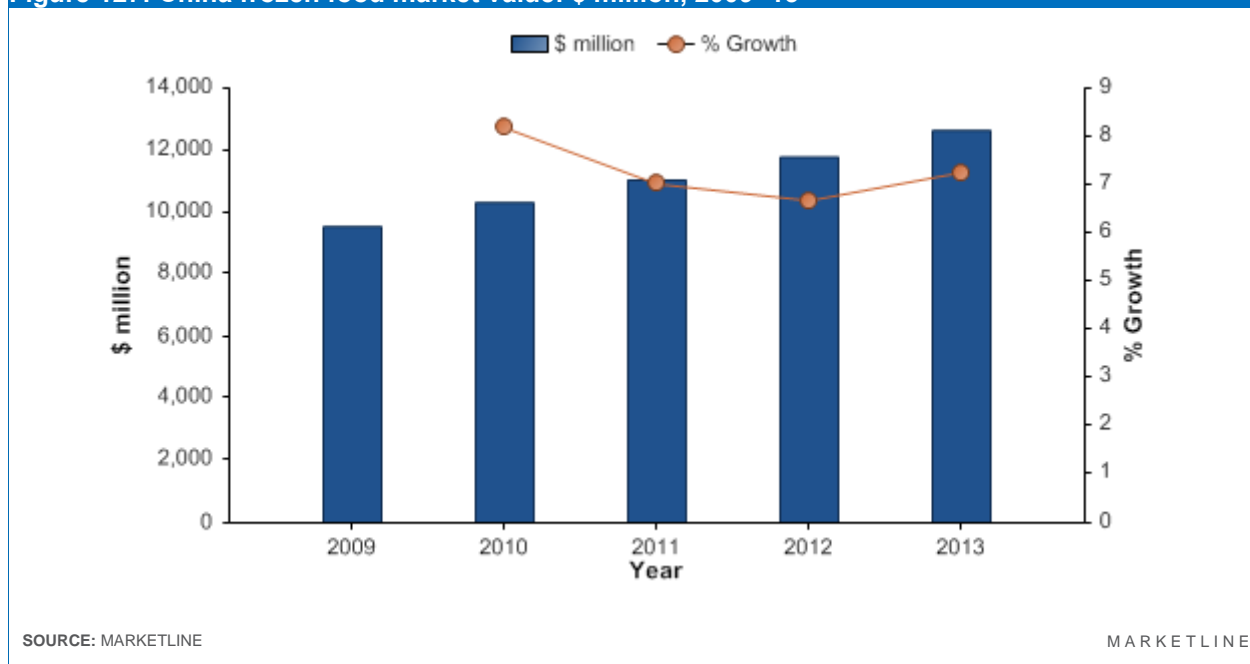
Table 109: China frozen food market value: \$ million, 2009–13

Year	\$ million	CNY million	€ million	% Growth
2009	9,538.0	59,086.1	7,182.9	
2010	10,318.2	63,919.3	7,770.5	8.2%
2011	11,042.4	68,405.3	8,315.8	7.0%
2012	11,779.3	72,970.2	8,870.8	6.7%
2013	12,634.1	78,265.5	9,514.5	7.3%
CAGR: 2009–13				7.3%

SOURCE: MARKETLINE

MARKETLINE

Figure 127: China frozen food market value: \$ million, 2009–13



Market volume

The Chinese frozen food market grew by 5.9% in 2013 to reach a volume of 4,370.1 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 6.3%.

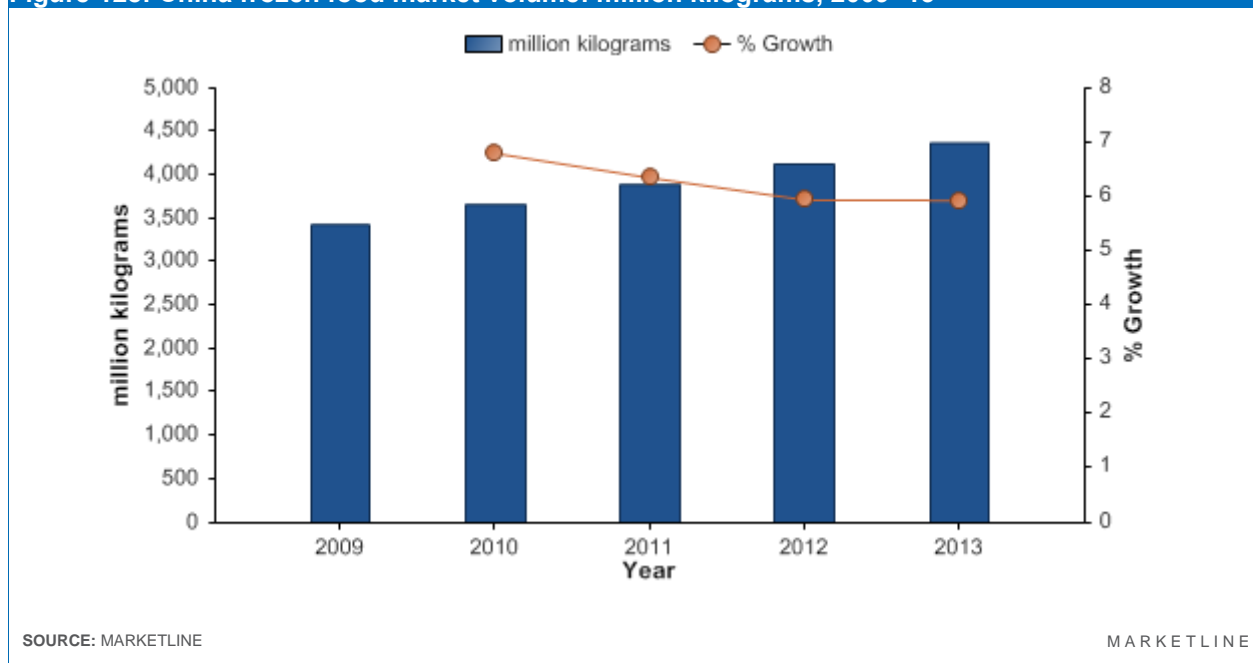
Table 110: China frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	3,428.2	
2010	3,661.3	6.8%
2011	3,893.8	6.4%
2012	4,125.3	5.9%
2013	4,370.1	5.9%
CAGR: 2009–13		6.3%

SOURCE: MARKETLINE

MARKETLINE

Figure 128: China frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen fish/seafood is the largest segment of the frozen food market in China, accounting for 33.8% of the market's total value.

The Frozen ready meals segment accounts for a further 22.3% of the market.

Table 111: China frozen food market category segmentation: \$ million, 2013

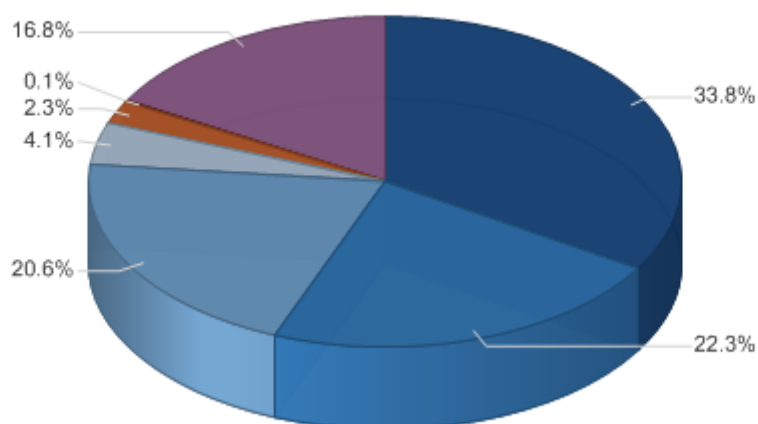
Category	2013	%
Frozen fish/seafood	4,267.1	33.8%
Frozen ready meals	2,815.8	22.3%
Frozen meat products	2,604.4	20.6%
Frozen pizza	518.2	4.1%
Frozen bakery products	287.2	2.3%
Frozen potato products	17.1	0.1%
Other	2,124.4	16.8%
Total	12,634.2	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 129: China frozen food market category segmentation: % share, by value, 2013

■ Frozen fish/seafood
 ■ Frozen ready meals
 ■ Frozen meat products
 ■ Frozen pizza
■ Frozen bakery products
■ Frozen potato products
■ Other



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

China accounts for 43.6% of the Asia-Pacific frozen food market value.

Japan accounts for a further 25.1% of the Asia-Pacific market.

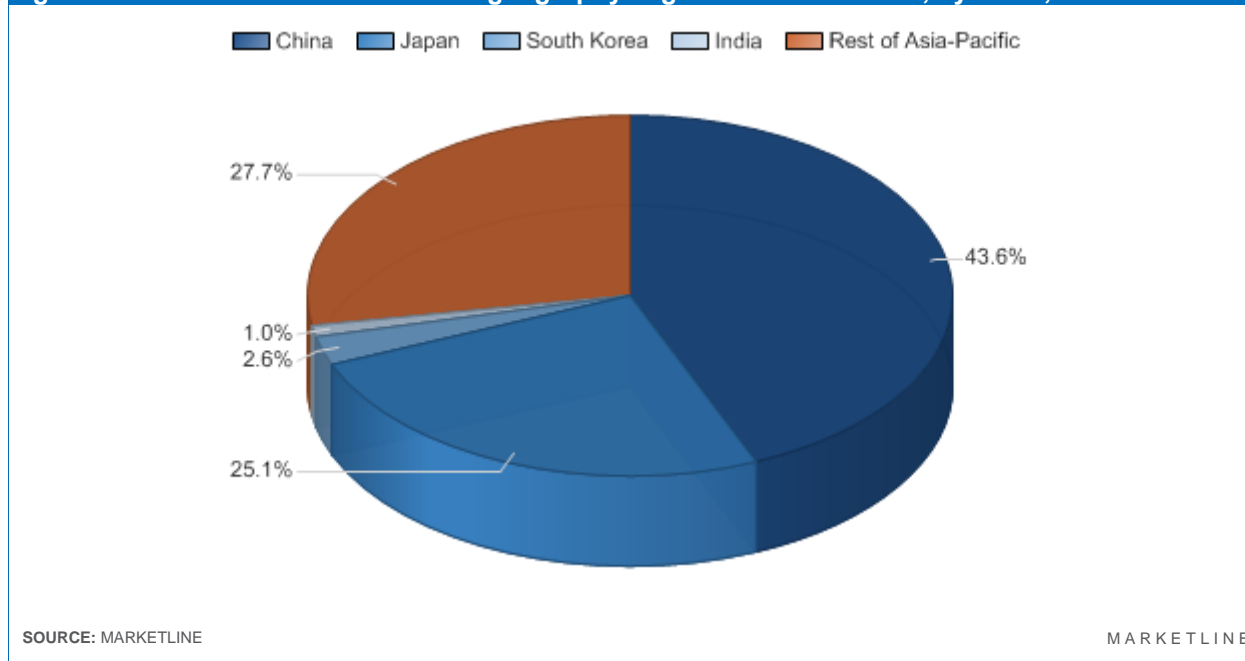
Table 112: China frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
China	12,634.1	43.6
Japan	7,261.9	25.1
South Korea	746.7	2.6
India	295.0	1.0
Rest of Asia-Pacific	8,010.7	27.7
Total	28,948.4	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 130: China frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Sanquan Food Co., Ltd. is the leading player in the Chinese frozen food market, generating a 4.3% share of the market's value.

Jinxiang Dachang International Trading Co., Ltd. accounts for a further 2.2% of the market.

Table 113: China frozen food market share: % share, by value, 2013

Company	% Share
Sanquan Food Co., Ltd.	4.3%
Jinxiang Dachang International Trading Co., Ltd.	2.2%
General Mills, Inc.	1.7%
Nichirei Corporation	1.6%
Other	90.3%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 131: China frozen food market share: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the Chinese frozen food market, accounting for a 65.3% share of the total market's value.

Independent Retailers accounts for a further 21.1% of the market.

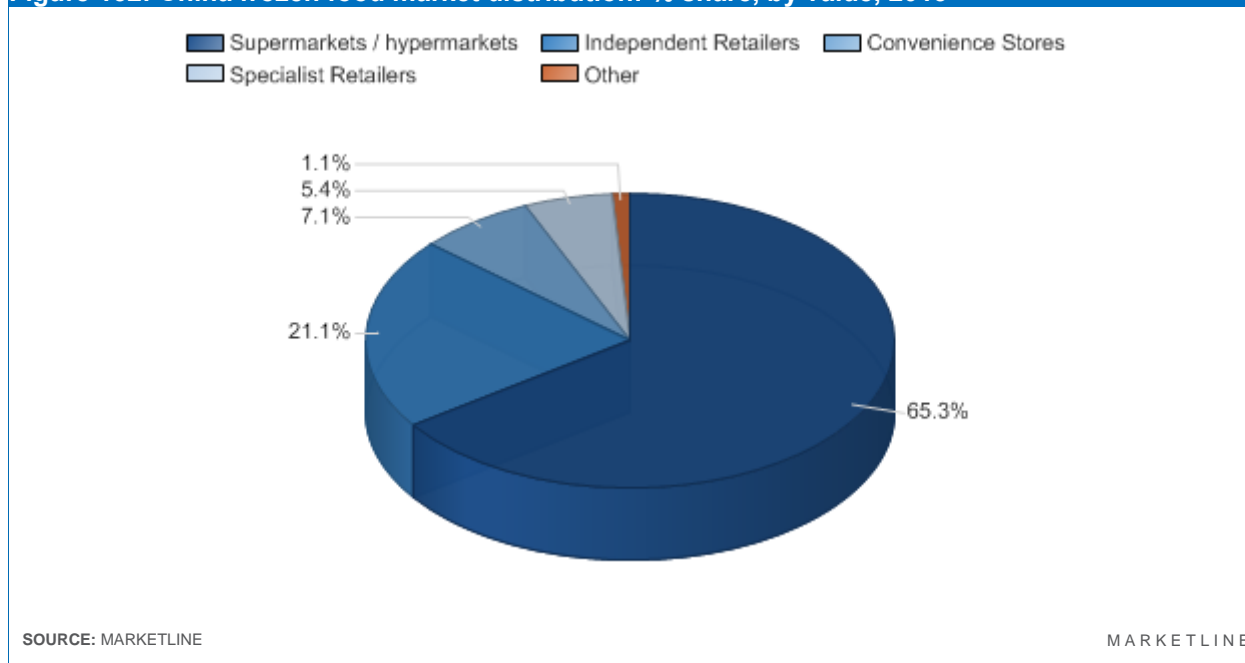
Table 114: China frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	65.3%
Independent Retailers	21.1%
Convenience Stores	7.1%
Specialist Retailers	5.4%
Other	1.1%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 132: China frozen food market distribution: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the Chinese frozen food market is forecast to have a value of \$18,367.5 million, an increase of 45.4% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 7.8%.

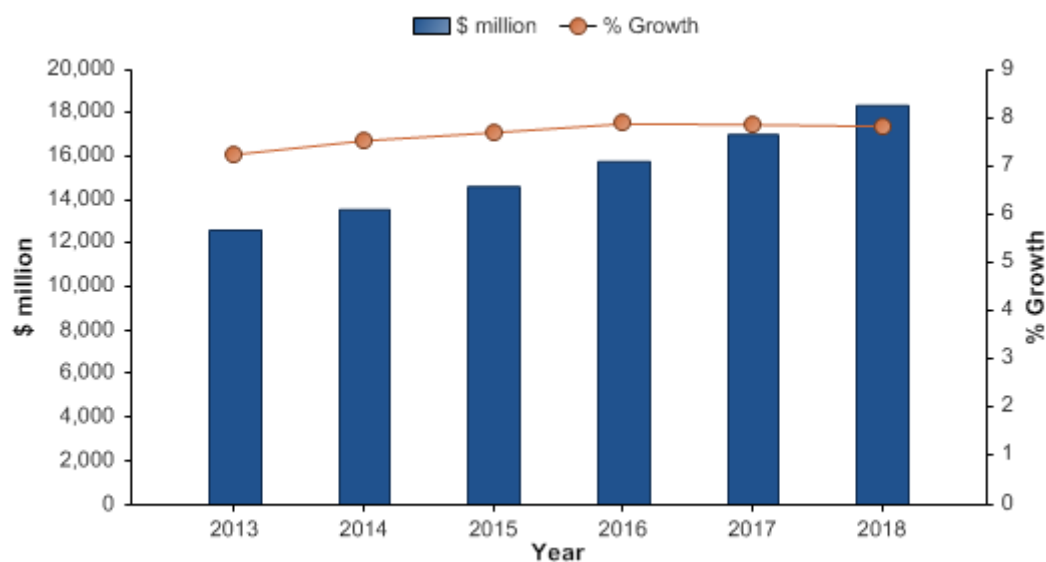
Table 115: China frozen food market value forecast: \$ million, 2013–18

Year	\$ million	CNY million	€ million	% Growth
2013	12,634.1	78,265.5	9,514.5	7.3%
2014	13,586.9	84,168.4	10,232.1	7.5%
2015	14,634.5	90,657.6	11,021.0	7.7%
2016	15,789.6	97,813.2	11,890.9	7.9%
2017	17,032.7	105,514.5	12,827.1	7.9%
2018	18,367.5	113,783.2	13,832.3	7.8%
AGR: 2013–18				7.8%

SOURCE: MARKETLINE

MARKETLINE

Figure 133: China frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the Chinese frozen food market is forecast to have a volume of 6,128.3 million kilograms, an increase of 40.2% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 7%.

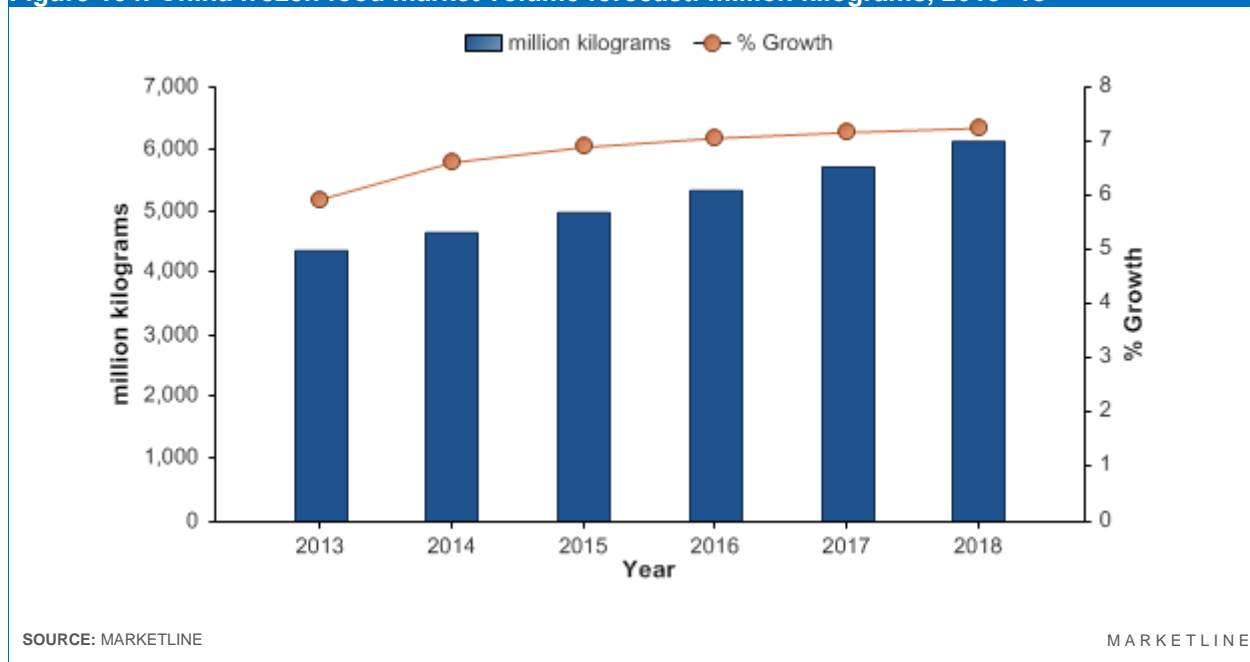
Table 116: China frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	4,370.1	5.9%
2014	4,659.1	6.6%
2015	4,980.4	6.9%
2016	5,332.1	7.1%
2017	5,714.3	7.2%
2018	6,128.3	7.2%
CAGR: 2013–18		7.0%

SOURCE: MARKETLINE

MARKETLINE

Figure 134: China frozen food market volume forecast: million kilograms, 2013–18



SOURCE: MARKETLINE

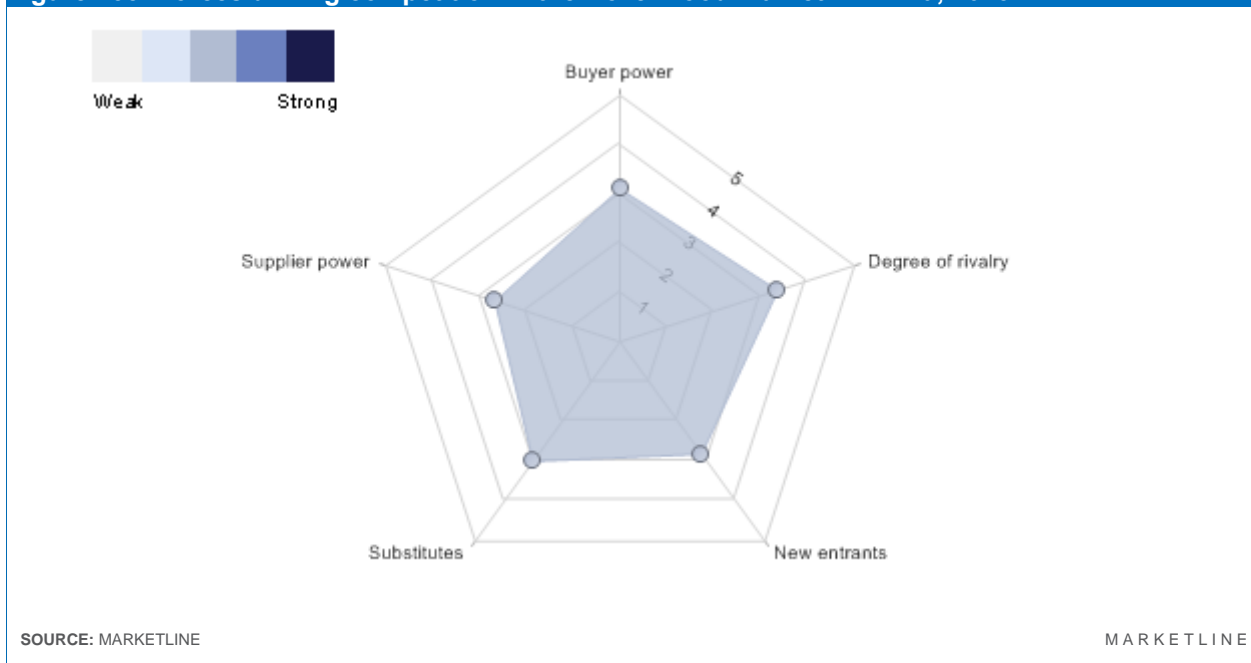
MARKETLINE

Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 135: Forces driving competition in the frozen food market in China, 2013

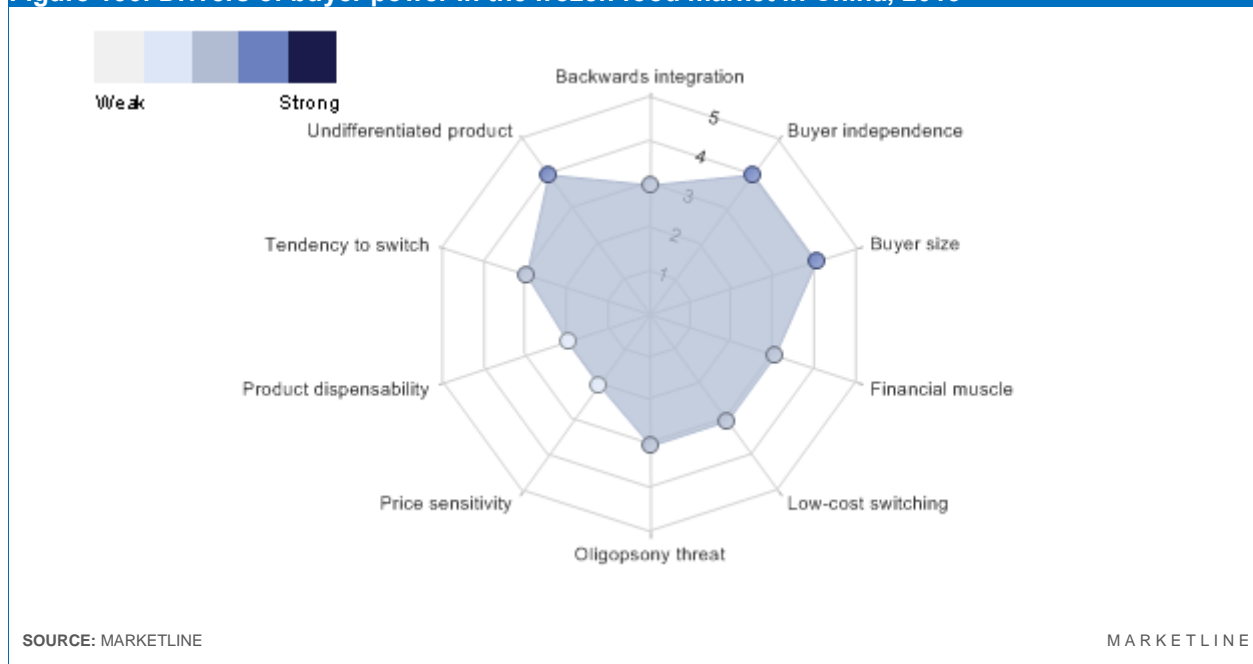


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

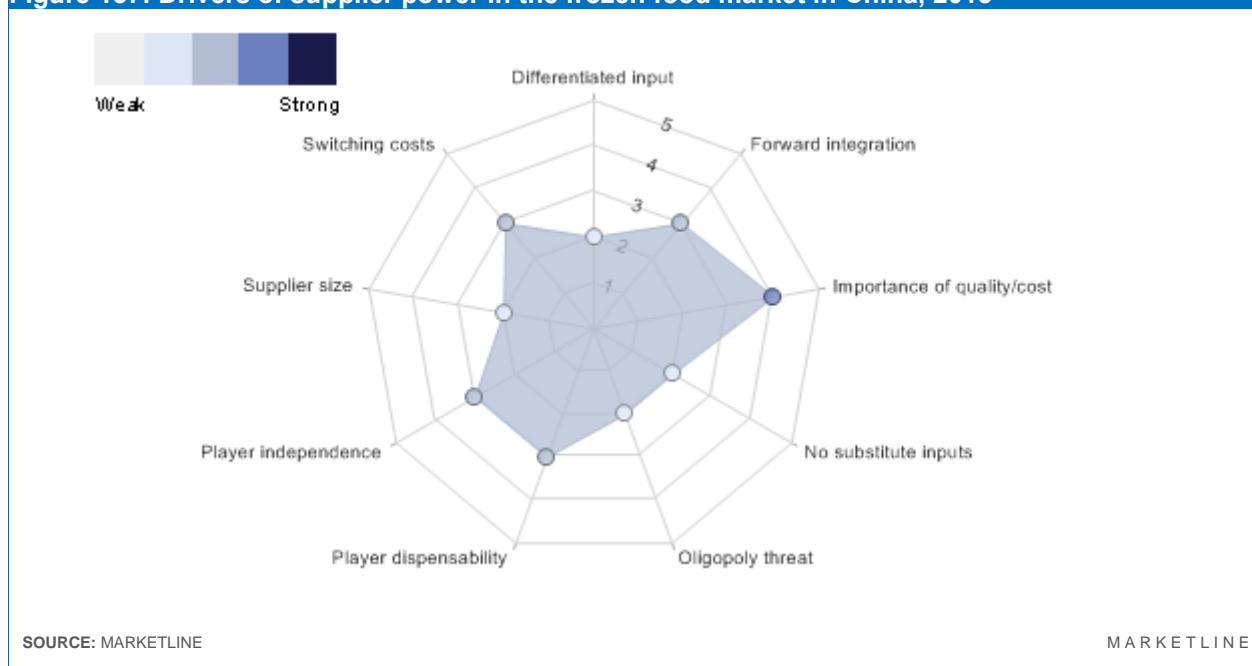
Figure 136: Drivers of buyer power in the frozen food market in China, 2013



The main distribution channels for China's frozen food market are supermarkets and hypermarkets, which account for 65.3% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Wumart Stores, Inc. and Lianhua Supermarket Holdings tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 137: Drivers of supplier power in the frozen food market in China, 2013

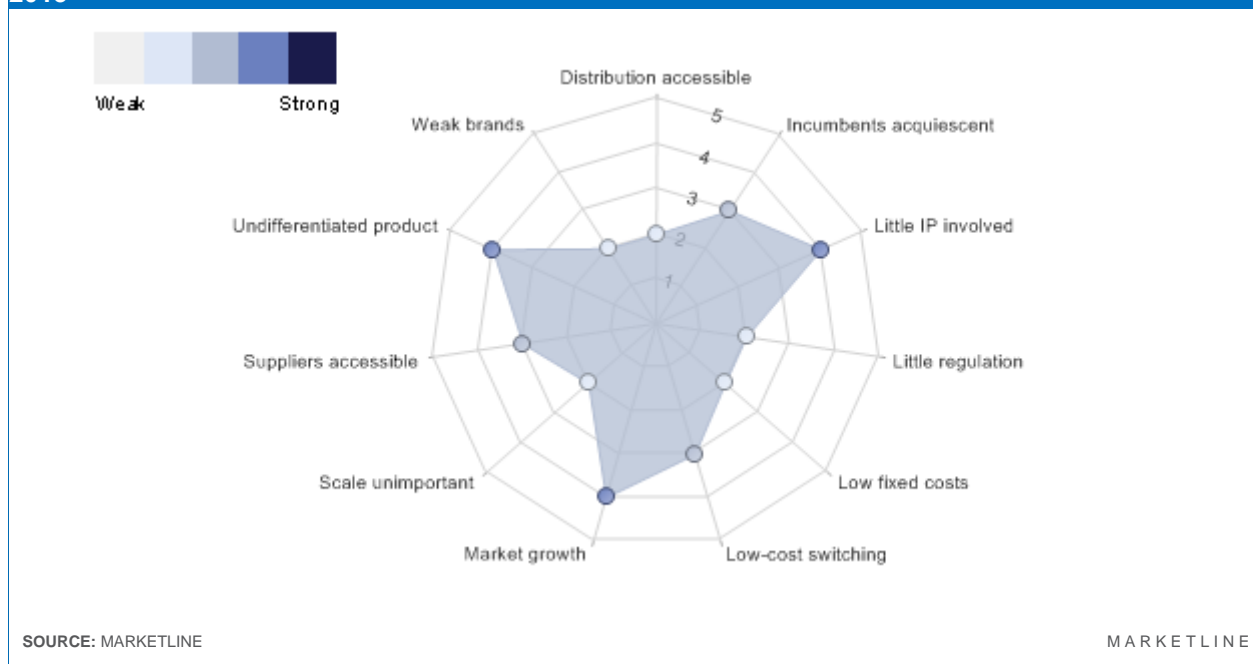


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 138: Factors influencing the likelihood of new entrants in the frozen food market in China, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Strong Chinese growth in recent years may prove enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 139: Factors influencing the threat of substitutes in the frozen food market in China, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 140: Drivers of degree of rivalry in the frozen food market in China, 2013



The Chinese frozen food market is highly fragmented with the top four players accounting for 9.7% of the total market value, indicating a very high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Strong Chinese growth in recent years is likely to ease rivalry to an extent. Overall, the degree of rivalry is assessed as moderate.

Macroeconomic indicators

Country Data

Table 117: China size of population (million), 2009–13

Year	Population (million)	% Growth
2009	1,334.5	0.5%
2010	1,340.9	0.5%
2011	1,347.4	0.5%
2012	1,353.9	0.5%
2013	1,360.3	0.5%

SOURCE: MARKETLINE

MARKETLINE

Table 118: China gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	3,476.0	9.2%
2010	3,839.2	10.4%
2011	4,196.2	9.3%
2012	4,517.3	7.7%
2013	4,863.9	7.7%

SOURCE: MARKETLINE

MARKETLINE

Table 119: China gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	4,990.5	10.4%
2010	5,930.4	18.8%
2011	7,322.0	23.5%
2012	8,227.0	12.4%
2013	9,178.8	11.6%

SOURCE: MARKETLINE

MARKETLINE

Table 120: China inflation, 2009–13

Year	Inflation Rate (%)
2009	(0.7%)
2010	3.3%
2011	5.4%
2012	2.7%
2013	2.6%

SOURCE: MARKETLINE

MARKETLINE

Table 121: China consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	111.8
2010	115.5
2011	121.8
2012	125.0
2013	128.3

SOURCE: MARKETLINE

MARKETLINE

Table 122: China exchange rate, 2009–13

Year	Exchange rate (\$/CNY)	Exchange rate (€/CNY)
2009	6.8409	9.5123
2010	6.7788	9.0005
2011	6.4544	8.9794
2012	6.3116	8.1035
2013	6.1948	8.2259

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN THE NETHERLANDS

Market Overview

Market analysis

The Dutch frozen foods market experienced weak growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will perform at a similarly weak rate during 2013-2018.

The Dutch frozen food market had total revenues of \$1,521.9m in 2013, representing a compound annual growth rate (CAGR) of 1.8% between 2009 and 2013. In comparison, the German and Belgian markets grew with CAGRs of 3.7% each, over the same period, to reach respective values of \$9,855.1m and \$1,412.5m in 2013.

Market consumption volumes increased with a CAGR of 0.9% between 2009 and 2013, to reach a total of 288 million kilograms in 2013. The market's volume is expected to rise to 310.7 million kilograms by the end of 2018, representing a CAGR of 1.5% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the Dutch frozen food market in 2013, sales through this channel generated \$1,261.7m, equivalent to 82.9% of the market's overall value. Sales through convenience stores generated revenues of \$164.4m in 2013, equating to 10.8% of the market's aggregate revenues.

The performance of the market is forecast to follow a similar pattern with an anticipated CAGR of 1.8% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$1,663.3m by the end of 2018. Comparatively, the German and Belgian markets will grow with CAGRs of 3.9% and 2.9% respectively, over the same period, to reach respective values of \$11,905.9m and \$1,631.0m in 2018.

Market Data

Market value

The Dutch frozen food market shrank by 0.6% in 2013 to reach a value of \$1,521.9 million.

The compound annual growth rate of the market in the period 2009–13 was 1.8%.

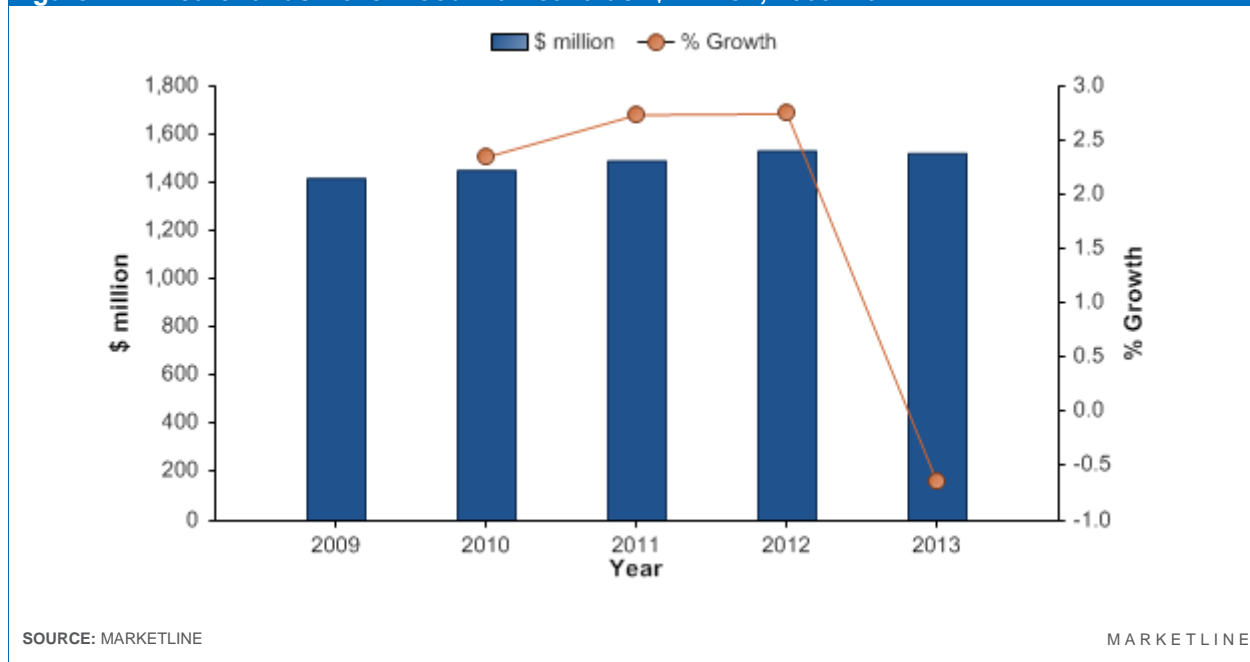
Table 123: Netherlands frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	% Growth
2009	1,417.9	1,068.1	
2010	1,451.2	1,093.2	2.3%
2011	1,490.9	1,123.1	2.7%
2012	1,531.9	1,154.0	2.7%
2013	1,521.9	1,146.5	(0.6%)
CAGR: 2009–13			1.8%

SOURCE: MARKETLINE

MARKETLINE

Figure 141: Netherlands frozen food market value: \$ million, 2009–13



Market volume

The Dutch frozen food market shrank by 1.1% in 2013 to reach a volume of 288 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 0.9%.

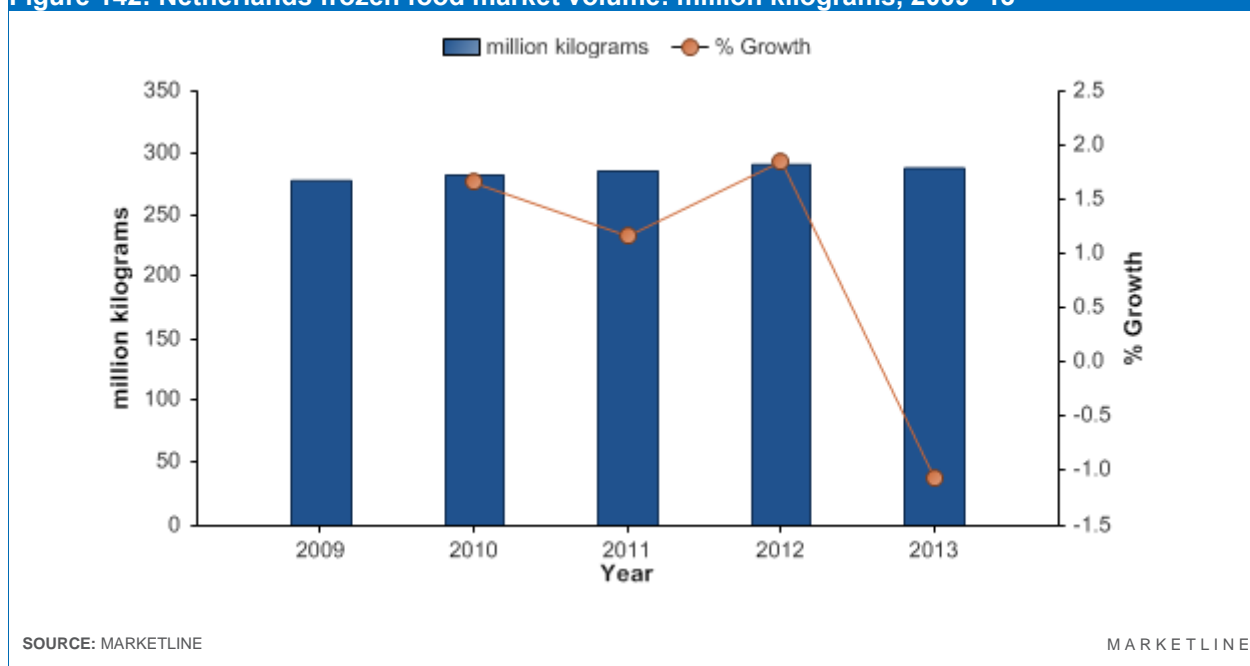
Table 124: Netherlands frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	277.9	
2010	282.5	1.7%
2011	285.8	1.2%
2012	291.1	1.9%
2013	288.0	(1.1%)
CAGR: 2009–13		0.9%

SOURCE: MARKETLINE

MARKETLINE

Figure 142: Netherlands frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen meat products is the largest segment of the frozen food market in the Netherlands, accounting for 22% of the market's total value.

The Frozen pizza segment accounts for a further 20.2% of the market.

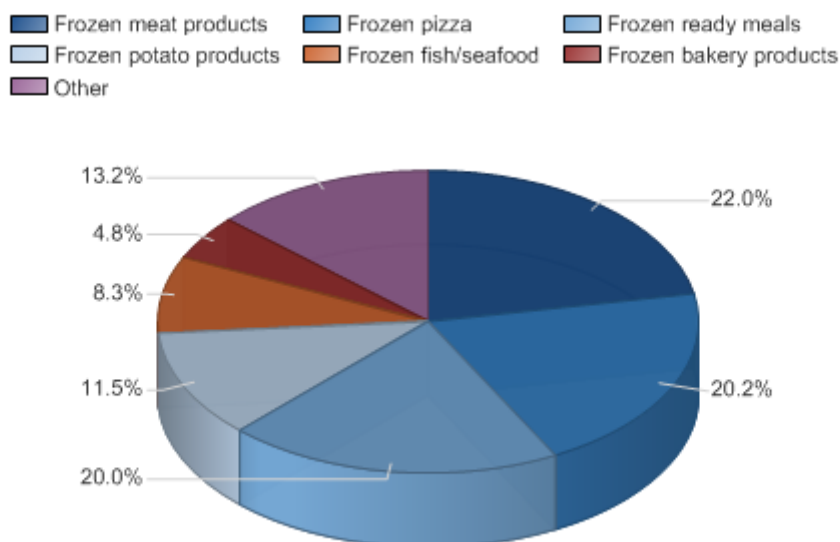
Table 125: Netherlands frozen food market category segmentation: \$ million, 2013

Category	2013	%
Frozen meat products	335.2	22.0%
Frozen pizza	307.6	20.2%
Frozen ready meals	304.5	20.0%
Frozen potato products	175.5	11.5%
Frozen fish/seafood	125.5	8.2%
Frozen bakery products	72.6	4.8%
Other	201.1	13.2%
Total	1,522	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 143: Netherlands frozen food market category segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

The Netherlands accounts for 3.3% of the European frozen food market value.

Germany accounts for a further 21.2% of the European market.

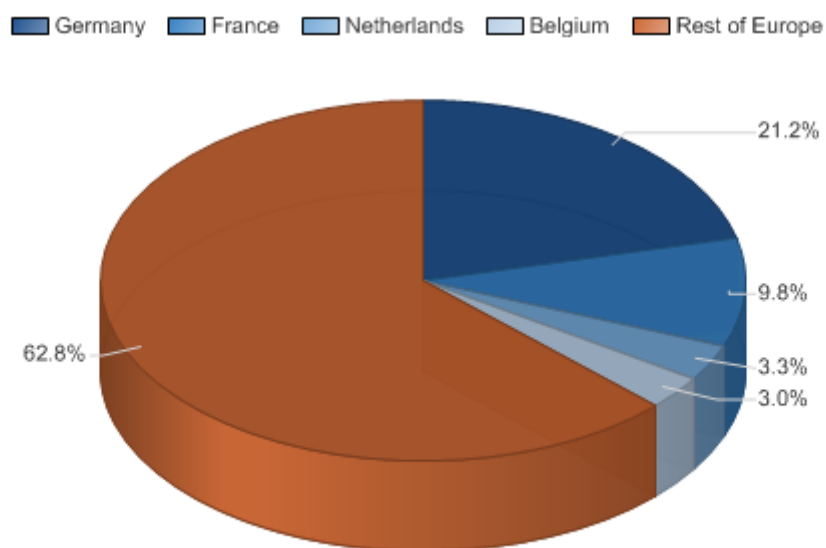
Table 126: Netherlands frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Germany	9,855.1	21.2
France	4,546.7	9.8
Netherlands	1,521.9	3.3
Belgium	1,412.5	3.0
Rest of Europe	29,222.9	62.8
Total	46,559.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 144: Netherlands frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Permira Advisers LLP is the leading player in the Dutch frozen food market, generating a 17.8% share of the market's value.

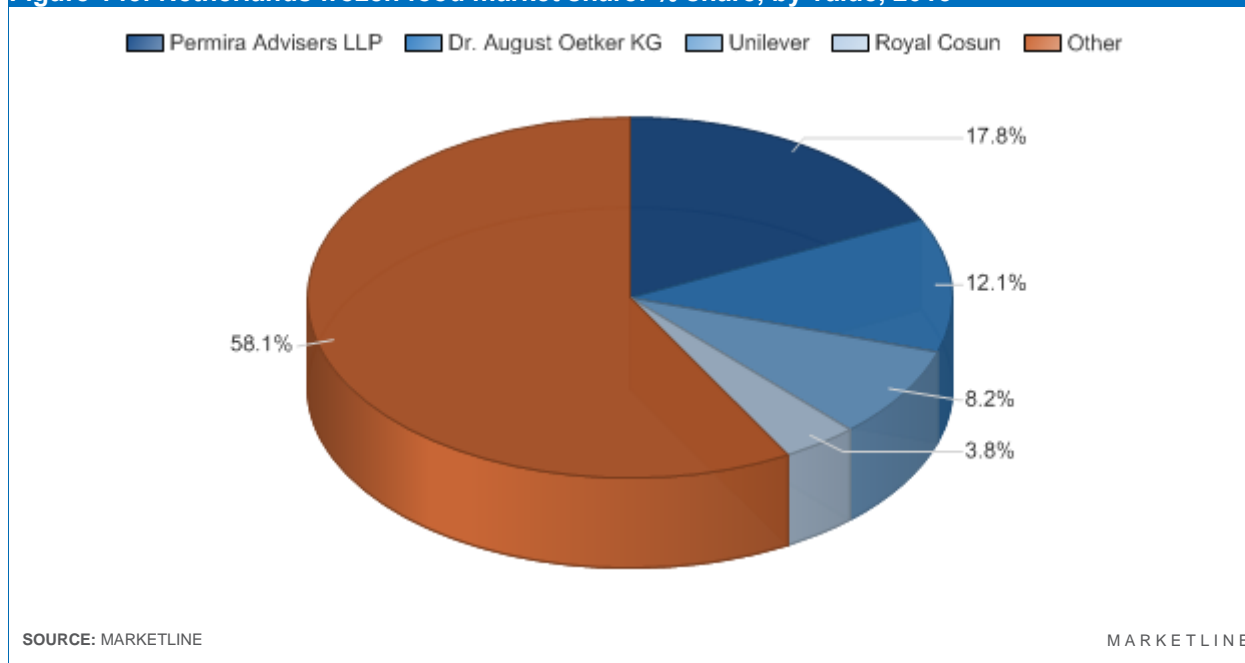
Dr. August Oetker KG accounts for a further 12.1% of the market.

Table 127: Netherlands frozen food market share: % share, by value, 2013

Company	% Share
Permira Advisers LLP	17.8%
Dr. August Oetker KG	12.1%
Unilever	8.2%
Royal Cosun	3.8%
Other	58.1%
Total	100%

SOURCE: MARKETLINE MARKETLINE

Figure 145: Netherlands frozen food market share: % share, by value, 2013



Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the Dutch frozen food market, accounting for a 82.9% share of the total market's value.

Convenience Stores accounts for a further 10.8% of the market.

Table 128: Netherlands frozen food market distribution: % share, by value, 2013

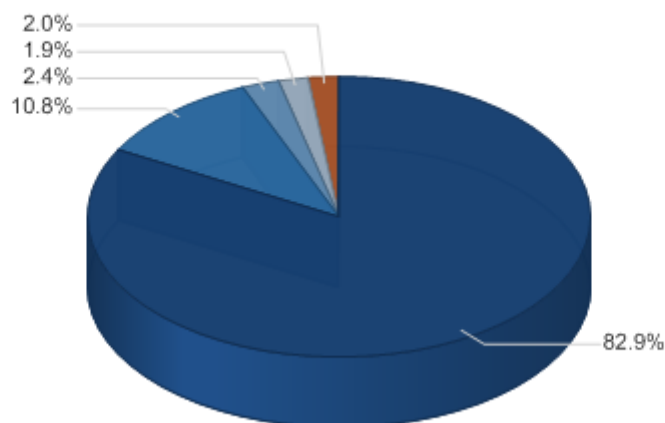
Channel	% Share
Supermarkets / hypermarkets	82.9%
Convenience Stores	10.8%
Specialist Retailers	2.4%
Service Stations	1.9%
Other	2.0%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 146: Netherlands frozen food market distribution: % share, by value, 2013

■ Supermarkets / hypermarkets
 ■ Convenience Stores
 ■ Specialist Retailers
■ Service Stations
 ■ Other



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the Dutch frozen food market is forecast to have a value of \$1,663.3 million, an increase of 9.3% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 1.8%.

Table 129: Netherlands frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	1,521.9	1,146.5	(0.6%)
2014	1,550.7	1,168.1	1.9%
2015	1,579.4	1,189.8	1.9%
2016	1,607.2	1,210.8	1.8%
2017	1,633.5	1,230.5	1.6%
2018	1,663.3	1,253.0	1.8%
CAGR: 2013–18			1.8%

SOURCE: MARKETLINE

MARKETLINE

Figure 147: Netherlands frozen food market value forecast: \$ million, 2013–18



Market volume forecast

In 2018, the Dutch frozen food market is forecast to have a volume of 310.7 million kilograms, an increase of 7.9% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 1.5%.

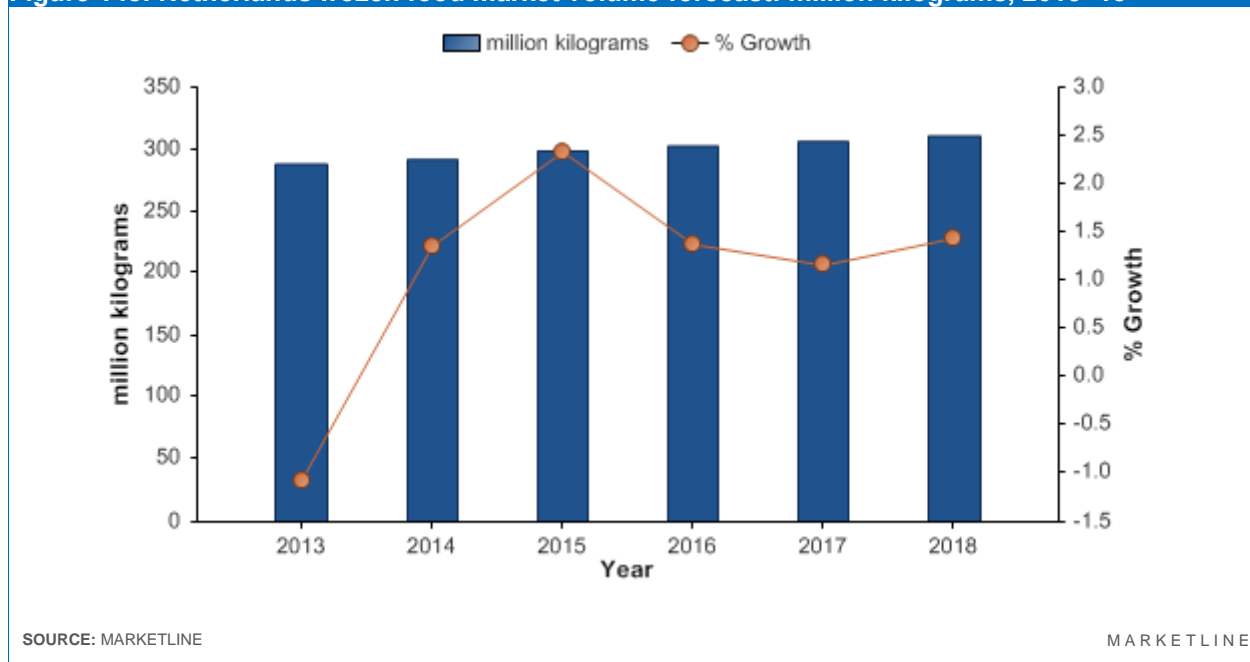
Table 130: Netherlands frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	288.0	(1.1%)
2014	291.9	1.4%
2015	298.7	2.3%
2016	302.8	1.4%
2017	306.3	1.2%
2018	310.7	1.4%
CAGR: 2013–18		1.5%

SOURCE: MARKETLINE

MARKETLINE

Figure 148: Netherlands frozen food market volume forecast: million kilograms, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 149: Forces driving competition in the frozen food market in the Netherlands, 2013

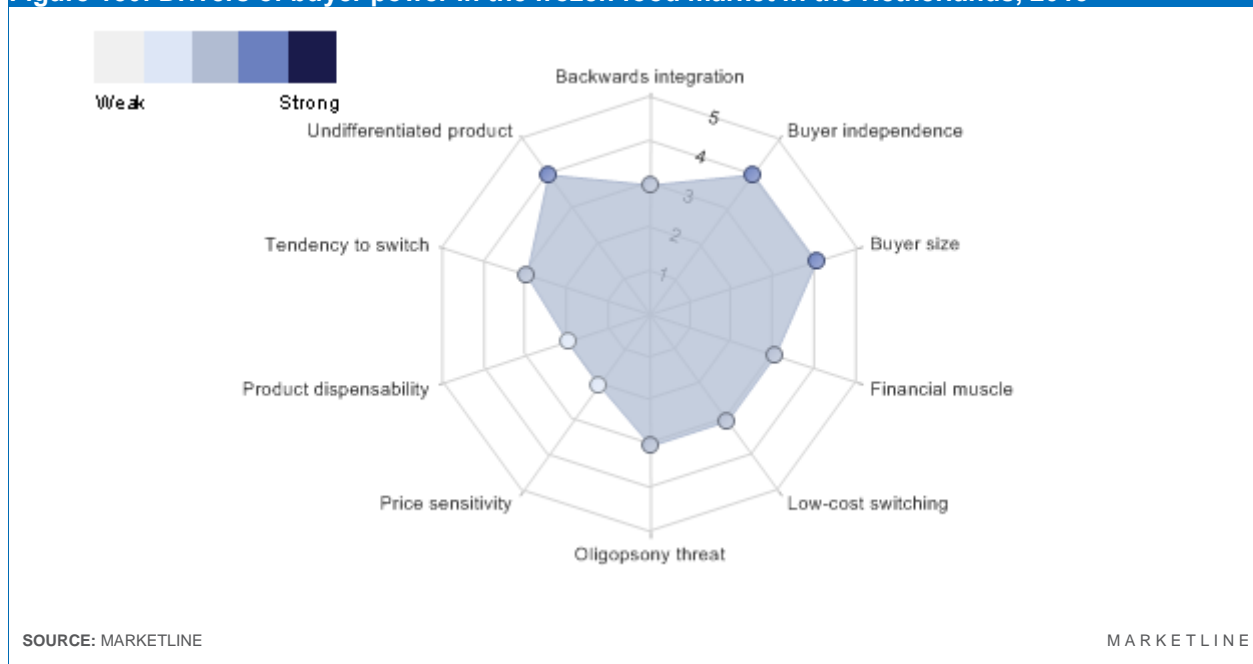


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

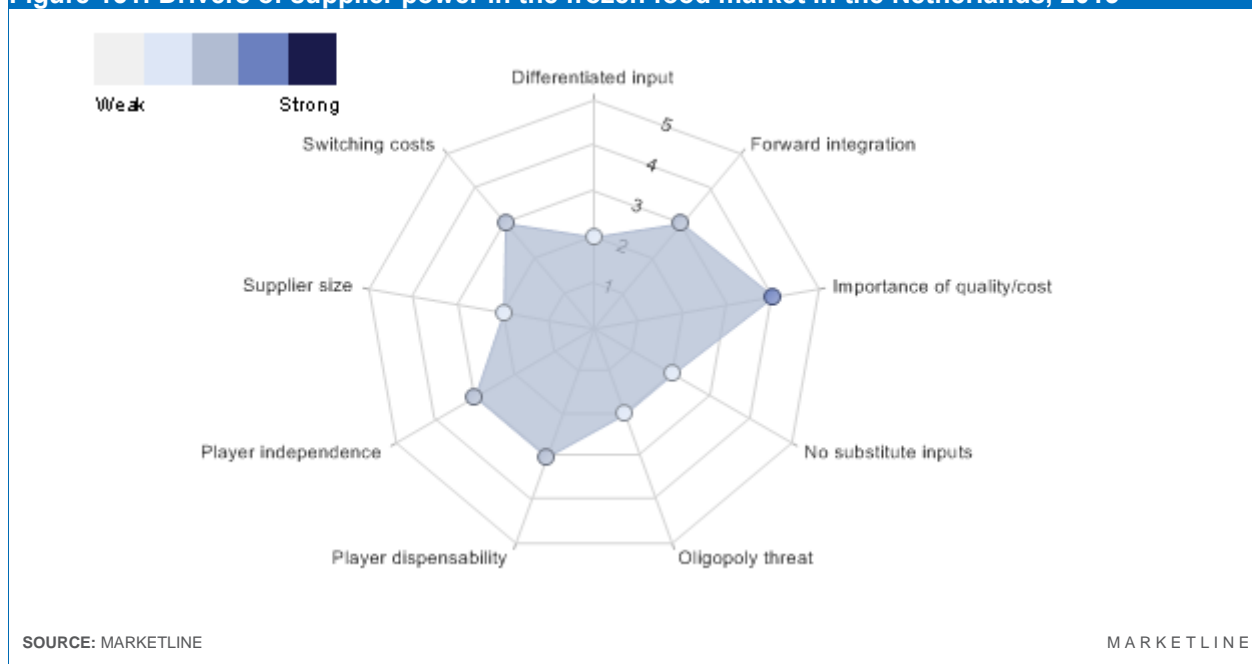
Figure 150: Drivers of buyer power in the frozen food market in the Netherlands, 2013



The main distribution channels for the Dutch frozen food market are supermarkets and hypermarkets, which account for 82.9% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Jumbo and Coop Supermarkten tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 151: Drivers of supplier power in the frozen food market in the Netherlands, 2013

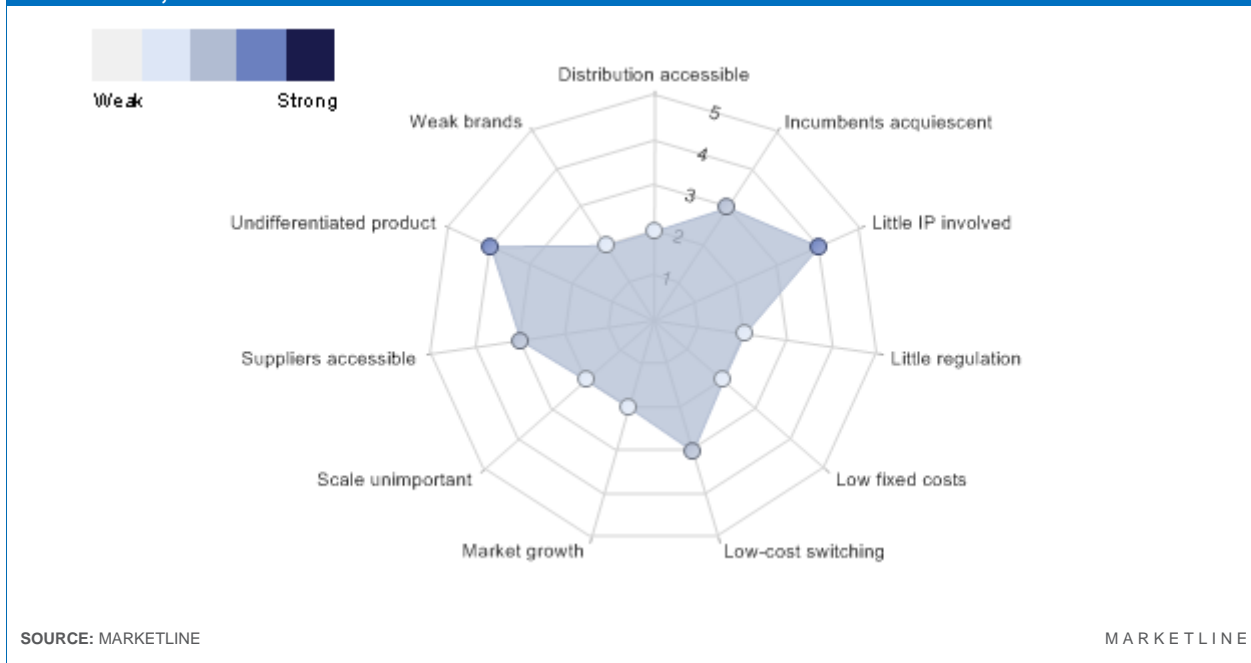


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 152: Factors influencing the likelihood of new entrants in the frozen food market in the Netherlands, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Weak Dutch growth in recent years is unlikely to be enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 153: Factors influencing the threat of substitutes in the frozen food market in the Netherlands, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 154: Drivers of degree of rivalry in the frozen food market in the Netherlands, 2013



The Dutch frozen food market is relatively fragmented with the top four players accounting for 41.9% of the total market value, indicating a fairly large number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Weak Dutch growth in recent years may increase rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 131: Netherlands size of population (million), 2009–13

Year	Population (million)	% Growth
2009	16.5	0.5%
2010	16.6	0.5%
2011	16.7	0.5%
2012	16.7	0.4%
2013	16.8	0.3%

SOURCE: MARKETLINE

MARKETLINE

Table 132: Netherlands gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	674.0	(3.7%)
2010	684.4	1.6%
2011	690.9	0.9%
2012	682.3	(1.2%)
2013	676.7	(0.8%)

SOURCE: MARKETLINE

MARKETLINE

Table 133: Netherlands gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	798.4	(8.7%)
2010	778.6	(2.5%)
2011	833.5	7.1%
2012	770.5	(7.6%)
2013	799.9	3.8%

SOURCE: MARKETLINE

MARKETLINE

Table 134: Netherlands inflation, 2009–13

Year	Inflation Rate (%)
2009	1.0%
2010	0.9%
2011	2.4%
2012	2.8%
2013	2.6%

SOURCE: MARKETLINE

MARKETLINE

Table 135: Netherlands consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	106.5
2010	107.4
2011	110.1
2012	113.2
2013	116.1

SOURCE: MARKETLINE

MARKETLINE

Table 136: Netherlands exchange rate, 2009–13

Year	Exchange rate (\$/€)
2009	0.7192
2010	0.7549
2011	0.7188
2012	0.7782
2013	0.7533

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN SPAIN

Market Overview

Market analysis

Spain's frozen foods market experienced moderate growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will continue to perform at a similar rate of growth during 2013-2018.

The Spanish frozen food market had total revenues of \$3,341.4m in 2013, representing a compound annual growth rate (CAGR) of 3.3% between 2009 and 2013. In comparison, the French and German markets grew with CAGRs of 2.5% and 3.7% respectively, over the same period, to reach respective values of \$4,546.7m and \$9,855.1m in 2013.

Market consumption volumes increased with a CAGR of 2.1% between 2009 and 2013, to reach a total of 705.6 million kilograms in 2013. The market's volume is expected to rise to 779 million kilograms by the end of 2018, representing a CAGR of 2% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the Spanish frozen food market in 2013, sales through this channel generated \$1,912.3m, equivalent to 57.2% of the market's overall value. Sales through independent retailers generated revenues of \$925.6m in 2013, equating to 27.7% of the market's aggregate revenues.

The performance of the market is forecast to follow a similar pattern with an anticipated CAGR of 3.3% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$3,921.7m by the end of 2018. Comparatively, the French and German markets will grow with CAGRs of 1.8% and 3.9% respectively, over the same period, to reach respective values of \$4,964.1m and \$11,905.9m in 2018.

Market Data

Market value

The Spanish frozen food market grew by 2.1% in 2013 to reach a value of \$3,341.4 million.

The compound annual growth rate of the market in the period 2009–13 was 3.3%.

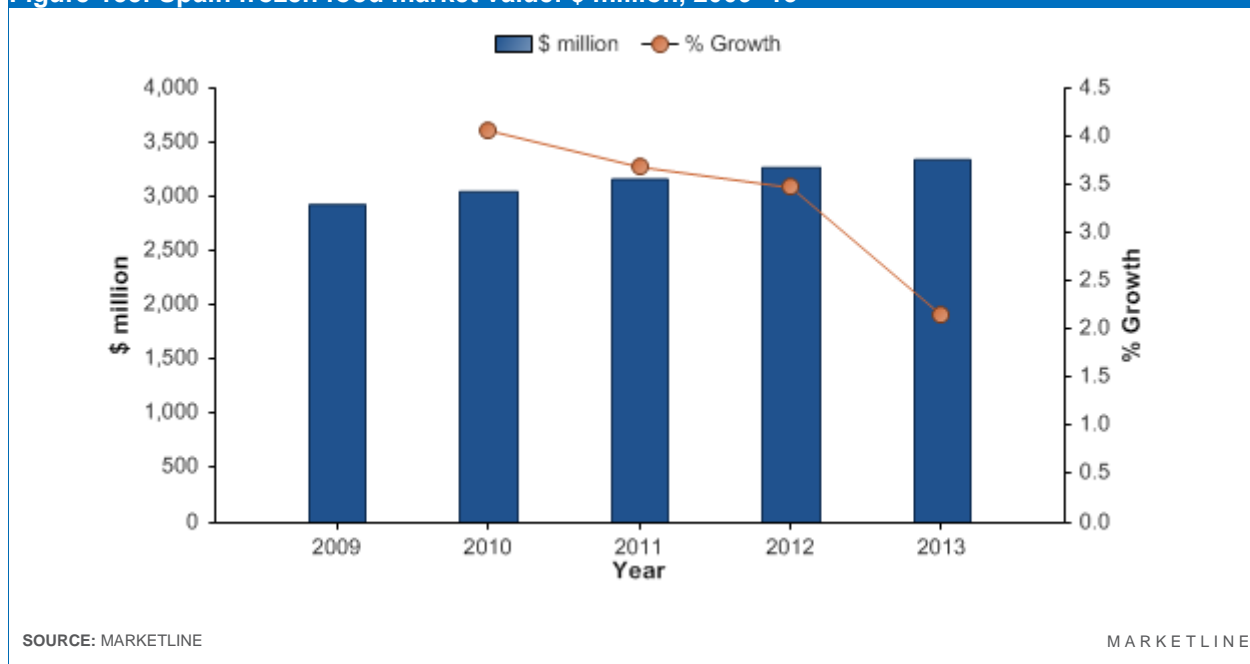
Table 137: Spain frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	% Growth
2009	2,930.3	2,207.5	
2010	3,049.3	2,297.1	4.1%
2011	3,161.6	2,381.7	3.7%
2012	3,271.4	2,464.4	3.5%
2013	3,341.4	2,517.2	2.1%
CAGR: 2009–13			3.3%

SOURCE: MARKETLINE

MARKETLINE

Figure 155: Spain frozen food market value: \$ million, 2009–13



Market volume

The Spanish frozen food market grew by 1.7% in 2013 to reach a volume of 705.6 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 2.1%.

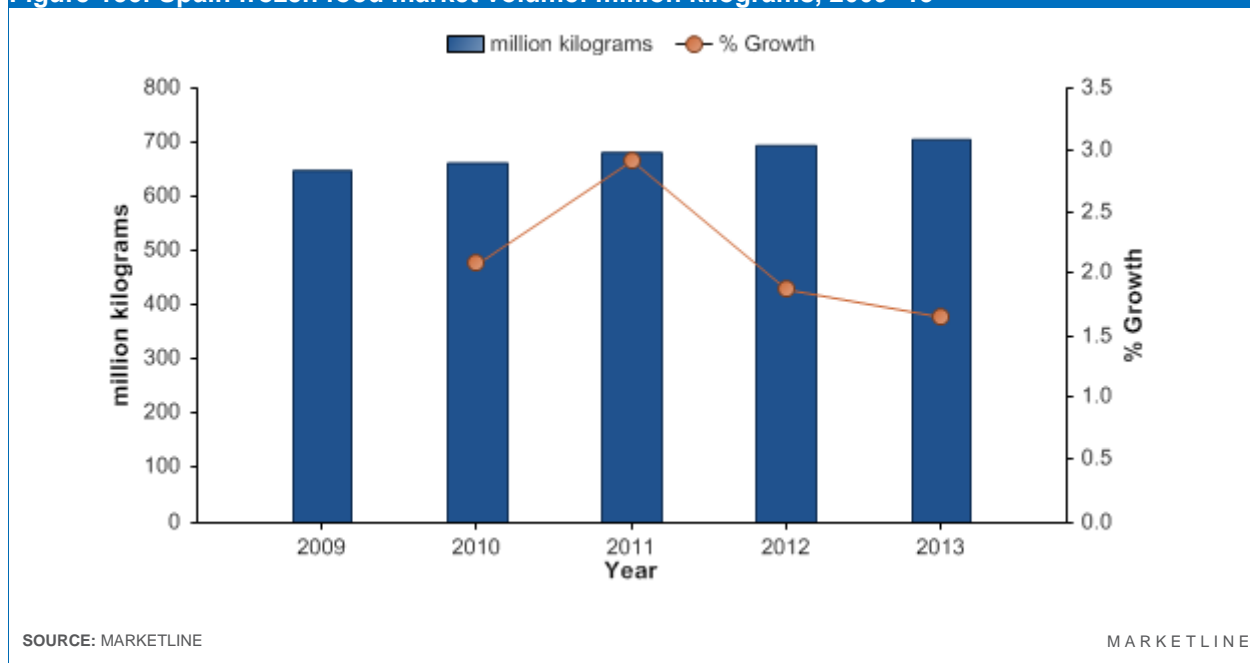
Table 138: Spain frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	648.5	
2010	662.0	2.1%
2011	681.3	2.9%
2012	694.1	1.9%
2013	705.6	1.7%
CAGR: 2009–13		2.1%

SOURCE: MARKETLINE

MARKETLINE

Figure 156: Spain frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen fish/seafood is the largest segment of the frozen food market in Spain, accounting for 31.1% of the market's total value.

The Frozen bakery products segment accounts for a further 13.2% of the market.

Table 139: Spain frozen food market category segmentation: \$ million, 2013

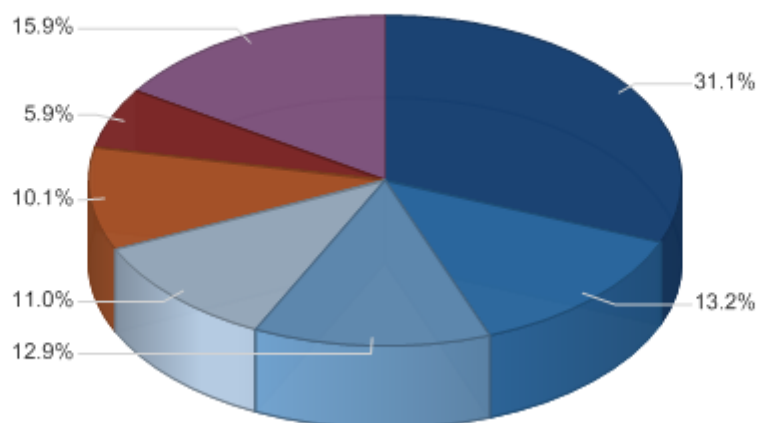
Category	2013	%
Frozen fish/seafood	1,038.0	31.1%
Frozen bakery products	441.3	13.2%
Frozen ready meals	431.6	12.9%
Frozen pizza	366.7	11.0%
Frozen meat products	336.7	10.1%
Frozen potato products	197.4	5.9%
Other	529.7	15.9%
Total	3,341.4	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 157: Spain frozen food market category segmentation: % share, by value, 2013

■ Frozen fish/seafood
 ■ Frozen bakery products
 ■ Frozen ready meals
 ■ Frozen pizza
■ Frozen meat products
■ Frozen potato products
■ Other



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

Spain accounts for 7.2% of the European frozen food market value.

Germany accounts for a further 21.2% of the European market.

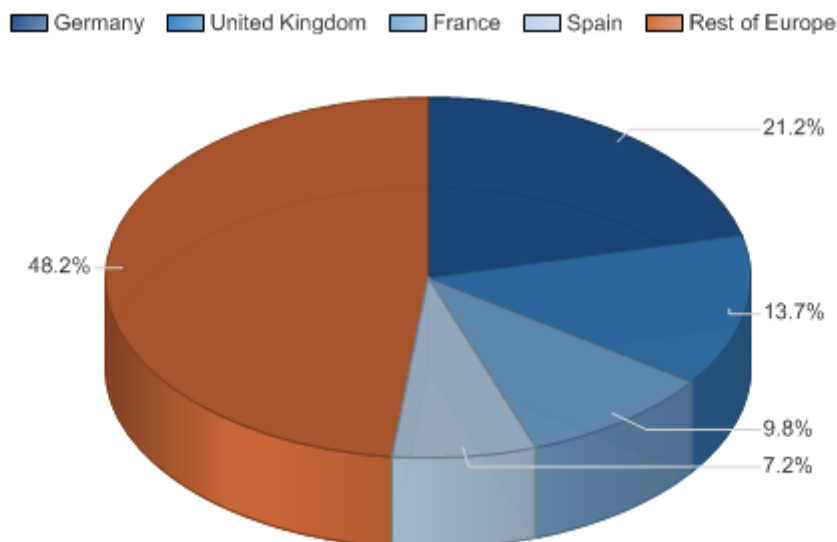
Table 140: Spain frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Germany	9,855.1	21.2
United Kingdom	6,367.6	13.7
France	4,546.7	9.8
Spain	3,341.4	7.2
Rest of Europe	22,448.3	48.2
Total	46,559.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 158: Spain frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Pescanova SA is the leading player in the Spanish frozen food market, generating a 12.4% share of the market's value.

Bonduelle S.A. accounts for a further 5.6% of the market.

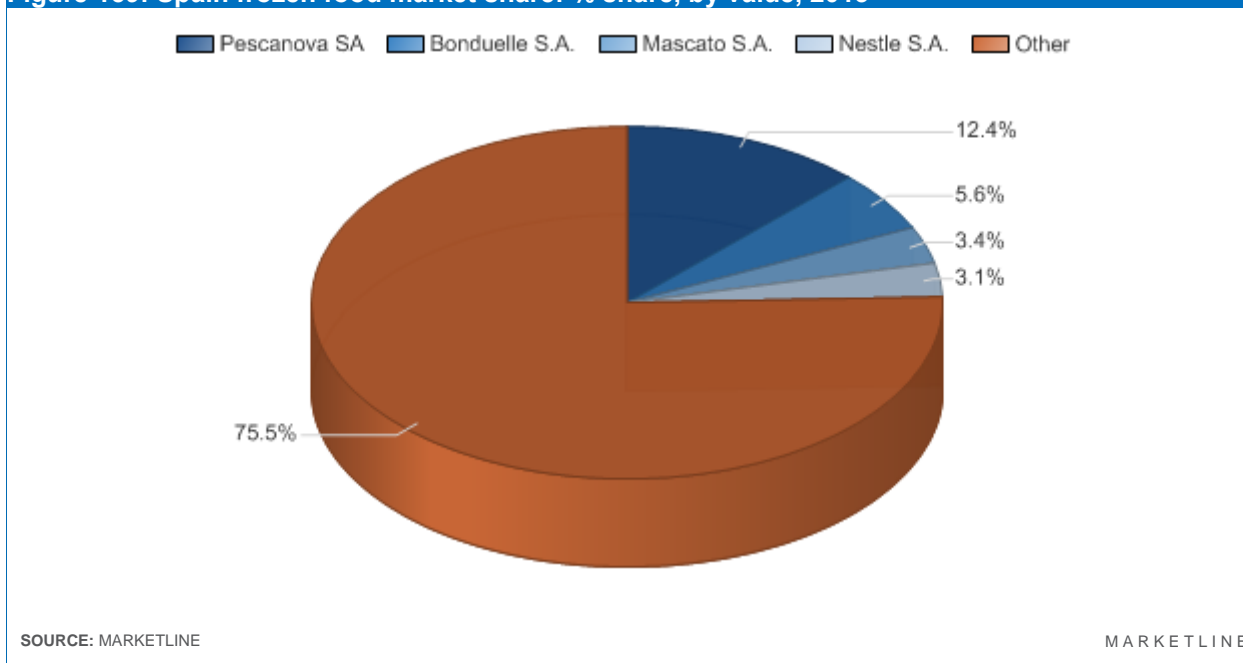
Table 141: Spain frozen food market share: % share, by value, 2013

Company	% Share
Pescanova SA	12.4%
Bonduelle S.A.	5.6%
Mascato S.A.	3.4%
Nestle S.A.	3.1%
Other	75.6%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 159: Spain frozen food market share: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the Spanish frozen food market, accounting for a 57.2% share of the total market's value.

Independent Retailers accounts for a further 27.7% of the market.

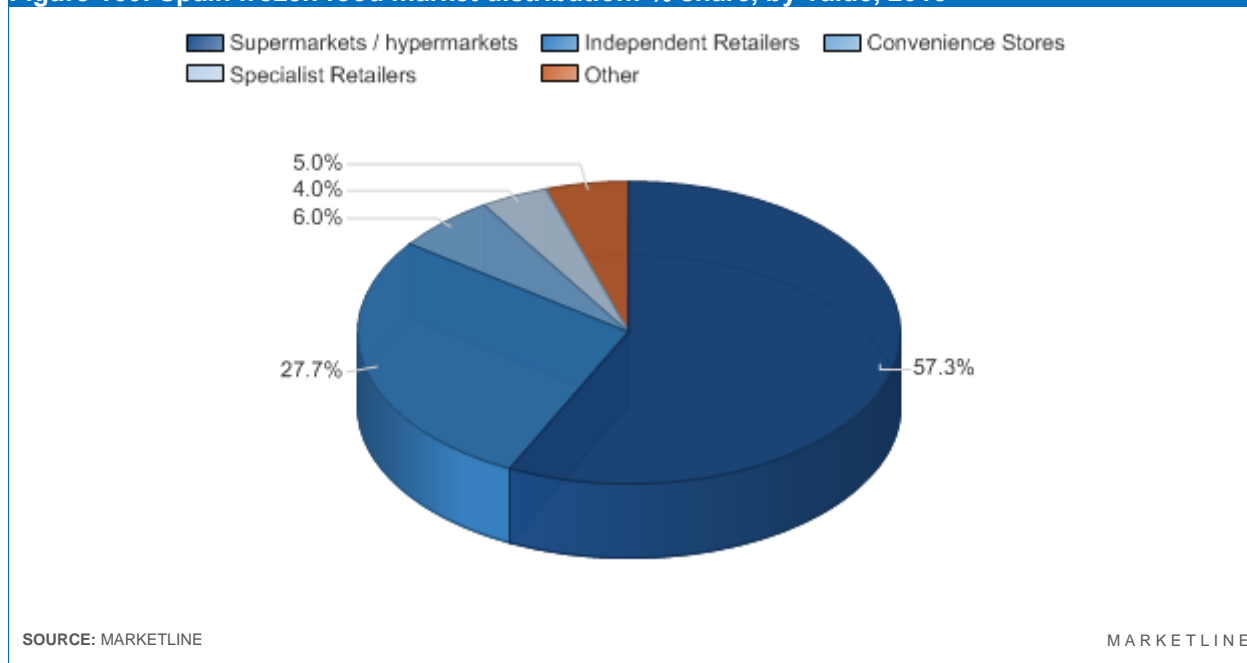
Table 142: Spain frozen food market distribution: % share, by value, 2013

Channel	% Share
Supermarkets / hypermarkets	57.2%
Independent Retailers	27.7%
Convenience Stores	6.0%
Specialist Retailers	4.0%
Other	5.0%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 160: Spain frozen food market distribution: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the Spanish frozen food market is forecast to have a value of \$3,921.7 million, an increase of 17.4% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 3.3%.

Table 143: Spain frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	3,341.4	2,517.2	2.1%
2014	3,453.8	2,601.8	3.4%
2015	3,563.7	2,680.6	3.2%
2016	3,674.0	2,767.7	3.1%
2017	3,804.7	2,866.2	3.6%
2018	3,921.7	2,954.3	3.1%

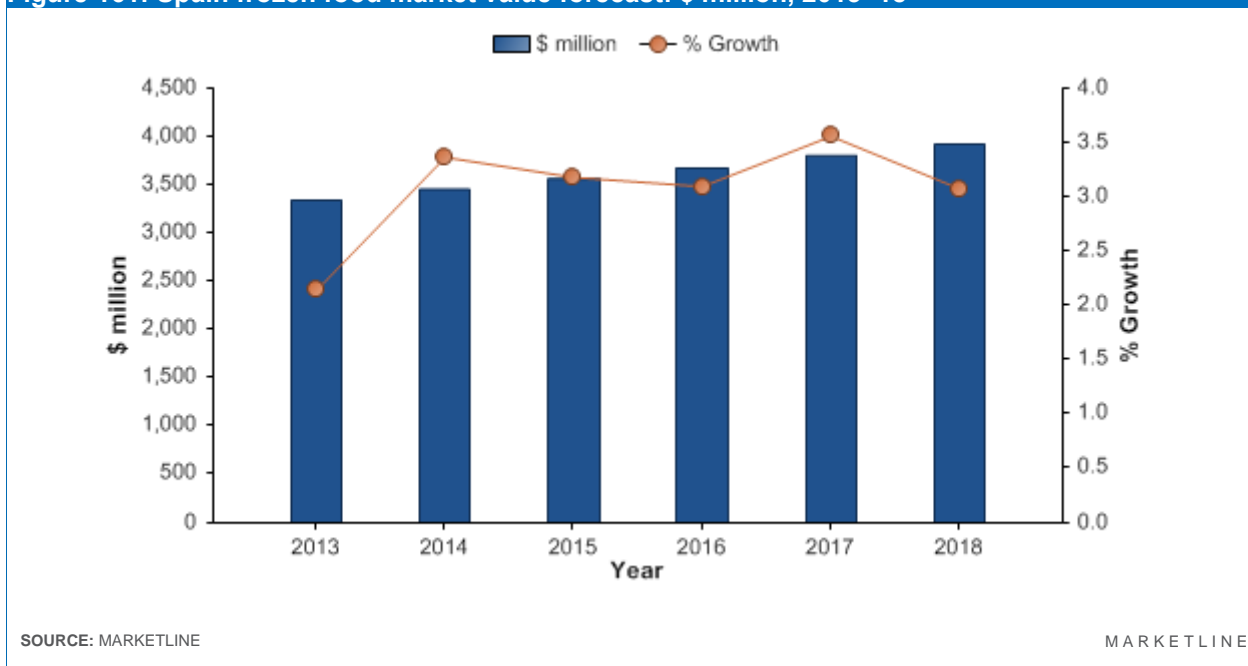
CAGR: 2013–18

3.3%

SOURCE: MARKETLINE

MARKETLINE

Figure 161: Spain frozen food market value forecast: \$ million, 2013–18



Market volume forecast

In 2018, the Spanish frozen food market is forecast to have a volume of 779 million kilograms, an increase of 10.4% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 2%.

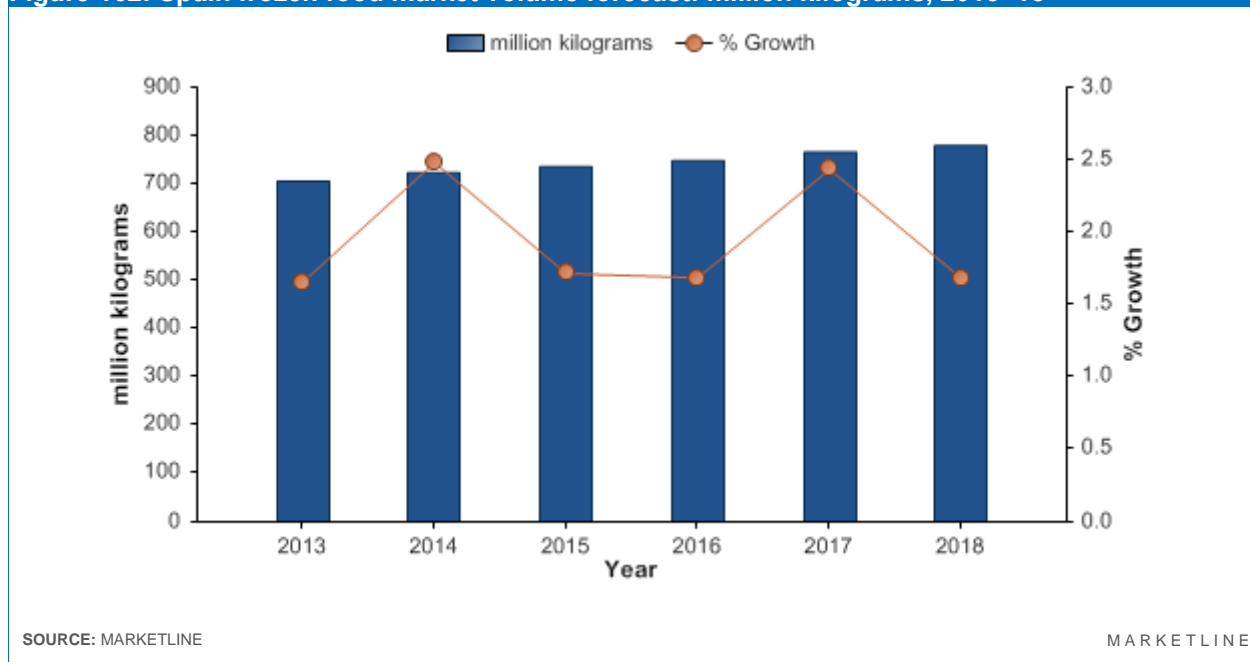
Table 144: Spain frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	705.6	1.7%
2014	723.1	2.5%
2015	735.5	1.7%
2016	747.9	1.7%
2017	766.1	2.4%
2018	779.0	1.7%
CAGR: 2013–18		2.0%

SOURCE: MARKETLINE

MARKETLINE

Figure 162: Spain frozen food market volume forecast: million kilograms, 2013–18



SOURCE: MARKETLINE

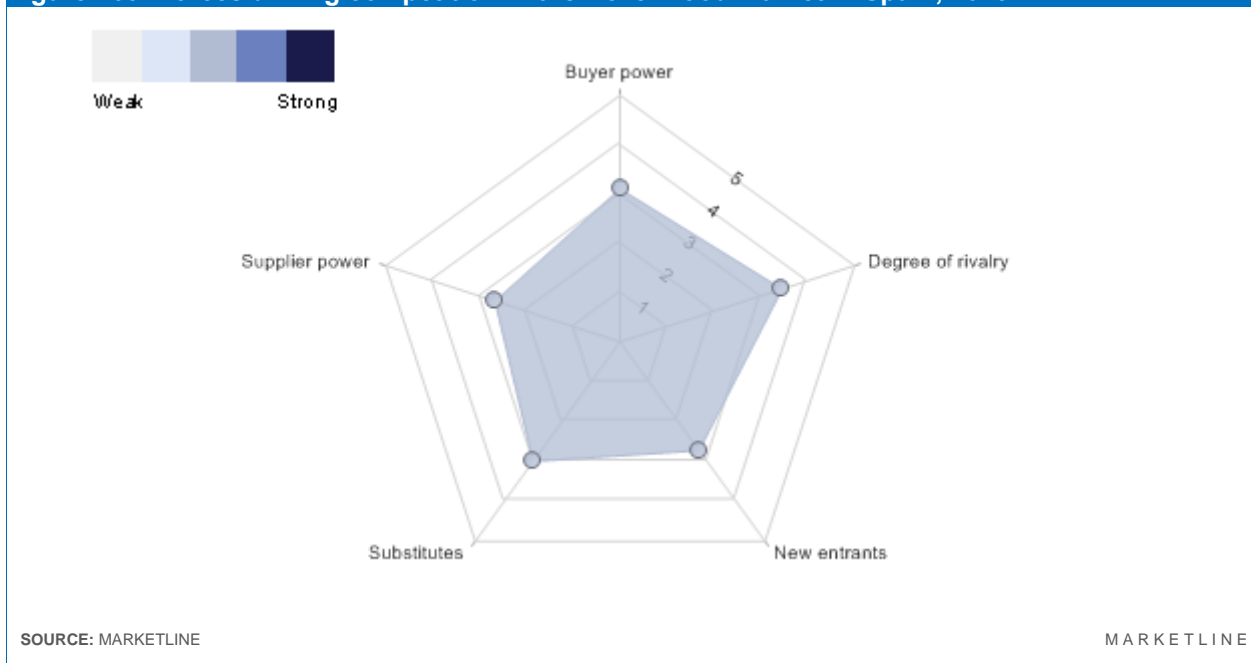
MARKETLINE

Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 163: Forces driving competition in the frozen food market in Spain, 2013

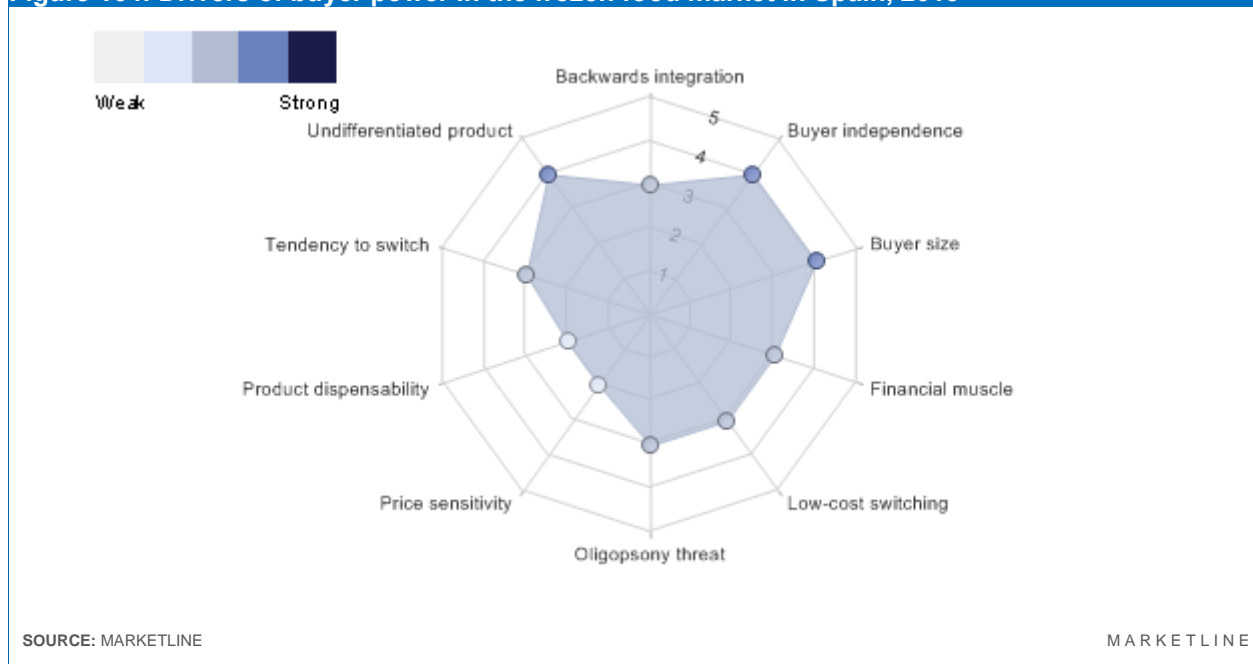


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

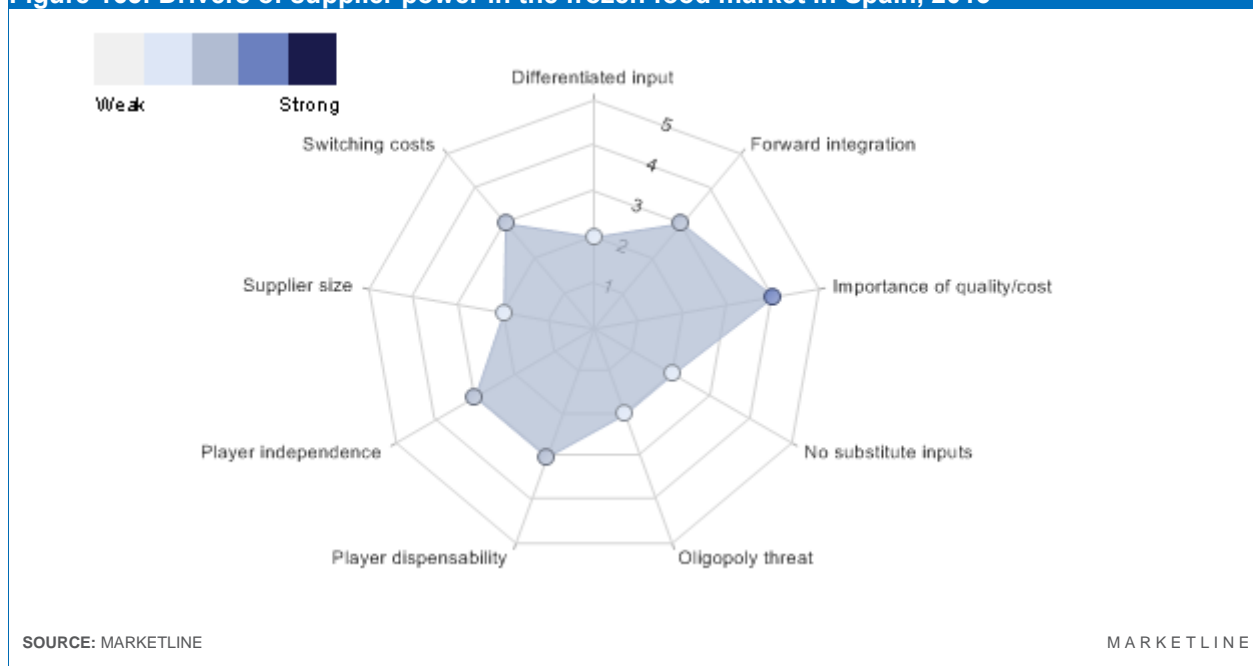
Figure 164: Drivers of buyer power in the frozen food market in Spain, 2013



The main distribution channels for Spain's frozen food market are supermarkets and hypermarkets, which account for 57.2% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Caprabo tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 165: Drivers of supplier power in the frozen food market in Spain, 2013

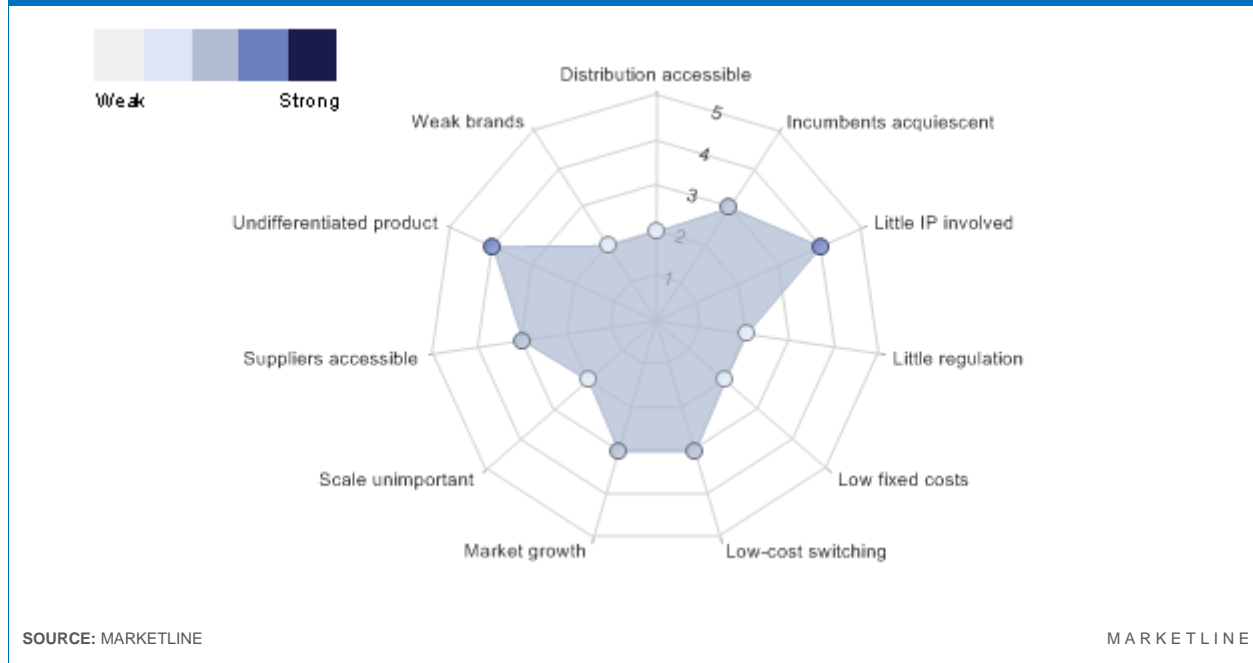


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 166: Factors influencing the likelihood of new entrants in the frozen food market in Spain, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Moderate Spanish growth in recent years is not likely to be particularly enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 167: Factors influencing the threat of substitutes in the frozen food market in Spain, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 168: Drivers of degree of rivalry in the frozen food market in Spain, 2013



The Spanish frozen food market is highly fragmented with the top four players accounting for 24.4% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Moderate Spanish growth in recent years may ease rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 145: Spain size of population (million), 2009–13

Year	Population (million)	% Growth
2009	46.5	0.5%
2010	46.7	0.4%
2011	46.8	0.3%
2012	46.7	(0.2%)
2013	47.0	0.7%

SOURCE: MARKETLINE

MARKETLINE

Table 146: Spain gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	1,183.7	(3.8%)
2010	1,181.3	(0.2%)
2011	1,181.9	0.1%
2012	1,162.5	(1.6%)
2013	1,148.3	(1.2%)

SOURCE: MARKETLINE

MARKETLINE

Table 147: Spain gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	1,458.1	(8.9%)
2010	1,387.4	(4.8%)
2011	1,455.9	4.9%
2012	1,322.9	(9.1%)
2013	1,358.3	2.7%

SOURCE: MARKETLINE

MARKETLINE

Table 148: Spain inflation, 2009–13

Year	Inflation Rate (%)
2009	(0.3%)
2010	2.0%
2011	3.1%
2012	2.4%
2013	1.5%

SOURCE: MARKETLINE

MARKETLINE

Table 149: Spain consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	110.5
2010	112.7
2011	116.2
2012	119.0
2013	120.8

SOURCE: MARKETLINE

MARKETLINE

Table 150: Spain exchange rate, 2009–13

Year	Exchange rate (\$/€)
2009	0.7192
2010	0.7549
2011	0.7188
2012	0.7782
2013	0.7533

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN THE UNITED KINGDOM

Market Overview

Market analysis

The UK's frozen foods market experienced weak growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will return accelerated growth during 2013-2018.

The UK frozen food market had total revenues of \$6,367.6m in 2013, representing a compound annual growth rate (CAGR) of 1.4% between 2009 and 2013. In comparison, the French and German markets grew with CAGRs of 2.5% and 3.7% respectively, over the same period, to reach respective values of \$4,546.7m and \$9,855.1m in 2013.

Market consumption volumes increased with a CAGR of 1.1% between 2009 and 2013, to reach a total of 1,370.1 million kilograms in 2013. The market's volume is expected to rise to 1,508.6 million kilograms by the end of 2018, representing a CAGR of 1.9% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the UK frozen food market in 2013, sales through this channel generated \$5,317.6m, equivalent to 83.5% of the market's overall value. Sales through convenience stores generated revenues of \$698.5m in 2013, equating to 11% of the market's aggregate revenues.

The performance of the market is forecast to accelerate, with an anticipated CAGR of 2.6% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$7,250.7m by the end of 2018. Comparatively, the French and German markets will grow with CAGRs of 1.8% and 3.9% respectively, over the same period, to reach respective values of \$4,964.1m and \$11,905.9m in 2018.

Market Data

Market value

The United Kingdom frozen food market grew by 1% in 2013 to reach a value of \$6,367.6 million.

The compound annual growth rate of the market in the period 2009–13 was 1.4%.

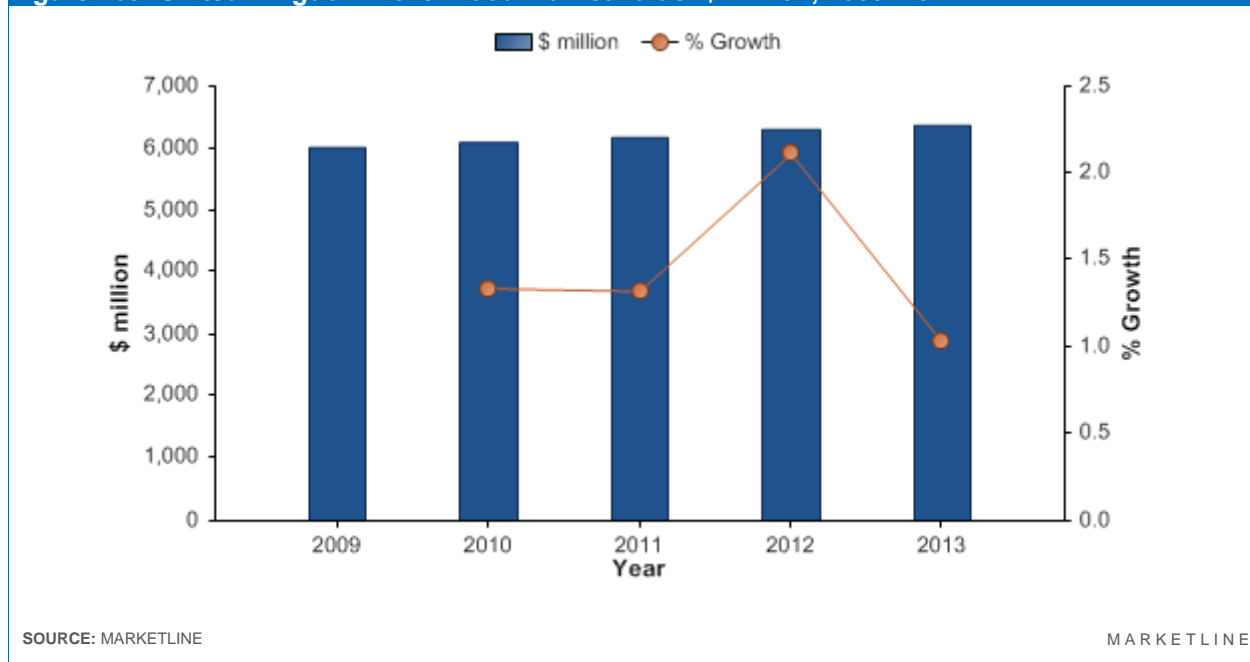
Table 151: United Kingdom frozen food market value: \$ million, 2009–13

Year	\$ million	£ million	€ million	% Growth
2009	6,012.0	3,845.9	4,529.3	
2010	6,092.3	3,897.3	4,589.9	1.3%
2011	6,172.7	3,948.7	4,650.5	1.3%
2012	6,303.0	4,032.0	4,748.6	2.1%
2013	6,367.6	4,073.4	4,797.3	1.0%
CAGR: 2009–13				1.4%

SOURCE: MARKETLINE

MARKETLINE

Figure 169: United Kingdom frozen food market value: \$ million, 2009–13



Market volume

The United Kingdom frozen food market grew by 0.8% in 2013 to reach a volume of 1,370.1 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 1.1%.

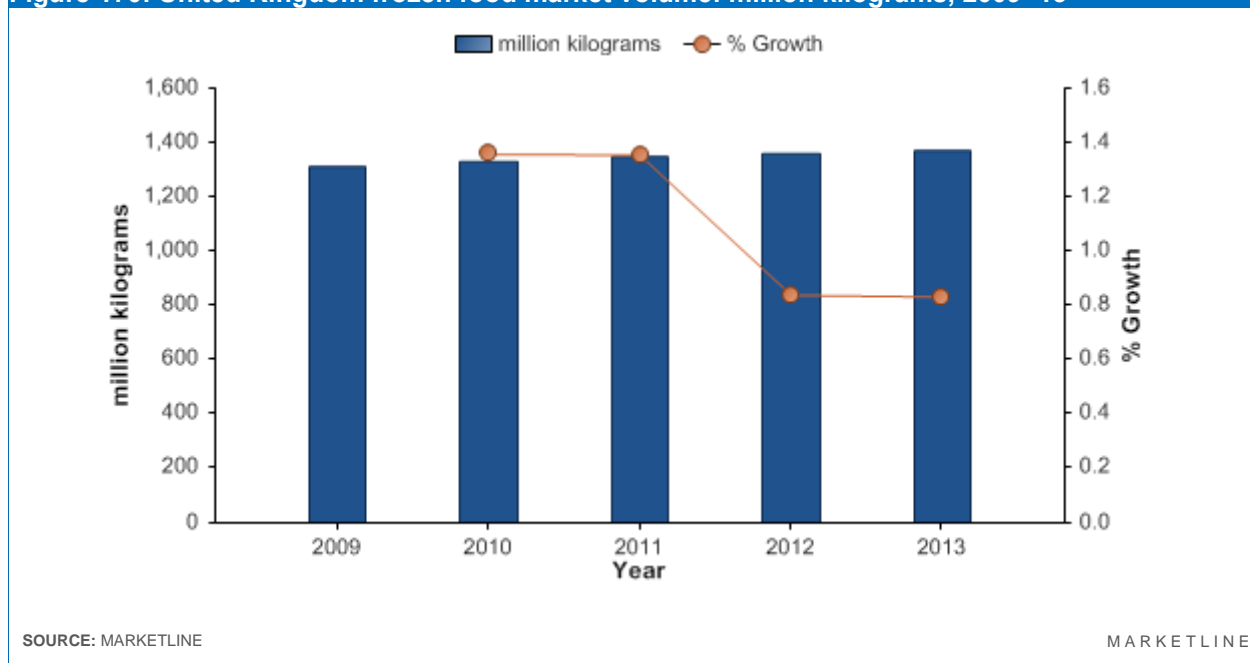
Table 152: United Kingdom frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	1,311.7	
2010	1,329.5	1.4%
2011	1,347.5	1.4%
2012	1,358.8	0.8%
2013	1,370.1	0.8%
CAGR: 2009–13		1.1%

SOURCE: MARKETLINE

MARKETLINE

Figure 170: United Kingdom frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen fish/seafood is the largest segment of the frozen food market in the United Kingdom, accounting for 21.1% of the market's total value.

The Frozen meat products segment accounts for a further 15.2% of the market.

Table 153: United Kingdom frozen food market category segmentation: \$ million, 2013

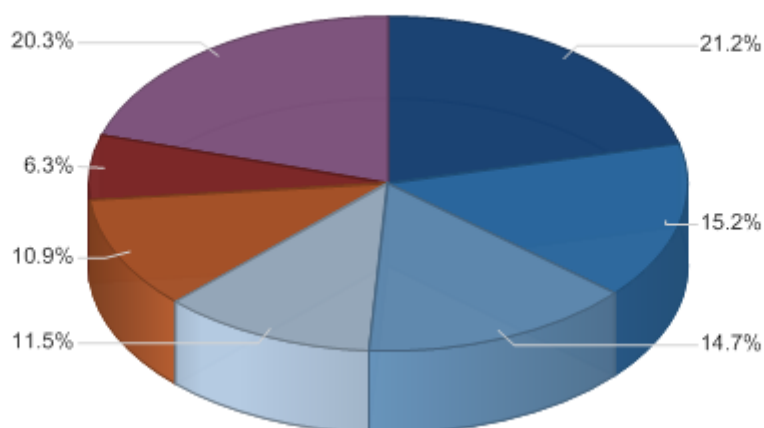
Category	2013	%
Frozen fish/seafood	1,346.6	21.1%
Frozen meat products	967.2	15.2%
Frozen potato products	934.7	14.7%
Frozen pizza	734.8	11.5%
Frozen ready meals	693.2	10.9%
Frozen bakery products	397.7	6.2%
Other	1,293.3	20.3%
Total	6,367.5	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 171: United Kingdom frozen food market category segmentation: % share, by value, 2013

■ Frozen fish/seafood
 ■ Frozen meat products
 ■ Frozen potato products
 ■ Frozen pizza
■ Frozen ready meals
■ Frozen bakery products
■ Other



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

The United Kingdom accounts for 13.7% of the European frozen food market value.

Germany accounts for a further 21.2% of the European market.

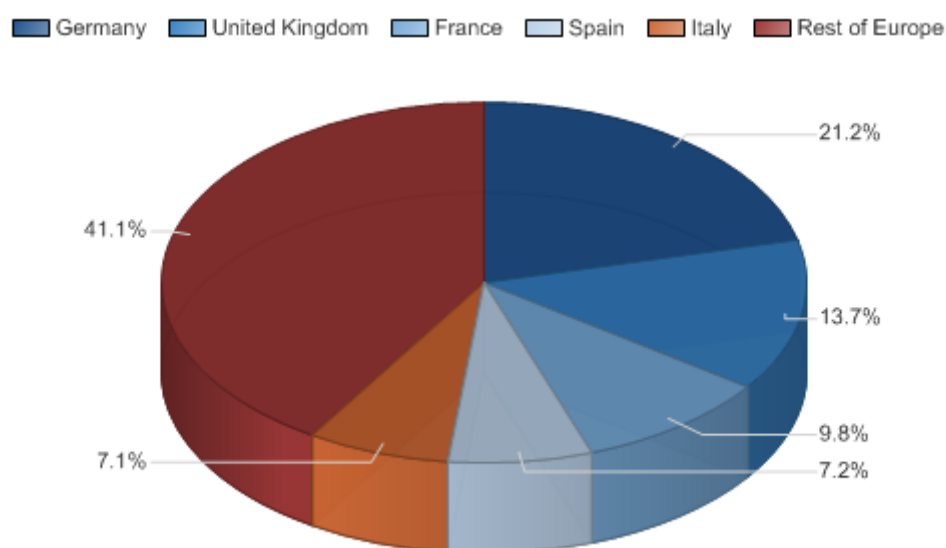
Table 154: United Kingdom frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Germany	9,855.1	21.2
United Kingdom	6,367.6	13.7
France	4,546.7	9.8
Spain	3,341.4	7.2
Italy	3,315.1	7.1
Rest of Europe	19,133.2	41.1
Total	46,559.1	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 172: United Kingdom frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Permira Advisers LLP is the leading player in the United Kingdom frozen food market, generating a 6.1% share of the market's value.

McCain Foods Limited accounts for a further 4.1% of the market.

Table 155: United Kingdom frozen food market share: % share, by value, 2013

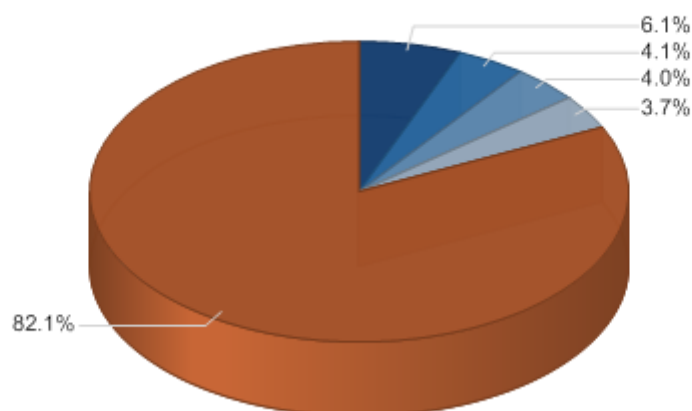
Company	% Share
Permira Advisers LLP	6.1%
McCain Foods Limited	4.1%
Dr. August Oetker KG	4.0%
Findus Group Limited	3.7%
Other	82.1%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 173: United Kingdom frozen food market share: % share, by value, 2013

Permira Advisers LLP McCain Foods Limited Dr. August Oetker KG
Findus Group Limited Other



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the United Kingdom frozen food market, accounting for a 83.5% share of the total market's value.

Convenience Stores accounts for a further 11% of the market.

Table 156: United Kingdom frozen food market distribution: % share, by value, 2013

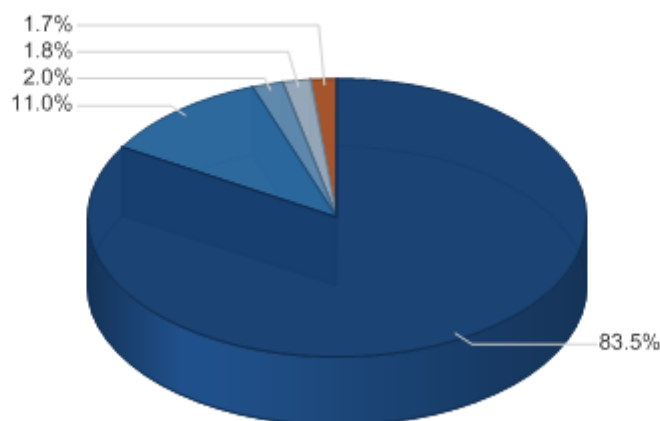
Channel	% Share
Supermarkets / hypermarkets	83.5%
Convenience Stores	11.0%
Specialist Retailers	2.0%
Independent Retailers	1.8%
Other	1.7%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 174: United Kingdom frozen food market distribution: % share, by value, 2013

■ Supermarkets / hypermarkets
 ■ Convenience Stores
 ■ Specialist Retailers
 ■ Independent Retailers
 ■ Other



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the United Kingdom frozen food market is forecast to have a value of \$7,250.7 million, an increase of 13.9% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 2.6%.

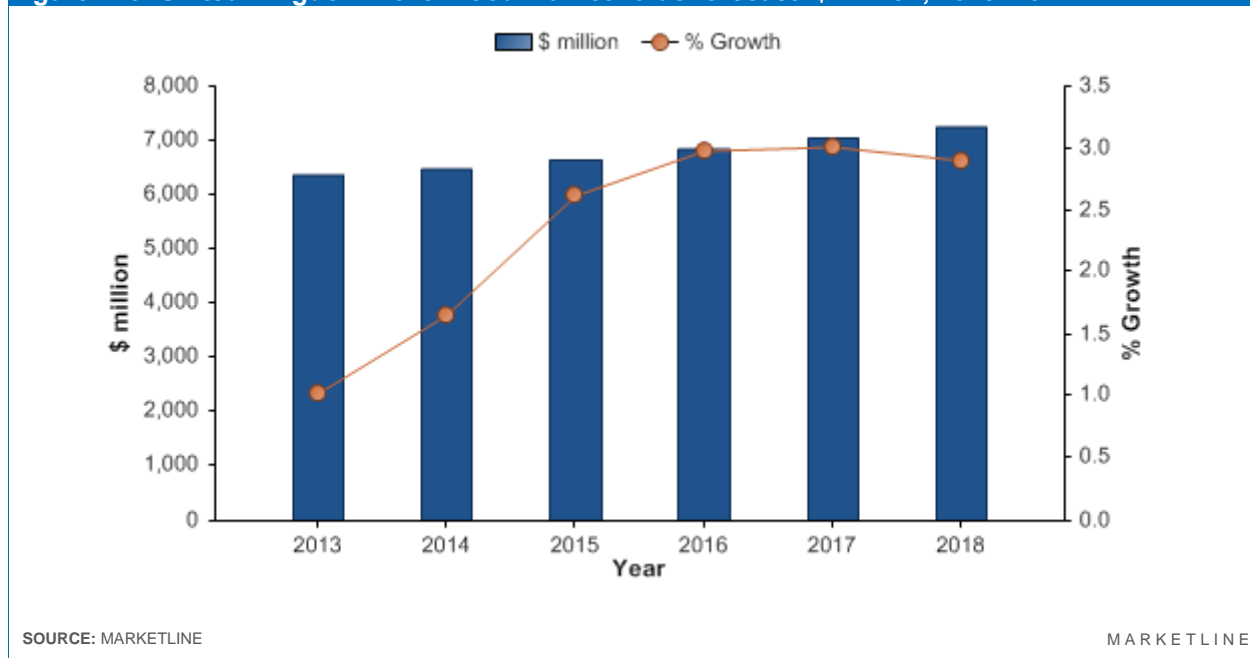
Table 157: United Kingdom frozen food market value forecast: \$ million, 2013–18

Year	\$ million	£ million	€ million	% Growth
2013	6,367.6	4,073.4	4,797.3	1.0%
2014	6,473.2	4,140.9	4,876.8	1.7%
2015	6,642.6	4,249.3	5,004.4	2.6%
2016	6,840.4	4,375.8	5,153.5	3.0%
2017	7,046.3	4,507.5	5,308.6	3.0%
2018	7,250.7	4,638.3	5,462.6	2.9%
CAGR: 2013–18				2. %

SOURCE: MARKETLINE

MARKETLINE

Figure 175: United Kingdom frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the United Kingdom frozen food market is forecast to have a volume of 1,508.6 million kilograms, an increase of 10.1% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 1.9%.

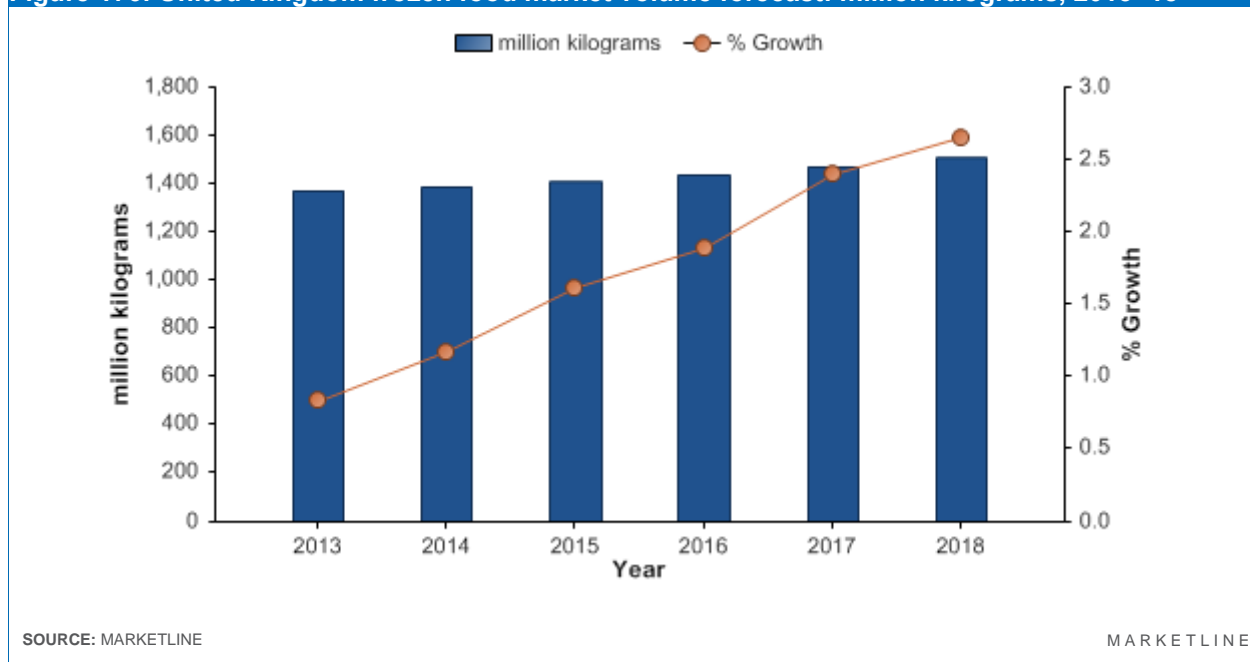
Table 158: United Kingdom frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	1,370.1	0.8%
2014	1,386.2	1.2%
2015	1,408.6	1.6%
2016	1,435.2	1.9%
2017	1,469.6	2.4%
2018	1,508.6	2.7%
CAGR: 2013–18		1.9%

SOURCE: MARKETLINE

MARKETLINE

Figure 176: United Kingdom frozen food market volume forecast: million kilograms, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 177: Forces driving competition in the frozen food market in the United Kingdom, 2013

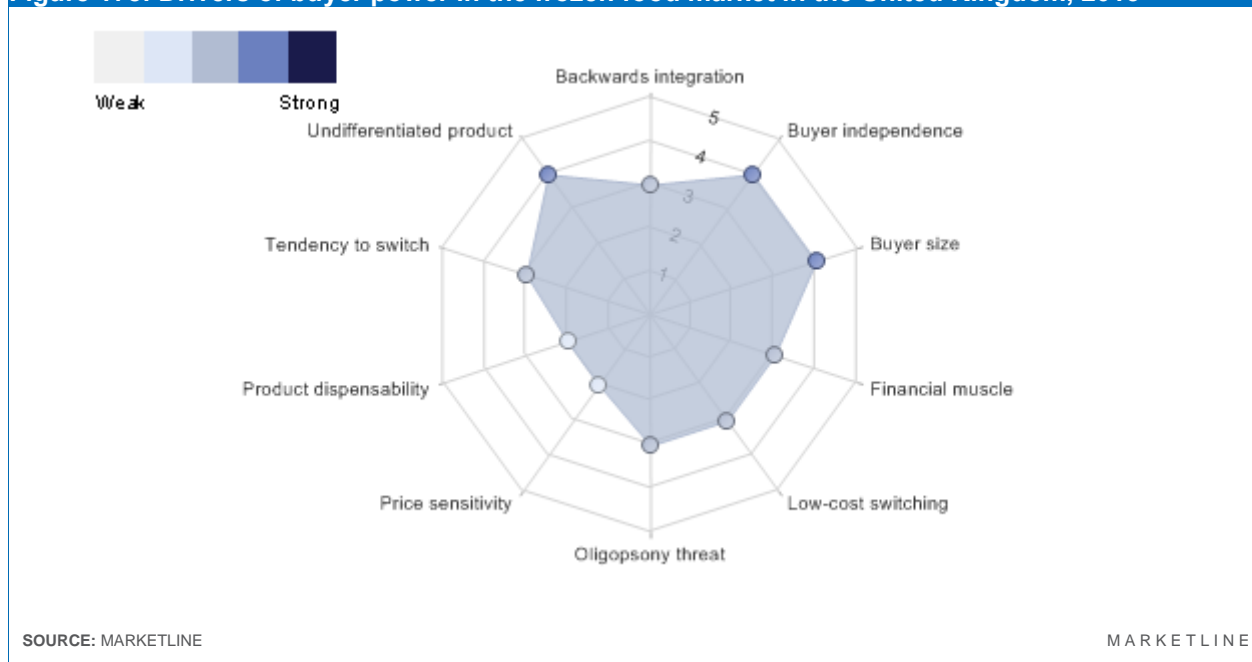


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

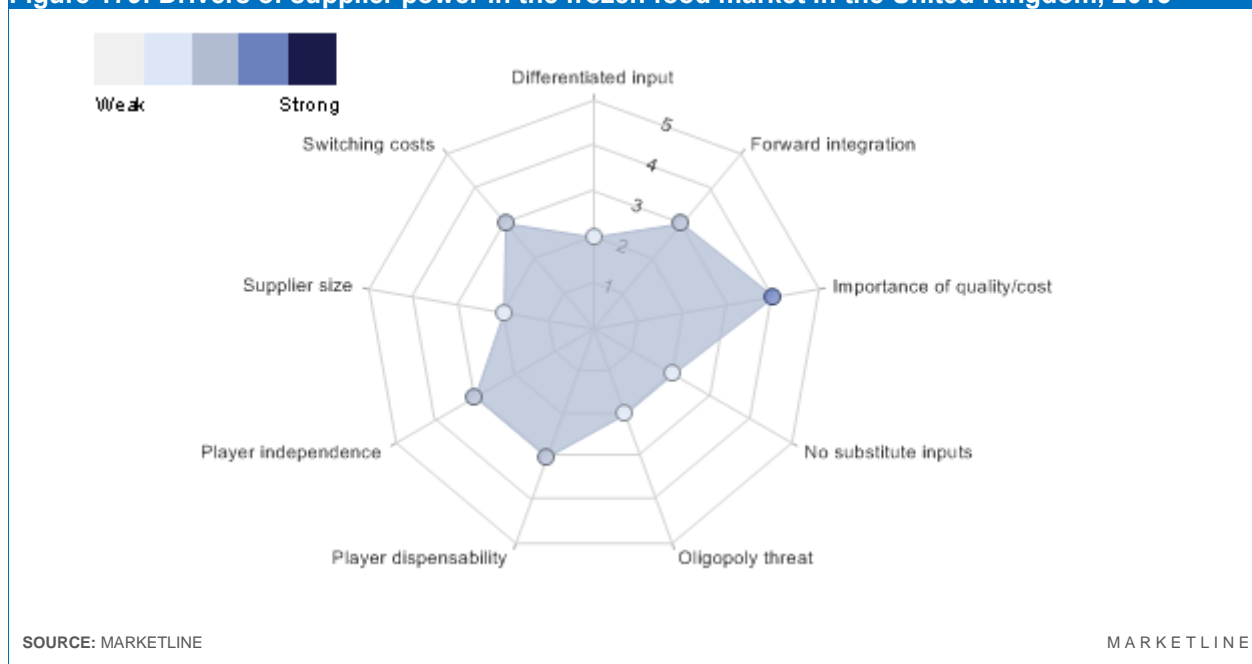
Figure 178: Drivers of buyer power in the frozen food market in the United Kingdom, 2013



The main distribution channels for the UK's frozen food market are supermarkets and hypermarkets, which account for 83.5% of the total market value. Large retailers, such as supermarkets, can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Sainsbury's, Tesco and ASDA tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 179: Drivers of supplier power in the frozen food market in the United Kingdom, 2013

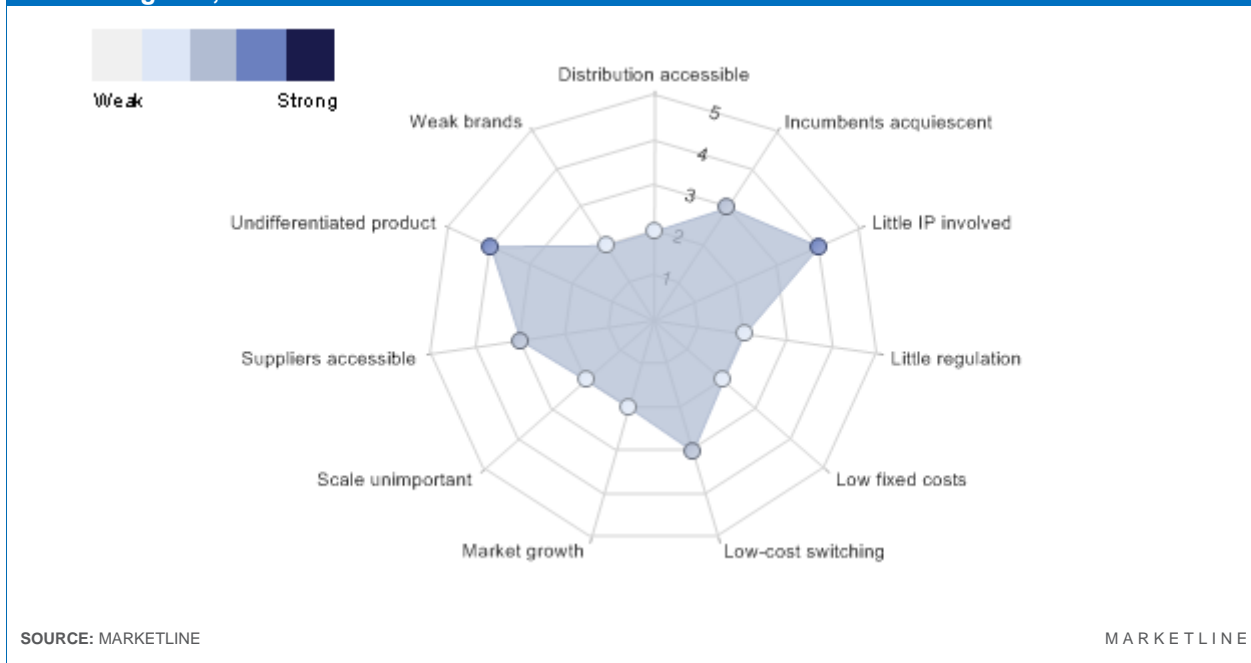


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 180: Factors influencing the likelihood of new entrants in the frozen food market in the United Kingdom, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Weak UK growth in recent years is unlikely to be enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 181: Factors influencing the threat of substitutes in the frozen food market in the United Kingdom, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 182: Drivers of degree of rivalry in the frozen food market in the United Kingdom, 2013



The UK frozen food market is highly fragmented with the top four players accounting for 17.9% of the total market value, indicating a high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Weak UK growth in recent years may serve to increase rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 159: United Kingdom size of population (million), 2009–13

Year	Population (million)	% Growth
2009	62.3	0.8%
2010	62.8	0.8%
2011	63.3	0.8%
2012	63.7	0.6%
2013	64.1	0.6%

SOURCE: MARKETLINE

MARKETLINE

Table 160: United Kingdom gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	2,324.3	(5.2%)
2010	2,362.9	1.7%
2011	2,389.3	1.1%
2012	2,395.9	0.3%
2013	2,437.3	1.7%

SOURCE: MARKETLINE

MARKETLINE

Table 161: United Kingdom gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	2,217.4	(18.2%)
2010	2,296.9	3.6%
2011	2,464.6	7.3%
2012	2,481.3	0.7%
2013	2,531.8	2.0%

SOURCE: MARKETLINE

MARKETLINE

Table 162: United Kingdom inflation, 2009–13

Year	Inflation Rate (%)
2009	2.2%
2010	3.3%
2011	4.5%
2012	2.8%
2013	2.6%

SOURCE: MARKETLINE

MARKETLINE

Table 163: United Kingdom consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	110.8
2010	114.5
2011	119.7
2012	123.0
2013	126.2

SOURCE: MARKETLINE

MARKETLINE

Table 164: United Kingdom exchange rate, 2009–13

Year	Exchange rate (\$/£)	Exchange rate (€/£)
2009	0.6416	0.8921
2010	0.6475	0.8589
2011	0.6235	0.8674
2012	0.6311	0.8111
2013	0.6397	0.8491

SOURCE: MARKETLINE

MARKETLINE

FROZEN FOOD IN THE UNITED STATES

Market Overview

Market analysis

The US frozen foods market experienced weak growth during the 2009-2013 period, with supermarkets and hypermarkets dominating distribution. Forecasts suggest the market will approach stagnation during 2013-2018.

The US frozen food market had total revenues of \$33,441.3m in 2013, representing a compound annual growth rate (CAGR) of 1.1% between 2009 and 2013. In comparison, the European and Asia-Pacific markets grew with CAGRs of 3% and 4.8% respectively, over the same period, to reach respective values of \$46,559.1m and \$28,948.5m in 2013.

Market consumption volumes increased with a CAGR of 1.7% between 2009 and 2013, to reach a total of 7,135.5 million kilograms in 2013. The market's volume is expected to rise to 7,172.5 million kilograms by the end of 2018, representing a CAGR of 0.1% for the 2013-2018 period.

Supermarkets / hypermarkets accounted for the largest proportion of sales in the US frozen food market in 2013, sales through this channel generated \$29,649.1m, equivalent to 88.7% of the market's overall value. Sales through convenience stores generated revenues of \$1,658.7m in 2013, equating to 5% of the market's aggregate revenues.

The performance of the market is forecast to decelerate, with an anticipated CAGR of 0.5% for the five-year period 2013 - 2018, which is expected to drive the market to a value of \$34,253.6m by the end of 2018. Comparatively, the European and Asia-Pacific markets will grow with CAGRs of 3% and 5.2% respectively, over the same period, to reach respective values of \$54,092.0m and \$37,324.0m in 2018.

Market Data

Market value

The United States frozen food market grew by 1% in 2013 to reach a value of \$33,441.3 million.

The compound annual growth rate of the market in the period 2009–13 was 1.1%.

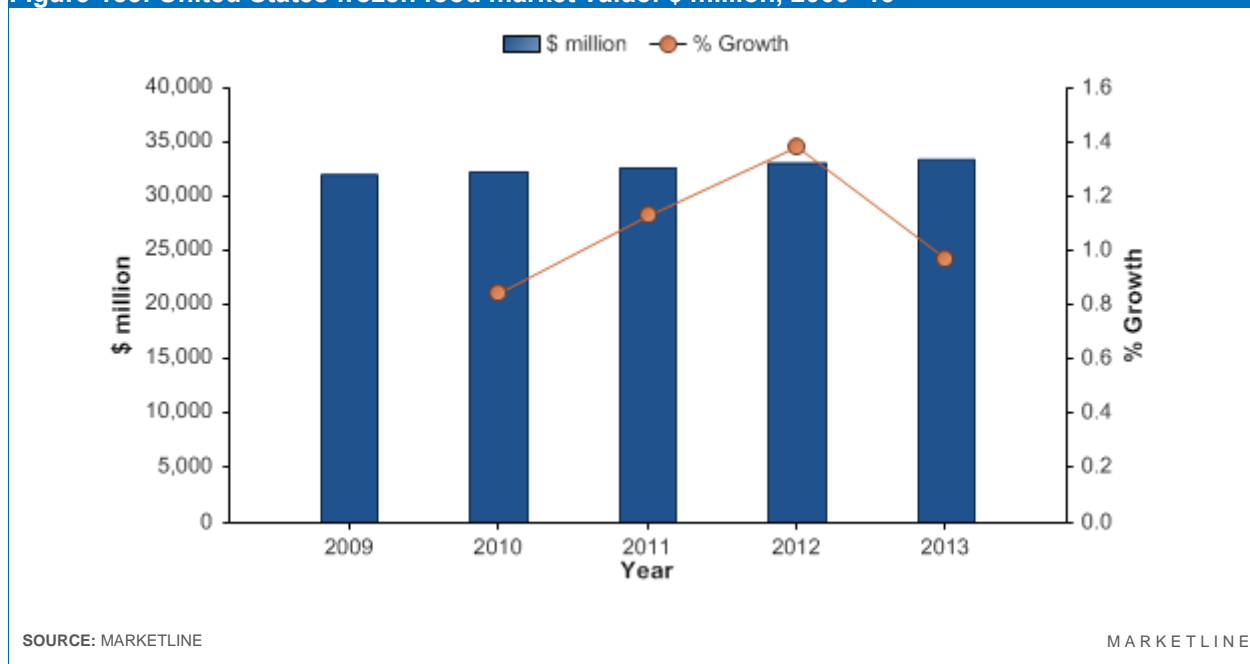
Table 165: United States frozen food market value: \$ million, 2009–13

Year	\$ million	€ million	% Growth
2009	32,031.8	24,118.5	
2010	32,302.4	24,322.3	0.8%
2011	32,667.4	24,597.1	1.1%
2012	33,119.5	24,937.5	1.4%
2013	33,441.3	25,179.8	1.0%
CAGR: 2009–13			1.1%

SOURCE: MARKETLINE

MARKETLINE

Figure 183: United States frozen food market value: \$ million, 2009–13



Market volume

The United States frozen food market grew by 1.3% in 2013 to reach a volume of 7,135.5 million kilograms.

The compound annual growth rate of the market in the period 2009–13 was 1.7%.

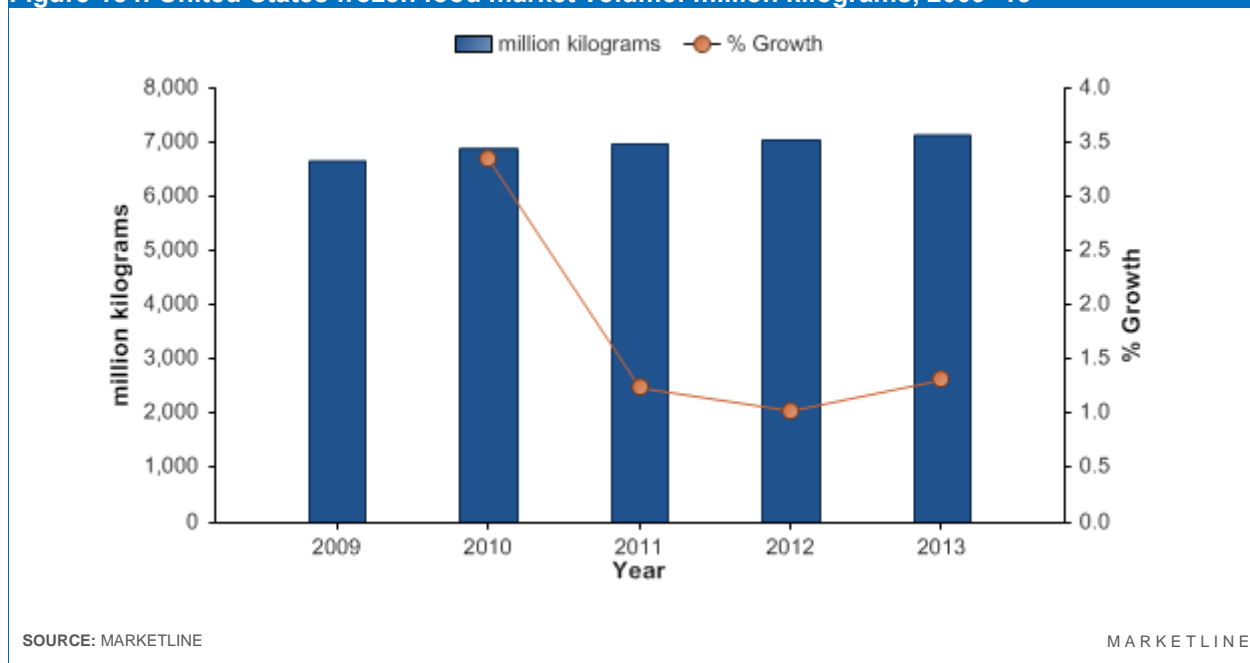
Table 166: United States frozen food market volume: million kilograms, 2009–13

Year	million kilograms	% Growth
2009	6,662.6	
2010	6,885.4	3.3%
2011	6,970.9	1.2%
2012	7,042.8	1.0%
2013	7,135.5	1.3%
CAGR: 2009–13		1.7%

SOURCE: MARKETLINE

MARKETLINE

Figure 184: United States frozen food market volume: million kilograms, 2009–13



Market Segmentation

Category segmentation

Frozen ready meals is the largest segment of the frozen food market in the United States, accounting for 35.7% of the market's total value.

The Frozen pizza segment accounts for a further 14.8% of the market.

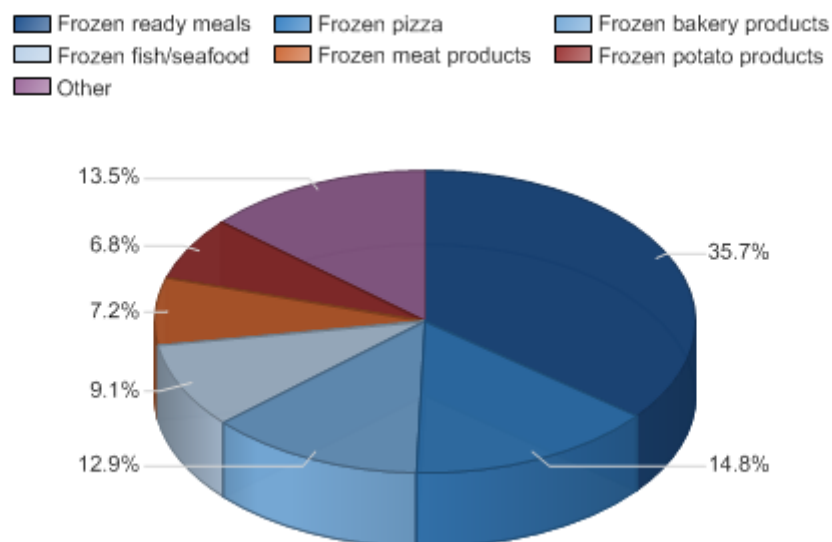
Table 167: United States frozen food market category segmentation: \$ million, 2013

Category	2013	%
Frozen ready meals	11,944.2	35.7%
Frozen pizza	4,944.9	14.8%
Frozen bakery products	4,296.8	12.8%
Frozen fish/seafood	3,054.7	9.1%
Frozen meat products	2,410.9	7.2%
Frozen potato products	2,262.6	6.8%
Other	4,527.2	13.5%
Total	33,441.3	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 185: United States frozen food market category segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Geography segmentation

The United States accounts for 27.9% of the global frozen food market value.

Europe accounts for a further 38.8% of the global market.

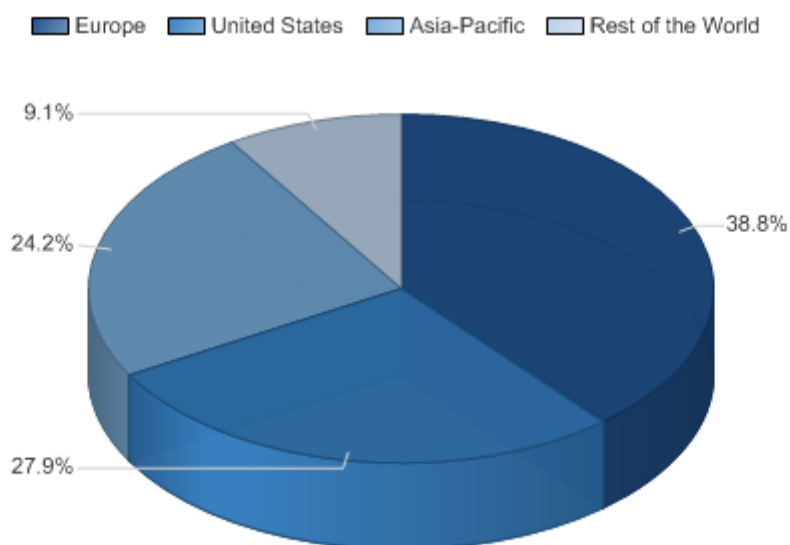
Table 168: United States frozen food market geography segmentation: \$ million, 2013

Geography	2013	%
Europe	46,559.1	38.8
United States	33,441.3	27.9
Asia-Pacific	28,948.5	24.1
Rest of the World	10,928.4	9.1
Total	119,877.3	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 186: United States frozen food market geography segmentation: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market share

Nestle S.A. is the leading player in the United States frozen food market, generating a 20.2% share of the market's value.

ConAgra Foods, Inc. accounts for a further 8.3% of the market.

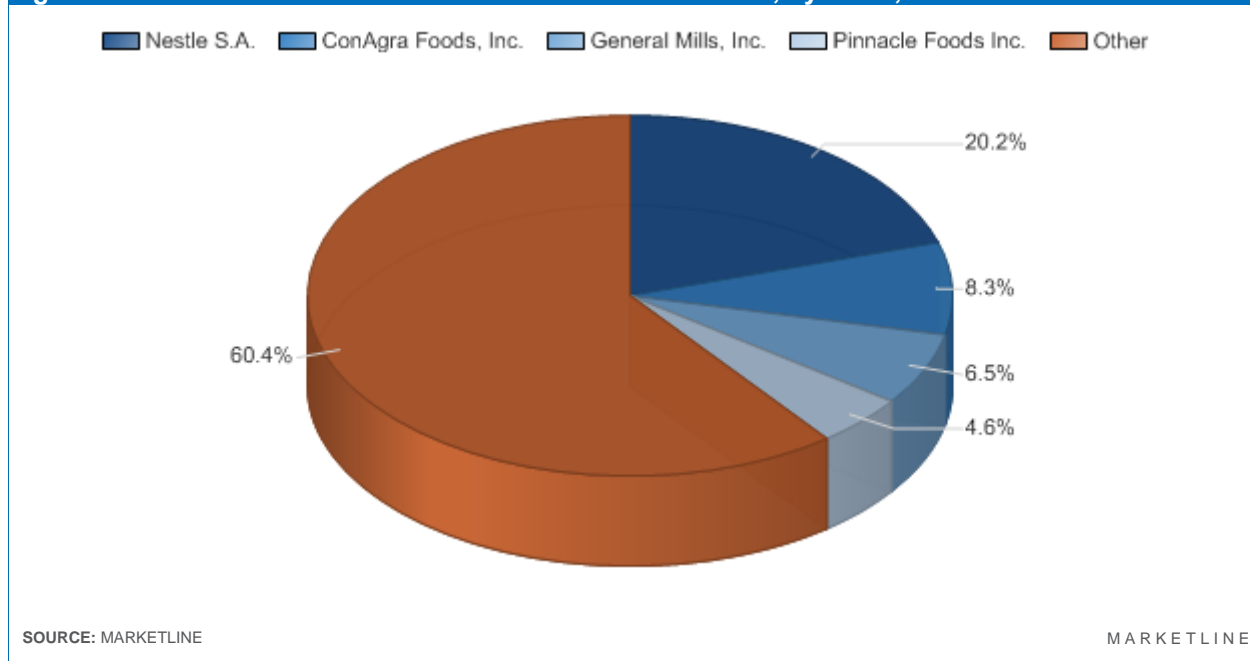
Table 169: United States frozen food market share: % share, by value, 2013

Company	% Share
Nestle S.A.	20.2%
ConAgra Foods, Inc.	8.3%
General Mills, Inc.	6.5%
Pinnacle Foods Inc.	4.6%
Other	60.4%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 187: United States frozen food market share: % share, by value, 2013



SOURCE: MARKETLINE

MARKETLINE

Market distribution

Supermarkets / hypermarkets form the leading distribution channel in the United States frozen food market, accounting for a 88.7% share of the total market's value.

Convenience Stores accounts for a further 5% of the market.

Table 170: United States frozen food market distribution: % share, by value, 2013

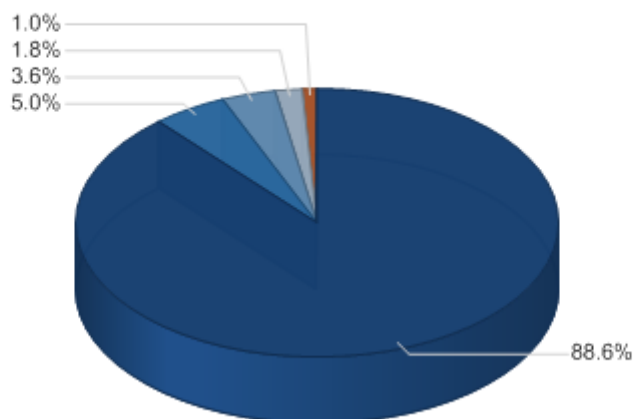
Channel	% Share
Supermarkets / hypermarkets	88.7%
Convenience Stores	5.0%
Service Stations	3.6%
Independent Retailers	1.8%
Other	1.0%
Total	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 188: United States frozen food market distribution: % share, by value, 2013

■ Supermarkets / hypermarkets
 ■ Convenience Stores
 ■ Service Stations
■ Independent Retailers
 ■ Other



SOURCE: MARKETLINE

MARKETLINE

Market outlook

Market value forecast

In 2018, the United States frozen food market is forecast to have a value of \$34,253.6 million, an increase of 2.4% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 0.5%.

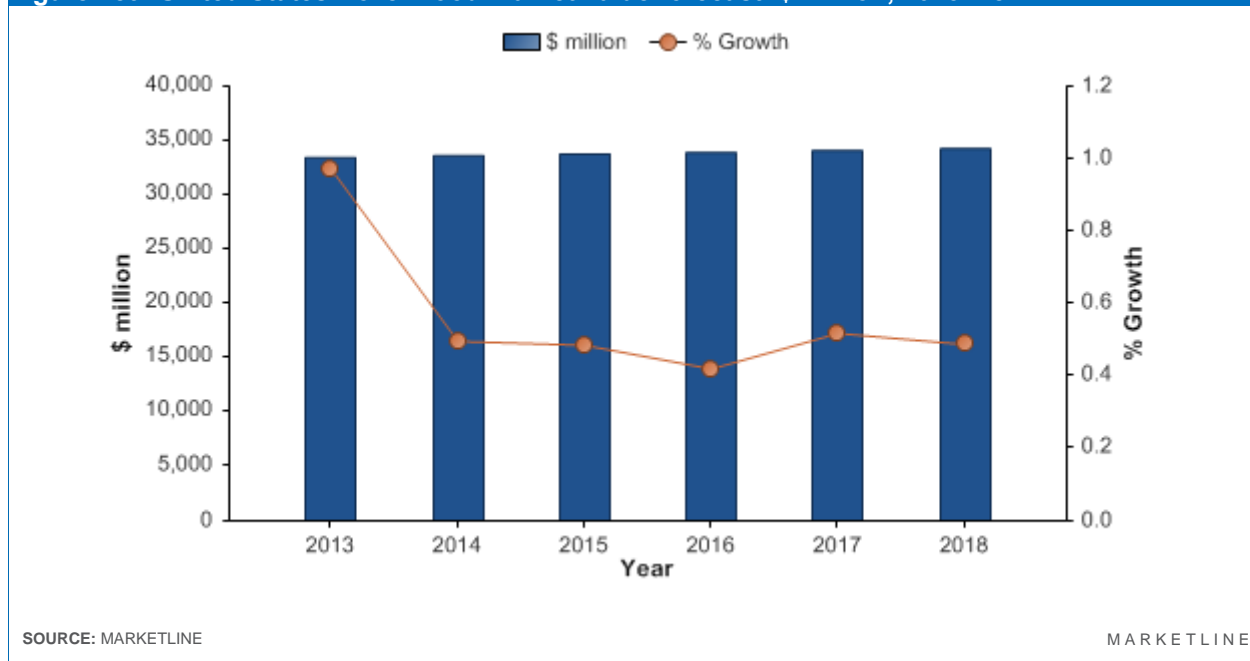
Table 171: United States frozen food market value forecast: \$ million, 2013–18

Year	\$ million	€ million	% Growth
2013	33,441.3	25,179.8	1.0%
2014	33,607.2	25,304.7	0.5%
2015	33,770.2	25,427.5	0.5%
2016	33,911.9	25,534.1	0.4%
2017	34,087.5	25,666.4	0.5%
2018	34,253.6	25,791.4	0.5%
CAGR: 2013–18			0.5%

SOURCE: MARKETLINE

MARKETLINE

Figure 189: United States frozen food market value forecast: \$ million, 2013–18



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2018, the United States frozen food market is forecast to have a volume of 7,172.5 million kilograms, an increase of 0.5% since 2013.

The compound annual growth rate of the market in the period 2013–18 is predicted to be 0.1%.

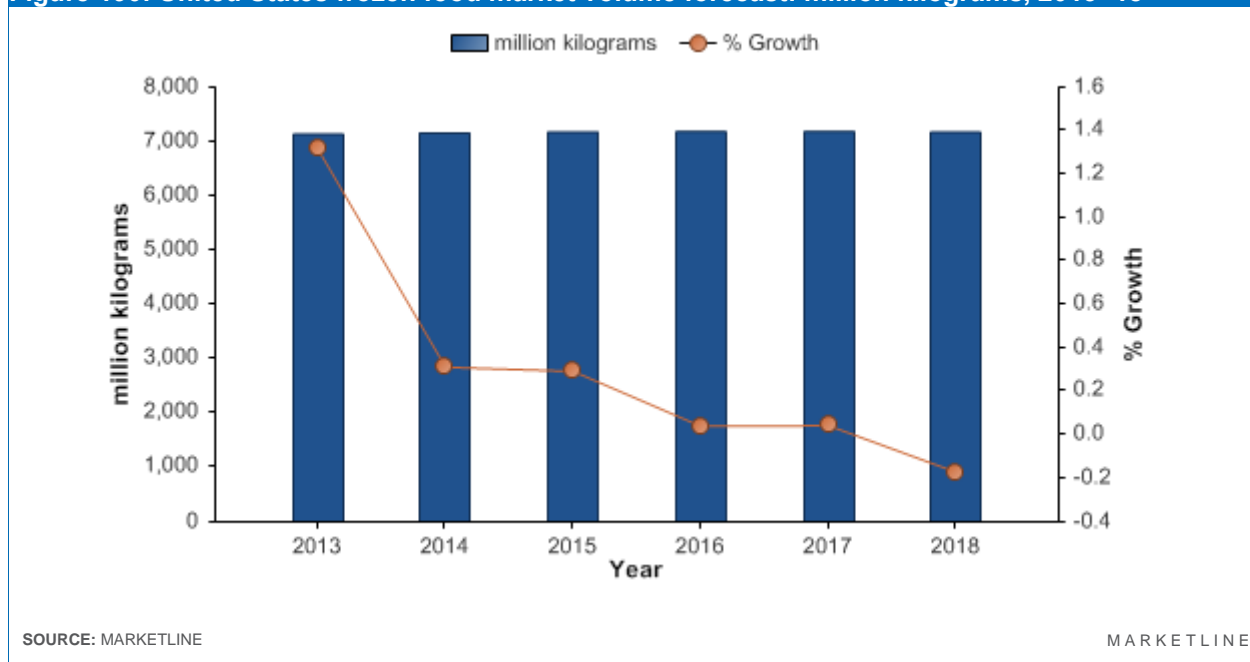
Table 172: United States frozen food market volume forecast: million kilograms, 2013–18

Year	million kilograms	% Growth
2013	7,135.5	1.3%
2014	7,157.8	0.3%
2015	7,178.8	0.3%
2016	7,181.7	0.0%
2017	7,184.8	0.0%
2018	7,172.5	(0.2%)
CAGR: 2013–18		0.1%

SOURCE: MARKETLINE

MARKETLINE

Figure 190: United States frozen food market volume forecast: million kilograms, 2013–18



Five forces analysis

The frozen food market will be analyzed taking companies engaged in the processing and/or manufacturing and/or wholesale of frozen foods as players. The key buyers will be taken as retailers of all sizes, and producers of the original foods for freezing, e.g. farms, fisheries and rearing plants as the key suppliers.

Summary

Figure 191: Forces driving competition in the frozen food market in the United States, 2013

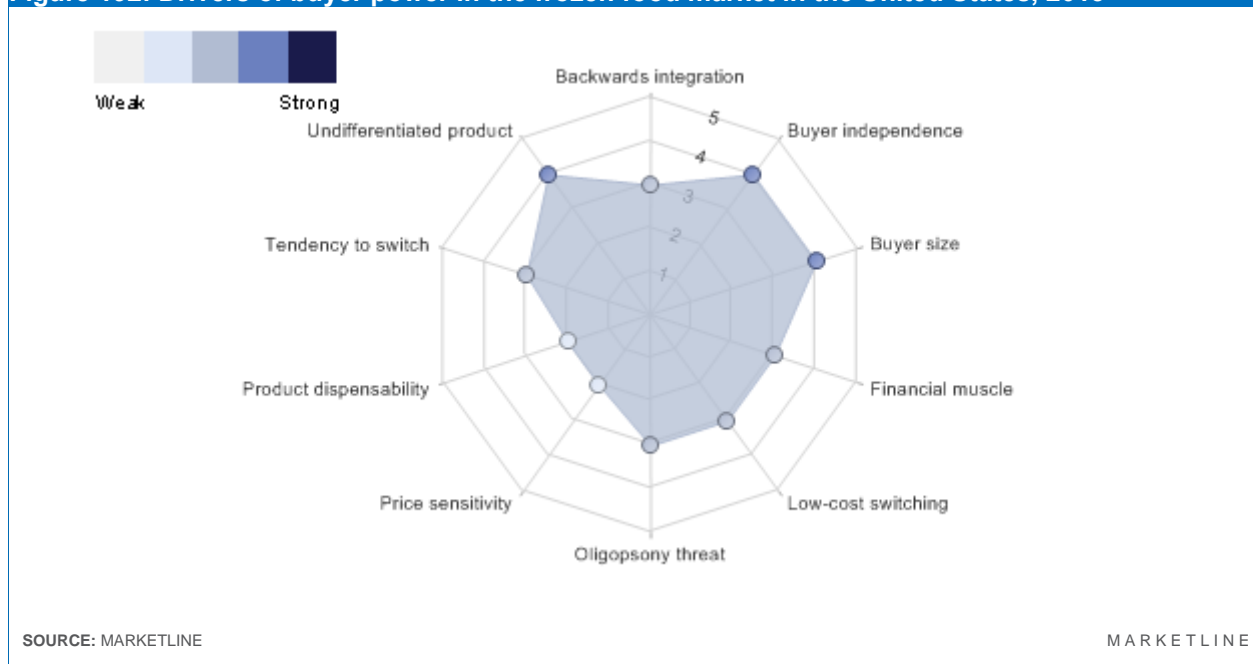


Frozen food products are largely undifferentiated, making it more difficult for market players to retain buyers, and forcing them to compete through pricing and end user brand loyalty, thus forcing buyers to purchase what the consumer wants.

Buyer power is strengthened by the fact that frozen foods are largely undifferentiated commodities, as does the fact that shelf space is limited, particularly for frozen foods which require expensive freezer cabinets. Players primarily obtain the necessary frozen food inputs through two methods, purchasing them on the open market where they have little control over prices and are forced to hedge to mitigate price fluctuations, or they may negotiate supply contracts with growers and farmers. The latter tends to favor larger food processing companies, whereas the former can both favor and go against market players. One of the entry barriers to the frozen food market is the need for a high degree of capital to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, which can be prohibitively expensive for potential new entrants. There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, however canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for expensive freezers on shop floors and in retailer's stock rooms.

Buyer power

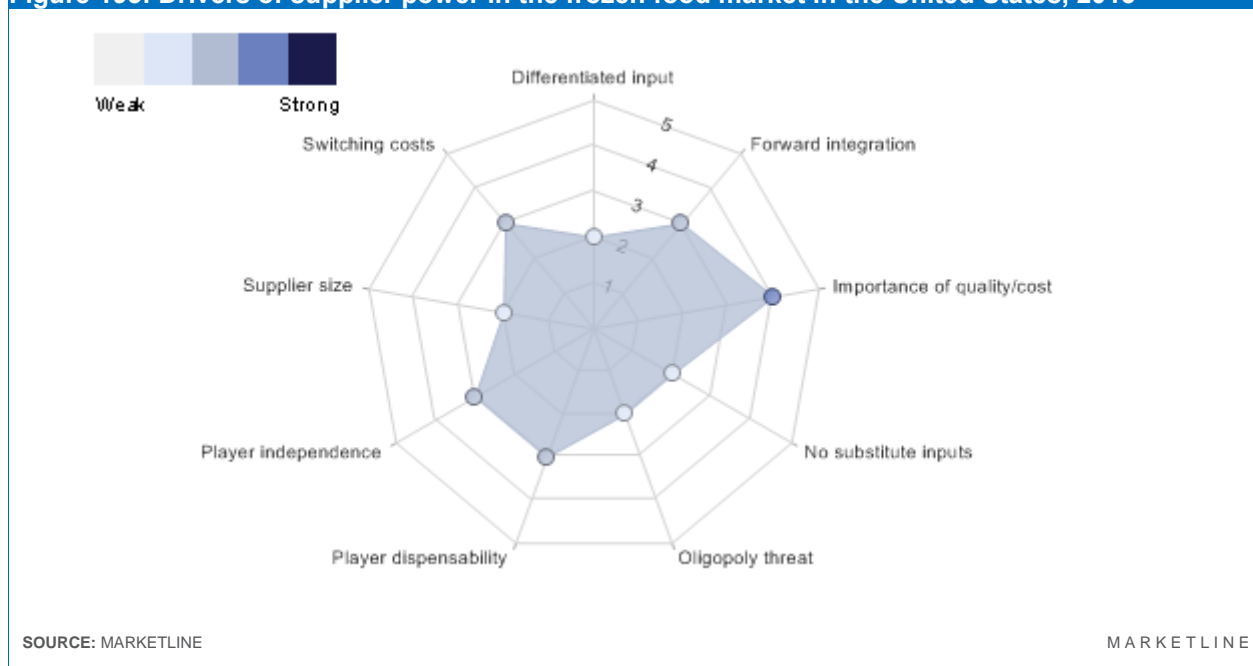
Figure 192: Drivers of buyer power in the frozen food market in the United States, 2013



The main distribution channels for the frozen food market in the US are supermarkets and hypermarkets, which account for 88.7% of the total market value. Large retailers can make large purchases and negotiate on price with manufacturers, boosting buyer power. Moreover, switching costs for buyers in the frozen food market are low. Buyer power is also strengthened by the fact that frozen foods are largely undifferentiated commodities. Similar products to frozen foods are often, although not always, produced by market players and stocked by retailers, which might affect the shelf space for frozen foods. Retailers are unlikely to be swayed by brand loyalty, but they will have to stock brands preferred by consumers. Frozen food makes up a significant proportion of retailer sales, reducing buyer power. For this reason, major buyers such as Wal-Mart tend to build their own distribution networks for frozen products, creating an element of backwards integration which further enhances buyer power. However, larger retailers ordinarily contract frozen food manufacturers to produce their own-branded frozen food which cedes buyer power to players somewhat. Overall, buyer power is assessed as moderate.

Supplier power

Figure 193: Drivers of supplier power in the frozen food market in the United States, 2013

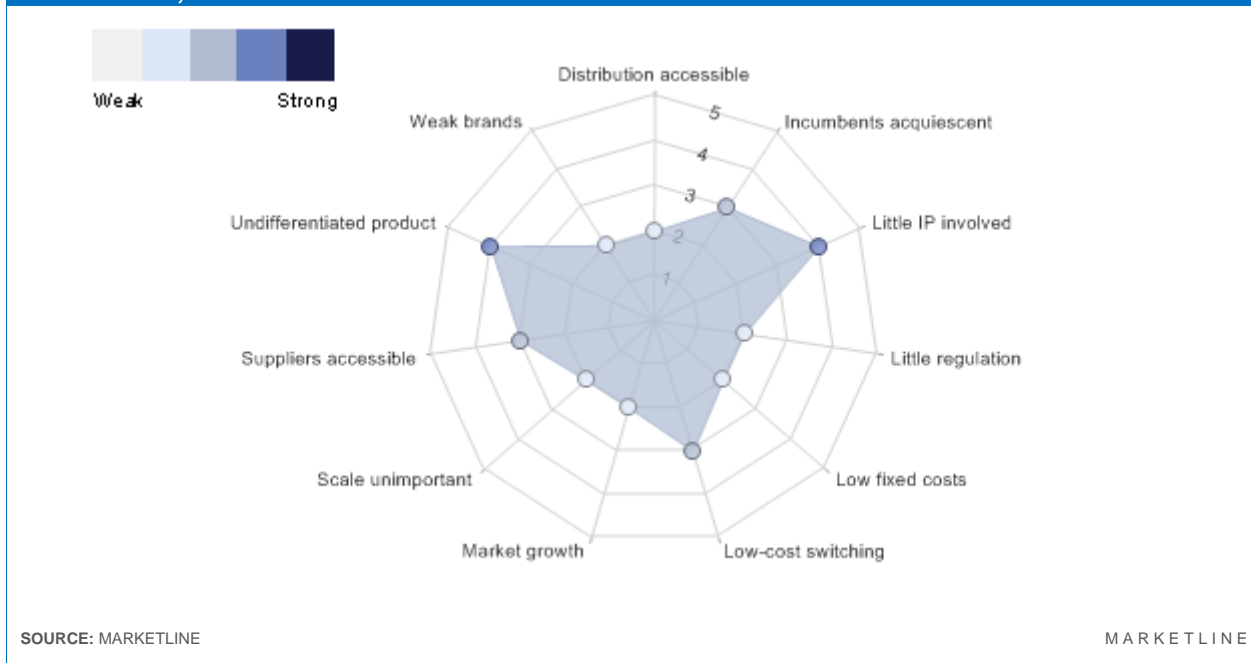


Key inputs for frozen food producers are raw materials such as grains, fruit and vegetables, and meat and fish. Players obtain the inputs through two methods, they may purchase them in the open market, in which case they have little control over prices, and often use techniques such as hedging to mitigate the impact of price fluctuations. Alternatively, they may negotiate supply contracts with growers and farmers, wherein fixed-term contracts with periodically negotiated prices are common. Where growers operate in a fragmented upstream landscape, large food processing firms may have a strong negotiating position.

Dairy products, meat, sugar and other sweeteners including high fructose corn syrup, spices, flour and certain other fruits and vegetables are generally purchased in the open market. Leading players must maintain product quality if they are to maintain their brand equity in the long term; their need to source raw materials of appropriate quality, tends to strengthen those suppliers who are able to provide the necessary products. Other inputs in this market include packaging materials, with market players often entering into long-term contracts with their suppliers, strengthening their power. Overall, supplier power is moderate.

New entrants

Figure 194: Factors influencing the likelihood of new entrants in the frozen food market in the United States, 2013



The main barrier to entry is the need for a high degree of capital to start operating in the market. It is necessary to build a warehouse and create an efficient distribution system while establishing suitable frozen food manufacturing and flash freezing facilities, all of which involves a significant capital investment. Furthermore, establishing relationships with the myriad of suppliers ranging from farmers to fisheries and animal rearers, is logistically complex and could prove off-putting to potential new entrants.

A general lack of product differentiation is a boon for potential new entrants, however, in the face of existing and established brands this can be problematic unless a niche market can be exploited. Incumbents are also unlikely to acquiesce if they deem a new entrant to be encroaching on their market share, and could make life very difficult for new entrants by exploiting their economies of scale and undercutting them on price. As a new entrant, it is unlikely they will have sufficient economies of scale to respond to this type of behavior.

Another area that new entrants may struggle to establish themselves in is access to distribution channels, persuading retailers to stock their new product may be difficult when shelf space is limited with a majority of it reserved for established brands in-demand from consumers. A high degree of regulation in food safety standards also acts as a significant entry barrier.

Conditions favoring new entrants are the low levels of IP involved, for example frozen meat and vegetables is not something protected by patents. Furthermore, although buyers are locked into purchase contracts with players, they don't tend to be as prohibitive as some industries due to the nature of consumer demand influencing buyer's purchases. Weak US growth in recent years is unlikely to be enticing to potential new entrants. The threat of new entrants is assessed as moderate overall.

Threat of substitutes

Figure 195: Factors influencing the threat of substitutes in the frozen food market in the United States, 2013



There are a number of substitutes for frozen foods including refrigerated and fresh produce, canned foods, shelf-stable foods, dried foods and foods stored in retort pouches. One of the primary purposes of frozen foods is to prolong its shelf-life, generally lasting longer than fresh and refrigerated produce. However, canned, shelf-stable, dried and retort pouches tend to maintain the benefits of long shelf lives while negating the need for freezers. Furthermore, fresh and refrigerated foods tend to benefit from improved nutritional values when compared with frozen foods.

From a retailer's perspective, food products which don't require refrigeration or freezing are preferable as transport and storage costs are lower, furthermore end users generally purchase a range of frozen and non-frozen goods. As a result, refrigerated and fresh produce, canned, shelf-stable, dried foods and foods stored in retort pouches are beneficial alternatives to frozen foods. Overall, the threat of substitutes is assessed as moderate.

Degree of rivalry

Figure 196: Drivers of degree of rivalry in the frozen food market in the United States, 2013



The US frozen food market is fragmented with the top four players accounting for 39.6% of the total market value, indicating a relatively high number of competitors, which increases rivalry. However, this is tempered somewhat by the size of some of these competitors, the larger players tending to alleviate rivalry. The relative ease with which retailers can switch between different players' products can also contribute to rivalry, although players are protected somewhat by contracted agreements with buyers.

Another factor confounding rivalry is the fact that frozen food products are largely undifferentiated, making it more difficult to retain buyers and forcing manufacturers to compete through pricing and end user brand loyalty. Additionally, the ease with which manufacturers can ramp up production through automated processes also increases rivalry.

Fixed costs are high due to the expense of establishing suitably sized facilities and production lines with specialized equipment. As a result, exit barriers are also high since leaving the frozen food market would require divestment of these substantial and often quite specialized assets. Both of these factors serve to increase rivalry. Furthermore, storage costs are high in the frozen food market, not only because of the size of the facilities necessary to store finished produce but also due to the need for storage facilities to keep the products frozen.

The similarity of some players to one another alleviates rivalry somewhat as competitors are better able to gauge how the competition will react to market conditions and the actions of one another. Furthermore, a number of players are quite diverse in their operations and don't solely rely on the frozen food market, which can temper rivalry. However there are a number of players who wholly specialize in frozen food which can undermine this factor.

Weak US growth in recent years may increase rivalry to an extent. Overall, the degree of rivalry is assessed as strong.

Macroeconomic indicators

Country Data

Table 173: United States size of population (million), 2009–13

Year	Population (million)	% Growth
2009	306.8	0.9%
2010	309.3	0.8%
2011	311.6	0.7%
2012	313.9	0.7%
2013	316.4	0.8%

SOURCE: MARKETLINE

MARKETLINE

Table 174: United States gdp (constant 2005 prices, \$ billion), 2009–13

Year	Constant 2005 Prices, \$ billion	% Growth
2009	13,263.1	(2.8%)
2010	13,595.6	2.5%
2011	13,846.8	1.8%
2012	14,231.7	2.8%
2013	14,501.3	1.9%

SOURCE: MARKETLINE

MARKETLINE

Table 175: United States gdp (current prices, \$ billion), 2009–13

Year	Current Prices, \$ billion	% Growth
2009	14,417.9	(2.1%)
2010	14,958.3	3.7%
2011	15,533.8	3.8%
2012	16,244.6	4.6%
2013	16,802.4	3.4%

SOURCE: MARKETLINE

MARKETLINE

Table 176: United States inflation, 2009–13

Year	Inflation Rate (%)
2009	(0.3%)
2010	1.6%
2011	3.2%
2012	2.1%
2013	1.4%

SOURCE: MARKETLINE

MARKETLINE

Table 177: United States consumer price index (absolute), 2009–13

Year	Consumer Price Index (2005 = 100)
2009	109.8
2010	111.7
2011	115.2
2012	117.6
2013	119.2

SOURCE: MARKETLINE

MARKETLINE

Table 178: United States exchange rate, 2009–13

Year	Exchange rate (€/€)
2009	1.3905
2010	1.3279
2011	1.3912
2012	1.2856
2013	1.3281

SOURCE: MARKETLINE

MARKETLINE

COMPANY PROFILES

Leading companies

ConAgra Foods, Inc.

Table 179: ConAgra Foods, Inc.: key facts

Head office:	One ConAgra Drive, Omaha, Nebraska 68102 5001, USA
Telephone:	1 402 240 4000
Website:	www.conagrafoods.com
Financial year-end:	May
Ticker:	CAG
Stock exchange:	New York
<p>SOURCE: COMPANY WEBSITE</p> <p>MARKETLINE</p>	

ConAgra Foods, Inc. (ConAgra or 'the company') is a leading food company with its consumer brands supplying potato, other vegetable, spice, bakery, and grain products to a variety of restaurants, foodservice operators, and commercial customers in North America.

The company operates in four reporting segments: consumer foods, commercial foods, ralcorp food group, and ralcorp frozen bakery products.

The consumer foods segment offers branded and private label food products sold in a number of retail and foodservice channels, principally in North America. The segment's products include a variety of categories (meals, entrees, condiments, sides, snacks, and desserts) across frozen, refrigerated, and shelf-stable temperature classes. It consists of major brands including Alexia, ACT II, Banquet, Blue Bonnet, Chef Boyardee, DAVID, Egg Beaters, Healthy Choice, Hebrew National, Hunt's, Marie Callender's, Odom's Tennessee Pride, Orville Redenbacher's, PAM, Peter Pan, Reddi-wip, Slim Jim, Snack Pack, Swiss Miss, Van Camp's, and Wesson.

The commercial foods segment includes commercially branded foods and ingredients, sold principally to foodservice, food manufacturing, and industrial customers. The segment's primary products are specialty potato products, milled grain ingredients, a variety of vegetable products, seasonings, blends, and flavors. The company sells its products under major brands such as ConAgra Mills, Lamb Weston and Spicetec Flavors & Seasonings.

In January 2013, ConAgra completed the acquisition of Ralcorp Holdings, (Ralcorp), a manufacturer of private brand products, thereby including ralcorp food group, and ralcorp frozen bakery products segments in ConAgra's services.

The ralcorp food group principally includes private brand food products that are sold in various retail and foodservice channels. The products include categories of cereal products; snacks, sauces and spreads; and pasta.

The ralcorp frozen bakery products principally includes private brand frozen bakery products that are sold in various retail and foodservice channels. The segment's primary products include: frozen griddle products, including pancakes, waffles, and French toast; frozen biscuits and other frozen pre-baked products such as breads and rolls; and frozen and refrigerated dough products.

Key Metrics

The company recorded revenues of \$17,703m in the fiscal year ending May 2014, an increase of 14.3% compared to fiscal 2013. Its net income was \$315m in fiscal 2014, compared to a net income of \$774m in the preceding year.

Table 180: ConAgra Foods, Inc.: key financials (\$)

\$ million	2010	2011	2012	2013	2014
Revenues	12,015.0	12,303.0	13,263.0	15,491.4	17,702.6
Net income (loss)	614.0	818.0	468.0	773.9	315.1
Total assets	11,738.0	11,409.0	11,442.0	20,405.3	19,366.4
Total liabilities	6,809.0	6,732.0	6,906.0	15,042.3	14,011.2
Employees	24,400	23,200	26,100	34,840	32,801

SOURCE: COMPANY FILINGS

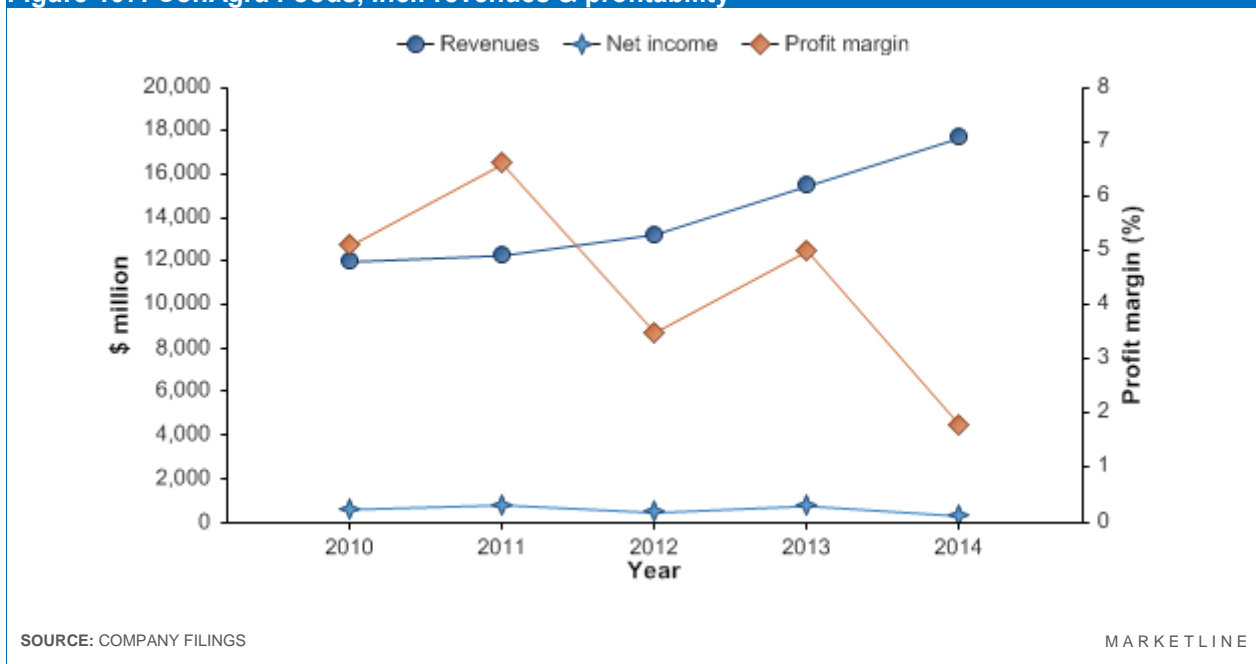
MARKETLINE

Table 181: ConAgra Foods, Inc.: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	5.1%	6.6%	3.5%	5.0%	1.8%
Revenue growth	(2.7%)	2.4%	7.8%	16.8%	14.3%
Asset growth	6.0%	(2.8%)	0.3%	78.3%	(5.1%)
Liabilities growth	7.7%	(1.1%)	2.6%	117.8%	(6.9%)
Debt/asset ratio	58.0%	59.0%	60.4%	73.7%	72.3%
Return on assets	5.4%	7.1%	4.1%	4.9%	1.6%
Revenue per employee	\$492,418	\$530,302	\$508,161	\$444,644	\$539,697
Profit per employee	\$25,164	\$35,259	\$17,931	\$22,213	\$9,606

SOURCE: COMPANY FILINGS

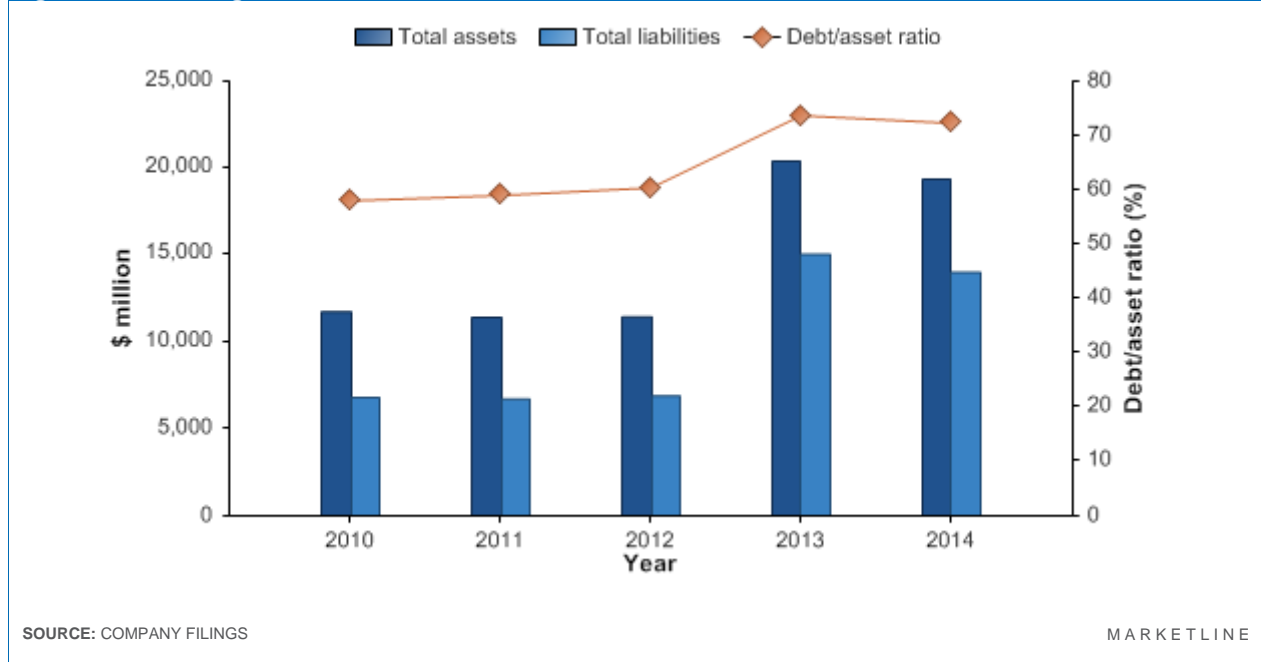
MARKETLINE

Figure 197: ConAgra Foods, Inc.: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 198: ConAgra Foods, Inc.: assets & liabilities



McCain Foods Limited

Table 182: McCain Foods Limited: key facts

Head office:	439 King Street West, Fifth Floor, Toronto, Ontario, M5V 1K4, CAN
Telephone:	1 416 955 1700
Fax:	1 416 955 1750
Website:	www.mccain.com
<p>SOURCE: COMPANY WEBSITE</p> <p>MARKETLINE</p>	

McCain Foods Limited is one of the world's largest manufacturers of frozen French fries and potato specialties. It also produces other food products including pizza, appetizers, ready meals, vegetables and juices, for both the retail and foodservice industries (quick-service restaurant chains, casual and fine dining rooms, institutional and catering companies). Globally, McCain operates in more than 160 countries (including as Canada, the UK, Europe, South Africa, Australia, New Zealand and the US among others) and has 50 manufacturing facilities. The company also provides healthy foods which are low in fat content, low in salt, trans-fat free and low in saturated fat.

The company carries out seed production at the Foreston Elite Seed Potato Farm in New Brunswick's Saint John River Valley through its subsidiary McCain Produce. McCain Produce develops and introduces the latest food safety and traceability programs, and is fully accredited by the Canadian Food Inspection Agency.

McCain also owns The Day & Ross Transportation Group (TDRTG), one of the largest transportation companies in Canada. TDRTG currently has more than 80 facilities in North America. It operates through five divisions: Day & Ross, Fastrax Transportation, Sameday Worldwide, Day & Ross Dedicated Logistics, and Sable Warehousing. The Day & Ross division offers general freight services from the Atlantic to the Pacific with less-than truckload, full-load, temperature-controlled and special commodity units. The Fastrax Transportation division offers flatbed, heavy haul and drop-deck, temperature-controlled and dry van services across North America. The Sameday Worldwide division offers a wide range of time-definite courier, express and air cargo service options to move shipments across Canada, to and from the US and to and from any international country. Day & Ross Dedicated Logistics, TDRTG's third-party contract carriage division, specializes in dedicated fleet operations whereas Sable Warehousing division offers warehousing and distribution services.

Key Metrics

As a private entity, McCain Foods Limited is not legally obliged to release its financial results.

Nestle S.A.

Table 183: Nestle S.A.: key facts

Head office:	Avenue Nestle 55,1800, Vevey, CHE
Telephone:	41 21 924 2111
Website:	www.nestle.com
Financial year-end:	December
Ticker:	NESN
Stock exchange:	SIX Swiss
<p>SOURCE: COMPANY WEBSITE</p> <p>MARKETLINE</p>	

Nestle SA is one of the largest food and beverage companies in the world, with a product portfolio including baby foods, bottled water, cereals, chocolate and confectionery, coffee, culinary, chilled and frozen foods, dairy products, drinks, food service, healthcare nutrition products, ice creams, pet care products, sports nutrition products and weight management services. The company offers over 4,000 different brands through a network of 468 factories located in 86 countries. The company's products are sold in 194 countries around the world.

Nestle's primary operating segments are divided into three geographic zones and three globally managed businesses.

The three geographic zones are the Americas; Asia, Oceania and Africa; and Europe.

The Americas comprise operations in the US, Canada, Latin America and Caribbean regions. Asia, Oceania and Africa includes the company's businesses across Asia-Pacific, Africa and the Middle East. Europe includes the company's operations in Central, Western and Eastern Europe. The company's major product divisions in these regions include powdered and liquid beverages, milk products and ice cream, prepared dishes and cooking aids, confectionery and pet care.

The company's three globally managed businesses include Nestle Nutrition, Nestle Waters and other operations.

The Nestle Nutrition business comprises three sub-business divisions: infant nutrition, performance nutrition and weight management. The infant nutrition business offers products for infants and babies, including instant cereals, meals, infant formula and drinks, marketed under the Cerelac, Gerber, NaturNes and Nestum brand names. The performance nutrition business offers products including energy bars, sports drinks, gels and protein supplements under well-known brand names such as PowerBar.

Nestle Waters operates across all geographic zones, and is engaged in the production and marketing of bottled water and sparkling mineral water under Nestle Pure Life, Perrier, Poland Spring, S.Pellegrino, Ice Mountain brands, among others.

The other operations segment primarily includes Nestle Professional, Nespresso, Nestle Health Science, and food and beverages joint ventures and pharma joint ventures managed on a worldwide basis.

Nestle Professional is the global foodservice manufacturing business of Nestle, with presence in over 90 countries delivering branded food and beverage solutions to foodservice operators. To the food service operators, the business offer brands like Chef stocks and bouillons, Minors sauces and gravy, Maggi, American food brand Stouffers, Nestle Desserts, Davigel frozen and chilled foods and Erlenbacher frozen baked cakes and desserts. Its beverages business provides branded hot and cold non-carbonated drinks including Nescafe, Coffee-mate, Nesquik, Nestea and Vitality, to the commercial and institutional restaurant industry. Additionally, Nestle Professional offers premium beverage systems such as Nescafe Alegria, Nescafe Milano and Viaggi super premium beverages for the commercial and office/workplace environments. Nestle Professional operates about 171 manufacturing facilities, 15 dedicated food service factories, several specialist culinary centers and one beverage center located in Orbe, Switzerland.

Through Nespresso, an autonomous globally managed business of Nestle, the company offers a range of Grand Cru coffees, coffee-making machines and personalized services through coffee boutiques. The Nespresso business operates in the global premium portioned coffee segment, serving customers in nearly 60 countries.

Nestle Health Science includes the company's healthcare nutrition business, which primarily offers products to support six key healthcare areas, including ageing care, critical care, diabetes, obesity, oncology and pediatrics. These products are offered under several brands including Boost, Nutren, Resource, Peptamen, Modulen, Alfare, Althera and Optifast among others.

Nestle has joint-ventures with pharmaceutical and cosmetic companies such as L'Oreal, Galderma and Laboratories Inneov. The company's food and beverages joint ventures include Cereal Partners Worldwide with General Mills; Beverage Partners Worldwide with The Coca-Cola Company and Dairy Partners of America with Fonterra.

Nestle also operates through seven categories that are organized along product groups. These include powdered and liquid beverages, water, milk products and ice cream, nutrition and healthcare, prepared dishes and cooking aids, pet care and confectionery.

The key products in the powdered and liquid beverages category include coffee, chocolate-based and malted drinks, and fruit juices. Its key coffee product brands include Nescafe and Nespresso.. Nestle also produces chocolate-based and malted drinks, under brands such as Nesquik and Milo. The company produces fruit juices under the brand name Juicy Juice and iced tea under the Nestea brand name.

Under the water products category, the company sells bottled water and sparkling mineral waters under brands, such as Nestle Pure Life, Perrier and Poland Spring.

The milk products and ice cream category offers dairy-based products. The milk products division produces powdered milk, yoghurts and desserts among others. Its key brands include Coffee-Mate, Nido, Carnation and La Laitiere. The ice cream business division offers products such as ice cream tubs, waffle cones and ice cream bars. The company's key brands in this category include Haagen-Dazs, Movenpick, Extreme, and Dreyer's.

The prepared dishes and cooking aids division includes frozen and chilled, culinary and other businesses. Its well-known brands include Buitoni (in the pasta and sauce ingredients category); Herta (packaged meals), Hot Packets (frozen sandwiches), Lean Cuisine (low-fat packaged meals), Maggi (noodles, soups and seasonings products), Stouffer's (frozen entrees and side dishes), and Thomy (mayonnaise, mustard, dressings, sauces, oils and spreads). This division also includes the breakfast cereals business of Nestle that produces cereal and performance bars and cereals catering to a wide range of age groups. The major brands include Chocapic, Cini Minis, Cookie Crisp and Fitness.

The pet care products division offers food products for cats and dogs. The company offers these products under Purina, Friskies, Fancy Feast, Alpo, Gourmet, Felix, Dog Chow, Cat Chow, Pro Plan and Purina One brand names.

The confectionery division primarily offers chocolates and chocolate based candies. These products are offered under Aero, Butterfinger, Cailler, Crunch, Kit Kat, Orion, Smarties, and Wonka brand names.

Key Metrics

The company recorded revenues of \$99,405m in the fiscal year ending December 2013, which was within 0.1% of the revenue in fiscal 2012. Its net income was \$10,803m in fiscal 2013, compared to a net income of \$11,032m in the preceding year.

Table 184: Nestle S.A.: key financials (\$)

\$ million	2009	2010	2011	2012	2013
Revenues	116,080.3	100,329.0	90,219.0	99,434.8	99,404.6
Net income (loss)	12,720.3	36,924.8	10,233.0	11,032.3	10,802.5
Total assets	119,637.6	120,419.6	123,062.2	136,154.7	129,912.6
Total liabilities	61,789.5	53,687.8	61,799.2	68,628.0	60,730.2
Employees	278,000	281,000	328,000	339,000	333,000

SOURCE: COMPANY FILINGS

MARKETLINE

Table 185: Nestle S.A.: key financials (CHF)

CHF million	2009	2010	2011	2012	2013
Revenues	107,618.0	93,015.0	83,642.0	92,186.0	92,158.0
Net income (loss)	11,793.0	34,233.0	9,487.0	10,228.0	10,015.0
Total assets	110,916.0	111,641.0	114,091.0	126,229.0	120,442.0
Total liabilities	57,285.0	49,774.0	57,294.0	63,625.0	56,303.0

SOURCE: COMPANY FILINGS

MARKETLINE

Table 186: Nestle S.A.: key financial ratios

Ratio	2009	2010	2011	2012	2013
Profit margin	11.0%	36.8%	11.3%	11.1%	10.9%
Revenue growth	(2.1%)	(13.6%)	(10.1%)	10.2%	0.0%
Asset growth	4.4%	0.7%	2.2%	10.6%	(4.6%)
Liabilities growth	11.7%	(13.1%)	15.1%	11.1%	(11.5%)
Debt/asset ratio	51.6%	44.6%	50.2%	50.4%	46.7%
Return on assets	10.9%	30.8%	8.4%	8.5%	8.1%
Revenue per employee	\$417,555	\$357,043	\$275,058	\$293,318	\$298,512
Profit per employee	\$45,757	\$131,405	\$31,198	\$32,544	\$32,440

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 199: Nestle S.A.: revenues & profitability

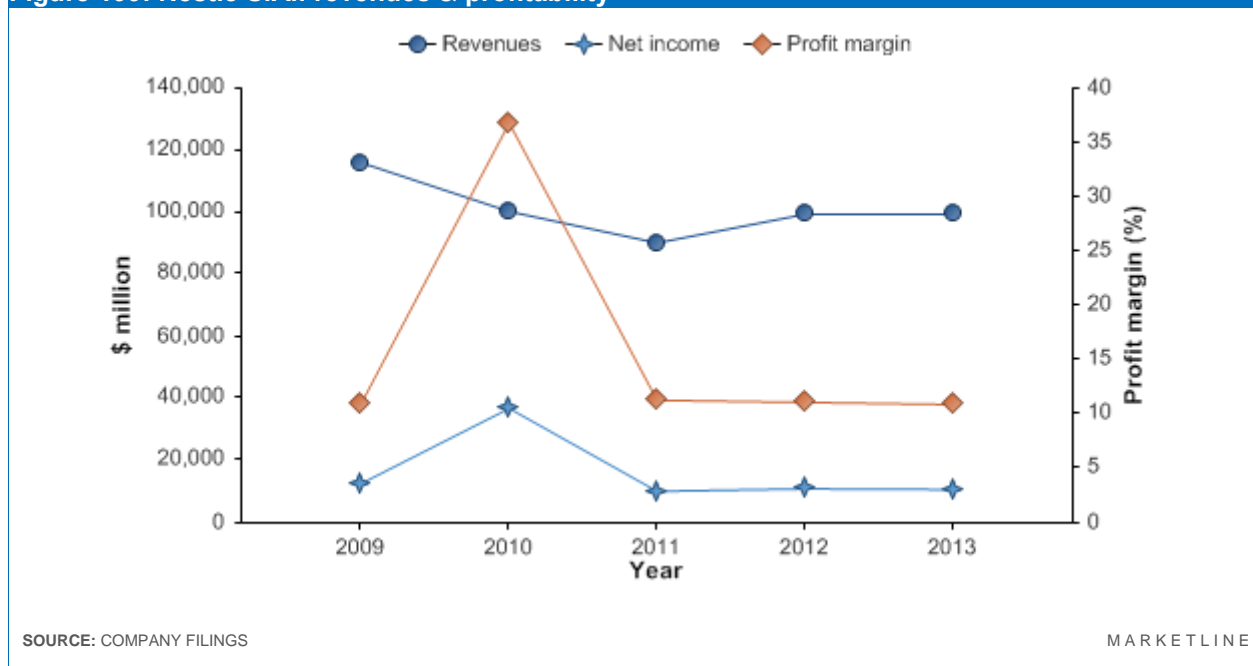
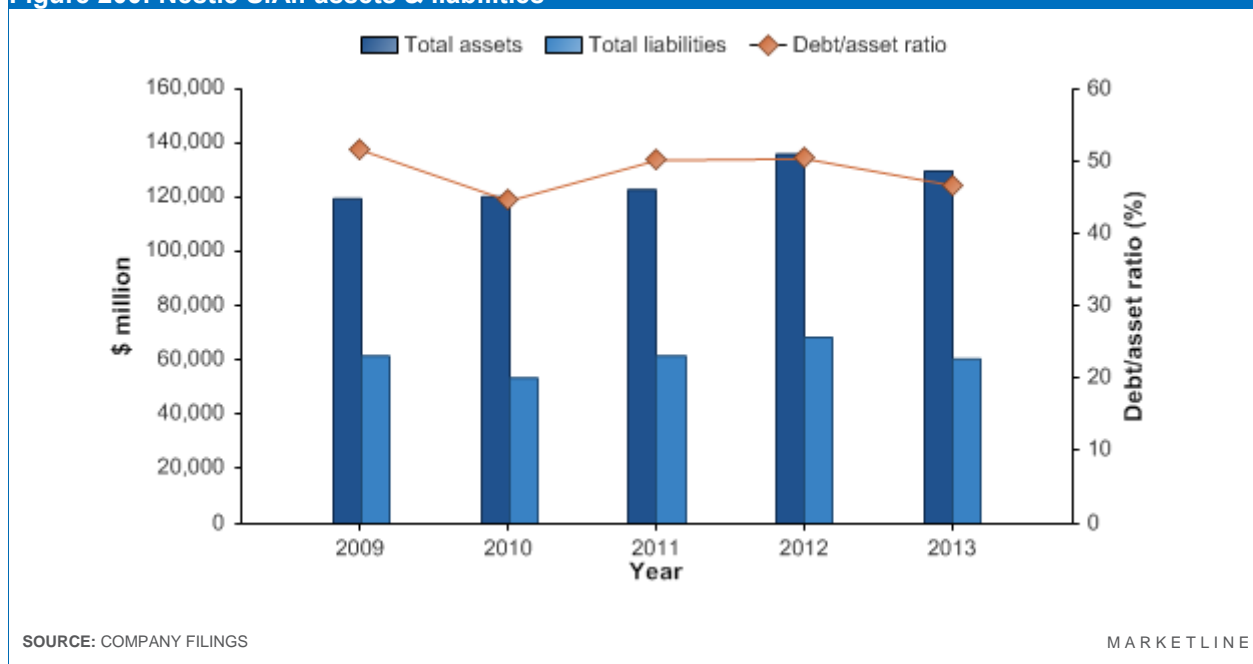


Figure 200: Nestle S.A.: assets & liabilities



Permira Advisers LLP

Table 187: Permira Advisers LLP: key facts

Head office:	80 Pall Mall, London SW1Y 5ES, GBR
Telephone:	44 20 7632 1000
Fax:	44 20 7930 3185
Website:	www.permira.com
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Permira Advisers (Permira) is a private equity company that is engaged in investing in several industry verticals by raising funds from pension funds and other institutions. Permira Advisers has more than 200 private equity investments. It owns around 24 portfolio companies globally.

The company primarily invests in five sectors: consumer; financial services; healthcare; industrials; and technology, media and telecom (TMT).

Permira's consumer sector is involved in investments in the retail, leisure, food and beverage, and luxury goods industries. Its investment portfolio in the consumer sector includes Akindo Sushiro; Cortefiel; Hugo Boss; iglo Group; Maxeda; New Look; Sisal; OdigeO; and Telepizza.

Permira Advisers LLP is engaged in the frozen food sector through its subsidiary iglo Group, bought in November 2006 for EUR1,891m, a branded European frozen food company that produces fish, vegetables and poultry, including products such as Fish Fingers, Schlemmer Filets and Sofficini.

The group operates through three main brands: Birds Eye (UK and Ireland), iglo (Germany, Austria, Belgium, the Netherlands and other countries) and Findus (Italy).

The financial services sector comprises investments in asset and wealth management, personal and commercial insurance (P&C), and financial infrastructure and services. The company's investments in the financial services sector include AA Saga (Acromas) and Just Retirement.

Permira's healthcare sector is involved in investments in sub-sectors including generics, specialty pharmaceuticals, CMOs (complementary metal-oxide-semiconductors), consumer-facing medical technology businesses and diagnostic companies. In the healthcare sector the company has its investments in Creganna-Tactx Medical and Pharmaq.

The company's industrials sector is involved in investments in chemical and industrial assets. Its portfolio of investments includes Arysta LifeScience; BakerCorp; Intelligrated, and Netafim.

The TMT sector invests its funds in satellite operators, software providers, online commerce vendors, digital content production and distribution companies. Permira's portfolio of investments in the TMT sector includes All3Media; Asia Broadcast Satellite (ABS); Freescale; Genesys; ProSiebenSat.1; and Renaissance Learning.

Permira's subsidiaries include the following: Permira Beteiligungsberatung GmbH, Permira Advisers Ltd, Permira Asesores S.L., Permira Associati S.p.A., Permira Advisers SAS, Permira Advisers KK, Permira (Guernsey) Limited, Permira Luxembourg S.a.r.l, Permira Advisers L.L.C., and Permira Advisers K.B. among others.

Key Metrics

As a private entity, Permira Advisers LLP is not legally obliged to release its financial results.

Maruha Nichiro Corporation

Table 188: Maruha Nichiro Corporation: key facts

Head office:	2-20 3-chome, Toyosu, Koto-ku, Tokyo, JPN
Telephone:	81 3 6833 4134
Fax:	81 3 6833 0396
Website:	www.maruha-nichiro.co.jp
Financial year-end:	March
Ticker:	13330
Stock exchange:	Tokyo
SOURCE: COMPANY WEBSITE	
MARKETLINE	

On April 1, 2014, six companies in the Maruha Nichiro Group (Maruha Nichiro Holdings, Inc.; Maruha Nichiro Seafoods, Inc.; Maruha Nichiro Foods, Inc.; Maruha Nichiro Meat and Products, Inc.; Maruha Nichiro Management, Inc.; and AQLI Foods Corporation) merged and the resulting entity was renamed as Maruha Nichiro Corporation. Through its subsidiaries, Maruha Nichiro is involved in the fishing and seafood production industries. The company operates through its 112 subsidiaries and 62 affiliates in Asia, Europe, Oceania and North America.

Maruha Nichiro operates through three divisions: marine products, processed foods, and storage and logistics operations.

The marine products division includes the fishery and aquaculture units, North American operations, marine products trading, marine products wholesaling, and strategic sales.

The company's North American unit is engaged in obtaining and processing fishery resources around North America (such as Alaskan Pollack, Pacific cod, salmon/trout, crab and lobster among others) and sells those products to North America, Europe and Japan. The marine products trading unit procures, processes and sells fishery products from all over the world, while the wholesaling unit sells domestic fresh, live fish, imported frozen fish and fishery processed products through bidding, tender or negotiation-based transactions.

Maruha Nichiro's processed food operations offer frozen and canned foods, fish sausages, retort pouch foods, processed meat products and health foods.

The frozen foods business unit produces frozen foods under three brands, AKEBONO (prepared frozen foods, rice meals and noodles), AQUIL (western style dishes) and MARUHA (fishery and agricultural products). The processed foods unit provides dessert jellies, health foods, pet foods, canned fish, fish sausages, and chikuwa-sticks.

The company's foods and fine chemical business unit offers medical and health products including DHA, Sodium Chondroitin Sulfate, squalene, and collagen among others. The company also offers freeze-dried foods and seasonings. The company's Asia and Oceania unit is engaged in processing fishery materials in Thailand and China, and provides these processed foods to major markets including Japan, the US, Europe and Asia.

Maruha Nichiro's storage and logistics operations division store a range of products including marine, meat and agricultural products as well as frozen foods. The company provides packing support and light processing (repacking and labeling) to ensure storage and transportation. The company also manufactures and sells ice cubes and chips for the cool storage of fresh foods and for the use in foods. The company offers brokerage services for the procedures involved in import and export.

Some of the company's subsidiaries include Maruha Capital Investment, Maruha Holdings (Thailand) Co., Ltd, Maruha Nichiro Foods, Inc, Westward Seafoods Inc, Viver-Atun Cartagena, S.A, Trans Ocean Products Inc, Maruha Nichiro Meat and Products, Inc, Philippine Taiyo Aqua Farming Corp, Bengal Fisheries Ltd and Kingfisher Holdings among others.

Key Metrics

The company recorded revenues of \$8,729m in the fiscal year ending March 2014, an increase of 5.2% compared to fiscal 2013. Its net income was \$33m in fiscal 2014, compared to a net income of \$56m in the preceding year.

Table 189: Maruha Nichiro Corporation: key financials (\$)

\$ million	2010	2011	2012	2013	2014
Revenues	8,493.5	8,439.1	8,364.5	8,299.6	8,729.2
Net income (loss)	16.3	37.0	34.7	55.8	32.7
Total assets	5,138.7	4,860.9	4,797.1	4,744.5	4,870.7
Total liabilities	5,138.7	4,860.9	4,797.1	3,897.2	3,939.3

SOURCE: COMPANY FILINGS MARKETLINE

Table 190: Maruha Nichiro Corporation: key financials (¥)

¥ million	2010	2011	2012	2013	2014
Revenues	828,715.0	823,399.0	816,121.0	809,789.0	851,708.0
Net income (loss)	1,586.0	3,606.0	3,385.0	5,448.0	3,191.0
Total assets	501,383.0	474,281.0	468,054.0	462,925.0	475,233.0
Total liabilities	501,383.0	474,281.0	468,054.0	380,246.0	384,357.0

SOURCE: COMPANY FILINGS MARKETLINE

Table 191: Maruha Nichiro Corporation: key financial ratios

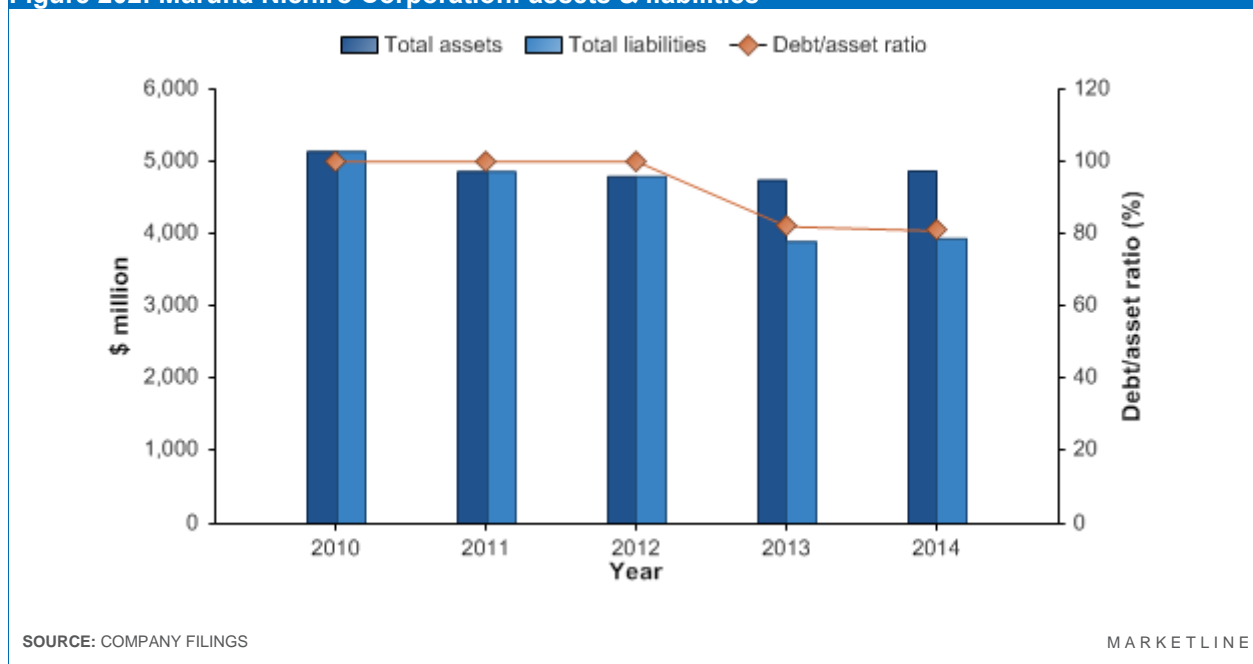
Ratio	2010	2011	2012	2013	2014
Profit margin	0.2%	0.4%	0.4%	0.7%	0.4%
Revenue growth	(7.7%)	(0.6%)	(0.9%)	(0.8%)	5.2%
Asset growth	(3.8%)	(5.4%)	(1.3%)	(1.1%)	2.7%
Liabilities growth	(3.8%)	(5.4%)	(1.3%)	(18.8%)	1.1%
Debt/asset ratio	100.0%	100.0%	100.0%	82.1%	80.9%
Return on assets	0.3%	0.7%	0.7%	1.2%	0.7%

SOURCE: COMPANY FILINGS MARKETLINE

Figure 201: Maruha Nichiro Corporation: revenues & profitability



Figure 202: Maruha Nichiro Corporation: assets & liabilities



Nichirei Corporation

Table 192: Nichirei Corporation: key facts

Head office:	Nichirei Higashi-Ginza Building, 6-19-20 Tsukiji, Chuo-ku, Tokyo 104 8402, JPN
Telephone:	81 3 3248 2167
Fax:	81 3 3248 2237
Website:	www.nichirei.co.jp
Financial year-end:	March
Ticker:	2871
Stock exchange:	Tokyo
<div> <div>SOURCE: COMPANY WEBSITE</div> <div>MARKETLINE</div> </div>	

Nichirei Corporation (Nichirei or 'the company') primarily operates in the refrigerated warehousing and frozen food industries; its operations include domestic and international food processing, foodstuffs import, distribution and storage, and real estate. The Nichirei Group consists of Nichirei Corporation, 76 consolidated subsidiaries and 14 affiliates.

Nichirei operates through six business segments: processed foods, logistics, meat and poultry products, marine products, real estate, and other operations.

The processed foods segment includes the processing of frozen foods, acerola-based beverages, retort-pouch foods, canned foods and health foods. The operations of the processed foods segment are carried out by the company's subsidiary, Nichirei Foods.

The logistics segment provides a wide range of logistics functions such as refrigerated warehousing, sorting, transportation and delivery. The operations of this segment are carried out by the company's subsidiary, Nichirei Logistics Group. The company, together with its affiliates, has about 120 operating locations worldwide with refrigerated storage capacity of some 1.8 million tons.

The meat and poultry products segment provides large retailers and restaurants with poultry, pork and beef procured from established partners in Japan and overseas. The operations of this segment are carried out by the subsidiary, Nichirei Fresh.

The marine products segment imports and sells seafood procured from around the world. Products of this segment include shrimp, herring roe, octopus, fish roe, shellfish, salmon and trout. The operations of this segment are carried out by Nichirei Fresh.

The real estate segment is engaged in developing and leasing office buildings in large cities, as well as developing and selling residential housing. The operations of this segment are carried out by Nichirei Corporation.

The other operations segment is carried out by the Nichirei Corporation, Nichirei Biosciences and other subsidiaries. Nichirei Biosciences develops, manufactures and markets animal cell culture media and immunohistochemical staining products such as reagents and diagnostic products. The company also offers functional materials and cosmetic product ingredients.

Key Metrics

The company recorded revenues of \$5,239m in the fiscal year ending March 2014, an increase of 8.7% compared to fiscal 2013. Its net income was \$91m in fiscal 2014, compared to a net income of \$101m in the preceding year.

Table 193: Nichirei Corporation: key financials (\$)

\$ million	2010	2011	2012	2013	2014
Revenues	4,490.2	4,487.1	4,662.6	4,818.3	5,239.2
Net income (loss)	92.9	41.4	81.0	100.7	91.2
Total assets	2,844.1	2,916.5	2,977.7	3,053.2	3,264.4
Total liabilities	1,586.6	1,709.7	1,761.2	1,768.8	1,861.9

SOURCE: COMPANY FILINGS

MARKETLINE

Table 194: Nichirei Corporation: key financials (¥)

¥ million	2010	2011	2012	2013	2014
Revenues	438,111.0	437,808.0	454,931.0	470,126.0	511,189.0
Net income (loss)	9,064.0	4,044.0	7,904.0	9,823.0	8,898.0
Total assets	277,496.0	284,562.0	290,537.0	297,903.0	318,507.0
Total liabilities	154,802.0	166,815.0	171,838.0	172,584.0	181,661.0

SOURCE: COMPANY FILINGS

MARKETLINE

Table 195: Nichirei Corporation: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	2.1%	0.9%	1.7%	2.1%	1.7%
Revenue growth	(7.7%)	(0.1%)	3.9%	3.3%	8.7%
Asset growth	(3.4%)	2.5%	2.1%	2.5%	6.9%
Liabilities growth	(11.1%)	7.8%	3.0%	0.4%	5.3%
Debt/asset ratio	55.8%	58.6%	59.1%	57.9%	57.0%
Return on assets	3.2%	1.4%	2.7%	3.3%	2.9%

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 203: Nichirei Corporation: revenues & profitability

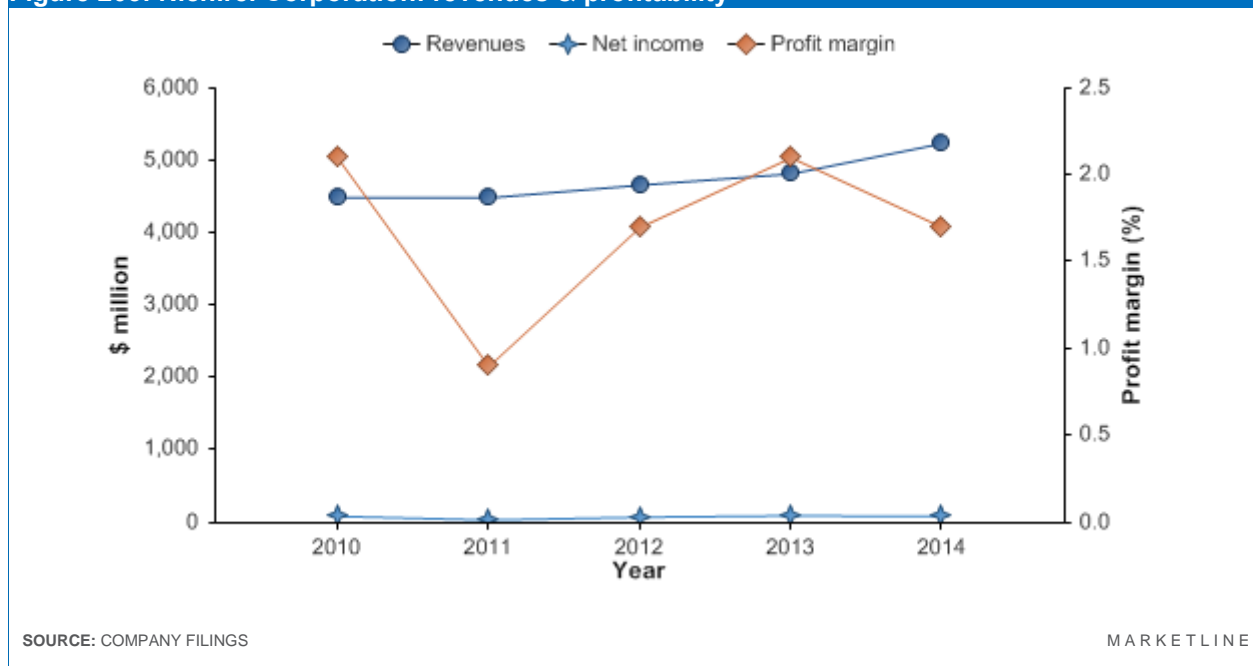
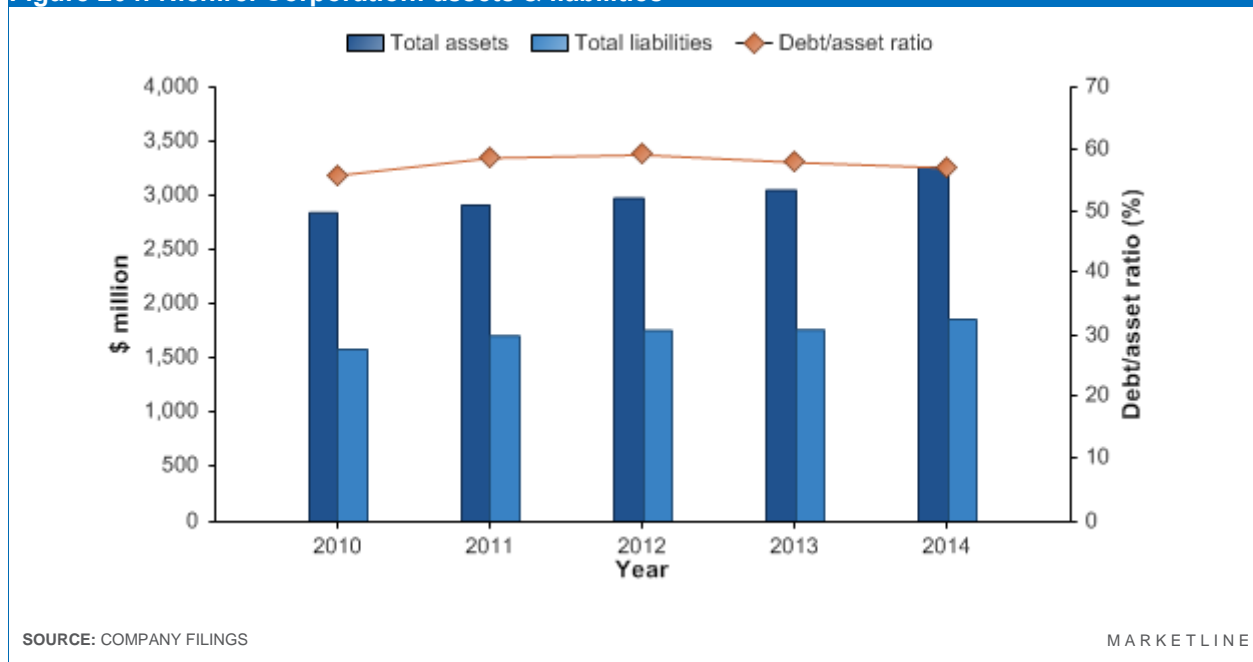


Figure 204: Nichirei Corporation: assets & liabilities



Nippon Meat Packers, Inc.

Table 196: Nippon Meat Packers, Inc.: key facts

Head office:	Breeze Tower, 4-9 Umeda 2-chome, Kita-ku, Osaka, JPN
Telephone:	81 6 7525 3026
Website:	www.nipponham.co.jp
Financial year-end:	March
Ticker:	2282
Stock exchange:	Tokyo
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Nippon Meat Packers (NMP), together with its subsidiaries, is engaged in the production and distribution of hams and sausages, processed foods, fresh meats, marine products and dairy products. The company has operations in Asia, Europe, Australia and the Americas.

The company operates through three business segments: fresh meats, processed foods, and affiliated businesses.

The company's fresh meat division is involved in the production and sale of fresh meats including beef, pork and chicken. The division raises cattle, hogs, and poultry, maintaining 120 farms in Japan and 10 farms overseas; and slaughters and processes meat at 18 plants in Japan and three in Australia.

NMP's processed foods segment includes hams and sausages, and the deli and processed foods businesses. The company is involved in a range of activities, from product development through to production and sales. The company markets hams and sausages under the brand names including SCHAU ESSEN, Mori-no-Kaori, and Winny. It markets processed foods under brands including Chuka Meisai and Ishigama Kobo. This division operates 23 domestic and six overseas plants.

NMP's affiliated businesses segment consists of marine products, dairy products, and other operations.

The company operates its marine products business through its subsidiaries Marine Foods Corporation and Hoko. Marine Foods Corporation procures seafood for sushi and processed marine products from Japan and overseas. Hoko sells raw marine materials in Japan and maintains an export business; also selling canned and frozen foods.

NMP's dairy products encompass cheese and yogurt production. The company operates its dairy products through its subsidiaries Hoko, and Nippon Luna. Hoko manufactures cheeses and sells to restaurants, bakeries, and other commercial channels. Nippon Luna develops products from customer perspectives and supplies offerings through retailers and convenient stores.

The company's other operations operate through subsidiaries Nippon Dry Foods and Nippon Ham Health Creation. Nippon Dry Foods develops and manufactures ingredients for soups and instant foods. Nippon Ham Health Creation maintains a mail order business for health foods, including supplements and beverages.

NMP's other subsidiaries include: Interfarm Co Ltd, Texas Farm LLC, Oakey Holdings Pty Ltd, Nippon Food Packer Inc, Nippon Ham Shokuhin Co Ltd, Nippon Ham Sozai Co Ltd, Thai Nippon Foods Co Ltd, Japan Food Corporation, Nippon Meat Packers UK Ltd, Meat Packers Singapore Pte Ltd and among others.

Key Metrics

The company recorded revenues of \$11,500m in the fiscal year ending March 2014, an increase of 9.7% compared to fiscal 2013. Its net income was \$251m in fiscal 2014, compared to a net income of \$169m in the preceding year.

Table 197: Nippon Meat Packers, Inc.: key financials (\$)

\$ million	2010	2011	2012	2013	2014
Revenues	9,773.7	10,139.5	10,431.3	10,483.1	11,500.4
Net income (loss)	161.1	171.5	119.5	168.7	251.3
Total assets	6,192.5	6,054.0	6,038.0	6,254.9	6,428.4
Total liabilities	3,384.6	3,151.4	3,042.5	3,220.3	3,138.6

SOURCE: COMPANY FILINGS

MARKETLINE

Table 198: Nippon Meat Packers, Inc.: key financials (¥)

¥ million	2010	2011	2012	2013	2014
Revenues	953,616.0	989,308.0	1,017,784.0	1,022,839.0	1,122,097.0
Net income (loss)	15,721.0	16,731.0	11,655.0	16,459.0	24,524.0
Total assets	604,201.0	590,688.0	589,125.0	610,293.0	627,220.0
Total liabilities	330,239.0	307,484.0	296,857.0	314,209.0	306,236.0

SOURCE: COMPANY FILINGS

MARKETLINE

Table 199: Nippon Meat Packers, Inc.: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	1.6%	1.7%	1.1%	1.6%	2.2%
Revenue growth	(7.3%)	3.7%	2.9%	0.5%	9.7%
Asset growth	3.5%	(2.2%)	(0.3%)	3.6%	2.8%
Liabilities growth	6.1%	(6.9%)	(3.5%)	5.8%	(2.5%)
Debt/asset ratio	54.7%	52.1%	50.4%	51.5%	48.8%
Return on assets	2.6%	2.8%	2.0%	2.7%	4.0%

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 205: Nippon Meat Packers, Inc.: revenues & profitability

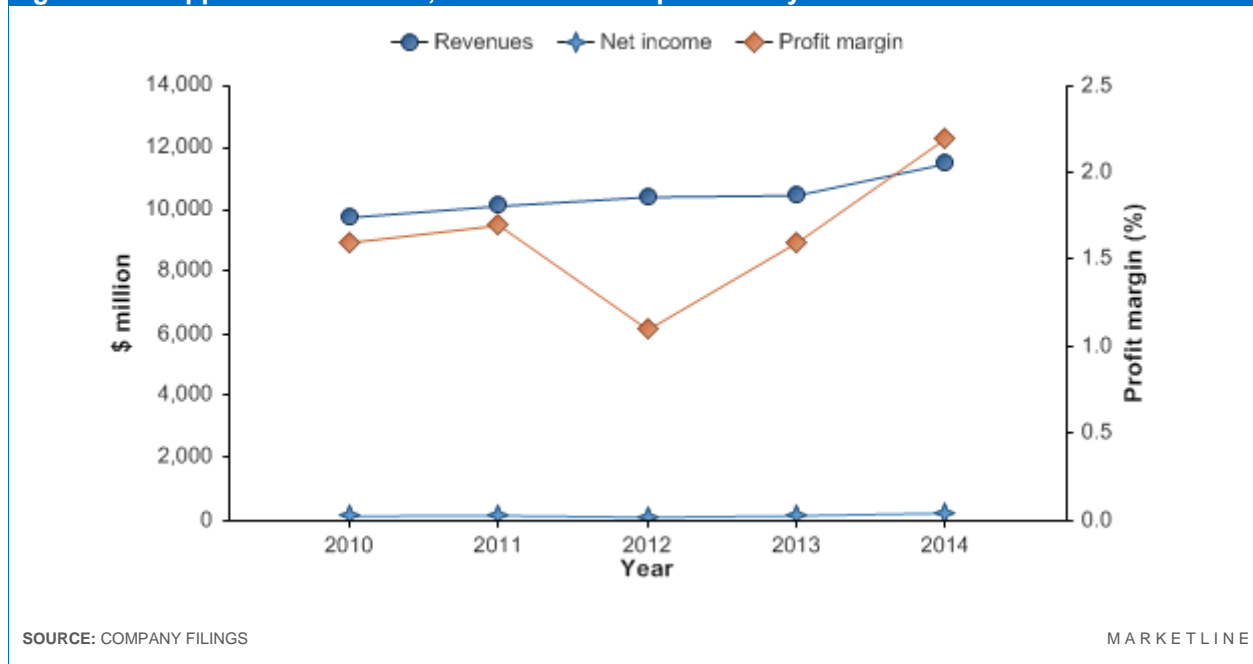
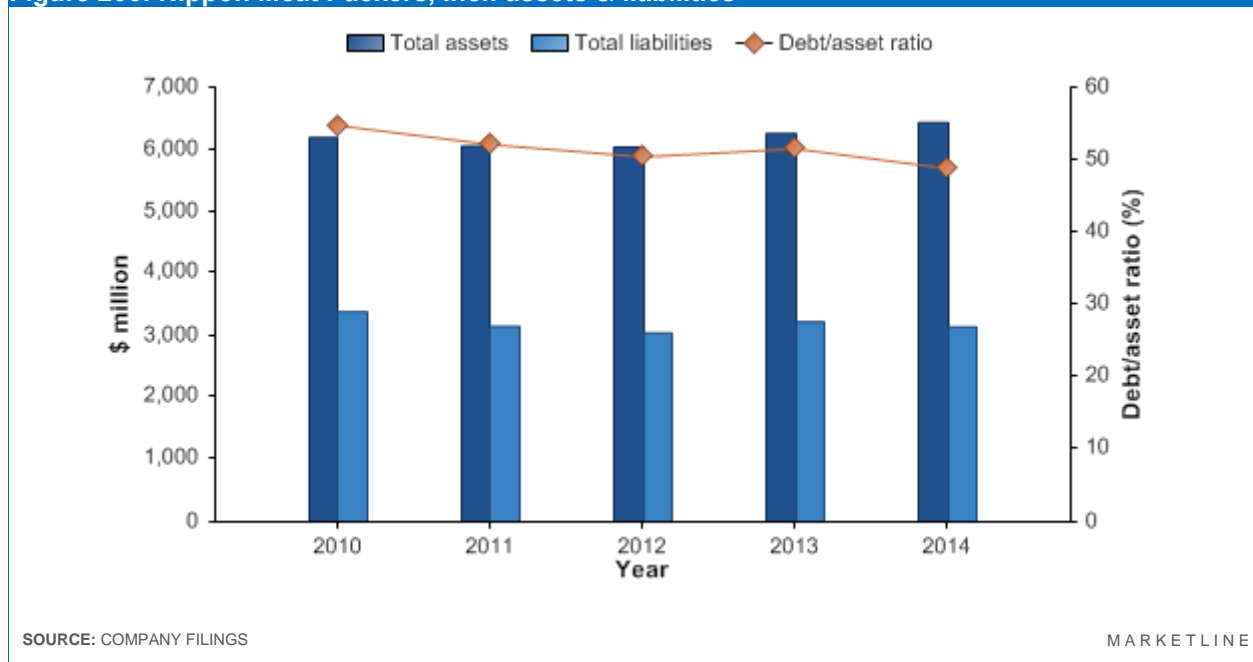


Figure 206: Nippon Meat Packers, Inc.: assets & liabilities



Dr. August Oetker KG

Table 200: Dr. August Oetker KG: key facts

Head office:	Lutterstrasse 14, 33617 Bielefeld, DEU
Telephone:	49 521 155 0
Fax:	49 521 155 2995
Website:	www.oetker-gruppe.de
Financial year-end:	December
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Dr. August Oetker (Oetker) is a holding group that conducts business through its interest in around 400 companies. The group operates through six operating divisions: food; beer and non-alcoholic beverages; sparkling wine, wine and spirits; shipping; banking; and other interests.

The group's food division operates through its subsidiary Dr. Oetker GmbH (Dr. Oetker). Dr. Oetker focuses in the areas of bakeries, patisseries, restaurants and cafeterias. Dr. Oetker offers products in the food, and frozen food segments. In addition to the retail business, it also offers products to bulk consumers through its food companies Dr. Oetker Food-Service, Martin Braun Group, FrischeParadies Group, and Dr. August Oetker Nahrungsmittel KG.

Oetker's beer and non-alcoholic beverages division operates through its subsidiary Radeberger Gruppe which brews beer at 14 locations. Radeberger Gruppe offers beers under the brand names Radeberger, Jever, Schofferhofer, and Clausthaler. It also offers mineral water under the Selters brand.

The group's sparkling wine, wine and spirits division operates through Henkell & Co. Sektkellerei (Henkell), a producer of sparkling wine. Henkell sparkling wine brands are marketed in Germany, Austria, Hungary, the Czech Republic, Poland, Slovakia, and France. Other subsidiaries in the division include Sohnlein Rheingold Sektkellerei GmbH, Furst von Metternich Sektkellerei GmbH, Deinhard KG, Kupferberg Sektkellerei GmbH, JWG Johannisberger Weinvertrieb KG, Gorbatschow Wodka KG, and Scharlachberg Weinbrennerei GmbH.

Oetker's shipping division operates through its subsidiary Hamburg Sud, a German privately owned shipping company. Hamburg Sud operates a fleet of around 153 vessels of which it owns 42 vessels. It also owns and operates around 49 tramp vessels and 104 liner ships. It offers its shipping services in the coasts of South America, Europe, North America, Asia, and Australia.

The group's banking division operates through its subsidiary Bankhaus Lampe, a German provider of banking services to small and medium-sized companies and institutional investors.

Oetker, through its other interests division, holds interests in chemical and publishing industries. The group offers chemical products through Chemische Fabrik Budenheim which specializes in offering phosphate-based products. The group also holds interests in four hotels located in Germany and France.

Key Metrics

As a private entity, Dr. August Oetker KG is not legally obliged to release its financial results.

Findus Group Limited

Table 201: Findus Group Limited: key facts

Head office:	77 Kingsway, First Floor, London WC2B 6SR, GBR
Telephone:	44 207 430 8181
Website:	www.findusgroup.com
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Findus Group Limited (Findus) is a European food processing group. It operates in the UK, Sweden, France, Norway and Finland.

The group operates under the following two brands: Young's Seafood (Young's) and Findus.

Young's is a UK-based producer of chilled and frozen, branded and own-label fish and seafood. The group supplies retailers with chilled, own-label, fish and seafood. Young's chilled products range includes natural fillets and prawns. Pinneys, part of Young's, holds the Royal Warrant to supply smoked salmon to Her Majesty the Queen.

Findus is an international frozen food brand, operating in retail and foodservice sectors. The company grows, develops, produces and markets a range of frozen food products, including vegetables, vegetable mixes, prepared meals, recipe dishes, fish and seafood. The group markets Findus brand products in a number of markets including Sweden, Norway, Finland and France.

The group also has a number of developing Findus markets in Eastern Europe.

Key Metrics

As a private entity, Findus Group Limited is not legally obliged to release its financial results.

Charal SAS

Table 202: Charal SAS: key facts

Head office:	1, place des Prairies, BP 70107, 49301 Cholet, FRA
Telephone:	33 2 41 49 51 51
Website:	www.charal.com
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Incorporated in 1971 and a subsidiary of Groupe Bigard since August 2008, Charal SAS is one of France's leading meat brands, producing and distributing fresh and frozen and packaged beef and pork products. The company also supplies food to restaurants, freezer centers, and homes.

Charal has 9 production sites across France, with a presence in all major French livestock farming regions. Vertically integrated, the company's core activities include the slaughtering, butchery and manufacturing of prepared meat products. Its range of fresh and frozen food products features over 150 different items.

Key Metrics

As a private entity, Findus Group Limited is not legally obliged to release its financial results.

LDC SA

Table 203: LDC SA: key facts

Head office:	ZI Saint Laurent BP 88, 72302 Sable-sur-Sarthe, FRA
Telephone:	33 2 4362 7000
Fax:	33 2 4392 3418
Website:	www ldc fr
Financial year-end:	February
Ticker:	LOUP
Stock exchange:	Euronext Paris
<div> <div>SOURCE: COMPANY WEBSITE</div> <div>MARKETLINE</div> </div>	

LDC SA is a French company which manufactures and distributes poultry and other fresh and frozen food products. The group's product range consists of pizzas, meat pies, cooked dishes, sandwiches, deli products and pastries. It operates in France, Poland and Spain.

The group operates through the following four business divisions: upstream, poultry, delicatessen, and international.

LDC's upstream division operates pork, beef and rabbit farms, as well as cultivating eggs and operating a turkey hatchery.

The group's poultry division produces and processes cut chicken and processed chicken products, as well as labeled poultry among others.

The group's delicatessen division offers a range of products including sandwiches, pizzas, ethnic products, pre-cooked dishes and pancakes. The division also offers sauces, cooked meats and prepared dishes. It operates five industrial sites: ATI (Atlantic Traiteur Innovation) for ethnic products and breaded poultry products; LTA (La Toque Angevine) for pizzas and sandwiches; EPC (Européenne de Plats Cuisines) for prepared dishes, sauces and cooked meats; REGALETTE for sweet and savory filled and plain pancakes; and AGIS for ethnic and prepared dishes.

LDC's international division focuses on international development with country-specific strategies, and through acquisitions. LDC has an international presence in Poland and Spain. The group's Polish subsidiary, Drosed, is engaged in the poultry market. It develops processed and cut products. Hermanos Saiz, (the Spanish subsidiary specializing in chicken pieces and cuts) is engaged in the manufacture and sale of processed poultry products.

Key Metrics

The company recorded revenues of \$4,039m in the fiscal year ending February 2014, an increase of 4.1% compared to fiscal 2013. Its net income was \$104m in fiscal 2014, compared to a net income of \$81m in the preceding year.

Table 204: LDC SA: key financials (\$)

\$ million	2010	2011	2012	2013	2014
Revenues	2,741.2	3,391.7	3,682.4	3,880.2	4,039.5
Net income (loss)	83.6	63.7	74.3	81.0	103.5
Total assets	1,632.8	1,684.5	1,816.0	1,943.4	2,023.0
Total liabilities	906.7	909.3	989.0	1,058.0	1,054.0
Employees	15,707	15,670	15,793	16,072	16,105

SOURCE: COMPANY FILINGS

MARKETLINE

Table 205: LDC SA: key financials (€)

€ million	2010	2011	2012	2013	2014
Revenues	2,065.0	2,555.0	2,774.0	2,923.0	3,043.0
Net income (loss)	63.0	48.0	56.0	61.0	78.0
Total assets	1,230.0	1,269.0	1,368.0	1,464.0	1,524.0
Total liabilities	683.0	685.0	745.0	797.0	794.0

SOURCE: COMPANY FILINGS

MARKETLINE

Table 206: LDC SA: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	3.1%	1.9%	2.0%	2.1%	2.6%
Revenue growth	6.0%	23.7%	8.6%	5.4%	4.1%
Asset growth	31.1%	3.2%	7.8%	7.0%	4.1%
Liabilities growth	45.6%	0.3%	8.8%	7.0%	(0.4%)
Debt/asset ratio	55.5%	54.0%	54.5%	54.4%	52.1%
Return on assets	5.8%	3.8%	4.2%	4.3%	5.2%
Revenue per employee	\$174,521	\$216,442	\$233,164	\$241,423	\$250,820
Profit per employee	\$5,324	\$4,066	\$4,707	\$5,038	\$6,429

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 207: LDC SA: revenues & profitability

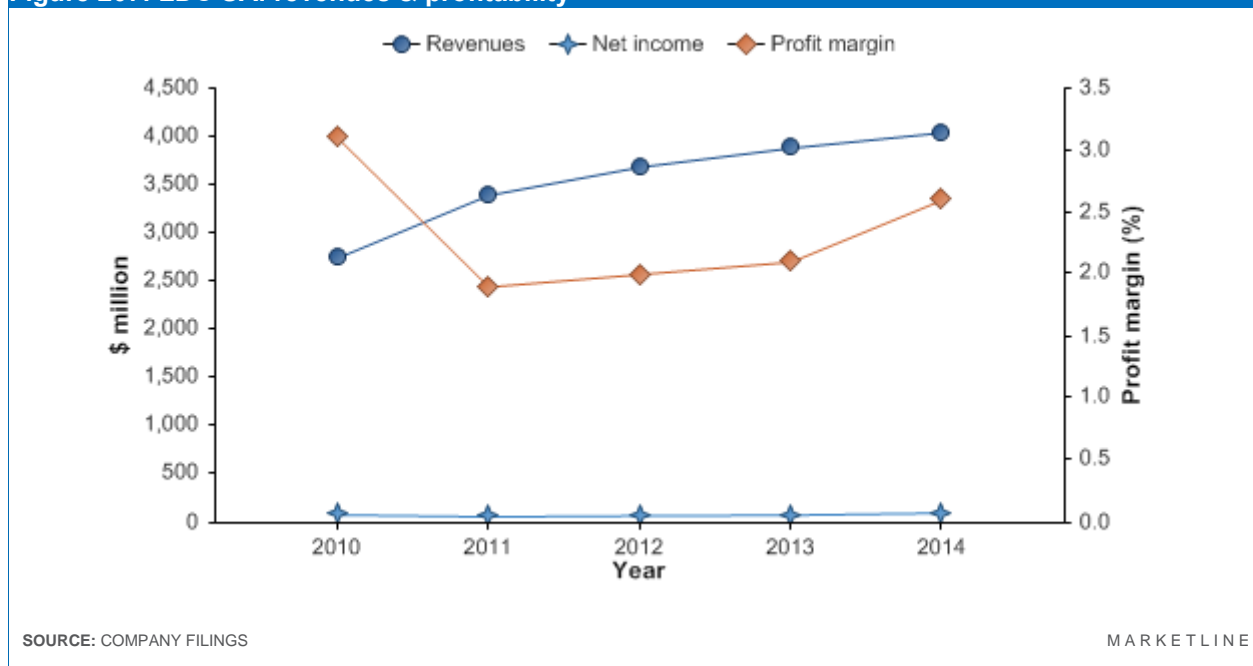
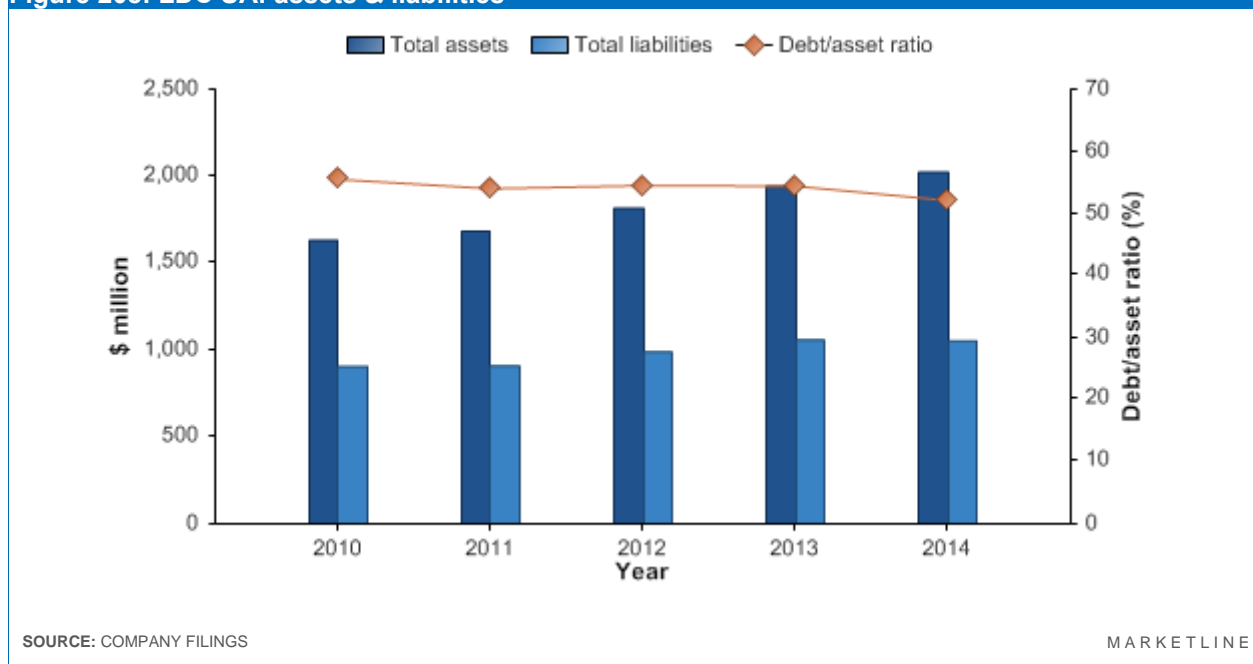


Figure 208: LDC SA: assets & liabilities



Orogel Group

Table 207: Orogel Group: key facts

Head office:	Via Dismano, 2600 - 47522 Cesena (FC), ITA
Telephone:	39 547 3771
Fax:	39 547 377016
Website:	www.gruppo-orogel.it
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Originally established in 1967, the Orogel Group is an Italian co-operative with over 2000 member farms growing and processing produce. The group offers a wide range of fresh, processed, and frozen fruit and vegetable products.

Its frozen foods are offered to the retail and food service industries under the Orogel brand, while its fresh produce is branded as Orogel Fresco. The company also produces a range of preserves under the Virtù di Frutta and Orofrutta brand names.

Key Metrics

As a private entity, the Orogel Group is not legally obliged to release its financial results.

Unilever

Table 208: Unilever: key facts

Head office:	Unilever House, 100 Victoria Embankment, London, EC4Y 0DY, GBR
Telephone:	44 20 7822 5252
Fax:	44 20 7822 5951
Local office:	Unilever Italia, Via Paolo Di Dono 3A, 00142 Roma, ITA
Telephone:	39 065449 1
Website:	www.unilever.com
Financial year-end:	December
Ticker:	ULVR
Stock exchange:	London
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Unilever is a dual-listed company with two parent companies, Unilever N.V. and Unilever PLC. Unilever N.V. is a public limited company registered in the Netherlands, whereas Unilever PLC is a public limited company registered in England and Wales. These two companies function as a single operating business, but retain separate legal identities and stock exchange listings. The two parent companies, together with their Group companies, operate as a single entity (Unilever). Unilever is one of the world's premier FMCG companies with a host of well-known brands in the foods, home and personal care categories.

The group operates through four product segments: personal care, foods, refreshment, and home care.

The personal care segment includes skin care and hair care products, deodorants and oral care products. The group's major brands in this segment include Dove, Lux, Rexona, Sunsilk, Axe, Pond's, Lifebuoy, Vaseline, and Close Up.

The foods segment includes the manufacture and sale of a variety of products including soups, bouillons, sauces, snacks, mayonnaise, salad dressings, margarines and spreads, and cooking products such as liquid margarines. Key brands operating under this segment are Knorr, Blue Band, Rama, Hellmann's and Amora.

Unilever's refreshment segment includes sales of ice cream, tea-based beverages, weight-management products, and nutritionally enhanced staples sold in developing markets. Carte D'Or, Ben & Jerry's, Cornetto, Wall's, Lipton, SlimFast, Becel and Flora are the key brands sold under the refreshments segment.

The home care segment includes sales of home care products, such as powders, liquids and capsules, soap bars and a wide range of cleaning products. Unilever's global brands in this segment include Omo, Surf, Comfort, Cif, Domestos and Sunlight.

Key Metrics

The company recorded revenues of \$66,103m in the fiscal year ending December 2013, a decrease of 3.0% compared to fiscal 2012. Its net income was \$6,428m in fiscal 2013, compared to a net income of \$5,947m in the preceding year.

Table 209: Unilever: key financials (\$)

\$ million	2009	2010	2011	2012	2013
Revenues	52,863.3	58,755.9	61,683.0	68,130.4	66,103.4
Net income (loss)	4,473.5	5,633.7	6,136.8	5,947.0	6,427.5
Total assets	49,137.2	55,045.7	63,070.1	61,283.4	60,416.6
Total liabilities	32,496.2	34,632.0	43,263.2	40,421.1	40,750.3
Employees	168,000	165,000	169,000	173,000	174,381

SOURCE: COMPANY FILINGS

MARKETLINE

Table 210: Unilever: key financials (€)

€ million	2009	2010	2011	2012	2013
Revenues	39,823.0	44,262.0	46,467.0	51,324.0	49,797.0
Net income (loss)	3,370.0	4,244.0	4,623.0	4,480.0	4,842.0
Total assets	37,016.0	41,467.0	47,512.0	46,166.0	5,513.0
Total liabilities	24,480.0	26,089.0	32,591.0	30,450.0	30,698.0

SOURCE: COMPANY FILINGS

MARKETLINE

Table 211: Unilever: key financial ratios

Ratio	2009	2010	2011	2012	2013
Profit margin	8.5%	9.6%	9.9%	8.7%	9.7%
Revenue growth	(1.7%)	11.1%	5.0%	10.5%	(3.0%)
Asset growth	2.4%	12.0%	14.6%	(2.8%)	(1.4%)
Liabilities growth	(5.0%)	6.6%	24.9%	(6.6%)	0.8%
Debt/asset ratio	66.1%	62.9%	68.6%	66.0%	67.4%
Return on assets	9.2%	10.8%	10.4%	9.6%	10.6%
Revenue per employee	\$314,663	\$356,096	\$364,988	\$393,817	\$379,074
Profit per employee	\$26,628	\$34,144	\$36,313	\$34,376	\$36,859

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 209: Unilever: revenues & profitability

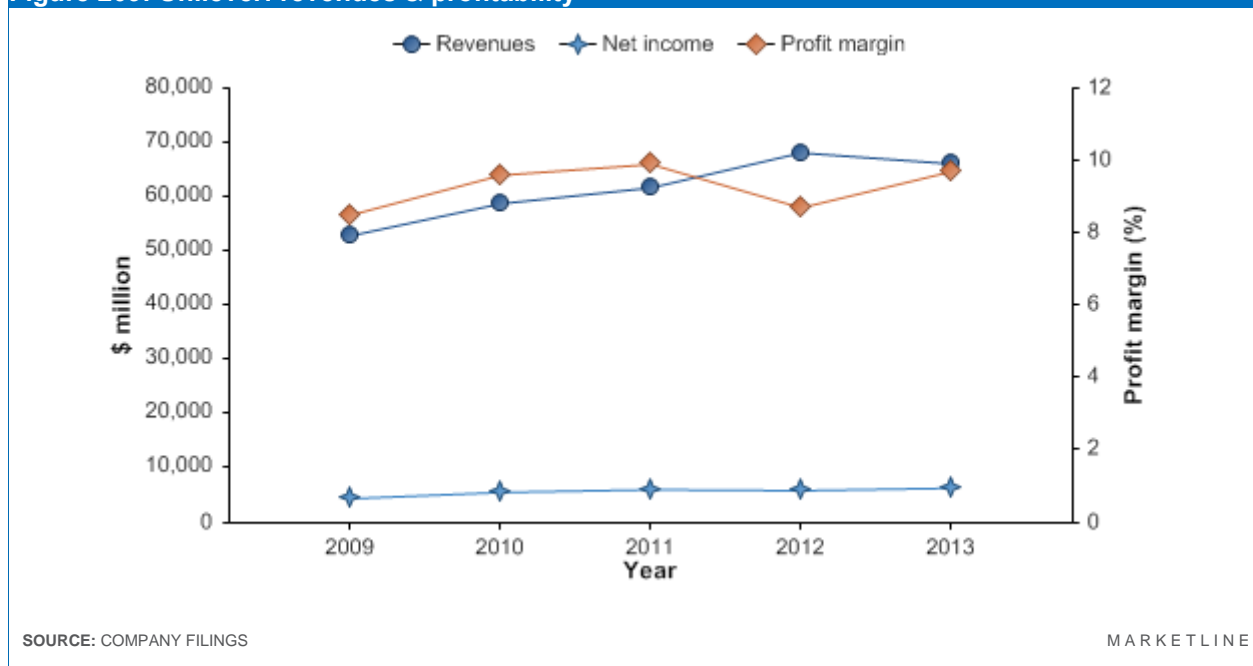
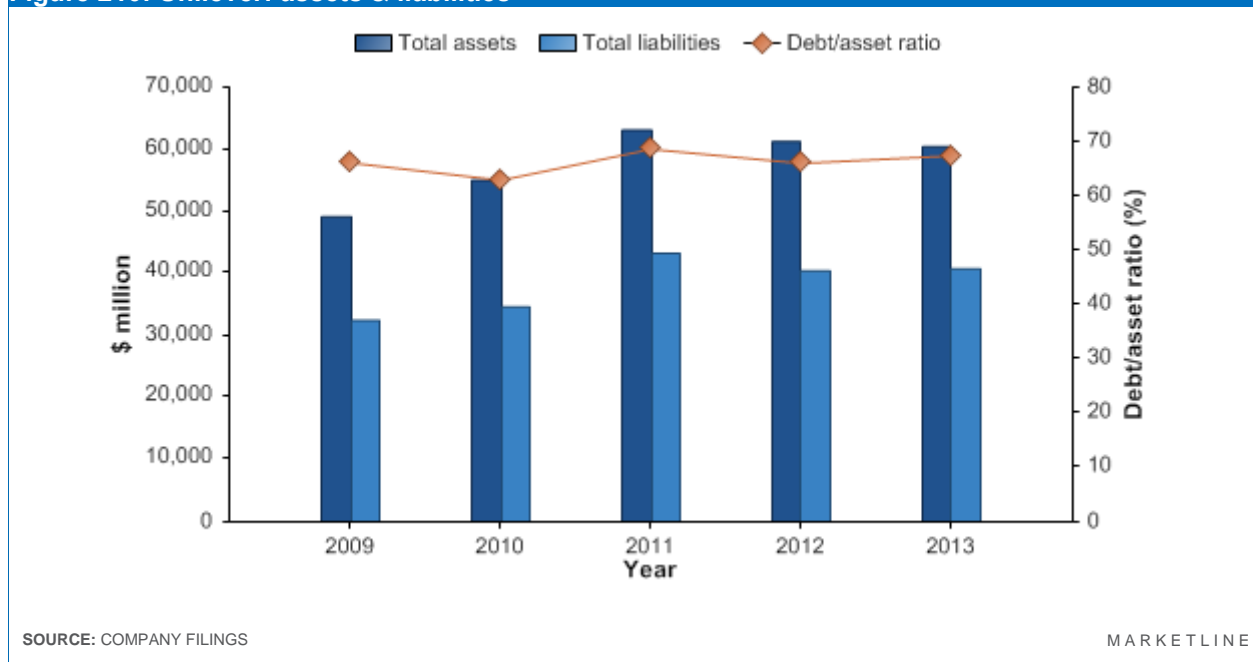


Figure 210: Unilever: assets & liabilities



Ajinomoto Co., Inc.

Table 212: Ajinomoto Co., Inc.: key facts

Head office:	15-1 Kyobashi 1-chome, Chuo-ku, Tokyo 104 8315, JPN
Telephone:	81 3 5250 8111
Website:	www.ajinomoto.com
Financial year-end:	March
Ticker:	2802
Stock exchange:	Tokyo
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Ajinomoto Co., Inc. is mainly engaged in the production and sale of food products and fine chemicals. The company produces seasonings, processed foods, frozen foods, beverages, and amino acids for applications in pharmaceuticals and food products. The company operates in 26 countries through its various subsidiaries and associated companies.

The company operates through five segments: domestic food products, overseas food products, bioscience products and fine chemicals, business tie-ups, and pharmaceuticals.

The domestic food products segment offers various products, including seasonings, processed foods, sweeteners, delicatessen and bakery products, frozen foods and beverages. Some of the key branded products in this segment include AJI-NO-MOTO, HON-DASHI, Ajinomoto KK Consomme, Cook Do, Knorr Cup Soup, Pure Select Mayonnaise, Kellogg's products, and food enzyme ACTIVA.

The overseas food products segment comprises Ajinomoto's international operations. It offers a range of consumer foods, including flavor seasonings, instant noodles, noodle soups, canned coffee, and powdered drinks. The company also offers umami seasonings for processed food manufacturers.

The bioscience products and fine chemicals segment includes amino acids, pharmaceutical fine chemicals and specialty chemicals. The company is one of the world's largest manufacturers of amino acids.

Through the business tie-ups segment the company offers edible oils and coffee products. Its offerings include salad oil, sara-sara canola oil and Kenko Sarara edible oils, as well as Maxim, Blendy, and Blendy bottled coffee brands.

The pharmaceuticals segment focuses on clinical nutrition, and also offers products for treating gastrointestinal diseases and metabolic diseases.

Additionally, the company is engaged in other operations including the wellness sector, packaging and logistics.

Key Metrics

The company recorded revenues of \$10,160m in the fiscal year ending March 2013, an increase of .6% compared to fiscal 2012. Its net income was \$496m in fiscal 2013, compared to a net income of \$428m in the preceding year.

Table 213: Ajinomoto Co., Inc.: key financials (\$)

\$ million	2009	2010	2011	2012	2013
Revenues	12,000.4	10,405.0	10,322.9	10,095.0	10,160.2
Net income (loss)	(104.8)	170.6	311.6	427.9	495.8
Total assets	10,841.3	11,091.9	11,042.5	11,243.8	11,189.3
Total liabilities	4,500.7	4,499.9	4,377.6	4,580.3	4,099.9
Employees	26,869	27,215	28,084	28,245	27,518

SOURCE: COMPANY FILINGS

MARKETLINE

Table 214: Ajinomoto Co., Inc.: key financials (¥)

¥ million	2009	2010	2011	2012	2013
Revenues	1,170,876.0	1,015,215.0	1,007,208.0	984,967.0	991,332.0
Net income (loss)	(10,227.0)	16,646.0	30,400.0	41,754.0	48,373.0
Total assets	1,057,786.0	1,082,238.0	1,077,418.0	1,097,057.0	1,091,741.0
Total liabilities	439,132.0	439,059.0	427,127.0	446,898.0	400,030.0

SOURCE: COMPANY FILINGS

MARKETLINE

Table 215: Ajinomoto Co., Inc.: key financial ratios

Ratio	2009	2010	2011	2012	2013
Profit margin	(0.9%)	1.6%	3.0%	4.2%	4.9%
Revenue growth	(3.8%)	(13.3%)	(0.8%)	(2.2%)	0.6%
Asset growth	(3.9%)	2.3%	(0.4%)	1.8%	(0.5%)
Liabilities growth	(7.0%)	0.0%	(2.7%)	4.6%	(10.5%)
Debt/asset ratio	41.5%	40.6%	39.6%	40.7%	36.6%
Return on assets	(0.9%)	1.6%	2.8%	3.8%	4.4%
Revenue per employee	\$446,625	\$382,326	\$367,573	\$357,408	\$369,221
Profit per employee	(\$3,901)	\$6,269	\$11,094	\$15,151	\$18,016

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 211: Ajinomoto Co., Inc.: revenues & profitability

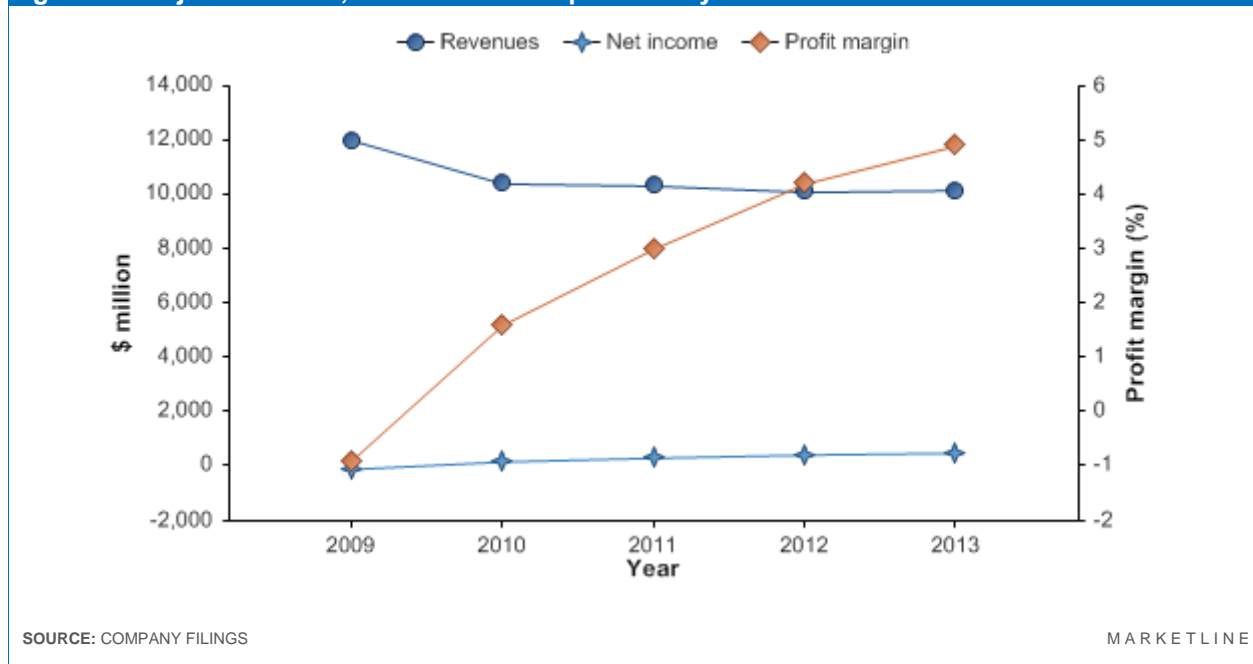
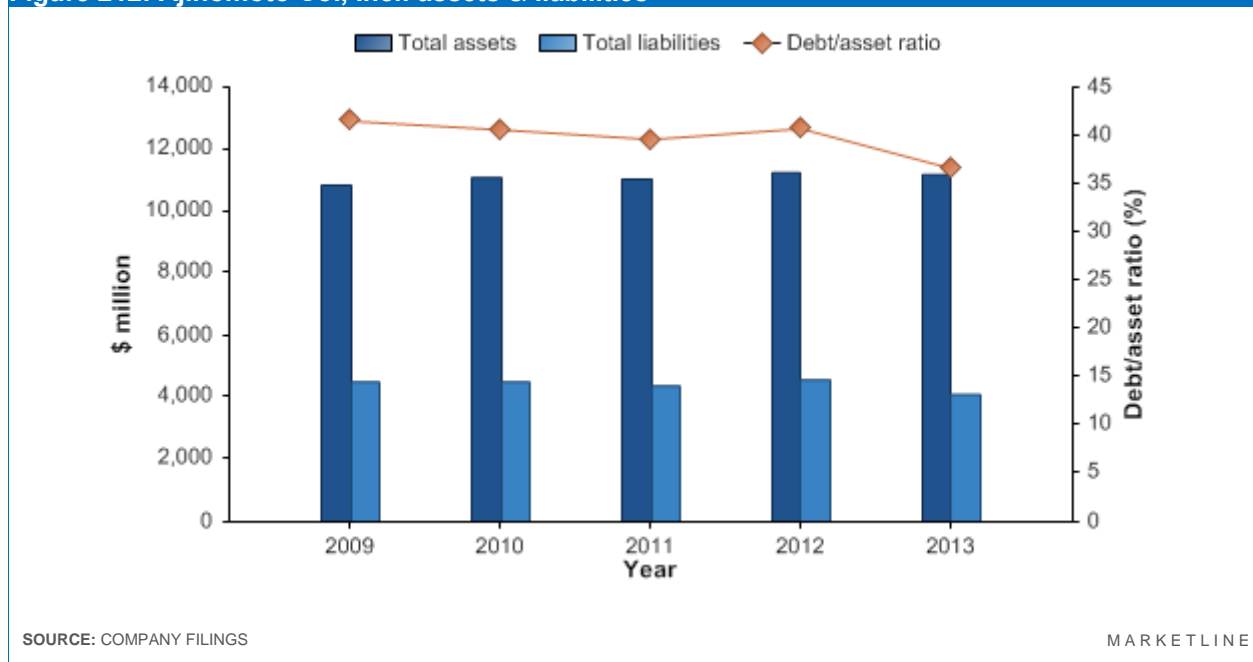


Figure 212: Ajinomoto Co., Inc.: assets & liabilities



George Weston Limited

Table 216: George Weston Limited: key facts

Head office:	22 Street Clair Avenue East, Toronto, M4T 2S7, CAN
Telephone:	1 416 922 2500
Fax:	1 416 922 4395
Website:	www.weston.ca
Financial year-end:	December
Ticker:	WN
Stock exchange:	Toronto
<p>SOURCE: COMPANY WEBSITE</p> <p>MARKETLINE</p>	

George Weston, a holding company, is engaged in the processing and distribution of food products through its subsidiaries. The company operates in the US and Canada.

The company operates through two business segments: Loblaw Companies Limited (Loblaw) and Weston Foods.

Loblaw is a food distributor and a provider of general merchandise, and drugstore and financial products and services in Canada. Loblaw operates through two divisions: retail and financial services. The retail division is comprised mainly of food and also includes drugstores, gas bars, apparel and other general merchandise. The retail division operates conventional stores and discount stores. The company owns the following store banners: Atlantic Superstore, Dominion (in Newfoundland and Labrador), Extra Foods, Loblaws, Maxi, Maxi & Cie, Provigo, The Real Canadian Superstore, T&T Supermarket and Zehrs. The division operates wholesale outlets under the banners Cash & Carry, Presto and The Real Canadian Wholesale Club.

The financial segment includes credit card services, a retail loyalty program, insurance brokerage services, and personal banking services. President's Choice Bank provides consumers financial services under the President's Choice Financial brand, including the President's Choice Financial MasterCard. Loblaw also offers home, auto, travel and pet insurance through its insurance entities. It also offers mobile phone services through The Mobile Shop and PC Mobile.

The company's franchised and affiliated stores operate under the Atlantic SaveEasy, Fortinos, Extra Foods, nofrills, SuperValu, valu-mart, Provigo and Your Independent Grocer trade names.

Weston Foods produces and distributes a wide range of food products, including fresh, frozen and specialty bakery products. The frozen bakery products offered by the segment include raw dough, pre-proofed, par-baked, pre-fried and fully baked products. Weston Foods offers specialty bakery products, including breads, rolls, bagels, flatbreads, tortillas, doughnuts, cakes, pies, cookies, crackers and other baked goods. The segment also provides control label products to retailers and consumer food companies, supplies ice cream cones and sandwich wafers to the dairy industry, and supplies Girl Scout cookies.

Weston Foods sells its products through a variety of customer channels, including national and regional supermarkets, wholesale and club stores and convenience store chains, and food service distributors and outlets.

Key Metrics

The company recorded revenues of \$32,607m in the fiscal year ending December 2013, an increase of 2.6% compared to fiscal 2012. Its net income was \$598m in fiscal 2013, compared to a net income of \$461m in the preceding year.

Table 217: George Weston Limited: key financials (\$)

\$ million	2009	2010	2011	2012	2013
Revenues	30,896.2	30,922.4	31,436.1	31,791.4	32,607.0
Net income (loss)	1,005.0	438.9	616.6	461.2	598.1
Total assets	19,558.2	21,066.1	20,704.0	21,171.0	23,907.2
Total liabilities	10,294.2	13,759.6	13,031.4	13,333.3	15,247.1

SOURCE: COMPANY FILINGS

MARKETLINE

Table 218: George Weston Limited: key financials (C\$)

C\$ million	2009	2010	2011	2012	2013
Revenues	31,820.0	31,847.0	32,376.0	32,742.0	33,582.0
Net income (loss)	1,035.0	452.0	635.0	475.0	616.0
Total assets	20,143.0	21,696.0	21,323.0	21,804.0	24,622.0
Total liabilities	10,602.0	14,171.0	13,421.0	13,732.0	15,703.0

SOURCE: COMPANY FILINGS

MARKETLINE

Table 219: George Weston Limited: key financial ratios

Ratio	2009	2010	2011	2012	2013
Profit margin	3.3%	1.4%	2.0%	1.5%	1.8%
Revenue growth	(0.8%)	0.1%	1.7%	1.1%	2.6%
Asset growth	3.0%	7.7%	(1.7%)	2.3%	12.9%
Liabilities growth	(3.1%)	33.7%	(5.3%)	2.3%	14.4%
Debt/asset ratio	52.6%	65.3%	62.9%	63.0%	63.8%
Return on assets	5.2%	2.2%	3.0%	2.2%	2.7%

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 213: George Weston Limited: revenues & profitability

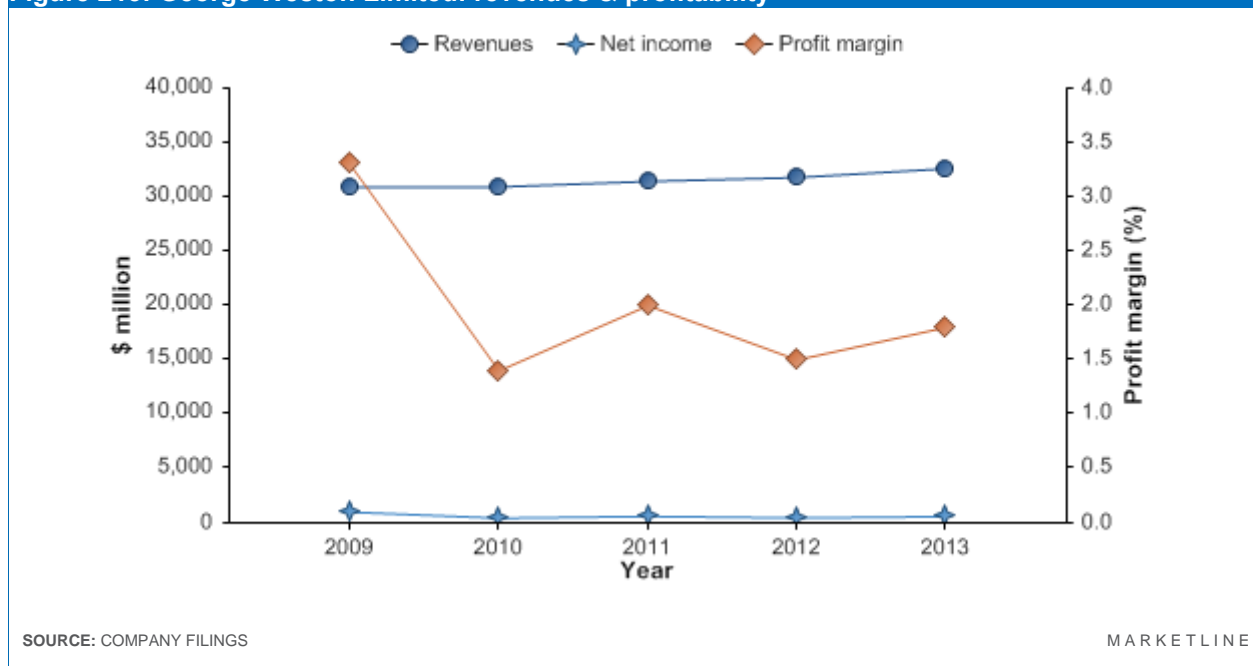
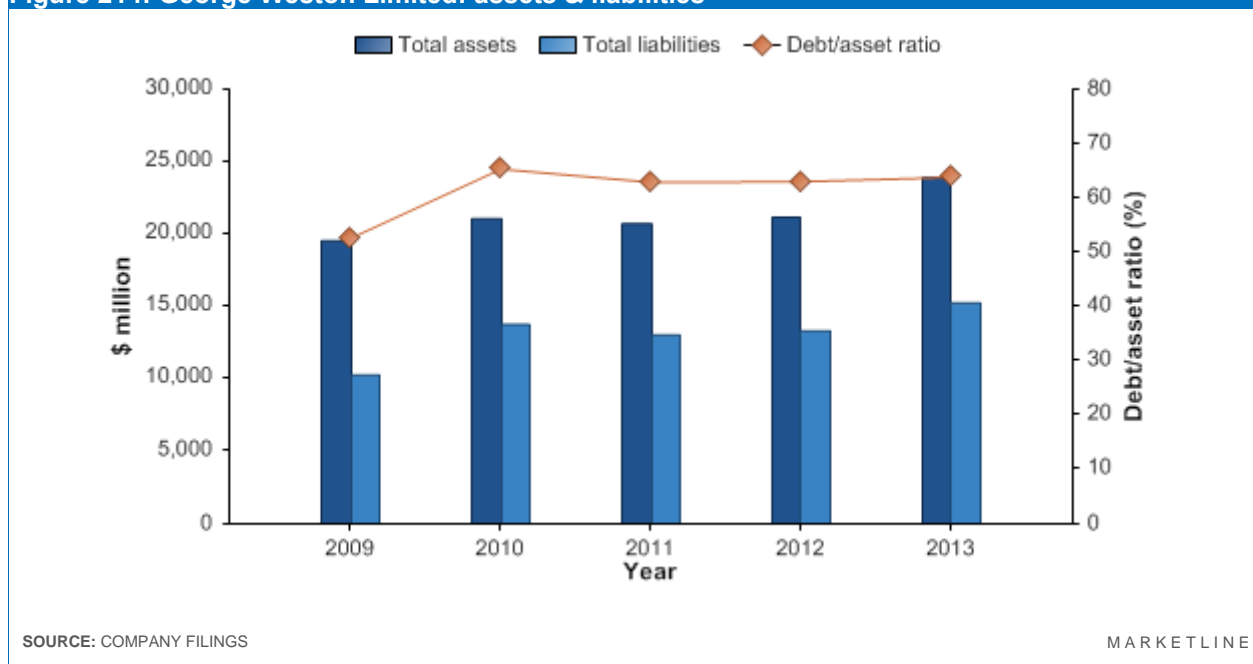


Figure 214: George Weston Limited: assets & liabilities



General Mills, Inc.

Table 220: General Mills, Inc.: key facts

Head office:	Number One General Mills Boulevard, Minneapolis, Minnesota 55426, USA
Telephone:	1 763 764 7600
Local office:	General Mills China, 6th Floor, Qing Ke Mansion, 138 Fenyang Road, Shanghai 200 031, CHN
Telephone:	86 21 3423 4517
Fax:	86 21 3423 4519
Website:	www.generalmills.com
Financial year-end:	May
Ticker:	GIS
Stock exchange:	New York
<p>SOURCE: COMPANY WEBSITE</p> <p style="text-align: right;">MARKETLINE</p>	

General Mills is engaged in the manufacturing and marketing of branded consumer foods. The company also supplies branded and unbranded food products to the foodservice and commercial baking industries. It manufactures products in 16 countries and markets them in more than 100 countries.

The company operates 65 facilities for the production of a wide range of food products, of which 30 are located in the US, 12 in Latin America and Mexico, nine in the Asia/Pacific region, eight in Europe, five in Canada and one in South Africa.

The company operates through three business segments: US retail, international, and bakeries and foodservice.

The US retail segment serves a wide range of grocery stores, mass merchandisers, membership stores, natural food chains, and drug, dollar and discount chains operating throughout the US.

The company has categorized its US retail division into seven business divisions: Big G cereals, baking products, meals, Pillsbury, small planet foods, snacks and Yoplait.

The major product categories offered by the segment include ready-to-eat cereals, refrigerated yogurt, ready-to-serve soup, dry dinners, shelf stable and frozen vegetables, refrigerated and frozen dough products, dessert and baking mixes, frozen pizza and pizza snacks, grain, fruit and savory snacks, and a wide range of organic products including soup, granola bars, and cereal.

The company primarily markets these products under major brand names such as Cheerios, Wheaties, Pillsbury, Betty Crocker, Yoplait, Hamburger Helper, and Progresso among others.

The international segment consists of retail and foodservice operations outside of the US.

In Canada, the company offers products under various categories, including ready-to-eat cereals, shelf stable and frozen vegetables, dry dinners, refrigerated and frozen dough products, dessert and baking mixes, frozen pizza snacks, refrigerated yogurt, and grain and fruit snacks. Outside North America, the segment offers super-premium ice cream and frozen desserts, refrigerated yogurt, snacks, shelf stable and frozen vegetables, refrigerated and frozen dough products, and dry dinners.

The international segment also includes products manufactured in the US for export, mainly to Caribbean and Latin American markets, and for sale to its international joint ventures.

The company primarily offers Haagen-Dazs ice creams, Old El Paso Mexican foods, Nature Valley granola bars, Cheerios cereal, Wanchai Ferry dumplings and meal kits, Green Giant vegetables, Pillsbury and Betty Crocker products, Yoplait yogurt and Yoki in the international markets.

In addition, the company has two international joint ventures: Cereal Partners Worldwide (CPW) and Haagen-Dazs Japan (HDJ). CPW is a 50-50 partnership with Nestle, which manufactures and markets breakfast cereals in over 130 countries and republics outside the US and Canada. CPW also markets cereal bars in several European countries and manufactures private label cereals for customers in the UK. HDJ, in which General Mills has 50% equity interest, manufactures, distributes, and markets Haagen-Dazs ice cream products and frozen novelties in Japan.

The bakeries and foodservice segment offers ready-to-eat cereals, snacks, refrigerated yogurt, frozen dough products, baking mixes, and flour. General Mills markets these products to foodservice distributors and operators, convenience stores, vending machine operators, and supermarket bakeries. The major brands of the segment include Cheerios, Fiber One, Total, Yoplait, Chex Mix, Nature Valley, and Pillsbury.

Key Metrics

The company recorded revenues of \$17,910m in the fiscal year ending May 2014, an increase of .8% compared to fiscal 2013. Its net income was \$1,824m in fiscal 2014, compared to a net income of \$1,855m in the preceding year.

Table 221: General Mills, Inc.: key financials (\$)

\$ million	2010	2011	2012	2013	2014
Revenues	14,635.6	14,880.2	16,657.9	17,774.1	17,909.6
Net income (loss)	1,503.5	1,798.3	1,567.3	1,855.2	1,824.4
Total assets	17,678.9	18,674.5	21,096.8	22,658.0	23,145.7
Total liabilities	12,030.9	12,062.3	13,366.3	14,562.0	15,156.2

SOURCE: COMPANY FILINGS

MARKETLINE

Table 222: General Mills, Inc.: key financial ratios

Ratio	2010	2011	2012	2013	2014
Profit margin	10.3%	12.1%	9.4%	10.4%	10.2%
Revenue growth	0.5%	1.7%	11.9%	6.7%	0.8%
Asset growth	(1.1%)	5.6%	13.0%	7.4%	2.2%
Liabilities growth	(3.4%)	0.3%	10.8%	8.9%	4.1%
Debt/asset ratio	68.1%	64.6%	63.4%	64.3%	65.5%
Return on assets	8.5%	9.9%	7.9%	8.5%	8.0%

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 215: General Mills, Inc.: revenues & profitability

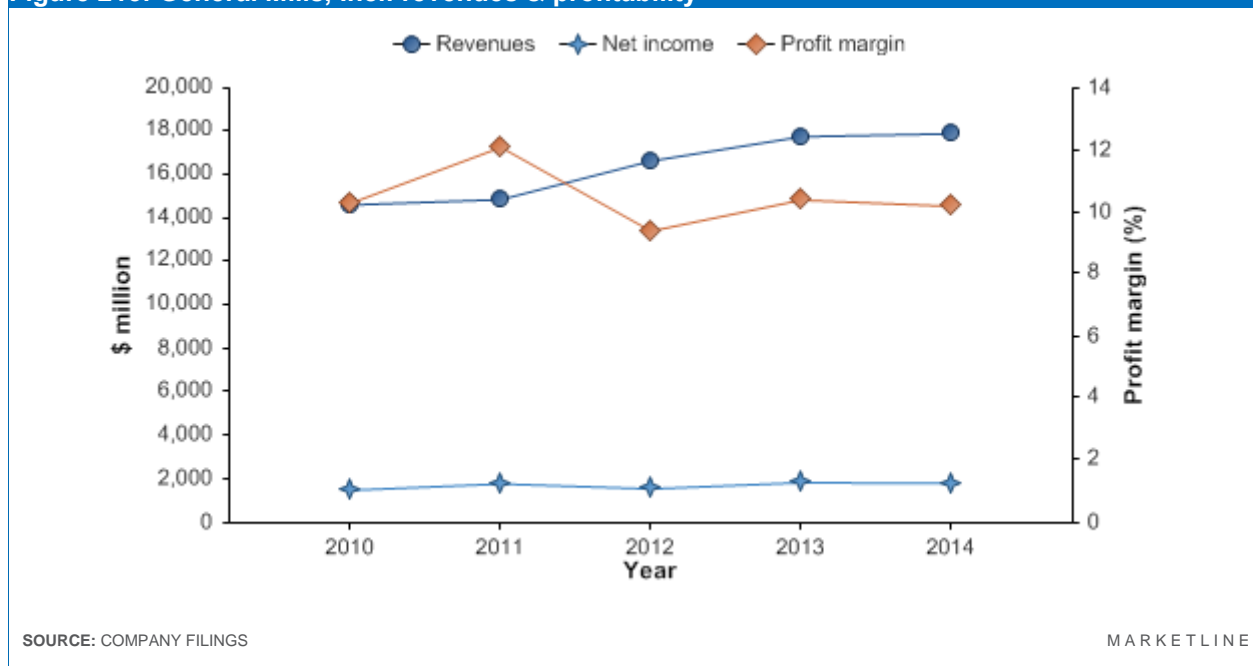
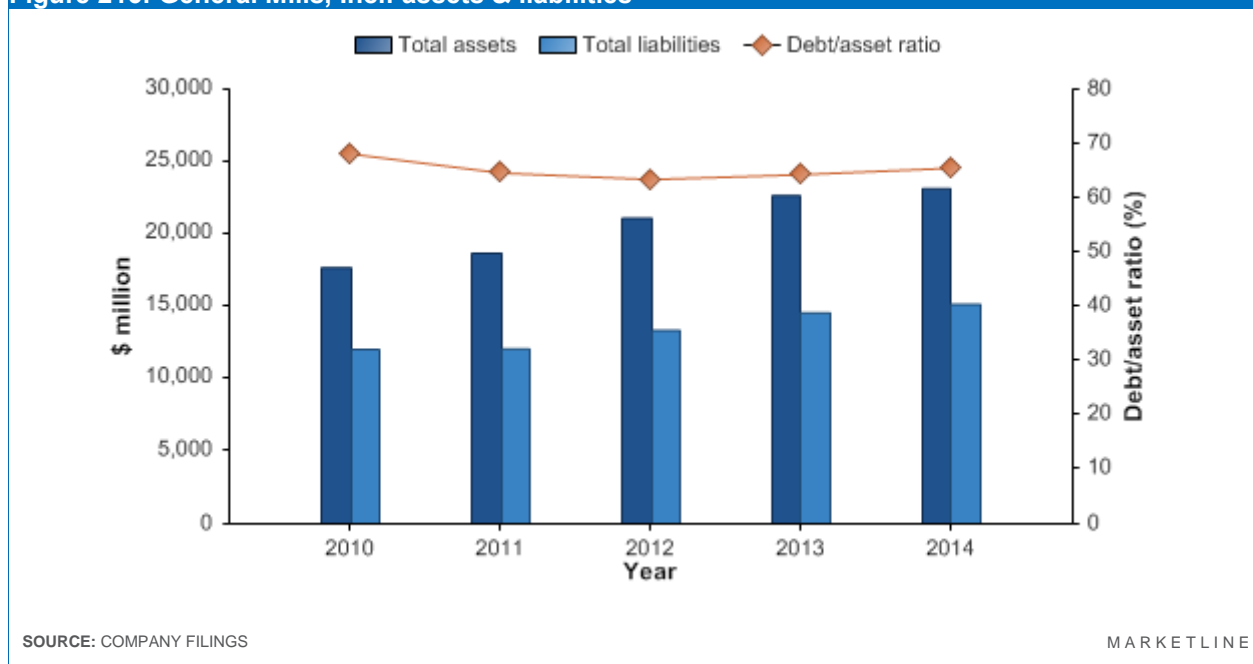


Figure 216: General Mills, Inc.: assets & liabilities



Jinxiang Dachang International Trading Co., Ltd.

Table 223: Jinxiang Dachang International Trading Co., Ltd.: key facts

Head office:	East of 105 National Road, Liuzhuang Village, 272200 Jinxiang, CHN
Telephone:	86 865 378 726 777
Fax:	86 865 378 721 266
Website:	www.chinesegarlic.cn
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Jinxiang Dachang International Trading Co., Ltd. is engaged in the production, processing and distribution of frozen foods in China.

The company specializes in growing, storing, processing and selling both fresh and frozen vegetables. It produces a wide array of vegetables for consumption under the Dacheng and Dacheng Vegetable brand names. It is also engaged in the processing, import and export of agricultural products such as garlic, onions, cotton, corn and other products.

All products are sold domestically as well as being exported to Southeast Asia, Canada, Europe, the Middle East and Brazil.

Key Metrics

As a private entity, Jinxiang Dachang International Trading Co., Ltd. Is not legally obliged to release its financial results.

Sanquan Food Co., Ltd.

Table 224: Sanquan Food Co., Ltd.: key facts

Head office:	Tianhe Road, The Middle Huiji, Zhengzhou, 450044, CHN
Telephone:	86 371 6398 2626
Fax:	86 371 6398 5656
Website:	www.sanquan.com
Ticker:	2216
Stock exchange:	Shenzhen

SOURCE: COMPANY WEBSITE

MARKETLINE

Sanquan Food Co., Ltd., known as Zhengzhou Sanquan Foods Co. until July 2013, produces and distributes quick-frozen food products made of wheat flour and rice, primarily in China. Its principal products include quick-frozen glutinous rice balls, boiled dumplings, rice dumplings, and flour pastry products.

The company purchased H.J. Heinz's Chinese packaged food business, which specializes in frozen foods, Shanghai Long Fong Co. in February 2013 in a deal unrelated to Heinz's merger with Berkshire Hathaway and 3G Capital.

Key Metrics

The company recorded revenues of \$582m in the fiscal year ending 2013, an increase of 34.4% compared to fiscal 2012. Its net income was \$19m in fiscal 2013, compared to a net income of \$23m in the preceding year.

Table 225: Sanquan Food Co., Ltd.: key financials (\$)

\$ million	2009	2010	2011	2012	2013
Revenues	231.8	310.4	424.1	432.8	581.6
Net income (loss)	14.4	20.0	22.3	22.6	19.0
Total assets	260.2	307.7	448.0	504.3	598.7
Total liabilities	109.6	142.7	188.9	226.8	308.5
Employees	1,033	3,013	3,809	4,089	5,442

SOURCE: COMPANY FILINGS

MARKETLINE

Table 226: Sanquan Food Co., Ltd.: key financials (CNY)

CNY million	2009	2010	2011	2012	2013
Revenues	1,436.0	1,923.0	2,627.0	2,681.0	3,603.0
Net income (loss)	89.0	124.0	138.0	140.0	118.0
Total assets	1,612.0	1,906.0	2,775.0	3,124.0	3,709.0
Total liabilities	679.0	884.0	1,170.0	1,405.0	1,911.0

SOURCE: COMPANY FILINGS

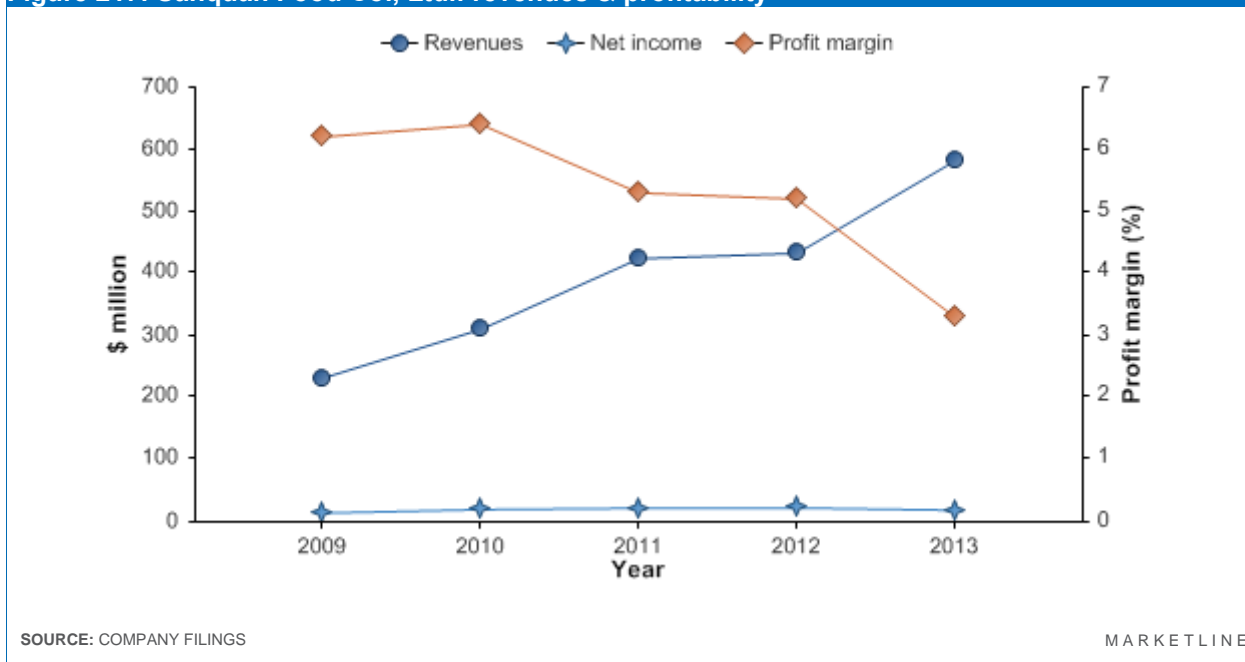
MARKETLINE

Table 227: Sanquan Food Co., Ltd.: key financial ratios

Ratio	2009	2010	2011	2012	2013
Profit margin	6.2%	6.4%	5.3%	5.2%	3.3%
Revenue growth	4.4%	33.9%	36.6%	2.1%	34.4%
Asset growth	8.8%	18.2%	45.6%	12.6%	18.7%
Liabilities growth	9.7%	30.2%	32.4%	20.1%	36.0%
Debt/asset ratio	42.1%	46.4%	42.2%	45.0%	51.5%
Return on assets	5.8%	7.0%	5.9%	4.7%	3.5%
Revenue per employee	\$224,402	\$103,027	\$111,332	\$105,841	\$106,876
Profit per employee	\$13,908	\$6,643	\$5,848	\$5,527	\$3,500

SOURCE: COMPANY FILINGS

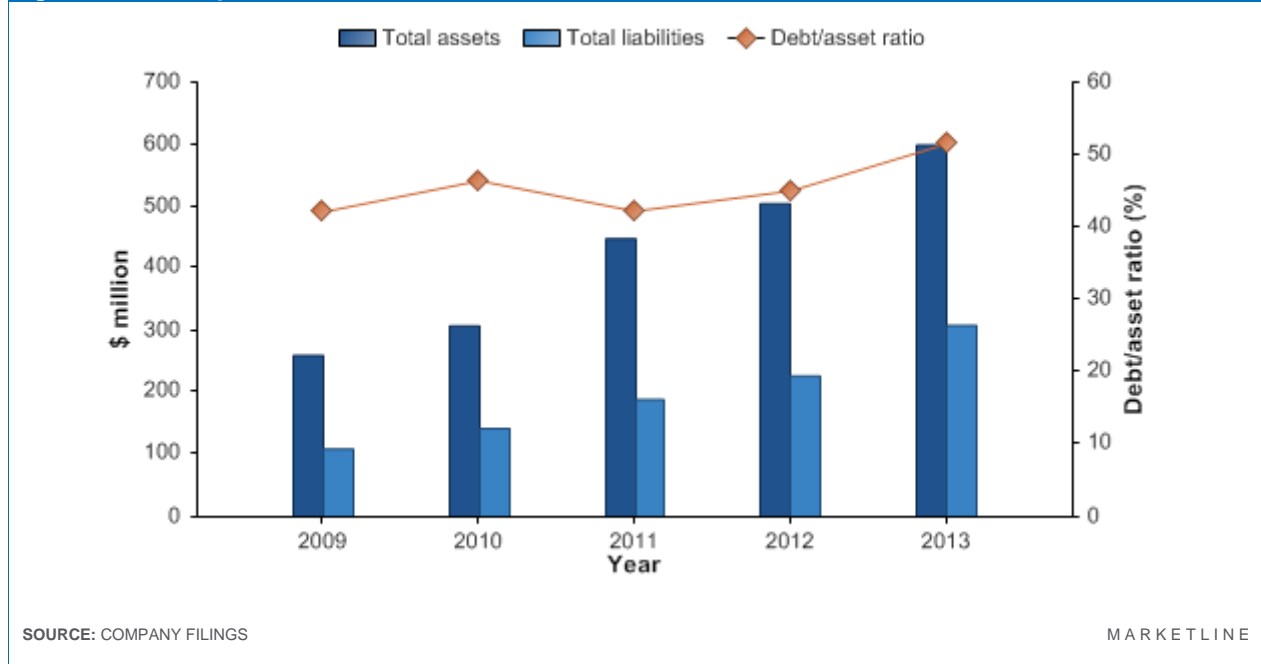
MARKETLINE

Figure 217: Sanquan Food Co., Ltd.: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 218: Sanquan Food Co., Ltd.: assets & liabilities



Royal Cosun

Table 228: Royal Cosun: key facts

Head office:	Van de Reijtstraat 15, 4814 NE Breda, NLD
Telephone:	31 76 530 32 22
Fax:	31 76 530 33 03
Website:	www.cosun.com
Financial year-end:	December
<p>SOURCE: COMPANY WEBSITE</p> <p>MARKETLINE</p>	

Royal Cosun is an agro-industrial company engaged in the processing of agricultural raw materials into food products and ingredients for the food and beverage industry, and the food service industry (restaurants, caterers and wholesalers).

The company's activities are classified into three segments: sugar, potato, and other activities.

Royal Cosun operates its sugar segment through its subsidiary Suiker Unie. Suiker Unie manufactures and supplies sugar products for the food industry and consumer market. Its products include granulated sugar in various sieve sizes; liquid invert sugar; syrup, brown and icing sugar; and sugar cubes. Suiker Unie also offers residual products such as beet pulp, molasses, betacal and green gas. It offers these products under the brands Suiker Unie, Van Gilse, Bungel and Wester.

The company operates its potato activities through its subsidiaries, Aviko Group and Rixona.

The Aviko Group is engaged in the production of potato specialties. It offers products such as chilled and frozen chips; sliced, rosti and mashed potato specialties; potato dishes, gratins and quiches; steamed and precooked potato products; snacks and appetizers; and granules and flakes to the foodservice, fast food, retail and industry markets.

Rixona, a part of Aviko, offers dried potato products such as potato granules and potato flakes.

The company conducts its other activities through its subsidiaries SVZ International, Sensus and the Duynie group.

SVZ International is a supplier of liquid fruit and vegetable ingredients to the food industry. It provides products such as juice concentrates, purees and compound products to the food and beverage industry (from baby food to beverages).

Sensus produces and supplies inulin and oligofructose. It offers these products under the Frutafit and Frutalose brand names.

Duynie delivers moist feed to livestock farmers (cattle, pigs, goats, and veal calves), and energy producers in the Netherlands and abroad.

Royal Cosun also develops bio based chemicals and materials from renewable, vegetable resources for various markets. Its product portfolio includes Carboxy Methyl Inulin, Cationic Inulin (CATIN), bio-based chemical building blocks, natural fibers for reinforced composite materials and bio-based plasticizers.

Key Metrics

The company recorded revenues of \$2,942m in the fiscal year ending December 2013, an increase of 8.9% compared to fiscal 2012. Its net income was \$185m in fiscal 2013, compared to a net income of \$183m in the preceding year.

Table 229: Royal Cosun: key financials (\$)

\$ million	2009	2010	2011	2012	2013
Revenues	2,340.3	2,471.7	2,507.6	2,702.7	2,942.0
Net income (loss)	62.4	144.7	152.7	183.2	184.9
Total assets	2,049.6	2,061.5	2,215.5	2,528.8	2,613.8
Total liabilities	1,068.6	990.3	1,003.6	1,135.0	1,052.7
Employees	4,522	4,485	3,581	3,396	3,477

SOURCE: COMPANY FILINGS

MARKETLINE

Table 230: Royal Cosun: key financials (€)

€ million	2009	2010	2011	2012	2013
Revenues	1,763.0	1,862.0	1,889.0	2,036.0	2,216.3
Net income (loss)	47.0	109.0	115.0	138.0	139.3
Total assets	1,544.0	1,553.0	1,669.0	1,905.0	1,969.0
Total liabilities	805.0	746.0	756.0	855.0	793.0

SOURCE: COMPANY FILINGS

MARKETLINE

Table 231: Royal Cosun: key financial ratios

Ratio	2009	2010	2011	2012	2013
Profit margin	2.7%	5.9%	6.1%	6.8%	6.3%
Revenue growth	0.9%	5.6%	1.5%	7.8%	8.9%
Asset growth	(7.5%)	0.6%	7.5%	14.1%	3.4%
Liabilities growth	(14.7%)	(7.3%)	1.3%	13.1%	(7.3%)
Debt/asset ratio	52.1%	48.0%	45.3%	44.9%	40.3%
Return on assets	2.9%	7.0%	7.1%	7.7%	7.2%
Revenue per employee	\$517,538	\$551,109	\$700,242	\$795,849	\$846,144
Profit per employee	\$13,797	\$32,261	\$42,630	\$53,943	\$53,182

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 219: Royal Cosun: revenues & profitability

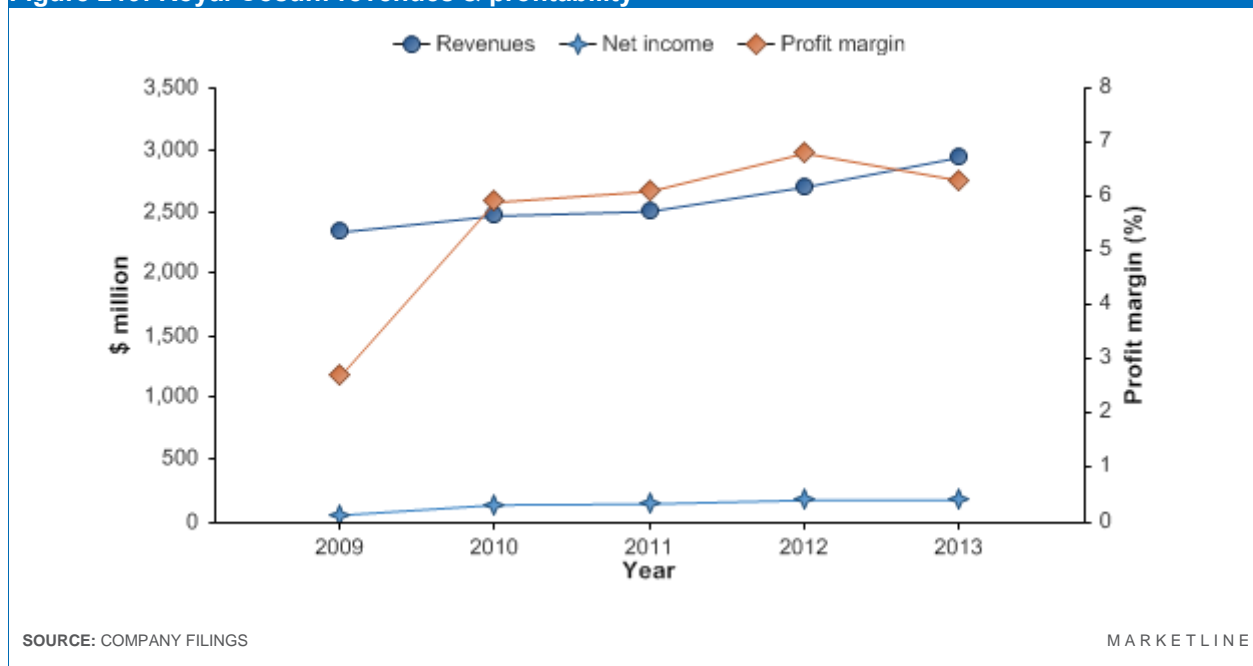
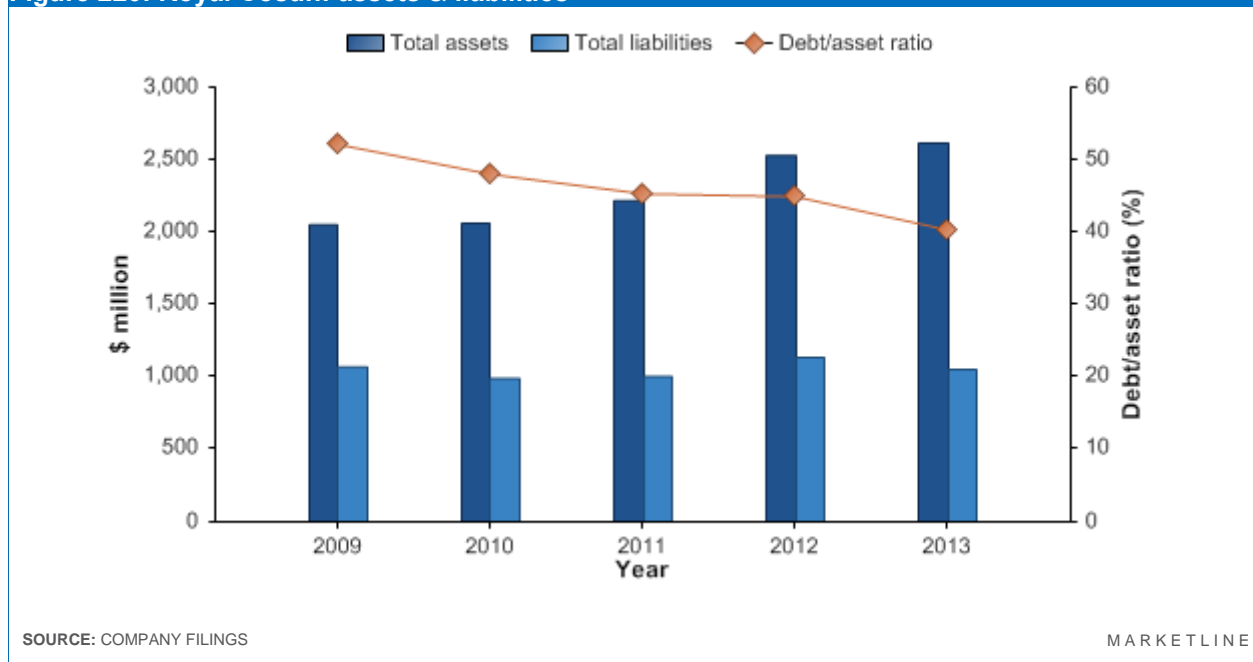


Figure 220: Royal Cosun: assets & liabilities



Bonduelle S.A.

Table 232: Bonduelle S.A.: key facts

Head office:	Rue Nicolas Appert, BP 30173, 59653 Villeneuve, FRA
Telephone:	33 3 20 43 60 60
Fax:	33 3 20 43 60 00
Local office:	Bonduelle Alcobendas, Isla Graciosa 3 2 planted, 28703 San Sebastian de los Reyes, ESP
Telephone:	34 916 586 051
Fax:	34 916 546 181
Website:	www.bonduelle.com
Financial year-end:	June
Ticker:	BON
Stock exchange:	Euronext Paris
<p>SOURCE: COMPANY WEBSITE</p> <p>MARKETLINE</p>	

Bonduelle is a French food processing company engaged in the production and marketing of processed vegetables to the retail and catering markets. Bonduelle operates in Europe, Canada and Russia.

The company operates through four segments: Bonduelle Europe Long Life (BELL); Bonduelle Fresh Europe (FRESH); Bonduelle Americas (BAM); and Bonduelle Development (BDV).

BELL is engaged in canned and frozen vegetable activities in Europe under the Bonduelle and Cassegrain brands, as well as for private label brands, in the retail and food service sectors.

The company's FRESH segment offers fresh vegetables, fresh-cut bagged and prepared salad under the Bonduelle brand, and private label brands, in the retail and food service sectors in Europe.

Bonduelle's BAM is engaged in all canned and frozen vegetable activities of the company in North and South America under the Bonduelle and Arctic Gardens brands, as well as private labels, in the retail and food service sectors.

The company's BDV segment is involved in processing activities and development in the rest of the world, particularly in Eastern Europe, under the Bonduelle and Globus brands, and private label brands, for all technologies and all distribution channels.

Bonduelle's subsidiaries include the following: Bonduelle Northern Europe; Bonduelle Nederland; Bonduelle Deutschland GmbH; BFP GmbH; Bonduelle Österreich; Bonduelle Nordic; Bonduelle Limited; and BUKH Limited.

Key Metrics

The company recorded revenues of \$2,517m in the fiscal year ending June 2013, an increase of 7.3% compared to fiscal 2012. Its net income was \$69m in fiscal 2013, compared to a net income of \$62m in the preceding year.

Table 233: Bonduelle S.A.: key financials (\$)

\$ million	2009	2010	2011	2012	2013
Revenues	2,022.9	2,070.3	2,291.2	2,345.6	2,517.0
Net income (loss)	35.3	77.4	40.4	62.0	69.2
Total assets	1,973.3	2,189.1	2,252.4	2,312.3	2,240.5
Total liabilities	1,469.4	1,555.6	1,610.2	1,643.5	1,556.3
Employees	8,386	8,578	7,229	6,449	6,736

SOURCE: COMPANY FILINGS

MARKETLINE

Table 234: Bonduelle S.A.: key financials (€)

€ million	2009	2010	2011	2012	2013
Revenues	1,523.9	1,559.6	1,726.0	1,767.0	1,896.1
Net income (loss)	26.6	58.3	30.4	46.7	52.1
Total assets	1,486.5	1,649.1	1,696.8	1,741.9	1,687.8
Total liabilities	1,106.9	1,171.9	1,213.0	1,238.1	1,172.4

SOURCE: COMPANY FILINGS

MARKETLINE

Table 235: Bonduelle S.A.: key financial ratios

Ratio	2009	2010	2011	2012	2013
Profit margin	1.7%	3.7%	1.8%	2.6%	2.7%
Revenue growth	(1.1%)	2.3%	10.7%	2.4%	7.3%
Asset growth	1.7%	10.9%	2.9%	2.7%	(3.1%)
Liabilities growth	1.6%	5.9%	3.5%	2.1%	(5.3%)
Debt/asset ratio	74.5%	71.1%	71.5%	71.1%	69.5%
Return on assets	1.8%	3.7%	1.8%	2.7%	3.0%
Revenue per employee	\$241,225	\$241,350	\$316,944	\$363,718	\$373,663
Profit per employee	\$4,211	\$9,022	\$5,582	\$9,613	\$10,267

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 221: Bonduelle S.A.: revenues & profitability

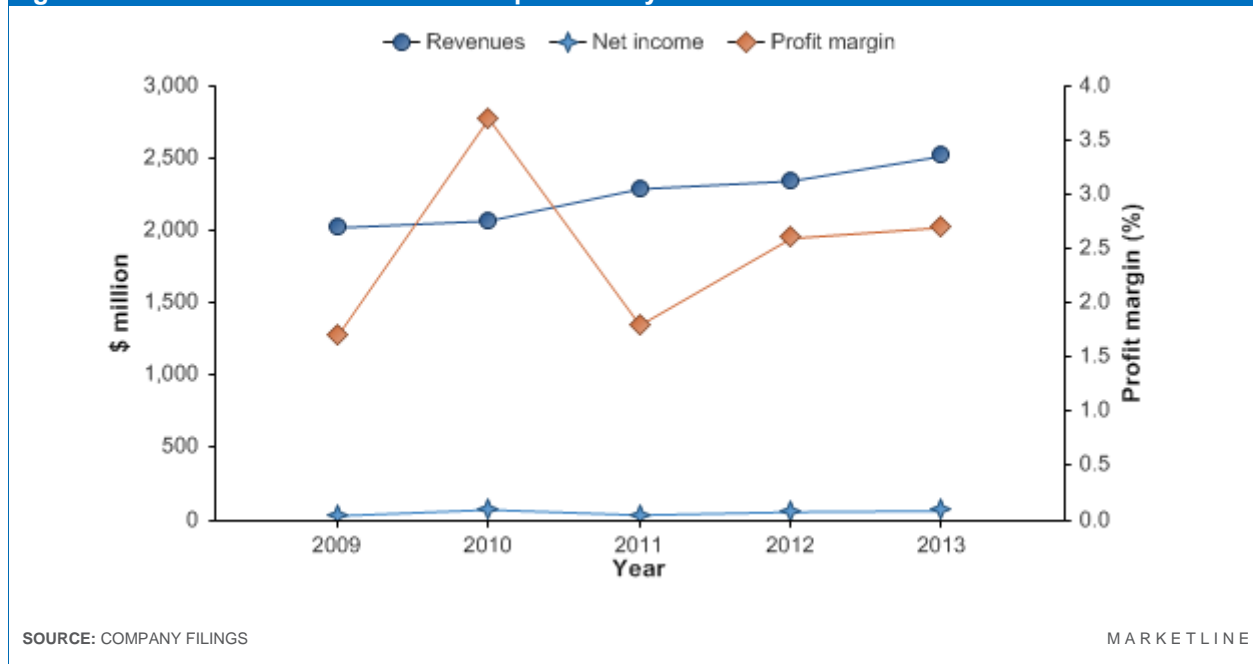
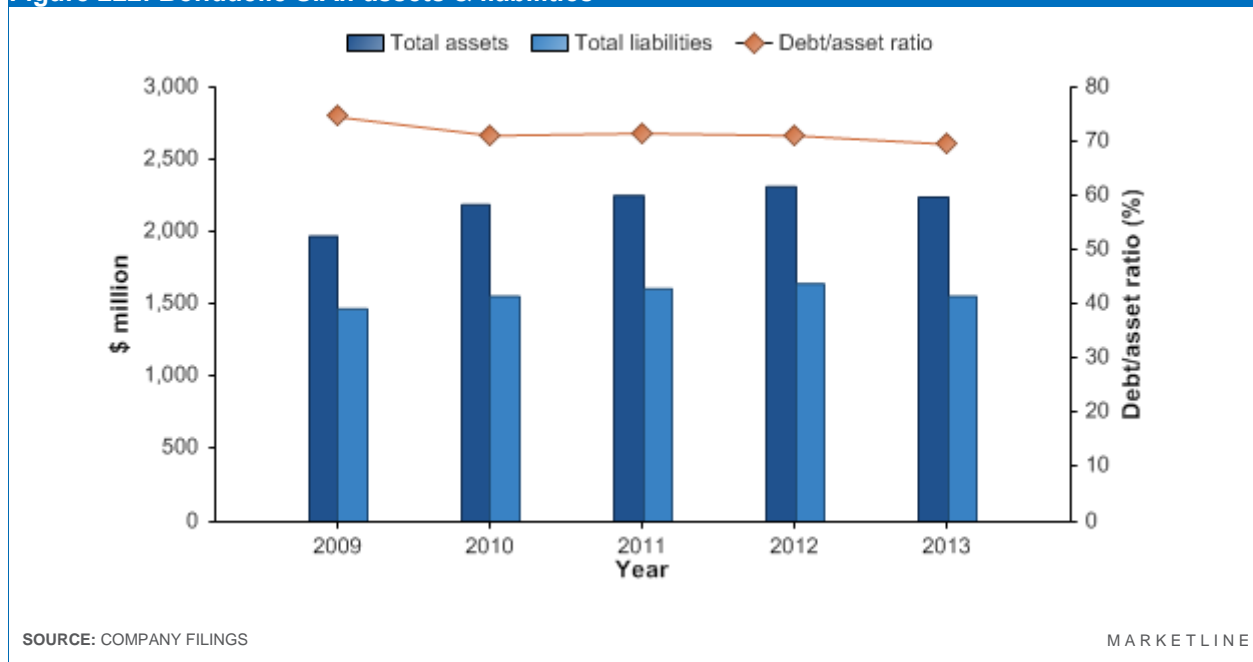


Figure 222: Bonduelle S.A.: assets & liabilities



Mascato S.A.

Table 236: Mascato S.A.: key facts

Head office:	C/ Pontevedra 4, 7ª Planta - 36201 Vigo, ESP
Telephone:	34 986 44 30 89
Website:	www.mascato.com
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Established in 1994, Mascato S.A. produces and markets fresh and frozen fish and shellfish products. Its products include hake, pangasius, monkfish, swordfish, blue shark, salmon, Alaska pollock, mussels, Pacific clams, and clams.

The company operates fishing fleets and processing plants in Spain, Namibia, and South Africa. It operates processing plants in Chile and Vietnam, with a sales and marketing office in the US.

Key Metrics

As a private entity, Mascato S.A. is not legally obliged to release its financial results.

Pescanova S.A.

Table 237: Pescanova S.A.: key facts

Head office:	Rúa José Fernández López. s/n, Chapela Redondela, 36320 Pontevedra, ESP
Telephone:	34 986 81 81 00
Website:	www.pescanova.com
Financial year-end:	December
Ticker:	PVA
Stock exchange:	BME
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Originally founded in 1961, Pescanova S.A. is a Spanish vertically integrated fishing company which, through its subsidiaries, is engaged in fishing and fish farming in Spain, and internationally.

It is involved in the processing and freezing of fish and shellfish; and the farming and processing of salmon, shrimp, and turbot, offering its products under the Pescanova brand.

The company operates fishing fleets in Argentina, Chile, Peru, Nicaragua, Mexico, Ireland, Angola, Namibia, South Africa, Mozambique and Australia.

Its fish farms are located in Spain, Portugal, Guatemala, Honduras, Nicaragua, Ecuador, Chile and Brazil.

The company has processing plants in Argentina, Chile, Peru, Ecuador, Nicaragua, Honduras, Guatemala, Mexico, Ireland, Namibia, India, France and Spain, as well as marketing offices in Spain, France, Portugal, Italy, Greece, Poland, Japan, USA, Australia, Chile, Argentina.

Pescanova's products are exported and sold in over 50 countries worldwide.

Key Metrics

The company recorded revenues of \$1,411m in the fiscal year ending December 2013, a decrease of 21.5% compared to fiscal 2012. Its net loss was \$949m in fiscal 2013, compared to a net loss of \$1,030m in the preceding year.

Table 238: Pescanova S.A.: key financials (\$)

\$ million	2009	2010	2011	2012	2013
Revenues	1,955.3	2,077.5	2,218.2	1,798.7	1,411.1
Net income (loss)	42.5	47.8	66.4	(1,030.1)	(949.1)
Total assets	2,758.5	2,907.1	3,022.6	3,625.3	1,831.9
Total liabilities	2,169.1	2,273.9	2,316.4	5,600.5	4,801.4
SOURCE: COMPANY FILINGS					
MARKETLINE					

Table 239: Pescanova S.A.: key financials (€)

€ million	2009	2010	2011	2012	2013
Revenues	1,473.0	1,565.0	1,671.0	1,355.0	1,063.0
Net income (loss)	32.0	36.0	50.0	(776.0)	(715.0)
Total assets	2,078.0	2,190.0	2,277.0	2,731.0	1,380.0
Total liabilities	1,634.0	1 713.0	1,745.0	4,219.0	3,617.0

SOURCE: COMPANY FILINGS

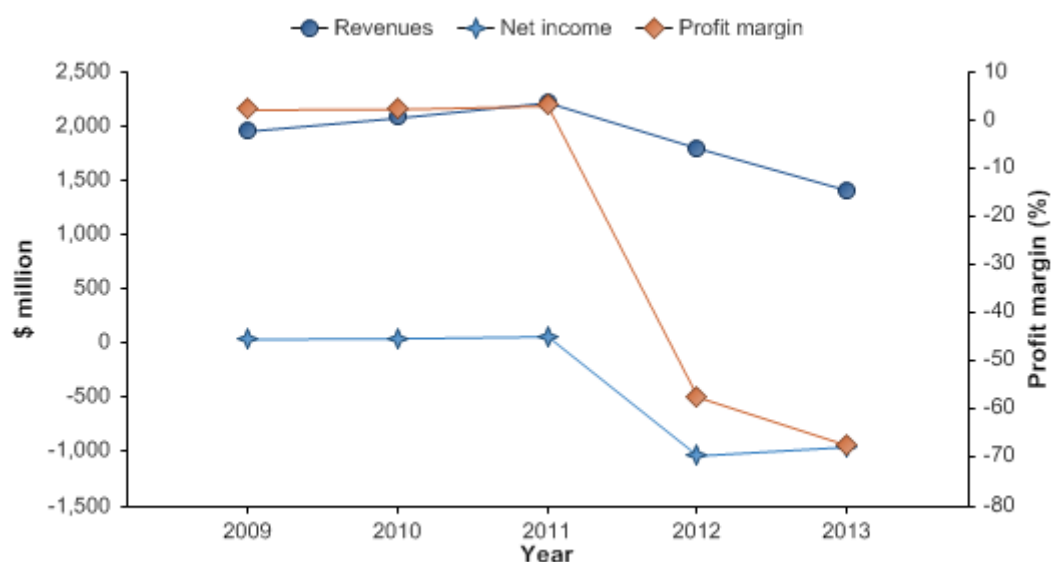
MARKETLINE

Table 240: Pescanova S.A.: key financial ratios

Ratio	2009	2010	2011	2012	2013
Profit margin	2.2%	2.3%	3.0%	(57.3%)	(67.3%)
Revenue growth	9.7%	6.2%	6.8%	(18.9%)	(21.5%)
Asset growth	0.6%	5.4%	4.0%	19.9%	(49.5%)
Liabilities growth	(6.3%)	4.8%	1.9%	141.8%	(14.3%)
Debt/asset ratio	78.6%	78.2%	76.6%	154.5%	262.1%
Return on assets	1.5%	1.7%	2.2%	(31.0%)	(34.8%)

SOURCE: COMPANY FILINGS

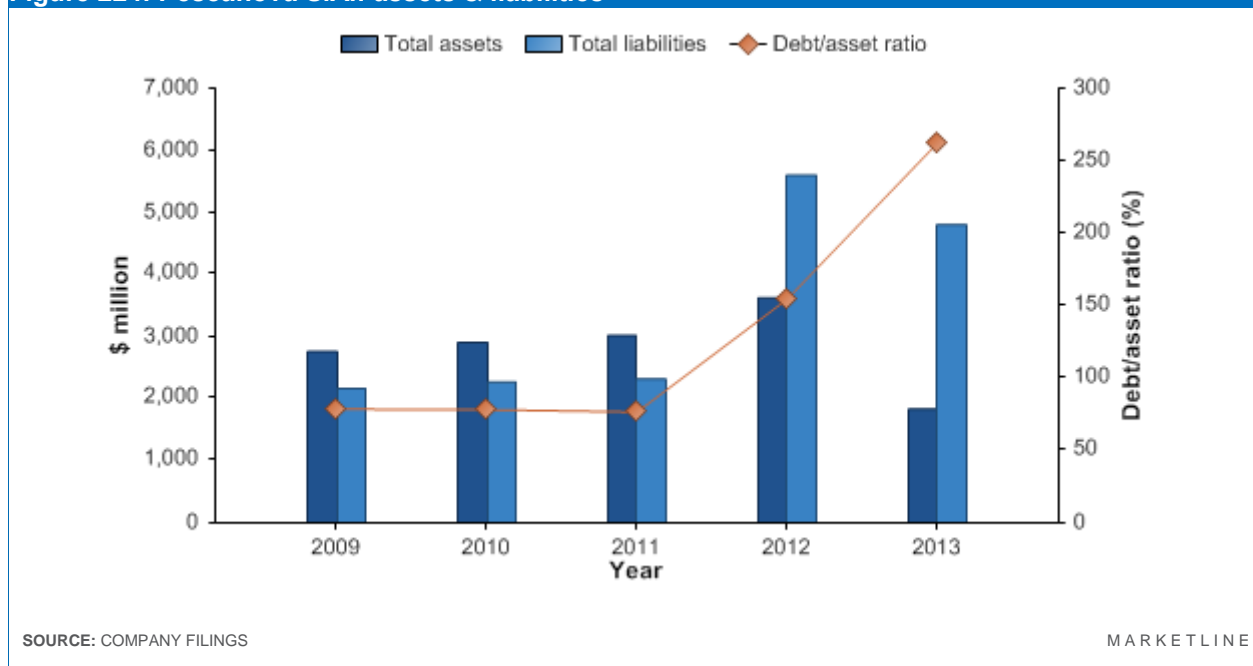
MARKETLINE

Figure 223: Pescanova S.A.: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 224: Pescanova S.A.: assets & liabilities



Pinnacle Foods Inc.

Table 241: Pinnacle Foods Inc.: key facts

Head office:	399 Jefferson Road, Parsippany, New Jersey 07054, USA
Telephone:	1 973 541 6620
Website:	www.pinnaclefoods.com
Financial year-end:	December
Ticker:	PF
Stock exchange:	New York
<p>SOURCE: COMPANY WEBSITE</p> <p style="text-align: right;">MARKETLINE</p>	

Pinnacle Foods (Pinnacle) manufactures, markets and distributes food products ranging from breakfast, lunch and dinner to side dishes, snacks and desserts. The company primarily operates in the US. Pinnacle is primarily owned by the affiliates of The Blackstone Group.

The company operates through three business segments: Birds Eye Frozen, Duncan Hines Grocery, and specialty foods.

Pinnacle's Birds Eye Frozen segment offers frozen vegetables, frozen bagged meals, frozen prepared seafood, frozen and refrigerated bagels, frozen pizzas, frozen dinners and entrees, and frozen pancakes, waffles and French toast under the brand names Aunt Jemima Frozen Breakfast, Birds Eye, Birds Eye C&W, Birds Eye Voila!, Celeste, Hungry-Man, Lender's, Mrs. Paul's and Van de Kamp's.

The company's Duncan Hines Grocery segment offers cake and brownie mixes and frostings, shelf-stable pickles, shelf-stable salad dressings, table syrup, canned meat, and pie and pastry fruit fillings under the brand names Armour, Bernstein's, Brooks, Duncan Hines, Comstock, Wilderness, Log Cabin, Mrs. Butterworth's, Nalley, Open Pit, Vlasic and Wish-Bone.

Pinnacle's specialty foods segment offers snack products under the brand names El Restaurante, Erin's, Hawaiian, Tim's Cascade, Snyder of Berlin and Husman's. The company through different foodservice channels also manufactures and distributes private label products in the frozen breakfast, canned meat, shelf-stable pickles, frozen prepared seafood, and pie and pastry fruit filling categories.

Key Metrics

Full historic financials are not available for Pinnacle Foods Inc. Revenues declined 0.6% from \$2,478m in FY2012 to \$2,464m in FY2013. Net income for FY2013 rose 70.1% to \$89m from \$53m in FY2012.

APPENDIX

Methodology

MarketLine Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, MarketLine's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

MarketLine aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – MarketLine has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

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