VEGPOWER

Family Evening Mealtimes

Market Insight Report

Edition 3: September 2022

How can we encourage households to eat together more often?

+ Market data update

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Introduction

Dan Parker
Chief Executive,
Veg Power

Welcome to our third Market Insight Report.

During the last two turbulent years of the pandemic, we saw a marked increase in vegetable retail sales as people ate more at home, and many strived to be healthier. The question we asked in the last report was how we could maintain the good as the world returned to normal after the pandemic.

That didn't happen. Russia invaded the Ukraine. The resulting rapidly rising energy costs, as well as labour shortages and adverse weather conditions, all on the tail of the pandemic have caused a cost-of-living crisis and food inflation.

Many people have tipped from just about managing to food insecurity. According to the Food Foundation, 7.3 million adults and 2.6m children are living in households which are cutting back on meals or skipping them altogether. That's almost 10m people in total.

Our retail sales data analysis tells a worrying story. Shoppers are responding to inflation by reducing the number of items in their basket. Vegetables are proving amongst the first to go, although their costs increases are well below the market. Data kindly provided by IRI Worldwide show that vegetables have dropped to 6.2% of overall basket spend, 0.5% lower than pre-pandemic levels.

Clearly, for many, that extra portion of vegetables is not considered essential. Our worry is that these new shopping patterns become habit that stay after the costs-of-living crisis have eased. Whether you view Veg Power through a commercial or public health lens this should be a cause of great concern. We need to support people to keep the vegetables in their basket.

To address this challenge and support parents in their perennial struggle to get their kids eating more veg, we are launching Simply Veg. Its mission is to make it as easy as possible for parents and carers to navigate the cost-of-living crisis by serving affordable as well as sustainable and healthy veg-packed meals that their families will love.

We need to launch this quickly, so we are mobilising a huge wave of our grassroots supporters with posters and flyers, we've recruited an outstanding cast of experts to guide us and some of the biggest names in entertainment to help us to make it engaging. Shortly we'll be launching a fund, asking business, government and media owners for their support to get this expert help to as many parents as possible.

The focus of this report is family mealtimes. When families cook at home and eat together, they generally eat healthier food with more vegetables. If you're smart in the kitchen, then home cooked food can be the most affordable way to eat. We need to encourage it, and to support parents to succeed at serving better food, to do that we need to understand what's really going on at family mealtimes.

58%

I choose to buy fresh vegetables that are on promotion and/or are discounted

This increases to 64% in lower income families with kids (under £30k household income)

26%

I have bought fewer fresh vegetables lately because of the increase in price of my groceries

This increases to 49% in lower income families with children (under £30k household income)

SOURCE: You Gov, Feb 2022

Why family mealtimes matter

Over the last two decades research has shown that people of all ages eat better when dinner is a shared occasion. Vegetables, fruit and other nutrient-rich foods are more likely to be consumed. Conversely, there tends to be a lower incidence of fried foods or fizzy drinks[1].

This is reason enough for Veg Power to promote family mealtimes. But studies indicate that the long-term benefits – especially for children – go well beyond food.

DIET

Children naturally model their behaviour on that of their parents. Participating in family meals means children carry improved eating habits into adulthood.

Less risk of disordered eating and healthier body weight.[2]

EDUCATION

Research has found that younger children learn 1,000 rare words at the dinner table, compared to just 143 from parents reading storybooks aloud.

Improved literacy and performance at school.[3]

FAMILY HARMONY

Teenagers who regularly dine with their families are significantly more likely to report a high-quality relationship with their parents.

More positive environment and better mental wellbeing.[4]

There's clearly no single panacea for the challenges confronting society. But getting families to eat together more often would be a big step in the right direction.

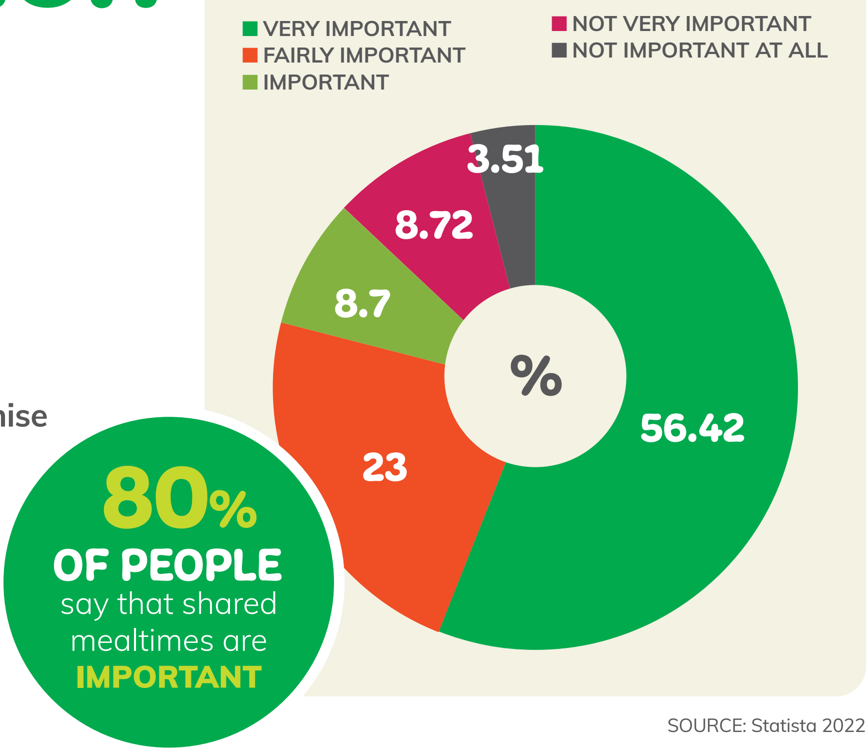
[1] *The Family Table - Well Guides - The New York Times*
[2] *Nurturing Children's Healthy Eating Jess Hainesa,, Emma Haycraft et al 2019*
[3] *Mealtime talk that supports literacy development Catherine E. Snow & Diane E. Beals 2006*
[4] *The Importance of Family Dinners VIII, The National Centre on Addiction and Substance Abuse at Columbia University 2012*

Perception versus reality

Instinctively, most families recognise that shared mealtimes are a good thing.

In a survey commissioned by Kitchen Stories in 2019, nearly 80% of respondents said they were very or fairly important.[5]

HOW IMPORTANT IS IT FOR YOU TO EAT TOGETHER AS A FAMILY



SOURCE: Statista 2022

If anything, COVID has reinforced this sentiment. Research by HelloFresh at the end of last year showed that nearly three-quarters (73.6%) of UK households would like to spend more time socialising over meals with family.[6]

But as we've seen in previous reports, there's often a wide gap between desired and actual behaviour.

That's certainly the case here.

HelloFresh's study found that more than a third of family dinners are eaten in front of the TV. It also discovered that one in four UK households never share an evening meal or do so just once a week - though many familes may lack a table or space to eat together.

SHARING EVENING MEALS

% of families who sit down together for an evening meal only once a week or less

SOURCE: UK Households' Dining Habits Survey commissioned by Hello Fresh 2022

Family dinners are most frequent in Belfast, where 37.5% of households claim they share an evening meal every day. Scotland's two main cities are poles apart. The obvious assumption would be that this is down to the relative affluence of their populations; but can that explain the gap between, say, Liverpool and Newcastle?

We commissioned a YouGov survey in July to explore this further. What impact does household income have on family mealtimes?

On one level, these figures are encouraging. 86% of families claim they eat dinner together more than once a week, 10 points higher than in HelloFresh's research[7].

What is more notable, however, is the variance between the lower and higher household income groups. Compared to their more affluent peers, families with a HHI of £30K or less are nearly 50% more likely to share only two or fewer home cooked evening meals - and twice as likely to share none.

SHARING EVENING MEALS BY HOUSEHOLD INCOME

Q: "How often have you and your family eaten a home cooked evening meal together in the last seven days?"

	All	HHI < £30K + Kids	HHI > £60K + Kids
0 meals	10%	14%	7%
0 – 1 meals	14%	18%	12%
0 – 2 meals	20%	25%	17%

SOURCE: You Gov commissioned by Veg Power July 2022

[5] *Kitchen Stories in 2019*
[6] *UK Households' Dining Habits Survey commissioned by Hello Fresh 2022*

Understanding the barriers

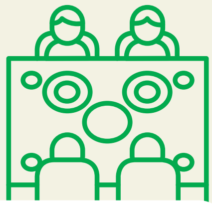
If household income is the first obstacle, time is the second. However good people's intentions, life keeps getting in the way.

Research by Sainsbury's[8] has identified that a busy schedule is the most common reason households don't dine together. 55% of people say they simply can't fit it in.

But it's not just about finding enough hours in the day. An illuminating study by John Lewis[9] in March 2022 shows exactly how high the barriers are:

59% would like the whole family to sit down together for meals

BUT… **31%** say they sometimes dread mealtimes because they find them stressful



SOURCES OF STRESS

56% struggle to get their child to eat a healthy balance of fruit, veg, protein and carbohydrates

41% consider their child a fussy eater

37% hear complaints about the food on offer

RESULTING BEHAVIOURS

50% find it easier to simply pull something out of the freezer

29% serve up sweets and chocolates

28% resort to a ready meal

IDENTIFIED SOLUTIONS

41% believe more time and/or money would help them create healthier, happier family mealtimes

39% would like greater access to recipes and online cooking guides

VegPower's own research shows the extent to which vegetables can be a particular source of stress. Whilst 74% of parents think their children need to eat more veg, 48% say they struggle to make it happen.[10]

The John Lewis research illustrates the lengths parents will go to. 35% try to conceal veg's presence on the plate; and 34% use treats or other bribes to incentivise consumption.

[8] *Family Dinner Time research by Sainsburys 2021*
[9] *Research by John Lewis Partnership 2022*
[10] *Eat Them to Defeat Them research of 3,000 parents commission by Veg Power 2022*

Identify meals

If 5-a-day is the secret to a healthier diet, then 3 appears to be the magic number in terms of family mealtimes.

Academic studies across the USA, Canada, Australia, New Zealand, Japan and Finland paint a common picture.

Compared to children and adolescents who rarely have family meals, those who eat with their parents three or more times per week have significantly better odds of:

Consuming healthful foods like fruit and veg.[11]

Reducing their intake of energy-dense foods that are low in nutritional value like fast food or sugar-sweetened drinks.[12]

Continuing a healthier diet into early adulthood.[13]

We know from our YouGov[14] research that the likelihood of families eating less than three home cooked evening meals together in a week is significantly greater in lower income households. Amongst those with HHI under £30,000, it's one in four families. This 25% needs to be the priority target for 'mealtime marketing'. To encourage this segment to come together, ideally at a dinner table, more often, we need to work on two fronts:

Friction

We need to find ways to reduce the friction that surrounds family mealtimes in general and 'meals with veg' in particular.

That's one of the reasons we're launching "Simply Veg" in September. You can find more details towards the end of this paper; but the main thrust of the campaign will be to combine evidence and entertainment to make it as easy as possible for parents and carers to get more veg into their families.

Identify happy meals

We need to identify the meals that families are most likely to be happy eating together.

The best way to create lasting behavioural change is to nudge on existing behaviours. This is almost always more effective than attempting to create a sea change in habits. If the goal is more family mealtimes that include more veg, we need to build on what people already do.

[11] *Is frequency of shared family meals related to the nutritional health of children and adolescents, Amber J Hammons & Barbara H Fiese 2011*
[12] *Family Meals during Adolescence Are Associated with Higher Diet Quality and Healthful Meal Patterns during Young Adulthood, Larson et al, 2007*
[13] *Research commissioned by Kitchen Aid UK & Ireland 2021*
[14] *You Gov commissioned by Veg Power July 2022*

What's for dinner?

To save time and energy, people generally avoid making 'difficult' decisions. This is certainly true when it comes to their evening meals. Most of us stick to a limited number of tried and tested favourites.

59% of the population rotate through a repertoire OF JUST **SIX** DIFFERENT MEALS.[13]

46% have the **SAME FOOD** on the **SAME NIGHT** each week.[13]

72% of family dinners involve **DIFFERENT MEALS** being served to **DIFFERENT PEOPLE**.[8]

Tastes may vary within families, but the nation's palate overall is remarkably similar. Whether you ask parents or children, the same dishes recur in survey after survey. Here's one conducted by Bisto in March last year[15]: When you ask children to nominate their favourite evening meal[16], it's no coincidence that many of the same dishes recur.

TOP 20 FAVOURITE FAMILY MEALS

1. Roast dinner
2. Fish and chips
3. Pizza
4. Spaghetti Bolognese
5. Steak and chips
6. Lasagne
7. Chicken curry
8. Sausage and mash
9. Shepherd's pie
10. Chili con carne
11. Cottage pie
12. Fajitas
13. Pasta bake
14. Stir fry
15. Meat or veggie burgers
16. Steak pie
17. Stew
18. Casserole
19. Jacket potato
20. Macaroni cheese



CHILDREN'S FAVOURITE EVENING MEALS

1. Pizza
2. Burgers
3. Chicken nuggets and chips
4. Fish and chips
5. Roast dinner
6. Spaghetti Bolognese
7. Pasta and sauce
8. Hot dogs
9. Fish fingers and chips
10. Sausage and mash

SOURCES: [15]Research commission by Bisto, Premier Foods 2021 and [16]Research commissioned by SMEG 2021

There's obviously merit in encouraging people to try new things; but if the goal is to increase the frequency of shared family mealtimes, we need to work with rather than against these engrained preferences.

THIS FRAMES THE MARKETING CHALLENGE:

1. How do we make vegetables an expected (and welcomed) part of the most popular dishes? In some cases, like roast dinners, they already are.
2. How do we ensure the addition of veg doesn't make these dishes less convenient to prepare or serve?
3. How do we stimulate trial by providing interesting, veg-based ideas around the meal core?
4. What tactics can we deploy in parallel to mitigate other, non-food sources of friction?

[13] Research commissioned by Kitchen Aid UK & Ireland 2021. [8] Family Dinner Time research by Sainsburys 2021. [15] Research commission by Bisto, Premier Foods 2021.
[16] Researched commissioned by SMEG 2021

Money matters

As the John Lewis research highlights, parents don't like taking risks when choosing family dinners. In the current environment, many – quite literally – also can't afford to.

We'll discuss the cost-of-living crisis shortly. But before we do, let's examine some of the fundamentals.

Data from the Office for National Statistics[17] allows us to take a close look at the real cost of food for different segments of the population. The latest report is for the year ending March 2020, immediately prior to the first lockdown ONS breaks households into ten deciles based on both gross and disposable income.

UK POPULATION SEGMENTED BY INCOME

	Gross Household Income Lower boundary of group (£ per week)	Disposable Household Income Lower boundary of group (£ per week)
Lowest 10%	-	-
Second decile	£228	£224
Third decile	£335	£321
Fourth decile	£446	£413
Fifth decile	£568	£510
Sixth decile	£708	£624
Seventh decile	£873	£750
Eight decile	£1,051	£892
Ninth decile	£1,296	£1,064
Highest 10%	£1,733	£1,386

SOURCE: Family spending in the UK: April 2019 to March 2020, ONS

Veg Power's primary focus isn't families at the very bottom of the income scale, where affording food of any kind can be a real struggle. Rather, it's average working families with kids.

So for the purposes of this analysis, we'll compare those in the third and fourth deciles (i.e. households with a gross annual income of between £17,420 and £29,535, and disposable annual income of between £16,692 and £26,510) with those in the ninth decile (i.e. households with a gross annual income of between £67,392 and £90,115, and disposable annual income of between £55,328 and £72,071).

What did these three groups spend on food to cook and eat at home in 2019/20?

[17] *Family spending in the UK: April 2019 to March 2020, ONS*

FOOD SPENDING

	Average Weekly Household Expenditure on Food (£)	% of Disposable Household Expenditure (based on the lower boundary)
Third decile	£43	13.4%
Fourth decile	£50	12.1%
Ninth decile	£76.20	7.2%

SOURCE: Family spending in the UK: April 2019 to March 2020, ONS

In other words: proportionately, households in the third decile spent 86% more of their disposable income on groceries than those in the ninth decile. Those in the fourth decile spent 68% more.

Let's zero in on vegetables:

VEGETABLE SPENDING

	Fresh Veg	Preserved or Processed Veg	Potatoes, Other Tuber Veg or Products Made from Tuber Veg (incl. chips)	Total
Third decile	£3.10	£1.30	£2.10	£6.50
Fourth decile	£3.60	£1.40	£2.30	£7.30
Ninth decile	£6.30	£3.10	£3.00	£12.40

SOURCE: Family spending in the UK: April 2019 to March 2020, ONS

If we examine fresh veg specifically, two things jump out:

Fresh Veg Spend

As a percentage of their total expenditure on food, each decile spent a roughly equivalent amount on fresh veg. The share for the third and fourth deciles was 7.2%, rising slightly to 8.3% for the ninth decile.

% Household Income

BUT the difference is stark when we look at spend as a percentage of a household's total disposable income. The third decile spent nearly 1% on fresh veg whereas the ninth decile spent less than 0.6%.

Looked at in this way, average working families didn't significantly under-spend on fresh veg. On a £-for-£ basis, they spent relatively more than affluent households.

This has important implications for the objectives we set ourselves. Raising 'share of food spend' on fresh veg in the third and fourth deciles from 7.2% to 8.3% would be a good outcome...but boil that down and it equates, in rough terms, to an additional 50 pence per household per week. In other words, one extra item of veg in the weekly shop; a head of broccoli, perhaps, or a bag of carrots at today's artificially low prices.

We also need to remember that the ONS data precedes the pandemic and the war in Ukraine. It doesn't reflect these shocks to global food supply, far less the current cost-of-living crisis.

As the cost of shopping baskets and energy bills rises, and households struggle to make ends meet, our research shows that 49% of families with a HHI income of under £30,000 are buying less fresh veg[18]. In the current climate, winning that extra 50p of spend will be far from easy.

[18] *You Gov survey commissioned by Veg Power, February 2022*

The impact of food inflation

Soaring grocery bills impose a high human cost, as the Food Standards Agency demonstrated in March this year[19].

> *"The number of people using a food bank or food charity continues to grow – from around **one in ten in March 2021 (9%)**, to nearly **one in six in March 2022 (15%)**. And over **one in five say they skipped a meal** or cut down the size of meals because they did not have enough money to buy food."*
>
> FOOD STANDARDS AGENCY

Sadly, things will have got considerably worse since then.

It's understandable that food poverty grabs most of the headlines. But the ramifications of inflation spread much further.

The affordability of food is now a major anxiety for the population at large, and even more so for what the FSA describes as 'pressured and/or marginalised public groups'. Within this, there has been a marked spike in concerns around the cost of healthy food[19]:

AFFORDABILITY OF FOOD

Future food concerns	Total sample	Long term health conditions	Women	Less food secure	BAME groups
The price of food	76%	78%	80%	85%	79%
The cost of healthy food	68%	72%	74%	82%	75%

SOURCE: Consumer insights tracker report: key findings from December 2021 to March 2022, FSA

Given our topic is encouraging more nutritious family mealtimes, it's worth expanding on this latter finding. The FSA talks about 'the juggle': how people feel that eating in a healthy way almost inevitably involves spending more money, more time, more effort – or all three. Specifically, it found that:

[19] *Consumer insights tracker report: key findings from December 2021 to March 2022, FSA*

53% felt priced out of **HEALTHY FOODS**[19]

31% found it difficult to find fresh foods that **FIT THEIR BUDGET**[19]

25% felt heavily **PROCESSED FOODS** were often the **ONLY OPTION** available to them[19]

Kantar has predicted that the average household supermarket bill will rise by £454 this year. Whilst prices may not be rising as fast as low fat milk (+26%) or ready meals (+17%), veg isn't immune to the trend.[20]

According to the latest ONS statistics, the cost of fresh veg (excluding potatoes) saw a 6% increase in the year to June. The price of frozen veg (excluding potatoes) rose by 13%, well ahead of the overall inflation rate of 9.4%[21].

If there's one thing causing even more pain than food inflation, it's steeply rising energy costs.

Energy bills are now chewing up a much higher percentage of household budgets, leaving less money to spend on food or anything else. Even with the Government rebate, families will be paying £1,200 more for gas and electricity a year come October. For those in the ONS' third decile, that's 3 ½ weeks' worth of disposable income.

Increases on this scale inevitably bring second-wave effects. One significant impact will be on HOW households cook and therefore WHAT they buy and eat.

This is an under-reported area. To learn more about the relationship between energy prices and family eating habits, Veg Power commissioned a YouGov survey in July 2022.

IMPACT OF ENERGY PRICES

	Recent increases in energy costs had caused families to cook less at home (% Agreeing)	Recent increases in energy costs had caused families to eat less veg (% Agreeing)
All Households	17%	15%
Households with kids and HHI < £30K	25%	20%
Households with kids and HHI > £60K	9%	9%

SOURCE: You Gov commissioned by veg Power July 2022

We expected to see a significant difference between the two income groups – but not on this scale. Compared to wealthier households, families with HHI of under £30,000 are **178%** more likely to be cooking less at home and **122%** more likely to be eating less veg as a direct consequence of rising energy costs.

Amongst those lower income households who claimed to be eating less veg, 78% said they'd reduced their consumption of fresh veg; 28% said frozen; and 19% said canned. These figures approximately match frequency of serve, suggesting rising energy costs are impacting all veg types equally.

There's no certain way of predicting how long the cost-of-living crisis will last, or how much worse it might get. But however things play out, we have to respond to what's happening in the world today.

Marketing needs to find the right balance. As well as longer-term initiatives aimed at supporting healthier eating by building more positive home environments, we need to help families navigate the immediate pressures on the household purse. We need to do whatever we can to protect veg's place in the shopping basket.

[20] Kantar Worldwide 2022. [21] Office for National Statistics, June 2021 to June 2022

Family mealtimes and the role for marketing

Veg Power's primary mission is to get every child in the UK eating one more portion of veg a day. Encouraging families to have more shared mealtimes – with a minimum target of three per week - is integral to this.

Given everything we've covered in this report, what are the implications for marketing?

1. **OUR STARTING POINT MUST BE A RECOGNITION THAT FAMILY MEALS ARE A GENUINE SOURCE OF STRESS FOR MANY PARENTS.** The John Lewis research highlights multiple points of friction. Marketing initiatives should seek to reduce these levels of stress. Anything that's perceived as likely to increase them will be dead on arrival.

2. **WHEN IT COMES TO DINNER, WE ARE CREATURES OF HABIT.** Marketing should focus on a repertoire of the most popular meals and propose simple ways to make them a bit healthier and more substantial through the addition of veg. This will be exponentially easier than persuading people to serve or eat unfamiliar foods in unfamiliar combinations.

3. **CHILDREN ARE MORE LIKELY TO EAT SOMETHING IF THEY FEEL THEY'VE MADE IT THEMSELVES.** One area to explore is 'dinners made at the dinner table': fajitas, for instance. Another is dishes that have easily adjustable toppings. Not every family member will be keen to add extra peppers or tomatoes to a pizza – but some might. Self-assembly solutions also encourage experimentation; kids can try out new tastes and flavours without the risk of spoiling their whole meal.

4. **FOOD INFLATION MEANS VALUE IS MORE IMPORTANT THAN EVER.** We need to demonstrate how the inclusion of veg can lead to better outcomes for the same or less money. Comms should be framed in this context; for instance, "ideas to feed a family of four for under a fiver". Bundles will be particularly effective in the current environment, particularly if we combine veg with family favourite dishes.

5. **WE CANNOT IGNORE HOW SPIRALLING ENERGY COSTS ARE IMPACTING MEALTIME BEHAVIOURS.** We should upweight solutions that require minimum energy consumption (particularly during the summer months). "Low heating eating" will be a powerful message for many.

SIMPLY VEG

The cost-of-living crisis is putting immense pressure on household budgets. Our data shows that many people are spending the same in stores but now having to leave a few items behind. All too often vegetables are being sacrificed.

74%
PARENTS
Think their child needs to eat more vegetables[i]

So we are responding with the launch of Simply Veg, a campaign to help families to use vegetables and pulses to manage in these challenging times, and in their perennial struggle to get their kids eating more veg.

The mission of Simply Veg is to make it as easy as possible to navigate the cost-of-living crisis by serving **affordable as well as sustainable and healthy veg-packed meals that their families will love.** Veg Power is bringing together amazing chefs, leading nutritionists, food writers, and child psychologists to provide the best evidence-based support on the full range of relevant topics such as buying, storing, preparing and serving vegetables.

We've also recruited children's entertainers and some of the most influential children's entertainment brands to add the magic that engages the children – starting with a Kung Fu Panda special in November.

We'll be putting a "Simply Veg" filter on everything. Nothing we suggest will take much time, much money, or endless patience. They won't require a garden, expensive equipment, culinary super skills, too much washing up or herbs and spices not found in the average lower income kitchen cupboard.

Our content will be made for Tik Tok, Instagram, You Tube Shorts and other short form video channels that parents most often use. **We'll have tips & tricks on everything from freezing to fussy eaters, reward charts, kids cooking, growing and craft activities, prizes, puzzles and games, support, simple recipes and expert advice**.

We'll be inviting parents and carers to send in their questions and challenges to our expert panel, making sure that their responses pass the "Simply" filter.

We already have 5,000 parents participating in our pilot stage, with a national grassroot poster campaign kicking off in late September at over 2,500 sites. On 28th September social influencers and supporters will be rallying behind a a social media campaign

48%
PARENTS
Struggle to get their child to eat vegetables[ii]

reaching millions. Please help us send the message to all parents and carers - the Veg Power alliance is here to help them navigate the cost-of-living crisis and to get more vegetables into their kids.

1 National Parent & Child survey commission by Veg Power, April 2022, base: 3,000
2 You Gov survey commission by Veg Power, February 2022, base: 2,000

SOURCE: Analysis of retails sales value and volume data up to 30th June 2022 kindly supplied by IRI Worldwide

Retail sales insight

IRi Growth delivered.

Food

Back to 2019 with a bump

TOTAL FOOD	Volume	Value
H1-2022 vs H1-2019	-2.9%	5.7%
H1-2022 vs H1-2020	-7.3%	-2.0%
H1-2022 vs H1-2021	-7.3%	-2.4%

Unit-volume sales are 2.9% down on H1 2019. However, please note that our data only covers transactions in the main grocery multiples; discounters are not included. Lidl and Aldi have collectively increased their market share by 1.6% on June 2021 and 2.3% on June 2019. Factoring that in, we can say that overall volumes are now pretty much identical to 2019 - but well below the levels seen during the pandemic.

Spend, however, has grown. Within the main multiples, sales value has increased by 5.7% since 2019 even whilst volumes have declined. The bottom-line is that people are spending more for less. So what's coming out of their baskets?

Vegetables

Less veg at slightly higher prices

TOTAL VEGETABLES*

	2022 vs 2021		2022 vs 2020		2022 vs 2019	
	Volume	Value	Volume	Value	Volume	Value
Q1	-13%	-11%	-6%	-7%	-2%	-3%
Q2	-10%	-7%	-15%	-16%	-3%	-2%
H1	-11%	-9%	-11%	-12%	-3%	-3%

It's bad news for veg. Unit volumes are down 11% in H1 vs 2021 compared to total 7.3% for total food. The surge in vegetables enjoyed during the pandemic has not only reversed, as normal life resumes, but has declined at a notable higher rate than all food.

The same is true for spend but not so sharply as vegetables prices have increased modestly, but not inline with all food. The average unit price across all food has increased by 6.5% Q2 2022 vs Q2 2021. Whereas it's only up 3.1% for vegetables.

Carrots are down 6% and parsnips 9% in Q2 vs Q2 2021 with tomatoes, sweet potatoes radish, mixed prep, legumes and celery broadly in line with overall food.

BASKET SHARE

	Volume	Value
H1-2019	10.1%	6.8%
H1-2020	10.5%	7.0%
H1-2021	10.6%	6.8%
H1-2022	10.1%	6.3%

This is reflected in basket share. In the main multiples, volumes have fallen back to the levels seen in H1 2019, whilst value has declined from 6.8% to 6.3%.

Despite their relative affordability, vegetables are losing a disproportionate share of spend as shoppers struggle to balance their budgets.

VEGETABLES HAVE FALLEN TO ONLY **6.3%** **of basket value share**

** Total Veg is a measure of "portion veg" Inc. all frozen, all canned (exc. tomatoes) & fresh, sweet potatoes & salad "veg". Exc. potatoes, herbs, onions, chillies and garlic.*

Winners & losers

The story is the same for all the veg categories we monitor, one of managed decline. Unit volumes have dropped across the board. Value, meanwhile, has either increased or dropped at a slower rate than volumes; more evidence of the increase in average prices.

Of particularly note is a significant volume decline in frozen (units down 17.3% H1 2022 vs H1 2021). Rising energy costs are imposing a double-whammy. Production costs are rising, with unit prices increasing by an above-market average of 8.2%. At the same time, consumers will be more conscious of the costs of storing and cooking frozen veg. With energy prices set to rise further, these are challenging times for frozen.

This allows us to sort each product into one of four categories based on unit volume and relative value: **Winners**, **Discounted Growth**, **Managed Contraction** and **Loser**.

H1-2022 VS H1-2021

Managed Contraction

Volume has dropped with maintained or higher average unit prices.

Product	Unit Volumes	Value
Fresh Avocado	-6.7%	-5.3%
Fresh Parsnips	-20.1%	-5.0%
Fresh Carrots	-11.5%	-4.4%
Fresh Cauliflower	-13.5%	-3.5%
Fresh Leeks	-15.6%	-2.0%
Fresh Cabbages	-14.9%	-1.5%
Fresh Other Root	-20.2%	-1.5%
Fresh Sweet Pots.	-19.9%	-0.7%
Fresh Asparagus	-12.9%	-0.5%
Canned Sweetcorn	-7.5%	-0.4%
Fresh Courgette	-15.5%	0.4%
Fresh Sweetcorn	-14.1%	0.9%
Canned Carrots	-13.5%	1.4%
Fresh Mushrooms	-15.4%	1.6%
Fresh Broccoli	-7.9%	1.6%
Frozen Sweetcorn	-17.1%	1.6%
Fresh Lettuce	-6.7%	2.1%
Fresh Prep Salad	-6.3%	2.2%
Fresh Peppers	-11.9%	2.4%
Frozen Beans	-17.6%	2.4%
Fresh Celery	-15.4%	3.1%
Canned Mixed	-8.7%	3.8%
Fresh Cucumber	-7.5%	4.1%
Fresh Radish	-9.7%	4.8%
Frozen Peas	-16.5%	5.2%
Fresh Mixed Prep.	-7.1%	6.0%
Fresh Legumes	-20.2%	6.5%
Fresh Tomatoes	-10.9%	8.3%
Frozen Mixed Veg	-17.9%	8.8%
Canned Peas	-21.7%	12.6%

Looking back to 2019 gives us an understanding of how the new cost-of-living challenges are impacting the post-lockdown market.

12 categories are seeing volume growth but at lower unit prices: what we call Discounted Growth. Leeks, parsnips and cabbages have all seen a decline in value of 20%, putting immense pressure on margins.

15 categories are facing Managed Contraction. Unit volumes are in decline, but value is either falling at a slower rate or (in most cases) rising. This value growth is fairly modest in most cases, given that it's over a three-year time span and producers have had to shoulder significant increases in labour and energy costs.

There are no winners in vegetables right now. Not a single category is recording an increase in both unit volume and market value.

H1-2022 VS H1-2019

Discounted Growth

Volume has increased with lower average unit prices.

Product	Unit Volumes	Value
Fresh Leeks	3.9%	-26.3%
Fresh Parsnips	1.1%	-23.4%
Fresh Cabbages	4.7%	-21.8%
Fresh Radish	8.0%	-13.7%
Fresh Avocado	10.2%	-13.3%
Canned Sweetcorn	12.6%	-13.2%
Frozen Sweetcorn	89.1%	-12.4%
Fresh Cucumber	4.2%	-8.5%
Fresh Courgette	2.9%	-3.7%
Fresh Sweetcorn	9.1%	-1.3%
Fresh Lettuce	7.0%	-0.6%
Fresh Peppers	1.4%	0.7%

Losers

Volume has dropped with lower average unit prices.

Product	Unit Volumes	Value
Fresh Carrots	-2.1%	-21.4%
Fresh Cauliflower	-1.7%	-11.4%
Fresh Celery	-9.4%	-10.7%

Winners

Volume has increased with maintained or higher average unit prices.

Product	Unit Volumes	Value

Managed Contraction

Volume has dropped with maintained or higher average unit prices.

Product	Unit Volumes	Value
Frozen Peas	-9.1%	-6.4%
Fresh Sweet Pots.	-12.5%	-1.5%
Fresh Prep Salad	-1.9%	1.7%
Frozen Mixed Veg	-4.9%	4.1%
Fresh Mushrooms	-6.1%	5.5%
Fresh Legumes	-12.3%	6.6%
Fresh Asparagus	-14.7%	6.9%
Fresh Broccoli	-0.3%	7.0%
Frozen Beans	-1.1%	7.5%
Fresh Mixed Prep.	-12.3%	10.6%
Fresh Tomatoes	-4.0%	11.7%
Fresh Other Root	-10.5%	13.7%
Canned Carrots	-32.2%	15.8%
Canned Peas	-23.9%	17.8%
Canned Mixed	-27.0%	31.9%

Scratch cooking

When people cook from scratch, they invariably eat healthier meals. That's why we keep a close eye on a basket of healthy scratch cooking goods (such as raw meat, garlic, herbs, canned tomatoes but not cake ingredients).

SCRATCH COOKING INGREDIENTS SHARE OF OVERALL BASKET

	Volume	Value
H1 2019	8.9%	14.8%
H1 2020	9.7%	15.4%
H1 2021	9.7%	15.6%
H1 2022	9.2%	14.8%

Scratch cooking is holding up pretty well, despite unit prices across this basket being 7.2% higher in Q2 2022 than they were a year prior. Volumes are still higher than pre-pandemic.

We believe there is an opportunity here. Cooking well at home can be more affordable and sustainable, especially if the volume and frequency of vegetables and pulses is increased. As we head into autumn and winter, hearty dinners packed full of roots and brassicas could be a smart move for many consumers.

But there are challenges, not least of all energy costs. Many parents also report concerns that filling their stews, bolognaise, pies and roasts with too many veg can cause friction and food waste. We need to help them, and that's another reason we're launching Simply Veg.

VEGPOWER in numbers

£13.5m
ADVERTISING
donated to **our campaigns**

40m
PEOPLE REACHED
every year since **2019**

3,845 SCHOOLS
took part in
OUR SCHOOLS' PROGRAMMES
in **2022**

1m CHILDREN
have taken part in **TASTING**, **COOKING**, **GROWING** and **VEGETABLE FUN**

23m SOCIAL MEDIA ACCOUNTS REACHED
with our ***#SeasonalVeg***
hashtag

57% PARENTS
of children who took part said they
ATE MORE VEGETABLES

+£92m
VEGETABLE SALES
as a **DIRECT RESULT** of our campaigns in 2019-2021

1 BILLION PORTIONS
That's equivalent to nearly 1 billion
ADDITIONAL CHILDREN'S PORTIONS

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