

Story published: **Sun 8 Feb 09 11:01**

Fresh Produce Journal

Safety plays second fiddle to recession

Two new reports this week spell out that although trading in the recession might be a priority for the food industry globally, it is food that is fuelling growth for the multiple retailers in the UK.

The Global Food Business Network CIES has found in its annual Top of Mind survey that the recession has replaced corporate responsibility as the food industry's top priority in 2009. Up from fourth place in 2008, the economy and consumer demand are now the main concern for a sample of nearly 600 retail and supply decision makers across food and consumer goods industries world-wide.

For the second consecutive year food safety is the second concern, while corporate responsibility slips to third and retailer-supplier relations and the competitive landscape continue to hold joint fifth place. Alan McClay, ceo of CIES said: "The return on investment on food safety is only apparent if there is an issue, yet the risk of ignoring it can be massively damaging. And therefore food safety is still one of the top-of-mind concerns in the boardroom. With today's global sourcing this becomes even more imperative, which is why even global competitors work together through the Global Food Safety Initiative to improve food safety standards.

Meanwhile, according to analyst Matthew Piner at Verdict Research, food and grocery generally are proving more resilient to the recession than other retail sectors. He believes food will be one of the fastest growing retail sectors in 2009. He said: "Inflation driving higher prices, the fast food is an essential purchase and more consumers eating at home, have all boded well for the market. Moreover food is the one area in which shoppers are likely to continue permitting themselves the occasional, more expensive treat."

Piner is forecasting a 3.1 per cent growth in food and grocery compared to 0.6 per cent decline across grocery as a whole. Even as inflation lessens, Piner expects the trend to continue. He said: "The considerable restrictions on supply which drove the massive inflation of 2008 are highly unlikely to be repeated this year. That said, upward pressures on price remain."