



**The Guild of Fine Food
2008 Independent Delicatessen & Farm Shop Survey**

Strong local food sales prop up speciality stores

The delicatessen and farm shop sector has always been about passion rather than a quick buck but times are proving tough for many fine food store owners.

According to the latest survey commissioned by the Guild of Fine Food, the trade association for the speciality food sector, 61% of independent delis have seen either static or falling turnover in the past six months. And a staggering 71% of all deli owners say they are currently earning an hourly rate below the national minimum wage.

But the figures are reversed in the farm shop sector, with 61% of operators seeing turnover increasing this year, highlighting the resilience of the local foods market despite the economic downturn.

Among delicatessens – a sector founded on imported speciality foods – around a fifth of all products are now sourced locally, and the survey shows that turnover is holding up best in those delis that carry the greatest proportion of local lines.

This is despite the major multiples' move into local and regional sourcing. Three-quarters of deli and farm shop owners say local food and drink lines that they stock have appeared in nearby supermarkets – in most cases at lower prices. But only a small minority (4.6%) say this has had any impact on their business and the majority (77%) have struck back by delisting some or all of the offending products.

Dealing with small, local producers and wholesalers has downsides too. A quarter of delis complain of irregular deliveries, nearly a half struggle with the limited availability or seasonality of local lines, and

more than a half say they have problems with high minimum-order sizes, seasonal or limited availability and delivery of incorrect goods.

While half of all independents continue to see supermarkets as a major threat, most of those that are seeing static or falling sales put the blame chiefly on the economy. Delis are most negative about their likely performance over the next 12 months, predicting an average 2.0% increase in sales in 2009. Farm shops expect sales to increase by around 4.6%.

The Guild's survey, carried about by independent researcher Compass, suggests the most robust deli businesses share several common features: a diverse product range, excellent customer service, an emphasis on local foods and, especially, a foodservice element. Nine out of 10 delis with an eat-in café, coffee shop or restaurant reported rising turnover.

While supermarkets are often viewed as the big enemy of small shops, that survey suggests the most successful fine food businesses shrug off this threat. Among delis whose sales have been rising this year, 50% see other independent stores as their closest direct competitors.

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*The Guild of Fine Food (GFF) commissioned Compass Research in 2008 to conduct an independent and comprehensive survey of the fine food retail sector across the UK, with the aim of establishing an authoritative source of reference. Copies of the survey will be available at the end of November, priced £75. It can be ordered from charlie.westcar@finefoodworld.co.uk

The Guild of Fine Food promotes excellence in speciality food and drink through its magazines, training programmes, awards, exhibitions and other food events.
www.finefoodworld.co.uk

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