

Fine chocolates sector set for shake-out as competition mounts

By **PATRICK McGUIGAN**

Further casualties are expected in the fine chocolates sector as soaring cocoa prices and stiff competition take their toll.

Two premium chocolate producers went into administration before Christmas and more are expected to follow in a sector that has seen rapid growth and spawned its own standalone show alongside the annual Speciality & Fine Food Fair.

London-based The Chocolate Partnership, which owned the Chocolate Society brand and was a distributor for French fine chocolate-maker Valrhona, went into administration at the end of November.

The business failed when its directors withdrew financial support that had been propping up the company, said the administrator.

Award-winning chocolate-maker William Curley bought the Chocolate Partnership in 2007, but ended his involvement with the company in 2008.

Sussex-based The Chocolate Alchemist went into administration in September because of cash-flow problems and a fall in demand for organic products before being snapped

up by House of Sarunds – a Dorset-based distributor that has also bid to buy the Chocolate Partnership from administration.

Despite headlines about buoyant sales in the recession, many industry insiders expect further speciality chocolate firms to tumble this year.

“The very top of the market – boutique chocolate manufacturers – have really suffered because they are simply too expensive with other options out there of a comparable quality at a much lower price,” said Simon Pattinson, owner of Sussex-based producer and retailer Montezuma’s.

“The other part of the market that has suffered are the companies that simply don’t provide any level of innovation and just copy what’s already out there. We think 2010 is going to be a tough year and I wouldn’t be surprised if more companies went under.”

The price of cocoa, which has nearly doubled in the past two years, has also had an impact, Pattinson added.

At House of Sarunds, sales and marketing manager Gary Parkinson said he expected more chocolate companies to “fall by the wayside” this

year. “It’s quite a cut-throat market, with lots of players from small kitchen industries to huge marketing-led brands like Green & Blacks,” he said. “Retailers are looking for products that are different but also cost-effective. If they’re not getting that from a supplier there’s always another waiting in the wings.”



catsi/dreamstime

Boutique chocolate-makers have suffered at the hands of cheaper, good quality, alternatives

‘Diabetic’ foods under threat from EU labelling laws

Products labelled as ‘diabetic’ or ‘suitable for diabetics’ could be outlawed as part of a European Commission review of legislation. The EC is weighing up the findings of a 2008 report from the Scientific Committee on Food as part of its review of foods for particular nutritional uses. The report concluded there is no scientific basis for foods specifically for people with diabetes, who should manage the condition through a balanced, healthy diet.

At Essex-based Thursday Cottage, which produces a range of ‘diabetic’-labelled jam, managing director Tim Came is “concerned” about legislation. “It would be disappointing, as we’ve been making these products for 20 years and they do contain about half the sugar of standard jams. We also use fructose, which is allegedly a ‘better’ sugar than sucrose or glucose for people who need to watch their blood sugar levels.

Both Diabetes UK and the Food Standards Agency have called for an end to the use of ‘diabetic’ or ‘suitable for diabetics’ on food labels.



Thursday Cottage has made ‘diabetic’ jam for 20 years

LETTERS TO THE EDITOR

DELI BUYERS ‘MUST BE MORE APPROACHABLE’

Sir, Last month you wrote that small food producers had scaled back investment in new product development (*FFD* December 09).

I am both a producer and a deli owner. As a producer, I approach many delicatessens to introduce my product as a potential new line, but the negative attitude of most proprietors is, to say the least, embarrassing.

The feedback from lots of deli owners (though not all) is to treat you as if you were just another gas, telecoms or electricity sales person. This is true even of people who profess to be interested, or who claim to sell

either local or unique products. Which makes you wonder, ‘Why did I drive all this way to be turned away without a chance to show my produce? Why did I take the time to send a free sample, price list, spec. sheet, etc?’

I don’t blame small producers who are given the opportunity to supply a supermarket, because I understand the difficulty of getting the independent delis to take an interest in new products.

Speaking as a deli owner too, I think independents are the lifeblood of smaller producers but they should be more approachable and willing to take an interest in new products for the sake of their own future.

David Entwistle
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Farm shop stages ‘meet the buyer’ event

Dorset’s Udder Farm Shop is taking a novel approach to meet-the-buyer events by inviting suppliers to come to its Gillingham store to pitch their wares directly to its buyers.

Rather than trailing round trade shows or travelling to events where rival retailers and supermarket buyers will be present, general manager Maurice McNulty is asking small and local producers to come to him.

At a suppliers evening on January 29, producers will be able to present their products and talk to the shop’s buyers about how they can work together.

“We see ourselves as a hub for small, local producers and we want to use the event to build relationships with them,” said McNulty. “We can help suppliers

develop new products and advise them on packaging and labelling so that we end up with some unique products and they have a reliable customer.”

The 5,000 sq ft Gillingham shop turned over £1.2m in 2009, with sales up around by more than 10% year on year. This year the retailer plans to add another 3,000 sq ft of retail space.

Suppliers keen to take part should email Maurice McNulty

✉ m.mculty@udderfarmshop.co.uk



Udder Farm Shop is using the meet-the-buyer format to build relationships with local suppliers