Round-up of the Top ten stories for 2012

As we look back at the 12 months we present the top ten food stories that made an impact on the international market. The ten most-read news stories of 2012 include UK grocers signing a code of conduct on promos and Tesco announcing it would put traffic-light labels on its food in the UK. Saudi imposing ban on Brazilian beef, as did a series of stories, including major deals by Hain Celestial, R&R Ice Cream and Hershey as well as Coca-Cola income experiencing a year-end rise in income.

Eight British grocers sign up to OFT code of conduct on promos

Eight of the UK's major grocers agreed to sign up to a set of "principles" on special offers and promotions on food and drink products.

Tesco, Sainsbury's, Morrisons and The Co-operative Group were among retailers to have agreed to adopt guidelines drawn up by UK competition watchdog The Office of Fair Trading.

Waitrose, Marks and Spencer, Aldi and Lidl have also pledged to incorporate the principles. Asda and Iceland Foods were yet to sign up.

The OFT investigated supermarket prices amid concerns consumers could be confused. It said it had not found grocers breaking the law or had used "misleading" practices.

Retailers must also ensure claims such as "Bigger Pack, Better Value" are deemed true. These steps taken together with previous guidance provided supermarkets with a clear benchmark for how they should be operating so that their food and drink promotions reflect the spirit as well as the letter of the law.

Tesco U-turn on traffic-light labels

Tesco has announced plans to add traffic-light labels to the nutritional information it puts on products. The decision is a major change in strategy from Tesco, which has favored labels that show guideline daily amounts, or GDAs.

Nutritional labeling has long been a topic of fierce debate in the UK, with manufacturers, and the country's largest retailer, Tesco, backing a GDA system, while other retailers favouring "traffic lights" or a combination approach.

Tesco's move was announced days after the UK government finished consulting on ways to introduce more consistent front-of-pack labelling on food.

Representative of Tesco added that that are well aware of customers looking for a consistent approach, and intend to work with government, health bodies, other retailers and manufacturers to deliver results to the earliest.

Hain Celestial to buy Premier Foods spreads business

Hain Celestial has been announced as the buyer of Premier Foods plc's spreads assets, including brands such as Hartley's jam and Sun-Pat peanut butter.

The US food group had been linked to Premier's spreads business, which is the latest asset sold by the UK manufacturer.

Hain Celestial, which owns UK brands like New Covent Garden Soup Co. and Linda McCartney meat-free, announced the cash-and-shares acquisition as it published its annual results. Premier will be paid GBP170m (US$270.1m) in cash and GBP30m worth of Hain Celestial shares.

The deal is the second acquisition Hain Celestial has made in the UK in ten months, remains subject to an approval from Premier's shareholders and lenders, although Hain Celestial expected the transaction to close by the end of 2012.

UK based R&R Ice Cream scoops up Italy's Eskigel

UK-based private-label ice cream maker R&R Ice Cream has acquired Italian ice cream manufacturer Eskigel.

The acquisition, for around EUR77m (US$94.5m), will give R&R an "immediate and major" presence in Europe's largest ice cream market, the company stated.

Own-label ice cream manufacturer Eskigel recorded net sales of EUR81m in 2011. It operates from a facility in Terni, north of Rome and its product range includes ice cream sticks, ice lollies, cones, tubs and ice cream sandwiches.

Earlier in 2012, R&R Ice Cream was reportedly set to be put up for sale by majority owner US private-equity firm Oaktree Capital Management. Oaktree

formed R&R in 2006 when it acquired UK ice cream maker Richmond Foods and combined it with French asset Rocadin.

The company also makes own-label ice cream for retailers across Europe and has licensing deals with the likes of Nestle and Kraft Foods.

Hershey to buy out Indian partner Godrej

Hershey announced a deal to take full control of its Indian venture, which had been the subject of speculation for months.

The US confectioner will buy a 49% stake in the loss-making venture held by Indian conglomerate Godrej Industries and other smaller shareholders.

The venture, which will be renamed Hershey India, owns the Maha Lacto and Nutrine confectionery brands. Its sales in 2011 were US$80m. Hershey said its portion of the venture's loss last year was $7m.

The Godrej Hershey venture, formed in 2007, had been the subject of speculation in India in recent months. Reports in India had claimed Hershey is looking to sell its 51% stake in the business. However, a report in June said Hershey wanted to operate independently in India.

Nestle invests chocolate facility in India

Nestle has invested CHF121m (US$124.4m) in its facility in Goa, India in a bid to boost production capacity.

The facility, which produces Kit Kat and Munch branded products, is expected to create around 250 jobs and increase the company's production capacity in one of the fastest growing emerging markets worldwide.

The investment is one of a number by Nestle in the emerging market in recent years. These have included a new manufacturing site in Nanjangud in Karnataka producing Maggi sauces, noodles, bouillons and seasoning, and a new factory in Tahliwal, Himachal Pradesh, which manufactures Maggi noodles as well as chocolate and confectionery products.

Goodman Fielder to sell Integro oils unit to GrainCorp, Australia

Australian food manufacturer Goodman Fielder agreed to offload its Integro commercial oils business to local grain trader GrainCorp.

Goodman Fielder announced the A$170m (US$176.5m) deal in late August 2012. The company, which is looking to revitalize its business after a challenging two years, said the sale would help it focus on core categories and brands.

Goodman Fielder stated that the A$165m net proceeds from its agreement to GrainCorp would "primarily" be used to reduce its debt and strengthen its balance sheet. The deal also included a contract for GrainCorp to supply "oil and finished goods" to Goodman Fielder

Nestle relaunches Vice Versas chocolate brand in United Kingdom

Nestle relaunched its Vice Versas chocolate brand in the UK. Last on shelves in 2005, the launch, Nestle stated that it is in response to public demand.

The Vice Versas sharing bag of bite-size white and milk chocolate pieces will be available from August with an RRP of GBP1.59 (US$2.49) for 126g.

Nestle stated it was hoping to capitalise on the growth in the UK chocolate bags category with the relaunch, which has increased 6% in value in the past year.

Saudi Arab bans Brazilian beef

Saudi Arabia suspended imports of Brazilian beef and became the largest country to stop purchases after confirmation of a 2010 case of atypical mad cow disease.

The decision, confirmed by a ministry press official in Brazil, follows Egypt's ban of beef from Parana state, where a cow that died two years ago had developed atypical bovine spongiform encephalopathy (BSE), or mad cow disease. Egypt will continue to import from other states.

Between January and October 2012, Saudi Arabia imported 31,300 metric tons of beef, putting it among the top 10 largest importers from Brazil, the world's largest beef exporter.

But top buyers Russia, Hong Kong and Egypt - which took more than half of the 896,000 metric tons of beef that Brazil has exported this year through September - continue to import its beef, suggesting the impact could be limited.

Prior to Saudi Arabia, only Japan, China and South Africa had halted imports of all Brazilian beef since Brazil announced on December 7 that a 13-year-old cow that died in 2010 in Parana tested positive for the protein linked to the development of BSE.

After it confirmed the case of atypical BSE, the World Animal Health Organization issued a statement maintaining Brazil's status as a low-risk country for mad cow disease.

"This classification has been followed by important countries, blocks and consumers," Minerva said in a statement adding that sales to Saudi Arabia accounted for approximately 2.5% of gross sales so far this year.

Coca-Cola income rises on higher volume

Higher global volume contributed to a 5% increase in income at The Coca-Cola Co. during 2012. For the year ended Dec. 31, 2012, the company had income of $9,019 million, equal to $2 per share on the common stock, which compared with income of $8,584 million, or $1.88 per share, during the previous year. Gross profit during the year was $28,964 million, up 2% from $28,327 million during the previous year.

The company said it had full-year global volume growth of 4%, led by a 3% increase from the Coca-Cola brand. The company grew global volume and value share in nonalcoholic ready-to-drink beverages with volume and value share gains across nearly every beverage category. Worldwide sparkling beverage volume grew 3% for the year with worldwide still beverage volume growing 10% and ready-to-drink tea growing 14%.

For the fourth quarter ended Dec. 31, overall net income rose 13% to $1,866 million, or 42c per share, up from income of $1,657 million, or 37c per share, during the same quarter of the previous year. Gross profit for the quarter was $6,827 million, up 3% from $6,637 million during the same quarter of the previous year. The company said international volume grew 4% during the quarter with North America volume growing 1%. ◆