





Our passion for fresh foods means that we are constantly improving our ranges, including the introduction of fresh pasta, a delicious patisserie range and a wide selection of fish and seafood.





New ways of merchandising allow our customers to see the freshness and quality of our products.





**Jack Sinclair,  
Trading Director.**

Jack spearheads our drive to offer the best fresh foods in the market. His team of traders buy, develop and price all our products, always ensuring they are of the highest quality.



**Simply Fresh**

Demand for convenience foods continues to grow rapidly as people work longer hours and have less time to spend in the kitchen. In January we launched our range of "Simply Fresh" meals, designed to help customers put together a convenience meal of their choice quickly and easily. Customers can mix and match a range of fresh meat and fish dishes with various accompaniments to suit their own taste. The range now comprises 25 brand-new products and we anticipate rapid growth in sales this year. The range will also be varied seasonally to meet customer demand.

**Ready Meals**

We have continued to extend and upgrade our range of chilled ready meals and increased our like-for-like sales by almost 20%. For example:

– **Indian Chilled Ready Meals** – 26 lines made from authentic recipes and relaunched in August: "Here's a ready meal relaunch that lives up to the claims. Definitely 'extra meat' and 'emphasis on quality'." *BBC Good Food Magazine*, (September). Our Chicken Piri Piri was shortlisted for a Supermarketing "Q" Award in November.

– **Italian Chilled Ready Meals** – increased to 21 lines and relaunched in July, with new packaging and more authentic flavours, using fresh instead of dried pasta. Our Tagliatelle with Garlic Mushrooms, described by *Healthy Eating* magazine as "rich and flavoursome" was also shortlisted for a Supermarketing "Q" Award.

**Regional and Local Products**

We are continuing to seek opportunities to develop our range of regional and local fresh foods. In February we launched our new range of Welsh Beef. This is now sold in all our Welsh stores and in a full year is likely to generate several million pounds in extra income for the Welsh livestock industry who supply our beef processor, Dawn Meats Ltd. The new range complements our range of Welsh Mountain Lamb, launched initially in 1999, and which since then has achieved cumulative sales worth over a million pounds, representing a valuable market opportunity for the hard-pressed hill farmers of Wales.

We sell a wide range of local cheeses and other dairy products in both Scotland and Wales but we are now developing our range of regional and local products in England – for example, in the West Country, Northumberland and Cheshire. This strategy will help to create important long-term market opportunities for our suppliers, particularly in fresh foods and, in turn, the farming community.



Our extensive range of organic yoghurts from Yeo Valley.

Our Cornish Yarg cheese is hand-made near Liskeard, using local cows milk. It is fresh, moist and crumbly.

During the year, we extended our range of Welsh mountain lamb.

## Best at fresh

Since October 1999 our fresh food sales volumes have increased by over 30% – the fastest rate of growth in our industry. This reflects the progressive transformation in the merchandising of our produce and bakery ranges. The “hero” is now the product – not the packaging nor the green plastic trays. All our stores now have the new produce and bakery formats. Our focus now is on rolling out our new deli and improving our meat and fish counters.

But success in this area isn't just about presentation, lighting, colour blocking of merchandise and so on. It's also about the quality and variety of the products themselves.

### “The Best”

Early in the year we launched our premium range “The Best”, which now comprises over 250 products and has become a £100 million brand. “The Best” has rapidly become a champion of great quality food. For example:

– **Old Fashioned Apple Pie** – described in *Prima Magazine* (October) as: “Golden, buttery shortcrust pastry, sprinkled with sugar, and delicious, crisp, juicy apples with a hint of cinnamon – the perfect apple pie”.

– **Pork and Bramley Apple Sausages** – voted the most innovative product of 2000 by the Bramley Apple Society. This is just one of nine sausage lines in the range. Our buyer suggests you try the Orange and Chilli variety.

– **Olive Ciabatta** – praised in *Family Circle* (October) for its authentic appearance and also because it “tasted of olive oil with a fab crust and tangy olives”.

– **Coquille D'Ecosse** – Scottish langoustine and scallops served in a mascarpone and basil sauce, topped with real mashed potato and caramelised onions, served in scallop shells.

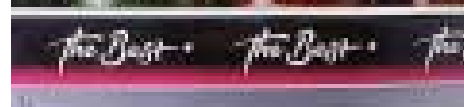
– **Chilled Pasta and Pasta Sauces** – comprising six pastas, was launched in November, based on exclusive recipes, including both filled and unfilled with complementary sauces. Designed for easy entertaining.

– **Smoked Salmon** – farmed on the rugged west coast of the Isle of Skye, our fish is smoked in kilns with whisky-barrel shavings for a wonderfully rich, oaky flavour.



A range of delicious cakes and tarts, crafted by top patisserie chefs who also supply the best luxury hotels in the country.

Made with the freshest ingredients, our new range of pasta sauces make meal times quick and easy.



Sarah Mackie, our fish buyer, checks the quality of the salmon on a visit to our supplier in the Spey Valley, Scotland.

Alison Rhodes, our bakery buyer, found the inspiration for our mouthwatering Old Fashioned Apple Pie on a trip to New York – the home of the best apple pies.





Only the finest ingredients go into the dough of our naan bread, which is moulded by hand and baked in an authentic Tandoori oven.

The freshness, quality and colour of our wide range of fruit and vegetables are evident in our new market-style produce departments.

#### Success with smaller suppliers

We look to our smaller suppliers for new ideas. Where we identify a market opportunity and a supplier can respond quickly to it with a new or improved product, we can together achieve some truly impressive sales growth. During the year we had several major successes with smaller suppliers. For example:

– **Korway Foods**, who employ 36 people in Glasgow, produce a range of branded ethnic snacks for the Scottish market, including pakoras, bhajis and samosas. Following a successful trial of their products in some of our Scottish stores, we have extended their range and, as a result, their turnover with us has increased by 500% over 12 months.

– **The Sauce Company**, who employ 450 people in Scunthorpe, have provided our range of chilled soups and pasta sauces for the past six years. Recognising their commitment to Safeway and the opportunities to increase their business with us, we worked with them to build a new chilled ready meal factory for exclusive

supply to us. Every day this factory supplies us with more than 35,000 fresh soups, sauces and ready meals, including our Chinese and Tex Mex ranges. As a result of this development, their business with us increased by 45% during the year.

– **Stateside Foods** employ more than 400 people in the North West and produce fresh pizzas for Safeway. This range includes the Roasted Vegetables and Goat's Cheese Pizzaroma, which was nominated for an industry quality award. Safeway are Stateside's biggest customer and, thanks to the continued growth in the chilled pizza market and the success of our promotional strategy, their business with Safeway grew by 70% during the year.

– **The Cheese Cellar** was placed on our list of suppliers in order to provide us with an exclusive premium range of British regional cheeses for selected stores in London. They currently supply us with eight cheese lines, which have helped to change our deli range from a duplication of our pre-packed lines to a competitive stand-alone offer. This year we are rolling out nationally a selection of regional cheeses from local speciality suppliers. Eventually this range could generate around £3 million in sales.

