

London's Wholesale Markets

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The Main London Wholesale Markets

Name	Product	Location	Landlord
London Central Markets (Smithfield)	Meat and poultry	Smithfield	Corporation of London
Billingsgate	Fish	Canary Wharf	Corporation of London
Spitalfields	Fruit, vegetables and flowers	Leyton (East London)	Corporation of London
New Covent Garden (Nine Elms)	Fruit, vegetables and flowers	Vauxhall	New Covent Garden Market Authority
Western International	Fruit, vegetables and flowers	Hounslow (West London)	Hounslow Borough Council

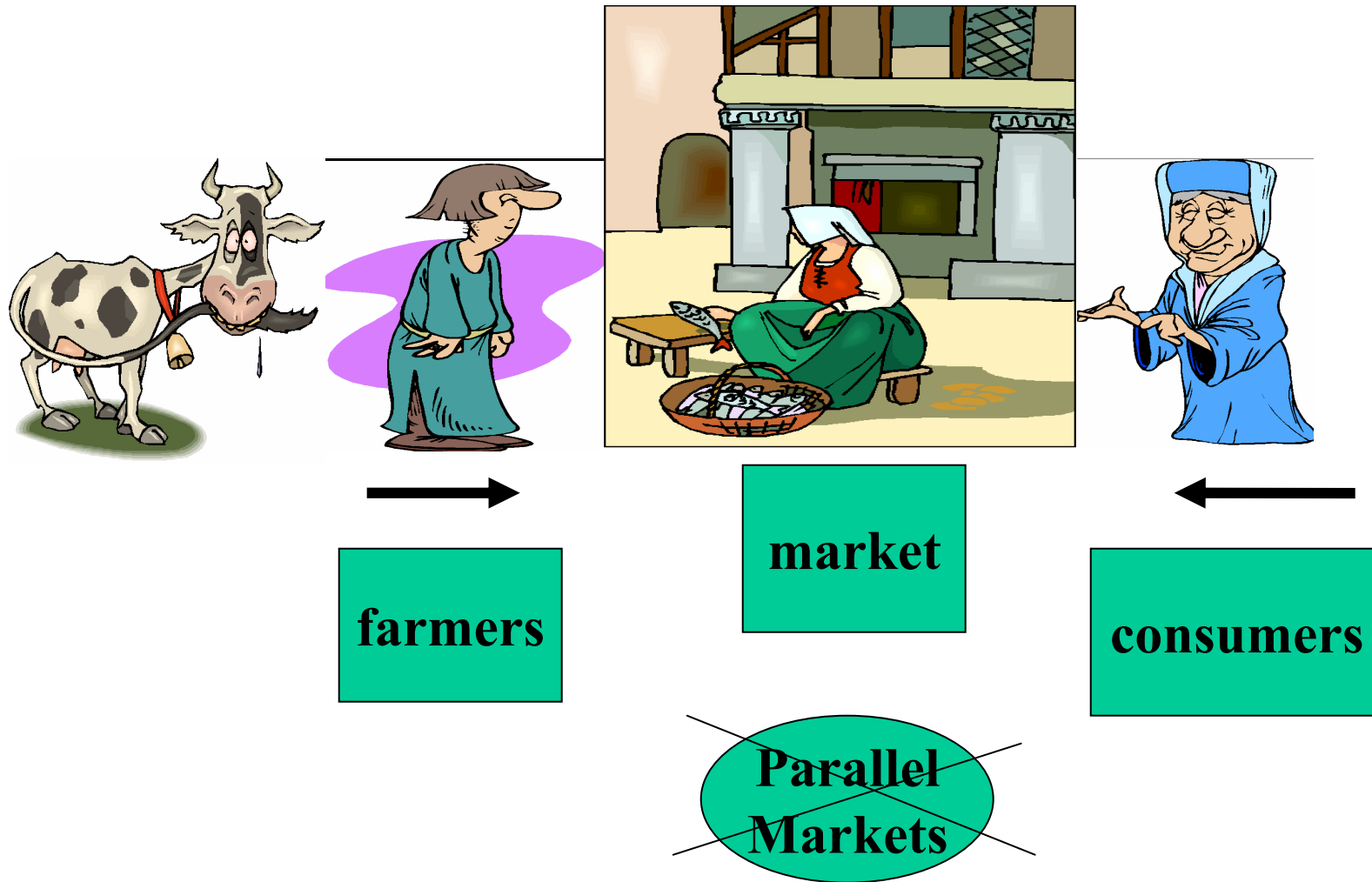
The London Market Review

2002

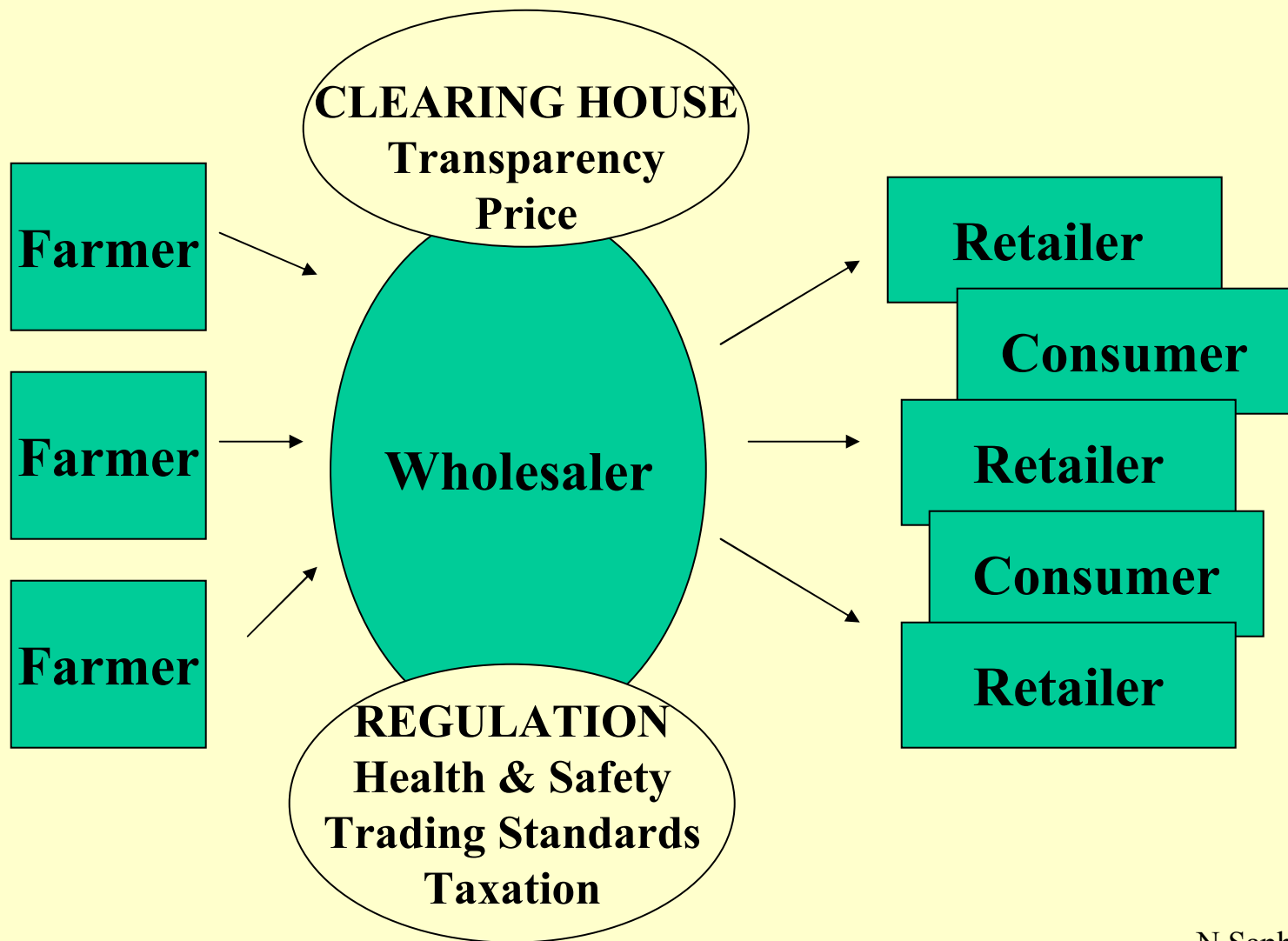
Commissioned by Defra and Co-sponsored by the Corporation of London

- Are the London wholesale market well adapted to the needs of the business communities and users which they serve?
- What is the effect on the operation of the markets of the legislation which governs them?
- What is the potential impact of product diversification and changing demand for the services provided by the wholesale markets?

Food Distribution was so simple once!



The Role of the Markets



Today's Consumer

- **Availability of Food**
- **Disposable Income**
- **Leisure**
- **Travel**
- **Multi Culturism**
- **Education and Media**

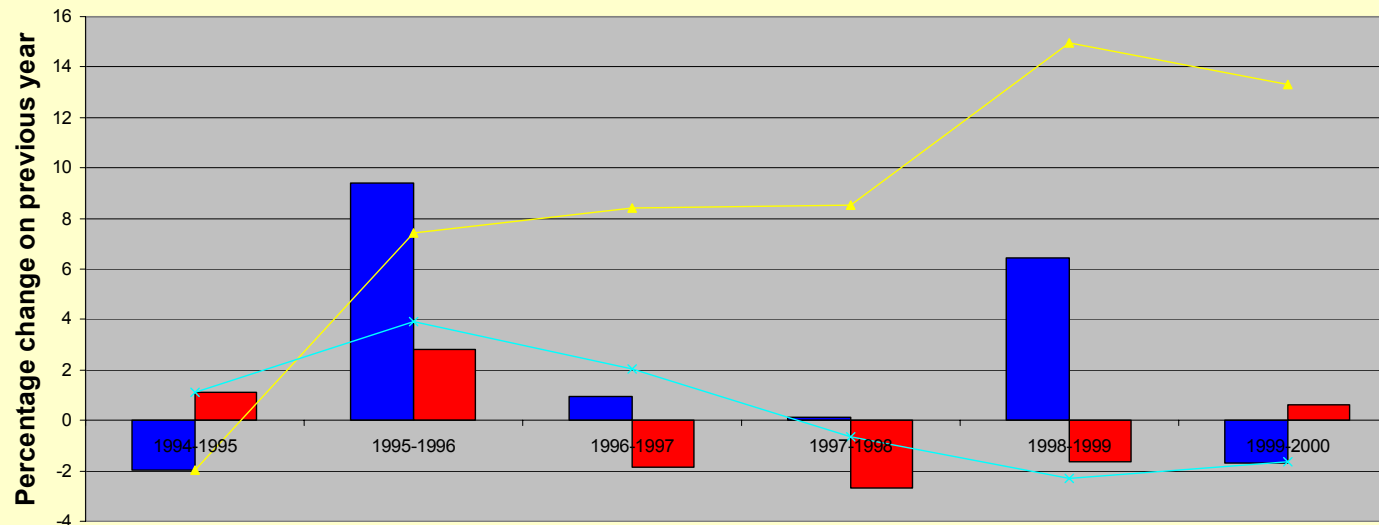


Were do we buy Food?

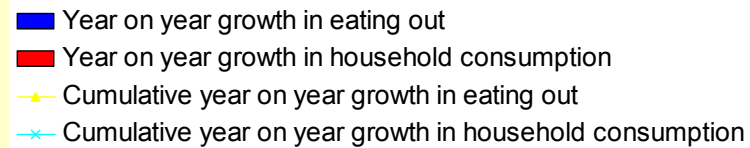
- £16.15 per week spent at retailers
 - - 1.8% in real terms in 6 years
 - 59.8% is purchased from supermarkets
- £5.70 per week spent eating out
 - + 13.8% in real terms in 6 years
 - London & SE consumers spent 35% eating out

Source: National Food Survey 2000 and IGD

Year on Year Change



Source: National Food Survey 2000



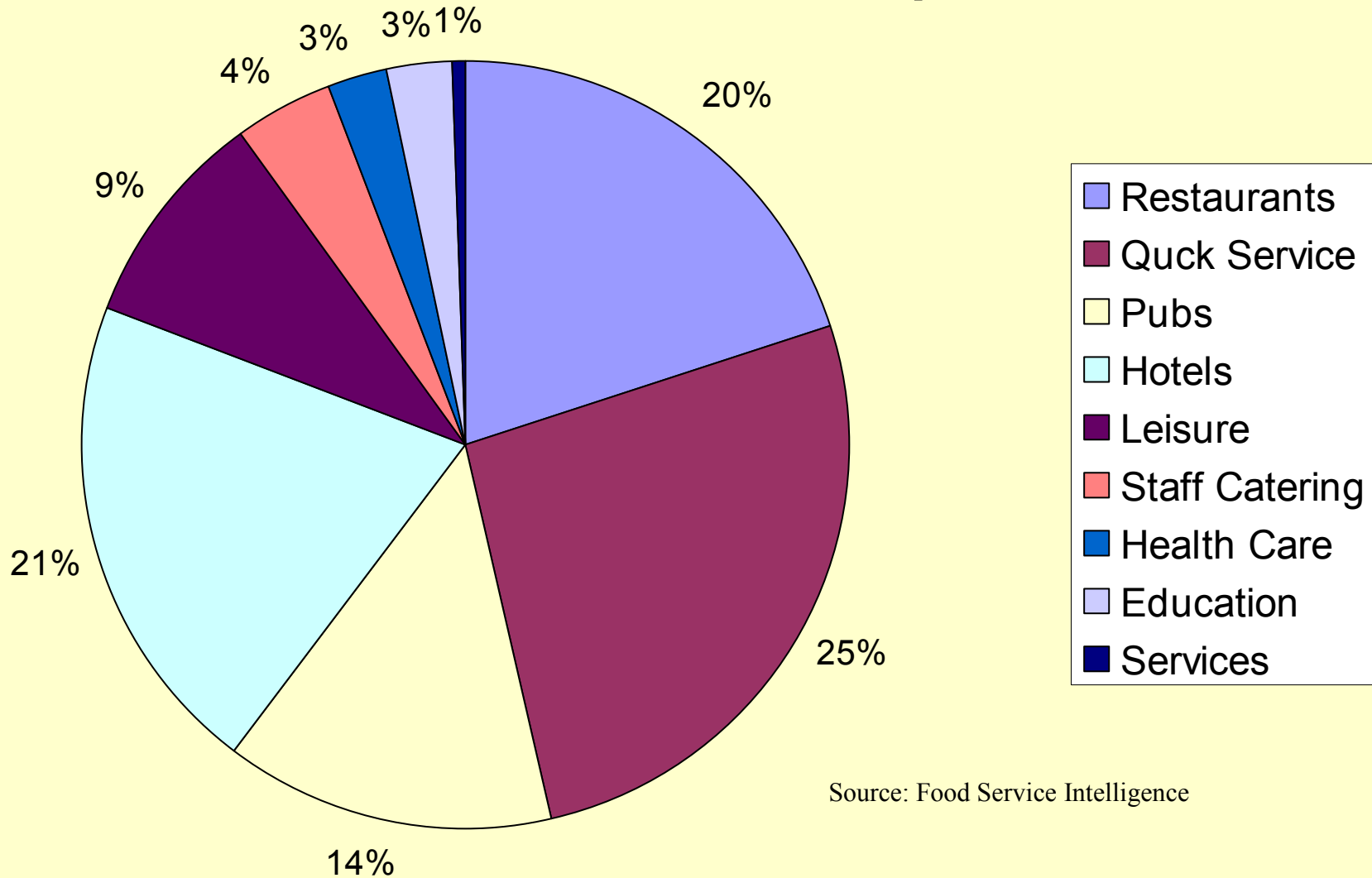
London and South East

meat, fish, fruit and vegetables distribution

(at wholesale / purchase value*)

- Wholesale trade £3.5 billion
- Market trade £1.6 billion
- London Market Review estimates based on various sources

Food Sales at 2001 prices



Source: Food Service Intelligence

Do London Markets have a future?

- Distribution
 - Cost of collection from single locations versus
 - Composite availability
- Growth in ‘prepared’ raw material
 - Reduce unskilled labour in kitchens
 - Production efficiency through processing scale
 - Environmental disposal of waste
- Should Government or Local Authorities Care?
- Is there a ‘Public Good’?

A Public Good

- **Clearing House**
 - **Transparent Pricing - balance supply and demand**
 - **A place of consolidation – important for SME**
- **A Point to Control**
 - **Health and Safety – consolidation = efficiency**
 - **Trading Standards – consolidation = efficiency**
- **Distribution**
 - **Catering drop sizes/collection = composite sites**
(21.3% of London traffic at peak time is commercial (source LfT) – consolidated delivery)
 - **Waste disposal – increasing pre preparation**

Recommendations of the London Market Review

- *For the public good (economic, environmental and social) change legislation that is in restraint of trade and concentrate markets onto three composite London sites*
- *Farmers should use reorganised markets to improve the distribution of British produce especially to catering*
- *Encourage competition between markets to establish competitive efficiency*

Implementation

- Nine Elms, Spitalfields and WIM to be London's composite markets
- Smithfield and Billingsgate to be released for more appropriate use
- Government to sell Covent Garden - new owner to develop as a dynamic market and food centre
- Improve alignment of all stakeholders interests – Farmers, wholesalers, employees, customers and the public good
- Ensure change within reasonable timeframe

Progress to date

- Principles agreed by all parties
- Corporation favoured one composite market at Spitalfields
- Corporation initiated legal proceedings (ongoing) to prevent opening up of trade
- Government engaged PWC to advise on sale process for Nine Elms