



fresh**logic**

Market Trends in Vegetable Consumption & Price

Nov 2022

THRUchain View.
Decision Ready Analysis.

Market Trends in Vegetable Consumption & Price

Market settings that shape vegetable pricing

Challenges to Vegetable Production

Market Effects

-Wholesale Vegetable Price Inflation – Sep 22

-Recovery in Pricing – Dec 22

Emerging Market Trends

Consumer Value Focus

Foodservice

Online F&V shopping



About Me

- **Freshlogic Business Development Manager**
- **Born on a beef & sheep farm in South Gippsland**
- **Studied Food Science at Melbourne Uni**
- **First horticulture job at Rudge Produce Systems in the Melbourne Markets**
- **Have since worked for F&V Wholesaler-Producers, most recently with Premier Fresh Australia**



About Freshlogic



**Informed
Decision
Makers**

Freshlogic is a fresh food market research and analytics business specialising in horticulture.

Freshlogic operates as the best-in-class provider of accessible, accurate and concise data insights. Our THRUchain approach captures and aligns volumes and values from supply, through all distribution channels to consumption.

Our single guiding principle is that we apply robust analysis to a complete fresh produce data set and deliver accessible, decision-ready insights

Market Settings that Shape Vegetable Pricing

1. Short life Perishable Product

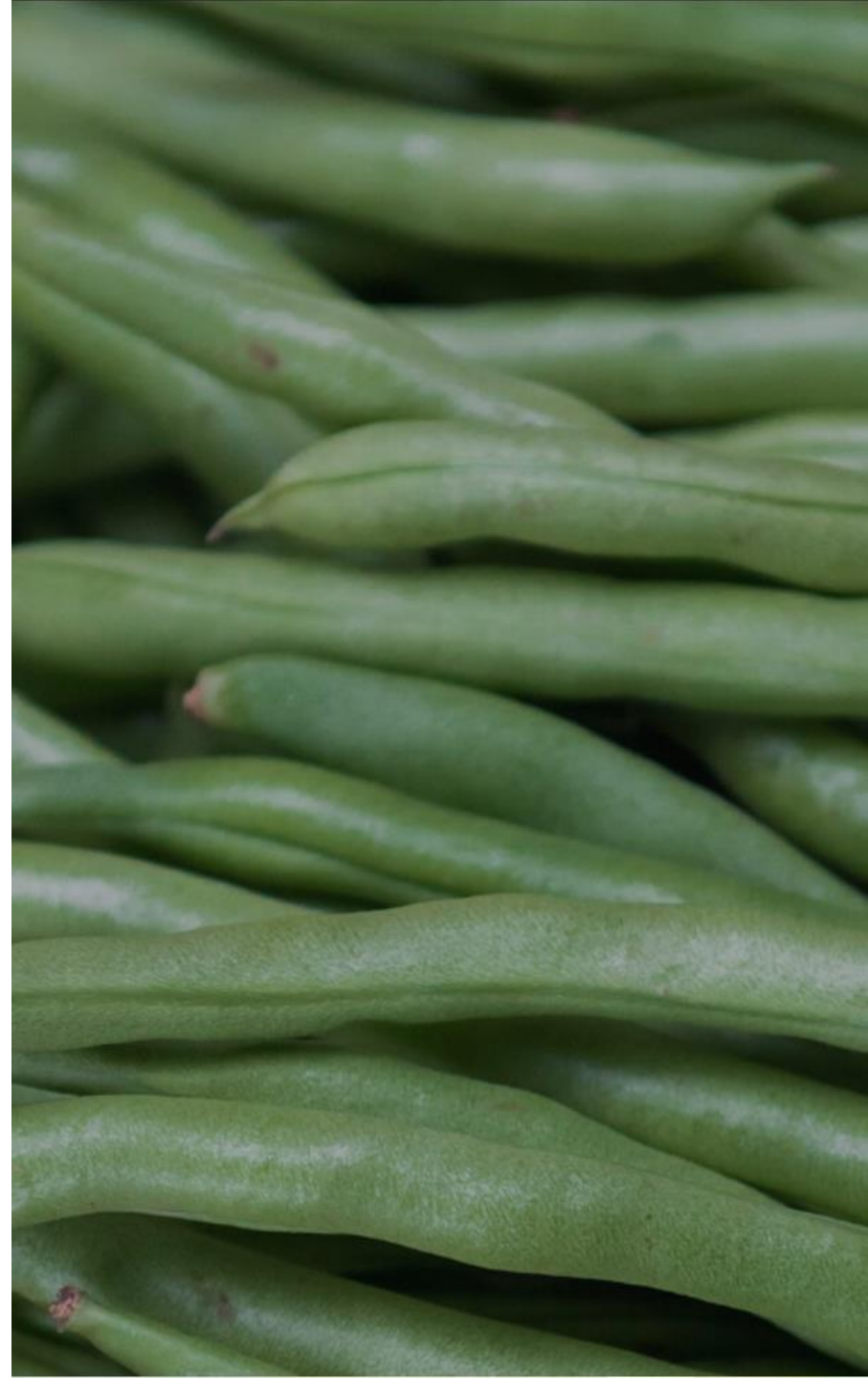


- Time sensitive handling & selling
- Value at risk by natural deterioration

2. Supply 95% of Fresh Domestic Market

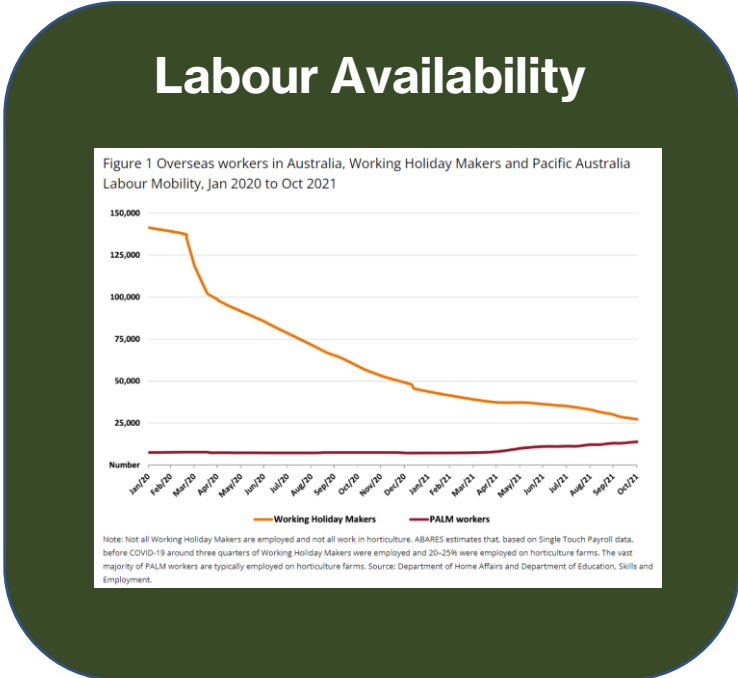


- Complex regional supply dynamics
- Varied supply volumes
- Across category competition




Challenges for vegetable production in 2022

Weather Events



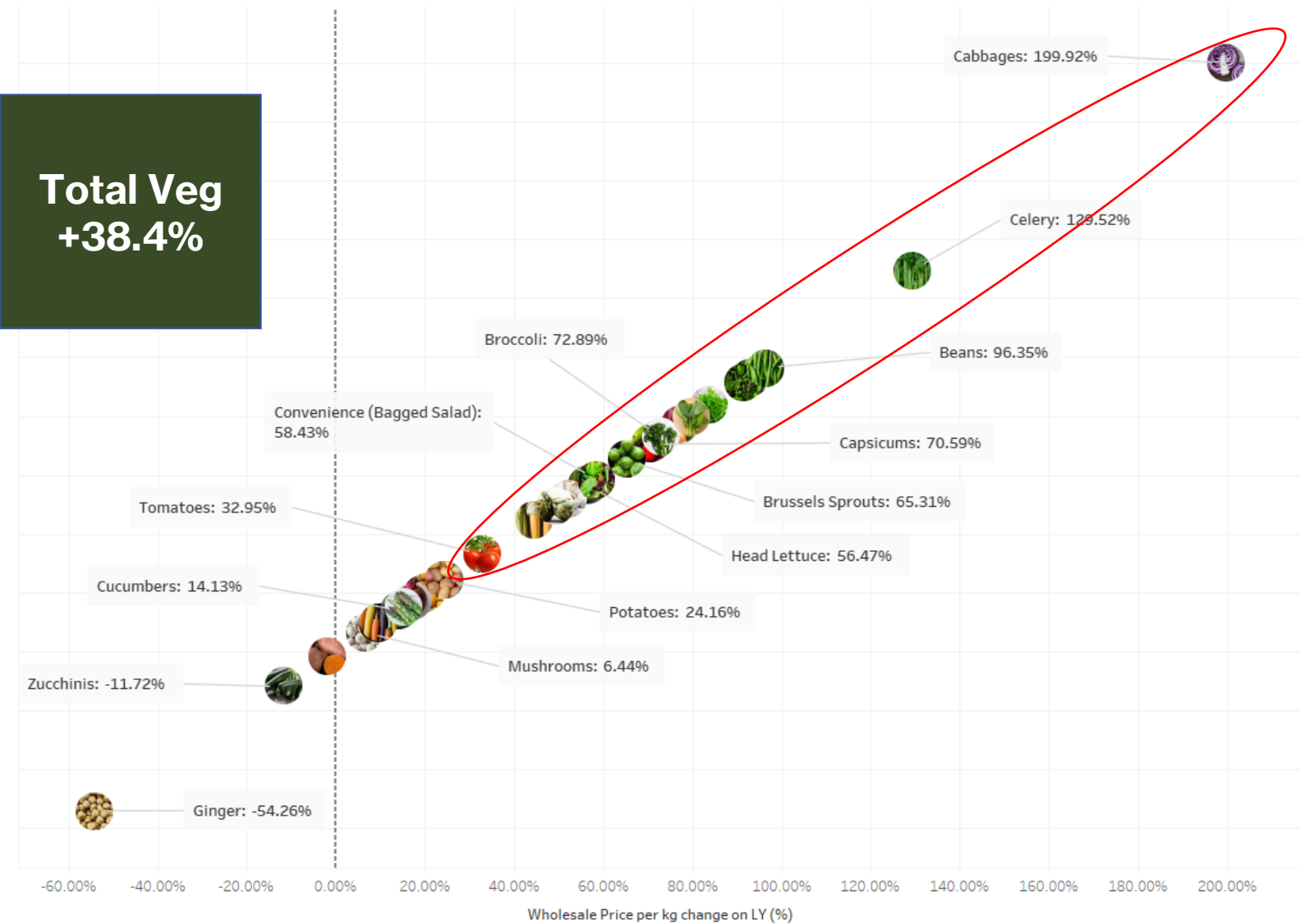
Rising Input Costs



Reduced Production



Wholesale Vegetable Price Inflation

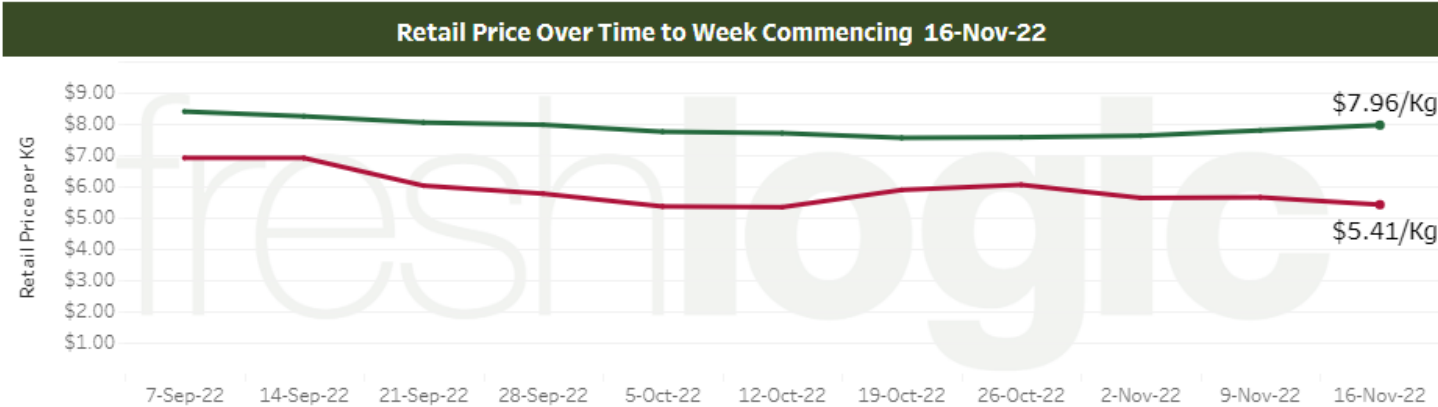
Sep 2022



Recovery in retail pricing – Dec 22 (so far)

Weekly Price Pulse

Retail Price & Promotion for Week Commencing 16-Nov-22							
Food Groups	This Year	Last Year	+/- TY vs LY	+/- on LY	Ads # TY	Ads # LY	+/- Ads TY vs LY
Vegetables 	\$7.96	\$7.58	+\$0.38	▲ 4.99%	236	213	23
Fruits 	\$5.41	\$5.34	+\$0.07	▲ 1.38%	109	173	-64



Source: Freshlogic Analysis

Emerging Market Trends

Continued disruption & uncertainty across vegetable value chains:

- Continued labour shortages
- Continued high energy & input prices
- La Nina weather cycle

but we are seeing a number of key trends emerging

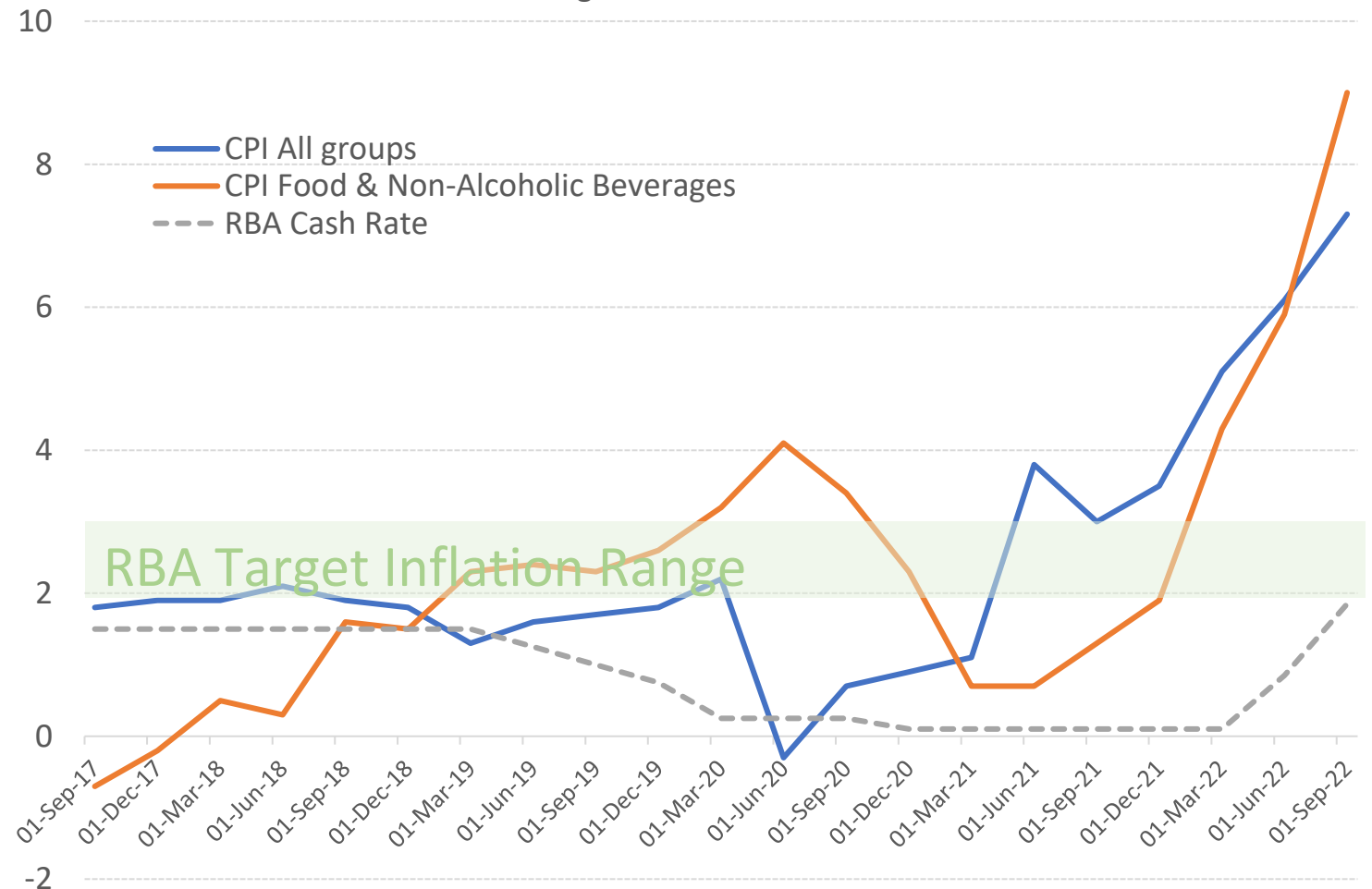


01 Consumer Value Focus

- **Key focus on controlling inflation by households & businesses**
- **Price Inflation now at the highest rate in 30 years**
- **F&V CPI at 17.4%**
- **Prompt for 6 successive RBA cash rate rises from April**

Australian CPI by Qtr

Change on Previous Year





Source: ABS, RBA

01 Consumer Value Focus

- **35% of householders with mortgages**
- **Significant pressure on household cost of living**
- **Elevated consumer value sensitivity**
- **Increase competition from retailers**

Weekly Household Expenditure

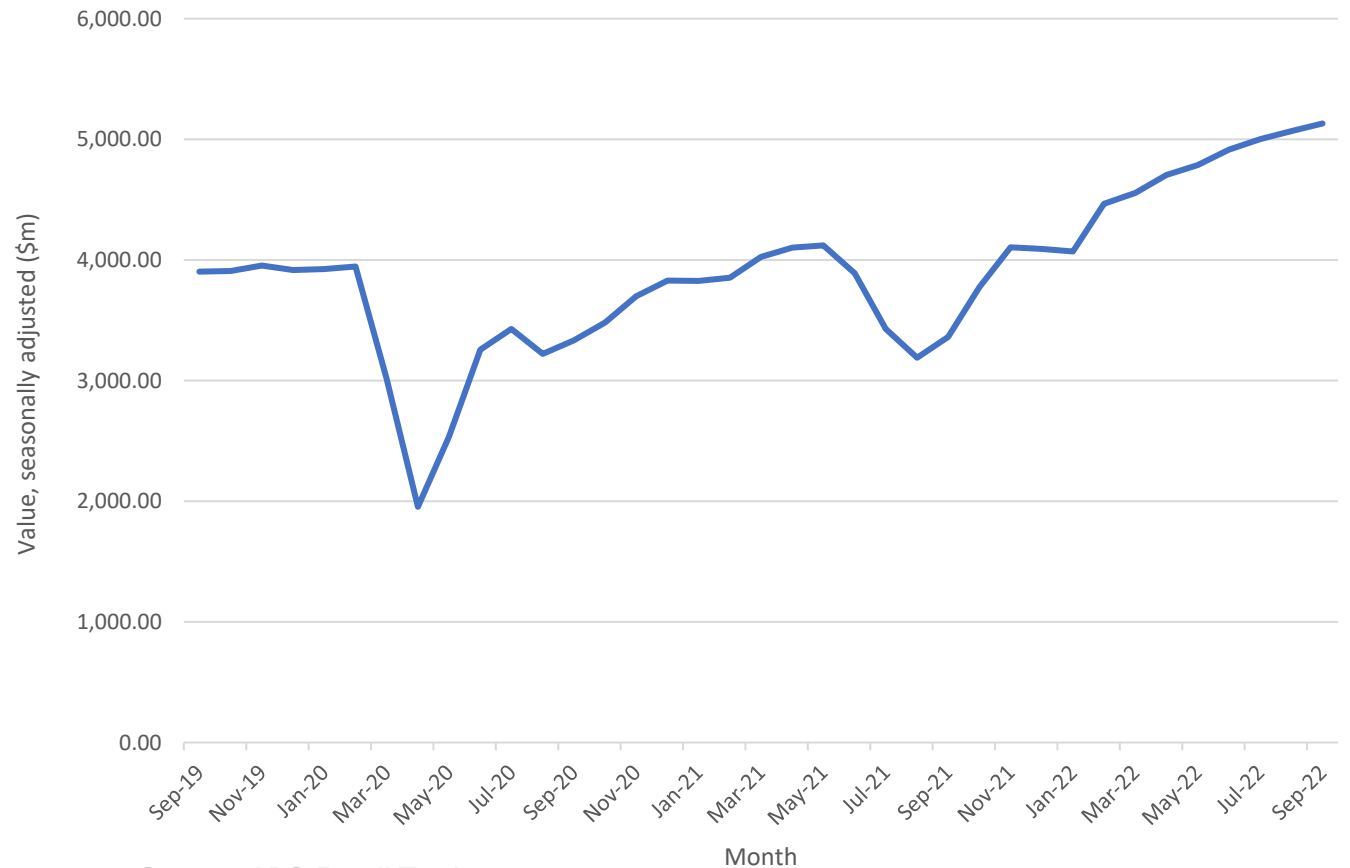
	Mar 22	Jun 22	Sep 22	6 month +/-
 Food & Grocery expenditure	\$263	\$276	\$283	\$20 & 7.1%
 \$611k variable mortgage repayments over 25 years	\$626	\$672	\$774	\$148 & 21.3%

Source: Freshlogic, ABS

02 Confirmed Strength of Foodservice Spend

- Food service spending is now higher than pre-pandemic levels.
- 458,000T of Vegetables sold into FS in the year ending September 2022
- 19.21% share of fresh market volume, +1.02% on LY

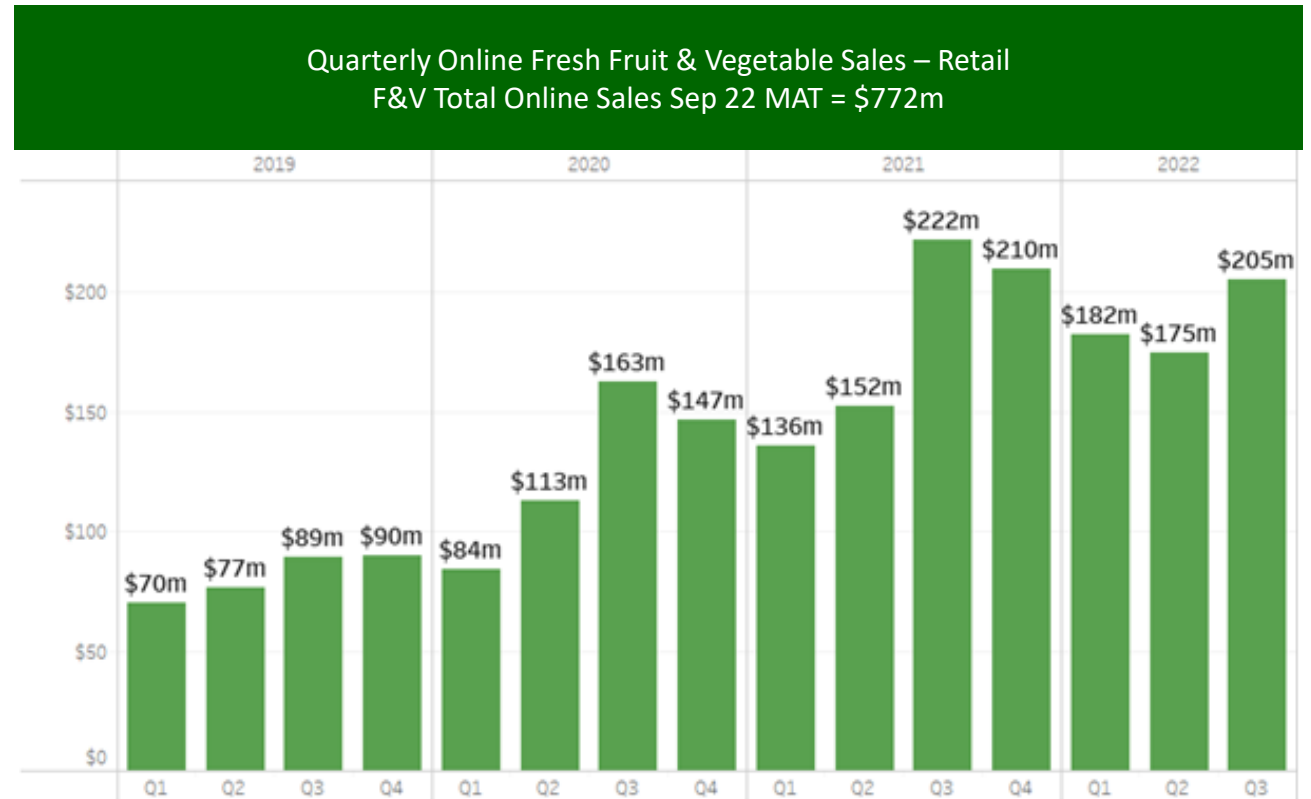
Cafes, restaurants and takeaway food services



Source: ABS Retail Trade

03 Online Shopping

- **After a peak in Sep 2021, Online share of retail is stabilizing**
 - **Retailer Food & Grocery share - 8.8%**
- **With a purchase qty of 3x bricks and mortar**
 - **reduced number of overall household shopping trips**



Source: Freshlogic

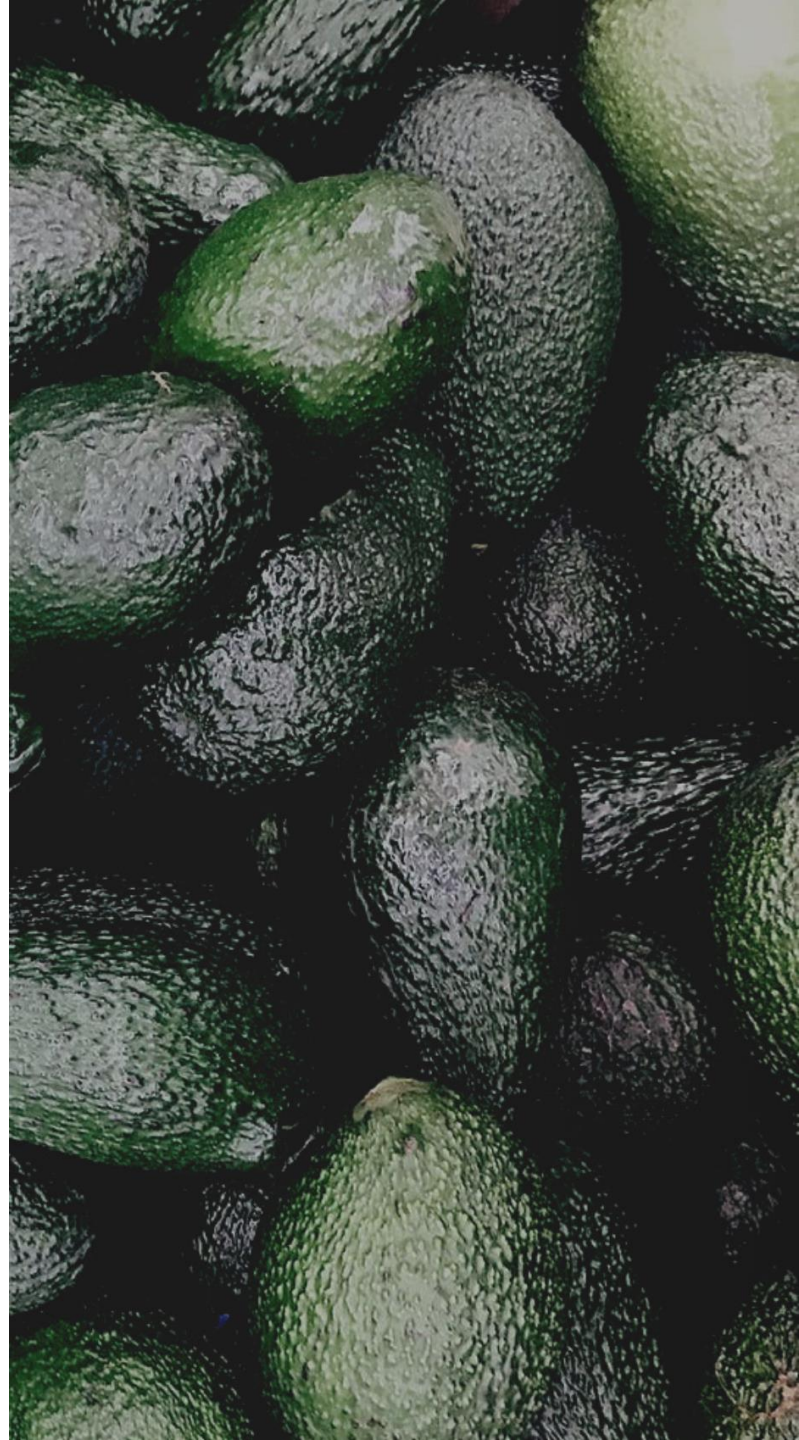
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Questions? – get in contact

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