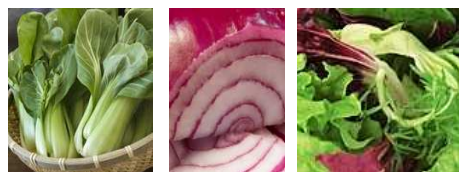


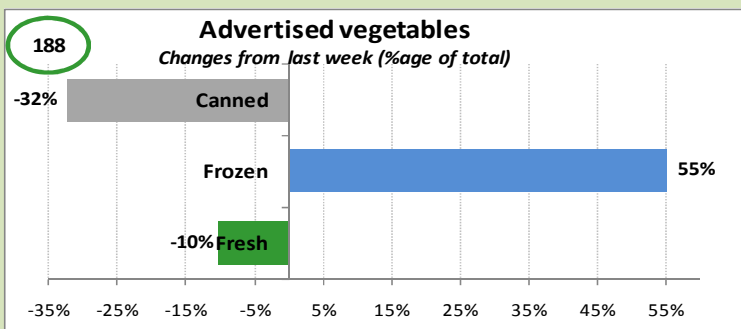
# VEGINSIGHTS

Weekly vegetable market insights - A VIDP initiative



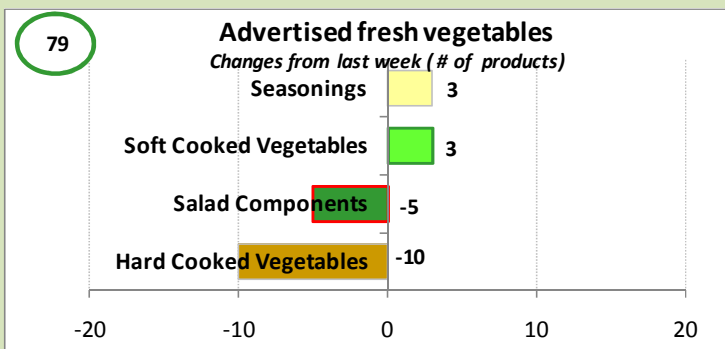
12 May 2010

## Vegetable retail promotional activity



This week the exposure of vegetables increased by 8% to have 188 vegetable products advertised by the major retailers. This was driven by decreases in Canned at -32%, and Fresh -10% and a major increase of 55% in frozen.

The number of fresh products advertised decreased by 10% to 79. There were changes in the number of lines per category with the most significant being the 10 line decrease in Hard Cooked Vegetables.



## Changing consumer demands and lifestyles

**leads to new packaging.** Catering to the consumer interests and trends shifting towards more home cooking, L&M Cos. has packaged its microwaveable sweet potatoes to include innovative cooking ideas that can be used by consumers to create new home-cooked meals for a type of vegetable product that has always required a lot of preparation. The potatoes are individually wrapped in plastic and are double washed before being packaged; they can be used both as a lunch item or side item for dinner.

*This value-added product caters to changing lifestyle trends and also provides a level of convenience. .*

## Headlines

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- Superior taste helps win award
- Colourful organic onions on their way
- Consumer lifestyles dictating packaging
- Adding value to vegetables

## Taste elevates kumato to win award.

The Sunset kumato produced by Mastronardi has been awarded the 2010 Superior Taste Award by the International Taste & Quality Institute – ITQI, Brussels. Since its launch in 2009, the Sunset kumato tomato has seen success both at the retail level and foodservice. The company has also been conducting demo sessions at retailers to showcase the authentic taste of the sunset tomato, claimed to be juicier and more flavourful than usual red tomatoes. Catering to its demand that has exceeded supply, Mastronardi has more than doubled its planted acreage for the 2010 season. This success has harnessed the social networking Internet sites, where consumers have shared their personal experiences, and in doing so influenced the product awareness and buying behaviours other consumers.



*A product that has achieved success by leading strongly with taste benefits.*

## Colourful organic onions from US farms.

US Utah onions will offer a range of yellow, red, and sweet organic onions. These onions have been certified under the USDA National Organic Program (NOP) guidelines and will be available for shipment in September. Packaged in Prosser, Washington, at Hartley's Produce, the range will include red, white, and sweet onions in different sizes and will establish the company's position as a full-service onion provider.



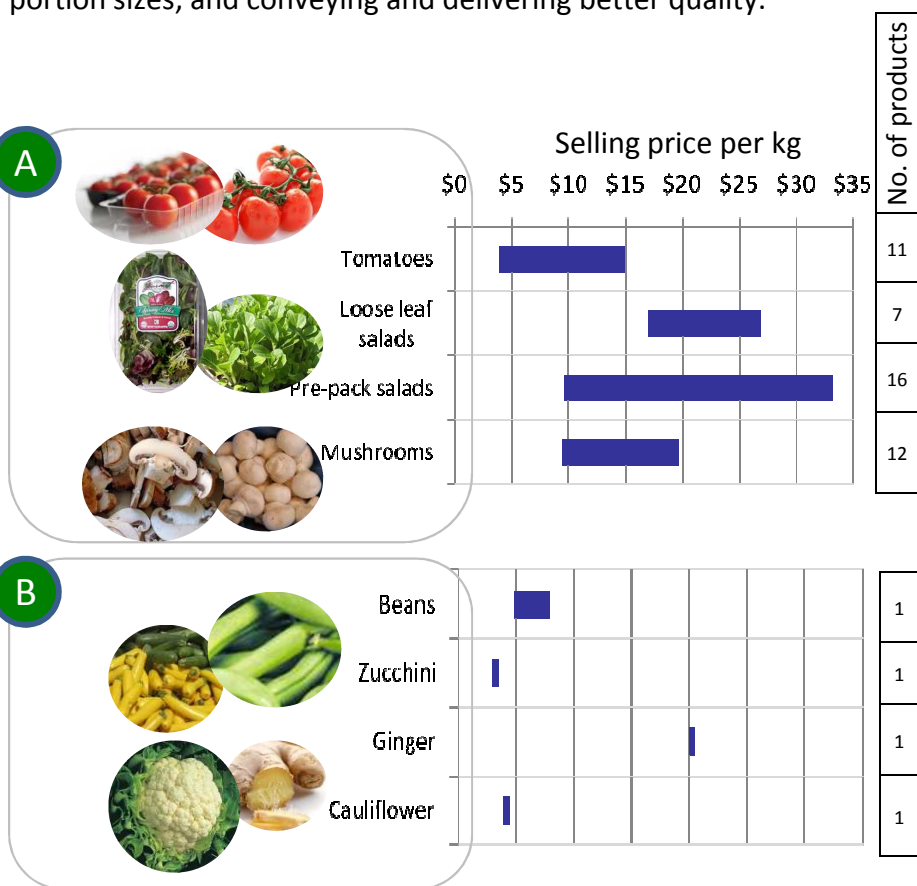
*An innovative product combining colour and organic certification.*

Weather	Sydney			Melbourne			Brisbane			Adelaide			Perth		
	Last w k	This w k	Last yr	Last w k	This w k	Last yr	Last w k	This w k	Last yr	Last w k	This w k	Last yr	Last w k	This w k	Last yr
Period Highs & Lows °C	12-26	10-25	11-23	8-21	9-23	6-19	13-29	12-26	12-26	9-25	10-26	8-20	8-29	7-27	14-35
Rainfall															
Rainfall (mm)	2.2	0.2	15.0	3.0	10.2	3.4	0.6	12.8	3.8	2.8	10.4	0.2	0.0	0	0.0

## Vegetable Market Performance

**The Mealpulse panel collects and analyses consumer responses on vegetable buying and the market performance of the distribution channels.** The two charts and commentary below provide a snapshot of some fresh vegetable successes where value has been added and welcomed by consumers and also of some vegetables where little value has been added to date.

Adding value involves improving or enhancing a product to include benefits that customers and consumers will welcome and be willing to pay for. The process of adding value requires an understanding of the product's demand and use, which is then assessed to define what will be valued by the buyer and if it can be practically added. Value in fresh vegetables, as shown below, has been successfully added by including levels of preparation, smaller portion sizes, and conveying and delivering better quality.



**Indicators of higher added value** can be found in the number of products ranged and the price range of products on offer. More products and a wider range of prices reflects an understanding of the category and the ability to develop more products to meet specific needs.

Furthermore, as vegetables are highly perishable, all products need to perform. Fresh vegetable are purchased in a self select style of retail, with consumers making the selection from all the alternatives on their own. Therefore, all the varying levels of value are exposed to the consumer and the products that perform are clearly the ones winning consumer support. The products that do not sell before they deteriorate are typically removed from retail ranges quickly.

The products listed in Group A, which includes Tomatoes, Salad Mix and Mushrooms, enjoy comparatively wide ranges of products and wider ranges of selling price. This is in contrast to the products shown in Group B, including Beans, Zucchini, Ginger, and Cauliflower, that are limited to a single product and are sold in narrow price ranges.

The products that do not indicate that higher value has been added are highly likely to reflect growth opportunities. The most common means to provide value in fresh vegetables, which consumers will welcome and will pay for, include providing levels of preparation and smaller portion sizes to suit different household types.