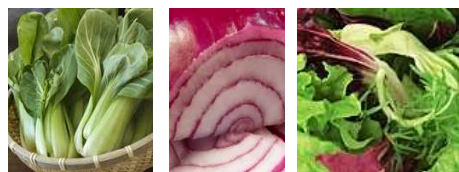


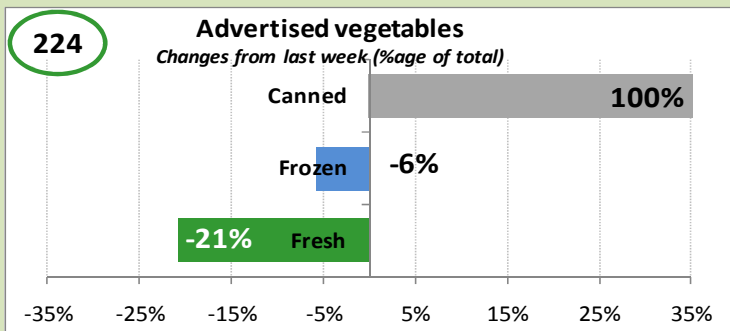
# VEGINSIGHTS

Weekly vegetable market insights - A VIDP initiative



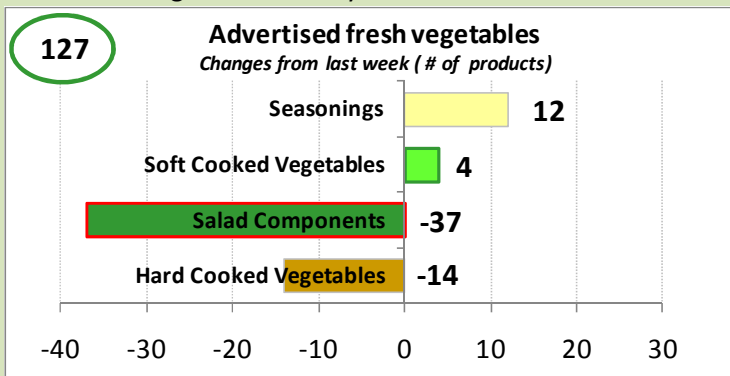
21 July 2010

## Vegetable retail promotional activity



This week the exposure of vegetables decreased by 7% with 224 vegetable products advertised by the major retailers. This was driven by increases in Canned at 100% to 44 lines and decreases in Frozen at 32% and Fresh at 21%.

The number of fresh products advertised decreased by 21% to 127. The most significant changes were reductions in Salad Components by 37 and Hard Cooked vegetables by 14, while Seasonings increased by 12.



**More fresh vegetables were purchased in the 1<sup>st</sup> Qtr of 2010** compared to the last quarter of 2009. These findings are from the analysis of Mealpulse panel responses and profile that 84% of households bought fresh vegetable weekly, which was up from 74% in the previous quarter. There was also an increase in weekly spend per household on vegetables, with 30% of the households who have previously spend <\$5 per week increasing their spend to \$5-\$20 per week.

*While these changes are positive, it is expected they are influenced by households easing out of holiday mode and returning to the work & school timetables.*

## Headlines

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- Potatoes hit UK classrooms
- Supermarket competition to intensify
- Kraft invests in an iPad food info app
- More fresh veg purchased in 1<sup>st</sup> qtr
- Wholesale price per kg down 1%

**Potatoes hit UK classrooms**, as a part of the Potato Council Grow Your Own Potatoes (GYOP) project that streams ahead to help the next generation develop positive, life-long potato eating habits. This project, which began in March and saw nearly half a million pupils from about 14,500 participating UK schools take part in growing their own potatoes, now has pupils and teachers eager to discover what they had produced. A team of "Potato Ambassadors" – comprising local farmers – have also been visiting schools in their regions to harvest crops and help change the way potatoes are perceived by the younger generation. The Council hopes that this simple and enjoyable experience will impress on the children who will continue to enjoy potatoes in the future.

*UK Potato Council clearly believes that showing children how to produce vegetables can have a lasting impact.*

## Local Supermarket competition set to intensify

as low levels of food inflation mean that even modest sales growth will have to be won from competitors. Some food analysts claim Coles has increased its advertising spend as it recovers to challenge Woolworths' dominance. Coles denies any increases in advert spend but indications point to them enjoying the exposure from the MasterChef sponsorship. With a total of over 1,550 full-service supermarkets between them and just under 50% of the total retail fruit and vegetable market, if these two retailers remain locked in intense competition for market share, it will drive the total market.

*Higher competition will deliver stronger value for consumers and maintain pressure on wholesale prices.*

Weather	Sydney			Melbourne			Brisbane			Adelaide			Perth		
Period	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
Highs & Lows °C	8-18	7-19	7-19	4-16	7-17	5-16	12-23	8-24	6-25	2-17	7-18	5-16	0.3-20	4-20	1.5-22
Rainfall															
Rainfall (mm)	45.6	1.2	7.2	0.0	6.4	1.6	0.4	0.0	0.0	9.2	17.6	36.8	71.0	37.4	16.6

## Harnessing the new communications technology

**Communications technology is being harnessed by** food manufacturers to reach today's technology savvy food consumers. This week has seen one of the largest global food manufacturers extend its investments in this new media to provide information in the size and formats that it knows will work to help consumers with vegetables.

**Food manufacturing heavyweight Kraft Foods** extends its foray into communicating with the tech-savvy young US households, who are also under-consumers of veggies. Kraft is seeking to build on its previous success of iFood Assistant (2008), the utility guide to food, providing consumers access to over 7,000 recipes as well as a "smart" shopping list with store locator, on Apple's iPhone, iPod touch, and RIM's BlackBerry.

Kraft has developed an application (app), **Big Fork Small Fork**, which uses the larger **iPad touchscreen** to create an interactive experience. It is designed to meet the need among parents in their 20s and 30s for info on feeding families and healthy eating for kids by bringing mealtime ideas to their fingertips. Kraft has further plans to develop the content of Big Fork Small Fork later this year by partnering with a select group of celebrity chefs, to develop branded content packs available for download through in-app purchase. The app is available at the lowest entry cost range of \$1.99 from App store at [www.itunes.com/applstore](http://www.itunes.com/applstore).



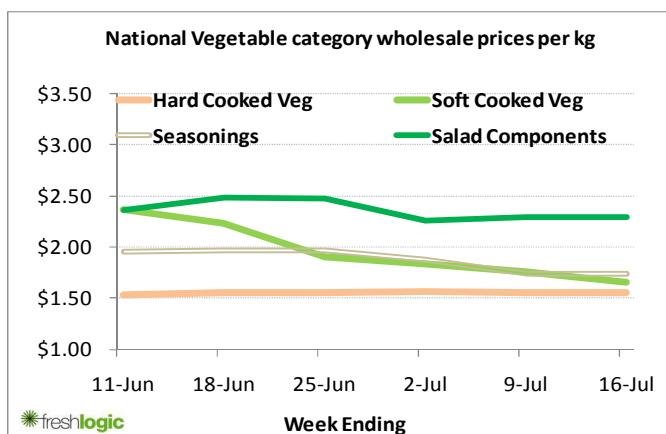
- **Includes: Recipes:** Pleasers for picky eaters and nutritionally balanced food ideas with kid-friendly directions
- **Games:** Learn about the food pyramid or explore math skills to measure ingredients
- **Videos:** How-to videos show parents step-by-step instructions
- **Tips & Articles:** Advice on nutrition & healthy eating habits
- **Dinnertime 911:** Daily dinnertime conversation starters to get the family talking at the table

For more info and video tutorial, visit [www.BigForkLittleFork.com](http://www.BigForkLittleFork.com)

Although this type of media will not reach all consumers, it is clearly a pathway to some segments of consumers and a very good fit if these consumers are seeking food information. It is significant that the major food manufacturers are moving to invest in this media space and undoubtedly promoting their brands as well. It is also significant that such a comprehensive information tool is available to the users of advanced technology for the nominal price of \$2. Perhaps this reflects a longer term goal of easing content into the social media discussions and enjoying the viral extensions it can provide.

*The work defining the barriers to local consumption can provide content guidelines for these types of communications. This is available to all in the vegetable supply chain and can be obtained by emailing [info@brandstory.com.au](mailto:info@brandstory.com.au)*

*The new media options have levelled the playing field for smaller enterprises' communication with consumers with lower entry costs and more scalable options. However, when the major food manufactures are moving to create and distribute apps like Big Fork Little Fork, they are not going to let the advantages of large budgets be defeated.*



### The wholesale vegetable price per kg

reflected a \$0.02c drop on last week to **\$1.92 per kg**.

This was influenced by decreases in soft cooked veg at 6.0% and insignificant changes in other categories.

This was led by decreases in sweet-corn, broccoli, and beans and increases in lettuce and cauliflower.

Cooler weather in Victoria & SA is expected to slow the harvest of some leafy crops.