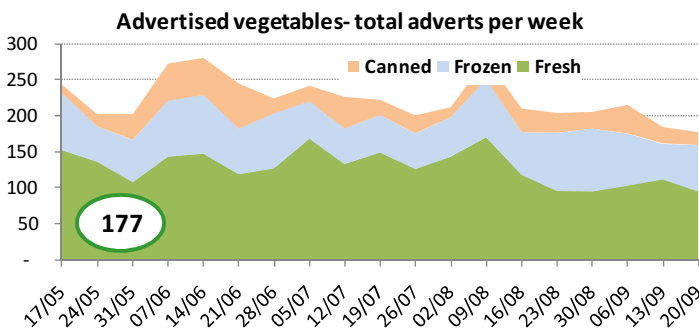


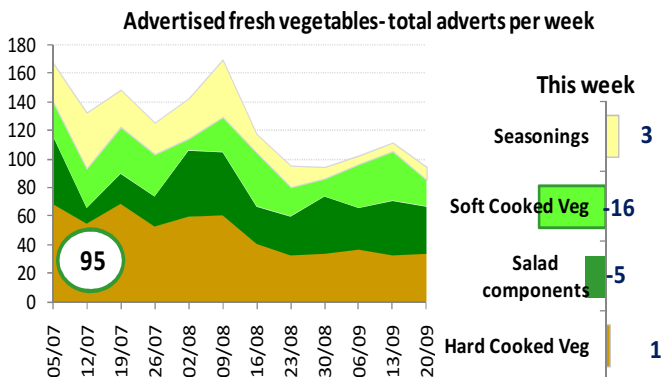


Vegetable retail promotional activity



The overall exposure of vegetables in retail promotional advertisements was **reduced by 4%** from last week's volume to a total of 177 lines. This decline was driven by decreases in fresh and canned lines but there was a lift in the number of frozen lines advertised.

The volume of **fresh veg adverts decreased** by 8% to 95 lines, with decreases in salad components and soft cooked vegetables.



Franklins' sale under scrutiny

The Australian Competition and Consumer Commission (ACCC) has raised concerns about the proposed Metcash's \$215m acquisition of Franklins' 85 supermarkets.



ACCC holds that the acquisition would reduce the wholesale competition in the NSW grocery market by making Metcash the sole wholesale supply option in NSW.

Headlines

- Convenience drives new products
- Planned acquisition under ACCC scrutiny
- Veg wholesale price lifts by 5.9%
- How do consumers assess veg value?

Convenience the core benefit for new products

Maritime Foods has launched the Carolina Sun Sweet potato brand into the UK convenience market with the introduction of a "rapid cook" line. This development introduces sweet potatoes enveloped in a contained microwaveable film that allows the sweet potatoes to steam while cooking, with no need to wash or prepare the product. This ready-to-cook range is designed for the convenience shopper as it is easy and convenient to take into work for lunch or simply as a snack. Carolina Sun "rapid cook" sweet potatoes are priced at 65p each.



Meanwhile, **four shelf-stable pasteurized fresh mashed peppers**, including Jalapeno, Red Habanero, Orange Habanero and Thai Chilli, in 32oz. plastic jars have been launched by Tropical Commodities in the US.



These products eliminate the traditionally time-consuming process of making hot sauce and salsa for foodservice enterprises and consumers. Thus, this new product line targets particularly the foodservice channel with an easy shelf-stable pepper mash solution. These new products reflect the demand for ease of preparation and acceptance by foodservice channels and consumers that this product form reduces the level of waste.

These new products are designed to appeal by reducing both preparation time and waste.

Weather	Sydney			Melbourne			Brisbane			Adelaide			Perth		
Period	Last wk	This wk	Last yr	Last wk	This wk	Last yr	Last wk	This wk	Last yr	Last wk	This wk	Last yr	Last wk	This wk	Last yr
Highs & Lows °C	8-24	11-27	14-32	5-18	10-20	8-21	12-26	13-25	10-34	4-20	5-19	8-20	4-28	5-28	4-21
Rainfall															
Rainfall (mm)	3.2	2	4.4	15.4	1.0	36.0	30.0	37.8	0.2	14.4	0.0	41.8	30.6	0	7.8

How do consumers assess vegetable value?

Vegetable products are made available to consumers in a variety of forms, as growers, wholesalers and retailers balance responding to demand preferences with wholesale trading multiples. This analysis explores the diverse array of influences on this balance and what it has delivered to consumers wanting to buy vegetables.

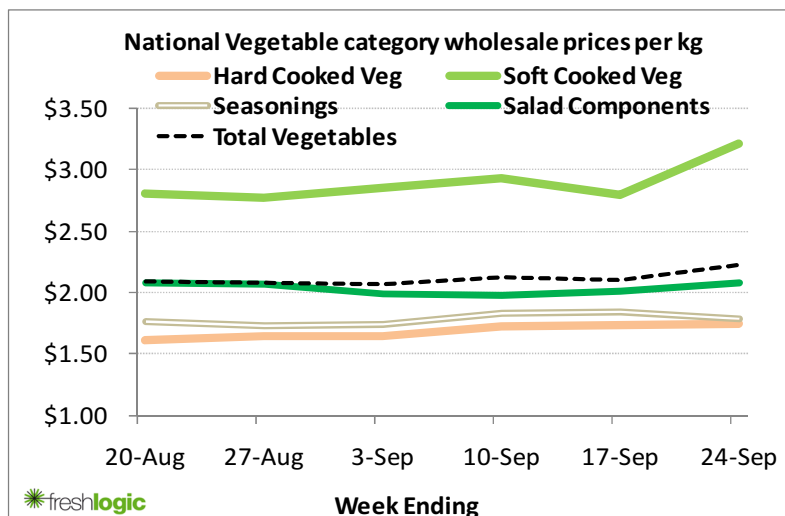
Major influences on the vegetable selling form include:

- **Using the wholesale market selling multiples** has been a dominant influence on retail selling options. In many products, this has led to products being sold on a kg basis, but it has also led to the likes of lettuce, brassicas, bunched products and melons being sold in “counts” to retail by the each.
- **Responding to the consumer demand for preparation** has led to trimmed and meal ready products that are often in smaller sizes and pieces of the whole vegetable. In some cases, this has captured a premium for smaller portion sizes.
- **A drift to selling by the each** as consumers appear to struggle to understand how much of a product is in a “kg”.
- **Expanding retail product ranges** by incorporating a level of packaging that includes a bar code and aids product identification at checkout.
- **Capturing the fresh market feel** in the retail selling environment by providing a range of product forms and drawing consumers into the positive experience of exploring the retail offer.

These influences have resulted in consumers being presented with an array of vegetable products on per kg basis, by the each, in multiple packs and in pieces of the whole vegetable. While this may provide part of the appealing colour and fabric of buying fresh vegetables, it has evolved without providing a clear view of what makes it easy for consumers to buy vegetables.



Most food categories have a more consistent pricing base for consumers to assess the relative value of varying product forms. However, this is not the case in vegetables and invites the question as to whether this rich array of product forms makes it more difficult to increase the overall vegetable consumption.



The wholesale vegetable price increased 5.9% or 13c per kg last week to **\$2.23 per kg**. This was influenced by a 15.2% decrease in soft cooked veg and a 3.3% increase in salad components.

These changes were caused by increases in zucchinis, mushrooms, cauliflower and sweet corn. All salad lines except cucumber increased. Decreases were evident in broccoli, garlic and beans.

The demand for summer salad lines has lifted and products in short supply are expected to put pressure on prices in the next 2 weeks.