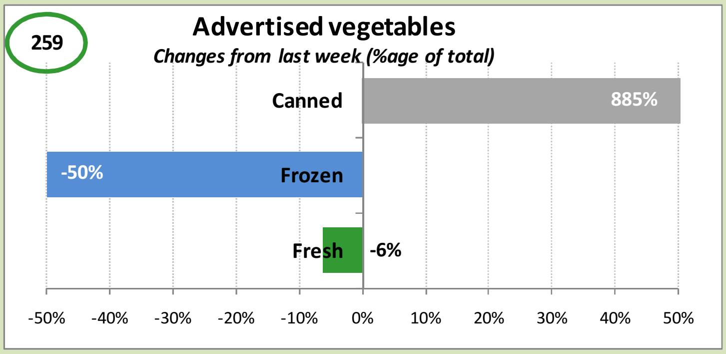
VEGINSIGHTS

Weekly vegetable market insights - A VIDP initiative



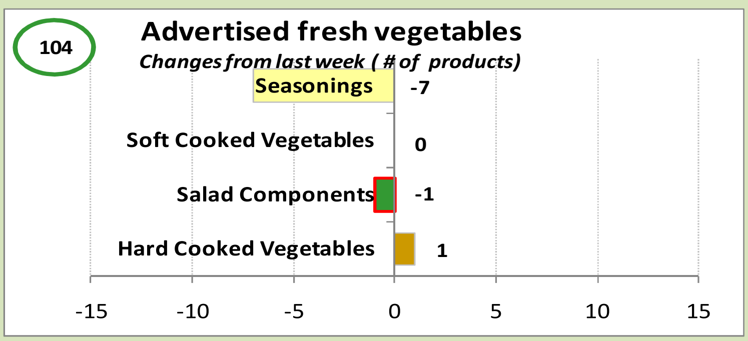
14 Apr 2010

Vegetable retail promotional activity



This week the exposure of vegetables increased by 45%. There were 59 vegetable products advertised by the major retailers. This was driven by major increases in canned to 128 lines and a decrease in the promotion of frozen products.

The number of fresh products advertised decreased by 6% to 104. The were minor changes in the number of lines per category with the most significant 7-line decrease in seasonings.



Headlines

- UK mushroom campaign targets women
- EU veg consumption on the decline
- Woolworths expands online price check
- Retail veg market category & values

Young UK women are the target of €500,000 mushroom campaign by the UK Mushroom Bureau. The development and marketing specialist with the bureau's horticulture division Michal Slawski said that women aged between 25 and 34 were the main targets of the promotion, as research shows they "are currently not consuming as many mushrooms as older age groups." The campaign concentrates on magazines like *Hello, Take a Break,* and *Good Food,* and Internet sites like JamieOliver.com and iVillage.co.uk.

This campaign targets the identified demographic segment found to be consuming less mushrooms via the media that will reach them.

Veg consumption in EU is on the decline, according to the consumption monitor of EU trade body Freshfel Europe. Although per capita fruit consumption within the 27 member states of the EU in 2008 was 0.67% below the average for the previous 5 years, the fall in per capita vegetable consumption was more at 14.2% compared to the five-year average. The trend indicators in the monitor also confirm that around half of the EU's member states remain below or just above the 400g per day minimum recommended by the World Health Organisation.

This increase in fruit uptake with a corresponding dip in veg uptake suggests consumers could be shifting to increased consumption of fruits.

Woolworths has expanded its online price check website, bringing the total products online to more than 7000. Greg Foran, Director of Woolworths' supermarkets, said that research revealed "an average of 1200 customers a day are checking prices online." They have now included meat on the site, as consumers believe that meat is an important staple that is often the centre of the meal. For more info on price check, go to www.woolworths.com.au

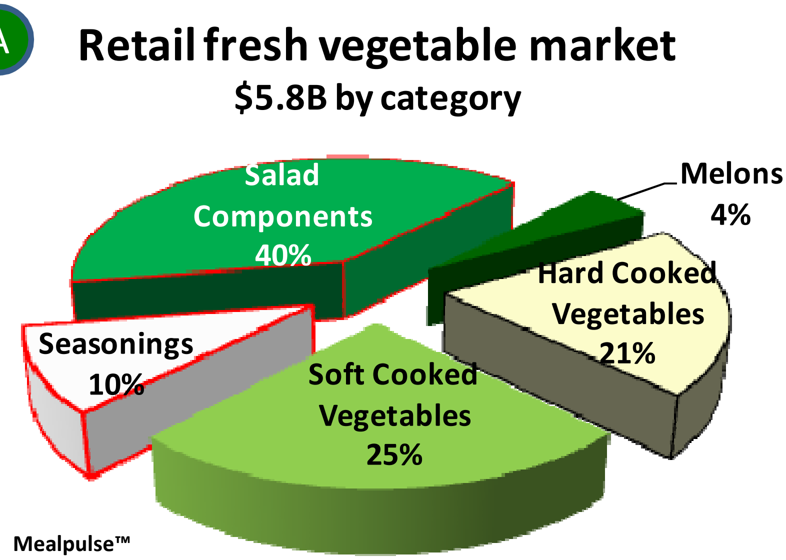
This move by Woolworths increases the visibility of fresh food retail prices.

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 ℃	15-28	15-29	13-24	13-26	12-27	9-24	19-30	18-31	17-29	13-29	15-32	9-25	14-32	12-28	13-26
Rainfall															
Rainfall (mm)	25.0	9.4	0.4	8.0	10.0	4.0	5.8	0.0	12.6	6.2	39.2	5.0	0.0	0.2	0.0

Vegetable Market Settings

The Mealpulse panel collects and analyses consumer responses about vegetable buying. This is then combined with data from other vegetable stakeholders to enable the mapping and profiling of market size and shares. The two charts and commentary below provide a profile of the retail fresh vegetable market value by category and state.

A



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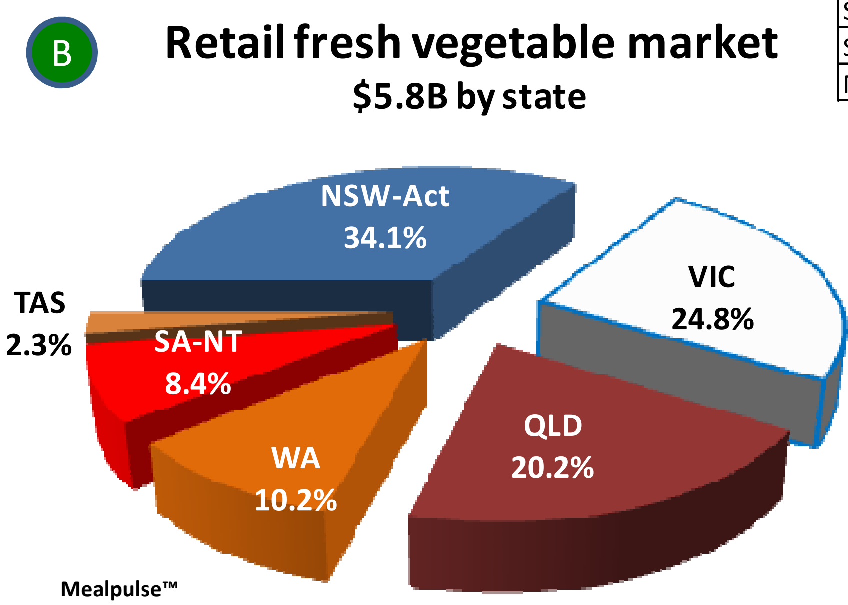

Retail fresh vegetable market by category

Chart A shows the category contribution to the $5.8 billion retail fresh vegetable market. The value per kg of the vegetable categories of a product is the driver of their sales contribution. Hard cooked vegetables and melons are high volume categories with lower values that contribute 40.47% of the retail vegetable volume, but only generate 25.25% of the dollar value. The other three categories contribute more value than volume and are led by Salad Components with 33.07% of the volume and 39.68% of the value. These details are profiled in the table below.

Category	Contribution $ Value	Contribution Kg Vol	$per kg
Hard Cooked Vegetables	20.67%	31.51%	$ 2.25
Soft Cooked Vegetables	24.80%	18.06%	$ 4.71
Seasonings	10.27%	8.40%	$ 4.20
Salad Components	39.68%	33.07%	$ 4.12
Melons	4.58%	8.97%	$ 1.75

Retail fresh vegetable market by state

The state-based share of the national retail fresh vegetable market is profiled in Chart B, which reflects the dominant scale of the eastern states, led by NSW with a 34.1% or $410 million market size. The mixture of vegetable products sold varies by state. The warmer climates lead to higher consumption of Salad Components and lower proportions of Hard Cooked Vegetables. However, consumers in the warmer climates also enjoy the availability of local fresh fruit—a product that is available at a comparatively lower cost and used in more fresh salads than in the cooler states, easing the demand for higher-priced Salad Components.

This project has been funded by HAL using the National Vegetable Levy and matched funds from the Australian Government. It forms a part of the VIDP & aims to inform vegetable producers & supply chain stakeholders on market influences & developments in the past week. We recommend that those seeking to act on the basis of this information first obtain independent professional advice.