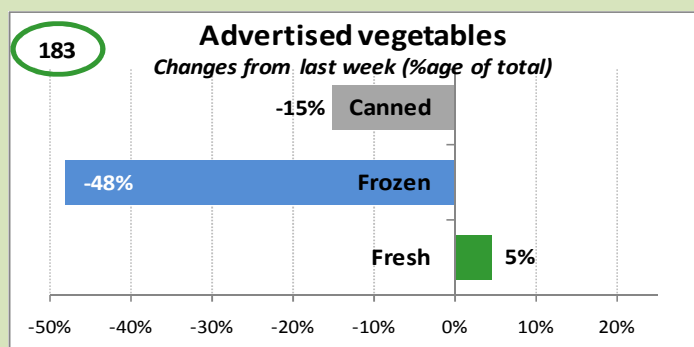


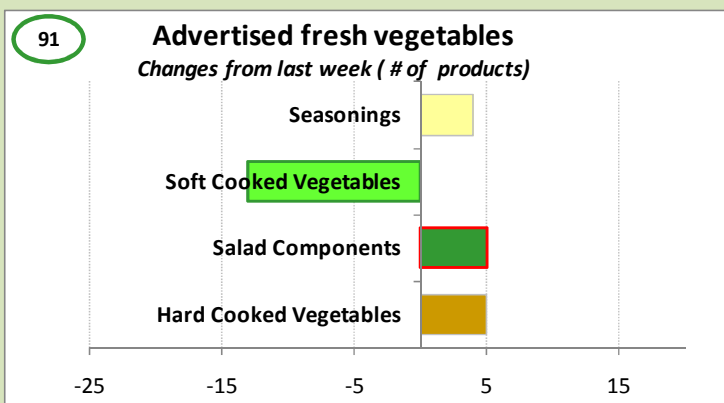


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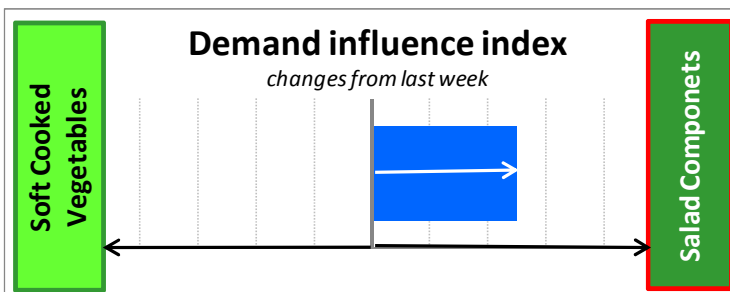
Vegetable retail promotional activity



183 vegetable products were advertised by the major retailers, which was 23% or 56 less than last week. The mixture of products reflected sharp reductions in frozen, less canned and a small increase in fresh. Within the 91 fresh products advertised, 13 less Soft Cooked Vegetables were advertised, compared to the previous week.



In the past week the factors that influence demand have shifted strongly towards salad components. This was driven by warmer weather than previous week and changes in retailer promotion activity that favoured salad lines.



Take note: This index is an indicator of the sum impact of the factors that affect demand for Soft Cooked Vegetables or Salad components. These two categories of vegetables make up over 63% of the total market vegetable sales and are highly exposed to consumer switching in response to changing demand influences.

Headlines

- Conditions favour salads
- Vending of fresh fruit & vegetables
- Sainsbury leads chain sustainability
- Bananas win against chewing gum
- Vegetables improve eyesight

Vend Natural introduces Del Monte fresh fruit & vegetable products

to its "Fresh Vending Line" of healthy snacks. Products will include Del Monte® fresh cut fruits and vegetables to complement Vend Natural's current line of healthy snack and beverage selections available in specially-designed machines throughout the United States. Vend Natural, provides healthier snacking alternatives to on-the-go individuals at schools, hospitals and businesses. The fresh-cut Del Monte products, portioned between four to six ounces, offer a varied mix of pineapple chunks, grapes, apple slices, baby carrots, celery, and tomato; some paired with healthy dips. Some locations will also feature specially wrapped Del Monte single serve bananas. These ready-to-eat items are all natural and are less than 120 calories per package. Retail prices for the Del Monte products range from \$1.00-\$2.25 per item. Del Monte are pleased with Vend Natural's presence in schools where students of many ages can be reached and their eating habits positively influenced.

This is a new distribution channel for fruit and vegetables, which will compete directly with other snack food. Selling on a "per item" basis at prices equivalent to \$8.50 to \$13.00 per kg will also establish a platform to capture a substantial price premium.



State capital market weather profile

below shows the weather conditions in the state capital cities.

Changes in weather are known to have a direct impact on the demand for different vegetable products.

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	17-29	17-29	17-33	10-26	14-39	11-23	22-33	20-32	20-34	10-28	13-41	9-29	13-32	14-37	13-37
Rianfall															
Rainfall (mm)	0.6	9	28.2	11.4	10.6	36.2	0.6	10.6	36.2	6.2	8.6	21.6	0.0	0	4.2

Shopper behaviour

There are some patterns reflected in how the Australian households buy food. While there is always a range of behaviours to make up an average, the key behaviours indicators in the last two months for the average household were:

- Makes 6-7 food shopping trips per week, with 3-4 of these shops to buy food to take home and prepare meals. The other food shopping trips are for food eaten away from home.
- Spends 60% of their total food expenditure at the supermarket.
- Spends 30% of their food expenditure on food eaten away from home.
- Spends 4-5% more on fresh vegetables than they do on fresh fruit each week.
- Assess fresh vegetables quality based on product appearance.
- Compares the price of like vegetables before buying.
- Believes that the quality of product available at fruiterers, greengrocer or markets is substantially better than the product quality from supermarkets.
- 82% of households bought fresh vegetables yet 89% buy fresh fruit.
- 43% of households purchase canned vegetables and 47% purchase frozen vegetables.
- 87% of households prepare vegetables with some form of cooking, 63% prepare vegetables in salads and 39% eat vegetables in a raw form.

Carrots are not the only veg to improve eyesight. Researchers at the University of Georgia have compiled an assortment of studies on the effects of carotenoids, found in green leafy vegetables and coloured fruits. They've discovered they play an important role in human vision, and have a positive impact on the retina. The effects are so powerful they may even prevent age-related eye diseases. The pigments may even help prevent diseases like macular degeneration and cataracts. The full study was published by the Institute of Food Technologists in the "Journal of Food Science."

Sainsbury moves to drive the supply chain on sustainability with the launch of three new crop sustainability groups into produce. The new groups, an extension of the retailer's existing crop action groups, will work across the complete sustainability agenda, including climate change, water, soil health, carbon, biodiversity and worker welfare in fresh produce and related supply chains. The groups – divided into field crops, protected crops and orchard crops – were generated following discussions with suppliers and growers regarding how the sustainability challenge could be tackled and following the success in other sectors of working in partnerships. Annie Graham, Sainsbury's head of agriculture and brand sustainability, said: "It is clear that no single part of the food chain can meet the sustainability challenge on its own, and we believe that forming genuine partnerships is the most effective solution." *The precedent of retailers leading this sort of initiative may flow into the Australian market, especially given the influx of UK retail managers into local supermarket management positions.*

Banana growers welcome an end to the advert dispute after having won their wish for a dancing banana to be stripped from an advertisement promoting Wrigley chewing gum. The ad, promoting plaque-fighting gum, groups bananas in with sugary snacks – a link the industry was far from pleased with. As such, they filed a complaint with the Advertising Standards Bureau and even went as far as to boycott chewing gum. "In no way shape or form is the banana part of that family ("junk food"), or that group of what I see as bad foods, of course it is exactly the opposite," Horticulture Australia's David Chenu told AAP. However, Wrigley has ensured a planned day of protest in January will not be necessary, by agreeing to leave bananas out of future campaigns in a "gesture of goodwill". *The halo of nutrition and healthy food that fresh fruit and vegetables provides has often been exploited by branded fresh foods. It is appropriate that efforts to reposition a fresh fruit product as "junk food" have met with strong resistance.*

Some abbreviations and new terms are used in veginsights and that allows us to efficiently convey weekly news and insights. A fuller description of these terms and the basis for calculating indexes and charts can be viewed at www.freshlogic.com.au/Services/Veginsights.aspx

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