

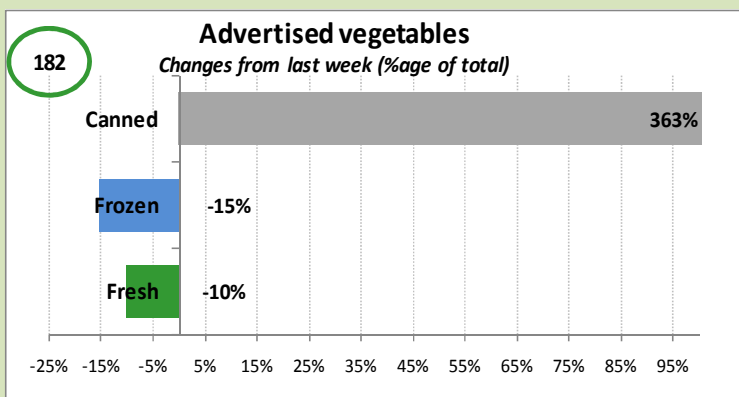
VEGINSIGHTS

Weekly vegetable market insights - A VIDP initiative



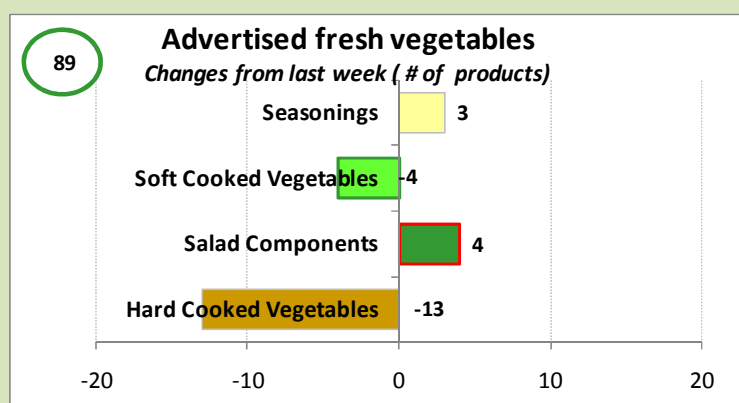
16 Feb 2010

Vegetable retail promotional activity



This week the exposure of vegetables increased by 5.2% to have 182 vegetable products advertised by the major retailers. This was driven by a large increase in canned products and minor reductions in fresh and frozen products.

Within the 89 fresh products advertised, the most significant changes were in Hard Cooked Vegetables which decreased by 13 lines.



Super spinach that boosts immunity went on sale in UK last week with a promise to deliver a rich source of selenium, which can bolster the body's defence system. This green leafy vegetable is enriched with 10 times the amount of selenium found in standard spinach, which prevent damage to cells and tissues. Marks and Spencer worked closely with growers in Spain who developed the super spinach by enriching the soil with selenium to create the health-boosting vegetable.

A simple yet effective innovation for soil enrichment that leads to a vegetable that can boost immunity.

Headlines

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- Spinach to boost immunity
- China will be largest grocery market
- Online program lift veg consumption
- Guidelines to food service market
- Black garlic goes mainstream
- UE launch compulsory organic logo
- Woolworths list prices online

China will topple the US as the largest grocery market

International food and grocery experts IGD forecasts that the Chinese grocery market will be worth A\$1,200 billion, outstripping the US, which is set to be worth A\$1,176 billion in four years time. The reasons for this include the US being more affected by the recession, China enjoying greater increases in consumer demand and by 2014, that China will have a population growth rate double that of the US.

This is another milestone in the increasing influence of China on world food markets, which is likely to bring pressure on those seeking access to the Chinese market to allow Chinese food exporters reciprocal access into their markets.

Fruit and vegetable consumption improved by online programs

that provide information and tips on fruit and vegetable products. Results published in this month's issue of the American Journal of Public Health indicate that this method may be the key to getting more Americans to eat healthier. Researchers at Henry Ford Hospital found that when given access to an online program about fruits and vegetables, participants increased their daily intake by more than two servings. Many of the participants continued using the program after the study concluded, and even reported their family members became involved in the program.

Clearly online is effective in some situations.

Weather Period	Sydney			Melbourne			Brisbane			Adelaide			Perth		
	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	20-28	21-38	16-23	15-35	18-35	13-38	22-32	21-31	20-36	14-34	17-39	13-31	12-33	18-36	16-40
Rainfall															
Rainfall (mm)	77.4	83.8	78.0	12.6	42.2	0.0	89	8	64.0	2.8	1.6	0.0	0.0	0.0	0.2

Marketing to Food Service

Guidelines to expanding sales into the Australian food service market.

Approximately 30% of household food expenditure is spent on food prepared and typically eaten away from home. This equates to an annual market size of \$42B. Below are some guidelines on how the food service market works.

Food service operators combine the food and beverage ingredients they buy to make the meals, snacks or drinks they provide to consumers. This is quite different to retailers who are traders and as such are seeking to sell the product in the form in which it is supplied.

The diverse number of operators in the food service sector, which spans from Cafés to Hospitals, means suppliers need to understand different priorities and needs. The food service sector is divided into four major channels.

- The **Takeaway** channel seeks to provide quick service, convenience and everyday value.
- The **Dining Out** channel seeks to add maximum value to the meals and beverages they provide.
- The **Event & Leisure** channel provides food for specific events, usually for large gatherings.
- The **Institutional** channel provides large volumes of food for in-house residents.

Food service enterprises will be attracted to a product with a fixed price and a known supply window. This allows organisation of menu offerings with protection from unexpected changes. To offset shortages in supply, food service operators often combine with others or deal through agents or wholesalers that manage supply.

Most food service enterprises will welcome value-added products. This includes products that are ready to use, packed in meal portions and have a shelf life that reduces reordering but maintains quality. Innovations that make it easier or faster to combine ingredients to make the meal or beverage are likely to be well received. Some channels use their own in-house skills (Dining Out) or facilities (Institutions) to add value, and a supplier's products need to reflect the operators capacity.

Black garlic goes mainstream

as Loblaw's is set to follow specialty stores and range the ebony bulb in stores across Canada. The bulbs, which develop their distinctive colouring and flavour through a month-long fermentation process at low heat. Nothing else is added, despite rumours about black garlic having soy in it. After being ranged in specialty food stores it quickly became a quick hit with the moneyed foodie crowd. The claims of its gustatory prowess were many and including that it was sweet, with pungent undertones of balsamic and soy, like roasted garlic, only 10 times better. Selling well at around \$70/kg it drew the attention of Canada's largest food retailer Loblaw's, who are set to bring black garlic to the masses in the next few months.



This is an example of what can be captured by launching a product in speciality food stores before it is taken into mainstream food retailers.

New EU compulsory organic logo unveiled

and set for introduction from 1 July 2010.

The European Commission has unveiled the winning design for the new EU organic logo, which will legally have to be marked on products. The new logo will be obligatory on all pre-packaged organic products that have been produced in any of the EU member states and meet the necessary standards. It will be optional for imported products. Other private, regional or national logos will be allowed to appear alongside the EU label and the organic farming regulation will be amended in the coming weeks to introduce the new logo.



This approach creates a platform to send clear signals to consumers on organic food products.

Woolworths puts its shelf prices online

after criticism from consumer advocates about the lack of transparency in the grocery market. Woolworths supermarkets last week posted the shelf prices of more than 5,000 packaged grocery products online, through the launch of their Price Check website.