

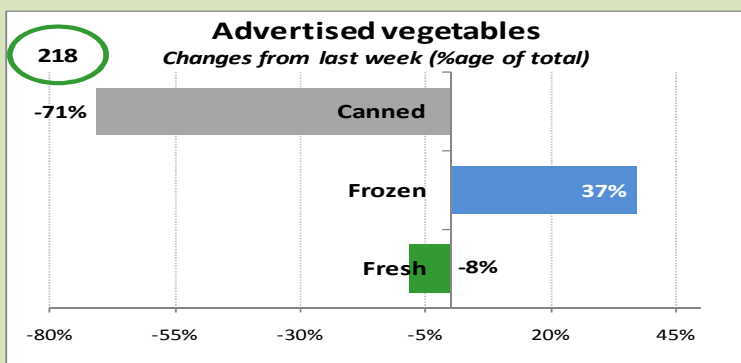
VEGINSIGHTS

Weekly vegetable market insights - A VIDP initiative



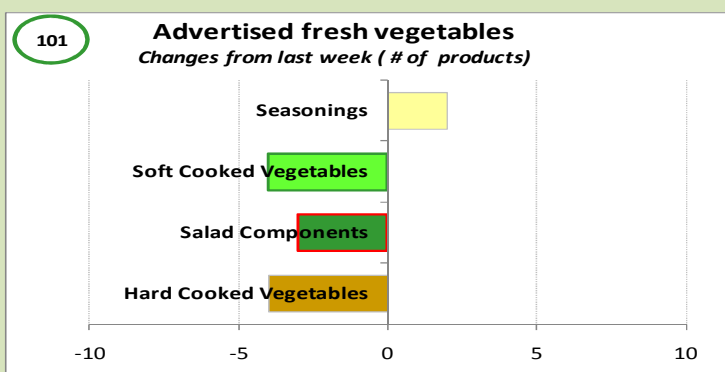
27 Jan 2010

Vegetable retail promotional activity



218 vegetable products were advertised by the major retailers,. This was a 13.5% reduction from last week and was impacted by a sharp decrease in the volume of canned vegetables advertised.

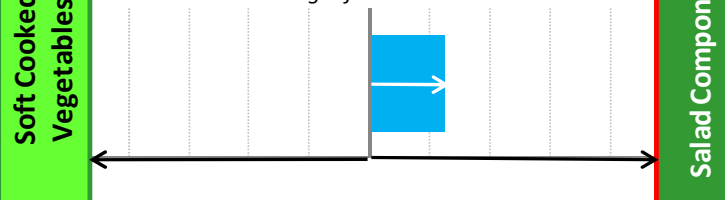
Within the 101 fresh products advertised, Seasonings was the only category to enjoyed a small increase.



In the past week the factors that influence demand shifted eased back from salad components. This was impacted by continued warm weather and changes in retailer promotion activity that eased the exposure of salad lines.

Demand influence index

changes from last week



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

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- Salad products advertising eases
- UK's Red Tractor scheme reinvests
- Monsanto combines with Dole
- USDA goes on line with YouTube
- 2nd new fresh market for Vic
- Pink tomato gene breakthrough

UK's Red Tractor scheme set for rebranding as part of a major project to deliver aligned and clearer labelling across all the Red Tractor farm assurance schemes was revealed last week. Assured Food Standards (AFS) has completed the work, which from April 1 will see the scheme's 45,000 farmers and growers implement standards that are aligned across each of the sectors. The review, which will rebrand existing standards as Red Tractor Farm Assurance, is designed to make sure there is more consistency across the standards and in the logo. AFS chief executive David Clarke said: "Promotion of assured food to consumers using the Red Tractor logo is getting an ever-increasing profile and it is essential that all standards include the same core values. He added: "Rebranding the schemes will link the farm logo with the consumer Red Tractor logo and help shoppers identify that the products they are buying are from a Red Tractor farm..." [The process] is about the confidence that we have reviewed our standards and now have a consistent approach across the Red Tractor scheme, in a way that we have not had in the past." *The alignment of this scheme to tighten standards and clarify labelling can only raise the credibility with consumers. This approach is enabled by a level of collaboration that remains elusive in the Australian domestic fresh food market.*

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 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	19-30	16-41	16-28	16-44	10-38	16-28	21-31	17-35	20-31	14-43	11-40	14-34	14-37	17-43	16-41
Rianfall															
Rainfall (mm)	13.0	6.2	13.4	0.2	5.8	0.8	0.0	4.4	0.4	5.2	0.0	8.2	0.0	0.0	0.0

Shopper behaviour

The Mealpulse panel, which tracks vegetable consumption data has defined five different household segments. Each week we will profile one segment. This week's profile is the **Budgeting Families segment**



Budgeting families segment profile

- Households of single or couples with children and average or below average income,
- Makes up 25% of Australian Households and contributes 22% share of the food market.
- Is the largest of the five Mealpulse segments in terms of the number of households in the segment.
- 64-68% of total food spend for this segment is on food prepared and eaten at home.
- This segment moved to economise on food expenditure by embracing retailer private label and trading down in the type of restaurant they patronise, when the first signs of economic downturn appeared 18 months ago.
- These households have adjusted to prepare approx one more evening meal at home. However, they are locked into at least one night off a week from food preparation, which is typically solved by takeaways or a visit to casual restaurant.

New \$60m market set for Dandenong, Vic.

This planned facility will be privately funded by a consortium of growers and agents. It will not be open to the public, nor is it designed to compete with the wholesale markets, which are being relocated to Epping in 2012. Fresh Plan Ltd CEO, Rod Kerley said the centre was an attempt to enable retailers and growers to remain competitive in an environment dominated by the two major supermarket chains, Coles and Woolworths. The first of the centre's three stages was expected to open next year, which bring it into operation before the Melbourne Markets new Epping site. *The existence of two competing wholesale market venues raises questions about flow on advantages to buyers or sellers.*

Monsanto eyes new vegetable products

after entering into a collaboration agreement in the US with Dole Fresh Vegetables to develop new products. The five-year collaboration will focus on broccoli, cauliflower, lettuce and spinach. Plant breeding will be used to improve the nutrition, flavour, colour, texture, taste and aroma of these vegetables. Any new products realised from this collaboration could be commercialised by Dole in North America. Monsanto are seeing strong synergies by allowing their R&D capacities to be influenced by Dole's knowledge of consumer needs and marketing. This type of collaboration combines the strengths of the two industry leaders, each bringing their unique capabilities to the partnership. *This development is likely to increase the proportion of supplier branded fresh vegetables and with that strengthen negotiating power of suppliers in these markets.*

USDA Country-Of-Origin labelling goes viral

and posts a video on YouTube to inform consumers about the country-of-origin labelling regulation for fresh produce and other commodities. The video is set in a supermarket and a camera follows a young woman pushing a shopping cart to various departments in the store. The video was posted on the 6th of Jan and has been viewed 3,418 times. See <http://www.youtube.com/user/usda#p/a/u/2/3vQrfzkXBks.aspx> *This is an attempt to reach consumers through the new internet mediums and is likely to carry the message to some consumers that would not be reached with other conventional media.*

Pink tomato breakthrough as scientists at the Weizmann Institute in Israel have uncovered the gene responsible for producing pink-skinned tomatoes. This finding has revealed that the differences between pink and red tomatoes are much greater than just their skin colour. Researchers found changes could be traced to a mutation on a single gene known as SIMYB12. This gene acts as a master switch that regulates the activities of a whole network of other genes, controlling the amounts of yellow pigments, as well as a host of other substances in the tomato. *This finding provides a marker that will aid new developments.*