

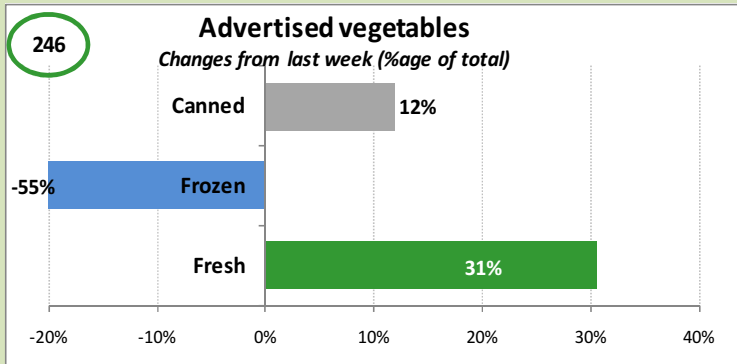
VEGINSIGHTS

Weekly vegetable market insights - A VIDP initiative



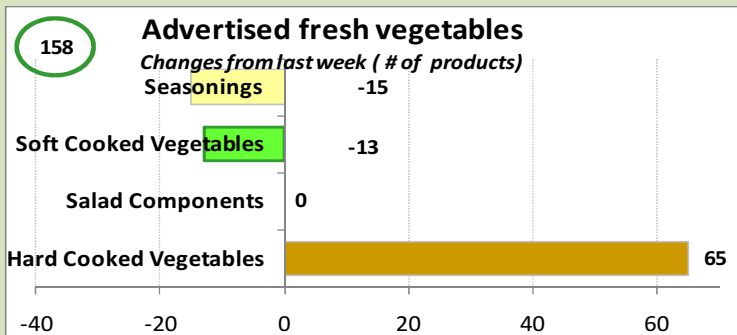
23 Mar 2010

Vegetable retail promotional activity



This week the exposure of vegetables decreased by 3%. There were 246 vegetable products advertised by the major retailers. This was driven by major increases in fresh and canned products and decreases in frozen products.

The number of fresh products advertised increased by 32% to 158. this week The most significant changes were in Hard Cooked Veg, which increased by 65 lines, with fresh potatoes heavily featured.



Heart-shaped cherry

tomato has reached the shelves of English supermarket chain Marks & Spencer. With a deep red colour, the cherry tomato, also known as tomatoberry,



have been developed by the Japanese seed improving company Tokita Seed. They resemble a strawberry and have high lycopene content with a higher brix.

This has lessons for the vegetable industry. The combination of aesthetic appeal, taste benefits and health attributes is close to the optimum combination.

Headlines

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- Coles take online to remote regions
- Raw vegetables: a digestive superfood
- Heart-shaped cherry tomato
- Seasonings & Hard-cooked veg profiles

Coles Supermarket has expanded online,

including to Hobart, Launceston, Devonport, Toowoomba, Darwin, and selected top-end locations for its online grocery shopping. This enables shoppers in these areas to access a fuller supermarket range of over 18,000 product lines, including groceries, fresh produce, bakery, meat, and deli products, which will be delivered to their homes.

At the same time, CHOICE's survey of online shopping patronage reveals that most consumers want to see what they are buying. Other key reasons include they "find it difficult to be home during the delivery time", "live in a remote area" and find "the price premium too high". There is also clear evidence that some of the smaller local operators are enjoying good support.

With only 5% regular participation in online grocery shopping this market is similar to the US but well behind UK.

As online shopping in Australia evolves, it continues to profile how consumers balance their need for convenience with trusting their retailer.

Raw cultured vegies prove to be digestive superfoods

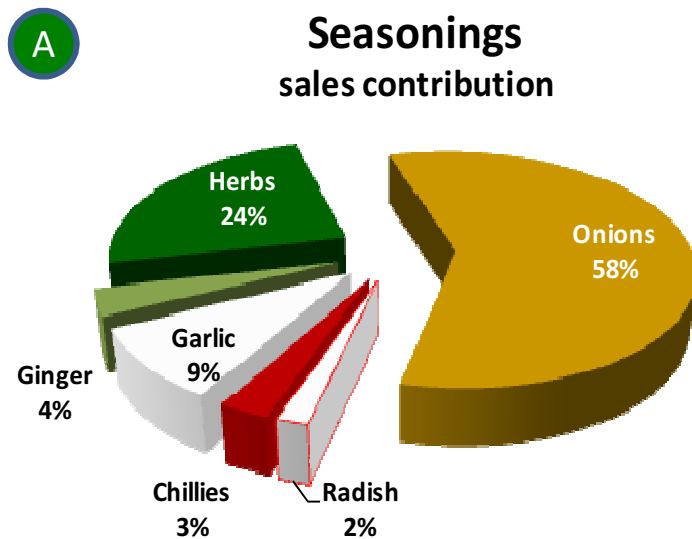
in contrast to the heat-pressurised commercially cultured ones that destroy good bacteria. The beneficial bacteria in raw cultured veggies has been found to combat many types of digestive disturbances such as candida, peptic ulcers, ulcerative colitis, colic, and a variety of food allergies, thereby strengthening the immune system.

These findings have strong relevance for the increasing digestive challenges of the aging population.

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	16-30	16-29	18-28	11-28	15-33	12-35	18-33	17-29	18-31	12-32	16-36	12-35	18-41	13-29	10-40
Rainfall															
Rainfall (mm)	6.0	0.0	1.0	30.8	0.2	21.0	3.0	6.2	13.4	2.0	0.4	6.2	0.0	0.0	3.6

Vegetable Market settings

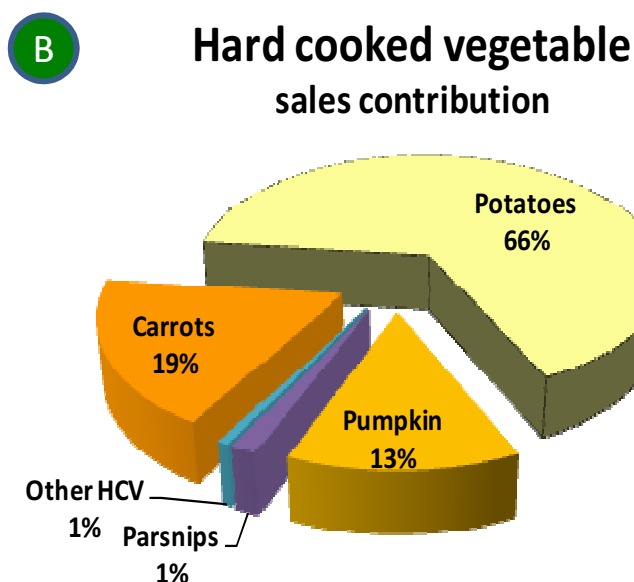
Analysis of the vegetable market has defined the annual category contributions to fresh vegetable retail sales. The two charts and commentary below profile the contributions from products in the Seasonings and Hard-cooked vegetable categories.



The seasonings category groups together fresh vegetables that are used to bring taste and flavour attributes to other foods. These products complement other foods and are rarely consumed on their own.

Seasonings contributes to 9.6% of annual vegetable sales. Chart A shows that the category sales are dominated by Onions, with 58% of the total, followed by Herbs with 24%. Fresh herbs are growing faster than other seasonings and appear to be enjoying the lift in demand for home-grown vegetables.

Seasonings contribute a higher proportion to the sales value of vegetables than the kilo volumes, as they sell at a higher average price of \$5.10- \$5.30 per kg.



Hard-cooked vegetables are fresh vegetable products that are 'root crops' and for the majority of their uses they require cooking.

Hard-cooked vegetables contribute to 21.1% of all fresh vegetable sales. Chart B profiles that the category sales are dominated by Potatoes with 66% of the total followed by Carrots with 19% and Pumpkin with 13%.

Hard-cooked vegetables contribute a higher proportion of kilo volumes towards total vegetables than their sales value contribution, as they sell at a lower average price of \$2.30-\$2.45 per kg.