

VEGINSIGHTS

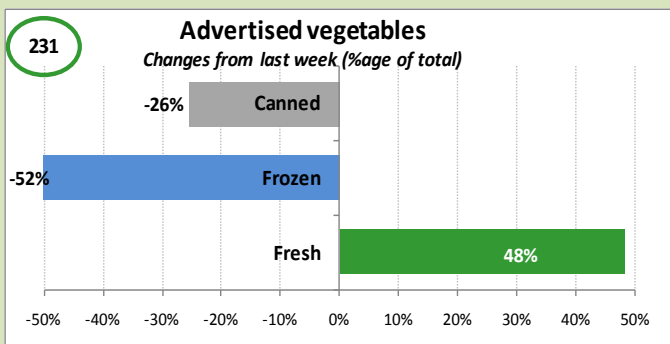
Weekly vegetable market insights - A VIDP initiative



09 Mar 2010

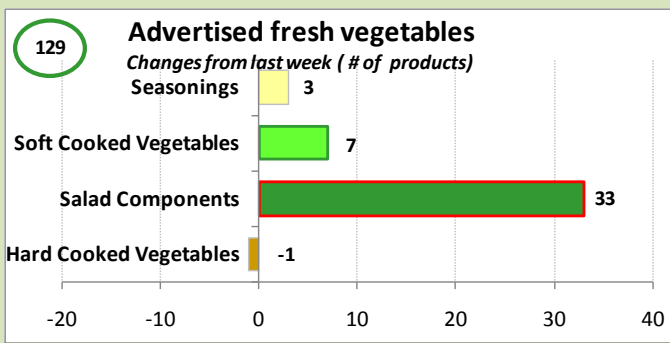
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Vegetable retail promotional activity



This week the exposure of vegetables increased by 41.5% to have 276 vegetable products advertised by the major retailers. This was driven by major decreases in canned and frozen products and increases in fresh.

The number of fresh products advertised lifted by 48% to 129. The most significant changes were in Salad Components, which increased by 33 lines.



Headlines

- Time demands defeat healthy diet
- McDonalds link with Weight Watchers
- Top end Waitrose targets more growth
- Qtr 2010 category sales growth

McDonald's in NZ has signed a deal with Weight Watchers to promote some of its



meals as suitable for dieters. The three meals include nuggets, Fillet-O-Fish and sweet chilli chicken wraps marked with the Weight Watchers logo and will go on sale in New Zealand on Wednesday. As part of the deal, McDonald's will use the Weight Watchers logo on its menu boards and Weight Watchers will promote McDonald's to dieters. Weight Watchers' business development director Chris Stirk advised that the meals are available in McDonald's outlets across NZ only with "no deal struck to bring them to Australia".

The leading quick service restaurant takes the initiative again to try and win support from consumers.

Waitrose rode recession and wants to double. The CEO of UK premium foods retailer has

vowed to continue transformation of the upmarket retailer with a plan to double sales and market share over the next decade by developing the supermarket's universal appeal, making it 'more accessible to more people'. CEO Mark Price said he aims to increase sales from the current £5bn, to £10bn and boost market share from 4.3 per cent to around 8 per cent. Waitrose plans to open a mix of 10 larger and smaller convenience stores this year, with 30 more next year.

The growth achieved by this premium food retailer in tough market conditions confirms that some consumers are still willing to pay for quality products.

Time demands have defeated the plans of more than two-thirds of Australians, who made resolutions in January to eat better food and cut out unhealthy snacks. Research commissioned by McCain Foods, found that while 52 per cent of Australians made a New Year's resolution to improve their diet, most failed to keep a commitment to healthy eating beyond two months. A lack of time to prepare meals was the leading challenge faced by Australians when it came to making healthy food choices (20 per cent), with the cost of fresh food (18 per cent) and long hours at work (15 per cent) also posing a challenge.

The time pressures from lifestyle choices and work demands can drive diet choices.

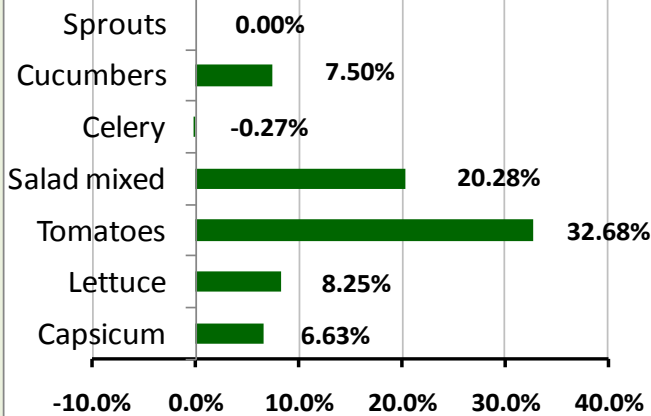
Weather Period	Sydney			Melbourne			Brisbane			Adelaide			Perth		
	Last wk	This wk	Last yr	Last wk	This wk	Last yr	Last wk	This wk	Last yr	Last wk	This wk	Last yr	Last wk	This wk	Last yr
Highs & Lows °C	18-35	17-27	13-26	13-33	14-27	10-30	20-34	21-29	16-28	15-36	13-34	13-39	16-42	13-39	19-33
Rainfall															
Rainfall (mm)	0.2	27.4	5.8	0.0	39.0	0.0	11.6	143.6	0.0	0.0	8.0	0.0	0.0	0.0	1.6

Vegetable category sales last Qtr of 2010

The analysis of the vegetable market sales in the last quarter of 2010 has revealed the detail of changes in demand. The four charts A to D below group the vegetable products into like categories and in summary reflect the shift away from cooked vegetables to salads. In this last quarter of the year the total value of fresh vegetable retail sales increased by over 12%.

Salad components +/- last quarter

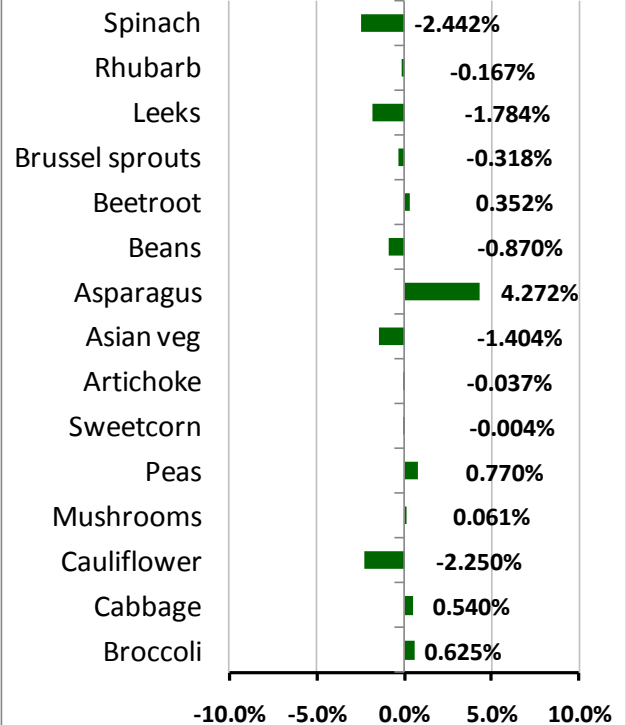
A



Salad mix and tomatoes led the lift in salad components and the easing in demand for soft cooked vegetables was similar overall. As total vegetable retail sales increased, soft cooked vegetables effectively lost share to salad components. Potato sales were strong but the balance of the Hard Cooked veg products declined, as per Chart B. Seasonings maintained the sales level of the previous quarter with herbs increasing above other products.

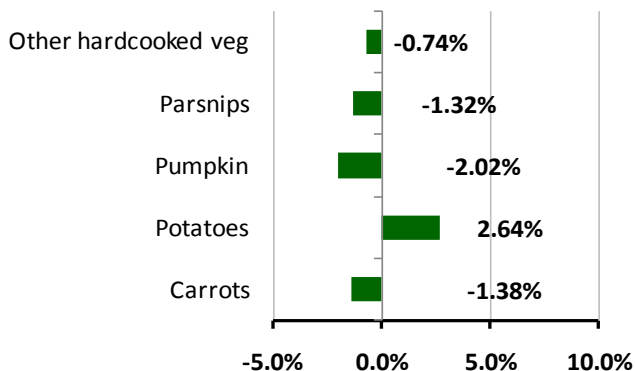
Soft cooked veg +/- last quarter

C



Hard cooked veg +/- last quarter

B



Seasonings +/- last quarter

D

