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Hort Innovation R&D project number: VG14024

Project VG14024 aimed to quantify the total snack food market and identify the opportunities for creating more vegetable snacking options.

- **Identifying and understanding the factors influencing bioactive levels in vegetables**

Hort Innovation R&D project number: VG14027

Project VG14027 collated information on the phytonutrients in levied vegetables, adding to the health benefits that are communicated on the Veggycation website.



Market research around the opportunity to create more snacking options to quantify market size



Facilitators:

Project VG14024 was recently completed by Project Leader Mr Martin Kneebone, from Freshlogic Pty Ltd.

Introduction

The total snack food market in Australia has an annual retail value of \$9.33 billion and contributes a substantial 11 per cent of the national food and grocery retail market. Snack products considered healthy by consumers contribute 40 per cent, or \$3.69 billion, to the total snack food market, with fruit, vegetables and nuts among the most frequently consumed.

While the majority of snack foods are processed, shelf-stable products with consumer branding, the high volume of fresh fruit sold as snacks is an encouraging indicator of the potential for vegetable snacks.

But with mainstream retailing dominating the distribution of snack food, and given the widespread incidence of consumer snacking behaviours, there is an apparent demand for healthy snack food products in ready-to-eat form, available in convenient locations that are closer to the consumption location.

Although other distribution channels manage small volumes of fresh snacks and would welcome vegetable-based snack products, in general they are challenged by the prospect of handling perishable products.

About the project

Fresh vegetable snacking was the focus of a market research project (VG14024) conducted by specialist food market insights and analysis firm Freshlogic.



Freshlogic Managing Director and Project Leader Martin Kneebone said the aim of the project was two-fold – to determine the size of the opportunity for vegetables in the Australian snack food market by quantifying the total snack food market and to identify the opportunities for vegetables within it.

“Snacking is a mainstream food consumption behaviour, and given the widespread scale of involvement, this is unlikely to change in the near term,” Mr Kneebone said.

“Even though fresh fruit is the leading healthy snack, research has revealed that more than 60 per cent of Australian households snack on vegetables at least occasionally, with carrots topping the list.”

Healthy snacks are also consumed more frequently and dominate morning snacking, creating demand for the product in ready-to-eat form and for increased availability outside of retail supermarkets and greengrocers.

Major findings

Six potential opportunities were identified based on successes in developed markets and gaps in the local market offer. Consumer demand was assessed by gathering responses from the Mealpulse food consumer panel with a series of questions and visual prompts.

The scope for distribution was also assessed, along with sales per outlet and the ability to resolve key issues related to servicing these opportunities. Four of the opportunities were deemed “commercially viable”, with the products that combined vegetables with fruit, crackers, seasoning or other ingredients rating the highest.

The project also highlighted an apparent opportunity to introduce cut and peeled “mini” carrots into the Australian market.

“The project confirmed the demand for healthier snack food products and the value that demand offers to growers and processors operating in the Australian vegetable market supply chain,” said Mr Kneebone.

“However, there are challenges in servicing this demand due to the limited distribution options that can handle the fresh vegetable product form – the more perishable nature of fresh vegetables is too risky for many distribution channels.

“Clearly, this presents a strong need – and potentially, an opportunity – to understand and target the channels that can viably distribute vegetable-based fresh snack food products.

“While the demand for healthier snacks invites the development of processed vegetable snacks, this would mean competing with well-supported, branded consumer products that source ingredients internally,” he said.

“Locally produced processed vegetable snacks would need to build compelling market support for their local ingredients.”

Next steps

If Australia is to increase the sales of fresh vegetable snacks, it will need to develop distribution channel capacity in tandem with new vegetable snacking options. In order to succeed, Mr Kneebone

recommends that new product investments address the challenges – or limited options – for fresh product distribution and high levels of competition and substitution barriers for processed products.

“We could start by identifying the distribution channels that have potential to deliver snacks to where they will be purchased by consumers,” he said.

“We also recommend assessing the extent to which the providers of seed and plant material understand the demand for smaller snacking vegetables, identifying suitable products and confirming their production and distribution viability.”

Acknowledgements

This project has been funded by Horticulture Innovation Australia using the National Vegetable Levy and funds from the Australian Government.

THE BOTTOM LINE: VG14024

- There are clear indicators of demand for more vegetable-based snack food products, with 40 per cent of the snacks Australian consumers purchase, valued at \$3.7 billion, viewed as “healthy”.
- Many distribution channels are challenged by the prospect of handling fresh perishable products, such as fresh cut vegetables.
- To increase sales of fresh vegetable snacks there is a need to develop distribution channel capacity to service consumers, as well as new vegetable product snacking options.



Identifying and understanding the factors influencing bioactive levels in vegetables



Facilitators:

Project VG14027 was recently completed by Project Leader Dr Carolyn Lister, from the New Zealand Institute for Plant and Food Research Limited.

Introduction

Changes to Australian food standards were made in 2013. To capitalise on the opportunity offered by this change, it was necessary to effectively communicate the nutrition and health benefits of vegetables to diverse vegetable industry stakeholders.

Veggycation is an innovative campaign that aims to simplify the complexity of food standards and enable greater use of relevant nutrition and health labelling for fresh vegetables. It also helps to educate consumers, assisting them to make more informed food choices and increase their vegetable intake.

One aspect of food nutrition that has, until now, been overlooked is the phytonutrient content of vegetables.

About the project

This project collated information on the phytonutrients (bioactives) in levied vegetables. It built on previous projects funded by Horticulture Innovation Australia Limited and conducted by the New Zealand Institute for Plant and Food Research Limited and MacTavish West Proprietary Limited, which involved the creation of a web portal to communicate the health benefits of vegetables to stakeholders (veggycation.com.au). Leading this project was New Zealand Institute for Plant and Food Research Limited researcher Dr Carolyn Lister.

“Initially, Veggycation mainly focused on the core nutrients



(vitamins and minerals) for which claims are currently permitted by Food Standards Australia New Zealand (FSANZ),” said Dr Lister.

“This is a valuable resource for those growers who wish to utilise the pre-approved health claims permitted under the regulations. In addition, major Australian retailers are in the process of using nutritional labelling on all packed produce and are looking to Veggycation for assistance with this.

“The existing FSANZ regulations limit what claims can be made about phytonutrients – some content claims can be made, but this also requires consumer awareness,” she said.

The first Veggycation project collated some information on certain phytonutrient classes but did not provide quantitative data. Dr Lister explained that Project VG14027 was designed to add this “missing” information into the Veggycation framework.

“The project aimed at increasing growers’ understanding of the phytonutrients present in vegetables and what health claims could be made for them, not just in the Australian market but also key Asian markets,” she said.

Major findings

The Veggycation website now contains updated information on 85 phytonutrient classes and individual compounds. Information was added mainly to the growers' section of the website, including detailed data on the typical amounts of phytonutrients present, their status with regards to health claims and examples of the latest research, in addition to new information on postharvest factors that impact on phytonutrient levels.

The website also provides growers with simple summaries of the health claim regulations for a number of Asian markets and provides examples of vegetables that have been promoted overseas for high phytonutrient content, while noting whether claims would be allowed under FSANZ regulations.

Dr Lister explained that it was hoped the series of Veggycation projects would deliver a "one-stop shop" for people actively seeking this information.

"By taking steps to share information about phytonutrient health claims in the public arena, such as the Veggycation website, we can begin to increase consumer awareness," she said.

"The information collated so far will help position the vegetable industry for the future and will enable quicker uptake when claims for phytonutrients can be made down the track."

Dr Lister also said that general information on the health benefits of specific vegetables on the website would also hopefully increase their consumption even in the absence of specific claims.

Next steps

In order to grow the export market for Australian vegetables, there needs to be a greater understanding of the regulations in relevant overseas territories.

"The current legislation is extremely limiting with claims for phytonutrients other than content claims," said Dr Lister.

"Our experience with nutrition and health claim science, and the food standards, lead us to believe that it may take some time before health claims for phytonutrients are proven to clinical standards and accepted by FSANZ and other international regulatory bodies.

"The industry also faces the challenge that it may take even longer for the health benefits of vegetables to be understood by consumers."

Dr Lister said this project would enable the industry to take steps towards a future where such claims can be made.

"Although health claims on phytonutrients are not permitted at present, over time they may be," she said.

"Wider research is needed to build up the evidence base for the health benefits of specific phytonutrients to be able to make health claims."



THE BOTTOM LINE: VG14027

- Project VG14027 was conducted to up-skill growers and the public about phytonutrients in vegetables, particularly relating to their health benefits.
- There is a shortage of information on the levels of phytonutrients in Australian-grown vegetables and although health claims cannot yet be made for phytonutrients, it is possible to include the content of them on packages.
- Wider research is needed to build up the evidence base for the health benefits of specific phytonutrients to make health claims.

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Please contact Stephanie Eaves at AUSVEG on 03 9882 0277 or email stephanie.eaves@ausveg.com.au to submit topics for potential inclusion in future editions of **vegenotes**.

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