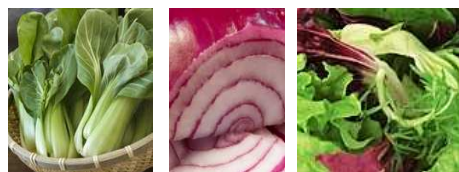


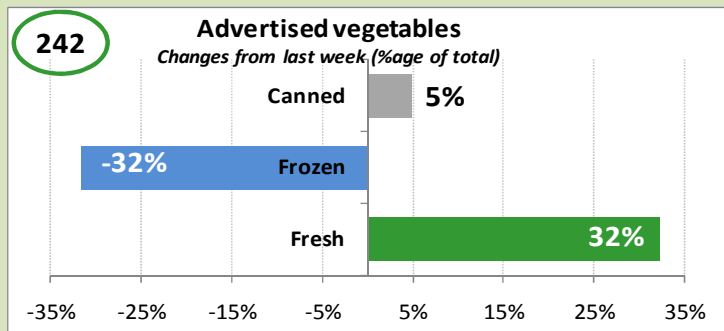
VEGINSIGHTS

Weekly vegetable market insights - A VIDP initiative



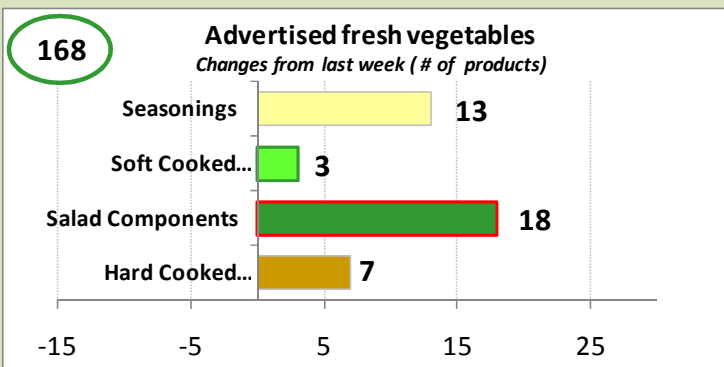
14 July 2010

Vegetable retail promotional activity



This week the exposure of vegetables increased by 8% with 242 vegetable products advertised by the major retailers. This was driven by increases in Fresh at 32%, Canned at 5% but decreases in Frozen at 32%.

The number of fresh products advertised decreased by 32% to 168. All fresh categories enjoyed higher exposure with most significant changes in the number of lines per category of Salad Components and Seasonings.



Subway lettuce can't get any fresher

after Subway Japan Inc announced it will grow fresh lettuce in its central Tokyo outlet in a bid to attract health-conscious consumers. The new outlet will have a 6.6-square-metre glass case where the lettuce will be grown in hydroponic like conditions, supported by florescent lamps, and light-emitting diodes. The subway store company will then use this fresh lettuce to make sandwiches ordered by its customers.



This innovation can only lift the freshness perception of Subway products and in doing so support the core "freshness" promise in their marketing.

Headlines

Page 1

- Subway lettuce can't get fresher
- Chilli pepper-based weight loss pill
- Garlic tablets lower stress
- Tools to help increase veg consumption
- Wholesale veg prices flat at \$1.94 per kg

New weight-loss pill made with chili

peppers is winning support in Britain, with promises to burn the same number of calories as walking for an hour. The pill is made with capsaicinoids, the active ingredient in chili peppers, which supposedly stimulate metabolism, burn flab and carbs, and step up the oxygenation rate in someone who's exercising. Tests at the University of Oklahoma in 2009 reported that those who popped the pill burned 12 times more calories in the hour after an hour-long workout than those who did not. It is known that chili peppers increase the metabolic rate and obesity studies confirm chili stimulates receptors in the bowel when you eat a spicy meal. Increased heat means increased energy expenditure, and thus the boost to the metabolic rate. The makers of Capsiplex claim they have solved the problem of an irritated stomach with a natural coating that withstands strong stomach acids and doesn't break down until it gets to the upper bowel.

Chilli-based pills to aid weight loss is a new market need

Garlic proven to relieve stress in a 12-week trial carried out at the University of Adelaide, where about 50 patients suffering from uncontrolled hypertension were randomized and treated with aged garlic tablets. Results showed those patients who took the garlic tablets had a lowered rate of blood pressure compared to others who did not. The study also showed that the garlic extracts were welcomed by the patients, with 75% of them willing to continue taking it at the end of the trial.

Another confirmed health benefit directly related to a vegetable product.

Weather	Sydney			Melbourne			Brisbane			Adelaide			Perth		
	Last w k	This w k	Last yr	Last w k	This w k	Last yr	Last w k	This w k	Last yr	Last w k	This w k	Last yr	Last w k	This w k	Last yr
Period	4-17	8-18	6-19	4-14	4-16	3-17	7-21	12-23	7-23	2-16	2-17	3-18	0-17	0.3-20	6-21
Highs & Lows °C															
Rainfall															
Rainfall (mm)	0.6	45.6	29.4	5.2	0.0	3.6	11.2	0.4	3.4	34.6	9.2	14.2	0.2	71	45.0

Helping consumers view veg as a less risky purchase

Veg is risky
"It goes off before I can use it!"



1 in 4 consumers state a key barrier to vegetable purchasing is that it goes off before they can use it. This happens largely because these consumers don't know how to select and store vegetables. Outlined below are different ways to convey this knowledge, increase the buyers' confidence and stimulate vegetable sales.

With supply chains working to deliver quality product in-store, there is a need to guide consumers on how to handle vegetables, to ensure this quality is there when the product is consumed. Many consumers have gaps in their basic food knowledge, which restricts the vegetables they buy. Research confirms that 40% of consumers don't know how to select vegetables at their best and 50% of vegetable buyers don't know how to store vegetables correctly.

Most vegetable consumers want to know when products are in season as they believe they can enjoy better taste and better value if they buy in season. Similarly, many consumers find it difficult to visualise (and select) a "serve" of vegetables and in general, think "serves" are larger than they actually are, which can put them off from trying to eat "5 serves a day" and increase perceptions of veg as being difficult to manage. Once vegetables are purchased, the knowledge gaps centre around how long to store them, where to best store them (e.g. in or out of the fridge), how to best store them (i.e. in a bag), and how to freeze and thaw them successfully, so that consumers can prepare them in advance and use them as needed.

Consumers who don't understand about selection and storage are also more likely to view vegetables as expensive. In short, vegetables that go off or taste awful due to poor handling make them a risky purchase and hence, expensive at any price. Consumers who are more informed on selection, "serve" size and storage, consume on average one serve more per day than those who buy based only on what appears to be fresh. Clearly greater knowledge leads to higher levels of consumption. To reach these busy consumers, this information has to be presented in bite-sized pieces and available when it is needed. Tips on shelf at point-of-purchase work as do the likes of a fridge magnet that summarises (via an easy key) storage tips and durations for different seasonal vegetables, both to assist people when they are deciding what to add to their shopping list and when they are unpacking their shopping at home.

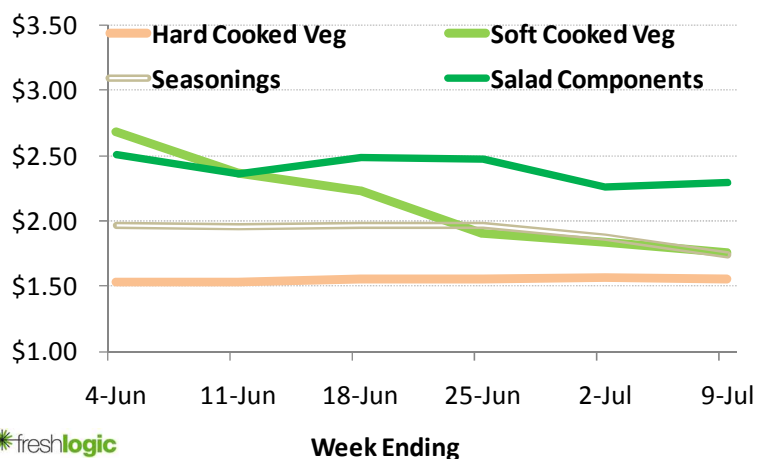
Spring veg storage tips

Veg	Stores for	Stores in	Date bought
Broccoli	5 days	F (end of P)	
Carrots	5 days	P	
Cucumber	4-5 days	F	

A concise set of research findings and guidelines to address ways to remove these barriers to vegetable purchasing can be obtained by emailing info@brandstory.com.au. This material is available to the entire vegetable supply chain, including growers, marketers, retailers and those involved in healthy living initiatives.

There is an opportunity to lift consumption by improving consumers' vegetable selection and handling know-how.

National Vegetable category wholesale prices per kg



The wholesale vegetable price per kg

reflected a .01c drop on last week to **\$1.94 per kg**. This was influenced by decreases in seasonings at 7.3%, soft cooked veg at 3.9% and hard cooked veg at .5%, plus increases in salad components at 1.5%

This was led by increases in cauliflower, sweet-corn, lettuce and salad mix and decreases in broccoli, zucchini, pumpkin and garlic.

Supply expectations remain steady with no gaps forecasted for the next 3-4 weeks.