

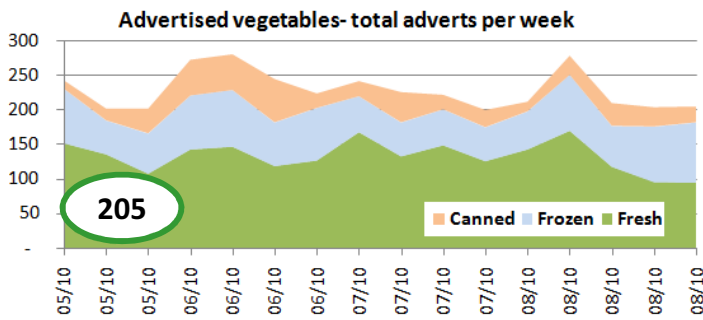
VEGINSIGHTS

Weekly vegetable market insights - A VIDP initiative



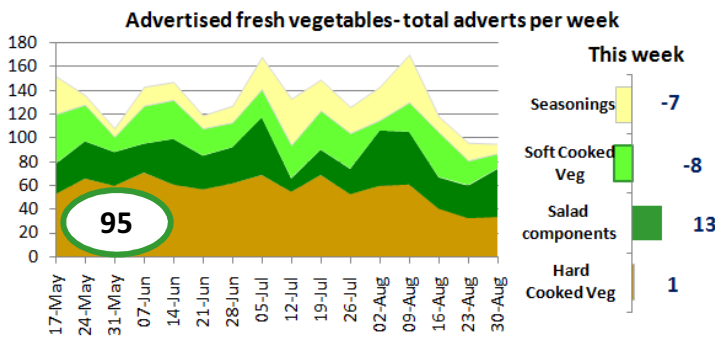
08 Sept 2010

Vegetable retail promotional activity



The overall exposure of vegetables in promotional advertisements of grocery retailers was steady with last week's volume at 205 lines. However, the mix was again steered towards frozen lines with an increase in total ads taking frozen lines to 42% of the total exposure, while canned lines were again pared back.

The volume of **fresh veg adverts** was consistent in absolute terms with the previous week, but the bias of adverts is now strongly leaning towards salad components. The share of the total adverts aimed at the salad lines was at its highest (in % terms) this week since mid-April, showing the influence of the warmer weather on retailer campaigns. Soft-cooked veg was reduced to just 13 lines and seasonings fell back to single digit levels.



Wholesale prices remain steady

Wholesale prices of vegetables were again steady this week, down just 1c/kg on the prior week to **\$2.07 per kg**. Salad components lost some ground as weaker prices for salad mix and capsicum were offset somewhat by gains in cucumbers. Soft-cooked veg prices were generally firmer, with broccoli recovering some of the lost ground of the past 2 months. Seasonings improved with higher onion prices and potato prices remained firm.

Headlines

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- Seasonal triggers impact demand
- Wholesale prices steady at \$2.07 per kg
- Family battles with eating vegetables
- More frozen veg advertised

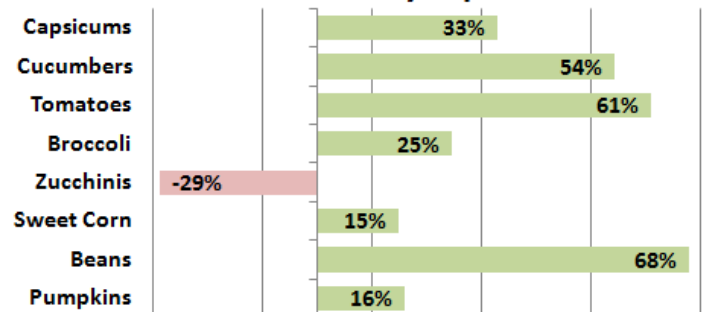
Seasonal triggers have impacted demand

As the spring weather warms in Sydney and Melbourne, the vegetable market deals with a seasonal window when demand from these large population centres is ahead of supply. The trigger points for this period commence with the first changes in temperature and in the last few 4 weeks, we have seen the Sydney minimum lift 4 degrees but more importantly the Melbourne maximum increase by 2 degrees. The increasing maximum temperatures will have a greater impact on demand as they are experienced during the day time when more vegetable purchases are made. Other important triggers for this change in demand include the spring flowering plants and the conclusion of winter sporting seasons that are all leading to the big switch of daylight saving on the 3rd of October. At this time, the household food spend typically increases.

The chart underneath shows the % change in average prices over the month of August as the salad items enjoyed the first signs of this increasing demand.

There are a number of events and seasonal changes that combine to trigger changes in demand.

Wholesale prices - big movers over the month to early Sept 2010



Weather Period	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
Highs & Lows °C	8-20	10-26	9-25	4-17	6-19	6-22	7-24	11-28	8-29	7-18	9-20	9-22	2-23	4-20	3-21
Rainfall															
Rainfall (mm)	0	12	6.2	11.6	23.6	9.8	10.4	3.4	9.0	38.2	46.4	30.6	0.0	21	13.2



Family battles

"The kids hate veg & we never get the chance to sit down and eat together"

Winning vegetable consumption family battles

Half of young families (kids under 15) state that the likes (and dislikes) of their kids are a key barrier to their household eating more vegetables. This also holds true for 44% of older families. This article identifies some of the key ways in which these barriers can be overcome and consumption increased.

"How can I get my kids eating more veg?" was one of the biggest spontaneous gripes of parents in vegetable under-consuming households surveyed. However, discussions with parents clearly show that there is no "one-size-fits-all" solution to address this issue, with the age of the children, household structure affecting meals, the weekly household routine and the attitude of the parents towards vegetables each having a role to play. For families with younger children, the focus of efforts by parents is on trialing of different foods and establishing a repertoire of meals that the kids will like. These parents frequently mention the battles inherent in getting their kids to try new things and while more covert methods of including vegetables in their children's diets, such as blending up veggies to add to sauces and crumb, are popular, there are fears that this is merely delaying the problem – *"I'm worried that my kids will grow up not knowing what a vegetable is"*.

The scientific challenge in "liking"

A key issue preventing consumption of (particularly bitter tasting) vegetables is that of Neophobia, an innate resistance to consuming new foods that may be poisonous. A recent project undertaken by CSIRO -*Increasing children's liking for and consumption of vegetables: the effects of exposure and reward*- concludes that **"liking" is a learning experience** and that exposing children repeatedly to small amounts of specific vegetables (at least 9 times) resulted in them actually liking the vegetables trialed. In short, acceptance takes time and there is a real need to educate and set realistic perceptions (including patience) among parents on this.

The home environment will strongly influence consumption

Children are responsive to their environment, tending to respond to the examples that those around them set. Friends and parents have a valuable role to play on this front and numerous research reports reveal the positive impact of involving children and their friends with growing, preparing and cooking of vegetables on propensity to eat them. In fact, the success of such initiatives and the resultant peer pressure has been such that almost 40% of young families interviewed stated that their children encouraged them to buy more vegetables!



In older families, conflicting schedules and established routines are the biggest hurdles to overcome. Families with teenage kids are more likely to have a repertoire of eating habits and meals "locked in", which for convenience and the sake of the household's peace, they are unwilling to change. In these families, easy tips to add vegetables to meals that they already cook are well received.

These findings indicate that a number of different influences affect vegetable consumption within families with children, and a single "silver bullet" approach won't work to increase consumption. A range of promotional activities and parental strategies are needed to drive increased vegetable consumption in children, and therefore affect increased vegetable demand in the long term. Parents themselves are a key target for any change strategy.

A concise set of research findings and guidelines to address ways to remove these barriers to vegetable purchasing is available at <http://ausveg.com.au/resources/Consumers/helpingconsumers.htm>. This material is available to all in the vegetable supply chain, including growers, marketers, retailers and those involved in healthy living initiatives.