Horticulture Australia and AUSVEG.

PT13015 Potato Tracker.

This project has been funded by HIA using the fresh potato levy and matched funds from the Australian Government.

Wave 7: March 2015

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Contents

Background & Methodology.

Background.

- The Australian fresh potato industry needs to better understand consumer attitudes to fresh produce, sales trends and market sizes over time.
- In order to most effectively deliver to consumers' needs as well as overall market trends, a comprehensive and dedicated research program that guides commercial activation was required.
- This project has been funded by HIA using the fresh potato levy and matched funds from the Australian Government.
- The monthly online tracking project for potatoes is across a 12 month period to assist in better understanding consumer behaviour.

Sample Structure.

This month a total of 301 Australians completed our online questionnaire. Respondents represented all States and Territories, as well as both metro and rural areas.

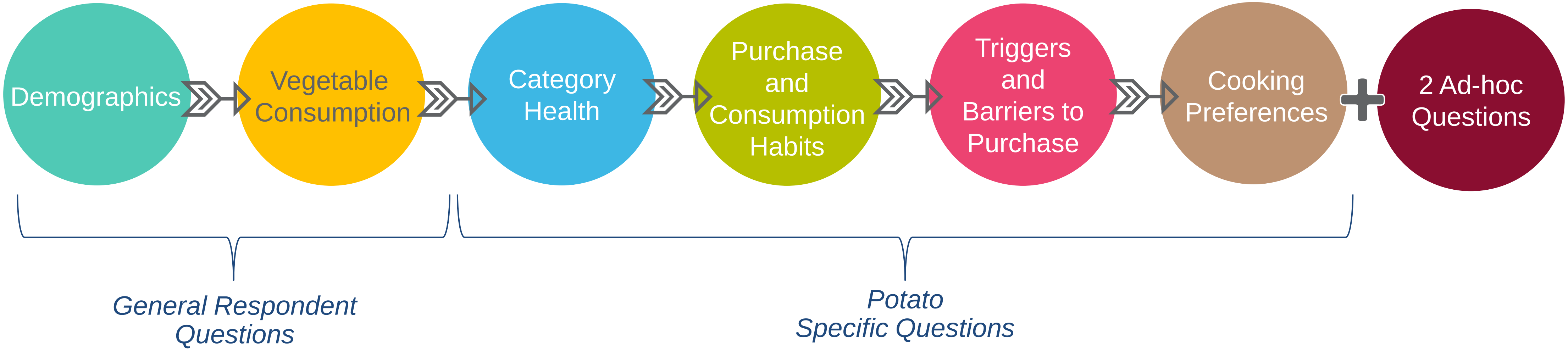
Demographic profiling information about age and household structure was collected to examine differences between life stages.

Sample specifications:

- Aged 18 + years
- Purchased fresh vegetables in the last fortnight
- Purchased potatoes in the last month
- Main grocery OR Joint grocery buyers

Total		Wave 7 n=301	First Half n=1916
Gender	Male	31%	34%
	Female	69%	66%
Age	18-24 years	5%	6%
	25-34 years	14%	17%
	35-44 years	13%	16%
	45-54 years	17%	18%
	55-64 years	24%	22%
	65 + years	27%	21%
Household	Single Income no Kids	25%	22%
	Double Income no Kids	14%	18%
	Young Families	12%	16%
	Established Families	20%	18%
	Empty Nesters	30%	26%
State	New South Wales	16%	16%
	Victoria	16%	16%
	South Australia	16%	16%
	Queensland	16%	16%
	Western Australia	16%	16%
	Tasmania	16%	17%
	Australian Capital Territory	3%	4%
	Northern Territory	1%	1%

Online Tracker Methodology.



- All respondents complete general demographic and consumption questions. If respondents purchase any of the specific commodities within the last month they complete those questions.
- An additional 2 ad-hoc questions are asked at the end of the questionnaire. The subjects of these questions are supplied by Horticulture Innovation Australia and AUSVEG.
- Questions asked appear on the bottom of each page of this report. Unless stated otherwise, all scales were 0 -10 scales, with higher scores indicating greater agreement/liking/importance etc.

Trends Research: Our Approach

- Colmar Brunton has used a combination of both desk research and in the field market research to explore trends.
- Our main source of secondary data for this report was collected from Mintel Global New Products Database (GNPD).
- This data source is used to analyse products launched around the globe in the last 3 months (L3M) that contained potato as a core ingredient. **Trends data will be reported quarterly, and is available in this report.**
- Trends are determined at a global and regional level.
- Claims and pack types used for the launched products are explored and the relevant product categories are determined. Specific examples of products being launched around the globe that are particularly innovative are displayed for reference.

What We Found.

Potato Grower Action Plan

Horticulture Innovation Australia

Perceptions of ‘consuming enough’ potatoes is continually on the rise creating a barrier to future purchase.

1.

Insight:

Consumers who waste potatoes on average throw out 15% of what they buy.

Recommendation:

Wastage can be decreased by communicating ideas where consumers can use the whole potato, such mashing with the skin on and using left over potato as pie and stew toppings. Consumers also require storage information and best before dates to enhance freshness and reduce wastage.

2.

Insight:

This month saw a decrease in consumer satisfaction and a rise in the barrier of ‘consuming enough for my needs’.

Recommendation:

Consumers may be running out of ideas on what to do with the potatoes on offer. To spark interest in new varieties and negate disengagement by promoting a ‘potato of the month’ which is particularly good for a seasonal dishes – i.e. salads or stews.

3.

Insight:

Importance of provenance has noticeably increased this month.

Recommendation:

Emphasise the provenance of potatoes, if possible, extending to fertilisers and mulch with communication ‘All Aussie Made’. Retailers should consider very explicit ‘Aussie’ labelling– ‘Aussie White Potatoes’ etc.

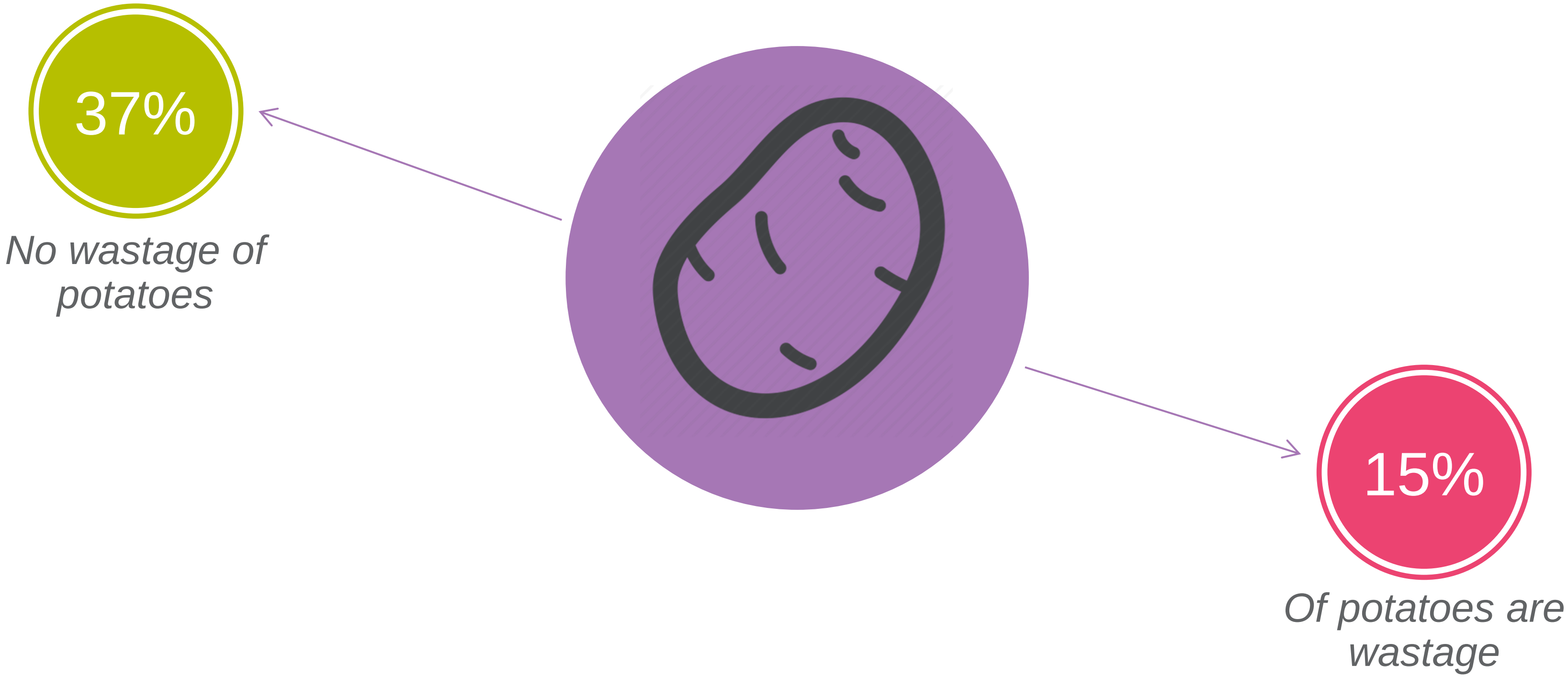
Wave 7: Potato Fast Facts

- Potatoes experienced a decline in consumer sentiment, particularly satisfaction, with a reduced future purchase intent.
- Potatoes are purchased 3 times and consumed on just under 14 occasions per month, both lower than First Half levels.
- On average, 2.5kg of potatoes are purchased. Recalled last spend was $4.50, both slightly down from the previous Quarter. Overall, consumers perceive washed and brushed potatoes to be equally good value for money.
- Consumers are purchasing both washed and brushed styles, generally in loose formats. However, medium bags remain popular for washed potatoes.
- Price tracking reveals a slightly higher average price of $3.97 per kilo in March, with prices largely consistent between states and retailers.
- Spontaneous and prompted awareness of potato types remains high. Desiree, Dutch Cream and Kennebec remain the most regularly purchased this month.
- The key influence on potato purchase are that they are easy to prepare and cook with as well as taste. “I consume enough for my needs” consistently remains the key barrier to future purchase, and although expense continues to become a more prevalent factor, poor quality and difficult/ heavy to carry are strong barriers this wave.
- Potatoes are expected to remain fresh for almost 17 days and expectations are somewhat met. These have decreased in comparison to Quarter 1 averages.

Response to Ad-Hoc Questions.

On average, consumers waste 15% of the potatoes they purchase.

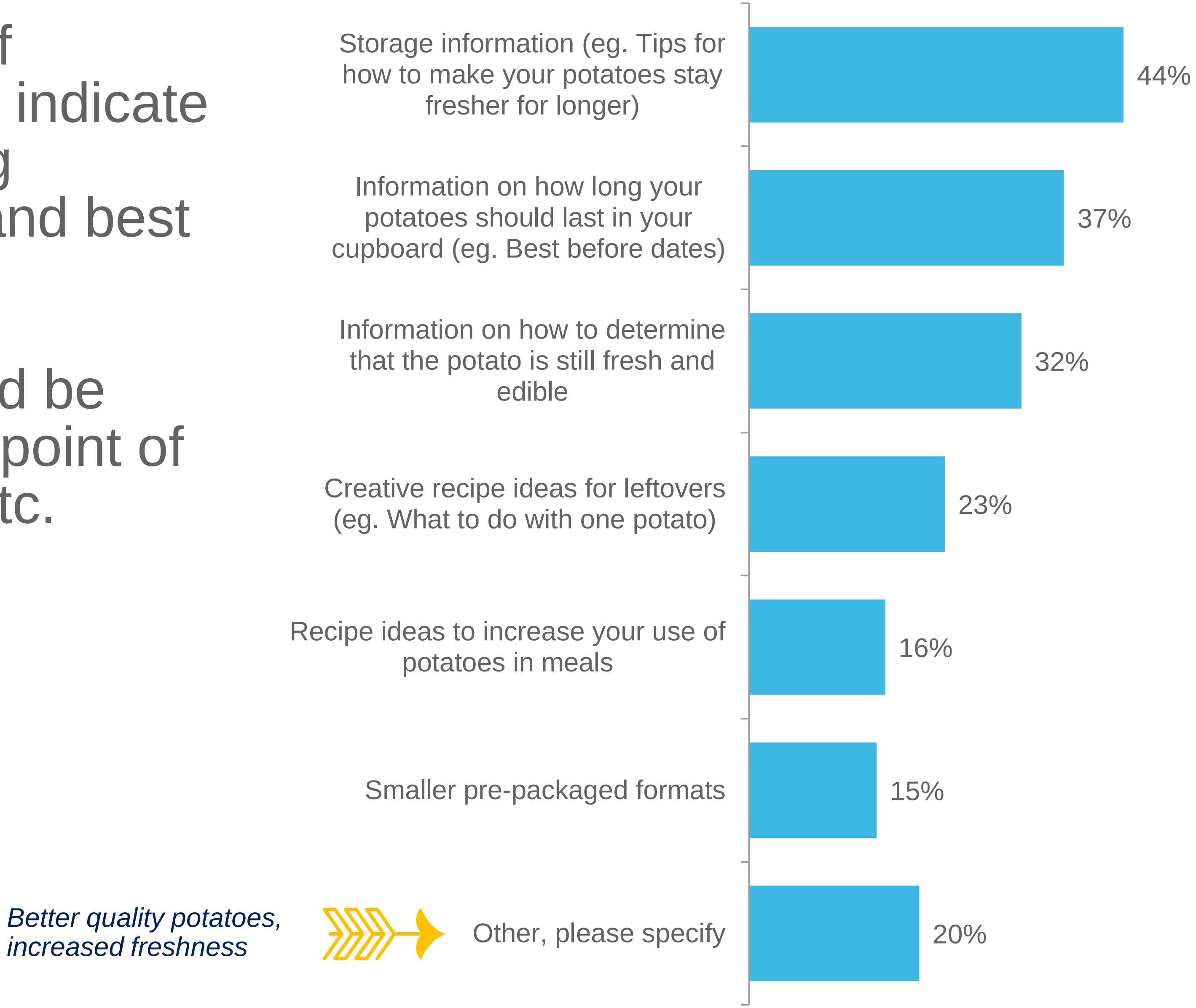
However, over one third of consumers indicate they do not waste any of their potatoes.



What proportion (%) of the amount of potatoes you purchase do you typically not use eg. throw out?
N=301

To reduce wastage of potatoes, consumers indicate the benefits of having storage information and best before dates.

This information could be provided on pack, at point of sale and or leaflets etc.



AHQ2. What would help you reduce the amount of potatoes you waste?
N=301

Online Tracker Findings.

Top 20 Vegetables Purchased Last Month

- Vegetable purchase is slightly down on the past month for most commodities, but remains strong relative to earlier waves. Purchase of summer salad vegetables, such as lettuce and cucumber, remains high in Wave 7, while potato purchase is stable.

- The top five most purchased vegetables are potatoes, tomatoes, carrots, cucumbers and lettuce.

S8. Which of the following fresh vegetables have you purchased in the last month?
Wave 7 N=385

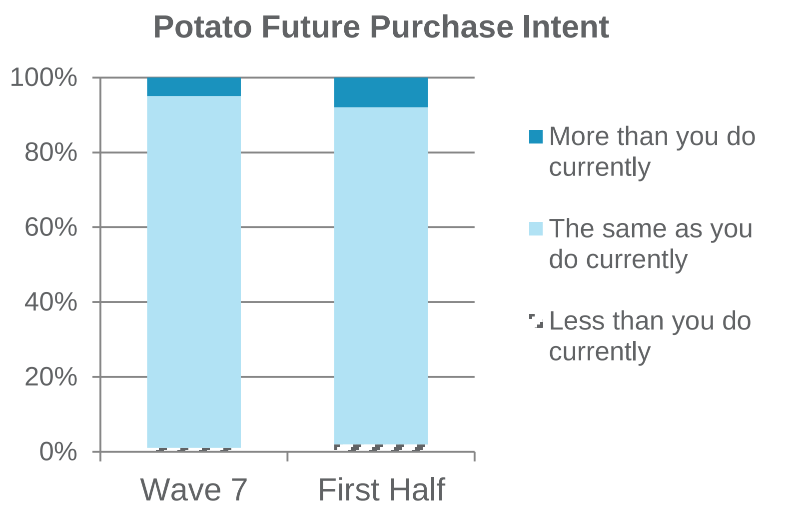
Category Health Explained

The following questions were asked to understand consumer sentiment about potatoes, which can be tracked over time.

- How **important** to you is having a range of *potatoes* available in the store where you usually shop?
- How **satisfied** or dissatisfied are you with the range of *potatoes* currently available?
- How likely would you be to **recommend** *potatoes* to your family and friends?
- How interested or disinterested are you in new *potato* **varieties**?
- In the future, are you **likely to buy**?

This month sees a decline in consumer satisfaction as well as a drop in increased future purchase intent, compared with the first half average.

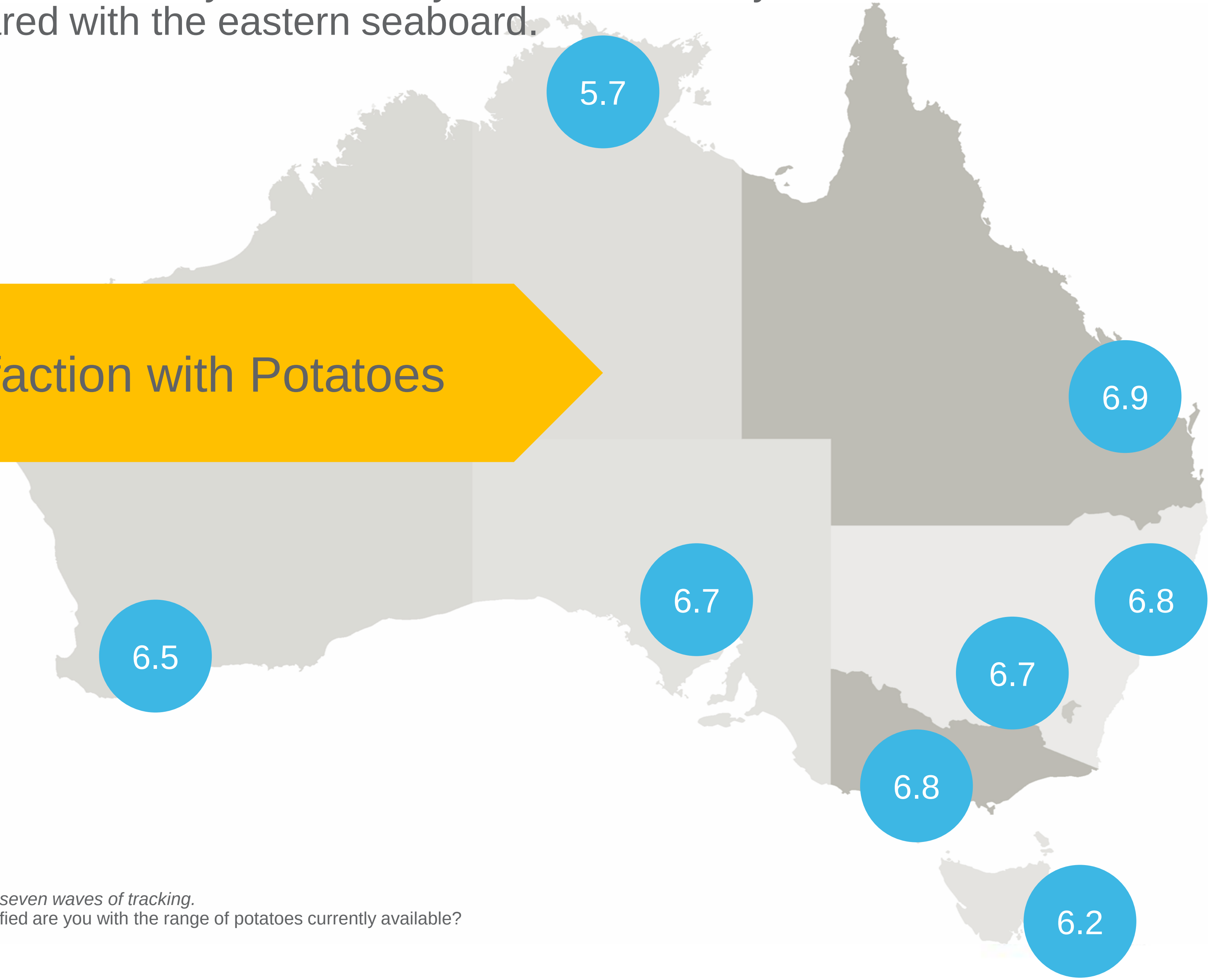
	Wave 7	First Half Average
Importance	6.4	6.6
Satisfaction	6.4	6.7
Endorsement	6.1	6.2
Interest (New Types)	5.8	6.0



First Half= Average of Wave 1-6 results

Satisfaction with potatoes differs across states. Queensland, New South Wales and Victoria are most satisfied with the range of potatoes currently available, whilst Northern Territory are noticeably less satisfied. Dissatisfaction may be driven by lack of availability of varieties compared with the eastern seaboard.

Satisfaction with Potatoes



The average across the seven waves of tracking.
How satisfied or dissatisfied are you with the range of potatoes currently available?

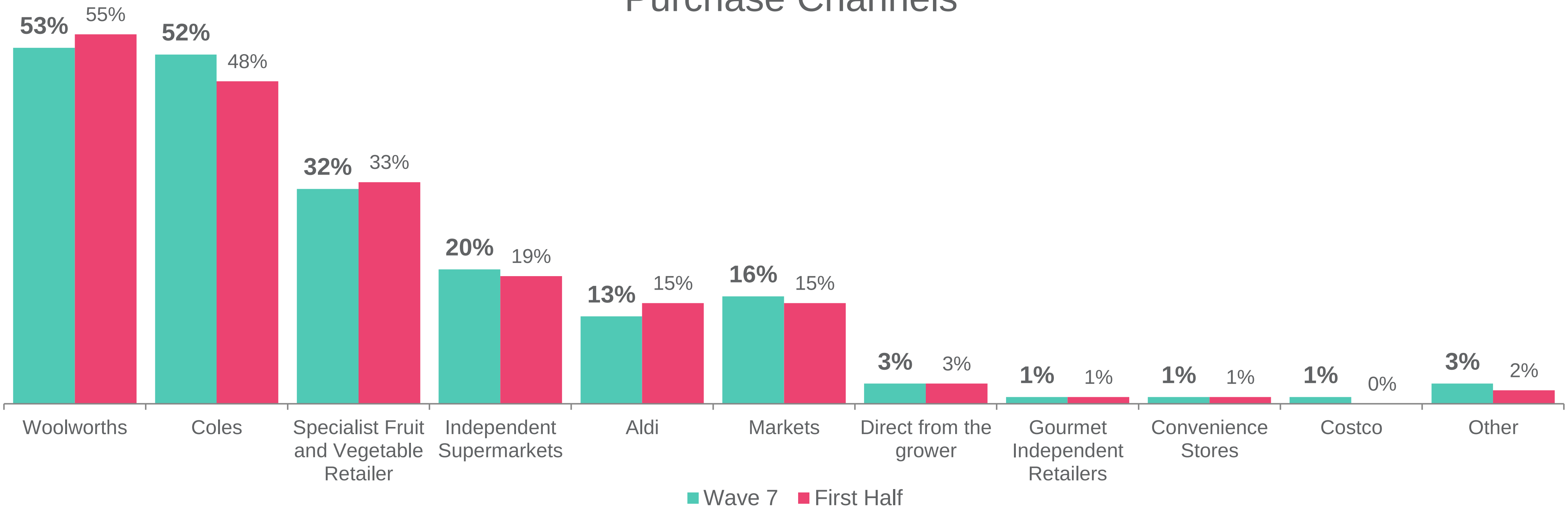
Purchase of potatoes is slightly down this month, whilst consumption occasions has remained stable, once every second day.

Consumers routinely purchase their potatoes from Woolworths and Coles, consistent across waves.

Average Purchase **3.0** times per month ▼

Average Consumption **13.7** times per month ▼

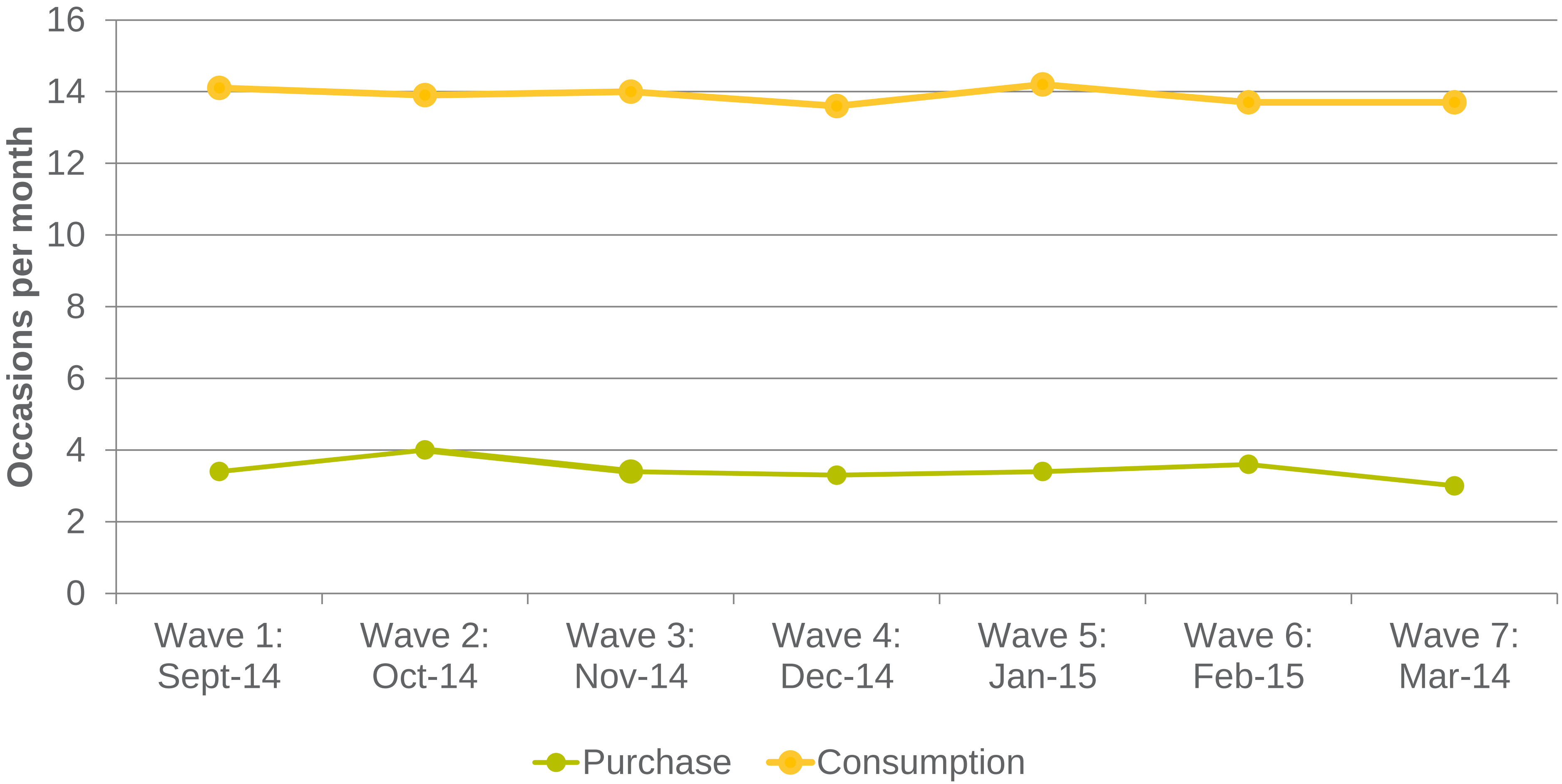
Purchase Channels



Q1. On average, how often do you purchase potatoes?
Q2. On average, how often do you consume potatoes?
Q5. From which of the following channels do you typically purchase potatoes?
Sample N=301

▼: Indicates LOWER score than First Half Average.
▲: Indicates HIGHER score than First Half Average.

Purchase and consumption across the previous seven months has remained relatively unchanged. Purchase peaked in October 2014 at four occasions per month, whilst consumption was highest in January 2015, which may have been influenced by holiday festivities.



Comparative to the First Half average, purchase, spend and value for money perceptions are all lower this month.

Average weight of purchase

The average consumer typically purchases **2.5kg**▼ of potatoes, directionally lower than the First Half average.

Recalled last spend

The average recalled last spend is **$4.50**▼ in February 2015. This is also comparatively lower than the average

Value for money

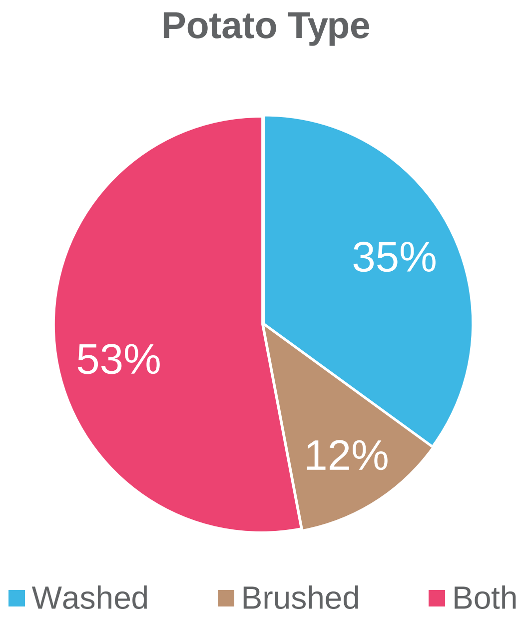
On average, consumers perceive **washed** and **brushed** potatoes to be good value for money **(6.4/10**▼ **and 6.4/10**▼ respectively).

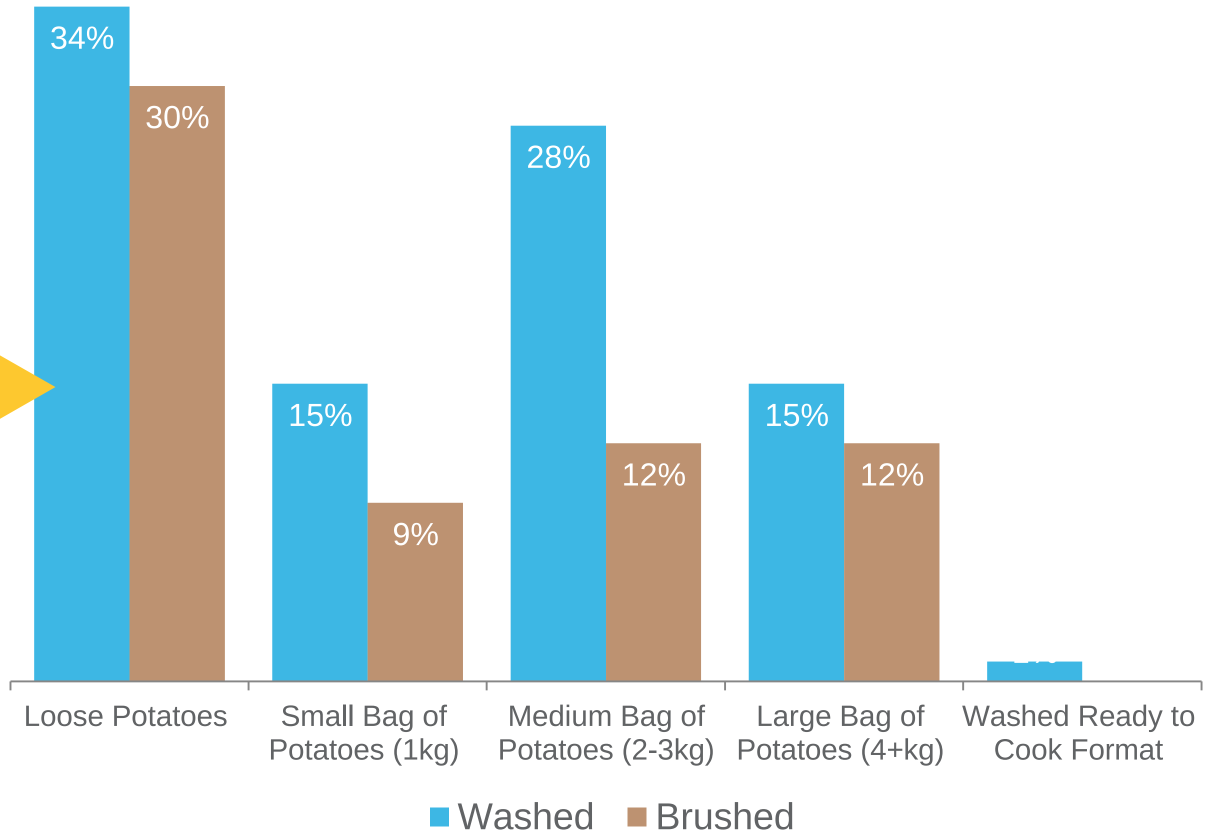
Q3. How much potato do you typically purchase when you shop for it?
Q3b. To the best of your memory how much did this cost on your most recent typically purchase?
Q4. Please indicate how Poor to Good Value you think this is? (0-10 scale)
Sample N=301

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

Purchase of potato formats remains consistent with past months, with over a half of consumers purchasing both washed and brushed.

March sees an increase in the purchase of loose, brushed potatoes. Loose and medium bags remain the key formats purchased.

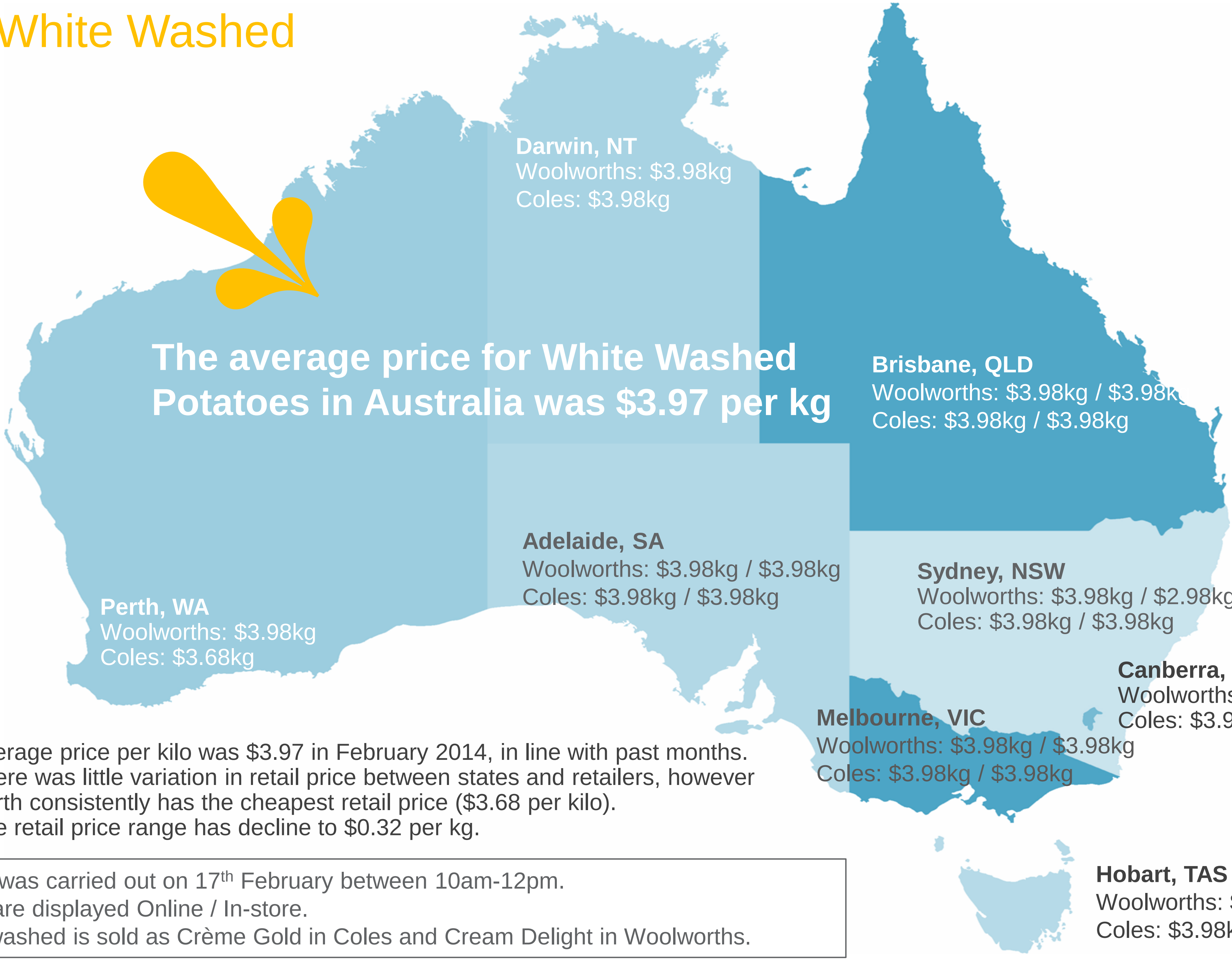




Sample N=301
Q2b. How do you normally buy your POTATOES?
Q3a. How much potato does this typically equate to?

Online and In-store Prices

White Washed



- Average price per kilo was $3.97 in February 2014, in line with past months.
- There was little variation in retail price between states and retailers, however Perth consistently has the cheapest retail price ($3.68 per kilo).
- The retail price range has decline to $0.32 per kg.

Pricing was carried out on 17th February between 10am-12pm.
Prices are displayed Online / In-store.
White washed is sold as Crème Gold in Coles and Cream Delight in Woolworths.

Recall of potato varieties is in line with past months, with one third of consumers consistently unable to name a type.

Desiree, Dutch Cream and Pontiac have the greatest unprompted awareness.

31% of consumers were unable to recall a type of potato

Sample N=301
Q6a. What type/varieties of potatoes are you aware of? (unprompted)

There was little variation in the varieties of potatoes purchased compared with the average. However, Coliban, Desiree and Kestrel purchase are higher this month.

Desiree potatoes are consistently the most purchased variety.

12% of consumers don't know what variety they typically purchase

Carisma- **11%**▼


Coliban- **19%**▲


Desiree- **50%**▲


Dutch Cream- **24%**–


Gold Rush- **10%**–


Golden Delight- **14%**▲


Kennebec- **23%**▼


Kestrel- **15%**▲


King Edward- **12%**▲


Kipfler- **20%** ▲


Lady Christl- **7%**▲


Maranca- **12%**–


Mozart- **3%**▼


Nadine- **15%**▲


Nicola- **6%**–


Red Rascal- **8%**▲


Sebago- **13%**▼


Sifra- **4%**▲


Valor- **10%** ▼

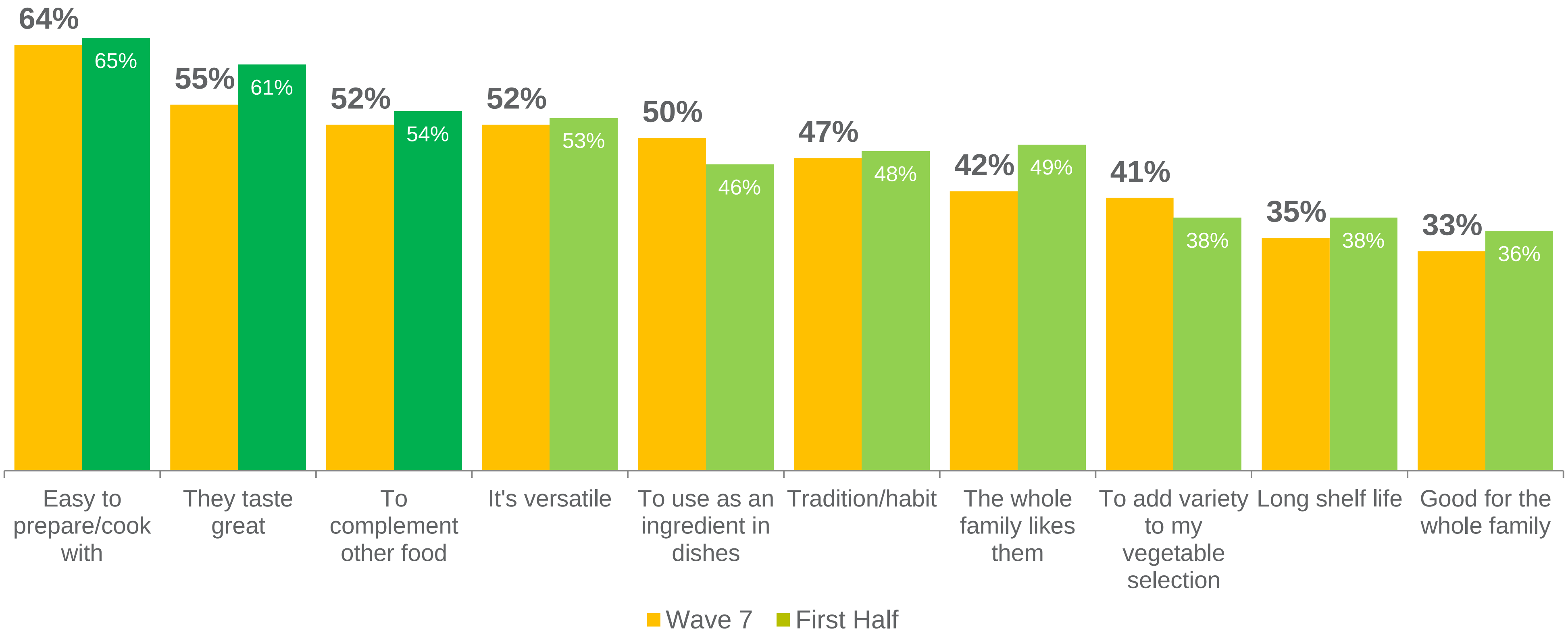

Other- **5%**▼


Sample N=301
Q6. Which of the following types/varieties of POTATOES do you typically purchase?

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

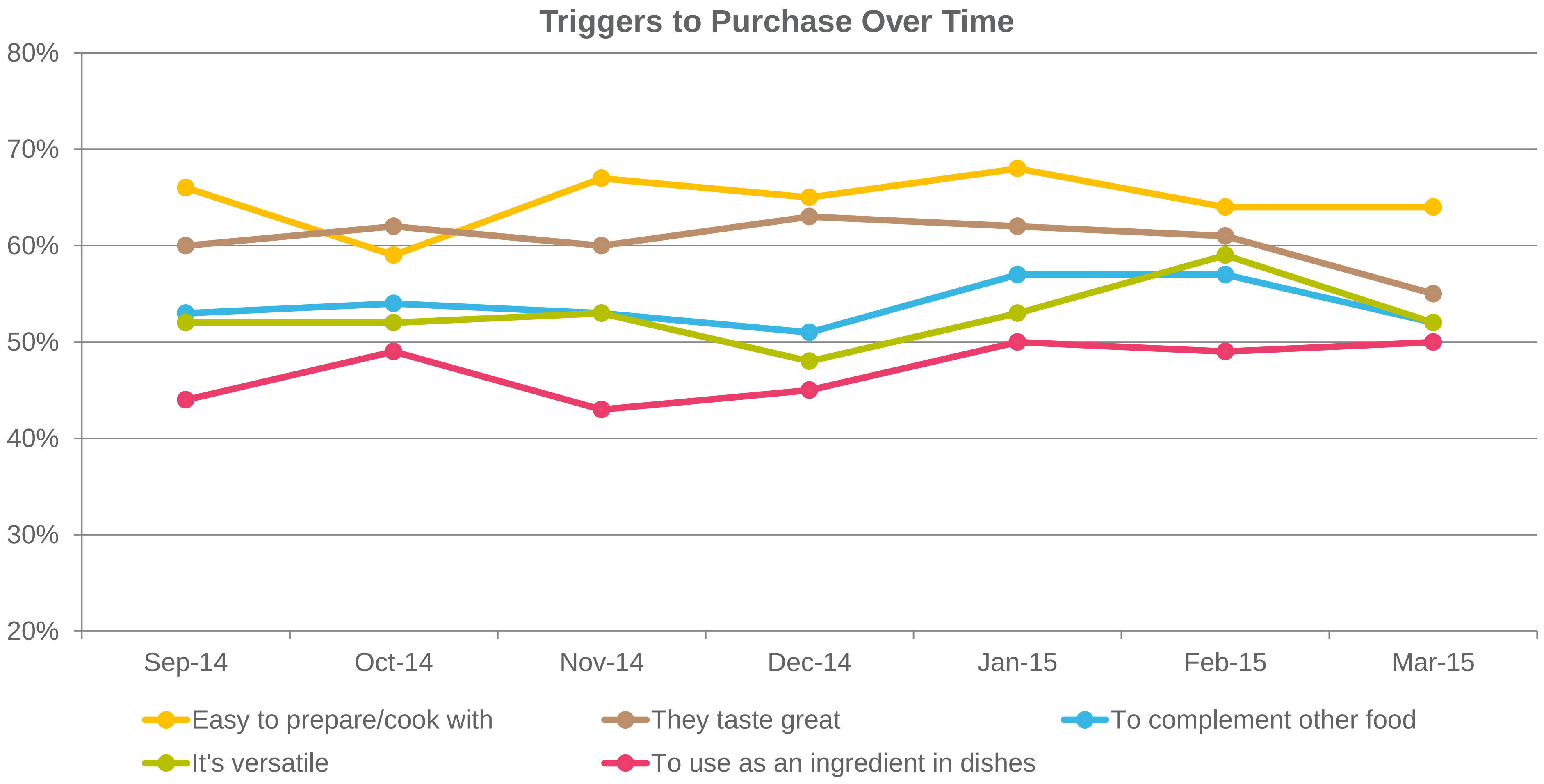
To use as an ingredient in dishes has increased as a key influence on purchase.

Ease of preparation and taste continue to be the main triggers for purchasing potatoes.



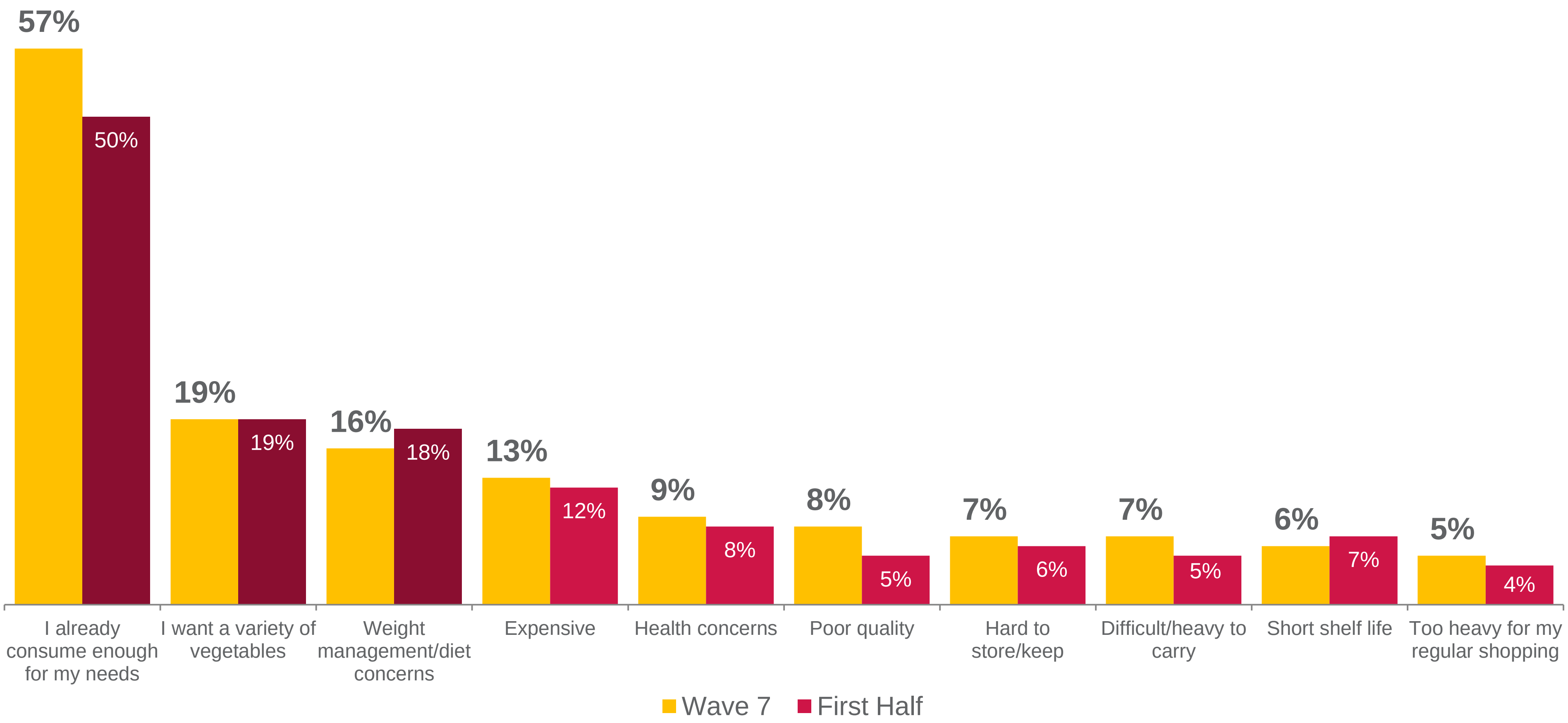
Sample N=301
Q7. Which of the following reasons best describes why you purchase potatoes?

There are five key triggers to purchasing potatoes that have been tracked over time. There has been variation amongst triggers, but no overall upwards trend. To increase purchase of potatoes, triggers need to be maximised.



Consuming enough for my needs remains the primary barrier to future purchase.

This month saw an increase in poor quality and difficulty/heavy to carry, limiting future purchase of potatoes.



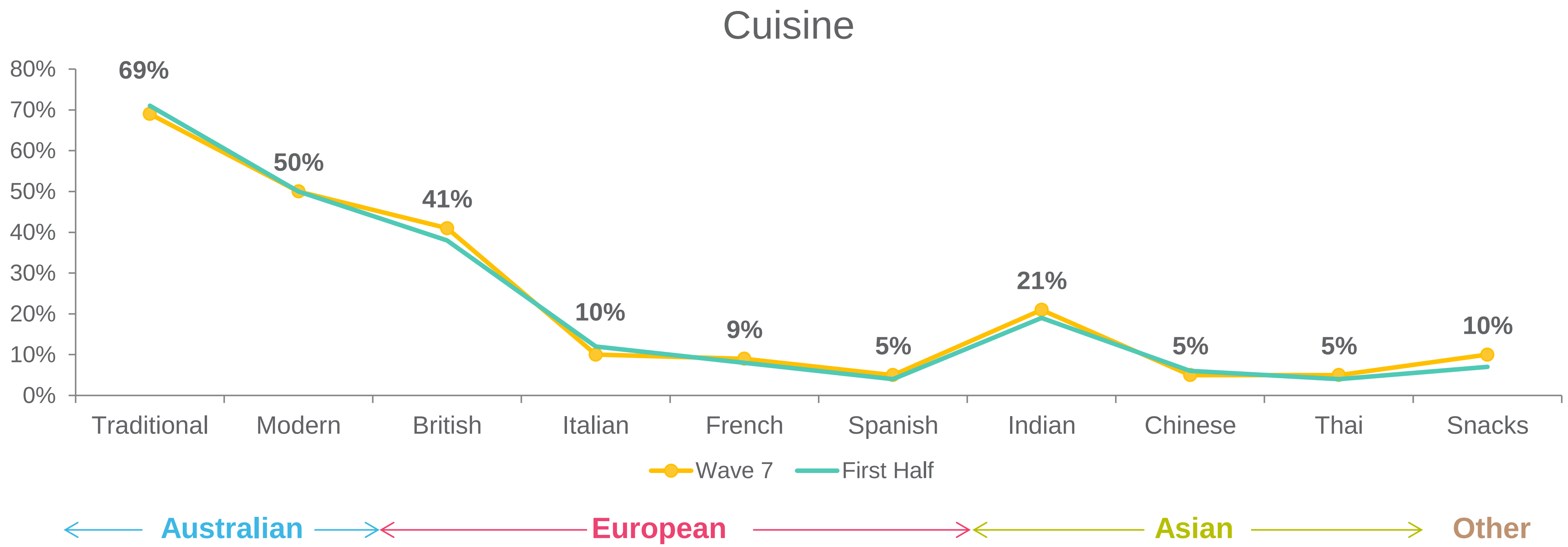
Sample N=301
Q7. Which of the following reasons best describes why you purchase potatoes?
Q8. Which reason best describes why you don't buy potatoes more often?

Meals and cooking are heavily grounded in dinner occasions and Australian cuisines.

In order to grow the potato category, consumers need inspiration and education on new cuisines, dishes and meal occasions.

Top 5 Consumption Occasions

	Wave 7
Weekday Dinner	66% –
Weekend Dinner	51% ▲
Family Meals	45% ▼
Every-day Meals	37% ▼
Quick Meals	23% ▼

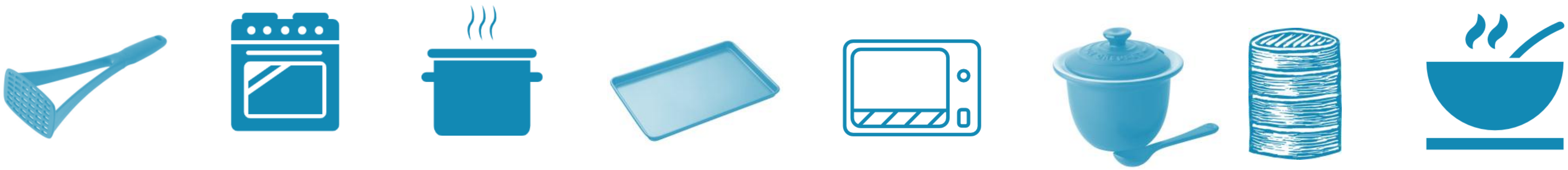


Sample N=301
Q10. What cuisines do you cook/consume that use potatoes?
Q11. Which of the following occasions do you typically consume/use potatoes?

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

The only cooking style to increase this month is mashing, with over three quarters of consumers using this technique.

Steaming has the greatest decline in cooking this month compared with the average.



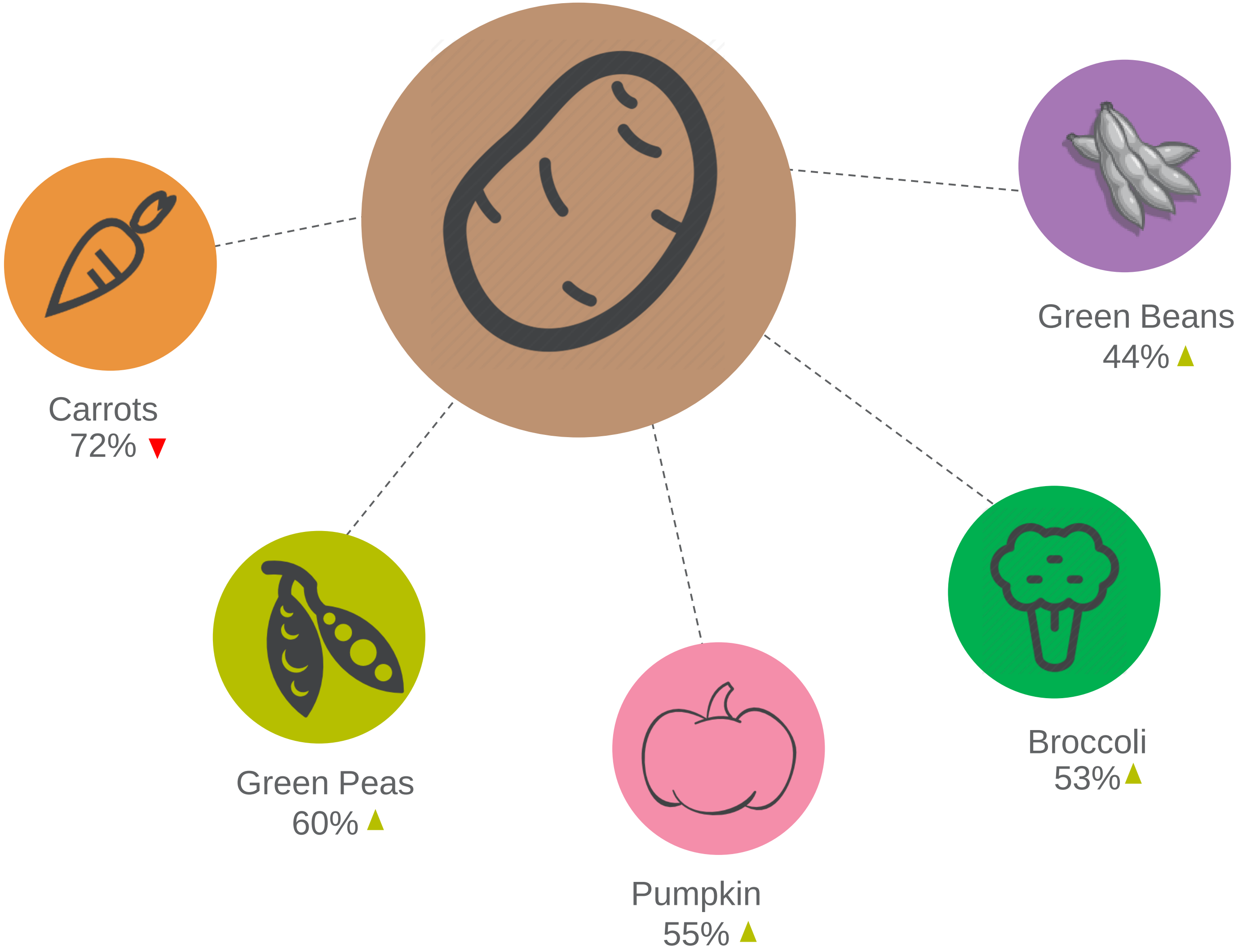
Mashing	Roasting	Boiling	Baking	Microwave	Stewing	Steaming	Soup
77% ▲	66% ▼	61% –	54% ▼	30% –	25% ▼	21% ▼	20% ▼

Sample N=301
Q9. How do you typically cook potatoes?

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

Whilst carrots remain the primary vegetable served with potatoes, this has fallen relative to previous months.

There has been a consistent increase in the use of green peas and green beans with potatoes.



Sample N=301
Q10a. And when are you serving potato which of the following do you also serve together with this?

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

There is a considerable uplift in importance of provenance this month, which may relate to the media coverage around this issue. It is important to use this exposure to highlight Australian grown potatoes where possible.

Provenance is fairly important to consumers **6.4/10.** ▲

Compared with the First Half average, importance of provenance has noticeably increased.

Consumers expect potatoes to remain fresh for **16.8** ▼ days after purchase.

This is slightly down on previous trends.

Expectations of freshness is always met **15%** of the time.▼

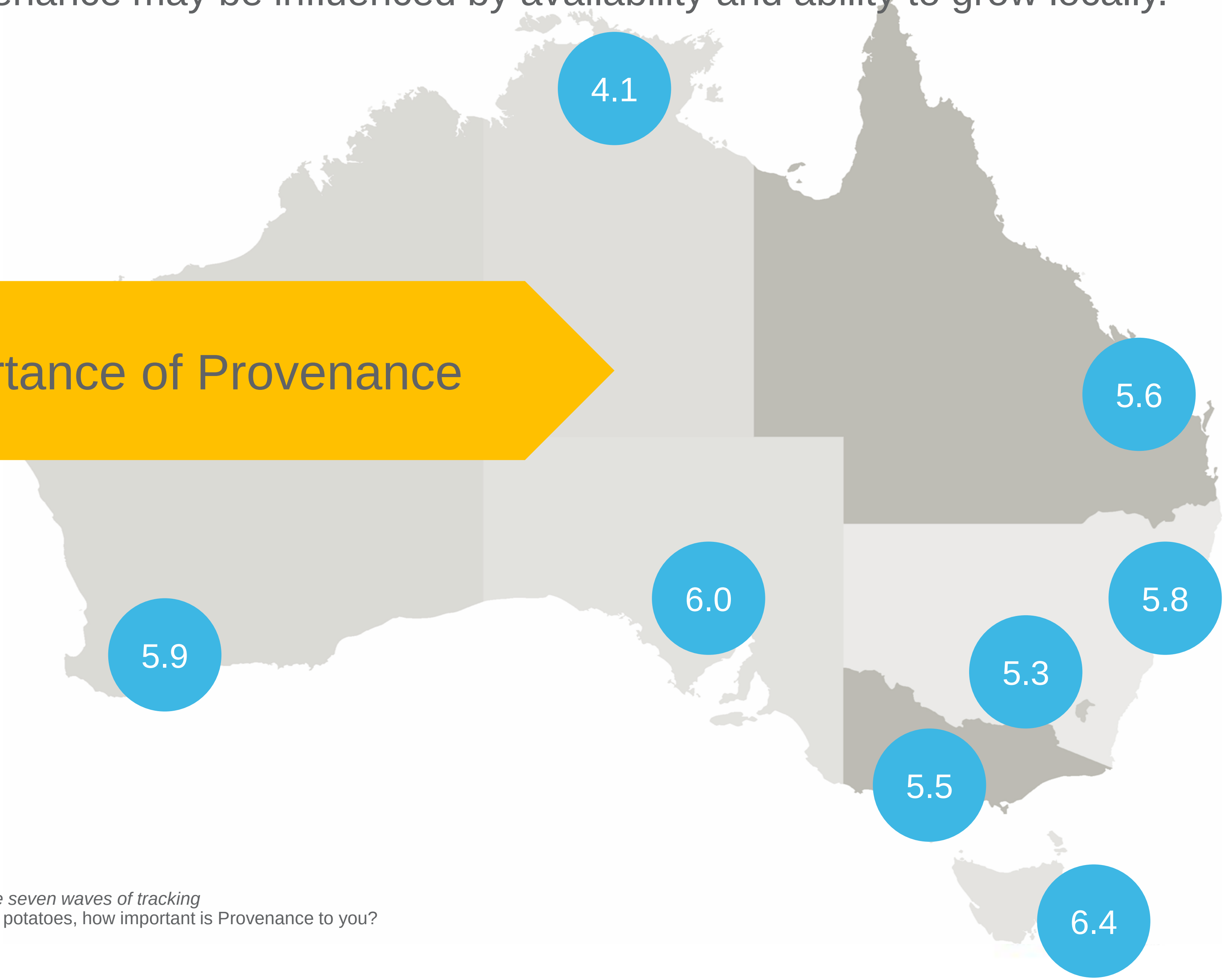
Only 3% of consumers indicate that their expected freshness is rarely met.

Q14. When purchasing potatoes, how important is Provenance to you?
Q12. How long do you expect potatoes to stay fresh for, once you have purchased it?
Q13. How often is this length of freshness met when you buy potatoes?
Sample N=301

▼: Indicates LOWER score than Quarter 1 Average.
▲: Indicates HIGHER score than Quarter 1 Average.

Importance of provenance differs across states. Tasmania has the highest perceived importance for potatoes, whilst Northern Territory regard provenance of potatoes as less important. Importance of provenance may be influenced by availability and ability to grow locally.

Importance of Provenance



The average across the seven waves of tracking
Q14. When purchasing potatoes, how important is Provenance to you?

Global Trends.

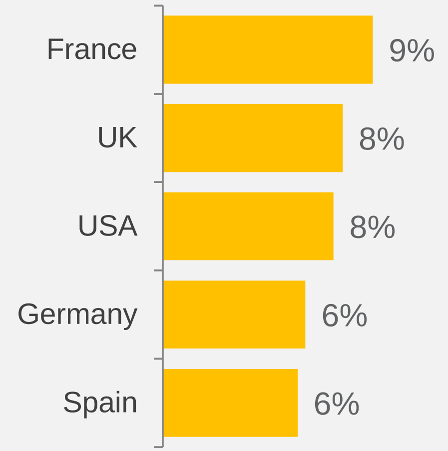
Potato Global NPDs
December – February 2014/15

There were over 3000 products launched globally that contained potato as an ingredient in the last three months. The key regions for product launches were Europe and Asia Pacific. Products were typically snack foods or meals.

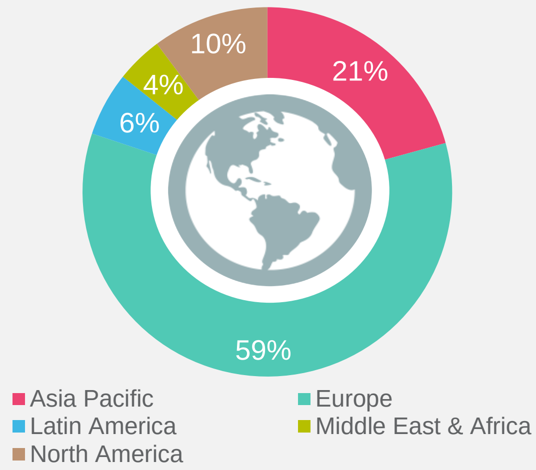
Horticulture Innovation Australia

3158 Global Launches

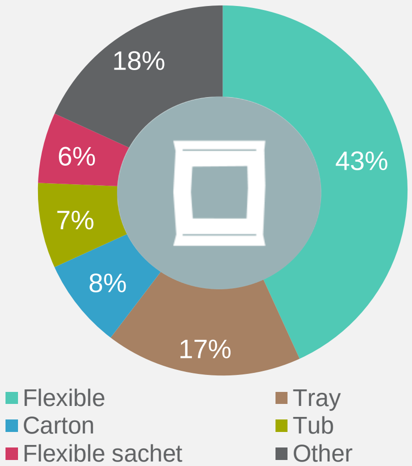
Country



Region



Top Pack Formats



Categories

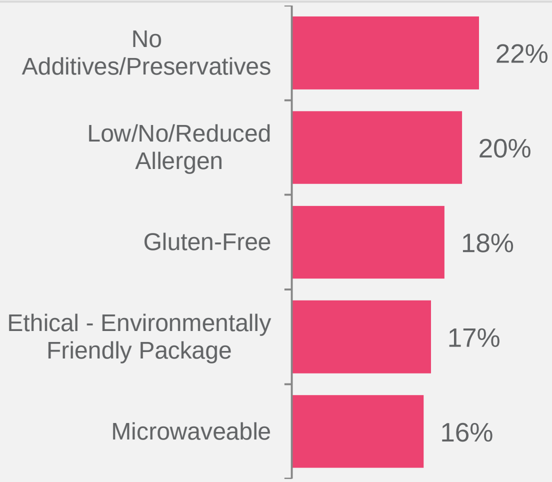
Snacks 20%

Meals 15%

Bakery 13%

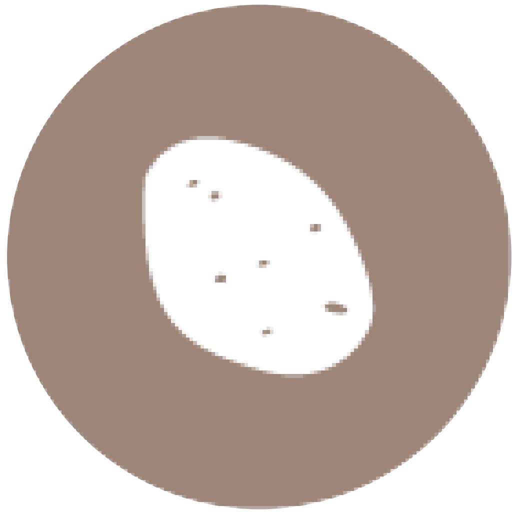
Processed Products 12%

Top Claims



Product Launches:
Last 3 Months (December – February 2014/15)
Summary

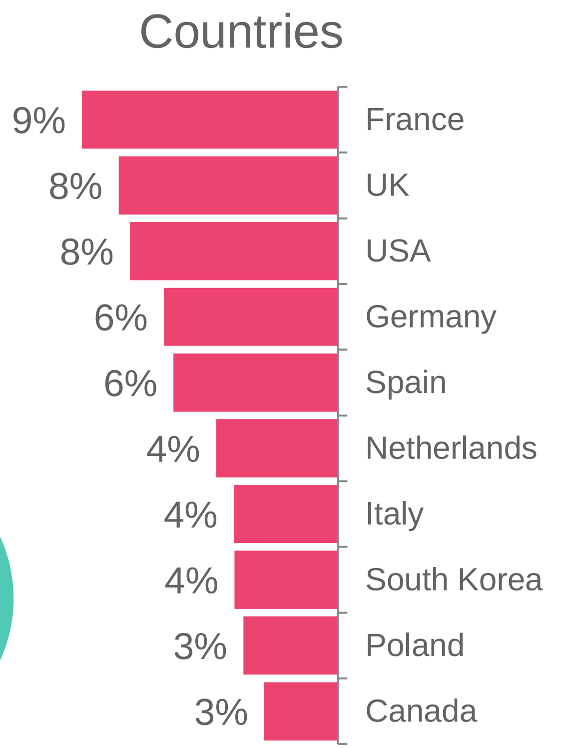
- Over the last three months there have been over 3000 products launched globally that contain potato as an ingredient, which is trending higher than previous months.
- In Australia there were 79 products launched. The number of launches in Australia has consistently increased over the past months. Products included gluten free baking, meals and snacks.
- Europe (59%) and Asia Pacific (21%) remained the key regions for launches, with launches becoming more and less prevalent over the previous quarter, respectively.
- The main categories for potato launches were Snacks (20%), Meals (15%) and Bakery items (13%).
- Popular claims remained health focussed (No additives 22%, Reduced allergen 20% and Gluten Free 18%).
- The most innovative products launched in the last three months were around snacking, including cookie potato flavour cookies and treacle tart (examples can be found on the following pages).

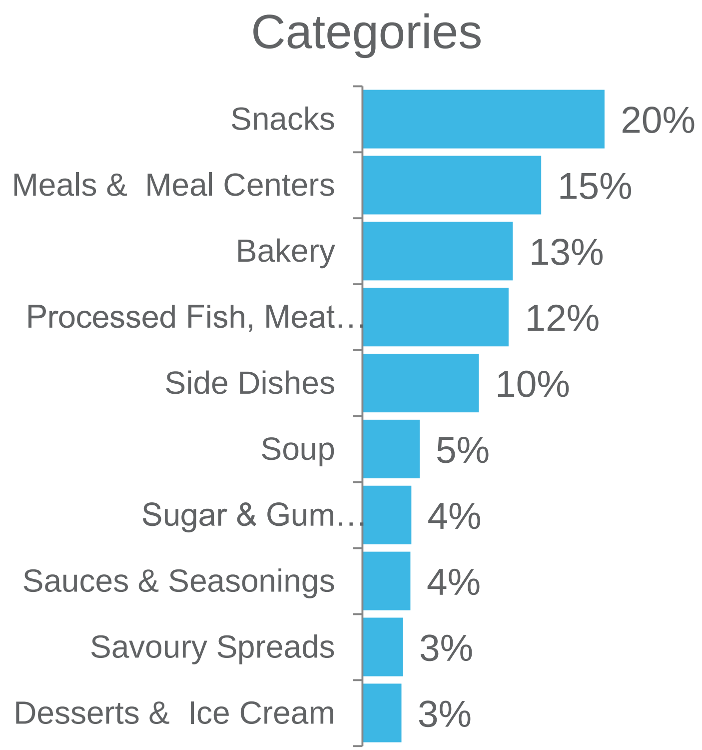


Source: Mintel (2014)

France, UK and USA are key countries for product launches.

Potato products launched are most commonly snack, meal or bakery products; but down over the previous quarter.



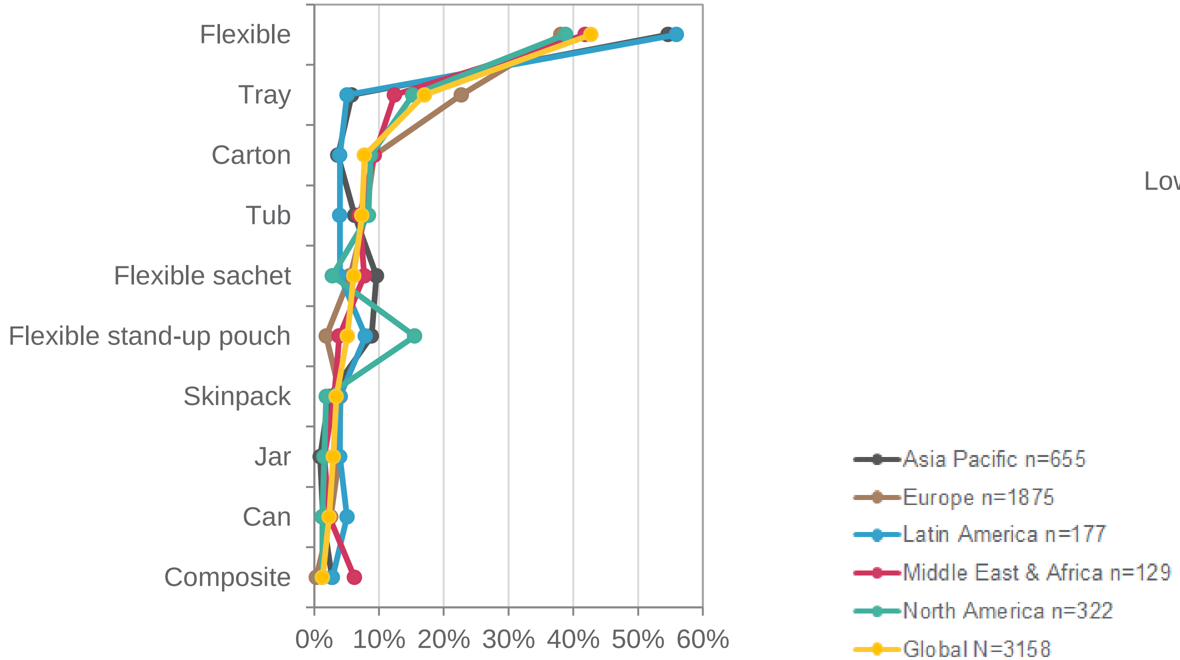


3158 Global Launches

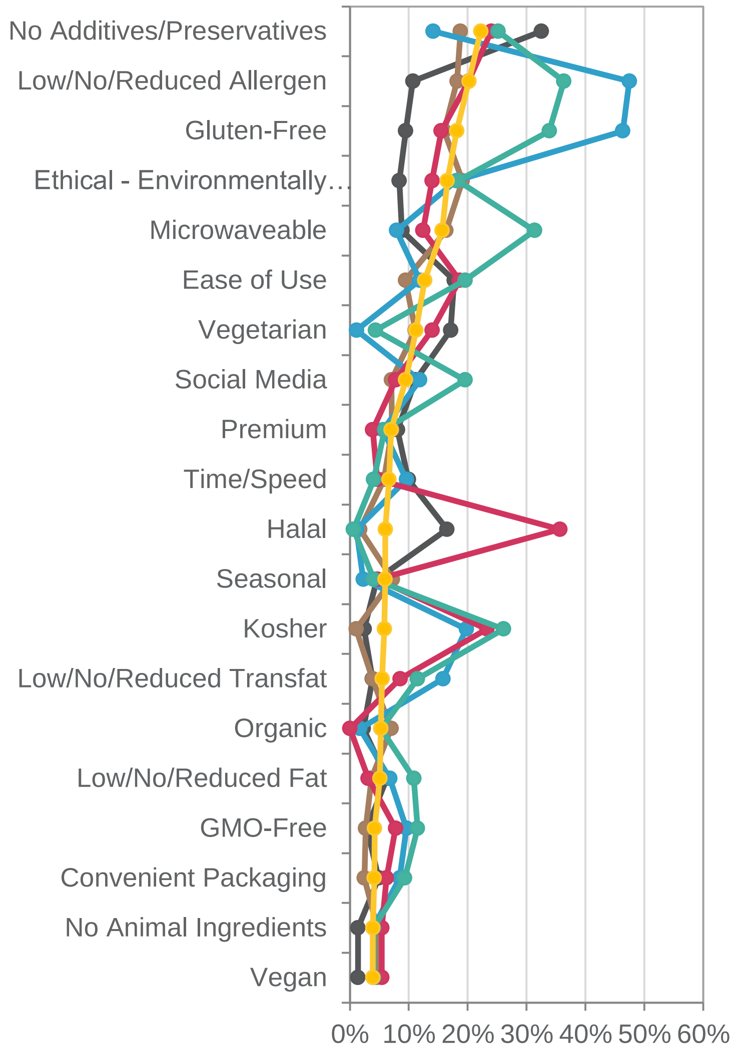
Claims are differentiated across regions with Latin America and North America more likely to use health orientated claims.

Flexible packaging is the most common format used, particularly among Latin America and Asia Pacific regions.

Top Pack Formats



Top Claims



Innovative Launches:
L3M (December – February 2014/15)

Idaho Spuds Creamy Ranch Mashed Potatoes (USA)

Idaho Spuds Creamy Ranch Mashed Potatoes are now available. These kosher certified 100% real Idaho potatoes are crafted with a tangy blend of real cream, herbs and spices, are gluten-free, contain no partially hydrogenated fats, and just need the addition of water.

Claims:
Low/No/Reduced Allergen, Kosher, Microwaveable, Ease of Use, Gluten-Free, Low/No/Reduced Transfat

Booths Three Cheese Filled Potato Skins (UK)

Booths Three Cheese Filled Potato Skins are described as baked potato shells stuffed with melting Wensleydale, stringy mozzarella and red British cheddar, with red onion and a hint of parsley.

Claims:
Ease of Use, Vegetarian

Rispo I Caldi Surgelati Small Potato Croquettes with Mozzarella (Italy)

Rispo I Caldi Surgelati Passione Pronta Crocchè di Patate Mignon con Mozzarella (Small Potato Croquettes with Mozzarella Cheese) have been repackaged in a smaller pack. The microwaveable product has been pre-cooked in vegetable oil, can be oven baked in five minutes and retails in a 250g pack.

Claims:
Ease of Use, Microwaveable

Greenmax Fiber Cup Soup Healthy Fiber Potato Soup (Taiwan)

Greenmax Fiber Cup Soup Healthy Fibre Potato Soup is added with oat fibre, and is said to feature a rich and aromatic taste. This instant soup is halal certified, and is retailed in a 75g pack containing three 25g units.

Claims:
Halal, High/Added Fiber, Time/Speed

Source: Mintel (2015)

Innovative Launches:
L3M (December – February 2014/15)

Kerry Low Low Chicken Hotpot (UK)

Kerry Low Low Chicken Hotpot is described as chicken breast pieces in gravy with carrot, onion, swede and leeks, topped with sautéed potatoes. The microwavable product contains 208 calories and 4.2g fat per pack.

Claims:
No Additives/Preservatives, Ethical - Environmentally Friendly Package, Microwaveable

Bofrost Sophisticated Rutabaga Vegetables (Germany)

Bikano Rasmol Sweet and Savoury Snack Assortment is now available in a newly designed 1.01kg recyclable pack that features the Facebook logo. The vegetarian product comprises of: Bikano Rasogolla cottage cheese balls dipped in sugar syrup; Bikano Milk Soan Papdi a ready to eat soft and sweet floss.

Claims:
Microwaveable

Asda Smart Price Sausage & Mash (UK)

Asda Smart Price Sausage & Mash has been repackaged in a newly designed partly recyclable 300g pack. The microwaveable pork sausages in onion gravy served with mashed potato are free from artificial colours, flavours and hydrogenated fat.

Claims:
No Additives/Preservatives, Low/No/Reduced Transfat, Ethical - Environmentally Friendly Package, Economy, Microwaveable

Hopf Saxony Style Potato Salad (Germany)

Hopf Kartoffelsalat Sächsische Art (Saxony Style Potato Salad) has been repackaged. The product contains roasted meat pieces and chives, and is free from preservatives. It retails in a 400g pack.

Claims:
No Additives/Preservatives

Innovative Launches:
L3M (December – February 2014/15)

Giant Eagle Gnocchi Four Cheese (USA)

Giant Eagle Gnocchi Four Cheese is an Italian potato gnocchi with a creamy and tasty cheese sauce. The authentic Italian product can be prepared in nine minutes, and is microwavable. It retails in a 13.75-oz. pack.

Claims:
Microwaveable

Sar Kaung Cookie Potato Flavour Cookies (Myanmar)

Sar Kaung Cookie Potato Flavor Cookies are now available. This halal certified product contains no preservatives and no added colour, and retails in a 250g pack containing 16 x 20g sachets.

Claims:
Halal, No Additives/Preservatives

Hula Hoops Puft Cheese Flavour Wheat & Potato Rings (UK)

Hula Hoops Puft Cheese Flavour Wheat & Potato Rings comprise light and crispy puffed hoops that contain 71 calories per bag. This vegetarian product contains no artificial flavours, colours or MSG and are cooked with 100% sunflower oil. It retails in a pack, containing six 15g packs.

Claims:
No Additives/Preservatives, Vegetarian

Too Good To Be Gluten Free NO.G Treacle Tart (UK)

Too Good To Be Gluten Free NO.G Treacle Tart comprises gluten free sweet shortcrust pastry with a golden syrup and breadcrumbs filling. This ready-to-eat and vegetarian product is made using premium ingredients, and contains no artificial colours, flavourings or hydrogenated fat. This tart retails in a 115g pack featuring a Twitter and Facebook link.

Claims:
No Additives/Preservatives, Low/No/Reduced Allergen, Social Media, Ease of Use, Gluten-Free, Low/No/Reduced Transfat, Vegetarian, Premium

Source: Mintel (2015)

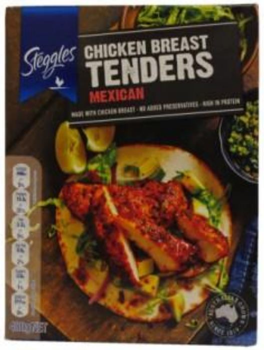
Innovative Australian Launches:

December – February 2014/15

Coles Simply Gluten Free Banana Bread Mix

McCain Hash Browns

Steggles Mexican Flavour Chicken Breast Tenders



Spice & Passion Beef Massaman

Casalare Premium Quinoa Pasta Elbows

Baby-O Organic Meals Organic Minted Lamb with VegetableS

Bika Yeko Original Potato Strips

Colonial Farm Vegetable Patties with Quinoa

Source: Mintel (2014)

Thanks.