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Australian food market trends & implications for Vegetable Growers

May 21

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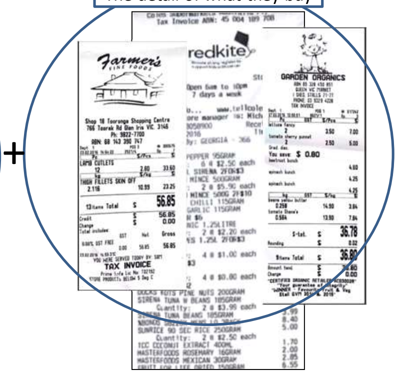
How we understand food consumers & inform clients

15,000 complete weeks of shopping

+

The detail of what they buy



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Content

- Vegetable market settings
- The Covid shock
- The food market settings
- Changes in distribution channels
- Where it all lands
- Implications for Vegetable Growers

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Vegetable Market Settings

- Production systems have intensified, delivered new efficiencies and served to extend seasonal windows.
- Higher more focussed investment in plant genetics material, with a finer understanding of the attributes that create value.
- Tightening of PBR rights has seen better products morphed into branded items and in doing so has stepped some categories away from commodity conditions.
- Fresh vegetables remain the key competitor for fresh vegetables.
- Frozen quality is improving and easily understood by consumers.
- Portion size, meal readiness, which are the essence of convenience are core drivers.
- Varied production conditions revert to trading commodities.
- Most value is being generated with aspects of convenience.

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Eating more plant-protein

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Most advanced in the Tomato Category

Type	Examples
Field-Gourmet	
Large Truss	
Grape	
Cherry	
Roma	
Mini Roma	

Eating quality

Portion size

Brand

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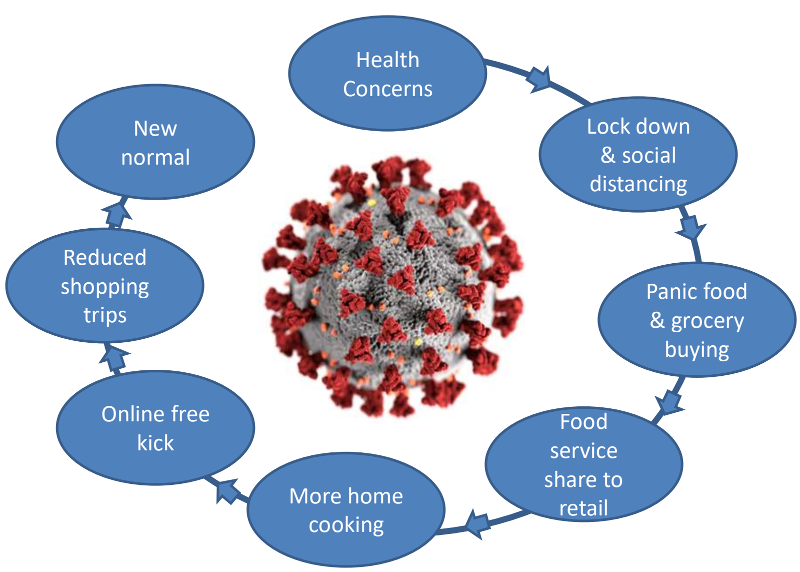
The Covid Shock



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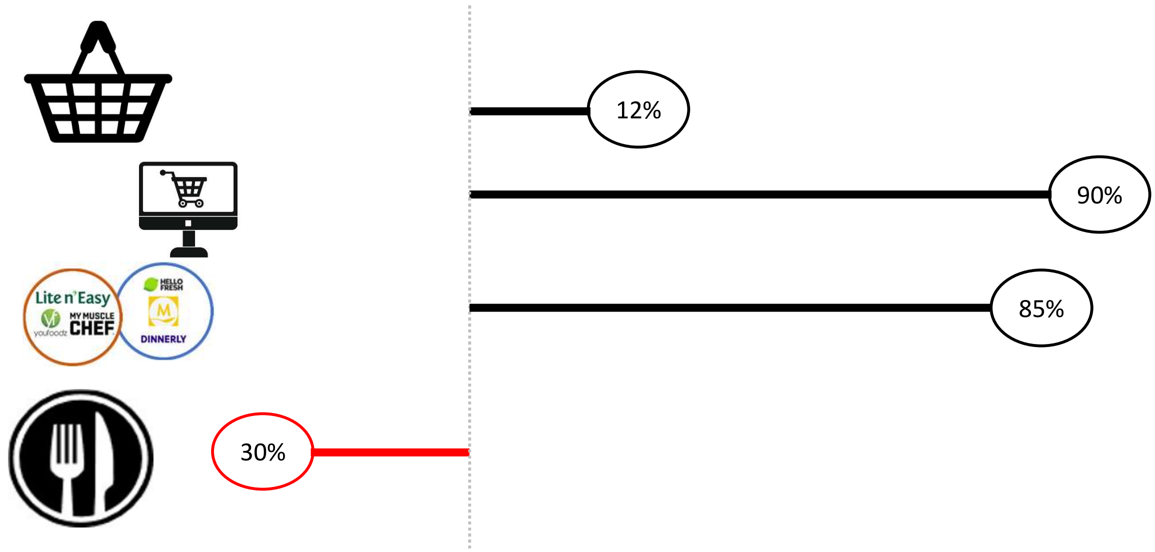
Distribution Channel Impacts for 2020 in $ value



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Demand for convenience is locked in

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Technology has reshaped retailing

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Value discerning consumers

Intolerant of poor value

Wider sphere of value to satisfy

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Provenance – where does my food come from

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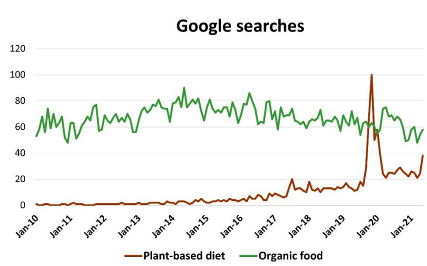
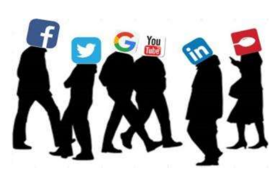
New influence pathways





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Food service pressures

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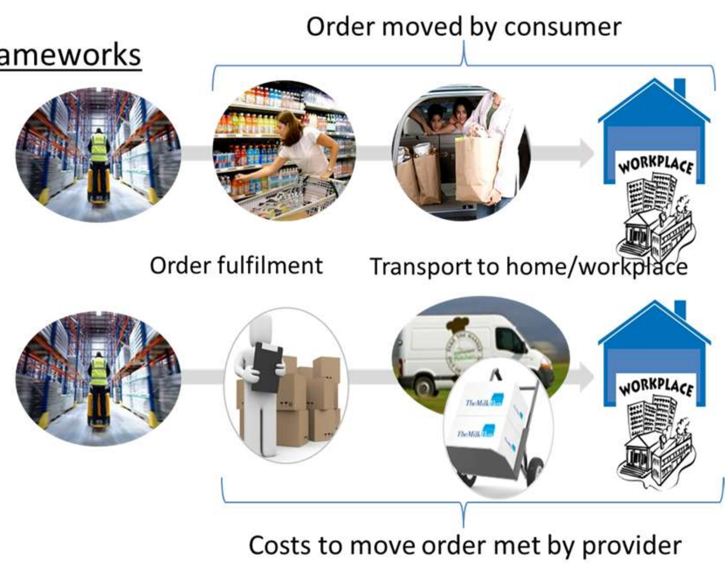
Alternative Channels

<u>Business model frameworks</u>

Supermarkets

Alternative channels



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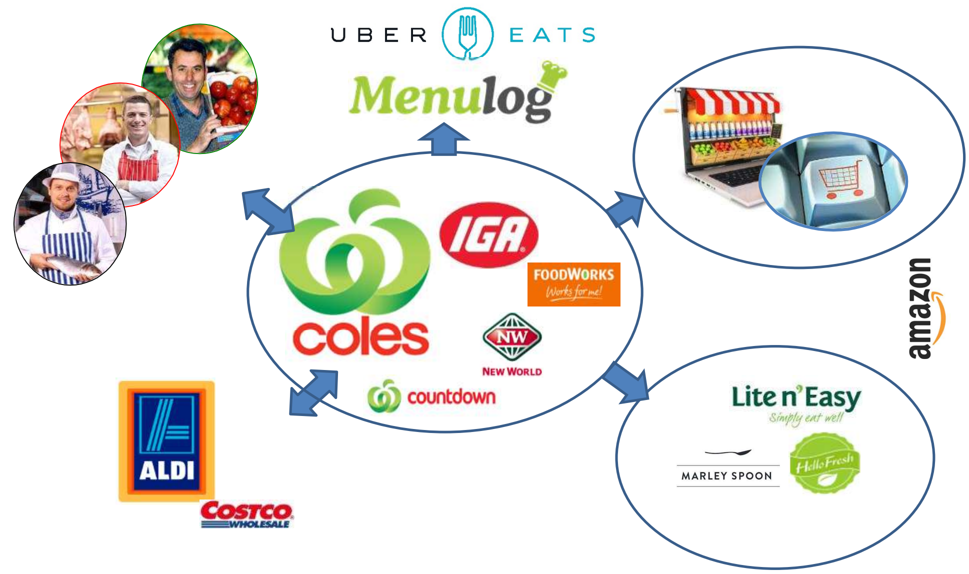
Pressure on the centre of food retail



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Implications for Vegetable Growers

- ➔ **Consumers are seeking value, want to know more about their food and show a willingness to pay for convenience & provenance.**
- ➔ **Product eating quality remains the entry ticket, fruit portability & fresh credentials are valued.**
- ➔ **More food distribution options are gathering momentum & will bring pressure to existing retail stakeholders.**
- ➔ **Export market growth will have some influence investments for the Australian vegetable growers, but domestic market performance dominates.**
- ➔ **Understand & harness technology is required as it is resetting influence pathways**
- ➔ **Be a contributor to business discussion about growth**

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More questions than answers?

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