



LETTUCE COMPREHENSIVE REVIEW



52 weeks to 15.06.2019 vs Prior Years

What is Homescan?

Nielsen Homescan® is a continuous panel of 10,000 households who record all take-home packed and fresh grocery from all retail outlets. The sample is demographically and geographically representative of the Australian household population.

Each household is equipped with a small handheld terminal through which details of all purchasing are entered - product, quantity, price and outlet. This information, along with the date of purchase, is linked with demographic details of the household and the household purchasing history. Data are projected for the population as a whole.

Estimates produced from Nielsen Homescan® are subject to sampling variation which means that every number reported has a standard error associated with it. For example at a Total National level, a 40% share of trade number, will be subject to a 1% standard error at a 95% confidence interval. This implies there is a 95% chance that the true value of the estimate lies between 39 to 41%.

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Funding Statement



This project has been funded by Hort Innovation, using the vegetable, onion and sweet potato research and development levies, and contributions from the Australian Government. Hort Innovation is the grower-owned, not-for-profit research and development corporation for Australian horticulture.

SUMMARY

- Over the past 52 weeks lettuce declined in volume (kg) sales (-3.7%), while dollar \$ sales for lettuce remained relatively stable (+1.7%) indicating higher average prices over the year.
- Both total vegetables and lettuce saw a decline across all consumer metrics, excluding average consumer spend over the latest 52 weeks.
- Across retailers major supermarkets made up three quarters of all lettuce sales, and also led dollar \$ sales growth (+4.6%) whilst volume (kg) sales remained relatively stable (-1.8%).
- Lettuce saw some volume decline from buying households stopping their purchase of lettuce altogether or switching some of their purchases into other vegetables. However the majority of the volume decline was due to continued buyers reducing their purchases of lettuce.
- Pre-packed head lettuce grew its share of total lettuce in major supermarkets.
 - Partially by introducing new buyers to lettuce as well as attracting loose lettuce buying households to shift some of their purchases into pre-packed. However most of the growth came from continued pre-packed head lettuce buyers increasing their purchases in the latest 52 weeks.

*Major Supermarkets comprise of Woolworths, Coles & Aldi

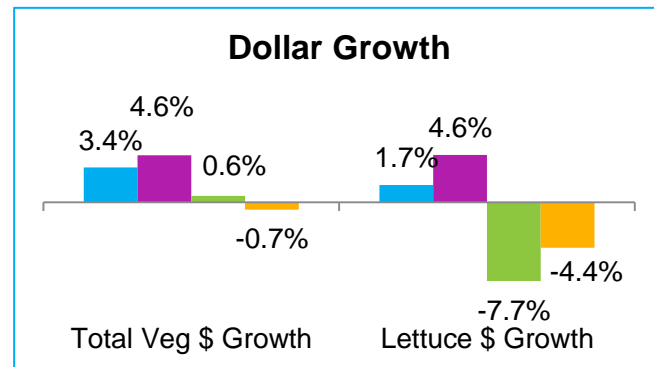
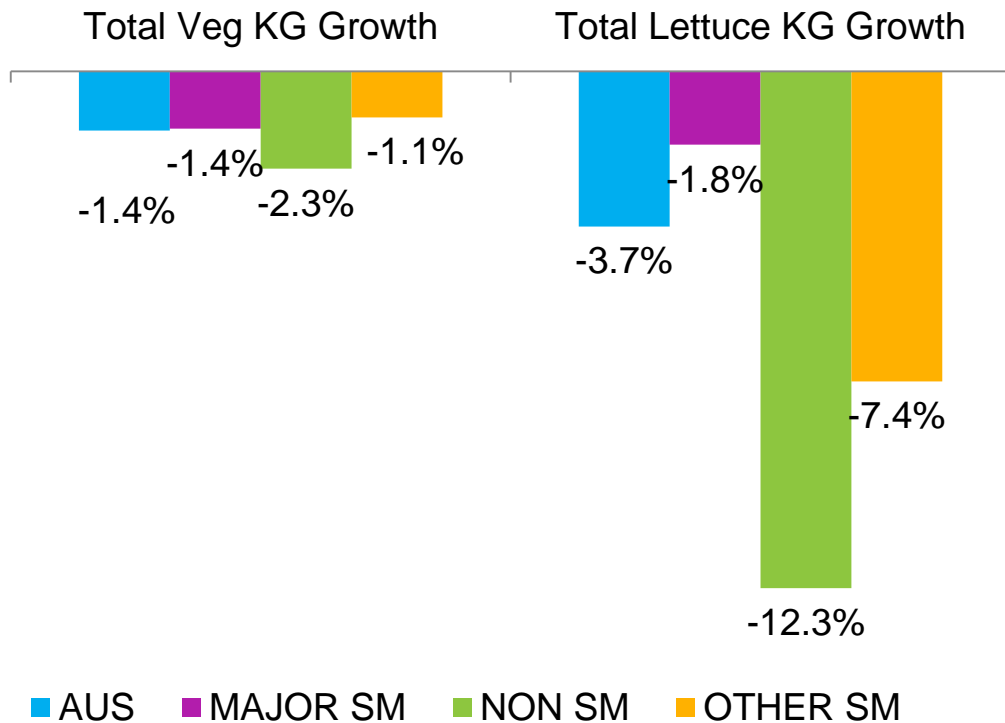
Lettuce is defined as loose head lettuce or pre-packed head lettuce such as the two packs of cos lettuce or the sleeved packaged fancy lettuce. Head lettuce differs from fresh salad which is comprised of pre-bagged lettuce leaves and pre-made salad mixes.

LETTUCE

LETTUCE VOLUME DECLINED ACROSS ALL RETAILERS DRIVEN BY NON-SUPERMARKETS

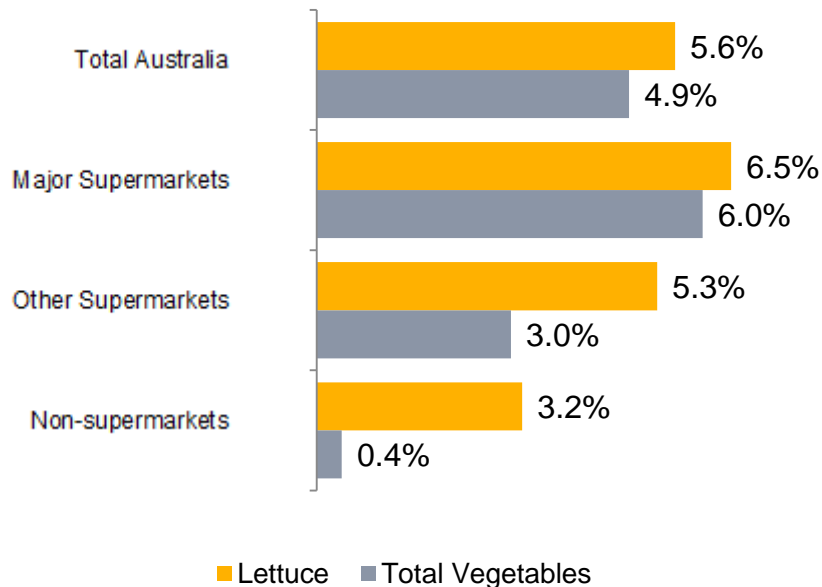
Dollar sales grew for lettuce in major supermarkets

Total Veg & Lettuce | Dollar Sales and Volume (kg) % change | 52 weeks to 15.06.2019 vs Prior Year



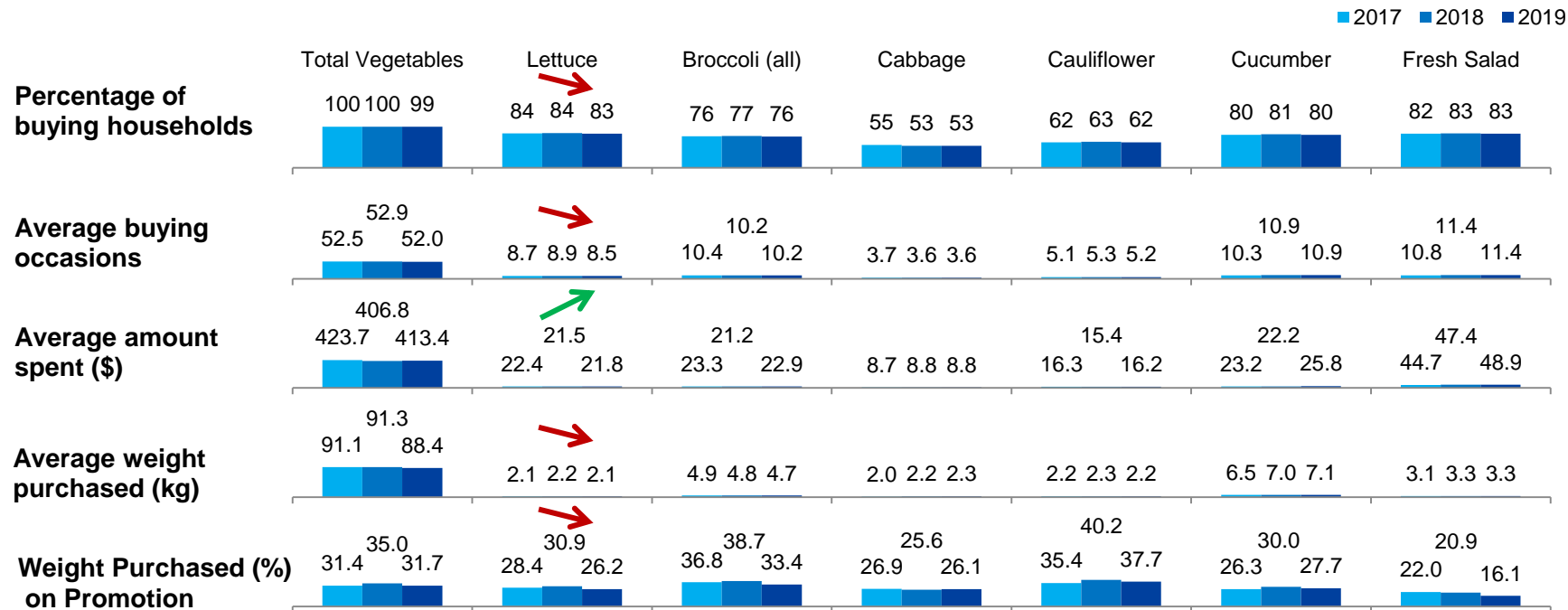
LETTUCE AVERAGE PRICE GREW FASTER THAN TOTAL VEGETABLES ACROSS ALL RETAILERS

Lettuce | Average price change | 52 weeks to 15.06.2019 vs Prior Year



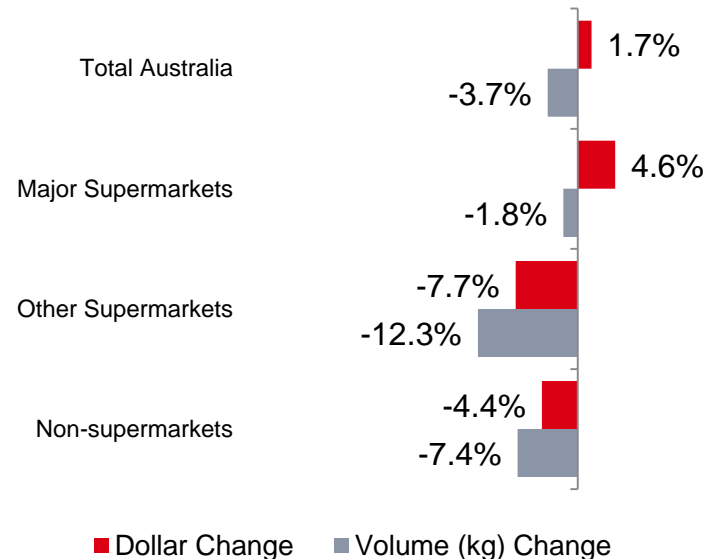
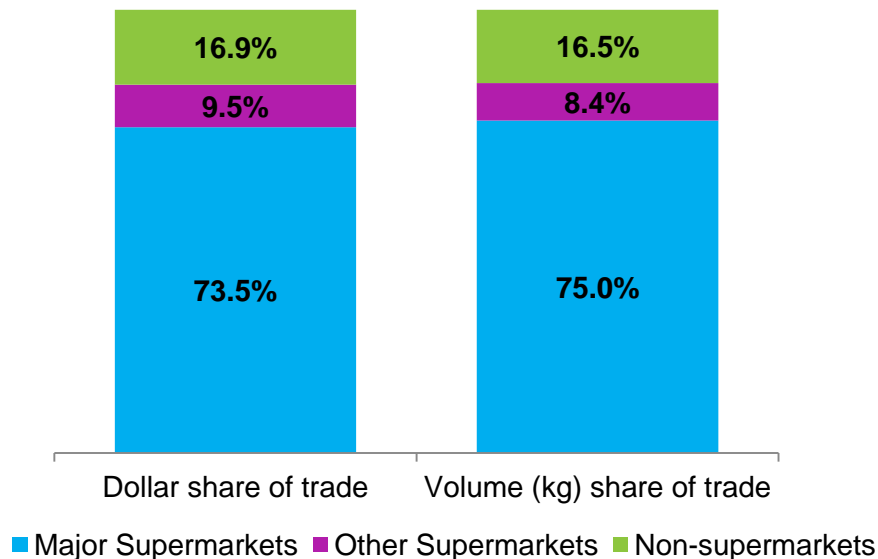
MUCH LIKE TOTAL VEGETABLES LETTUCE SAW A DECLINE ACROSS ALL CONSUMER METRICS EXCLUDING AVERAGE SPEND OVER THE LATEST 52 WEEKS

Lettuce | Key Performance Indicators | Total Australia | 52 weeks to 15.06.2019 vs Prior Years



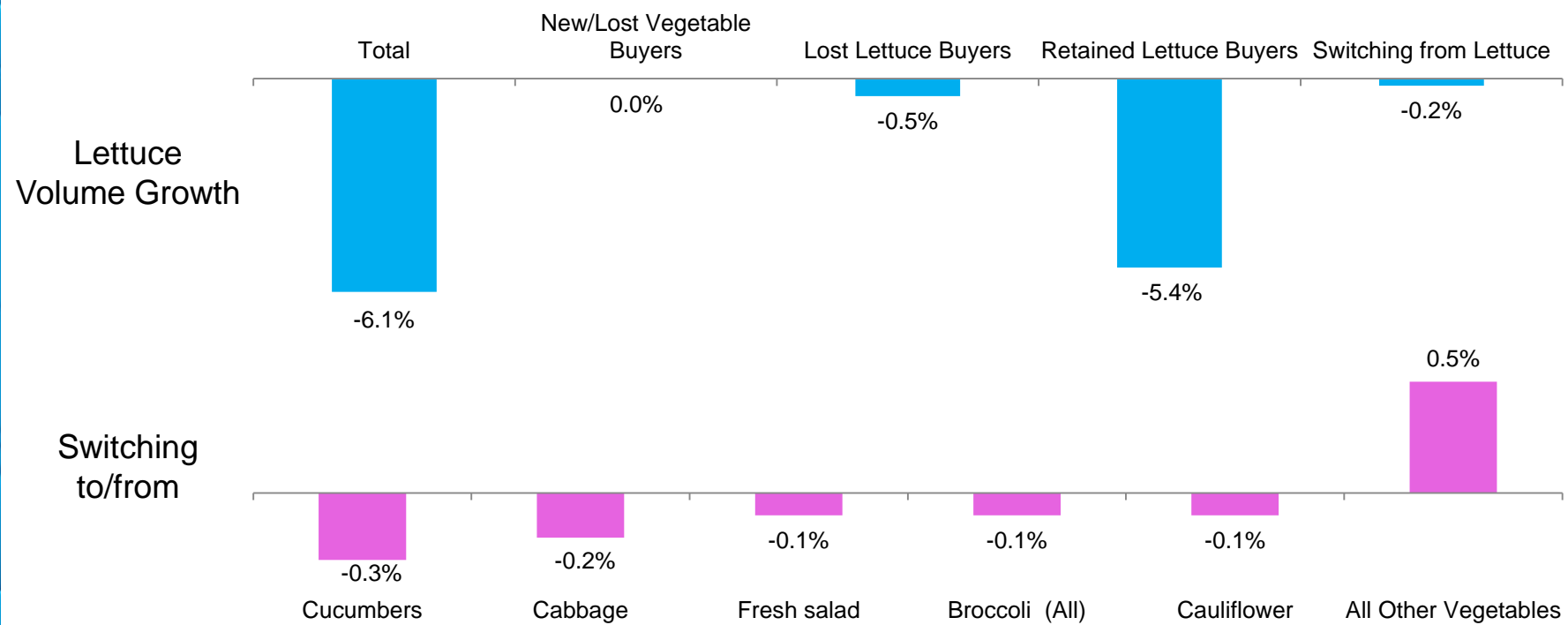
MAJOR SUPERMARKETS REPRESENTED A SLIGHTLY SMALLER PORTION OF DOLLAR SALES THAN VOLUME SALES, INDICATING LOWER PRICES COMPARED TO OTHER RETAILERS

Lettuce | Retailer Share of Trade and Change | 52 weeks to 15.06.2019 vs Prior Year



LETTUCE SAW SOME DECLINE DUE TO SWITCHING AND LOST BUYERS, BUT MAJORITY OF DECLINE WAS DUE TO BUYERS REDUCING THEIR PURCHASES OF LETTUCE

Lettuce | Source of Volume | Total Australia | 52 weeks to 15.06.2019 vs Prior Year

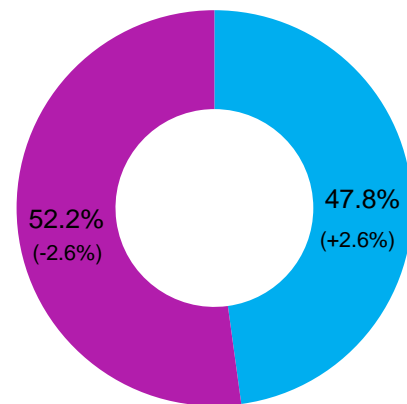


Source: Nielsen Homescan | Note: 104 week panel file used

GROWTH IN TOTAL LETTUCE DRIVEN BY PERFORMANCE OF PRE-PACKED HEAD LETTUCE, WHICH INCREASED ITS SHARE OF TOTAL LETTUCE DOLLAR SALES

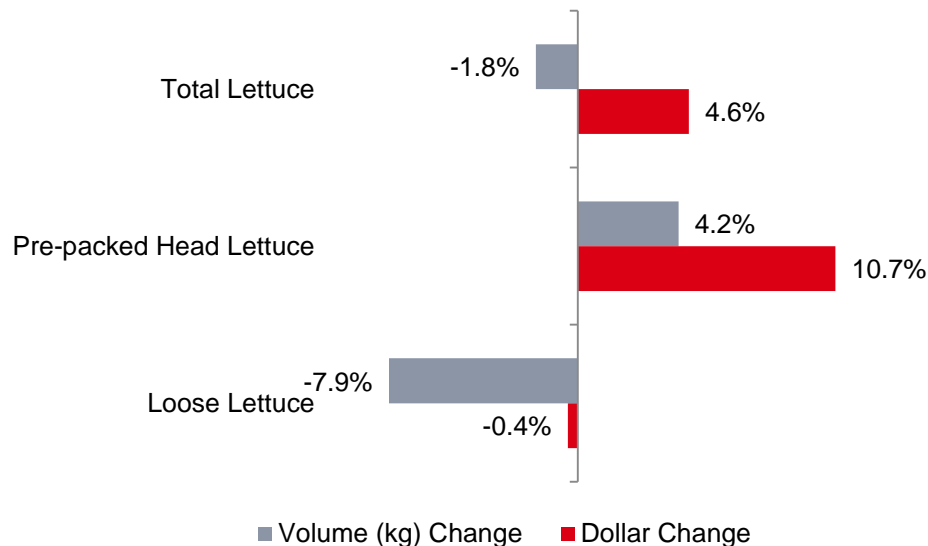
Lettuce | Sales Share & Change | Major Supermarkets | 52 weeks to 15.06.2019 vs Prior Year

Pre-packed Head vs Loose Lettuce Dollar Share



■ Pre-packed Head Lettuce ■ Loose Lettuce

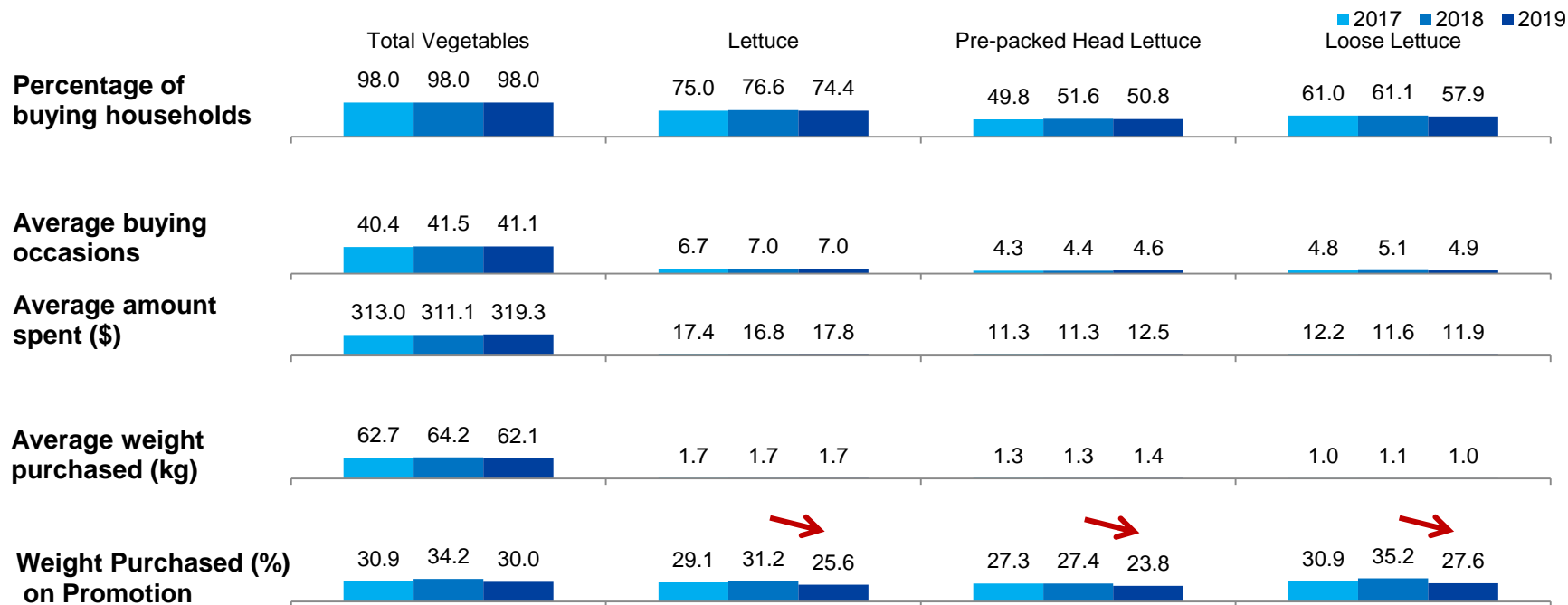
Pre-packed Head vs Loose Lettuce Growth



IN MAJOR SUPERMARKETS BOTH PRE-PACKED & LOOSE LETTUCE SAW DECLINE IN WEIGHT PURCHASED ON PROMOTION



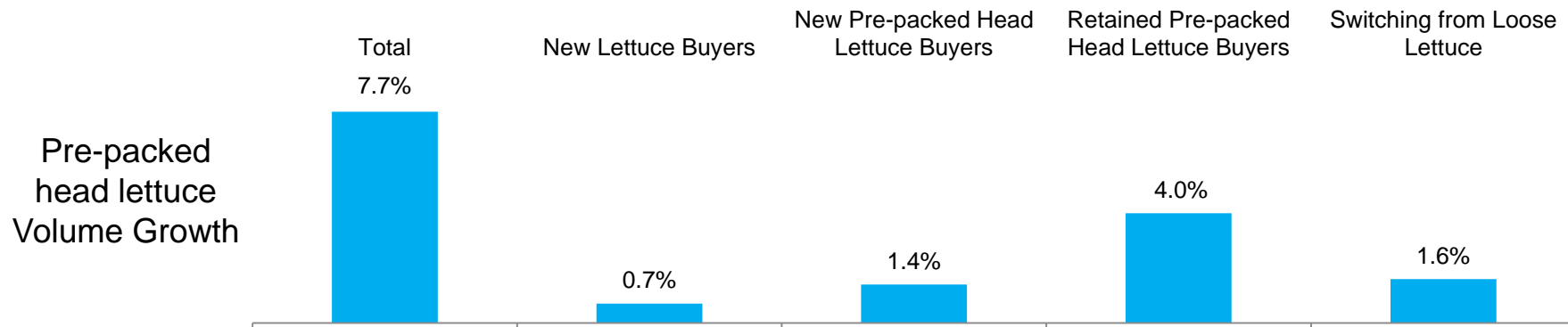
Lettuce | Key Performance Indicators | Major Supermarkets | 52 weeks to 15.06.2019 vs Prior Years



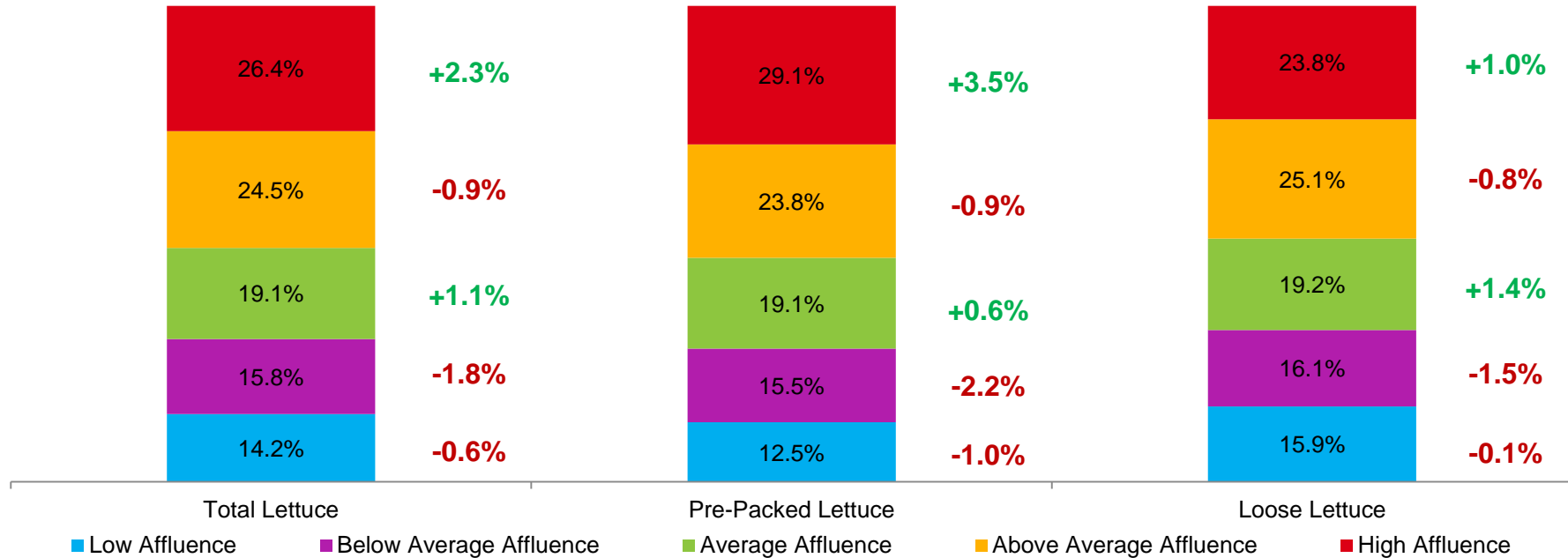
Source: Nielsen Homescan: Major Supermarkets are Woolworths, Coles & ALDI

PRE-PACKED HEAD LETTUCE GROWTH WAS DRIVEN BY CONTINUED SHOPPERS INCREASING THEIR PURCHASES, HOWEVER SOME GROWTH DUE TO SWITCHING FROM LOOSE LETTUCE

Pre-packed head lettuce | Source of Volume | Major Supermarkets | 52 weeks to 15.06.2019 vs Prior Year



Lettuce | Demographic share of \$ Sales | Major Supermarkets | 52 weeks to 15.06.2019 vs Prior Years





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