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CAULIFLOWER COMPREHENSIVE REVIEW

HARVEST TO HOME

Hort Innovation

52 weeks to 28.12.2019 vs Prior Year

ANALYSIS PARAMETERS

Time Period

52 weeks to 28/12/2019

Data Source

Nielsen Homescan™

Markets

Total AUS, Major Supermarkets (Coles, Woolworths and Aldi), Other Supermarkets, Non Supermarkets (Greengrocers and Markets)

Measures

Value ($), Volume (KG)

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 either a small handheld terminal or an app on their mobile phone 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 to represent take-home purchases of the Australian household population.

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

Hort Innovation

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.

DEMOGRAPHIC DEFINITION

LIFESTAGE

SENIOR COUPLES | 2 or more adults 60+
(19% of population)

ESTABLISHED COUPLES | 2 or more adults 35-59
(22% of population)

INDEPENDENT SINGLES | 1 adult >35 with no children
(21% of population)

YOUNG TRANSITIONALS | Adults <35 with no children
(8% of population)

BUSTLING FAMILIES | Oldest Child 12-17
(14% of population)

SMALL SCALE FAMILIES | Oldest Child 6-12
(10% of population)

START UP FAMILIES | Oldest Child <6
(6% of population)

LIFESTAGE

OCEANIA | Country of birth of the head of the household born includes; Australia, Fiji, New Caledonia, New Zealand, Papua New Guinea, Samoa, Tonga
(79% of population)

EUROPEAN / AMERICANS | Country of birth of the head of the household born includes; England, Canada, Germany, Scotland, United Kingdom, United States of America
(12% of population)

ALL OTHER ETHNICITIES | Country of birth of the head of the household born includes; Afghanistan, Bangladesh, China, Egypt, Hong Kong, India, Indonesia, Iran, Japan, Korea, Lebanon, Macau, Malaysia, Pakistan, Philippines, Singapore, South Africa, Sri Lanka, Taiwan, Thailand, Turkey, Vietnam
(9% of population)

GLOSSARY

- Dollar Sales ($) / Volume (kg) % Change - The percentage change in dollar/kg sales compared to the previous time period.
- Average Price Change - The percentage change in average dollar per kg sales comparing the latest & previous time period.
- Percentage of buying households – The proportion of households purchasing a product in the specified period expressed as a percentage of all households.
- Average amount spent ($) / Average volume purchased(kg) – The average kg/dollar of a product bought across all buyers of that product in the specified period.
- Average buying occasions – The average no. of times each buyer purchases the specified product in a specified period. A product/date/shop combination, eg. a household purchasing 2 identical products on a shopping trip to Woolworths constitutes a single purchase occasion.
- Weight purchased (%) on promotion - Customer perception of what they have purchased on promotion and may differ from actual purchases on promotion. Represented as a percentage of sales of that product.
- Share of buyers / Dollar $ Share / volume kg Share - % of product buying households, dollar or volume contributed by households within each specified demographic or household group to the total product.

SUMMARY

- Cauliflower & total vegetables volume kg sales remained flat, whereas both grew in terms of dollar $ sales.
  - Flat volume kg sales seeing - 1.1 % change & dollar $ sales growing quickly with + 10.2 % for cauliflower and flat volume kg sales seeing + 1.4 % change & + 5.9 % dollar $ sales growth for total vegetables.
- Price increased in the latest 52 weeks compared to the prior year across all retailers for cauliflower, this led to an increase in the average spend per buying household on cauliflower while average volume purchased was consistent with prior year.
- The price increase was noted by consumers, given the increase in the number who claimed that they “know the price” and “always notice when the price changes” coupled with the number of households who claimed they would only be willing to purchase cauliflower on a “reduced/special price” more then doubling between March & September.
- Greengrocers & Markets were able to achieve almost 27% of all cauliflower volume kg sales, however Major Supermarkets made up over 60% of both dollar $ & volume kg sales.
- Other Ethnicity homes had a larger percentage of buying households compared to the national average, however these homes made fewer purchasing trips for cauliflower and spent less on average throughout the year.
  - If Other Ethnicity homes increased their average spend on cauliflower throughout the year in line with the national average there would be an opportunity of $ 1.5 M for cauliflower.

Source: Nielsen Homescan | Major Supermarkets comprise of Woolworths, Coles & Aldi, Household Ethnicity refers to the country of birth of the head of the household, please see the Demographic Definitions for more information; All Other Ethnicities Include: South East, North East, Southern & Central Asia

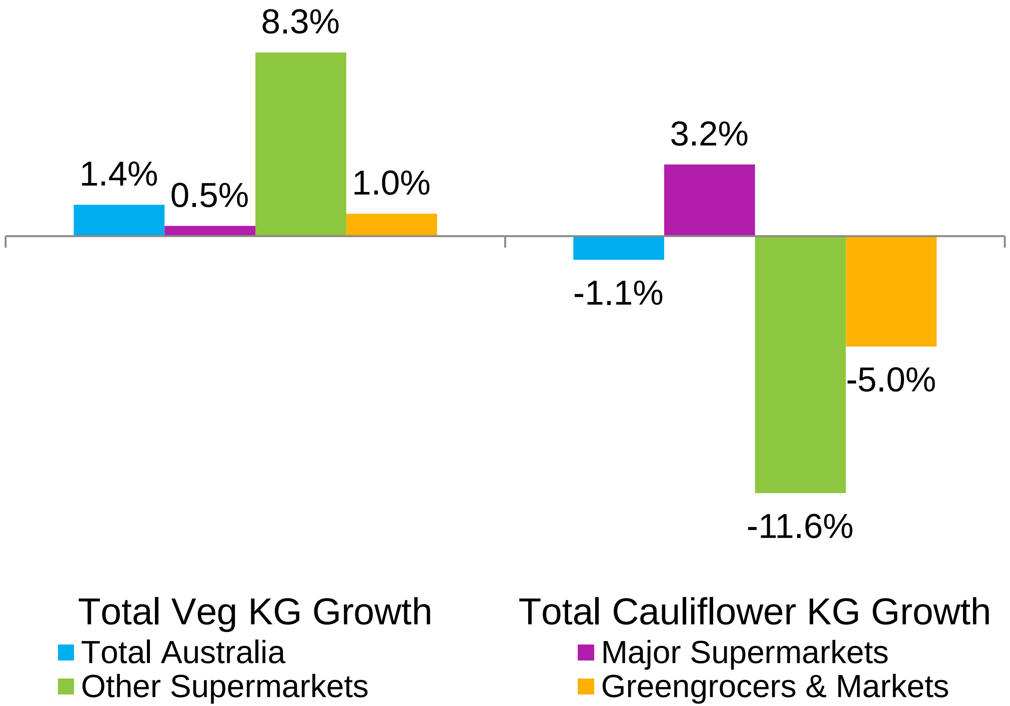
CAULIFLOWER

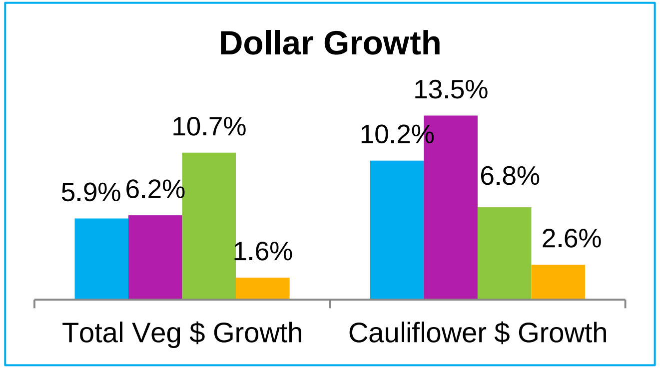
CAULIFLOWER VALUE SALES GREW AHEAD OF VOLUME IN ALL RETAILERS

This was consistent with the trend for total vegetables, excluding Greengrocers & Markets which were flat.

Total Vegetables & Cauliflower | Dollar $ Sales and Volume Kg % change | Total Australia

52 weeks to 28.12.2019 vs Prior Year



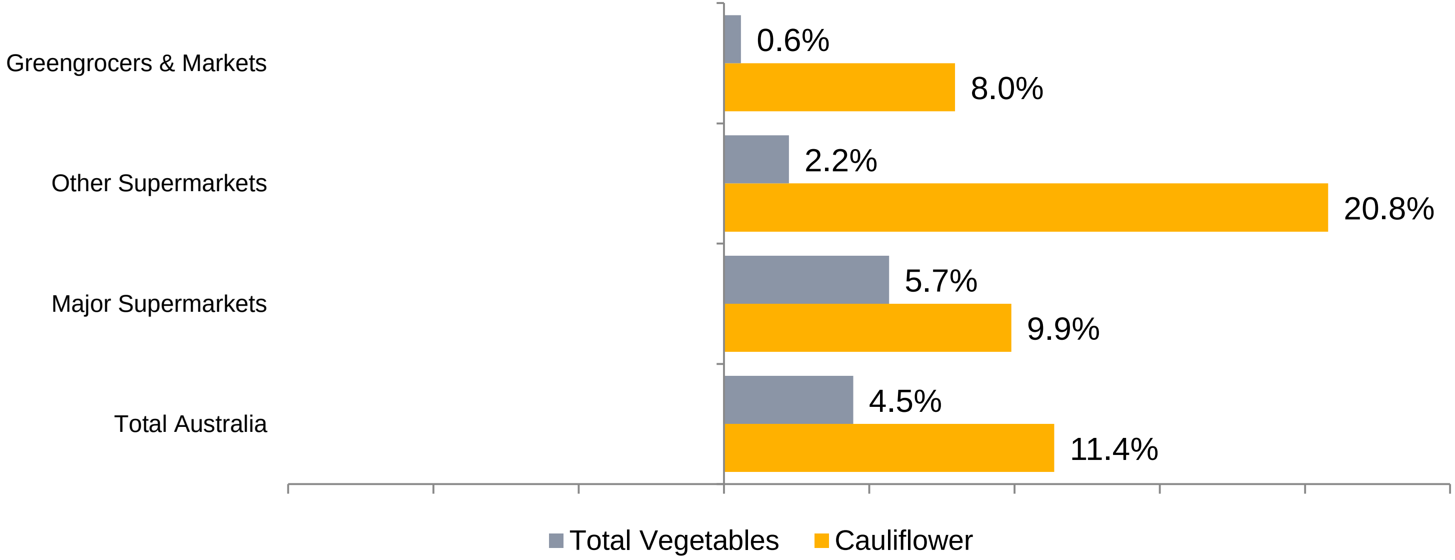


Source: Nielsen Homescan. Major Supermarkets are Woolworths, Coles & ALDI

BOTH TOTAL VEGETABLES & CAULIFLOWER SAW PRICES INCREASE ACROSS MOST RETAILERS IN THE LATEST 52 WEEKS COMPARED TO THE PRIOR YEAR

The only retailer which didn't see this price increase were Greengrocers & Markets for total vegetables

Cauliflower | Average Price Change | Total Australia | 52 weeks to 28.12.2019 vs Prior Year

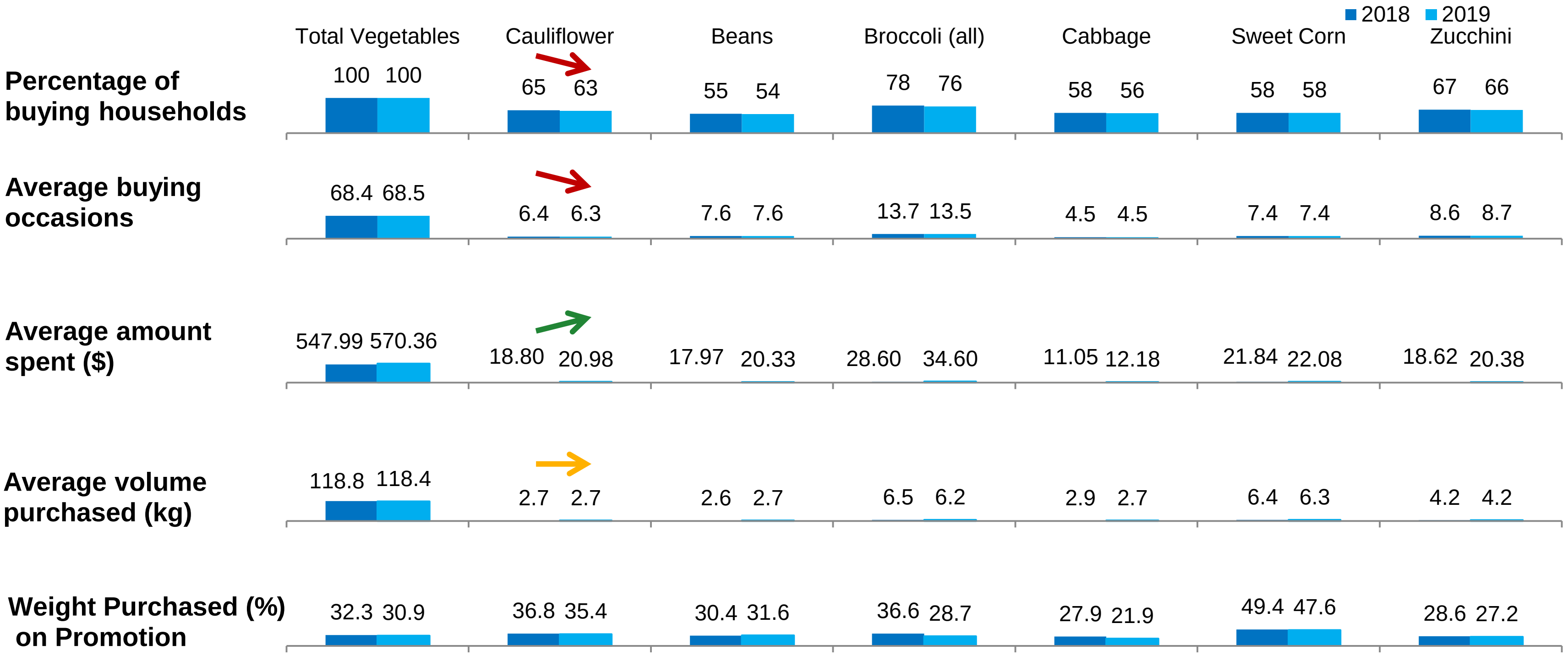


Source: Nielsen Homescan | Major Supermarkets comprise of Woolworths, Coles & Aldi

THE PRICE INCREASE LED TO AN INCREASE IN THE AVERAGE SPEND PER HOUSEHOLD WHILE VOLUME SALES WERE CONSISTENT VERSUS PRIOR YEAR

Additionally the number of households purchasing cauliflower and the number of buying trips they made both fell

Cauliflower | Key Performance Indicators | Total Australia | 52 weeks to 28.12.2019 vs Prior Year



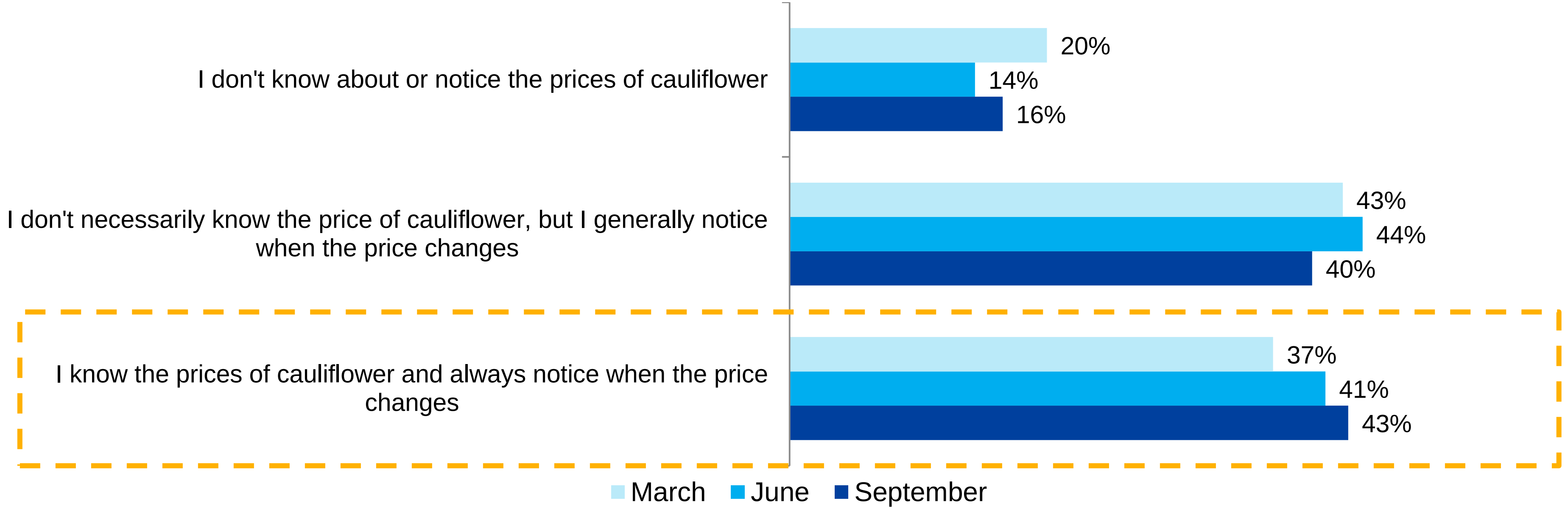
Source: Nielsen Homescan

THE NUMBER OF CONSUMERS WHO CLAIMED THAT THEY "KNOW THE PRICES" & "ALWAYS NOTICE WHEN THE PRICE CHANGES" GREW THROUGHOUT 2019

This may have been due to buying households taking note of the significant price increase in the latest 52 weeks compared to the year prior.

Cauliflower | 2019 Attitudinal Data

Price Awareness



Q36: Which of the following best describes how well you know the prices of Cauliflower?

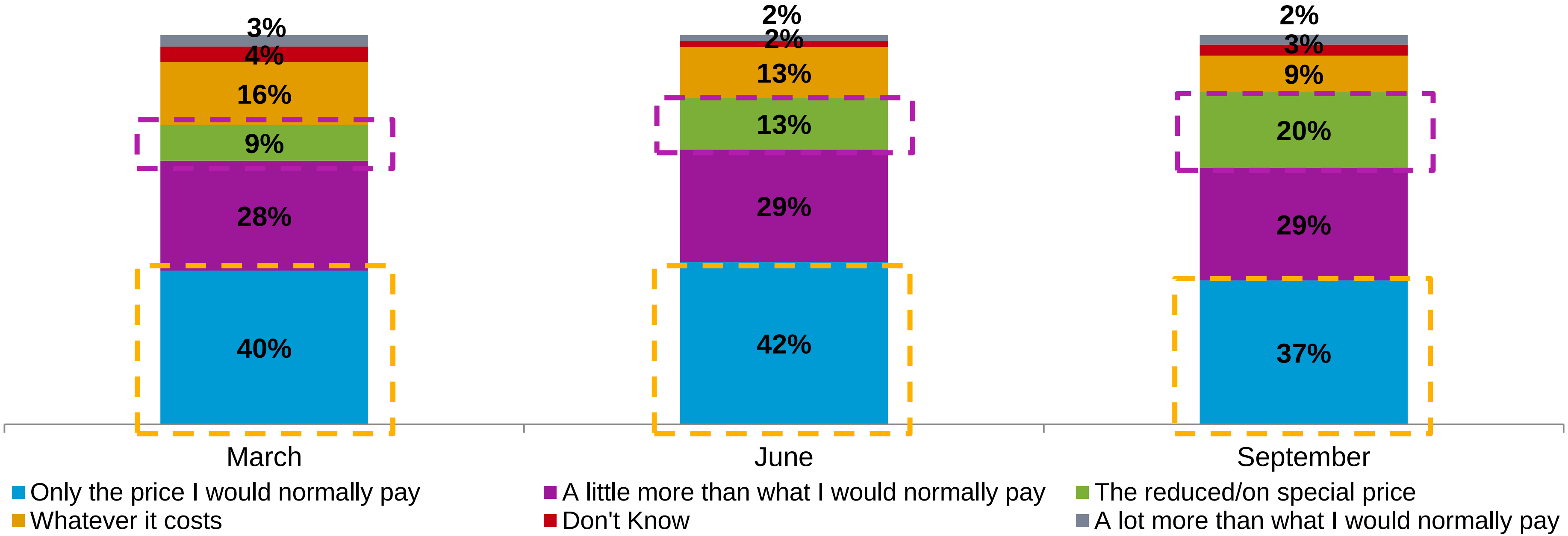
Source: Attitudinal reports prepared by Nielsen for Hort Innovation, survey sample n=300, fieldwork March from 28/02/2019 to 05/03/2019, June from 23/05/2019 to 28/05/2019, September from 15/08/2019 to 21/08/2019 for the Australian market. Copyright © 2018 Horticulture Innovation Australia.

THE AMOUNT OF CONSUMERS WHO CLAIMED THEY WOULD ONLY BE WILLING TO PAY A "REDUCED/ON SPECIAL PRICE" MORE THEN DOUBLED BETWEEN MARCH & SEPTEMBER 2019

Additionally the claimed willingness for consumers to pay even what they "would normally pay" fell throughout the year.

Cauliflower | 2019 Attitudinal Data

Willingness to Pay



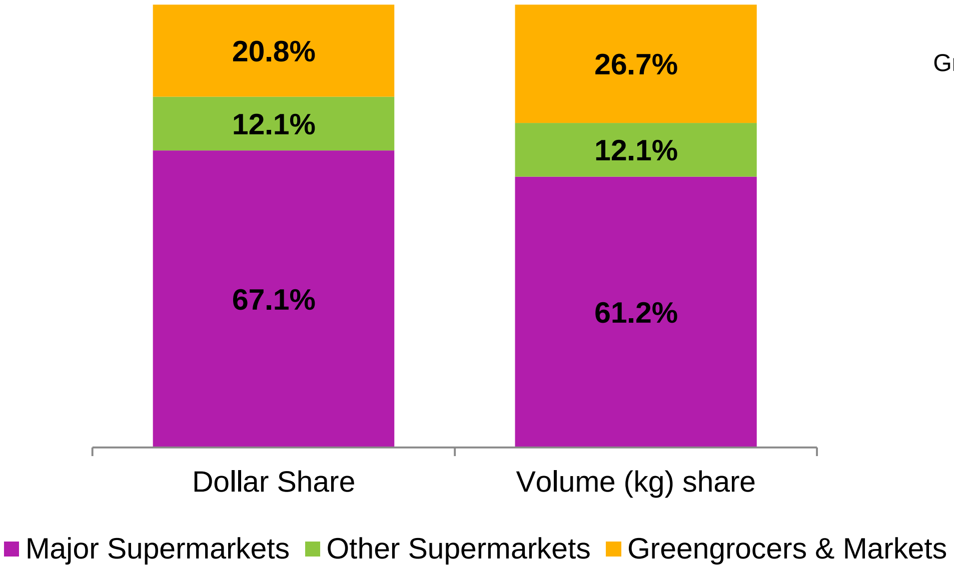
Q38: Which of these statements best describe how much you would be willing to pay for Cauliflower?

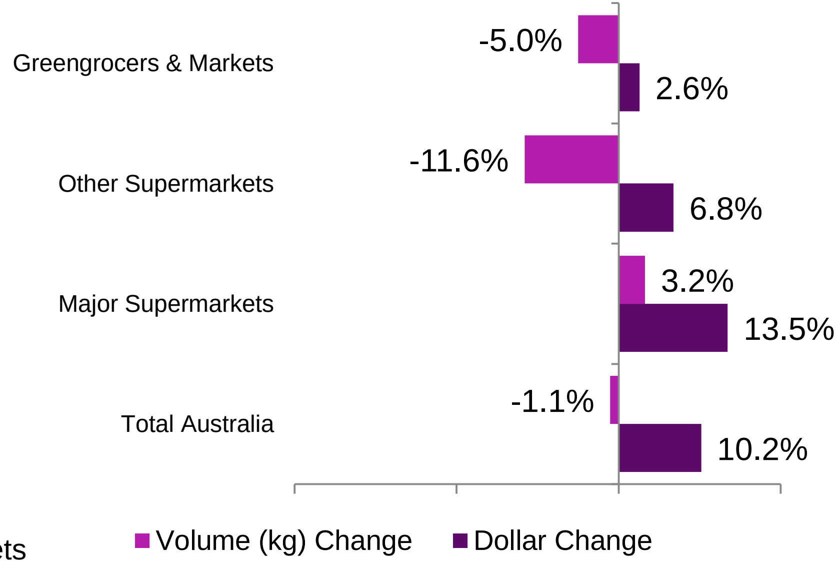
Source: Attitudinal reports prepared by Nielsen for Hort Innovation, survey sample n=300, fieldwork March from 28/02/2019 to 05/03/2019, June from 23/05/2019 to 28/05/2019, September from 15/08/2019 to 21/08/2019 for the Australian market. Copyright © 2018 Horticulture Innovation Australia.

GREENGROCERS & MARKETS LARGER SHARE OF VOLUME SALES COMPARED TO THEIR SHARE OF DOLLAR SALES INDICATE A LOWER AVERAGE PRICE PER KG IN THESE CHANNELS

While this has allowed them to achieve almost 27% of all volume sales for cauliflower, major supermarkets still maintain the largest share of dollar and volume sales by a significant margin

Cauliflower | Retailer Share of Sales & Change | 52 weeks to 28.12.2019 vs Prior Year





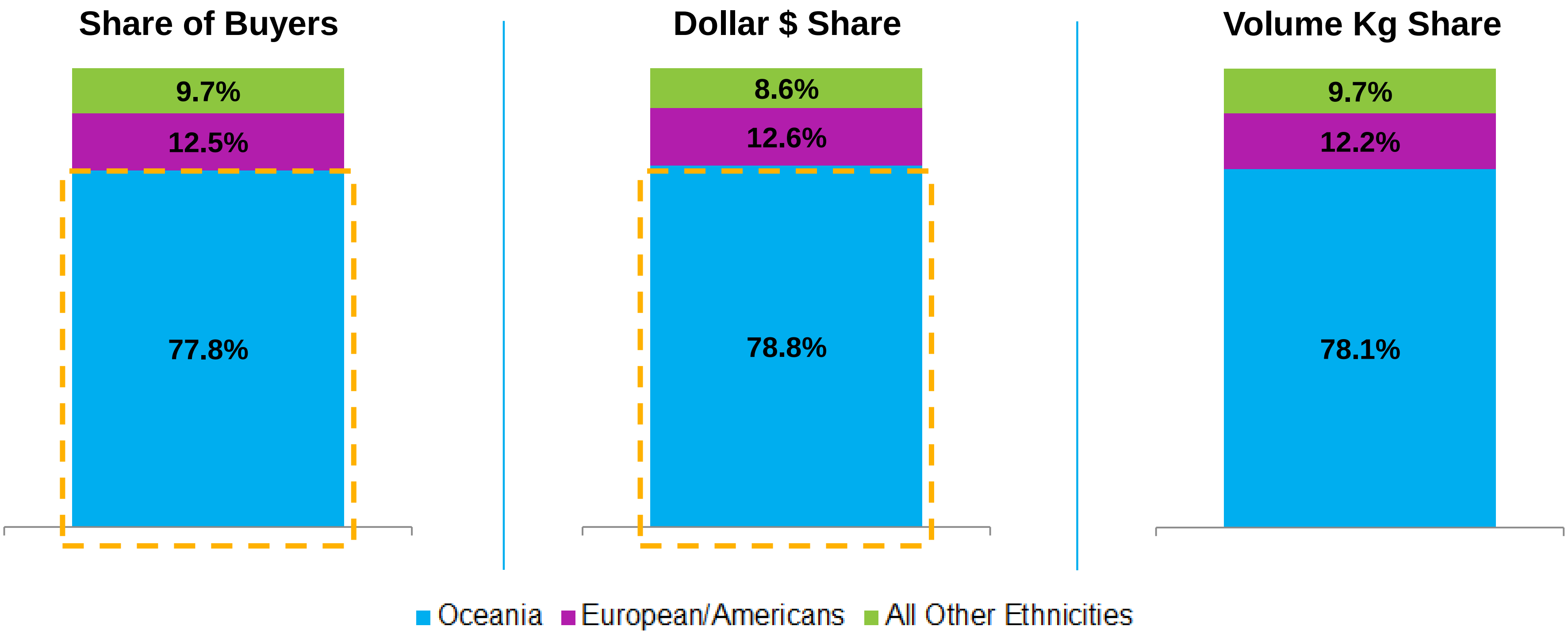
Source: Nielsen Homescan | Major Supermarkets comprise of Woolworths, Coles & Aldi

ETHNICITY IN CAULIFLOWER BUYERS

OCEANIC HOMES HAVE A LARGER SHARE OF DOLLAR $ SALES COMPARED TO THEIR SHARE OF BUYERS INDICATING THAT THEY SPENT AT HIGHER AMOUNTS PER HOUSEHOLD VERSUS OTHER ETHNICITIES

This trend is also present in a lesser extent among European / American homes.

Cauliflower | Ethnicity Share of Dollar $ & Volume Kg Sales | Total Australia | 52 weeks to 28.12.2019 vs Prior Year

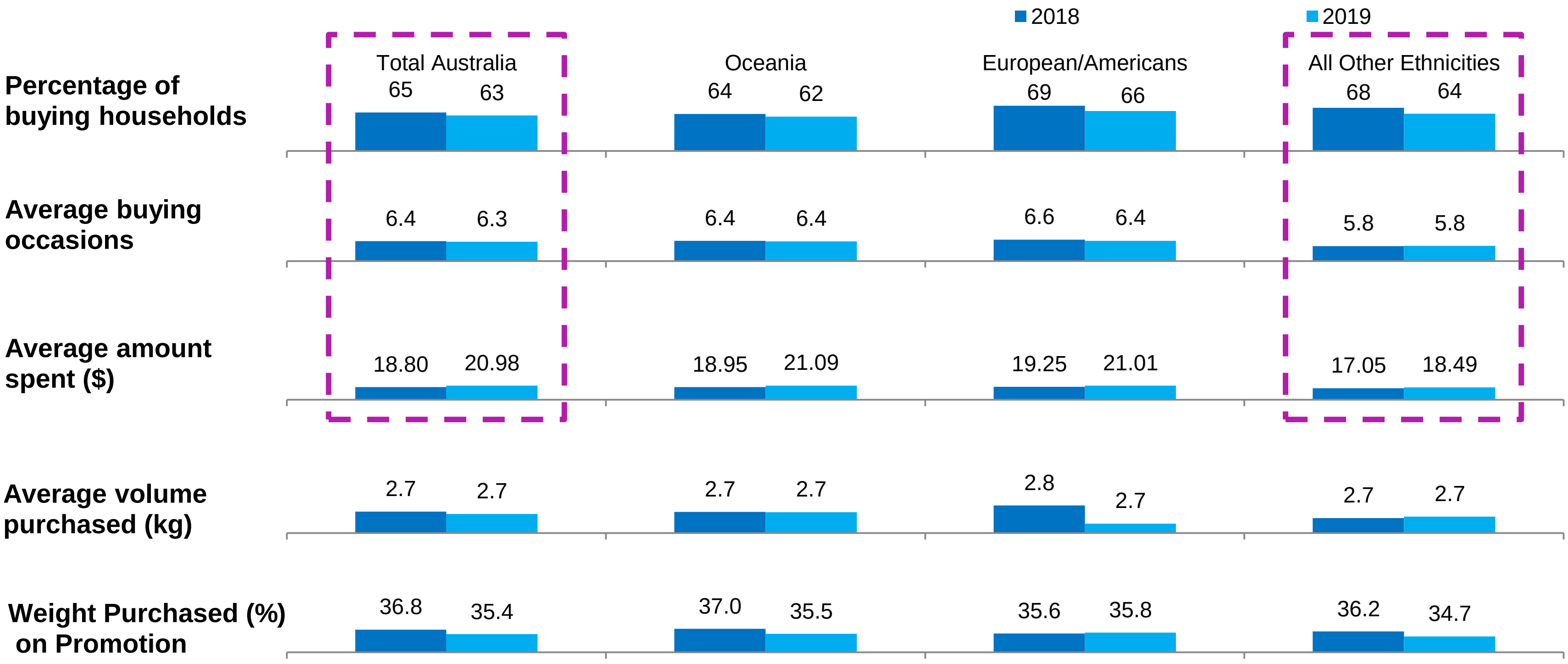


Source: Nielsen Homescan | Household Ethnicity refers to the country of birth of the head of the household, please see the Demographic Definitions for more information; All Other Ethnicities Include: South East, North East, Southern & Central Asia

OTHER ETHNICITY HOMES SPENT LESS THROUGHOUT THE YEAR OVER FEWER PURCHASING OCCASIONS FOR CAULIFLOWER COMPARED TO THE NATIONAL AVERAGE

They did however have a larger percentage of buying households buying cauliflower compared to the national average.

Cauliflower | Ethnicity Demographic Key Performance Indicators | Total Australia | 52 weeks to 28.12.2019



Source: Nielsen Homescan | Household Ethnicity refers to the country of birth of the head of the household, please see the Demographic Definitions for more information; All Other Ethnicities Include: South East, North East, Southern & Central Asia

$ 1.5 M OPPORTUNITY IF OTHER ETHNICITY HOMES INCREASED THE AVERAGE SPEND THROUGH THE YEAR TO THE SAME LEVEL AS THE NATIONAL AVERAGE

Majority of this opportunity is driven by the number of purchasing occasions, if these alone were to increase to the national average there would still be an opportunity of $ 945 K.

Cauliflower | Potential Opportunity | Total Australia | 52 weeks to 28.12.2019

Homes of All Other Ethnicities increase buying occasions to the level of the National Average	Homes of All Other Ethnicities increase average spend through the year in line with the National Average
+ $ 945 k	**+ $ 1.5 M**

Please note that this calculation assumes other consumer metrics consistent with results from latest 52 weeks to 28.12.2019.

Source: Nielsen Homescan, Household Ethnicity refers to the country of birth of the head of the household, please see the Demographic Definitions for more information; All Other Ethnicities Include: South East, North East, Southern & Central Asia