COVID-19 FRESH PRODUCE UPDATE JULY

Data to 12/07/2020

ANALYSIS PARAMETERS

Time Period

Data to 12/07/2020

Data Source

Nielsen Homescan™

Market

Total AUS, Major Supermarkets (Coles, Woolworths and Aldi), Other Supermarkets (Costco, Asian Grocers, IGA & other Independent 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%.

Use of this Report

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Funding Statement Hort Innovation

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SUMMARY

- In the last 4 weeks to 12/07/2020, total grocery sales stabilised and were 13.7% higher than the same time year ago. Bigger baskets continue as the new normal
- Produce volume growth was 3.7%; the net result of a 5.9% increase in vegetables and a 0.9% increase in fruit volume sales
- Since COVID there has been a significant move towards pre-packed fruit & vegetables in major supermarkets; perceived safety &/or convenience
- There was a change in the top vegetable growth composition, away from longer storage life veg towards broccoli, fresh salad and Asian veg
- Fruit volume sales lifted by bananas, grapes & oranges
- The trend towards shopping more online for fresh items continued with fresh produce growing 39% in dollar sales this month vs year ago
- While other supermarkets is still in an elevated position in the latest 4 weeks, majors have picked up share this month in produce from other supermarkets, greengrocers & markets

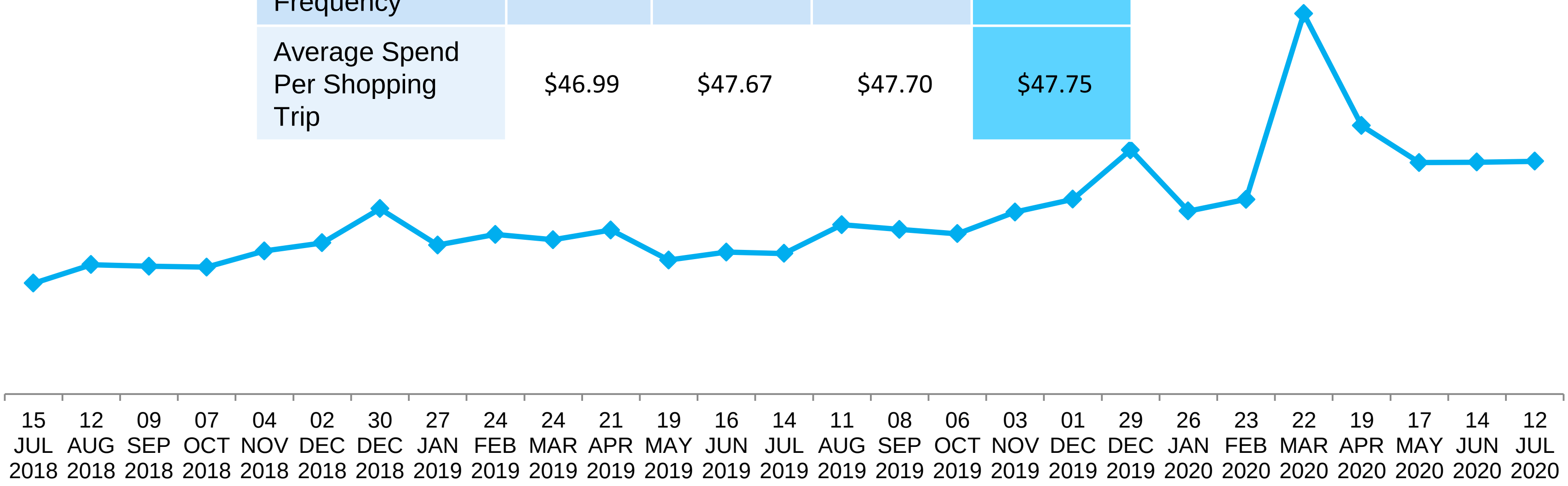
Major Supermarkets are Coles, Woolworths & ALDI; Other Supermarkets are IGA, Costco, Asian grocers and other independent full service supermarkets

AUSTRALIAN GROCERY SALES HAVE REMAINED STABLE FOR LAST 2 MONTHS

However, July sales remained higher than same time year ago (+13.7%)

TOTAL GROCERY DOLLAR SALES 4 WEEKLY TO 12/07/2020

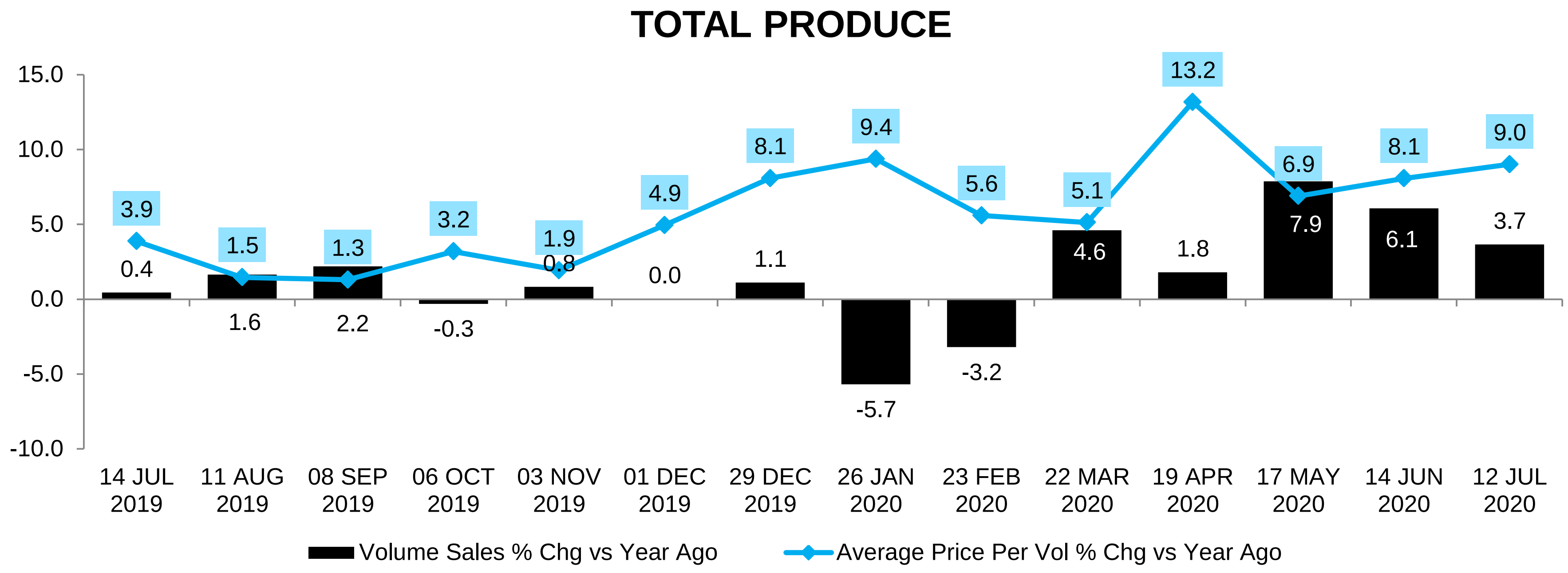
	4 weeks to 19/04/2020	4 weeks to 17/05/2020	4 weeks to 14/06/2020	4 weeks to 12/07/2020
Average Frequency	14.9	12.9	12.3	12.2
Average Spend Per Shopping Trip	$46.99	$47.67	$47.70	$47.75



Source: Nielsen Homescan

IN THE 4 WEEKS TO 12 JULY, PRODUCE VOLUME GROWTH SOFTENED TO 3.7%

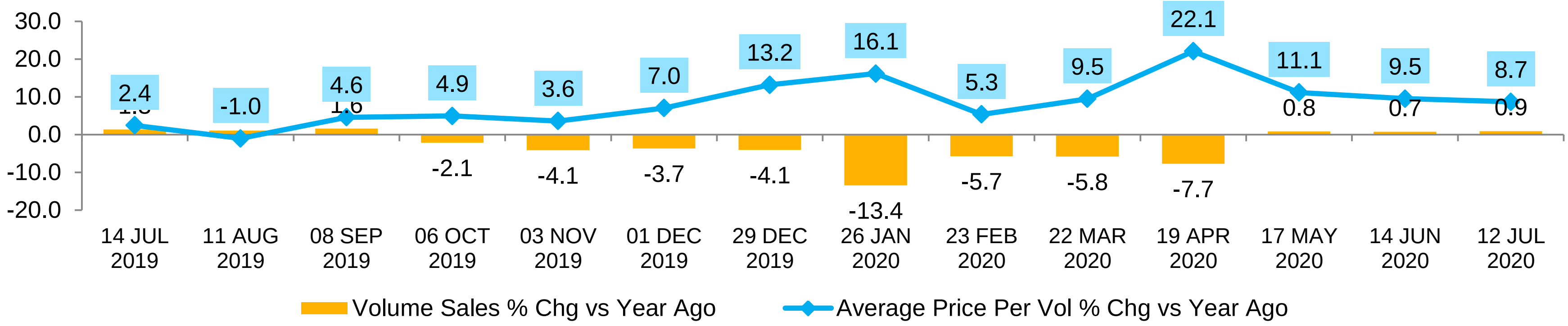
Average price per kg was 9.0% higher than same time year ago



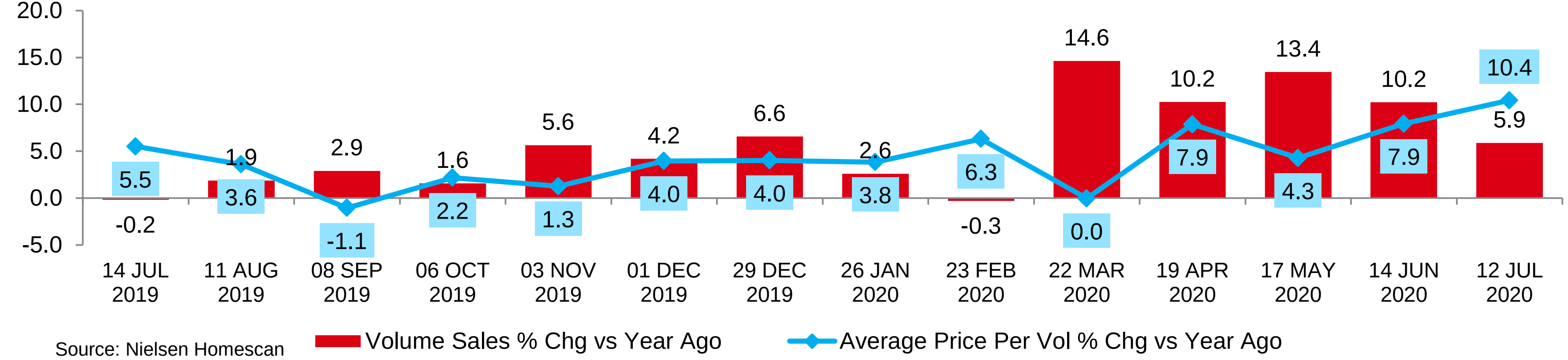
Source: Nielsen Homescan

VEGETABLES REMAIN DRIVERS OF PRODUCE VOLUME GROWTH; AVERAGE PRICE PER KG STILL REMAINS HIGHER THAN SAME TIME LAST YEAR; CURRENT VOLATILE COVID MARKET ENVIRONMENT & LEGACY IMPACTS FROM BUSHFIRE AND DROUGHT ARE POTENTIAL FACTORS

FRUIT



VEGETABLES

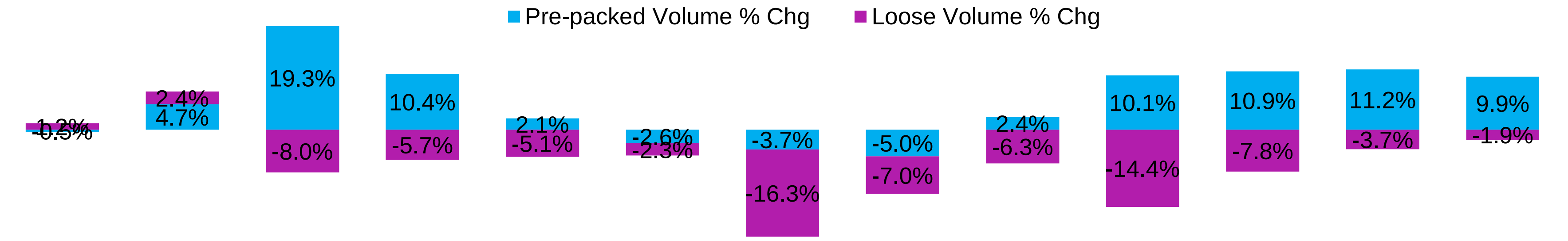


Source: Nielsen Homescan

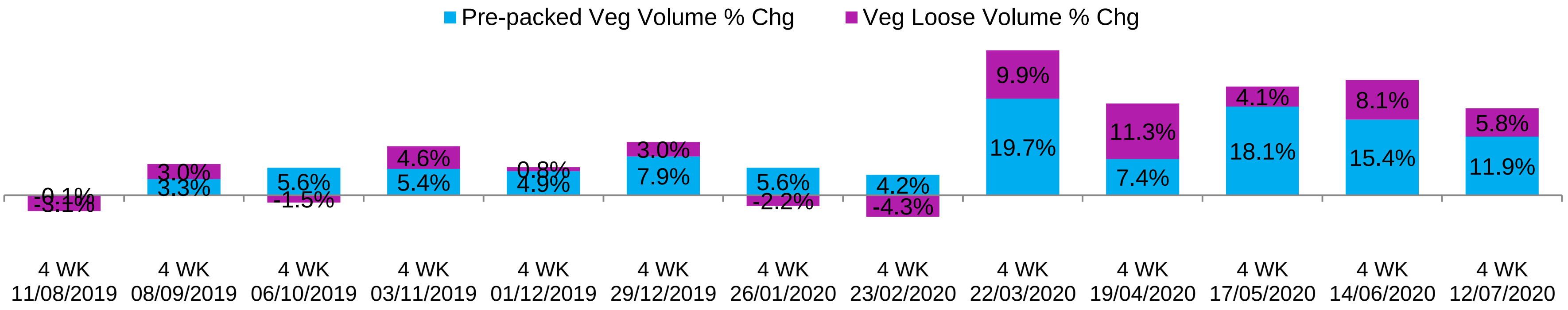
PRE-PACKED FRUIT & VEG CONTINUES TO SHOW SIGNIFICANT GROWTH SINCE COVID

Perceived safety & convenience of pre-packed

FRUIT: MAJOR SUPERMARKETS

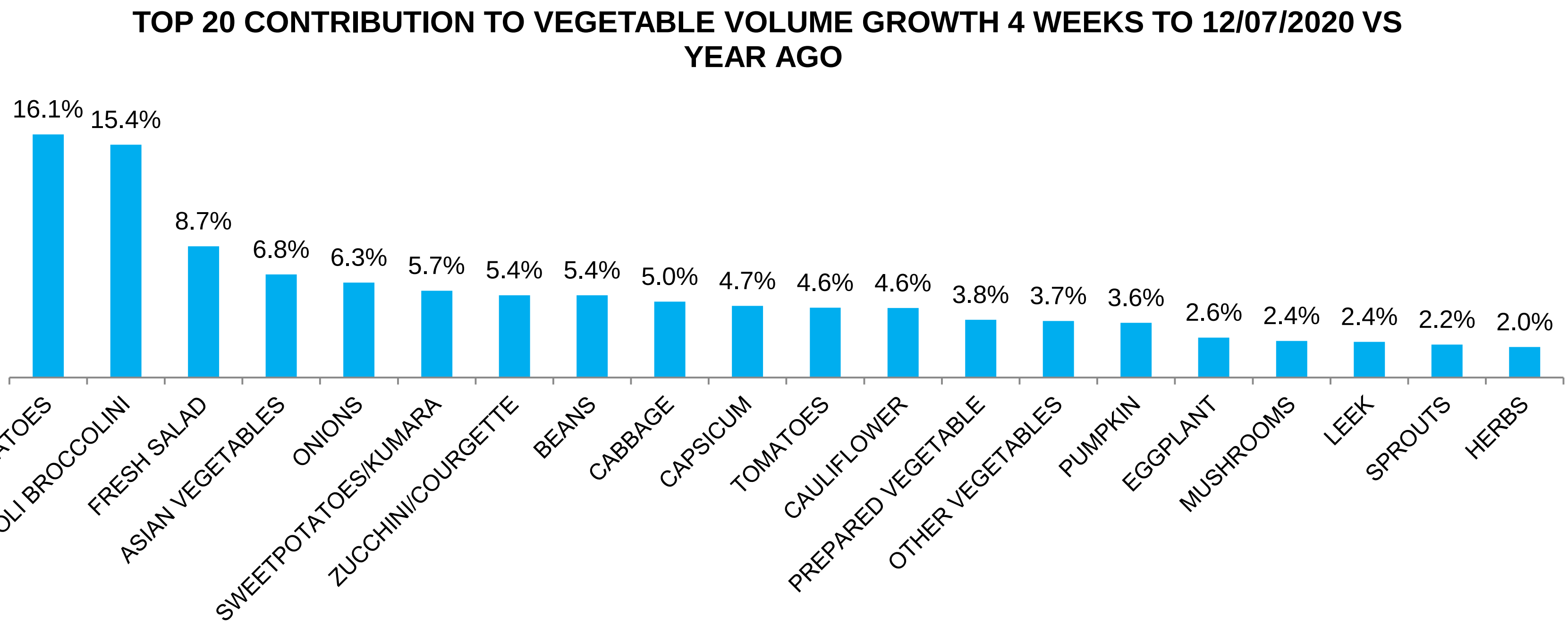


VEGETABLES: MAJOR SUPERMARKETS



Source: Nielsen Homescan

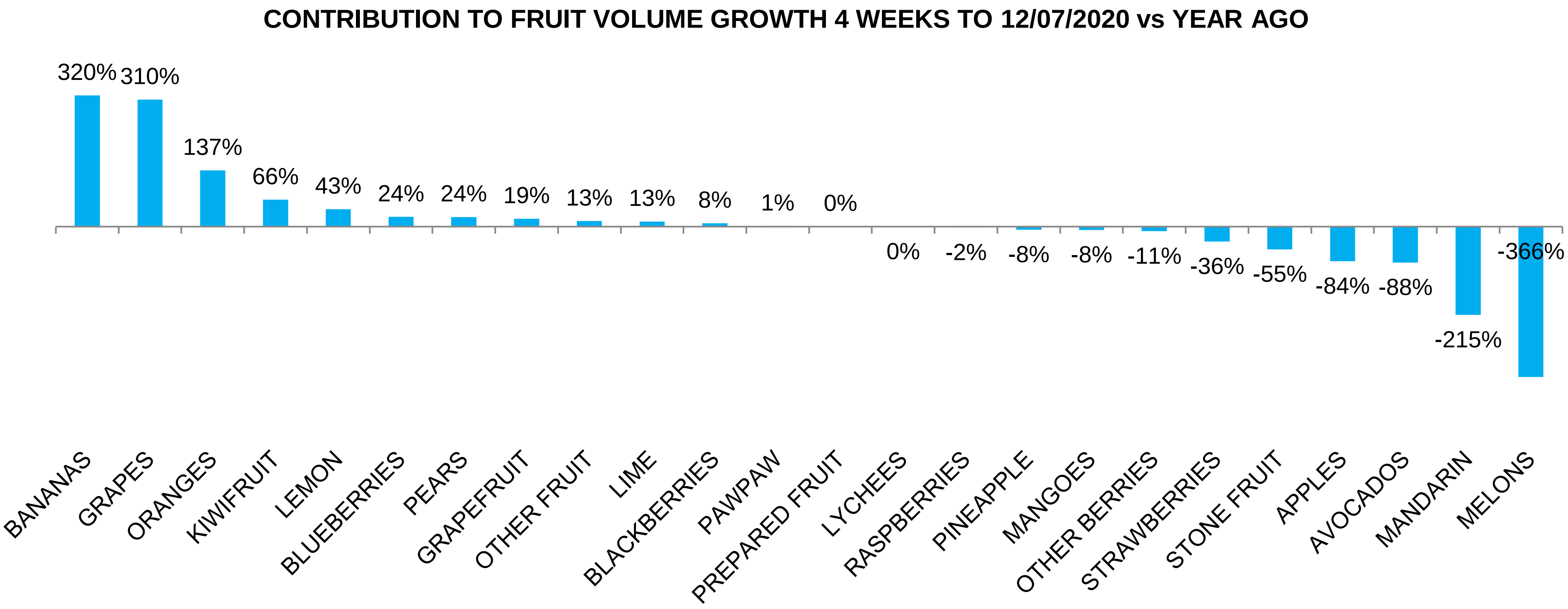
THIS MONTH VEGIES WITH LONGER STORAGE LIFE HAVE BEEN REPLACED IN THE TOP GROWTH CONTRIBUTORS BY BROCCOLI, FRESH SALAD, ASIAN VEG



Source: Nielsen Homescan : Other Vegetables are Brussels Sprouts, Parsnip & Radish

STRONG GROWTH IN BANANAS GRAPES & ORANGES WAS BALANCED BY DECLINES IN MANDARINS & MELONS LEADING TO AN OVERALL FLAT VOLUME RESULT (+0.9%)

Bananas grew 3.2 times the growth of total fruit



Source: Nielsen Homescan

BASKET SIZE GRADUALLY REDUCING FOR FRUIT & VEG WHILE FREQUENCY HAS STABILISED

FRUIT	4 weeks to 19/04/2020	4 weeks to 17/05/2020	4 weeks to 14/06/2020	4 weeks to 12/07/2020
% Buying Households	91.3	91.4	91.4	91.3
Average Buying Occasions	4.9	4.8	4.7	4.7
Average Weight Purchased Per Buying Occasion	1.6	1.7	1.6	1.5
Average Amount Spent Per Buying Occasion	$7.97	$7.25	$7.27	$7.32
VEGETABLE				
% Buying Households	96.4	96.6	96.6	96.1
Average Buying Occasions	5.6	5.6	5.6	5.5
Average Weight Purchased Per Buying Occasion	1.8	1.9	1.9	1.8
Average Amount Spent Per Buying Occasion	$9.81	$9.30	$9.31	$9.05

Source: Nielsen Homescan

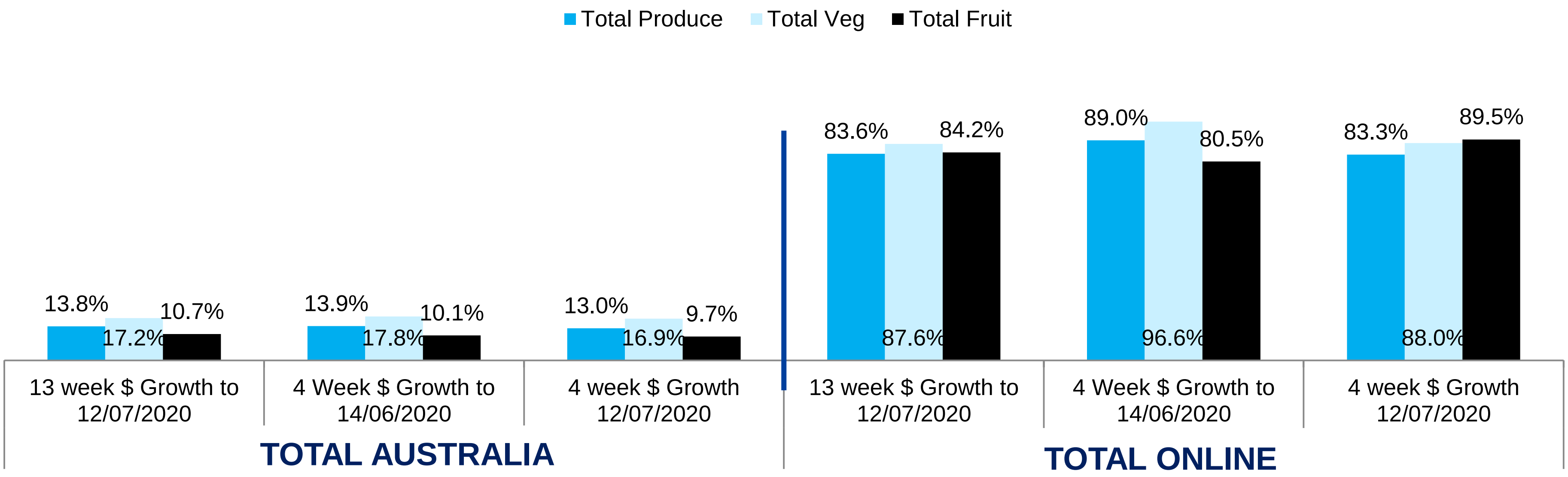
MAJORS PICKING UP SHARE FROM GREENGROCERS & OTHER SUPERMARKETS IN PAST 4 WEEKS

Other Supermarkets 4 weekly share of trade (11.3%) is slightly elevated from the long term share (11.0%)

TOTAL PRODUCE Dollar Share	Share of Trade 52 weeks to 12/07/2020	Share of Trade 4 weeks to 17/05/2020	Share of Trade 4 weeks to 14/06/2020	Share of Trade 4 weeks to 12/07/2020
Major Supermarkets	74.1%	71.4%	72.7%	73.8%
Other Supermarkets	11.0%	12.4%	11.7%	11.3%
Greengrocers & Markets	14.9%	16.2%	15.6%	14.9%

Source: Nielsen Homescan | Major Supermarkets are Coles, Woolworths & ALDI; Other Supermarkets are IGA, Costco, Asian Grocers & all other independent full service supermarkets

FRUIT & VEG ONLINE SALES CONTINUE TO SEE SIGNIFICANT GROWTH THIS MONTH



Source: Nielsen Homescan | % Growth is calculated vs same time period Year Ago

This artwork was created using Nielsen data.