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COVID-19 FRESH PRODUCE UPDATE APRIL

HARVEST TO HOME

Hort Innovation

Data to 19/04/2020

ANALYSIS PARAMETERS

Time Period

Data to 19/04/2020

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

This report is an output of MT17017 Vegetable Cluster Consumer Insights Program & MT17015 Consumer Behavioural and Retail Data for Fresh Produce and intended for use by Hort Innovation, Australian fruit & vegetable industries, and other stakeholders in the context of understanding and diagnosing market performance and shopper behaviour. Any reproduction of the content of the online dashboard or reports and any part thereof requires prior written permission from Hort Innovation and/or Nielsen. Users/recipients of the dashboard and reports are asked to ensure that report data is not presented in a false or misleading manner; that the Nielsen name is not used to imply that Nielsen is the source of any claims by Hort innovation or the recipient; that Nielsen copyright is noted over Nielsen proprietary information; and that the reports (or the data contained therein) are not used in a manner that is detrimental or which is comparable with the retail purchase measurement services provided by Nielsen, or in exchange for compensation of any kind.

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Funding Statement

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SUMMARY

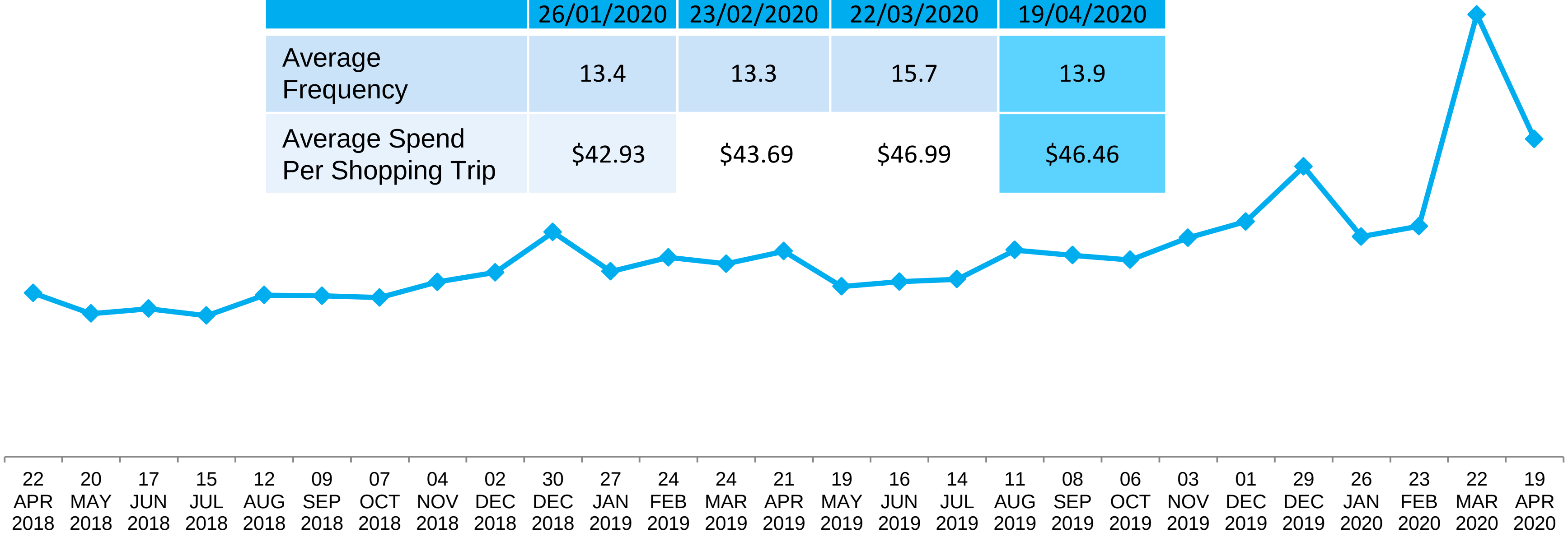
- In the last 4 weeks to 19/04/2020, total grocery sales softened from last month's peak although were still 14.9% higher than the same time year ago. Bigger baskets driving growth
- Produce volume growth was relatively flat; the net result of a 9.4% increase in vegetables and a -7.8% decrease in fruit volume sales
- Average price of fruit & veg increased this month - reduced promotions from retailers & shopping more at greengrocers/markets. Frequency of produce buying has also softened from last month's peak in line with total grocery trends.
- Biggest contributor to vegetable growth remained vegetables that have longer storage life
- Fruit volume declines driven by melon, grapes and stonefruit in the last 4 weeks
- Despite online produce sales softening in prior month, in the past 4 weeks online fruit dollar sales increased 26.7%
- Major supermarkets lost dollar share in produce to greengrocers and markets & other supermarkets possibly due to #stay at home / shop local

IN THE LAST MONTH AUSTRALIAN GROCERY SALES SOFTENED

April sales were still higher than same time year ago (+14.9%) but peak was March

TOTAL GROCERY DOLLAR SALES 4 WEEKLY TO 19/04/2020

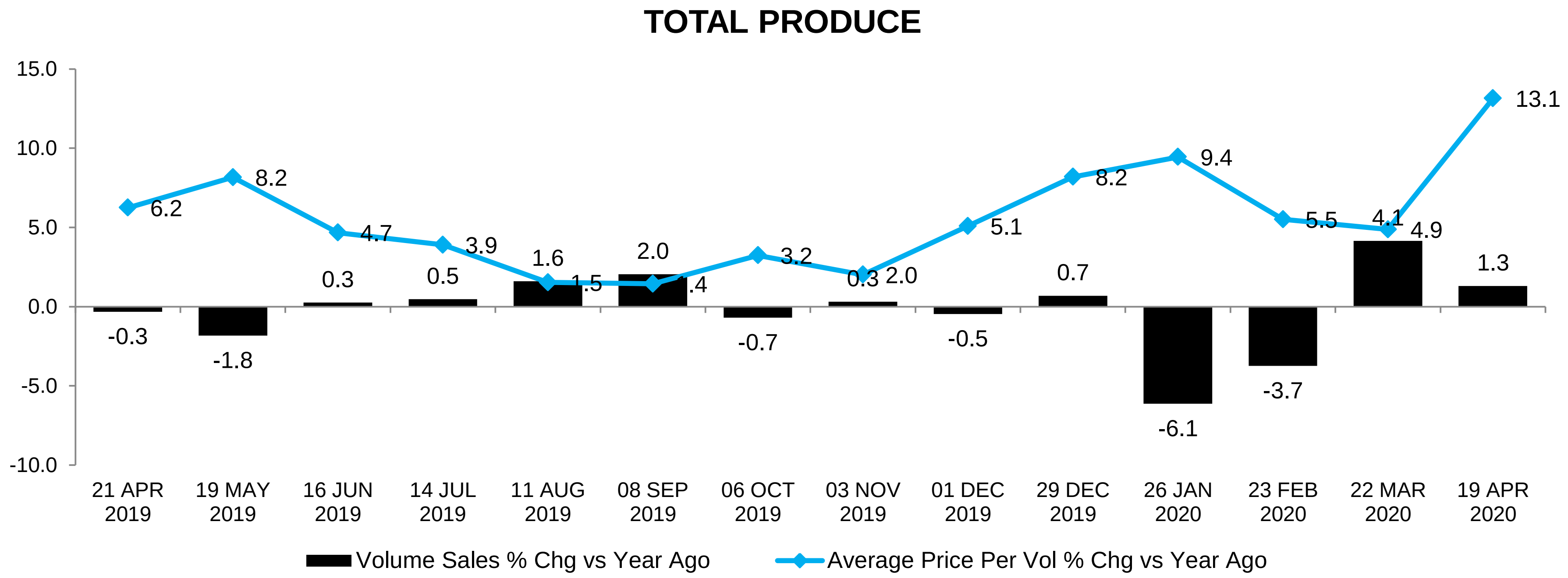
	4 weeks to 26/01/2020	4 weeks to 23/02/2020	4 weeks to 22/03/2020	4 weeks to 19/04/2020
Average Frequency	13.4	13.3	15.7	13.9
Average Spend Per Shopping Trip	$42.93	$43.69	$46.99	$46.46



Source: Nielsen Homescan

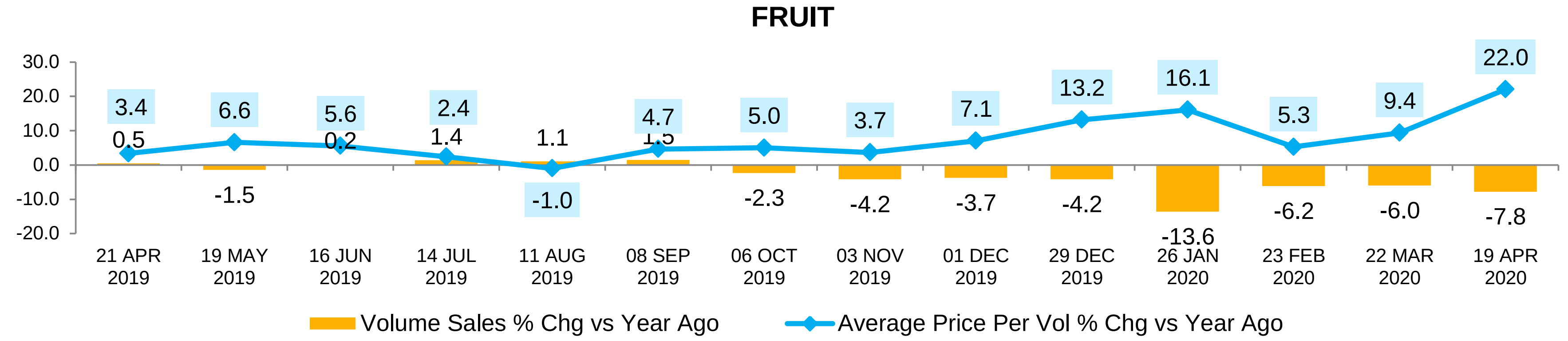
IN THE 4 WEEKS TO 19 APRIL, PRODUCE VOLUME GROWTH WAS RELATIVELY FLAT

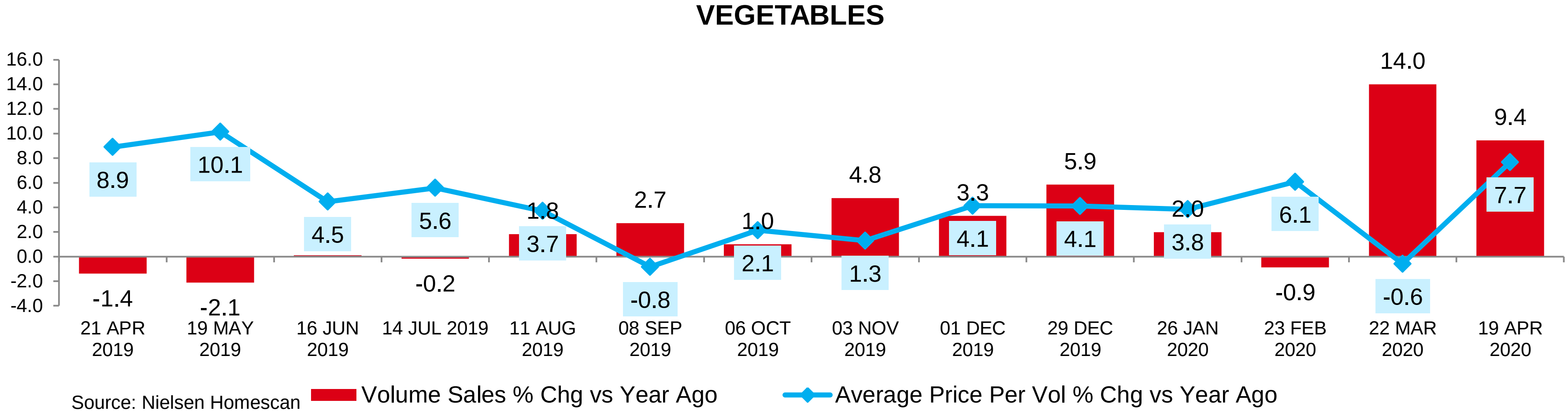
Average price per kg crept up again



Source: Nielsen Homescan

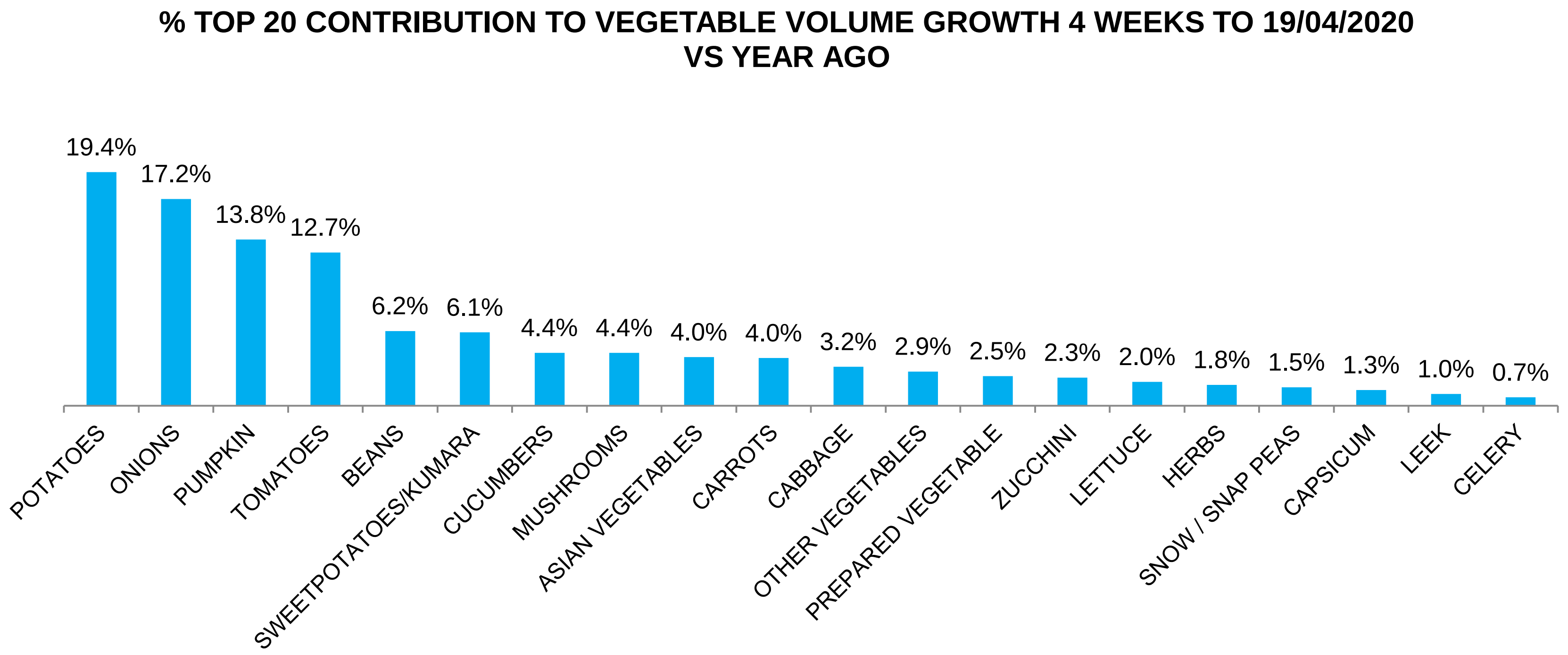
VEGETABLES REMAIN DRIVERS OF PRODUCE GROWTH, AVERAGE PRICE PER KG HAS INCREASED ACROSS FRUIT & VEG - REDUCED PROMOTIONS FROM RETAILERS & SHOPPING MORE AT GREENGROCERS/MARKETS





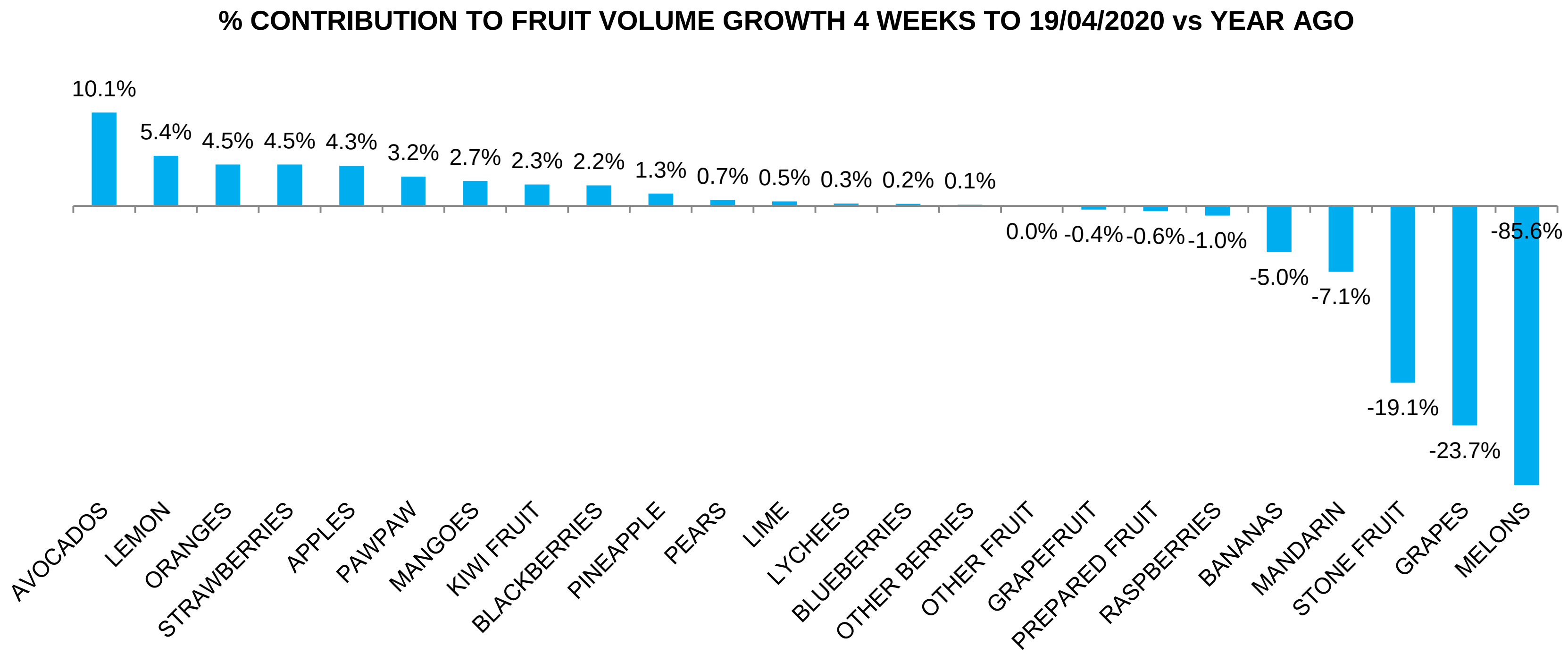
Source: Nielsen Homescan

BIGGEST CONTRIBUTOR TO VEG GROWTH REMAINED VEGETABLES THAT HAVE LONGER STORAGE LIFE



Source: Nielsen Homescan

CITRUS NOW IN SEASON - BIGGEST CONTRIBUTOR TO FRUIT VOLUME DECLINE WERE MELONS, GRAPES & STONEFRUIT



Source: Nielsen Homescan

VEGETABLES ARE STILL DRIVEN BY PURCHASE VOLUME PER OCCASION, FREQUENCY HAS RETURNED TO PRE MARCH PEAK LEVELS.
FRUIT HAS LOST BUYING HOUSEHOLDS, FREQUENCY AND AVG WEIGHT PER BUYING OCCASION IN THE PAST 4 WEEKS

FRUIT	4 weeks to 26/01/2020	4 weeks to 23/02/2020	4 weeks to 22/03/2020	4 weeks to 19/04/2020
% Buying Households	93.5	93.5	92.3	91.3
Average Buying Occasions	5.2	5.3	5.4	4.9
Average Weight Purchased Per Buying Occasion	1.7	1.8	1.7	1.6
Average Amount Spent Per Buying Occasion	$8.70	$8.24	$7.83	$7.89
VEGETABLE				
% Buying Households	96.8	96.4	96.3	96.3
Average Buying Occasions	5.6	5.6	6.0	5.6
Average Weight Purchased Per Buying Occasion	1.6	1.6	1.7	1.8
Average Amount Spent Per Buying Occasion	$8.40	$8.72	$8.88	$9.65

Source: Nielsen Homesan

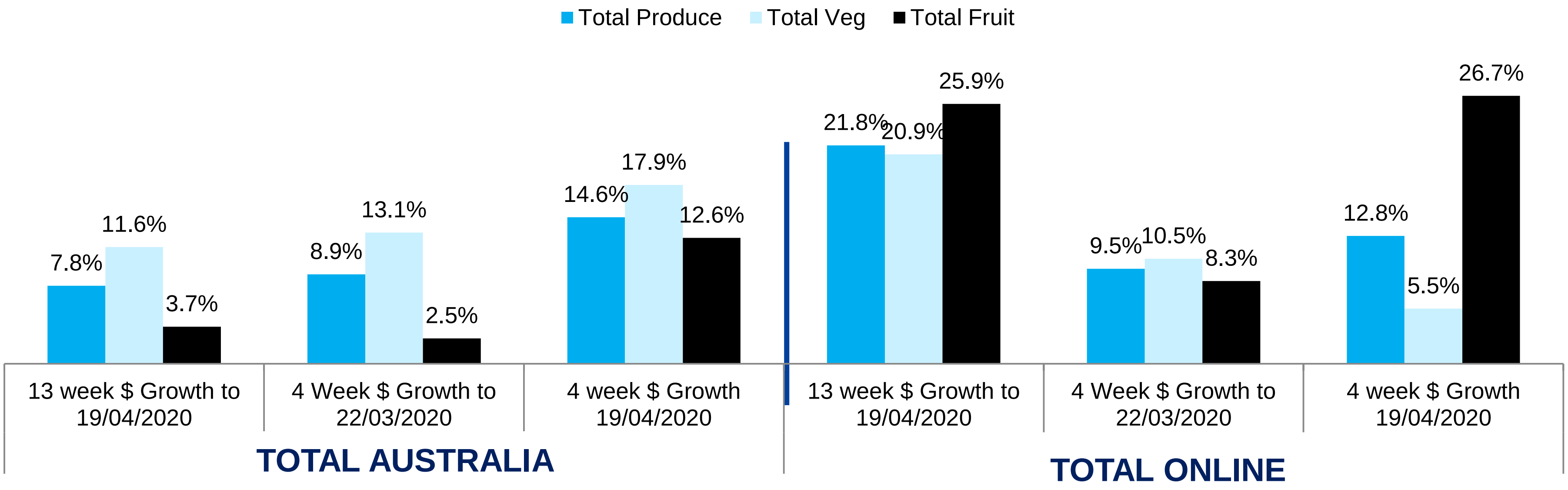
MAJOR SUPERMARKETS LOST DOLLAR SHARE IN PRODUCE TO GREENGROCERS & MARKETS & OTHER SUPERMARKETS

Could this be the result of # stay at home/ shop local?

TOTAL PRODUCE Dollar Share	Share of Trade 52 weeks to 19/04/2020	Share of Trade 4 weeks to 22/03/2020	Share of Trade 4 weeks to 19/04/2020
Major Supermarkets	74.5%	74.9%	70.3%
Other Supermarkets	10.8%	10.8%	13.6%
Greengrocers & Markets	14.7%	14.3%	16.1%

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

IN THE PRIOR 4 WEEKS WE SAW ONLINE SALES DROPPING OFF AS SUPPLY CHAIN STRUGGLED TO MEET DEMAND HOWEVER IN THE LAST 4 WEEKS ONLINE FRUIT SALES HAVE PICKED UP



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

This artwork was created using Nielsen data.