$40b+ fresh food market dominated by fruit & veg & meat

Australia's $40 billion+ fresh food market is dominated by the two staples of fresh fruit & veg representing 45.6% share of the market and fresh meat, or 33.7% of the market in the latest Roy Morgan results in the year to December 2017.

Other categories of fresh food have a much smaller share of the overall fresh food market including fresh bread on 7.5%, fresh deli on 6.8% and fresh seafood on 6.4%.

Drilling down into the fresh meat market last week revealed Australia's two largest supermarket chains for the first time have a majority of the fresh meat market at 50.8% in the year to December 2017. Detailed analysis of the changing nature of Australia's fresh meat market and the pressures on butchers, markets and other retailers to keep up with Australia's 'Big Two' supermarkets is available to view here.

Roy Morgan recently analysed the state of the overall grocery market in Australia which is valued at over $100 billion per annum. The latest results show Woolworths and Aldi have been the two best performers in 2017 with both gaining significant market share. Further analysis, including the shares of the major supermarkets of the overall fresh food market, is available to view here.

These results are from the Roy Morgan Single Source survey of over 50,000 people per annum, including over 12,000 grocery buyers and covered in depth in the latest Roy Morgan Supermarket Grocery Currency Reports.

Australian fresh food market – December 2017

Source: Roy Morgan Single Source Australia, January 2017 - December 2017, n=11,698. Base: Last 7 day fresh food purchasers aged 14+ weighted to Australian households.
Michele Levine, CEO, Roy Morgan, says competition in Australia’s fresh food market is heating up as 'Big 2' supermarkets Woolworths & Coles aggressively grow their fresh food market share at the expense of niche competitors:

“The battle to be Australia’s ‘fresh food’ leader has hotted up in recent years as Coles has mounted a challenge to the traditional ‘fresh food people’ at Woolworths. For the first time the ‘Big Two’ supermarket chains Woolworths and Coles now capture over 50% of Australia’s $40+ billion fresh food market.

“In recent years the Big Two have been moving to consolidate their market shares in various fresh food markets including fresh fruit & veg, fresh meat, fresh bread, fresh deli and fresh seafood. The growing market concentration of the Big Two has been built on increasing shares of the fresh fruit & veg market and the fresh meat market.

“The bulk of Australia's fresh food market comprises either fresh fruit and vegetables (45.6%) or fresh meat (33.7%). The success of their push into fresh food means Woolworths and Coles captured a majority of these two key markets for the first time in 2017. Further details on developments in Australia’s fresh meat market were covered extensively last week here.

“The disruption to Australia’s supermarket duopoly caused by the entrance of new competitors including Aldi, and in the coming years Kaufland and Lidl, is driving the current market leaders Coles & Woolworths to step up their game and increase their market share ahead of the intense competition these new ‘cashed-up’ rivals will bring to the broader Australian supermarket retailing landscape and will intensify the pressures on smaller specialist retailers.

“To stay ahead of the game and be fully prepared for the competitive pressures in a fast changing industry the extensive analysis available in the Roy Morgan Supermarket & Fresh Food Currency Reports which covers all food retailers, including products purchased and dollars spent is essential. The combination of the large annual sample collected over more than a decade enables a unique in depth trend analysis of this very significant market.”

View Roy Morgan’s Supermarket & Fresh Food Currency Reports here and for other reports and profiles visit the Roy Morgan Online Store.

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About Roy Morgan
Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years’ experience in collecting objective, independent information on consumers.
Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

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<th>Sample Size</th>
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