



Extra Virgin Olive Oil Category

Australian Olive Association Conference

Albury

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Boundary Bend Olives

What we will cover

- **Australian Production & Extra Virgin Olive Oil**
- **Category evolution over last 5 years**
- **Consumer behavior**
- **Perception of Australian EVOO vs European EVOO**
- **Marketing opportunities**



Our Industry

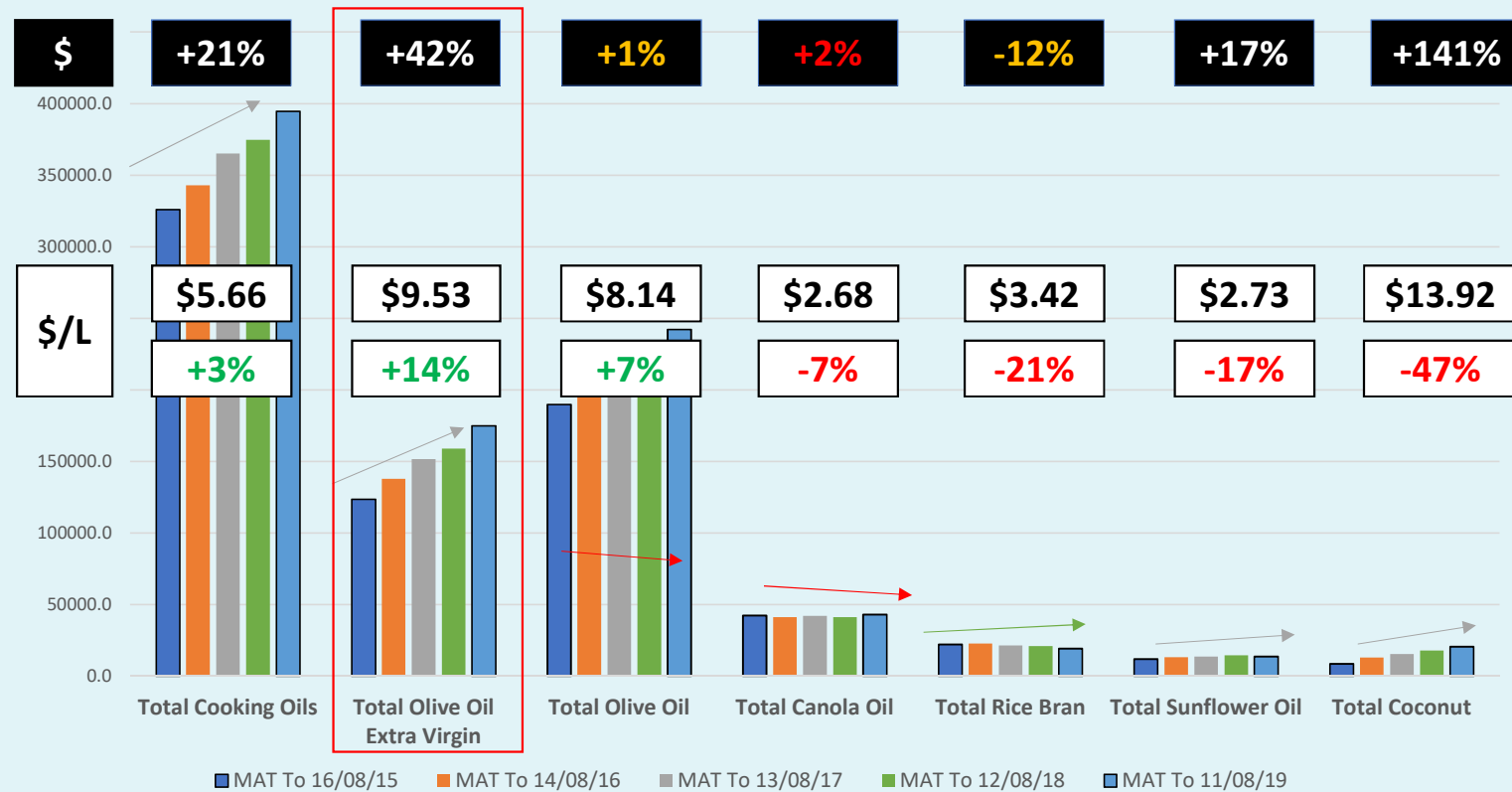


- Production 2017 @ 21 million litres
- Production 2018 @ 10 million litres
- Production 2019 @ 20 million litres
- Australian production depending on the year is around 85%-95% Extra Virgin Olive Oil
- In the rest of the world it is a very different story
 - 25% is Extra Virgin Olive Oil
 - 25% is Virgin Olive Oil
 - 50% is Lampante (requires further processing)
- Australia consumes @ 45 million litres of olive oil per annum or @ 2 litres/person

Source: Aztec Scan Data, 2018

EVOO driving the growth of Cooking Oil in the last 5 years

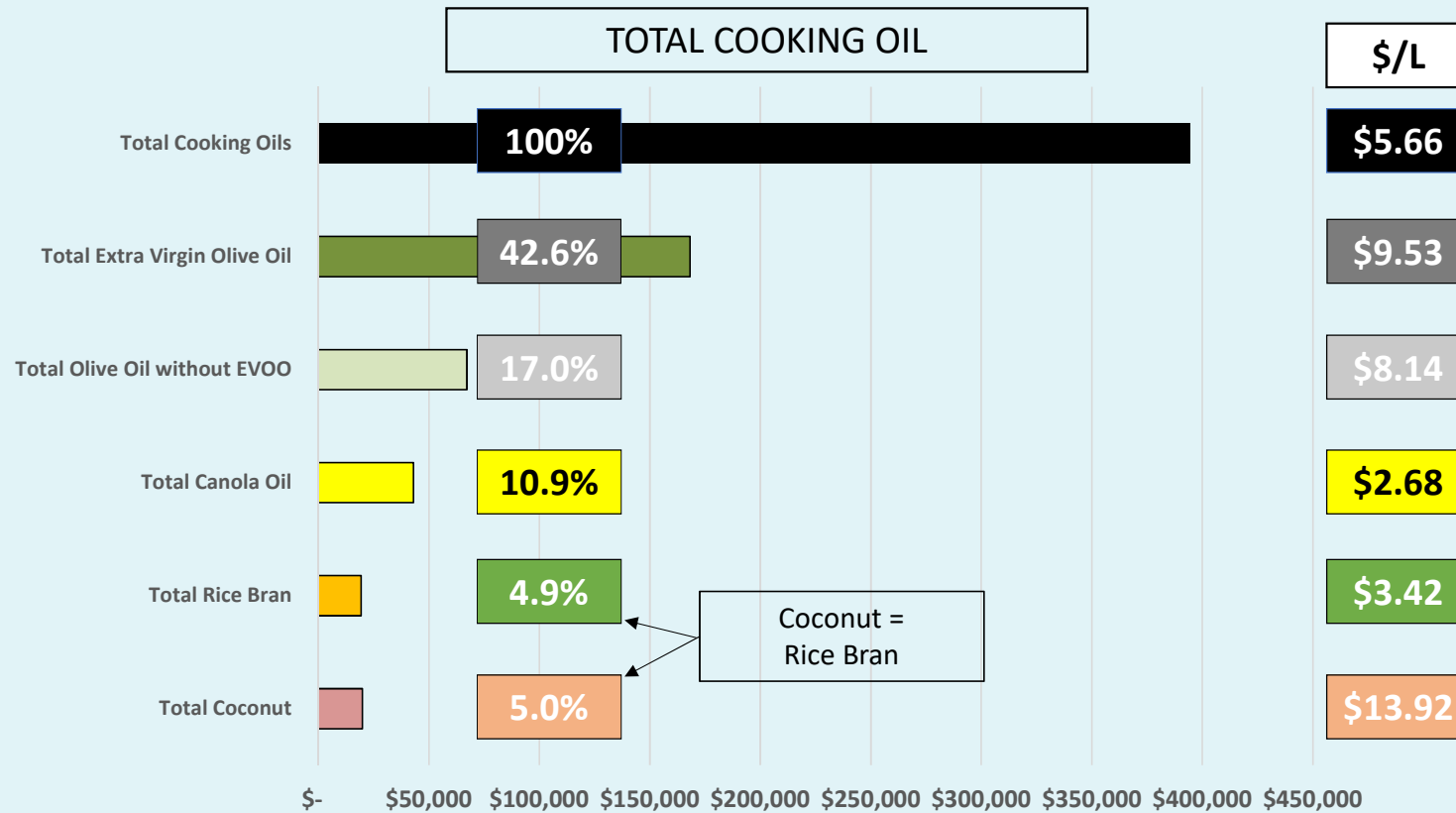
Total **Grocery**: Evolution of Cooking oil in Dollars (000s)



Data Aztec/Total Grocery/ Cooking oil/value sales/MAT
11/08/2019

Confidential

EVOO is 43% of the total value of Cooking Oil with the second best \$/L of the category



Data Aztec/Total Grocery/ Cooking oil/value sales/MAT
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CATEGORY

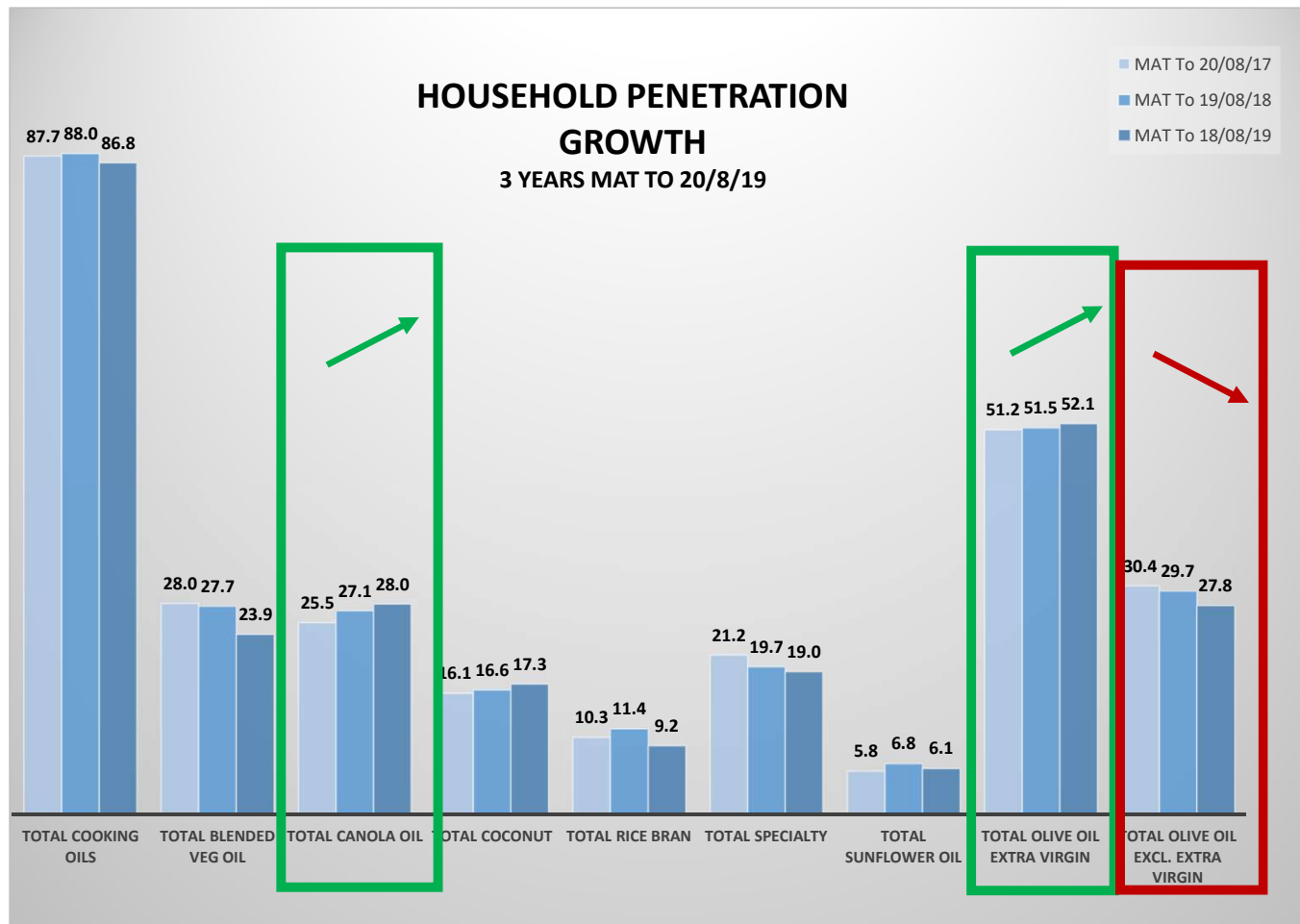
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EVOO SHOPPER IS HIGHLY VALUABLE TO THE CATEGORY/TOTAL SUPERMARKET

										
	HH pen	Repeat Purchase	\$ Supermarket	\$ Cooking Oils	\$ Loyalty	Supermarket Shop visits	Shopper	Shopper Psychographics		
Supermarket	100	100	\$7219	\$28	-	171				
Cooking Oils	88.6	84%	\$7451	\$32	-	173	Opps to drive value through Millennials	Similar to average Supermarket Shopper		
Olive Oil	64.6	68%	\$7722	\$37	67%	175	Opps to drive value through Millennials	Willing to pay higher price & positive attitudes towards Health, Environment, and Cooking		
EVOO	51.7	61%	\$7800	\$39	56%	178	Over-index among mature shoppers – drive growth through young families and Millennials	Hold same views as Olive Oil shopper, but stronger. Brand more important.		
Canola	29.4	49%	\$7869	\$35	31%	176	Over-index among larger, Family Households.	Price-sensitive, place lesser importance on health & environment.		

GROWTH OPPORTUNITIES AMONG YOUNG FAMILIES AND MILLIENNIALS.

EVOO CONTINUES TO GROW IN HOUSEHOLD PENETRATION



- Despite a slight decrease in those buying total cooking oils:
- EVOO continues to grow in household penetration as consumers move out of Olive Oil.
 - Canola Oil notably continues to grow as well with blended vegetable oil buyers moving to Canola oil.

THERE IS STILL A JOB TO BE DONE IN EDUCATING THE CONSUMER

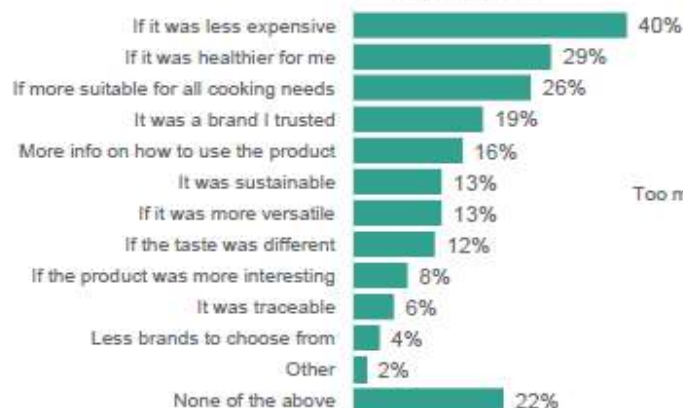


Purchase Motivations & Barriers.

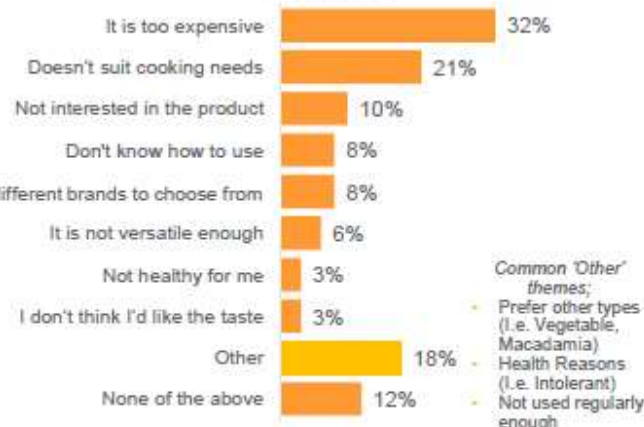
Olive Oil

Purchase Motivators and Barriers ultimately come down to expense, however purchasers also believe Olive Oil doesn't suit all of their cooking needs.

Motivators



Barriers*

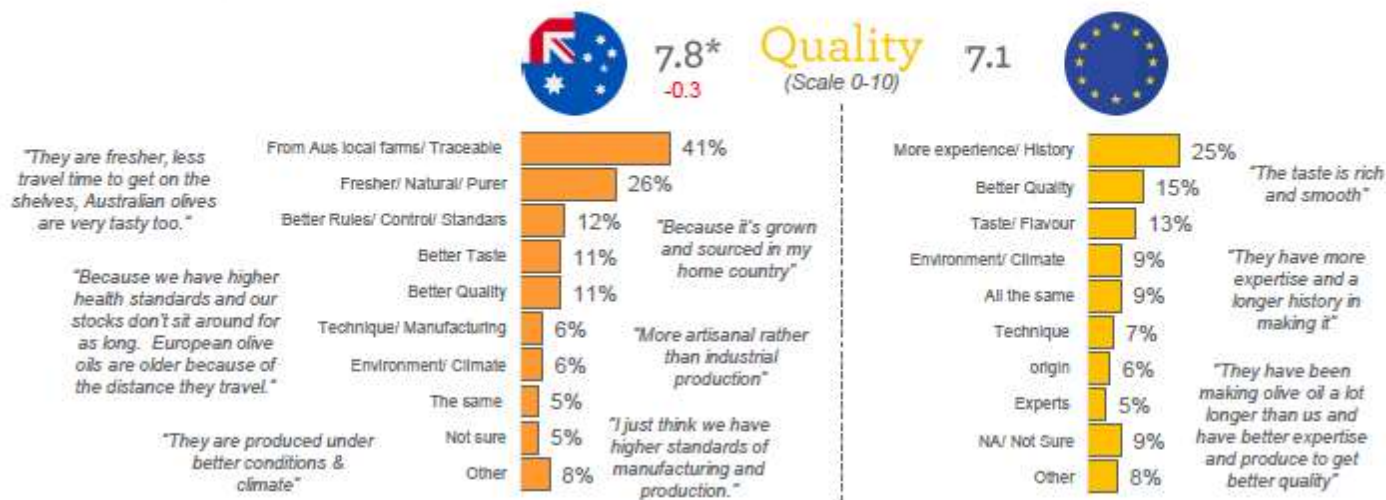


- Price continues to be a barrier for consumers, but an opportunity to reinforce the value of EVOO
- Cooking and Health Benefits are key communication points to continue to speak to.

AUSTRALIAN EVOO IS PERCIVED HIGHER QUALITY VS EUROPEAN

Australian vs European. Quality Perceptions.

Australian Olive Oil is perceived to be of significantly higher quality compared to European Olive Oil, this is predominantly due to being from Australian Local Farms/ Traceable, as well as the perception of being Fresher/ Natural. A quarter of those who thought European OO was of higher quality said this was due to them having more experience/ history in the growing & manufacturing process.



- Locality and freshness are key reasons why consumers believe AUS EVOO is high quality.
- Whilst quality of European EVOO is said to be due to their history/experience in growing EVOO.

Q26. How poor or good quality do you think AUSTRALIAN olive oil is? Q35. How poor or good quality do you think EUROPEAN olive oil is?
Q35B. And why do you consider AUSTRALIAN OLIVE OIL to be greater quality than EUROPEAN OLIVE OIL? Q35C. And why do you consider EUROPEAN OLIVE OIL to be greater quality than AUSTRALIAN OLIVE OIL? Base: Total N=823 Asterix (*) Indicates Significance at 95% Confidence.

HEALTHIER, TASTIER, FRESHER AND BETTER FOR COOKING ARE ALL KEY ASSOCIATIONS WITH AUS EVOO VS EURO



Australian vs European. Association Comparison.

Australian Olive Oil is significantly more associated with most qualities listed, however most notably Freshness, with a difference of 40%. European Olive Oil is significantly more associated with having a strong taste, dark colour, and being expensive.



Quality

- Our (us growers) future success and prosperity is totally depended on consumers having a great experience when they use Australian Extra Virgin Olive Oil
- Quality and standards (Code of Practice) are key drivers to achieving this
- Imperative that we deliver freshness