

Current market and APL activities.

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(Butcher Channel Manager)

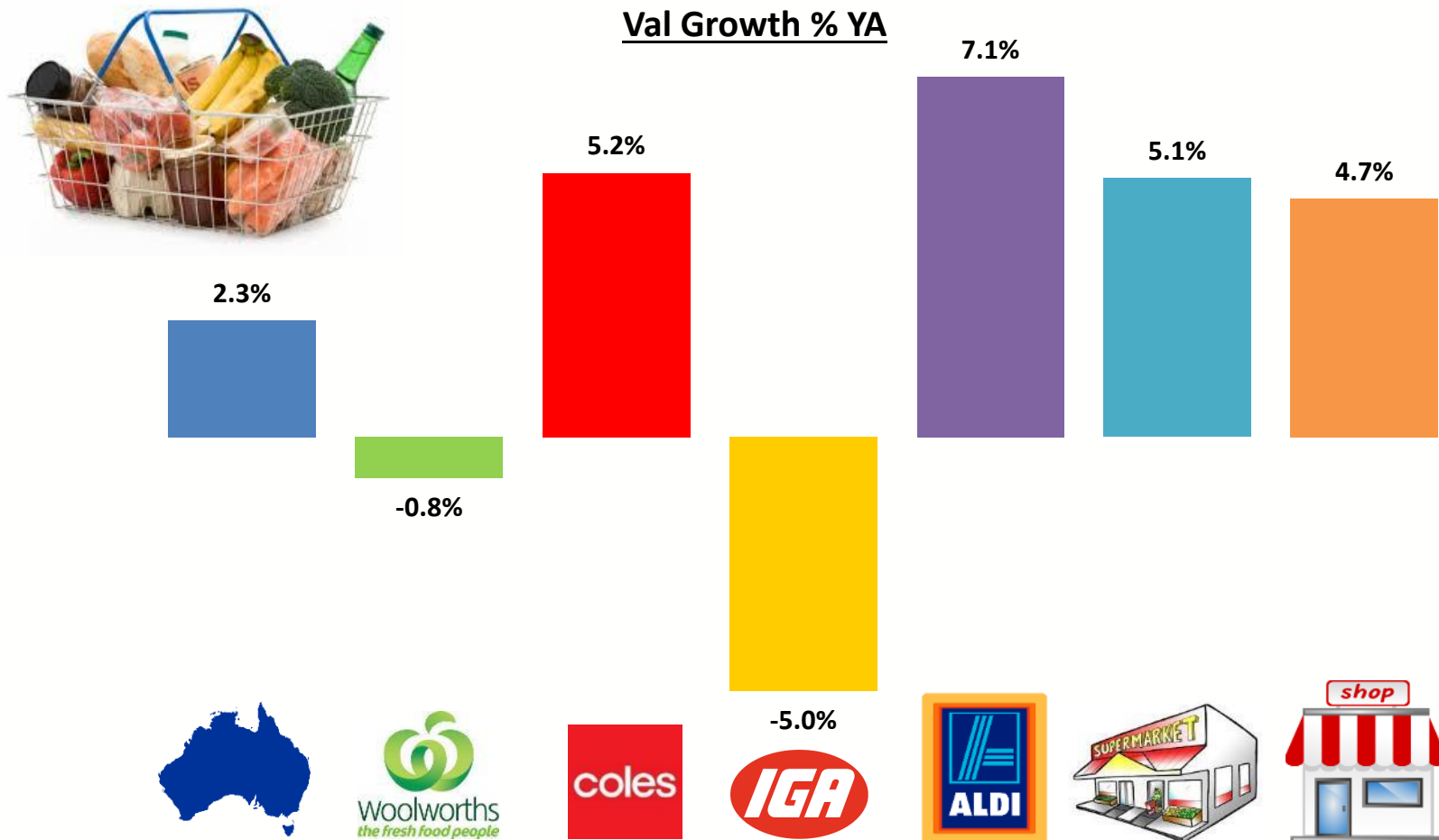


Current Market

The grocery market has slowed with some big differences in performance

Total Retail Grocery Sales (\$)

Val Growth % YA



Pressure from ALDI is driving competition - key to winning is not necessarily price.

A new report from financial services company, UBS Australia, has described **Aldi** as a **“unstoppable force”** in the Australian supermarket industry.



The key to lifting (market share) will be **fresh perception**, which remains the number one category for improvement.”

Woolworths home brand cut 'caused' by Aldi



Jun 6, 2016
 ANTHONY COLANGELO Reporter

Latest blow to Woolworths comes courtesy of Aldi's incredible performance.



Woolworths have conceded Aldi has trumped its home brand. Photo: Getty

Pretty clearly someone in the top floor of the majestic head office out in the hills, can read a spreadsheet, but probably **does not know what goes on inside customers heads** when they are contemplating a purchase, and making a choice about the manner in which that purchase will be made.

More butchers are focusing on branding and Quality over price

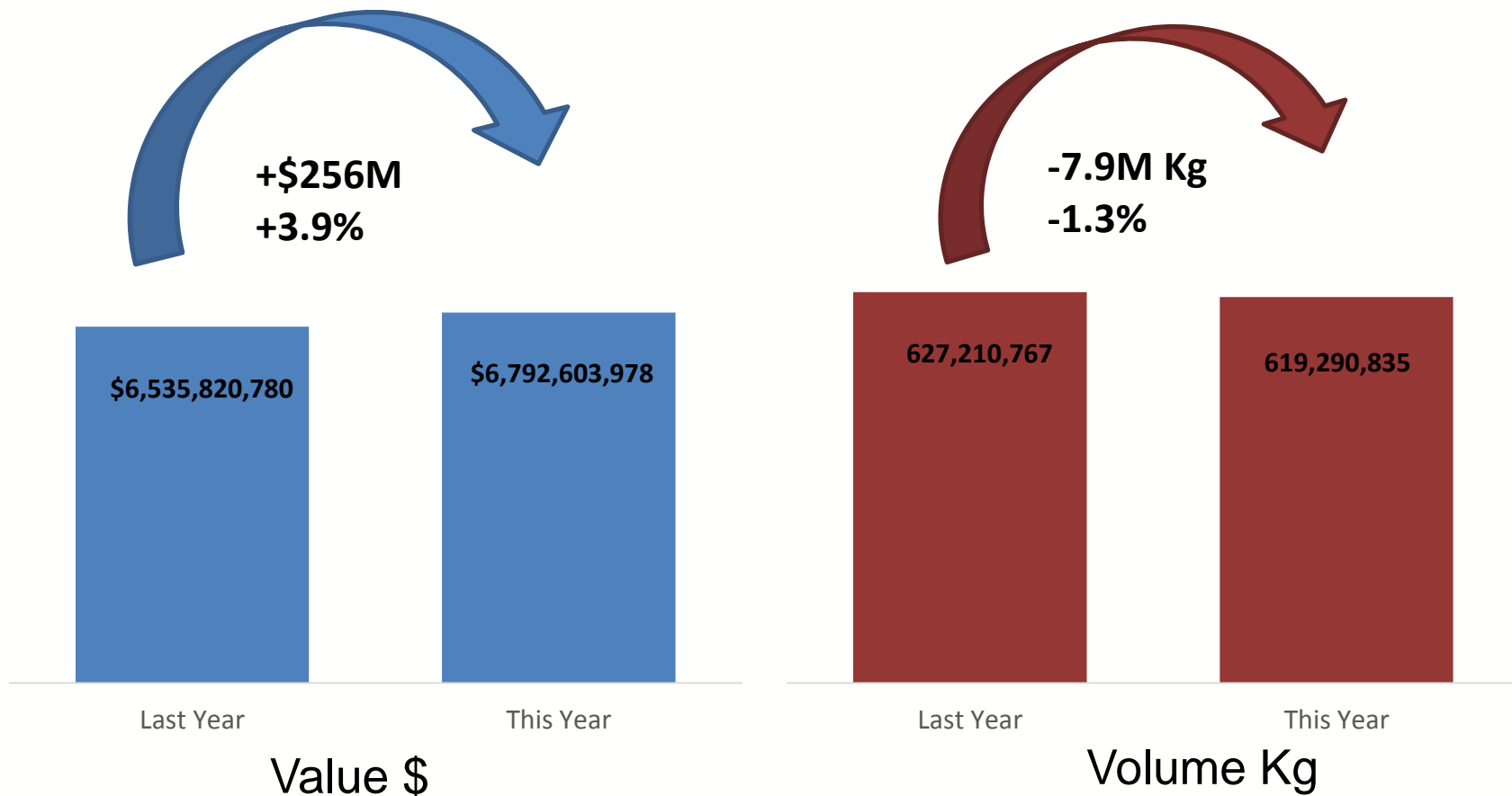


More butchers are focusing on branding and Quality over price









Fresh Meat is worth \$6.8 Billion per year in Australia and is growing. However volume is now in decline.





Whilst Value Sales continue to increase for Fresh Meat, volume is flat, with fewer % of households purchasing and purchasing less volume each trip.

Measure	MAT TO 13/06/2015	MAT TO 11/06/2016	% Chg	
Penetration %	98.7	98.4	-0.4%	
Average Occasions	38.6	36.6	0.0%	
Volume Per Occasion	1.84	1.79	-2.7%	
Value Per Occasion	19.22	19.69	2.4%	

Where is Meat Volume going?

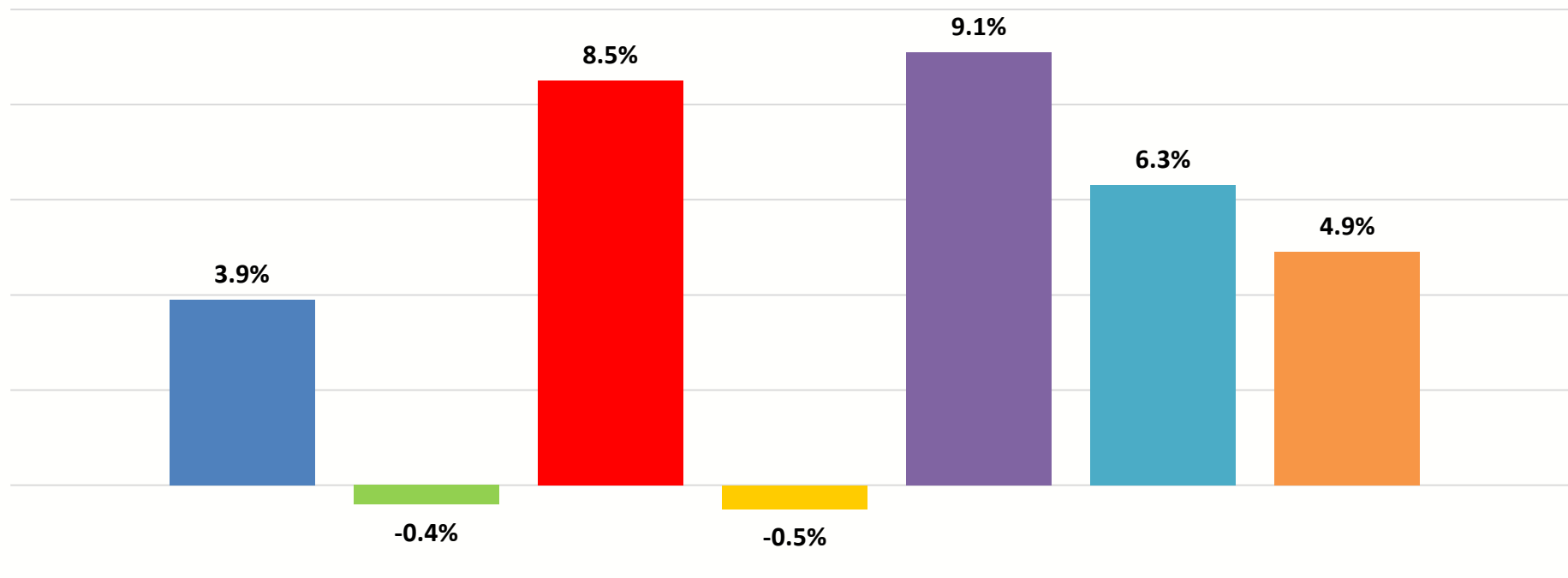
1. Smaller Portion sizes
2. Less waste/menu planning
3. Vegetarian meals
4. Eating out





Butchers growing ahead of WW & IGA. ALDI leveraging Fresh Meat to drive sales.

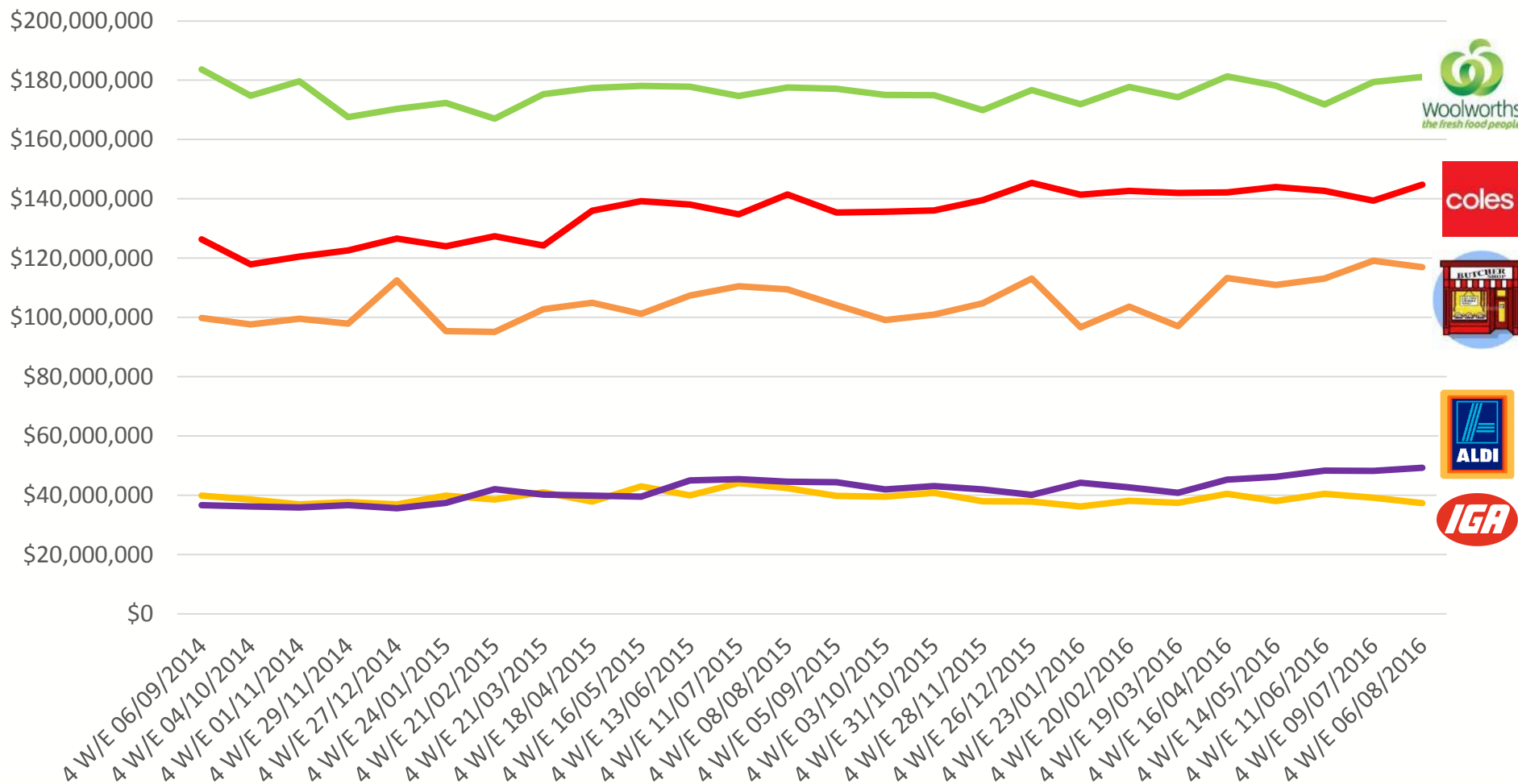
Val Growth % YA





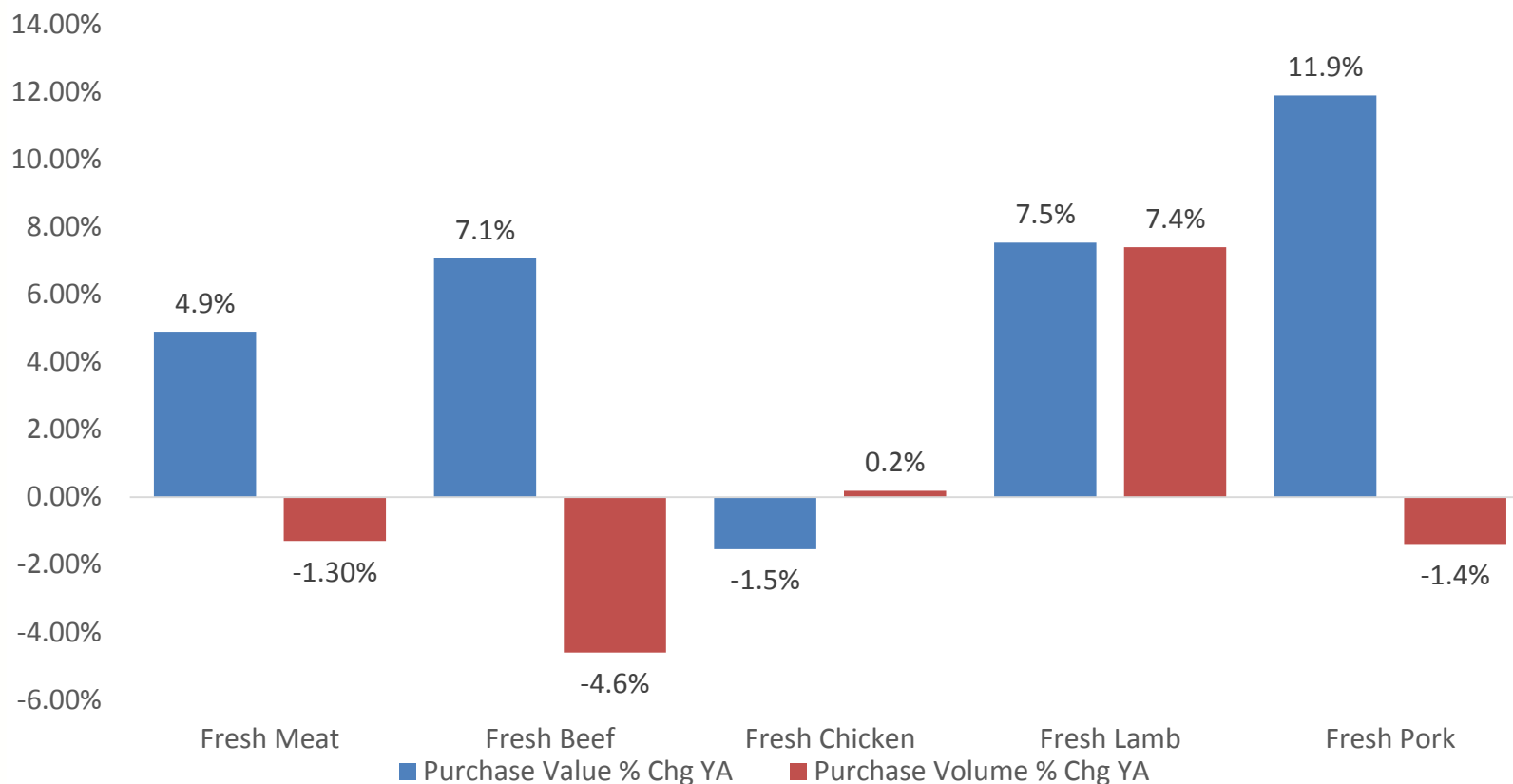
Coles chasing Woolworths. Butcher recovery in recent weeks

Fresh Meat Value Sales by retailer



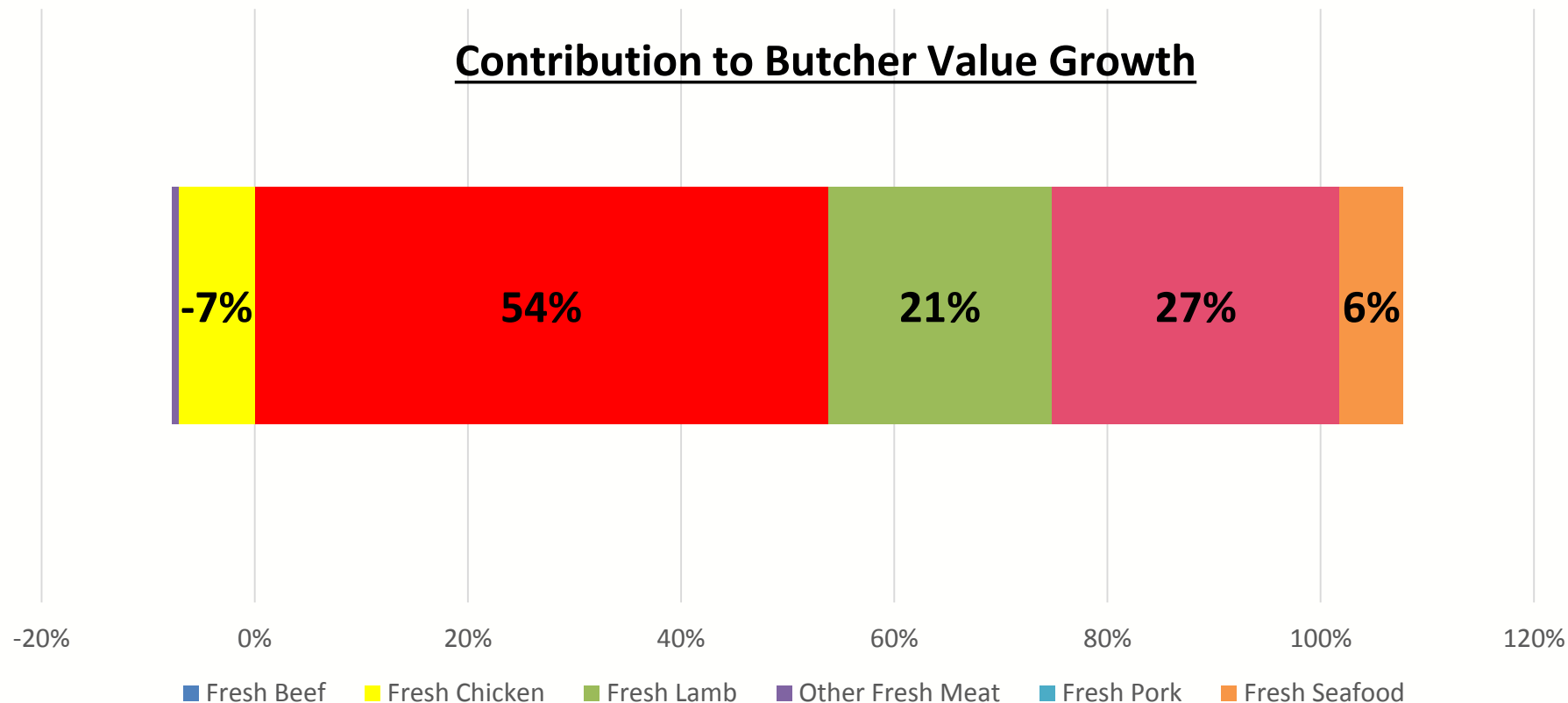
Beef and Pork are driving value sales but also holding back volume

Sales growth by Species in Butchers



Biggest contributors to value growth are Beef and Pork

Contribution to Butcher Value Growth



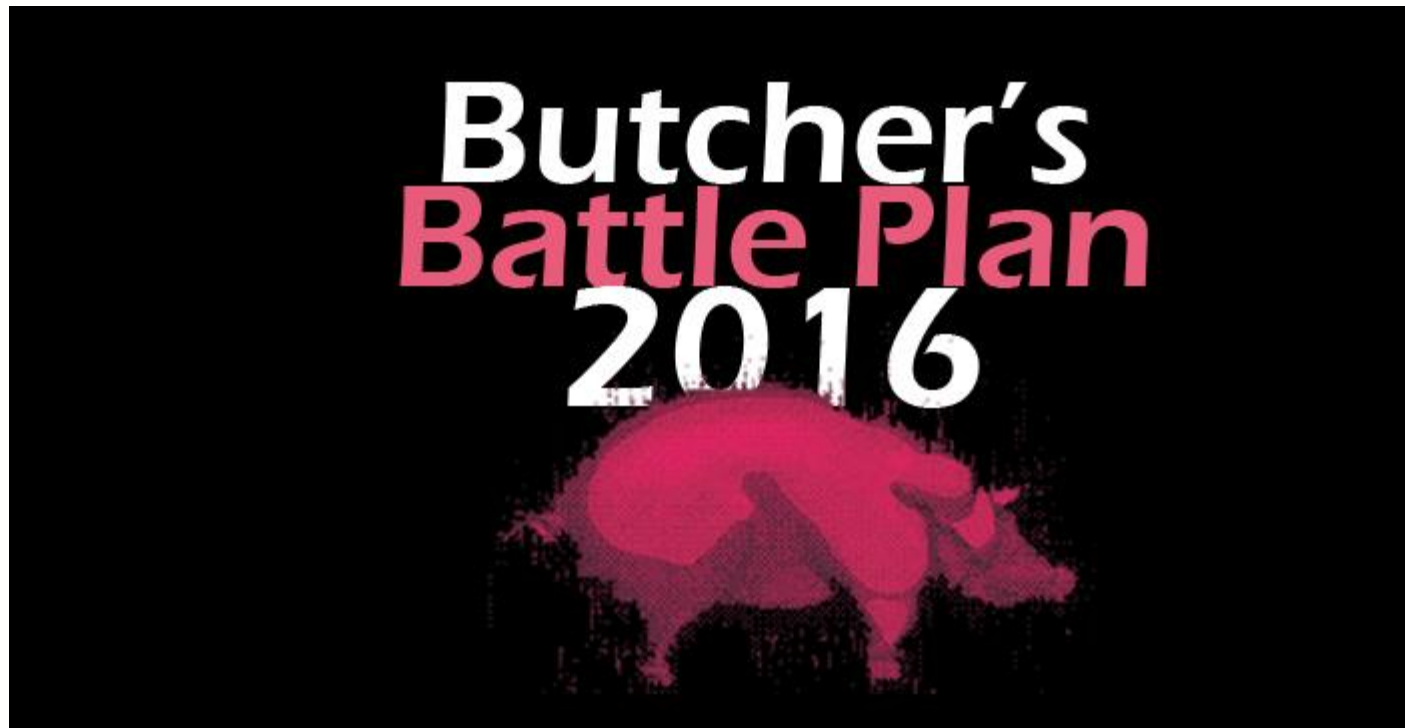
What does this mean?

- The pressure keeps comping but butchers are keeping up.
- Fresh, premium and customer service are the gaps that the butcher can fill.
- Branding & Marketing becoming more important to demonstrate premium.
- Profitability and product mix is key.
- Value-adding continues to evolve.
- Proactive butchers who can provide solutions to smaller portion sizes, vegetarian options, eating out and menu planning will succeed.



Butchers' Battleplan

The Butcher's Battle Plan - helping Butchers to become better retailers





Fortnightly EDMs and Value-add Recipes

- Insights
- Industry News
- Pork Specific insights



Porkbutcher website is a central resource for Butchers – www.porkbutchers.com.au

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Australian Pork

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World Butchers' Challenge

19 Jul 16 - 10 Sep 16

On Saturday the 10th of September the World Butchers' Challenge will be held on the Gold Coast.

[Read more](#)

Ham Awards

2016 Australian PorkMark

Artisan Ham Awards

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THIS WEEK'S RECIPE [more](#)

Roast pork rack with cous cous

[Make this dish](#)

Preparation 10 minutes

Cooking 1 hour 10 minutes

Serves 4 - 6

Butcher's Battle Plan

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Key Partners with the Australian Steelers and The World Butchers' Challenge



Sharing information and learning from each other



**Want to learn from
Australia's top butchers?
Private Webcast**





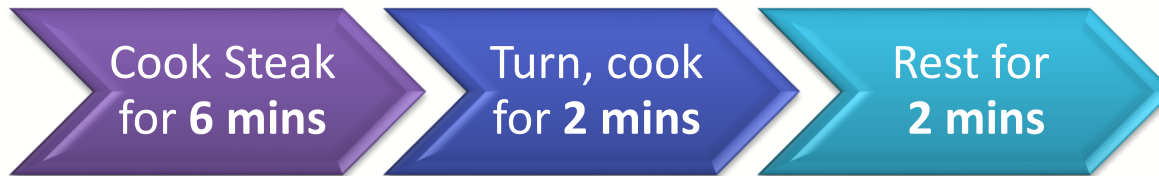
Marketing Activities 6-2-2



The 6-2-2 Methodology

Initial research identified a consistent set of cooking instructions for a pork steak.

The 6-2-2 method - Reliable and improved eating quality experience *and* achievable in the home .



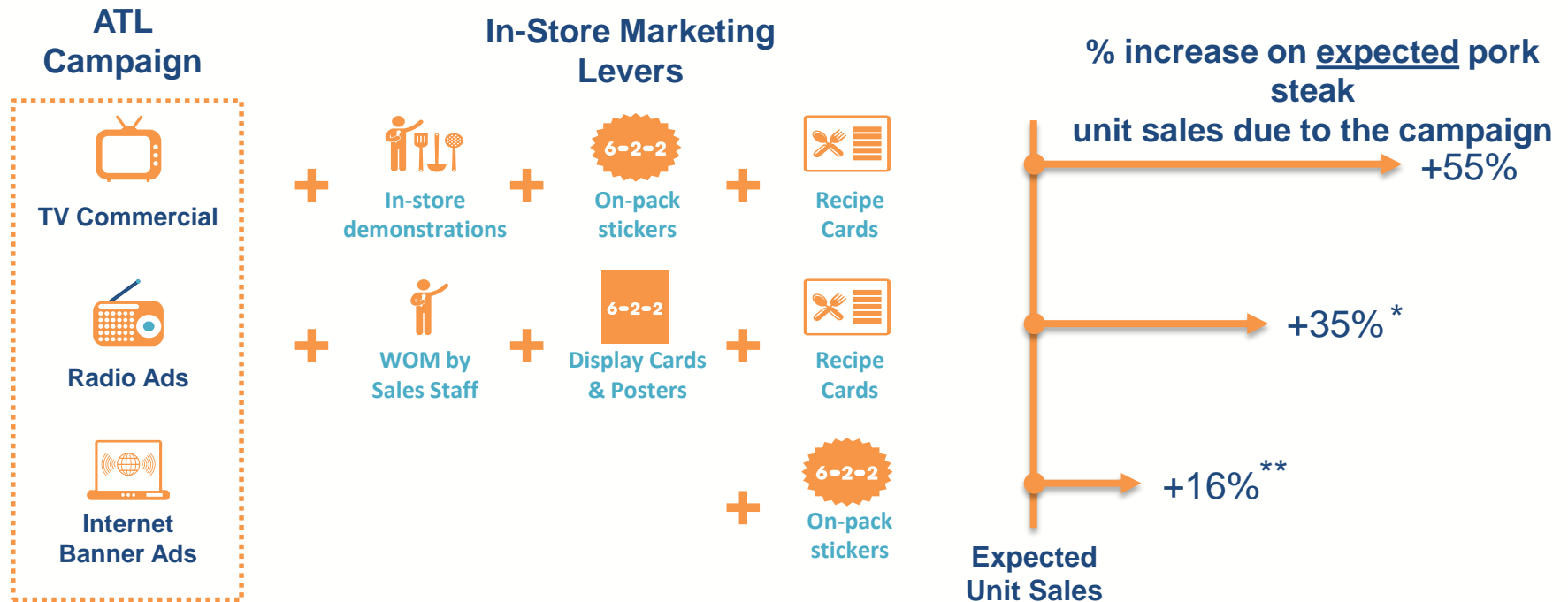
Research was conducted with Sensory Solutions in 2013

The success of the 6-2-2 methodology is based on retailers providing steaks that are consistently cut to agreed specifications (2 cm thick)



Impact of the campaign

Impact of the full campaign resulted in an increase of 55% above “expected” unit sales of pork steak.



* Sales data analysis based on 16 weeks of data and only controls for price of pork steak & pork chops/cutlets.

** Sales data analysis included some areas that were outside of the TV/Radio campaign coverage area so actual effect may be larger

Source: Sales Data



National Roll-out April 2016

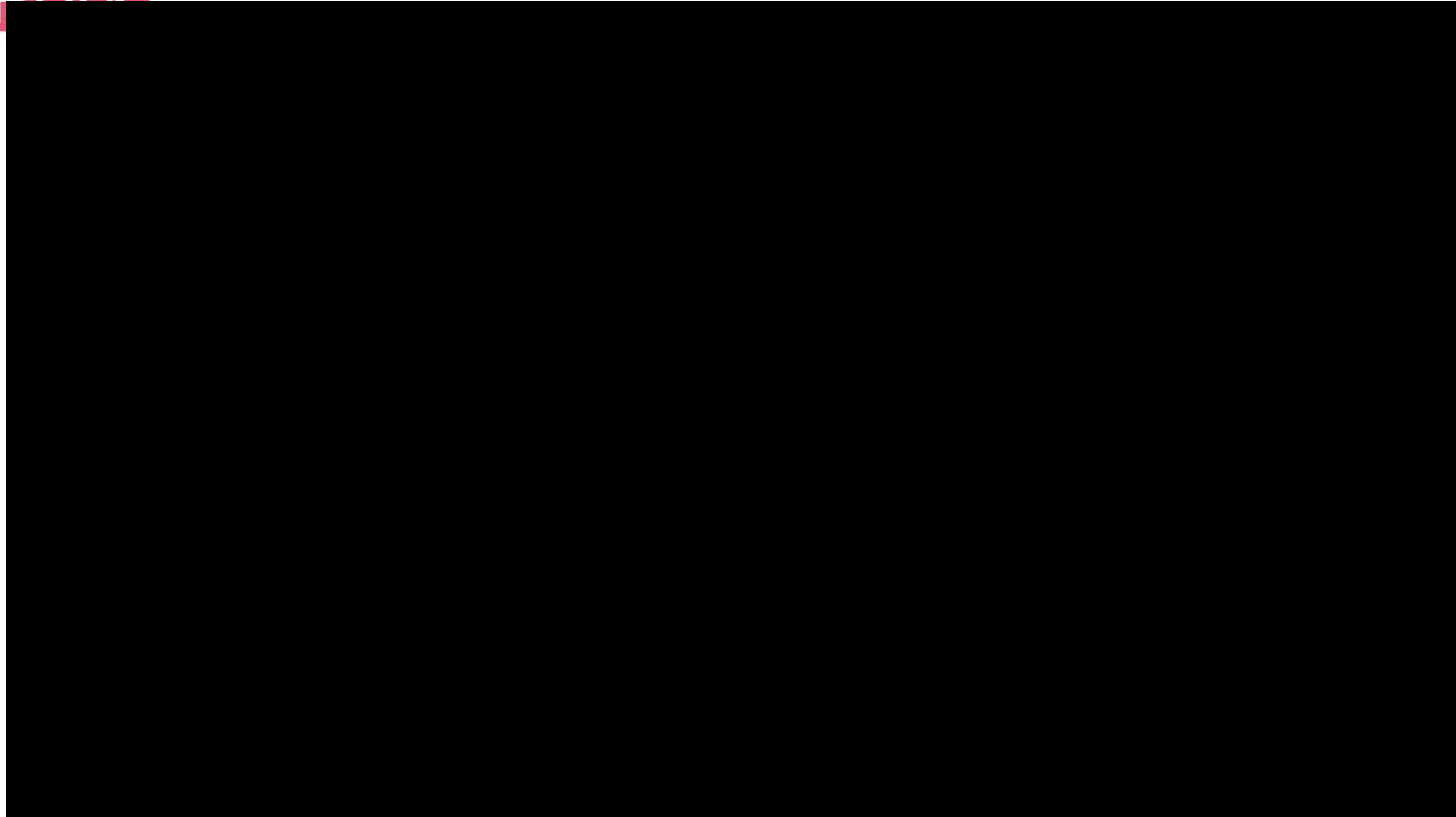
Key Information

- Ran from 3rd April for 13 weeks
- Focused specifically on Pork Steaks
- Prime time TV and Radio
- Advantage for butchers speaking directly to customers





National Roll-out April 2016



POS Kit - Contents



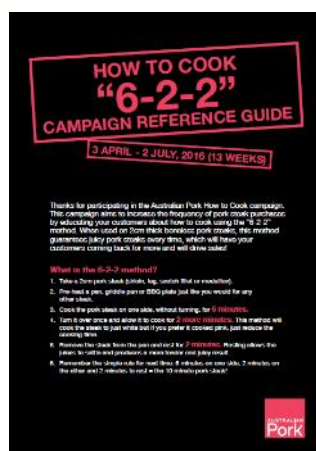
Posters A2



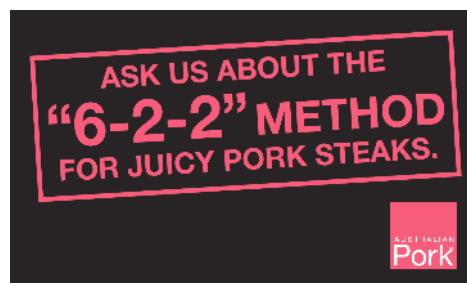
1 x Counter Card



500 x Recipe Leaflets



1x Trade Presenter



2 x Cabinet Tray ticket & Clips



1 x Quick Reference Card

Training Video

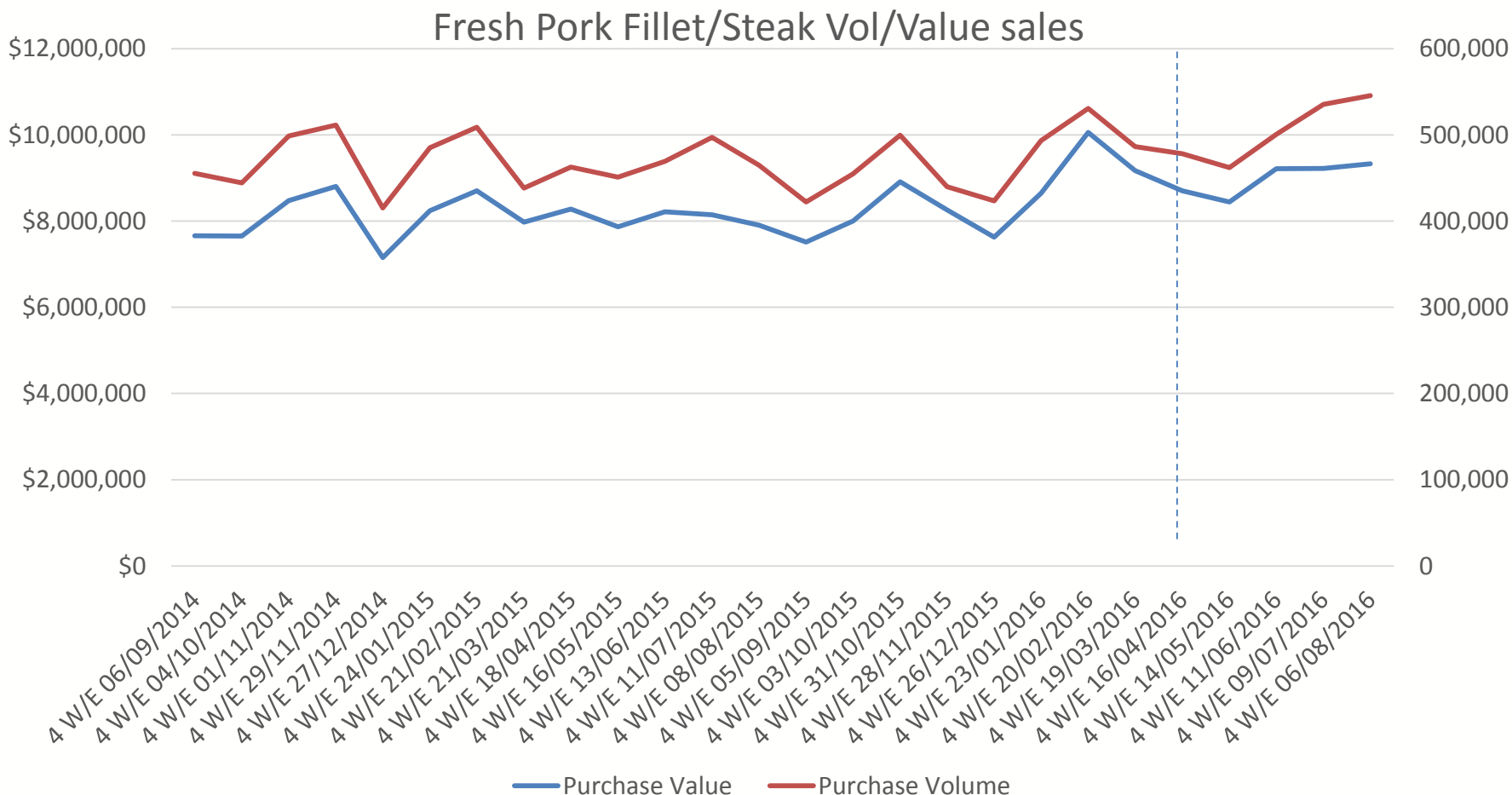


Communication with Butchers

- Face to Face with as many butchers as possible
- Butcher Manager Meetings
- Butcher publications
- In house EDM
- Facebook
- Supply Chain
- Industry Bodies
- Can we involve MINTRAC in the future?



6-2-2 appears to be having a positive impact on volume and value





Any Questions?