

7th October 2012



Australian olive oil market update and the growth of Australian EVOO



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Agenda



1. 2013 highlights
2. Global pricing
3. Australian supply and demand
4. Australian EVOO sales update by channel
5. Where to next for Australian EVOO?
6. Summary



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Highlights of 2013 so far ...



- ✓ Aussies **dominate** New York Olive Oil Competition
- ✓ **Bumper** harvest – quantity and quality
- ✓ Farewell to extra light and pure
- ✓ Local consumers **shifting to higher quality**, locally grown EVOO
- ✓ Emergence of **China** as **#1** export market for Aussie EVOO
- ✓ FEVOO and **media** stories
- ✓ Prices **improving**



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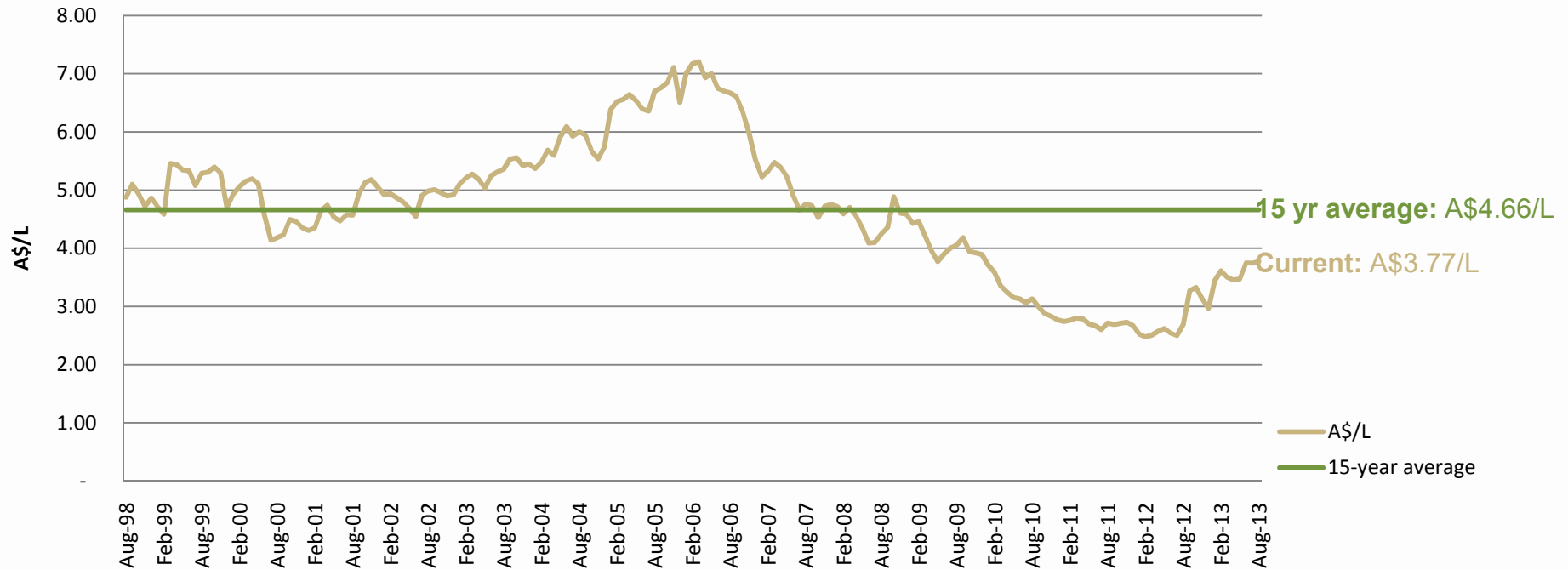
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Global EVOO prices up 50% on 2012 lows, yet still 20% below the 15 year average; outlook positive

Extra Virgin Olive Oil ex-tanker price U.K, A\$/L 15-year period - 1998-2013



Source: www.indexmundi.com



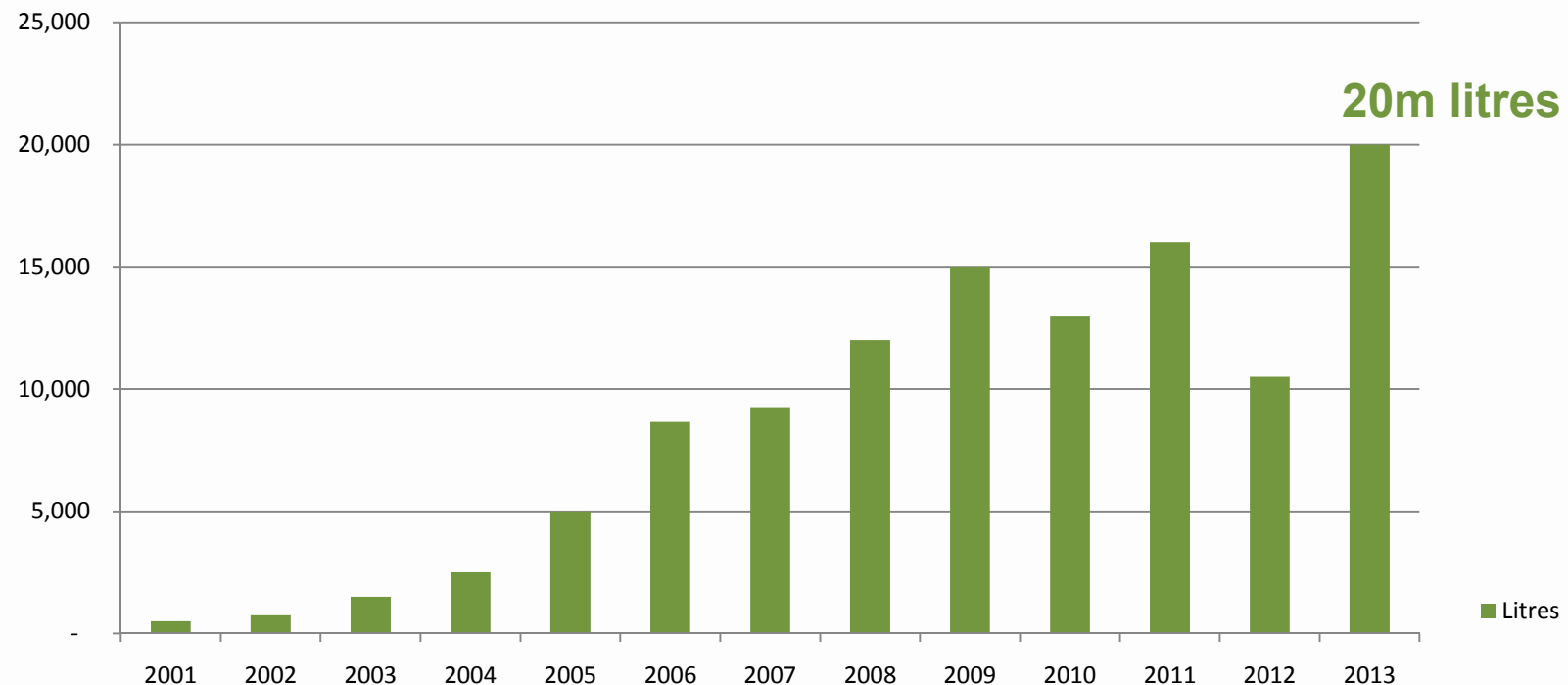
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Australian olive oil production rebounded strongly to achieve a new record of 20 million litres; >95% EVOO

Australian olive oil production



Source: Modern Olives, AOA



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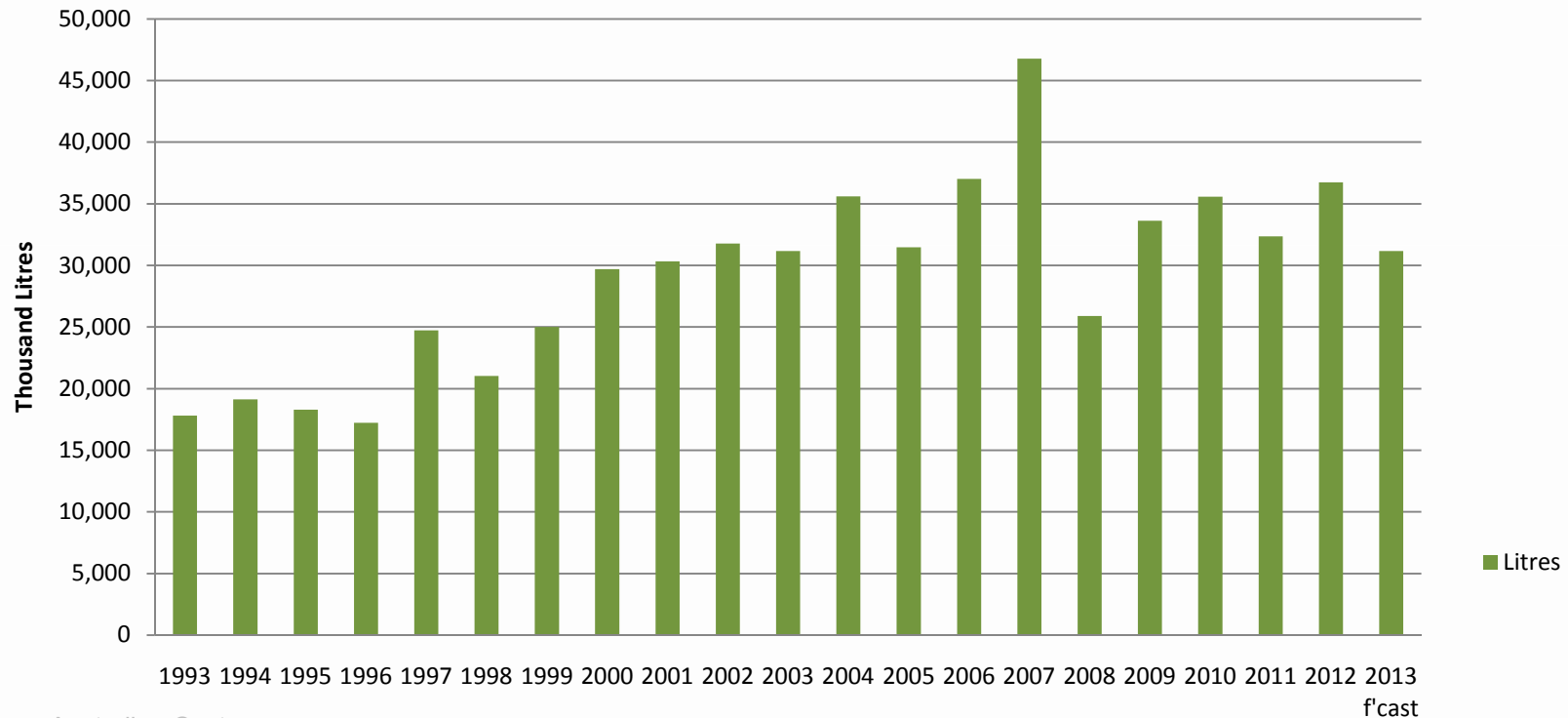
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Imports are forecast to finish the year down 5.5m litres on 2012 levels. Key drivers are import substitution and a decline in 4L tin retail sales

Australian Olive Oil Imports

Calendar year



Source: Australian Customs



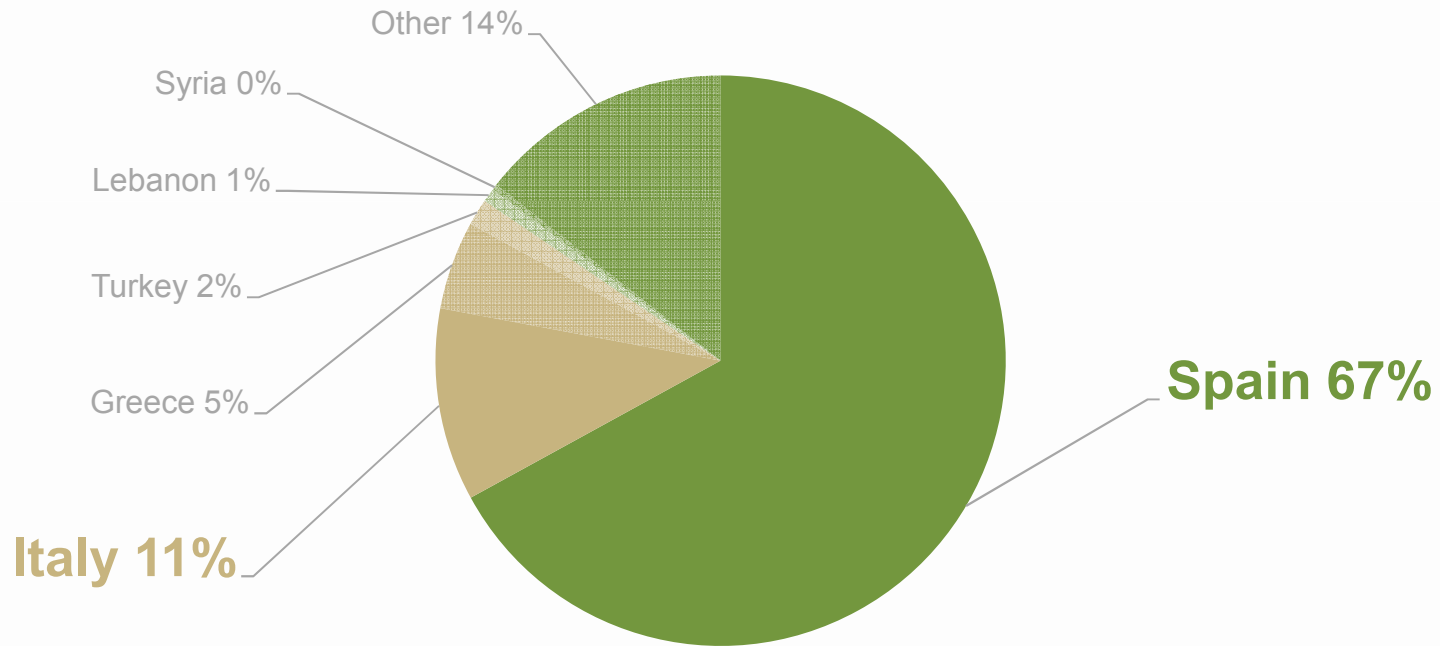
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Spain accounted for 67% of imports by both value and volume in FY13 followed by Italy at 11%

Share of Australian olive oil imports by volume FY13



Source: Australian Customs



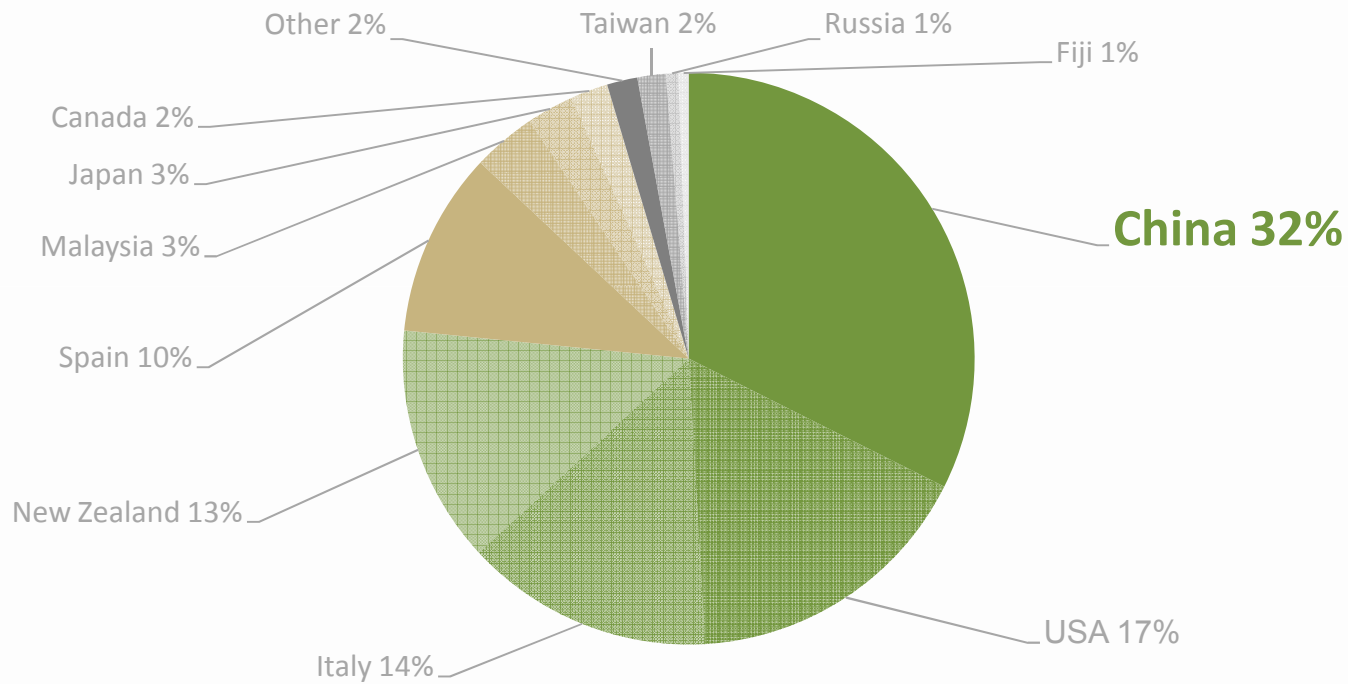
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In FY13 China overtook the USA to be Australia's #1 export destination by volume and value

Share of Australian olive oil exports by volume (FY13)



Source: Australian Customs



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Some of the great places Australian EVOO is turning up in China



Source: BBL

Ole, Shenzhen, China



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Some of the great places Australian EVOO is turning up in China



Source: BBL

Jusco, Shanghai, China



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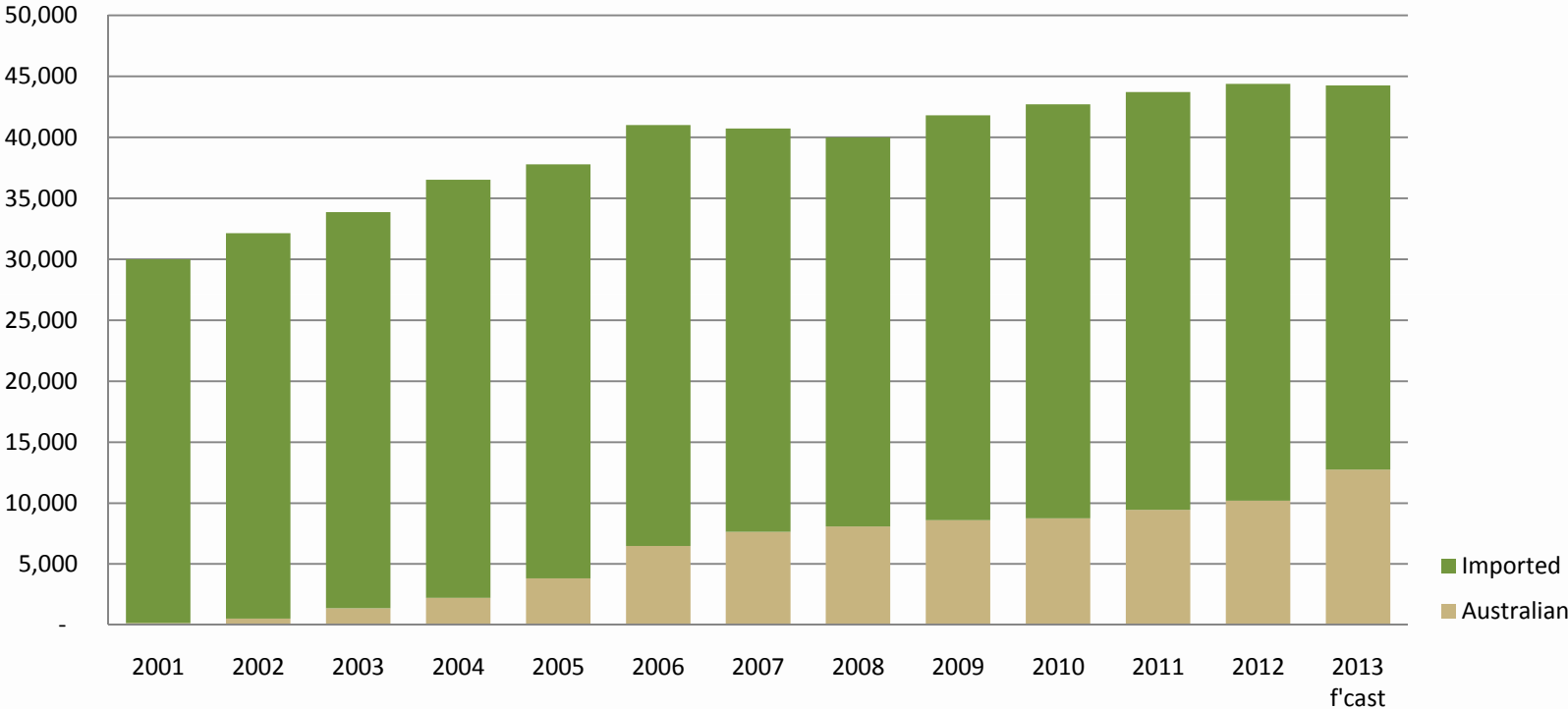
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Domestic consumption forecast to be in line with 2012 with a significant shift to higher quality, locally grown

Estimated Australian Olive Oil Consumption by Origin

Averaged ('000 Litres)



Sources: Aztec scantrack, Australian Customs, FoodServeX Pty.Ltd, BBL, pers comms.



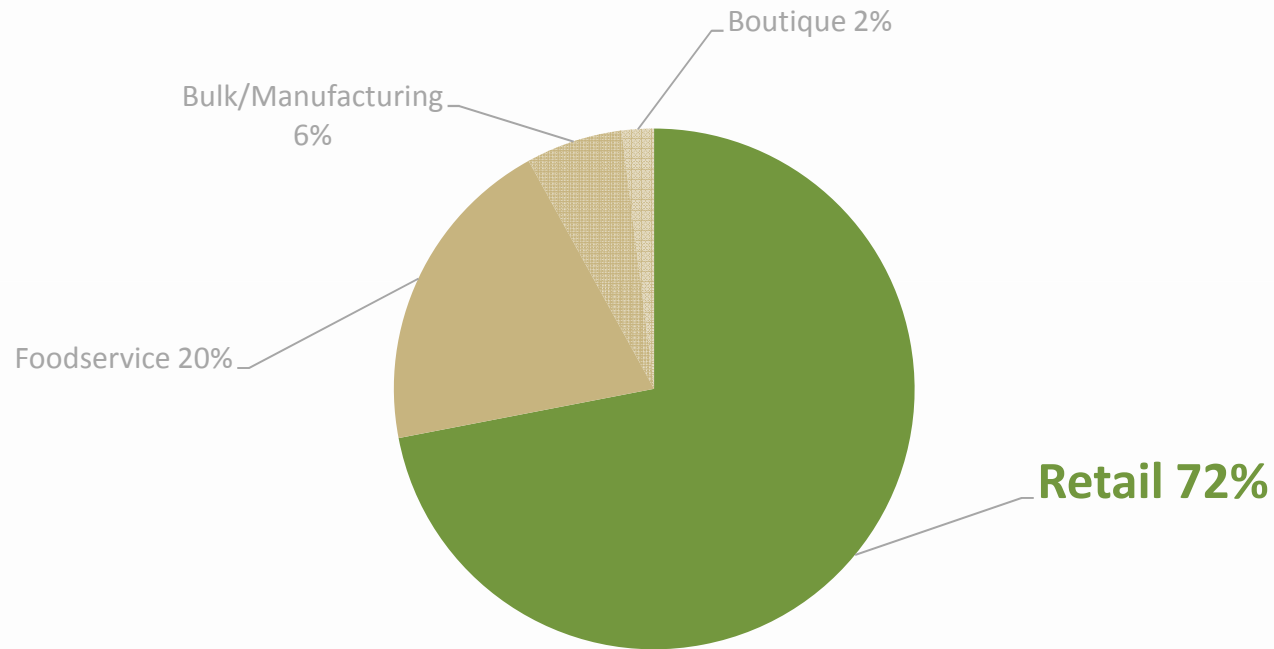
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The grocery retail channel accounts for approximately 72% of olive oil consumption

Australian olive oil consumption by channel



Sources: Aztec scantrack, Australian Customs, FoodServeX Pty.Ltd, BBL, pers comms.



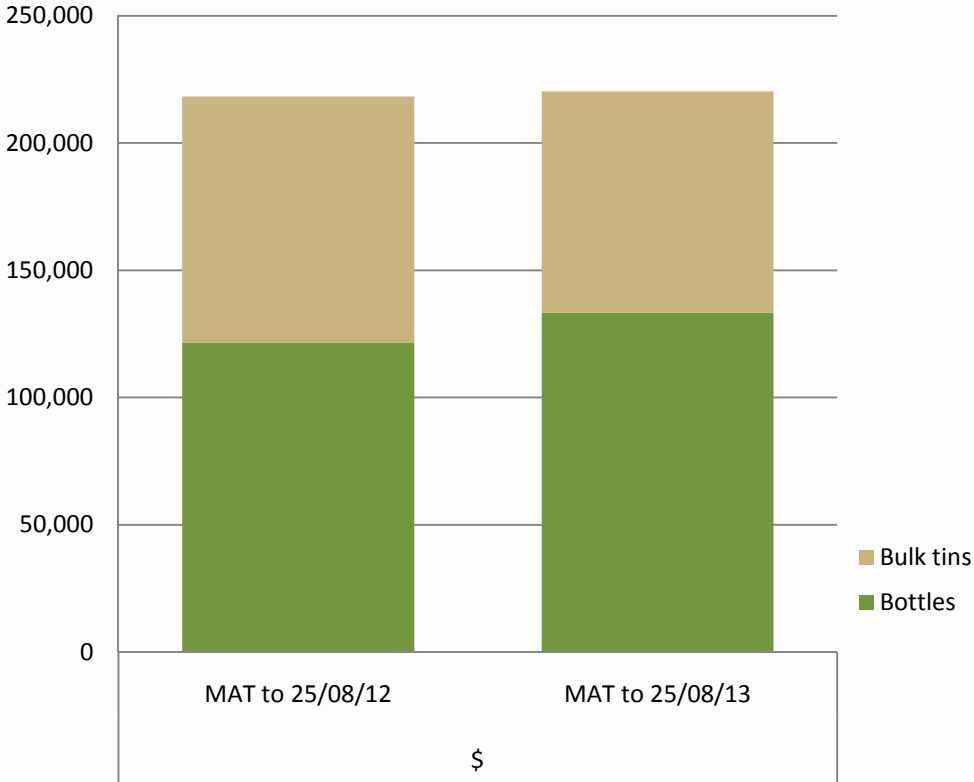
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Grocery sales flat year on year @ \$220m, bottle share up from 55% - 60%

Olive oil product mix by value

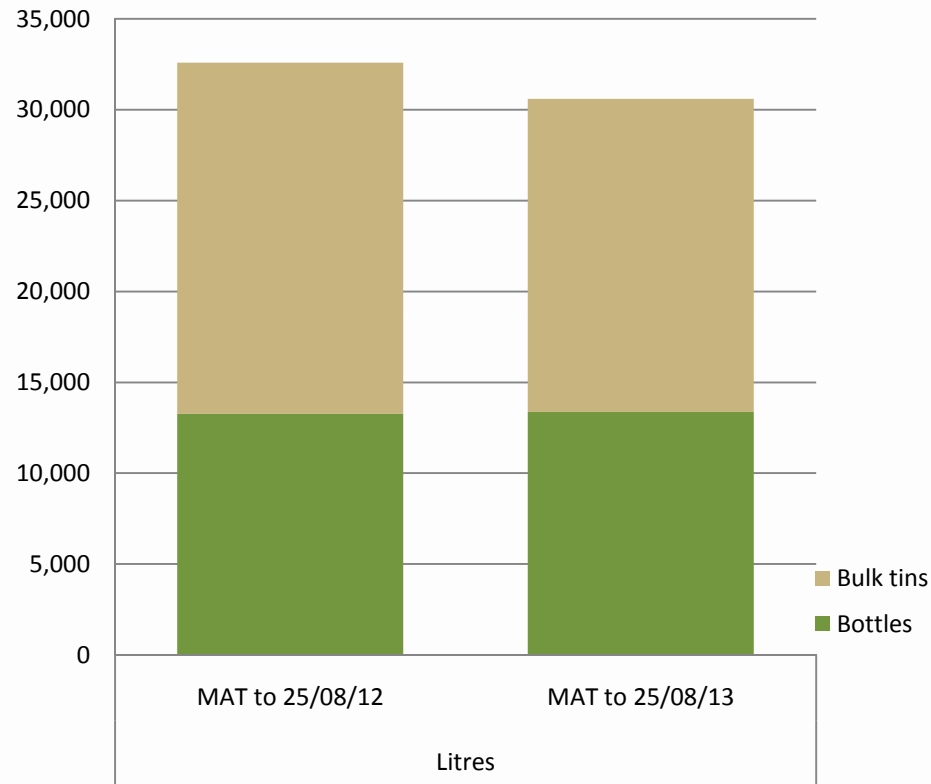


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Grocery litre sales down 2 million litres year on year due to a decline in bulk tin purchases

Olive oil product mix by litres sold



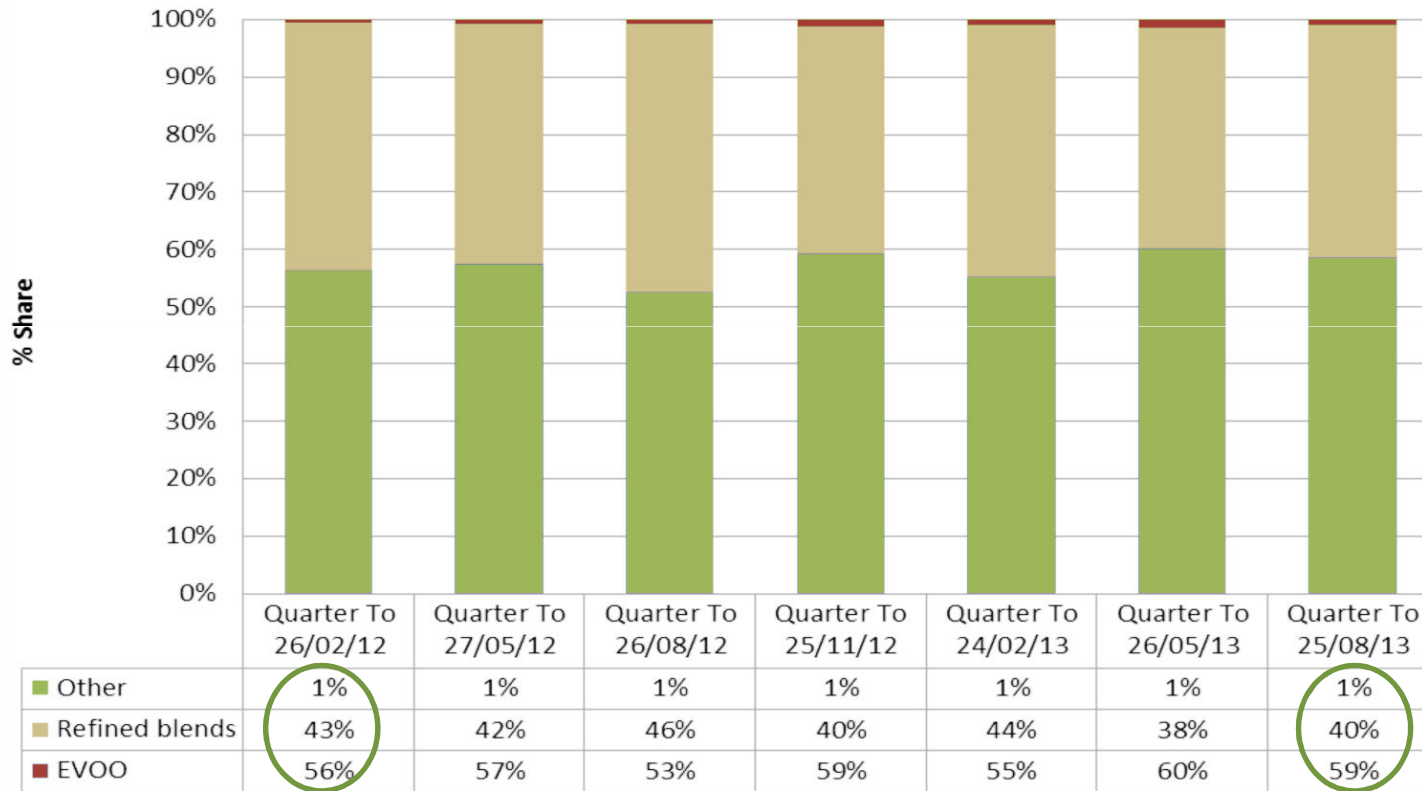
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Steady shift from refined to EVOO, currently 58% of litres sold (up from 56% in February 2012)

Share of retail olive oil litre sales by grade



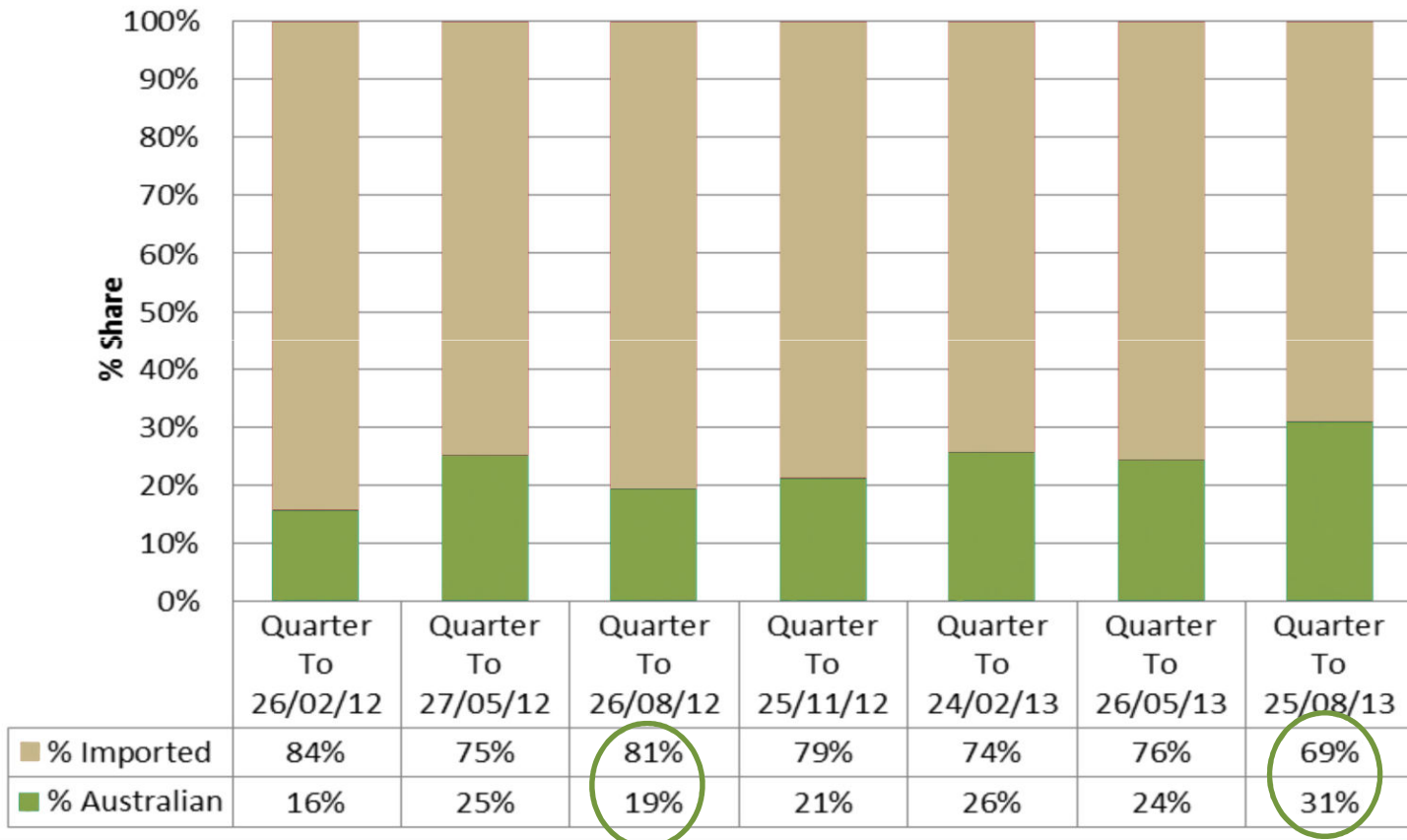
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Significant shift to Australian olive oil, currently ~30% of litres sold (up from 20% same time last year)

Share of retail litre sales of olive oil by Origin



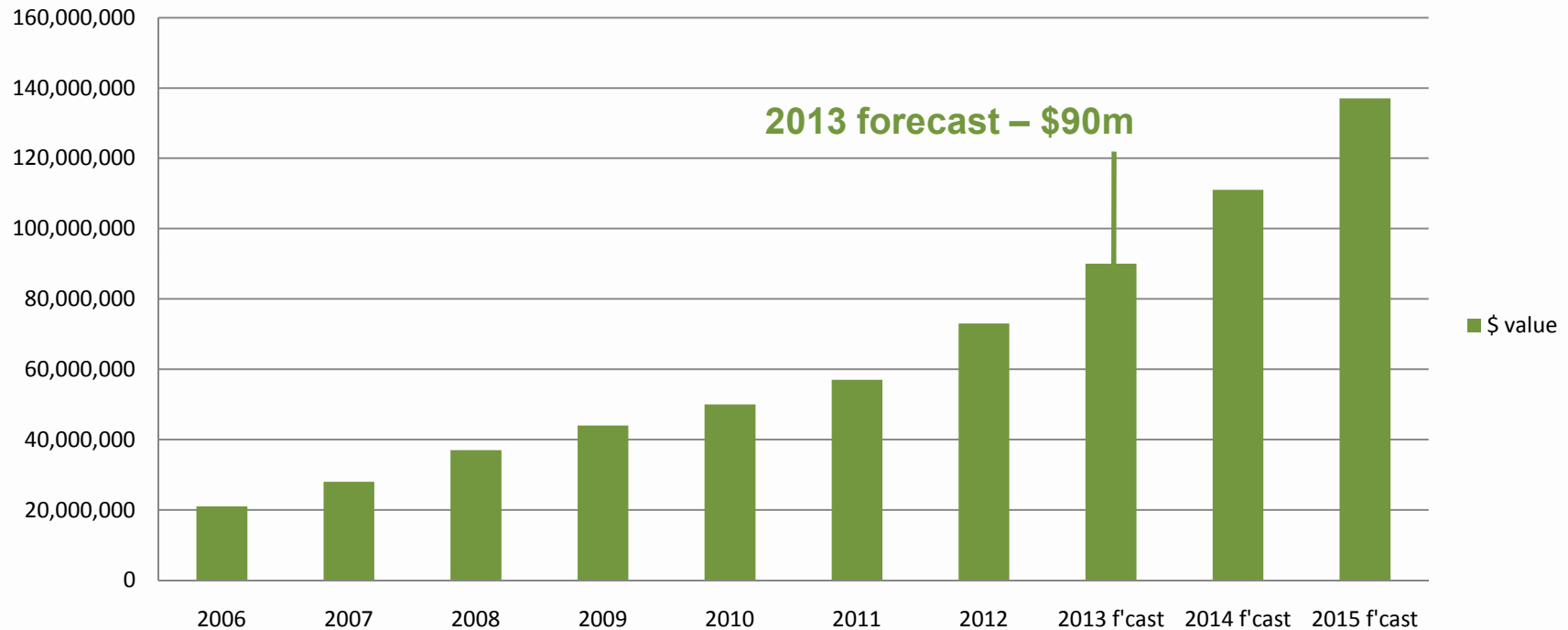
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Based on current growth rates, grocery sales of Australian olive oil set to exceed \$100m by 2014

Grocery sales of Australian olive oil
(dollars)



Source: Aztec scantrack, BBL



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Consumers remain confused when shopping the category – education is our key focus



Key points of confusion

- What do these grades mean?
- Intensity of oil, what will it taste like?
- Is old olive oil the best (like wine)?
- How do I make sure the product is what the label says it is?
- Is tradition/country of origin important?
- Which oil to use for cooking, salads, baking?
- Can EVOO be used for cooking?
- Are green olive oils better quality?
- What size to buy?



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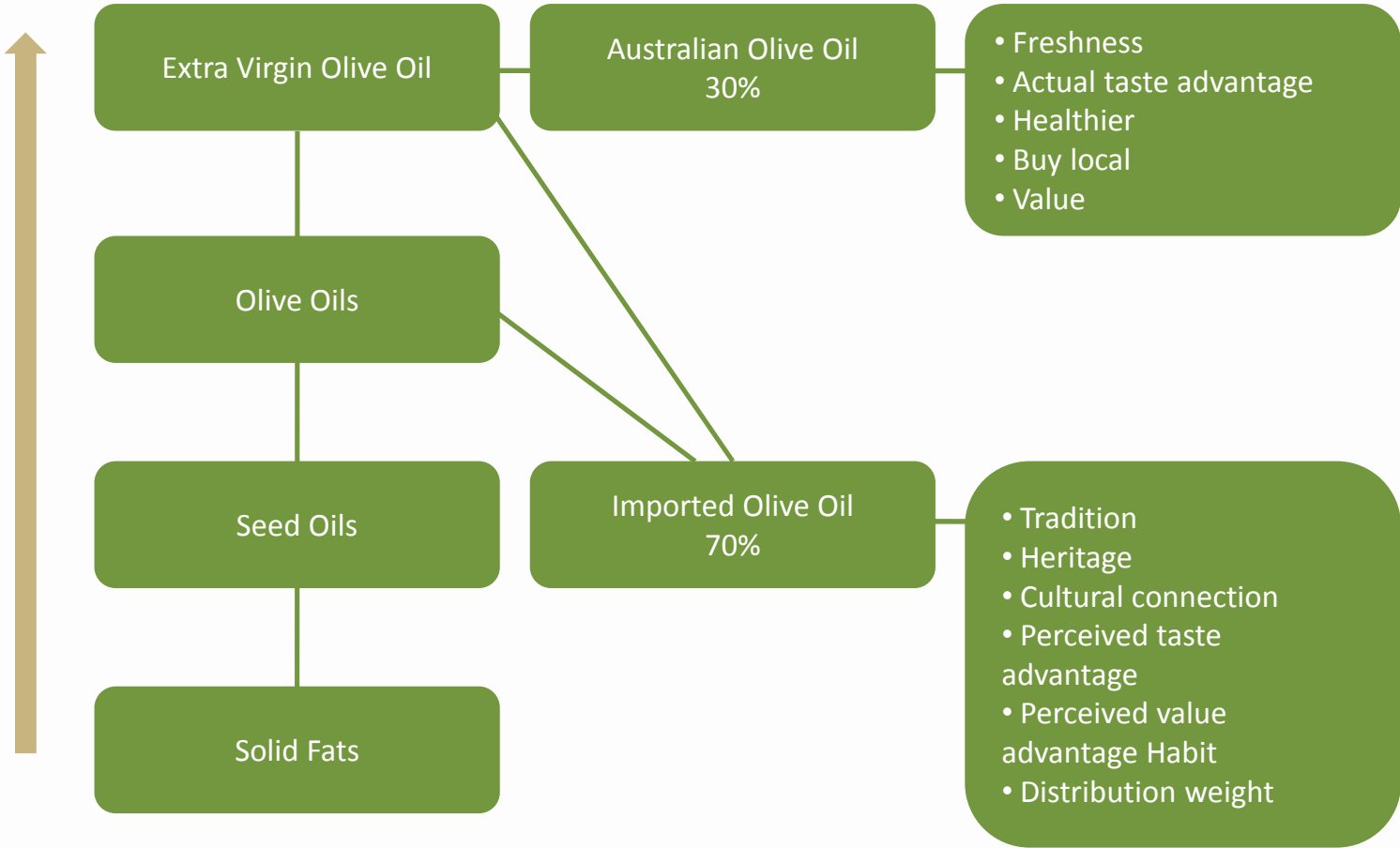
More educated and engaged consumers are more likely to be choosing an Australian EVOO over an import

Key usage drivers for olive oil:

- Health
- Taste / Quality

Factors influencing shift from bottom to top

- Level of education and awareness about olive oil
- Recipe/changes in food culture
- Food involvement
- Premiumisation
- Labeling and shelf real estate
- Provenance



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Australian EVOO media highlights

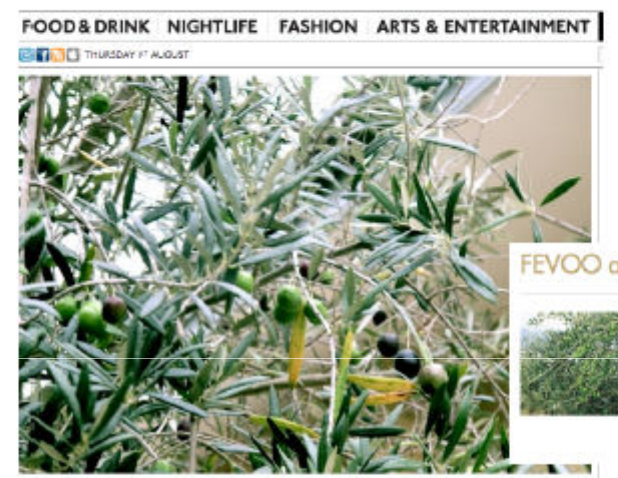


Founder of Cobram Estate shares his favourite foods

Rob McGavin is founder of Cobram Estate, Australia's most awarded olive oil company. Next month, Cobram Estate will feature at FEVOO 2015, Australia's inaugural Extra Virgin Olive Oil Festival in Sydney.



When I was growing up, food was always important but usually rather traditional and rather basic.



FEVOO Festival



FEVOO and Stephanie Alexander @ The Mint



FEVOO is the inaugural fresh extra virgin olive oil festival and is being headlined by renowned celebrity chef Stephanie Alexander. All about educating consumers about how season olive oil - harvest is happening now.

- 10 Macquarie Street, Sydney
- Wednesday July 10
- 6:00pm - 8:30pm

EVOO GETS FESTIVE

Celebrate extra virgin olive oil this week in Sydney!

FEVOO, the first-ever festival celebrating Australian fresh extra virgin olive oil, has announced a line-up of extra special superstars including celebrated cook, Stephanie Alexander. Held on Wednesday, 10 July 2015 at The Mint, Sydney, Alexander will be joined by nutritionist Dr Joanna McMillan, sensory expert Dr Rickard Gossel and food and wine identity Lindsay Millan, who is overseeing a bespoke ontape menu featuring the best of new season olive oils. FEVOO will also be hosted by everyone's favorite food broadcaster ABC 702's Simon Maxwell.



Australia's first festival dedicated to premium extra virgin olive oil, FEVOO will showcase and educate consumers about everything that is good about Aussie olive oil, plus introduce some wonderful new oils from the 2015 season, the best harvest the industry has seen for some years.

Running from 6 - 8:30pm on Wednesday 10 July, FEVOO's programme includes an expert panel led by Stephanie Alexander discussing the beauty and benefits of oil, an olive oil masterclass that will help consumers understand what's fresh and what's not, plus a growers forum that will put to rest why Australian olive oils are the best in the world featuring some of the country's best producers. Dr Joanna McMillan will also highlight how new season olive oil can be really good for everyone.

Other highlights include a gallery of Australian oils for festival-goers to taste, plus all proceeds from FEVOO, including a special charity auction, go to the Stephanie Alexander Kitchen Garden Foundation.

For more information and to purchase tickets go to: www.fevoofestival.com www.fevoofestival.com



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Australian EVOO media highlights

The Sydney Morning Herald

smh.com.au

canberratimes.com.au

The Canberra Times

Ester Han
12/10/2016

Fifty of summer and less by any measure left the limbs of Blang Kithy trees in Moore saggling with yellowed leaves by harvest time in March.

Now, with over 100,000 trees planted in the state's north-west, can safely proclaim 2017 to be bumper year. Her groves yielded 170,000 litres of extra virgin olive oil, up 70 per cent on last year's figure.

"This year was definitely good and last year was a disaster," she said. "The trees don't like wet harvest because the rain washes the flowers out. It was dry this time around."

Stretch of lower hills crops, including orchards by the far west across Australia, with NSW producers on track to hit 1.1 million litres of olive this year.

An unprecedented 29 million litres of olive oil is expected to be shipped from this year's nation-wide harvest, which ends this month, nearly double last year's total of 10.5 million litres.

in 2016, the Australian Olive Association said. Rickie Garcia, co-founder of Cobram Estate, Victoria's leading olive oil producer, is excited.

Leading bumper crops after two dry autumns years of low yields and flooding, which at one point forced him to irrigate groves spread over 6000 hectares in the Murray Valley in a wetland.

"Olive oil is up in the best harvest in a decade, both in size and quality," he said. "We've enjoyed perfect sunny days and cool nights during the season, and amazing growing conditions for our olives."

MFAC Garcia, who is also

director of the Australian Olive Association, expects Victoria to hit its production of 5.5 million litres last year to 11 million litres after seeing his groves bear twice as much fruit. NSW is Cobram Estate's big

grove market, so Garcia said olive oil is simply just from aggregating the fruit, just like a fruitfully sourced orange juice," he said.

"Olive oil should be fresh, like oranges, if it's any good. If it's old, it's like a fruit that's been sitting on a shelf for a long time. It should have your mouth clean, not have your mouth oily," he said.

Nicole Goodchild, owner of Pokara Estate in the Hunter Valley, labelled this harvest of 300 tonnes as "average". She

begins to harvest in mid-August and to late April before the fruit became just over 20 per cent oil. "Our fruit ripened early and there was a little rain harvest - it was great," he said. "I'll be on the ground to harvest in a few weeks."

"The Hunter production is a little bit lower than last year, but it's still a bumper crop," he said.

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Go online to see a photo gallery.

THE AGE

theage.com.au

The Sydney Morning Herald

smh.com.au

olive oil "Oh, to be there, dunking chunks of grilled Italian bread into a saucer of this oil." **kate gibbs**

Bumper harvest of liquid gold

The new season press of Australian olives has finished, and it is quite a vintage. Here is a crop of the best.

grove in the hills above a well-tended olive grove. The olive trees are green and healthy, and the grove is full of fruit. The olive trees are green and healthy, and the grove is full of fruit.

Murphy Yelna Premium Extra Virgin Olive Oil 500ml \$29

This is a beautiful vintage of olive oil from the vineyard in the hills above a well-tended olive grove. The olive trees are green and healthy, and the grove is full of fruit.

Miscaw Creek Extra Virgin Olive Oil 750ml \$29

This is a beautiful vintage of olive oil from the vineyard in the hills above a well-tended olive grove. The olive trees are green and healthy, and the grove is full of fruit.

The grove is full of fruit, and the olive trees are green and healthy. The olive trees are green and healthy, and the grove is full of fruit.

Gwyloch Grove Australian Cold Pressed Extra Virgin Olive Oil 500ml \$21

This is a beautiful vintage of olive oil from the vineyard in the hills above a well-tended olive grove. The olive trees are green and healthy, and the grove is full of fruit.

Miscaw Creek Extra Virgin Olive Oil 750ml \$29

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Max's Blend by Camilo 250ml \$14

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ram Estate Italian Ultra Premium Blended Extra Virgin Olive Oil 400ml \$30

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Pukara Estate Premium Australian Extra Virgin Olive Oil 250ml \$16

This is a beautiful vintage of olive oil from the vineyard in the hills above a well-tended olive grove. The olive trees are green and healthy, and the grove is full of fruit.

The Olive Tree Australian Extra Virgin Olive Oil - Fruity 500ml \$4.99

This is a beautiful vintage of olive oil from the vineyard in the hills above a well-tended olive grove. The olive trees are green and healthy, and the grove is full of fruit.

Cobram Estate Australian Extra Virgin Olive Oil Classic Flavour Intensity 375ml \$5.50

This is a beautiful vintage of olive oil from the vineyard in the hills above a well-tended olive grove. The olive trees are green and healthy, and the grove is full of fruit.

Oasis Olives Extra Virgin Olive Oil 500ml \$14.95

This is a beautiful vintage of olive oil from the vineyard in the hills above a well-tended olive grove. The olive trees are green and healthy, and the grove is full of fruit.

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FEVOO attended by 200 people; twitter feed on the day reached 54,000; pre/post media reached 12 million!



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Harvest dates on labels help reinforce the freshness message. In this Melbourne store only 4 out of 57 brands display harvest dates on the front label!



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Next step ... education at the point of purchase



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Summary



- 2013 has been a **great year** for Australian EVOO
- **A bumper crop**, strong growth of market share, global recognition for **quality**, **labelling reform** just some of the highlights
- We currently account for 30% of retail sales; should be **aiming for 40%-plus**
- **Huge upside** potential for Australian olive growers if we can **work together** to drive **awareness and education**

Thank-you!

timsmith@boundarybend.com



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