

RE BABY FOODS & FORMULAS

ng as easy as 1 2 3

t leader in the with a compre- and baby and Margaret Kirsch- trition Solutions t Heinz Wattle's td. The \$33.8M ormula and Tod- ler Milk market s showing sig- nificant growth, riven by the 'remium Gold egment and Tod- ler Milks. Heinz Wattle's' Nurture ckaging upgrade, , 2, 3 stages and ed with a giraffe mbol for growth. w has added pro- sestion. Both the bsite and Nurture continue to offer lth professionals M Wet Baby Food Plunket brand is a than eight out of ie's'-branded, has

also shown value growth. (Wattle's ranges in the area include Wattle's, Wattle's Home- style recipe, Wattle's Organic and Wattle's Little Kids range.

Kirschberg says Wattle's is the only baby food approved by Plunket, not only offering a wide range of products, product information and baby feeding information support for parents and health professionals, but also driving added value and innovation into the category. "Wattle's makes baby feeding as easy as 1, 2, 3 for mums with its new "Stages" labelling, Kirschberg says. Stage 1 blue label products are simple fruits, vegetables and rice and are all suitable for babies starting solids. Red label stage 2 jars and cans introduce babies to a wide range of delicious and healthy flavours with interesting textures. Additionally, the yellow stage 2 ranges provide babies with treats such as custards and desserts. Wattle's stage 3 green jars introduce baby to more exotic tastes and chunky textures. Building on the successful launch of Farex Pear & Banana cereal that has contributed to the 38.8% MAT value growth for Farex brand (ACNielsen MAT to 1 January 2006), Heinz Wattle's is launching Farex Rusks this month.

ics adds Earth's Best range

LTD

erprises has recently begun distributing the Earth's Best Organic Baby Line from North America. Ceres Managing Director Noel Josephson says Earth's Best is a full line of wet and dry baby products, whose joint venture with the Sesame Street show has led to major growth in North America and made Earth's Best a leading organic baby food brand. The Sesame Street name and Sesame Street characters are beginning to appear on dry-product packages such as biscuits.



"We've only had the Earth's Best Organic Baby line since December but we are already noticing the interest in wheat-free products for babies," Josephson says.

a natural alternative

ngly selective about products they pur- in the prevalence supermarket," says & Export Manager re Baby Ltd. "Our tive for parents who toxicity of existing organic is especially they are more sensi-

Infant Food range, which includes Babynat Organic Infant Formula; gluten-free Babynat Organic Infant Cereal available in two flavours; Babynat Organic Teething Biscuits and Babynat Bottled Food available in 13 flavours. Faull reports that Babynat sales at New World Victoria Park in Auckland have grown 25% in value in 2005 vs 2004. Babynat is the result of chemical-free agriculture, using milk from cows that graze freely and are fed on an

Prospects for Frozen Baby Food are hot

GREEN MONKEY CO. LTD

The last 12 months have been busy ones for The Green Monkey Company, says Charlotte Rebbeck, Managing Director. The Green Monkey Company produces New Zealand's first Frozen Organic Baby and Toddler Food, with two ranges currently on offer: a Seasonal Fruit and Seasonal Vegetable range, both certified organic with AgriQuality. Both ranges are sold in 12 x 30g pottles per box. "We continued to focus on brand awareness through magazines and radio and at 'ground level' with mothers groups and supermarket tastings. We also worked to ensure our processes and distribution channels to our 40 retail outlets were of high quality and constantly monitored to ensure customer satisfaction." Rebbeck says overseas trends have shown that Frozen Baby Food is the fastest-growing Baby consumable (particularly in the UK) and despite the rapid growth of Frozen Baby Food, it is interesting to note that any effect on the sales numbers of tinned and jarred baby food is minimal. "Based on these overseas trends and growing consumer awareness, we confidently predict that Frozen Organic Baby Food will be a major force in the retail market in the next few years. Cost-efficient, easily transportable and 'guilt free', it's the food mothers would make for their children if they had the time." Trials of using a small freezer in the baby food aisle have worked well. Says Rebbeck: "This is the way it is done in Europe so we are definitely at the forefront of this trend in New Zealand." Within six months The Green Monkey Co. will be launching two new ranges to meet customer demands: larger pottles of Vegetables and an organic meat range (endorsed by New Zealand Beef and Lamb). These will be aimed at older babies and are currently in development with a consulting nutritionist. The company will also be participating again in the "ASG Parent and Child shows" in Christchurch, Wellington and Auckland in 2006.



Because baby formulas are not all about the milk, says Faull, but also the vegetable oils used for the development of the nervous system. Babynat uses Omega-rich certified organic first cold pressed vegetable oils. "Babynat



WHAT'S HAPPENING?

Nothing is too good for today's babies and organic and natural offerings are showing a steady rise

BABY FOODS & FORMULAS

- The Infant Feeding category has again shown good MAT growth in 2005, up 6.1% vs YA to a current value of \$54.1M. (ACNielsen).
- This growth is significant given a relatively static birth rate, with 57,620 live births registered in New Zealand to September 2005 (down 1.3% vs YA. This followed birth rate increases in 2003 and 2004. (See the Statistics NZ website for further information).
- There are five main segments within the infant feeding category: Infant Formula & Toddler Milks (\$33.8M), Wet Baby Food (\$17.1M) Dry Baby Food (\$1.9M), Dry Snacks (\$0.7M) and Juice (\$0.5M).
- The Infant Formula and Toddler Milks segment has again shown growth, following the trend towards more products for older children (toddlers). Wet Baby Food has also shown growth, again for reasons of convenience. Baby Cereals and Jellies are static/in slight decline.
- Quality, as always, remains the key driver with modern parents.
- Organic offerings continue to grow, with at least four players (Only Organic, Green Monkey, Ceres and Nature Baby) now active in the NZ market.
- Frozen organic baby food is tipped to become a growth area, following trends in e.g. the UK.

BABY ACCESSORIES

- Good growth continues in this category at around 23%, with bottles, cups/utensils, play and teething showing especially strong performance. A good programme of NPDs and other innovations, e.g. trayed products and website upgrades, is forecast for 2006.
- Quality, safety and design innovation



remain top consumer drivers, along with convenience. Consumers will pay higher prices for trusted products.

- Supermarkets are increasingly perceived as sources for top quality products at good prices.

DIAPERS

- The Disposable Nappy market is reaching maturity, with penetration at 95%+.
- Premium nappy brands will need to continue to add value in order to stimulate growth. Consumers are already very product features-conscious: key drivers include absorbency and leak-proofing ability. "Natural" gel, latex, dye and perfume-free etc offerings are tipped to become more popular.
- Nappy shoppers are significant in-store spenders, with basket sizes twice that of average (\$120.49 vs \$56.79). Nappies are part of the main household weekly shop. (ACNielsen Basket Insights Research 2005).

BABY WIPES

- Growth has been good, up to \$19.2M vs \$17.1M YA. Key drivers are strength, thickness, cleaning ability and gentleness. Hypoallergenic formulations are increasingly popular.

LOTIONS, SOAPS, OILS AND TALCS

- Quality-conscious consumers are increasingly ingredients listing-oriented. Natural, plant-based products are tipped to gain more ground.

OVULATION & PREGNANCY TESTS

- Competition has intensified, with the entry of MDS Diagnostics against market incumbent Wilson Consumer Products.

BABYCARE – SOME STATS*

Total Infant Formulas	\$34.00M vs \$31.51M YA
Total Baby Food	\$17.18M vs \$16.73M YA
Total Baby Cereals	\$1.98M vs \$2.00M YA
Total Baby Jellies	\$802,005 vs \$841,034 YA
Total Infant Feeding Accessories	\$3.60M vs \$2.84M YA
Total Nursing Pads	\$1.44M vs \$1.28M YA
Total Disposable Baby Nappies	\$88.47M vs \$91.10M YA
Total Disposable Baby Nappy Liners	\$451,436 vs \$457,250 YA
Total Disposable Baby Training Pants	\$11.74M vs \$11.54M YA
Total Baby Creams	\$741,864 vs \$732,735 YA
Total Baby Medications	\$791,222 vs \$738,762 YA
Total Moist Towelettes	\$19.25M vs \$17.15M YA
Total Nappy Cleaners/Sanitiser	\$682,308 vs \$1.07M YA
Total Antibacterial Treatments	\$285,529 vs \$291,906 YA

*ACNielsen TKA MAT to 29 January 2006. GR acknowledges ACNielsen's kind assistance with data for its Category Check features.

BABY ACCESSORIES

Plunket approval a key ass

HEINZ WATTIE'S LTD

Wattie's Baby Basics® is an exciting range ten products that are designed for progress as the baby develops – Wattie's Baby Basics is the only feeding accessories range the market that is Plunket approved! Heinz Wattie's website www.forbaby.co.nz provides helpful advice for parents on feeding baby products and general parenting information. Margaret Kirschberg, Business Manager Nutrition Solutions at Heinz Wattie's says new-look website launches this month, offering even easier navigation and greater interaction with users.

