

RaboDirect
Financial Health Barometer 2017

Food & Farming Report



Rabobank

RaboDirect

Feel good about your savings



Introduction

Australians are wasting a whopping \$9.6 billion on food each year! That's over \$1000 per household that could be better spent on that end of year holiday, new surfboard or even earning interest in a savings account.

With the rate of population growth and demand for food rapidly increasing, it's important that all Australians become aware of their individual impact on food wastage. From choosing imperfect produce at the supermarket, to taking steps to reduce household food and energy waste.

Australians can join forces and rise to the challenge to ensure future generations enjoy an abundance of nourishing food.

At least four babies are born each second,¹ the world population will reach 9.8 billion by 2050², and feeding all these mouths means that food production will have to increase by at least 60 per cent³. Rabobank's vision is to help create a more sustainable food production chain, ensuring food supply is secure for generations to come. To achieve this Rabobank and RaboDirect are working to change the attitudes and behaviours of farmers, supermarkets, and consumers, so that Australia's, and the world's, natural resources may be preserved for generations to come.



HALF of all Aussies still feel they only know a little bit about farming and food production

The dial hasn't shifted on some key findings from last year's report:



14%
On average Aussies waste 14% of the food they buy



Before change comes awareness, which is why RaboDirect conducts the annual Financial Health Barometer Food & Farming Report looking at Australians' food and waste habits, and knowledge about farming.

However, this year we've delved deeper into why Aussies are still wasting food and how improvements can be made. Consumers have a significant role to play as part of the food and farming value chain to help secure Australia's food supply now and in the future, and the 2017 Report highlights the power that lies within our everyday choices.

About this report

As part of the 2017 RaboDirect Financial Health Barometer, we surveyed 2,300 Australians, aged 16 – 65, measuring attitudes and behaviours around food and waste, shopping habits, as well as their understanding of agriculture and the journey from farm-to-fork.

Through awareness and education, the RaboDirect Financial Health Barometer Food & Farming Report intends to reduce waste in Australia, while improving the finances of all Australians and safeguarding our food supply for future generations.

The real cost of waste

Australian consumers are far from ignorant about food wastage. In fact, the vast majority are frustrated by food waste and feel annoyed when they're forced to discard food that is no longer edible.

53 per cent of Aussies consider themselves ethically conscious consumers, while 76 per cent care about reducing food waste.

However, when it comes to 'walking the talk', the actions of many Australians do not match this sentiment.

The typical Aussie households wastes 14 per cent of the food they buy each week, a figure that hasn't changed since 2016.

The report shows that Victorians are the most wasteful, with 19 per cent squandering at least of 1/5th of the food they purchase each week, with consumers living in New South Wales running a close second at 16 per cent. South Australians waste 13 per cent, while those in the Northern Territory and Tasmania waste 12 per cent and 4 per cent respectively.

Interestingly, the 2017 RaboDirect Financial Health Barometer tells us that although a larger percentage of city dwellers consider themselves to be more ethically conscious (56 per cent) than rural residents (48 per cent), their behaviours prove this attitude doesn't translate to action, with metro consumers wasting more than those living in rural areas.

Food waste cost per year

\$1,050

Average household



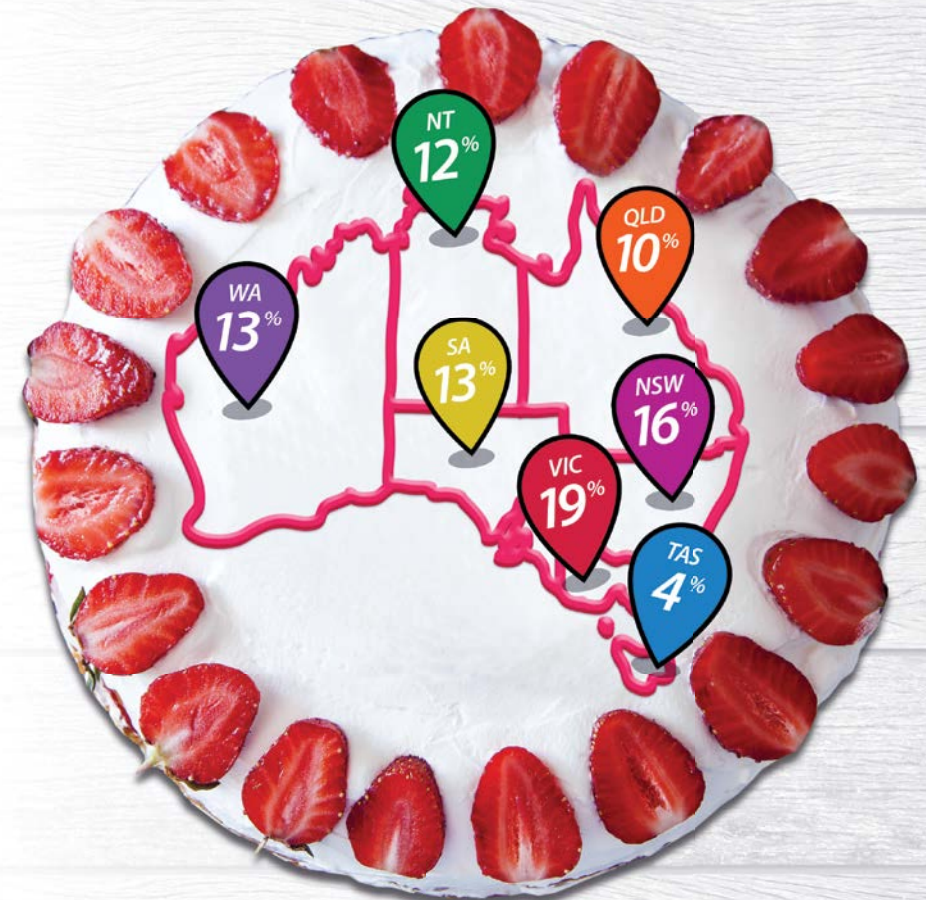
\$9.6

billion
Across Australia



Which state is the most wasteful?

Percentage per state who waste more than 1/5th of their grocery shop



City vs country residents

Who is the most wasteful?

16%

of food bought by city residents is thrown away each week

10%

of food bought by country residents is thrown away each week

City residents throw away more than 16 per cent of food bought each week. This figure drops to only 10 per cent for those living in the country, suggesting that Aussies with a greater knowledge of farming and food production are more likely to be careful with their food.

The report reveals that Baby Boomers throw away the least amount of food each week, while Gen Y are the most wasteful demographic.

Every week, Australian consumers are tossing money away on items that are ultimately wasted – and this is true for non-perishable goods as well, including clothes and electricity. The 2017 RaboDirect Financial Health Barometer reveals that wasteful habits infiltrate all areas of life.

The proportion of Australians who spend money needlessly and waste energy increases with the proportion of food wasted each week. This means that those who waste the most food each week, also tend to buy clothes that are never worn, use a clothes dryer on a sunny day, leave appliances on when not in use, and drive instead of walking or using public transport.

Generation Y is the worst culprit when it comes to buying clothes, shoes, and accessories that they never wear (66 per cent). But they're not alone. 55 per cent of Australians are guilty of this habit, and a huge 16 per cent of Generation Z always use a clothes dryer on a sunny day.

These statistics clearly reveal a significant loss to Australians' back pocket as well as the environment, due to a lack of mindfulness around sustainable energy and shopping.

When it comes to claiming the title of 'ethically conscious consumers', more people in New South Wales, Victoria, and Tasmania, believe themselves to own this identity than any other states.

Kicking the habit

When Australian consumers were asked why food is wasted within their households, a common theme emerged.

A little planning goes a long way towards saving you money and reducing the strain on the planet's natural resources. Step one is awareness. Become mindful of your behaviours around shopping, cooking, and serving food. The best way to do this is to keep a food diary for a week, jotting down what you spend versus what you consume. Notice any patterns – perhaps you purchased certain foods on impulse only to find they were not useful within your regular meals?

Now that you know how much you're wasting and what it's costing your back pocket, create a shopping list for the week ahead, and stick to it. The Financial Health Barometer shows that the biggest gaps in behaviour between Australians who never waste food and those who waste more than 20 per cent each week lies with those who think about portion size and always use a shopping list.

82%

of people who waste food indicated that food goes off before they can finish it

43%

stated that they buy too much food, or the food is not as good as they expected, leading it to be discarded



Tips for reducing food wastage

1



Never shop without a list again!

2



Make the most of over-ripe fruit and leftover vegetables by creating fruit muffins, smoothies and vegetable soups.

3



Rotate items in your fridge with older foods at the front to be consumed first.

4



Plan a meal at the end of the week to use up all remaining vegetables, such as a stir fry.

5



Grow your own herbs, fruit and veggies and pick only what you need.

6



Serve out smaller portions. You can always have seconds!

7



Don't plan too far ahead. Never more than a week in advance is ideal to avoid wasting food due to impromptu dinner invitations or evening commitments.

8



Keep an 'EAT NOW' container in the fridge. When you notice a food item is starting to wilt or approaching its use-by date, place it in the container as a reminder to use it soon.



Case study

David De Paoli

Founder of AustChilli

Rabobank / RaboDirect customer David De Paoli founded AustChilli, Australia's largest agribusiness chilli company in Bundaberg, Queensland in 1955. He works alongside his wife Karen (financial controller), son Trent (food technologist) and daughter Kellie (business marketing) to supply global food and beverage companies with value-adding products and purees such as chilli, herbs, vegetables and fruit; in particular – avocados.

Sustainable farming

The De Paoli's agribusiness prides itself on the core belief that they are 'ensuring future generations are sustainable', through implementing both sustainable and environmentally beneficial practices. Being geographically close to the Great Barrier Reef, AustChilli believes in the importance of improving the quality of water flowing into the Reef and enhancing its resilience to threats posed by nutrients, pesticides and sediment run-off. In addition to regular sustainability practices, the business ensures all factory water (up to 10 mega-litres per year) used for irrigation and waste is composted and used in the fields to increase soil health in time for the next crops...and so the cycle continues.

Sustainable products

David and his son Trent believe avocados have always been synonymous with healthy eating and great taste. In fact, Queensland's annual avocado crop is worth \$460 million, equating to half of Australia's overall production. This passion led them to create AvoFresh, the first cold-pressed avocado range that can be used on toast, crackers and a range of snacks. AvoFresh has been available in tub and tube packs in Woolworths and IGA supermarkets across the country. A sustainable solution for minimising waste in busy lifestyles, AvoFresh eliminates the age-old problem of varying ripeness in fresh avocados whilst maintaining all nutrition and flavour.

Looking ahead

In a bid to reduce energy usage, David and the AustChilli team have invested significantly into renewable energy and have installed 300Kw of solar panels at their farm. David's farmers also believe that great produce starts with their soil. They continue to invest in increasing the organic matter their farm soils to ensure healthy land for future generations and to provide healthier products to Australian consumers that are richer in nutrients.

In an industry as tough as farming, David and Trent believe businesses need to adapt to consumer demands of ready-to-use products for their busy lifestyles, just as they have with AvoFresh.

David's waste saving tips

1. **Recycling:** bottles, cans, cardboard and papers – all household recycling can be made easy by separating your bins into recycling and general waste. If you're unsure where to start, simply ask your local council.
2. **Scraps:** Fruit and veggie scraps can be fed to farm animals or composted into worm farms to create nutrient rich soil.
3. **Understand the journey:** Aussies should continue to seek more information about what it takes for their food to travel from paddock to plate. Greater understanding means more informed decisions. Look at farm websites or ask your local grocers.

The power of knowledge

The Food & Farming Report brings to light a simple difference between those who waste a large portion of food each week, and those who don't: KNOWLEDGE.

Understanding the significant impact even a small reduction in household waste has on the environment is empowering. People who feel empowered are more likely to make long-lasting changes to their attitudes and behaviours.

The Financial Health Barometer shows that people who believe food and farming production is important to Australia are more likely to waste less than 10 per cent of their food.

Without a meaningful awareness of the farm-to-fork process, many Australians who declare their annoyance at food wastage do not follow through with action. In fact, the 77 per cent of Australians who say they are annoyed when food is thrown away only waste a slightly lower amount of food each week than those who aren't annoyed.

When it comes to knowledge about farming and food production, there's a significant urban-rural divide. A total of 19 per cent of Australians know 'hardly anything' about food, farming, and production, with those living in rural areas knowing more than their city counterparts.

Who knows the most about food and farming?

Overall, the percentage of Aussies who feel they know quite a bit about farming and food production has remained the same as last year at 28%

Baby Boomers



Gen X



Gen Y



54%

of people are willing to pay 25% more for perfect looking fruit and veg

Our commitment

RaboDirect is committed to bridging this knowledge gap with initiatives such as [Rabobank's Farm Experience Program](#) (FX), that allows city teenagers to experience the rural lifestyle firsthand, providing them with an experiential understanding of agriculture and where their food and clothing comes from. Aiming to highlight the important role of agriculture in Australia's economy and the future, and to bridge the disconnect between city and rural residents.



A growing trend: Supporting Australian farmers

One thing is certain: Despite poor food wastage and shopping habits, Australians are proud of their country's agricultural heritage, with 80 per cent believing in the importance of farmers for the wellbeing of the nation.

According to the RaboDirect Financial Health Barometer, nearly half (48 per cent) of Australians are concerned that 20 to 40 per cent of fruit and vegetables are rejected by supermarkets because it's imperfect in appearance.

Almost half (46 per cent) of all Australians recognise a link between buying fresh produce and their happiness and wellbeing. Not only that, 66 per cent of people prefer to buy food produced locally to support local growers and farmers.

Many Aussies are primed to take action to help local farmers so that Australia can continue to be a leading world food producer well into the future.

With a little education and the right motivation, Australians are more likely to make permanent changes to their meal planning and shopping habits. The pay-off is more in the piggy bank and the knowledge that they are helping to ensure our abundant food supply is secure for generations to come.



Leftovers go a long way



62% of all Aussies eat dinner out at least once a week



Substituting family dinner out at a restaurant once a week for 'leftovers night' could help you save an average of

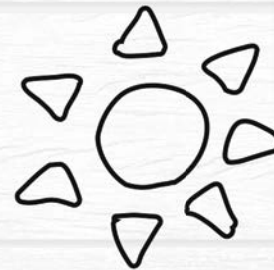
\$150
a week

Putting that into your high interest saving account will see it grow to

\$7,872⁴
by the end of the year

Meaning in...

ONE
year



You could be on that dream holiday to Hawaii!

Conclusion

The 2017 RaboDirect Financial Health Barometer addresses the challenges we face as a nation of consumers. Many people are unaware of the impact their daily food and shopping habits have on the entire food value chain, from farmer to grocer to plate.

If every household reduced weekly waste by just one third, over \$3 billion would be saved collectively per year.

How you can help



- 1 Purchase 'imperfect' fruits and vegetables that are in season at the grocery store and place them directly in the trolley rather than using multiple plastic bags. You'll save money and the environment.



- 2 Join a local 'clothes swap' group in your neighbourhood or on Facebook. Or consider 2nd hand clothing outlets, where you might find high quality clothes that are 'as new'. It's a great way to update your wardrobe without damaging your bank balance.



- 3 Consider where you spend your hard earned money; shop at your local farmers market and read the labels on food for Australian and local products. Your dollar can go a long way to supporting Australia's farmers and food sustainability, if you invest in the right places!



- 4 Make one night a week 'leftovers night' and get creative with your food waste. Aim to save \$20 a week on the food you would have bought, depositing the additional cash into your high interest savings account.



About RaboDirect

Rabobank has a vision to ensure global food production and security for future generations. As the savings arm of Rabobank, 100 per cent of RaboDirect's deposits are used to fund Australian food and agricultural businesses.

The RaboDirect Financial Health Barometer is a fundamental tool to educate Australians and support farmers to meet the increasing demands of food in a sustainable way, now and in the future.

For more information

Visit

RaboDirect.com.au

Call

1800 445 445

Weekdays 8am to 7pm AEST



Download our
Feel Good AR App



@RaboDirectAU

#feelgoodaboutyoursavings

RaboDirect is a division of Rabobank Australia Limited ABN 50 001 621 129 AFSL no. 234700. Read the terms and conditions on our website before making investment decisions.

¹ edition.cnn.com/2013/07/22/health/worldwide-baby-facts/index.html

² www.un.org/sustainabledevelopment/blog/2017/06/world-population-projected-to-reach-9-8-billion-in-2050-and-11-2-billion-in-2100-says-un/

³ www.rabobank.com/en/about-rabobank/food-agribusiness/vision-banking-for-food/index.html

⁴ Savings calculation based on a \$150 weekly deposit over 1 year into a high interest savings account earning 1.8%p.a. interest compounded with no withdrawals being made



RaboDirect
Feel good about your savings