



Australian Garlic Producers



AT A GLANCE

2.1 A GARLIC WIN FOR CONSUMERS AND FARMERS

Trials in the Atherton Tablelands have the potential to dramatically change the Australian garlic industry.

2.2 DIVERSIFYING

By diversifying into garlic paste, Australian Garlic Producers has reaped significant gains for its profits and workforce.

2.3 Q&A

How the relationship with Coles is benefitting Australian Garlic Producers.

2.4 GROWING AND GROWING

Established on less than 10 hectares in 1999, Australian Garlic Producers is now a thriving operation employing 15 people.

Garlic trials promise to deliver win-win for consumers and farmers

Trials to grow specific varieties of garlic in Queensland's Atherton Tablelands have the potential to dramatically change the garlic industry in Australia and deliver significant benefits to both consumers and farmers.

Australian Garlic Producers Pty Ltd – a Victorian-based company which supplies Coles Supermarkets with more than 500 tonnes of fresh product – is undertaking the trials of virus-free garlic in the Atherton tablelands in a bid to extend the growing season for garlic in Australia.

By being able to produce garlic in different parts of Australia, such as in Queensland and possibly Western Australia, the industry will be able to supply consumers with local garlic for more months of the year.

Retailers such as Coles will then be able to offer Australian garlic to consumers for a longer time and will be less reliant on imported product in Australia's off-season.

Australian Garlic Producers (AGP) Chief Executive Officer and industrial scientist Nick Diamantopoulos says Coles' commitment to the business means the company can expand its operations in different locations and ensure garlic is grown in various climatic zones.

"The commitment from Coles allows us to increase the supply window and have fresh garlic available for more months than we would have otherwise had if we grew in one region only," he says.

"Each year we have been able to extend the season further and in 2010-2011, we will supply from December hopefully through to May or June."

Nick says customer preferences have changed since the company was established in 1999 and there is now unprecedented demand for locally-grown product.

"Customers have become far more aware of freshness, good farming and food safety issues and country of origin. An ever-broadening of cuisine and taste has also seen a greater demand for quality and variety of food products especially fresh produce," he says.

"Most significantly, the consumer has shown a strong preference for Australian-grown garlic even though it is more expensive to produce."

To meet changing customer preferences, AGP has expanded all facets of its business, increased its varietal selection and extended its growing and harvesting seasons, post-harvest care and storage.

When Australian garlic is out of season, the company secures premium quality product from around the world, making sure it is fresh and safe to give to consumers.

"Growing and harvesting will always have some climatic limitations but we will continue to develop varieties for new regions that will expand the supply seasons," Nick says.

In the future, the major change for AGP is likely to be in post-harvest storage techniques and continuing to extend the growing season so it can extend the current sales window for Australian garlic.

"All year round supply may become possible but that's not to say there will not also be a place for seasonally procuring the finest product from around the world as well," he said.



NICK DIAMANTOPOULOS

A MAN WITH A VISION

When Nick first began researching agri-business in Australia, he found there was no major producer of garlic. Around 96 per cent of garlic sold in Australia was being imported from China and he wanted to know why. With a background in science, Nick's garlic started off as a hobby, something he did in his spare time with his own resources. With a supportive family who encouraged him all the way, he has been able to follow his dream and do what makes him happy.

Diversifying into new product Garlic paste

By establishing a business for garlic paste five years ago, AGP has also reaped significant gains for its profits and its workforce. It meant it can utilise the second-grade (yet still high quality) garlic which previously had to be discarded.

“The paste business is a vital link in the Australian Garlic chain, it enables us to use our whole crop, it keeps core employees working 12 months of the year even when the growing operations are in ‘watch and monitor’ mode,” Nick says.

AGP's high quality, all-natural 100% Australian Garlic Paste means Australian product is available for consumers all year round and the product is of a very high quality, being made from fresh Australian ingredients.

With 96% garlic and the balance being Australian olive oil, the paste has a

very high primary concentration of garlic. Many other brands have a much lower primary concentration of garlic and all are using imported garlic usually in a dried form that has to be reconstituted.

It is also the only Australian garlic product, which gives the consumer an opportunity to purchase Australian product all year round.

The process used for the paste enabled AGP to put together a complimentary range of other pastes, which are also based on all-fresh product and all-Australian product.

For Coles, this means having a four product range – garlic, chilli, shallot and olive – and others under development for the future.

Innovation

Virus-free garlic

One of AGP's key points of difference is its seed production.

AGP has developed Australia's only naturally occurring, virus-free seed production program and growing trials have shown that Australia produces the healthiest garlic in the world.

The company's unique “claim to fame” came about because of a discovery Nick made when he identified virus-free garlic varieties suitable for Australian growing conditions.

AGP now holds the exclusive commercial rights to virus-free garlic seed which is protected by a license agreement and is being grown in four locations in Tasmania and Victoria.

The rights mean AGP is the only grower of disease-free garlic in Australia.

Q&A

with Nick Diamantopoulos

Does your relationship with Coles help provide further insights into the needs of consumers?

Feedback and data sharing is vital to our growth.

Coles is the retailer and their knowledge of the consumer is vital to our product development, procurement program and technical developments.

How is Coles helping Australian Garlic Producers in its commitment to grow a healthy product?

Coles has specific quality and food safety parameters that we are able to meet through our specialist knowledge and capacity to re-inspect and remove any product that does not meet their specifications.

Furthermore, it was only a few years ago that all garlic products – both fresh and paste – were imported.

Today we can offer fresh product and locally-produced product for several months of the year.

How important is Coles' commitment to running and co-ordinating a number of growers in different locations?

To serve the needs of the consumer and also to educate the consumer, it is vital that Coles covers every state, territory and region of Australia.

Due to the Coles' commitment, we too can expand our operations in different locations and ensure garlic is grown in various climactic zones.

This allows us to increase the supply window and have fresh garlic available for more months than we would have otherwise had if we grew in one region only.

Does Coles commitment also help Australian Garlic Producers continue to be at the forefront of new products?

Coles' ongoing commitment is paramount to all future development.

Coles is Australian Garlic Producers' link to the consumers and feedback from the customers will dictate the development of products for the future.

On product types and innovation, how are you trying to provide Coles with a point-of-difference?

We are working very hard to keep Coles at the forefront of the garlic category.

This includes quick seasonal changes to offer the best product available, Coles branding wherever possible to grow customer loyalty, an extended Australian season and new and innovative packaging that is both efficient and serves a purpose in the consumer's kitchen.

We are continuously developing new varieties and some are to be introduced this year.





Growing the business

A ten-fold expansion

Since it was established in 1999 on less than 10 hectares near Mildura, the company has grown exponentially.

When the company was formed, Nick and his then partner Steve spent the first few years focussing on experimental and varietal development.

It was only after this development phase that AGP were in a position to grow garlic on a commercially viable basis. The company was then in a position to produce a product for the Australian markets and in 2007-08, they began supplying Coles.

The last four years have seen a considerable expansion and this season, AGP have 102 hectares of garlic under cultivation as well as seed and research and development sites.

AGP now supplies Coles with more than 500 tonnes of fresh product, which is both local and imported, as well as a rapidly-increasing number of paste sales. Approximately one-third of this quantity is Australian and the proportion of locally-grown product increases every year as AGP grow new varieties in new regions.

AGP employs 15 full time employees plus a varying number of casual and

seasonal workers which can range from 12 to 100 depending on the time of year.

In addition, the company employs a host of other people, such as farmers, shipping agents and contractors, who work for themselves but support the business.

All AGP garlic is grown on a contractual basis and some of these relationships are developing into long-standing relationships.

It has based its business around stringent quality assurance and food safety protocols which are in line with Coles' philosophy.

"We specialise in garlic quality assurance and providing traceability from the field, harvest, storage, packing and inspection prior to delivery, right through to the supermarket shelf," Nick says.

Unlike many other garlic producers, AGP specialises in garlic and does not grow any other products.

It produces an array of varieties, including red, white, purple as well as fresh green and baby garlic varieties, and likes to promote the health benefits for lowering cholesterol and blood pressure.

SWEET SMELLING NUMBERS

15

The number of people employed by Australian Garlic Producers.

500

The number of tonnes of fresh product supplied to Coles supermarkets by Australian Garlic Producers.

102

The number of hectares of garlic that Australian Garlic Producers cultivate.

1999

The year Australian Garlic Producers was established.



Basacar Produce



AT A GLANCE

2.1 A BUNDABERG SUCCESS STORY

Basacar Produce is one of Australia's premium tomato growers and a prominent employer in Bundaberg.

2.2 ASSURING QUALITY

Basacar Produce has adopted a very stringent quality process.

They undertake regular staff training on all aspects of hygiene and monitoring standards.

Basacar understands that along with quality, traceability is becoming more and more important to consumers and has very strict procedures in this regard.

2.3 Q&A AND SOME STATS

Basacar Produce's Business Manager Tina Broadhurst on the relationship with Coles and some stats that demonstrate the company's success.

Growing strongly in Bundaberg

Basacar Produce is a Bundaberg success story.

One of Australia's premium tomato growers, the company was established in 2003 by Ayhan Basacar and relocated from Thornlands Brisbane to Bundaberg.

Here it operates two pack house facilities and four farms.

"Ayhan started this company from the ground up," says Basacar Produce's Business Manager Tina Broadhurst.

"His knowledge of the produce and farming industry will ensure we continue to lead the industry into the future."

A growing local business Approaching 1 million plants

All of Basacar's produce is grown on its local farms and is maintained and picked by its qualified staff.

"At the moment, we're growing in excess of 950,000 plants," says Tina.

"All the produce we grow for Coles is grown to specification, all trellis grown and quality assured."

Tina believes it is Basacar's commitment to such quality that sets them apart.

"Our produce must pass strict guidelines so to ensure we maintain our respected name," says Tina.

"Packaging at our own pack houses enables us to provide Coles with a personal service and an excellent quality brought about by attention to detail."

Customer relationship A strong and fruitful connection

"Our objective is to display how we are evolving and changing to ensure our relationship with Coles, and their customers, remains strong and fruitful," says Tina.

"We continue to grow and make strategic capital investments, in the form of plant and equipment, as well as in the development of farmland.

Tina says Basacar also invests heavily in its people.

"We focus on training at all levels of Human Resources within Basacar."

The result is a higher standard of quality that Tina describes as a win-win-win for Basacar, Coles and its customers.

Maintaining the highest standards Constantly reviewing and improving

Over the last year, considerable effort and investment has gone into bringing Basacar Produce's facilities up to the highest standard.

"We continually review our procedures and policies to ensure even better quality assurance," says Tina.

"We've made a very firm commitment with Coles to not only maintain, but continue to improve our high standards."

Consistency of supply Quality tomatoes, 52 weeks of the year

"We have adopted the latest innovations, from the design of the packing sheds to the machinery required for washing, grading and packing," says Tina.

"This allows us to provide a consistent supply and a consistent quality 52 weeks of the year."

At maximum capacity, Basacar is able to produce approximately 4,500 trays of tomatoes each day. Tina notes that this will increase as new plant and equipment are put into place.

"This capacity allows us to offer a weekly program and (*continued page 2*)



ASSURING QUALITY

Basacar Produce adopts a very stringent quality management and food safety system.

“We have an SQF consultant under contract,” says Tina. “We also have three full-time HACCP-trained quality assurance managers on staff as well as Freshcare-trained management, quality assurance trained production staff and supervisors.”

Basacar Produce also undertakes regular staff training on all aspects of hygiene and monitoring standards.

“We also understand traceability is becoming more and more important,” says Tina.

“We have a very strict traceability process and regular internal audits.”

Consistency of supply

Quality tomatoes, 52 weeks of the year

(from page 1) opportunity buys,” says Tina – both which benefit Coles’ customers.

“Planning ahead will always be a high priority at Basacar,” says Tina.

“In order to keep satisfying the customer, we know that we have to constantly upgrade as technology moves ahead.”

As well as keeping apace with technology, Basacar Produce also recognises the fundamentals of a quality product and service is critical to future success.

A local employer

Good staff at the core of success

“The core of good staff we have in our key areas provides expertise and training to other employees in their area of responsibility,” says Tina on how Basacar is managing growth in terms of its people.

“These practices (among others) ensure we’re always delivering the best we can across every aspect of the business.

“We aim to have a healthy, successful company that is a leader in quality as well as customer service.”

Basacar Produce has grown considerably over the past few years, to the point where today they are employing more than 120 highly trained staff.

Embracing change

Ripe for the picking

“Change creates both fear and opportunities,” says Tina.

“But with sound strategic planning and the support of key partners such as Coles, we can be assured that the opportunities significantly outweigh the fears.

“We have already surpassed many of our high expectations for the future.”





Q&A

with Tina Broadhurst, Business Manager, Basacar Produce

Does your relationship with Coles help provide further insights into the needs of consumers?

Yes.

Through regular conversations between our key staff members and the Coles Business Managers, we have acquired a better understanding of what the consumers require.

Coles has also given us the opportunity to do in-store product testing in order to get a better understanding of what the consumer's needs are.

This has been very helpful in creating a thorough knowledge of those people who put our produce in their trolley.

How is Coles helping Basacar Produce meet its business objectives?

Our main business objective is to be the largest cherry tomato grower in Australia.

Coles is extremely important in helping us achieve this.

Through our dealings with, and the commitments from, Coles this has enabled us to expand our production and growing capacity.

As a result, our objectives is becoming closer every day.

On product types and innovation, how are you trying to provide Coles with a point of difference?

Not only have we met any and all requirements that have been asked of us, we have continued to suggest and trial new varieties in order to provide Coles with a point of difference.

We have also tried some new methods, one of which was treating leaking fruit that had been mutually suggested by us and Coles.

BASACAR BY THE NUMBERS

950,000+

The number of plants Basacar Produce is currently growing.

7

The number of years it has taken Basacar to grow from its founding by Ayhan Basacar, to becoming one of Australia's premium tomato producers and a leading employer in Bundaberg.

350

The number of people Vizzarri Farms employs during peak season.

120+

The number of highly trained staff employed by Basacar Produce.

4,500

The number of trays of tomatoes Basacar is able to produce each day.

52

The number weeks each year Basacar is able to produce a consistent supply and quality.

Batlow Co-Op



AT A GLANCE

2.1 A GOLDEN INNOVATION

Batlow Co-Op is developing a variety of apple that will be a favourite in lunch-boxes all over Australia.

2.2 LOCAL PRODUCE

You can be guaranteed that every Batlow Co-Op apple has come from the famous apple-producing region.

2.3 Q&A

Coles is supporting innovation at Batlow Co-Op through its ongoing commitment.

2.4 AT THE CORE

More than 100 registered growers, all from the Batlow region, produce a staggering 1,500,000 cartons of apples each year.

MRI scan detects a better ‘crunch’

New technology ensures Batlow apples are as crunchy as you’ll find anywhere in Australia.

Batlow Co-Op’s business development manager Bruno Muscatello attributes this to not only the altitude and climate, but also to the careful attention paid by growers looking after their orchards, and a world-class grading and packaging process.

“We’ve invested heavily in the latest technology to ensure a constant premium quality,” says Bruno.

“Our advanced handling methods are worlds apart from the old hand-packing regimes of previous decades and our technology is world-leading. In fact I would say we are pioneers in this area.”

Batlow Co-Op’s technology includes new infra-red technology that allows the Batlow Co-Op to not only scan the quality of the apple’s exterior, but also look inside the apple.

“It’s sort of like an apple MRI,” says Bruno.

“Not only can we instantly discard any apple that may not be quite right on the inside, we can also grade the quality of the apple’s density.

“In a way, it allows us to grade our apples on a ‘crunchiness scale’.”

The technology complements the natural advantages of Batlow’s apples. Located at the base of the Snowy Mountains, the region’s high altitude and crisp air provide the ideal conditions for the sweet flavour and crisp bite found in every Batlow apple.

A ‘golden’ new variety

Among the orchards in Batlow, situated 70 kilometres west of Canberra, grows a variety of apple that is sure to find its way into fruit bowls and lunch-boxes throughout Australia.

The Greenstar is an innovative cross between the widely known Granny Smith and Golden Delicious varieties.

This sweet-eating green apple has one quality that is sure to delight Australian mums looking to give their kids a healthy snack – it is anti-oxidising. That is to say, it doesn’t go brown, after you cut it.

Bruno is excited by the prospects of the new variety.

“The Greenstar will be the perfect apple for kids’ lunch-boxes,” says Bruno.

“Not only does the anti-oxidising quality of the appeal maintain a fresh appearance, but it is also has a delicious sweet flavour.”

Another new variety in development that excites Bruno is the Kanzi.

“Kanzi is a fresh red apple that is a cross between a Gala and a Braeburn.

“It has a unique sweet-sour flavour that is a hit in Europe and no doubt the home-grown variety will be hugely popular in Australia.”

The Big Apple Batting above its average

For a town with little more than 1,000 people, Batlow plays a big role in Australia’s apple industry.

About 50 growers in the region supply 1.5 million cases of apples each year, representing approximately 10 per cent of Australia’s apple crop.

Batlow’s proportion of the Australian apple market will soon be reflected by Coles, which has plans to increase the proportion of apples it takes from Batlow from less than three per cent to nearly 10 per cent.



Batlow Co-Op grower Greg Mouat at his apple orchard

BATLOW CO-OP: BY THE GROWERS, FOR THE GROWERS

Greg Mouat, his wife and three sons and are a second-generation apple growing family.

Greg's parents purchased the current orchard site, 'WYOLA', in 1926 and Greg has been growing Batlow apples for 30 years – Red Delicious, Braeburn, Pink Lady, Sundowner, Granny Smith and Greg's favourite, Fuji.

"The Co-Op places value on professionalism and duty of care to principles of co-operation, with aspirations of co-operative growers to produce premium quality apples," says Greg.

THIRD GENERATION APPLE GROWER

Michael Smart and his wife Sharon (a third generation orchardist) have been growing apples at 'Tingara' for 30 years.

The property was originally a soldier settlement block and was purchased from Sharon's family in 1980.

During this time, the orchard has grown from four hectares of apple trees to now more than 25, growing Red Delicious, Fuji, Royal Gala and Pink Lady varieties.

"We enjoy the fresh air, great water, lots of space and quiet nights," says Michael on life in Batlow.



Batlow Co-Op grower Michael Smart at his apple orchard

A little bit about Batlow...

Batlow is famous for apples. So much so, the town's main landmark is 'The Big Apple'.

Located 70 kilometres west of Canberra at the foot of the Snowy Mountains, Batlow boasts the perfect climate for growing premium quality apples.

"The soil and climate provide ideal conditions for growing apples," says Batlow Co-Op's business development manager Bruno Muscatello.

"And the altitude at which they're grown makes them nice and firm."

The town's orchards have been vital to the region's economy for more than 120 years. For a small town of 1,000 people it produces nearly 10 per cent of Australia's apple crop.

Since 1922, the Batlow Co-Op has played a crucial role in ensuring the success of the local apple industry.

In the years preceding World War I, there was a push towards the primary industries and farming, with governments

encouraging growers to market produce in a more effective and united method.

Batlow growers had already achieved the benefits of unifying as a group and as the number of orchards grew, the Batlow Co-operative Cool Stores Company was established.

The Batlow Co-Op is still proudly owned by the growers of Batlow. The Co-Op employs many local residents and actively supports the community.

The Batlow apples brand represents growers, community and premium quality apples.

"Batlow Co-Op represents everything we look for from our growers," says Greg Davis, Coles General Manager of Fresh Produce.

"They are passionate about the quality of their product and they continue to make significant investments in ensuring both a consistency of quality and supply, along with research into new varieties and sustainable methods of production."



The importance of the source **Batlow's home-grown advantage**

"Locally grown is BIG," says Batlow Co-Op's business development manager, Bruno Muscatello.

"If you look at what's happening in markets overseas, there is little doubt that customers are paying more and more attention to where their food comes from."

With the issue of apple imports looming large with Australian apple growers, it is something Bruno believes local growers should be talking about.

There are so many reasons why a Batlow apple tastes so good – our climate, our soil, our location and the care and investment we put in post-harvest," says Bruno.

"We're proud of the quality we produce and we've no doubt that pride translates to consumers when they buy top quality fruit that is locally grown.

"Every apple that bears the Batlow Co-Op sticker is 100 per cent from the Batlow region."

Always staying one step ahead

Maintaining the high quality associated with the Batlow brand gets more complex by the day.

The Batlow growers and the Co-Op's horticulturalists continue to find new and improved ways of not only growing their apples, but also controlling pests and minimising damage to crops.

Advances in technology over recent years have led to non-chemical means of controlling moths. This technology involves the use of small dispensers placed in the trees which emit synthetically-produced female pheromones to confuse the male. This disrupts the mating cycle and controls the pest.

Widely used in Batlow, this breakthrough has completely changed the ecology of the orchards, allowing naturally-occurring beneficial insects to survive and control other pests.

"It is achievements such as this that contributes to the pride the Batlow Co-Op has in its effort to provide consumers with a safe product grown under an environmentally-sustainable system," says Bruno.

Advances have also occurred once the apples are grown and picked.

"We employ a specialised washing, grading, packing and storage system that sets the Australian standard," says Bruno.

The methods of the Batlow Co-Op and its growers have developed over its nearly-90-year history and continue to grow.

"Like any trade secret, we have a few things we keep to ourselves," says Bruno.

"But we've no doubt that when you try one of Batlow's delicious varieties, you'll taste it for yourself."

Coles is the only supermarket chain in Australia to stock Batlow's world famous apples.



AT THE CORE

1,500,000

The approximate number of cases of fruit the Batlow Co-Op produces each year.

12

The number of commercial apple varieties grown by the Batlow Co-Op.

50+

The number of growers with the Batlow Co-Op.

88

The number of years the Batlow Co-Op has been in operation.

100

The percentage of Batlow Co-Op apples grown in the Batlow region.

1

The number of apples a day required to keep the doctor away, according to an old proverb, given new life in a new apple industry ad campaign.

Koala Country Orchards



CHERRIES ON TOP IN HEALTHY EATING

Cherries are rich in vitamin C, fibre and phytonutrients, especially anthocyanidins which also give the cherry its red hue and promote cardiovascular health and memory function.

Cherries also provide beta-carotene, potassium, and quercetin. Quercetin is a natural antihistamine and anti-inflammatory bioflavonoid, thus cherries can lower the risk of asthma and some allergies.

A preliminary study by the U.S. Agricultural Research Service suggests cherries may reduce arthritic inflammation and other inflammatory conditions.

Cherries also contain melatonin as well as ellagic acid, a powerful anti-cancer compound. Further, cherries are high in malic acid, which is important in the production of energy and possibly beneficial for sufferers of fibromyalgia and chronic fatigue syndrome.

Cherry picking the best produce for Christmas

The lead up to Christmas at Koala Country Orchards is a hectic time of year.

The orchard, whose main orchard lies on the Maroondah Highway in Yarck (approximately 150km north east of Melbourne in Victoria), sells twenty per cent of its cherries in a one-week period during the festive season.

“Our entire infrastructure is geared up for that week,” says Michael Rouget, Koala Country Orchard’s Managing Director.

While the Christmas week is vital to the orchard’s operations, Michael says its closer relationship with Coles is starting to give sales during other times of the year a lift.

“At different times of the year, we work closely with Coles on promotional activities to give sales a boost,” says Michael.

“The direct relationship we have with them allows us to work more closely with them in areas such as forward planning which then lets us to make the most of opportunities come harvest time.”

And so far all indicators point to some good opportunities this summer.

“This season’s looking good with a great crop,” says Michael. If we can get some dry weather at harvest time, it will be great.”

And Coles will be there every step of the way.

“We’ll meet again with Coles to confirm our initial thoughts around the harvest, so they can best plan for the coming months,” says Michael.

“Over the past couple of years, we’ve really developed more of a partnership approach with Coles in managing the category – and that benefits both of us.”

The more we foster the relationship, the more we can see the opportunities that exist for cherries,” says Michael.

“Five years ago, we weren’t in that position and we tended to speculate a lot more – the partnership we now have has given us a lot more confidence.”

Investing in the future Expanding the orchards

“We’ve done a lot of development over the past five years,” says Michael.

“One of the most significant changes has been our investment into expanding into other areas – an early region and a late region.”

The early region is in Cobram, 200 kilometres to the north of the original orchard in Yarck, while the late region is a mere 40 kilometres up the road in Strathbogie. However the higher altitude (400 metres higher) of this region extends Koala Orchard’s growing season.

It also allows Koala Country Orchards to provide Coles with a longer line of consistent quality and volume.

Innovation and quality of life Sustainable cherries

“We are committed to continue and improve our efforts of producing the highest quality cherries in an environmentally friendly and sustainable way,” says Michael.

“We also strive to maintain a position as industry leaders in fruit production techniques, fruit quality, packing, marketing, innovation, and business performance.”

Koala Country Orchards aims for excellence in every facet of their company.

“Not only do we want to provide our families and employees with financial security, but also continue to provide a great lifestyle and an opportunity to fulfil our professional and personal goals.”



A FAMILY HISTORY

Koala Country Orchards is a family owned and run company with a proud history in the cherry industry.

In 1944 Reginald Rouget and his wife Mary purchased 26 acres of land in the township of Wandin in the Yarra Valley. There they planted various types of berries and cherries.

Their three sons John, Max and Brian left school at an early age to work hard on the family business. The company name 'R.J Rouget & Sons' was born and it became the cornerstone of the widely spread Rouget family. Wives, husbands, siblings, children and now grandchildren have worked in the business and taken with them fond memories of cherry time.

The tradition lives on today under the name 'Koala Country Orchards'. Upon migrating to Yarck, the new company name was inspired by the abundance of koalas inhabiting the property.

Now owned by John & Brian's sons and their wives, Simon and Alison & Michael and Lisa Rouget, and supported by a team of dedicated professionals, over 350 acres of cherries are farmed spanning seven properties throughout Victoria. Cherry harvest in the summer months employs up to 400 people, making Koala Country Orchards one of the largest cherry producers in the country.

Innovation and quality of product A quality lifestyle

This quality of lifestyle is reflected in Koala Country Orchards' cherries.

"Exceptional tasting cherries are the cornerstone of our company," says Michael.

"Every decision from the soil to the box is directed toward achieving the highest quality eating experience for our customers, that's what drives us."

Koala Country Orchards continually develops efficient production methods, trial new technology, and explore new varieties from around the world to ensure our customers receive the best fruit available.

"It is the taste of the fruit that drives us," says Michael.

"From the ground up, keeping soils well balanced and biologically active, we aim for a quality product using sustainable practices. Our trees are pruned to produce premium cherries that are harvested as mature fruit for maximum flavour."

Once picked, Koala Country Orchard's hydro cooling maintains fruit quality, and a large packing staff at our one their centrally located packing facilities, ensures the consistency of fruit.

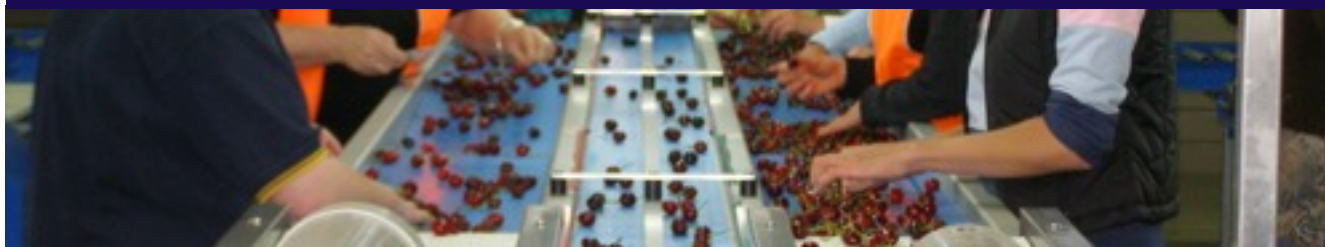
Sustainability Working with nature

"Sustainable farming practices underpin the quality and superior flavour of our fruit," says Michael.

"We are committed to preserving and working with nature as much as possible. Particular attention is paid to soil health with mulches and composts playing a key role in keeping our soils well balanced and biologically active."

Beyond the soil, extensive pruning and tree training techniques are used to maximise fruit size and quality. Fruit is harvested as mature as possible for maximum flavour, and post-harvest handling techniques are amongst the best in the world. Use of the most up to date hydro cooling, grading and packing equipment allows for gentle and precise handling of our premium product.





Q&A

with Michael Rouget, Managing Director, Koala Country Orchards

Does your relationship with Coles help provide further insights into the needs of consumers?

Yes. Coles has a great retail knowledge – they know what consumer expectations are as well as their buying habits. This enables us to grow the product the consumer wants, when they want it and maximise our sales.

While we have a pretty good indication on this ourselves, it does provide us with a lot of reassurance to have these insights confirmed. It helps us on the path to growing the right product the consumer wants – and that's the key to any business.

How important is Coles in helping Koala Country Orchards meet its business objectives?

To be successful in this business requires a very long-term view and a lot of planning. And it takes a lot of money and time – five to ten years – to get in a position to provide volume.

We saw a trend a number of years ago and took the punt. Having Coles recognise this and come on board with a partnership approach is great. We've worked hard to build recognition for our brand and this is something Coles has recognised and values – and as a result, sells more of our product.

This in turn has enabled us to become a direct supplier and that benefits us, Coles and the consumer.

Does Coles also help Koala Country Orchards continue to be at the forefront of new products?

Yes. New products are at the front of our minds. And although they are largely our initiative, by working closely with Coles and utilising their retail knowledge, we have a greater understanding of what lines consumers are interested in.

On product types and innovation, how are you trying to provide Coles with a point-of-difference?

Coles' initiative in sourcing more of their produce directly from suppliers is providing customers with fresher and cheaper produce. We are doing a lot of things with them, particularly in marketing and promotion. An example of this is the two-kilogram Christmas-designed box of premium-quality cherries. We're also doing a 400 gram premium punnet for Coles Finest Range, which will be available in stores where they know they have consumers interested in an upper-end product.

SOME CHERRY PICKED STATS

20

The percentage of cherries sold in the lead-in week to Christmas.

66

The number of years since Reginald Rouget and his wife Mary bought 26 acres in Wandin.

350+

The number of acres now in production at Koala Country Orchards.

400

The number of people employed by Koala Country Orchards in the summer months.

2kg

The size of the special Christmas designed box of premium quality cherries exclusive to Coles this Christmas.

400m

The extra elevation at Koala Country Orchards' Strathbogie property that allows it to extend the growing season.



Mildura Fruit Co.



Coles customers en-amour-ed with Sunraysia mandarins

AT A GLANCE

2.1 AMOUR MANDARINS A HIT AT COLES

The Amour range of mandarins, exclusive to Sunraysia and Coles, keep winter fruit sales ticking over.

2.2 WORLD'S BEST FOR COLES

MFC sends approximately 3.5 million cartons of fruit throughout the world each year; the very best of it goes straight to Coles supermarkets.

2.3 Q&A

How the relationship with Coles is benefitting MFC.

2.4 NAVEL GAZING

A look at the key numbers: 120+ growers; 3.5 million cartons of fruit a year; \$7 million in recent investment and six quality control check points to ensure only the very best fruit makes it to your shopping basket.

Coles customers have consistently been asking for a mandarin that is sweet, predominantly seedless, medium-to-large in size and easy to peel.

Thanks to the Mildura Fruit Company (MFC) they need ask no more.

The Amour mandarin, supplied exclusively to Coles by MFC ticks all the customers' boxes.

"It's a great quality mandarin," says MFC Senior Trader Marcus Scott.

"Exceptional quality."

Not only is the Amour mandarin a low-, or in many instances no-seeded mandarin, it also boasts a sweet, fleshy meat behind a deep-orange peel that is easy remove.

"It importantly also fills a gap in the season," says Marcus.

The Amour is a variety-in-a-variety, being a high-end, top-shelf derivative of the popular Afourer range of mandarins.

Locally-grown quality Simply the best

That Coles is the exclusive stockist of the Amour range further demonstrates the growing relationship between the two companies.

What once started as a "bits and pieces" relationship has over the course of 7-8 years developed into a commitment of such scope that it is skewing the philosophy of MFC to one that sees more and more of our best fruit stay in Australia.

"Traditionally, MFC has always had an export focus, with approximately 85 per cent of our fruit sent offshore," says Marcus.

"That's recently changed a bit, and Coles has played a crucial role in that philosophy.

"Their importance in the domestic

market, combined with the support they've provided us, has given us the confidence to renew our local focus – and it's something we look forward to continuing."

Driving innovation Extending support

The success of the Amour range of mandarins bodes well for other new varieties in MFC's pipeline that will extend the growing season.

"We've a product in production called the M7 early navel," says Marcus.

"It's a product of one of our growers, Chislett Developments, and is the world's earliest navel."

The M7 is described as having a rounder shape, preferred by retailers and consumers, together with a firmer fruit that gives it an extended harvest period, better handling and extended shelf life.

Coles will play a critical role in the success of the new variety, as with the Amour mandarin.

"When introducing a new product to market, there are two crucial factors," says Marcus.

"Consistent supply and consistent quality.

"These are the two things we can guarantee Coles, and they in-turn can guarantee their customers."

Marcus' comments are backed by the fact that only half of one per cent of MFC's product delivered to Coles doesn't make it to the shelves.

"The quality and reliability of our product has no doubt helped our relationship with Coles," says Marcus.

"We work hard to ensure that every tray we supply is of the same top quality as it was yesterday, today and will be tomorrow.



A - QUALITY ONLY THE BEST FOR COLES

Marcus Scott, Senior Trader at the Mildura Fruit Company, points out there are six quality control check points from when the fruit arrives at MFC to when it leaves for stores and markets.

"The first step is the fruit is categorised into A, B and C quality categories," says Marcus.

"The A quality goes to Coles."

Marcus says the MFC team is proud to pack for Coles, and their association with *MasterChef* and growing reputation for quality fresh food further enhances this pride.

A world leader in citrus Coles gets world's best

Mildura Fruit Company (MFC) is one of Australia's leading citrus packers and exporters, representing more than 120 growers throughout the Sunraysia region.

From its large packing-house in Mildura, MFC ships out approximately 3.5 million cartons of fruit each year to Australia and overseas markets – the best of which goes straight to Coles supermarkets.

Meeting growing demand Investing in the future

Through strong long-term and loyal relationships with their customers, such as Coles, MFC has been able to significantly invest in its operation.

MFC is one of the world's most technologically-advanced citrus packers, making extensive use of bar code scanning and computerised fruit sizing and sorting equipment.

In recent years, MFC has spent in excess of \$7 million on major

plant upgrades and shed expansion to cope with a steady growth in packing and marketing demand.

MFC's operation consists of two large capacity-packing lines that enable the full range of citrus products to be sorted and packed with little interruption throughout the busy navel season.

MFC employs 40 permanent staff and 150 casual staff to meet seasonal and shift requirements.

Importance to the region The heart of Sunraysia

Mildura is located in the heart of one of Australia's premium fruit growing areas – the Sunraysia district.

Clear days, an abundance of sunshine and the mighty Murray River have transformed an area surrounded by desert into a lush horticultural region.

While the Mildura district is small by world citrus standards, it has produced a number of very popular citrus varieties. The Leng Navel, Late

Lane Navel and more recent summer navels such as the Chislett, Barnfield and Rohde Navel all originate from mother trees in the Murray Valley.

"Our sunshine and cold nights make Sunraysia one of the best citrus growing regions in the world," says MFC Senior Trader, Marcus Scott.

"We are certainly right up there with the larger regions in South Africa, California and the Mediterranean."

While the region compares favourably to other regions throughout the world, there is still much they can learn from the other leading growing regions.

MFC employs John Chavarria, a consultant from Spain, for three months each year.

"John gets out to the orchards and works with growers to look at their product and ways which they can improve quality," says Marcus.

"This is an area we don't compromise on as our product needs to be of the highest quality to get into the Coles tray."

Q&A

with MFC Senior Trader, Marcus Scott

Does your relationship with Coles help provide further insights into the needs of consumers?

As our relationship with Coles continues to get better, so does the feedback we receive.

The communication is excellent.

We work very closely with them on specials and what times are best suited for our fruit. If we have a heavy week, they'll help us out with things such as more shelf space to promote (and sell) our fruit.

Coles also helps us with feedback from their consumers and suggestions to help us out with new product development.

How is Coles helping MFC with its overall business objectives?

Traditionally, MFC has always had an export focus, with approximately 85 per cent of our fruit sent offshore.

That's recently changed a bit, and Coles has played a crucial role in that philosophy.

Their importance in the domestic market, combined with the support they've provided us, has given us the confidence to renew our local focus – and it's something we look forward to continuing.

How important is Coles' commitment to running and co-ordinating a number of growers in different locations?

It's absolutely important.

In the past it was all a bit hit and miss – a bit one week, nothing the next and a lot the week after.

Now we have a long-term commitment and a number to work towards.

This provides us with the two things critical to the success of our company – consistency and growth.

A great example of the support Coles has provided is the program that allows us to spread our season in a light crop year (such as this season). This lengthens the season and reduces the need to import.

Does Coles commitment also help MFC continue to be at the forefront of new product varieties?

Yes it does.

Our growers are already proactive, but to be backed by a major supermarket like Coles provides the confidence for our growers to continue to invest in and trial new products.

As a result, we work with Coles quite closely during the process and their opinion is important as they are able to tap into consumer trends – something we hope to see over time with the Amour mandarin.

On varieties and innovation, are there any products other than Amour where you're looking to provide Coles with a point-of-difference?

We're constantly trialling new varieties – up to nine or ten each season.

Some of these won't be successful as they go head-to-head with the tried-and-true varieties, but there are a couple we're looking at that are early or late season varieties that also serve to extend the availability of Australian-grown fruit.

A variety that we're excited about is the M7, an early season navel that is looking very promising.





Building the relationship

Working closer with Coles

The Mildura Fruit Company (MFC) traces its history back more than 100 years to its origins as a Co-Op.

Over the last 7-8 years, Coles has played an important role in underpinning the success of MFC as it continues to grow and be a significant local employer.

“Initially we just supplied Coles with bits and pieces,” says Senior Trader Marcus Scott.

“But our relationship has continued to build over the years and we are now a volume-based supplier.”

As the relationship continues to grow, so does the collaboration.

Growing a better relationship

MFC prides itself on being a grower-orientated company.

“We have two service guys ensuring consistency in the fields,” says Marcus.

“They monitor the crops and help with forecasts and sizing – the more we can do to help them, the better it is for us.

“It also allows us to provide Coles with a consistent supply – and importantly, a consistent high quality.

One of the major benefits of Coles’ long-term commitment to MFC is that it allows both organisations to plan ahead, rather than operate on a week-to-week basis.

“Growing balanced crops of good sized fruit improves grower profitability,” says Marcus.

The single, most important factor governing market returns is fruit size, which is largely affected by crop load.

“Our field guys are in the orchards throughout November during the physiological fruit drop period to get an indication of the season’s crop.”

By using a 0.5m x 0.5m x 0.5m frame and counting all fruitlets inside, growers can get a good idea of crop load.

The earlier growers can identify a potential problem with size, the more opportunities a grower has to put into practice tools to achieve profitable yields.

This information is also passed onto Coles, allowing them to better plan and amend specifications if required.

“We now have seven years of historical data with Coles,” says Marcus.

“This provides us with a pretty accurate prediction about how the season will look.”



Marcus says MFC’s processes are as advanced as anywhere in the world and they are constantly travelling overseas to view the practices of other regions to ensure they stay ahead of the game.

“By sharing our intelligence with Coles and working closely with them, we both know exactly where we stand.

“And importantly, we both sell more fruit.”

NAVEL GAZING

3,500,000

The approximate number of cartons of fruit MFC delivers each year.

6

The number of quality control check-points from when the fruit arrives, to when it leaves the MFC factory.

120+

The number of Sunraysia citrus growers represented by MFC.

190

The number of people employed by MFC.

7,000,000

The number of dollars invested in major plant upgrades and shed expansion in recent years.

1

The number of supermarket chains that carry the popular and delicious Amour brand exclusive to the Sunraysia region.

Romeo's Best



A BUNCH OF NUMBERS

200+

The number of people employed by Romeo's Best each year.

2,700

The number of acres that Romeo's Best has planted with vines.

1.35m+

The number of grape vines owned by Romeo's Best.

24

The number of Coles Supermarkets in Far North Queensland that Romeo's Best is supplying direct with white grapes.

14,000

The number of different grape varieties that are trialled for every one picked up commercially

Longer grape supply reduces need for imports

The quantity of grapes that Coles imports from the US each year is falling, thanks to the nation's largest grape producer lengthening its growing period.

Through a strategic growing program across four properties, Romeo's Best can now supply Coles with fresh grapes from September to July.

This year was the first they've been able to guarantee a September crop – enough to stock 24 Coles' stores in Far North Queensland with white and black Australian grapes.

By 2013, they'll be producing grapes all year round.

A year-round supply

Romeo's Best marketing manager Glenn Egan says producing a year round supply is a long term strategy that they've been working towards, in conjunction with Coles, for some time.

It relies on a careful co-ordination of harvests that move south from Mareeba, Emerald and St George in Queensland and, finally, Robinvale in Victoria, from late August/early September until July the following year.

The harvest currently underway at Mareeba is the property's first, and the product of three years hard work to get it up and running.

"Typically at this time, where grapes have traditionally been grown they're dormant – they're having their sleep for the year.

"In the Tropics the plants don't go dormant, so we can strategically manipulate our crop to produce fruit at any time of the year. We can prune it, trigger it to start regrowth and we'll know that five months after that time, we can start the crop."

"Australia imports fruit from the US at this time of year ... We're the only company of any note taking that on with our import replacement strategy."

Currently, there are 100 acres of vines producing grapes on Romeo's Best Mareeba property. Another 100 acres next door to it is also under development, with trellis installed. In another three years, there'll be no down time for the business.

"We'll program to produce fruit at the start of August."

Forward planning

Glenn says that Romeo's Best has a "terrific" relationship with Coles, which has helped the business forward plan to achieve this constant supply.

"We have an open relationship where we sit down and discuss our planning and our programming. We communicate daily in the season, not just on a trading relationship but in regards to market information and intelligence and business planning as well."

He says the Coles buying and quality teams visit Romeo's Best properties regularly. "It's good to get the customer in and have some first hand feedback and advice."

On top of good advice, the assurance that Coles will buy the bulk of Romeo's Best grapes each year lets the business invest in a variety of future goals.

"Without it we wouldn't be investing up north; we wouldn't be investing in new varieties; and we wouldn't be travelling the world looking at best practice: that wouldn't be happening."

Romeo's Best has strong connections with grape growers outside of Australia. "Counter seasonally, we go to America each year where we have relationships with some of the biggest growers in the world."

Aside from this, the business is also involved in breeding programs in the US that will deliver grapes with improved eating and growing qualities.



FAMILY FOUNDATIONS

THE ROMEO BUNCH

Family is central to Romeo's Best, the foundations of which lay in a mixed vegetable enterprise at Robinvale.

Lindsay Romeo manages the production side of the business, while his brother Tony Romeo takes care of the commercial side.

The original Robinvale property was set up by their father, who initially used it to grow vegetable crops. In 1980, the 36 acre farm was converted to vines. Now, with 2700 acres planted with vines at 500 to the acre, three of Lindsay and Tony's sons are keen to carry on the tradition.

Glenn says much of this expansion has occurred in the five year since Romeo's Best started supplying grapes to Coles. "Our business has grown significantly in that time."

The size of the enterprise, however, means that Romeo's Best is now far too big to be simply a family affair. Seasonally, it employs over 200 people, with about 30 full timers.

New varieties

On the horizon

Glenn says there are plans to introduce new grape varieties into the Australian market over the next few years.

Until now the development of new grape varieties has been limited. "There are still varieties today that we've had for 25 years."

It's a slow process and a difficult one. "Trying to breed a fruit takes about 10 years from start to finish.

"During that period of time, the breeders work on 14,000 trials to get one positive outcome.

"Having said that, there is significant work being put into it, particularly in the United States over the last 10 years.

"We're just seeing some new varieties coming into play. These are varieties that are going to allow us to extend the season, which are grower friendly, with bigger crops needing less management, and consumer friendly, with great flavour, great shelf life and great consistency."

Glenn says that although it is a long time between development and harvest, they're not just sitting about waiting. "We've still got our day-to-day management."

How it all works

Day-to-day management

So what does this day-to-day management involve?

Glenn explains that the management of grapes on each of the properties works on a 12 month cycle. In Emerald, for instance, harvest begins in November on white and coloured grapes. Six weeks later, the white grapes are finished and by the end of February so are the coloured grapes.

Once harvest ends, the vines are pruned of old wood and wrapped down in May and June for their period of dormancy.

Contractors carry out this work, which can take up to two months as each vine must be attended to individually.

After two to three months, the vines start to shoot and buds emerge. Says Glenn: "Fingers crossed the frosts stay away as when they're young and tender, they're at their most vulnerable."

Five months after this first bud burst, the grapes are ready to harvest.

There's no rest for those at Romeo's Best, however: "Once we've picked it, packed it and hopefully sold it to Coles, we start all over again."



Q&A

with Romeo's Best marketing manager, Glenn Egan

How would you describe your relationship with Coles?

It's terrific actually. We have an open relationship where we sit down and discuss our planning and our programming. We communicate daily in the season, not just on a trading relationship but in regards to market information and intelligence and short term planning as well.

We have a pretty active program where we welcome the guys onto our property seasonally - we hope to have the buying crew visit on an annual basis at least. As much as we like to think we're doing the right thing, it's good to get the customer in and have a reality check sometimes.

How is Coles helping Romeo's Best with its overall business objectives?

Our business objectives are to continue to grow and get to a point where we have product 12 months of the year and, subsequently, cash flow and business enterprise for 12 months of the year as well. Coles seems pretty keen on working with us to achieve that, providing we can deliver the goods.

The biggest change with Coles in the last two seasons is a willingness to promote the product in season, they've been very

aggressive in their promotion of grapes – I don't think any grape grower could complain about their promotion. In terms of their commitment in selling stock, they've been terrific.

How important is Coles' commitment to running and co-ordinating different locations?

We work hand in hand with Coles to make sure that the season runs productively for all of us. Co-ordinating stock when we move from one farm to another is of the utmost importance to ensure supply meets demand and our customers have stock at all times.

Does Coles commitment also help MFC continue to be at the forefront of new product varieties?

Coles' commitment to our business is driven by a desire to provide customers with the best stock possible at all times. Due to this commitment, our business has the confidence to actively pursue the best new varieties from around the globe.



Rugby Farm



AT A GLANCE

1 BABY BONUS

In a market flooded with cheap imports, Coles supports Rugby Farms to produce Australian-grown baby corn.

2 FARM OVERVIEW

Matt Hood explains there is so much more to life on the land to simply be defined as a 'farmer'.

3 Q&A

"Rugby is very focussed on quality products through both nutrition and variety. Coles provides us with the best access to provide well-balanced, nutritionally-rich food for consumers."

4 A DIVERSE WORKFORCE

Rugby Farm is home to a diverse workforce... and a proud history.

5 NUMBER CRUNCH

Bite-sized look at some key Rugby Farm stats.

Rugby Farm's baby bonus

Coles supports home-grown baby corn over cheap imports

IN EARLY 2008, Coles first approached Matt Hood at Rugby Farm about their interest in growing baby corn.

"We immediately began researching the product," says Matt.

"This involved determining varieties, growing conditions, harvesting methods and packing operations."

Late in the summer of 2008, Rugby Farm started trialling varieties of baby corn and did their first harvest in early 2009.

"In conjunction with Coles we developed a conversion strategy to change over to Australian grown baby corn from the imported baby corn," says Matt.

Coles' commitment to the home-grown product has allowed Rugby Farm to slowly increase their plantings to commercial levels.

"We started in Queensland and then over a three month period we were also supplying New South Wales, Victoria, South Australia and Tasmania."

Exclusive to Coles

Rugby Farm's home-grown baby corn is only available at Coles Supermarkets.

"The fruit and vegetable markets continue to stock the

imported baby corn," says Matt.

"But Coles long-term commitment to Australian produce – and specifically our locally-grown product – allows us to slowly increase the level of production to make it viable."

Rugby Farm grows approximately 73 hectares of baby corn a year in the Lockyer Valley to the west of Brisbane and in Bowen in northern Queensland.



*Rugby Farm's
home-grown baby
corn is only
available at Coles.*

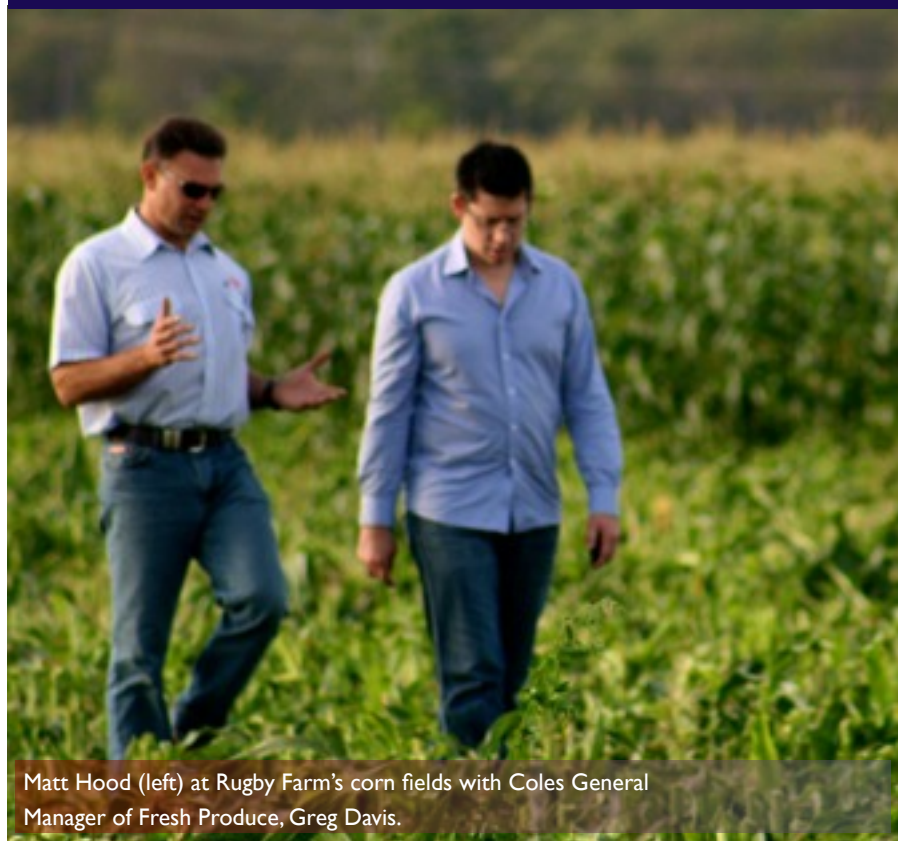
The dual locations allows Rugby Farm to supply Coles all year round.

The crop is harvested by hand in the field and then transported to the packing shed where it is hydro cooled then graded and packaged.

Coles General Manager of Fresh Produce, Greg Davis, says quality is the key to winning their customers' trust.

"Through closer relationships with farmers and initiatives such as our product technologists, we're spending more and more time in developing new products and extend growing seasons.

"And it reduces the need to import."



Matt Hood (left) at Rugby Farm's corn fields with Coles General Manager of Fresh Produce, Greg Davis.

MATT HOOD

"THIS JOB IS ABOUT PEOPLE"

"What some people don't understand is that I'm not just a farmer," says Matt Hood.

"I'm a HR manager; a finance manager; a soil scientist; a nutritionalist; a post-harvest manager; a logistics manager; a marketer..."

Despite maintaining approximately 3,660 hectares of vegetable production, Matt says 70 per cent of his job is about people.

"We put a lot of time and effort into finding the right people - the key to our success is the right people and the right processes."

An overview

Rugby Farm

Rugby Farm is "Committed to Growing a Healthy Australia".

With a focus on providing a quality product and service that exceeds the needs and expectations of its customers, Rugby Farm will achieve its goal of remaining a market leader in primary production.

Boasting a family history of nearly 100 years, Rugby Farm has operations based in several rural areas including Gatton, Lowood and Fernvale in South East Queensland, Clifton on the Darling Downs, Bowen and Ayr in North Queensland, and Stanthorpe and Mingoola in Southern Queensland and Northern New South Wales.

Many of these operations have been part of Rugby Farm's expansion over the past ten years. The expansion into regions which have the best seasonal growing conditions for each type of crop allows Rugby Farm to meet its primary objective of supplying product every day of the year.

Rugby Farm's goal is to continue this expansion. Essential to this is to remain highly competitive by providing good

quality products at the lowest possible cost.

The closer relationship forged with Coles, seed companies and fertiliser companies is also critical. By working together, they can determine the industry needs for research and development to enable Rugby Farm to be at the forefront with new product varieties.

Its people are also a crucial element of Rugby Farm's success.

The farm is well supported by a loyal team and during the main winter season employs more than 300 people.

Since supplying Coles over the past 14 years, Rugby Farms has grown to become one of Australia's largest growers of both corn and beans (it is the only supplier of innovative bagged green beans in Australia). With their expansion into Stanthorpe, they have also become arguably the largest grower in many other lines - broccoli, lettuce, cauliflower and wombok.

Extending operations in Queensland Growing in Stanthorpe

Stanthorpe is located in South East Queensland's Granite Belt – approximately a two-and-a-half-hour drive south-west of Brisbane.

The region's vibrant economy is primarily due to the production of fruit and vegetables as well as a growing tourism industry. This has attracted people to the area who wish to stay in the region and pursue long-term careers in horticulture.

The Granite belt is a unique high altitude region with much of the area ranging between 800 and 900 metres above sea level. The high altitude, cooler summer temperatures and excellent summer vegetable production conditions are found nowhere else in Northern Australia.

Rugby Farm's irrigation water is captured overland and stored on the farm in large dams. They have also undertaken structural improvements including modern cold store facilities to enhance the benefit of the region's strong support from refrigerated transport companies, allowing Rugby Farms to get the freshest possible products to the Coles Distribution Centres.

Rugby's Stanthorpe farms boast 244 hectares of cultivation, with a total area of around 813 hectares to assist in overland flow catchment – an important aspect of Rugby Farm's commitment to sustainable farming.

Q&A

How is Coles commitment benefiting your farm?

Does your relationship with Coles help provide further insights into the needs of consumers?

Over the years – and especially in recent times – yes we do have more information on consumer needs. This isn't to say there's a lot of work we've still to do.

Our lines are more commodity-type lines which people tend to buy as part of a basic vegetable purchase.

Our current focus is the relationship with other products – whether grocery or fresh – which may link sales together with our products. This is an area where Coles can be of great benefit.

How is Coles helping Rugby Farm in its commitment to “growing a healthy Australia”?

Rugby is very focussed on quality products through both nutrition and variety. Coles provides us with the best access to provide well-balanced, nutritionally-rich food for consumers.

How important is Coles commitment in running and co-ordinating a number of properties in different locations?

The commitment from, and the relationship we have with Coles, is the foundation of our business. It is extremely important to our overall operation – investment, security and optimism about the future.

Coles is quite demanding with their expectations and we see that as a challenge as a key supplier to do our job the best we can.

Does Coles commitment also help Rugby Farm continue to be at the forefront of new product varieties?

Absolutely.

New variety trial and development is continuous. This is mainly driven by commercial reasons to have an advantage over other producers.

However, we believe there will be opportunities to benefit both Coles and our business with exclusive offers if seed companies are willing.

On varieties and innovation, is there any area besides Australian-grown baby corn where you've provided Coles with a point of difference?

Our innovative bagged beans are a good example.

No-one else in the country offers this type of packaging.

Our system is fully automated and is in a pillow-pack form, whereas other companies perform a manual type with punnet/ tray-type packaging.

The development of this innovation took more than a year and equipment was sourced from all over Europe to put the line together.

And this is after the majority of the 'big end of town' packaging suppliers said it could not be done.





A WELCOMING PLACE TO WORK

RUGBY FARM'S DIVERSE WORKFORCE

The paddocks of many Queensland farms come harvest time are noticeable for their use of 'backpacking' labour.

For years it has been difficult to find the requisite local labour, and travelling Europeans have filled the void.

Rugby Farm is notable not only for its strong Asian workforce, but also for the lengths it goes to to make them feel welcome and an integral part of the team.

Much effort is placed in effective communication, with translators and signs around the packing facility made available in various languages.

"Our people are very diligent and dedicated," says Matt. "And if there's anything that we can do to make their job that little bit easier than enjoyable, than it's of benefit for everyone."

A proud past

A Rugby Farm History

Rugby Farm is a family business.

The business began in 1912 when the Matt Hood's grandfather purchased the original "Rugby Farm" at the age of 19 years.

He named it out of deference to his parents who left a district near the town of Rugby and near to the famous "Rugby School" in England to migrate in the late 1800's and finally settled in Gatton, Queensland. It could also be said that it reflected his love of the football codes, both of which he played at a level well above the mean.

"Rugby Farm" has a long record of innovation and pioneered the use of irrigation in the Lockyer Valley being the first to use spray irrigation in 1924.

The present family management team of Rugby Farm is a combination of youth and experience, built upon the wealth of knowledge and endeavour of three generations as they developed their vegetable industry.

This team now responds to any big picture opportunities under its business expansion policy, which encompasses flexibility, supply chain communication

and the constant upgrade of infrastructure.

From the farm's humble beginnings nearly 100 years ago, the operation has grown significantly – particularly in recent years.

Rugby Farm has expanded into other areas to meet seasonal demand in order to obtain a 12 month supply base.

Farms are located in the following areas:

1. Head Office and packing shed at Hood's Road, Gatton
2. Gatton surrounds
3. Lowood

4. Clifton

5. North Queensland Office and packing shed at Bowen

6. Ayr

7. Stanthorpe

8. Mingoola

Rugby Farm also has two packing sheds. One is located near Gatton and the other is Bowen in North Queensland.

Along with its investment in property, Rugby Farm is investing in new technology – both in its packing sheds and on the ground – to maintain its position as one of Australia's premium growers.





The challenges

Less land, less water, less fertiliser... more yield

"For years farmers have tried to fight mother nature," says Rugby Farm's Matt Hood. "But the reality is you can't beat her – instead you have to learn to work with her."

The trickle to sustainable water use

Rugby Farm has made an enormous effort to save water.

Nowhere is this more evident than at their Bowen farm.

"Our operation in Bowen is 100 per cent drip," says Matt.

"Not one drop of water is wasted."

Rugby Farm trialled their 'trickle tape' at their Bowen property – an area where all farms will be 100 per cent drip irrigated within ten years, according to Matt – and its success there made it viable for Gatton.

The effort Rugby Farm puts into maximising its use of this limited resource is extensive.

"Water and fertigation is absolutely vital in ensuring the quality and quantity of produce we produce," says Matt.

Rugby Farm employs a team whose sole job is to ensure the most efficient use of water possible so that "not one drop of water is wasted".

"We had to make this work," says Matt. "There was no other choice."

With all the talk of smart metres for water, Matt can tell you exactly how much water each crop uses.

"We have to be able to do that," says Matt. "We only have a limited amount of water we use, and we have to use it in the most efficient way possible - if we use our allocation before the crop matures, it is throwing money out the window."

The challenge of getting more from less water has been an incubator for innovation.

As the largest user of trickle tape (the thin, punctured hoses laid between crop rows that drip water), Rugby Farm has developed specialised machinery to pick it up between rows to save time and improve efficiency.

Eight locations, one quality Striving for consistency

One of the greatest challenges Rugby Farm has faced during its expansion over the past ten years is to provide a consistency of product over a variety of locations.

"Consistency of product and paddock is something we continue to work tirelessly on," says Matt.

"Rugby Farm has a way of doing things, but when you're working at different locations, in different climates and with different soil types, you clearly have to do amend your processes."

Another challenge identified by Matt was working with those employees they had taken on as part of their expansion.

"These people have worked these farms before we arrived and therefore have some important knowledge we need to tap into," says Matt.

"The challenge for us is to work this knowledge in with the Rugby Farm processes we've proven to provide the highest quality produce.

"That way, whether it's a bean from Gatton or one from Bowen, it is of the same high quality associated with the Rugby name.

Investing in quality

Rugby Farm's investment in quality isn't limited to the paddock.

Their packing facility in Bowen was built nearly seven years ago and has already been extended twice during that time.

"It now includes a \$1.2 million bean line," says Matt, acknowledging it as one of the biggest in Australia.

NUMBER CRUNCH

3,660

The approximate number of hectares of vegetable production for Rugby Farm each year.

8

The number of regional communities in which Rugby Farm operates - Gatton, Lowood and Fernvale in South East Queensland; Clifton on the Darling Downs; Bowen and Ayr in North Queensland; and Stanthorpe and Mingoola in Southern Queensland and Northern New South Wales.

300+


The number of people employed by Rugby Farm during the main winter season.

98

The number of years Rugby Farm has operated.

50,000

The number of iceberg lettuce Rugby Farm can produce up to a day.



Taste 'n See



A fruitful, forty-year friendship

Brian Stothart and Merv Shiffke have been good family friends for forty years – and both have been involved in strawberries for just as long.

Nearly 20 years ago they moved together to neighbouring properties on Stern Road in Bellmere, near Caboolture 50 kilometres to the north of Brisbane.

“We got together a long time ago,” says Merv.

“And to work together as long as we have, the relationship must be good – we work together well... it's easy.”

During that time they've seen plenty of changes.

“So much has changed during the years,” says Brian.

“Particularly in the number of varieties and how to learn and grow these new varieties.”

Brian has also observed the changes and innovations in packaging as well as the tools of the trade, including picking trolleys and irrigation.

“There was a time when it was all overhead irrigation, but we've since used a number of methods, notably trickle irrigation.”

Despite the introduction of new technologies, both Brian and Merv agree that one thing hasn't changed, that no one year is the same as the other – and that strawberries remain a highly labour intensive business.

At peak season, Brian says he'd have about 135 people working on his property – Merv, a few more, “probably around 160.”

Some things never change A passion to grow

The other thing that hasn't changed for Brian or Merv is perhaps one of the most important.

“That is a passion to grow a good eating strawberry,” says Brian.

“It's the passion and the will to do the best you can,” adds Merv.

“Consumers have always wanted a good, sweet strawberry,” says Merv. “And that hasn't changed, nor is it likely to change.”

If all the years in the trade has taught Merv anything it's what the consumer wants.

“We're focusing on the consumer when we grow, more so than Coles” says Merv. “Although this is a focus we both share.”

“I know what I expect as a consumer,” says Merv.

“I'm very much a consumer-based grower, not an agent-based grower – and that's why we've done so well at Coles, because it's all about the consumer for them also.”

Demanding the best quality Chasing the best strawberries

“About eight or nine years ago, Coles chased us pretty hard,” says Merv.

“We trailed about 25 per cent of our crop in the first year with them and it worked well. Within two years that figure had bumped up to 75-to-80 per cent.”

Merv says that's when they started thinking about 100 per cent,” says Merv.

“There were many people advising us against it – not to put all our eggs in one basket .

“In the end we decided if we were to go ahead, it would require quite a commitment.

“...and Coles made that commitment – and that's pretty fantastic.”

Today, Taste 'n See provides Coles with approximately 350,000 trays of strawberries each year. *(continued page 2)*

AT A GLANCE

2.1 A FRUITFUL FRIENDSHIP

Brian Stothart and Merv Shiffke share a friendship, a business and a passion for growing a great strawberry.

2.2 ALL IN THE FAMILY

Strawberries are at the heart of the Stothart and Shiffke families. Both families work the farm year round, and thanks to the commitment of Coles, both families have a sound future to look forward to.

2.3 Q&A AND SOME STATS

How Coles day-to-day contact with Taste 'n See is helping them continue to produce a great tasting strawberry and some key stats that demonstrate the success of the business.



Brian Stothart cooks up a barbecue for the team at Taste 'n See

FAMILY AND FRIENDS

The Stothart and Shiffke families are both heavily involved in the running of Taste 'n See.

"Family is why I'm doing this," says Merv.

"I've two sons and three daughters on the farm and thanks to Coles, they have a great future to look forward to."

They help us maintain the farm and are learning the ropes as we go.

And Merv hopes both family's relationship with the farm continues for a long time, and that includes a growing brood of six children, 15 grand children and one great-grandchild.

The Stothart and Shiffke families have been friends for forty years.

"The relationship we have with Coles has helped secure the future of our farm, and hopefully it will see the relationship between the families continue for another forty years."

Demanding the best quality Chasing the best strawberries

"If we could produce 500,000, Coles would take them all."

Driven by quality The best out of the shed

Taste 'n See has approximately 1.4 million plants growing across 50 acres.

But for Brian, it is all about the quality of what they produce, more than the quantity.

"We strive for high quality and we've never gone away from that," says Brian.

"It doesn't matter what you grow," says Merv, "so long as what you grow is good."

"If we can't master it, we won't grow it – even if there is money in it," says Merv.

"We're not going to sacrifice our consumer base and the confidence they have in us for a few quick dollars.

"It's more than just our name – it's our business."

Brian shares these sentiments. "What comes out of the shed is the best we can do," says Brian.

"Every strawberry we send to Coles is the best we can do."

The benefit of experience 40 years of quality

"You learn a lot over 40 years," says Merv. "Like anything, it comes down to knowing your product and what you grow."

Merv believes that so long as they continue to apply the same dedication to their craft, consumers will continue to buy more and more strawberries.

"There's a lot to get right in this game," says Merv.

"For every variety of strawberry you need to know the right time to plant it, the right nutrition and making sure it is picked and packed correctly."

"People buy strawberries with their eyes," adds Brian.

"Strawberries are a soft fruit – if they're mishandled at any stage of the process they can get bruised. Not only

does this affect the appearance of the fruit, it can reduce its shelf-life."

Brian says a lot of time is dedicated to training their team the correct way to handle the fruit.

The result is a great looking strawberry with a great flavour.

"It's all about flavour," emphasises Brian.





Q&A

with Taste 'n See's Brian Stothart

Does your relationship with Coles help provide further insights into the needs of consumers?

Definitely... all the time.

We have day-to-day contact with Coles and they are constantly providing us with quality insight.

We share information on an ongoing basis.

How is Coles helping taste 'n See meet its business objectives?

Our business is all about quality and quality costs money and at the end of the day, you need to get paid for what you do.

We've a good relationship with Coles and they look after us.

We have a top quality product they want and importantly they see the value in that.

Does Coles commitment also help Taste 'n See continue to be at the forefront of new products?

Coles is certainly interested in helping us in this area.

They are often on the farm and are interested in the different varieties we're growing.

Sometimes they might not be completely into a new variety we've got going, but then they'll come on the farm, taste it and be convinced.

We trial dozens and dozens of new varieties and are continually looking for a better strawberry.

One of the varieties we've got going is the Fortuna. It's early days, but we think it's the 'bees knees' in terms of flavour.

We do a lot of work with DPI on different varieties, looking at flavour, appearance and disease resistance, but usually in small quantities.

Once we decide to grow a variety at commercial numbers, Coles knows about it... in fact they'll come out and taste it as soon as they can.

On product types and innovation, how are you trying to provide Coles with a point of difference?

I think the biggest thing that provides a point of difference is our passion to produce to the best of our ability.

Quality in the field, quality in the shed and quality in the packing – the whole procedure is consistent and Coles know they're getting quality all the time.

TASTE 'N SEE 'N STATS...

20

The number of years ago the Stothart and Shiffke families moved to their home farms at Bellmere to start Taste 'n See.

295

The number of people employed by Taste 'n See during peak season.

350,000

The number of trays of strawberries Taste 'n See produces each year.

1,400,000

The number of plants across Taste 'n See's 50 acres of strawberries.

100

The percentage of Taste 'n See strawberries sold to Coles.

40

The number of years Brian and Merv have been friends growing strawberries together.