FOODweek

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Signature buys Nrgize in multi-brand deal

BY CARLA BRIDGE

The landscape of the Australian juice bar market is set to change with Signature Brands, owner of Pulp juice bars, to acquire the Nrgize juice bar chain from newly established Kahala Australia.

Under the agreement which will be finalised in April, Signature, a listed company, will take on the Nrgize juice bars to become the second largest juice bar company after Boost.

Nrgize, which has 17 outlets, was purchased by Kahala late last year as part of Kahala's plan to open a chain of Surf City Squeeze branded juice bars, a chain which exists in the US. There are 21 Pulp stores.

Together the company will control 49 juice bars, with eight new stores planned to open within the coming months.

The 49 stores, as well as all the new outlets, will come under a single brand name which is yet to be announced, although FOODweek understands it is unlikely to be Pulp and will probably be an entirely new brand.

In the future it is expected the juice bars will be franchised out in a bid to generate capital and enhance their operational performance. Four of the Nrgize bars are already franchises.

Signature will also acquire the licence for six other fast food concepts from Kahala in exchange for shares and options believed to give Kahala a 35% stake in Signature, making Kahala its largest shareholder.

As a result, Signature will change its name to Kahala Australia. The plans are dependent on shareholder approval at the Signature annual meeting in April.

The turnover of the merged group will exceed $20 million each year.

Kahala Australia came into being in September as a joint venture between financier and Sydney restaurateur Chris Liberiou and Kahala Corporation – the US operation headed up by Kevin Blackwell.

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Franklins sues Metcash

BY BRUCE ATKINSON

The Franklins chain has launched legal action against Metcash Trading.

Aubrey Zelinsky, Franklins MD, has declined to comment on the legal action, but last month he expressed concern to FOODweek about service levels from Metcash towards the end of the company's supply deal.

Zelinsky said then that out of stock levels from Metcash in January had been very heavy and had hampered stores and planning for the February switch to Franklins' own warehouse and distribution systems.

FOODweek understands Franklins is seeking "unquantified damages" in respect of outstanding matters between the company and Metcash. Franklins is trying to recover more than $1 million in disputed service fees.

Franklins is apparently also seeking access to certain records related to the Metcash supply contract that lapsed on January 31.

Metcash has indicated it will vigorously defend the Franklins action.

The company said Franklins' claim was invalid, and it has allowed a confidential inspection of its records by Franklins' legal advisers and accountants to secure a quick resolution to the dispute.

FOODweek understands both companies are keen to resolve the dispute without having to proceed to a battle in the courts.

Zelinsky conceded to FOODweek that there had been "teething problems" in switching from Metcash to the company's own warehouses at Yennora and Girraween this month.

Franklins' stores suffered massive out of stocks in the first two weeks after the shift,

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Symex boosts profits

Pental in strong position

Soap manufacturer Symex Holdings has announced a net profit for the six months to December 31 2004 of $5.86 million, an increase of 44% over the corresponding period in 2003, on sales of $67.8 million.

Mike Newton, Symex MD, said the Pental business had performed well, exceeding expectations and continuing to increase its share of the Australian soap market.

"As the only Australian manufacturer of bar soap products, Pental is in a strong position and we expect to see continued expansion of the private label and contract manufacturing business," Newton said.

"Export orders for bar soap have commenced and are expected to expand.

"The acquisition of the three brands from Unilever, Close Up and Aim toothpaste, and Huggie fabric softener, which was finalised in September 2004, have been fully integrated into the Pental stable of products providing economies of scale and market penetration."

Symex is forecasting a net earnings result for the second half of between $5.6 million and $6.6 million.

"Whilst there are still some uncertainties around the key elements of the trading environment, the directors expect a continuation of the trend to improved performance evident in the first half," Newton said.

"Directors expect a strengthening in margins, consolidation and extension of the recently acquired Unilever brands into the Pental business. Symex also plans to continue the expansion its Pental business by further acquisitions." FOODweek

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Kahala Australia consists of the Surf City Squeeze juice bar brand, in addition to the concepts which will now be licensed to Signature.

These include Ranch *1, chicken concept; Taco Time; Samurai Sam's, teriyaki grills; Great Steak and Potato, steakhouse; Rollerz, wraps and grilled sandwiches and Frullati Cafe, healthfood cafe.

These brands will be expanded throughout Australia and the Asia Pacific region, with executives expecting the first new concept stores to be trading by the end of the year, providing things go according to plan.

Also included are four Dash Coffee outlets in Canberra that were acquired by Kahala with the Nrgize acquisition. At this stage the coffee concept will remain as Dash, and it is thought no more stores will be added to the tally in the near future.

Mike Inman, CEO and director of Signature Brands, will lead the new entity.

Signature has substantially shifted its focus since listing on the Australian Stock Exchange in January last year.

Originally it was made up of several different brands including the Koala Blue wine brand established in Australia by Olivia Newton-John and Pat Farrar, and the licence for the failed Brian Rochford women's swimwear and leisure apparel brand.

However, both have now been sold off to enable the company to focus on its Pulp retail brand, which was established by Signature director Ian Duffell.

Inman said that in future most of the growth that came from the juice business would not be organic, but would instead be derived from acquisitions of smaller juice bar operations.

Signature is also scheduled to open Pulp juice bars in the Middle East later this year.

He said the company was also looking to other areas such as apparel, but did not elaborate.

"Kahala is one of the world's largest franchise operations and is very keen to do things here."

It is understood that Liberiou is currently in acquisition talks with two undisclosed companies. Should the deals be sealed, 20 more juice stores could be added to the Signature/ Kahala operation, taking the juice business to more than 70 outlets.

Liberiou said changing the name of the juice bars would allow consistency throughout the marketplace. He said his new role within the company would be as a large shareholder and corporate advisor. He will not be involved in the hands on running of the stores.

In Australia the juice bar industry is forecast to reach 600 outlets by the end of the year. FOODweek

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although a flood that closed one of the grocery warehouses for two days was largely to blame for the problem.

Zelinsky said the flood could not have come at a worse time and disrupted deliveries to stores.

"We had a combination of things that affected our deliveries, but the flood knocked us back quite badly."

The distribution problems forced Franklins to curtail its promotion program and left many stores with substantial gaps in product ranges.

Zelinsky said deliveries of perishables were now on track and grocery deliveries to stores would be bedded down this week.

"We have had a remarkable achievement in moving to a new warehouse without a staged process. It has been a great move but it has not been without problems at the outset.

"However, our stores will be looking much better soon," Zelinsky said. FOODweek

More jobs go at troubled SunRice

BY LYN WHITE

SunRice, Australia's major rice cooperative, has axed dozens of jobs as it confronts the prospect of a vastly reduced harvest in the next two months due to crippling drought.

Communities suffer as drought continues

The company, which processes, markets and exports rice, has been forced to shed the 75 jobs by the continuing dry conditions. This year's harvest – which takes place through late February, March and April – is expected to be a third of normal production.

SunRice says its focus now is to maintain the infrastructure of the business and to keep all its mills in place so it can rebound and re-establish employment once conditions return to normal.

Gary Helou, SunRice CEO, said that while workers understood the logic of no rain, no rice, no jobs, they had warned the loss would have a devastating effect on communities such as Coleambally and Deniliquin, which are already struggling to cope with reduced workforces.

The company's announcement comes two years after it was forced to lay off 200 people and close two rice mills in 2003 because of drought pressures.

Helou said rice would continue to be sourced from Australian crops supplemented by international supplies.

"We compete well with the Asian countries based on quality, value and brand. We are quite competitive and we have the brand franchise to prove it," he said.

"This is a very severe drought and it is having an impact on the little towns and their communities, but they are very resilient and we've put up with it for three years and I'm sure we're at the end of it. Hopefully next year will be back to normal.

"We have a crop we will start harvesting later this month but it will be drought impacted. The conditions are biting into exports but the business remains extremely solid. It's business as usual for the commercial arm and that's due to the international trading that we have. The impact really is on employment in the region."

Helou said SunRice would be bringing in some product from overseas and it would be marked clearly as a SunRice branded product packed in Thailand or wherever the case might be.

"But a major percentage of the Australian market will be served by Australian sourced product."

The company, one of the biggest employers in southern NSW, said all affected employees would receive full entitlements and severance payments. FOODweek

Foodland result plays into Metcash's hands

Foodland Associated's second quarter sales result has done little to bolster its defences against the Metcash Trading takeover.

Metcash is arguably in a stronger position following the release of the results, particularly with the institutional investors.

Wisdom of Newmart deal brought into question

The West Australian company's results seem to support Metcash's claim that the Australian business operations are underperforming and the real strength of Foodland is in the New Zealand businesses, which would be returned to shareholders in the takeover play.

Foodland's wholesale sales have lagged markedly behind its east coast rival for several years, and a revamp of its retail banner groups does not appear to have provided a major boost to revenues.

Most of the $20 million gain in wholesale sales reported for the second quarter would have been generated by the 13 service stations acquired by Foodland.

The launch of the Eziway banner for smaller stores, plus new franchise agreements and marketing initiatives with larger retailers, have not had an immediate impact on sales – although Foodland may have cause for optimism about future prospects.

Damning for Foodland in its bid to fend off Metcash is the closure of two of the former Newmart stores that were acquired from Coles Supermarkets.

Foodland closed the Collie store in November and East Fremantle in December after being unable to make them profitable.

The stores were not profitable for Coles either, but the wisdom of the Foodland acquisition is brought into question. The Newmart deal is apparently still in red ink territory with two of the five acquired stores now closed.

While it may not be a fair assessment, the Newmart deal also adds credibility to the Metcash argument that a wholesaler should be focused on its core business and working to extract a profit on wholesaling rather than competing with its retail customers.

Illustrating the fact Foodland will gain little comfort from its second quarter result in the takeover battle, Metcash pointed out the wholesale comparable sales results were the lowest in five quarters.

Andrew Reitzer, Metcash CEO, said the results underscored the need to combine the two businesses and demonstrated the importance of the takeover proceeding.

Foodland was given a seven day extension for the despatch of its target's statement that will respond to the Metcash takeover offer.

Foodland will now issue its formal response by March 1 2005, and directors of the company have advised shareholders not to take any action in the interim period.

The Metcash offer remains open until April 22.

For Foodland's results in detail, turn to page 4. FOODweek

Flat Action sales no help to Foodland

Boosted by sales from 13 Mobil service stations acquired in Western Australia, Foodland Associated has added some spark to its wholesale sales in Australia.

Wholesale turnover growth has been sluggish in the past two years, with Foodland relying on stronger New Zealand trading and revenues from its Action retail chain for sales gains.

Fuel takes up the slack

Second quarter sales, announced by Foodland in the middle of a takeover battle with Metcash Trading, continued the strong growth in NZ but reflected relatively flat sales for Action.

Wholesale sales underpinned a solid 7.8% gain in total group sales to $1.658 billion for the second quarter ended January 30 2005, but the gain was flattered by sales from the new fuel business.

Foodland claimed that new franchise agreements with retailers in its banner groups had lifted wholesale sales, but the company did not break down the sales increase between the new fuel sales and its traditional wholesale supply.

The company's supermarkets lifted sales in the quarter by 6.7% to $1.305 billion, but the sales growth of the Action chain was a more modest 2.6% increase to $355.5 million.

Wholesale sales in the quarter increased by 12% to $352.5 million, with the NZ operations again posting the stronger gain with a 17.4% lift on the comparable quarter in 2004. NZ wholesale sales were $7.4 million.

The flatter sales for the Action supermarkets were underlined by year to date sales of $692.3 million that translated to a 4.2% increase for six months as against the 2.6% gain in the second quarter.

Foodland's total group sales, excluding the discontinued Farmers business in NZ, were $3.2 billion for the six months to January 2005, an 8.5% increase on the same period to January 2004.

For the six months, strong trading in the NZ supermarkets and the wholesale operations on the other side of the Tasman breathed life into Foodland's sales.

Strong trading in NZ

In the six months, the NZ supermarkets lifted sales by 9.9% to $1.833 billion, more than double the 4.2% increase posted by the Action chain. NZ wholesale revenues climbed 16.8% to $137.4 million compared to a 7% gain in the fuel injected Australian wholesale sales, to $700.3 million.

Trevor Coates, Foodland MD, said the 6.7% increase in supermarket sales was a credible result given the strong competition in both Australia and NZ, and particularly in the face of the fuel discounting activity of the chains in Action's markets.

Coates said the modest 2.6% sales growth for Action should be seen in the context of a one-off 13.8% growth in the previous corresponding quarter, driven by temporary promotional and advertising activity focused on the launch of the supermarket chain's frequent shopper program and on the acquired Newmart stores.

Coates said the Action figures were distorted by the acquisition of the Newmart stores, but in a better measurement of performance rose 5.5% on the first quarter of the current financial year.

"We continue to actively manage our portfolio of Action stores to focus on the changing consumer trends and variations in demographics, and as a consequence we closed two underperforming locations. These closures also restricted sales growth," Coates said.

"Retail fuel discounting in the Western Australian market by the national chains continued to have a negative influence on sales. This was partially countered by the tactical use of petrol discounting within the Action portfolio.

"We are very encouraged by the performance of the recently upgraded and new Action Queensland stores, which together have posted double digit sales increases for the quarter.

"Another highlight has been the strong performance of Action's fresh departments, especially seafood, in both Queensland and Western Australia."

The Action chain opened a new store at Boambee in northern NSW, and refurbishments of the Cannon Hill and Mermaid Waters stores were completed during the second quarter.

The Rochedale Shopping Centre redevelopment, including a new Action store, continues and a new site in the Brisbane suburb of Daisy Hill had recently been secured by the chain. Upgrades of the former Newmart stores at Booragoon and Ocean Keys, as well as at Noranda and Woodvale, were all undertaken in the second quarter.

The former Newmart stores acquired from Coles Supermarkets at Collie and East Fremantle were closed in the period while new supermarkets were being developed in the Perth suburb of Alexander Heights and the regional centre of Geraldton.

Coates said Australian franchise and supply (wholesale) sales were substantially improved as a result of benefits derived from new franchise agreements which have upgraded both the incentive arrangements for retailers and marketing support initiatives.

"The availability of a petrol scheme for metropolitan franchisees and the launch of the new Eziway third tier franchise banner group have also contributed to the uplift in our wholesale performance. We expect this current positive sales trend to continue."

Foodland added three service station sites for a total of 13 in the second quarter, and still has another three to acquire under an agreement struck with Mobil.

The company expects its new cash and carry branch at Bunbury to open within weeks. **FOODweek**

Zayadi confirmed as Coles' food chief

Fletcher to stay on

Coles Myer has confirmed the appointment of Hani Zayadi as MD of the food, liquor and fuel business, in a management restructure announced last week.

The restructure was triggered by the December departure of Steven Cain, the British retailer who headed the Coles Myer food and liquor businesses for 14 months.

Cain's contract was terminated early after several senior executives within the food and liquor business delivered a 'him or us' ultimatum to John Fletcher, Coles Myer CEO.

Coles Myer replaced Cain with Zayadi, averting any major investor fallout from the upheaval in the food and liquor operations, which now represent around two thirds of the company's business.

While the Zayadi appointment was expected to be permanent rather than an interim move, the company had declined to comment on consequential management appointments after Cain's departure.

However, Coles Myer has now finalised its MD team in all its major businesses, with only the Coles Express MD position to be filled.

Apart from confirming the Zayadi appointment in the crucial food, liquor and fuel division, Coles Myer has ended speculation about the future of its CEO with Fletcher agreeing to stay on in the position after his current contract expires in September 2006.

Rick Allert, chairman of Coles Myer, said the company's board was delighted with Coles Myer's progress and with Fletcher's leadership of the business.

"In order to give shareholders some certainty about leadership continuity, we reached agreement with John to extend beyond his contract on the basis that post September 2006, either party is required to give 12 months' notice of termination.

Allert said the board was pleased Fletcher would lead the company beyond the completion of its current five year strategy and into the next phase of Coles Myer's development.

Coles Myer announced Larry Davis, the Target MD, will take over Zayadi's former position as MD at Kmart, and Launa Inman, currently Officeworks MD, will replace Davis as Target MD.

Joe Barberis, currently Coles Express MD, will become the new Officeworks MD, and the company has started a process to identify a new MD for the fuel and convenience store business. FOODweek

Brumby's looks to Asia

Posts strong result

Brumby's Bakeries is continuing to examine opportunities for expansion, including entry into "potentially lucrative Asian markets".

The company, which is listed on the Bendigo Stock Exchange, recently opened its 300th Australasian store and is continuing to identify further growth opportunities in Australia and overseas under its franchise program.

Brumby's announced a gross profit of $915,000 for the six months to December 31 2004, an 18% increase on the $774,000 posted in the corresponding period in 2003.

Terry O'Dwyer, Brumby's chairman, said sales for the latest half were $4.19 million, a 9.8% increase on 2003 revenues of $3.81 million.

O'Dwyer said Brumby's strong half was very satisfying after investment by the company in new internal development programs and systems to support the ongoing growth of the chain.

He said directors of the company had canvassed the option of listing on the Australian Stock Exchange, but no decision had yet been made. FOODweek

NZ dairy exports bounce back

But still down on last year

New Zealand's dairy exports have rebounded strongly from a disappointing performance in the September quarter, increasing 8% in the last three months of 2004.

Figures released by Statistics NZ last week showed exports of milk powder, butter and cheese were up almost a third on the September quarter.

In comparison, they were down 26% in the September quarter compared with the previous period.

While the value of dairy products in the December quarter hit $NZ1.29 billion ($1.17 billion), almost the same as the year before, volumes were down sharply.

Export volumes in the December quarter were 408,000 tonnes, down almost 60,000 tonnes on the same period in 2003.

Because of its sheer market presence, the fortunes of Fonterra ultimately shapes the overall New Zealand figure.

This is exactly what happened in the September and December quarters, thanks partly to the company's new computerised logistics system, which allows the company to run in a leaner fashion, meeting orders from a reduced inventory store.

Unfortunately following the very wet and cold winter and spring, there wasn't enough inventory to fall back on to cover September's demand.

Fonterra has acknowledged teething problems with the introduction of the system, the biggest in dairy industry history, but said these had been expected and the project was on budget. FOODweek

ARA backflip 'saves' SA arm

Sheppard changes his mind

BY BRUCE ATKINSON

The Australian Retailers Association national council has seized control of the assets and staff of the Victorian division as part of a complete restructure of the industry body.

The national council intervention was necessary, according to ARA president Peter Sheppard, to avert the collapse of the South Australian division and to consolidate the ARA's financial position nationally after the loss of more than $600,000 in annual membership fees from Coles Myer, Woolworths and other major retailers.

The Victorian division led by state president Joe Briffa had refused to commit its funds and assets to a restructure plan developed by the national council, which would secure an ARA office in SA and establish new offices in Western Australia and Queensland.

Briffa declined to comment – but FOODweek understands he has sought legal advice on the intervention by the ARA national council.

Sheppard conceded to FOODweek he had "done a 180 degrees" aboutface on the national structure and funding of the ARA, but said the changes were driven by realism and the intervention in Victoria was a regrettable but necessary step to take.

"We almost lost Tasmania and if we had not acted, we would lose South Australia.

"Victoria is also headed towards financial difficulties, and the opportunity for a viable, effective and representative national body would have been lost if we could not have used the powers available to the national council to take control of the Victorian division."

Sheppard said the Victorian division was standing in the way of urgent reforms that had to take place, and that the intervention was supported by all but one of the members of the national council.

While Sheppard did not comment on the use of the assets in Victoria, it is likely property owned by the ARAV will be sold and the funds from the Victorian and NSW divisions redeployed to create a national ARA office network.

Sheppard estimated the asset reserve of the ARA was around $7 million in property in Victoria and cash in NSW, and that those assets must be utilised to benefit the members of the organisation.

"We are not in the business of amassing cash reserves or generating profits. We must use the association's funds and resources for the members, and it is in the best interests of the industry and our members that we develop a truly national organisation."

He said the key priorities for the ARA were the establishment of a viable network of ARA offices around Australia and a restructure of services to members to eliminate duplication and unnecessary costs.

"We will deliver services from the office that have the best expertise and capability in a particular area such as industrial relations, training or tenancy advice.

"We plan to have common accounts for all ARA funds, with the funds of the national council and the state divisions in one account."

Sheppard conceded the loss of membership funds from Coles Myer, Woolworths and several other national chains had created a "financial imperative" for the ARA, but the changes were also focused on making the ARA relevant to all members and creating an effective streamlined national organisation.

The Sheppard-led national council has virtually created the same national structure for which Coles Myer and Woolworths had been campaigning before they walked away from the ARA last year.

Coles Myer and Woolworths had argued strongly for the control of state division assets and finances to be vested in the national body, and for a services model based on which state had the best expertise or resources.

Sheppard said the ARA would ensure it was represented on all the committees and inquiries that were important to the retail industry in the next 12 months, and would develop a stronger voice on issues going forward.

He said he still hoped to bring the major national retailers back in to the fold, and the changes now proposed by the ARA would go a long way towards making the association relevant to all members. FOODweek

Boost for NT prawn industry

New operator starts early

The Northern Territory's farmed prawn industry has received a boost, with a new operator commencing production much sooner than expected.

Marine Produce Australia had expected to begin prawn production at a site near Darwin in April. However, it will now bring this forward after the construction of six hectares of ponds during the wet season.

By bringing the construction forward, the company now plans to complete a further eight hectares by December 2005.

Marine Produce has already collected pathogen-free prawn broodstock along the northern coastline between Broome and Darwin, which should reduce the likelihood of stock losses.

MD John Hutton said prawns from north western WA were well suited to farming, as they were free of many diseases affecting operations in Queensland, South America and Asia.

Aside from its fledgling prawn operations, the company also farms barramundi off the coast in the north of WA.

Commercial barramundi production is expected next year once the necessary permits are in place. FOODweek

Papyrus planning novel scheme

Technology turns waste into paper

BY LYN WHITE

South Australian-based Papyrus Australia is in talks with far north Queensland banana growers in a world first scheme to turn banana trees into paper.

Under the bold plan, Papyrus Australia has launched a $4 million public float to fund the construction of a commercial banana paper manufacturing plant in north Queensland.

The technology to convert banana trees into paper has been in development at the University of Adelaide for the past seven years.

The plan is to spend $2.7 million to commission and construct a plant near Innisfail, just south of Cairns, within the next 12 months.

Papyrus Australia believes it can yield $20 million a year in initial revenue from the single facility.

The technology uses the banana tree, which is normally left to rot after the bunch is harvested, and converts the fibres into paper in a process estimated to use 1% of a typical wood chip paper plant, producing paper that is stronger than normal pulped paper.

David Wyatt, Papyrus Australia chairman, said the company was currently undertaking a public offering to raise the capital to build the equipment needed.

"In the meantime, we have started talking to growers in Queensland to gauge their interest. We're in discussion with growers in the Innisfail and Tully areas because that's the biggest concentration of banana plantations.

"Assuming we raise the money, and it is looking very good at the moment, the engineering side will kick off in Adelaide, and in parallel we'll be working with government authorities and the banana industry as we start planning the rotation and who's going to be involved.

"The fibre can be a real problem for the growers," Wyatt explained.

"It's so strong, it wraps around machinery and causes all sorts of problems.

"The growers talked about when the last cyclone came through and flattened the plantations. We would still use that flattened fibre. We would take all the fibre out which they have to do in a situation like that when they are replanting. And they would be paid.

"We're trying to strike a joint venture deal with the growers. We would provide the technical and marketing expertise and they would provide the local infrastructure. We would all share the profits."

Wyatt said banana growing in Australia was "pretty marginal". Smaller growers were being squeezed out or were operating in co-operatives.

There were periods when they lost money so it was a market fragile business, he said.

Papyrus Australia believes the scheme is both economically competitive with other paper manufacturers and environmentally sound. The company says its costs will be significantly lower than the traditional industry – little energy, and no chemicals or water, are used.

"After Queensland, we will look at the tropics – places like South America, Asia and Africa," Wyatt said.

Under the Papyrus Australia model, the technology has been designed so that small plants, each capable of annually processing up to 2 million banana trees into 20,000 tonnes of paper, can be set up alongside individual banana plantations.

"This is a revolutionary process and is a great example of lateral thinking," he said. FOODweek

Nestlé guidelines to remain unchanged

No need to follow UK example

BY LYN WHITE

Nestlé Australia has no plans to introduce nutritional guidelines on package labelling in Australia in line with the UK, since labelling here is already comprehensive.

A Nestlé spokesperson said Nestlé globally was moving to upgrade and improve its package labelling and the UK effort was part of that. However, the labelling currently on the Australian products was already ahead of the UK market.

The company will completely overhaul the packaging on all its products in the UK from April.

The move is designed to assist consumers in their understanding of nutritional content and provide them with easy to understand information on associated product benefits.

The major product initiative will be rolled out across the UK product portfolio which includes pasta, coffee, confectionery, yogurts and cereals and includes major brands such as KitKat, Shredded Wheat, Fitnesse, Ski and Carnation.

New labelling on pack fronts will include calories per serve, and on the back or side of packs, guideline daily amounts, calories and fat per serving, nutritional information per serving and per 100g, facts relating to specific ingredients and their nutritional benefits, and how a serving of the product can play its part in a balanced diet, where relevant.

Alastair Sykes, chairman and CEO of Nestlé UK, said the company's long term focus was on improving the nutritional qualities of its existing products and on launching new, healthier products.

Nestlé UK has also accelerated its product reformulation program by extending its salt, sugar, and fat reduction programs across the product portfolio.

In line with the company's move into healthier products, Sveltesse, a reduced fat line of yogurts and cereal bars, Half Caff Nescafe and Maggi – A Natural Choice, a specialist range of culinary aids, have been launched. FOODweek

Poultry producers take anti-GM stance

Different feed for chickens

Australia's three major poultry producers are to stop feeding genetically modified soy protein to their chickens.

Inghams, Baiada and Bartter Steggles, which produce 80% of the country's poultry, are now planning to source non-GE feed from countries like Brazil. However, a deadline for the change has not yet been set.

Bartter's chairman, Peter Bartter, said the decision was more to do with improved access to GM-free ports, while Greg Hargreave from Baidada said the decision was a direct result of consumer pressure.

"It's a matter of where you see trends and it's a part of the market, I suppose, where people with those sorts of concerns, if we can try and address those concerns, it's a win-win situation," Hargreave said.

According to Greenpeace anti-GE campaigner John Hepburn, a public survey by Biotechnology Australia indicated that two thirds of Australians considered an animal product genetically engineered when the animal had been fed GE feed. Additionally, organisations like the Public Health Association had raised concerns about potentially new allergens and proteins as a result of genetic engineering.

Dure Dara, restaurateur and president of the Restaurant and Caterers Association in Victoria, said his customers regarded knowing what was in their food as a human rights issue.

"I think that it's going to be so good for business and it'll be such an incentive for us to actually start cleaning up a whole lot of other areas where we are left confused by bad labelling."

Greenpeace plans to pressure other Australian intensive farming industries which use GE soy, like the pork industry, into following the poultry industry's lead.

But Prem Bhalla, associate professor at Melbourne University's School of Agriculture and Food Systems, described the phase out of GE food products as an overreaction.

"There is no evidence so far in the studies conducted around the world that genetically modified soya is bad for anyone."

Kerri-anne Isemonger, Pace Farm sales and marketing manager, told FOODweek that Pace Farm, the leading egg producer, had also been working with Greenpeace on the issue.

"The majority of our herd is GM free. The only grey area is some imported meal. The supply chain hasn't been able to allow us to identify what's GM free and what's GM.

"We have been working with the supply chain to identify one or the other. Once that identification is clearly in place, we can come out and make the statement as well," she said.

"We are focused on being able to make that announcement and we have been communicating this very clearly to Greenpeace.

"Soy meal can come from anywhere in the world. Specifically, I can't tell you where we get ours from at the moment. Most of the time, it may in fact be GM free. However, because there is no clear identification through the import system, you can't make that statement just yet.

"However, the actual egg itself is GM free, unlike chicken meat." FOODweek

Monsanto waits for oil approval

FSANZ asking for public comment

Biotech giant Monsanto is hoping to get the go-ahead to use oil from a genetically modified variety of cotton in Australia's food supply.

The variety has been genetically modified for tolerance to Monsanto's Roundup glyphosate herbicide, which allows farmers to control weeds with the herbicide without affecting the cotton crop.

All GM foods have to undergo a pre-market safety assessment before they can be sold in Australia and New Zealand. FSANZ will only approve the oil for sale in food if it is found to be at least as safe as its non-GM counterpart.

Cottonseed oil is widely used in the food industry in blended vegetable oils, baked foods, fried foods and snack foods.

FSANZ's initial assessment of Monsanto's proposal will be open for public comment until March 23 2005.

FSANZ has already approved more than 20 food products derived from GM crops for sale in Australia, and in 2000 approved a different variety of Monsanto's herbicide-resistant cotton. FOODweek

SA enjoys bumper rock lobster harvest

Asian opportunities

With this year's Chinese New Year festivities over, South Australia's rock lobster industry is counting the profits from a bumper export harvest.

Producers from the state's south east have exported more than $75 million worth of live rock lobsters to China this season. The value of the catch in the region has grown 78% since 1990.

Warren Truss, Minister for Agriculture, Fisheries and Forestry, said rock lobsters were Australia's most valuable live undersea commodity, with almost all of the south east's quota of 1900 tonnes being sent overseas.

Truss said the majority was exported to Hong Kong and other destinations with large Chinese communities, where the crustacean is revered as a special occasion delicacy.

Truss said east Asia had been an established market for the seafood industry for some time, and opportunities existed to service the higher end of the market as consumers enjoy their newly-emerging affluence. FOODweek

Kea pins hopes on cheap organic coffee

"**We're not expecting to take on the world**"

BY LYN WHITE

Kea Organic Coffee Company launches its organic blend in glass jars next month, and is hoping to make a sizeable impact on the local market with its low pricing strategy.

The New Zealand company was founded four years ago and launched into Australia two years ago.

CEO Jason Merryless said the company produced two types of organic coffee – an instant freeze dried and a fresh product.

"We specialise in marketing our products overseas with distribution in nine countries at the moment.

"We're in Singapore and Malaysia, as well as the UK and the US in Wholefoods, the natural products chain in California. We're going nationwide in the US this year."

The company philosophy and its main point of difference was designed around keeping the price of organics comparable to the price of mainstream coffee, he said.

"But for us to do that and get the volume, we need to sell a lot of coffee.

"We launched an organic instant coffee through Coles in Australia several years ago and our price was on a par with Nescafe at the time. People always say they will spend 20% more on organics, but in reality they don't."

Merrylees described the Kea packaging as very distinct.

"We've gone in the opposite direction to everyone else. Instead of using dark colours and browns and reds, we use bright yellow and blue with a big volcano on the front.

"We've been previously in the Australian market in a flexipack or foil bag. Now we're launching in 50g, 100g and 200g size glass jars."

He said the company was not greedy, wanting just 1% or 2% of the coffee market. "We'd be very happy with that."

Kea also manufactures Moa organic fruit juice – the number one supermarket brand of organic juice in New Zealand last year – and Kea coffee is the leading organic coffee.

"We're not expecting to take on the world but we would like to change it a bit – one cup at a time," he said.

The company will launch a strong point of sale campaign in Australia next month to drive sales of the organic product.

"We don't have the big marketing budgets of the other companies, so we'll focus on marketing in store so we can keep our prices as low as possible to keep things competitive." FOODweek

Vanderwee keeps Belgian flag flying

Choc importer opens second store

BY LYN WHITE

Belgian chocolate importer Vanderwee has just opened a second shop in Sydney's CBD selling handmade imported Belgian chocolates of a standard rarely seen in Europe, let alone south of the equator.

With one shop already trading in Skygarden and the new outlet in the Wintergarden centre, owner Hendrik Vanderwee says he is eyeing another city opening but won't consider franchising – "it always cannibalises quality eventually."

Established in Sydney since 1995, Vanderwee Chocolates has built up a loyal clientele with about 80% of orders coming from overseas.

Vanderwee says the mouthwatering confections are flown in every three weeks from the little town of Bruges, a medieval village 100kms from Brussels and the epicentre of handmade chocolates.

All the chocolates and biscuits are handcrafted by a select group of highly skilled craftsmen. Vanderwee says there is no mass production and the products contain no artificial additives, preservatives or colouring agents.

"We've been operating on the Pitt St level of Skygarden for almost seven years after moving there from the Glasshouse, next door, where we traded for three years.

"We will open another shop, if not prior to this Christmas, certainly prior to the one after.

"We can deliver to anywhere in Australia within 24 hours, and that takes away a little bit of the pressure to open up in Melbourne or Brisbane.

"There is no doubt that in the next couple of years we will try something in Melbourne or Brisbane possibly, but it's not even on the horizon at this stage."

Vanderwee said he had worked as an environmentalist in a previous career, but moved into chocolates 12 years ago.

"I was a town planner in Bruges. Working for politicians for too long – I did it for 12 years – can harm your health. At a certain stage of your life, you have to consider whether you want to continue with that career for the rest of your life. We decided not to."

He said while there were other Belgian chocolate shops around, the difference was that none of his products were industrially made.

"Everything we sell is 100% made by hand by a highly skilled small group of chocolatiers and biscuit makers.

"There is no-one in the southern hemisphere doing anything similar. Most people selling Belgian chocolates are sticking with the traditional brand names, but these are mainstream brands that produce 2000 kilos every hour – you can hardly call that a quality chocolate. Even in Belgium, the mainstream brands are not that popular with the locals. They are bought by tourists," Vanderwee said.

He said his shops offered quality chocolates that would be enjoyed by Belgians as well as Australians. FOODweek

Bi-Lo convicted in fumes case

Bi-Lo has been convicted and fined $10,000 following an incident at the Sunbury store in Melbourne's northern suburbs, in which workers were overcome by carbon monoxide fumes.

Seven people received medical treatment and the supermarket was evacuated during concrete cutting works at the Sunbury supermarket in September 2002.

Ignored Fire Authority recommendations

The company pleaded guilty in the Broadmeadows Magistrate's Court to a charge of failing to provide and maintain safe plant and systems of work under Victoria's Occupational Health and Safety Act.

WorkSafe Victoria told the court the supermarket was undergoing extensive refurbishment in September 2002 and workers complained of headaches after a contractor started cutting concrete using a petrol-driven concrete cutting saw.

WorkSafe Victoria said a foreman and a construction worker were taken to hospital by ambulance after being overcome with fumes. Tests showed they had unacceptably high levels of carbon monoxide in their blood.

Seven workers, including five Bi-Lo staff, were affected by the carbon monoxide, with symptoms such as headaches, nausea and vomiting. The store was also closed by police and the Country Fire Authority for 90 minutes until fumes cleared.

The court was told Bi-Lo had ignored recommendations by the Country Fire Authority that the store should be ventilated with large motorised fans during the works.

Subsequent WorkSafe inspections confirmed the health risk of using the petrol-driven concrete cutting saw in a poorly-ventilated confined area, and the authority issued safety notices to the contractor, Rodney Wallace and Associates.

Ross Pilkington, WorkSafe Victoria director, said the case highlighted that the occupier of a site had an obligation to ensure contractors carried out works in a safe manner.

"Companies engaging contractors need to have more than paperwork. They need a real system in place to ensure they are managing health and safety risks stemming from the contract work being done." **FOODweek**

AACo expands 1824 range

The Australian Agricultural Company is set to continue working closely with Coles Myer to promote its 1824 branded beef product in supermarkets.

1824 is now in 10 Coles supermarkets, and the product will be extended to another 15 stores by the end of this month.

Company on the way back as prices rise

Don Mackay, AACo CEO, said 1824 was achieving prices 20% above those of Coles' standard beef products.

In the six months to December 2004, branded beef sales contributed $1 million to AACo's $14 million in sales.

AACo is on the way back following a $2.86 million loss for the previous corresponding period. In the past six months it delivered a net profit of $6.18 million.

The company produced a net profit of $31.3 million in 2004, almost three times the 2003 figure of $11.6 million.

Mackay said for that for the good results to be maintained, strong rainfall would have to continue throughout February and March.

He said global beef supplies still remained low, although in Australia there were signs of restocking.

Low numbers are pushing beef product into the high demand segment, which is responsible for the prices for beef at present. **FOODweek**

New course for Australian researchers

A new training course is hoping to address one of the major criticisms of Australia's research community – lack of business understanding.

Southern Cross University and the Grain Foods Cooperative Research Centre have combined forces to offer a Graduate Certificate in Management.

Better business skills

The course is designed to give researchers in the food industry and other scientific fields a better understanding of the business implications of the work they do.

Some of the areas covered include project management, intellectual property management and commercialisation.

Carol Morris, associate professor, said 50 people had already applied for the course over the Christmas and New Year break. This includes students from SCU and workers at the CRC, as well as staff from the centre's core participant companies.

Jan Mahoney, CEO of the Grain Foods CRC, said researchers tended to concentrate solely on scientific breakthroughs.

"Through completing this course they will gain an appreciation for project management and possible commercial opportunities their research work may present. This course provides candidates with valuable experience they can use throughout their careers."

All the students are enrolled part time, and most will complete the program in 12 to 18 months. The course is mostly run in a distance education format, with students working at their own pace. **FOODweek**

Ribena's taste of summer

New pool campaign

Ribena, the leading blackcurrant fruit juice syrup, this week launched its first summer television campaign claiming there is clearly justification for year-round advertising support with the brand experiencing growth of 22.5%.

Abyss is the first ad for Ribena syrup to run during the summer period, as the brand has traditionally focused its campaigns on the benefits of vitamin C during the winter season. The campaign will remain on air for 10 weeks.

The finished product is a combination of live action and animation that celebrates children's poolside culture. The ad features a large multicoloured slide and an underwater world filled with tropical fish and ribenaberries.

GlaxoSmithKline is spending $500,000 on the campaign.

Abyss was developed by Grey Worldwide as a regional project for Australia, New Zealand, Singapore, Malaysia and Hong Kong.

The red and the yellow

Papayas explained

Papaya Australia has embarked on a fully integrated three-year communication program encompassing a highly targeted national media relations campaign, intensive retail activity and online communications.

Papaya Australia is a national body representing Queensland growers.

Research conducted by the association shows consumers have low awareness of the fruit and are confused between the two types of fruit – the yellow fleshed papaw and the red fleshed papaya. The campaign will address these issues.

The new communications strategy will aim to reinforce the backing of the industry to totally reposition the fruit.

Both fruits are predominately grown at Innisfail, Mareeba, Proserpine, Yarwun, Gympie and the Sunshine Coast district.

Darrell Lea gets fruity

Two new products

Darrell Lea, the specialist confectionery and chocolate company, has launched two new products.

Darrell Lea Pectin Jellies have been released as a top end premium jelly made with natural pectin, not gelatine. Pectin is the natural soluble fibre found in fruit.

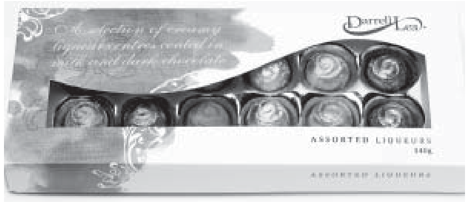
Two assorted Pectin Jelly gift boxes are available, each with intense fruit flavours and coated in sugar crystals.

Orchard Fruits features lemon, apple and orange flavours. Mixed Berries has the rich flavours of raspberry, blackcurrant and cranberry.

The other new product launch is Darrell Lea Assorted Liqueurs, featuring milk and dark chocolate with six different liqueur centres.

There are currently over 400 products in the Darrell Lea range including liquorice, Rocklea Road, chocolates, confectionery and gift selections.

The company has a national presence with 75 stores and 690 partner outlets including chemists, newsagents, and video stores.



Mayo feedback

Sydney-based Goldyna Fine Foods says it is pleased with feedback from its newest launch of mayonnaises through Coles in three states.

The company, which manufactures flavoured mayonnaises, salad dressings, marinades and Australian native sauces, launched three mayonnaises: Coriander, Lime & Chilli; Smooth Dill; and Traditional Swiss-Style Mayonnaise.

The products are ranged in Queensland, NSW, and Victoria.

Sales figures and repeat orders are good, according to a company spokesperson, so the company is hopeful its products will gain national distribution when they come up for review shortly.

Spinach gets nod

Logan Farm has introduced a value added variant to its range of spinach products – Chopped Spinach Portions With Onion.

The 250g pack contains a blend of spinach leaves and chopped onion, and is packed in six 42g portions so there is no wastage. The product can be used as a side serving of vegetables or an ingredient in recipes.

Chopped Spinach Portions With Onion has been priced at parity with the standard 250g Chopped range. It is produced at Logan Farm's factory in New Zealand – the only spinach processing facility in the southern hemisphere.

The product is now being rolled out nationally through the chains nationwide. FOODweek

Kiwi wineries warned on pricing strategy

Domestic sales dropping as imports gain favour

Sales of New Zealand wines in their home country have declined significantly in the past five years according to Lincoln University NZ marketing expert Charley Lamb.

The NZ wine industry has lost a significant slice of the domestic market to wines imported from Chile, South Africa, Spain and Australia in particular.

He said New Zealanders are looking for value from their wines and are demanding middle range product for their everyday consumption, while NZ winemakers continue to put premium prices on their products.

"The focus on quality is without doubt the key to our wine making reputation, but its value as a long term strategy is questionable.

"If the industry neglects the needs of the NZ consumer it may become overly dependent on the export market. Smaller companies may be forced to aggregate to achieve economies of scale.

"In an international marketplace that is already oversupplied it would be folly to suggest that nearly 500 NZ producers will all make a name for themselves."

NZ beer consumption per capita is down 25%, giving way to wine consumption, which has increased from 16 litres per person to 20 litres each year.

More than 70% of the NZ adult population now consider themselves wine drinkers, and the number of NZ wineries has increased from 175 to 463 over the past 10 years.

The country now produces 120 million litres of wine each year, just one fifth of the wine produced by a single company in California.

"An industry focused on international success needs to ask how much of the domestic market it is prepared to give away," Lamb said.

"The NZ winemakers are loathe to discount their product, fearing it will erode their positioning at the premium end of the market – but how long can this continue when it costs so much in domestic market share?

"NZ consumers are far more interested in consistency and value for money, and the Australian industry is happy to oblige." FOODweek

Bimbadgen ties up Rutherglen deal

Combining sales teams

Bimbadgen Estate has signed a national distribution arrangement with Rutherglen Wine and Spirit.

The partnership will allow the Hunter Valley wine producer to expand throughout Australia, with the two companies combining their sales teams in Sydney and RW&S handling the Bimbadgen portfolio in all other states.

"Bimbadgen require a national sales approach given that we have achieved core listings within two national hotel chains within Australia," said Paul Steward, Bimbadgen's national sales and marketing manager.

"Bimbadgen were a preferred choice when it came to selecting a brand partner, with their excellent quality wines, smart packaging and point of difference. We are delighted to be representing the Bimbadgen portfolio given the significant inroads that they have made into the Sydney market, complemented by their dedication and commitment to supporting the Bimbadgen brand," said Zach Wilson, RW&S director of sales and marketing. FOODweek

French funding fails to address real issue

Chronic overproduction guaranteed

Wine producers in France will now have access to an additional €70 million ($118.7 million) in funding, virtually condemning the country's industry to chronic overproduction.

Production problems in France appeared to be improving over the past few vintages, with the total amount of wine made declining by 20% between 2000 and 2003.

But 2004 saw another massive harvest, up 1.1 billion litres, or 23% on 2003 figures, to 5.9 billion litres. To put this in perspective, Australia only produces about 1.22 billion litres in total each year.

This huge surplus has led to production exceeding demand by as much as 30%, making it more difficult for wineries to survive.

The rescue package is supposed to assist struggling producers to keep their heads above the ever increasing sea of wine. However, it is likely that the additional funding will merely allow these producers to continue on as they have done in the past – generating even more low quality wine that will never be consumed.

About €40 million ($66.5 million) of the funding will come in the form of preferential loans to producers, with a further €15 million ($25 million) available in low interest loans for wine cooperatives.

The French government has set aside some cash to finance the early retirement of some 500 or so winemakers, but this is not nearly enough to change the oversupply situation.

Unfortunately for the French wine industry, just €3.5 million ($5.8 million) has been set aside for promotion and marketing.

A better use of the money might be to revamp and improve the Appellation d'Origine Controlee (AOC) to make it easier for the wine drinking public to interpret labels. This would also make it easier for French producers to compete with New World wine producers such as those in Australia, whose labels already meet the key needs of consumers. FOODweek

Southcorp result may force Foster's hand

Strong European earnings

Southcorp may force suitor Foster's to lift its $3 billion-plus takeover offer, thanks to significant growth in the company's profit and earnings in the first half of the current financial year.

Overall, net profit for the half was up 49.7% to $60.6 million. This came from a 28.3% increase in earnings to $96.3 million.

The company's best performing areas were UK and European sales, where earnings grew 113.7%.

There was also a strong performance from the Australasian business, with earnings growth of 39.6%, and a 14.9% improvement in American earnings.

John Ballard, CEO, said the positive results were achieved against a backdrop of very difficult trading conditions.

"The result saw generally flat sales growth except in the UK/Europe region, where sales revenue grew an impressive 20%," he said.

"There is also early evidence that some of the oversupply issues which have hampered the global wine industry in recent years are receding."

A new three-litre product released in Norway and a strong performance from the Lindemans brand contributed towards the result.

The company said the US market was beginning to come back into line following the Californian wine surplus. However, conditions for the six months remained competitive due to the introduction of several new brands by other companies.

Volumes rose 5%, driven by the strong launch of the Little Penguin brand in July. It now ranks seventh for Australian table wine in the US.

Ballard said the company had delivered excellent earnings growth in flat global markets, while managing at the same time to pump significant amounts of money back into the marketing and promotion of its brands.

"Operationally, the result was underpinned by excellent performances in the UK/Europe region and in Australasia, a solid progress in the Americas region, by our continued focus on business improvement through the Veraison program, and by the commencement of implementation of the asset review program we announced in June 2004."

Veraison is the company's process for developing stronger business and financial principles, cost saving and process improvement. FOODweek

Xanadu sells Margaret River vineyard

Company expecting operating loss

Struggling winemaker Xanadu has sold its 44ha Margaret River vineyard for $2.75 million.

It will retain the Jindawarra brand and has contracted a portion of the Jindawarra vineyard fruit to ensure consistency of the brand is maintained.

The vineyard is 35km from Xanadu's Margaret River winery and tourism complex.

The main Xanadu estate is situated over 180ha, 5km south west of the Margaret River township, and will not be included in the sale.

Xanadu wines has agreed to a four year contract for a portion of the fruit to supply the Jindawarra brand for which Xanadu has retained the title and trademark. The brand is currently sold in Australia, the UK and mainland Europe.

The cash from the sale will be used as working capital to further develop markets and retire debts. The sale will be settled on March 1.

The company is expecting an operating loss for the last six months, citing lower than budgeted sales and margins in November and December plus higher than anticipated foreign exchange losses in the first half of the financial year as the problem.

Sam Atkins, MD, said the drop in sales required urgent attention.

"I am very disappointed with the downgrade, yet I am still confident of producing a profit in the second half of 2005. This has cost our company in the two busiest months of the year." FOODweek

New branding campaign for Tyrrell's

Appearing in wine and lifestyle mags

Sydney advertising agency Love is to develop a new brand campaign for Tyrrell's Wines.

The campaign will feature in lifestyle and wine magazines, and will be based on a new branding slogan for the company.

CEO Bruce Tyrrell said he was impressed by "Love's ability to get to the heart of our culture and then reflect that in branding and advertising ideas".

Julian Martin, Love CEO, said wine advertising was a tough area.

"There are lots of brands with very similar messages and approaches. Our goal with Tyrrell's is to be true to their heritage, yet original in expression. I think the new campaign will pull off that twin challenge."

Tyrrell's was founded in 1858 and is now run by fourth generation Bruce Tyrrell. Its major vineyard holdings and winery facilities are based in the Hunter Valley at Pokolbin and Scone.

Tyrrell's brands include Old Winery, Lost Block, Rufus Stone, Reserve ranges and Winemaker's Selection. FOODweek

New role for Wolf Blass

Becomes IWSC president

Wolf Blass has been appointed president of the International Wine & Spirit Competition.

Blass takes up the role following a recommendation from **Robert Mondavi** and **Chris Hancock**. He replaces **Paul Symington**, Portugal's largest producer of port.

The IWSC International Winemaker of the Year Trophy, also known as the Robert Mondavi Trophy, has now become the Wolf Blass Trophy.

The IWSC is backed by a group of vice presidents including **Baroness Philippine de Rothschild** of France; **Marchese Piero Antinori**, Italy; Robert Mondavi, US; Chris Hancock, Australia and **Sir Anthony Greener**, UK.

It was founded in 1969 with the aim of promoting the quality and excellence of the world's best wines, spirits and liqueurs. Almost 5000 products will be judged at the 2005 awards.

Coopers sales

NT position

Sean Gould has joined Coopers Brewery as Northern Territory sales executive.

Gould has extensive experience in hospitality, having spent 16 years in the industry.

Prior to joining Coopers he worked as bar and catering manager at Darwin's Duck's Nuts restaurant. He also worked at Conrad's Jupiter Casino in Queensland.

Glenn Cooper, MD, said Coopers' rapid sales growth in NT required additional skills in sales and marketing.

"Coopers' sales in the NT are growing at approximately 45% per year and we require someone to manage this growth," he said.

CAAB restructure

Separate roles

Certified Australian Angus Beef has restructured its board and separated the roles of chair and CEO.

Brian Mobbs has been appointed non-executive chair, while **Michael Pointer** will remain CEO.

Dennis Ginn, Angus Australia chair, said CAAB had reached a new level of maturity which called for two key administrative roles to be separate.

"The division of the roles will give Michael more time to concentrate on an expansion program in CAAB's 23 export destinations and in domestic markets," Ginn said.

Aldi to sell properties

Would consider joint ventures

German discount supermarket chain Aldi is selling seven properties in Victoria that are surplus to the company's development requirements.

The properties are expected to realise around $7 million through private sale.

Property agents Knight Frank have been appointed to sell the properties, which were part of larger land parcels acquired by Aldi for development of supermarkets.

The sites are at Hampton Park, Belmont, Melton, Rosebud, Beaconsfield, Shepparton and Sunbury.

Steve Bolton of Knight Frank said Aldi was keen to sell the surplus land to businesses that would complement its stores, and the company would consider joint venture proposals for the sites.

Aldi currently has 45 stores in NSW, 26 in Victoria and 12 in Queensland.

Woolies mince recall

Woolworths has recalled its Woolworths label regular beef mince, premium beef mince, heart smart mince beef, minced lamb and minced pork from its Paralowie supermarket in South Australia.

The affected packs carry use by dates of 7.2.05 and 8.2.05. There was a possibility they could contain metal fragments.

Only 34 packs of Woolworths regular beef mince, 47 packs of premium beef mince, 22 packs of heart smart beef mince, four packs of minced lamb and one of minced pork have been affected.

Customers should not consume the product and should return it to their nearest Woolworths supermarket for a full cash refund.

Inquiries: 1800 638 434.

Diet Coke introduces Splenda variety

Coca-Cola in the US is to release a new Diet Coke sweetened with a sucralose product called Splenda and featuring a Splenda sucralose logo on the packaging.

The new drink will be an extension of the current range of seven beverages and will not lead to the withdrawal of the original Diet Coke, which is sweetened with NutraSweet.

Booming sales of UK Tate & Lyle's Splenda sweetener product, which is 600 times sweeter than sugar, are the result of growing health concerns driving consumers towards sugar free products and food makers to introduce zero calorie and low calorie sugar substitutes into new product formulations.

According to Tate & Lyle, Splenda is now used in over 4000 products worldwide, from carbonated drinks and nutrition bars to desserts, confectionery and dairy products.

The UK firm, the world's only manufacturer of Splenda, has warned it will need to prioritise the needs of existing customers as demand for the additive has far exceeded expectations.

It will not take on any new customers in the US until a US plant extension is completed next year and a new Singapore plant comes on line in 2007. FOODweek

Iceland speaker heads Smart conference

Supply chain management event

Stuart Ross, joint MD of Iceland, Britain's leading specialist frozen food retailer, will be the keynote speaker at Smart 2005, a two-day conference on supply chain management in Sydney.

Until recently, Ross was supply chain and distribution director for Tesco in the UK.

Ross will talk at Smart 2005 about the importance of integrating the supply chain into wider business processes and taking a pragmatic and simple approach.

More than 80 speakers will present papers or contribute to panels at the conference, which will be held at the Sydney Convention and Exhibition Centre on June 1 and 2, 2005.

The conference will also include a number of ancillary sessions, site visits, an Accenture Keynote Breakfast and a supply chain industry dinner.

Smart 2005 will also offer a one-day workshop program following the conference on Friday June 3, at which Dr John Gattorna and Cecilia Cabodi will examine and discuss the findings of recent industry research. Dr Sherrie Ford will discuss reworking factory culture to embrace lean manufacturing practices.

Full program details of all sessions and speakers plus all associated networking events are available at www.smartconference.com.au

Woodhouse wins barista final

Seattle prize

Carsten Woodhouse has won the final of Gloria Jean's Coffees National Barista Championships.

Together with the owners of his store at Oxford St, Sydney, he was awarded a trip to Seattle, US, to watch the 2005 World Barista Championships and attend the Specialty Coffee Association of America Conference.

The national competition was held as part of the Gloria Jean's Coffees annual convention in Queensland, and gave 3000 coffeemakers the chance to showcase their skills by serving the judges espressos, cappuccinos and signature brands.

Fine Food Perth

Will run every two years

A new food and hospitality exhibition, Fine Food Perth, will run from October 9 to 11 at the Perth Convention & Exhibition Centre.

The exhibition is the sister event to the Fine Food Show held in Sydney, but will have a strong local flavour.

The event, which has been in the pipeline for a couple of years, is being organised by Australian Exhibition Services.

One of the features that will define Fine Food Perth from its sister shows will be the range of local wines on display.

With WA having over 300 producers, the Wine Industry Association of WA will be working with the organisers to coordinate a large group display.

Future shows will run every two years in a March timeslot, alternating with Fine Food Brisbane.

The WA Oceanafest will run in conjunction with Fine Food Perth. The chef competition is expected to attract hundreds of competitors from WA, interstate and overseas.

Aussie choccy doing well in US

KangarooGold, an Australian company owned by Victorian-based SweetOz International, has had a major breakthrough in the US with the product now selling in 2000 US supermarkets and other retail outlets.

The company sells chocolates featuring kangaroos, koalas and green tree frogs on the packaging.

KangarooGold has secured key shelf space in the confectionery sections of leading US supermarket chains such as Bristol Farms, Ralphs, and Albertsons.

Kylie Hargreaves, Austrade's senior trade commissioner in Los Angeles, said KangarooGold started with no US customers in 2003 and now has over 2000 supermarkets, convenience stores and drug store chains.

KangarooGold chocolates combine fresh Australian dairy, fruits and nuts with cocoa beans from the Ivory Coast.

Coles in Preston talks

Salta Properties has started negotiations with Coles Supermarkets on a tenancy in a proposed redevelopment of the Preston Market in Melbourne's northern suburbs.

It is not clear whether Coles would replace an existing Bi-Lo store in the market complex or become a fourth supermarket tenant.

Safeway and Aldi also have tenancies in the market in Cramer St, Preston.

Salta Properties is planning an $80 million redevelopment of the market complex that will include apartments, new retail tenancies and a multi-level car park. The company bought the market site for $37 million last year.

Boost faces Bondi rap

Boost Juice may get its marching orders from Sydney's Bondi Beach unless it stops using foam cups.

An unprecedented legal step by Waverley Council has stemmed from complaints from beachgoers that discarded Boost Juice polystyrene containers are being found all over the beach.

Boost Juice, however, is digging in, claiming its research shows the cups are more environmentally friendly than anything else currently on the market.

Nevertheless, a recommendation to a meeting of councillors will call on Boost Juice to stop using them – as they are deemed a menace to the environment – within 28 days or be closed.

FOODweek

Exchange Square, the main hall of the Australian Stock Exchange in Sydney, has been transformed into an art space until March 4, featuring the work of the 'queen of plastic bag art', Marie-Claire Baldenweg. Her work juxtaposes shopping bags and national flags to make a statement about the power of capitalism. ASX executive general manager Stephen Mills and Anthony Bond, Art Gallery of NSW head of international art curation, opened the exhibition entitled Global Market – Bagflags of the World. Baldenweg is a prominent Swiss-Australian artist. Her artworks feature different aspects of the process of globalisation, which is influencing and changing cultures worldwide.

Kea Organic Coffee Company (see page 9) from Havelock North in New Zealand received a major boost in the US when it was served up to the stars at an Academy Awards banquet in Hollywood just on a year ago. The banquet was staged by the NZ government and held at the Beverly Hills Hilton in Los Angeles. It featured a formal sitdown dinner for 350 guests including celebrities, entertainers and film industry heavyweights. Kea organic coffee is blended and roasted in New Zealand and is the top selling NZ coffee in the US. The product was chosen after a representative of the Academy Awards committee visited NZ last year to source products to tie in with the Lord of the Rings films. After that kind of exposure, it's no wonder the company is still riding high.

A Chinese entrepreneur has become caught up in the trend of making wine from ingredients other than grapes, but Last Word wonders just how well his product will sell. Sun Keman has developed a new wine made of fish, produced by cleaning, boiling and fermenting different types of fish. It is said to be nutritious and low in alcohol, and Keman has formed the Dalian Fisherman's Song Maritime Biological Brewery in order to sell the product. Orders for the unusual wine have already been taken from countries including Japan and Russia, as well as other parts of China.

Developing a range of food products targeted at consumers with food allergies may seem like an excellent marketing move. But UK supermarket chain Sainsbury's has run into problems with its 'Freefrom' allergen-free biscuit ranges following the discovery of gluten in many products. The gluten was identified during routine quality checks, and forced the recall of several products such as Coconut & Raspberry and Coconut & Chocolate biscuits, as well as several shortbread varieties. The products were labelled as Freefrom Wheat and Freefrom Gluten – oops!

Marketing experts have defined a new category of human: the 'authenti-seeker'. A tenfold rise in home bread-making over four years has prompted a British consultancy to investigate, London's the *Times* newspaper reports. The firm's inquiries found the rising sales of bread-makers signified the premium the British placed on naturalness. "Authenticity is the new luxury, and buying a home bread-maker is the first rung on the ladder to acceptability among the faithful," the *Times* writes. Authenti-seekers are well-to-do professionals who invest time and money researching the origin and quality of what they consume. Most authenti-seekers will investigate how and where a product is made and the raw materials that are used. They are also likely to have a taste for organic food. But the *Times* says the problem with all this rootsy quest for the familiar is that it is something of a mirage. There is precious little earthiness to be had baking your bread in a consumer gadget – even the dough bought by the home baker has to be mass produced, as does the bread-maker itself of course.

The Sydney firefighter who took a fire truck to collect a pizza has been upstage by a British Army helicopter pilot. He bought his pizza after realising his 50km routine flight would take him over an area where his girlfriend, a cadet at Sandhurst, the army's officer training college, was involved in military manoeuvres. The errant flyer unfortunately put his $5 million Lynx helicopter down near Sandhurst's commandant, Major General Andrew Ritchie, who was carrying out a surprise field inspection of the exercise. As a result the pilot was given extra weekend duties – giving both his pizza and his ardour a chance to cool off.

A nursery school teacher in California is $US15.6 million ($19.8 million) richer after recognising himself on a jar of Nescafe. Russell Christoff did not realise he was famous until a woman next to him in a supermarket queue leant over and said: "You look like the guy on my coffee jar." Several weeks later, as he was browsing the shelves of another shop, he came face to face with himself on a jar of Taster's Choice coffee, the American version of Nescafe. Christoff, now 58, had spent years working as a model and actor before taking up his job at a kindergarten just outside San Francisco. In 1986, he sat for two hours for a photographic shoot for Nestlé, for which he says he was paid $US250. He thought nothing of it until he discovered his chiselled visage on the supermarket shelves in 2002. Nestlé, he learnt, had started using his picture in Canada in 1986 and his face had adorned its labels in the US, Israel, Japan, Kuwait, Mexico and South Korea for about six years. The image had not only been used on jars, but also on posters, coupons and even a computer screen saver. Christoff sued and, at one point in the litigation, Nestlé tried to deny the portrait was his. But a Los Angeles court ruled that Christoff was entitled to $US330,000 for the use of his likeness plus 5% of the profit from Taster's Choice sales from 1997 to 2003, a total of $US15.6 million. FOODweek

Key Business names in this issue

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