Australia’s Fresh Food Farmers

How Woolworths delivers the highest quality fresh food through strong relationships with Australia’s leading farmers.
Woolworths
FRESH FOOD FACTS

AUSTRALIAN OWNED AND GROWN
- Woolworths is an Australian company
- 100 per cent of the fresh meat sold at Woolworths is produced in Australia
- 96 per cent of fresh fruit and vegetables sold at Woolworths are grown on farms in Australia
- There are 3490 large and small Australian businesses that supply Woolworths with fresh food
- Woolworths stocks Australian fresh food wherever possible and only imports when local fruit and vegetables are out of season

WOOLWORTHS IS PART OF THE COMMUNITY
In 2011 we:
- donated food for 2 million meals to relief charities
- raised $62.3 million for local community programs
- provided $4.5 million in educational resources to schools through our Earn and Learn program
- ran our annual Fresh Food Kids’ Hospital Appeal and supported charities including The Salvation Army, Canteen, The Smith Family, and the Juvenile Diabetes Research Foundation

WOOLWORTHS CONTRIBUTES TO THE LOCAL ECONOMY
In 2011 we:
- directly employed 111,304 people in Woolworths supermarkets and support functions around Australia
- paid $6.3 billion in wages and employee benefits
- gave young Australians a start as trainee and apprentice butchers and bakers

MEETING CUSTOMER NEEDS
- Food safety is the number one priority of customers. Woolworths has in-house micro-biological testing facilities to check the safety and quality of our fresh food.
- Price, quality and range of fresh food are highly important to our customers. Woolworths uses a state-of-the-art Sensory Evaluation Kitchen where customer panels test our fresh food for taste, functionality and appeal. And Woolworths was the first national supermarket to achieve Meat Standards Australia (MSA) accreditation, which guarantees consumers enjoy tender juicy beef and lamb every time.
Woolworths’ Quest for Aussie Quality

Woolworths is committed to delivering fresh Australian food of the highest quality through its strong relationships with leading local producers and innovative manufacturers.

Australia produces the best food in the world and Woolworths wants to continue buying our meat, fruit and vegetables from Australian farmers for years to come.

That’s why Woolworths is a major sponsor of The Australian Year of the Farmer, and investing in agriculture through our Fresh Food Future program, our Agricultural Business Scholarships, and by sponsoring agricultural shows right around Australia. Since 2007 Woolworths has supported Landcare with $6.6 million in funding for local projects focussed on sustainable farming and productivity improvements.

Buying practices

Woolworths likes to buy directly from producers and has strong, long-term relationships with farmers all around Australia.

These relationships have helped to strengthen farm businesses and the wider agricultural industry by providing the certainty of reliable, on-going demand for their fresh products. We have also supported their investments in new technologies, environmental management systems, and farming practices.

Buying direct from the farm gate rather than through wholesalers ensures we can deliver a better return to Australian farmers. It also helps to keep our costs down and our prices competitive to consumers.

And by dealing direct with the producer, it reduces the time taken to transport fruit and vegetables from the farm gate to the supermarket shelves, resulting in fresher and better quality food for our customers.

Quality Assurance

The quality of fresh food sold is important to Woolworths because it is important to our customers.

Woolworths’ team of 111,304 Australian employees work hard every day to ensure consumers receive the best quality food in the freshest possible condition.

Woolworths pioneered best practice programs in Australia, particularly in the area of fresh food.

The Woolworths Quality Assurance (WQA) program requires suppliers to be independently audited to ensure they comply with best practice standards and regulations.

Woolworths works with suppliers to set strict quality specifications for size, colour and eating quality of their fresh food, and we check our stocks thoroughly to ensure consumers are receiving consistently fresh and high quality meat, fruit and vegetables every time they shop.

In this publication you will meet some of Woolworths’ suppliers from around Australia, as well as members of the Woolworths team, and discover the lengths they go to together to bring you the freshest and best in Australian food.
Woolworths and Tassie Pork – supporting each other

Geoff Terry has been in the pig business for almost 40 years, but the market changes in the 1990s were the most challenging period of all.

The sector underwent significant change, with producers from across Australia leaving the pork industry.

In Tasmania Woolworths was the only company ready to continue to support the local pork industry.

“I went down to Hobart to see Woolworths and have a chat to them about what I could provide and what my costs were,” Geoff said. “That was about 15 years ago, and we’ve been Woolworths suppliers since.”

Mr Terry appreciates the relationship he has developed with Woolworths, which involves the company’s local representative coming to his farm in Deloraine once a month to discuss various aspects of the business.

“This process of constant contact means Woolworths is always aware of any issues we may have, such as summer infertility which may affect our outputs, and they are constantly keeping us up to date with consumer demand,” Geoff said.

Woolworths spokesman Brett Thompson says this constant contact allows both the supplier and Woolworths to provide consistent, excellent quality to consumers.

“All pigs sold by Geoff Terry are bred on his property, therefore, he is able to predict numbers that he has available to sell each week well in advance and communicate this to Woolworths. This in turn helps Woolworths anticipate its supply lines.

“Woolworths seeks to buy only the best quality porkers from its suppliers. By dealing with growers like Geoff and his family, the company can be confident that it can expect consistent high quality pork.”

Geoff Terry provides Woolworths with around 3000 pigs a year. The pigs are sold at about 16–17 weeks of age, at a dressed weight of around 60 kilograms.

He selects genetics that deliver the carcase traits that Woolworths needs. His feeding regime also is tailored to allow both rapid growth and proper finishing of his porkers. The ratios for feeding to reach this quality product are all computer formulated to ensure a balanced diet for the pigs.

The Terry family are also accredited under the Australian Pork Industry Quality Assurance Program (APIQ), a necessity for all Woolworths’ pork suppliers.

Geoff says these elements are essential for providing quality pork products. He also says the reliability and security provided by his agreement with Woolworths has helped him to make changes to the farm in order to increase productivity and sustainability.

All the pigs are accredited as bred free range, meaning piglets are born and bred outdoors and at about 3.5 weeks they are weaned into housing accommodation where they are grown out to finish.

The effluent from the pigs is spread in pasture paddocks, giving huge nitrogen boosts for crops, improving the business’s overall productivity by providing all of the feed grain for the pigs.

Geoff says the interlinked nature of the farm businesses is reflected in Woolworths’ role in the pig industry of Tasmania itself.

“Woolworths’ support benefits the local processing sector. In Tasmania, we only have one pig abattoir and that is open because Woolworths chooses to process its local pigs here.

“This supports our local transport companies, abattoir and processors, not to mention the local growers like me,” he said.

Brett Thompsons says the supermarket likes to deal with like-minded people.

“A retailer needs quality product to offer to its customers and a farmer needs a reliable market to supply,” Brett said.

“The relationship therefore is mutual, based on communication, integrity and trust.”

Geoff agrees. “It’s a two way street that is rewarding for everyone.”
Fresh food facts

- Woolworths works with local producers and food processors wherever possible.
- Long-term supply relationships provide farmers with economic security and the ability to invest in improved practices.
Woolworths loyal to Little River lamb

The latest in four generations of farming, prime lamb producer Jock Richmond has enjoyed a 25-year partnership with Woolworths in providing Australian consumers with excellent lamb chops and roasts.

Based in Little River, Victoria, Jock owns Rose Grange Pastoral, which supplies up to 10,000 lambs to Woolworths each year.

“We have a great relationship with a Victorian livestock buyer for Woolworths who gives us clear direction on how many lambs they need and what they’re looking for in terms of quality,” Jock said.

“Some of our lambs are sold off the mother to Woolworths at 15-18 weeks and usually weigh around 20-24 kilograms (kg).

“From a producer’s perspective we aim to breed an early maturing lamb that is nice and lean and doesn’t lay down large amounts of fat on the carcass.

“We work hard to maintain those carcass traits – lean meat yields, carcass weight, eye muscle and fat depths – which are critical indicators of a lamb’s eating quality,” Jock said.

Jock puts his lasting relationship with Woolworths down to both parties having a solid commitment to quality.

“Woolworths only buy the best quality meat, and we pride ourselves on only providing the best,” he said.

“Dealing with a major player like Woolworths provides our family business with economic security so we work hard to maintain the relationship.”

David Hudson is Woolworth’s Livestock Procurement Manager for lamb and has worked with producers like Jock Richmond for the last 23 years.

During that time he says the supermarket has very much adhered to a policy of quality first, price second.

“We obviously try to purchase at the best price possible, but we are a company that has always pursued a quality lamb product to serve to our customers. No shortcuts are taken to deliver that product,” David said.

“At Woolworths, we like to guarantee eating quality so we look for lambs that are in prime condition. We like to guarantee a great eating experience every time.

“Our livestock buyers like going direct to farmers so we can source our lamb straight from the paddock.

“We have suppliers just like Jock right across the eastern seaboard of Australia that are familiar with our market specifications and can produce a top quality product.”
Beefing up the business by selling to Woolworths

Revamping an old feedlot on the family property in Tintinara and developing a relationship with Woolworths has dramatically changed Paul Vogt’s farm business.

Paul’s father started selling to Woolworths 20 years ago, supplying 20-30 cattle a week. Now Iranda Beef is one of Woolworths’ largest beef suppliers in South Australia, and uses the highest standards of animal nutrition and management to ensure their customers enjoy tender steaks every time.

“Over the past 15 years, the business has grown from an opportunity feedlot into one of the most modern feedlots in South Australia, with a capacity of around 4000 head,” Paul said.

“Today, we’re supplying 240 cattle to Woolworths every week; they are our largest customer and a big focus for our business.

“There’s security in knowing you’ve got a long-term relationship with a major player in the market. Supplying large numbers to Woolworths means there is a good cash flow result sitting against the budget at the end of the month and there’s a level of comfort in that.”

Based in the Upper South East of South Australia, Paul farms 1750 hectares and runs 2500 head of cattle, with the business revolving around the feedlot operation.

“The cattle start their lives out in the paddock and are moved to the feedlot for finishing, which takes around 70-80 days,” he said.

“The socialisation in the paddock reduces the incidence of disease and lowers the stress levels of cattle prior to going into the feedlot. The cattle are fed a nutritious grain ration to make sure they are healthy and happy and meeting the standards set out by Woolworths.”

In January 2012, Woolworths became the first national supermarket to offer certified Meat Standards Australia (MSA) graded Australian beef to customers. The MSA logo delivers an eating guarantee to customers and identifies that specific cuts have been graded to meet high standards for tenderness, juiciness and flavour.

“Woolworths have really led the way with meeting consumer demands. Their quality specifications are quite high which ensures tenderness, juiciness and flavour in the beef and consistent eating outcomes for consumers,” Paul said.

Brett Thompson, Woolworths National Procurement Manager for Beef, said the MSA grading system was targeted at suppliers like Iranda Beef which have a reputation for consistently producing excellent cattle.

“Paul’s cattle consistently display good shape and eye muscle. They are well finished without being too fat and this means nutritious, juicy T-bones, roasts and rump steaks on our shelves,” he said.

“Paul only buys well-bred, young feeder cattle and keeps a detailed recording system which traces cattle back to certain farms and locations.”

This strategy, along with a nutritious feeding regime, is essential in providing the best possible cuts of beef to Woolworths and meeting the MSA grading system.

Fresh food facts

- Woolworths’ team of 12 livestock buyers clock up 1.2 million kilometres a year searching the country for premium lambs and cattle.
- Woolworths employs 1125 butchers and 605 butcher apprentices who chop, slice, dice, trim and pack over 200 different cuts of fresh meat daily.
Steaking Woolworths’ excellence in beef
Customers, cattlemen and the entire beef industry are reaping the rewards of the close relationship between Teys Australia and Woolworths, which is delivering better quality meat through the adoption of new and innovative technology.

Teys Australia has been in business with Woolworths since 1993, supplying in excess of 230,000 head of cattle equivalent per year, or 60 semi-trailers of beef per week.

The meat processing company came into being in 2011 after a 50/50 merger between Cargill Beef Australia and Teys Bros. This strategic partnership has grown the companies Woolworths business from $1 million per annum in 1993 to in excess of $380 million.

With processing plants along the east coast, including in Wagga and Tamworth, Teys Australia Spokesman Andrew MacPherson says they are well placed to supply excellent quality to Woolworths’ customers.

“We have really built our company around Woolworths quality guidelines, so that we are both working towards the same goal,” Andrew said.

“The shared mindset means Woolworths and Teys Australia can work together to achieve maximum tenderness, juiciness and flavour in the beef provided to consumers.”

Andrew says a recent example is the implementation of Meat Standards Australia (MSA) to underpin Woolworths quality promise. MSA is the result of industry-funded research which has identified the factors behind the eating quality of red meat.

“MSA is using world’s best science in determining the best ways to deliver tenderness, juiciness and flavour, be they different ways of processing the meat, genetics or feed related,” Andrew said.

Woolworths Meat Processing Manager Rodney Minett says the MSA logo delivers an eating guarantee to customers and identifies that specific cuts have been graded to meet high standards for tenderness, juiciness and flavour.

“Woolworths has recently adopted the MSA grading system for its beef in all stores. This ensures a consistent eating experience for our customers,” Rodney said.

“Our close relationship with Teys has been rewarding for our customers through development of these quality assurance programmes, as well as for the beef communities and towns in which Woolworths and Teys operate,” he said.

Teys Australia processing plants are typically located near the cattle communities which are supplying Woolworths. Andrew McPherson says this not only minimises freight costs, it is also optimal for animal welfare and builds relationships in the communities in which the company operates.

“Using our facility in Wagga as an example, it supports approximately 1200 employees, generates almost $88 million in household income and contributes $130 million in gross regional product for the towns in which we operate,” he said.

“For a plant like Wagga this represents almost 5% of Wagga’s total Full Time Equivalent employment and 4% of its gross regional product.

“This wouldn’t be possible without Woolworths. Their support of our business and its associated supply chain businesses, coupled with our work to support beef farmers is indicative of the lengths Woolworths and Teys go to in order to supply the best beef to Australian consumers.”

Andrew says the on-going support of Woolworths is critical to the health of the Australian beef industry.

“They are committed to long-term sustainable strategic partnerships, which encourages sensible investment and decision-making,” he said.

“Constant evolution and work with suppliers is continuing the Woolworths commitment to deliver unparalleled value to the consumer.”

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Out of the old comes the new

New varieties of apples are making their way into Australian households as a result of the long term relationship between Australian owned family business Montague Fresh and Woolworths.

Founded in 1948, Montague has grown to be one of the largest growers, procurers, packers, distributors and marketers of apples, pears and stonefruit in Australia, employing more than 500 people.

In 2010, after investing nearly 15 years of time and effort, Montague introduced the Jazz™ apple brand to Australian consumers, and the company is now in the process of bringing another new apple variety to market.

“Our program of variety development has only been made possible with the support and long-term investment that comes from working very closely with Woolworths,” said Scott Montague, a Director of Montague and its National Business Manager Sales and Procurement.

“We are currently in an exciting phase of bringing a new variety to market and we’re looking forward to sharing that with consumers when the time comes.”

The company owns and operates apple orchards in Batlow in New South Wales, Harcourt and Narre Warren North in Victoria and Legana in Tasmania, as well as a stonefruit orchard in Swan Hill in Victoria.

Montague has been supplying Woolworths for 46 years and has been the recipient of three Woolworths Supplier of the Year Awards.”

Scott said his company was proud of its reputation as innovative and forward thinking, and it was their relationship with Woolworths which had allowed them to research new fruit varieties to bring to the Australian market.

“Montague has a very valuable relationship with Woolworths, and it’s certainly a two-way street in terms of investment and support,” Scott said.

“The introduction of the Jazz™ apple brand gave Australian consumers a reason to get excited and has reignited their interest in the apple category.

“It’s also a great opportunity for marketers and retailers to educate consumers on different varieties, origins and their qualities. With a great apple like Jazz™, growers and consumers alike are assured that their product will be of a high quality and in demand on the Woolworths’ shelves.”

Woolworths’ National Manager for Produce, Paul Harker, said Woolworths’ relationship with Montague had meant there was a solid foundation to support innovation and further investment when it comes to Australian grown fruit and vegetables.

“We were very keen to support Montague as they pursued opportunities to research new varieties in apples, as well as pears and stonefruit, to bring to the Australian market,” Paul said.

“The introduction of the Jazz™ apple has been very successful and it will undoubtedly continue to grow in popularity as consumers take advantage of the additional choice of Australian grown fruit available in our stores.

“Woolworths is proud that 96% of its fresh fruit and vegetables come from our own back yard. It’s exciting to be working with Australian owned companies like Montague who are clearly focused on providing consumers with a better eating experience, whether that is through the introduction of new varieties or quality assurance measures.”

Fresh food facts

- 96% of fresh fruit and vegetables sold at Woolworths are grown on farms in Australia.
- There are 3490 large and small Australian businesses that supply Woolworths with fresh food.
Montague is not only delivering exciting new products to Australian consumers through Woolworths stores but they are also ensuring that consumers receive the best quality fruit every day through Woolworths’ stringent quality assurance requirements.

“We have recently invested in photographic and infrared sorting technology to check the both external and internal qualities of every piece of fruit grown and packed by Montague,” Scott said.

“We also continually inspect our fruit; from the orchard, to the packhouse and through a final inspection before it’s delivered to a Woolworths Distribution Centre across the country.”

Scott said the relationship with Woolworths was one they looked forward to continuing for years to come.

“The growth of our business over the decades can certainly be attributed to our strong relationship with Woolworths and I’ve no doubt this will only get better,” he said.
Working fast and smart to deliver fresh

Quality and freshness don’t come easy, which is why some 616 people work around the clock at Woolworths’ Perth Distribution Centre to tackle the mind-boggling logistical challenge of coordinating supplies from the farm-gate to supermarket shelves across the state.

The 81,500 square metre DC is the hub that links Woolworths’ network of farmers to its 85 WA stores, from Broome in the north to Esperance 2910km to the south.

It is also a critical control point in checking the quality of fresh food and placing it in the optimal conditions to protect its flavour, freshness and texture.

“There’s an enormous amount of energy that goes into the process from selecting the seed right through to the delivery of each item to the supermarket shelf,” said Paul Turner, Woolworths WA Produce Operations Manager.

“At all steps in the supply chain it is really important to make sure that the food is not damaged by excessive heat or cold to ensure the quality for our customers is maintained.

“Everything that is received into the DC is stored straight away at the correct temperature until it is dispatched in temperature controlled trucks.

“And by controlling temperature from start to finish we can ensure the fruit and vegetables are arriving in the store in the right condition.”

Deliveries to the DC begin 5am, and all stock received is stored in one of three cold rooms (each set at a different temperature to match the specific requirements of different food types), then checked for quality, and dispatched to stores – all within twelve hours.

The smooth and efficient operation of the Perth distribution centre is crucial to protecting the quality of fresh fruit and vegetables supplied by Trandos Farms, Western Australia’s largest producer of green beans and sweet corn.

Managing Director of Trandos Farms, Jim Trandos, said it was vital for green beans in particular to reach supermarket shelves as quickly as possible.

“Beans are the most perishable crop we deal with – you just cannot store them for any period of time without losing quality,” Jim said.

“So the most important things to ensuring their freshness when they reach the supermarket shelves are time of picking, and an efficient and cold supply chain.”

Their beans and corn are grown under centre pivot irrigation at Gingin, north of Perth, and processed for the company’s plant at Wanneroo on Perth’s northern outskirts. Another property at Broome allows the company to continue supply throughout winter.

Corn is always picked at night to minimise the impact of field heat, while beans are harvested as early as possible after sunrise to ensure they are both dry and cool at time of picking.

Trandos Farms uses both blast cooling and hydro cooling (washing in cold water) to chill the food to their optimal storage temperature (1 degree for corn and 3-4 degrees for beans), before delivery to the DC.

“Typically our beans are picked by 7am in the morning, and are processed and packed that evening, and in the Woolworths distribution centre by 7am the next day,” Jim said.

All fresh suppliers must be accredited under the Woolworths Quality Assurance (WQA) program, which includes twice yearly audits against production safety specifications designed specifically for each food type.

At the DC there are three quality controllers who randomly check the contents of all deliveries – a big task given that just over 24,000 cartons go through the DC daily. That equates to 170,000 cartons of fresh food per week or 8,840,000 each year.

The quality controllers check consignments against quality specifications including size, weight, aesthetic values and temperature. Taste is tested using a Hand Held Brix Refractometer which measures sugar content, fructose levels and acidity, while a penetrometer is used to accurately measure firmness and crispness.

Random samples are sent regularly to external laboratories to test for high microbiological and chemical residue levels.

“If there are any food safety issues we suspend trade with the supplier
straight away. Consumer safety is paramount for us in the supply of fresh food,” Paul said. “And any fruit that doesn’t meet our quality specifications doesn’t make it to the supermarket shelf.

“Our growers take great pride in their quality control and meeting Woolworths’ product specifications – only around two per cent of all fresh food delivered to Woolworths is rejected.”

Trandos Farms has been supplying Woolworths for 18 years, during which time it has worked closely with Woolworths to ensure end-quality is assured for the consumer.

“For example, one small but common sense change that we made to our production system was at the suggestion of our Woolworths buyer, Glenn Wilson,” Jim Trandos said.

“We shifted from delivering beans in 10kg boxes to 5kg boxes, because the smaller boxes are less densely packed and have better airflow, as well as being a better size for smaller supermarkets.

“We also shifted away from 400g tie-up bags of beans to a 400g hand-packed tray, which helps extend the shelf-life of the beans, and they present better for the customer.”

Fresh food facts

- The distribution centre carries less than one day’s supply of fresh food (0.7) under its roof at any one time.
- The Perth distribution centre property is 19.2 hectares and has a capacity of 49,734 pallets.
- Woolworths WA uses 66 semi-trailers pads and 12 smaller delivery trucks to distribute to stores.
With the exception of farm manager Rob Gordon, the Kalano Community Association farm is staffed entirely by local Indigenous people, who have relished the opportunity to broaden their skills and improve their economic security.

Community member Casey McElhone has moved from a volunteer picker to managing the farm’s packing shed team, and this year has moved into an administrative role.

During that time Casey and Rob have undertaken Freshcare, HACCP and Woolworths’ quality assurance training programs.

Casey and a number of other team members have also undertaken a Certificate II in Horticulture through Top End Training, as well as chemical training through TrainSafe NT.

“Our guys were fresh and brand new to farming last year but this year we’ve improved so much we can leave our staff work on their own at planting, picking and packing,” Casey said.

“And this season the quality of our fruit and vegetables has picked up as well – size is better, colour is better and quality is better.”

Casey was recently awarded a Woolworths’ agricultural business scholarship to further her studies.

“I think the community would benefit greatly from this – it would be great to bring that knowledge home so we all get a better understanding of the bigger picture for our business,” she said.

“I just want to see our business succeed as an Indigenous farm.”
In the space of just two years, the Kalano farm has been transformed from an ambitious dream into a thriving operation now supplying five to six tonnes of fresh fruit and vegetables a week to Woolworths 10 stores from Darwin south to Katherine.

“Woolworths has been absolutely fabulous for us,” Kalano Community Association Chief Executive Rick Fletcher said. “We’ve had a really good relationship and I think our relationship is set to prosper for both companies.”

The Kalano Community Association is a wholly owned Aboriginal organisation located outside Katherine. The organisation began in 1975 and since then has operated its farm off and on, before committing two years ago to enter the agricultural industry.

The extreme seasonal conditions of the Top End restrict production to the dry season months from April to August. Currently only 10 hectares of the 40ha property is under crop, allowing plenty of scope for the community to achieve its goal of doubling its current production.

The operation has now achieved Woolworths Quality Assurance (WQA) accreditation and is supplying tomatoes, sweet corn and capsicum.

“If it’s grown locally we like to get it into our local stores wherever possible and at that stage we did not have a local tomato supplier,” Patti said.

“The flavour and quality has been great, and much better than what we get from down south during the wet season. Our customers here in Darwin really love buying local fruit and vegetables.”

Rick said the direct feedback from local customers and tourists in Katherine had been encouraging.

“We started out very conservatively and we’re still learning the business and our place in the market,” he said.

“But we’re able to pick our fruit and deliver it to market in a short space of time (24 hours from picking to delivery into the Darwin distribution centre), which makes a big difference to quality.

“And the project has been well received by the community in Katherine which has helped us in finding workers and in delivering our fruit and vegetables to market on time.”

Kalano employs between 15 and 24 workers on the farm at any one time, including six full-time staff. While the dry season is the busy period for the farm, staff shift to maintenance work in the community’s living areas during the wet.

“We’d eventually like to be able to support 24 people in full-time work all year round,” Rick said.

“Thanks to Woolworths support we can see a sustainable business being developed here. We’re very hopeful that we can compete in this market space,” Rick said.

“We’re conscious that bigger suppliers could knock us off on price but the care we take gives Woolworths the quality that they need.

“Woolworths has supported us price wise and assisted us as we grow, but we want to get to a point where we can hold our own.”

Woolworths’ Northern Territory manager Patti Flannery said the company was first approached by the Kalano Community Association three years ago, and met with community elder and Association President Lisa Mumbin as part of the process of building the relationship between the two organisations.

“It was important for Lisa to know that we were committed to this venture and that we would support its development,” Patti said. “They also wanted to know that the venture would be viable and that it could stand on its own two feet.”

Patti said the venture has been a success in meeting Woolworths’ quality requirements as well as exceeding customers’ expectations for flavour.

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MEETING CUSTOMER DEMAND FOR ORGANIC FRUIT
fresh from the Huon Valley

Amid the spectacular natural environment of Tasmania’s Huon Valley, a combination of cutting edge technology and organic farming methods are delivering the highest quality fresh fruit to Woolworths customers across Australia.

From his 60-hectare orchard near Grove, fourth generation farmer Andrew Smith, director of William Smith & Sons, has been supplying Woolworths’ stores at all points from South Australia and across the eastern seaboard to Queensland, for the past six years.

In that time Andrew has never seen or signed a contract, with business conducted according to verbal agreements and the shake of a hand.

“There’s always some argument about price, but Woolworths have an incredibly difficult balancing act in maintaining a fair price to their suppliers as well as remaining competitive at retail.”

William Smith & Sons has a goal of bringing premium organic fruit within reach of all members of the community, so that more people can benefit from the nutrient content and flavour of organic fruit, while also being mindful of the pristine environment in which it is grown.

Their farm produces more than 2000 tonnes of apples a year and 50t of cherries, which are sold under the Woolworths’ Macro Wholefoods Market brand in all states except Western Australia and the Northern Territory.

“The market for organic food was very small when we made the shift in 1999 and we like to think that we have helped to grow the industry,” he said. “Certainly, in taking on the Macro Wholefoods brand, Woolworths have helped to grow the organic industry even further and are now taking our fruit to mainstream consumers.”

The orchard of mostly Gala, Fuji and Pink Lady apple trees is picked over two to three times between March and May, with the fruit most suited to storage picked first, while the ripest fruit is packed and delivered fresh to supermarkets across the eastern seaboard within three to five days of harvest.

During the packaging process, fruit is selected according to stringent quality control specifications set by Woolworths, covering size, colour and sugar content. Every pallet of fruit is thoroughly checked as part of Woolworths’ quality control systems, with feedback provided by Woolworths on all consignments.

“Woolworths need consistent supply and consistent quality in order to keep customers happy, and we’re using the best technology available to keep our fruit fresh so people can enjoy apples throughout the year,” Andrew said.

In contrast, the cherry crop is picked, packed and supplied fresh on demand seven days a week throughout each January, with fruit on the shelves in Melbourne supermarkets within three days and in stores in Queensland within five days of picking.

Fresh food facts

- 96 per cent of fresh fruit and vegetables sold at Woolworths are grown on farms in Australia.
- The Woolworths Macro range contains products that are Certified Organic, which supports biodiversity and nurtures the land.
A partnership approach with Mulgowie Farming Company has helped Woolworths to replace baby corn imported from Thailand with fresh Australian-grown supplies.

The relationship has spanned more than two decades and has been a win-win for both organisations and Australian consumers, with the Mulgowie-grown baby corn from sweeter varieties and available all year around.

“In 2004, Woolworths recognised an opportunity to replace imported baby corn with Australian baby corn,” Mulgowie Joint CEO Fabian Carniel said. “We were approached to undertake some trials to see if it was viable to supply baby corn from Australia. It was, and to date, we remain the only Woolworths supplier of baby corn and we supply Woolworths’ stores Australia wide.”

Mulgowie grows baby corn, fresh sweet corn, fresh beans, fresh broccoli and fresh capsicums on three latitudes of Australia: Home Hill and Bowen in North Queensland; Lockyer Valley and surrounding Districts in south east Queensland; and Glen Innes NSW and Boisdale in Gippsland Victoria.

Not only does Mulgowie supply Woolworths with fresh fruit and vegetables 365 days a year, but their close relationship – based on trust and mutual respect – has enabled Mulgowie to further invest in their business and continue to innovate in their categories and farming techniques.

Woolworths’ National Manager for Produce Paul Harker said the long-term relationship between Woolworths and Mulgowie provided the perfect opportunity to capitalise on an opportunity to replace imported baby corn with fresh Australian baby corn.

“When the opportunity arose for us to replace our imported baby corn with Australian grown, we were keen to work with Mulgowie,” Paul said. “Wherever possible, Woolworths looks to supply our customers with Australian-grown fruit and vegetables. We’d developed a terrific relationship with Mulgowie and were confident they could deliver, and they did.”

Mulgowie prides itself on having the people and processes in place to deliver quality product at every step in the supply chain.

“Our farm and packing operations operate under Woolworths Quality Assurance and the fruit and vegetables are packed to Woolworths specific product specifications,” Fabian said. “This quality assurance starts from our agronomist and field teams checking crops daily to ensure proper crop care and optimum harvesting quality, followed by strict quality assessment of the crop during the grading and packing process.

“Currently we supply Woolworths nationwide with around 40 million cobs of fresh sweet corn a year. This is delivered from our farms to Woolworths stores within one to three days, which wouldn’t be possible without stringent processes in place.

“Like Woolworths, the consumer is at the centre of everything we do,” Fabian said. “We will continue to deliver quality fresh fruit and vegetables as well as new innovative products that continue to excite consumers in Woolworths’ stores nationally.”

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**Fresh food facts**

- Mulgowie Farms supplies corn to Woolworths 870 stores across Australia.
- By working with Woolworths, Mulgowie has developed of a local baby corn industry reducing the need for imports from Thailand.
Local grower alliance to reduce avocado imports

A burgeoning relationship with a new alliance of Australian avocado growers is helping Woolworths to reduce avocado imports.

By working with The Avolution, a new company bringing together major avocado producers in Western Australia and Queensland, Woolworths will have access to a supply of Australian-grown fruit all year round.

WA avocado producer Jennie Franceschi said growers involved in The Avolution had significant areas of new trees which would come into production in coming years, bolstering local supplies and reducing the need for avocado imports from New Zealand.

“By working together we can all achieve a better result,” Jennie said of The Avolution’s supply relationship with Woolworths. “We want to work with retailers to make sure the customer receives the quality of avocado that they are looking for.”

Woolworths’ National Manager for Produce Paul Harker said some 96 per cent of fresh fruit and vegetables sold in Woolworths stores is Australian grown, with the company sourcing local product wherever possible.

“Australia produces the best fruit and vegetables in the world and that’s why Woolworths always looks locally for fresh, high-quality produce,” Paul said. “It is only in lines where sufficient volumes are not available that we are forced to look overseas.

“We regularly work with agribusinesses to assist them in to grow their industries so that we can supply our customers with Australian-grown fruit and vegetables and to reduce the need for imports.”

Prior to The Avolution, Jennie Franceschi had supplied Woolworths for four years with fruit from her business, Advance Packing and Marketing Services (APMS). The fruit was sold at supermarkets throughout WA and sometimes into South Australia.

This year her operation, which draws on supplies from her own orchards near Manjimup plus 40 other WA growers, will pack 1.2 million trays of avocados and employ 50 people in the process.

APMS growers planted a further 30,000 trees (mainly the Hass variety) last year and the company has invested heavily in a state-of-the-art packing facility to cope with the growing supply.

“We built our packing shed knowing that the likelihood is that within a few years we’ll be packing 3 million trays a year here in Manjimup,” Jennie said.

“And with the size of current supply group for The Avolution, and anticipating that more growers will probably become involved, I would estimate that within a few years The Avolution could be packing in excess of 5 million trays of fruit each year.”

Picking in WA begins in October and continues through until March and April. The Queensland members of The Avolution located near Bundaberg pick through until August, while the Toowoomba growers keep harvesting late into the calendar year.

The grower alliance was formed to simplify and centralise the marketing of their avocados, allowing the farmers to concentrate on what they do best.

At APMS that quest for quality has involved a paddock to plate cooperative management system, with the company providing each farmer with agronomy advice and managing a fully recorded supply chain and quality assurance system.

After picking fruit are cooled to 10-12 degrees to remove the field heat from the fruit. They are then taken out of cool storage for approximately 1-2 hours for packing, before being returned to cold storage at 5-6 degrees.

The fruit is kept at this temperature until the fruit reaches a ripening facility where temperatures are raised, triggering a natural response from the fruit.

“Avocados will mature on the tree but they will not ripen on the tree,” Jennie said. “They do not start ripening until after they are picked.

“That’s why the temperature control is crucial – spikes in temperature can trigger the ripening process and once that process starts it shouldn’t be interrupted because it will affect fruit quality.

“Refrigerating semi-ripe fruit will result in grey flesh, but once a fruit is fully firm ripe it can be cut and stored safely in the fridge.

“So an efficient picking, packing and distribution process is vital because the more time that we can provide the ripening facilities, the better the fruit will be and the longer it will last in its ‘firm ripe’ state for consumers.”
At Advance Packing and Marketing Services data-management software records all facets of production and supply, allowing traceability of an individual piece of fruit back to the area of the orchard where it was grown.

Detailed farm information is recorded including how old each tree is, where it is planted, the tree spacings in the orchard, the root stock used, tree health ratings, leaf and soil analysis. In the packing shed each bin of fruit is bar-coded, which links fruit back to the block where it was grown.

“We can then report back to growers on the fruit size and yield profile, the proportion of fruit graded premium or non-premium, and compare that to the shed average so each farmer can analyse their performance and improve the management of their farm accordingly,” Jennie said.

“For example, if fruit are too big it can indicate that too much nitrogen was applied at fertiliser time, and this can result in fruit ripening too quickly and not staying ‘firm ripe’ for as long.

“It’s about having a healthy tree and sustainable orchard and a bottom line that is sustainable so that our growers can continue to be successful.”

**Fresh food facts**

- A new relationship with The Avolution avocado grower alliance will help Woolworths to reduce imports from New Zealand.
- The Avolution brings together growers from WA and Queensland and expects to be packing more than 5 million trays of avocados each year.
Secure to invest in sustainability

Implementing environmental programs requires a significant financial investment, and Petuna Seafood’s long-standing relationship with Woolworths has ensured a sustainable supply of salmon to customers across Australia.

The Tasmanian-based Petuna Seafood has been working with Woolworths for close to 15 years. In that time the relationship has helped Petuna’s business grow and flourish to become one of Australia’s largest seafood companies.

Petuna Marketing and Logistics Manager Tim Hess says the company is currently in the process of becoming BAP (Best Aquaculture Practice) certified with the Global Aquaculture Alliance (GAA) standard. The company has also worked closely with other fishing operations in its local area to improve sustainability and environmental outcomes throughout the region.

“Macquarie Harbour is regarded as the best salmon growing area in Australia, and a commitment to sound environmental management has helped Petuna become the high quality reliable supplier it is today,” Tim said.

“We really focus on good farming practices and sustainability. That means quality feed full of natural ingredients for the fish, low stocking densities and a breeding program that allows us to reduce waste across the supply chain.

“To say we have a great relationship with a major supermarket certainly helps us get the finances we need for major projects like our current undertaking which encompasses expansion of our leases at our marine farm on Macquarie Harbour and upgrading of our processing facilities at Devonport.”

Petuna supplies Woolworths with the fresh salmon products displayed in the seafood section. Petuna has two salmon farms, one in Macquarie Harbour on the west coast, and the other is a joint venture at Rowella on the Tamar River in the state’s north. All the products are prepared for sale and packed in Devonport – making Petuna one of the largest employers in Tasmania.

“We’ve chosen to keep working with Woolworths instead of other supermarkets because we’ve had such a good relationship with them for such a long time,” Tim said.

Woolworths has made a strong commitment to ensuring its suppliers are profitable and sustainable Australian businesses.

Woolworths National Manager for Seafood Jason McQuaid says the company works hard to make sure it has strong relationships with its suppliers.

“We always pay on time and we’ve moved to electronic invoicing. That’s all about making it easier for the businesses we deal with to work with us,” Jason said.

“We don’t want to bury these businesses in paperwork. And once their product gets to our store we work really hard to bring the product to life.
“Woolworths needs strong suppliers that are profitable and can invest in their business and bring innovation to the market,” he says. And customers can always feel comfortable knowing the salmon they bought from Woolworths is the freshest available.

“We’ve got a very quick process for getting the fish out of the water and into the grocery basket,” Tim said.

“It’s only a matter of days from getting the fish from the farm, through processing and transported by boat to the main land.

“On top of that we’ve got rigorous quality assurance protocols in place to ensure our customers get the best quality salmon there is.”

Both Tim and Jason see a bright future for the Petuna – Woolworths partnership. As Salmon sales rise, supply is expected to triple in the next 10 years. Not bad for a family business that started out in Tasmania in 1948.

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**Fresh food facts**

- Petuna Seafood has been supplying Woolworths stores for 15 years.
- Petuna is in the process of becoming Best Aquaculture Practice certified with the Global Aquaculture Alliance.

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Sustainable fishing secures northern prawn supplies

Austral Fisheries supplies Woolworths with 1,000 tonnes of Banana Prawns each year from Australia’s northern prawning region.

That’s a big order to fill, and one that Austral Fisheries CEO, David Carter, believes can only be done with a strong commitment to sustainability.

“Sustainability isn’t just about making sure our waters aren’t overfished,” David said. “It’s about creating jobs in local communities and ensuring Australia’s food security well into the future.

“Our fishermen are encouraged to work smarter and look at getting better quality catches instead of the largest ones possible.”

The Northern Prawn Fishery stretches from the tip of Cape York in Queensland to the Timor Sea off Western Australia’s north coast. Austral operates 10 of the total of 52 trawlers in the region from April to June each year catching banana prawns. The prawns are caught in large nets and snap frozen within minutes of capture on the boat to ensure they get to the consumer in the freshest condition possible.

Austral fisheries have been trawling in the Northern Prawn Fishery since 1976, and in that time they’ve made a significant commitment to improving the health of the natural environment and marine life in the region.

That’s why Woolworths chose to support Austral Fisheries and the Northern Prawn Industry efforts to become Marine Stewardship Council (MSC) certified with a Fresh Food Future grant.

MSC certification ensures seafood comes from and can be traced back to a sustainable fishery.

Access to the Fresh Food Future program isn’t the only benefit the small business has reaped from working with Woolworths.

“Woolworths has extremely high quality assurance measures,” David said.

“By working to meet Woolworths’ traceability and quality standards we managed to improve the overall performance of our supply chain which has reduced waste and saved our business money.

“It also makes us a more attractive supplier for other businesses we work with.”

Woolworths has moved away from using agents to source seafood and now focuses on direct relationships with their suppliers.

For Woolworths National Manager for Seafood Jason McQuaid, moving to direct deals was all about making the supply chain more efficient through greatly improved two way communication and understanding.

“At the end of the day, that means we can sell our products to the customer at a better price,” Jason said.

“It also means Woolworths can have more input about what condition the stock is in when we get it.

“For example, we can tell a supplier what size carton we want them to put the stock in. It might seem like a little thing, but if you can get prawns from the supplier in the same box they arrive at the store in it cuts down on handling in the supply chain which reduces waste and costs.”

Woolworths has a vested interest in making sure its suppliers are profitable, and remain that way.

“We try to deal with suppliers who are reputable and well established,” Jason said.

“If our suppliers aren’t profitable they won’t be able to keep giving us the stock we need. That’s not good for anyone.

“That’s why investing in sustainability programs is important to us. We want to know that we have that direct supply line secured well into the future.”

The Woolworths Fresh Food Future program is a collaboration between Landcare Australia and Woolworths to develop, improve and encourage sustainable farming practices across Australia.

Fresh food facts

- Woolworths stocks Australian fresh products whenever possible.

- Woolworths supported Austral Fisheries’ efforts to become Marine Stewardship Council (MSC) certified with a Fresh Food Future grant.
Australia’s Fresh Food Farmers

How Woolworths delivers the highest quality fresh food through strong relationships with Australia’s leading farmers.