

MIMMO'S Memo

The latest news from Sandhurst Fine Foods

DECEMBER 2014

BUON NATALE!

MERRY CHRISTMAS TO ALL

DECEMBER 2014



*Merry
Christmas!*

BUON NATALE, FROM THE LUBRANO FAMILY!

Thanks for reading this Christmas Edition of Mimmo's Memo. Like most of our family business customers, we're thrilled to have made it through another tough year!

It was a challenging overall but we have to be enormously grateful to the hardworking staff at Sandhurst who made it possible. A vote of thanks goes out to the teams that make it all come together – from our reps on the road headed up by Tony Fedele, our great customer service team, our marketing department, the warehouse team, the manufacturing team and last but not least the accounting team that always pull it together in the end.

We're incredibly proud of our Queensland team, headed up by Kevin Wise. He has some great talent in his fold. This month we're profiling our manufacturing chef and all-round guru, Tony Sales-Luis, who hails from Portugal. Read about him and what makes him a critical part of our successful Queensland team, which boasts around 8 staff members in total.

Our retail and export divisions were given extra resources this year and we're proud to report on some major in-roads into New Zealand, thanks to Matt in our retail department.

We'd like to thank all our customers—big and small—for supporting our family business. We have some fantastic foodservice and retail customers that make this an interesting market and we strive to look after them all to the best of our ability.

The Lubrano family acknowledges all the great people—suppliers, customers and staff—that have created our brand and we look forward to serving you better in 2015. From our family—Vince, Geraldine, Ray and Mimmo—we wish you a Merry Christmas and a Prosperous 2015.

Mimmo

Casa Rio and Sandhurst

HELPING CUSTOMERS, ONE AT A TIME

We get quite a few enquiries from customers over the email. This customer in particular was after our White Asparagus. The enquiry came from Adelaide and we were fortunate that our retail partner in SA – Casa Rio was on hand to assist. Casa Rio celebrated 50 years in business this year and we are proud to be associated with such a great family business.

Judd (pictured below) was able to assist the customer, Neil, who bought 5 cartons direct from the Rio Shop in Stepney – a suburb of Adelaide. Here's what Neil had to say after his experience in dealing with Sandhurst and CasaRio.



"As you know, I dropped in this morning to buy some Sandhurst White Asparagus, which the girls kindly helped me with. While I was in the office, my wife was buying up in the shop – you certainly have a convert there! I wanted to thank you for helping me out and I look forward to catching up when I'm next in the store!"

–Neil from Adelaide

Label Update

OUT WITH THE OLD, IN WITH THE NEW

The massive task of upgrading all the labels on Sandhurst products is now in progress. Here is a picture of the before and after shots for a product.



Why did we make the change? We wanted to highlight some key aspects of the products we produce and why we think they are extra special. For example, an Aussie-Italian farming family in Mareeba, Queensland, makes the basil for our pesto. We needed to differentiate this from other Italian products and also from opposition products that use less basil or imported basil, which is often frozen from Italy or Fiji.

We believe that freshness is paramount when it comes to Pesto and when Nonno Vince embarked on our pesto project over 15 years ago, we believed that it was—and is—the closest thing to making home-made pesto in the market.

The new label is contemporary, yet acknowledges the traditional roots of our family recipes. We've decided to stick with 4 basic colours; red, black, white and a neutral brown that is prevalent in so many cafes and fit outs of today. Nothing quite says 'authentic' like that 'wooden box' look.

How long will it take? Like the last label revamp, it should take around 18-24 months to properly transition the labels from old to new. This is because our packers make the labels in line with crops and these are done over 1-2 years.

What's the next move? A new look catalogue is planned for release in the first quarter of 2015 – stay tuned for more info on this.

Market Trends

2015 CROP FORECASTS

The big news for 2015 is the pending price increases on olive oil products. Spain has reported a huge drop in production and Italy will also suffer due to similar conditions.

The Greek and Turkish crops seem not to be as badly affected, but they will soon come under huge demands to fill pipeline stock from Italian repackers. Overall, it will be a tough year as producers try to increase prices whilst the market in Europe is still suffering from a depressed commodity market in retail and foodservice.

Tomatoes continue their rise in price and, as always, quality is the name of the game. Like roasted peppers, there is stock around but the good quality product is scarce and expensive. We've opted to pay a little more for a better product instead of battling with smaller producers who get what they can from the market.

Canned Tuna prices have eased a little but it will be offset by the weakening Aussie Dollar versus the US dollar, which at the time of writing was struggling around 0.85. The currency problems mean that Asian-sourced products such as fruits, corn, vegetables will be under pressure for more increases in 2015.

Olives will be interesting to watch in 2015. The Spanish crisis will mean that Spanish olives will increase by around 10-20%. For the first time in 10 years, we are going to see this product go up. It may mean that we see a re-emergence of South American product that was seen in 2008, but the quality at the time wasn't up to scratch and since then they've all but disappeared. Stay tuned in February for a wrap-up of the forecast for the rest of 2015.

New Distribution Centre

A WORK IN PROGRESS

Work commenced on our newest Sydney warehouse project, which is adjacent to the production facility that we completed in 2010. This site was our old manufacturing plant that served us well from 1992 right through to 2013, when it was used for storage and drums.

The building company started to demolish in mid-2014 and Vince is looking after the project on a day-to-day basis. It will house an upstairs dispatch warehouse where trucks can be loaded on both sides. Underneath is a cool area where we can store our olives; it's important for us to keep them at a constant temperature.



Here you see the new facility. We expect to start dispatching goods starting from around February next year.

Across the Ditch

NEW ZEALAND RETAIL DIVISION TAKES OFF

Our retail division entered a new phase in late 2014 when we engaged the services of the famous KML marketing company of Auckland. Headed up by the very experienced team of Andrew Clyne, Avril Tocher and Paul Taylor, a new division was created called "Avril and Clyne" to engage with the retail category and give some new life to the pickled vegetable aisle of the famous NZ retailer Countdown.

"We were pleased that they came in and introduced so many of the successful lines that have been a hit in Australia," says Matthew Dimech, Sandhurst Retail Account Manager. "We're sending full containers of the retail range that now reflects the dynamic range sold in the delicatessens across the Auckland and NZ retail markets," he adds.

Finally, NZ consumers can have Australian Pitted Kalamata, Artichokes Fat Free, Rainbow Olives, Sicilian Green Olives, Marinated Artichokes as well as other good sellers that move well in Australian Supermarkets.

KML is a leading representative of brands in the NZ market and has been active in the market for over 20 years.



Andrew Clyne
Managing Director/CEO



Avril Tocher
Financial Controller/HR Manager



Paul Taylor
Senior National Account Manager

Andrew has over 30 years experience in the grocery industry having worked at all levels for companies including Foodstuffs, Unilever, Johnson and Johnson and Lion Nathan. Andrew has established a reputation as a key figure in the industry and been instrumental in managing the business to its current state.



Sandhurst
Family Collection

WHAT DOES QUALITY REALLY MEAN?

The problem with being an importer is that you cannot control the quality of what an overseas supplier puts in a jar or a drum for you. So how do you solve this?

In collaboration with our Greek agent, we devised a quality system that would look at all the parameters of olives to ensure that we are getting a good product and we are getting what we paid for. Italians, like Aussies, hate being ripped off. So we devised a system to protect us from the second-rate product that we know they sell to our opposition who don't have these controls in place. We devised something we call 'the olive quality check sheet'.

What does the check sheet do? Every packer has 1st, 2nd and 3rd grade products. We know this, so we want to ensure that we get 1st grade product – especially when we are paying for it.

These are the parameters that we check for when our olives are about to be loaded:

- Olive count per kg
- Colour of the olives
- Smell – indicates good fermentation
- Taste profile – salty, bitter which indicates new olives
- Texture – not soft but firm and fleshy
- Brine pH
- Salt level of brine
- Vinegar level of brine
- Percentage of 'brokens'
- Percentage of pits – for pitted
- Integrity of the drum

We then issue an overall pass or fail based on a weighted scale of the above factors. The packer is also asked to take a picture of the product and the loading of the container. We then do the same tests when the product arrives in Australia.

What happens when we find a problem? Usually, the problems are sorted out amicably between us and our supplier – a company who we have been dealing with for over 20 years. In the case of a repeated offence, we will "send them to gaol" and quarantine the supplier for a minimum of 12 months. This has happened in the past and once the year has passed we then use a trial system to see if the supplier has rectified the issues noted.

Does it work? Suppliers that understand the way we do business are usually very happy to work under this system as it helps them for other markets like the UK and Canada. We have a great relationship with most of our suppliers and we like to visit them not only at trade shows but also to visit their premises all over the world to better understand their capabilities and to insure that they are a correct 'fit' for our brand.

Tony Sales-Luis

SANDHURST STAFF PROFILE



Tony Sales-Luis is head chef at Sandhurst Fine Foods Queensland. He was born in Portugal and he also did his apprenticeship there after military service. He's been a chef for a total of 41 years, since 1973. Luis has been at Sandhurst for 3 years, and his favourite cuisine is 'Mediterranean seafood'.

He feels that the most valuable lesson learnt he's learnt is to "be creative and patient." And when we asked him about the most expensive mistake he's ever made, he mentioned how he managed to burn a whole salmon during a Queensland government function. Ouch. The largest function he ever catered for was an event for 15,000 diners at Rochdale Rovers sporting club.

His main claim to fame was as the executive chef of Camellia restaurant – a top end establishment frequented by Queensland Government officials. He noted that there was no dishwasher as all the crockery was gilt-edged and so everything was washed by hand. He has also been head chef at a number of popular Australian hotels, including the Rochdale Rovers and Yeronga RSL.



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FINE FOODS

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