

Australian Garlic Producers



AT A GLANCE

2.1 A GARLIC WIN FOR CONSUMERS AND FARMERS

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

2.2 DIVERSIFYING

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

2.3 Q&A

How the relationship with Coles is benefitting Australian Garlic Producers.

2.4 GROWING AND GROWING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



NICK DIAMANTOPOULOS

A MAN WITH A VISION

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

Diversifying into new product Garlic paste

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

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

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

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

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

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

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

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

Innovation Virus-free garlic

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

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

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

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

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

Q&A

with Nick Diamantopoulos

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

Feedback and data sharing is vital to our growth.

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

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

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

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

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

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

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

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

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

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

Coles' ongoing commitment is paramount to all future development.

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

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

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

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

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





Growing the business

A ten-fold expansion

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

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

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

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

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

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

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

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

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

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

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

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

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

SWEET SMELLING NUMBERS

15

The number of people employed by Australian Garlic Producers.

500

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

102

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

1999

The year Australian Garlic Producers was established.

