

# Agribusiness

## Innovation Hotspot Profile



## Farm Foods

*Working in partnership to deliver innovation and customer value*

Farm Foods is a Geelong based meat processor that supplies an expanding range of products nationally to Coles supermarkets. The business has grown rapidly through a constant search for creating value for consumers, the delivery of quality products and strong partnerships. Their approach has been to create value by looking at how things can be done differently along the whole supply chain.

Farm Foods' roots go back to the Western District of Victoria where their interest in agribusiness was started by their parents Michael and the late Kay Kerr. From these beginnings the current Farm Foods directors (the Kerr Brothers - Nicholas, Richard and Simon) developed a sense of all the elements that are required to form a successful business.

In a quest to generate increased value from the sale of livestock, the brothers started a boning room in Melbourne supplying mutton for export in 1996. Around this time they also began supplying Coles supermarkets with veal.

brands Farm Foods, Outback Spirit and Coles labels including the premium Coles Finest sausages. The product range has grown to include hamburgers, skinless sausages, sausage roll mince, meatloaf with many more to be released in the near future.



***Farm Foods provides a great example of creating regional investment and jobs through innovation.*** In the last year they invested \$1 million in a new production line and expansion of chillers. This came on top of a new production facility in Geelong, commissioned 18 months ago. It is now capable of producing 300,000 meals per week and employs the equivalent of 80-100 full time people, more than ten times the workforce it had five years ago.

Farm Foods is very clear that a key component of this success has been their strong commercial relationship with Coles. The Kerr brothers describe Coles as a great business partner and while having to face up to competitive pressures of big business, they find that working alongside Coles enables them to deliver the best possible value for customers while at the same time binging out new and interesting products and flavours.

*"We certainly have had to prove that we are able to deliver to a major chain under some of the strictest food safety guidelines in the world"* the brothers said.

They also highlight that access to some of the best product and QA expertise in the world at Coles has been vital in formulating new products.

Richard describes business as being like sport where *"to succeed you have to love what you do and constantly work at maintaining and improving your competitiveness"*. Also similar to sport *"you*



About 10 years ago they purchased a small disused butcher shop in Birregurra and set about learning better ways to value-add meat products. Growth of the Birregurra business led to the establishment of a network of boutique butcher stores across south west Victoria selling prime cuts of meat, a range of cheeses, gourmet products and fine wines. With growing enthusiasm for their product the brothers developed the idea to "mass produce" quality sausages from their stores and sell them in independent IGA supermarkets.

Around 7 years ago Farm Foods re-established its relationship with Coles, first supplying Certified Australian Angus Beef sausages. This has developed into multiple lines under the

*(continued overleaf)*

*need to constantly innovate to maintain a competitive advantage, and keeping the business fit & lean can only help the success of the team”.*

Farm Foods is constantly innovating to deliver value, convenience and choice for consumers and to stay a step ahead of the competition. Growing volume helps to create efficiencies in many areas which in turn, benefit all parties. **The combination of product innovation, product development and scale economies have facilitated their growth.**

Richard and Nick (Managing Directors) also emphasise the importance of **collaboration**. In this regard Farm Foods worked with the Geelong Food Co-products Cluster, which helped secure R&D around innovations to develop their products and bring state of the art machinery into the business. **Teamwork** is another ingredient to success. They have a highly skilled team of managers and workers who all work together to deliver products on a daily basis.

The next step in the evolution of Farm Foods is looking at expansion into export markets, alongside an increase in products available through Coles. They believe that expanding into exports will not affect the solid partnerships they have at present. As part of the export development, Farm Foods have researched packaging systems that offer the opportunity to extend the shelf life of value added meat products that will allow them to deliver to Asian markets.



*This innovation hotspot is an initiative of the G21 Agribusiness Forum - to illustrate the success of innovative agribusinesses active across the region. See: <http://www.g21agforum.com.au/>*