

THE LAND

SE EARLY GENERAL NEWS
HD **China** making a fine point of our red meat
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IN THE past seven years Elders Fine Food has grown to five times its size, distributing about 50 tonnes a month of Australian red meat predominantly beef throughout **China**.

And South Australian products such as Thomas Foods International's Clare Valley Certified Australian Angus and Murraylands Lamb brands; and Bultarra Saltbush Lamb, Port Augusta, have helped drive that growth.

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Elders Fine Foods general manager Craig Aldous, who spoke to woolgrowers recently as part of the 2014 Elders **China** Wool Tour, said from a turnover of just \$2 **million**, the **company** had boosted profits to \$12m Australia, and were forecasting growth in the next three years of 20 per cent to 25pc year-on-year.

"I think we can double this **business** in the next three to four years," Mr Aldous said.

"We're a \$25m to \$30m turnover **business** in food service in Australia that is quite a significant **business**.

"It's a significant **business** here too in the niche section that we operate in at the top-end of the market."

Mr Aldous said despite the ban on chilled meat imports last year which had made up the majority of what they offered they had continued to grow by exporting frozen shipments.

"We try and stick to brands where we can get exclusivity as we're focused on high-end channels," he said.

Meat used to produce burgers came from Swift, Teys or Thomas Foods International, dependent on price.

"Processing sausages and patties, cutting into portion sizes or leaving as whole piece primals, and distributing to hotels, restaurants and supermarkets all around **China** is 90pc of our **business**," Mr Aldous said.

He said Australia's clean and green image had been a positive.

"Most **Chinese** people want to know where product comes from, where it is packed and how it is labelled," he said.

"Children are revered here because they generally only get one (recently increased to two a family), the fallout from the melamine **milk** powder scandal was massive."

While in the past Elders Fine Foods had also **sold** olive oil, **dairy**, seafood, beer and **wine**, these sections were soon to close so the **business** could focus on its core strength, red meat.

Mr Aldous said while a Free Trade Agreement between **China** and Australia could provide benefits, his biggest concern was the large quantities of beef smuggled into **China**.

These products had a 29 per cent price advantage over Elders Fine Foods, which had to pay a 12pc tariff and 17pc value-added tax on imports.

"We need to set up the right protocols to benefit from a free trade agreement (FTA)," Mr Aldous said.

"There's an opportunity there as well for the live export trade.

"**China** is a net importer of beef which reflects that demand is outstripping supply."

While the head office remains in Shanghai, the **company** also had offices and warehouses in Beijing.

Sales are split with 60 per cent of product **sold** to eastern **China**, 20pc to the north, 15pc south and 5pc west.

"The split is about 45pc to hotels, 35pc restaurants, 15pc retail supermarkets and 5pc wholesale," he said.

Elders Fine Foods will soon outsource its warehousing in **China**.

n Miranda Kenny travelled to **China** courtesy of Elders as part of the 2014 Elders **China** Wool Tour.

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