CASE STUDY GRAPES

Romeo's Best

A BUNCH OF NUMBERS

200+

The number of people employed by Romeo's Best each year.

2,700

The number of acres that Romeo's Best has planted with

1.35m+

The number of grape vines owned by Romeo's Best.

24

The number of Coles
Supermarkets in Far North
Queensland that Romeo's Best is
supplying direct with white
grapes.

14,000

The number of different grape varieties that are trialled for every one picked up commercially

Longer grape supply reduces need for imports

The quantity of grapes that Coles imports from the US each year is falling, thanks to the nation's largest grape producer lengthening its growing period.

Through a strategic growing program across four properties, Romeo's Best can now supply Coles with fresh grapes from September to July.

This year was the first they've been able to guarantee a September crop – enough to stock 24 Coles' stores in Far North Queensland with white and black Australian grapes.

By 2013, they'll be producing grapes all year round.

A year-round supply

Romeo's Best marketing manager Glenn Egan says producing a year round supply is a long term strategy that they've been working towards, in conjunction with Coles, for some time.

It relies on a careful co-ordination of harvests that move south from Mareeba, Emerald and St George in Queensland and, finally, Robinvale in Victoria, from lateAugust/early September until July the following year.

The harvest currently underway at Mareeba is the property's first, and the product of three years hard work to get it up and running.

"Typically at this time, where grapes have traditionally been grown they're dormant – they're having their sleep for the year.

"In the Tropics the plants don't go dormant, so we can strategically manipulate our crop to produce fruit at any time of the year. We can prune it, trigger it to start regrowth and we'll know that five months after that time, we can start the crop."

"Australia imports fruit from the US at this time of year ... We're the only company of any note taking that on with our import replacement strategy." Currently, there are 100 acres of vines producing grapes on Romeo's Best Mareeba property. Another 100 acres next door to it is also under development, with trellis installed. In another three years, there'll be no down time for the business.

"We'll program to produce fruit at the start of August."

Forward planning

Glenn says that Romeo's Best has a"terrific" relationship with Coles, which has helped the business forward plan to achieve this constant supply.

"We have an open relationship where we sit down and discuss our planning and our programming. We communicate daily in the season, not just on a trading relationship but in regards to market information and intelligence and business planning as well."

He says the Coles buying and quality teams visit Romeo's Best properties regularly. "It's good to get the customer in and have some first hand feedback and advice."

On top of good advice, the assurance that Coles will buy the bulk of Romeo's Best grapes each year lets the business invest in a variety of future goals.

"Without it we wouldn't be investing up north; we wouldn't be investing in new varieties; and we wouldn't be travelling the world looking at best practice: that wouldn't be happening."

Romeo's Best has strong connections with grape growers outside of Australia. "Counter seasonally, we go to America each year where we have relationships with some of the biggest growers in the world."

Aside from this, the business is also involved in breeding programs in the US that will deliver grapes with improved eating and growing qualities.

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FAMILY FOUNDATIONS

THE ROMEO BUNCH

Family is central to Romeo's Best, the foundations of which lay in a mixed vegetable enterprise at Robinvale.

Lindsay Romeo manages the production side of the business, while his brother Tony Romeo takes care of the commercial side.

The original Robinvale property was set up by their father, who initially used it to grow vegetable crops. In 1980, the 36 acre farm was converted to vines. Now, with 2700 acres planted with vines at 500 to the acre, three of Lindsay and Tony's sons are keen to carry on the tradition.

Glenn says much of this expansion has occurred in the five year since Romeo's Best started supplying grapes to Coles. "Our business has grown significantly in that time."

The size of the enterprise, however, means that Romeo's Best is now far too big to be simply a family affair. Seasonally, it employs over 200 people, with about 30 full timers.

New varieties

On the horizon

Glenn says there are plans to introduce new grape varieties into the Australian market over the next few years.

Until now the development of new grape varieties has been limited. "There are still varieties today that we've had for 25 years."

It's a slow process and a difficult one. "Trying to breed a fruit takes about 10 years from start to finish.

"During that period of time, the breeders work on 14,000 trials to get one positive outcome.

"Having said that, there is significant work being put into it, particularly in the United States over the last 10 years.

"We're just seeing some new varieties coming into play. These are varieties that are going to allow us to extend the season, which are grower friendly, with bigger crops needing less management, and consumer friendly, with great flavour, great shelf life and great consistency."

Glenn says that although it is a long time between development and harvest, they're not just sitting about waiting. "We've still got our day-to-day management."

How it all works

Day-to-day management

So what does this day-to-day management involve?

Glenn explains that the management of grapes on each of the properties works on a 12 month cycle. In Emerald, for instance, harvest begins in November on white and coloured grapes. Six weeks later, the white grapes are finished and by the end of February so are the coloured grapes.

Once harvest ends, the vines are pruned of old wood and wrapped down in May and June for their period of dormancy.

Contractors carry out this work, which can take up to two months as each vine must be attended to individually. After two to three months, the vines start to shoot and buds emerge. Says Glenn: "Fingers crossed the frosts stay away as when they're young and tender, they're at their most vulnerable."

Five months after this first bud burst, the grapes are ready to harvest.

There's no rest for those at Romeo's Best, however: "Once we've picked it, packed it and hopefully sold it to Coles, we start all over again."



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with Romeo's Best marketing manager, Glenn Egan

How would you describe your relationship with Coles?

It's terrific actually. We have an open relationship where we sit down and discuss our planning and our programming. We communicate daily in the season, not just on a trading relationship but in regards to market information and intelligence and short term planning as well.

We have a pretty active program where we welcome the guys onto our property seasonally - we hope to have the buying crew visit on an annual basis at least. As much as we like to think we're doing the right thing, it's good to get the customer in and have a reality check sometimes.

How is Coles helping Romeo's Best with its overall business objectives?

Our business objectives are to continue to grow and get to a point where we have product 12 months of the year and, subsequently, cash flow and business enterprise for 12 months of the year as well. Coles seems pretty keen on working with us to achieve that, providing we can deliver the goods.

The biggest change with Coles in the last two seasons is a willingness to promote the product in season, they've been very

aggressive in their promotion of grapes – I don't think any grape grower could complain about their promotion. In terms of their commitment in selling stock, they've been terrific.

How important is Coles' commitment to running and co-ordinating different locations?

We work hand in hand with Coles to make sure that the season runs productively for all of us. Co-ordinating stock when we move from one farm to another is of the utmost importance to ensure supply meets demand and our customers have stock at all times.

Does Coles commitment also help MFC continue to be at the forefront of new product varieties?

Coles' commitment to our business is driven by a desire to provide customers with the best stock possible at all times. Due to this commitment, our business has the confidence to actively pursue the best new varieties from around the globe.

