



Meeting Record

Continuation Inquiry 488

Prepared or Preserved Tomatoes exported from Italy

9 November 2018

PRESENT:

Safcol: Andrew Mitchell

Anti-Dumping Commission: Rhys Piper, Case Director
Roman Maevsky, Case Manager

The Anti-Dumping Commission (the Commission) met with the Chief Executive Officer of Safcol, Andrew Mitchell.

The purpose of the meeting was for the Commission to gain a better understanding of Safcol's involvement in the tomatoes industry in Australia. In particular, discussion focused on Safcol's tender for and supply to Woolworths of an Australian Private Label diced 400 gram tomatoes product from January 2017.

The Commission established that the production process of the Private Label 400 gram diced tomatoes is as follows:

- purchase Australian grown and processed tomatoes, of a brix level and to a recipe specified by Safcol, in bulk from an Australian manufacturer;
- remove the processed tomatoes and place into a tank using a suction tube;
- fill the tomatoes into cans at Safcol facility in South Australia;
- seal and cook the product to required specification;
- label the cans and pack into cartons; and
- distribute the end product to Woolworths distribution centre.

The Commission was provided with evidence to support the following claims:

- raw materials, being tomatoes, cans and other packaging material, used by Safcol to supply Woolworths are sourced from Australian suppliers; and
- Safcol is profitable on its sales of the Woolworths Private Label 400 gram diced tomatoes product.

Other claims made by Safcol:

- shelf space allocated to tomatoes products is determined by the supermarkets, depending on their respective profit objectives and revenue outlook for the goods; and
- Sales of Woolworths Australian private label tomatoes supplied by Safcol have grown substantially since the contract commenced, which could be directly affecting sales of SPC Ardmona at Woolworths. However, Safcol does not buy Scan data from Woolworths to confirm this. Sales of Woolworths Australian private label tomatoes have more than doubled in this time. If SPC Ardmona sales are declining at Woolworths then this increase would definitely be having an effect on their performance.