



Martin and Jane Cheney, Australian Harvest Fine Foods.

## BIO-GRAPE red wine paste raises Australia's organic profile

» A win last year by BIO-GRAPE wine pastes at the world cheese show SHOP was a catalyst to raise Australian Harvest Fine Foods' and Australia's organic profile in offshore markets. Warren Beaumont reports.

Australian Harvest Fine Foods was founded by Martin Cheney in March 1993 at which point he had already gained valuable operational knowledge of the health foods industry.

Prior to this Martin had operated Bio Organics vitamin supplements, sold it, and went on to manage Natures Way vitamins in Melbourne. "I built Bio-Organics up into one of the major vitamin supplements companies before selling it to Nature's Own," Mr Cheney says.

In a major lifestyle and vocation change Martin later purchased a 50-acre property in the Adelaide Hills in Mylor and started growing organic herbs. At this time Martin began experimenting with value adding of products using vinegars, herb jellies and Roma tomatoes in olive oil.

Martin took the decision to sell the farm and began Australian Harvest Fine Foods in the Yarra Valley of Victoria. He saw this as an opportunity to replace some of the cheap, imported foods coming into Australia from overseas.

"The irony is that we have to pay a 25% tariff to export to Europe plus freight, while European products can be sent into Australia tariff-free – there is no level playing field," he says.

The experience gained in organic farming and the vitamins and health food business helped him to design a range of products, including the popular BIO-GRAPE range of gourmet pastes and sauces that would be beneficial for good health. Another versatile health product developed is a horseradish vinegar with garlic that is like a herbal tincture for the treatment of hay fever and sinus.

"It all comes down to balance - when you add herbicides and pesticides, the soil is not as productive and it interferes with the soil's balance - it's the same with the human body," Martin says.

The company's BIO-GRAPE products are made from the residual skin and seeds removed from red wine after crushing. Martin understands the benefits offered by polyphenols, shown to blunt salt-

sensitive hypertension. It is one of four major nutraceuticals found in red grape seed and skin extract, including resveratrol, pterostilbene and saponins.

According to Mr Cheney, a health advantage of the BIO-GRAPE products is that they have a high ORAC (Oxygen Radical Absorption Capacity), with red grape skins and seed extracts having the best spectrum of polyphenols in them. ORAC is widely recognised as a method of measuring the antioxidant capacities of food. An increased level of high ORAC dark colour pigments from red wine grapes consumed on a regular basis is associated with a lower risk of heart disease.

"I went to a three-day conference on polyphenols which attracted international experts who presented on the benefits of these nutraceuticals," he says. "Resveratrol in red wine grapes is a natural substance which works in the skin of the grape to combat fungus. In organic grape production grapes have to fight off diseases without the assistance of synthetic fungicides and

are found on average to contain higher antioxidant values.

"We are trying to educate people but the first thing that attracts people to BIO-GRAPE is the flavour and taste - we receive great consumer comments about this. It is important to explain the environmental and health benefits to people, that it's a byproduct of wine waste and the health benefits of its antioxidant activity.

"BIO-GRAPE covers organics, health and gourmet markets and while people may try it primarily as a gourmet food, it is recognised for its health benefits and that it's certified organic. It sells quite well in the gift and hamper market at Christmas time."

The BIO-GRAPE Australian Certified Organic product range includes Red Wine Jus, Red Wine Chilli Sauce, Chilli Shiraz Paste, Shiitake Chilli Paste, Cabernet Pepperberry Paste, Plum & Grape Paste, Blueberry & Grape Paste, Quince & Pinot Paste, and Fig & Grape Paste, Grape Seed Crackers, and Red Wine Chocolates.

## Major expansion in export: UK, Europe and Canadian distribution

A major success for BIO-GRAPE was the 'Best Overseas Product of the Show' award at the World Cheese Awards held in Dublin, Ireland in late 2008. The BIO-GRAPE range of eight certified Organic Fruit Pastes and BIO-GRAPE five Cheese Lovers Gift Packs were sampled with a range of cheeses at the 'SHOP' show.

The award lifted BIO-GRAPE's UK profile, and Mr Cheney says he was very excited by the great response to the SHOP Award in Dublin and not long after at The Wine Show in London. "We were featured in the UK Good Cheese magazine with quite a story written on BIO-GRAPE," he says.

Exporting is shaping as a growing market for BIO-GRAPE. "We set up BIO-GRAPE Foods UK Limited with a UK warehouse and have a marketing consultant working on our behalf with the UK as a base to supply Europe," Mr Cheney says. A major distribution agreement is close to being signed for Europe.

BIO-GRAPE has exported to the UK, Dubai, and Hong Kong, prompted by interest in cheese markets for the BIO-GRAPE wine pastes. A USA retail chain has also shown interest in the products.

A distribution agreement was signed in May with a Toronto-based distributor for Canada with products being launched at All Things Organic in early October in Toronto. "We are looking to get Bio-Grape products into Ontario during the peak wine seasons with distribution to be organised into other Canadian provinces," Mr Cheney says.

"The organic movement in the United States is phenomenal and we will exhibit with Austrade and the Victorian Government at the NRA show in Chicago during May - the major restaurant show. Bio-Grape should have great potential in the US as 71 million Americans have some type of cardiovascular disease."

Overseas trends impacting on product development and marketing include 'buy local', food miles, the benefits of less CO2 production, and renewable energy. Mr Cheney says when BIO-GRAPE is shipped overseas it needs to be shown that the product is more sustainable to offset the food miles travelled.



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Mr Cheney points out that this is quite challenging as UK supermarkets such as Tesco are now pushing green consumption and sourcing low carbon products. "UK supermarkets are showing on food labels how much CO2 is being generated by the product," he says.

Local ingredients are sourced where possible. However, according to Mr Cheney, an issue with Australian organic certification rules is that Australian Harvest Fine Foods cannot often access Australian ingredients from small producers; something he believes could be addressed at a government level.

"The new Standards Australia national standard could address the issues and the

standard could be developed in line with the USDA organic certification label," he says. "We're told we live in a global market and we need to look at getting into line with USDA organic and achieve equivalency.

"It is very frustrating that we cannot buy USDA accredited organic sugar in Australia and it has to be imported from South America."

Sales growth was very good last year after only two years in business with BIO-GRAPE, with a pickup in sales leading into Christmas. "We're getting repeat orders from customers and distributors and attending a lot of trade and consumer shows. It's very important to show the product and get people to taste it and to explain the benefits," Mr Cheney says.

While Mr Cheney sees the Australian Certified Organic labeling as an advantage in promoting the product, he is also concerned with a large amount of non-certified product in the market. Looking at the organic market and trends, he believes that organics appeals to the more educated and AB demographic groups and organic retailers may not always target these groups correctly.

"Organics also needs to be promoted through the environmental benefits of organic farming. Another issue is that there are great organic products being made by dedicated people but not enough effort is going into marketing - and there's not enough support from governments," Mr Cheney says.

Increased food costs have so far not impacted on Australian Harvest Fine Foods as increased volumes have helped offset price increases. "Prices are affected by drought or rains and by supply and demand," he says.

Getting more BIO-GRAPE products into the retail market in Australia and overseas is a major aim. While more retailers want organic products, it is still a challenge to overcome resistance to placing organics in some non-organic stores. Mr Cheney says sales in Australia are being made to quite a broad market, such as organic stores, some fresh produce retailers and gourmet delis, and wine and cheese stores in wine regions, but not to traditional supermarkets. "Selling products with red grape polyphenols such as BIO-GRAPE also helps red wine sales," he says.

Setting up Australian Harvest Fine Foods and the BIO-GRAPE range has been worth the hard work, made easier for Martin by having his wife and two eldest sons working in the business. "We really appreciate the positive emails and feedback received from people each day in Australia and the UK, and the positive responses we're getting from people after showing the products all around the world. Being awarded the SHOP Award in Dublin at the world's biggest cheese show was fantastic recognition," he says. <<◆