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# Feeding Australian Industry

Family company Thomas Foods International is setting the standard for the Australian agricultural industry with a focus on sustainability and shifting consumer needs.

Images by David Evans

**S**trong standards and values form the foundations of Thomas Foods International's consistent success and development. With roots reaching back to 1988, the company has flourished under a philosophy that focuses on its heritage, its family values, and its dedication to quality. Today, Thomas Foods boasts an annual revenue well in excess of \$1.3 billion and employs more than 2,000 employees across its South Australian, New South Wales, and Queensland operations.

As Australia's largest 100-per-cent, family-owned meat-processing company, Thomas Foods has been guided by the careful hand of its founder and owner Chris Thomas, who provides the essential leadership and vision that form the core of this exceptional company. Taking up the family business, Chris's son Darren leads Thomas Foods as its CEO and drives the company's growth.

This growth will see Thomas Foods become a prominent player in the global market. Notwithstanding this bright future, the company and its leaders are determined to

remember and respect its South Australian roots and the foundations of its success. Additionally, while an ambitious program of innovation and invention is implemented within the core of Thomas Foods, the executive team is ensuring that they never lose sight of their exacting quality and efficiency standards.

One member of the Thomas Foods' team is David McKay, Group Director of Operations, who has held the role for five years. David has watched the company grow in recent years as it marries sustainable development with impressive results. He believes that Thomas Foods' ability to continually diversify its product range and remain ahead of market trends has ensured its consistent success. However, David says, they're not resting on their laurels.

"We need to find more markets for our products. We need to understand our consumer and deliver what they want. We've done this through strategic acquisitions, such as Food.com in the US, which is the largest importer of chilled lamb and beef cuts. We now

understand what the consumer wants and we can tailor our production and our processes more efficiently to meet those needs and be more competitive.

"We've had many challenges in our business being a manufacturer and, predominantly, an exporter. The high and fluctuating Australian dollar impacts on our competitiveness overseas. We've done many things to change some of our products so they're more price-point so consumers aren't forced into taking larger cuts. We've been able to customise and tailor some of our products to remain competitive and provide good shelf life and quality to consumers."

As consumer needs have shifted, David and his team have evolved with the market. David says he has seen significant shifts in consumer habits and needs over the past decade. "Without a doubt, the consumer is more educated about the product.

"The consumer better understands dietary requirements and the origins of the process, whether it's hormone-free production or >



animal health and welfare. The consumer is very educated about animal welfare. Through our facility improvements and upgrades, we've heavily invested in animal welfare and handling to ensure that we are best in class."

With animal welfare a top priority for both Thomas Foods and its customer base, David says the organisation has implemented a number of initiatives to ensure the ethical processing and handling of animals.

From its beginnings, Thomas Foods has consistently supported and complied with the Australian Meat Industry Council Animal Welfare Standards for Livestock Processing. Tellingly, this support doesn't just stop at the confines of Thomas Foods, with the company demanding that all sectors of its livestock supply chain, both pre and post farm gate, adhere to these stringent standards.

Additionally, Thomas Foods operates with Australian Government veterinarians present at all of its export abattoirs as standard. This strengthens and cements the company's compliance with national laws and standards surrounding an area that has come under scrutiny in recent years.

Thomas Foods is painfully aware of the vital need for sustainability in the Australian agricultural industry. David and his colleagues understand that while Australia is blessed with an abundance of clean, fertile land, it still needs to be protected and preserved. In these uniquely fertile lands, Thomas Foods' prime livestock can range freely and graze in an unspoiled, natural environment. This opportunity is not to be squandered or dismissed.

Thomas Foods understands the importance of this opportunity and utilises the quality of Australian land and the diversity of the breeds that it supports to procure

livestock that suit a broad range of markets and customer requirements.

To protect this, Thomas Foods supports Australian farmers, suppliers, and partners that share their goals and values. David states that Australian farmers are renowned for employing world's-best farm-management systems with stringent animal welfare protocols and the strictest food-safety standards.

Sustainability is a strong focus throughout Thomas Foods' operations and supply chain. Thomas Foods has made it its goal to not only meet, but exceed the guidelines for emissions reductions. The company took part in the Australian Government's recent International Climate Change Adaption Initiative to help Thomas Foods meet the impact of impending climate-change legislation and reduce its own carbon footprint. Protecting Australia's fertile land and ensuring

its future sustainability is a core component of Thomas Foods' mission.

Since joining Thomas Foods five years ago, David has embraced the values and mission of the company. Prior to his role at Thomas Foods, David worked for a large meat processor and exporter in country New South Wales. A position became available with then T&R Pastoral, now Thomas Foods International, and he moved across to South Australia. Since making the move, David says, he's focused on staff engagement and development.

"In our organisation, it's about building the team and improving and structuring a facility that enables consistent quality and high productivity, as well as good safety outcomes for our employees. In the past five years, we have worked very hard with our team and our board to achieve those outcomes."

To begin that journey and process, David states, the senior team ensured they were listening and supporting their staff. "We initially just evaluated the team that we had and ensured that they were supported. We built additional people into our business and provided them with structured pathways, going forward through proper business planning, to ensure that they understood the barriers for them. We enabled them to achieve what they needed to do through support and planning."

Investing and shaping these strong teams has had an indelible impact on the culture and structure of Thomas Foods. "When trying to shape the culture, we really just followed the simple formula of good facilities, great people, and strong systems, and they result in sustainable outcomes," David says. "Those are really the pillars that we've built the business on and how we have gone about changing and improving our culture. >



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“Each of our employees is an integral part of who we are, and we support them, we mentor them, and we ensure that throughout our business everyone supports everyone, and that’s how we grow.”

- David McKay

“In my view, changing a culture is a 10-year process; you can’t change a culture overnight. You need to understand how the business works and work with the people in and around the business to pull and govern the flow in the one direction. That’s really been the challenge: to understand who’s in the team. We needed to have consensus on where we need to go and what we need to do, right from the top down, and get plans in place to get there.”

As Australia’s largest family-owned meat-processing company, Thomas Foods has a deeply ingrained family culture. “Our business is built on family values,” says David. “The Thomas family now has full ownership, hence the change from T&R Pastoral to the Thomas Foods International moniker in March 2013. We unveiled a new brand and logo, which we rolled out across Australia and 80 different countries.

“Family values are critical to our business. Each of our employees is an integral part of who we are and we support them, we mentor them, and we ensure that throughout our business everyone supports everyone, and that’s how we grow.”

When the company implemented its brand transformation, CEO Darren Thomas stated that the new brand is a commitment to the company’s heritage and values, as well as a launch pad for its future. “Over the years, we have grown organically and also made several successful acquisitions. In doing so, we have inherited and built a range of successful brands. Given our strong national and global growth, it was timely to think more holistically about our marketing and branding.

“We pride ourselves on being the most sought-after supplier of the finest Australian lamb, mutton, beef, goat, and processed co-products in the world. By re-launching as Thomas Foods International, we are better positioning our company for the next stage of our global expansion. For our suppliers, it will help unlock more global markets for their produce. For our wholesale and retail customers, it provides a more recognisable suite of products from which to choose.”

This family culture has resulted in generations of workers coming through Thomas Foods’ doors. “We have quite a few examples across our group where one generation of employees has gone through and another one has followed,” David

says. “We have a lot of parents and their children working in our business, and we’re proud of that.”

According to David, the company’s family culture is just one factor that contributes to this impressive, long-term employee retention. “I think family culture is a part of it. There are many different ingredients to bake the cake. It’s also about good structure, great communication, understanding what our employees want, and considering and respecting their views on how we can improve and change our workplace.”

This appreciation and consideration of its employees has steered Thomas Foods well over the years as it’s continued to grow and develop. David states that the company has implemented a number of strategies to set the future direction of the organisation.

“To grow our business, we needed a partner and we needed to get closer to the end consumer so we could understand, from a product perspective, where the market was. We set a benchmark in our business on quality and that centred around shelf life and good hygienic production. We then looked within our facilities to improve their capacity and efficiency based on our key focus on good, efficient facilities. We then began to grow our business.”

A firm foundation of stringent standards has allowed Thomas Foods to evolve with the market while maintaining and improving its systems and operations. The Australian livestock industry has consistently had a strong, global reputation for clean and safe livestock free of exotic diseases such as foot-and-mouth and BSE, thanks to the strict systems and procedures implemented across the industry.

One of these systems, the National Livestock Identification System, is the world’s most effective traceability program, allowing cattle, sheep, and goats to be traced from the property of birth to slaughter. >

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Thomas Foods is determined to uphold Australia's, and its own, esteemed reputation by going a step further. As a result, Thomas Foods' products must pass the strictest, most stringent safety and hygiene standards set anywhere in the world. The company's quality assurance system is applied throughout the entire process, from receiving livestock to processing and shipping.

Thomas Foods is also accredited by the National Association of Testing Authorities (NATA), which means that its standards are significantly higher than those set by the European Union and the US Department of Agriculture.

The company's on-site laboratory was the first NATA-accredited facility in the South Australian meat industry, and one of only a few in Australia to be approved for salmonella testing.



This dedication to excellence was recently recognised at the Business South Australia 2013 Export Awards where Thomas Foods was named regional exporter of the year. The award acknowledged Thomas Foods as one of South Australia's most successful and innovative exporters, with an export network that reaches 80 countries worldwide.

In the US in particular, Thomas Foods has invested heavily in distribution on both east and west

coasts to ensure its customers have the utmost confidence that their orders will be supplied directly from Australia all year round.

As part of its marketing initiative, Thomas Foods continued its sponsorship of the G'day USA program throughout January 2014. G'day USA is an annual program designed to showcase Australian business, innovation, tourism, and government policy in the United States.

With a host of events in Los Angeles, New York, San Francisco, Chicago, and Houston, G'day USA has succeeded in generating significant awareness, reaching more than 100 million people in the US and Australia. This strategic partnership and sponsorship gives Thomas Foods' brand and product range greater exposure in the ever-expanding US market.

Thomas Foods has established a strong network of suppliers and partners across Australia and the globe. Being able to clearly communicate and collaborate with these suppliers and partners is vital for Thomas Foods' staff as they set and meet the company's exacting standards across its operations and supply chain. David states that Thomas Foods' sales and production team work closely with suppliers and partners to ensure the best product possible for consumers.

"We have many different partnerships across our business, whether it's livestock suppliers, transport companies bringing livestock into our business or freight out of it, or engineering companies who provide great advice and products to enable our business to remain at the forefront of processing in Australia. We really look to partner with the best people. Like in life, a strong partnership will result in strong outcomes, and we're very focused on maintaining and developing partnerships."

To ensure the company's standards are met, an industry-leading cold-chain quality-control system was put in place. This system includes government-appointed veterinarian officers performing routine health and QA inspections and overseeing the hygiene assessments at each of its plants, customised carcass-chiller programs that optimise temperature declines, and highly skilled employees who work quickly and efficiently within temperature-controlled environments.



*"We believe that through our good facilities, our great people, and the attention and standard we set for everything we do, we have a winning formula that will enable us to continue to grow internationally and domestically."*

- David McKay

Additionally, Thomas Foods has utilised the very latest packaging techniques that extend the meat's shelf life up to 120 days on chilled beef and 90 days on chilled lamb. To ready the products for transport, Thomas Foods has installed computer-controlled plate freezers and chill tunnels that transfer the products to approved vehicles and temperature-controlled containers. Thomas Foods performs quality-control checks along the entire cold chain right up to the point that a shipment reaches the customer.

This attention to detail throughout its operations really sets Thomas Foods apart from its competitors and will serve the company in good stead as it expands in coming years. David says that the staff at Thomas Foods are very excited about the company's future.

"We believe that through our good facilities, our great people, and the attention and standard we set for everything we do, we have a winning formula that will enable us to continue to grow internationally and domestically."

"Our growth has come through reinvestment in modern, state-of-the-art facilities and identifying opportunities for partnerships that support and grow our business while increasing efficiency and productivity. We are tackling and overcoming the big challenges

faced by large employers in the manufacturing industry. They range from an overhaul of our culture to create a better quality product, a safe work environment, and to do so in such a way that people in our business want to be part of it, whether it be our marketing, operations, administration, or personnel.

"At Thomas Foods, we have great people and we support and encourage them. We enable them to achieve for themselves; as a positive consequence, our business also achieves. Our business employs well in excess of 2,000 employees, with a combined annual turnover of approximately \$1.3 billion. As we grow, we keep looking within our business, supporting, coaching, enabling, and partnering. The entire team is very energised. We have a dynamic board with a keen eye to the future. For all of us, it's very exciting to see where the journey will take us."

In the competitive Australian agricultural industry, flexibility and adaptability will be the hallmark of the future industry leaders. With a focus on sustainability, strong partnerships, and catering to consumer needs, Thomas Foods International is well placed to drive both its own and the industry's future development and innovation. ●

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G E Hughes Construction Co controls all forms of works in-house that includes earthworks, concrete works, civil works, brickwork, stonework, first and second fix carpentry, cabinetmaking, steel fabrication and a transport division.

A strong ongoing relationship has been built with Thomas Foods International providing all aspects of turnkey building works to deliver all forms of projects while allowing TFI to continue running at peak production.



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