

**ASX Announcement:** 17 May 2021

## **New Organic Chicken offering to deliver growth in Super Premium brand strategy for interstate markets**

TasFoods Limited (ASX:TFL) today announced the establishment of a new organic chicken farm to enhance our existing Super Premium brand poultry offering in response to growing demand for organic poultry product from the national market.

### **Highlights:**

- An organic chicken farm is being established on certified organic farmland at Flowerdale in North West Tasmania, approximately 90 kms from Nichols Poultry's existing operations.
- New mobile chicken sheds are being constructed on the farm. These are based on an existing shed model that has been successfully trialed at Nichols Poultry over the past 4 years.
- No modifications are required to the Nichols Poultry processing facilities to accommodate organic chickens. Existing product segregation processes will be adopted to isolate the organic products throughout the site.
- Sales for the organic chicken range are anticipated to commence from September 2021 and are focused on interstate premium markets through a number of existing and new customers.
- Organic livestock and poultry sector has a forecast annual growth rate in Australia of 16.8% for the five year period to 2025.
- This new organic range will complement the existing chicken production for Nichols Poultry sourced from RSPCA certified chicken farms.
- The organic farmland is leased for an initial term of 5 years on standard commercial terms. Renewal options are retained in favour of TasFoods.



*Figure 1. Existing free range chicken sheds that are being replicated on the organic farm*

The inclusion of an organic chicken range follows a review of existing poultry range with extensive feedback from existing and prospective customers who are seeking an organic, Tasmanian grown poultry product for interstate consumers. Consumers are increasingly demonstrating a willingness to pay a premium for products with organic certification who understand it to represent a trusted production system and natural protein.

We are working with cornerstone customers to finalise the product offering that is being tailored to meet consumer expectations. A new organic brand is being developed that will evoke the natural advantages for organic products sourced from a clean, green and remote island like Tasmania. We anticipate the organic brand will have application across a range of organically sourced products.

### **Refrigerated Logistics Solution for Direct Delivery**

In May we have commenced trials with a new logistics solution that will provide a refrigerated delivery network to the door of the customer whether they are a home consumer or small commercial customer. This logistics solution will enable us to include meat and fresh milk products not currently offered in our online store for direct purchase.

Establishment of a refrigerated logistics network will open up an important new avenue to market for Super Premium product offerings such as the organic chicken range. We will be able to offer a direct delivery service to the key organic demographic in major cities across Australia.

Further information relating to the organic chicken brand will be shared as the product range is finalised.

Authorised for ASX release by the Board of Directors of TasFoods Ltd.

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