# Crumbs for cookie town

## Donald urges Woolies to end Kooka's crunch

**BUSINESS OWNER**
**CLAIRE HEANEY**

COUNTRY Victorian town Donald is asking for a fair go after Woolworths dumped its flagship biscuits from supermarket shelves outside Victoria and Tasmania.

Woolworths has told Kooka's Cookies it will not be stocking the biscuits, made from Australian ingredients, because they are not selling enough.

With nearly 30 staff, Kooka's is one of the biggest employers in Donald, which lies halfway between Melbourne and Mildura.

Kooka's representatives are hoping they can convince Woolies' executives in a phone hook-up today to give the products another chance.

Kooka's spokeswoman Kerry Vogel said Woolworths had told the company it was not meeting targets for the products. However, she said, the biscuit company had not been told what the targets were.

Community group Donald 2000 called on Woolworths to put regional Australia before profits.

Donald 2000 chairman John McConville said corporates had no regard for the knock-on effects of their decisions. "For every one job you lose there are another three that could be affected," he said.

"As we know, there is a rural decline and the population is growing. We are perfectly located in the heart of the state to create jobs."

Ms Vogel said Woolworths had told Kooka's that states outside of Victoria and Tasmania accounted for 10 per cent of sales.

"But for a small company like us 10 per cent of sales is still a lot," she said.

Ms Vogel said the company had been asking for a better position on shelves.

"We had one old chappy about 70 or more who contacted us and told us he had discovered our biscuits only because he dropped his shopping list and when he bent down he eyeballed Kooka's."

Ms Vogel said when she was in the Northern Territory in May she walked up and down the aisle and asked a staff member who eventually found Kooka's laying flat at the top of a shelf.

"All we are asking is to be able to have a bit of a crack."

Woolworths said in a statement yesterday: "Our customer-first strategy ensures we are responding to our customers' buying habits and ranging the products that reflect what our customers want to see.

"We value the relationship with Kooka's and look forward to continuing this partnership in the states we know our customers are responding positively to their brand."

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## HARD WORK NO SNAG FOR KRANSKY CREW

Uncle's Smallgoods co-owner Brendan D'Amelio.

**CLAIRE HEANEY**

**WHEN brothers-in-law Brendan D'Amelio and Bert Glinka approached the owner of a famous kransky sausage business with a view to buying it, they had to overcome one snag.**

**"He didn't believe these two young blokes were willing to do the hard work to run the business properly, so he had us come in on the Sunday to chop this enormous pile of wood," Mr D'Amelio said.**

**The pair thought they would knock over the wood — used for the traditional smoking of smallgoods — in a few hours but it was hot and proved hard work, leaving them aching, scratched and blistered.**

**"He saw we had it in us to get our hands dirty so he knew then that we were serious," Mr D'Amelio said.**

**They eventually bought the Uncle's Smallgoods business from long-time owners Marian and Nora Poprawski.**

**Mr D'Amelio, who is married to Mr Glinka's sister, Anna, were both working in white-collar roles when they started selling kransky sausages at markets.**

**"We always wanted to get into the food industry but we did not know how," he said.**

**Five years ago they set up the Yumski kransky van. The first outing was a bonanza. Later, takings varied but they loved selling the snags Uncle's produces in small batches**

**"You can't beat doing it this way. It tastes better and it's better for you," Mr D'Amelio said. "We reckon that when you buy food you should get what you're buying. If you pick up a packet of bacon at the supermarket, you see pork is only one of many ingredients. Our bacon is pork, brine and wood smoke."**

**Mr D'Amelio said while they were keen to keep the long-term customers they also wanted to entice a new breed of customers.**

**The answer was to open a cafe called Young Uncle's next door.**

**So successful was the largely takeaway cafe, that they have opened a sibling, Sunny and Thor, down the road.**

**They were able to tap into a Greater Dandenong Council small business grant program.**

**Uncle's bought a factory to expand its wholesale business and is growing online order offerings. The business is featured in an online exhibition as part of this month's Victorian Small Business Festival.**

festival.business.vic.gov.au

## Boom's outcome is no mystery, only the date is uncertain

**THE SHORT CUT**
**with ROGER MONTGOMERY**

WHEN the volume of investment dollars exceeds the volume of investment concern, risky investments become preferred to low-risk alternatives, whose returns might be safe but punitive.

Take a look at cash today; earning just 2 per cent, it might be seen by all as safe, but the returns are so low that a plethora of other opportunities are now preferred.

In turn, the collective buying of these alternative assets produces record high prices, the inverse of which is lower prospective returns.

The higher the price you pay, the lower your return.

Today, price records are being smashed in everything from art, low-digit number plates and old coins to off-the-plan apartments.

That's what happens towards the end of a boom; asset prices are high, risk premiums are low, and markets become risky.

Assets fetching record high prices offer very low prospective returns. In many cases, the prospective returns might be as low as cash.

But cash does not have the prospect of capital loss, which these other assets do. Cash offers the same prospective return but with lower risk.

I'd like to make two observations about markets that suggest to me we are much closer to an end than we are to a beginning.

The first is that accumulation and loss occur in cycles that repeat, and the record prices being paid for non-income-producing assets are a sign the very wealthy — those who secured assets at the start of the cycle — have enough shares, hedge funds, holiday homes, commercial property and farms that they are now spending on frivolity.

Take, for example, the $US380,000 ($482,800) paid at auction for a croc-skin Hermes handbag, or the $745,000 paid recently for the New South Wales number plate "NSW 29" and the $704,000 paid for "NSW 36".

The other observation is that we are once again seeing a concentration of money flowing into a smaller and smaller group of listed beneficiaries.

Back in the 1960s and '70s, those beneficiaries were the Nifty Fifty stocks — 50 companies listed on the New York Stock Exchange considered buy-and-hold blue chips that could do no wrong.

While Disney, McDonald's and General Electric were on the list, so were Xerox, Polaroid, Kodak and Simplicity Pattern — companies unhampered by thoughts of a disrupted future because there had been no disruption of their past.

But of course, by the early 1970s prices reached their zenith, then collapsed.

Today companies such as Uber, Twitter and Tesla command the sorts of price premiums that belie the fact they make no money.

Of course, with the billions flowing into these stocks through exchange-traded funds, and all the commentary surrounding automation, artificial intelligence, clean energy and Amazon, no one can see an end to the potential of these companies.

Slowly but surely I am becoming much more cautious and circumspect.

The outcome of the current boom is not a mystery, only its date remains to be determined. Of course, having refused to participate in the frivolity of asset markets, and because of our insistence on low purchase prices, we are holding large amounts of cash.

We will look like we are out of touch and our returns will lag those of our more optimistic peers. But holding cash when nobody else wants any will give us an asset that is most valuable when nobody else has any.

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