



**THE MARKET**

There are Kraft products on the market for all members of the family and a variety of meal and snack occasions. Generations of Australian children have grown up on Kraft Singles\*, Cheestiks\*, Vegemite\* and Kraft Peanut Butter\*.

New products are being developed to serve Kraft's family market as well as pushing into other market sectors with products like low fat dips and, more recently, Taste of Life\* - a new range of organic salad dressings.

Philadelphia Spreadable\* with half the fat of butter is meeting the changing eating habits of adult Australians and extending the market for Philadelphia Cream Cheese\* far beyond its traditional role in cheesecakes.

Kraft also markets confectionery and coffee in Australia with brands like Toblerone\*, Terry's\*, Jacobs\* and Maxwell House\*.

**ACHIEVEMENTS**

Kraft is a household name in Australia, synonymous with foods of the highest quality. Kraft ensures that its range of products caters to the ever-changing tastes and desires of Australian tastebuds. Since 1926, generations of Australian families have grown up enjoying the great tastes of Kraft brands including Kraft Cheddar Cheese\*. Kraft has worked hard to ensure that its products are a big part of Australian life.

Major investments in new plants and technologies during the 1990s were directed toward making Kraft the market



leader. Much of this expansion occurred in country Australia, consolidating the close relationship between Kraft and rural communities involved in the dairy industry.

Kraft Australia contributes millions of dollars every year to the Australian economy. In addition to selling directly to Australian retailers, the company exports consumer products to many countries. The company employs around 1400 people in Australia and over the past 75 years has employed more than 50,000 Australians.

Kraft Australia has sponsored family entertainment, supported early learning programs such as Kraft DaisyMaths and provided recipes, cookbooks and advice direct from the Kraft Kitchens.

Kraft Foods International operates in over 140 countries, employing 37,000 people. Kraft worldwide is the second largest food company in the world with a host of trusted brands that date back as far as 1767.

**HISTORY**

The history of Kraft in Australia begins with Melburnian Fred Walker. In 1903, at the age of nineteen, he established Fred Walker and Company in Hong Kong, importing Australian goods and exporting Asian goods to Australia. After gaining sound business experience and a good reputation, he returned to

Melbourne in 1908 and started exporting Australian goods, especially dairy products, to Asia. By 1910 he was exporting canned butter and cheese to Asia and the Middle East under the Red Feather label.

Walker's entrepreneurial interest in the production of food saw him introduce a number of food innovations. One of them was the introduction of Vegemite, created in 1923 by the chief chemist of the Fred Walker Company, Dr Cyril

Callister, from yeast produced during brewing at Carlton & United Breweries.

But before that, in 1916, Chicago businessman James L Kraft had taken out a patent describing the process of halting the natural maturing of cheese during processing. This new method would allow

cheese to be stored for extended periods of time and was acknowledged as one of the greatest advances in cheese-making history.

In 1925 Walker travelled to the USA to meet J. L. Kraft, and obtained the

Australian rights for Kraft processed cheese. In 1926 the Kraft

Walker Cheese Company Pty Ltd, the parent company of Kraft Foods Limited, was formed in Melbourne and the first blue packets of processed Kraft Cheddar Cheese came off the production line. The cheese was a success because it did not need refrigeration at a time when fridges were rare. It was



a good alternative to meat, which was expensive, especially during the Depression years.

In the early days the Kraft Walker Cheese Company bought cheese from cheese factories and processed it. But these factories couldn't supply enough high quality cheese. In 1934, the

company leased a factory at Allansford, near Warrnambool in Victoria. The factory was developed into one of the best-equipped and technologically advanced cheese factories in Australia.

In 1948, foil lining was perfected as the



best packaging medium for keeping Kraft processed cheddar fresh. The cheese was shipped to export markets in blue cans.

The year 1950 marked a new era in cheese making, when Kraft became the first company in Australia to manufacture and market rindless cheese.

The first cheese slice (unprocessed Swiss cheese) was sold in 1957 in 4 oz and 8 oz packets and the Deluxe Processed Cheese Slices were put into production two years later.

Kraft has launched many more famous Australian brands through the years including Vegemite in 1923, Kraft Peanut Butter in 1931, Kraft Mayonnaise\*, Cheddar Portions\* and Cracker Barrel Cheese\* in 1954, Philadelphia Cream Cheese in 1956 and Kraft Coon Cheese\* in 1957. Cheestiks and Thousand Island Dressing\* were launched in 1965 and Italian, French and Coleslaw Salad Dressings \*as well as Kraft Sandwich Spread\* in 1970, followed by Kraft Cheese Singles\* in 1976.

By the end of the 1980s, Kraft had become the second largest food company in the world.

In response to the growing demand for lighter options Kraft became one of the first companies in Australia to offer



low fat products. Free Singles\*, which are 97 per cent fat free, were launched in 1997.



**THE PRODUCT**  
Kraft has a wide range of products designed to meet the needs of growing families. The core brands are Singles, Philadelphia, Peanut Butter and Vegemite, but Kraft dips, salad dressings and mayonnaise can also be found in many Australian homes.

As well as the vast range of Kraft products that can be found in most Australian supermarkets, there is also a strong foodservice side to the business which brings all the popular brands of Kraft to out-of-home venues.

**RECENT DEVELOPMENTS**

Kraft has recently introduced Taste of Life, a range of organic salad dressings carrying the seal of the Biological Farmers of Australia (BFA).

Kraft Singles now supports and carries the endorsement of Osteoporosis Australia. Each cheese slice contains as much dairy calcium (the

best form of calcium) as a glass of full cream milk. The calcium we absorb when young helps protect against brittle bones in later years.

Kraft Cheestiks are endorsed by the Australian Dental Association and Kraft works with the Association to promote better dental care in children.

Kraft DaisyMaths is a unique Australian Internet-based program that helps Australian



kids to become more proficient in mathematics. Kraft's support of DaisyMaths allows the creator, Professor Myles Harding, to make the program freely accessible to everyone on the Internet.

The charitable program Kraft Cares was born in 1998 as a way of formalising Kraft's commitment to the community.

Kraft Australia, Taste of Life salad dressings and Vegemite can now all be found on the web with their own Internet sites.

Recent new Kraft products also include Snackabouts\*, Quick Pasta\* and a range of FREE Dips\*.

**PROMOTION**

Kraft is a major television advertiser and also uses print and outdoor advertising quite regularly. It seeks to isolate a real point of difference or insight into each product to give consumers a valid reason to choose Kraft.

Its massive portfolio of brands has given rise to many advertising classics such as the Little Vegemites



song and the line "coffee, tea or Bonox".

Current campaigns include Kraft Singles (the "bodybuilder for kids") with the x-ray kids and the Philadelphia angel constantly tempted by a little "taste of heaven". Kraft Cheese Spread campaigns revolve around "Any excuse'll do" and Kraft Peanut Butter's campaign is built on a preference for the best with "Never oily. Never dry".

**BRAND VALUES**

The Kraft brand in Australia is built upon commitment, quality, inspiration, innovation and expectation.

The Kraft brand values in Australia have grown out of nourishing generations of Australian families.

Kids grow up on Kraft Singles, Vegemite and Peanut Butter. Cheestiks are invariably found in school lunch boxes.

Kraft is a name that parents can trust instinctively to assist in meeting the nutritional needs of their growing families.

Wholesome goodness, coupled with great taste and product innovation, are the keys to the Kraft brand in Australia.

\*Trademark Kraft Foods Limited (ACN 004 125 071).

**THINGS YOU DIDN'T KNOW ABOUT KRAFT**

- Kraft Foods Inc is the second biggest food company in the world.
- The history of Kraft in Australia dates back to 1903 and its 19 year-old founder, Fred Walker.
- Fred Walker was reportedly the first Australian employer to introduce morning tea breaks for his workers in 1928. The employees responded with increased production output.
- The first blue cheddar cheese boxes rolled off the production line in 1926.
- In 1971 a special language called Kooglese was created to advertise Koogle a peanut butter and chocolate combination.
- Kraft was one of the first companies to produce ready-made canned meals such as spaghetti in tomato sauce and macaroni and cheese.
- In 1950 Kraft was the first Australian company to manufacture and market rindless cheese.
- In 1917 James Kraft supplied the first batch of Kraft canned cheese to the US Armed Forces.
- During the war Kraft made up special gift boxes containing an assortment of Kraft canned meat products, cheese and Vegemite for relatives to send to soldiers and sailors.