

RE: RPF Cost Price Increase

From: Paul Carroll <[REDACTED]@coles.com.au>
To: Simon Russell <[REDACTED]@realpetfoodco.com.au>
Cc: Cost Price Increase Requests <costpriceincreaserequests@coles.com.au>; Olga Zanetti <[REDACTED]@coles.com.au>; Rosini Giasmidis <[REDACTED]@coles.com.au>; Gentjana Emini <[REDACTED]@coles.com.au>
Date: Sun, 11 Dec 2022 21:32:14 +1100
Attachments: Summary_Australian Pet Brands_20221114_Pet Food.xlsx (209.13 kB)

Hi Simon

Following your recent Cost Price Increase Request dated 14/11/2022 we have completed our analysis of your cost price increase of **10.6% (\$5.6m in COGS p.a.)**. Please refer to the attachment for SKU by SKU summary.

Decision:

Having balanced this analysis with customer needs, Coles value proposition and the competitive environment, I have made the decision to partially accept **7.7%** this cost price change request, effective 6 February 2023.

Last cost price change	SKU No	SKU Name	Last 12 months COGS \$	Increase request from supplier		CCT Recommendation	
				% Increase Request	Value Request	% Increase Accept	Value Accept \$
Sep-17	2912679	FUSSY CAT GRAIN FREE ADULT WET CAT FOOD B	\$ 571,843	25.0%	\$ 142,961	12.7%	\$ 72,744
Sep-17	2912657	FUSSY CAT GRAIN FREE ADULT WET CAT FOOD C	\$ 709,276	25.0%	\$ 177,319	12.7%	\$ 90,227
Sep-17	2912668	FUSSY CAT GRAIN FREE ADULT WET CAT FOOD S	\$ 406,666	25.0%	\$ 101,667	9.1%	\$ 37,058
Apr-22	9112910	FUSSY CAT GRAIN FREE ADULT DRY CAT FOOD C	\$ 874,618	9.1%	\$ 79,590	(2.0%)	-\$ 17,231
Apr-22	9112896	FUSSY CAT GRAIN FREE ADULT DRY CAT FOOD B	\$ 620,831	9.1%	\$ 56,496	(2.1%)	-\$ 12,731
Apr-22	9112900	FUSSY CAT GRAIN FREE SALMON & OCEANFISH V	\$ 575,344	9.1%	\$ 52,356	(3.3%)	-\$ 19,197
Apr-22	4496098	FUSSY CAT GRAIN FREE ADULT DRY CAT FOOD IN	\$ 686,009	9.1%	\$ 62,427	(2.9%)	-\$ 19,713
Apr-22	2739950	FUSSY CAT GRAIN FREE ADULT DRY CAT FOOD C	\$ 1,435,139	9.1%	\$ 130,598	(2.7%)	-\$ 38,126
Apr-22	2739960	FUSSY CAT GRAIN FREE ADULT DRY CAT FOOD SA	\$ 2,054,008	9.1%	\$ 186,915	(4.3%)	-\$ 89,286
Sep-17	5843062	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 140,801	14.9%	\$ 20,979	7.6%	\$ 10,694
Sep-17	1513157	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 97,871	14.9%	\$ 14,583	7.6%	\$ 7,434
Sep-17	1513168	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 205,655	14.9%	\$ 30,643	7.6%	\$ 15,620
Sep-17	4935879	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 172,911	14.9%	\$ 25,764	7.6%	\$ 13,133
Sep-17	7531606	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 176,266	14.9%	\$ 26,264	7.6%	\$ 13,388
Sep-17	4935904	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 155,125	14.9%	\$ 23,114	7.6%	\$ 11,782
Sep-17	2735449	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 109,393	14.9%	\$ 16,300	7.6%	\$ 8,309
Sep-17	2735427	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 135,252	14.9%	\$ 20,152	7.6%	\$ 10,273
Sep-17	4490182	NATURES GOODNESS GRAIN FREE NUTRITION A	\$ 312,575	16.9%	\$ 52,825	14.7%	\$ 45,929
Sep-17	4926583	NATURES GOODNESS GROWING PUP WET DOG	\$ 199,720	16.9%	\$ 33,753	14.7%	\$ 29,347
Sep-17	4490160	NATURES GOODNESS GRAIN FREE NTRTN WET D	\$ 512,508	16.9%	\$ 86,614	9.2%	\$ 46,944
Sep-17	4490171	NATURES GOODNESS GRAIN FREE NUTRITION A	\$ 449,387	16.9%	\$ 75,946	14.7%	\$ 66,032
Sep-17	4490240	NATURES GOODNESS GRAIN FREE NUTRITION W	\$ 368,045	6.0%	\$ 22,083	6.0%	\$ 22,083
Sep-17	4490229	NATURES GOODNESS GRAIN FREE NTRTN WET D	\$ 694,804	6.0%	\$ 41,688	6.0%	\$ 41,688
Sep-17	4490230	NATURES GOODNESS GRAIN FREE NTRTN ADLT V	\$ 573,933	6.0%	\$ 34,436	6.0%	\$ 34,436
Sep-17	4490149	NATURES GOODNESS GRAIN FREE NTRTN ADULT	\$ 314,028	5.6%	\$ 17,586	5.6%	\$ 17,586
Sep-17	4490116	NATURES GOODNESS GRAIN FREE NUTRITION P	\$ 378,108	5.6%	\$ 21,174	5.6%	\$ 21,174
Sep-17	4490127	NATURES GOODNESSGRAIN FREE NUTRITION DR	\$ 822,570	5.6%	\$ 46,064	5.6%	\$ 46,064
Sep-17	4490138	NATURES GOODNESS GRAINFREE NUTRITION AD	\$ 724,569	5.6%	\$ 40,576	5.6%	\$ 40,576
Sep-17	4490003	NATURES GOODNESS GRAIN FREE NUTRITION A	\$ 774,529	5.7%	\$ 44,148	5.7%	\$ 44,148
Sep-17	4490014	NATURES GOODNESS GRAIN FREE NUTRITION A	\$ 1,214,380	5.7%	\$ 69,220	5.7%	\$ 69,220
Sep-17	3585782	NATURE'S GIFT PUPPY ALL BREEDS DRY DOG FO	\$ 328,229	6.7%	\$ 21,991	6.7%	\$ 21,991
Sep-17	3585760	NATURE'S GIFT ADULT ALL BREEDS DRY DOG FO	\$ 1,225,833	6.7%	\$ 82,131	6.7%	\$ 82,131
Sep-17	3251550	NATURE'S GIFT ADULT ALL BREEDS DRY DOG FO	\$ 888,166	6.7%	\$ 59,507	6.7%	\$ 59,507
Sep-17	3251561	NATURE'S GIFT ADULT ALL BREEDS DRY DOG FO	\$ 1,514,015	6.7%	\$ 101,439	6.7%	\$ 101,439
Sep-17	3590057	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 208,474	9.0%	\$ 18,763	9.0%	\$ 18,763
Sep-17	3590046	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 982,720	9.0%	\$ 88,445	9.0%	\$ 88,445
Sep-17	3589965	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 701,674	9.0%	\$ 63,151	9.0%	\$ 63,151
Sep-17	3589976	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 1,042,681	9.0%	\$ 93,841	9.0%	\$ 93,841
Apr-22	3319621	NATURE'S GIFT SUSTAIN JUST NATURAL DRY DO	\$ 15	6.8%	\$ 1	(1.9%)	-\$ 0
Sep-17	3741505	NATURE'S GIFT ADULT ALL BREEDS DRY DOG FO	\$ 986,084	6.8%	\$ 67,054	6.8%	\$ 67,054
Sep-17	3319610	NATURE'S GIFT ADULT ALL BREEDS DRY DOG FO	\$ 1,614,822	6.8%	\$ 109,808	6.8%	\$ 109,808
Sep-17	9207427	V.I.P CHUNKERS ADULT CHILLED FRESH DOG FO	\$ 2,193,742	14.8%	\$ 324,674	14.8%	\$ 324,674
Sep-17	9790616	V.I.P CHUNKERS ADULT CHILLED FRESH DOG FO	\$ 3,058,641	14.8%	\$ 452,679	14.8%	\$ 452,679
Sep-17	4472930	NATURE'S GIFT PUPPY ALL BREEDS WET DOG FO	\$ 249,279	6.0%	\$ 14,957	6.0%	\$ 14,957
Sep-17	3320620	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 678,700	6.0%	\$ 40,722	6.0%	\$ 40,722
Sep-17	3320631	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 806,424	6.0%	\$ 48,385	6.0%	\$ 48,385
Sep-17	3320642	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 824,053	6.0%	\$ 49,443	6.0%	\$ 49,443
Sep-17	4472920	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 536,880	6.0%	\$ 32,213	6.0%	\$ 32,213
Sep-17	5371349	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 782,796	6.0%	\$ 46,968	6.0%	\$ 46,968
Sep-17	2067261	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 580,897	6.0%	\$ 34,854	6.0%	\$ 34,854
Sep-17	7875398	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 688,036	6.0%	\$ 41,282	6.0%	\$ 41,282
Sep-17	7007325	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 942,760	6.0%	\$ 56,566	6.0%	\$ 56,566
Sep-17	2825133	NATURE'S GIFT ADULT ALL BREEDS WET DOG FO	\$ 619,329	6.0%	\$ 37,160	6.0%	\$ 37,160
Sep-17	2749589	NATURE'S GIFT DELI ROLL PUPPY WITH LAMB CA	\$ 2	17.9%	\$ 0	7.0%	\$ 0

Sep-17	2749578 NATURE'S GIFT ADULT CHILLED FRESH DOG FOOD	\$ 826,323	17.9%	\$ 147,912	7.0%	\$ 57,453
Sep-19	4308890 NATURE'S GIFT PUPPY CHILLED FRESH DOG FOOD	\$ 314,971	9.0%	\$ 28,347	9.0%	\$ 28,347
Sep-19	3605868 NATURE'S GIFT ADULT CHILLED FRESH DOG FOOD	\$ 431,681	9.0%	\$ 38,851	9.0%	\$ 38,851
Sep-19	3605879 NATURE'S GIFT ADULT CHILLED FRESH DOG FOOD	\$ 1,158,520	9.0%	\$ 104,267	9.0%	\$ 104,267
Sep-20	3875465 LOVE 'EM DOG TRAINING TREAT BEEF & LIVER 200G	\$ 225,649	14.3%	\$ 32,268	14.3%	\$ 32,268
Sep-20	3875476 LOVE 'EM DOG TRAINING TREAT CHICKEN 200G	\$ 567,343	14.3%	\$ 81,130	14.3%	\$ 81,130
Sep-20	3875807 LOVE 'EM DOG TREAT JOINT CARE BEEF LIVER CO	\$ 264,798	9.1%	\$ 24,097	9.1%	\$ 24,097
Sep-20	3875148 LOVE 'EM GRAIN FREE BEEF JERKY WITH TOMATO	\$ 790,703	16.8%	\$ 132,838	16.8%	\$ 132,838
Sep-20	3875137 LOVE 'EM GRAIN FREE DOG TREAT LAMB JERKY V	\$ 1,053,618	16.8%	\$ 177,008	16.8%	\$ 177,008
Sep-20	4934810 LOVE EM JERKY BITES DOG TREAT CHICKEN 200G	\$ 188,835	15.7%	\$ 29,647	15.7%	\$ 29,647
Sep-20	3874939 LOVE 'EM DOG TREAT BEEF LIVER 200 GRAM:BE	\$ 1,280,844	16.7%	\$ 213,901	16.7%	\$ 213,901
Mar-21	4929355 NATURE'S GIFT LOAF REAL CHICKEN WET DOG F	\$ 274,217	41.7%	\$ 114,349	8.6%	\$ 23,543
Mar-21	4929366 NATURE'S GIFT LOAF SUCCULENT LAMB WET DO	\$ 204,072	41.7%	\$ 85,098	8.6%	\$ 17,521
Mar-21	4929388 NATURE'S GIFT STRIPS KANGAROO WET DOG FO	\$ 210,480	41.7%	\$ 87,770	8.6%	\$ 18,071
Mar-21	4929377 NATURE'S GIFT PRIME BEEF IN GRAVY WET DOG	\$ 164,392	41.7%	\$ 68,551	8.6%	\$ 14,114
Jun-21	5303305 V.I.P PAWS FRESH MEAT PORTIONS DOG FOOD	\$ 209,317	19.7%	\$ 41,236	14.9%	\$ 31,141
Oct-20	4201955 FUSSY CAT GRAIN FREE TWICE AS TASTY ADULT V	\$ 968,796	8.0%	\$ 77,504	8.0%	\$ 77,504
Oct-20	4201966 FUSSY CAT GRAIN FREE TWICE AS TASTY ADULT V	\$ 893,881	8.0%	\$ 71,510	8.0%	\$ 71,510
Oct-20	4201977 FUSSY CAT GRAIN FREE TWICE AS TASTY ADULT V	\$ 850,420	8.0%	\$ 68,034	8.0%	\$ 68,034
Oct-20	4263067 FUSSY CAT GRAIN FREE TWICE AS TASTY ADULT V	\$ 506,442	8.0%	\$ 40,515	8.0%	\$ 40,515
Oct-20	4201988 FUSSY CAT GRAIN FREE TWICE AS TASTY ADULT V	\$ 604,323	8.0%	\$ 48,346	8.0%	\$ 48,346
Oct-20	4505880 FUSSY CAT GRAIN FREE TWICE AS TASTY ADULT V	\$ 561,732	8.0%	\$ 44,939	8.0%	\$ 44,939
Oct-20	4505891 FUSSY CAT GRAIN FREE TWICE AS TASTY KITTEN	\$ 552,183	8.0%	\$ 44,175	8.0%	\$ 44,175
Oct-20	4505905 FUSSY CAT TWICE AS TASTY WET CAT FOOD MEA	\$ 125,098	8.0%	\$ 10,008	8.0%	\$ 10,008
Oct-20	4505916 FUSSY CAT GRAIN FREE TWICE AS TASTY WET CA	\$ 898,461	8.0%	\$ 71,877	8.0%	\$ 71,877
Oct-20	5201859 FUSSY CAT GRAIN FREE TWICE AS TASTY WET CA	\$ 337,513	8.0%	\$ 27,001	8.0%	\$ 27,001
Oct-20	5201848 FUSSY CAT GRAIN FREE TWICE AS TASTY WET CA	\$ 253,208	8.0%	\$ 20,257	8.0%	\$ 20,257
Oct-21	4931426 LOVE EM DOG TREAT BEEF & CHEESE SUPREME	\$ 49,663	10.0%	\$ 4,966	10.0%	\$ 4,966
Oct-21	4931404 LOVE EM DOG TREAT MEAT LOVERS PIZZA 200G	\$ 91,360	10.0%	\$ 9,136	10.0%	\$ 9,136
Oct-21	4931415 LOVE EM DOG TREAT ROAST CHICKEN 200 GRAM	\$ 208,890	10.0%	\$ 20,889	10.0%	\$ 20,889
Oct-21	4931437 LOVE EM BREAKFAST BAKES MILK & CEREAL DOG	\$ 64,220	10.0%	\$ 6,422	10.0%	\$ 6,422
		53,052,366	10.6%	5,613,117	7.7%	4,095,409

GAP

(1,517,708)

- o Freight: We considered the ABS Road Freight commodity and Diesel Terminal Gate Price to analyse freight costs.
- o Utilities: Price movements associated with electricity and gas were analysed used data from the ABS Australia for the products packed in Australia.
- o Packaging: Cost compositions for packaging were determined using should cost modelling and independent research. This was done because the cost composition provided by the supplier were not very clear.
- o We could not consider supplier provided cost compositions for 'inclusions' as the inclusions were not clear.

Next Steps:

- If you have not already done so, **please send through updated trade and promotional plans due to the cost change.** I believe we are still waiting for this.
- As per the Food and Grocery Code of Conduct, you may request that Coles enters into further negotiations. Should you wish to do so,
 - o Please email back to me and copy CostPriceIncreaseRequests@coles.com.au your request to enter into negotiations. We will endeavour to conclude our position on these negotiations as quickly as possible.
 - o If the prices seen in our market indices do not correlate to the price trends you have experienced, you can provide us with relevant documentary evidence that you feel comfortable in providing to support price movements you have quoted (either in the form of contracts or invoices). Coles is committed to protecting the confidentiality of any data provided by any supplier as part of the cost price adjustment process, and to address any concerns you may have about the provision of confidential information you may:
 - a. Enter into a confidentiality agreement in relation to the information provided with Coles Commercial Cost Team
 - b. Engage an independent third party to conduct a confidential review of the information and provide a recommendation to Coles. The identity of the independent third party is to be agreed between the supplier and Coles and the cost of such review will be shared equally by both parties.

Please note that as per our [Proprietary Supplier Cost Alterations Process](#) Coles may not accept your request for a cost increase in full or at all, even where you can substantiate increases to cost of doing business including rising cost of inputs. At Coles we aim to

balance customer needs, Coles' value proposition and the competitive environment. Our expectation is that your organisation is continually reviewing operations to find efficiencies that can offset costs.

Thanks

Paul Carroll (he/him)

Senior Category Manager -Pet
Homecare | Non-Food

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From: Simon Russell REDACTED@realpetfoodco.com.au
Sent: Tuesday, 15 November 2022 10:38 AM
To: Paul Carroll REDACTED@coles.com.au
Cc: Cost Price Increase Requests <CostPriceIncreaseRequests@coles.com.au>
Subject: RPF Cost Price Increase

Morning Paul,

Please find attached the Coles Cost Price Template completed with commodity breakdowns.

If you have any further questions at this time, please feel free to contact me.

Regards,

Simon

Simon Russell
Customer Business Manager Coles



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*Any retail or promotional prices within this email are non-binding recommendations only. Retail prices are at the sole discretion of the retailer

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