

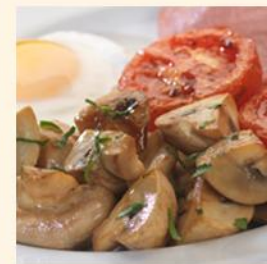
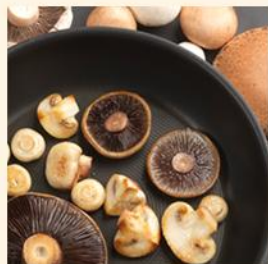


Ireland Canada Business Association

7th September 2011

George Graham

Commercial Director, Monaghan Mushrooms Ltd.



Monaghan Mushrooms



- Established in 1980 by the current CEO Ronnie Wilson to service the Export Market
- Through strategic acquisition and continuous growth has developed a leadership position in the GB Retail sector.
- Currently holding market share of retail in excess of 45% (UK Retail market worth £355m)
- Evolved into a vertically integrated business delivering value at each stage of the Supply Chain
 - Compost Production
 - Mushroom Growing
 - Sales and Distribution

Key Milestones



- Acquisition of Middlebrook Mushrooms (1994)
- Acquisition of Tunnel-Tech (1997- 2009)
- Acquisition of Carbury Mushrooms (2004)
- Acquisition of Campbellville Farm, Toronto (2009)

Marketing Strategy



MM has been the largest and leading supplier to the UK retail sector for many years and sustained this position by

- Consistently meeting the fundamental requirement to deliver quality product to its customers On-Time In Full, Every Day
- Providing a competitive offer, responding to market conditions

In the last 7 years, MM has grown its share of the market from 25% by increasing the value of its offer to its customers by:

- Responding to the competitive market conditions
- Investing in professional marketing resource
 - to support the development of the category at customer level
- Investing in dedicated account management for key customers
 - to ensure delivery of initiatives
- Investing in R&D resource to develop innovation and NPD pipelines for key customers

Market Challenges

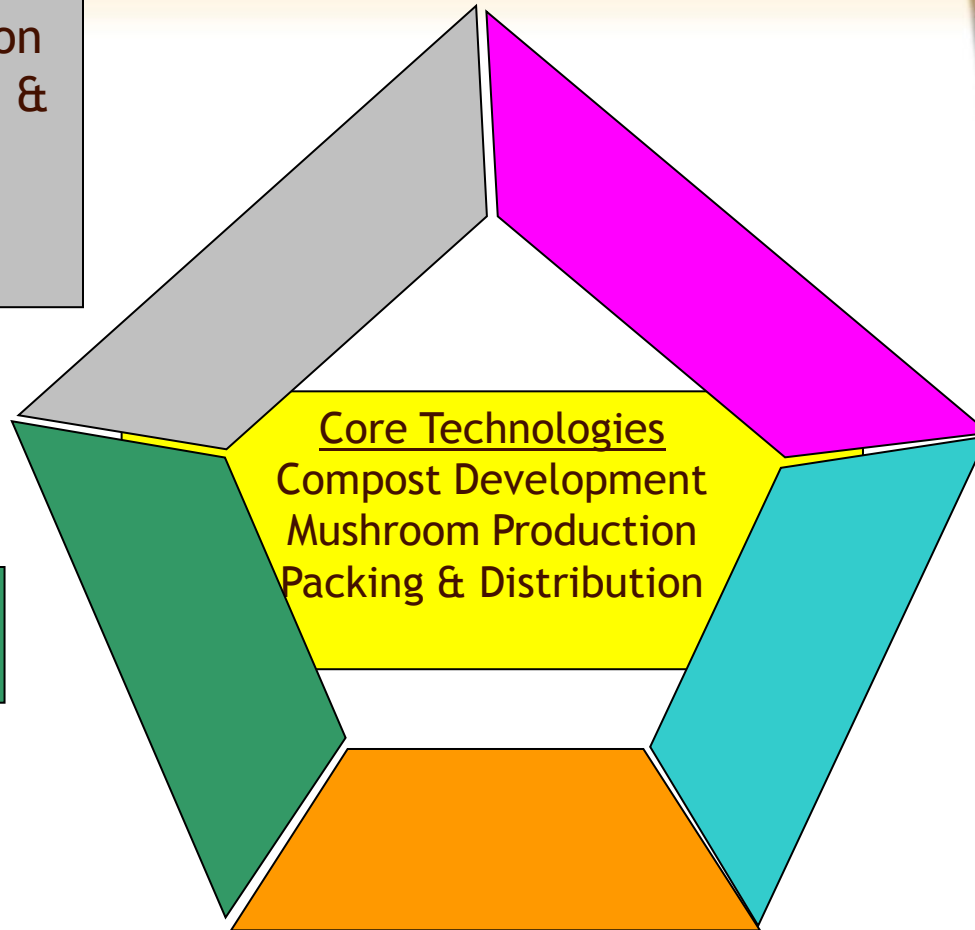


- Differentiating between customers
- Growing the market
- Remaining competitive
- Continuous Improvement
- Exchange rate fluctuations

Delivering Growth

Consumer Innovation
✓ Packaging format & structure
✓ New Product Development

Nutritional Development



Product Development



Pharma

Renewable Technologies

What the data says



dunnhumby
essential customer genius

flavour

tns worldpanel



nielsen

Mushroom
Bureau
www.mushroom-uk.com

Kent
Business School | Centre for
Value Chain
Research (VCR²)

Bord Bia
Irish Food Board

IPRESS
CONSULTANCY



The Mushroom Council



COUNTER
INTELLIGENCE RETAIL

MINTel

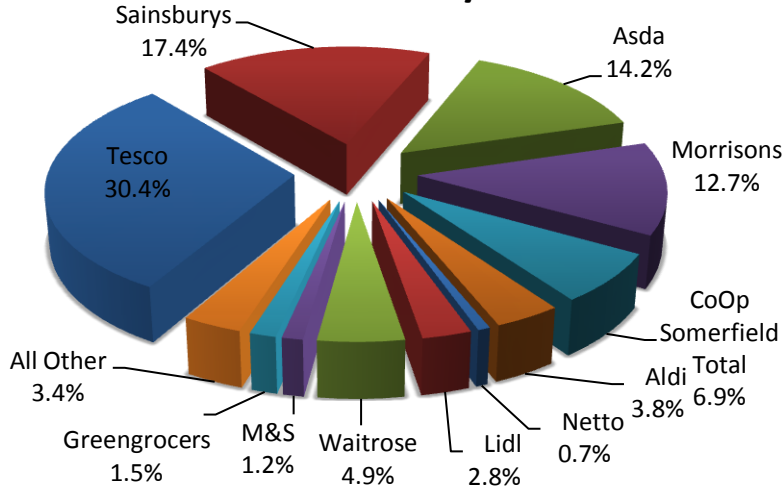
We source market information from many sources including local and international research and consulting companies

GB Retail Market

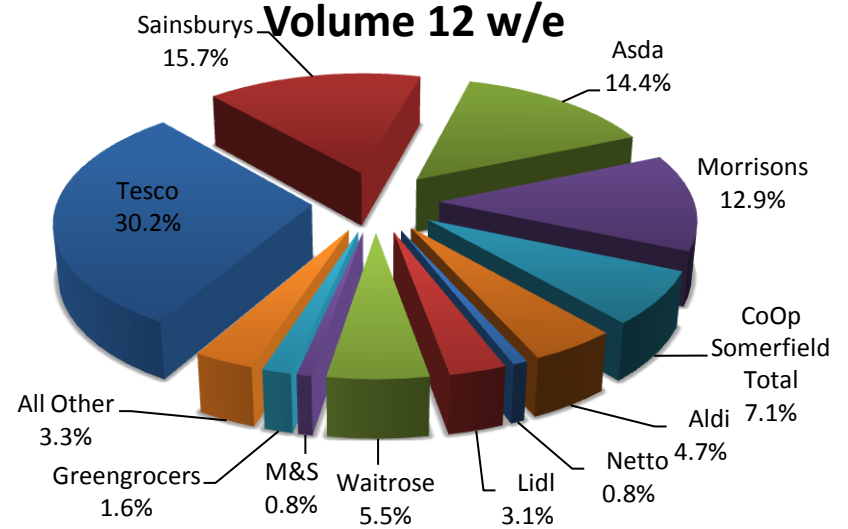


	52we 2010	52we 2011	Growth / Decline v Same Period YA (%)	12we 2010	12we 2011	Growth / Decline v Same Period YA (%)	4we 2010	4we 2011	Growth / Decline v Same Period YA (%)
Total Market Value (£000s)	350,087	355,185	1.5	79,682	79,954	0.3	25,565	26,140	2.2
Total Market Volume (T)	114,056	115,339	1.1	25,374	26,524	4.5	8,114	8,660	6.7

Value 12 w/e



Volume 12 w/e



Business Expansion



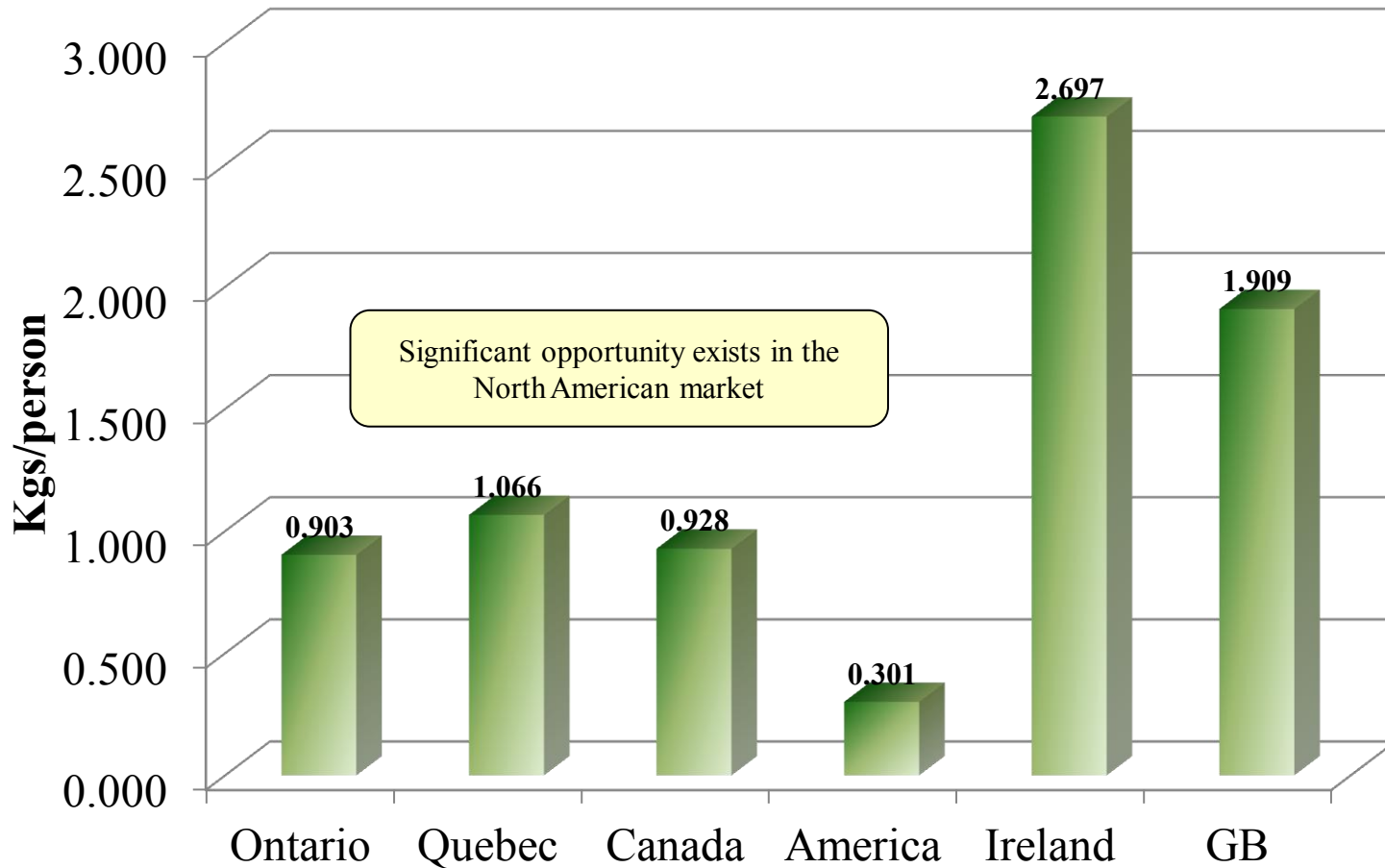
- Continued strategy for growth led to the exploration of new markets
- Holland, Poland, Germany and North America were considered
- European market felt more familiar as had history of trading in this market
- Alternative products such as other produce lines were considered
- Conclusion was to learn new markets rather than learn new products.

Why Canada?



- Cultural similarities
- No language barrier
- Access to the world's largest economy
- Opportunities for further growth in North America
- Prospect of good returns based on a strong local market
- Opportunity for increase in per capita consumption supporting market growth
- Underdeveloped local mushroom industry presenting a competitive opportunity
- Strong support from state sponsored bodies

Per Capita Consumption



Merchandising



United Kingdom



Canada

Why Toronto?



- Over 100 million people within 12 hr drive
- Easy access from Irish HQ
- Close to all major North American transport links
- A ready made local market in 6 million Torontonians
- Good access to raw materials
- Readily available work force
- A well supported local horticultural industry
- Highly evolved customer distribution network

Canadian Production Base



Vertically integrated site producing its own compost

Based at Campbellville, near Toronto, it is the largest mushroom farm in Canada with population of 117M accessible within a 12 hour truck drive

First Steps



- Understanding the Work Force
 - Terms and conditions
 - Health benefits
 - WSIB
- Understanding the Market
 - Communicating with the customer
 - Relating to the consumer
 - Transfer of knowledge
 - Private Label v Branded
- Understanding the Supply Lines
 - Transport & Distribution
 - Securing raw materials
- Understanding the Cost Base
 - Can you be competitive in the local market?

Canadian Market Development



- Establish credibility with the customer
- Understand customer's strategic goals
- Re-establish local consumer insights
- Leverage personal contact opportunities
- Communicate with the customer
- Understand alternative distribution channels
 - DSD
 - RDC
 - Indirect supply routes
- Understand supply arrangements
 - Multiple Banner Chains
 - Banners by Region
 - Corporate v Franchise
 - Regional v National

What have we learnt?



- Different to Europe
- Good environment for doing business
- Highly regulated society
- Can't assume that what works in Europe will work in Canada
- Cost base high relative to global standards
- Value of local knowledge
- USD v CAD Exchange rate critical
- Standard of living is high
- Good place to be

Successes



- Assimilated local management team
- Communicated Company culture, values and strategy
- Engaged key leaders to help deliver strategic objectives
- Appointed Advisory Board to support growth strategy
- Established credibility with a number of key customers
- Acquired a number of new customers
- Achieved SQF 2000 Level III accreditation for the operation (first in N. America)

Challenges

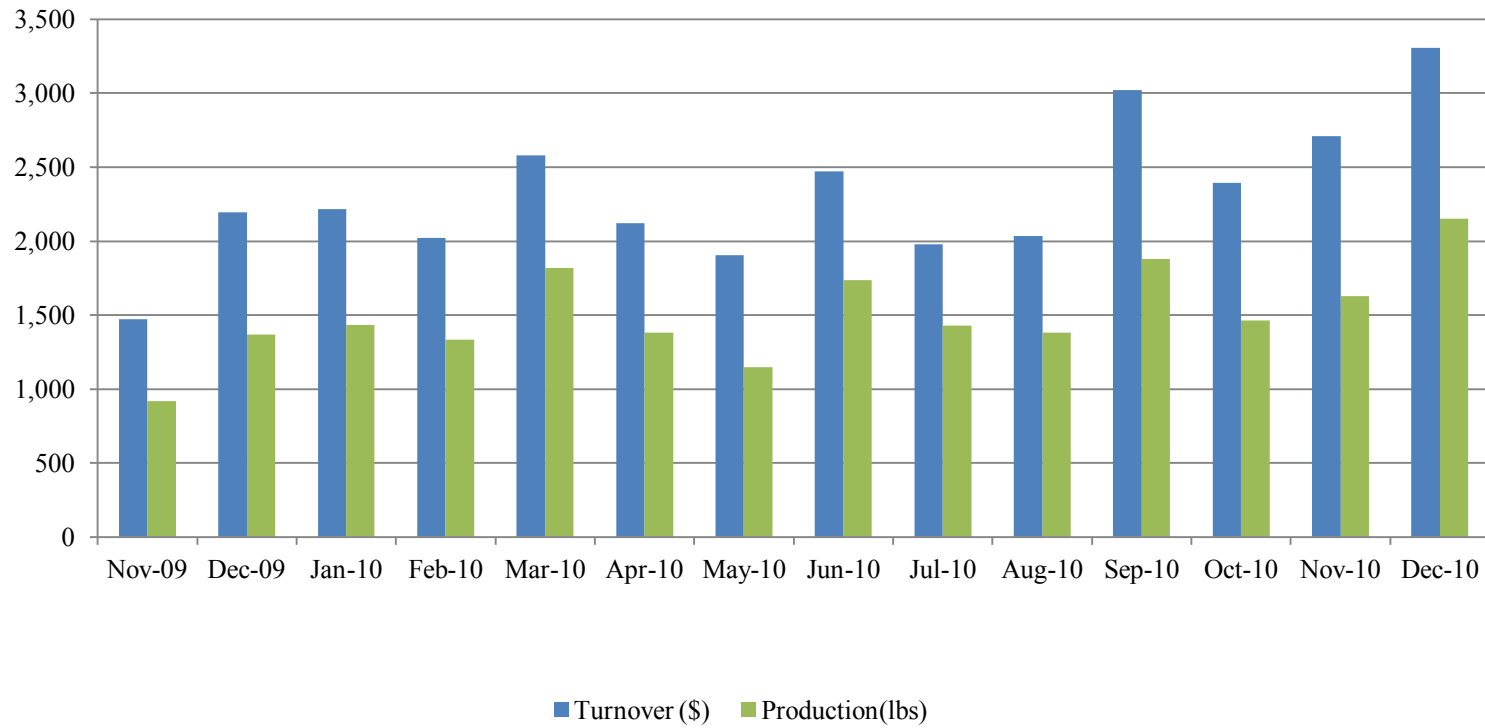


- Broadening the scope of our procedures and protocols
- Training and Development of the workforce
- Maintaining the customer communication link
- Establishing credibility in a market where you are 'unknown'
- Accessing US markets and impact of border controls
- Management stretch

First Year



Campbellville Performance

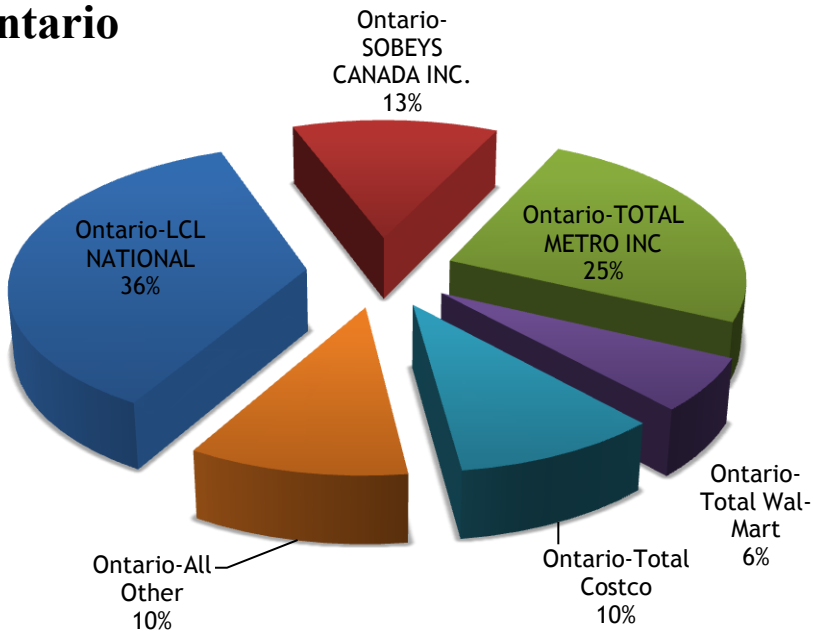


Market

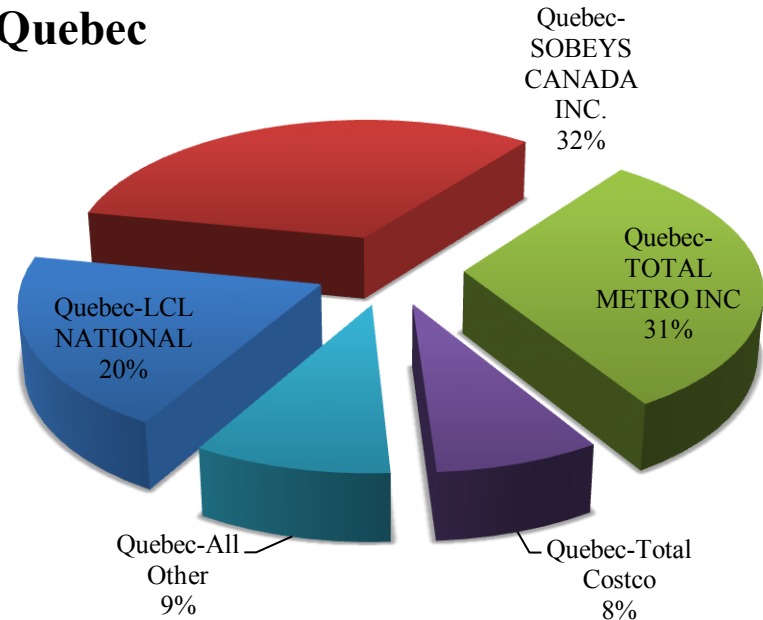


	\$ Vol	\$ Vol YA	\$ Vol % Chg	Kg Vol	Kg Vol YA	Kg Vol % Chg
FRESH FRUIT/VEGETABLES - NATIONAL	7,565,197,043	7,338,241,132	3.0%	2,836,798,343	2,780,062,376	2.0%
MUSHROOMS - NATIONAL	251,658,111	244,108,368	3.0%	31,656,600	30,706,902	3.0%
MUSHROOMS - ONTARIO	93,706,804	90,943,428	3.0%	11,890,367	11,405,359	4.0%
MUSHROOMS - QUEBEC	65,953,151	66,194,074	0.0%	8,407,662	8,263,542	2.0%

Ontario



Quebec



For further information please contact:



George Graham

Address: Monaghan Mushrooms
Tyholland,
Co. Monaghan.

Tel. +353-47-38228

E-mail: g.graham@monaghan-mushrooms.com