



**TASTE TRADITION
GREENHOUSE GROWN**



COGA

**Moving Agriculture Forward with
Innovation**

November 20, 2012

This presentation was funded in part by the Investment Agriculture Foundation of BC through Agriculture and Agri-Food Canada's Advancing Canadian Agriculture and Agri-Food (ACAAF) program.

Funding provided by:

Canada 



**Investment
Agriculture
Foundation**
of British Columbia



Agenda

- **Short history of BC Hot House**
- **Challenges – Competition, Retail consolidation, Food Safety, Grower margins...**
- **Adapting to change through innovation**
- **Today and moving forward**



BC Hot House History

- Founded 1973 as Western Greenhouse Cooperative
- Regulated crop – all marketed through BCHH
- Incorporated in 1997 – 100% grower owned
- 52 Growers, \$250 M Sales, 18 Million cases
- Formation of new agencies 2001
- Move from central grading to home pack
- Sale of 350,000 sq ft facility in Surrey 2005
- Relocation to 35,000 sq ft facility 2008



Challenges

- High heat costs late 90's
- Year-over year crop expansion – BC, Alberta, Ontario, USA, Mexico
- Trade dispute with US 2000
- Low Canadian \$ until mid- 2000's
- Retail consolidation – USA – Safeway, Albertson's, Kroger
- Mexico starting and staying in production longer
- Food Safety – programs, costs and implementation
- Multiple agencies fighting for customer base



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Roll Over or.....

Innovate?



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Innovate: New Products



Specialty Tomatoes – Focus on Taste



Our growers at Delta View Farms carry-on the tradition of growing the popular **SWEETCHERRY**, a small, super sweet, vibrant red cherry tomato that tastes as great as they look. Scan our QR code to discover easy to prepare **SWEETCHERRY** recipes and to learn more about our growers.

Nos cultivateurs chez Delta View Farms poursuivent la tradition de cultiver les **SWEETCHERRY** – une petite tomate cerise douce et vivace, qui goûte aussi bon qu'elle en a l'air. Scannez notre code QR pour découvrir des recettes faciles à préparer et pour en savoir davantage sur nos cultivateurs.

FOR BEST TASTE, DO NOT REFRIGERATE / POUR UN MEILLEUR GOÛT, NE PAS RÉFRIGÉRER



Our passionate growers at Delta View Farms have specifically selected this medley of tomato varieties for their color, shape and above all taste. Scan our QR code to discover some great **TOMATOGENS** recipes.

Nos cultivateurs passionnés de chez Delta View Farms ont sélectionné spécialement ce mélange de variétés de tomates pour leur couleur, leur forme et avant tout pour leur goût. Effectuez un balayage du code QR pour découvrir d'excellentes recettes à base de **TOMATOGENS**.

FOR BEST TASTE, DO NOT REFRIGERATE / POUR UN MEILLEUR GOÛT, NE PAS RÉFRIGÉRER



Our growers at Delta View Farms specially selected this grape tomato for its consistent and exceptional flavour. This delicious variety will have your family eating it like candy. A healthy addition to everyone's lunch box or use as a sweet complement to any salad. Scan our QR code to discover easy to prepare **TASTINI** recipes and to learn more about our growers.

Nos producteurs chez Delta View Farms ont spécialement sélectionné cette tomate raisin pour sa consistance et sa saveur exceptionnelle. Votre famille vivra cette délicieuse variété comme des bonbons. Ajoutez-la comme collation saine à toute boîterepas ou utilisez-la comme complément sucré à n'importe quelle salade. Balayez notre code QR pour découvrir des recettes de **TASTINI** faciles à préparer et pour en apprendre davantage sur nos producteurs.

FOR BEST TASTE, DO NOT REFRIGERATE / POUR UN MEILLEUR GOÛT, NE PAS RÉFRIGÉRER



Our growers at Delta View Farms are producing **BLUSHERS™**, a pink cherry tomato with a delicate texture that will melt in your mouth giving an ideal balance of acidity, sweetness and the savory umami taste. Scan our QR code to discover some great **BLUSHERS™** recipes.

Nos artisans cultivateurs de chez Delta View Farms produisent les **BLUSHERS™**, une tomate cerise rosée à la texture délicate et qui fond dans la bouche pour offrir un parfait équilibre d'acidité, de goût sucré et de cette exquisite saveur umami. Effectuez un balayage du code QR pour découvrir d'excellentes recettes à base de **BLUSHERS™**.

FOR BEST TASTE, DO NOT REFRIGERATE / POUR UN MEILLEUR GOÛT, NE PAS RÉFRIGÉRER



New Products - Taste





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Innovate:

Local Products

Local Growers



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Increased local ads to promote local

Local Growers

Outstanding Local Taste



Watch for our sweet, colorful products
at your local grocery store spring 2012.

www.bchothouse.com

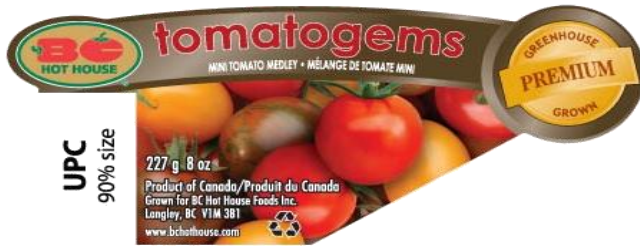


www.bchothouse.com

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Grower stories on packs – bags, clamshells and POS





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Innovate:

Improved Customer
Service and Customized
Programs



Customer Service

- Customer responsive – calls / e-mails / live
- Service levels – 98.8 and 99.6%
- Increased customer base – retail / food service / club
- Increased Grower and customer visits
- Increased Value-added (packaged)

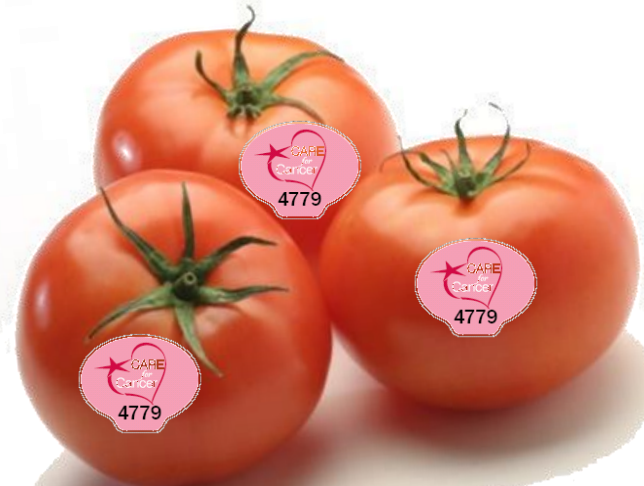




Ideas For **GROWING** The Category



Safeway consumer marketing
Linking purchases to Safeway Consumer Causes
Donations on behalf of Safeway





Ideas For **GROWING** The Category



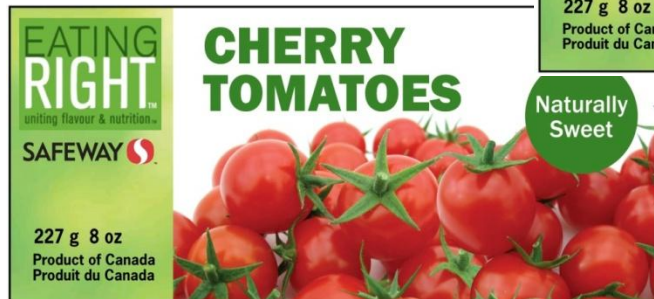
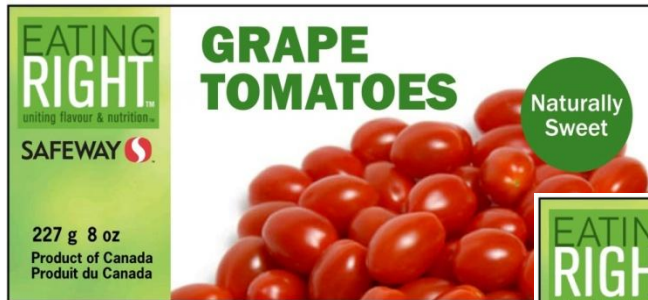
- Private label opportunities
- Consistency of ONE label throughout the chain
- Improved freshness – packed to order





Ideas For **GROWING** The Category

- Private label opportunities
- Consistency of ONE label throughout the chain
- Improved freshness – packed to order





Ideas For **GROWING** The Category

Cross Promotions

Key in on slower months

Companion sales / out of section impulse opportunities

BLT with Pork producers / Olive oils / Salad Dressings



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Innovate:
Utilize New Technology



More Information On Packs



Watch for QR codes to be featured on the majority of our value-added packages starting this spring.

QR codes will link to recipe ideas, grower stories or even contests.

This is just one more way BC Hot House Foods continues to maintain FRESH ideas in produce!

Packing to promote 'Taste' – sweetness, naturally greenhouse grown and close to home



Ideas For **GROWING** The Category

Social Media



Exclusive Safeway Quick Tips – Monthly *

30 -45 second spots to educate Safeway consumers on tomato usage

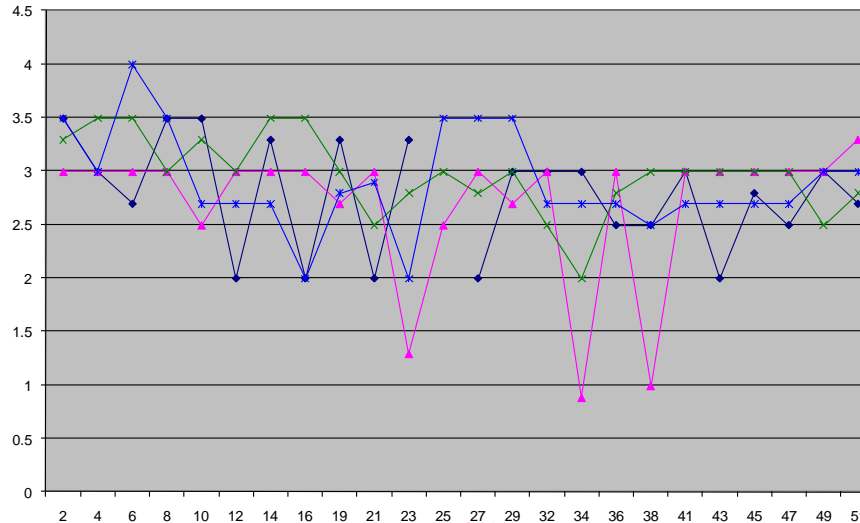
** **Proprietary Custom Footage** - linked to Safeway's website, Twitter feeds, Face Book updates, You-Tube downloads and Flyers*





Category Management Tomatoes on-the-vine

2009

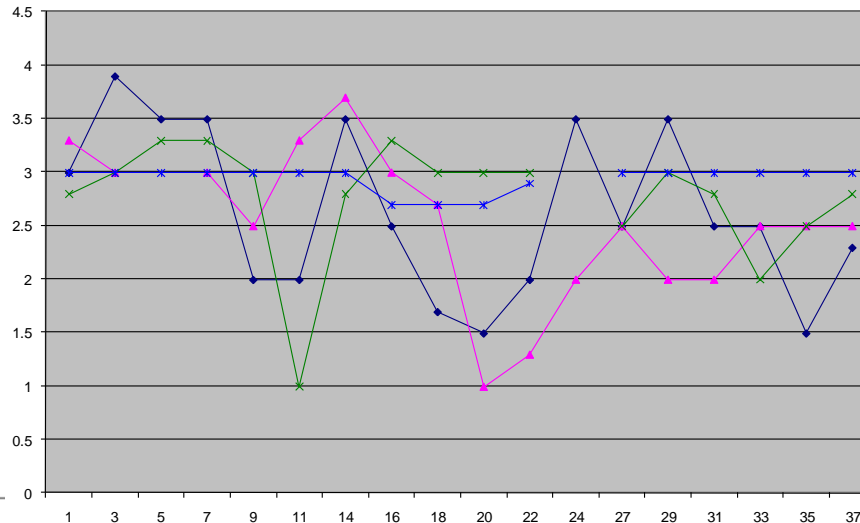


Average Retails per lb

Customer	2009	2010	+/-
Food Lion	\$2.69	\$2.51	-7%
Bi-Lo	\$2.78	\$2.62	-6%
H.T.	\$2.96	\$2.76	-7%
Lowe's	\$2.89	\$2.93	+1%



2010



Recommendations/ Observations:

FL maintains the price leader position on TOV's

With the exception of Lowes, all retails dropped TOV pricing in 2010

With the exception of one \$0.99 Ad each at FL's and H.T. , no retails have dropped below \$1.49 YTD in 2010

Bi-Lo's consistent advertising patterns changed in 2010 from 10 ads to 5 in the \$1.49 to \$1.99 range



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Innovate:

Invest in the brand

Brand Refresh



Current Packaging





2013 Brand Launch





BC Hot House Today

- Partnership with Star produce 2010
- 9 BC grower / members
- 11 Greenhouse facilities / 120 acres
- Alberta grower / co-packer (TOV's)
- 1 BC grower / co-packers (TOV's)
- 2011 + 15% , 2012 +28%
- 2013 +13%
- \$32M annual sales
- United grower base, committed to growth, committed to innovation



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Thank you for this Opportunity