

Focus



The Fane Valley Group Newsletter



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Fane Valley To Become Lead Sponsor For Armagh Show.



Pictured: (L-R) Stephen Hamilton - Armagh Show Chairman, Trevor Lockhart - Fane Valley Chief Executive & Gordon Frazer - Armagh Show President

Fane Valley To Team Up With Armagh County Agricultural Show As Official Headline Sponsor.

Fane Valley recently announced plans to become the headline sponsor to Armagh County Agricultural Show. The support for the annual family Show will commence from Saturday 13th June 2015 until 2018 and once again reinforces Fane Valley's close relationships in the rural and local community.

The Armagh Show is one of the oldest and standout dates in the County calendar and has grown significantly over the years with its re-location to the beautiful backdrop of Gosford Forest Park. The show each year endeavours to broaden its appeal and add to its vast selection of attractions and family festivities.

Speaking at the launch Trevor Lockhart, Fane Valley - Chief Executive said: "Fane Valley is very excited to become Principal Sponsor to Armagh Show for the next three years.

This wonderful family event has gone from strength to strength and is a testament to the commitment and dedication of their members and volunteers. We feel it is the correct time to increase our sponsorship for the show and where we can, help support the vision for its growth over the coming years."

Stephen Hamilton – Armagh county Show Chairman commented: "We are very proud to be able to announce Fane Valley as our lead sponsor. Fane Valley is a major player in the agri-food industry and have long and established relationships with many of our farming and local communities. Fane Valley is no stranger to the show and has contributed to our success over the years. So it's great that they have officially come onboard as headline sponsor. This new partnership is a perfect fit for the show and the committee and I are delighted to work with Fane Valley over the coming years."

White's Oats Rebrand To Drive Sales In Core Market



Pictured: Danielle McBride, Brand Manager At White's Oats With New Speedicook and Toasted Oats Branded Products

White's Oats Make Significant Investment In Rebranding/Packaging Their Core Products.

White's Oats has made significant investment in the repositioning and packaging re-design of its range of porridge oats and oat based cereals, which will see the brand develop further business in its core markets- Ireland and GB.

White's, based in Tandragee, Co. Armagh appointed Pearlfisher, a global Design agency based in London to create a new contemporary brand identity that will help differentiate White's products on the shelves of Grocery retail outlets. The brand repositioning will be supported by an integrated marketing campaign comprising TV, outdoor, print, online and in-store across Northern Ireland to showcase the new brand identity.

Danielle McBride, Brand Manager at White's Oats, says: "By exploring our history and heritage we have developed a strong brand essence that will strengthen our market position in the Irish and GB markets, and offer substantial growth potential for our range of oat products".

Research continues to show that oats and particularly porridge is a natural, healthy and nutritious breakfast choice. Our new brand

proposition and design identity places the oat at the very heart of the design, allowing it to become the focal point of communication with customers. It builds on our heritage and provenance and brings a strong mark of trust to the White's brand.

Jenny Dean, Pearlfisher's Senior Strategist, comments: "The new brand message, 'White's takes the time so you can make the most of yours' recognises the active attitude of oat eaters and is brought to life through three distinctive portfolio pillars that bring meaning to White's product range relative to both the master brand and consumer behaviour."

She continues... "The new brand positioning and portfolio architecture builds on White's authenticity and quality credentials while leaving space to expand with on-going innovation."

A market leading brand within the Northern Ireland retail sector, White's recently announced a £2 million investment in its processing capabilities, marketing and people. It has an award winning track record in producing great tasting porridge oats and oat cereals and this has been acknowledged by the numerous Great Taste Awards received from the Guild of Fine Food."

Corporate Services Role At Fane Valley



Fane Valley is pleased to announce the appointment of Director for Corporate Services to their senior management.

Clare Guinness will join the team as Director of Corporate Services for Fane Valley Group and will be responsible for the M&A activity, Corporate Governance, Board Administration, Human Resources, Health & Safety and Marketing / Communications across the wider Fane Valley Group.

Prior to joining Fane Valley Clare was Regional Business Manager in Bank of Ireland. She had a successful career in Corporate and Business Banking, which spanned 17 years, over which time Clare was based in both London and Dublin.

A graduate of Banking and Finance, from Loughborough University, Clare also earned a degree scholarship from Nat West Bank. A career in the banking world gave Clare a great opportunity to establish a deep understanding of businesses, while developing a sound assessment capability and managerial leadership skills.

Commenting on her new role Clare Guinness said: "Fane Valley has an excellent reputation in the market, and I see the preservation of that reputation as core to my role, be that through corporate governance, health and safety or HR. Ensuring that each of the 14 businesses in the Group will be adequately and professionally supported is critical. I hope to bring many years experience in corporate and business banking to the fore as Fane Valley continues to successfully acquire businesses and engage in corporate activity. With over half a billion pound of sales and over 2100 staff, Fane Valley has significant financial strength and is a substantial contributor to the NI economy."

Positive Performance At Fane Valley



Trevor Lockhart - Fane Valley Chief Executive

Armagh based Fane Valley Co-operative has recently reported on a positive performance for the year ended 30th September 2014. A pre-tax profit of £6.8m was recorded on Group turnover which increased by 4% to £553m. Group Chief Executive Trevor Lockhart described the performance as being 'a solid set of results achieved in a challenging market environment'. The Co-op's net asset position also strengthened during the year growing by 5% to £73.6m while the Society's net debt fell by 9%.

Commenting on the Group's latest results Trevor Lockhart said, "The Society is pleased with the outturn achieved for the year. 2014 was undoubtedly more difficult as the industry adjusted to adverse changes in market conditions. Most notably the continued fall-out from the 'Horsegate' crisis within beef and the much anticipated surge in global milk output were the stimulus for reduced farm gate prices. The scale of these challenges was exacerbated by the ban imposed by Russia on a wide range of EU food products linked with the wider political destabilisation in the Ukraine."

"Within Fane Valley we maintained our strong focus on the continuous improvement of our products, processes and people with many significant achievements. The acquisition of McCaughan Animal Health was successfully completed in February 2014 and a head office, warehousing and distribution centre was acquired near Moira in July 2014."

Trevor Lockhart continued, "In Fane Valley Dairies the volumes of milk powder increased by 20% while the quantity of butter reduced by 20% reflecting the product mix and a strong emphasis on whole milk powder. As a result of the initial high selling prices in the

year, turnover was at an all-time record level of £106m, a 15% increase. Fane Valley's direct supply milk pool increased through the year to over 240m litres whilst work commenced on its 3 year investment programme with a new effluent treatment facility due to be commissioned in spring 2015. The next phase of investment will focus on new evaporation and packaging technology aimed at further enhancing the quality and functionality of the products we produce."

Referring to market conditions Mr Lockhart commented, "The initial uplift in in product prices during January and February 2015 has retrenched somewhat as buyers wait to evaluate the post quota production response in Europe. This market uncertainty is likely to prevail through Q2 thereby limiting any significant recovery in market prices for now."

In relation to Fane Valley's agri-businesses Fane Valley Feeds recorded a 6% decrease in revenues, linked to lower raw material costs but encouragingly achieved a 4% increase in volumes maintaining the growth in tonnages secured since the opening of Bankmore Mill in 2010. Higher throughputs in the Newry Mill are now also feasible following a significant refurbishment during 2014.

Building on recent success Fane Valley Stores achieved a further 8% growth in sales. According to Mr Lockhart this growth is being underpinned by a programme of store upgrades and new store openings. "The acquisition and integration of the 3 stores formerly trading as McCaughan Animal Health has been extremely positive. Store revamps have now been successfully completed at Ballycastle, Ballymena and Omagh. In addition the size of the Augher Store was more than doubled during 2014."

Mr Lockhart continued, "2015 has got off to a busy start with the acquisition of the McCauley Agricultural and Dairy supplies business near Rathfriland. This represents an exciting new opportunity for Fane Valley Stores and will contribute to our aim of growing this division both organically and through acquisition."

Sales within the Linden Food Group (including the Slaney Foods joint venture) were largely unchanged at £336m. Mr Lockhart noted however that 2014 had been a particularly challenging year which resulted in reduced profitability within the red meat division.

He commented, "Positive performances in our branded and added value beef and lamb activities were overshadowed by the pressures in primary beef processing. The demand for supermarket specification animals was intense in the aftermath of 'Horsegate' as

processors sought to fulfil the requirements of the UK multiples. This initially pushed cattle prices to record highs. At the same time significantly reduced demand across Europe for manufacturing meat resulted in the build-up of substantial meat stocks. This eventually had a more depressive effect on cattle prices. The lower cattle prices did not however compensate fully for the reduced market returns and the end result was a reduction in processor margins, something that was experienced across the trade."

"Within Fane Valley we maintained our strong focus on the continuous improvement of our products, processes and people with many significant achievements."

Fane Valley's food division comprised of Hilton Meat Products, Duncrue Food Processors and Whites delivered improved sales and profitability in 2014. Mr Lockhart stated, "Each of these businesses continues to make satisfactory progress within their respective market segments and overall make a significant contribution to Group performance."

Referring to the wider agri-business environment Mr Lockhart highlighted the changing dynamics of the UK retail environment and the associated supply chain pressures. He also pointed to the emerging international opportunities available to NI agri-food and the potential for these initiatives to deliver enhanced returns.

He stated, "Gaining access to markets such as the US for beef and China for a range of products must be regarded as an economic and political priority. Key to unlocking this potential will be obtaining the necessary veterinary and technical certifications. Industry and Government have much to do in this regard."

"In parallel we must also develop the business models which will allow NI to maximise the return from these exciting new opportunities and to fulfil the undoubted potential for the industry as outlined in the 'Going for Growth' strategy. Fane Valley is well resourced and ideally placed to play a full part in realising the vision for the future," concluded Mr Lockhart.

Stores Announces New Acquisition In Rathfriland



Pictured: (L-R) Dessie Ferguson - General Manager, Fane Valley Stores & Enoch McCauley - EA McCauley Hardware and Dairy Supplies

Fane Valley Stores Are Pleased To Announce Their Recent Acquisition of EA McCauley's In Rathfriland

Fane Valley has confirmed that it has added to its network of Stores in N. Ireland through the acquisition of EA McCauley Hardware & Dairy Supplies in Rathfriland.

A family owned business; EA McCauley's is a prominent retailer of farm and dairy hygiene products and associated parlor equipment, trading in the greater Rathfriland area for the last 18 years. The business was previously owned by Enoch McCauley's father Sam and traded as SJ McCauley for over a decade. So between father and son the McCauley's have been servicing the farming community for 30 years.

The Rathfriland based agri-store currently employees 3 full-time members of staff while Enoch provides a field sales service predominantly in County Down and County Armagh.

Dessie Ferguson, Fane Valley Stores General Manager commented: "We are pleased to announce the acquisition of EA McCauley Hardware & Dairy Supplies in Rathfriland and we look forward to working with Enoch and his long established customers in the future. We have been fortunate to retain Enoch's services and he will continue his sales role on

behalf of Fane Valley Stores. McCauley's have developed an excellent reputation and it is hugely significant for us to be able to avail of the wealth of knowledge and experience Enoch has accumulated over the years."

Dessie continues... "This represents a further step forward for Fane Valley Stores and opens up new opportunities for the business while serving a much wider base. Our aim across our multiple locations at Fane Valley Stores is to enhance the customer experience primarily through the technical knowledge of our staff but also in the layout, display and vast product range."

Enoch McCauley, EA McCauley Hardware & Dairy Supplies said: "Since my father established SJ McCauley's back in 1985, and more recently after I took over in 1997, McCauley's has grown into a highly trusted and respected agricultural supplier in the Rathfriland and wider Down/Armagh area. This was a big decision for my family and I. However, we are very happy that we have sold the business to Fane Valley Stores. I am excited to be a part of the Stores team and have watched them grow over the last number of years as they have developed into a fantastic agri-supplies business for the local farmer and rural community."

FaneValleyStores

Product Of The Month!



SEASON LONG PROTECTION!

Cydectin Long Acting Injection for Cattle is a unique product offering persistent activity of up to 150 days. Worm control can be achieved throughout the grazing season using a single injection.

Cydectin Long Acting Injection for Sheep treats scab and prevents reinfection for 60 days and has a persistent activity on worms for up to 111 days with a single injection. Treating ewes around lambing will reduce the spring rise and lambs will benefit from cleaner grazing.

FaneValleyStores

Special Product Offer!



Dectomax is an easy to apply broad spectrum wormer. By dosing at turnout, using a set stocking system advantages can be taken of Dectomax's long action persistency allowing up to 8 weeks of worming coverage.

SPECIAL OFFER!

Buy 1 x 3L Dectomax PO
Get a 1L FREE.

Equivalent of dosing 60 x 500kg Cattle and get 20 x 500kg Doses

Free – While Stocks last!!

Investment, Improvement & Integration At Newry Feed Mill



Pictured: (L-R) Robert McCready - Feeds Driver, David Garrett - Managing Director & Trevor Pollock - Mill Engineer Fane Valley Feeds

Delivery Efficiency At Fane Valley Feeds Gets Major Boost With Investment and Upgrade.

Fane Valley Feeds, a division of Fane Valley Co-Op, and one of the largest feed manufacturers in Northern Ireland has recently made considerable investment in modernising their Newry feed mill.

The Newry site is an important location for customers in County Down, County Armagh and the border counties of the Republic of Ireland.

David Garrett, Managing Director at Fane Valley Feeds outlines. "We have invested significantly in recent months, upgrading to a fully integrated DSL process control system with in situ loading and weighing systems; the addition of a new live weighbridge at bulk outloading, not to mention internal mill upgrading of electrical wiring and the installation of energy efficient natural gas for steam production.

The update to the DSL system now means that our Omagh and Newry mills are controlled by the same manufacturing software, with fully integrated weighing and batch control to ensure that all feed is produced to the highest standards possible.

Across the business for complete integration, all our staff are now using the most up-to-date versions of FeedAX Office software. This system, based on the Microsoft Dynamics platform manages every transaction from raw material purchase to order processing and product labelling.

The new DSL interface facilitates driver operated bulk outloading and with the new weighbridge addition, delivery trucks are now loaded while being weighed and we have seen loading times significantly reduced, which minimises the turnaround time of each truck and we are pleased to say this greatly improves our delivery efficiency."

"We have also increased our raw material storage and upgraded our production equipment. The addition of a new molasses mixer will ensure that all blends are produced to bring our customer the highest grade of feed for elite performance.

Continuous improvement at the Newry Mill and the introduction of a two shift working pattern has resulted in our production capacity increasing by over 25%. So in order to cope with this increased production, two additional bulk delivery vehicles have been added to our transport fleet."



Bursary Award For Top CAFRE Student



At the Food Bursary Awards ceremony fourteen food students from Loughry's higher education degree courses were presented with the industry bursaries they have secured this academic year.

The Fane Valley & Linden Foods Bursary Winner was Ruth McCrea. Ruth is from outside Stewartstown and in 2014 graduated from Loughry with a National Diploma in Food Technology. She decided to further her studies and is now in her first year of the BSc (Hons) Food Technology Degree.

Pictured: (L-R) Amanda McCrea, Geraldine Maguire & Ruth McCrea (Winner)

Fane Valley Win Best Large Stand



Fane Valley scooped the prize for Best Large Stand at the recent Royal Ulster Winter Fair. Over 200 trade stands were in attendance at the now established and hugely successful agricultural event, celebrating its 29th year.

RUAS Winter Fair was pleased to present Fane Valley with the overall Winner Rosette, Trophy and Certificate.

Pictured: Trevor Lockhart - Fane Valley Chief Executive receives the award from RUAS.

Best Product Award For Linden Foods

Innovation and excellence were on the menu at the NI Food and Drink Awards 2015, sponsored by Ulster Bank, as leading food and drink companies were recognised at a prestigious ceremony held in the Ramada Plaza Hotel, Belfast.

Linden Foods won 'Best Product' award for their M&S Pork Saltimbocca product.

Paul Johnston, Operations Director for Linden Foods commented: "The competition in each category is always extremely fierce and each year the standard increases. We are delighted to win this award, it represents all the hard work, innovation and pursuit of perfection from all the team at Linden Foods. Our people genuinely care about food innovation and their craft. This award is the result of collaborating with each other, our supply chain and our customers. We set out to add value and do it right for our customer and this has also a knock-on effect into how we do our business within the local community. The feedback from the independent judges was very complimentary and our staff will be delighted and inspired."



Pictured: (L-R) Paul Johnston - Operations Director Linden Foods, Elaine Willis - Head of Innovation & Business Development & Elvena Graham - Ulster Bank.

Linden Livestock Pioneer New Calf Rearing Scheme



There has been a steady decline in suckler cow numbers across Northern Ireland which has resulted in reduced numbers of beef bred store cattle being available to finishers and a renewed interest in beef from the dairy herd.

To help meet the growing demand for well reared quality dairy bred calves from Linden Foods beef finishers; Linden now only rear Aberdeen Angus and Continental male and female calves in their Linden Livestock calf units thus providing their finishers with the unique opportunity to purchase a sizable batch of animals to meet their demand.

All the calf units are purpose built to provide excellent high welfare, well ventilated calf rearing accommodation. The calves enter the units between 50 and 60 kilos, and remain in the units until they are 100 plus kilos, at which stage they are batched to meet the customer's specification and prepared for moving to the finisher.

During their period on the calf rearing unit the calves will be vaccinated against the major causes of respiratory disease including IBR providing them with improved immune systems to help reduce infection.

The objective of the calf units is produce as well grown a calf as possible in relation to its age breed and sex, as research suggests that well grown calves will perform better at the later stage of its life. This is achieved by ensuring that the calves are on a high plane of nutrition from they enter the units and that all aspects of management are of the highest standards.

It is envisaged that the majority of the calves will enter a 21 to 24 month beef finishing system aiming for a carcass weight of 280 to 340 kilos at less than two years old.

The success of any beef enterprise is based on having healthy stock that are well managed to maximize life time gains from both grazed grass and silage and making sure that the carcasses produced achieve the highest prices available at the time of slaughter.

If you would like to learn more about the Linden Livestock calf units or are interested in purchasing a batch of calves please contact any member of the Linden Foods Livestock team.

For further information on Linden Livestock Calves please contact our Linden Foods Procurement Team on Tel: 028 87 729477



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