

The **co-operative** farms

Shaping up for profit

March 2011



The **co-operative**
bank



The **co-operative**
pharmacy

The **co-operative** recycling centre

The **co-operative** clothing

The **co-operative**
membership 

The **co-operative** estates

The **co-operative** farms

The **co-operative**
food

The **co-operative**
funeralcare

The **co-operative**
insurance

The **co-operative**
legal services

Somerfield

The **co-operative**
travel

The **co-operative**

IN 1844 A REVOLUTION BEGAN.

The **co-operative** good for everyone
food | bank | travel | pharmacy | funeralcare

The **co-operative**



The Co-operative Farms

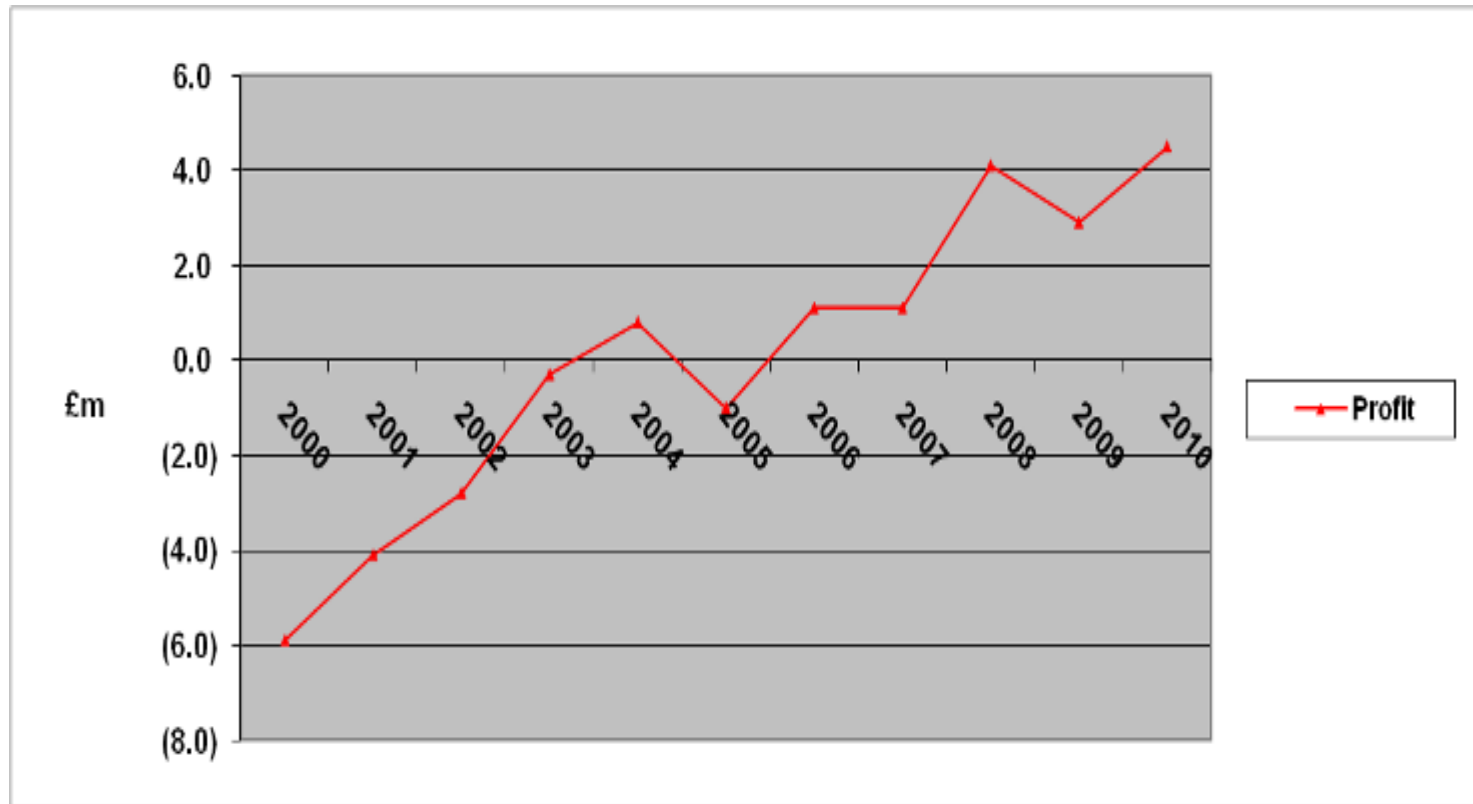
- The Co-operative Wholesale Society bought its first farm in 1896
- Now Britain's largest farmer
- We grow and pack for the Co-operative Group and independent co-ops



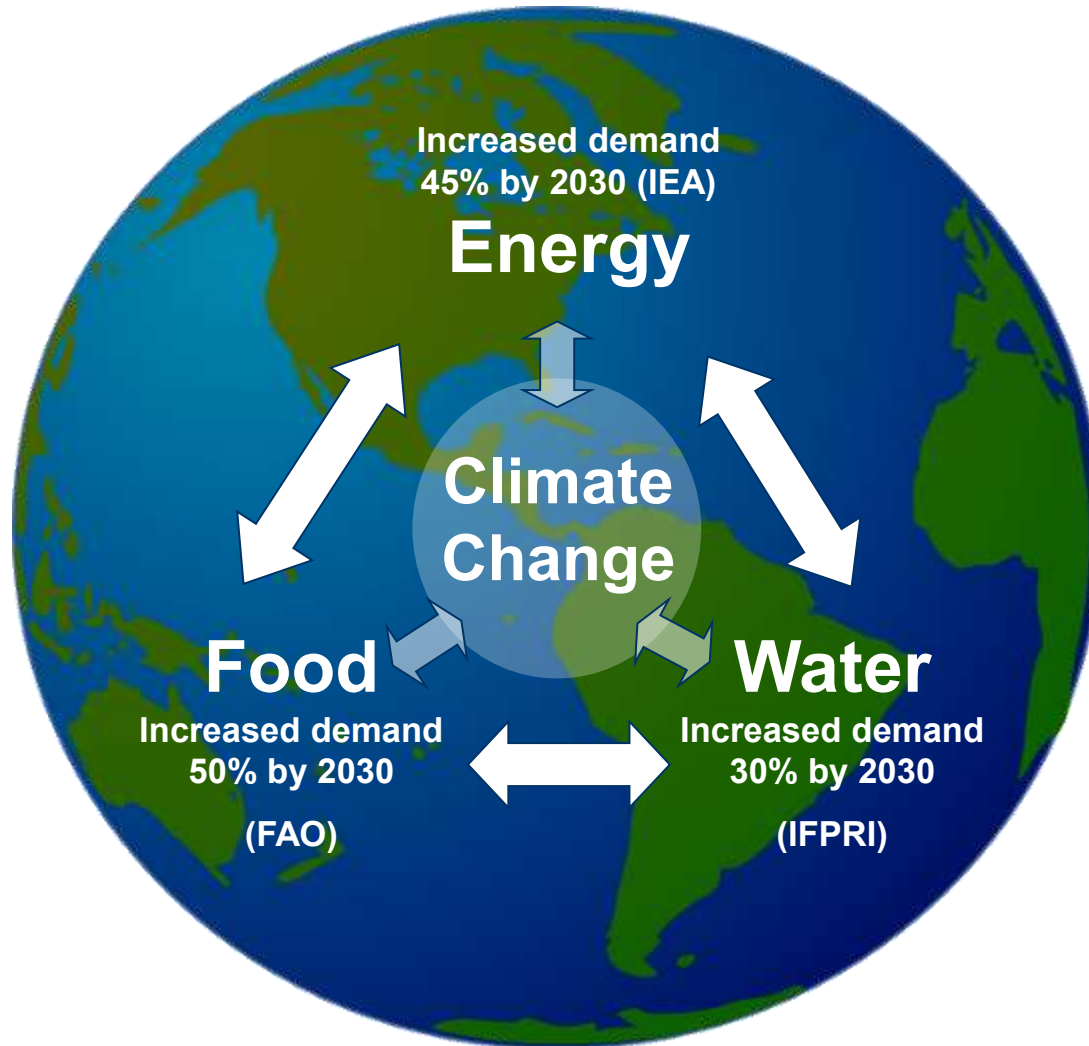
But where have we come from in 10 years?

- 100k acres
 - 70% arable, 20% dairy, 10% fruit/veg
 - 150 employees
 - Separate from Co-op
 - Part of Specialist Retail
 - Farming business
 - Resting on our laurels
 - No training schemes
- 50k acres
 - 55% arable, 20% fruit/veg, 25% packhouses
 - 200 employees
 - Integrated with Group
 - HR, Health and Safety..
 - Educational and environmental initiatives
 - Part of Food
 - Part of a food supply chain
 - Industry leaders
 - Fruit/veg and arable training schemes and apprenticeships

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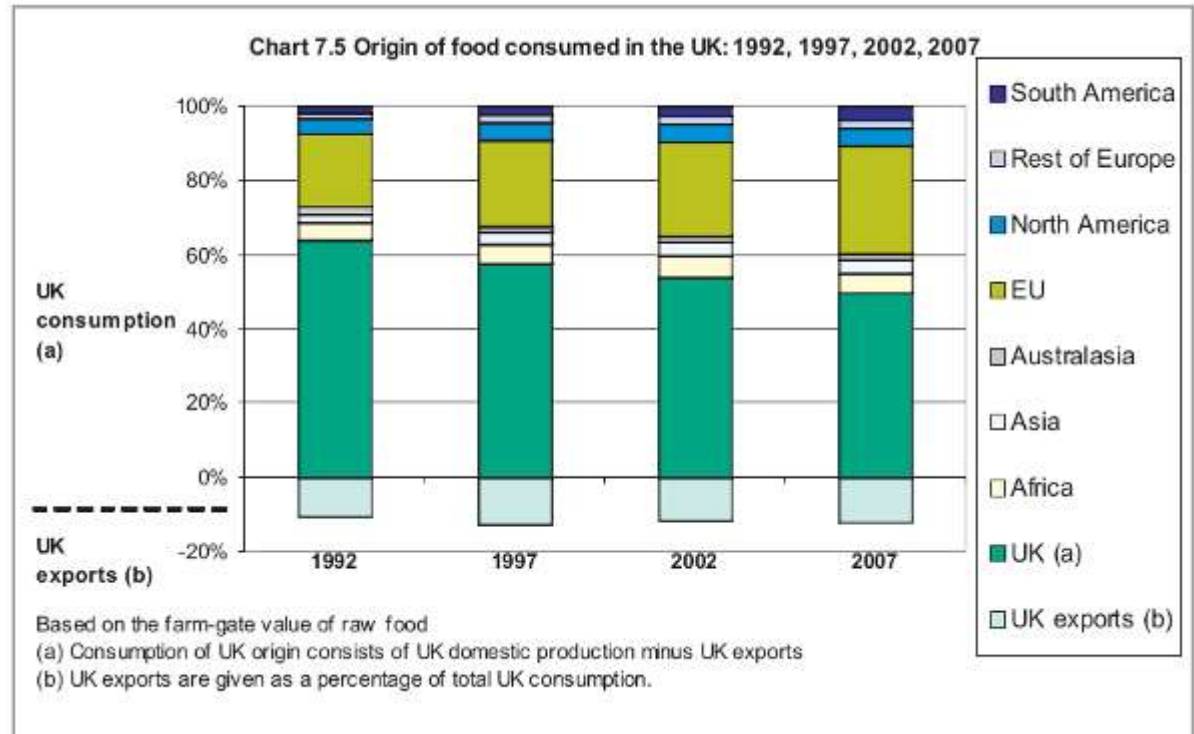


John Beddington's Perfect Storm



UK self sufficiency

- UK only 11% self sufficient in fruit and 58% in vegetables
- Self-sufficiency in 2008 was 60% of all food



Foresight report into the future of Food and farming

“There is no quick fix.... The issues are all intimately related and require nothing less than a redesign of the whole food system.”

Feb 2011

Industry

- Work in partnership to develop sustainable food systems and share best practice
- Provide simple and clear food labelling so consumers can make choices
- Form and strengthen farm organisations to secure supply chains
- Promote sustainable intensification

Competitive position

- The Co-operative is the only retailer to own a commercial farming business
 - Link to retail gives confidence to invest
 - Producing ourselves reduces threat of restricted supply
- Other retailers are claiming strong farming links but ours are stronger



“Grown by Us” Strategy

- We supply a range of “Grown by Us” branded products to all co-operative stores
- We pack produce where the quantities required are sufficient to get economies of scale
- We add value to the Co-operative brand

Co-operative Farms plan

To supply 25% of all Co-operative fresh produce by 2016

- Priority categories
 - Potatoes (packed)
 - Strawberries
 - Apples (dessert, cider, juice)
- Other fresh produce “quintessentially British”
 - Carrots, broccoli, onions, beetroot, (frozen) peas
- Cereals as ingredients
 - Wheat (packet flour, bread)
 - Barley (beer)
 - Oats (porridge)
 - OSR (heat Head Office)

Partnerships

- Partnerships, grower groups and grower co-operatives to secure supply from third parties in addition to what we grow
- Partnerships to move surplus and out of specification product
 - M&M Carnoustie for potatoes
 - FreshWorld Leicester all our products and third party produce





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21st Century Farming

- N sensors on all farms
- Energy reduction programme on all farms
- Trials include:
 - Vertical strawberry growing
 - Controlled traffic farming
 - Zoning of land
 - Biosolids
 - Nitrous oxide emissions
 - Packaging from waste



Wildlife Project

Launching this spring

Covering 6 endangered or protected species living on our farms

Making adaptations to improve the habitats, feeding and breeding opportunities for these species.



Red squirrels



Bats



Barn Owls



Water Voles



Pollinators



Otters



But where have we come from in 10 years?

- Why are we in farming at all
- We farm because
 - We are profitable in our own right
 - We add value to fresh produce through quality, availability, provenance (and price)
 - We provide future food security to our members
 - We add value to the Co-op brand through From Farm to Fork, our environmental credentials and being leading edge



The co-operative farms
strong white bread flour
Contains minimum 75% Co-operative farms wheat.
1.5kg e
strong





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