# FOR THE GOOD OF THE EARTH **VILLAGE FARMS**





# For the GOD OF THE ARITH

For the technology-driven growers of Village Farms, cutting-edge sustainable practices yield a bumper crop of success.

The bright red cherry tomato bursts with a pop as you sink your teeth into it, and for a few delightful seconds it's still summertime—even though it's winter. You take another bite to make sure you're not imagining that freshness, and, sure enough, it's just as bright, tart, and sweet as the first. The taste takes you back to your childhood, when you'd steal tomatoes from a neighbor's garden, helping yourself to another, and another...

As summer fades and the air grows colder you've become accustomed to the average pinkish-orange globes posing as tomatoes that start filling the shelves of the produce department. Thankfully, Village Farms has no interest in growing average produce, and its environmentally-friendly growing methods allow for fresh, high-quality produce year-round. In fact, nothing that the North American-based company does is anywhere near average, and that's not just great for veggie lovers—it's great for the planet, too.



As the premier greenhouse grower of tomatoes, bell peppers, cucumbers, and other crops in North America, Village Farms' dedication to sustainability, technology, and innovation shows with every pristine vegetable picked. Launched in Pennsylvania in 1988, Village Farms has grown from a single 10-acre greenhouse operation to a vertically-integrated agricultural enterprise.

"On day one it wasn't the plan," admitted Mike DeGiglio, Village Farms' President and CEO. "Our first crop was half peppers, half tomatoes, and our focus was on being a grower."

When that first crop was rejected by a surly Northeastern produce broker for being "no good," DeGiglio ignored the slight.

"We hired a sales guy the next day and never looked back."

### New Day, New Business Model

When the company began, all the disciplines in traditional produce companies were separate.



### ENZA ZADEN

Grower feedback is the key to success. With so many partnerships, Enza Zaden has great opportunities to get new insights. The company uses that information to develop varieties that reflect the tastes consumers are looking for and enable growers to build and maintain a competitive edge.

The Enza Zaden innovation pipeline is very exciting. With over 150 varieties, the organization is uniquely positioned to help growers leverage the rapid growth of the vegetable food sector. Through extensive R&D trials at its research stations, complimented by trials at select grower facilities, Enza Zaden develops unique, high-quality vegetable and herb varieties for discerning consumer markets in the U.S., Canada, and Mexico. Collaborating with professional growers to produce the next generation of varieties is an exciting opportunity for both parties.

### WEBBMASON MARKETING

WebbMason Marketing understands the power of truly unique creative and its power to create deep emotional connections with consumers and others.

We focus on the audience, the emotion, the strategy, and the business drivers. Those pieces ensure we put the consumer's experience front and center.

That strategy provides you with a better outcome.

# The Next Vegetable Generation

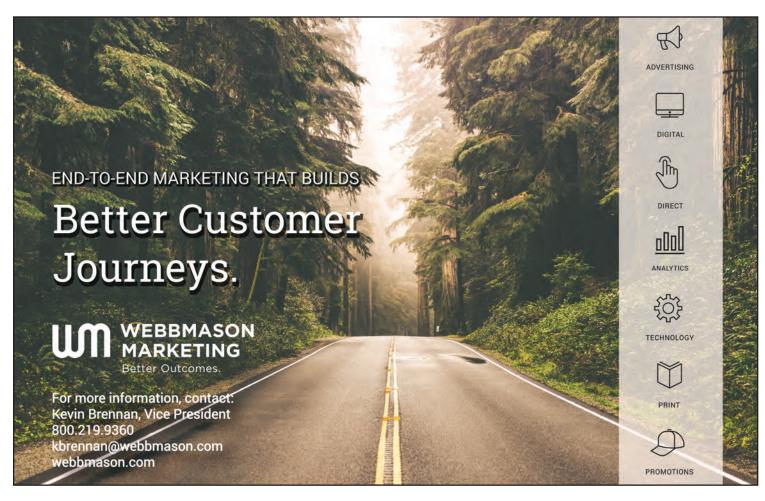


### Enza Zaden

Agriculture requires a long-term vision. As a family business we tend to think in generations rather than in quarterly figures. Enza Zaden is your hands-on partner delivering innovative solutions through meticulous, non-GMO seed breeding.







### **INNOVATION**

"The grower is the grower, who went to a labor manager to pick the crop, then to a processor who graded and sorted it. Then that's sent to a trucking company, then to a broker. That broker would send it to a retailer," DeGiglio recounted. "We asked ourselves, 'why can't we do all of it?"

The answer was, "We can." Today, Village Farms is an end-to-end operation.

"Today we have 270 skus and 35 tomato varieties," he noted. "We slowly added more salespeople, distribution centers, and transportation. We became a vertically integrated producer. We have our own engineering, even though there are plenty of companies that build greenhouses."

The company built a sophisticated greenhouse in West Texas, in part of the Chihuahuan Desert.

"It's not quite a biosphere but pretty close. It's 110 degrees all summer and only 20 degrees in winter," he chuckled, a trace of awe in his voice. "Nothing grows there but tumbleweeds and lizards. We're like an oasis-it blows people away."

Today, the company owns and operates seven facilities in British Columbia and Texas, and provides operational and technical support and logistics services for more than an additional 150 acres of greenhouse production throughout Canada and Mexico.

### The Greenhouse Difference

Greenhouse growing is far superior to conventional land farming, producing better crops with markedly less waste and dramatically less environmental impact.

"It's a combination of food safety, quality of the product, shelf life of the product, and taste—it's consistent, available 365 days a year, and not just seasonal," DeGiglio explained.

Indoor growing is the premier method of sustainable production and allows Village Farms to use integrated pest management

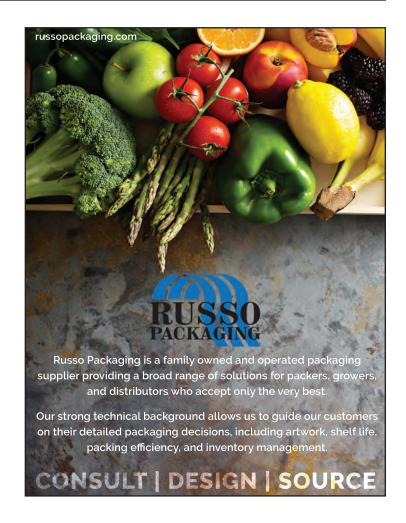




### **RELIANT HOLDINGS**

Reliant companies began in the early 1970s, after the joint purchase of a west Texas ranchland. On that property, one of the nation's largest and purest natural carbon dioxide reservoirs was discovered.

In 1989, The Reliant Group was established as a small family-owned company called Flo-CO2, Inc. Since its inception, the Reliant Group has grown and now supplies carbon dioxide in many forms and fashions. The company can provide service in multiple states across the United States and Mexico. Its main product lines include bulk food, beverage, medical-grade carbon dioxide, restaurant and convenience store minibulk carbon dioxide, oilfield grade carbon dioxide for oilfield markets, as well as dry ice.



### **INNOVATION**

as biological control, meaning they release good bugs to combat bad bugs instead of using chemical pesticides. "Of all agricultural products, proteins like beef and chicken, row crops, and fruits and vegetables, I think greenhouse growing is by far the most sustainable type of agriculture there is, even over organic growing methods," he said.

"When you are in a controlled environment greenhouse, utilizing the same resources an outdoor farmer would use like sunlight and water, you can do it in an environment that is much more efficient and productive," he added.

These carefully monitored environments offer protection against elements typical farmers have no control over like wind, rain, and extreme heat and cold.

"We can produce output that has 30 times more yield per acre than crops grown on farmland. A 100-acre greenhouse produces the equivalent of a 3,000-acre farm. And you can locate a greenhouse close to anywhere depending on the technology you use."

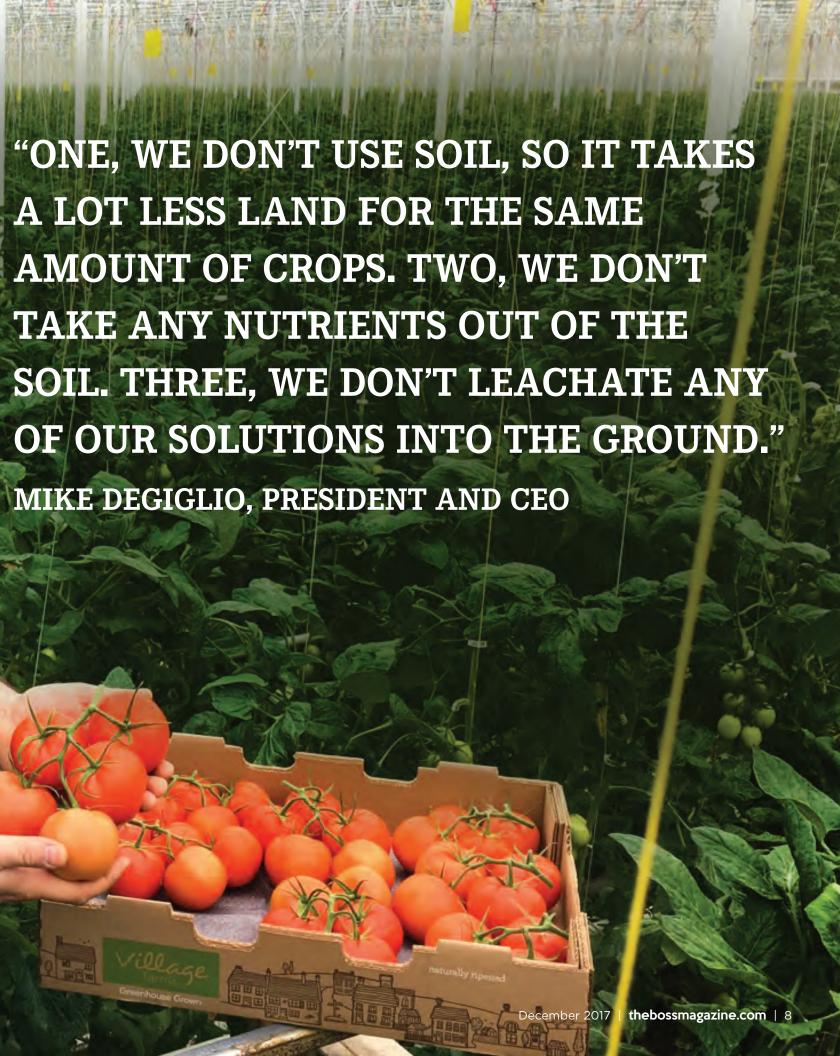
### Earth First

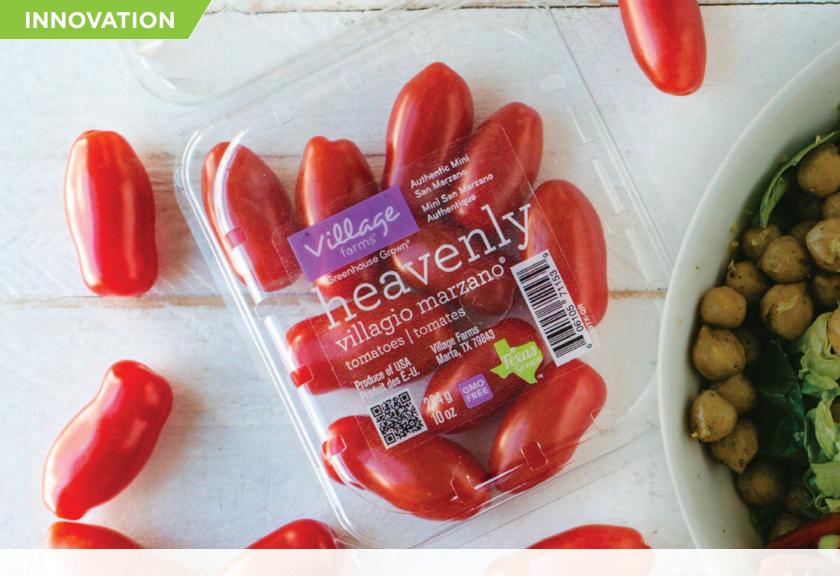
Village Farms' approach to sustainability abides by a commitment to preserve the earth's resources for future generations.

"The way Village Farms fits that definition of sustainability is: one, we don't use soil, so it takes a lot less land for the same amount of crops. Two, we don't take any nutrients out of the soil. Three, we don't leachate any of our solutions into the ground," DeGiglio enumerated.

"It took 500,000 years for the first one billion human beings to be on the planet. There are now seven-plus billion of us. The demographics say that by 2050, there will be a 30 percent increase of the population of the planet. That's 2.5 billion people. Whether that number is up or down by twenty percent doesn't matter," he posited. "How is agriculture going to feed that amount of people with the same amount of water? It has to come from efficiency and sustainability."







The company chose growing regions in British Columbia and Texas based on the climate conditions most favorable to producing consistently superior quality crops.

"You can't move your farm to take advantage of a better climate," he mused. "In Texas, we grow at the southernmost latitude at the highest elevation in the U.S. We are at a 5,000foot elevation. We do that because of the warm days and cool nights."

Natural gas is used to heat the greenhouse at night.

"The boilers designed for greenhouses over the past three decades are so efficient and clean, the carbon dioxide (CO2) that's released is food grade. We capture all of it, and pump it into the greenhouse," he revealed. "As you remember

from ninth grade biology, plants take in CO2 and make oxygen. Not only do we not extract the CO2 into the atmosphere, we convert it into oxygen. That can't be done outside."

Village Farms produces only non-GMO crops, grown in an organic medium made of coconut husks. Crops are vine ripened and hand-picked at the exact right moment for the absolute best taste.

"A lot of field growers pick tomatoes when they're green," he said. "If a tomato doesn't get to a certain level of maturity, then the ripening process never occurs. So they spray an ethylene gas on it so it turns an orangey pink. Bananas are shipped green, and when they're ready to ship to the store they spray them with ethylene. Vine ripened taste is much better."



The company's agricultural engineers are working on extending product shelf life.

"There's all kinds of good things happening that drives a better tasting, safer product, and people can trust that brand," he added.

### Committing to the Cannabis Crop

Canada approved the use of medical marijuana in 2001, and pending legislation is expected to legalize it for recreational use in mid-2018. Village Farms recently entered into a partnership with Emerald Health Therapeutics, a bio-pharma company focused on the use of cannabinoids to treat disease.

"We are currently in the process of converting our smallest greenhouse footprint of 1.1 million square feet to cannabis in British Columbia. It's a very new crop, and a lot of the early folks that

got into it weren't farmers, they were just folks who saw an opportunity. We thought our ability to grow any crop was a good fit," he stated.

"We've done modeling, we talked to Health Canada, and we saw a great opportunity in conversions of our Canadian high-tech greenhouses as a lower cost model rather than building new ones because we feel that it will eventually become commoditized out, and when it does, in the end it's the lowcost producer that survives. That's always a prudent thing in agriculture."

While practicality is at the heart of everything Village Farms does as a business, the people of Village Farms are really what makes the difference and our planet—and palates—are much better for it.

## **VILLAGE FARMS**

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