

COMPANY PRESENTATION

Tree Island Yogurt



Where Money Meets Idea

SUPPORTING GRASS-FED DAIRIES

TREE ISLAND
Gourmet Yogurt

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Company Overview

Tree Island Yogurt

Current: Providing grass fed yogurt to consumers in Vancouver and on Vancouver Island

Future: Providing grass fed dairy products to Canadians; co-packing grass fed dairy products for premium Canadian food manufacturers. Exporting premium dairy products to Asia.



Company Overview

Solving the Industry's Problems

1. **Quota system impedes innovation** - Developed credible relationships within dairy industry to align stakeholder interests and change quota system.
2. **Accessing shelf space** - Benefit from founder's combination of sales and technical experience.
3. **Building brand loyalty in a highly commoditized market segment** - Building a movement and being leaders of the movement.

The Solution: Tree Island Yogurt



Market Size



Specialty yogurt production

- **Greater Vancouver and Vancouver Island - 4 M per year**
- **Western Canada - 4 M per year**
- **Ontario - 4 M per year**
- **Asian export market - 2 M**

Competitive Advantages

- **First independent grass fed dairy processor in Canada** - Because we are both the leaders and primary advocates for grass fed dairy we are uniquely positioned in the market place to leverage this rapidly growing market segment.
- **Started small and niche** - Developed strong brand recognition through personal relationships, organic growth turned into solid foundation leading to excellent brand loyalty in a highly commoditized, highly price sensitive shelf.
- **Only independent dairy in BC able to source milk from unique farms-** Providing value added to consumers through traceability very rare in dairy industry.
- **Methodologies and formulations developed in-house** - All recipes have been developed in-house including greek yogurt thickening technology this means not as easily replicated by competitors.

Main Competitors



- **Saugeen Dairy-** Only providing natural yogurt, no flavors.
- **Liberte** - Generally weak packaging choices and low quality ingredients for brand selling itself as “artisan de nature”; more expensive than fully commoditized products. Strong, consistent branding.
- **Olympic Dairy** - Weak branding differentiation; poor product design and weak formulations.

Product / Tech. Components

- **Grass fed** - Most conventional dairy is operated with barn, grain and corn (primarily GMO corn).
- **Premium flavor profile** - We only choose the best ingredients, no thickeners, fillers or cheap flavour substitutes. We also focus on providing products with less or no sugar and better quality sweeteners such as honey.
- **Reduced plastic package** - We are the only product on the shelf in Canada providing such a reduced plastic package in the yogurt category.
- **Less processing** - We do not separate or standardize our milk letting the natural, seasonal variation into our final product.
- **Value chain oriented instead of supply chain** - By being the only independent processor in BC that can source milk from individual farms we can tell a story about our product that begins with the cow.

Marketing Strategy

Product Strategy

- Premium

Pricing Strategy

- Premium

Promotion Strategy

- Frequent

Geography of Distribution

- Vancouver to Vancouver Island, expanding to Alberta and Ontario

Key Milestones

Received a BC Milk Marketing Board processor licence

Top 40 Under 40 Foodies

Innovation Agriculture Foundation grant for developing ultrafiltration methodologies for \$175,000 CAD

Secured Quota for larger plant

Expand Tree Island product line-up to include a full range of dairy products

Opportunity Highlights

- 1. Established niche in a fast growing market segment-** Tree Island was the first yogurt brand to popularize Grass fed dairy, we are only 2-1/2 years old yet we have been recognized as the leaders in this movement.
- 2. Credible management-** The Tree Island founders are young, energetic and highly skilled with proven track records at managing substantial responsibility and complex multi-year projects.
- 3. Market opportunity -** Tree Island has been allocated 9 skus which is over 10 % of the Thriftys shelf. In Western Canada, Saputo (the market leader) processes 400 M litres of milk per year.



Management Team

W. Scott DiGuistini, Director

First person to assemble and publish a eukaryotic genome sequence using “Next Generation Sequencing”. Publication has been downloaded 35,000 times and is ranked in the top 10% of scientific publications of all time.

PhD research published in the Proceedings of the National Academy of Science and nominated for a Governor General Gold Medal award.

Built a small business in a highly competitive category of grocery carving out a new niche of artisan and grass fed yogurt on an entirely commoditized shelf. Bootstrapped 30,000 k in personal savings into 2 M valuation with 1 M + in leading revenue achieved in 2-1/2 years of operations.

Working through the Minister of Agriculture, initiated a change to the dairy quota system in BC that will lead to greater innovation by increasing the economic opportunities for dairy farmers to pursue specialty production.

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