

# Further growth through added value



## DOWN TO BUSINESS

with ...

**Andrew McCarren**  
McCarren & Co, Cavan

**Pat O'Keeffe** gets the views of Andrew McCarren, MD of McCarren & Co, Cavan

**A** DCU trained statistician is not the qualification you might expect for the managing director of a Cavan pig processing business. But, when the business in question was started by his great great grandfather way back in 1858, it is understandable why the fifth generation would be passionate about maintaining a vibrant Irish pig industry.

Andrew McCarren is managing director of McCarren & Co, who employ 130 people at their factory in Cavan town. The company ceased operations in the 1990s but re-opened in 1998. In the last three years, they have seen significant growth, with the weekly kill up from 3,000 to 5,000 pigs, almost exclusively through the expansion of their existing 20 to 25 suppliers in Cavan, Monaghan, Westmeath and Longford.

"I'm proud to say we solely buy Irish pigs," Andrew

McCarren told me when we met last week.

Pig producers are now back making money after a torrid time last year and earlier this year. "In the last year, pig farmers have been under severe pressure and there was pressure on us to pay quickly and, at times, above the odds," Andrew McCarren said. He maintains that, with average factory margins at just 1% to 3%, factories cannot be accused of profiteering at farmers' expense.

The company kill, cut and bone the pigs, with the meat sold on to other partners who have a distribution network to the retail and food service trade. McCarren's main customers include Olhausen, Kerry Foods and Pallas Foods.

"Our core business is killing and processing pigs and we'd rather have partners to do the distribution — it's a business in itself to look after the multiples," he said.

About 30% of output goes



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**- Andrew McCarren, MD, McCarren & Co**

to bacon, curing or other value added products. Between 40% and 45% is exported, of which three quarters goes to Britain. The remainder goes to other EU countries or Russia.

"Because of our scale we can give our partners a unique product," McCarren said. He cites the example of Olhausen, a long established Dublin firm who take the equivalent of 800 to 900 Irish pigs per week from McCar-

ren's. Their Olhausen sliced bacon brand is packed by McCarren's and includes the name of the farmer supplier on the label. They are also in the process of moving their 'Byrnes' brand from imported to Irish sourced bacon.

McCarren's also supply the own label product for BWG, owner of the Spar franchise in Ireland.

McCarren said that the IFA pig farmers committee campaign, to encourage greater use of Irish pigmeat on the home market, has been successful. "The question now is: where is the higher margin going? There is no higher profit for us," he maintained.

Furthermore, he passionately believes that more can be done to support the Irish pigmeat industry. Many Government agencies and food service outlets continue to serve imported pigmeat, which he claims has a higher salt content and more additives.

Secondary processors claim that Ireland must import pigmeat as there is insufficient pig backs available. However, McCarren is adamant that "until every single pig loin is being used in Ireland, I don't believe we should be importing".

He believes that Bord Bia can do more to reward producers and processors for meeting the high standards of the Quality Assurance scheme.

"We must be able to differentiate between Bord Bia quality assured products and the competition. People must recognise the Bord Bia logo as a sign of quality; for example, lower salt levels and lower emissions produced in production. Bord Bia must produce a branded article

that will be top quality across the board."

EU rules restrict Bord Bia from 'buy Irish' type advertising campaigns, but McCarren argues that the industry rather than the State could fund such promotions.

"The saving of our business is about marketing Irish," he said.

He also believes that Bord Bia need to run a major programme to educate consumers on simple but convenient cooking techniques to suit the modern lifestyle.

To test the market for new products, McCarren's opened a shop at the factory and it has proven to be a great success.

"Customers like the good value and fresh product we can offer straight 'from the pig's back'," he said. There is also a strong loyalty to local produce. A shop that opened in Newbridge proved less successful, but McCarren said that the company had learned from the experience and now has a stronger management team. His father, Andrew senior, chairs the company, with brothers, John and Christopher, also involved.

Over time, he would like to develop a 'McCarren inside' type brand association, developed so successfully by one of his former employers, the computer chip maker Intel.

The business has grown consistently and further growth remains McCarren's ambition. "Not necessarily more pigs, but certainly more value added," he said.

McCarren said that in the meat industry, you can never relax or rest on your laurels. "I think I read somewhere that only the paranoid survive," he said.



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