



Gabriel and Michael Hoey, brothers united in the potato growing business, Country Crest.

Spud giants Country Crest

It's sometimes referred to as the 'humble' spud, but there's nothing humble about the rapidly expanding potato giant Country Crest. **Darragh McCullough** found out how two brothers transformed their small mixed farm in North Co Dublin into a massive food processing business

Gabriel and Michael Hoey arrive at their 11-acre storage and pack-house site between 5 and 6am every morning. There are not too many guys who own multi-million euro businesses who have kept to that routine all their working lives. But since the day they left school at 15 years of age, early morning starts have been the norm.

"I'll never forget the taste of the tea our dad used to make in the morning," recalls Michael of the 4.15am starts for Dublin's vegetable market. "It was that strong, it'd make the hairs stand on your head!" Even during their teens and twenties, the brothers' father (Michael Snr) couldn't stand the thought of his sons lying in bed beyond 7am on a Sunday morning.

This was the early 80s, when the family farmed 200 acres of potatoes, cabbages, turnips, celery, cereals and livestock. Michael Snr wanted his youngest son to get a trade, but Gabriel wasn't having it. "Every day finished with

pulping waste vegetables to feed the cattle," he says. "I don't remember ever finishing before nine in the evening, but we really thought nothing of it. I don't think it was the money anyway — we were on a £1 a week when we started!"

That was then, this is now.

In 2006, the Hoey brothers owned vegetable company — Country Crest — sold €28 million of produce. They employ approximately 100 people at their sprawling premises tucked away in the hills at Rathmooney near Lusk. In addition, they farm 1,900 acres of potatoes, brassicas, cereals, onions and grass. Needless to say, the lads have upped their weekly wages.

TURNING POINT

There was no real turning point as such. In 1982, they made their first big purchase — 40 acres of land for £127,000. They double cropped the land with early potatoes and brassicas and made "good money", as the brothers coyly put it. Acreage increased and they started

packing potatoes. There was war at the time, with people giving out every second morning on the Gay Byrne show about the amount of dirt and stones that they were getting in their bag of spuds," says Michael. "There was all kinds of skull-duggery going on in the fresh produce sector but it was something that our dad just wouldn't tolerate."

So, in an effort to differentiate themselves from the competition, the family decided to put their name on the bags in the hope that people would seek out their produce.

They kept expanding, formed a company called *Country Crest* and got into a series of joint ventures with companies such as *Fyffes*, *Superquinn* and currently *Tesco*.

These arrangements have been double-edged swords for the business. While they allowed *Country Crest* grow in scale and expertise, they could go wrong and leave the business in a very vulnerable position.

The highs and lows of being in a business, that is

sometimes notorious for its cut-throat nature, are a theme that the Hoeyes never stray far from. "I really don't know if I'd do it all again," says Gabriel. "Probably the one thing that actually enabled us to take all the financial risk that we have — is the fact that we had no formal training in analysing risk or feasibility."

Even the banks at the time took a dim view of the brothers' initiatives. Michael recalls visiting every single bank in the locality only to be turned down by them all.

"They wanted to know what our qualifications were and, on hearing that we'd none, one manager actually told us to 'stick to the knitting'."

In the end, they got a loan from a friend, Brian Donnelly, who was a fruit and vegetable wholesaler they had worked with down through the years. Michael says that the support from their wives, Geraldine and Caitriona was crucial during these testing times.

Even when they were well established washing and

packing potatoes for all the major multiples in 1997, Gabriel can remember the fury he felt when a quality controller for the newly arrived *Tesco* told him his potatoes were not up to their standard.

ASSESSMENT

Initially, Hoey exploded and told him what to do with his assessment, but after he calmed down, he listened to the technician's explanation.

"I went home devastated, convinced that we would never be able to work with these guys, who seemed to be looking for the earth, moon and stars," he recalls. "But the more I thought about it, the more I realised that this was what we had to do to keep a niche for ourselves in the business."

The result was a complete overhaul of how the Hoey's and their growers, grew potatoes, from field choice to training courses for harvester operators. "In the past we used give coats to visitors to protect them from the dirt — now everyone must wear a coat to protect the produce from the people."

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Top: They employ approximately 100 people at their premises near Lusk. Middle: Their products range from spicy chilli wedges to Mediterranean potato cakes. Bottom: Their business has expanded to the point where it now has an annual turnover of €28 million.

8% payment increase for disadvantaged area farmers

JOANNE FOX
NEWS DESK

FARMERS in disadvantaged areas are set to receive an 8% increase in grant rates under the Disadvantaged Areas Scheme (DAS).

The new DAS is one of the measures included in the make up Ireland's Rural Development Programme. Over 100,000 farmers will benefit from this scheme.

The new rates of payment are €95.99 per forage hectare for more severely handicapped lowland, for mountain type grazing the payment rates will be €109.71 per hectare on the first 10 forage hectares and €95.99 per hectare on the remaining forage hectares. Less severely handicapped lowlands will receive €82.27 per forage hectare.

Last week, Minister for Agriculture Mary Coughlan also confirmed the extension of the aid paid under the

Scheme to lands used for the production of energy crops, including miscanthus and willow, subject to a maximum of 10 hectares.

This will consist of the relevant disadvantaged area payment less the €45 EU Energy premium.

CHANGES

While farmers will still be required to meet the three hectare minimum forage area requirement with a minimum stocking density of 0.15 livestock units per hectare, the new DAS will have the following changes — the retention period for complying with a minimum stocking density is reduced from four months to three.

The 70-mile daily commuting distance rule is dropped and the definition of forage is expanded to include crops of forage maize. Total financing for the DAS for the period 2007-2013 will amount to €1.8 bn.

Time hungry Ireland pushes sales up 50%

SINCE 2000, Country Crest has embarked on a major €16m expansion programme, upping their storage capacity to 11,000 tonnes and entering into the ready meals sector.

Their products range from spicy chilli wedges to Mediterranean potato cakes, and everything that can be done with a potato in between. Their claim to fame is the fact that no artificial preservatives or flavourings are used. Time hungry Ireland has pushed sales up by 50% in the last year alone. They now have over 40 product lines, with the plant in operation seven days a week.

These days, the brothers rue the quiet simplicity of those early mornings, cutting cabbages by the light of the tractor beams. Phones ring incessantly for the hour that the three of us spend talking.

They speak highly of the staff that they have sourced and developed over the years, but they are still very hands-on managers and

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— Michael Hoey



constantly on call. "Sometimes. I just have to get away for an hour to one of the farms for a bit of headspace," comments Gabriel.

And yet they are still looking for new ideas. They've applied for a licence to process biofuel. Originally the plan was to grow thousands of acres of oilseed rape but they encountered disappointing yields in their first growing season and opposition from brassica growers.

Now, they are veering more towards the idea of utilising crops such as wil-

low and miscanthus. They also have a planning application in for a €1 million wind turbine, in an effort to reduce their €250,000 annual electricity bill. And so it goes.

Their parents, Michael and Sheila, passed away in recent years, but the culture of hard work and desire to succeed lives on in the legacy that their sons are creating. The Hoeyes have shown how a 'humble spud' can be the platform for developing one of the most successful food companies in Ireland today.

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