

## Super Regional Market-Dominating and Leading Mushroom Grower, Packer, and Shipper

The Company is the dominant supplier in its  
lucrative geographic market supplying  
7 types of fresh mushrooms.

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2005 Revenue: \$38,483,000

Location: United States

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- **Market Leader:** The Company is the dominant player and leader in its market. Management estimates the Company has 40 to 50 per cent market share of fresh and organic mushrooms in their market.
- **“Exotics” Production:** The Company is the largest grower of maitake mushrooms in the United States. Studies indicate that maitake’s have anti carcinogenic qualities. They are currently used in alternative medicine and herbal products.
- **Brand-name Products:** The Company has established a brand name reputation throughout its market.
- **“Turn-Key” Operation:** The Company operates as a total turn-key operation from a separate spawning facility through to a casing area and finally harvesting and packaging. Even the medium is pasteurized in house and once used is recycled as potting soil.
- **In House Capacity for Earnings Growth:** The existing facility can accommodate growth for production up to 28 million pounds.
- **Facility Convertibility to Different Types:** The facility and operation can produce a variety of mushrooms and can be easily converted and adapted within 28 days to adjust to market trends.

**eMerge M&A**

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## Available for Acquisition, Recapitalization or Merger

- ***Broad Product Line:*** The Company's product line includes 7 types of mushrooms. Most are spawned, grown, and harvested in-house. Some are bought and resold. The Company is a "one-stop" shop.
- ***Outstanding Name and Reputation:*** The Company has a long-standing (over 20 years) reputation for quality products and service.
- ***"Blue-Chip" Customer Base:*** The customer base includes mostly regionally-based, blue-chip supermarkets, 65% of 2004 sales; and nationally recognized wholesalers and foodservice companies, 35% of 2004 sales.
- ***Second Tier Management in Place:*** The Company has an operating infrastructure in place that can easily transition to a new owner. Second tier management is in place in all functional disciplines. There are no key employees.

### Business Summary

Our Client is the leading grower, packer, and shipper of fresh mushrooms in its super regional market. Management estimates they have 40 to 50 per cent market share. The product line includes fresh organic mushrooms, 20% of 2004 sales; and natural fresh mushrooms, 80% of 2004 sales. The varieties of mushrooms produced and/or sold are white agaricus, crimini, enoki, maitake, oyster, portabella, and shiitake. The Company is the largest producer of maitake mushrooms in the United States.

The customer base is primarily "blue-chip" supermarkets throughout the company's market as well as wholesale foodservice "industrial" customers.

The Company operates from a multi-acre facility that includes 2 buildings. The first building is over 300,000 square feet and is used to pasteurize the medium, spawn, case, harvest, and package mushrooms. The second building is 8,488 square feet and spawns, grows, and harvests exotics such as the maitake mushroom.

Client #0505

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