



Cultivating Success

LOVEDAY

Mushroom Farms Ltd.

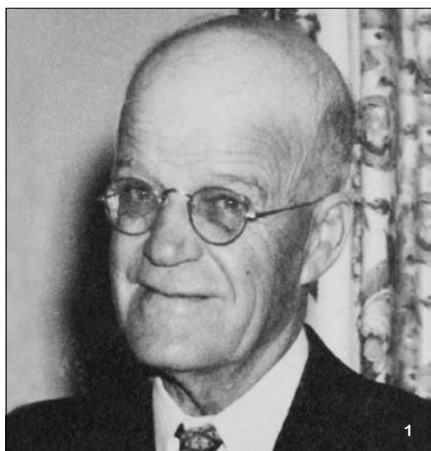
All Round Goodness Since 1932





All Round Success

Now in its fourth generation of family ownership, Loveday Mushroom Farms is an enduring example of pioneering vision, entrepreneurial spirit and inspired leadership.



Riverbank Beginnings

In 1929, Fred Loveday was a busy Winnipeg bricklayer, plying his trade as a skilled contractor. On the brink of the Great Depression, he was commissioned by a group of business people to build a mushroom growing facility on the St. Boniface side of the Red River, just south of the St. Boniface Hospital.

With a cheque for 25 percent of the construction cost in his pocket, Fred set about building Manitoba Mushroom Growers' riverbank structure at 27 Marion Street. By the time the building was completed, the consortium's funds had dried up and Fred was left with little recourse but to take the group to court. A judge awarded Fred sole ownership of Manitoba Mushroom Growers, a development that presented the unlikely and untrained mushroom farmer with both challenges and opportunities.

Reasons to Endure

For two years, Fred and his son Bert worked at spawning and growing mushrooms in the darkened structure kept moist by river water. By 1932, in their first official year of operation, the pair had perfected production and was yielding more than 3,800 pounds of mushrooms from 6,600 square feet

of space planted. While the market was small (mushrooms were initially sold to restaurants, private clubs, fruit markets and department stores in downtown Winnipeg) and the economy weak (depressed agricultural prices were forcing people off the land and into the city) there were still plenty of reasons to endure.

In the 1930s, new developments in white mushroom spawn made it easier and more profitable to grow mushrooms commercially. In 1939, as the Great Depression lifted and countries around the world committed to war, Manitoba Mushroom Growers continued to expand with the production and distribution of products to local customers.

Fortuitous Move

By 1947, Manitoba Mushroom Growers had outgrown its Marion Street facility and new property was purchased at 556 Mission Street in the north St. Boniface industrial area. In 1949, the first buildings were erected at the site and mushroom growing began. The move was fortuitous because a year later the Red River flooded, causing significant damage to the Marion Street location. With production eventually consolidated at the Mission Street site, Bert Loveday set to work developing the business and enhancing Manitoba Mushroom Growers' market presence.

Pioneering Vision

The 1950s was a decade of promise and prosperity for the Canadian mushroom industry. As a result of consumer demand for mushroom variety and value-added products, new market opportunities arose for Manitoba Mushroom Growers. In 1953, the company launched a cannery, packaging and selling mushrooms under the Morning Fresh label.



1. Fred Loveday overcame early challenges to thrive as a mushroom farmer.
2. The first farm was built on the banks of Winnipeg's Red River.
3. The Marion Street location sustained damage during the 1950 flood.



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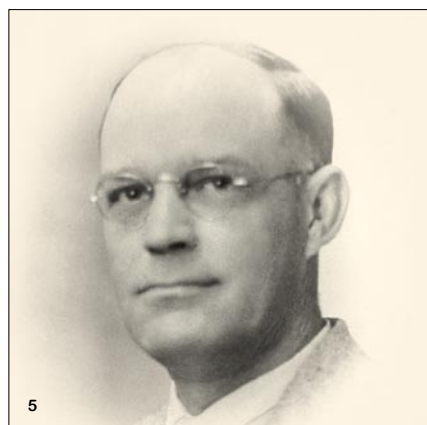
That same year, Bert's son Fred joined the company after graduating with a Bachelor of Science degree in Biology from the University of Manitoba. His educational background reflected the emerging importance of agricultural science in commercial mushroom growing.

In 1955, Bert joined five other national growers in founding the Canadian Mushroom Growers' Association. Their pioneering vision helped cultivate Canada's thriving mushroom industry.

Expansion & Innovation

When Bert suddenly died at work in 1956, 24 year-old Fred took over the company and for the next 38 years his entrepreneurial spirit steered the firm toward market expansion and operational innovation.

To take advantage of emerging opportunities in the Calgary market, Fred opened a mushroom farm east of the burgeoning



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Alberta city in 1961. Because the name Manitoba Mushroom Growers didn't suit the new location, the company was renamed Loveday Mushroom Farms Ltd.

While attending an international mushroom congress in Europe in 1965, Fred took a side trip to Great Britain to study farming methods there. He discovered that operational efficiencies could be achieved through mechanization by converting from shelves to trays and switching from topsoil to peat moss as a casing material. Back in Canada, Fred set to work making the changes that improved production.

Changing Times

Throughout the 1960s, Loveday Mushroom Farms experienced growth in the Calgary market. By 1969, however, the high cost of labour, materials and services caused by the Alberta oil boom compelled Fred and his managers to close the Calgary operation. That same year, Loveday's Winnipeg cannery closed in response to increasing consumer demand for fresh mushrooms.

4. Fred Loveday, Bert's son, brought a scientific approach to mushroom farming.
5. Bert Loveday contributed greatly to Canada's mushroom industry.
6. The Loveday name is backed by a heritage of quality.

1929

Fred Loveday, a Winnipeg bricklayer, is contracted to build a mushroom farm on Marion Street in St. Boniface. When the owners default on payment, Fred sues and the court awards him ownership of the land and buildings.

1930

Fred launches his mushroom growing business as Manitoba Mushroom Growers.

Fred's son, Bert, joins his father in running the burgeoning operation.

1932

Manitoba Mushroom Growers marks its first official year of operation.

1947

The Marion Street property is getting too small so a larger location is purchased on Mission Street in the north St. Boniface industrial area.

1950

The Red River floods a sizable portion of Winnipeg. The former property on Marion Street is deluged and significant damage is done to the buildings.

1953

Bert's son Fred joins the company after graduating from the University of Manitoba with a degree in Biology.

A cannery is established and mushrooms are packaged and sold under the Morning Fresh label.

1955

The original Marion Street location is sold.

Bert joins Jeff Gahm, Jimmy Gahm, Lloyd Leaver, Bob Flood and Bob Jones as founding members and directors of the Canadian Mushroom Growers' Association.

1956

Bert dies suddenly at work. His son, Fred, takes over as general manager at the age of 24.

1961

Manitoba Mushroom Growers expands to Calgary, Alberta. The corporate name is changed to Loveday Mushroom Farms.

Fred is elected to the board of directors of the Canadian Mushroom Growers' Association.

1965

While attending an international mushroom congress in Europe, Fred embarks on a fact-finding trip to British farms. His experience leads him to convert Loveday Mushroom Farms from shelves to trays to take advantage of mechanization and labour savings and to switch from topsoil to peat moss as a casing material.

1969

The company closes its Winnipeg cannery.

While the Calgary market is growing, the cost of labour, materials and services proves too high. Operations there are closed.

1986

Fred's son, Burton, joins the firm after graduating with a Bachelor of Science degree in Biology from the University of Winnipeg.

1989

To boost composting capabilities, the company switches to bulk Phase II production.

1994

Fred retires and Burton assumes leadership of the company.

A pre-wet machine is installed, resulting in a 20 percent increase in mushroom production.

1999

The farm doubles its Phase II capacity.

Burton is elected to the board of directors of the Canadian Mushroom Growers' Association.

2003

The company invests \$1 million to switch to bunker Phase I production. The shorter composting cycles virtually eliminate anaerobic conditions that cause odours.

Burton is elected President of the Canadian Mushroom Growers' Association.

2004

The farm's bunker Phase I bunker construction is completed.

2007

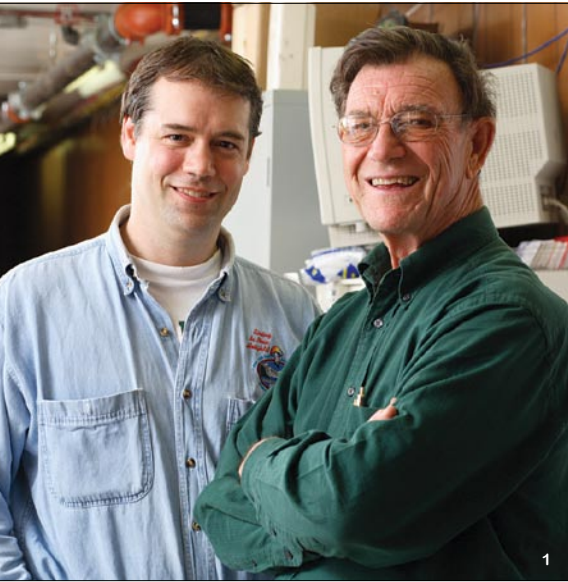
Loveday Mushroom Farms celebrates 75 years of success as Canada's oldest continuous producer of mushrooms.



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Four Generations

Fred's son Burton became the fourth generation Loveday to be involved in mushroom farming when he joined the company in 1986. With his recently acquired Bachelor of Science in Biology from the University of Winnipeg, Burton worked closely with his father to usher in a new era of advanced technology that created efficiencies and enhanced production.



In 1989, Loveday Mushroom Farms switched to bulk Phase II production, a development that helped boost composting capabilities. An innovative pre-wet machine was added in 1994, resulting in a 20 percent increase in mushroom production.

That same year, Fred retired after 41 years at the helm. Burton took over the company and his inspired leadership positioned the firm for future success.

Advanced Technology

By 1999, the farm had doubled its Phase II composting capacity, setting the stage for even more technological advancements. In 2003, a \$1 million investment in Phase I production technology switched Loveday's composting operations from outdoor ricks to indoor bunkers. A new, 7,920 square foot concrete structure with three composting chambers was built. Each chamber features a powerful fan that pumps huge amounts of fresh air through the compost heaps. Computer-controlled sensors constantly monitor temperatures and oxygen levels in the heaps.

The technology, with its shorter composting cycles and virtual elimination of anaerobic conditions, has resulted in greater control of process odours. The Phase I bunker project was completed in 2004 with an additional \$1 million investment.

Successful Heritage

Seventy-five years after Fred Loveday established production at his riverbank mushroom farm, the fourth generation family operation continues to grow and distribute high quality mushrooms. As Canada's oldest continuous producer of mushrooms, the farm now yields more than six million pounds of mushrooms annually from planted space of more than one million square feet. Loveday Mushroom Farms' workers now pick as many mushrooms before 9:00 a.m. everyday as did employees of Manitoba Mushroom Growers in an entire year.

On any scale, Loveday's heritage of mushroom farming has been an all round success.



1. Burton and Fred Loveday – cultivating success.
2. Ensuring the highest standards of food safety and quality.
3. Mushrooms destined for dinner tables across western Canada.
4. Six million pounds of mushrooms are harvested annually.

LOVEDAY
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