



Mexicali, Baja California, Mexico, March 2020

Promotora Agrícola El Toro was founded in 1992 and is part of the conglomerate of **JV Smith Companies**. El Toro is dedicated to the growing, harvesting, packing and exporting of fresh vegetables, both conventional and organic, to the US market from the Mexicali valley. The company is recognized both for its leadership in the production of green onions, spinach and celery among others, and its products of the highest quality and food safety. We take pride in the satisfaction of each one of our customers, and aim to surpass their requirements.

We wish to express our satisfaction and recommend the London Consulting Group for the results obtained in the "**Fuerza Productiva**" project. The project was developed during the last 7 months and was focused on reengineering the key processes of the Company and implementing an homologated management model.

Some of the main results are:

16% INCREASE IN EBITDA

GROWING

- Design and implement a **statistical model to allocate ranches, seed & applications consumption**.
- Optimize *weeding & thinning* crew headcount by **17%**, *Irrigation* crews by **6%** and *pipe-movement* crews by **31%**.
- Increase productivity of *weeding & thinning* crews by **20%** and *pipe-movement* crews by **35%**.

HARVESTING

- Design and implement an **On-site Active Supervision Model**.
- Increase *Green Onion* harvesting crew productivity by **20%**.
- Optimize headcount of harvesting crews by: **23%** in *Green Onion*, **10%** in *Celery*, **33%** in *Broccoli* and **11%** in *Romaine Lettuce*.
- Improve physical conditions of raw material – Reduce *Green Onion* mechanical damage by **56%**.

PACKING

- Improve in the performance of the *Overall Equipment Efficiency* KPI by **28%** in *Washing lines* and **31%** in *Packing lines*.
- Implement waste reduction initiatives to improve *Packing Yield* (Raw Material to Finished Product) by **10%**
- Implement interdepartmental Corrective Action Plans Committees to reduce total *packing downtime* by **64%**

MAINTENANCE AND WORKSHOP

- Develop and implement a **Preventative Maintenance Model** for Packing facilities.
- Decrease maintenance downtime in Packing facilities by: **49%** in *Washing lines* and **32%** in *Packing (Cold Room)*.
- Improve *Vehicle maintenance service level* by **48%** and increase fleet *preventative maintenance compliance* by **24%**.

FOOD SAFETY

- Reduce cost *Food Safety testing* by **69%**.
- Improve *testing service level* offered to Harvesting by **156%**.
- Reduce audit findings throughout the value chain (growing to packing) by **54%**.

BACK OFFICE

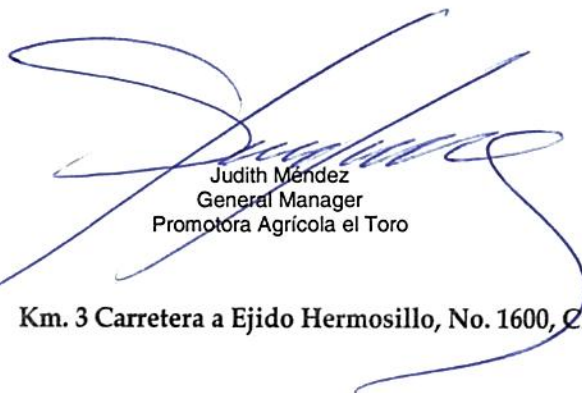
- **Centralize and specialize** the *Human Development* and *Purchasing functions* in new HR and Purchasing departments.
- Optimize expenses in *fuel* by **4%** and *agrochemicals* by **2%**, due the implementation of a revised negotiation strategy with suppliers.
- Develop and deploy *cost budget* based on "**zero base**" methodology.

In addition, the **Organizational Structure** of Agrícola El Toro was redesigned, formally defining hierarchies and functions, and the **Management Skills Seminar** was taught to **220 attendees**, with the objective of sharing and standardizing best practices in both process and personnel management.

The economic benefits of the Project offer a first-year Return-on-investment of **5.7 to 1**.

Key factors to the success of the project have been the design of tailor-made work systems, the alignment of the organizational structure to their needs, the side-by-side implementation strategy, and the use of a very effective project methodology oriented to obtain tangible results.

Sincerely,



Judith Méndez
General Manager
Promotora Agrícola el Toro



Victor Smith
CEO
JV Smith Companies