



Produce Quality Conference
Arava R&D, 30th October 2008

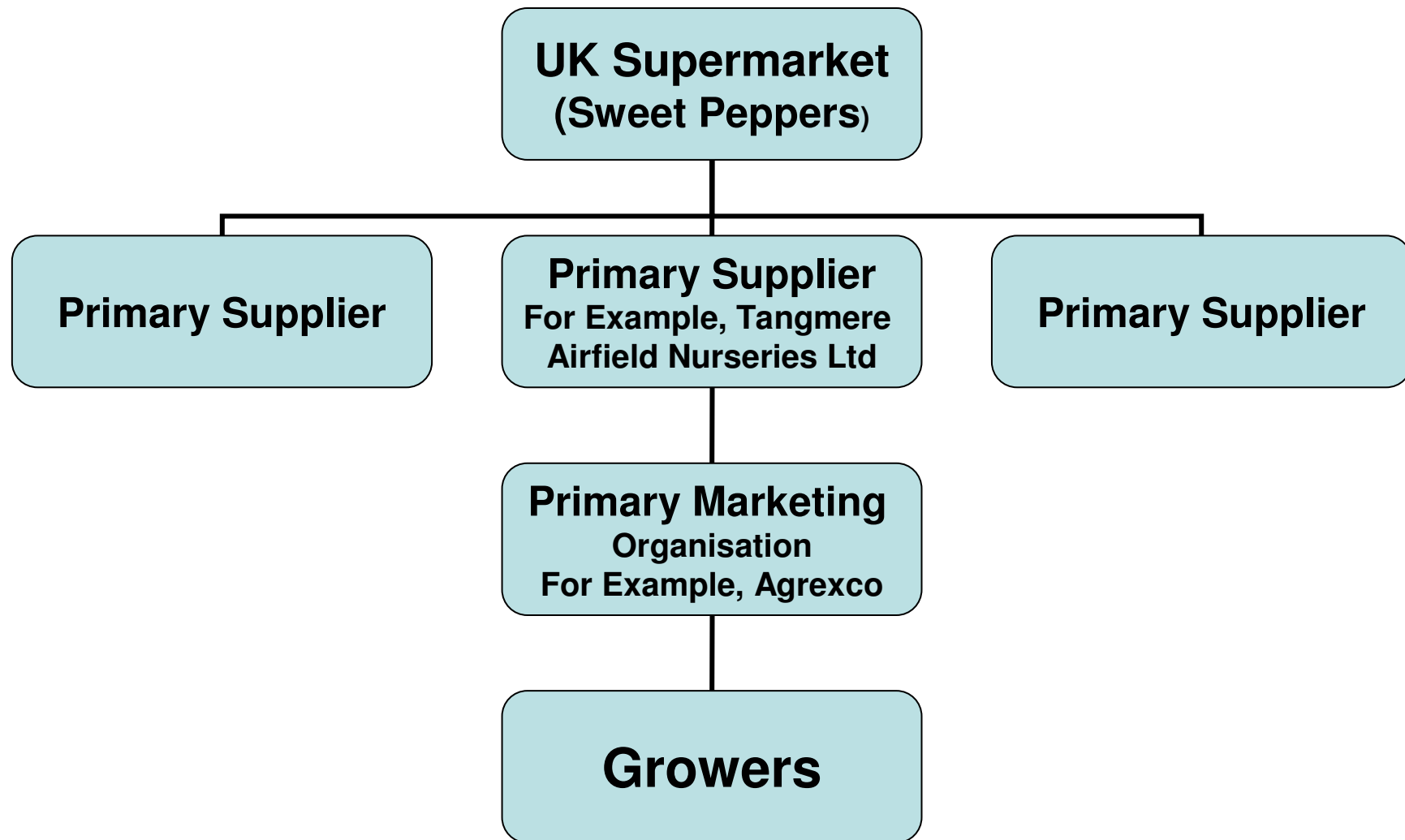
**Quality Requirements in
the UK Marketplace**

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Introduction

- Israel has built up an enviable reputation over many years of being capable of supplying high quality fresh produce at an affordable price into the European marketplace.
- Israel has done this by understanding the limitations that each respective area of production has, and then exploiting this with great agronomic and technical ability and then striving to be the best in their field.
- Initially Agrexco (Carmel) ran this successful flagship of Israeli fresh produce, however more recently an emergence of new marketing companies has entered into the global arena, with varying technical abilities to attempt to satisfy the demands of the UK market, in particular.

Supermarket Hierarchy Chart



Primary Supplier Management tasks (1)

- As a Primary Supplier into the mainstream supermarkets, part of the function is to maintain and improve several key areas of concern for our customers in the areas of Food Legality and Food Safety.
- Each supermarket has their own philosophies and ideals when it comes to marketing their fresh produce, be it GlobalGap, Tesco Nature's Choice, LEAF, Field to Fork, compliance to Soil Association Standards , or a combination of these Good Agricultural Practice Protocols.

Primary Supplier Management tasks (2)

- In the case of Primary Suppliers, they would seek out growers from Primary Marketing Organisations who have most of these accreditations if not all of the above, so that fresh produce supplied into them can be used for their various supermarket customers, without falling short of a specific customer's requirements.
- British Retail Consortium (BRC) accreditation is required by those Primary Marketing Organisations who will pack on behalf of their Primary Supplier, often directly into the supermarket. Running pack houses to this standard is judged as being proficient in the due diligence requirements of Food Safety and Legality.

Primary Supplier Management tasks (3)

- The technical ability of a Primary Marketing Organisation has now become an important feature in the attributes of what a Primary Supplier is looking for. Gone are the days where price was the only constraint, in a successful marketing operation.
- Provenance of the food source, how it is grown, especially in relationship to the environment and the welfare of the workers during production, the quality of the product, not only in its freshness, but also in relation to the structured minimisation of plant protection products (residues) and potential microbial loading are now of paramount importance.
- Primary Marketing Organisations are now vetted by the supermarket's technical departments, to which the Primary Supplier does business with. This vetting operation is based on technical ability in controlling the supply chain and the adherence to Good Agricultural Practice.



Main Directions of Development

- Development of improved practices for protected crops.
- Creation of the know-how to save and optimize the use of water.
- Seek for alternative solutions of soil bedding to replace the sand-coating practice.
- Introduction of technologies aimed at minimizing the cost of inputs (labor, water, energy) and at maximizing the revenue.

Increase of produce value through the improvement of quality.

- Introduction of new alternative crops.
- Minimizing the use of pesticides.
- Dissemination and implementation of the knowledge among local growers and around Israel.



"Clean Arava" Project (CAP)

- The project is anchored in legislation founded as early as in 1994 with the following pivotal aims:
 - **A. Sanitation and refined agricultural practices** that include an all-inclusive, strictly authorized pause period between the growing seasons to reduce or eradicate inoculums' sources, to break the life-cycle of various pests thus preventing the transfer of vertebrate pests and plant pathogens among farms and between successive seasons.
 - **B. A particular care of quarantine pests** such as the Mediterranean fruit fly (*Ceratitis capitata*), the date weevil etc'. The practice includes a pest monitoring system and a year-round pest inspection and management.
 - **C. A reduced use of chemicals** provides the production of a pesticide-free produce in favor of the customers. It is based on research and other activities aimed to generate alternatives for chemical pesticides, beyond the use of natural pest predators.

What does Quality mean?

- *How good or bad something is.*
- *A characteristic; something that is special in a person or a thing.*
- *Oxford Popular School Dictionary*

What does Quality mean in General?

- Quality is subjective to the eye of the beholder and as such supermarkets have long since introduced product specifications , which are constantly being updated.
- In the UK these specifications are normally based on European class one product, but in many cases are developments above the listed current class one specification.
- These specifications are used to promote and market the supermarket's own uniqueness against their competitor.
- It could be said that quality standards in the United Kingdom for fresh produce are still one of the highest in the world, with Germany swiftly following behind. The move by supermarkets in both countries towards fresh produce that is "Residue Free" has moved the quality pendulum forward.
- Freshness of product, or "days to market" has also become a major factor in supermarket specifications.

Sourcing Sweet Peppers from Israel – Now and the future. (1)

Please note that from now on these are my thoughts and not those necessarily expressed by any particular supermarket, or for that fact, Tangmere Airfield Nurseries Ltd.

- The remainder of my talk will focus on sweet peppers. Please note that we too are growers and all these issues effect us too.
- Quality from Israel has historically been very good, but has been hampered by cheaper prices from other areas around the Mediterranean.
- With supermarkets working very hard behind their own initiatives the goal posts for what is deemed as acceptable quality is constantly moving forward.

Sourcing Sweet Peppers from Israel – Now and the future. (2)

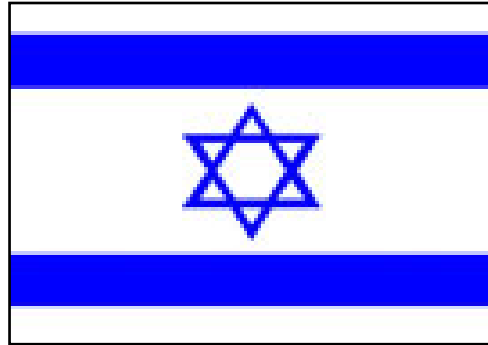
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- Supermarkets are very aware of the very real issues that effect the production of sweet peppers in other areas of the Mediterranean and are keen to see more sustained movement into integrated pest management, using biological control measures and so moving towards residue free production.
- Supermarket's too are very aware of the current global financial crisis and are also keen not to increase inflation by increasing prices unnecessarily. They are aware that production costs have risen, but have tasked each and everyone of us to look at working smarter and finding ways of reducing costs.

Sourcing Sweet Peppers from Israel – Now and the future. (3)

- I have noted in my many trips to Israel, an industry that is determined to succeed, what ever the adversity. Many of your growing techniques are ground breaking, you have successful seed houses continually striving to produce better varieties, research and development centres focusing their attention to their respective members and Export Companies that work very hard in the background ensuring customer compliance and new roads to market.
- Another issue for the growers in the Arava is to contend with is the compliance to USDA requirement to Mediterranean Fruit Fly control, which inadvertently has assisted growers , towards Integrated Pest Management techniques using biological control measures.
- These are all areas that put you far ahead of your competitors in and around the Mediterranean.

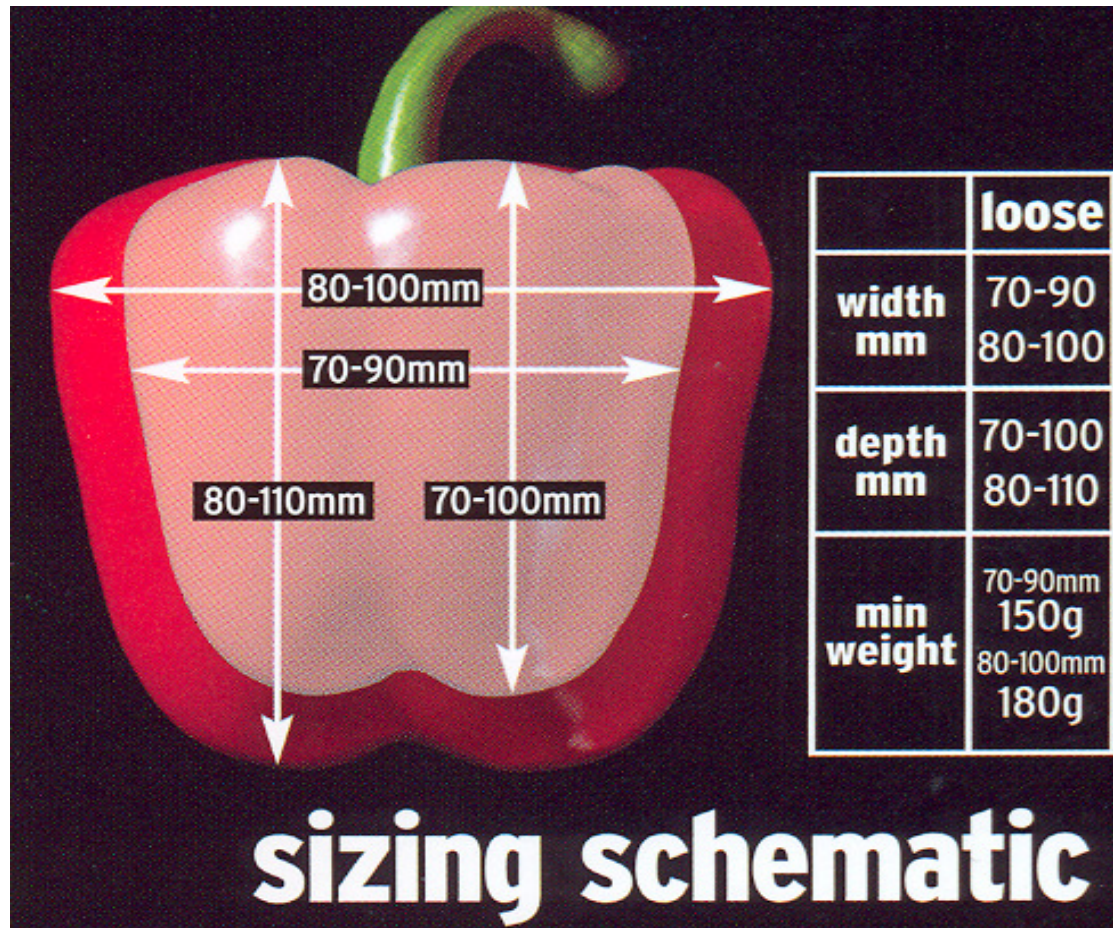
Sourcing Sweet Peppers from Israel – Now and the future.



- ***HOW CAN WE DO THIS IN RELATION TO THE UNITED KINGDOM MARKET?***



Sourcing Sweet Peppers from Israel – Ideal Sizing



Sourcing Sweet Peppers from Israel – Post Harvest Treatment (1)

- Use of your post harvest hot water treatment has had many beneficial effects on the produce quality at arrival into the United Kingdom.
- This can be seen against product that has not been treated and is also very noticeable against imports from Spain.
- Areas of concern with this method are in its use of recycled hot water at a temperature which is deemed ideal for micro biological growth.

Sourcing Sweet Peppers from Israel – Post Harvest Treatment (2)

- If any work needs to be undertaken I believe that this is an area where your research stations and technologists should focus on as this treatment certainly gives Israel a quality advantage over Spain.
- I also believe that due to your water constraints that water quality treatments for this method need further investigation to cover the requirements for controlling micro biological growth and of course their compliance to both organic and conventional production.

Sourcing Sweet Peppers from Israel – Comparison

Israel

- Full colour on arrival
- 90% of what is sent is supermarket quality
- Grading Good
- Good Shape
- Cleanly cut
- Good traceability
- Less pest damage

Spain

- Fresher but backward in colour
- Poor grade out
- Questionable grading
- Pointed, poor shape
- Poor stalks
- Poor box identification
- More pest incidence

Sourcing Sweet Peppers from Israel – Conclusion

- From the discussions that I have brought forward in this presentation there are two items that would concern quality from Israel.
- Firstly I believe that more growers should subscribe to the hot water post harvest treatment and that further work should be conducted on this to reduce the possible effect of microbiological loading.
- Secondly a more structured approach to the timing of the first crop and the second crop would lead to a better quality of sweet peppers from the last week in December to the middle of January, when quality from Israel takes a serious downturn.

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Sourcing Sweet Peppers from Israel – End

- My thanks to both Agrexco and Arava R&D for allowing me to talk to you.
- Do you have any questions?
- TODA and Thank you.

Peter Gimbel

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