

SAT Iberia Frutícola

A cooperative of fruit producers implementing Operational Programmes used CAP support to convert to new, more resilient and competitive citrus varieties.

EAGF-funded projects

Location: Cárcer, Valencia, Spain

Programming period: 2014-2020

Priority: /

Focus Area: /

Measures: /

Funding: Types of interventions in certain sectors -
Fruits and vegetables sector 421 444.35 (EUR)

Timeframe: 2022 to 2022

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Summary

The Agrarian Company (SAT) IBERIA FRUTÍCOLA was established in the Cárcer area in 2012 and includes 62 farmers, who produce citrus fruits, as well as almond and plums. The company is also recognised as a fruits and vegetables producer organisation (PO) and it has designed and implemented Operational Programmes (OPs) in order to increase the competitiveness of producers and improve their position in the food supply value chain. The cooperative uses the OPs to promote the cultivation of new differentiated and protected varieties of citrus among its members. Producing innovative varieties of citrus is a crucial step, together with their marketing and transformation, towards obtaining a competitive advantage that generates profitable prices for farmers.

Project results

- Today, the cooperative is producing the Orri variety, which is the most valued type of mandarin on the market and therefore the most coveted, which is explained by its excellent quality. In figures, this has translated into an estimated production of 26 million Kg during the 2016 season. This meant a billing volume of EUR 93.6 million. At the time in which the trees are in full capacity, a production of nearly 80 million Kgs is forecast, which, at



Photo SAT Iberia Frutícola

a Recommended Retail Price of EUR 3, would mean a total billing of EUR 240 million.

- A massive investment has been made in new, more competitive and innovative varieties as the main objective of the cooperative IBERIA FRUTÍCOLA, growing more than 300 hectares of new citrus varieties in two years. The new varieties cultivated are Havva, Aliza, Orit and Onix.

Key lessons and recommendations

- Innovation and modernisation are in continuous development and improvement, for instance through developing new citrus varieties to improve producers' competitiveness. These new varieties are more resistant to pests and diseases and therefore require less pesticide treatments than other varieties. These varieties are also sweeter and preferred by consumers, thus enjoying a better position in the markets.
- Environmental certification based on Good Agricultural Practices is also a key factor to comply with environmental requirements.

Context

The cooperative IBERIA FRUTÍCOLA was established in the Cárcer area (Valencia) in 2012. Iberia Frutícola was recognised as a fruits and vegetables producer organisation (PO) in 2012 and since then



has designed and implemented its operational programmes (OPs) in order to increase the competitiveness of producers and improve their position in the food supply value chain.

The PO gathers 62 farmers, who produce citrus fruits as well as almonds and plums. The average production of the PO is 50 000 tons per year.

The philosophy of the cooperative is to achieve optimal profitability, social and sustainable development of the territory by maximising synergies. To achieve this aim, the PO strives to improve cooperation between farmers and their partners along the food supply value chain (horizontal and vertical cooperation) and to support the professional development of the staff. The cooperative pursues the creation of beneficial business relationships between customers, suppliers and collaborators within the supply value chain, to provide healthy and safe products to the consumers.

The PO has a contract with the food company AM Fresh Spain Citrus. In their packhouse they do the grading, sorting, washing, packing and commercialisation of the product, supplying it to the retail sector.

As a recognised Producer Organisation, the producers led the company and have access to EU funding through the implementation of Operational Programmes, which entails a considerable amount of responsibility in environmental matters.

Objectives

The overall objective of the PO is to promote the cooperation of farmers with an interest in promoting new differentiated and protected varieties of citrus. Producing innovative varieties of citrus is a crucial step, together with their marketing and transformation, towards obtaining a competitive advantage that generates profitable prices for farmers.

Activities

The CAP tool of the Operational Programmes allows the members of the cooperative to plan the production by improving farm infrastructure, field facilities and production methods (machinery, equipment, vehicles, seedlings, etc.). They also work to improve product quality through better traceability systems and quality certification systems (GLOBALG.A.P. standard as a mandatory request by retailers).

The Operational Programmes of the cooperative include environmental measures such as efficient irrigation systems and solar energy generation for self-consumption.

The PO is also engaged in providing training to its members in environmental matters and in activities to raise environmental awareness.

Most of their growers are certified against the GLOBALG.A.P. standard, based on Good Agricultural Practices. The Integrated Farm Assurance (IFA) GLOBALG.A.P. standard for fruit and vegetables is a global standard for responsible farming practices at primary production level, covering the whole cycle from pre-harvest activities (such as soil management and plant protection product application) to basic post-harvest handling. This standard, which has been operating for over 20 years, is aligned with the United Nations' Global Compact Food and Agribusiness Principles and the Sustainable Development Goals.

The PO IBERIA FRUTÍCOLA established a strategic alliance with Genesis Innovation Group, a world leader in varietal research in the citrus sector as well as for other products such as pomegranate and exotic fruits. As members of the PO, farmers have preferential access to the protected varieties of the Genesis Innovation Group, pioneering the production of new high-quality citrus varieties, which improves their offer and gives them a competitive advantage on the EU and global markets.

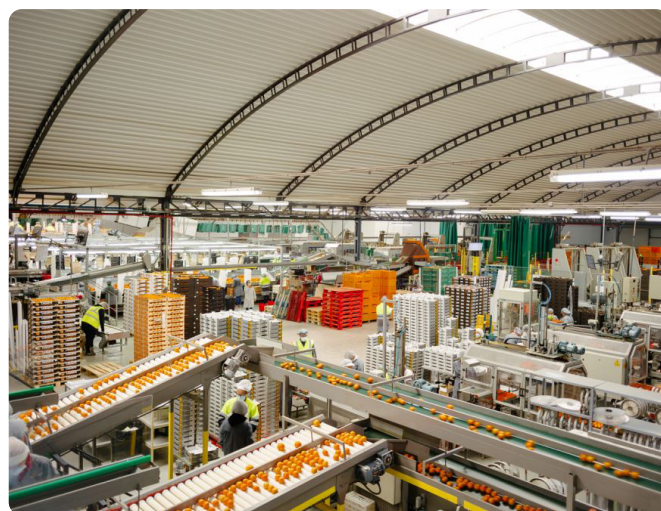


Photo SAT Iberia Frutícola



A good example of responsible management of a protected variety concerns the Orri mandarin. The management model of this mandarin variety is based on strict conditions of regularisation, the limitation of authorisations for sublicences of exploitation and a labelling system for the fruit. This leads to higher earnings for the producers.

Other main investments have concerned:

- photovoltaic panels to cover the needs of the PO member farms;
- conversion to citrus varieties developed by the research & innovation company Citrusgènesis;
- contracts to technical staff to support farmers to apply good agricultural practices defined by the PO; and
- material investments, such as the purchase of tractors and quads for small farmers in the PO.

Main results

The main result is a general increase in the competitiveness of the recognised PO. By implementing the CAP tool of Operational Programmes to receive EAGF funds, the PO achieved the following specific results:

- Today, the Orri variety is the most valued type of mandarin on the market and therefore the most coveted, which is explained by its excellent quality. The Orri mandarin can be marketed as Premium fruit and is subject to a strict production control, carried out by the producers' association of the variety, the Orri Running Committee. In figures, this has translated into an estimated production of 26 million Kg during the 2016 season. The approximate mean selling price in the field has fluctuated between EUR 0.80 and EUR 1.10 per Kg, with a mean selling price to the public of around EUR 3.60 per Kg. This meant a billing volume of EUR 93.6 million. At the time in which the trees are in full capacity, a production of nearly 80 million Kgs is forecast, which at a Recommended Retail Price of EUR 3, would mean a total billing of EUR 240 million.
- The strict control on the legitimate origin of the product and the rigorous management of the labelling system of the Orri variety

are a guarantee of good business practices that will increase the prestige of the producing companies. The Orri variety features an efficient computerised label system, which identifies the entire production regularised by The Enforcement Organisation, S.L., the exclusive master licensee of the variety. The Orri label guarantees the legitimate origin of the fruit and helps to identify possible irregular productions.

- Food safety is a key aspect in the production of fruits, using only the active substances included in the pesticide list approved by the PO, and monitoring the Maximum Residues Levels (MRL) by doing multi residues analysis of pesticides in ISO17025 accredited laboratories. The result is linked to the EU strategies for pesticide reduction in agriculture.
- A massive investment has been made in new, more competitive and innovative varieties as the main objective of the cooperative IBERIA FRUTÍCOLA, growing more than 300 hectares of new citrus varieties in two years. The new varieties cultivated are Havva, Aliza, Orit and Onix.

Key lessons and recommendations

Innovation and modernisation are in continuous development and improvement, for instance through developing new citrus varieties to improve producers' competitiveness. These new varieties are more resistant to pests and diseases and therefore require less pesticide treatments than other varieties. These varieties are also sweeter and preferred by consumers, thus enjoying a better position in the markets.

- Environmental certification based on Good Agricultural Practices is a key factor to comply with environmental requirements.

Additional information:

- www.orcspain.es/en/management-model
- www.genesisinnovationgroup.es/en
- iberia.amfresh.com/#solutions



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