

EXPORTS

Euro Fruits invests in grape future

Leading Indian grape grower-shipper Euro Fruits is demonstrating its commitment to the industry by investing in people and production

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When torrential rain hit Indian grape harvesting in Sangli, southern Maharashtra, last year, exporter Euro Fruits did two things: it immediately stopped packing at its Sangli facility and informed its European customers what had happened before news of the weather had time to spread.

These seemingly unremarkable actions demonstrate what distinguishes Euro Fruits from many of its competitors – a commitment to quality and an innate sense of responsibility. While other companies continued to ship cheap, sub-standard grapes to Europe, bringing about market – and ultimately their own – collapse, Euro Fruits increased supplies from its Nasik (northern Maharashtra) packhouse to fulfil client orders of top-quality fruit, and paid Sangli farmers in full though half their crop was ruined.

Since its establishment by Nitin Agrawal in 1993, Euro Fruits has built up an enviable reputation as a leading grape supplier to Europe, for which it has earned its government's prestigious "Star Exporter" status and the affectionate European nickname "the Rolls Royce of India".



Euro Fruits is investing in its people as well as its production

Quality is paramount for the company. Euro Fruits implemented its post-harvest temperature-control, food-safety and worker-hygiene standards at its two facilities from the outset: measures that make it India's only GlobalGAP, BRC, ISO 22000 and IFS-certified fresh produce company.

But the firm is forever sharpening its technical expertise to remain at the cutting edge of best practices in process management. In 2005, Euro Fruits built a new, €1m-plus state-of-the-art packhouse in Sangli, and last year invested heavily to increase its capacity. For the last three years, the company has encouraged its managers and supervisors to travel to key grape-growing countries and attend international industry conferences, not only to learn first-hand what's new elsewhere, but to increase Euro Fruits' international exposure.

And this strategy is paying off. Where once Euro Fruits invited

specialists from abroad to help improve its grape operations, now Euro Fruits' expertise is in demand. Last year Euro Fruits was the first Indian company to be invited by an Egyptian grape exporter to oversee its packing and export activities, Mr Agrawal reveals. And this year Euro Fruits supervisors have been invited back.

With Euro Fruits success has come a growing sense of social responsibility. In 2005, the firm set up a Corporate Social Responsibility initiative, in which it invests €20,000 a year, designed to help farmers and workers in times of need.

Last year, hailstorms, as well as rain, destroyed some of Euro Fruits farmers' entire yields, so the firm dipped into the funds to replant 100 per cent of their vineyards. Five months ago Euro Fruits adopted an English-speaking primary school next to its Sangli packhouse. The firm funds all scholastic costs, and so far the school has attracted over 40 students.

"We decided that after all we'd achieved we wanted to give something back," says Mr Agrawal. "Our headquarters and managers are based in Mumbai, but we wanted to give back to the rural areas, to the farmers and labourers, without whom we wouldn't be where we are today. They've made such a difference to our lives, now it's time to make a difference to theirs. We're the

Indian grape exporter Euro Fruits expects to export 2,500-3,000 tonnes of grapes to Europe this season, representing a 20-25 per cent rise in volume over last year.

The company, which operates packing facilities in Sangli and Nasik, puts the surge down to increased orders from supermarket customers and a rise in grower numbers wishing to supply them with grapes.

Grape quality looks excellent thanks to a mild winter which has led to good berry development and sugar levels, says Euro Fruits managing director Nitin Agrawal speaking in early February. And long-term weather forecasts predict good conditions for the next 45 days.

Harvesting started in the first week of February, and Euro Fruits expects its first consignment to arrive in Europe by the first week in March (week 10).

first Indian grape company to assist in setting up a school. We're very proud of this achievement."

It is distinctions such as these that will help secure Euro Fruits future success in an increasingly competitive European marketplace. India's traditional grape export window to Europe is shrinking from 16-18 weeks to 10-12 weeks as Chile extends its season and Egypt brings its shipments forward. Allied to that, the mixed standard of offer exported by the Indian grape industry as a whole is thwarting potential export growth.

However, Euro Fruits remains undeterred. "Euro Fruits enjoys a good position in Europe. Our brand is well regarded. We've been working with the same European importer, Timerfruit, for the last 14 years. We have a dedicated programme with European supermarket buyers who are our very satisfied with our product and service," says Mr Agrawal. "There will still be room for our product. We want to keep ahead of all other Indian grape export companies. It's the only way we can survive."

IMPORTS

Timerfruit triumphs

Eric Brückner of Rotterdam-based Timerfruit BV talks about the prospects for Indian grapes in Europe this season

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Eurofruit: How would you describe prospects for Indian grape imports into Europe this season?

EB: We are very positive about the coming season. I have just come back from my visit to Sangli where I visited the state-of-the-art Euro Fruits packhouse. Our expectations are very good. We are facing a more concentrated export with fewer exporters who will move the same or higher volumes. So far the weather conditions have been good too.

How did last year's Indian grape deal pan out in the end?

EB: Returns last year were not satisfying because too many small players disrupted the export situation by flooding the market. The poor results last season have resulted in a more consolidated business this year.

When do you expect the first Indian grape consignments to arrive in Europe? Do you anticipate good quality?

EB: We expect our first arrivals of black seedless grapes in week 8 (late-February). In week 10 (early March) Thompson Seedless will follow. The Indian season is getting longer and starts earlier than about five years ago. As you know, we work with Euro Fruits. Over the last 10-15 years they have gained so much knowledge from around the world about proper post-harvest treatment. They have made huge investments in this area over the last three years, unseen before in India.

How would you describe grape sales at present in Europe? Is there strong demand? Or has the credit crunch slowed sales?

EB: As it looks now, world consumption is still growing faster than the world production. The credit crunch has slowed global demand a bit, but it is just a matter of time before global consumption picks up again. The trend of healthier and better food is giving it another push. Grapes sales in Europe are still good. Our clients keep buying our Indian grapes because of their good taste and high sugar-levels.

Are Chilean volumes going to cause problems for Indian grape imports this year?

EB: Because of the extended Indian season, the overlap with Chilean grapes lasts much longer than before. Chilean



Timerfruit's Eric Bruckner

grapes are coming in later and Indian grapes earlier and earlier. Every client has his own preference and our market is big enough for both.

What volume does your company expect to import into Europe this year? How does this compare to last year?

EB: Timerfruit – Euro Fruits is making another step forward in terms of volume and quality. All arrive in Europe by sea-containers.

Which varieties will make up the bulk of your Indian grape imports? Is this any different to previous years?

EB: India produces mainly Thompson Seedless. But this year we are going to bring in more bi-colour 500g punnets following positive feedback from our clients last year.

Are you going to supply any new markets with Indian grapes this year?

EB: Seedless varieties are becoming more and more popular in southern European countries. We will make another push in these markets this season. There is still huge potential if you compare consumption there to Northern Europe.



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