

SHORT SUPPLY CHAIN KNOWLEDGE
AND INNOVATION NETWORK

Fresh Product Innovation Workshop

In this report on Fresh Product

Get inspired by our Good Practices

Fruit producer Roes (Oud-Turnhout - BE)

Agro Francken (Mol - BE)

Walhoeve (Goirle - NL)

De Laarhoeve (Diessen - NL)

't Schop (Hilvarenbeek - NL)





The SKIN Innovation Challenge Workshop took place on the 24th of April 2018 and revolved around the Short Food Supply Chain.

We visited several successful businesses during the day and in the evening a trend watcher informed us about all the latest hypes in the food-world. Every initiative had its own particular characteristics and we gathered insights into what these producer-processor-retailers are doing, the importance they accord to different aspects of their business and their view on future growth options. Accordingly they explained how they planned to grow in the years to come and the opportunities they had to improve their businesses through innovation or good practice adoption.

The workshop-Inspiration tour visited the following businesses:

- **Fruit producer Roes (Oud-Turnhout - BE)**
- **Agro Francken (Mol - BE)**
- **Walhoeve (Goirle - NL)**
- **De Laarhoeve (Diessen - NL)**
- **'t Schop (Hilvarenbeek - NL)**



Appelen Roes is a fruit farm run by Gunter Roes and his wife Hilde Knops. They own 25 ha (62 acres) of orchards on which they produce apples, pears and cherries. The farm has been in their family for over 60 years and they are the third generation to look after this growing company. For over 40 years the farm exclusively sold their fruit to wholesale and retail but they were unable to keep up with the difficult prices they imposed. So, 15 years ago, they decided to make a shift from B2B (Business to Business) to B2C (Business to Consumer). However, customers do not drive dozens of kilometres every week for fruit. **Today, they own 3 farm stores** (30 kilometres apart) through which they are able to sell 80% of their produce.

According to Gunter, the shift to B2C required a different mindset. You have to have the absolute best (& fresh) products in your shop. Additionally, the shops are very time-consuming. Gunter spends 40 percent outside of his orchard. He spends a lot of time delegating his 10 regular employees and the seasonal workers (up to 85 people in picking season) does administrative tasks, thinks about future marketing actions, spends time in the shops, and so on.

80% of the products sold in the shop is proper production : **apple juice**, other **mixed juices** (e.g. apple-cherry & apple-red berries) , **apples**, **pears** and **cherries**.

Fruit producer Roes

Oud-Turnhout – Belgium

<https://www.appelenroes.be/>

The other **20%** of the products, such as **jam**, **tomatoes** and **honey**, are produced for them by other local farmers. They have twelve varieties of apples (Robin, Jonagold, Belvare,...) and thanks to cold storage, these are available all year round.

They also have 12 varieties (Cordia, Regina,...) of cherries and thanks to the different ripening periods they can sell these more lucrative for eight weeks at a time. The juices are one of the best-selling and best-known products of the shop. A few years ago, Gunter and Hilde decided to buy their own pressing machine. After the pressing, the juice goes to a filling company who puts the different juices in bottles or boxes.

Every year, they press around 150 000 litres of juice.

There yearly turnover reaches 1.4 million Euro / year. Gunter notices growers are afraid for asking a good price. When it is low people may think it will be low quality. This season (with product shortages due to frost) he has been increasing prices slightly while reducing pack weight. In the future, the Roes-family would like to expand their product range. At the moment they are exploring the possibility of selling apple sauce (Dutch: Appelmoes), however they aren't sure if this will be profitable. Another project they are working on is the re-use of the left-over pulp after the juicing. At the moment is used as cow-food but they would like to find a more profitable use of this left-over product. By drying they are looking in new product-possibilities with higher value. They emphasize that it is important to calculate the profitability of your projects. That's why they decided not to deliver their products, even though they work closely with some coffee shops and restaurants. These costs are just too high. Customers have the choice picking it up themselves or using a joined regional distribution platform called 'DistriKempen'.



Marketing wise 'Appelen Roes' has already executed some very successful projects. However unlikely it may sound, the poor soil quality of their region has given them a great advantage. They are one of the only fruit producers in the area, which makes them very recognisable.

Gunter emphasized the importance of storytelling and experience. They have a very recognizable brand and logo. People from their area know their logo well, the '**Roes girl**' (see picture). Branding is very important and you will find the logo everywhere: on their clothes, on their van, on the fruit boxes, and so on. It's important for the storytelling that the products sold in the shop are their own. A clear link with the farm is very important. Hilde and Gunter explained that this was also why their second and third shop aren't as successful as the first one. The latter is located right next to the actual farm. That's why additional marketing is very important. In the beginning, they would hand out flyers, put up big billboards and send advertisements to their clients by mail. At the start a stamp/reduction card was a good system to obtain mail addresses. At the moment they are focusing more on online advertising, though they aren't convinced by the power of online advertising yet.

As **Gunter** put it: **"You don't gain any customers if you're on Facebook, but you sure lose customers if you don't."** A Facebook campaign with the possibility of winning free shopping for a year yielded 20% higher sales and that was retained. Same action a year later, however, had no effect.





A special marketing action is the organisation of the 'Farm Harvest Festivities' with other producers.

They give special tours in the orchards, organise tastings with their products and organise different activities during the day. Last year almost **8000 visitors** came to see their farm. Gunter and Hilde are very unique in using schools within their marketing strategy : they give tours to schools in the area and afterwards they give the children (annually 1000) a special wristband which they can trade for free juice when visiting the shop later on. This encourages the parents to come into the shop and to become regular customers.

At the moment they are developing a card-board play allowing children to learn everything about the farm and the production of fruit, just by playing the game.

The game will be distributed to schools in the shop region and used as a gift. In addition to producing the best products they possibly can, the Roes family is always thinking about different ways to attract new customers.

They are in close contact with the advisors from 'Innovatiesteunpunt', with who they frequently have strategic discussion on future possibilities.

This case learned us that a business-case around 1 product (apples) can guarantee a steady and profitable income, using the right tools and being innovative.



Agro Franken is a very large family-farm in Mol, it has been runned by the same family for three generations. The farm specialises in the production of vegetables and potatoes (**they cultivate over 450 ha (1100 acres) of potatoes in Wallonia**). Furthermore, they are the largest professional producers of lawn in the country. They also cut their own vegetables and potatoes.

One of the most important qualities of their brand is the **freshness**. They produce and cut everything to order without additives or preservatives. On the day of processing is also delivered. Cutting vegetables is cost price-technically difficult. The margins are minimal, below 1%.

They want to achieve a profitable business model by creating volume in a certain way an linking social projects to the cutting plant. 2 days a week, young people with problems work in the company. They have a lot of contracts with big retailers such as Delhaize and Carrefour, to which they deliver their freshly cut vegetables and fries. They are also one of the biggest supplier of fresh 'French Fries' to fast-food-sector.

They also deliver to event-catering.

By testing sugar content of potatoes, baking tests on taste and selecting the right potato crop, they guarantee constant top quality. This gives stability and peace of mind for customers.

Agro Franken

Sol – Belgium

<http://www.franken-nv.be/>



The work with a fixed price, which is set twice a year (1 October and 1 July). One of their clients presented us this Belgian Fast Food as lunch. For those vegetables they do not produce themselves, they try to contact other farmers directly instead of buying them at the auction, to keep the chain as short as possible. to become regular customers.

Their most important Short Chain initiative is called 'Fresh from the Farm'.

This is **a collaboration between Agro Franken and 14 other farmers**. This Pick, Drive & Deliver logistic system is still a point of improvement.

The shop is located on the grounds of the farm and only offers local products. The collaborating farmers always receive ten percent above their production price.

The shop has been open for 2,5 years and they are currently doing marketing research to expand the popularity and familiarity of the shop.

The strongest asset of this kind of collaboration is the diversity of the products that the shop can offer.

This case learned us that a very big farm, producing basic products into more convenience products can also be present in the SFSC market. They invest a lot in being 'the best' within their product range and still believe in working together with farmer-colleagues to guarantee the highest fresh quality.



The Walhoeve is a farmshop run by Corne van Roessel near Tilburg. Jan is a producer of beef meat. Once a week he slaughters one of his bulls and sells the beef in his farmshop. He recently built a new stable in which he keeps **150 bulls**, he rents the other half of his stable to another farmer.

On the roof of the stable there are solar panels owned by a cooperation with 80 participants. This does not directly generate income for the company, but it does generate publicity. Additionally, they own 20 ha (50 acres) of land where they plant corn and grass to feed their bulls. In the future he hopes to build a shed for his machinery and he would also like to find another shop to which he could also deliver a bull a week.

That way, he could use two thirds of his new stable. Ten years ago they owned two hundred bulls and two hundred goats, sold to the grocery with low profit margins (or negative margins). Now, they only have 150 bulls but they make enough money from the farm shop to create a sustainable income. On average 1 bull each week is slaughtered. Corne's parents opened the shop in 1997 but until 2010, when Corne took over, the shop was only open once a week. Now, the shop is open for 5 days a week (Tuesday to Saturday). This, logically, creates a greater income which reaches 1.2 million sales per year.

They welcome 600 to 800 customers a week.

Walhoeve

Goirle – Netherlands

<http://www.walhoeve.nl>

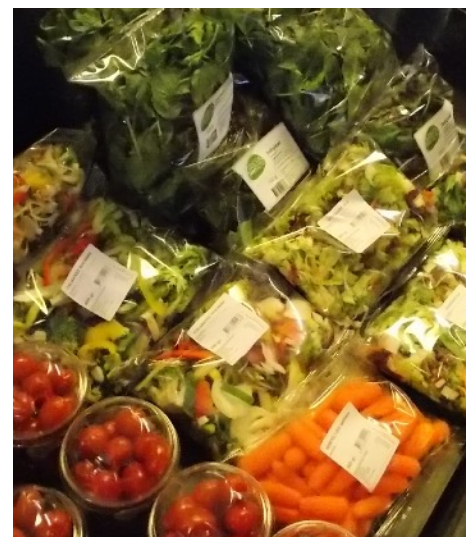
E-commerce is possible through their internet platform for picking up in the store. Other than his own beef, Corne also sells pork, cheese, bread, strawberries, asparagus, wine and other local products.

Every week he buys five to seven pigs from a nearby farmer, these are taken to the slaughterhouses and then returned to the shop so that Jan and his employees can prepare the meat (cutting, smoking, seasoning, packaging and so on). Other than Corne, there are 4 other butchers at work in the Walhoeve. One full time, two part time and one that only comes one time a week. In total, the shop has 14 employees. However, in the future, Corne would like to hire one young butcher to work in the shop full time. The shop has 18m² of cooled surface and 20m² of free surface. Other plans for the future include a complete renovation of the shop itself. They would like to move the counter to the back of the shop, so that customers don't get scared away when there's a cue outside. This would also attract more people to the back of the shop where a lot of products are placed.

The Walhoeve also delivers meat to restaurants (mostly through horeca wholesaler Horesca Smulders who has regional products in the assortment) **and other farmshops.**

This means that they have to drive around for 2,3 days a week to deliver the products but also to collect products from local farmers that are sold in their own store.

One of the Walhoeve's biggest clients is 'Boerschappen'. This Dutch company creates different meal boxes with recipes included. Consumers can collect these at pick-up points or have them delivered at home at an additional cost.



All the products inside these boxes are from local farmers. Every year, Corne earns about €200 000, providing the meat for these boxes. However, as these orders are very labour-intensive, Corne is thinking about asking for a more honest compensation.

One of the Walhoeve's strongest qualities is its extensive network.

It allows them to collaborate with other shops and producers and also to talk about costs and revenues together. Corne sees future perspective by entering into new collaborations. The variety of products is what attracts a lot of people to the shop. However, while variety is important, it's also a great idea using experience and also have very special and unique products in your farmshop. Corne prepares a Brabantian specialty, namely a 'Worstenbroodje', which is loved by a lot of his customers. He also served special salads and cheeses. To get special recipes for these meats and salads, Corne talked to a few retiring butchers who were more than happy to share their recipes with him.

The Walhoeve spends around 1% of their budget each year on marketing (€8000-10 000). Once a week he puts an advertisement in the local newspaper, he offers a reduction on the pieces of meat that haven't been sold out yet that week. He has noticed however, that the advertisements in print have lost ground to online advertising. Additionally, they often sponsor events or offer prizes to be given away in competitions. Instead of an annual open day, the Walhoeve now organizes an activity on the farm each first Saturday morning of the month. They also offer free tastings of cheese or pieces of meat for children (and sometimes adults as well), to create an positive atmosphere in the shop and encourage people to return. Lastly they are part of the non-profit organisation 'GoeiEete'. A citizen initiative which promotes local products and honest prices for farmers. They enable consumers to place weekly orders for local products which they can pick up at collection points.





Judy Kerkhofs took over her parent's farm **De Laarhoeve** in 2000 and has turned it into a care farm. At the moment she 'employs' 12 people with mental disabilities or behavioural problems. The clients are encouraged to take part in the daily activities of the farm as if it were their real job, they are also treated as real employees.

Judy tries to find the work that suits every clients' needs. It gives them a chance to develop their abilities in a secure environment. Together with professional supervisors and volunteers, they produce a range of different products (mostly of 2nd class), some of which, Judy sells in her farm.

They have their own (branded) product line with over two dozen products based on own recipes without aromatics, colourings and flavourings.

The products sold in the shop include various types of **jam, dessert toppings, chutneys, poached pears, red cabbage, pasta sauces, relishes**, decorative reefs and other (Christmas and easter) decorations and boards and crates which are made in their woodworkshop.

They have also transformed the land in front of the shop into a field where people can pick flowers, this attracts new customers and is beneficial for the integration of the workers as it encourages social contact.

De Laarhoeve

Diessen – Netherlands

<http://www.delaarhoeve.nl/>



The farm's most important production process is the making of jam. They already have a semi-industrial kitchen but they are building a new and bigger production area at the back of their farm. ZLTO is partner in this new project which is co-funded by the European agricultural fund for rural development.

They produce about 35000 kilograms of jams each year, that's about **60 000 jars**. Their suppliers are (mostly) local. They produce jam for other local shops who don't have the quantity necessary to fully industrial production in factories.

They take orders starting from 100 kilograms of jam.

In addition, they also produce products for other producers under private label, which is sold at restaurants through Sligro and Hanos.

Their own brand goes through Horeca Smulders to restaurants and through different logistics parties to **30 supermarkets** and other sales channels.

Publicity wise, they have a Facebook page and website and they go (less and less) to a number of markets in the area. However, Judy explained that they preferred to produce jam for other local shops under their label because these brands often have more brand recognition than they do. De Laarhoeve therefore mainly focuses on networks and relationship management.

A nice example of how to combine social farming with a business case to ensure enough income for investing into the necessary equipment and a good life for the workers.



't Schop is a small organic farm, which sells **Angus meat** and **vegetables** which they produce themselves. Being an organic farm has pushed them in the direction of extensive farming, which is very beneficial for the natural areas around the farm. The shop exclusively sells organic products and is a big promotor for **Belgian Organic Beer**. They slaughter every 2 weeks and sell exclusively through the shop which is open 3 days/week. Currently they are thinking on increasing the opening days with 1 or 2.

They are known for organising cooking workshops for families, groups of friends or business trips, naturally these meals are prepared with their own organic products. People learn about the products when a professional cook assists them in preparing different recipes.

After cooking, they all enjoy their meal.

They also participate in the Slow Food Brabant network.

Jan shows us how a small farm can earn more money than a big intensive farm by being innovative and unique.

't Schop

Hilvarenbeek – Netherlands <http://www.hetschop.nl/>



Fresh Product Innovation Workshop



The SKIN Workshop about "Fresh Product" was organised by Innovatiesteunpunt and ZLTO, with the collaboration of all project partners

