

PORTUGAL

Farm's performance restructuring and modernisation

Location

Algarve

Programming period

2014 - 2020

Priority

P2 - Competitiveness

Measure

M4 – Investments in physical
assets

Funding (EUR)

Total budget 1 950 198.62

EAFRD 497 300.65

National/Regional 87 758.94

Other 1 365 139.03

Project duration

2014 – 2015

Project promoter

Fresh Cut, Lda

Contact

asimoes@freshcut.pt

Website

www.freshcut.pt

A company used RDP support to install 9 ha of infrastructure for the production of fresh herbs, aiming to take advantage of the increasing demand for high-quality fresh produce in European markets.

Summary

Fresh Cut Ltd. sought to take advantage of the favourable soil and climatic conditions of the Algarve in Portugal, in particular the abundance of sunlight. It targeted the growing European markets for seasonings, spices and herbs as part of moves towards healthier food.

The project supported the installation of 9 ha of greenhouses, tunnels and warehouses to support the cultivation of fresh herbs. The company worked with various accreditation schemes to ensure it met the standards of EU export markets.



Results

Continuous production of various species of herb throughout the year, including 14 harvests in the first year of production and 15 in the second.

The production volume increased from 292.94 tons to 395.65 tons, between 2015 and 2016.

The project helped the company to create a total of 46 new jobs.

Certification from the GLOBALG.A.P. farm assurance programme was awarded during the first year of operation.

98% of the company's sales (by volume and value) were destined for export markets within the EU.

Lessons & Recommendations

- ❑ It is important to take into account the crop yields in the region since yields might be smaller than estimated and ensure the availability of labour in the region.

Context

In recent years, there has been an increasing interest among European consumers in a healthy lifestyle and in the consumption of healthier food. The EU is the second largest market for seasonings, spices and herbs in the world, accounting for EUR 1.2 billion, with moderate average annual growth. The EU is a net importer of spices and herbs.

In this context, the company Fresh Cut Ltd was created as the natural evolution of the productive and commercial activities of the company Aromáticas Vivas, Ltd – one of the members of the international SPISA Group, which is a leader in Europe in the production and marketing of in-pot herbs for fresh consumption.

Objectives

Fresh Cut LTD wanted to take advantage of the growing market and supply shortages by increasing its production of herbs and spices. It sought to extend and complete the range of products and spices it offers to European consumers.

It also wanted to start taking steps towards getting certified as a fully organic producer.

Activities

RDP support helped Fresh Cut LTD to set up greenhouses, tunnels and warehouses over an area of 9 ha for the cultivation of herbs on the ground rather than in pots.

It introduced a joint production system for herbs along with environmentally friendly pest control and weeding methods. The plots are used in rotation and a soil solarisation technique is applied.

The company worked with various accreditation schemes – including the GLOBALG.A.P. farm assurance programme, to ensure that production meets the highest standards and all the requirements of the targeted markets. These cover a series of aspects such as food safety, traceability, environmental performance and worker safety.



Main results

The joint production of various herbs ensures maximum productivity and continuous production throughout the year including winter months. In the first year of production there were on average 14 harvests of various aromatic herbs.

Greater technical knowledge on the cultivation was gained, which optimised the conditions for production. In the second year of production, 15 harvests took place. The production volumes increased from 292.94 tons to 395.65 tons, between 2015 and 2016.

The project helped the company to create a total of 46 new jobs.

Certification from the GLOBALG.A.P. farm assurance programme was awarded during the first year of operation. Other certifications were also acquired to match the requirements of different destinations of food retail chains such as BRC, AUDAX and SEDEX.

From the first year of production in 2015, 98% of the company's sales (by volume and value) were destined to export markets in the EU.

Key lessons

The main challenge in the project was to find and recruit staff from the region.

It was also found that the expected crop yields were not as high as calculated.

Additional sources of information

n/a