

## Besana Group sets sights on major expansion

BY JULIAN GALE

Besana Group of Italy is on an expansion path which includes a targeted substantial boost in turnover this year and plans for increased share in the Far East markets.

Pino Calcagni, president of Besana Group, said the company is looking to raise turnover to EUR200 million (USD230.98 mln) in 2015 from EUR171 mln in 2014. The group's financial year runs from January 1 to December 31 and Calcagni was speaking to FOODNEWS on the sidelines of a Besana Open Day, which was held on January 22.

Besana Group is a producer, processor and packer of nuts, dried fruit, seeds, chocolates and snacks.

The event marked 2015 as the group's 94 th year in business and included a series of presentations on progress so far, plans for the future and a tour of the main factory, in San Gennaro Vesuviano, near Naples.

Calcagni explained that the gain in turnover will be achieved by growth on the domestic market. He acknowledged that this aspect of the business has been "almost neglected" of late. "But we will recover a share of the Italian market, which should be in the area of 10%," he added.

Another aim is to increase global turnover by 5% via special ingredients, these being top quality products for highly specialised industries.

In addition, the group has set its sights on an 8% expansion in the Far East market.

Calcagni said the Far East focus will be exclusively on high quality dried fruit and nut products to premium retailers along the lines of Marks and Spencer and Waitrose in the UK. These products can be sold with added value and are what customers in the Far East expect, Calcagni noted.

In Europe, about 85% of Besana's sales are under the retailer's own brand. However, in the Far East the products will be presented under the Besana brand.

### Strong brand recognition

Calcagni observed that Italian food products are already well recognised in Far East countries. Moreover, it has been shown that the Besana name is easily recognised and understandable when spoken aloud in these destinations, he said. "We did a market study just on the pronunciation of the Besana name," Calcagni revealed.

Not surprisingly, China is the number one target for Far East growth. India comes next and Besana Group is initially focusing on the three cities of Bombay, New Delhi and Chennai.

Calcagni observed that India is now starting to feature more food retailers and becoming more receptive in general to the overall food chain and this is helping to drive expansion in this region.

In addition, Singapore and Malaysia are an important part of Besana's increasing presence in Asia. In Malaysia, Besana products already feature in Tesco.

"This year we are planning to cluster our products, such as sliced almonds together with chopped hazelnuts," Calcagni revealed. "We plan also to have products which can be an addition or garnish to salads, such as roasted pine nuts and chopped walnuts, but finely dried so that when you eat a crunchy, fresh salad you can see something which is more crispy."

The group is also introducing ready made items for adding to cakes and confectionery.

In addition, there will be new products on the chocolate side of the business. These are produced by group company Vittoria Chocolatery Srl.

Calcagni emphasised that one of the core objectives of the group is to globalise without disturbing exclusivity. For example, a product that is proving successful in the UK can be easily then launched in China, or a product doing well in Scandinavia can then also be pushed in Switzerland.

### COMPANY





Of course, the markets as a whole are not without challenges.

"At the moment, the very big pressure is on hazelnuts, because the crop was poor in Turkey and Italy, and partially in Spain," Calcagni remarked. "Usually on hazelnuts the carry-over on one crop until new crop is 15-20%. This year (2014/15) for the first time there were two consecutive low crops, so no carry-over and the pipeline was empty. I blame the short minded view from speculators for jeopardising the future of hazelnuts. For that reason we are looking at and encouraging new areas of production."

Besana Group is progressing the possibilities for hazelnut output in Chile, Southern Africa, India and China.

Part of this will be encouraging farmers to try new, higher yielding varieties.

In Italy itself, the soil in the regions near Besana's main plant is very rich with nutrients due to the presence of the volcanic Mount Vesuvius. As a result, it would be possible to achieve yields of 4-4.5 tonnes per hectare compared with the average of only 1.2 tonnes/ha in Turkey and 1.8/ha in Oregon, US.

In 2014, Besana Group produced only 3,000 tonnes of hazelnuts but in the past it has seen output of 8,000 tonnes.

"The most fast running products remain cashews and almonds," Calcagni said. Typically, Besana's volumes on these are in the range of 4,000-5,000 tonnes a year.

### Walnut expansion

Shelled walnuts is an increasing area of the business.

"The Besana strategy is to buy the new top walnut varieties from the US, Moldova, Hungary, Italy of course, and France. Today, we try to diversify for each customer to give the walnuts that they need, in terms of colour, size, shape and taste. Every country of origin and every variety has a strong particularity," Calcagni noted.

Besana Group is also keen to assist Ukraine in modernising its walnut sector.

Moreover, Calcagni feels it is time to Italy to ramp up its own output and revitalise walnut orchards, many of which were replaced with the cultivation of wine grapes.

He added: "We like very much also the niche products, like goji berries, green raisins, pine kernels and macadamias. We love everything which is more specialised."

In cashews, Besana Group is encouraging growers in Africa to process directly in Africa itself and reduce their dependence on sending their cashews for processing in Vietnam, Brazil or India.

"We are already buying 10% of our cashews from processors in Africa," Calcagni revealed.

In raisins, sultanas and currants Besana Group sources from Turkey, Chile, Argentina, South Africa, China, Greece and the US.

"We are very much looking for low sulphite, but natural (no sulphites) where possible," Calcagni explained.

The factory tour included a look at the company's latest Napsol pasteurisation line, which was installed in August 2014.

Simon Melik, general manager of Besana UK, told FOODNEWS that the system pre-conditions the raw material by warming it up gradually before it passes on to the next chamber. Because the heating process is a gradual one this reduces the thermal shock and maintains the organoleptic qualities – i.e. the taste and texture – of the raw material.

The system is versatile, being suitable for nuts, dried fruits and seeds and is very effective, having a bacterial count reduction of up to seven log. It has a throughput of two tonnes an hour.

The plant also houses five dry roasting ovens and one oil roasting oven. In addition, there is a new batch oven with a capacity of two tonnes per hour. There is full traceability of temperature at each processing step.

The factory's research and development laboratory incorporates a climatic chamber which tests the shelf life of products.

Besana also highlighted the fact that every year it receives about 40 production plant visits from main customers and certification bodies.

### UK relocation

Besana UK moved to Ipswich in March 2014 having previously been located in Upper Rissington in the Cotswolds.

The new UK facility covers 75,000 sq. ft and gives the firm the benefit of additional storage space as well as close proximity to the port of Felixstowe, where a large proportion of the company's goods are now moved through.



Currently it has four packing lines and a fifth is due to be added next month.

This compares with a total of 28 packing lines in the main factory in Italy.

Melik explained that roughly 30% of UK output is packed in the UK while the remainder is packed in Italy, being transported via Felixstowe or truck from Dover. Around 51% of group turnover comes from the UK operation.

The major three customers in the UK are Tesco, Marks and Spencer and Waitrose but the company supplies most of the major retailers to some degree.

As detailed by Calcagni, most product is sold under customer own brands. It can usually be found in the fruit and vegetable areas of retail food stores and is contained in transparent packaging.

Melik added that Besana Group has a throughput of around 25,000 tonnes of product a year, this encompassing dried fruits and nuts, and seeds, which is up from 9,000 tonnes 14 years ago.

#### **BESANA GROUP: BACKGROUND INFORMATION**

Founded in 1921 by brothers Emilio and Vincenzo Besana to process the abundant hazelnut, walnut and chestnut crops, growing on the rich volcanic soil at the foot of the Vesuvius in the southern Italian province of Campania

The group still has family links, being headed by Pino Calcagni as president, with his son, Riccardo, managing director

In addition to its head office and main production plant in San Gennaro Vesuviano, the group incorporates several other plants and commercial offices in Italy and abroad, these including in the UK, Germany, Switzerland, Belgium and Brazil.

#### **The company at a glance:**

- 40,000 sq.m of total operation surface
- 25,000 tonnes of nuts, dried fruit and seeds produced each year
- 100 million single packs produced every year
- 35 production lines
- 450 employees, 65% of which are women
- 2,000 direct and associated growers controlled and co-ordinated by the group
- 9,600 pallets of storage of which 4,000 are in chilled areas
- 70% of group sales to retail accounts
- 30% of sales are of semi-processed goods to industrial accounts

## **Russian demand for tomato paste rises despite rouble**

BY DAVIDE GHILOTTI

Russia has stepped up its imports of tomato paste by over a quarter in 2014 compared with the previous year, latest trade data reveals.

The country's import trend was affected only slightly by the free-fall of the Russian rouble on the currency market in the second half of the year. Overall imports have nonetheless increased against 2013.

Russia's imports of tomato paste between January-November last year totalled 152,758 tonnes, marking a 27% rise compared with the same period of 2013 (120,185 tonnes).

Imports in 2014 peaked in July, with over 17,500 tonnes of product reaching the country, and dipped in September with 9,161 tonnes. Shipments increased over the following two months to November.

It was being suggested – with reason – that the depreciating Russian rouble would result in additional strain for Russia when it comes to imports, with local companies having to pay considerably more for goods coming from outside.

#### **TOMATO PRODUCTS**

