







## **NEW HERMANOS PEDROZA SPICE PACKAGING LINE**

Hermanos Pedroza is a family business located in the Malaga town of Fuente de Piedra. This company, which has had several generations of workers, is now undergoing conversion. Thanks to the support from the EU, a packaging line has been acquired to improve productivity and expand jobs in this factory that is specialised in the production and marketing of spices for individual and agro-industrial use.

This project has received 75% EU support, an amount of EUR 50,500, through the European Agricultural Fund for Rural Development.

It is considered a Project's Good Practice since it meets the following criteria:

1. The EAFRD's role has been suitably disseminated among the beneficiaries, potential beneficiaries, and the general public:

The Directorate General of European Funds, as the Management Authority of the RDP for Andalusia, publishes a quarterly digital publication, the "HUELLA" magazine, that is distributed to a thousand email addresses. In issue 8 (March-May 2019), a report on this project was made in the EAFRD section, available at:

https://www.juntadeandalucia.es/economiaconocimientoempresasyuniversidad/fondoseuropeosenandalucia/huella1420/post-type-4.php?idC=5&idN=221&idR=62









The video edited in the Huella magazine was also disseminated through the social networks of the Directorate General of European Funds with 293 views on YouTube, and through the social media profiles of the beneficiary, specifically in its blog and Facebook account:

Revista Huella #8: Línea de envasado en Hermanos Pedroza - YouTube http://blog.especiaspedroza.es/proyectos-innovacion/

 $\underline{https://www.facebook.com/pages/category/Food---Beverage-Company/Especias-Hermanos-Pedroza-130313193808291/$ 





And other publications, of business nature, also broadcasted the video report of the Huella magazine:

http://www.ratingempresarial.com/hermanos-pedroza-mejora-su-productividad-gracias-a-la-nueva-linea-de-envasado/











In addition, the website of the Directorate General of European Funds has an image bank which includes a brief description of the project and significant related images for consultation:

https://www.juntadeandalucia.es/economiaconocimientoempresasyuniversidad/fondoseuropeosenandalucia/index.php/proyecto/217



Finally, the beneficiary has complied with the specifications for the dissemination of the aid that was received from the EAFRD by installing an identification plate at the entrance of its facilities and by disseminating the information on its professional blog: <a href="http://blog.especiaspedroza.es/proyectos-innovacion/">http://blog.especiaspedroza.es/proyectos-innovacion/</a>

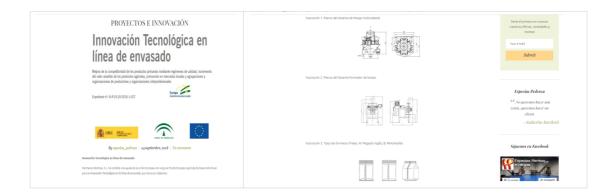






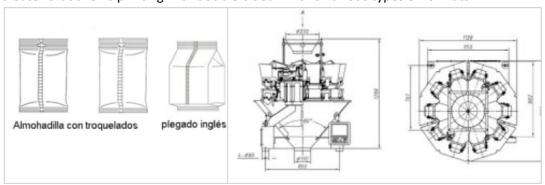






# 2. The action incorporates innovative elements:

Technological Innovation in the packaging line consists in the incorporation into the production process of a packaging system that works through a "Multi-head Automatic Weigher Packer". This system consists of an automatic hopper that doses the product on an elevator which is synchronised with the packer. The dosing system is performed by weighing drawers (multi-head) that are opened according to the pre-choices that were made to conform the exact weight of the chosen container. The product eventually falls into a film-powered bag creator that allows printing with double-sided ink and various types of formats.



The system is relatively easy to program and adjust and can even be operated by a single operator, although there are usually two, and the machinery acquires a speed of 20-60 packs/minute (depending on the quantity to be dosed).







#### **GOOD PRACTICES SHEET**



# 3. Adaptation of the obtained results to the established objectives:

The new packaging line has allowed to multiply by four the previous production rate of the factory. The company, which has started a very powerful online marketing programme, currently has technology partners such as Amazon through which they sell about half a hundred spices, herbs, condiments, and sauces worldwide. On the other hand, they have a physical store in the wholesale market in Lisbon after the City Council of the Portuguese capital got in touch to ask them to sell their precious condiments at one of the market stalls due to the wide demand they had not only locally, but also from tourists.

The estimated increase in sales figures is 49% in three years. For the year 2019, an increase of 2,012,365 euros was estimated, 49% more compared to 2015. For this reason, the target has been more than met having reached 2,971,832.95 euros, which means 220% more.

Reducing production costs has been another achieved objective. Although it is difficult to quantify savings in production costs, the new system has allowed processes that were not previously possible. Initially, packaging was carried out manually, resulting in product losses (decreases), loss of efficiency as more time was needed, and/or other activities and difficulty in production planning. Another important aspect is the ease of cleaning and programming which allows to change products quickly and safely.

The improvement in the quality of the final product has also been possible thanks to the new system that has allowed to precisely adjust the net weight of the packaging providing uniformity and reducing breaks and returns. It has also facilitated the location and elimination of possible foreign elements. The flexibility of formats and weights also facilitates the adequacy to customers' requirements and improved presentation.







#### **GOOD PRACTICES SHEET**



# 4. Resolution contribution of a regional problem or weakness:

The project has contributed to the recruitment of new staff since its implementation, from 11 employees in 2016, to 20 by 2020, which has led to fixing population and employment at the local level, one of the main problems or weaknesses of the Malaga municipality. It has also contributed to the modernisation of the spice sector since it is mainly located in the areas of Levante (Murcia and Valencia), with specific marketing points such as the Pimenton De la Vera in Caceres, and in Andalusia. Nowadays the sector maintains a relatively traditional nature with low or no presence internationally. The incorporation of this system allows improvement of competitiveness by breaking the barriers to enter the online sales, this being a market niche, and facilitating access to sales in shelves.



# 5. High target population coverage:

The development of this project has led to an important development of the company's turnover, which has led to the incorporation of 6 people to the workforce, actively collaborating in settling population in the rural environment. Job creation is not only related to the productive field, but also affects the social and cultural spheres, thus contributing to the mobilisation of rural society and the emergence of new lines of business like this one.







#### **GOOD PRACTICES SHEET**

# 6. The horizontal criteria for equal opportunities and non-discrimination, environmental sustainability and/or social responsibility have been taken into account:

Since the launch of the project, 6 women have joined the company, currently amounting to a total of 9 women and 12 men. In total terms, the ratio of women has increased from 18% to 42% in 3 years. Today, the company has 3 employees over the age of 50, two of them above 60. On the other hand, there are 4 employees under the age of 30, two men and two women, implying equal opportunities and non-discrimination.

In terms of environmental sustainability and/ or social responsibility, in parallel, the development of the project has allowed the expansion of the company's portfolio, certifying them as operators of ecological products and incorporating 20 new references in its offer on a permanent basis.



## 7. Synergies with other public intervention policies or instruments:

This project is fully in line with the pillars of the Rural Development Policy, the second pillar of the Common Agricultural Policy (CAP), which pursues objectives such as promoting innovation, improving the environment, mitigating climate change, recovering economic growth, and generating jobs, very strong priorities in this project.







## **GOOD PRACTICES SHEET**

# **TECHNICAL DATA OF THE PROJECT**

Andalusia Rural Development Programme 2014-2020

MEASURE: 4. Investments in physical assets.

SUBMEASURE: 4.2. Support for Investments in processing/marketing and/or development of agricultural products.

TYPE OF ACTION: 4.2.1. Support for material or intangible investments in the processing, marketing and/or development of agricultural products, in the agri-food sector in general.

FOCUS AREA: 3A. Improving the competitiveness of primary producers through quality schemes, increased added value of agricultural products, and promotion in local markets and short supply circuits, and producer groups/organisations and interprofessional organisations.

Beneficiary's website: https://especiaspedroza.es/es/

Project Manager: Directorate General of Agri-Food Industries and Chain. Regional Ministry of Agriculture, Livestock, Fisheries, and Sustainable Development.