

# Supplier NEH Philippines goes beyond bananas

Operating in an industry where competition intensifies with increasing supply and stricter quality requirements, NEH Philippines says it sees the need to differentiate

**L**IKE many other small and medium-sized companies, Philippine banana grower-shipper NEH Philippines says it finds it hard to compete with the large multinationals since it cannot achieve the same economies of scale.

So, to buck the downward trend in margins, the firm says it focuses on both quality control and value-added initiatives.

“Stricter control is needed to meet the requirements of our markets,” reveals spokeswoman Jennifer Karla Briones. “The growing health consciousness of the global consumer has led to stricter food safety standards in our target markets. Recently, Japan established Maximum Residue Levels (MRLs) as a check for compliance with approved

Good Agricultural Practices (GAP) and to facilitate international trade,” she says.

“However, we understand that stricter quality control throughout the value chain is not only needed to deliver consistent quality products, but also contributes to consistent volume,” adds Ms Briones.

“In our farms we focus on food safety, farm monitoring and tracking and tracing. Furthermore, we actively seek opportunities with our partners to minimise our environmental impact, resulting in activities ranging from tree plantings to the building of seed banks and erosion centres.”

NEH says it recognises that research and development is an important activity leading towards innovative and

**SUMIFRU, THE** Philippines subsidiary of Japanese fruit marketer Sumitomo Corp, in August announced plans to expand its Philippine banana plantations in Mindanao from 4,000ha to 5,800ha.

The company also pledged to spend a further 1bn pesos on support facilities, such as roads, according to local press reports, bringing its total investment in the Philippine banana sector to 6.5bn pesos since December 2004.

The move is expected to generate more jobs and livelihood opportunities for 12,000 residents in the plantation areas, Sumifru said.

Sumifru (Philippines) Corporation was established in 2003 to effectively manage new and bolder expansion projects of Sumitomo Corporation and its subsidiary, Sumifru Corporation, explains the corporate website.

“The projects are to increase the sourcing capabilities of Sumifru and expand the market share in Japan and other profitable marketplaces for its food and fruit businesses,” it says.

value-added products and services.

“While we run our daily operations, we outsource our R&D activities to Fresh Studio Innovations Asia,” Ms Briones explains. “Together we develop and implement value-added strategies in our business, understanding consumer trends and addressing needs from seed to mouth.

“One of our first successes led towards a collaboration on solid board packaging with Smurfit Kappa Group. Solid board does not only protect the bananas during transportation, but also accelerates the cooling of the bananas. This improves the ripening process, which will result in better quality of the bananas,” she adds.

“At the same time, the boxes appeal to our customers and end-consumers because of their premium printing quality. Recently, we shipped 3kg boxes to our markets in the Middle East designed with the Ramadan Celebration in mind.”

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