

Description of the social enterprise – information sheet

Agroiris SAT



A. Identification data

Name of the enterprise: Agroiris SAT

Location/Address of the enterprise: Ctra. Almerimar, Km 1, 04700 El Ejido (Almería)

Website of the enterprise: <http://www.agroiris.com/>

Legal organisational form: Sociedad Agraria de Transformación

B. Good practice of the social enterprise

Agroiris is a company that markets the products of its farmer-members and also clients. The principle mission is to increase the value of the fruits and vegetables marketed for their members and also to raise the incomes in the zone in which the farmers are located.

In keeping with the objectives of its legal form, Sociedad Agraria de Transformación (SAT), which is considered to be part of the social economy in Spain, these are civil companies with a social-economic aims in relation to production, processing and marketing of agricultural products, livestock and forestry. They also have as their aim the improvement of the environment and rural areas, agricultural development and the provision of services related to these areas.

C. Context:

Year of Founding:

Context of start-up – problem that the enterprise was set up to solve, economic social rationale:

Agroiris was founded 1 July 1994 to concentrate the efforts of many small farmers and to help them find better prices and other markets. Its growth since such time has been constant. The management of the company has tried to achieve an ordered growth according to the needs of its members. They have pushed hard to concentrate the offer of their products so that they can meet the demands of the clients, who are constantly larger and with higher demands for volume (for example, Aldi, Tesco, Carrefour, Lidl).

What are the Main Activities of the entity?

The main activities are the marketing of the following products:

- The pepper is its most produced product. They market over 45 million kilos per year.

- In second place, there are 3 products that are fundamental to the company: cucumber, watermelon and melon
- After this is aubergine and zucchini
- Finally, there is a series of products of less volume, being cherry tomato, beans, grapes, and Chinese cabbage.

Who are the Main stakeholders (i.e. members, clients, producers, etc.)?

The main stakeholders are the 450 members, who cultivate 750 ha and give employment to 1,500 workers.

Geographic coverage with respect to: to production of services and/or goods and market/consumers or beneficiaries, clients, etc.

The members of Agroiris come from diverse zones and small towns of the area of western Almeria. With respect to markets, Agroiris is quite different from many other large cooperatives and SATs in the zone, who are almost exclusively geared towards export to other parts of Europe., Agroiris is still quite loyal to its domestic market within Spain, where national markets absorb 40% of production, with 60% for export, mostly to Germany and Holland. Non-European markets make up only 5% of the market.

D. Ownership Structure

What is the ownership structure of the entity: i.e., does the entity have shareholders, owners/members, donors, trustees, investors, etc.?

Agroiris is owned entirely by its members.

If membership, is membership open or closed? Is exclusivity required?

It is open to new members. The bylaws set out that sales must be done exclusively through the company.

Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised?

The General Assembly fixes the amount of obligatory contributions of the new members and the conditions and time periods of payment.

Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution; proportional to use, etc.).

Every member has a vote. However the bylaws allow that when there are issues to be voted on that include economic obligations for the members, and then the votes are cast corresponding to the capital contribution of the member.

Describe in a few words the main benefits for members or owners.

The members obtain better prices for their product due to the reputation of Agroiris, both national and international, and also because it can attract more clients than individual farmers.

The members also benefit from a series of free services:

- technical agricultural advice and guidance
- technical training in growing techniques
- sale of inputs at reduced prices.

Indicate any main changes in ownership over the lifetime of the entity.

None.

E. Governance

Describe the governance structure of the entity (board, management, committees, etc.), number of members and method of selection (appointed or elected and by whom).

The governance structure is: i) General Assembly, which is the highest power of the members; ii) The board of directors, which deals with the representation and general administration of the company and iii) the president, which is given powers by the bylaws.

The board is composed of the president, a secretary and 3 vocals, as a minimum. There is also a professional manager to whom the board delegates the day-to-day tasks. Such functions are also in the bylaws.

Is there an entity or process for oversight of the board?

The General Assembly.

Are there external independent board members?

No.

Are there term limits for board members?

10 members.

What is the gender composition of the board?

7 men and 3 women

Describe management and board salary/ compensation policies and how they are decided/determined?

Board members do not have a salary. However, they are reimbursed for expenses in carrying out their activities as a board member.

F. Profit/ benefits/ surplus distribution policies

Describe briefly the distribution policies and procedures for profits / benefits / surplus

Are members/owners liable for losses of entity? Describe how liability is shared.

The distribution of the benefits of the entity is done so according its bylaws and also in accordance with the laws which regulate SATs.

G. Strategy: highlight approaches adopted to address the identified challenges

Describe briefly the business strategy looking at aspects like: main products/services, market niche, market share, quality and pricing/costs and main changes occurred in time.

Medium and long term actions are focused on consolidations of the group in light of recent mergers and those which are anticipated in the future. They also have diverse strategies for product innovation and new markets. The group was reorganised in order to cut costs and maximise efficiencies.

The group's investment strategy is directed towards the modernisation of the most obsolete installations and also to realise those changes necessary to allow for economies of scale by absorbing other entities such as Campoalmería, Mayba and Ejidoluz.

The incorporation of added value and the marketing of new products is key to competitiveness.

Describe briefly the relation between the business strategy and the social mission of the enterprise. Please describe briefly the strategic partners or alliances that the enterprise has.

The Company has grown in distinct phases. During its phase of growth in the 90s it set up 2 companies to integrate new members: Poniente Sol (1997) and Solcoiris S.L (1998) a limited company. In July 2010 it acquired Campoalmería, S.A., and in August of 2011 it integrated by direct purchase, the SAT Mayba. It is also in the process of merging with a cooperative Ejidoluz, S.C.A.

The following chart sets out the principle incidents of growth in Agroiris:

Concept	Founding SAT Agroiris	SAT Agroiris	Integration of SAT Mayba	Integration of Campoalmería	Merger with Ejidoluz
Year	1994	2009	2010	2011	2013
Nº of members	10	408	420	457	700
Turnover (Mill. €)	28	108	126	147	190
Employees	100	800	1.000	1.200	1.500
Locality	El Ejido (Tierras de Almería)	El Ejido (Almerimar)	El Ejido (Cuatro Vientos)	El Ejido	El Ejido (Almerimar)

Please describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.)

Agroiris has a close relationship with its members through its network of technical assistants (Agricultural Engineers). As well, it has a very well developed intranet system where the member can see the weekly prices and news in relation to the company. There is also another intranet system for clients in which they try to improve the ordering program.

Agroiris has also participated in sector forums and in associative entities. It is a member of the Association of Horticulture Marketing Companies of Andalucía (ECOHAL) and is also part of the inter-professional group HORTYFRUTA.

Innovation and key performance factors

Agroiris complies with a wide range of quality standards demanded by their European clients (Global Gap, IFS, and

BRC). The incorporation of added value and the marketing of new products is an objective to increase competitiveness. An example of this, are exclusive products, one of which greatly influenced the European market: a pepper called "Sweet" which is extremely popular for its high organoleptic qualities. Another project is processed vegetables, especially prepared and ready to eat products. However, fresh produce is still the most important and most profitable. In light of this, Agroiris focuses on fulfilling the requirements and meeting the needs of the consumer markets in relation to innovative products.

Human resources - personnel

No. of employees: 1000 average per season (85% women).

H. For Work Integration social enterprise - vulnerable employees if the case (i.e.), work integration plan/programmed used and management structure

The majority of workers are women.

I. Outcomes: results achieved and lessons learned

Assets (raw numbers); Capital; Production; Turnover /sales

The following table sets out the main economic data over the last 2 decades, in which one can appreciate the continuous growth.

Year	1994	1997	2000	2006	2010	2014
Income Mill. €.	28	63	72	97	147	185
Tons sold (x1000) Mill. €.	44	92	96	133	170	200

Profit/loss Social benefits - describe the benefit to members (membership), indicators used to evaluate the enterprise.

Basically the only indicator that is used to know the satisfaction and benefit obtained by the member is the medium weekly sale price for product. By virtue of the fact that members stay and other wish to join, one can evaluate informally the satisfaction of the members.

Describe in a few words the broader social / environmental impact in your community – spill-over effects, in the last 3-5 years.

Agroiris is very active within its community. Participation has included the financing of various projects, for example:

- Activities, such as conferences and workshops, organised by the University of Almería, financing of activities (congresses, seminars), the provincial regional governments and the city hall of its local town.
- In certain circumstances, the Company has even financed the crops or investments made by members when those members have had limited access to finance.

J. Discussion Points: questions readers may want to consider and to discuss about it

The most relevant questions that may be answered by this best practice are:

- What circumstances create the motive or necessity for growth in this social enterprise market? Does it vary depending on the market? What are the reasons behind mergers of SATs and cooperatives?
- Is scale always an important objective? What risks may be involved? How might it affect members?

Contact info

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