

Description of the social enterprise – information sheet

BioSabor S.A.T.



A. Identification Data	
1. Name of the enterprise	BioSabor S.A.T.
2. Location/Address of the enterprise	Crta. Iryda, Km 8 - San Isidro, 04110 Níjar, Almería
3. Website	www.biosabor.com
4. Legal organisational form	Sociedad Agraria de Transformación (Agrarian Transformation Society)– SAT (A SAT is a form of enterprise that has its roots in the Colonization Union Groups formed during the Franco regime to act as intermediaries between the state and the farmers and to “transform” Spanish agriculture and rural areas. This type of entity was then continued after democracy in the form of the SAT, under a specific legislation governed at the national level. A SAT’s business purpose is limited to all agricultural related activities. It is a hybrid of cooperative and investor owned firm characteristics. In Spain it is considered to be a “social economy” entity due to its objectives of agricultural and rural development and democratic governance. However, votes (when in relation to economic contracts) and benefits are in function of capital investment. The capital contribution of any one member has a cap of 30%, thus also limiting voting and return on benefit rights. <i>This business form was an interesting example of how regulatory measures aided enterprises to transition from one regime to another. Although not free of problems, it proved to be a useful legislative tool and the business form has been adopted by new enterprises who find the hybrid form useful. Recent amendments to cooperative legislation has included some of the characteristics of SATs.)</i>
B. Good Practices of the Social Enterprise	
Aspects that recommend the social enterprise as a good practice in the particular sector.	<ul style="list-style-type: none"> • <u><i>A model of internal growth within the local rural area</i></u> Biosabor, an organic vegetable producer, is an example of internal growth within the province, choosing to make significant investments in the company to improve quality of products and productive capacity. Investments have been made in: product improvement (improving production techniques and maintaining an exhaustive control during the whole process which has increased quality, reduced costs and resulted in a competitive advantage); development of new products (eg. organic prepared and ready to eat products); market development (extensive marketing, resulting in new markets in Taiwan and Andorra, for example); and complementary diversification (currently the company is attempting to enter into a market niche of greenhouse fish production, incorporating multi-purpose use of water.) • <u><i>Specialisation in limited number of high value quality products thus adding value to products</i></u> Biosabor SAT, decided to dedicate 80% of its production to a high quality tomato on the vine product,

becoming a reference for the EU sector, and gaining competitive price advantages. It has now turned its attention on other products in which to specialize, investing in R+D and collaborating with public and private enterprises.

- Promotion of rural development The company operates in remote rural areas, where they are the principle economic motor, creating employment and revitalising the area. They have houses for workers, contributing to their wellbeing, and have increased the rural population, thus contributing to economic development.
- Organic production, resulting in environmentally sound practices.
 Biosabor is founded on organic production and environmentally sustainable production practices and processes. Members are contributing to the recuperation of soil and environmental quality through the carrying out of their business. It invests in R´+D to discover new and better organic practices, which also allow optimal use of natural resources.
Continuous innovation In order to be competitive and at the same time sustainable Biosabor continuously invest in innovation methods and research.
- Successful creation of markets and access to export markets Collaborations with larger enterprises have allowed to access new and foreign markets.

C. Context:

1. Year of Founding	2008
2. Context of start-up – problem that the enterprise was set up to solve, economic social rationale	After 15 years producing products for, and marketing through, another entity, Costas de Níjar SAT, a group of partners decided to embark on a new project, differentiate their production from the competition and produce F&V that were 100% organic. They also wanted to recuperate the original flavour of fruits and vegetables and use production methods that were more efficient and respectful of the environment. In addition, they wanted to create more value for the farmers who were part of the new company, Biosabor. http://elprimertomate.com/empresa/bio-sabor
3. What are the Main Activities of the entity?	The company has developed two principle business units: - Production and sale of fresh organic F&V, which is their principle activity (various types of tomato, cucumber, watermelon, etc.) - Production and sale of organic and healthy, prepared and ready-to-eat products such as fresh gazpachos, tomato and pomegranate juice, organic soups, juices, etc.) Currently, the company is starting to develop a new business area which is the production of tilapia fish

	<p>within the greenhouse. There is only one other company in Spain competing in this area. With respect to competition in Scotland and Poland, it has a competitive advantage due to the fact that the fish need warm water to live and grow and Almería has a climate which makes heating the waters unnecessary. This reduces costs and environmental impact.</p> <p>http://www.biosabor.com/2014/07/04/biosabor-crece-en-catalogo-y-destinos/ https://joseantonioarcos.wordpress.com/2015/03/05/el-cultivo-de-tilapia-en-invernadero-peces-y-tomates-ngs-y-biosabor/</p>
4. Who are the Main stakeholders (i.e. members, clients, producers, etc.)?	Partners and collaborators, clients (supermarkets), suppliers, other ecological growers and suppliers.
5. Geographic coverage with respect to: i) to production of services and/or goods and ii) market/consumers or beneficiaries, clients, etc	<p>i) The production is completely their own and is produced in the area of the Natural Park of Cabo de Gata-Níjar, with farms and installations situated in small towns of the province of Almería.</p> <p>ii) 90% of its production is for export to European countries such as Germany and Switzerland. They also export to the Netherlands, UK, France, Italy and Andorra. They are also entering the Asian market, and in 2012 was the largest exporter of ecological gazpacho to Taiwan.</p> <p>Its products can be found nationally, with Catalonia being the most developed market.</p> <p>https://www.google.com/maps/d/viewer?mid=zCFTThEEPkUo.kNIsb2nZDle8&ie=UTF8&t=h&oe=UTF8&msa=0 https://ecosectores.com/DetalleArticulo/tabid/64/ArticleId/1241/Biosabor-recibe-una-subsidencion-de-1-6-millones-de-para-construir-sus-nuevas-instalaciones.aspx http://www.biosabor.com/2013/01/20/biosabor-nature-primera-empresa-en-exportar-a-taiwan-gazpacho-ecologico/</p>
D. Ownership Structure	
1. What is the ownership structure of the entity: i.e., does the entity have shareholders, owners/members, donors, trustees, investors, etc.?	<p>Biosabor S.A.T. has 5 members and 13 collaborating members. The sole administrator and president of Biosabor is Francisco Salvador Belmonte Méndez.</p> <p>It is a first tier/level SAT, meaning that its members are farm enterprises (in this case, family farms).</p>
2. If membership, is membership open or closed? Is exclusivity required?	Members must have agrarian activity and make capital contributions. Bylaws determine exclusivity.
3. Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised?	Yes, but amount N/A. Individualised.
4. Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution, etc.).	Proportional to investment in matters of financial or economic contracts, otherwise, one member-one vote. However, in Biosabor consensus is the goal in decision making, given the small number of members, some of whom are related family members.

5. Describe in a few words the main benefits for members or owners.	Ability to have more control over business focus and to differentiate product and to make necessary investments in the company.
6. Indicate any <u>main changes</u> in ownership over the lifetime of the entity.	The main change occurred when the group of members split off from Costas de Nijar.
E. Corporate Governance	
1. Describe the governance structure of the entity (board, management, committees, etc.), number of members and method of selection (appointed or elected and by whom).	Maximum authority is the General Assembly, where decisions are taken by a majority of members. Board of directors. Elected by the General Assembly by a majority. In SATs where the number of members are less than 10, the General Assembly functions as the Board. President. Statutory position which includes representation of the entity.
2. Is there an entity or process for oversight of the board?	The General Assembly in the case of sufficient members. Otherwise, no.
3. Are there external independent board members?	No
4. Are there term limits for board members?	No
5. What is the gender composition of the board?	30% (tbc)
6. Describe management and board salary/ compensation policies and how they are decided/determined?	N/A
F. Profit/ benefits/ surplus distribution policies	
1. Describe briefly the distribution policies and procedures for profits / benefits / surplus	1. Voted on by General Assembly. Determined in proportion to capital contributions. No obligatory reserve fund or education and promotion fund (which cooperatives have). In Biosabor, funds have been reinvested as needed by the entity.
2. Are members/owners liable for losses of entity? Describe how liability is shared	2. Liability is either limited or unlimited, depending on bylaws.

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

1. 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.

The most important strategies taken by Biosabor, since its creation:

Specialisation Strategy. Given the fragmented market of organic product, Biosabor decided to specialise in the production and marketing of tomato sold on the vine, since this is a product highly valued by consumers of organic product. Its investments centred on achieving a tomato with high added value. Although it sell other varieties of tomatoes and F&V such as watermelon and cucumber, 80% of its production is dedicated to this star product. Thanks to this strategy, Biosabor has become the market reference for organic tomatoes in EU markets. Given their success with this product, Biosabor has decided to invest part of its benefits in the specialization of other products such as cherry tomato and ribbed tomato (irregular).

Differentiation Strategy Biosabor chose the organic sector in which to differentiate itself from its competitors. The market for organic fresh foods was fragmented and lacked strong market players. Its total control of quality contributed to this strategy as well, as Biosabor controls all processes from seeding, production, harvest and post-harvest until the delivery to the client.

Concentric Diversification Strategy. Investments in installations and machinery have been made to introduce new fresh products, but more significant are the prepared and ready-to-eat products which constitute a new business for Biosabor and represents important benefits such as eliminating the cost of food loss, entering new markets and higher margins.

Vertical Integration Strategy. Pursuing collaborative contracts with large supermarkets, the Horeca sector, schools, etc. has allowed Biosabor to eliminate intermediaries in the processes of distribution, shortening supply chains and creating economies of scale.

R+D+i Strategy. Investment in Research is one of the principle strategies of Biosabor, resulting in improvements in processes, production techniques, quality, and the reduction of environmental impacts. It collaborates with universities and research centres in order to innovate.

Horizontal Diversification Strategy. Recently, it has initiated in new installations a greenhouse fish hatchery for the reproduction of tilapia, using agricultural water to carry out a complementary activity, It is one of only two companies in Spain involved in such activity. <http://www.coexphal.es/Revistas/AV98.pdf>
<https://joseantonioarcos.wordpress.com/2015/03/05/el-cultivo-de-tilapia-en-invernadero-peces-y-tomates-ngs-y-biosabor/>
<http://www.lavozdealmeria.es/movil/vernoticia.asp?IdNoticia=69408&IdSeccion=4>

<p>2. Describe briefly the relation between the business strategy and the social mission of the enterprise.</p>	<p>Biosabor tries to more efficiently use agricultural resources for the benefit of its members, improve the Almería rural population and take care of the environment in which it carries out its activities. It chose to use the SAT form so that it could include new members and obtain necessary financing to pursue innovative business activities. Through its strategies, it aims to achieve an environmentally sustainable production system which also benefits its consumers by providing nutritious and organic food. Its activities are carried out in small rural towns thus providing employment and revitalizing the rural zones, maintaining rural areas, conserving biodiversity and improving the fertility of the soil.</p>
<p>3. Please describe briefly the strategic partners or alliances that the enterprise has.</p>	<ul style="list-style-type: none"> - Collaborations with Research centers and universities to develop and improve production methods and the quality of the products. It is a member as well of the Tecnova Foundation, a public-private innovation initiative for the agricultural sector. - Collaboration with other businesses in the area to establish a certification of origin. Incorporation of an IGP (Indication of Geographic Protection) which assures both quality and prestige at the EU level. - Distribution agreements with large supermarkets that open doors to foreign markets (Lidl, Rewe, Edeka, Metro and Mercacenter). - Agreement with a cooperative “Arteoliva”, in whose installations Biosabor’s ready-to-eat food is packaged. - Team work with other sector companies to sell products online. - Support (subsidies as well as excellence awards) from the regional government of Andalucía and the EU to carry out various innovation projects. <p>http://www.fhalmeria.com/revista/revistas/marzo2014.pdf http://elprimertomate.com/noticia/la-empresa-biosabor-se-incorpora-la-igp-tomate-la-ca%C3%B1ada-que-alcanza-la-cifra-de-siete</p>
<p>4. Please describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.),</p>	<p>Biosabor maintains fluid communication with the various interest groups. Recently it has significantly improved its website. .</p> <ul style="list-style-type: none"> • <u>Members:</u> <ul style="list-style-type: none"> - Contact with members is habitual and direct, as they are directly involved in decisionmaking in the business. Its webpage has a dedicated section to the farms (Fincas), which allows direct communication with members. -the 20-30 agricultural technicians act as a knowledge network and as the link between the enterprise and the member growers. The technicians visit the farms and understand the member issues and can pass on information to the entity.

- Public Authorities:
 - Since Biosabor utilizes some subsidies offered by the regional authorities, transparent communication is vital. The company supports the administration in various events which concerns common business activities.
- Employees:
 - Employees are responsible for quality production—the company must have faith in them and rely on them to keep such high organic standards. In this regard there is open communication, where the opinions of the workforce are sought out, and where feedback is constant on workplace practices.
 - Biosabor also provides high standard housing and other services for its workers—basically everything they need to fully integrate. This is an important social element and should be seen as a positive and pro-active solution, against the background of the plight of many agricultural workers throughout the EU, especially those from Eastern Europe, Africa and South America.
- Society:
 - Collaboration with associations and organisations in projects oriented to improving health and wellbeing of those in most need. C
 - Patron of sporting activities (where financing is scarce in small communities and where sports acts as a cross cultural “glue”).
 - Support for and implication in environmental organisations.
 - Active use of social networks.
 - Nutritional advice offered to the general public online “Ask Anna”, in collaboration with an accredited pharmacist/nutritionist

www.biosabor.com

www.kokurieco.com

5. Innovation and key performance factors.

Biosabor has created a business culture where the continuous improvement of systems, processes and strategies translates into organisational innovation and thus, competitive advantage. A substantial part of benefits are re-invested into improvements and R+D into areas such as efficient use of resources, cost reductions, effective machinery and process innovation, new organic products, natural cultivation techniques and the eradication of harmful substances and toxic fertilizers. The treatment of its workers (provision of housing and all necessary services) also demonstrates an important social innovation in the area.

	<p>Biosabor has won various innovation/social innovation related prizes, including the Best Business Revelation (2015), Neighbourhood Actions (2013) and “stars of the internet”(2014)</p> <p>http://www.noticiasdealmeria.com/noticia/100999/CAPITAL/El-Parque-de-Las-Familias-premiado-como-Mejor-Iniciativa-Publica-por-los-lectores-de-la-revista-Actualidad-Economica.html</p> <p>http://www.biosabor.com/en/2014/03/19/premio-a-biosabor-por-su-labor-en-el-encuentro-vecinal-2013/</p> <p>http://www.biosabor.com/2014/10/14/nominados-a-los-premios-estrellas-de-internet/</p>
<p>6. Human resources - personnel</p> <ul style="list-style-type: none"> - No. of employees - No. of volunteers - No. of members 	<p>In peak moments, the workforce includes approx. 250 workers.</p> <p>It has 5 members and 13 collaborating members.</p> <p>http://www.fruittoday.com/icrono/fruittoday/index.php/564-biosabor-renueva-imagen-y-estrena-pagina-web</p> <p>http://www.europapress.es/andalucia/almeria-00350/noticia-junta-da-16-millones-empresa-productos-ecologicos-biosabor-nuevas-instalaciones-maquinaria-20131210202040.html</p>
<p>6.1. For Work Integration social enterprise - vulnerable employees if the case (i.e.),</p> <ul style="list-style-type: none"> - work integration plan/programmed used and management structure 	<p>Although not a WISE, Biosabor does have a planned approach to integration of workers from other backgrounds and has a plan to meet housing and other necessities.</p>
<p>H. Outcomes: results achieved and lessons learned</p>	
<ul style="list-style-type: none"> - Yearly social and economic results – every 5 years since start-up, and/or the last 3 years - Assets (raw numbers) - Capital (raw numbers) - Production - Turnover /sales - Profit/loss - Social benefits - describe the benefit to members (membership), indicators used to evaluate the enterprise 	<p>2014: 20 million Euros turnover; 16 million tons of product</p> <p>Turnover for additional years (you already have 2014/2015)</p> <ul style="list-style-type: none"> • 2013/2014: 17 million € • 2012/2013: 12,4 million € • 2011/2012: 8 million € <p>Volume of Product (You have 2014//2015 already)</p> <ul style="list-style-type: none"> • 2013/2014: 14.4 million kilos • 2012/2013: 13.7 million kilos • 2011/2012: 11.9 million kilos. <p>Social benefits to members: better prices, access to specialized markets, support for producing in a demanding quality environment</p>

- I. Describe in a few words the broader social / environmental impact in your community – spill-over effects, in the last 3-5 years.**
- Promotion of rural development and the creation of employment in remote areas and small towns, leading to the revitalization of such areas.
 - Improve the quality of life of general society, through raising awareness of health issues, promotion of sports, etc.
 - Commitment to protect the Environment through both production methods and also support for environmental associations.

<http://www.elalmeria.es/article/finanzasyagricultura/1880474/biosabor/crece/ritmo/los/ultimos/cuatro/anos.html>

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

1. What does it take to make a “green” business successful and viable?
2. What does “innovation” mean in a business?
3. Is such a highly specialised strategy appropriate for your area? Why or why not?
4. What opportunities are available in your rural areas? What is necessary to create a successful enterprise in your area?

Contact information

Address	Crta. Iryda, Km 8 - San Isidro
Email	info@biosabor.com
Website	www.biosabor.com
Contact person	Francisco Salvador Belmonte Méndez (president)

The European Commission support for the production of this publication does not constitute endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Sources: website, news, reports, annual reports, etc.

- www.biosabor.com
- http://www.einforma.com/ventas-BIO-SABOR-SAT-C_VjA0NjU1Mjcw_de-ALMERIA.html
- <https://joseantonioarcos.wordpress.com/2015/03/05/el-cultivo-de-tilapia-en-invernadero-peces-y-tomates-ngs-y-biosabor/>
- <http://www.coexphal.es/Revistas/AV98.pdf>
- <https://ecosectores.com/DetalleArticulo/tabid/64/ArticleId/536/Biosabor-planea-construir-nuevas-instalaciones-en-Almeria.aspx>
- <http://www.lavozdealmeria.es/movil/vernoticia.asp?IdNoticia=69408&IdSeccion=4>
- <http://www.fhalmeria.com/revista/revistas/marzo2014.pdf>
- http://www.gruposuca.com/administracion/revista/REV_109.pdf
- <http://www.europapress.es/andalucia/almeria-00350/noticia-junta-da-16-millones-empresa-productos-ecologicos-biosabor-nuevas-instalaciones-maquinaria-20131210202040.html>
- <http://www.revistamercados.com/noticia/aproa-ensena-alimentacion-sana-ninos-hospitalizados/>
- <http://elprimertomate.com/noticia/la-empresa-biosabor-se-incorpora-la-igp-tomate-la-ca%C3%B1ada-que-alcanza-la-cifra-de-siete>
- <http://www.fruittoday.com/icrono/fruittoday/index.php/880-biosabor-ultima-sus-instalaciones-que-le-permitiran-afrentar-nuevos-retos>
- <http://www.fruittoday.com/icrono/fruittoday/index.php/840-biosabor-crece-en-catalogo-y-destinos>
- <http://www.fruittoday.com/icrono/fruittoday/index.php/564-biosabor-renueva-imagen-y-estrena-pagina-web>
- <https://www.google.com/maps/d/viewer?mid=zCFTThEEPKUo.kNISb2nZDIe8&ie=UTF8&t=h&oe=UTF8&msa=0>
- <http://www.infocif.es/empresa/biosabor-nature-sl>
- <http://www.freshplaza.es/article/81125/Espa%C3%B1a-Biosabor-abre-mercado-en-Andorra-de-la-mano-de-la-cadena-l%C3%ADder-Mercacenter>
- <http://elprimertomate.com/noticia/biosabor-abre-nuevos-caminos-en-el-mercado-ecologico-con-la-produccion-de-zumos-de-cherry-y>
- <http://www.elalmeria.es/article/finanzasyagricultura/1880474/biosabor/crece/ritmo/los/ultimos/cuatro/anos.html>