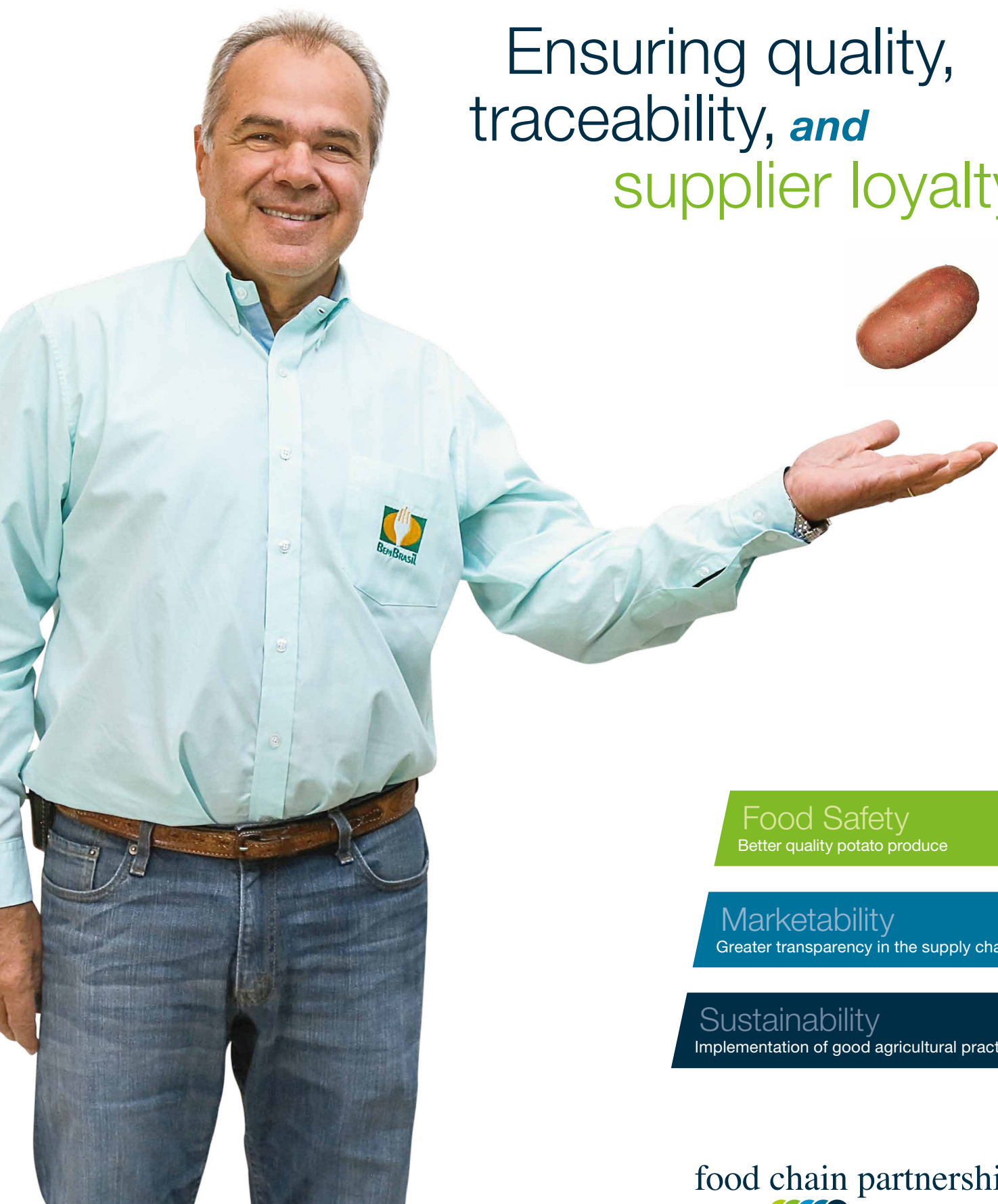




Ensuring quality, traceability, *and* supplier loyalty



Food Safety

Better quality potato produce

Marketability

Greater transparency in the supply chain

Sustainability

Implementation of good agricultural practices

food chain partnership



What was *the market situation?*

Potatoes are one of the most important vegetables in Brazil, with an annual production of approx. 3.5 million tons grown on a total area of around 130,000ha spread across the south, southeast, northeast, and midwest of the country. Only 10% of Brazil's potatoes are destined for industrial processing as frozen pre-chips, chips, and straw potatoes; the rest is marketed raw.

Bem Brasil is the biggest Brazilian manufacturer of frozen pre-fried potatoes. It was founded in Araxá, Minas Gerais in 2006, produces around 250,000 tons of frozen pre-fried potatoes a year and leads the Brazilian market in this segment with 45% of the market share. This Food Chain Partnership project was launched when Bem Brasil signed a food chain partnership with Bayer to implement traceability and a certification program, and to improve quality in around 500,000 tons of its potato supplies.





Challenges:

- Ensuring the quality of raw potato supplies
- Implementing traceability with all potato suppliers
- Implementing global market certification standards with suppliers
- Retaining the loyalty of Brazilian potato growers



Solutions:

- Regular meetings with farmers in the Technical Group Bem Brasil (GTBB) to discuss quality issues of importance for the potato crop
- Introducing the electronic field notebook
- Support for certification via Valore and BayG.A.P. Program
- Endorsing Rede AgroServices loyalty points for each ton of potatoes delivered to Bem Brasil



Benefits:

- Compliance with traceability standards and good agricultural practices
- Pioneering loyalty program helps retain suppliers and ensures high-quality, traceable, and responsibly grown potatoes
- Ensuring a high standard of quality for pre-fried potato products for Brazil's consumers

“Bem Brasil was born to replace imported products. Beforehand, the market was 100 % served by imports; Bem Brasil now has a 35 % share of the Brazilian market for frozen pre-fried potatoes. And we’re planning to start exporting in 2019.”

João Emílio Rocheto, Bem Brasil



What were *the challenges?*

Bem Brasil's success in breaking into a market entirely dominated by imported processed potato products was only possible because of the high quality of the raw materials it has always sourced. But to fuel the company's further expansion, and particularly its drive to export from 2019 on, the volume, quality, and traceability of the fresh potatoes have to be increased. Also, these expansion plans are only feasible if Bem Brasil can rely on the loyalty

of its existing potato suppliers. For these reasons, the purpose of the Food Chain Partnership with Bayer was to support Bem Brasil's suppliers – 13 producers growing potatoes on 6,466 hectares – in the implementation of traceability and good agricultural practices and in improving quality even further, while strengthening their loyalty to Bem Brasil.

What was *the solution?*

Traceability is being implemented by means of a specific integrated management software tool covering everything from planting and harvesting to receiving the raw material and shipping the final product. This process has been backed up by the technical support and portfolio of services Bayer provides.

The second innovation that this partnership has brought is that Bem Brasil gives its suppliers Rede AgroServices loyalty points for each ton of potatoes delivered. These loy-

alty points enable the growers in return to make use of consulting services from dedicated companies that specialize in the traceability and certification of good practices.

Another exclusive service for this group of potato growers was the creation of Technical Group Bem Brasil to discuss important potato crop topics. Meetings are held where growers can share their experiences, questions or even doubts, and if required, obtain technical support from market experts.

"This partnership with Bayer guarantees quality production, traceability, and certification of good practices as a pioneer case in Brazil. Bayer is proud to support Bem Brasil through our portfolio of products and services."

Nelson Peterossi, Bayer Brazil





What did *we achieve?*

Bem Brasil pioneered the use of the Rede Agroservices Loyalty Program to maintain supplier loyalty. 100% of the Bem Brasil suppliers have initiated the traceability process in their production and are now implementing a field management app that helps to raise agricultural productivity by collecting relevant data on site, reducing the risk of error, and enabling managerial reports as the basis for sound strategic decisions. Moreover, Bem Brasil will be the first manufacturer of pre-fried potatoes to ensure traceability. Last but not least, a start has been made in obtaining localg.a.p. certification (Global Markets) for the potato suppliers, which producers will obtain in 2019.

About Food Chain Partnership

Consumers are becoming increasingly conscious of the need for healthy nutrition. Food Chain Partnerships help to supply consumers with high-quality fresh produce, which forms the basis of a healthy diet. But such partnerships can only succeed if they involve every player in the food chain – from the farmer and processor to the exporter or importer and retailer. The Crop Science Division of Bayer has the global experience and cutting-edge expertise to create a successful partnership at every level.



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