

CONVERSATION WITH AHOLD EUROPE'S GÉ HAPPE



From time to time, PRODUCE BUSINESS reaches out to importers and retailers in Europe to help exporters of U.S. produce items learn about the opportunities and challenges of shipping to Europe. This month, Gé Happe, European sourcing director for Ahold, the international retailing group based in the Netherlands, weighs in on his experiences as a direct importer of U.S. fruit.

Mr. Happe has worked for Ahold Europe for 31 years. He currently serves on PMA's Global Development Committee. Ahold operates 850 stores in the Netherlands, Belgium and Germany under the Albert Heijn, Etos, Gall & Gall, and albert.nl banners; 285 stores are operated under the Albert/Hypernova banner in the Czech Republic and Slovakia. In the United States, Ahold USA operates over 770 stores under the Giant, Stop & Shop and Martin's banners. The company also owns Peapod, the online grocery service.

How long has your company been importing produce from the U.S.?

Ahold has been importing produce directly from the U.S. for 25 years or longer.

What items have been your primary imports from the U.S.? Has this changed over the years?

Our only items of significant imports are Ruby Red grapefruits from Florida and Diamond walnuts from California, both of which we have been directly importing for over 25 years. We do bring in small quantities of other items such as Ocean Spray cranberries and sometimes seize an opportunity as we did last year when we sold some U.S. Minneolas, which some importers had brought in to the Netherlands.

Why only Florida grapefruits? In the U.K., retailers do a large business with McIntosh and Empire apples, and in Scandinavia, they do quite a large business with apples and pears. Why aren't these items imported from the U.S. in your regions?

The Dutch customers have a strong preference for Dutch apples, because of their typical sweet/sour taste and loose structure. Imported apples are Granny Smith, Royal Gala, Fuji, Golden Delicious, Breaburn and Pink Lady. They all grow in our European winters in France and Italy. In counter-season, we import from Chile, South Africa and New Zealand.

Can you tell us about some of the relationships you have built over the years with U.S. export companies?

With Seald Sweet, we have a long term partnership with seasonal programs and quite stable prices. With Diamond, we have more of a trading relationship, with year to year deals. The same goes for Ocean Spray cranberries, which we have also imported directly over the past

two decades. Sometimes we buy some U.S. product through local importers, as I mentioned we did last year with the Minneolas.

Do you ever use the U.S. to do "fill-in" business, say if the broccoli crop in Spain is destroyed by bad weather?

No. So far we have not needed to use suppliers in the U.S. for these arrangements.

Do you deal with any U.S. companies that do not grow produce on American soil, such as Dole or Chiquita?

Yes, we work with Dole and Chiquita, Del Monte Fresh as well.

Driscoll's has established a European operation, and it grows its Jubilee strawberry in the U.K. It also grows berries in Morocco and Egypt as well as Spain. Do you buy any of this product? Is this a model by which U.S. growers could enter the European market?

We do not work with Driscoll's, mainly because Ahold sells all fruits and vegetable, with the exception of Chiquita bananas, under its own brands. We do have strong relationships with a couple berry suppliers from Spain and Morocco. In the Dutch growing season, we have growers that grow exclusively for Holland

Crop, a grower's organization of our service provider, Bakker Barendrecht, based in The Netherlands.

What trends have you seen the past 10 years in doing trade with the U.S.?

Less availability — due to less acreage of Florida citrus, higher prices, more difficulty covering all programmed supply, but our long-term relationships cover most of all problems in an open and constructive attitude.

This year, there was a harmonization of organic rules between the U.S. and Europe. Does this open any opportunities for U.S. organic produce producers to sell to Europe?

No, there is enough supply of organic produce from Holland and Europe.

Where do you see the future of trading with the U.S. produce industry and the various logistical hurdles?

No hurdles, only availability due to various crop diseases affecting exports is an issue. If availability is too low, we will have to look for alternative supply in Israel and or Turkey.

Few U.S. companies are certified under Europe GAP. Is this an obstacle to your purchasing from the U.S.?

Yes, but not if an equivalent food safety protocol is in place.

Does having a large American division help you in any way? Does Ahold's American division ever procure for you in the U.S., or do you always procure directly?

So far, the European and U.S. arenas of Ahold are not working together on an operational level.

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