

Place UK Ltd

This case study outlines the opportunities offered by storing or processing surplus produce. It focuses on a soft fruit grower which has made a significant investment in on-site freezing and processing facilities.

Background / Overview

Established in 1954 and based at Church Farm in Tunstead near Norwich, Place UK Ltd started off as a soft fruit producer for the wholesale market and fruit merchants of East Anglia, with a particular emphasis on strawberries and raspberries. To minimise waste and extend the availability of fruit beyond traditional growing seasons, the company also processed its surplus produce, which was then stored in ambient temperatures for future use.

With increased competition during the 1970s from soft fruit imported from Eastern European growers, Place UK Ltd invested approximately £2 million to develop a soft fruit freezing and processing unit at its Chase Farm base, which included facilities for Individual Quick Freezing (IQF). The firm now sells fresh, processed, and frozen soft fruits to customers including major supermarkets such as Tesco, Waitrose, Sainsbury's, and The Co-Operative.

This case study will focus on Place UK Ltd's raspberry production. Fresh raspberry production is a fairly niche market in which international growers can sometimes find it difficult to compete with UK growers, as it is a fragile crop with a relatively short shelf-life which can deteriorate rapidly if stored in adverse conditions. In recent years though, provenance and traceability have become less of a priority for major retailers, with competitive pricing now the most important factor. This has led to fierce competition from growers in Poland and Serbia, in particular, as the price commanded by British-grown fruits has fallen, although the continued success of Scottish growers proves there are still ample opportunities for UK-grown crops. Place UK Ltd cultivates its raspberries using the long cane production system. They (predominantly the Tulameen, Octavia and Dulcita varieties) are grown under protection in polytunnels, meaning there are considerable financial costs involved, such as water, irrigation, pipe work, and fertigation.

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Place UK

perfect produce - naturally

Around 80% of the fresh raspberries Place UK Ltd grows are sold to supermarkets through the Berry Gardens Growers Ltd group that it is a member of. The remaining 20% is sold to the wholesale market or direct via the farm shop. Berry Gardens Growers Ltd, and its subsidiary marketing arm Berry Gardens Ltd, charge a membership fee which is based on a proportion of the business's annual turnover (roughly 5-6% of the product sale value).

Most fruits and vegetables are seasonal and perishable in nature, leading to many cases where growers end up with a surplus due to circumstances ranging from having 'too successful' a growing season, to supply chain issues with customers not fulfilling orders, or delays with haulage and logistics. There are two broad solutions to dealing with a surplus of crop, either cold storing the fruit to preserve its quality and shelf-life, or processing the fruit into various products that can be preserved for a longer period of time.

Freezing is one of the most common methods of food preservation, and is an extremely beneficial one for the preserving of fruits and vegetables when compared to alternatives such as canning and dehydration. Individual Quick Freezing (IQF) is a particularly effective method, as it minimises water loss, maintains product weight, and preserves aesthetic and taste qualities.

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At Place UK Ltd, raspberries are chilled to 3°C within an hour of picking, with those not sold as fresh then frozen in one of the firm's two IQF tunnels, the first which can process two tonnes of fruit an hour, and a second machine that can handle five tonnes an hour. The entire process of picking, packing, and dispatching fresh raspberries to the end customer takes place within 12 hours.

Fruit grading is a continuous process, from out in the field by the pickers, through to packing. For example, if the fruit picker finds a Tulameen variety berry that is dark red – which means it is very close to ripening – it is graded accordingly and destined for freezing. On the other hand, if the berry is pink, the fruit is placed in a punnet ready for the fresh fruit market. Incidentally, Tulameen is the main raspberry variety grown for the food processing sector to manufacture products such as jam and yoghurt.

Raspberries are regarded as a fairly labour-intensive crop – on average, one hectare of raspberries usually requires 20-30 pickers, with the crop picked every 2-4 days during harvesting. Mechanised harvesting is limited to larger enterprises that predominately produce raspberries destined for processing. Towards the end of the harvesting season – two days after the main fresh fruit harvest has ended – raspberry pickers will go over the crop and choose the berries that are suitable for freezing. Place UK Ltd harvests by hand to avoid unnecessary loss through damage. In cold weather, the raspberry can become stubborn to release from the plug, and gentle handpicking is far less likely to cause damage than mechanised picking, which may tear the fruit, rendering it unsuitable for the premium fresh market. Mechanised raspberry harvesting tends to produce a raspberry pulp which can be used for food processing, although the labour costs are obviously significantly reduced compared to picking by hand.



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It is very important to ensure that the lowest possible temperature is maintained throughout product transport, storage, and distribution as any increase at any stage of the supply chain may cause product weight loss and deterioration in overall quality. Raspberries are notoriously fragile with a short shelf-life, therefore it is imperative that the appropriate chilled storage and transport is used throughout distribution. For supermarket sales, Berry Gardens Growers Ltd arranges transportation, in many cases using a haulage company that is determined by the end customer. Berry Gardens Growers Ltd negotiates the rate per tray of produce, and coordinates deliveries on behalf of its member growers.

Place UK Ltd dispatches its fresh raspberries in plastic punnets with a heat-sealed film lid including a pre-printed barcode label – Place UK Ltd has invested over £200,000 in its own labelling system. Frozen raspberries are dispatched in plastic punnets including a bubble wrap pad inside, which is in turn sleeved in cardboard. The bubble wrap and cardboard sleeve offers extra protection for the delicate raspberries.

Place UK Ltd operates its own Supervisory Control and Data Acquisition System (SCADA) that provides in-depth information on details such as the production cost per field, the cost per picker in kg per hour, the harvesting costs per tonne, and the proportion of Class I and Class II products as a percentage per field. In addition, the company complies with numerous Quality Assurance schemes, including:

- British Retail Consortium Standards
- LEAF (Linking Environment And Farming)
- Red Tractor Farm Assurance
- M&S Field to Fork Standards
- Soil Association Organic Certification.

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Lessons To Be Learned

Product Choice

Place UK Ltd has grown soft fruit near Norwich for nearly 60 years. Its location favours soft fruit production for many reasons, such as availability of flat land and labour, along with good access to customers throughout the South East of England.

The market for soft fruit is influenced by competition from overseas suppliers, notably from Eastern Europe and Chile. However, despite the pressures the economic downturn has exerted on soft fruit prices, British-grown raspberries can still command a superior price compared to imported produce – an example of this can be seen in July 2012, when UK frozen raspberries enjoyed a £1.30 per kg price premium compared to overseas alternatives.

Place UK Ltd recognises the competitive advantage of processing and preserving soft fruit, as its substantial investment in IQF processing facilities demonstrates. This enables the company to produce a range of fresh and preserved fruits, which can be supplied in various forms (frozen, pureed, sliced and diced, or ready to eat). By maintaining a store of frozen soft fruit, Place UK Ltd can supply customers with fruit in their preferred form, in their required quantity, at the right time, throughout the year.

Interestingly, the raspberry, as a fresh soft fruit, is actually more expensive than the processed fruit. This could be deemed contrary to the prevailing wisdom that processing a raw material will add 'value' as an end product. In this instance, fresh raspberries are seen as a premium product commanding a higher price compared to frozen produce or crop that has undergone some form of processing, which are therefore significantly cheaper to purchase.

Supply Chain Issues

Place UK Ltd minimises the loss of post-harvest fruit and maximise its profits by careful determination of the proportion of fruit to be sold fresh and the proportion to be processed or frozen. One consideration is that premium grade fruit will command the highest returns when sold fresh, but fresh produce is also far more vulnerable to potential waste and loss, a tricky balancing act.

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Membership of the marketing group Berry Gardens Growers Ltd enables Place UK Ltd to access large supermarkets such as Sainsbury's and Waitrose.

Fresh raspberries are prone to deterioration in quality within several hours of harvesting. Place UK Ltd overcomes this issue by ensuring that its raspberries are chilled within an hour of being picked before arriving with local customers within 12 hours of harvesting. Where the supply chain is beyond local markets, a cool supply chain is necessary as any increase in temperature within the supply chain, including the end retailer, can lead to a deterioration of fruit quality.

Costs And Value-Added Within The Supply Chain

Membership of Berry Gardens Growers Ltd has contributed significantly to the success of Place UK Ltd in many ways, from assisting with grant applications and marketing strategies, through to negotiating with large retail customers and ensuring that supply and demand criteria are met.

Supply Chain Improvement In Wales

Raspberry production requires specific growing conditions. Where natural growing conditions do not prevail, optimum artificial conditions can be produced by cultivation under protected growing conditions. Some countries such as Spain are able to overcome adverse growing conditions by using such sophisticated and advanced horticultural technology. Raspberry production in Wales could follow suit, but other factors such as the availability of flat land and the provision of the necessary technical, financial, and advisory support would need to be considered.

The provision of fresh soft fruit requires a chilled distribution network so that the fresh fruit does not deteriorate in transit. Place UK Ltd has overcome this in several ways, such as establishing a co-operative distribution framework with other producers and wholesalers. In Wales, horticultural units could similarly benefit by sharing logistical operations such as chilled storage facilities and transportation.

Although traceability and provenance has not been considered a top priority with major retailers during recent years, it is felt that this attitude is slowly changing. For smaller-scale growers, the value placed on locally-grown and organically-produced fruit can become particularly important USPs to capitalise on when selling in competition with imported fruit.

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