



Matiz Gallego Organic Chestnuts

Producer: Naicina

Region: Galicia, Spain

Employees: 4 permanent, 2-10 seasonal employees

Authenticity

The product or recipe is native to the producer's region and has historically been part of the regional food culture.

Boiled chestnuts have been a core ingredient in the Galician diet for centuries. Chestnut trees were introduced to the region by the Romans, who arrived in Galicia in 450 BC, and had originally discovered this delicacy in Asia. The Galician chestnut can be found in literature: Alejandro Dumas wrote in 1847 in his masterpiece *De Paris a Cadiz*, "France stands out because of its truffles, Castilla because of its olives, Catalonia because of its plums, and Galicia because of its chestnuts."

Board Response & Questions:

Fantastic addition. Meets requirements 100%.

Local Ownership

The producing company is privately or worker-owned with a majority of the owners actively participating in the company.

Naicina S.L. is a Limited Association similar in legal structure to an LLC in the U.S. It is a family-owned company - Miguel Areán González, his son Miguel Ángel Areán González, and daughter Cristina Areán González. All of the owners live within the community and are fully dedicated to the company. The company was established in 1972, but became a limited association in 1996.

Board Response & Questions:

A board member who has met the family, "They are very community oriented and vested in the local community and traditions."

Local Sourcing

A majority of all ingredients are purchased within the region in which the company is located (region is defined as bioregion or country depending on the size and geographic make up of the area), AND is either grown directly by the producing company or is purchased direct from the farmer or a farmer organization at fair prices.

Ingredients: 100% organic chestnuts

Naicina does not cultivate any of the raw material but purchases all of the chestnuts from local sources. 60% of the chestnuts are purchased direct from local farmers, with the remaining 40% purchased from consolidation warehouses that purchase the product direct from Galician farmers or farmer co-ops. In Galicia, all chestnuts come from very

small farms. Most of these farmers do not have enough product or inclination to sell direct to customers, so they go through a consolidation warehouse system.

The company guarantees a price that is 10% higher than the market price when purchasing direct to ensure quality and a premium price to their farmers. And they work on contracts with the warehouse consolidators to ensure that a 10% higher price is paid to the farmers who work through this system as well.

Board Response & Questions:

Glad to see they're supporting small local farmers and buying their crops. Do they have any plans to expand their direct buying program and reduce the percent acquired from consolidation warehouses?

The company does plan to expand their direct buying program. Last year the Spanish Government and the E.U. approved the "IGP" (Protected Geographical Indication) for the Chestnuts of Galicia, giving producers a new mechanism to protect and guarantee the production and sell directly.

Social Responsibility

The company's social and financial practices and policies are designed to ensure maximum benefit to the company's employees and to the local community and economy.

Naicina was established with the goal of supporting their rural local economy which although rich in natural and human resources, has struggled economically in today's modern world. They wanted to create a value added product that would give the local farmers demand for the native agricultural products, and to create quality jobs that would mitigate the emigration of community members to the large cities.

Employees: The core company is quite small, with only four employees, one of whom is physically and mentally handicapped. During the harvest months, the company employs from 2-10 seasonal workers, 90% of whom are native to the region. The remaining 10% are immigrants from East Europe and the Dominican Republic All employees are legally employed and are regular seasonal employees year after year. Originally, the Company helped workers obtain their legal papers. Now East Europeans are European citizens and can work legally in Spain. In addition to the Spanish Social Security System which covers all employees, the company has two additional private insurance policies to cover labor accidents.

The company offers a variety of food production training courses to all employees, which are taught by an external company. Naicina has built a room within their facility specifically for their continuing education program which is offered during work hours in the low season. In addition, the workers are offered flexible schedules, which is of significant importance to the female workers, who make up 90% of the Company's workforce, and who are still the main family caretakers in Spain and must juggle between work and family responsibilities.

The Spanish government sets a minimum wage based on sector and job title. The agricultural minimum wage is higher 30% than the national minimum, and Naicina pays between 10-15% higher than this government set wage. In Galicia there is much seasonal work that does not coincide with the chestnut work, and thus the Company's

workers are employed year round. At the end of each year, a cash bonus is rewarded to each employee.

Community: The Company contributes financially and through food donations to all of the local youth sports teams and cultural events that promote Galician gastronomy, such as the Nove Group who organize culinary fairs nationwide. The Company purchases 90% of all resources locally, including working with a local bank, and packaging company.

Board Response & Questions:

Fantastic. It is impressive that Naicina built a room expressly for food production training and continuing education. The additional funds spent both to ensure excellent market share of the chestnuts and to pay employees above the government wage is impressive.

Environmental Stewardship

The company's environmental practices and policies are designed to minimize environmental impact through the elimination of chemicals and waste, and the reduction of resource use.

Cultivation: All the chestnuts purchased by Naicina are organically grown and have the NOP (USDA) organic certification. It was a long process to have a certified final product since the chestnuts come from hundreds of small landholders. The Ecologic Agricultural Commission of Galicia is the local institution with audits the farmers to ensure that they are following all of the organic certification guidelines.

Previously there were very few outlets for the chestnut tree owners to sell their product and the Galician chestnut trees were at risk from land developers. Yet saving the chestnut trees is extremely important for the region, which has historically had considerable problems with forest fires. The native chestnut tree is very dense wood and burns with difficulty, thus reducing the spread of forest fires.

The chestnuts are harvested by each small producer and are either sold direct to Naicina, or through the local consolidation warehouses.

Production & Facility Management: The production process is quite simple. The chestnuts are first calibrated for size and passed through special machinery that uses heat and water vapor to peel them. They are then washed and then frozen to ensure freshness when orders are processed throughout the year. To process, the product is vacuum-sealed and then boiled. There are no chemicals are used during the productions process. The main resource usage is water (only during the peeling process) and natural gas. The company makes every effort to minimize the use of these resources for economic and ecological reasons. The company is HACCP certified and they are in the process of completing the ISO022000, BRC (British Retail Consortium) and IFS (International Food Standard) voluntary certifications for food quality and security.

The by-product from the production process, the chestnut husks, are composted for use in a bio-mass plant where the waste produces energy without the use of hydrocarbons.

Packaging: The chestnuts are packaged in recycled plastic and recycled carton. The inks used in the labeling are water-based.

Board Response & Questions:

How does one gauge their efforts with respect to the minimization of resource usage? What is normal gas/water usage for this type of production and how do their efforts to conserve and or beat these averages compare to the norm? How energy efficient or inefficient is the recycling process for plastic?

The company uses government suggested environmental parameters to measure their resource use. For example, they use the suggested amount of energy for freezing to freeze twice the amount of product. In terms of plastic, this is done by an outside company and they do not have direct access to the information on efficiency.

Overall Board Assessment

Overall, a strong company that adheres to the RF guidelines.

A good example of a company who is supporting their culture and community and who has the best interested of the local people and environment at heart.

The chestnuts are addictive! Chestnuts have so many wonderful winter applications for food.