



### Rey de la Vera Pimenton

*Producer: Sanmel*

*Region: La Vera, Extremadura, Spain*

*Employees: eight plus 3 owners*

#### **Authenticity**

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

The region of La Vera is located in the Gredos Mountains, one of the largest mountainous regions of Spain to the west of Madrid, and has a peculiar microclimate in which many plant species thrive. Soon after Christopher Columbus happened upon America, the adventurous Jeronimos del Monasterio de Yuste monks returned to their Vera region with the seeds of a pepper known as the Pimenton de la Vega. The new peppers adapted nicely to their new environment and spread throughout the Vera region. Due to the special climate, the peppers are harvested quite late in the season, in September and October, and unlike in other regions that harvest earlier and dry by the sun, the peppers needed to be heat dried. Throughout the landscape, large drying "ovens" or smoking buildings are abundant. The peppers are dried over slow burning wood for 10-15 days, giving them a slight smoky aroma and flavor, a characteristic not found in any other pimenton (or paprika) worldwide. For centuries this pimenton, which has taken the name of the region, has been used in the majority of the local recipes, and is known throughout Spain for its exceptional quality and unique flavor.

The Pimenton de la Vera has been designated as a Protected Designation of Origin (PDO) by the European Union. This honor is given to products that are distinct to a particular region and which have special characteristics not found elsewhere.

#### **Board Response & Questions:**

Excellent. Very worthy!

#### **Local Ownership**

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

Sanmel, S.L. is a Limited Association, which is similar to an LLC in the U.S. It has been owned and operated by the Sanchez Rodriguez family for four generations. Angel Sanchez is the General Director, while his two sons Ivan and Roberto are the Commercial and Product Managers respectively.

Ivan and Roberto's great-grandfather established his mill in the mountains where the peppers were harvested and milled with mountain water. The traditional methods were passed down from generation to generation. Angel, the current director, was born in the mill, and has pimenton in his blood. He has been training his sons since birth to take over the family business.

### Board Response & Questions:

Fabulous that the third generation is continuing the tradition.

### **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% pimenton - the variety depends on the type of pimenton (sweet, hot, bitter-sweet): Jaranda, Bola, or Jariza.

All of the peppers are purchased from small local farmers. Product is hand selected at each harvest from established suppliers who meet Sanmel's strict quality controls. The local buyers and farmers meet each harvest season and come to an agreed upon price that is sustainable for the farmers. Through Sanmel, the product is certified with the Denomination of Origen.

### Board Response & Questions:

Would like to know how the company and farmers define sustainable" wages. Do they meet or exceed government wage requirements? *The prices of the raw material are set by agreement between the farmers and the processors via a commission formed by members of both. Of course, in establishing the prices, the commission must take the market into account, but without agreement from the farmers, a final price cannot be set.*

### **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.*

The mission of Sanmel is to support local farmers through the elaboration of regional foods, and to encourage environmental stewardship through its techniques and purchasing criteria.

**Employees:** All of Sanmel's employees are from the region. There is no profit sharing in place. The employees are covered by the national health program and pension plan. In addition, the company contracts with a private accident insurance, and offers private health insurance. Employees are offered development training to improve their performance, safety, and understanding of the industry. They are also encouraged to participate in other voluntary courses. The company pays wages that are at least 50% higher than the ones set by the collective bargaining process within their industry (the minimum wage). Each year they increase wages according to the consumer price index.

Employees work a 40 hour work week, with extra compensation for overtime. A risk management company oversees the facility to ensure that all safety measures are implemented and to reduce risk to employees from air and noise pollution, repetitive motion, etc. Sanmel has a high retention rate, and their employees have been with

them for many years. There is a family atmosphere amongst the whole team, and the company offers much flexibility in scheduling to allow their team to create a balanced family-work life.

*Community:* In addition to supporting local farmers, Sanmel consciously supports its local community by purchasing over 90% of its needed services (banking, maintenance, transport, packaging, etc) from local companies. The company contributes in product and financially to the Spanish Association against Cancer and the local Caritas (community kitchen). They also support many of the sports teams from the small surrounding villages.

#### Board Response & Questions:

Employee retention is a good indicator of fair and equitable treatment. Another thoughtful small company, grounded in their community.

#### **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:* Sanmel encourages its farmers to use organic cultivation methods. The Vera farmers do not use pesticides on a regular basis, but will employ them when faced with major plagues of pests that can happen in certain years. It is not feasible to obtain organic certification for Pimenton de la Vera due to the process of drying the peppers in wood ovens.

The wood for drying the peppers is obtained from forest cuttings - a traditional method of managing the local forests to prevent forest fires - and is overseen by the regional environmental office.

The cultivation of the peppers supports the bird biodiversity in the region, and all organic waste is re-used in the cultivation process.

*Production & Facility Management:* The company has a very strict traceability system. Product is hand-selected from each farmer, who must comply with their quality control systems. All incoming raw material is analyzed before processing. The dried peppers are milled using traditional stone mills. The final product is 100% pure milled pepper with no additives.

The facility complies with all government health and safety standards. It is HACCP compliant and has ISO 9001 and ISO 22000 quality certifications. They were the first company in Extremadura and the first pimenton producer in Spain to obtain these certifications.

The main resource used in the process is electricity. The company invests in upgrading its machinery regularly to ensure the highest level of efficiency in energy and reduction of waste. It has also invested in solar panels, working with a neighboring farm to install panels to supply the factory. The solar project produces 200 kW/hour, or over 400,000 kW hours a year of clean renewable energy.

There is no organic waste in the production process. All of the seeds and stems are used to create another inferior pimenton used for industry. No water is used in the manufacturing process, as it is prohibited in Denomination of Origin product.

*Packaging:* The pimenton is packed bulk in sacks or in tins (made from recycled material) for retail.

Board Response & Questions:

Excellent.

The issues regarding the need for pesticides when there are seasons where major plagues of pests are present is understandable. However, in seasons when this is a necessary practice, does the company make this information known to the purchasers?

*We are still trying to ascertain the level of transparency. The manufacturer explains that pesticides are quite costly for the farmers and are used only as a last resort. When necessary they use the exact type and amount necessary and never beyond EU set limits.*

**Overall Board Assessment**

A good example of a rooted foods company.