

Ambitious plans bearing fruit

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Colombia's largest sugar producer has the multinational fruit giants in its sights

Golden years: From a start-up with 100 hectares under cultivation in 2012, Bengala expects to treble production between 2015 and 2018

Identified by the United Nations' Food and Agriculture Organisation (FAO) as an area with huge potential for increased agricultural production, the economic future of the verdant Valle del Cauca department in Colombia's Pacific southwest is closely linked to the soil and the hugely successful Riopaila Castilla agro-industrial group.

Born in Palmira, near the regional capital of Cali, in 1890, Hernando Caicedo would start a family business which has become Colombia's biggest sugar producer and much more, from the popular confectionary brand Colombina to ethanol fuel production, electricity co-generation and a growing and dynamic fresh-fruit export venture called Bengala. This new jewel in the crown is eyeing the world's top spot in pineapple production for the Cauca Valley as demand grows and existing exporters such as Costa Rica struggle to maintain current production levels.

Today, the Caicedo family proudly leads a group which remains independent from global food giants, and proud of its distinguished role in helping to develop a region which has historically suffered from poverty and the instability caused by guerrilla movements lurking in its lush mountains. It was from the perspective of this poverty that Hernando Caicedo would be overwhelmed by the ostentatious wealth he

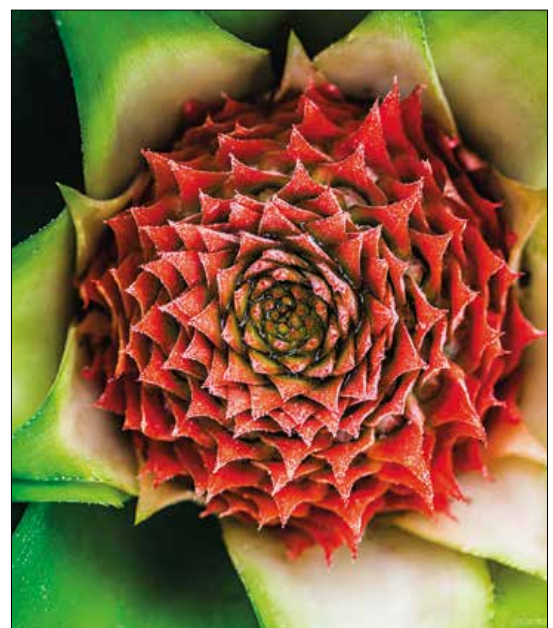
saw on a visit to Cuba in 1920, where he saw "the sugar gold rolling through the streets of Havana".

World War One had caused the price of sugar to soar, and Don Hernando decided he would plant cane on a small plot of land he had inherited in the Cauca Valley. Cane fields led to a first mill in Riopaila, the start of today's large-scale sugar-producing operation which churns out 18,000 tons a day.

When Don Hernando's son, Jaime Hernando Caicedo, took over the family sugar and fruit business in 1946, he launched an ambitious expansion process which led to the creation of the Colombina brand. Starting out as a range of confectionary, Colombina quickly outgrew the domestic market and even sold sweets and lollipops in countries with their own strong confectionery brands, including the United States and Britain.

Now, with a factory in Guatemala and its world-class plant in Santander de Quilichao featuring robots on the production line, Colombina is the region's favourite maker of biscuits, cakes, ice creams, sauces and canned food. Colombina was a multilatina long before the word existed.

Hardly surprising then that Colombina has had its fair share of "suitsors", as Riopaila Castilla board member Belisario Caicedo, Riopaila Castilla's board member, describes the stream of global food industry



Pineapple consumption has a global growth rate of five to six per cent, but in the United States and Western Europe it is up around 20 per cent

Out in the fields: Pineapple cultivation is labour-intensive, creating valuable employment opportunities for post-conflict Colombia

giants who have come knocking at the door with a view to getting their hands on such a jewel. “We are unusual as a medium-sized company playing in the international processed food market. We have listened to these suitors’ offers to buy the company, take a stake or purchase a unit, but we have turned them all down.”

But one kind of business interest has been missing, and it surprises Mr Caicedo. “I have always been surprised by the absence of British business in Latin America. For example, as masters of the biscuit-making sector, they should come and see how our production works.”

While understandably proud of their sweet-treat heritage, from the candied fruits made by founder Don Hernando in the late 1920s to the full Colombina range of confection, the company is taking strides to offer healthy, modern alternatives to traditional sweet products. There is a Colombina gluten-free range and super-grain quinoa is increasingly used instead of wheat flour.

Sustainability and diversification are two concepts the Riopaila Castilla empire has taken to its heart. In 2015 the group opened the largest ethanol fuel distillery in Colombia and a co-generation energy plant in La Paila. The energy plant, which produces enough power to supply a city of 400,000 inhabitants, makes the company completely self-sufficient while adding 11.2 megawatts (MW) to the local electricity grid. More than a family food business, Riopaila Castilla seems intent on bringing a previously non-existent sense of development to the Cauca Valley.

Bengala

As greater stability spreads across the Colombian countryside, Riopaila Castilla believes it has identified

the best way to harness the natural blessings of the Cauca Valley’s soil and climate, and strike export gold with high-quality and super-healthy tropical fruit.

The specially-created brand Bengala is taking off like a rocket, and its directors sense that a huge opportunity is going to open up as Colombia increasingly opens up for agribusiness. “We have grown so fast, it has happened almost overnight,” says Mauricio López Noguera, sales and marketing manager, as he reflects that it was less than five years ago that Bengala planted its first pineapples. From that 100 hectares’ worth of production in 2012, the company despatched its first exports in 2015, a remarkable acceleration in terms of logistics and reaching the quality threshold to compete with the best on the world market.

But Mr López Noguera and Mr Caicedo say that Costa Rica, the world’s number-one pineapple producing nation, has peaked and that fruit exporters will soon start looking elsewhere to satisfy market demand. Costa Rica is having to reduce its plantations, and for a series of good reasons, explains a confident Mr Caicedo: They have reached the end of a cycle and I think that in a maximum of five years, Colombia will become the leader in pineapples as the multinationals realise the conditions are better here. These companies have no real roots anywhere.”

Of the nations identified by international organisations as having the potential to fill this gap in future pineapple production, Colombia does not suffer from the political instability currently afflicting its neighbour, Venezuela, while African nations Cameroon and Ghana have technical limitations, and



Panama, Nicaragua and Mexico are not in a position to expand production.

Meanwhile, Bengala produced 12.3 million kilograms of pineapples in 2015 and is multiplying the land given over to production from 450 hectares last year to an expected 1,500 hectares in 2018. “We have fruit every day of the year because the market expects that consistency. If that means we have to sow every day, then we sow every day. Our quality has set new standards in Colombia and the world is starting to see this too,” explains Mr López Noguera.

Pineapple is, along with Bengala’s other ventures such as mango and avocado, a product prized by the developed world’s aspirational middle classes, and, as such, it has to arrive in peak condition to the marketplace. Bengala insists on a maximum shipping time of 20 days, and has Colombia’s busiest port, Buenaventura, no more than a couple of hours away on the Pacific coast via the Cauca Valley’s good road infrastructure.


“Pineapple consumption has a good global growth rate of five to six per cent, but in the United States and Western Europe it is up around 20 per cent,” notes Mr López Noguera excitedly. Pineapple production is also a very labour-intensive, he adds: “If for sugar cane you need one person for every 40 hectares, with pineapples it’s almost one for one.”

Bengala wants to activate the local agriculture scene, in keeping with Riopaila Castilla’s community ethos, as the horrors of guerrilla activity recede. The Cauca Valley suffered greatly from the FARC’s influence, and stands to benefit most from its demobilisation. In this regard, Bengala fulfills three key objectives: to

feed the world with healthy food, to realise Colombia’s agricultural potential as identified by the FAO, and to provide high-quality employment opportunities for economically disadvantaged rural communities. The company therefore has an outstanding opportunity and a responsibility to change the agribusiness landscape of the country once and for all.

Bengala currently exports more than 400 containers per year of fresh, premium pineapples to markets such as France, Portugal, Poland, Russia, Turkey, Spain Italy, Saudi Arabia, Chile, Switzerland, the Netherlands and the United States, and plans to increase that number to 1,000 in 2017. As part of the company’s continuing commitment to innovation, it now also produces pineapple pulp and concentrate, and is working on the production of fresh-cut and freeze-dried pineapple, as well as pineapple sauce.

In addition, with the recent launch of its think-tank CENOC, Riopaila Castilla is hoping to harness university research facilities to local projects with the aim of bringing sustainable development to the Cauca Valley and other poor areas in Colombia’s Pacific southwest. Launching the organisation in August 2016, Mr Caicedo said he wished to promote research which will “stimulate public debate and contribute to the designing of developmental policies to bring long-term sustainability to the region”.

In doing so, he might have been echoing his grandfather’s vision for a bigger, brighter future as he opened up the valley to large-scale sugar production. “Agriculture backed up by know-how is our prime aim in order to combat poverty, generate wealth and create a society which is capable of true integration.” 

In 2015, Riopaila Castilla opened Colombia’s largest ethanol distillery and a cogeneration plant capable of powering a city of 400,000 inhabitants



Hard to handle: Bengala currently exports more than 400 containers per year, and plans to increase that number to 1,000 in 2017