

## GEORGIA REPORT



Dirk Aleven: "In Georgia we are growing batavia, lollo rosso, lollo bionda, romano, salanova and rucola with an average head weight of 130 gram."

## Dutch teach local producers how to produce more effectively 'I want to help growers, I don't need to own the largest greenhouse in Georgia'

**Dutch entrepreneur Dirk Aleven lives in Georgia. His company has a glasshouse of 6,000 m<sup>2</sup> in which 3,600 m<sup>2</sup> are used to grow lettuce. "Our greenhouse is comparatively small but we grow lettuce on water. Then it's a lot. With an annual turnover of 1 million heads of 130 gram each we can supply the entire country with lettuce."**

The company FoodVentures has set itself up in countries such as Georgia and produces for the local market. Entrepreneur Dirk Aleven explains: "There is a large demand for quality vegetables in this country. The young generation is no longer interested in farming and is migrating towards the towns. In the supermarkets they want to be able to buy all sort of vegetables all the time."

Vegetables are mostly grown in the open field so local producers are dependent on the weather. During the months of April, May and

June they grow plenty of vegetables and for a few months they are in abundant supply. During the other months there is a large shortage of fresh vegetables. To overcome the shortage, the country imports a lot from Turkey and Iran. However, the quality of these vegetables is poor. Aleven saw an opportunity: "Georgia is a small market, but one that demands quality."

A few years ago he didn't expect to be living here now with his family. "I started a world tour on my motor bike travelling from the Netherlands to Nepal. In Georgia I got talking to some local businessmen about greenhouses." At that point his company had no plans to build in Georgia but it was already in the process of building a greenhouse in nearby Ukraine.

### Garnish for dishes

"In Ukraine we had many economical and political set-backs. As a result the nursery opened in 2015 instead of the planned 2013,"

explains Aleven. "By comparison, in Georgia the construction went very fast. We started in June last year and opened in December. At the moment we are ahead of schedule." But in Georgia things aren't easy either. The inhabitants know lettuce but mostly as a garnish to dishes. It is hardly ever a main part of the meal. Therefore the market still has to be developed. It's a question of promotion and waiting.

Nevertheless, the entrepreneur is positive. "We are just starting. Our strength lies in the continuous quality we offer. We sell high-quality lettuce which appeals to the restaurants." With a turnover of one million heads per year the company can supply the entire country with lettuce. The lettuce varieties, batavia, lollo rosso, lollo bionda, romano, salanova and rucola with an average weight of 130 gram, are grown in an area of 3,600 m<sup>2</sup>. "We now have sales of 1.5 tons per week. The maximum that we can achieve from this

greenhouse is about 3.5 tons per week.” But at the moment the company is purposefully not maximising production until the market picks up further.

### Unskilled producers

Greenhouses at other nurseries in the country tend to be of low to mid quality. Aleven has noticed that a company often builds a greenhouse in order to earn a little extra from its waste heat. He’s amazed at what he encounters in the greenhouses. “I come across the craziest things, such as a tomato greenhouse with a yield of only two kg per square metre.” According to him it’s because producers don’t share information with each other and because they are not educated in horticulture and modern cultivation techniques. “It makes sense that the plants don’t perform.”

His nursery employs 30 people including a Dutch head grower, Dick de Jong. The glasshouse was built by Kubo; Dry Hydroponics installed the cultivation system. The greenhouse is heated with geothermal energy and that is also the reason why the nursery is located in Samtredia. “A heat source dating back to the Soviet era heats our greenhouse,” says Aleven. “The cost price of a lettuce is for twenty to thirty per cent determined by the heating costs and that is for us free of charge. We only have to pay for the CO<sub>2</sub>. But that is relatively expensive, so after the next expansion we will probably also use some gas for heating.”

### LED-lighting

The LED-lighting from Philips was a large investment. “It was a simple decision. Due to the low light conditions we need to use supplementary lighting during the winter months but we didn’t want any additional heat, because lettuce has a hard time when the temperature is high.” Samtredia does experience warm winters. “You want to build something that you believe in. Thanks to the LEDs I have supplementary lighting without the extra heat. Therefore, I can say with certainty that we will continue to supply a stable quality over the next ten years.” The



**A geothermal heat source from the Soviet era heats the greenhouse.**



**Production of lettuce takes place on water.**

vegetables are lit for 15 hours per day in the winter months. “At the moment that is enough but if the market expands then we will probably increase the number of hours when we use lighting.”

Aleven says that the price for the products in Georgia is fundamentally higher than in the Netherlands. “We receive on average € 1.10 for a kilo lettuce, although we have to do a lot more for it. There’s no Greenery or wholesaler here to whom we can sell everything. We have to find the customers ourselves.” The company has a processing area of 2,400 m<sup>2</sup> and in the future will also handle products from the region.

### Boost local production

“I don’t need to own the largest greenhouse in Georgia. With my greenhouse I want to show the local producers how they can produce more effectively.” That is desperately needed, stresses Aleven. “The market consists of small, independent suppliers with no experience or knowledge. They don’t have any guidelines, no figures about light, nothing. They don’t know how to measure the pH and EC and they muddle along with irrigation and pest and disease control.”

The entrepreneur wants to introduce the Dutch model - by sharing knowledge - to the Georgian producers. He has already successfully given cultivation advice to one nursery. In exchange for a share of the profit, he ensures that the production increases as much as possible. In a plastic greenhouse for cucumbers the yield has increased from 8 kg/m<sup>2</sup> to at least 26 kg/m<sup>2</sup>. “Due to the limited resources this was a good result but with a better greenhouse a lot more would have

been possible.” His company is shortly to advise a second nursery.

### Expansion

Aleven has more plans for the future. As well as processing products for the region he wants to expand his own production facilities. In 2015 he will start building on a site of 1 to 1.5 ha for aubergines and cucumbers. In addition, the entrepreneur wants to increase the sales market. “I also want to export to Russia because there the demand for quality vegetables is even greater than in Georgia.” But that is not on the agenda for this year. “I only want to do that when we have achieved a good constant market in this country. I don’t want to be dependent on exports, especially bearing in mind the unstable trade relationship between Georgia and Russia.”

## Summary

The Dutch company FoodVentures has, since last December, a greenhouse in Georgia that is producing lettuce on 3,600 m<sup>2</sup>. According to entrepreneur Dirk Aleven, the current processing area of 2,400 m<sup>2</sup> is proportionally too large and therefore the nursery wants to expand this year. A greenhouse of 1 to 1.5 ha will be built for the production of aubergines and cucumbers. The company also provides other nurseries in the area with cultivation advice that, according to Aleven, is desperately needed.