

# Rizikó-KER Kft.

## Campden BRI Hungary

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**Project code: 773785**

**Project acronym: Smart Food Supply Chains**

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**Internal template:**

**Template for good practice cases**

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**WP leader: CBHU**

**Work package title: Technological and non-technological innovations**

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<b>Dissemination Level</b>		
<b>PU</b>	<b>Public</b>	
<b>PP</b>	<b>Restricted to other programme participants</b>	
<b>RE</b>	<b>Restricted to a group specified by the consortium</b>	
<b>CO</b>	<b>Confidential, only for members of the consortium</b>	

**1. Title of the case description**

Rizikó-Ker Kft.

**2. Indicate your role in the Smart Food Supply Chain (the role of the case study):**

individual member of the chain:  
chain operator:  
network operator:  
association: X  
technical, scientific, or management expert:  
advisor:  
policy maker:  
other: .....

**3. Indicate the region (if applicable): Hungary, Dabas**

#### 4. WP2 Cross-reference table

Please indicate with an X in the relevant box of the matrix for which needs and the steps / functions of the supply chain the described innovative solution is applicable

		Individual steps of the SFSC							Short food supply chain as whole						
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Needs of the consumers (citizens)	food safety														
	food quality														
	trust					X									
	ethical aspects														
	accessibility					X									
Needs of the chain actors	fair price														
	increased negotiating power														
	shared use of available resources														
	product development support														
	access to markets and consumers					X									
	access to infrastructure														

- 1: Farming**
- 2: Primary production**
- 3: Transport**
- 4: Processing and packaging**
- 5: Storage**
- 6: Logistics**
- 7: Sale**
- 8: Product integrity, authenticity, transparency**
- 9: Marketing concepts**
- 10: Food chain management and networking for enhancing cooperation among chain actors**
- 11: Business modelling**
- 12: Policy environment**
- 13: Legal requirements**
- 14: Labelling**

## 5. Short description of the innovative solution

- **Describe the specific need or problem being addressed by the case and please explain what is the novelty of this innovative solution**

The family owned the company would love to sell their products directly to the consumers, however it is not possible for one producer to fulfil every consumer need. Some consumers want smaller packages, others like bigger packages. Not every consumer wants the same type of vegetables either. It is hard to organize the farm to adapt to these different needs, but a multinational company has the capacity for that. If the company want to sell their products on smaller markets, they have to raise the prices, meanwhile the multis will have the same on lower price

- **Describe the enabling function(s) and the practical benefit(s)-(e.g. for which types of problems and opportunities is used and can it be used, and how)**

The family businesses' goal is to supply the Hungarian market with premium agricultural products. They **monitor the quality** of their products continuously and always try to use the newest technologies on their farm for the harvest and for the processing. **Investing** is always tricky, but the family invests only if they are sure that the investment will be profitable (e.g. the expansion of a farm, new packaging technology, new cleaning technology, new devices/equipment for the technology).

In the end, they sell their products only to multinational companies, because the number of products that could be sold through local supply chains is limited. More products can be sold to multinational food chains.

- **Describe the method/procedure/technology/solution implemented. (Please explain, whether the innovative method is a product / service / process / marketing or organisational / management innovation) After completing the description, please indicate, whether this innovation is a technological or non-technological one.**

They monitor the quality of their products continuously and sell them to Hungarian multinational companies. They have started to grow a wide variety of potatoes 8 years ago and this year they hosted the International Potato Exhibition where farmers came from all around the world to watch how the farm works.

technological

non-technological X

- **Describe the business, which implemented the innovated solution (size, country, region, location, type of food)**

Rizikó-Ker Kft. is a family business in Bugyi established in 1995. It was founded by József Proksa and his wife primarily to focus on agricultural products packaging and distribution. Their goal was to supply the Hungarian market with premium agricultural products. They monitor the quality of their products continuously and sell them to Hungarian multinational companies. They have started to grow a wide variety of potatoes 8 years ago and this year they hosted the International Potato Exhibition where farmers came from all around the world to watch how the farm works.

- **Describe the distribution channels of the product(s)**
  - retail
  
- **Describe what makes the innovation work.**
  
  
  
- **Describe the specific prerequisites for the business related to the implementation of the method and/or related to the location, method, procedure, solution**
  - a: List the relevant necessary resources (including the estimated cost) for the specific innovation.**  
**Please list the relevant ones only (list is annexed)**
    - human: knowledge & skills
    - IT infrastructure
    - financial
  
  - b: List the relevant necessary capabilities for the specific innovation.**  
**Please list the relevant ones only (list is annexed)**
    - efficient, innovative sales methods
    - stock control
    - to implement management systems for vision, planning, implementing), coordinating, controlling, monitoring, continuously
    - management system, production experience, specific controlling, monitoring, continuously

**6. Describe the results, achievements and typical failures**

**7. Summarize what makes the case to a good practice for the members of the SFSCs (e.g. lessons learned)**

A central focus on connecting producers and customers in a CSA context, establishing quality control, organizing logistic and marketing and making all this with a profit..



**8. Aspects, methods for transfer of methods for other SFSC members**

**9. Recommendations for members of other SFSCs for further applications**

**10. More information is available at (web), if it is relevant**

<https://www.facebook.com/rizikokerkft/>

## **Annex**

### **1. Checklist for necessary resources (tangible and non-tangible):**

- materials (access to: raw materials/ ingredients - including volume, land – including size, packaging materials)
- human: labour force: size, knowledge & skills (production, technical, marketing, managerial, ICT, financial, etc.)
- technology: patents, know-how, trademarks, copyrights, trade secrets
- infrastructure, equipment, facilities, - size, minimum volume of production/sales, IT infrastructure
- information, reputation, brand, trust
- financial\*

\*: estimated cost:

0 - 10 000 Eur  
10 001 - 50 000 Eur  
50 001 - 100 000 Eur  
100 001 - 300 000 Eur  
300 001 – 1 000 000 Eur  
1 000 000 Eur above –

- other specific necessary resources for the application of the specific innovation

## 2. Checklist for the necessary capabilities

- **food safety:**
  - basic skills to comply with the EU food safety regulations
  - ability to understand what makes the product safe (the key controls, which ensure the safety of the product – biological, chemical and physical hazards, providing the safety shelf life of perishable products)
  - food safety culture (motivation, responsibility for food safety) and basic skills for the implementation of HACCP
  
- **food quality:**
  - ability to define the target segments of consumers for SFSCs
  - ability to define the product characteristics which are (tacit) basic requirements for the target segment(s) of consumers;
  - ability to define which product attributes/levels and augmented services represent an added value for the target segments of consumers;
  - food quality culture (motivation, responsibility for food quality);
  - production experiences which help to provide the expected quality reliably, uniformly;
  - ability to provide distinguishable quality which meets the needs of the targeted consumer segment;
  - meeting (local) legal requirements, application of the labelling rules;
  - ability to access the consumer willingness to pay for specific products of SFSCs.
  
- **trust:**
  - ability to ensure product integrity, authenticity and transparent information for the consumers (including systems, tools);
  - ability to access external trust enhancers (third party certification, internal certification system, participatory guarantee systems);
  - application of the labelling rules and branding (mandatory and voluntary);
  - ability to meet third party certification requirements
  
- **ethical aspects**
  - ability to understand consumer needs for ethical behaviour related to the specific product(s) of the SFSCs;
  - culture for ethical food production and supply;
  - ability to implement necessary measures to ensure ethical food production and supply;
  - ability to access the consumer willingness to pay for products meeting ethical aspects
  
- **accessibility to consumers:**
  - ability to organize logistics efficiently and to exploit innovative solutions and distribution channels;
  - efficient, innovative sales methods;

- ability to develop and implement new business models for ensuring access of consumers to products and augmented services;
- **fair price:**
  - collecting marketing information;
  - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management;
  - ability to define, develop or maintain unique quality of products and augmented services;
  - ability to develop and implement new business models;
  - ability to access the consumer willingness to pay for fair price
- **increased negotiation power:**
  - collecting marketing information;
  - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
  - ability to define, develop or maintain unique quality of products and augmented services;
  - ability to develop and implement new business models;
- **shared use of available resources:**
  - ability to enhance and maintain cooperation among chain actors including the shared and combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
  - the level of value chain management culture;
  - ability to access the consumer willingness to pay for food with reduced environmental impacts

- **input for R+D:**
  - ability to monitor, research, evaluate, and understand the needs and wants of customers and consumers;
  - ability to develop new products, processes, packaging, preservation techniques, systems and access to new markets, including in other categories;
  - access to innovative technologies; distribution and marketing solutions and methods. management systems;
  - access to local input for R+D covered by other aspects
  
- **access to markets: and market success**
  - effective promotion, customer service, efficient and innovative sales methods;
  - ability to understand consumer's needs;
  - ability to organise logistics efficiently and to exploit innovative solutions and distribution channels,
  - unique value propositions;
  - ability to develop and implement new business models for ensuring access of consumers to products and augmented services, develop the market accessibility for the suppliers.
  - stock control;
  - ability to access to required raw materials within a restricted geographical area
  
- **access to infrastructure:**
  - ability to use existing own infrastructure in a focused way to serve consumer needs or to combine it with complementary infrastructures of other SFSC actors, cooperation culture;
  
- **management:**
  - to implement management systems for vision, planning, implementing), coordinating, controlling, monitoring, continuously;
  - improving; ability to motivate, authorize staff;
  
- **production, processing:**
  - management system, production experience, specific controlling, monitoring, continuously;
  - willingness to consider and ability to evaluate the adoption of TECI and NTI in the current production processes;
  - any additional specific resources necessary for the application of the specific innovation.