

## INTERVIEW

—Ebby Loo, Euro-Atlantic



# Award winner adapts

KUALA LUMPUR—Fresh from accepting the Asia Fruit Award for Importer of the Year, Euro-Atlantic's managing director Ebby Loo tells *Asiafruit* how the leading Malaysian company has adjusted its business following the Covid-19 outbreak.

by John Hey

[@johnfruitnet](https://twitter.com/johnfruitnet)


*First of all, congratulations on winning the Asia Fruit Award for Importer of the Year in 2020. What does this award mean to you and the Euro-Atlantic team?*

**Ebby Loo:** We would like to express our heartfelt gratitude to *Asiafruit Magazine* and Asia Fruit Logistica for this coveted award. It's such an honour to be a recipient of the Importer of the Year, especially in 2020, a most challenging year for most of us.

This award is extremely meaningful as it drives us to work even harder in the midst of the Covid-19 challenge.

We have been one of the key players in this industry and we feel this award has further boosted our position in the market.

*As you mentioned, 2020 was a year like no other, owing to the global pandemic. How has Covid-19 affected the consumer and food retail market in Malaysia, and the fresh produce business more specifically? What key challenges, and perhaps opportunities, have you seen?*

**EL:** It's sad to see the pandemic has affected so many businesses. However, in every dark cloud there's a silver lining.

We've seen a few changes in consumer trends – less restaurant dining, more homecooking and more take-away or delivery orders. The increase in homecooking is a blessing in disguise for us, as consumers are now purchasing fresh produce to cook at home.

LEFT—Ebby Loo, managing director of Euro-Atlantic, holds the Asia Fruit Award  
RIGHT—Euro-Atlantic has developed a range of high-value products in Malaysia

However, it was also a challenge for us to cater for the sudden surge in orders, to a point where our stocks depleted at one point. That was topped off by a backlog of shipments and logistics delays (air, land and sea), which caused a temporary halt to the food supply chain.

This kept us on our toes as we were constantly trying to source alternatives and to think of creative solutions. It was truly an experience we've never gone through before.

***Euro-Atlantic has been a pioneer in developing the market in Malaysia for high-value lines such as berries, speciality melons and microgreens. The hospitality and foodservice sectors are key markets for such products, and they were of course heavily impacted by the pandemic. How has Euro-Atlantic overcome these challenges and also adapted its product offering?***

**EL:** Hotels were hit pretty hard. Restaurants have been switching their business models to catering and online services to adhere to government requirements, with less seating available. To meet their changing needs, we have had to source a range of products that have a longer shelf-life and are suitable for catering.

For example, restaurants usually plate their dine-in dishes with microgreens and edible flowers.

As these products have an extremely short shelf-life, they are not as popular now. Therefore, we have slowed down our supply of microgreens and increased other items, especially commodities.

Additionally, there are frequent shipment delays. Departures from



ports of origin are not on time and our ports are congested upon arrival. Due to the longer transit period the produce is less fresh, meaning a shorter shelf-life and a shorter selling window. In the past we had a ten-day buffer when it came to the selling period, now it's shortened to as little as five days.

This has caused more wastage. It's unfortunate that we cannot do anything to reduce this wastage, as we see so many people struggling for food during this difficult time.

Due to the shorter shelf-life, we have been forced to sell at a lower price to move the produce faster. Our team needs to act quickly from the moment the items arrive at our warehouse.

***How do you see the longer-term outlook for sales of higher value produce such as berries, cherries and avocados in Malaysia? Do you see much room to further grow sales and what do you see as the keys to driving this? What kind of activities is Euro-Atlantic undertaking to develop demand?***

**EL:** Avocados have become a staple fruit in Malaysia. Consumers are growing increasingly aware of the fruit's nutritional value and it being

a healthier alternative to certain types of food. Hence, we still see demand growing for this produce. However, there has been a heavy dip in production volumes from popular (supply) origins. So, we now have to look for alternatives from other origins.

With berries, we've established a wide sourcing network for strawberries from six countries. This gives us room to cater to the different retailers, as each of them target a different income group.

For example, Korean strawberry prices have skyrocketed this year and low- to mid-tier retailers will not be able to sell at the required price to make a profit. We searched high and low for a solution and finally settled on strawberries from Egypt and Spain, which both produce good quality at an affordable price.

The same goes for cherries. We usually import from first-tier countries but there has been a growing demand for more affordable cherries, so we've started sourcing from second-tier countries. This has taught us to be flexible.

The key is to have a wide sourcing network. It puts us in a better position to fit into the different market situations. We switch to a different tier based on each customer's buying power. There's always room for growth for imported products. The situations we've described here are perfect examples.

Additionally, we work on a long-term programme with retailers that can only afford a second-tier product range, which is usually 30-40 per cent cheaper than the first-tier (depending on the product). For example, we start them off by taking avocados from second-tier countries, which are affordable for lower income groups of consumers. Once they begin to develop a liking for avocados, and incorporate them into their daily diets, the demand grows. Retailers then start noticing a shift in »



buying patterns, with more requests for fruit from first-tier origins.

We believe that sales of these fruits will grow step-by-step, slowly but surely.

*One of the defining features of your company has been its ongoing search to find and introduce new products and supply sources to the Malaysian market. Can you tell us about some of the latest or most exciting additions?*

**EL:** Our newest and most exciting project is a wide range of Korean produce being branded under the name K Fresh by First Pick. Each participating grocery store has designated a special location for a K Fresh chiller, decorated in royal blue designs. These chillers are stocked with more than 20 varieties of carefully selected fresh fruits and vegetables, all of which are airfreighted directly from Korea. From household staples, such as cabbage and onions, to more exotic selections, like perilla leaves, golden enoki and incubator pumpkin, Malaysian consumers can now experience a slice of Korea at their neighbourhood grocery stores.

Additionally, we have also managed to source a unique local fruit called Gác. It tastes and looks rather odd, but it is a superfood. As this fruit is so unique, there needs to be lots of education around it. Unfortunately, we can't do that now due to the Covid-19 restrictions.

*Online grocery channels traditionally have very limited penetration of fresh produce sales in Malaysia, but it seems the pandemic has been a catalyst for growth. Many consumers are shopping for fresh food and produce online for the first time. What investments and adjustments has Euro-Atlantic made to its business to cater to this trend?*

**EL:** This pandemic has pushed us to finally start selling on a few online platforms. We always hesitated to do this as we were worried it would be direct competition for our customers, who are also selling our produce online.

However, due to the current challenges (shipment delays, limited stock and fast-moving commodity items) we decided that this would be a good time to start.

These platforms offer various services to motivate purchasing, such as conducting live shows, giveaways, games and advertisements

via social media channels like Facebook. We're also planning to launch our own online store site soon.

*We understand you're set to open a new office and warehouse facility, which has been designed with a focus on sustainability and automation. Can you tell us what the operation will include and how it will enhance your business?*

**EL:** We're proud to say that our new warehouse is a GBI (Green Building Index)-Certified Building – a certification with requirements that are rather difficult to meet.

A GBI building focuses on increasing the efficiency of resources such as energy, water and materials, while reducing the building's impact on the environment and human health.

The new warehouse will prioritise automation for cleaner, faster and more concise packing lines. We'll also be shifting to a more advanced integrated warehouse management system that covers end-to-end operational systems across all departments.

*Your company is also committed to philanthropy. Can you update us on any developments on this front?*

**EL:** Despite the dip in overall sales this year, we continued donating to the needy every single week. Our hearts were moved by the vast amount of people who lost their jobs during the thick of the pandemic. In fact, we are currently expanding our contribution to another large charitable organisation that rescues surplus food and distributes to many homes nationwide. It gives us so much joy seeing faces light up as they receive our produce.

We believe animals are equally needy during this time. Therefore, we've started contributing to the local zoo. Our first contribution started in mid-2020. Since then, we've pledged to contribute at least 4.8 tonnes of produce per year. [A](#)

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**ABOVE**—Euro-Atlantic has its own fleet of refrigerated trucks  
**RIGHT**—Ebby Loo and her team celebrate winning the Importer of the Year Award



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# IMPORTER OF THE YEAR 2020

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**Ebby Loo**  
Managing Director of  
Euro-Atlantic

euroatlantic

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