



Hebron's Big Cheese

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By Amy Klein

A stone's throw from Shuhada street, where the media swarm to document the latest altercations between the Jewish and Arab residents of Hebron, the Al-Juneidi Dairies & Food Products factory goes about its business.

Operating for over six decades, the factory has transformed itself during this period from a one-man operation making fresh cheese and yogurt to a 200-man outfit which produces 50,000 to 60,000 liters of milk a day and sees sales of about \$10 million a year.

The business was set up in the 1940s by Norman Al- Juneidi who brought milk from local farmers to make his fresh dairy products by hand. His son, Hashem Al-Juneidi, the present owner and manager of the dairy, joined his father in the business in 1967 and by the early 1980s had taken over the delivery route and expanded the business.

It was in 1982 that business really began to take off when Hashem, then aged 38, purchased machinery and know-how about the dairy business from Europe for \$40,000.

"I had most of the money from working with my father," says Hashem. "We didn't go to the bank and get the money; that's how it goes all over the West Bank." Today, he says, there is more competition and you need much more investment, but back then, "the important thing was to do it right and to manage the business well."

In 1982, Al-Juneidi, working with two other employees, began buying 50-60 liters of milk per day and reselling it as milk, yogurt and labane. With the new machinery output increased and within four to five years the company was making a profit. In 1989, Al-Juneidi moved his business into a new plant, the site it occupies today.

Nodding and smiling as the translations into Arabic reach his ear, Al-Juneidi, whose soft, pudgy contours fill the high-backed chair - is like a benevolent patron. In his oddly feminine office of light, shiny wood and mauve curtains, the factory atmosphere cuts in with announcements on the outside loudspeaker system and the small closed- circuit TV, which broadcasts a mini Palestinian flag.

Al-Juneidi's eyes dart to the TV, which flashes to scenes of the factory: the 24-hour guarded entrance, passing trucks emblazoned with the Al-Juneidi cow and logo and the pump-connected stainless steel machines which fill the plant.

The huge, high-ceilinged complex, cordoned off into sections - sterilization, homogenization, production, storage, salad making and quality control - looks like any other dairy in the world.

Each of the vat-like machines is manned by three or four workers, and the factory's operations - from unloading the milk coming in from Tnuva trucks, to boiling it to 100°C to kill all bacteria - add up to a bustling, methodical machine.

By 4 p.m. production has finished and there is an overpowering smell of heavy cream in the factory, now being scrupulously cleaned and disinfected for the next day's work.

Twice a day Al-Juneidi products - hard cheese, pudding, labane (za'atar with olives or peppers with cucumber) and sour cream - are transported by 25 trucks to outlying distribution points in Ramallah, Gaza and eastern Jerusalem. The products then find their way to hundreds of grocery fridges.

In the last 15 years Al-Juneidi Dairies has seen a tenfold growth in volume. At no point during this time did Al-Juneidi take outside investment nor has he relinquished any control over the business.

According to Al-Juneidi, his company accounts for over half the dairy sales in the predominantly Palestinian areas. He is indisputably head-and-shoulders above the assorted mom-and-pop operations that also reach Palestinian grocery stores.

Tnuva Marketing Director Ofer Bloch, however, assesses Al-Juneidi's market share at about 30 percent. As for Tnuva's own share, the company says it does not officially analyze sales regionally, but still estimates its piece of the Palestinian market at about 50%.

In a bid to increase sales further, particularly after his recent entrance to the hard-to-crack salads business (humus, tehina, eggplant etc.) Al-Juneidi has now earmarked 10% of his budget for advertising - both on Palestinian and Jordanian TV.

His next move is to purchase his own cows. "Palestinians prefer Palestinian products more than anyone else's," he says and adds that almost 65% of the company's milk supplies are from within the Green Line.

"We need about 2,000 cows to supply our own milk. I would start with half of that, and then local farmers can learn from the methods and they can produce more milk."

This project, which would be a separate company from Al-Juneidi Dairies, will cost \$3m., a sum that will be difficult to raise.

"The problem is not only mine. The problem belongs to the whole of the Palestinian people," says Al-Juneidi. "There is no true financial resource for us."

What about the money reportedly pouring in from all over the world?

Al-Juneidi looks at his younger brother, Nidal, the company's technical manager and unofficial translator, and they laugh as if just receiving the punch line of a joke. Al-Juneidi shrugs. "The PA has no money. No money is coming in to us. We would take investment for this if we could get it.

"If we had the opportunities that everyone else in the world has, we'd be leaders. A lot of Palestinians have good brands, but they never had support or opportunities."

In a matter-of-fact way he discusses not only the incentives that Israeli companies receive from the

government and the fact that Al-Juneidi Dairies is not licensed to sell outside Palestinian areas, but also the more pressing problems of how the current political situation impedes business. During border closures, the company often can't get milk in or products out. With the problems of an insecure economy and the threat of war on top, this all combines to hurt business.

"We haven't seen any change with the new autonomy, but we hope things will get better. There is a saying in Arabic, 'If there is a strong wind, it will blow in all directions,' " in other words, the trickle-down theory.

Before he leaves, Al-Juneidi, the quintessential reserved businessman, reveals the patriotic pride that seems to motivate him: "It is well known that the Palestinians built all the Arab lands. We hope we will have the opportunity of building our own country," he says.

(Box) Brother's Little Helper

In his dark corduroys and untucked rayon print shirt, Nidal Al-Juneidi, looks like the average Palestinian 20- something. But Nidal, who at 27 is two decades younger than his boss and brother Hashem Al-Juneidi, is probably one of the more fortunate men of his age in the West Bank. The position of technical manager at Al-Juneidi Dairies & Food products affords him a respectable job (he heads his own department overseeing all quality control), a good salary (he recently bought a new car) and the chance to leave the country every few months (to keep abreast of industry innovations). Nevertheless, he is restless and misses his days overseas.

At 18, Al-Juneidi left Hebron to study at the University of Manchester for five years, gaining a degree as a food technician. He translates his older brother's short answers with halting words in a Mancunian accent, elaborating on his answers, particularly with regard to the company's current incarnation, which, according to him, he had a big hand in improving.

"There was no food technician before me," boasts the younger Al-Juneidi, when he is out of his brother's office and walking through the factory. Al-Juneidi knows well the workings of the factory, from the unloading of the milk to its sterilization and homogenization to the packaging. And the factory workers know him, deferentially stepping aside as he passes, answering his staccato questions. He shows off his knowledge, the factory and his department with pride.

The quality control department is in charge of all health procedures, which include an analysis of every sample of milk, as well as computer tracking of the milk's progress. The quest for ISO 9000 (International Standards Organization), an international quality system standard that will allow them to sell to many foreign markets, is at Al-Juneidi's initiative and under the responsibility of his department.

"There was no quality control department before I came," explains Al-Juneidi. "My brother did a good job building up the company with modern machinery, but there was not so much professionalism."

From the sterile lab, Al-Juneidi looks out into the factory where the men, some almost twice his age, monitor the production line. He recognizes that he is lucky, but his resigned sighs befit a man his brother's age. "There's nothing to do here in Hebron. I work until 8pm every night and then go home and watch television."

The picture of his wife and one-year-old daughter Sara are behind his desk in his small office located between the factory and the executive offices. He misses England, parties with friends, freedom of

movement. "I went to the video store to rent Ghost, which I saw in England in 1988. It's not here yet."

But those troubles are nothing compared to dealing with border police, local police, and the political situation. As to his future, it doesn't look like he can go any further at Al-Juneidi Dairies & Food Products. Al- Juneidi says that though he knows the business end of the industry, he is more interested in the technical aspects and so he doesn't want to run the factory. "But," he adds, almost as an aside, "I am Hashem's brother. He has sons, you know."

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