



# VERY BERRY: BERRY CULTIVATION AND PROCESSING

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## HIGHLIGHTS

- *The growth-centred business model of VeryBerry is based on the development of new, healthy products and entering new markets. Circularity is not its central focus.*
- *The main bioresources in circulation are berry processing byproducts. They represent a small part of the total volume of products but are strategically marketed to increase income and diversify markets.*
- *Industry experts see opportunities for VeryBerry in the production of higher value-added products from by-products. The company, drawing on its experience of the development of and marketing new products, does not consider such a transition reasonable.*

## ABOUT THE CIRCULAR PRACTICE

The family-owned company VeryBerry (Latvia) represents a circular use of bioresources and a circular business model in the fruit growing and processing sector. The company is considered a pioneer in the cultivation of large cranberries in Latvia. It has established its storage facilities and a processing plant, and expanded berry processing to other berries and fruit, such as blueberries, raspberries, black currant, apples, buckthorn, quinces, etc. The company has experienced gradual growth over the last ten years and reached an annual turnover of EUR 1.1 million in 2022.

In terms of the circularity of bioresources, the company exemplifies intra-business and inter-business as well as cross-sectoral flows of bioresources. At the company level, the sectors involved in these flows are agriculture and food processing. Food processing generates the main bioresource byproduct – berry yeasts. Yeasts are sold to other companies in the pharmaceutical and cosmetics industries, fed to forest animals or composted. Berry yeasts constitute only 5% to 10% of the company's material output and generate about 2% to 4% of the revenues. However, these sales are important in terms of the global market reach where the company's core products (e.g., juice) have been moderately successful. In addition, the raw byproduct has good innovation potential as it can be transformed into new products.

## BUSINESS MODEL

The VeryBerry business model is built for successful production and commercialization of its main product, ie, fresh and processed berries (juices and drinks) - these products constitute up to 95% of total sales. Bioresources circulation is not its core focus. VeryBerry claims to be a pioneer producer of premium quality drink products and natural juices. It is developing new functional drinks which meet consumer demands for a healthy and active life. Diversification of customers and markets is an important principle in the company's business strategy. The owners have deliberately worked on expanding the export market, which has grown substantially and will account for around 37% of the company's turnover in 2022. The main markets for their food products (juices, drinks) are the neighbouring countries Estonia and Lithuania, as well as other EU countries.

Nevertheless, the company is sensitive to the smallest part of its output, ie, berries byproducts. The value proposition and



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## ABOUT CIRCLE

*The CIRCLE project aims to develop an interdisciplinary perspective on the circular economy in the Baltic-Nordic region by integrating insights from sociology, economics, philosophy, political science, and environmental science. The emphasis is placed on the use of by-products (bio-resources) generated as part of primary production in agriculture, forestry, and aquaculture and across the sectoral boundaries to explore the underlying models of socially- and commercially-driven collaborations, and the factors facilitating and hindering the development and wider use of circular practices and collaborative arrangements thereof.*

*More about CIRCLE:*  
<https://circle-eea.eu>

*More about VeryBerry:*  
<https://www.veryberry.lv>

the value chain are adjusted to selling berry byproducts. VeryBerry owners are aware of the increasing demand for berry byproducts from the pharmaceutical industry. Berry byproducts have nutritional, vitamin, molecular contents that can be utilized in producing food supplements, cosmetic products etc. The value capture proceeds in a sequence of purposeful activities which includes the collection of maximum byproduct material, freezing and storage them over a longer period of time to collect sufficient quantities which becomes interesting for industrial customers. To speed up collection of byproducts, VeryBerry cooperates with other berry processors in Latvia and buys up their byproducts for further sales. Customers in the domestic and export markets who buy those byproducts differ from the customers who buy the company's main products. The company thus reaches a wider variety of customers in their sales market. However, the current demand in berry byproducts exceeds supply available to VeryBerry.

## OPPORTUNITIES AND CHALLENGES

VeryBerry's position in the market is currently determined by the company's management capability to proactively respond to economic, technological and social threats to the berry industry. Activities aimed at changing consumer demand for healthy and nutritious products become increasingly important. Besides sales of berry byproducts which is considered by experts as a relatively common, medium efficiency circular solution, VeryBerry actively invests in the development of new kinds of products, e.g., additives for human and animal food, granular juice additives for teas, and juice additives to other innovative products. However, their current search for new types of products is limited by various constraints faced by the company's management. The main constraints that shape management decisions relate to the investments needed to purchase new technologies, regulatory requirements and the availability of a highly skilled workforce in agricultural and food industry specialties.

Consultations with industry experts also show that VeryBerry has opportunities to substitute existing use of berry byproducts with the development of the production of higher added value food products (for example, oil from quince seeds, etc.). There is a gap between the industry's operational practices and the researchers' vision of the opportunities of using bioresources.