

Berry Gardens Growers Ltd

This case study focuses on one of the UK's leading fresh produce co-operatives, which brings together dozens of large-scale berry and stone fruit growers across the country to supply the nation's supermarkets.

Background / Overview

Berry Gardens Growers Ltd is the UK's leading berry and stone fruit production and marketing group. Initially called KG Fruits (Kentish Gardens), the organisation was formed in 1972 when seven growers came together to set up a distribution service to deliver fruit to regions outside of Kent. Today, it comprises more than 60 growers spread across the UK and enjoys an annual turnover in excess of £200 million, equating to more than a 30% share of the UK market.

Berry Gardens Growers Ltd is a Limited Company administered and registered as an Industrial and Friendly Provident Society, meaning any profits from trading members are not subject to Corporation Tax. Each member of the group holds a £1 share regardless of business size, although it should be noted that a key criteria for joining the organisation is that a grower must have a minimum annual turnover of £250,000. Member location ranges from the northern reaches of Scotland right the way through to Kent, a wide catchment area of growing and climatic conditions that enables the seasonal availability of fruit in the UK to be extended.



For further information please contact Horticulture Wales. Disclaimer: Every effort is made to ensure the information provided in this information sheet is correct at time of printing. Horticulture Wales cannot accept any responsibility for the consequences of any actions taken on the basis of its content and links to further information sources from this document.



Berry Gardens Growers Ltd has also established a subsidiary marketing company called Berry Gardens Ltd, whose main function is to liaise with retailers on behalf of the group members. This subsidiary is funded via several methods, including commission from selling members' produce and the operation of a central packing facility for UK and imported fruit.

Close communication between the two companies is integral to the overall success of the business as this allows berry production, sales, knowledge transfer, and marketing to be managed cohesively. For instance, several members of the senior management team sit on both company boards.

The vast majority (around 80%) of fruit grown by Berry Gardens Growers Ltd – mainly strawberries, raspberries, blueberries, cherries, and blackberries – is sold to seven major retailers (Asda, M&S, Tesco, Waitrose, The Co-Operative, Morrisons, and Sainsbury's). In 2011, the volume of berries sold directly to these retailers totalled 27,585 tonnes, an average of roughly 438 tonnes per grower. The remaining 20% of fruit grown is sold to wholesalers, food processors, caterers, and food service companies.

UK consumer demand for berries and stone fruit occurs throughout the year, meaning that the coordination of supply is vitally important. Berry Gardens Growers Ltd achieves a year-round berry presence by complementing the supply of fruit from its members with imported produce from international growers. Continuity of supply is also enhanced by storing fruit at its Wares Farm HQ or by freezing at various other on-farm facilities.

A crucial part of providing this continuous berry supply is the ability to forecast fruit production. Berry Gardens Growers Ltd achieves this by holding annual meetings with its member-growers to discuss individual production plans. Each grower is required to fill in an online form declaring by field, by hectare, by variety, and by technique what their production will be per week, enabling the group to accurately estimate production for the following year.

Production figures for each grower can be adjusted electronically on a weekly basis during the growing season, if required, allowing the company to dovetail supply and demand while coping with factors such as inclement growing conditions.

For further information please contact Horticulture Wales. Disclaimer: Every effort is made to ensure the information provided in this information sheet is correct at time of printing. Horticulture Wales cannot accept any responsibility for the consequences of any actions taken on the basis of its content and links to further information sources from this document.



Berry Gardens Growers Ltd sells the produce grown by its grower-members within the UK, and trades in imported produce outside the UK season. Imported fruit is either sold on commission or is purchased and re-sold, depending on the preference of the exporter. The Berry Gardens Ltd marketing arm communicates directly with supermarkets on behalf of the parent company, overseeing the entire selling and supply chain process. Throughout the process it is the individual member-grower that retains the title to and ownership of the fruit.

In addition to selling produce to retailers, member-growers of Berry Gardens Growers Ltd retain the option of selling direct to the customer through local outlets such as farm shops and farmers' markets, or as Pick Your Own (PYO) enterprises.



For further information please contact Horticulture Wales. Disclaimer: Every effort is made to ensure the information provided in this information sheet is correct at time of printing. Horticulture Wales cannot accept any responsibility for the consequences of any actions taken on the basis of its content and links to further information sources from this document.





All growers in Berry Gardens Growers Ltd are charged a commission rate for selling fruit based on a banding system linked to the annual turnover of each individual business. The group does not declare a dividend to members, but at the end of each financial year, depending upon financial performance, the Board may declare a commission rebate based on the individual member's turnover. This rebate enables growers to make on-farm investments rather than any profits swallowed up by a complex corporate structure.

Berry Gardens Growers Ltd transports all soft fruit by refrigerated vehicles, however some supermarkets in particular can stipulate which haulage company is used. When dealing with such contracted haulers, the group negotiates a national rate that incorporates all its members.

Amongst the 60 plus group members, there are more than 40 on-farm packhouses, in addition to the group's central packing hub in Kent, which tends to handle imported fruit. Due to the broad geographic spread of co-operative members, the group can effectively supply 'locally' throughout most of the UK.

All produce sold by Berry Gardens Growers Ltd has to comply with the group's own central Quality Management System (QMS), which incorporates standards outlined by the British Retail Consortium (BRC) requirements and the specific criteria imposed by the various supermarkets it supplies. This QMS is applied to all fruit handled by the group, regardless of the size of grower, or whether the produce is UK-grown or imported. All Berry Gardens Growers Ltd members are members of the Assured Produce Scheme, with members who operate packhouses also adhering to the British Retail Consortium Global Food Standard.



For further information please contact Horticulture Wales. Disclaimer: Every effort is made to ensure the information provided in this information sheet is correct at time of printing. Horticulture Wales cannot accept any responsibility for the consequences of any actions taken on the basis of its content and links to further information sources from this document.



Lessons To Be Learned

Product Choice

Raspberries are the most financially valuable crop, with Berry Gardens Growers Ltd enjoying nearly a 50% share of the UK raspberry market.

Strawberries remain the main crop grown in terms of volume (nearly a third of the overall UK market), while the group dominates the market for 'premium' strawberries – Class I produce as set out in the EU fruit and vegetable grading classification.

Over the years, the company has added blackberries, cherries, and blueberries to its range, while fruit is also imported outside the UK growing season to extend availability throughout the year.

Supply Chain Issues

Despite its size, Berry Gardens Growers Ltd has clear communication channels enhanced by an electronic network that helps link the wider group to individual growers. This is particularly evident in the way that production levels are planned and monitored.



For further information please contact Horticulture Wales. Disclaimer: Every effort is made to ensure the information provided in this information sheet is correct at time of printing. Horticulture Wales cannot accept any responsibility for the consequences of any actions taken on the basis of its content and links to further information sources from this document.



Costs And Value-Added Within The Supply Chain

For soft fruit, the main supply chain problem is matching availability with demand and maintaining quality throughout the season for produce that has a short shelf-life. The group's strategy to deal with is to operate a broad network of UK growers to elongate the home-grown season, and to complement this by importing produce to meet gaps in supply.

The value of the co-operative model for individual members lies in the access it provides to premium markets and the multiple retailers. As these markets require large volumes and a continuity of supply, Berry Gardens Growers Ltd's import strategy overcomes any potential problems with seasonal gaps that cannot be supplied by their UK grower-members. This means that the market for UK seasonal production is secured.

The company also provides a well-known brand and a QA scheme that guarantees product quality. There is little value-added in terms of processing, with the exception of limited freezing facilities.

Supply Chain Improvement In Wales

Berry Gardens Growers Ltd does not currently have any members in Wales, although one member farms close to the Welsh borders. It would look favourably on any soft fruit grower who is co-operatively minded who wished to join, although to be considered for membership, prospective growers need to have a turnover of at least £250,000, plus a growth and expansion plan to develop their business further.

The number of Welsh soft fruit growers meeting this criteria would be extremely limited, although the co-operative model used by Berry Gardens Growers Ltd could be replicated on a smaller scale to help solve many of the distribution and marketing problems that Welsh growers currently face.

For further information please contact Horticulture Wales. Disclaimer: Every effort is made to ensure the information provided in this information sheet is correct at time of printing. Horticulture Wales cannot accept any responsibility for the consequences of any actions taken on the basis of its content and links to further information sources from this document.

