

Abstract:

Berries, mainly strawberries, raspberries and black currants, play a central role as raw material for the production of canned fruits as well as jam and fruit preparations for the dairy industry. In Germany the fruit processing industry is faced with an uncertain supply and rising procurement costs for years. On the other hand the industry does not succeed in transferring the varying raw material costs to the retail level. The high share of costs for berries, the import dependence on only few supplier countries and the increasing requirements of food security and traceability increase the industry's interest in securing at least a part of the berries contractually. Polish berries thereby take an outstanding position. The cultivation of berries in Poland is characterized by large fluctuations in yield, acreage and prices, which affects the procurement costs of the industry. Vertical contractual agreements can reduce these fluctuations substantially. In principle the Polish farmers are interested in co-operating with the processing industry. However, ensuring the market sales for several years is a condition for the farmers, since need for specific investments increase in the future. One prerequisite for a successful co-operation of several years is a well-balanced distribution of risks and risk premiums between the farmer and processor. This is necessary because berry production is characterised by a high initial investment, an unproductive first year (or years) of cultivation and a long pay-off period.