

Expanding the capacity to produce, reaching new consumers with a lowered price point and exploring past its coveted Omakase berry are on the docket for the fast growing vertical farm operator Oishii.

With its new farm in New Jersey only taking a year to build and start producing berries, Co-founder & CEO, Hiroki Koga told FreshFruitPortal.com about the fast expansion of his company's strawberry farms, as well as the challenges the firm faces to keep up with high demand within the U.S. and further afield.

Quality over quantity

Hiroki brands his Omakase berries as “the world’s sweetest, freshest, cleanest strawberries” and for his company, quality is clearly more important than quantity.

“Traditionally, with Japanese agriculture, it’s all about quality, whereas in the U.S., the business model is optimized for cost reduction, mass yield and mass production”, he explained.

The strawberry company has big ambitions, with its mission to become “the world’s new standard” when it comes to high quality fresh fruit produce that people can enjoy year-round. The idea is to change food consumption, as well as food production.

Advantages

Oishii guarantees fruit freshness thanks to its farms' proximity to stores. Hiroki explained that at the earliest, strawberries can be in stores on the same day as harvest and at the latest, the following day.

“We usually harvest in the morning, then the strawberries will go through our packaging and then straight to our distribution truck. From where we are located, we are only 15 minutes away from Manhattan, so we can get to the stores within less than an hour”, he emphasized.

As well as being fresh, the strawberries are clean. As opposed to traditional, outdoor farms, Oishii’s vertical strawberry farms use proprietary bee management and disease management technology, meaning there is no need to use pesticides.

They also use LEDs and air conditioning systems to control growing conditions, so seasons and weather conditions do not affect production. In addition, with vertical farms not needing

to use arable land, growing crops requires significantly less water.

Hiroki points out that as a result, “we can keep on growing and producing these strawberries throughout the year, 365 days per year”, anywhere in the world.

The unique Omakase berry is a prime example. This particularly sweet berry would usually grow in a very specific part of Japan, with particular climate conditions, at a certain time of year, but now it grows year-round in the middle of New York.

Pricing and consumers

Although previous consumers of Oishii’s berries have been mainly Michelin-star restaurants and their customers, the company wants to be known as more than just an exclusive, luxury strawberry company.

In comparison to its previous farms, which Hiroki describes as “custom fabricated”, the new farm has been able to reduce costs significantly through innovation. This has enabled the company to bring down the prices of its strawberry boxes from \$50 to \$20.

As of next week, Whole Foods will sell the company's strawberries, so the customer profile is predicted to change, with people who used to buy them exclusively for special occasions, perhaps starting to buy them on a more regular basis.

Now, ‘people who probably would not have bought at \$50, will feel much more comfortable trying them at \$20 for special occasions or celebrations’, added Hiroki.

Although the Omakase berries are more expensive than traditionally grown U.S. strawberries, when comparing the price of the same berry in Japan, the vertically farmed U.S. version is actually cheaper. Therefore, this high quality product is provided at a more accessible price.

High demand

Oishii is experiencing “all time high demand”, with Hiroki recognising a need to build many more farms even just to fulfill the demand in the Manhattan and New York area.

“We’re definitely seeing a lot of demand from governments and local municipalities of different cities and countries who are trying to produce food more locally”, Hiroki emphasized.

Initially, the sustainable aspect of vertical farms was their principal attraction. However, within the current context of a global logistics crisis and an ongoing war, countries across the globe have turned their attention to food security. And, vertical farms could be a potential solution.

“I think we are shifting more and more towards local production”, concluded Hiroki.

Future outlook

The CEO described the challenges his company faces when it comes to balancing expansion and development.

Both the construction of more strawberry farms to keep up with high demand and the production of different varieties of strawberries and other types of flowering crops are vital for future success.

Nevertheless, ensuring that “everything we [Oishii] place[s] on the market is the absolute best quality that people can find in that market”, remains a fundamental part of the company’s vision.

“With regards to tomatoes and melons, we have already started growing. We’ve gone through so many different types and we’ve already narrowed it down to a couple of very promising varieties for both of them”, he added.

The immediate goal is “to have a couple to maybe a few large facilities next to each of the major metropolitan cities in the U.S.”, said Hiroki, but the firm is also in discussions with other cities around the world.