

# Stanford SOCIAL INNOVATION REVIEW

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## **Beyond the Purple Berry**

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## Beyond the Purple Berry

Sambazon's commitment to social entrepreneurship creates a fair market for farmers in the Amazon **BY RYAN BLACK & JEREMY BLACK**

THE JOURNEY BEGAN ON A 1999 trip to Brazil to celebrate the new millennium. After an afternoon surf with some friends, we had our first taste of açai served as a thick purple smoothie in a bowl topped with sliced bananas and granola. Amazed by the chocolate-berry taste and nutrition of this treat, we were hooked. The experience energized our bodies—açai (pronounced ah-sigh-ee) is loaded with powerful antioxidants, healthy omegas, fibers, and protein. It also stimulated our minds.

Locals told us that açai is from the Amazon and grows wild in an area the size of England. Although it has been a staple of the Amazon people's diet for centuries, the berry was just becoming known to Brazilians; in the late 1990s, less than 10 percent of the wild crop was being harvested. We also learned that the açai trade could be a positive force in the Amazon if the berries were harvested in a socially and environmentally responsible manner. Locals could harvest açai as a renewable resource and protect the forest rather than work in the timber, charcoal, or cattle ranching trades. We decided to call our company Sambazon, an acronym for Sustainable Management of the Brazilian Amazon, and made it our mission to share this incredible berry with the world.

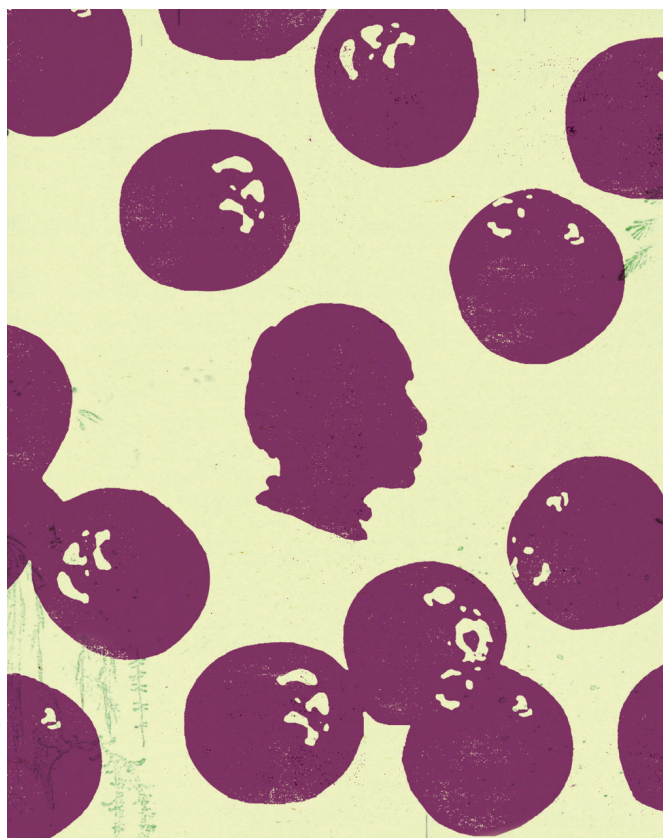
In our research, we learned that açai berries are handpicked by local growers, who scale the 40-foot palm trees that flourish along the Amazon's riverbanks. Baskets of berries are sold, transported by boat through a series of middlemen, and resold at large farmers' markets in cities like Belém, Bréves, and Macapá. By the time the berries arrived at these open markets, they had changed hands so many times that determining origin and farming conditions or ensuring quality control and organic practices was virtually impossible. In addition, this system created opportunities for middlemen to exploit growers who didn't have transportation to the markets. The açai berries perish within 48 hours of picking, so middlemen offered "take it or leave it" terms to the growers.

We realized that if we established direct relationships with the growers, we could cut out the middlemen and bypass the open market, enabling growers to plan their annual crops (and their lives) more consistently. This direct contact also could help us to certify the growers and their farms organic and fair trade, improving quality control and helping protect the forest's biodiversity.

This had never been done before with a

**RYAN BLACK** left professional football to pursue social entrepreneurship, founding Sambazon in 2000. He is the company's CEO.

**JEREMY BLACK**, Ryan's older brother, left a successful career as a financial planner to start Sambazon, where he is chief brand officer.



wild-harvested fruit, and it was not an easy task. We knew that constructing a certified supply chain for açai in the middle of the Amazon rainforest wouldn't happen overnight. But we saw an incredible opportunity that could generate sustainable jobs for thousands of small family growers. The effort would create a positive economic chain reaction.

With the help of prominent Brazilian nonprofits, including the Foundation for Advancement of Science and Education (FASE), WWF Brazil, and the Federal University of Pará, we developed a sustainable agroforestry program and sponsored U.S. Department of Agriculture organic certification of a small group of growers. From that pilot program in 2002 to today, the number of participating growers has leaped from 100 to more than 10,000. Through our nonprofit partners, we have provided technical assistance, social services, and business courses to the growers and their families. We also assisted Ecocert, a leading European fair trade organization, to develop and implement standards with which to certify açai for the

first time. And in 2005, we built a world-class açai fruit processing facility in Macapá, on the banks of the Amazon River, which employs nearly 100 people and enables Sambazon to have an even greater impact in the local community.

### GROWING A TRIPLE-BOTTOM-LINE BUSINESS

As we developed our supply chain in the Amazon, we began another challenging task in the United States: building demand for an unknown fruit with a name that's hard to pronounce. We borrowed \$50,000 to buy a container of frozen açai fruit pulp, designed some marketing fliers, and started trying to convince mom-and-pop juice bars in Southern California that açai was the next big thing. We did endless samplings, demos, and events, so people could taste açai and learn about the powerful nutrition in the berry. Laboratory tests show that açai has antioxidants like blueberries or red wine, as well as healthy omega fatty acids similar to olive oil, dietary fiber, and almost no sugar.

By the end of that first summer, in 2001, more than 100 juice bars were selling Sambazon Açai. We slowly expanded around the country, approaching the best juice bars in Miami's South Beach, New York City, and Oahu's North Shore. We made friends with top athletes like surfer Rob Machado and skateboarder Bob Burnquist, who found out that we had brought açai to the United States in a socially and environmentally responsible manner and wanted to help promote it. Bob helped convince ESPN to allow us to provide Sambazon to athletes at the X Games. Many of the athletes became daily users and shared Sambazon products with their friends and families.

After getting national distribution with Whole Foods Market, still our largest retailer, we began expanding into supermarkets across the country and eventually into superstores like Walmart and Costco. From the very beginning, we studied the experiences of socially responsible business leaders such as Anita Roddick of the Body Shop and Ben Cohen and Jerry Greenfield of Ben & Jerry's. We also sought out mentors like Gary Hirshberg, founder of Stonyfield Farm, and Steve Demos, founder of White Wave Foods. They gave us tremendous guidance and direction on how to build a strong natural food brand and cross over into the mainstream market, while maintaining our values, brand integrity, and product quality.

We received recognition along the way, and we were proud and humbled by it. In 2006, Sambazon won the U.S. Secretary of State's Award for Corporate Excellence for helping to support indigenous communities in Brazil through a sustainable business model. Later that year, Sambazon was awarded Ashoka's Change-makers Innovation Award.

### COMPETITION AND VISION

In 2006 and again in 2007, açai was named a key consumer trend by the global consumer research firm Mintel, and shortly thereafter the market was filled with everything from açai-flavored Jelly Bellies to Absolut Berri Açai Vodka. Slick multilevel marketers began selling \$50 bottles of açai cure-all potions, and Internet scam-

mers offered bogus açai weight loss pills. Today you can still find deceptively labeled products on supermarket shelves that market açai's benefits but fail to communicate that the products have been filtered of important nutritional properties, such as omega fatty acids and fiber, which make açai a highly nutritious food. Although this surge of products brought increasing visibility to the word açai, it damaged and manipulated the public's understanding of the berry's true health benefits. Also, because açai is new to this country, the U.S. Food and Drug Administration does not have a legal "standard of identity" for the berry. Recently, we launched a campaign called Real Deal Açai, which educates and informs consumers on how to compare products and encourage competitors to be transparent in their health claims and ingredient labeling.

Our goal wasn't simply to market a new product. We founded Sambazon to promote positive social and economic change from the forest to the consumer, and to prove the case for sustainable development in the Amazon rainforest. Running a socially responsible business has its costs and benefits. Educating consumers has

## We founded Sambazon to promote positive social and economic change and to prove the case for sustainable development in the Amazon rainforest.

been capital intensive and challenging. We have nearly 150 full-time employees and provide a healthy livelihood to thousands of Amazon growers and their families. We've received multiple rounds of investment funding, and at each stage we have incorporated our values and principles into our partnerships to ensure that our investors understand that profitability and sustainability are not an either-or option but a mark of triple-bottom-line success.

Ten years after founding Sambazon, the company is the market leader in branded açai products and wholesale açai supply. Our products are sold in thousands of health food stores, juice bars, and supermarkets in the United States and beyond. As the eco-consciousness movement builds, we're seeing more and more people who want to vote with their dollars to help improve the world. To underscore this, we launched a major advertising campaign in 2010, asking people to "Warrior Up" and help create positive change with us. It's a concept that originated from the Sambazon logo—the Amazon warrior, protector of the forest—and is coming to life through modern-day citizens who are social and environmental change makers.

Twenty years from now, our goal is to show that Sambazon açai has brought health and wellness to people and is an example of a successful triple-bottom-line business. Business combined with democracy can be a powerful tool to promote innovation, social equality, and biodiversity protection. It's imperative that leaders of this and future generations continue innovating market-based solutions that protect the environment, alleviate poverty, and make the world a better place. We hope that Sambazon can further this movement and serve as an inspiration to socially responsible entrepreneurs everywhere. ■