

Canada increases blueberry production and looks towards Asia-Pacific

An article recently published by the Foreign Service of Agriculture of the United States Department of Agriculture (USDA) stated that blueberries accounted for approximately 25 percent of the value of Canada's horticultural supply, which makes them that country's main crop. According to the analysis, in the last five years, Canada's blueberry production has grown significantly, both at the Low Bush (wild) and High Bush (cultivated) level.

While production increases, the change in consumer trends contributed to a decrease in value of low bush blueberries. Meanwhile, the value of High bush blueberries increased in 2016. Most of the Canadian High Bush blueberries are produced in the province of British Columbia, which accounts for more than 95 percent of all Canadian fresh blueberry shipments. This province increased its production by 56 percent in the last 4 years, growing from 52,597 MT in 2012 to 82,005 MT in 2016. The planted area increased by 9 percent during that period, while the harvested area increased by 24 percent, after the previous planted area reached its maturity. In terms of crop value: low bush crops have seen the decline, falling to \$91 million CAD (Canadian dollars) in 2016 after reaching the maximum in 2014. Meanwhile, the value of high bush blueberries increased to approximately \$ 171 million CAD in 2016.

Canadian blueberries look towards Asia-Pacific

The USDA document highlights that the Canadian blueberries have more and more competition in their main destination market, the United States. Their main competitors in the US market is the blueberry production from the states of Oregon and Washington. As a result of this competition, the province of British Columbia (Canada's largest producer of blueberries) has been exploring the Asia-Pacific markets to increase their export opportunities.

In 2016, China approved 10 packaging companies and 19 production facilities in British Columbia to export to the Chinese market. Reports indicate that Canadian exports to China were negatively impacted in 2016, when an early crop in British Columbia placed fresh Canadian blueberries in direct competition with the Chinese product.

Meanwhile, the 2017 harvest, which started in mid-July, was more in line with the traditional harvest times and more complementary to the Chinese growing season, which normally decreases at that time. However, data on trade indicates that Canadian exports to China have fallen by 8 percent since 2016.

This may be the result of a slightly smaller harvest in British Columbia, a lack of demand from the Chinese, or the high cost of landing fresh Canadian blueberries in that market due to tariffs.

In 2016, Canadian blueberry exports to China paid a 30 percent tariff rate. While the media reported a decrease in the tariff rate in 2017, Global Affairs Canada (GAC) confirmed that fresh Canadian blueberries continue to pay a 30 percent tariff in the Chinese market. The GAC noted that China did reduce tariffs for certain Canadian fruit and vegetable products in 2017, but that this didn't include the tariff for fresh blueberries. The World Trade Organization reported a 30 percent limit for the most favored nations, including Canada, in 2017.

The data until October 2017 indicates that Canada is on track to recover in relation to the 2016 season, when blueberry exports decreased, so it could achieve the record export volume of 2015.

Exports to Hong Kong, which represent a very small portion of Canada's total exports, reached 10-year high in 2016 and 2017. Hong Kong does not impose a tariff on fresh blueberries.

Meanwhile, Canadian exports to Japan and Australia have been falling in recent years, especially because Australia is improving production techniques and is looking to penetrate the East Asian markets.

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