

OVERVIEW GLOBAL BLUEBERRY MARKET

The blueberry market continues to grow, not only in Europe, but also in North America and China. The latter is getting a lot of attention from Latin American countries, who would like to export to China. Eastern European countries are investing in the crop and see a lot of potential. In Spain, growers are concerned. Although the first berries in Huelva are already being picked, the market conditions are expected to become tougher in April. Just like last year, a surplus is expected at that time which will push prices down.

New Zealand expects a good harvest

After a disappointing season last year, the prospects for the new campaign are optimistic. Although the weather could still take a toll on the quality, this is expected to be quite good. "This year, the fruit was harvested earlier due to the unnaturally warm weather," says a trader. Most of the fruit is being picked at the moment and the harvest will last until the end of March. Due to the warm weather, the fruit was available earlier on both the local and the international market. Recent rains have somewhat delayed the harvest, but at that moment the harvest was "in between varieties," which meant that the impact was minimal. The sector still sees opportunities for growth, not only in terms of acreage, but also in variety development.

In neighbouring Australia, growers harvested 6,000 tonnes of blueberries last year. The sector is investing in exports after the announcement that Australian blueberries have been on the priority list of Chinese traders last year.

Chinese consumption continues to rise

The import of blueberries into China has increased in recent years, and prices have also been on the rise. In the first three months of the year, there have been imports from Peru, Chile and Mexico. Last year, Argentina also gained access to the Chinese market. For Peru, exports by air freight have become more difficult and Chinese traders are of the opinion that the quality is slightly lower than in previous years. The season has also been tougher for Chile. From June, there is also supply from British Columbia.

Meanwhile, demand and domestic cultivation continue to grow. The biggest challenge for the growers is the long shipping time to the domestic market and the fact that the Chinese consumer has a preference for berries with a high Brix.

Italy: Limited cultivation

A trader in blueberry plants sees domestic demand lagging behind the demand from Eastern Europe. What is sold in Italy is usually for small plots. This has to do, among other things, with the fact that cultivation in Italy is not easy. The demand from Eastern Europe is much greater. Italian blueberries are mostly grown in the regions of Trentino, the Alps, Calabria and the Apennines. On the wholesale markets, the prices oscillate between 14 and 18 Euro, depending on the location. In Turin, blueberries cost 18 Euro (1st class, in trays, from Peru); in Rome, 16 Euro (1st class, in trays, from Peru) and in Verona, 14 Euro (1st class, from various origins).

Ukraine invests in quality improvement

Growers are not only investing in expanding the acreage, but also in improving the quality. For example, anti-freeze systems are purchased and investments are made in the search for the right variety for the country's growing conditions. A grower explains that the soil type and climate have a major influence on the suitability of a variety. The growers are not afraid of market oversupply. "The demand continues to grow faster than the supply and the two are still not in balance," says a grower. "I see that here in Ukraine, where the domestic market is also growing, but also in China, where the demand for blueberries is so strong that the country itself has started growing them." The export is mainly focused on the European market, with the United Kingdom as the largest buyer, followed by other EU countries. Besides, the domestic market is also quite important.

Poland: Shortage of pickers

It is becoming increasingly difficult for Polish growers to find pickers. According to growers, the system was designed with the apple sector in mind, but a grower explains that twice as many people are needed to pick the blueberries. Moreover, there are complaints about the "huge amount of paperwork needed." Ukrainians are increasingly less inclined to work in Poland, as they prefer the higher wages paid in the Netherlands and Germany. The Poles themselves don't want to do the job either, especially now that the country's economy is doing well.

The previous season was described as "tough," since the UK became a difficult market due to price fluctuations. Growers are mostly investing in cultivation techniques to improve the yield, rather than in plans to further expand the acreage.

Germany "unpleasantly surprised" by Eastern European production issues

In Germany, blueberries are currently being imported from Chile, with some Peruvian and Uruguayan fruit also available. The purchase prices stand at around 2.50 Euro per kilo. There are also blueberries from Canada, which are mainly offered as frozen goods or sold to the processing sector. As far as packaging is concerned, the small 125 gram packs in particular are becoming increasingly popular in the German market. Red berries and cranberries are no real competition for the blueberries. The latter are very popular especially during the peak season, when the domestic production is available.

Traders were unpleasantly surprised last summer by the production issues in Eastern Europe. As a result, there is little production available in storage and the price per kilo stands at 3.50 Euro, which is relatively high. In Canada, the blueberry harvest went back to normal last year after the record harvest obtained in 2016. Consequently, the rock-bottom prices of 2016 rose again to an acceptable level. Lastly, traders mention that the moderate stone fruit production last year was favourable for the blueberry sector.

Portugal: Unknown on the world market

The season runs from May to September. A grower tells us that they are expanding the acreage every year, which means that it should also be able to increase the export volume. According to a trader, the fruit's main destinations are Spain, the Netherlands, Belgium, Scandinavia and the United Kingdom. In any case, Portugal has yet to build a reputation on the international market, even though the berries have a good quality, according to a trader.

Spain predicts difficult market in April

The first blueberries of the season are currently being picked in Huelva. The season lasts until mid-July. The Snowchaser variety is the one making it possible for the Spanish season to start so early. However, the volume of this variety is limited. Besides, there are imports from Peru and Chile, which ensure a year-round supply. The harvest volume in Spain peaks in March/April.

A trader argues that it is good to start early in the year with the domestic harvest, because the fruit's freshness is better than that of the import berries. The market is currently good, with high prices. The supply and the demand are in balance; however, a difficult situation is predicted for April, because estimates point to a 30% increase in the production volume. Last year, there was a surplus in Huelva, as a result of which the prices were under pressure. Some growers therefore decided to switch back to strawberry cultivation, whose acreage increased by 9%. For the blueberries, growth does not come from acreage expansions, but from new plantings from recent years that are reaching their full productive capacity. According to a trader, there was a true "gold rush", with even non-professional growers stepping in. On the bright side, there is still a growing demand. Blueberry cultivation has grown rapidly and a lot is being invested in new packaging and optical sorting lines.

Belgium: Difficult market for blueberries

The market has been developing a lot in the last two years through some acquisitions. Worthy of note, for example, is the influence of AH on Delhaize. In Belgium, there is a higher demand for blueberries than in France, because relatively few blueberries are eaten in France, according to a trader.

For both Belgium and France, berries come mainly from Chile and Peru. Those from Spain and Morocco are also slowly starting to arrive and there has also been an air shipment from Mexico.

The prices are under great pressure due to some quality issues. There are very good and very bad blueberries. Consumer prices range between 0.99 and 1.25 Euro per 125 gram tray.

Peru sees exports rising

At government level, work is focusing on gaining better access to the US blueberry market. A visit from a US delegation to the growing region in Ica should contribute to achieving this. Exports last year were 57% higher than in the previous season, with 41,329 tonnes shipped in 2017 compared to 26,327 tonnes in 2016. Last year, exports to the United States increased already. In terms of value, exports grew by just over 46%, reaching 350 million dollars. This meant that the US was also the most important export market, although the market share dropped from 56% in 2016 to 44% last year. The United Kingdom (11%) and China (10%) took second and third place. China is expected to move to the second place in the ranking in the coming years.

Exports are expected to increase by 12% over the next four years due to growing demand in the main markets. Furthermore, the yield is improving and investments are being made to expand the acreage.

Mexico exports to China

The first Mexican blueberries have arrived in China. The goal is to have those berries on the Chinese shelves within 48 hours after the harvest.

Argentina is committed to growth

The domestic market for blueberries has grown considerably. The season starts in June and lasts until January. Demand on the domestic market increased by 250%. This growth is partly due to a better familiarity with the product on the part of the consumer, as several promotional campaigns have been organised in recent years.

The acreage oscillates between 1,900 and 2,100 hectares, with production areas mainly in the north (Tucuman and Salta), on the coast (Corrientes and Entre Rios) and in the Buenos Aires region. Organic cultivation is on the rise. The country has about 600 hectares devoted to organic production and there are more hectares being converted. In this way, Argentina aims to distinguish itself from its neighbouring countries. In October last year, hail damage was reported by various growers. There was talk of a loss of 6% of the total production.

Despite the growing domestic market, most of the production is exported. The US is the most important market, accounting for 65% of the exports. The UK is also a big market and traders are seeking to enter Asia. At the beginning of this year, the Chinese borders opened to Argentinian blueberries, among other products. Other export markets include Russia and Israel. The export volume this season amounts to around 18 million kilos, which is comparable to that of the previous campaign. In recent years, exporters have increasingly opted for sea freight; this season, this volume increased by 20% compared to 2016 and by 40% compared to 2015. The volume for the export market has grown for all destinations. Not surprisingly, the volume shipped by air was reduced.

Good market for Chilean blueberries

In the first week of this year, Chile exported 8,032 tonnes of blueberries, 406 of which were organic. That volume was higher than the previously estimated 6,200 tonnes. This "confirms how ideal the climate has been in the main producing regions for the development of the fruit," reports the trade association. Rain in the southern regions interrupted the harvest, but according to reports, this has little impact on exports. The share of the southern growing areas will rise from January onwards, when

the harvest there will be in full swing. The top export destinations are North America (58%), Europe (17%) and the Far East.

The season started with some delay, which gave Chilean berries a good start in the market. Due to the cool weather, the fruit's colouring didn't go as expected and the harvest started at the end of November, instead of earlier that month. There were also some difficulties to export the blueberries by air.

Hail damaged Uruguayan harvest

Hail in October last year caused damage to a number of growers in the Salto region. The most severe damage was recorded on two blueberry fields which were almost completely destroyed. "At this time of the year, there are buses full of people from the cities who want to pick the blueberries, so this is a catastrophe," said a grower shortly after the hail storms in October.

United States: Demand continues to rise

The demand for blueberries is high, while the supply is still on the low side. The supply from South America is described as "a little tight," but it is increasing. An importer explains that they are very satisfied with the quality of the South American berries this year. The volume increases every year and this year is no exception, and the demand is greater than ever, according to a trader. "Blueberries are a commodity on the shelves, similar to bananas or other products," says a trader. Prices are currently stable at a high level, even though some retailers are also using them for promotions.

South Africa closes season with small calibres

The season will come to an end next month. So far, exports in the 2017/2018 campaign have amounted to 6,380 tonnes, which is 2,200 tonnes more than in the previous season. However, the volume remains well below the estimated 8,000 tonnes. That could be the result of the drought, since the sizes are small, but that is still uncertain. The total production this season amounts to between 10,000 and 11,000 tonnes.

Blueberries are shipped mostly by air freight. Some 4,280 tonnes were shipped by air, while 2,100 tonnes made their journey by sea. The best export period for the European market is between week 37 and 47. The most important destinations are the UK (60%), the EU (30%), Africa (6%), the Far East

(3%) and the Middle East (1%). A major challenge for the sector is the development of phytosanitary packaging for export to the Far East.

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