



OVERVIEW GLOBAL BLUEBERRY MARKET

The blueberry harvest is about to start in the southern hemisphere. In some countries, the pickers are already working, but the volumes are still limited. European importers are looking forward to the new overseas season. Due to the warm summer, the European campaign has finished early and there is a threat of a small gap in the supply. What are the overseas prospects? And what is the current situation in the world market?

Argentina starts season with good prospects

The export season has kicked off. It has started a little later because of the cool weather in all growing areas. The delay is estimated at two to three weeks, compared to last year's campaign. The harvest is expected to reach 18,500 tons, which entails a 15% growth. Worthy of note is the large share of organic blueberries, namely 3,000 tons (16% of the total). 35% of the shipments (ie, 6,500 tons), are made by sea.

Growers will have to deal with lower tax refunds for international taxes. The government has reduced the percentage from 6% to 3.25%. "Trading is carried out in cents per kilo, so this has major consequences," says a trader. This measure will have a direct impact on the results of the growers.

Peru is shipping more to China

The prospects for the current season are really good. A record export figure is expected this year. The blueberry sector is growing and has now become more important than the asparagus one. "This year, the value of blueberry exports will amount to around 580 million dollars; an increase of 60% compared to last year," according to the trade association.

Besides the crops in the south, investments are being made in plantations in northern areas. "They are achieving good results when compared with the other growing areas," says a crop advisor. Earlier this year, the target was for exports to reach 75,600 tons; that is an increase of 56% compared to the 2017/2018 season. Last year, the US was the largest buyer, with 48% of the export volume. Other major markets were the Netherlands, the United Kingdom, China and Hong Kong. Exports to China are expected to increase further this season and rise to third place in the ranking of largest export markets.



Chile wants to maintain its leading position

The South American country closed last season with a record volume of exports, totaling 110,000 tons; however, the sector is keeping its eye on the ball. Competition from other countries is growing steadily thanks to better cultivation techniques and varieties; therefore, the Chilean sector continues investing in the crop to guarantee the delivery of quality blueberries.

The southern region of La Araucanía accounts for one third of the acreage. That area plays a major role in the cultivation of organic berries; a niche "in which Chile has a great advantage over other countries," according to a trader. When it comes to exports, Maule is the most important region, accounting for 37% of the volume. In the 2017/2018 campaign, this region's exports amounted to 37,022 tons. 60% of this was shipped to the US, with Europe (23.7%), Asia (13.1%) and Canada (3.9%) as other major destinations.

From this season, the Chilean borders are open to imports from neighboring Peru. The phytosanitary requirements for this have been signed. Chilean inspectors are visiting the Peruvian packing stations to check whether the companies are meeting those requirements.

Mexico wants to diversify exports

With a 95.4% share of all shipments, the US remains the most important export destination for Mexican blueberries; however, growers are looking for new markets, such as the United Kingdom. Thanks to the proximity of the US, the country's production could grow rapidly. In 2017, 36,700 tons of blueberries were harvested. That is 410% more than in 2012, when the total volume reached 7.191 tons.

Jalisco is the largest production area, with a harvest totaling 14,563 tons. It is followed by Michoacán (8,861 tons), Sinaloa (6,149 tons), Baja California (3,380 tons) and Colima (2,630 tons). Although the US is the largest buyer of the soft fruit, there are more countries on the export list. In recent years, we have been working on the diversification of our export markets. The fruit is currently being shipped to Japan, China, Singapore, the Netherlands, Canada, Belgium, Italy, the United Arab Emirates and Saudi Arabia.



Uruguay getting ready for the start of the season

After a cold winter, which is good for the plants' productivity, the season was about to start in late August. "I'm hoping for a slight delay," said a trader at the end of that month. A slight delay of 10 to 15 days was expected for the Snowchaser, but a change in the weather could speed up the development of the season. The hail storms recorded two months ago had little impact on blueberry cultivation.

Although the production is growing worldwide, it is unable to keep up with the rising demand. The market is growing rapidly in countries like the US, the UK, Germany, China, Spain and India. "The biggest difficulty is to spread the volume out the right way; everyone wants to sell in the markets with the best price," says a trader. Exporting to the US is possible for Uruguay, but China, for example, is less easily accessible due to the long shipping time.

South Africa expects a larger harvest

The harvest kicked off in July and started slowly. The first volumes were intended for the domestic market. There the price currently stands at R60 (3.41 Euro) for 350 grams. The sector is now starting with the new export season. The harvest volume is expected to increase by 93%, from 6,328 tons last year to an estimated 10,659 tons this season. The peak for exports is reached in the months of September, October and November.

Most of the exports are intended for the British market. Last year, the UK accounted for 57% of all shipments. Next in the ranking are the EU and Russia (38%), the Middle East and the Far East (together 5%). According to some exporters, the British supermarket program is already doing well this year and there is hardly enough volume to meet the growing demand. Some exporters do not yet have the volumes to ship containers to Europe. Last year, 84% of the harvest was exported; the rest was sold in the domestic market.

At the moment, the country has about 1,700 hectares devoted to blueberry cultivation, but experts point out that this acreage may grow and reach up to 6,000 hectares in the future. That growth will take some time. The prospect is that the acreage will reach 3,200 hectares within five years' time. Some growers are still holding back and waiting for new, large markets to open for their berries. The country does not yet have access to China, but the industry is finalising the required phytosanitary packages.



The Western Cape is the largest production area. By 2023, two thirds of the acreage will be found here. The acreage is also expanding in other provinces. Mpumalanga expects an increase of 862%, starting from a small acreage. Most plantings are carried out in the open ground under nets and not on substrate. The sector is very interested in job creation and the positive impact that blueberry cultivation can have on this. That is why it is cooperating with the government.

US: Imports take over the market

The supply of blueberries is falling as a result of the end of the domestic season in a number of places, and the import season is just starting. "The supply has been tight over the past two weeks, especially that of the new harvest," says a trader. The Oregon season will continue for another week or two. Michigan is likely to stay on the market for a bit longer. Due to the warm summer, there is less fruit suitable for storage. The price is expected to rise in the last weeks of September.

The import season started with the first volumes from South America. In the north of Chile, the harvest kicked off this week, so traders expect the first volumes to be on US soil by next week. A trader explains that Peru is currently in a position to supply the market with large volumes of a reliable quality. Peru and Chile will supply the most blueberries between October and December. Mexico will also be able to supply blueberries in those months, but the growers there will mostly be harvesting in the spring.

The demand is falling slightly due to the rising prices. The demand for blueberries is also growing in Canada. "The price for Chile's new crop is around 40% higher compared to that of the old harvest in storage in the Pacific Northwest."

British Columbia closes normal season

British Columbia closed the season in late August. The campaign has been very similar to last year's. "It has been a stable year," says a trader. Both the volume and prices were comparable to last year's, and there were no reports of gaps in the supply. The season has an early start, with the first volumes arriving at the end of June; however, it ends on a normal date. "All local products are in high demand, and this is especially true for blueberries," says a trader.



China: Strong competition calls for differentiation

The demand for blueberries in China is still great. The Chinese season came to a close at the end of June. The blueberries harvested after that are intended for the processing industry. In order to still be able to meet the demand for fresh blueberries, the market switches to imports from Peru, Mexico and Chile. Blueberries are especially popular because of their health benefits. This is something that attracts a lot of consumers.

Chinese companies are investing in harvesting techniques and research into new varieties to improve the quality of the production and to be able to cope with the strong competition on the domestic market. Since most of the seasons in China overlap, the competition is fierce. Growers must make an effort to stand out in this market. Another way to reach more consumers is with special harvest fields. In these fields, the consumers can pick the blueberries themselves. This has become a popular outdoor activity.

Spain: Harvest moves to the north

The harvest in Huelva was completed in July. Now it is starting in the north of the country, in the regions of Cantabria, Asturias and Galicia. The harvest lasts until November. The annual production in these areas is growing; nevertheless, there is still a lot of room for improvement in areas such as logistics. This makes cultivation more difficult than in Huelva. In the coming years, recent investments will be reflected in rising productions.

The latest season in Huelva, the largest growing area in Spain, ended less badly than expected in terms of prices. The temperature remained lower than normal in the spring. This lasted until the start of the summer. As a result, the harvest was limited and the market did not collapse at the start of the season, such as in 2017. In other parts of Europe, it was exceptionally warm, which meant that the harvest was accelerated. Growers in Huelva therefore chose not to pick part of the late harvest, because the north European countries were on the market.

In 2017, the market collapsed and prices plummeted after an oversupply in the spring. A large part of the production in Huelva hits the market at the same time. The late varieties have turned out to be profitable in recent years, but since 2017, their cultivation has become less popular and growers have shifted their focus to the early varieties to avoid peaks in the production. That trend will continue in the coming years. The harvest in Huelva starts at the end of December with the first very early varieties, but until February the volumes are limited. The sector expects a similar volume to that of last year. The



sector continues to invest in better techniques for the sorting and packing. This year, millions of Euros have been invested in machinery.

France: Popularity is growing slowly due to turbulent history

Blueberries are not that popular in France. According to one of France's biggest traders, the explanation for this lies in politics. "Since time immemorial, blueberries in France have been known as myrtles. They simply grow in the wild. When large-scale blueberry plantations started in the country, traders in wild blueberries rebelled. As a result, growers did not have the right to name their products myrtles. Politicians got involved and said that traders in wild berries were right."

The ban forced growers to rename their blueberries. The Canadian name bleuets was chosen; a name that was totally unknown to the French consumer. "Consumers did not pay any attention to the product."

Politicians changed their opinion about seven years ago. Suddenly, blueberry growers were allowed to call their products myrtles. Consumers caught up with this, and blueberries are now slowly becoming more popular. "But the volumes sold on the French market cannot match the volumes in Germany or the UK."

This week, the trader has sold his last pallet of French berries. "We have already almost completed the switch to the harvest from the southern hemisphere. The prices are pretty high."

Netherlands: Heat takes toll on blueberry season

The Dutch blueberry season is as good as over. Although there was a good harvest at the start of the season, the high temperatures have made things quite difficult for Dutch producers. It was so hot that the fruits were in "emergency ripening" mode and that has resulted in a 40% lower production.

Countries in the same productive window, such as Poland and Germany, suffered similar losses. We started the Northern European season in quite a dramatic fashion, because every European producing country, from Greece to the UK, had its own fruit at the start of our season. In the first weeks, the market was therefore particularly bad due to the large supply. We have ended up with huge prices, so the average price has still been reasonable, but because of the lower productions, the season has been slightly disappointing overall, say the importers.



The start of many seasons worldwide was exceptional this year due to the extreme weather. For example, Florida and California started late, as did Italy and Spain, while the production in the north of Europe arrived earlier. Now the European market is virtually empty and we are making the switch to the productions from South Africa, Zimbabwe and Peru. Peru has achieved the strongest growth in recent years, and with all its young plantations, we can expect good quality berries. According to importers, the biggest volumes from Argentina have yet to come.

Germany: Shortage due to early end of season

The European blueberry season has just ended and the import season is slowly gaining steam. South American growers in Peru and Argentina, among others, are shipping their first volumes to Europe. Moreover, the South African berries are also available. The shipping time is a challenge, given that there is a shortage on the market. Because of the hot summer weather, the European blueberries have been harvested earlier than usual. Normally, water availability is not an issue for German growers, but this year the dry weather has taken its toll. Nevertheless, the summer months were good and the growers were satisfied. The volumes from overseas are still limited. The largest supplier for the German market is currently Peru.

Due to the high demand and limited supply, prices have gone up. The Peruvian blueberries (imported by ship) are the cheapest, with a price of 10 Euro per kilo. However, the price can reach up to 15 Euro per kilo. There are also blueberries shipped by air.

Australia: From summer fruit to year-round cultivation

Traditionally, blueberries are a summer fruit, but since recently, producers have started growing them all year round in Australia. In the far north of Queensland, blueberries have been grown for five years. What started with 1 hectare has expanded to 75 hectares in that region.

The domestic demand is growing by about 10% annually. According to a recently created organization that is responsible for promoting the blueberries, there are two important factors that are taken into account in the purchase of the fruit: the price per container and the taste.

In the year ending on June 2017, the production reached 9,553 tons worth \$ 193.6 million. During the period at hand, exports grew by 40% in terms of volume, reaching 356 tonnes. This corresponds to 4% of the total production. Hong Kong and Singapore are the fruit's biggest buyers. Also, 1,211 tons were imported by neighboring New Zealand.