



Berries

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Mission

- ☛ To examine worldwide berry production and demand for raspberries, blackberries, blueberries and strawberries
- ☛ To Identify countries in competition with Chile
- ☛ To Identify opportunities in each category

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Raspberries

Source of U.S. and Canada Fresh Market

● Chile	22%
● USA/Canada	68%
● Mexico	10%
● Guatemala	<1%



Raspberries

Other growing districts

- Spain, Eastern Europe
 - Do not export fresh to North America
- British Columbia and Northwest USA primarily source of frozen NA pack.
- California's production is high % fresh



Raspberries

Challenges

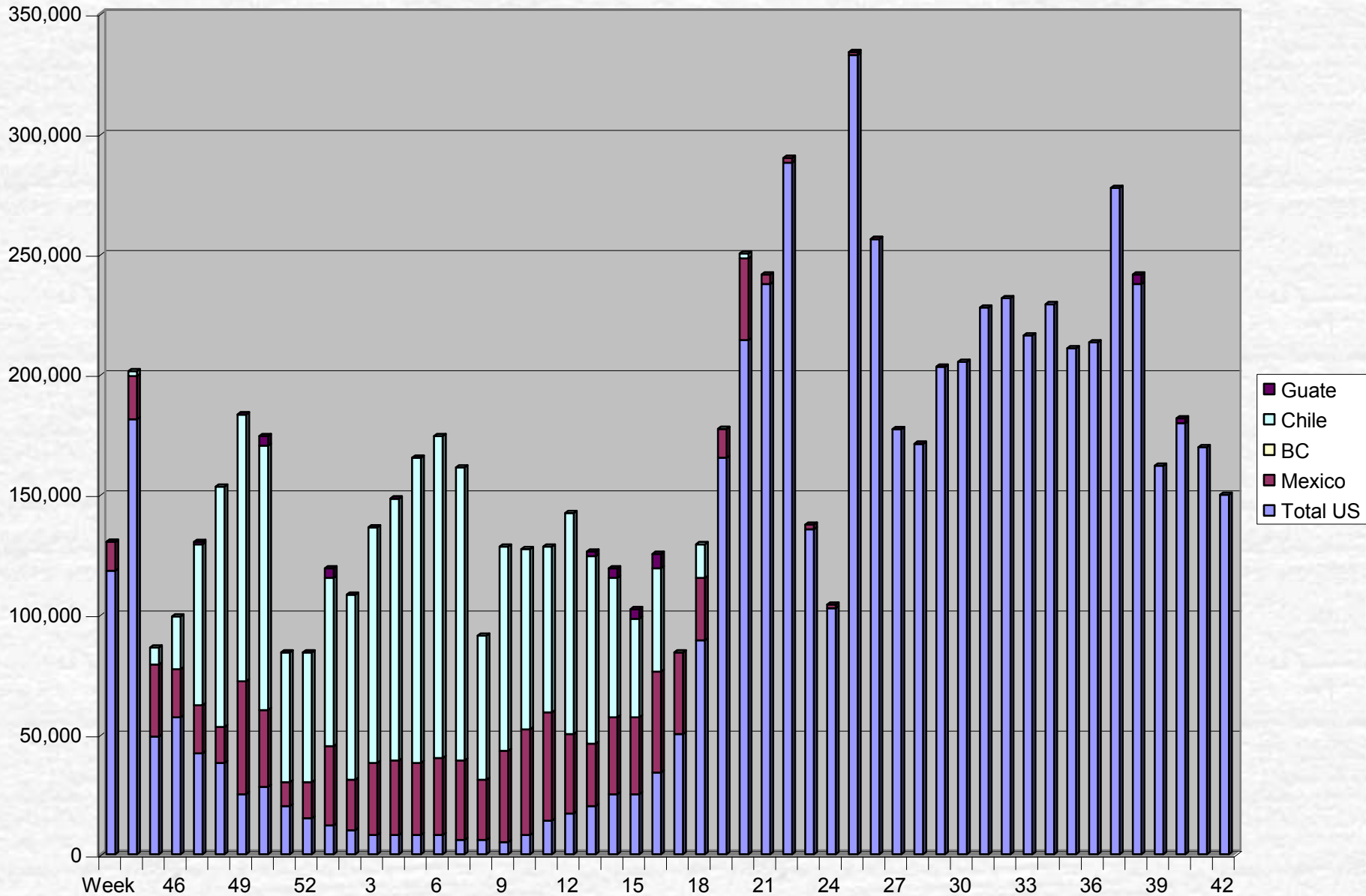
- Very Fragile-Perishable
- Logistics
- Perception -Luxury
 - Value at \$1.50 for 6oz
 - Usual price at \$2.99

Opportunities

- People love raspberries
- Health Benefits
- Distribution excellent
 - 12 months availability
 - A planned purchase item
 - A party and special occasion berry

Raspberry Fresh Market Supply

Cases per week – US Fresh supply (USDA) – 2001-2002



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Blueberries

Source of US/Canada Fresh supply

● USA	69%
● Chile	10%
● Canada	10%
● Argentina	1%
● New Zealand	<1%



Blueberries

Other Growing Districts

- Argentina
- Australia
- New Zealand
- South Africa
- Spain
- France
- Germany
- Poland
- China



Blueberries

- Demand curve rising
- Selling 20-25% more volume than 5 yrs ago at higher prices and with advancing price during peak supply periods
- Value- \$1.49-\$1.99 for 12 oz (340 gr) June 20 – Aug 1



ORAC Scores

(Oxygen Radical Absorbance Capacity)

"ORAC score: 2,400 - In the ORAC tests at Tufts, blueberries beat out about 50 other fresh fruits and vegetables."

Dried Fruits

Prunes	5,770
Raisins	2,830

Fresh Fruits

Blueberries	2,400
Blackberries	2,036
Cranberries	1,750
Strawberries	1,540
Raspberries	1,220
Plums	949
Avocado	782
Oranges	750
Red Grapes	739
Cherries	670

Seasonings

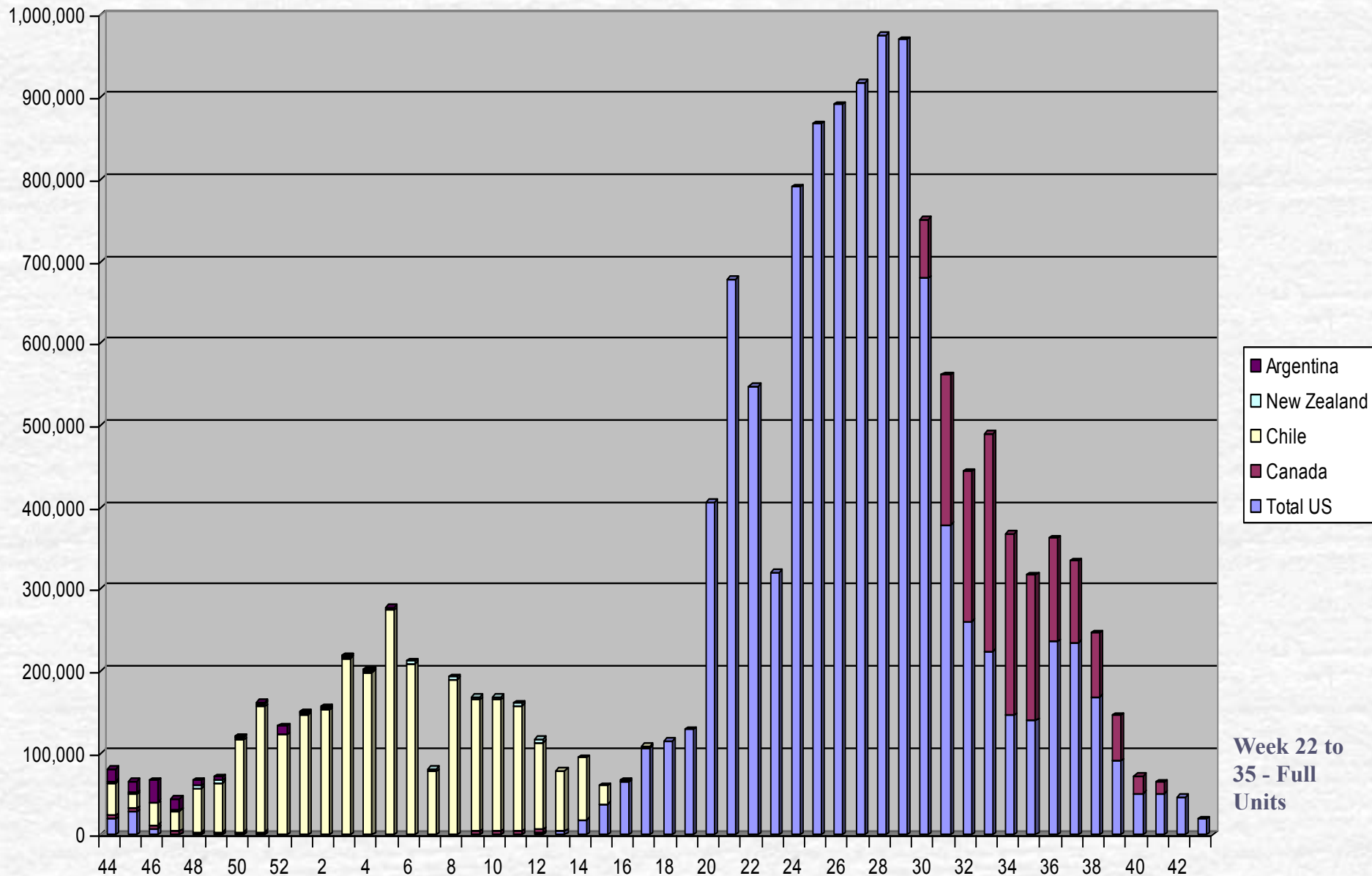
Garlic	1,939
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Vegetables & Legumes

Watercress	2,223
Kale	1,770
Spinach, raw	1,260
Asparagus	1,241
Brussels Sprouts	980
Alfalfa Sprouts	930
Broccoli Florets	890
Beets	840
Red Bell Peppers	731
Kidney Beans	460

Blueberry Fresh Market Supply

Units



Week 22 to
35 - Full
Units

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Retail Value Comparison

	Regular	Promo	
Rasp 6oz	\$2.99	\$1.50	
Blue 6 oz	\$2.99	\$1.50	
Black 6oz	\$2.99	\$1.29	
Blue 12oz	\$2.49	\$1.49	Jun 25 - Jul 1
Straw 16oz	\$3.49	\$1.99	

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Blackberries

Supply Origin for USA/Canada

● USA	46%
● Mexico	45%
● Chile	2%
● Costa Rica	2%
● Guatemala	5%



Blackberries

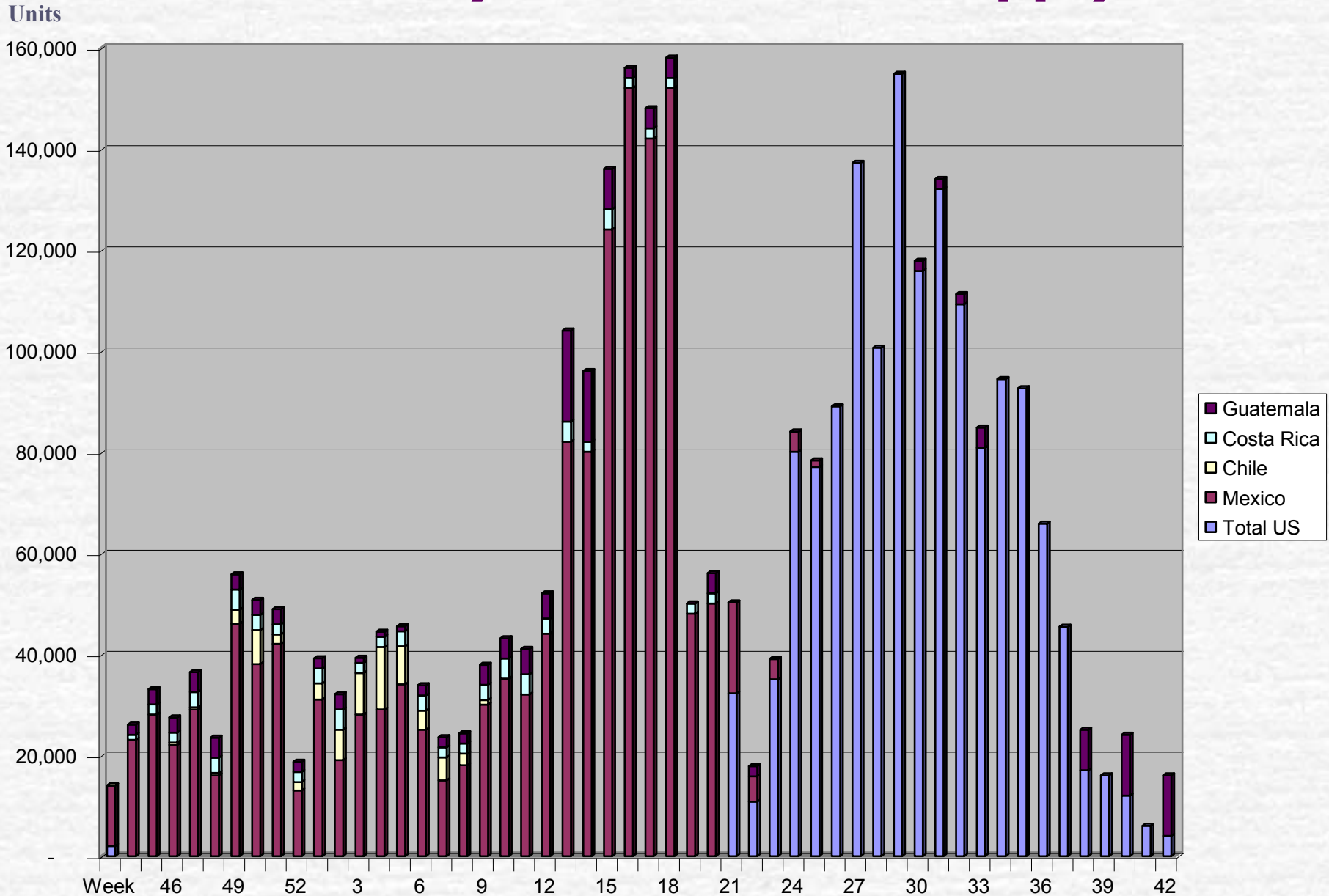
Challenges

- Distribution is lacking, therefore, not a broad demand
- Highly perishable – good shelf life with good flavor lacking, even if grown close to market

Opportunities

- Distinct health benefits
- Better distribution could create more demand
- Deliver high flavor with shelf life, control market

Blackberry Fresh Market Supply



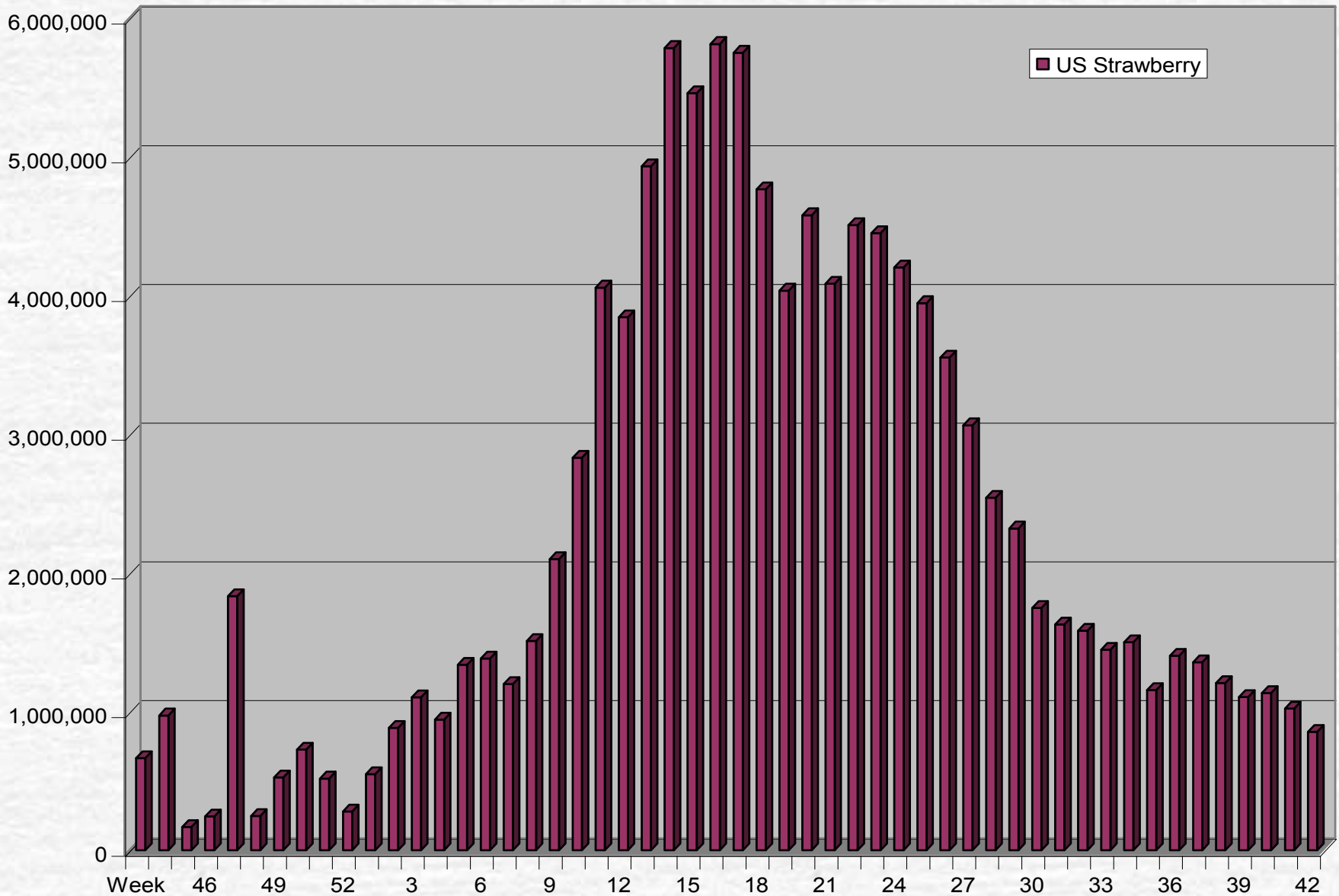


Strawberries

- ☛ Strawberries are the category leader
 - 1.3 billion pounds in 2002
 - Blueberries second with 137 million pounds
- ☛ Strawberries represent approximately 4.5% of annual produce department sales at retail
- ☛ Strawberries are in the top 10 produce items

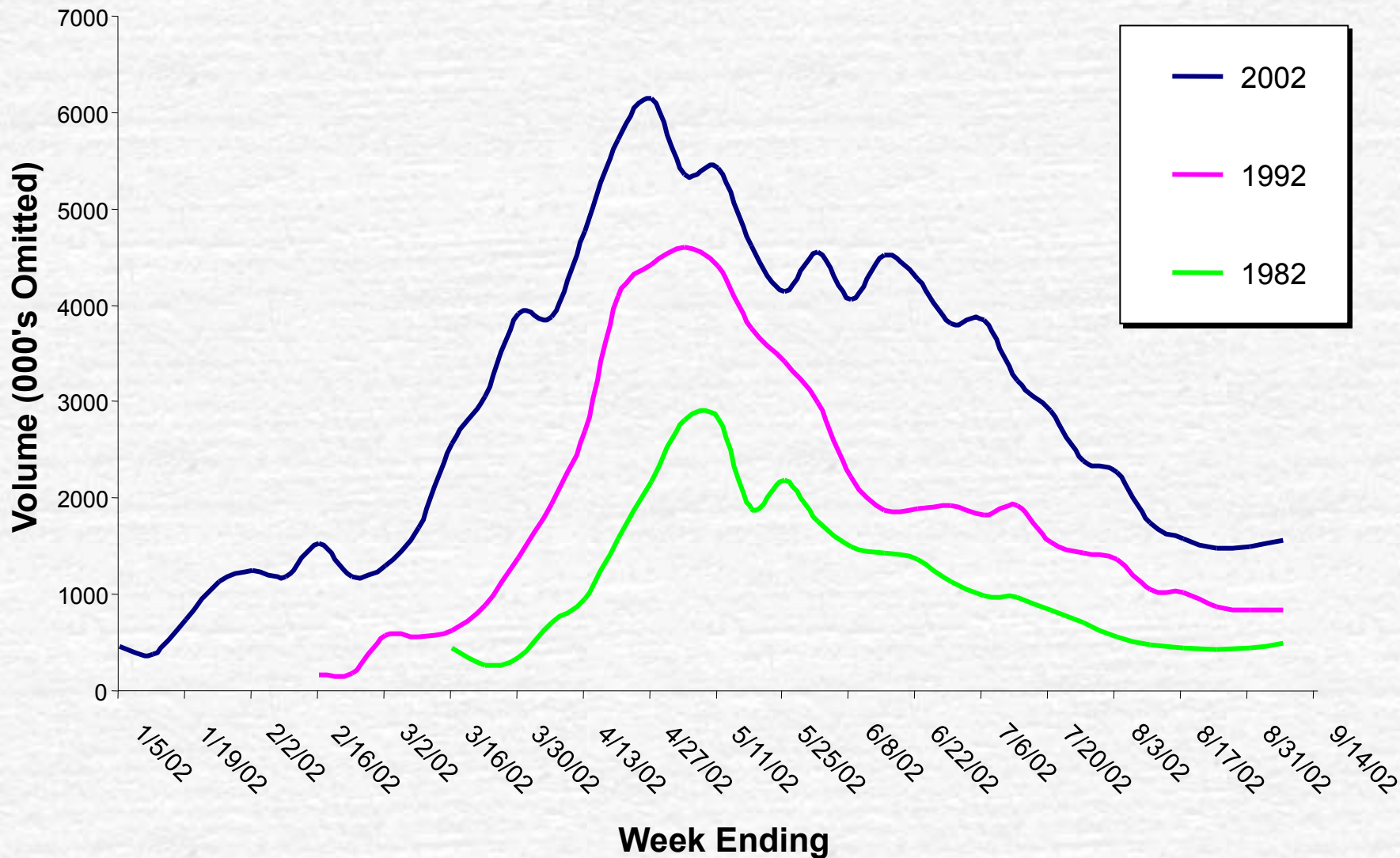
US Strawberry 2002

Cases per week – All sources



Strawberry Production

2002, 1992 & 1982 Fresh Weekly Volume YTD





Berry Category

Category is experiencing excellent growth

- 10 yr average growth

- Strawberries 5.3% add lbs per year
- Blueberries 9.2% same
- Raspberries 5% (estimate)
 - Growth stable
- Blackberries 35% (estimate)
 - Significant growth in Oct to May period



Driving Berry Category Growth

- Health Benefits Driving Demand
 - Antioxidant
 - Anti-aging
- Population
 - Baby Boomers
 - Per Capita Increase
 - Recent Nutritional Research
- Improved Distribution – Every Day Availability
 - Retail
 - Per Capita Increase
 - Planned Purchase



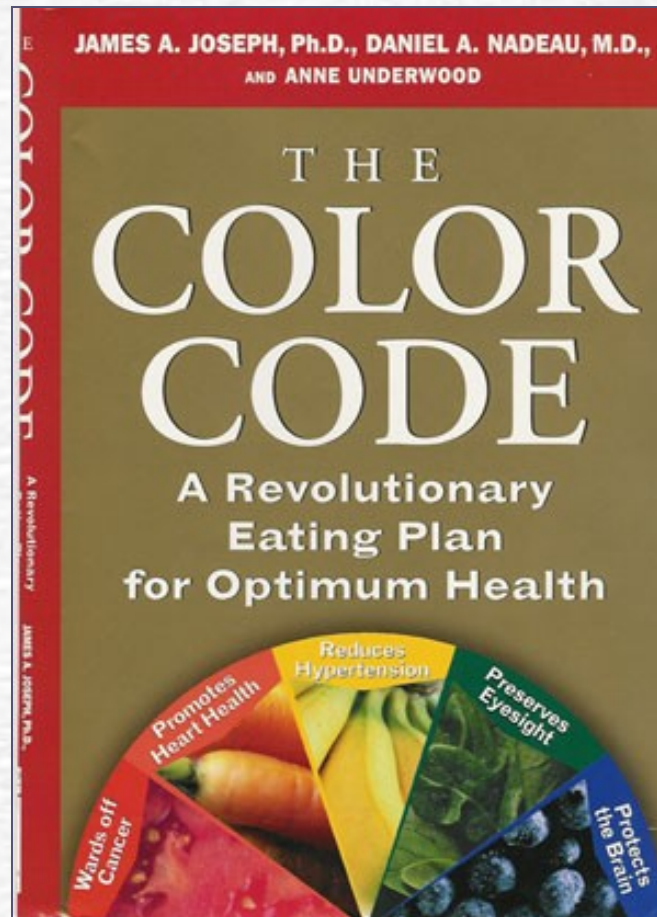
- ☛ Volume, Right Price – Value
 - Deliver Great Value at Lowest Unit Cost
 - Planned Purchase
 - Vegetarian Trends
 - Improved Service to Customers

- ☛ Easy to eat
 - Convenience stores are offering precut strawberries ready to eat

- ☛ New products
 - Example is McDonalds parfait

“The Color Code”

By Dr. James Joseph





"The Color Code"

- ☛ "Jim Joseph's research at Tufts University has made headline news across the country by showing that blueberries confer true "anti-aging" benefits. They don't "merely" help prevent declines in old age. They actually appear to *reverse* some aspects of brain aging."
- ☛ "Blueberries also appear to contain potent anti-inflammatories, including the pigment cyanidin
- ☛ "All these antioxidants and anti-inflammatories may make blueberries one of the best foods for protecting the brain as we age."



Raspberry Summary

- ☞ Mexico is increasing production, but has challenges
 - Hoops required
 - Cold weather a high risk
- ☞ Guatemala is insignificant factor
- ☞ Chile continues to enjoy excellent opportunity in the November to April window in the US



Blackberry Summary

- ☞ Mexico is the source for North America from November to May
 - Clearly the low cost leader
- ☞ Chile has little opportunity in North America
- ☞ Brazil – increasing production, good varieties coming out of breeding programs
- ☞ Distribution remains the major challenge
 - Retailers must be shown a blackberry that will eat well, and have good shelf life



Blueberry Summary

- ☞ The “Darling” of berry growers worldwide
- ☞ Many districts increasing acreage
- ☞ Varieties improving, supply gaps narrowing
- ☞ Most durable of the berries
- ☞ Demand opportunities tremendous when compared to the per capita consumption of other fruits
- ☞ Excellent value during peak harvest periods
- ☞ Widespread media coverage of new health benefit discoveries will keep consumers coming back for more if flavor is good, and appearance is sharp



Strawberry Summary

- The leader of the category
- Growth continues
- 80% in clamshell package

Packaging

- Current Manifestations
- RPC "Returnable Plastic Container"
 - Higher cost for berries
 - More vibration
 - Extremely high cost if lost or rejected
- DRC "Display Ready Corrugate"
 - Allows same efficiencies at retail
 - Provides more protection for fruit



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Acknowledgements

- ☛ North American Blueberry Council (NABC)
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