



GLOBAL BERRY MARKET

Trends & opportunities

by Pierre Escodo, editor of EUROFRESH DISTRIBUTION magazine

Huelva, June 20th 2018



Presentation guidelines

1. Global Berry market

2. European demand

3. Asia trends

4. Study cases





4º CONGRESO
INTERNACIONAL
DE FRUTOS ROJOS

**WORLDWIDE
COVERAGE**

Online subscription at:

Digital editions in www.eurofresh-distribution.com

**DIGITAL
EDITION ALSO**

**WORLDWIDE
RETAIL
COVERAGE**

10,000 paper copies & 20,000 online subscribers
more than 1000 buyers & suppliers interviewed,
+40 Market reports published annually
25 Partner events Worldwide

eurofresh
Distribution





4º CONGRESO
INTERNACIONAL
DE FRUTOS ROJOS

**WORLDWIDE
COVERAGE**

**Closer to
your customers
and suppliers**

eurofresh
Distribution





1 – Global berry market

The « Superstar » category

Blueberries global sales continue to rise.

1. **+ 45 %** in consumption from 2015 to 2016
2. **450,000 tons** of worldwide production, **+40%** last 2 years.
3. **2/3** of the global production (around 0,65 million tons) is grown in **North and South America**.



US berries : the most developed market.

1. **0,8 million tons** (US\$ 6,4 billion) sold in the US in 2017.
2. Strawberries for 66 %, **bluberries 20 %**, raspberries 7 % and blackberries 5 %
3. Annual consumption per capita **3,6 kg in 2016** vs 1,8 kg in 1992.
4. 86 % of US strawberries are **produced in the US**. 9 % of imports come from Mexico.
5. **Chile** is the first source for blueberries.












US: sustained sales & Dominant organic category

1. 2nd US organic Fresh produce with \$565 million in revenue in 2017. (+23 % higher than the 2016 total of \$459 million).

2. Sales volumes are **significant all year long**. « 31% of all berry sales occurred in Q2 based on Nielsen data, 19in Q4. » (Nielsen data)

TOP 10 FRESH ORGANIC CATEGORIES

| | | | |
|---|----|------------------------------|---------------|
|  | 1 | PACKAGED SALAD | \$898,322,218 |
|  | 2 | BERRIES | \$564,760,119 |
|  | 3 | CHICKEN | \$312,756,502 |
|  | 4 | HERBS, SPICES AND SEASONINGS | \$290,591,096 |
|  | 5 | APPLES | \$287,943,653 |
|  | 6 | BEVERAGES | \$266,332,784 |
|  | 7 | CARROTS | \$254,576,223 |
|  | 8 | BANANAS | \$221,360,047 |
|  | 9 | VALUE-ADDED VEGETABLES | \$174,656,646 |
|  | 10 | LETTUCE | \$168,082,230 |

UAE: Berries fashion a taste of luxury



Better life ahead : anti-cancer properties.

- Berries are called « **Superfoods** »:
- High in antioxidants, fibre,
- vitamin C and flavonoids.
- Anthocyanins are a type of flavonoid, which stimulate the secretion of the enzyme Sirtuin 6 (SIRT6), **anti-cancer** cells.
- Much of the work looking at their **antioxidant action**.



Canada : 2nd producer of blueberries after the US.

Canada is the **world's second-largest producer** and exporter of these delectable berries, after the United States.

Berries **4th imported fruit by value** 136,000 tons.

British Columbia grows the majority of **highbush blueberries** (93 %)





2 - Berries market in Europe

A negative trade balance for the first time



EU Strawberries : the largest category, looking for new ways.



- UK : **€1,2 billion** total berry sales, **47% are strawberries.**
- Netherlands : strawberries make **56% of the berry sales**, worth **€170 million.**
- EU: about **1 million tons** of fresh strawberries were produced, Spain n°1 with 378,000 tons.
- Looking for new ways of growth, **Zero Residue** from France & Spain, the **French retailers** now support it.



EU: + 31 % in imports in 3 years

EU Trade Statistics (Imports - Exports)

| Indicators | Import Value (EURO) | Import Value (EURO) | Import Value (EURO) | Import Qty to the EU/MS (Kg) | Import Qty to the EU/MS (Kg) | Import Qty to the EU/MS (Kg) |
|---------------------------|---------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------------|
| EU Member State(s) | EU28 | EU28 | EU28 | EU28 | EU28 | EU28 |
| Years | 2015 | 2016 | 2017 | 2015 | 2016 | 2017 |
| Product(s): 081010 | Strawberries | | | | | |
| Albania | 8 390 | 271 119 | 686 395 | 16 000 | 206 000 | 496 000 |
| Egypt | 29 727 516 | 35 508 396 | 42 853 738 | 6 231 000 | 7 169 000 | 10 293 000 |
| Ethiopia | 22 596 | 343 656 | 479 427 | 9 000 | 84 000 | 90 000 |
| Jordan | 2 550 106 | 3 603 616 | 2 990 385 | 298 000 | 378 000 | 480 000 |
| Mexico | 801 066 | 1 056 576 | 772 705 | 131 000 | 142 000 | 121 000 |
| Morocco | 40 163 807 | 40 914 920 | 54 520 569 | 16 410 000 | 17 149 000 | 19 545 000 |
| Norway | 44 109 | 78 875 | 360 016 | 13 000 | 19 000 | 75 000 |
| Peru | 327 320 | 1 119 782 | 860 511 | 88 000 | 240 000 | 223 000 |
| Serbia | 332 825 | 426 082 | 318 841 | 333 000 | 281 000 | 221 000 |
| Turkey | 1 540 846 | 3 140 952 | 4 226 847 | 1 501 000 | 2 666 000 | 3 157 000 |
| United States | <u>4 871 558</u> | <u>3 938 613</u> | <u>2 930 687</u> | <u>914 000</u> | <u>872 000</u> | <u>658 000</u> |
| Total EXTRA-EU28 | 84 818 634 | 91 412 966 | 111 695 787 | 27 032 000 | 29 597 000 | 35 696 000 |

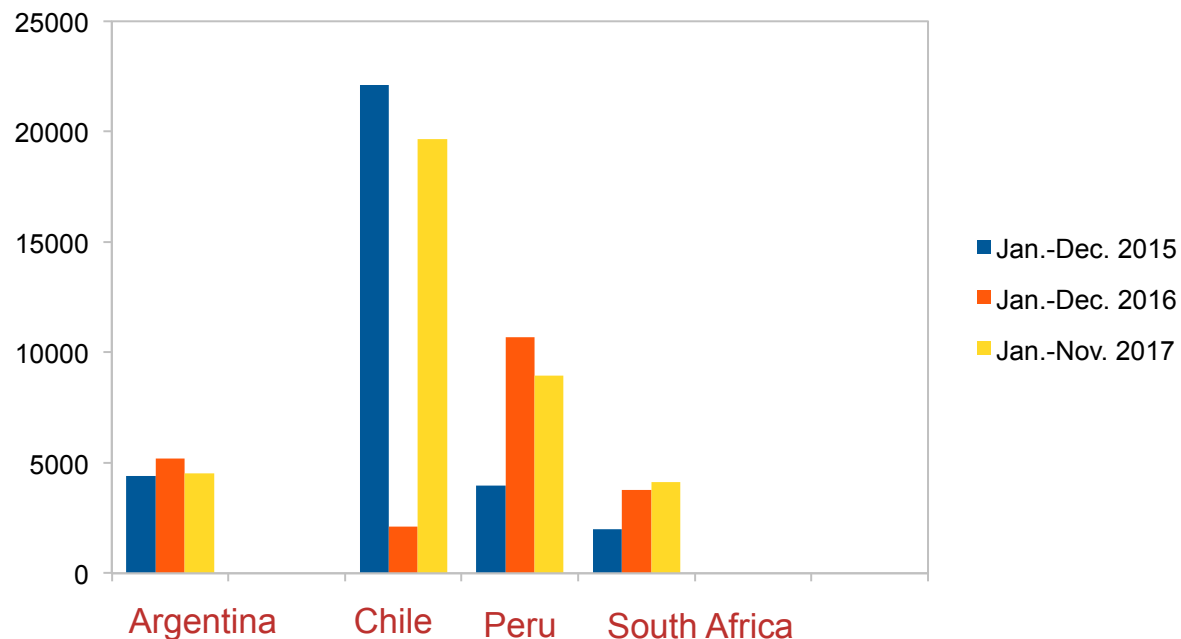
EU: bluberries market, sustainable

EU market

- Blueberries supplies in Europe **all year round**.
- Blueberries grown in Northern Europe are supplied **from May to November**, with a peak in July
- Europe imported **25,000 tons from Chile**, compared to 23,000 tons last season.



Evolution of EU blueberries import



Strawberries : Spain the World exporter n°1



- Spain 1st exporter and exports remain **now stable** (+14% last 4 years).
- Total **World Exports +914,000 tons**, 1/3 from Spain.
- No major other competitor, but **all of them progressing**.

| Strawberries: Major Exporting countries | | | | | | | |
|---|---------|---------|---------|---------|---------|--------|-------|
| tons | 2013 | 2014 | 2015 | 2016 | 2017 | #13/17 | \$/kg |
| Spain | 266 408 | 294 249 | 283 100 | 311 036 | 303 952 | 14% | 2,18 |
| USA | 153 836 | 138 948 | 134 109 | 134 406 | 146 337 | -5% | 3,23 |
| Mexico | 107 759 | 113 317 | 92 260 | 102 631 | 126 157 | 17% | 3,40 |
| Netherlands | 53 599 | 61 263 | 50 856 | 49 840 | 63 179 | 18% | 4,82 |
| Belgium | 43 979 | 42 574 | 53 370 | 40 717 | 48 180 | 10% | 3,83 |
| Greece | 33 911 | 33 816 | 20 391 | 22 722 | 25 501 | -25% | 1,29 |
| Egypt | 33 213 | 54 752 | 24 616 | 29 780 | 23 649 | -29% | 3,81 |
| Morocco | 17 865 | 16 553 | 22 880 | 17 771 | 19 437 | 9% | 2,58 |
| Italy | 16 936 | 15 487 | 13 594 | 14 414 | 15 457 | -9% | 2,78 |
| Turkey | 19 553 | 14 287 | 17 566 | 9 557 | 13 716 | -30% | 0,89 |
| Germany | 13 328 | 14 266 | 18 827 | 13 775 | 12 071 | -9% | 3,50 |
| France | 17 272 | 13 974 | 12 786 | 11 642 | 11 203 | -35% | 3,64 |
| Serbia | 5 263 | 7 245 | 5 370 | 10 389 | 10 967 | 108% | 1,88 |
| Others | 55 074 | 72 042 | 122 719 | 88 219 | 94 317 | 71% | 2,03 |
| World | 837 996 | 892 773 | 872 444 | 856 899 | 914 123 | 9% | 2,82 |

Source: ITC

Production : Spain vs Morocco

EU berries



- **Spain** has long been the main berry supplier to Europe and production area **is now stable**.
- Labour issues boost Morocco to invest in berries production : A **29% export increase** from Morocco last season.
- Morocco produces still mainly strawberries **for the processing**



3 – Asia opportunities

A powerful potential market



China berry market

Asia berries.

2,1 million tons of estimated Strawberry supplies, opportunity for **value imports**.

Nearly all fresh fruit is **consumed within China** while nearly all processed strawberries are exported.

Still limits in production & quality, Poorly-adapted cultivars, the lack of refrigeration, and inefficient post-harvest handling systems



Hong Kong supermarket selling strawberries individually wrapped for HK\$168

China : increase of cold chain and home delivery capacities.

Asia berries.

China is the **world largest** e-commerce market:
361 million online shoppers.

Market share: stabilizing at **9%** in 2017.

Major platforms : Alibaba, Tmall, JD.COM, YHD.COM
and WeChat Store betting on fresh produce,

Dozens of specialized fresh produce platforms:

***Fruitday, Missfresh, Chunbo, Benlai, Sfbest, YiGuo,
Fieldschina, MrFresh, Freshfresh, Yihaoshengxian ..***

-42% dept level, +10.5% profits. Margin remain high.

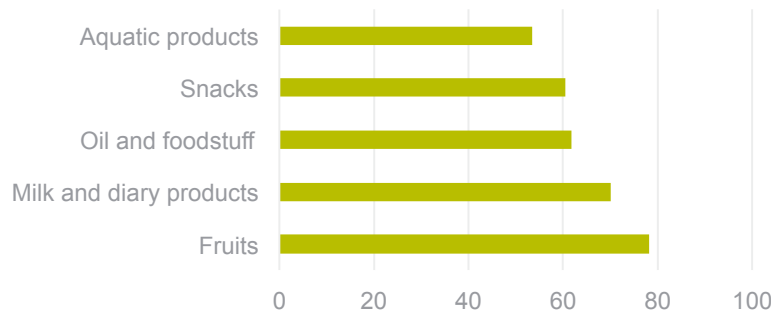


China : F&V on top e-commerce frequency, multiple channels

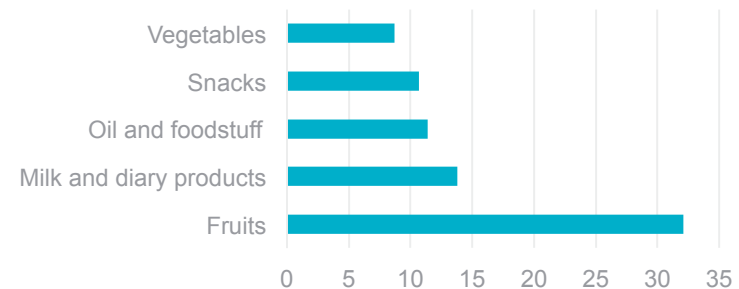
Asia berries.



Category of products that Chinese consumers frequently bought online in 2017



Category of products that Chinese consumers most frequently bought online in 2017 - %



Online Retailer

O2O

E-commerce Platform

本来生活
benlai.com

易果生鲜
YIGUO.COM

天天果园
Fruit Day



天猫
TMALL.COM

京东
JD.COM 京东
多·快·好·省

1号店
YHD.COM

China : already a mature distribution channel.

Asia berries.

- **Cold storage** capacity of 42 million tons (105 million m3)
- 17.5% of the world (51% of vegetables production)
- +25% over the last 3 years
- Cold chain home delivery expansion for
- **Ann fresh, SF cold transport, Jingdong logistics,**
- **Jiuye,** and other perishables operators





4 - Berries study cases

Examples all over the world

COOP Switzerland :strategies of leader with Berries



Berries case study

- Berries are an integral part of a **modern and balanced diet**.
- Swiss Retail leader, particularly with the **organic berry sub-category**.
- **Difficult start of season** (quality and quantity) because of bad weather conditions in Spain.
- **Origin** is very important to the Swiss customer.



Argentina “Berry boom”

Berries case



+ 40% export volumes in 2017

+500% compared to 2015.



+25% Exports to the US

+47% Exports to Europe



FamilyTreeFarm : blueberries success story with Asia



- Blueberries ahead of the stone fruit in revenues.
- Mexico & Peru large scale productions
- Diversification in varieties.



11,000 tons of
blueberries,
15,000 employees



Huelva, most reactive & competitive sector



4º CONGRESO
INTERNACIONAL
DE FRUTOS ROJOS

- Jump with **Blueberries & raspberries**,
- Innovative with **Consumer marketing**
- Ekland Marketing with Florida Fortuna represents almost **50% of the strawberry crops** in Huelva ..
- Introducing more productive & flavorful varieties like **Florida Brilliance**



Success stories with Organics & CSR programs

Berries case study

- Most companies with **CSR programs** on education, health & nature, like “**Fresayuno**” from CUNA DE PLATERO, “**Cultivate your Values**” from GRUFESA.
- **25 years experience** in organic berries. Excellent taste and shelf life.
- **Bionest** a reference with **7,500 tons**, of which 2,000 tons are strawberries, 1,500 tons are raspberries and 2,000 tons are blueberries.
- **Major supermarkets** in the UK, Nordics, Germany, Switzerland, France, Benelux, give more value to CSR prog.
- Investment in **new varieties**.



Thank You!



4º CONGRESO
INTERNACIONAL
DE FRUTOS ROJOS



PIERRE ESCODO, editor

pierre@eurofresh-distribution.com

WWW.EUROFRESH-DISTRIBUTION.COM

Mobile +34.661.324.134

witter @EUROFRESHD
