

North American Highbush Blueberry Market Situation

Two types of blueberries are grown in North America, the highbush and the lowbush. The highbush blueberry, also known as a "cultivated" blueberry, is commercially grown in 34 states and two Canadian provinces. Developed almost 100 years ago from highbush blueberry species in the wild, the highbush is sold both fresh and frozen. The lowbush blueberry, also known as the "wild" blueberry, is grown in Maine and Eastern Canada and is primarily sold as a frozen blueberry. Information for this report focuses on the highbush blueberry industry. Spring 2011

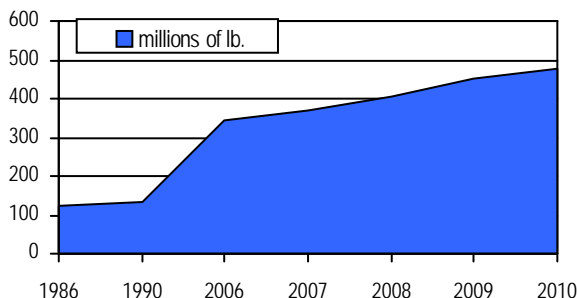
Specify Real Blueberries

Blueberry production has soared with new acres, farming and processing efficiencies. The production of North American Blueberries in 2010 was 477 million lb, up from 450 million lb. in 2009.

Blueberries provide product authenticity, luscious color, and real fruit benefits adding value to most any product. The fruit's natural blue pigment provides an identifiable way for customers to spot real blueberry containing products.

Consumers prefer real blueberries over artificial. Consumers want blueberries in every bite and will pay more for products containing real blueberries. In key-person interviews, 88.8% of consumers would pay 50 cents or more for products with real blueberries. Focus group respondents would pay 15 to 25% more for products with real blueberries. (Source: Hebert Research, Inc., 2008.)

North American Highbush Blueberry Production

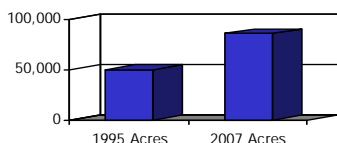


Production and Acreage Expansion

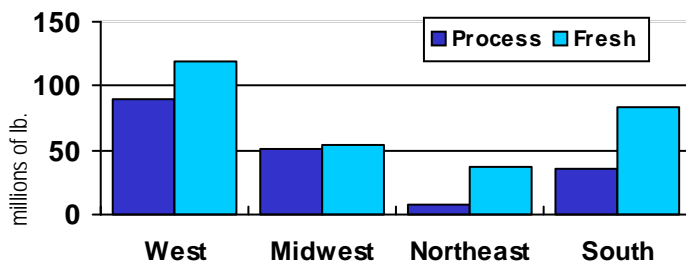
Fresh blueberry production begins in April and ends in late September and early October. The peak of North American production is in June and July. This is when berries are directed to the processed market. North American production has increased almost seven fold over the past 40 years. This growth continues to expand given blueberry interest and new plantings in North America.

Highbush blueberries are marketed as both fresh and frozen. Fresh are harvested by hand and blueberries for the frozen market, also known as process blueberries, are machine harvested. Savvy formulators know that frozen is as flavorful as fresh. Blueberries are harvested and then promptly frozen to retain flavor and ensure freshness with good texture, shape and color.

North American Highbush Blueberry Acreage



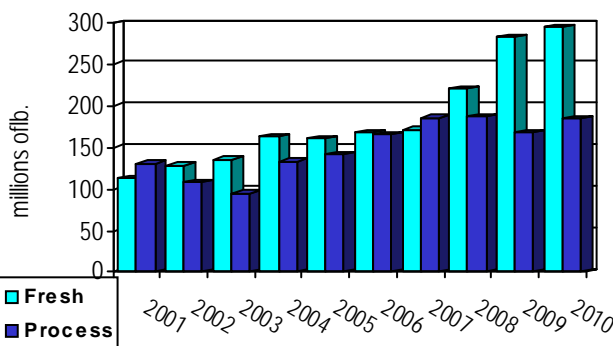
North American Highbush Blueberry Production By Region



Market Demand for Blueberries

An increasing percentage of the US crop is exported, and exports account for an estimated 16% of shipments. The demand for frozen blueberries has boomed, especially in Japan, South Korea and China. Manufacturers are producing blueberry containing products at record clips which has created early season demand for frozen.

North American Highbush Blueberry Production Fresh and Process



Fresh and Frozen Blueberry Opportunities

With growing awareness of the benefits of blueberries, there is increased interest in both fresh and processed blueberries and a range of blueberry formats to meet manufacturer requirements. New health research in 2011 should continue to drive demand. In tandem with consumer demand for fresh, more frozen blueberries are going into consumer-size poly bags. This category is developing fast as consumers enjoy the goodness and convenience of blueberries year round.



Blueberry Consumption Increase

US per capita blueberry consumption has increased more than 70% in the last ten years with fresh market per capita annual US consumption projected around one pound (454 g) per person. Demand for products that contain real blueberries is hot with a spectrum of new blueberry innovations. The Real Blueberry Seal™ signals to consumers at a glance that your product uses real blueberries.