Report of the

Blueberry Section of the Apple and Fruit Committee

To the 88th Annual General Meeting of the Canadian Horticultural Council
Fairmont Le Château Frontenac, Quebec City, Quebec
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To the President and the Members of the
Canadian Horticultural Council

Introduction

This has been a difficult year for many Canadian Blueberry growers. Notwithstanding the usual grab bag of production related issues and problems, some traditional and some new ones, yields were generally good with total production of the 2009 Canadian crop at 223 M pounds (wild and highbush combined); just slightly less than the record crop of 226 M pounds in 2008. Field prices paid to processing growers were perhaps the lowest in recent history, taking inflation and the current cost of producing the crop into account. With the exception of growers who had yields significantly greater than their regional average, the price paid for processing berries did not cover the cost of production. Grower prices for fresh blueberries were somewhat better and, in most cases, provided a modest return to the grower. Because approximately 98% of the wild blueberry crop normally goes to processing and approximately 50 % of the highbush blueberry crop (43% in 2009) goes to processing, this has placed a large number of the industry's growers under financial stress. With inventories of unsold frozen blueberries reportedly high and with the recently planted acreages of highbush blueberries in North America yet to come into full production, marketing experts seem to agree that it may be some time before prices to growers for processing berries will rebound to levels where growers can make a profit; this despite the fact that consumer demand for blueberries and blueberry products (fueled in part by the blueberry "health story") has never been greater. Clearly the industry is at a crossroads and simply "doing what we have been doing" will not solve our marketing and pricing problems.

Canadian Blueberry Crop

Preliminary estimates, as indicated in Table 1, place the 2009 Canadian blueberry crop at 223 M pounds. This is down just 4 M pounds from the record 2008 crop of 227 M pounds but is still 17% above the previous five year average of 190 M pounds.

- Yields of wild blueberries in Quebec and Prince Edward Island were essentially the same as the previous growing season. With Quebec harvesting 70 or more million pounds of blueberries in three of the past four years, it is clearly evident that they have established themselves as Canada's leading producer of wild blueberries. For the past decade Prince Edward Island has been increasing its acreage of managed wild blueberry land. Their production is expected to grow slowly but steadily in the coming years.

- Newfoundland, on the other hand, is expected to remain the smallest producer of wild blueberries. Their industry is based primarily on the hand harvest of unmanaged wild stands and annual production is not expected to increase beyond 0.5-1.0 M pounds for some time.
- Both New Brunswick and Nova Scotia posted significantly lower yields (24 M pounds and 30 M pounds respectively) than in 2008. These lower yields are attributed to cold and wet growing conditions for significant periods of the growing season, resulting in poor growth and increased pest problems in many instances.
- During the past decade British Columbia increased significantly their acreage of highbush plantings. It was anticipated that they would produce 100 M pounds by the 2010 crop year. During the period 2005 – 2008 they were plagued by weather and disease problems which appeared to derail these expectations. However, with a yield of 85 M pounds in 2009 and with much of their newly planted acreage coming into production, it appears that their 100 M pound goal for 2010 is entirely possible.
- All growing areas reported having to deal not only with traditional pests of economic significance but also with an ever increasing number of new pests. Effective pest management strategies for many of these pests have not yet been fully developed. A specific example would be the so called "leaf diseases" in wild blueberries. These including Septoria Leaf Spot, Leaf Rust and most recently, Valdensinia Leaf Spot. Both Septoria and Rust have always been observed in limited areas in fields but were not considered to be of economic importance. Since 2000 the incidence of these diseases has increased significantly and caused severe defoliation in both sprout and fruiting fields. Without the available control measures currently being applied, fruit yields and quality would be severely reduced. Better ones are needed, however. **It is critical** that the relationship between CHC's Crop Protection Committee, the Pest Management Regulatory Agency's Minor Use Program, the Crop Protection Industry and the research community continue and be strengthened wherever possible so that growers will have the necessary tools to control emerging pest problems.

TABLE 1: Annual Canadian Blueberry Production (M lb)

Year	Total	Quebec	NS	NB	PEI	BC*	Other**
2003	174	30	58	24	7	52	3
2004	184	45	41	19	8	67	4
2005	165	44	35	20	8	55	3
2006	196	70	31	21	8	63	3
2007	176	43	26	26	8	70	3
2008	227	72	40	34	10	68	3
2009	223	70	30	24	10	85	4

*Highbush blueberries
**Includes wild blueberries from Nfld and highbush blueberries from provinces other than BC

United States Blueberry Crop

In US wild blueberry industry is centered in Maine. It is the only state producing commercial quantities of wild blueberries. The 2009 Maine crop is estimated at 89 M pounds as compared to 90 M pounds in 2008. This is 27% above their previous five year average of 70 M pounds. One of the key factors in the recent increases in Maine's crop is the extensive use of honeybees for pollination. Sixty six thousand hives were imported into state in 2009 to pollinate the blueberry crop and they came directly from pollinating other crops in the south during the winter and spring months. Because of the resulting "strength" of these hives, they are reported to be very effective in the pollination of blueberries. Because of both federal and provincial restrictions placed upon the movement of honeybees in Canada to prevent the spread of certain bee diseases, many Canadian blueberry growers do not have access to the numbers and general quality of honeybees they would want to use.

The US highbush crop in 2009 is estimated at 364 M pounds as compared to 349 M pounds in 2008. This is 32% above their previous five year average of 275 M pounds. During the past 5 years there have been significant increases of new plantings of highbush berries which are now just coming into production. As these plants mature, US production is expected to increase dramatically. New highbush plantings in South America and Asia are also finding their way to the North American marketplace in both fresh and processed form and this movement is expected to increase.

North American Blueberry Production and Utilization

The increased demand for blueberries, and the resulting increase in North American production, is illustrated in Table 2.

TABLE 2: Annual North American Blueberry Production (M lb)

Year	Total Crop	CDN Wild	% CDN Wild	CDN High B	% CDN High B	US Wild	% US Wild	US High B	% US High B
2003	431	120	28%	54	12%	80	19%	177	41%
2004	460	114	25%	71	15%	46	10%	229	50%
2005	466	109	23%	58	13%	60	13%	239	51%
2006	553	130	23%	70	13%	75	14%	276	50%
2007	535	103	19%	72	13%	77	15%	283	53%
2008	666	156	23%	71	11%	90	14%	349	52%
2009	676	135	20%	88	13%	89	13%	364	54%

Statistics suggest that all the production during the period covered by Table 2 was utilized in some way. Demand was strong and during the period 2003 – 2007 and increasing returns to growers on an annual basis were generally the case. The large increase in production that occurred in 2008, plus increasing amounts of fresh berries in the marketplace during the winter months from southern highbush production, “cooled” the market and caused prices to begin a decline. This trend escalated in 2009. Table 3 shows the utilization of the crop with fresh vs processing.

It is interesting to note that despite increases in production over the report period, the partitioning between fresh and processing berries remains relatively constant. Unfortunately with the 2009 crop, the differential between the prices received by producers of fresh berries vs processing berries widened considerably. The difference lies partially in the fact that consumers appear to be willing to pay a reasonable price for fresh product and all the berries sold on the fresh market reach the ultimate consumer within a very short period. Presumably all parties involved in the production/marketing/distribution process are paid within a reasonably short period of time. On the other hand, many of the berries that have gone to processing remain in freezers either unsold or in inventories of manufactured products. The actual size of unsold inventory that remains in storage beyond the harvest of the 2010 crop will have a profound impact on the returns to processing growers for their 2010 crop.

TABLE 3: Allocation of the North American Blueberry Production (M lb)

Year	Total Crop	Fresh	% Fresh	Processed	% Processed
2003	430	139	33%	291	67%
2004	460	167	36%	293	64%
2005	456	157	34%	299	66%
2006	555	185	33%	370	67%
2007	540	179	33%	361	67%
2008	666	234	35%	432	65%
2009	674	276	41%	398	59%

In the future it is incumbent on all players in the blueberry industry to achieve a reasonable balance between production and utilization of the blueberry crop. Failure to do so will keep the prices of product, especially to processing growers, below the cost of production and jeopardize the overall future of the industry. Hopefully this can occur through expansion of markets and not by the destruction of developed fields.

Blueberry Working Group

The Blueberry Working Group (BWG) has completed its second full year of operations. During the past year it held four conference calls, finalized its terms of reference and filled its roster of representatives appointed from growing areas. With these administrative functions now behind it, the group should be able to more effectively develop annual work plans and carry out tasks to improve the state of the industry.

The principal task carried out by the BWG during the past year was to prepare and prioritize a list of research projects that were submitted under the research "Cluster" initiative of Agriculture and Agri-Food Canada. It is hoped that some of the projects identified by this process, but which were ineligible under the Cluster initiative, can be initiated with resources from other sources.

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Respectfully submitted,
Richard Veinot
Blueberry Co-Chair, Apple and Fruit Committee
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