

THE USHBC BLUESPAPER

News and Marketing Program Updates from the
U.S. Highbush Blueberry Council
October 2004

USHBC RECEIVES EMERGING MARKETS PROGRAM FUNDING

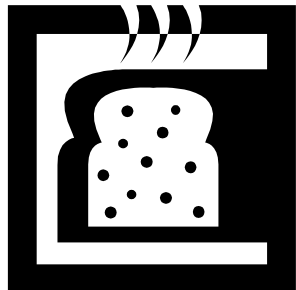
The U.S. Highbush Blueberry Council (USHBC) has been granted funding through the USDA Emerging Markets Program (EMP) to conduct activities in Hungary and India in 2005. The Emerging Markets Program is designed to assist U.S. entities, including private and public agricultural organizations, in developing, maintaining or expanding the exports of U.S. agricultural commodities and products. Through this program, the USDA provides partial funding for technical assistance activities that promote U.S. agricultural exports to emerging markets that are consistent with U.S. foreign policy interests.

Technical assistance may include activities such as feasibility studies, market research, market sector assessments, orientation visits, specialized training, business workshops and similar undertakings. The USHBC has been granted a total of \$28,000 in EMP funds for the coming year. Details concerning EMP programs for India and Hungary are featured in this edition of *The USHBC Bluespaper*.

PROMOTION OF DRIED BLUEBERRIES PLANNED FOR HUNGARIAN BAKERY SECTOR

With the goal of using Emerging Markets Program (EMP) funding to develop markets for unique U.S. agricultural products, the USHBC will invest part of its EMP fund allocation in a program to explore the market for dried blueberries in the Hungarian bakery sector.

A recent dried fruits and tree nuts seminar conducted by the U.S. Agricultural Trade Office in Budapest, Hungary included a brief mention of dried blueberries.



Dried blueberries received considerable interest during the seminar. As a result of this initial introduction, numerous manufacturers have expressed a great deal of interest in the product.

Given the Hungarians love of berries, and the pricy and at times lower quality blueberries currently sourced from Poland and Slovenia, U.S. dried blueberries, though expensive, are seen as an attractive premium ingredient among Hungarian bakers.

The Hungarian bakery cooperative *BAKO Hungaria* is the initial group expressing an interest in exploring the possibilities of adding dried blueberries to their baked goods. *BAKO* has ordered trial shipments of dried blueberries for test purposes.

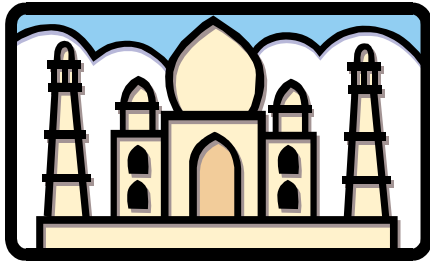
Though there appears to be potential for dried blueberries in this market, the main constraint facing the U.S. blueberry industry in Hungary is the price premium for U.S. dried blueberries. Given that at times in the past Hungarian packers have packed dried fruit from any origin and labeled it as a product of the USA, the blueberry industry needs to take steps to be sure that potential customers are sourcing true U.S. blueberries. In order to combat this labeling practice and to create demand for U.S. blueberries, the USHBC will use EMP funds to encourage the use of the *Made with Real Blueberries Seal*. Initially *BAKO Hungaria* will place the seal on their products which contain U.S. dried blueberries. The USHBC will conduct promotions of the *Real Seal* in the Hungarian market as well as with *BAKO* at their bakery trade show scheduled for April of 2005.

Once this initial EMP funded Hungarian activity is complete, the USHBC will evaluate successes and determine whether to expand activities directed to

additional members of the Hungarian baking sector in the future.

RESEARCH TO BE CONDUCTED TO DETERMINE BLUEBERRY MARKET POTENTIAL IN INDIA

Emerging Markets Program (EMP) funds will also be used by the USHBC in 2005 to explore market opportunities in India. According to Indian Customs



reports, in 2003 India imported approximately 10 tons of fresh blueberries of Italian and Dutch origin. It is assumed that these initial

shipments were destined for the high end hotel trade; however it is a positive initial start and signals the potential for additional movement of blueberries to this large market.

Recent changes in the Indian economy and an opening of their markets provide the encouragement to explore the potential of this large country. The new middle class Indian consumer has increasing discretionary income to buy new and imported goods. They dine at western style restaurants, shop in malls, work in western style business establishments, want the very best branded items and are willing to pay the price.

The objective of this EMP program is to determine the feasibility of fresh blueberry shipments to India and to use the results as a foundation for further activities in this market. The main constraint facing the U.S. blueberry industry is a lack of knowledge of the Indian market. A read on the target market, import situations, channels of distribution and marketing issues are all necessary to determine how to approach this market.

The USHBC will contract with an Indian market research and consulting firm, specializing in the food industry and fresh products, to provide background on blueberry duties and/or import restrictions, market structure, Indian perception of blueberries, supermarket and supply chain needs, key importers and brokers.

Once this background information is obtained, the USHBC will send a trade team to India in the Spring of 2005 to validate this information, discuss market opportunities with the U.S. Agricultural Trade Office in New Delhi and with members of the Indian trade and

determine further action to develop the market for blueberries in India.

USHBC MAGAZINE ADVERTISING SCHEDULE

December 2004-

Woman's Day Magazine

Blueberry Swirl Cheesecake

Partner: Kraft Philadelphia Cream Cheese

NEW WEB ADDRESS FOR USHBC

The main address for the USHBC

website has been changed to

www.blueberry.org. Please note that

those accessing the old address

(www.ushbc.org) will continue to be

directed to the USHBC page while this change takes place.



USHBC MEETING SCHEDULE

2005 USHBC Spring Meeting

Friday, February 25 and Saturday, February 26, 2005

Holiday Inn SunSpree – 1706 North Lumina Avenue

Wrightsville Beach, North Carolina

Phone (910) 256-2231

2005 USHBC Fall Meeting

Friday, October 14 and Saturday, October 15, 2005

Amway Grand Plaza Hotel- 187 Monroe NW

Grand Rapids, Michigan

Phone (616) 774-2000

2006 USHBC Spring Meeting

Friday, March 3 and Saturday, March 4, 2006

Seattle, Washington-Hotel to be Determined

2006 USHBC Fall Meeting

Friday, October 6 and Saturday, October 7, 2006

Bar Harbor, Maine- Hotel to be Determined

The USHBC Bluespaper is published by the U.S. Highbush Blueberry Council; 2390 East Bidwell Street, Suite #300; Folsom, California 95630. Phone (916) 983-0111; Fax (916) 983-9022; Web Site: www.blueberry.org, or www.ushbc.org

The USHBC has adopted a diversity outreach plan to attempt to achieve a diverse representation on the Council. USHBC programs and meetings are open to all individuals without regard to race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status. It is USHBC policy that membership on the Council and its committees reflect the diversity of individuals served by its programs.

Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USHBC office at (916) 983-0111. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington D.C. 20250-9410 or call 202-720-5964 (voice and TDD).