

U.S. Market, Blueberry Wholesale Market Analysis

Produced by Agronometrics for the USHBC

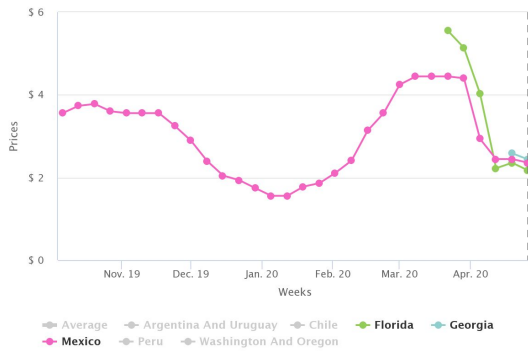
Wholesale Prices and Volumes - Week 17 (Apr 20 - Apr 26)

Total US Prices (USD/LB) and Volumes | Non-Organic



Source: USDA Market News, Shipping Point and Movements via [Agronometrics](#)

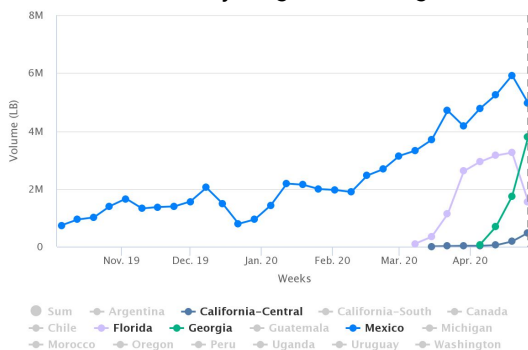
US Prices (USD/LB) by Origin | Non-Organic



Source: USDA Market News, Shipping Point via [Agronometrics](#)

Origin	Price (USD/LB)
Average	\$2.31
Florida	\$2.17
Georgia	\$2.43
Mexico	\$2.36

US Volumes by Origin | Non-Organic



Origin	Volume (LB)
Sum	10,860,000
California-Central	480,000
California-South	30,000
Canada	40,000
Florida	1,560,000
Georgia	3,790,000

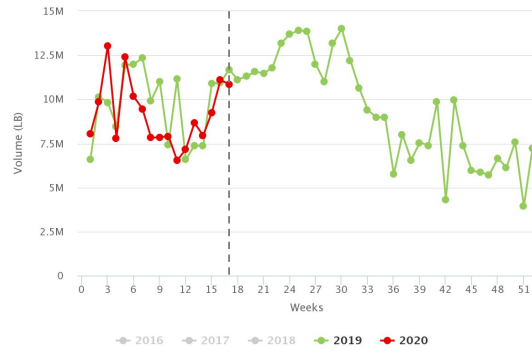
This week's volumes are seeing a tiny decrease from last week as both Mexico and Florida passed the peak of their seasons. Strong volumes from Georgia, however, have been keeping volumes steady with a decrease of only 230, 000 Lbs. Pricing saw a slight decrease as well to \$2.31 USD/LB, but is coming closer to fall in line with what we saw last year.

As the market continues to recover from the initial shock of COVID 19 we are seeing pricing that is beginning to fall in line with what we were seeing last year. Where the pricing for week 16 (w/e Apr 19) was \$0.86 USD/LB below last year, this week the same measure is only \$0.33 USD/LB below last year.

Georgia is quickly rising up to be a dominant origin on the market. So far their season seems very much in line with last year with production, with volumes only 610,000 Lbs lower than the same point a year ago. According to the latest NABC's crop report, the peak of the season could come next week putting the origin about a week ahead of usual, meaning that we may be able to expect slightly lower volumes than last year, which will hopefully reflect in increased market pricing. We can already see the first prices from week 18 (w/e May 3) have gained a bit of ground on week 17 (w/e Apr 26), on Tuesday we saw prices that are already reporting in \$0.11 USD/LB higher than last year.

The effects of COVID19 on Florida's Production

Historically the period between Chile's season and Florida's season was characterized by low volumes and high prices. Today the landscape is very different. In the wake of unusually high pricing in February, March and April, brought on by a lack of Chilean and Mexican fruit. However, Mexico is now reporting volumes consistently larger than last year. When combined with the tailings of Chile and Florida's early season, week 12 (w/e Mar 22) through week 14 (w/e Apr 5) have seen more volume than we have seen in the past for this time period.



Source: USDA Market News, Shipping Point via [Agronometrics](#)

A total increase in volume of 10% during these three weeks on last year, however, can't explain how more than half of the value has been taken out of the market, from an average of \$4.91 USD/LB on week 12 (Mar 22) to \$2.35 USD/LB on week 15 (Apr 12).



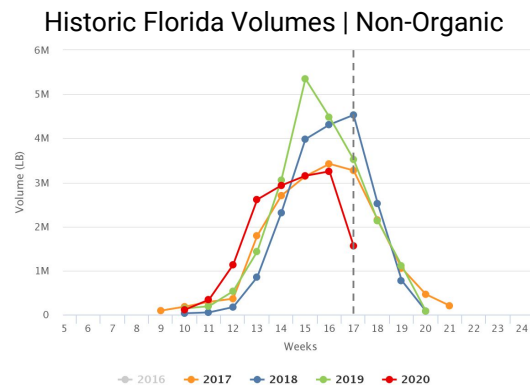
Source: USDA Market News, Shipping Point via [Agronometrics](#)

In this case there appears to be a strong argument to be made for tying a large portion of the impact on COVID-19, which is throwing a figurative wrench into the categories supply chain. This disruption can be seen by the contrasting stories that we are hearing from different markets. On one hand many producers are in fear that their livelihoods are at stake, while on the other hand we are seeing reports that retail sales have never been better thanks to panic buying. In the NABC COVID-19 email dated 8 April 2020, there was a report from IRI stating that the total dollars spent on fresh berries weeks 11 (Mar 15) and 12 (Mar 22) jumped 32.5% and 23.5% respectively, coming down to an increase of 4% on week 13 (Mar 29). And similar trends have been seen across most grocery items carried by the super markets.

The good news is that the jump in demand is real measured and tangible, consumers haven't lost their appetite for blueberries and if week 13 (Mar 29) is an indicator of where the market is heading, we might expect that consumers will spend similar amounts on blueberries in the coming weeks as they were spending last year.

The bad news is that panic purchases happen much faster than supply chains can move. Few could have predicted the spike in demand would hit exactly on week 11 (Mar

15) and week 12 (Mar 22), right as Florida was ramping up two weeks ahead of where it's season would typically start.



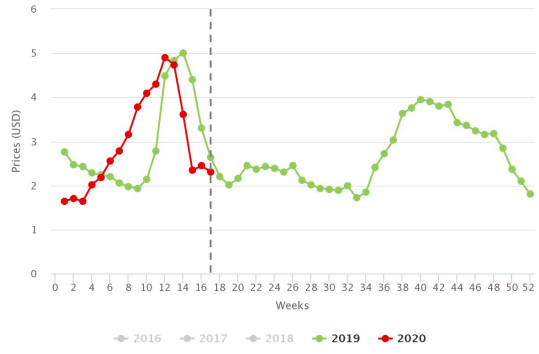
Source: USDA Market News, Shipping Point via [Agronometrics](#)

Considering that it normally takes around two weeks for fruit to make it from handlers that report to the USDA to retail consumers, the timing of all these events suggest that when Florida's production finally got up to full speed, the supply chain was crippled under the volume of products being demanded by the American public. Supply chain complications in turn hampered the ability for blueberries to reach consumers on retail shelves. The effect is that the market couldn't move the volumes of fruit that were available, even as product was heavily discounted at wholesale accounting for the price drop starting on week 13 (Mar 29).

A set of factors to watch out for as we continue to deal with the fallout from the pandemic are the logistical hurdles that the industry could face. If too many pickers get sick the consequences have serious farm-level impacts, however significant numbers of sick truckers, retail staff, and warehouse workers will have a broader impact on the industry, with potentially dire consequences.

To end on a good note, though, with demand coming back to last year's levels, as we saw in retail data on week 13 (Mar 29), the mad rush to get products to supermarkets will decrease and supply chains look to be opening up again. This is evident in the pricing we are seeing for week 16 (Apr 19) which has even seen a bit of an increase in the last couple of days. Barring any other complications, the season may yet return to some semblance of normal.

Historic Prices (USD/LB) | Non-Organic



Source: USDA Market News, Shipping Point via [Agronometrics](#)