

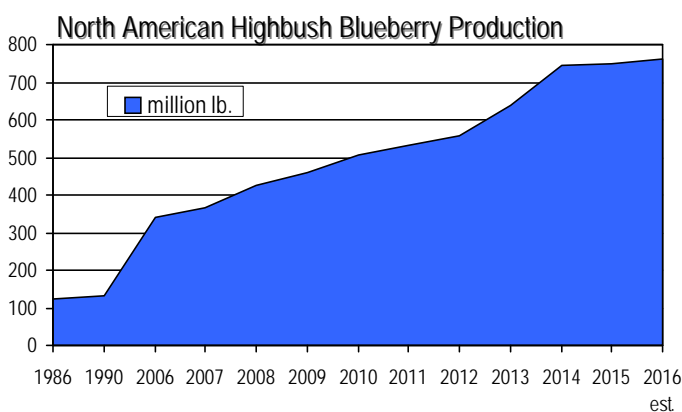


North American Highbush Blueberry Market Situation

100 years ago native highbush, forest berries, were gathered and propagated from New Jersey's Pinelands. The first commercial crop went to market in 1916. Today highbush blueberries (*V. corymbosum* and *V. ashei*) are commercially grown in 33 states, two Canadian provinces, and Mexico. Highbush blueberries are sold both fresh and frozen. Two types of blueberries are grown in North America, the highbush and the lowbush. The lowbush blueberry (*V. augustifolium*) is grown in Maine and Eastern Canada and is primarily sold frozen.

Blueberry Industry Growth

Highbush blueberries comprise 85% of all blueberries grown in the United States and 71% of North American blueberry production. USA, Canada and Mexico together produce more than a billion pounds (lb) of blueberries annually. The 2016 preliminary highbush crop estimate for North America is 766.3 million lb (347,587 mt). Fresh market share is 402.7 million lb (182,661 mt) and frozen is 363.6 million lb (164,926 mt). USA highbush production is 569.3 million lb (258,230 mt). Source: NABC. 2016 Crop Report as of August 5, 2016, 5/25/16.



Highbush Blueberries Span the USA

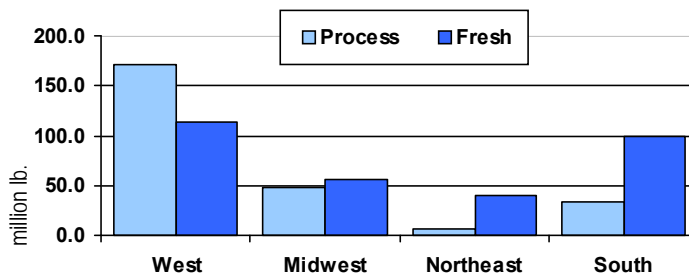
US highbush blueberries continue to thrive with production acres, farming and processing efficiencies. Fresh blueberry production begins in April and ends in late September and early October. The peak of North American frozen production is in June through August.

Highbush blueberries are marketed as both fresh and frozen. Fresh blueberries are mainly harvested by hand. Blueberries for the frozen market, known as process blueberries, are machine harvested. Frozen blueberries, available year round, are as flavorful as fresh. Harvested blueberries are promptly frozen to retain flavor and ensure freshness with good texture, shape and color. With good volumes across the USA, highbush blueberries provide opportunities for manufacturers to incorporate more healthful blueberries into products.

Major fresh producing US States (million lb.) 5/25/2016 preliminary: Michigan (53), Georgia (45), California (45), Oregon (40), New Jersey (39), North Carolina (35), Washington (38.8), Florida (13), Mississippi (4.5), Indiana (2.0), Illinois (1.0), Louisiana (1.0).

Major frozen processing US States (million lb.) 5/25/2016 preliminary: Washington (86.2), Oregon (60), Michigan (48), California (25), Georgia (22), North Carolina (10), New Jersey (6).

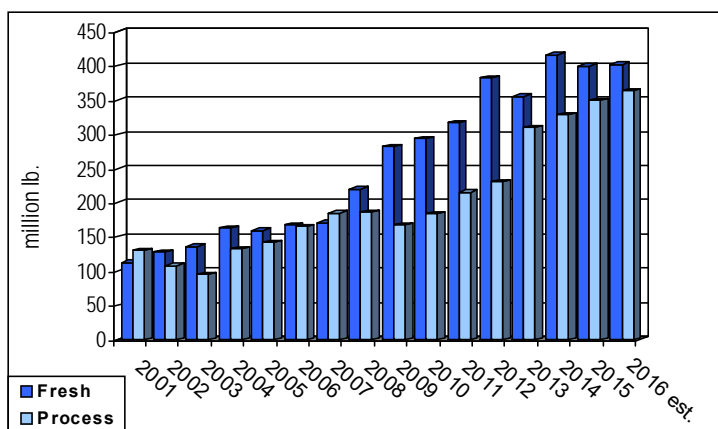
US Highbush Blueberry Production By Region



Market Demand for Blueberries

North American highbush exports have seen steady growth, especially frozen and dehydrated blueberries. Highbush blueberries have taken 80+% of overall market share. Overseas demand for blueberries continues to grow with manufacturers producing blueberry-containing products at record clips, accounting for ongoing interest in frozen blueberries, juices, concentrates, and dehydrated formats.

North American Highbush Blueberry Production Fresh and Process



Fresh and Frozen Blueberry Opportunities

Food processors develop products with blueberries and new concepts continue at a steady pace. With consumer acceptance of blueberries as healthy, using highbush blueberries and having blueberry images on packaging communicates goodness. Globally blueberry products expand in Asia, Europe, Middle East, and Latin America. Besides traditional items, new categories are growing including juices, pet foods, natural cosmetics, and other arenas. Frozen blueberries have branched into consumer-size poly bags and single serve sizes as consumers enjoy highbush blueberry goodness and convenience year round.

Blueberry Consumption

According to USDA, Economic Research Service, 2014 fresh market US per capita consumption is 1.54 lb. (698 g.). US per capita frozen blueberry consumption is 0.61 lb. (277 g.). Total annual US per capita consumption (fresh and frozen) is 2.1 lb. (0.95 kg.).

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US Highbush Blueberry Council

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