

With a blueberry boom in full swing, large retailers like Wal-Mart and Costco are now focusing on more variety-specific purchases from suppliers. By virtue of its seasonal timeframe Chile has managed to grab a good slice of the U.S. market, but the South American country needs to make strategic changes if it wants to reach its potential. Curry & Co international business developer Todd Mauritz tells www.freshfruitportal.com the future of Chile is in new varieties, while Mexico and Argentina still have a long way to go.



Photo: Chilean Blueberry Committee

Santiago-based Mauritz first came to Chile with the world's largest blueberry nursery Fall Creek, spearheading a move into the country to develop local nursery Viveros Hijuelas. Since then the country's blueberry industry has [grown dramatically](#), perhaps too fast for its own good.

"Chile's still struggling with all the materials, all the packing facilities, the machines to pack - a lot of these plants are three or five years old so they're just coming into maturity, the peak of production, so the logistical element to get it all packed and get it out is a problem," he says.

"Last year there weren't enough clam shells to pack their fruit in the middle of the season, people were struggling left and right to get materials. Chile was not prepared for the amount of fruit that it was producing.

"This industry is getting bigger every year but it's plagued by old varieties, it's plagued by mismanagement in the fields, and it's plagued by too many small nurseries trying to give out good plants, and they're not good plants."

Seasons and varieties

Chile has two main market windows where it's had success in Northern Hemisphere markets, which are mid-October to late-November, and late-February to March.

"The sheer quantity of what they have right now is allowing them to be successful in the marketplace, and to be the only real Southern Hemisphere option for North America and Europe for blueberries," he says.

"The future of Chile is the new varieties we have in the States. Chile doesn't have a domestic marketplace, so we're talking about North America, Europe and to some extent China, and these are all variety-driven markets and becoming more variety-driven markets.

"People like Costco and Wal-Mart who are the big buyers in the United States, now aren't just buying blueberries, but they're buying Star, Ochlokonee, Legacy - they know what time period they should have what variety."

He says time periods are key and retailers won't buy Oneal varieties when they can have Star, or Brigitta when they can have Legacy, which is driving the blueberry industry to push for changes in the genetic makeup of Chile's crops.

Mauritz' former employer Fall Creek is now bringing the best varieties from U.S. universities to Chile in vitro to the lab, getting them in greenhouses and out into the fields. Meanwhile the genetic programs of some of the bigger players are aiming to find a solution to the acidity problem that affects the late varieties sold in the lucrative window that starts late-February.

"The Elliott is really hard as it's the last variety to ripen, and really the only one that's viable and there's really no replacement.

"The problem with the Elliott is they're very acidic, they don't have the sugar accumulation like the other ones do. The problem is that genetically, the same allele that codes lateness also codes acidity - a lot of people are saying they don't like Elliott but it's the only thing on the market, and it will be for the next couple of years.

"They're working on that late deal, and the person who comes out with that new late variety that isn't so acidic, that's going to be 'the one'."


Todd Mauritz

Productivity and mechanization

Mauritz calls for more education and transparency with growers about how much varieties can yield, while the growers themselves can't just make dramatic changes right now.

"They need to start looking at strategically re-planting their fields, saying 'right I have 20 hectares, next year I'm going to re-plant five'. You don't just go in there, rip everything out and plant the new varieties, and you have to be looking to the future.

"A lot of people were lucky last year as the frozen prices were good, but this year it's a problem, and it's a problem for people who don't have big fields - people don't want to be running around looking for work, they want it to be consistent every day.

"You have to understand that in Chillan and Los Angeles where there's the height of production, you have temperatures of 90°F (32°C) and 100°F (38°C) consistently for many days and that makes the fruit soft, you can't pick fruit in the afternoon. But in Chillan in the morning they have a lot of dew and you can't be picking the fruit wet, so you have a very small centralized time really to pick the fruit."

He expects labor shortages will probably only get worse, which means Chile needs to place a greater emphasis on mechanization.

"Labor shortages are going to be a huge problem in the future and people need to start planning towards mechanization. A lot of what they're doing in the United States is they have big farms and they pick the first and second fruit by hand, but then by the third pick the fruit's starting to deteriorate in quality, they bring in the machines, harvest it all up and sell it on the frozen side.

"Chile doesn't have that ability yet."

From the amount of businesses looking to invest in Chile's blueberry industry it's highly likely that ability will come with time, but trust issues persist on both the grower and buyer side.

"Businesses might not want to invest 100% but they're looking for trustworthy, long-term partners in Chile to provide what their market needs," he says.

"You have a lot of mistrust by the small time growers with going to the big exporters with their fruit. They feel they're not getting the best returns, they feel like they're getting taken advantage of."

Argentina

Argentina saw the great opportunity that blueberries presented around a decade ago when heavy planting began, in a bid to make the most of the lucrative October-November market window. Then Chile came along and stole Argentina's shine.

According to a presentation given this year by Fall Creek international director and independent consultant Cort Brazelton, Chile's annual production between 2008 and 2010

grew by around 41% to 123.51 million lbs (56,000MT). During the same period Argentina's production rose just 5.7% to 26.64 million lbs (12,100MT).

"Now in Chile, up north in Ovalle these varieties are now competing directly with Argentina's production window and they can reach the market for cheaper and have better logistics up to the United States," says Mauritz.

"Argentina has a lot of challenges that they have to face in order for them to successfully export a good fruit. They have labor shortages, they have high labor costs, they have phytosanitary processes like fumigating the fruit.

"That's put in place by the United States because they have a lot of pests there we can't have in the United States, and so in order for them to export the fruit you have to fumigate it the day before export, and that's a substantial amount of chemicals, pesticides on the fruit, which detracts a lot from the quality and makes it a little bit harder to export by boat."

Earlier this month, air freight company Lan Cargas told Argentine media that [blueberry cargo flights](#) from the province of Tucuman were set to double this year.

As for Argentina's neighbor [Uruguay](#), with around 3 million lbs (1,360MT) of annual blueberry production it will probably still continue to be a 'niche market', according to Mauritz.

Mexico

Mauritz says even if Mexico gets 'on track' with its social and political problems, the country's blueberry industry wouldn't pose a threat to Chile for at least another decade.

"Mexico could be a huge player, could substantially cut into some of Chile's success, but with the problems that they have there, they're 10 to 15 years away from being able to compete, if they get on track. So Chile's really the only viable source right now," he says.

He says Mexico's opportunity lies in taking over the early and late timeframes of Chilean production, through a process called 'evergreening' which prevents the plant from sleeping.

While dormancy encourages flourishing and highbush varieties need around 1000 hours of sleep during the winter, Mexican growers have found they can encourage evergreening with slight rest periods in between spring and autumn.

"You're definitely affecting the stress of the plant, the longevity probably wouldn't be as

long. Instead of 20 to 30 years, you're looking at eight to 10 years, but you have a system where you re-plant.

"Unfortunately there's only one variety they've been able to do it successfully with and that's called Beloxi. The problem with Mexico is it's dangerous. It's not safe right now. It's not stable, you can invest a whole bunch of money and the next day lose it all because people come and take over your packet, and the government's not going to do anything to step in.

"One of the big zones of production is Guadalajara, which is around Zamora, Los Reyes, Michoacan, is now a pretty dangerous place. I was there just eight months ago for a berry symposium, but it's not a place I'd go to now. If the company wants to send me there, I'm going to have to say no."

He says while Mexico has shown success with other varieties, blueberries are very different.

"They are a long way from doing what they want to do. Yes they produce a lot of raspberries, they produce a lot of strawberries, they produce a lot of blackberries and they do them well.

"People need to understand blueberries are completely different, you're talking about something you don't re-plant that doesn't have a three or four year life; that's producing a different kind of berry."

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