

By [Agronometrics](#) CEO Colin Fain



On Wednesday, Oct. 23 last year, blueberry prices reported by the United States Department of Agriculture (USDA) at Shipping Point for "flats 12 6-oz cups with lids" came in at US\$49.00, the highest price reported in at least the last 10 years.

This is a particularly interesting number because at 190,000 metric tons (MT) reported by the USDA, 2013 was been the biggest year for blueberries on record.

Over the last couple of years U.S. blueberries have enjoyed a big rise in demand, allowing supply to increasing an average of 12.6% a year from 67,000MT in 2004 to the numbers that we saw last year.

Over this 10 year period the average prices weighted by reported volumes has increased as well; in 2004 the average price was US\$10.91, while in 2013 it came in at US\$18.80.

On the whole, U.S. blueberry markets have been experiencing a very healthy growth period, balancing a dramatic increase in production with a generous increase in demand.

With the interactive graph above, feel free to pick and choose producing regions to tailor your analysis.

As soon as we dive into the numbers we begin to see a bit more about how the industry works. From the graph above, for example, you can see that the largest player is the U.S. with 58.5% of the market, while Chile was a strong second contender capturing 29.6% of the market in 2013. Other origins that are important include Argentina at 5%, Canada at 3.9% and Mexico, which was the fastest growing supplier last year, coming in at 2.5%.

Some of the other trends that are interesting are how the seasons in the Northern Hemisphere drift northward as temperatures rise. On this graph you can see how California gets the U.S. going followed by Florida, Georgia and then moving upwards to North

Carolina, Oregon, New Jersey, Washington and Michigan, being topped off traditionally by Canada.

So what does this all mean and what does it have to do with the price jump? As with most all perishable commodities, price is usually a direct reaction to the relationship between supply and demand. As such, the most logical explanation is that last October, which saw the lowest point in the volume graph, supply did not meet demand, sending the price through the roof.

This is also an interesting moment as it is right at the end of the US-Canada Season and right before Argentina and Chile begin to make noise. The year before last year, which also saw a considerable rise in price around this time, the USDA reported that 5,600 MT, or 3.2% of annual volume, was moved in October. However, 2013 saw this number cut to 4,100MT, which given the huge volume sent the rest of the year, the percentage of the annual volume that arrived in October was reduced by a third to 2.1%.

The main culprit behind the lack of volume during October is Argentina which sent 1,800MT less than the year before during the same period, which by itself accounts for the difference in volume. According to industry market observers, the main reason for this lack of volume can be traced back to meteorological events that affected production in the province of Tucuman and around the city of Conocordia.

As these same market forces come together next year. It will be interesting to see if this effect repeats itself, or if the harvest, and international markets will conspire to patch this hole in supply.

Colin Fain is the CEO of Agronometrics, a market intelligence platform for agricultural products that collects, standardizes and visualizes international wholesale market prices from around the world. For more information click [here for the company's website](#).

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