

I. Survey of the Wild Blueberry Industry in Québec

BACKGROUND

Around the world, blueberries are increasingly popular with consumers. Today the blueberry's reputation as a "healthy" food makes it one of the most popular small fruits on the market. Wild blueberry production in Québec must therefore satisfy both robust demand and the specific requirements of international markets.

In Québec, wild blueberries are harvested on two types of land: forests and developed blueberry fields. Forest harvesting is done in areas where logging or forest fires have occurred. As for blueberry fields, they are developed on sites where blueberries grow naturally.

Besides the health aspect, in Québec the wild blueberry has the advantage of two quality appellations: "Boreal Wild Blueberries" and "Certified Organic". Freezing companies in Saguenay–Lac-Saint-Jean are accredited to market their products using the appellation "Organic".

The processing and freezing capacity of the Saguenay–Lac-Saint-Jean region gives it a significant advantage over other areas. As well, companies that have been marketing blueberries for years have built a system that has a strong and effective sales network, high product quality and dependable supply, regardless of a given year's production.

Of the 470 farms producing wild blueberries in Québec, almost 400 are in Saguenay–Lac-Saint-Jean and 33 in Côte-Nord. The others are found in Abitibi-Témiscamingue, Mauricie, Chaudière-Appalaches, Capitale-Nationale and Bas-Saint-Laurent. Of the total, 240 declare earnings from blueberry production as their principal source of agricultural income (MAPAQ, 2009). The processing market in Québec is essentially shared by six processing (freezing) plants. Located in Saguenay Lac-Saint-Jean and Gaspésie, these plants have arisen in response to the ever growing production in Québec. All are majority-owned by producers (owners or renters of blueberry farms) in the Saguenay–Lac-Saint-Jean region.

On average, 80% of Québec blueberries are harvested on blueberry farms (21 million kg), the remaining 20% being harvested in public forests (5 million kg).

MARKETING MECHANISMS

Québec's wild blueberry industry is characterized by the strong vertical integration of production, processing and marketing. Producers with the greatest harvest volumes are generally owners or shareholders of the processing plants. They are also owners or shareholders of businesses involved in marketing blueberry products to various markets.

Forest-harvested blueberries

Blueberries harvested in forests are sold primarily to buyers in the Saguenay–Lac-Saint-Jean region who truck them to one of the freezing plants to be washed, sorted, graded and frozen. Of the 5 million kg harvested annually, buyers from the Maritimes and Maine purchase around 2 million kg. The purchase price of forest blueberries is negotiated between the buyers and the Syndicat des producteurs de bleuets du Québec, which manages the joint plan covering the industry. Once frozen, the blueberries are sold on various markets by one of the two principal marketing bodies, Bleuets sauvages du Québec Inc. and Bleuets Mistassini Ltée.

Farm-harvested blueberries

Blueberries harvested on blueberry fields belong to the operator of the farm. At harvest time, the producer can either sell them to a buyer (middleman) or truck them to a freezing plant for processing. In the latter case, the producer continues to own his harvest, even after processing. In both cases however the product is sold on the same markets through one of the two principal marketing bodies. Figure 1 illustrates the marketing mechanisms.

MARKETS FOR WILD BLUEBERRIES

In season, around 5% of the harvest is sold fresh to the consumer, almost entirely within Québec. Frozen products are by far the dominant export, accounting for more than 95% of Québec production. This market is truly the foundation of the industry. More than 90% of Québec's production of frozen wild blueberries is sold in the rest of Canada and internationally, or about a third in Canada, a third in the United States and a third in the rest of the world: 22 different countries on five continents.

Internationally, Québec blueberries have to compete directly with other producers around the world. The multinationals have precise specifications and demand a guaranteed supply on an annual basis and at a price competitive with other small fruits (cultivated blueberries, strawberries, raspberries, cherries, etc.).

This means that from year to year, the prices on international markets determine what prices are obtained by forest pickers and farm producers.

Developing markets

Most wild blueberry producers belong to the Wild Blueberry Association of North America (WBANA), which is dedicated to the development and promotion of this small fruit. Thanks to its numerous initiatives and interventions the WBANA has opened up many new geographic markets, particularly in Asia. Québec is in a particularly good position to exploit the potential for growth and development worldwide. For example, Québec can offer a certified organic product, a relative rarity that is sure to prove highly desirable in international markets.

The prospects for growth include the development of dehydration in the Saguenay–Lac-Saint-Jean area and the transition to certified organic production on blueberry farms. Along with Boreal Wild Blueberries©, these “branded products” will allow Québec to maintain a competitive position on the world market, which at present is dominated by the cultivated blueberry (Highbush Blueberry).

ECONOMIC VALUE OF QUÉBEC PRODUCTION

The wild blueberry industry in Québec represents a very important economic activity. Counting the forest harvest, gross revenues for the sector come to around \$45 million. In fact, after dairy production it is the second most important agricultural activity in the Saguenay–Lac-Saint-Jean region. Since the early 2000s, blueberry production has steadily risen in value. In terms of acreage, the blueberry farms of Saguenay Lac-Saint-Jean occupy 20% (27 000 ha) of the region's 135 000 ha that are in agricultural production.

Production-related jobs

Wild blueberry production brings the creation and consolidation of four types of jobs:

- each year, more than 3000 self-employed workers harvest blueberries in Québec's forests;
- more than 2500 pickers harvest the crop on blueberry farms;
- nearly 200 jobs are directly related to on-farm blueberry production;
- several hundred jobs are related to processing.

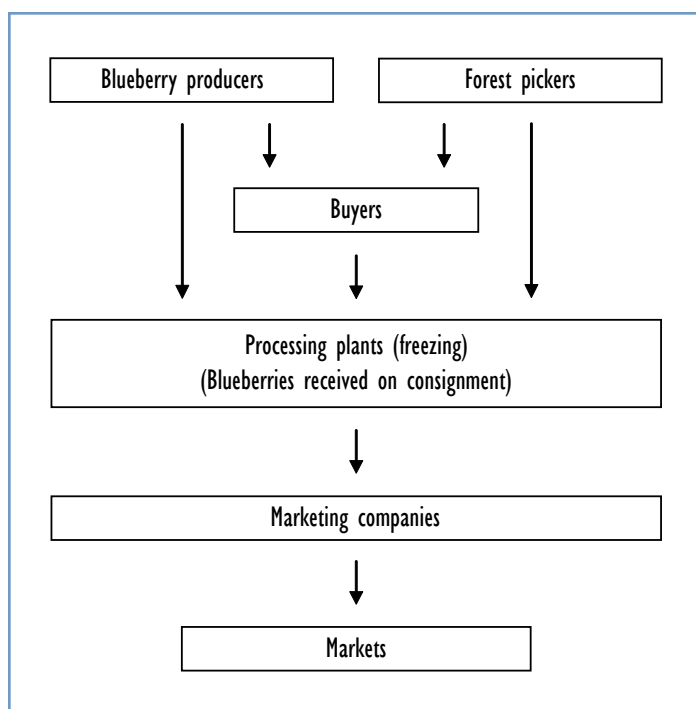


Figure 1. Marketing Mechanisms

INTERNATIONAL COMPETITION

The burgeoning world production of blueberries could create a worrisome situation for Québec producers. To meet the challenge, new and value-added products must be developed along with new markets. The real competition now comes from cultivated (Highbush) blueberries, due to the enormous volumes being produced not only by the United States and British Columbia, but by major new players like Chile, Argentina, China and Australia. Though consumer demand for fresh blueberries is as strong as ever, the supply from these new producing countries is so great that it has cornered a part of the processing market that historically was occupied by the wild blueberry.

COMPLEMENTARY LEAFLET

2. *Production in Numbers*

REFERENCES

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