

BLUEBERRY BONANZA

Small window can bring big profits—but for how long?

By Tom Burfield

To some extent, Florida's blueberry growers are becoming victims of their own success. As the popularity of the berries has taken off, growers in the Sunshine State have managed to capitalize so well on their relatively tiny mid-March to mid-May shipping window that others are starting to take notice.

Growers in Chile are extending their season and increasing shipments 25 percent every year. Mexican growers are building their own blueberry program. Spain already has adopted some of the same varieties that Florida produces. As a result, some of the European export market that U.S. growers formerly enjoyed has been snatched away, says Dave Bowe, president of Dave's Specialty Imports, Coral Springs.

"Florida has a target on its back," says Donna Miller, president of the Florida Blueberry Growers Association, Island Grove. "Everybody wants this window."

Domestic growers inside and outside the state also are establishing new blueberry programs. One thousand acres of blueberries are planned by 2008 for the 18,000-acre Clear Springs community now in development in Polk County, according to the Clear

Springs development company's Web site, www.clearspringsco.com.

Clear Springs owns the land and set up the infrastructure but has recruited two existing growers, Bill Braswell of Polkdale Farms, Auburndale, and Jack Green of Jack Green Farms Inc., Zolfo Springs, to run the operation in exchange for a percentage of the profits. So far, 150 acres have been planted.

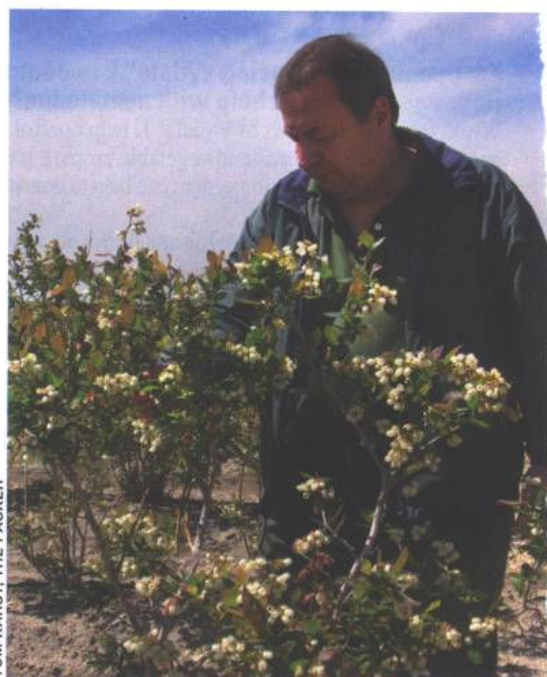
Blueberry acreage in Florida is estimated at 2,500 to 3,000 acres, up from about 2,000 acres in 2001. The state produced a record 6 million pounds in 2006, according to Mark Villata, executive director of the Folsom, Calif.-based U.S. Highbush Blueberry Council—a significant increase from 4.7 million pounds in 2005.

Opportunity abounds

There's still room for growth in the state's blueberry industry before prices start to decline, says Paul Lyrene, professor of horticulture at the University of Florida in Gainesville. But the amount of room is not known, and some growers say they're already experiencing some deflation in prices.

Blueberries are relatively new to Florida, cropping up in the late 1970s and early 1980s, says Alto Straughn, owner of Straughn Farms near Gainesville and a member of the growers association's board of directors.

So far, blueberry farming in Florida has



TOM KARST, THE PACKER

Blueberries are predominantly hand-picked, but the advent of mechanical harvesting could change the business plan. A 10-acre farm currently requires 70 workers for picking, and labor costs add up to \$1 per pound.

been highly profitable.

Average price per pound before April 15 has been more than \$4, Lyrene says, significantly higher than the \$1 per pound or less that growers in other states typically fetch when their crops come on later in the year.

The state's early season highbush cultivars are the first blueberries to ripen in North America, Lyrene says. They're harvested from early April to late May, and nearly all are for the fresh market.

Since growing blueberries is so lucrative, getting into the market has crossed the minds of many farmers, including a number of citrus growers. But those who are in the business warn that the rewards don't come easy. Starting a blueberry operation isn't cheap, and the current high prices won't last forever.



Hard work

Straughn says he has done quite well with the blueberry operation he started in 1983, but success has been hard won.

"We've been through a struggle for the last 15 to 20 years trying to develop a blueberry industry (in Florida)," he says.

Straughn started with the rabbiteye variety. But after a grueling 10-year learning curve, he, like most of the state's growers, switched to higher-yielding high-bush varieties. He also grows watermelon and raises cattle, but he says blueberries have paid off best.

When others ask him whether they, too, should get into the blueberry business, he simply presents the pros and cons. While they have proved to be lucrative, Straughn says blueberries are the toughest crop to keep healthy and alive that he's ever dealt with.

Florida has little of the specialized soil needed to grow the berries, so growers modify the soil with a pine-bark culture.

Cost to produce an acre of blueberries typically ranges from \$15,000 to \$18,000 per acre, Straughn says. That includes \$5,000 to \$6,000 for a freeze-protection system but does not include the cost of land.

Go south

As a blueberry grower, Ken Patterson, partner and general manager at Island Grove Ag Products in Hawthorne, isn't eager to see competition. But as a seller of blueberry plants, he stands to gain when

more people set out to make their fortune in the fruit.

Set up shop in the southern part of the state if you're looking to start a small operation—two to 10 acres—he recommends. Growing blueberries in the south is more difficult, but you'll get better prices. Patterson expects there will be a window for small growers between central and south Florida for at least 10 more years.

In central Florida, he recommends a minimum of 10- to 15-acre ranches, and he says a family-operated business still can be profitable.

Growers are learning how to get 5,000 to 10,000 pounds of blueberries per acre, which makes the fruit highly profitable compared with other crops, Patterson says.

South Florida growing regions generally start to harvest from mid- to late March, the central area begins around April 1, and growers in the north start from April 7-10. Shipments continue until Georgia growers start to harvest, usually around May 20.

"We have a very narrow window," says Miller of the Florida Blueberry Growers Association.

One challenge with blueberries is that the bloom runs from the end of January until the end of March, when the state is most susceptible to freezes. That means you'll need a lot of water for freeze protection. Without freeze protection, Patterson says, "You'll never make it."

Labor—or lack of it—is another challenge. All of the state's fresh market berries are harvested by hand, Miller says. A 10-acre farm requires 70 workers just for picking. Labor costs add up to \$1 per pound, she says.

Mechanical harvesters

Many larger growers are planting to accommodate mechanical harvesters. Mechanically harvested fruit is sold to processors, who pay less for blueberries than fresh market buyers. But the labor savings is considerable.

Lyrene, the university professor, says switching to machine harvesting would be a "painful transition" because growers would have to abandon some of their favorite varieties, such as

EARLY START EXPECTED

Cool weather this season enabled blueberries to meet their chill requirement but was followed by warm weather during December, which could result in crops coming on too soon—in early March in the south and mid- to late March in the north. Early berries could overlap with the remaining Chilean crop at a time when prices are relatively low.



DOUG OHLEMEIER, THE PACKER

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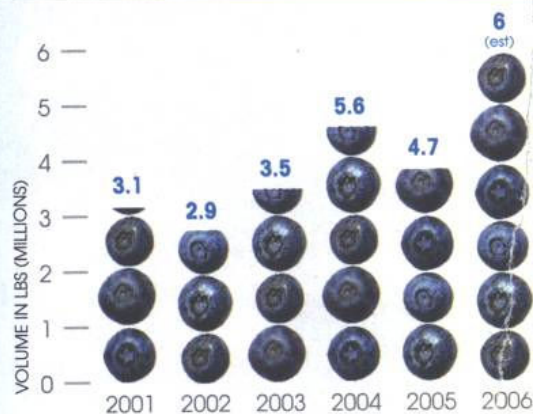
emerald, windsor and millennia, which are not suited for machine harvesting. But he adds, "It could be done faster than most people think."

Some current varieties could be harvested with machines, but some new varieties "would have to be rushed out quickly," he says.

Mechanical harvesting also delays the time of harvest by about a week. It will likely decrease yields, require fields to be planted to exact specifications to accommodate the machines, require instruction to operate and maintain the machines, which are very expensive, and it may require changes in packinghouse operations, Lyrene says. "It's not something growers are going to welcome," he says.

Some growers, including Miller, are considering launching organic blueberry deals as a hedge against an expected onslaught of conventional product in four to five years. However, that can be a challenge in Florida, where high humidity and summer rain make fungicide treatments almost unavoidable, she says.

Here's a look at Florida's blueberry volume in pounds for the past five years:



Source: U.S. Highbush Blueberry Council

As growers transition to organic over a three-year period, they would not be able to apply fungicides, yet they would not yet be able to label their product organic.

Strong export market

Miller says she still does a lot of exporting, but she used to ship even more product to Japan, England and France before Spain started filling many of those orders.

Consumers in Japan, Taiwan and other Asian nations have become big blueberry

consumers because they are very health conscious, Patterson says. They plant their own berries but do not produce during Florida's window. Patterson estimates that he exports 10 percent to 20 percent of his blueberry crop.

Straughn says he exports 20 percent to 30 percent of his early, higher-priced berries to Japan and the United Kingdom. "Demand worldwide has gone up," he says. In fact, consumers in the United Kingdom are buying twice as many blueberries today as they were just a few years ago.

Promotions boost sales

Florida's blueberry crop benefits from promotions of the U.S. Highbush Blueberry Council, Villata says. Growers are assessed \$12 per ton to support the council's efforts. The council disseminates news releases to publicize early season as well as midseason berries, conducts foodservice promotions and runs ads in consumer magazines, especially nutrition- and health-oriented publications.

Growers also can take advantage of blueberries' enviable health message. They're the leading source of antioxidants among fruits and vegetables, and the council helps spread that message through year-round trade and consumer advertising and public relations campaigns.

Annual per capita consumption of blueberries in the United States is 20 ounces, 7.3 ounces of fresh and 12.7 ounces of processed, Villata says. That's up from 16.8 ounces five years ago, broken down to 5.5 ounces of fresh and 11.3 ounces of processed.

But still, he says, "There's a lot of room to grow." *CVM*