

Just What's Happening Out There? Blackberry Volume and Price Behavior in Shipping Markets

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Overview of main topics

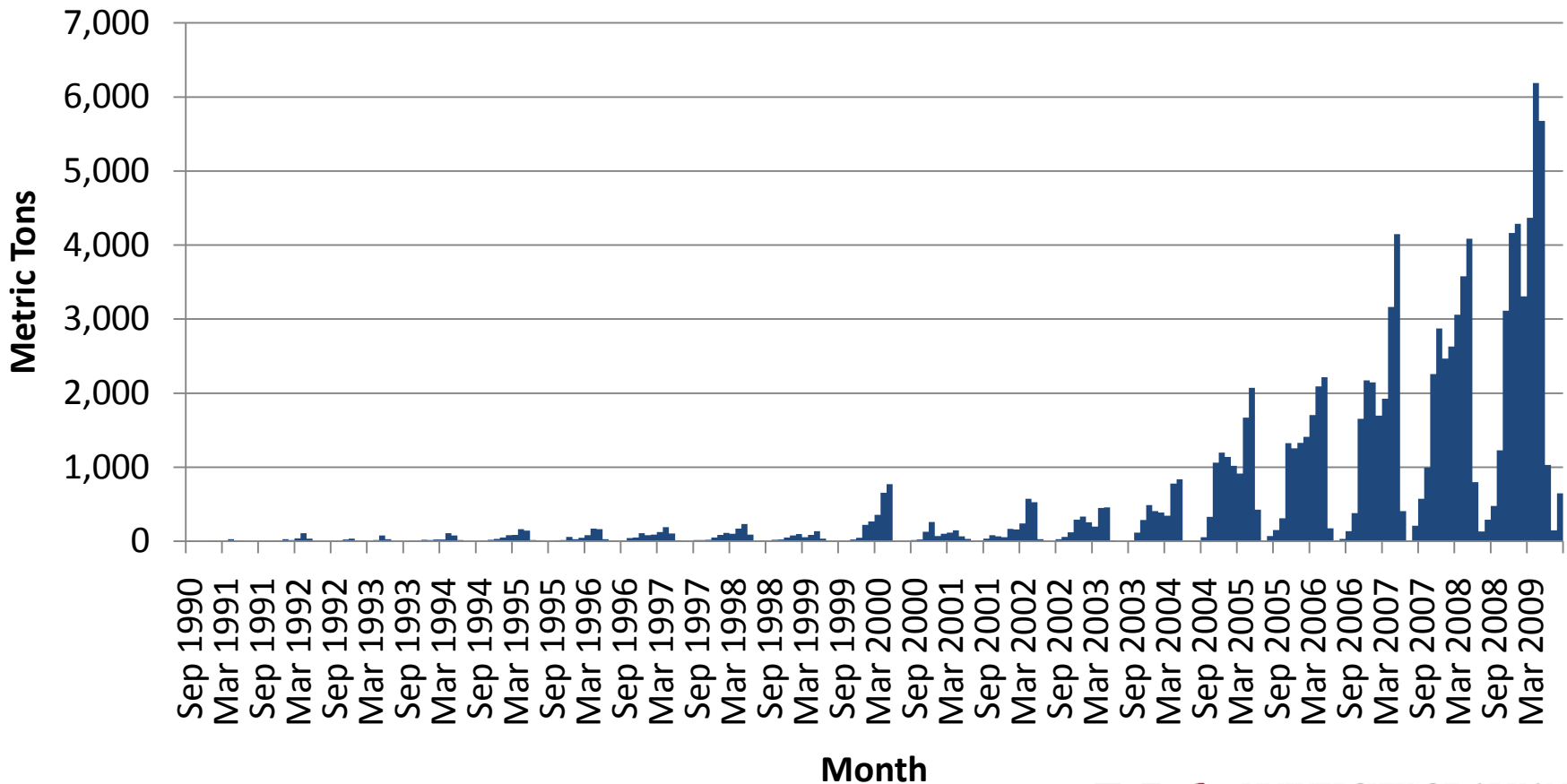
- Market growth over time
- Seasonal price patterns
- Long-term price trends
- Inferences about market demand that can be drawn from these trends
- Implications for direct markets

Information about blackberry markets

- Sources of information
 - USDA's Agricultural Marketing Service
 - Shipment Volume
 - Prices at shipping points
 - Prices at terminal markets (major US cities)
 - United States International Trade Commission
 - Various private information providers
- Issues with this information
 - Not all regions report price and shipment information to USDA and reporting can be inconsistent
 - Price information is not attached to volume in terminal markets
 - Potential for discrepancies between information from different governmental agencies

Imports have been a key driver of market growth

Imports from Mexico, Guatemala, Chile, and Costa Rica by Month
(September 1990 - August 2009)

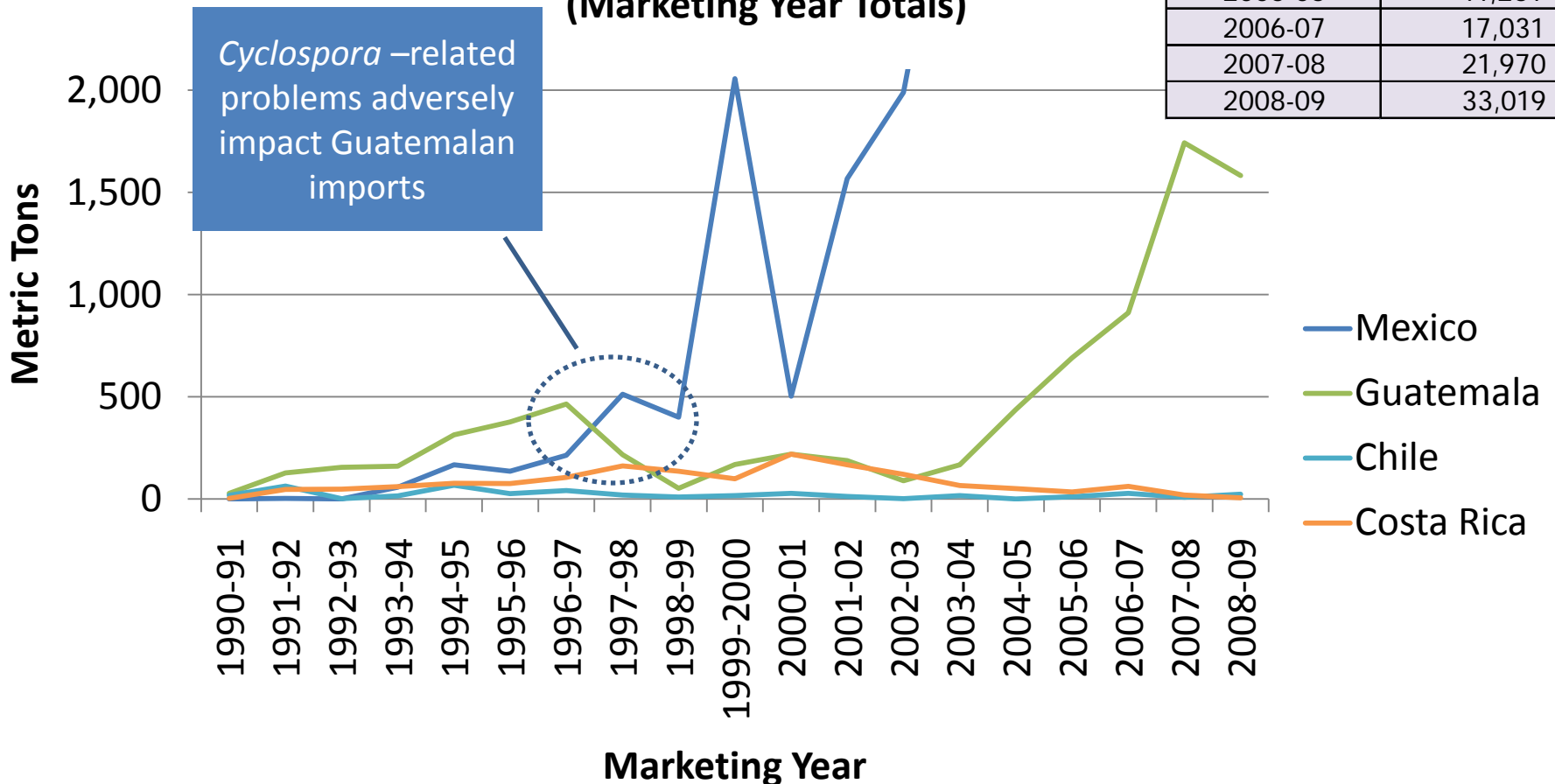


Source: US International Trade Commission

Mexico displaced other importers in the late 1990s

Blackberry Imports from Selected Countries (Marketing Year Totals)

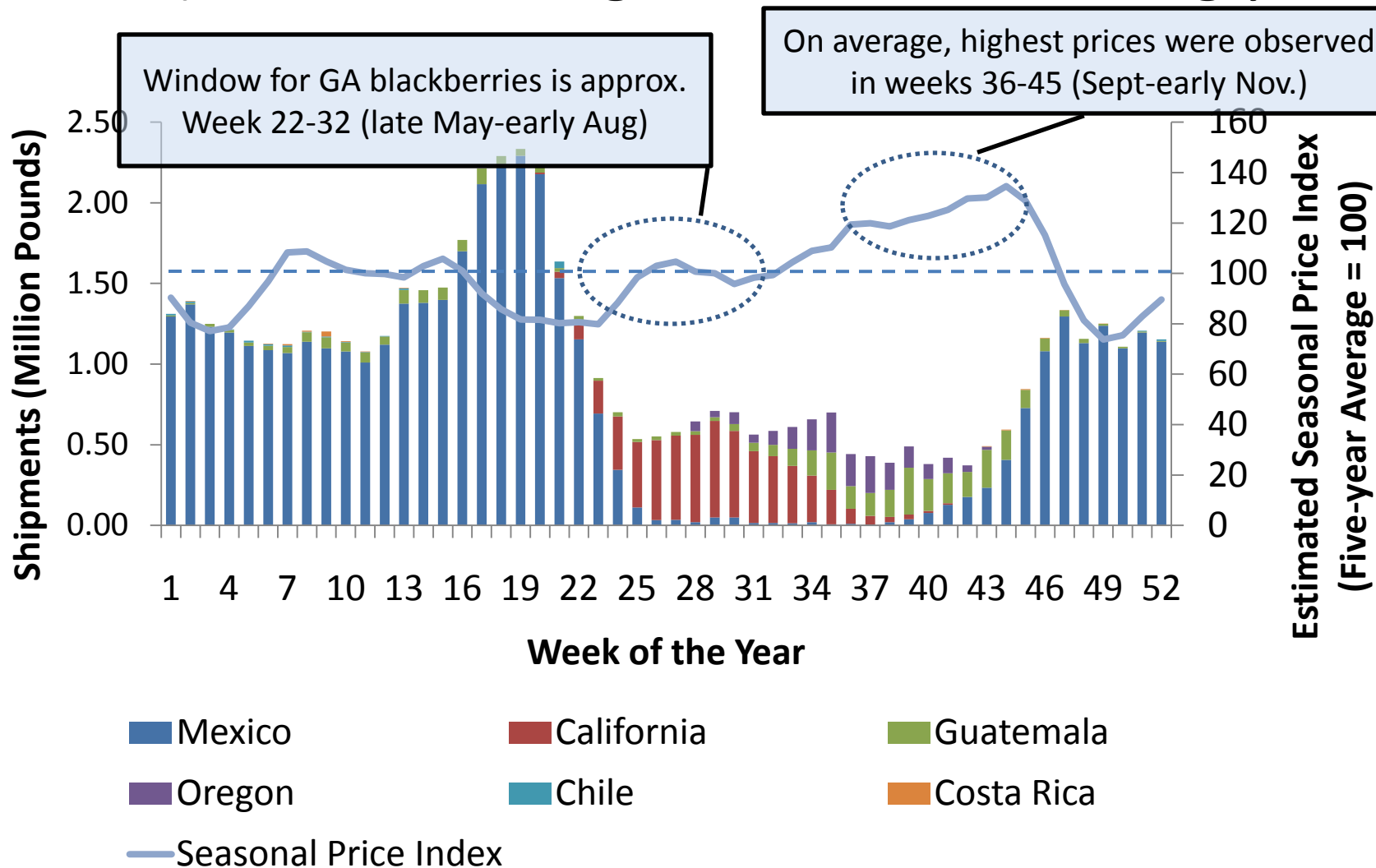
Mexico, Recent Values	
Marketing Year	Metric Tons
2003-04	3,424
2004-05	9,467
2005-06	11,261
2006-07	17,031
2007-08	21,970
2008-09	33,019



Estimating price relationships

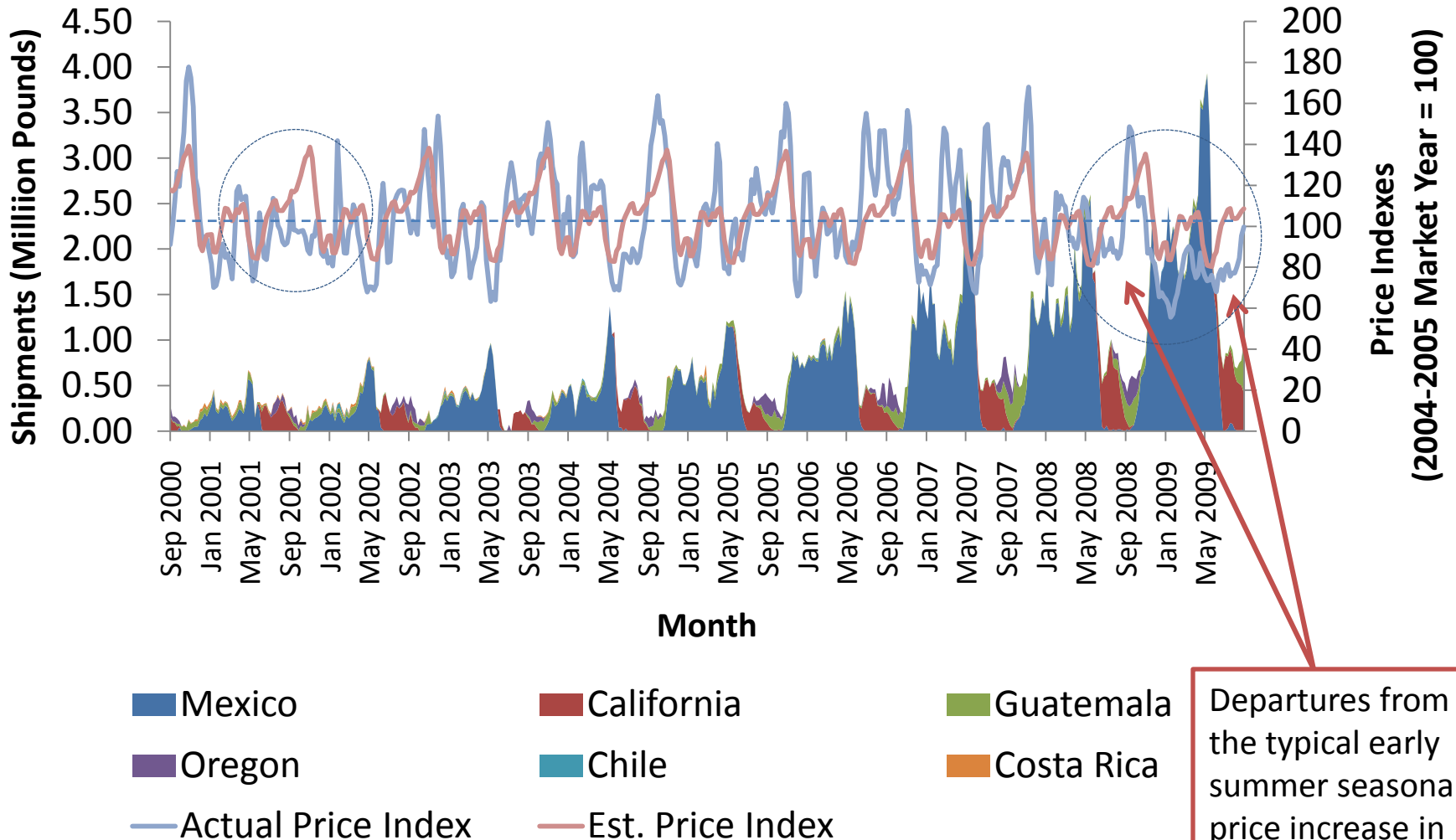
- Definitions:
 - Trend: Long-term direction in a price series
 - Seasonal pattern: Recurring pattern in prices over a given period of time (e.g., over a marketing year)
- Issues:
 - Shipping point price information is not reported for South-eastern states.
 - Reported trends and seasonal price patterns that follow are based on a statistical analysis of weekly prices in six terminal markets (Atlanta, Boston, Detroit, Miami, New York, and Philadelphia).

Average shipment volume and seasonal price pattern (2004-05 through 2008-09 marketing years)



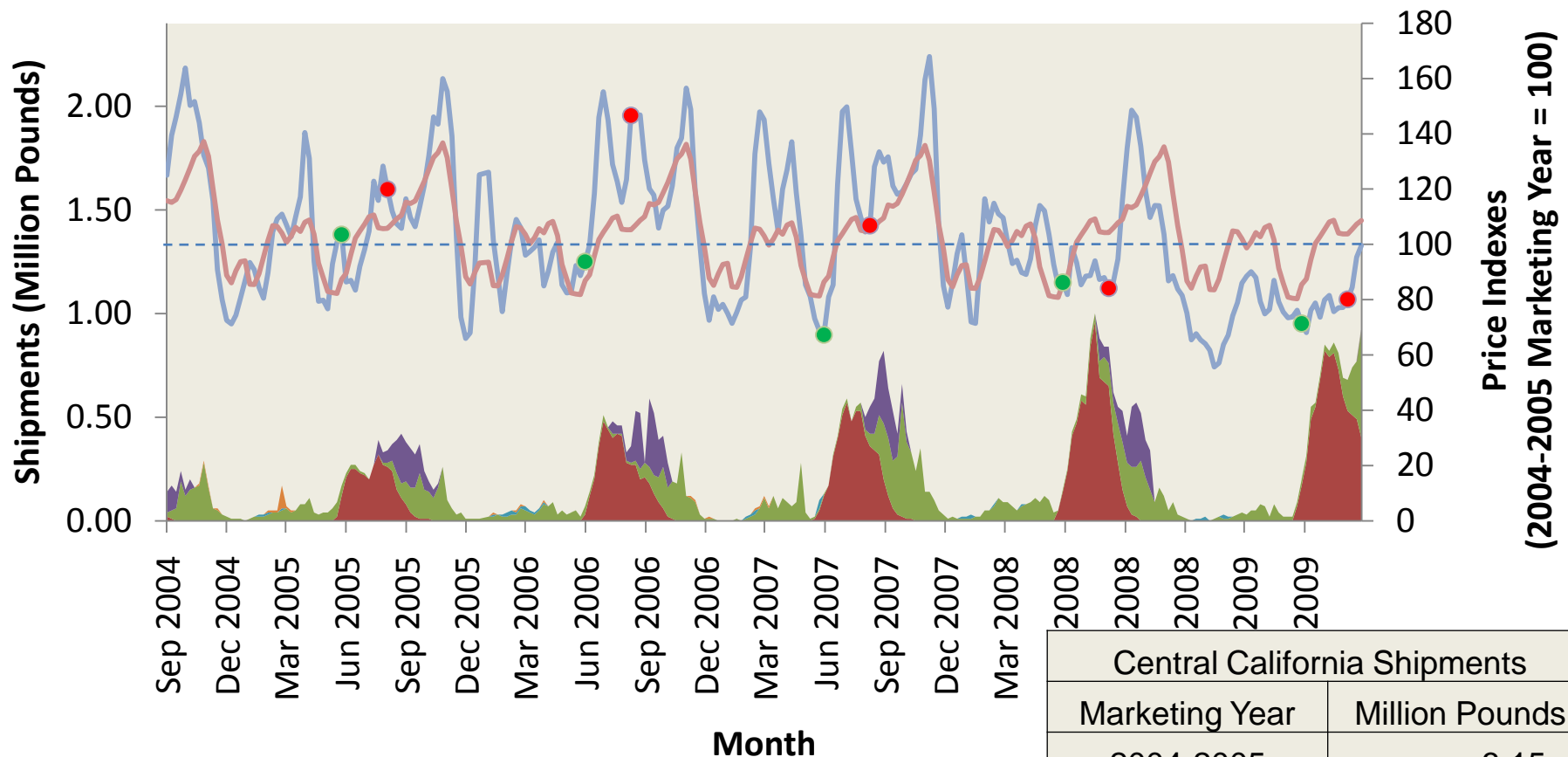
Source: USDA Agricultural Marketing Service. Seasonal price index is presenter's estimate based on weekly terminal market prices from 2004-09.

Price trend and seasonality over the past decade



Source: USDA Agricultural Marketing Service. Price indexes are presenter's estimates based on weekly terminal market prices from 2000-09.

A closer look at recent seasonal behavior

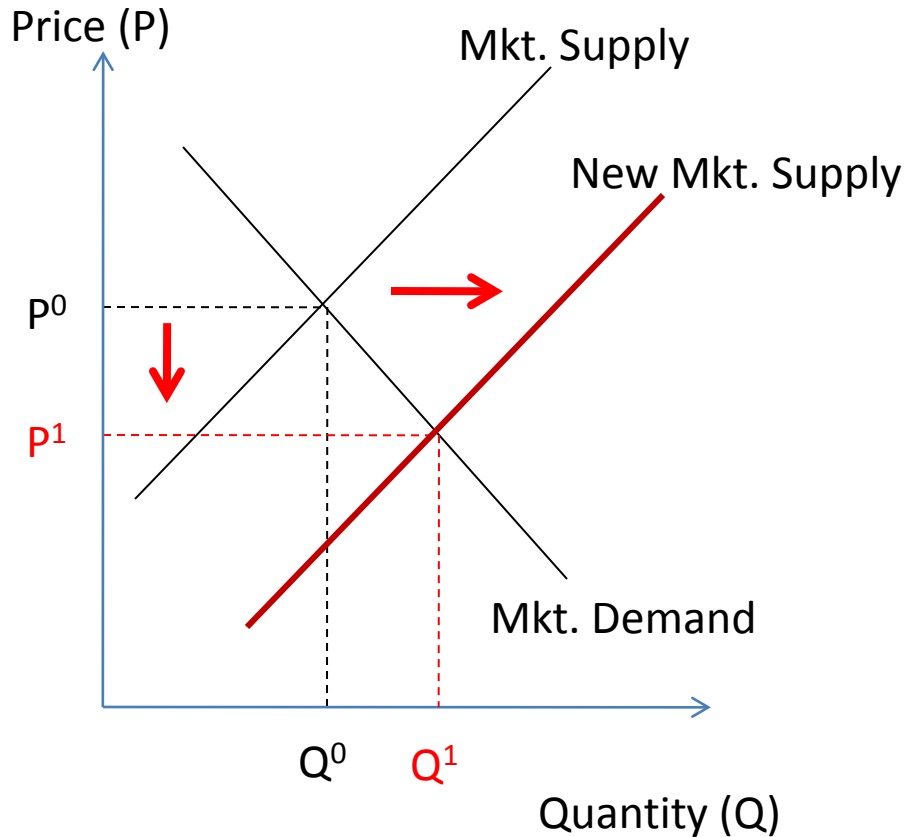


Central California Shipments	
Marketing Year	Million Pounds
2004-2005	3.15
2005-2006	4.26
2006-2007	5.80
2007-2008	7.36
2008-2009	8.04

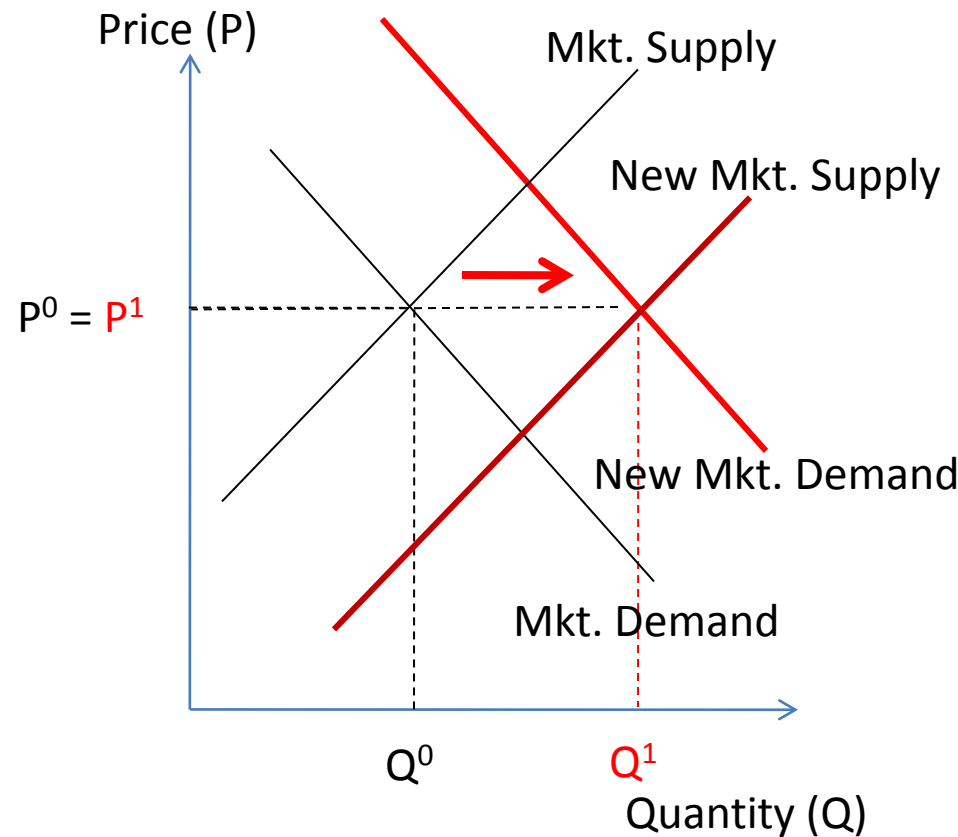
Source: USDA Agricultural Marketing Service. Price indexes are presenter's estimates based on weekly terminal market prices from 2000-09.

Implications of exponential growth over the past decade

When supply expands outwards prices should decline...



unless, there is a corresponding increase in demand!



Demand drivers

- Year-round availability
 - Enables blackberries to become a routine or habitual purchase item. Availability of imports during the US off-season is important to this.
- Good and consistent quality
 - Promotes repeat purchases once initial purchases are made and facilitates perception of blackberries as providing a reliable consumption experience.
- Convenience
- Versatility
- Positive health benefits
- Perceptions of safety

Implications of broader market trends for direct marketing formats

- Increased availability through mainstream retail channels is probably a positive for direct marketers:
 - Better enables the direct market grower to emphasize quality attributes
 - Helps to position blackberries as an impulse purchase item at a roadside stand or farm market stall
 - Blackberries can be a destination item that drives customer traffic to direct marketing venues
 - Benefits of promotional and research efforts that support shipping markets will spill-over to direct market growers