

# EUBerry

## WP 4: competitiveness and marketing strategies

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## Economics and marketing

- Economic viability
- Market situation for fresh berries
- Effective marketing strategies on health benefits
- Analysis new products both on economics and marketing



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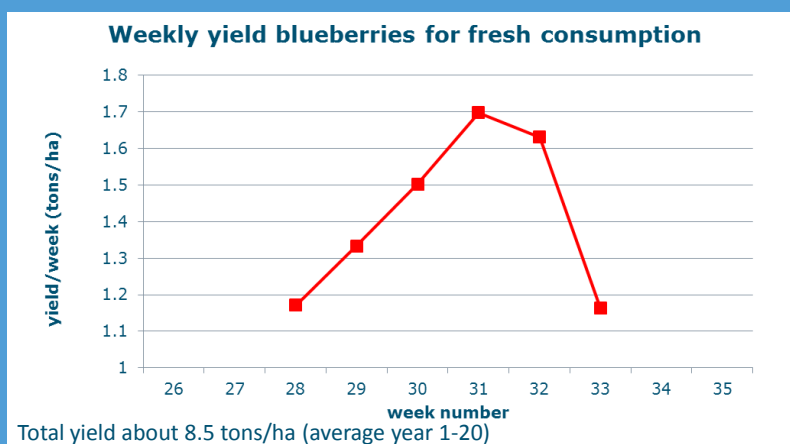


## Economics

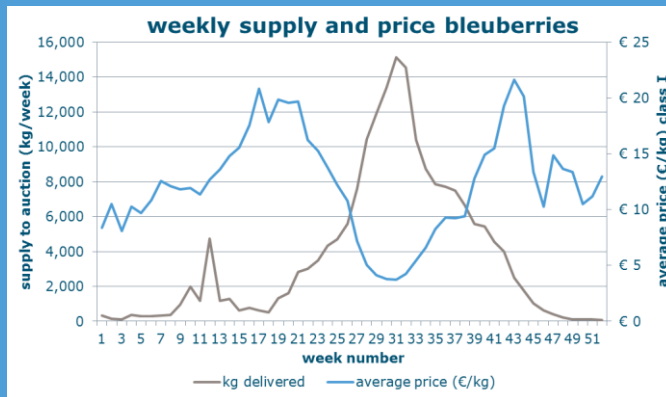
- Beforehand calculations to give directions for technical research
- Afterwards: calculations with data about technical innovations



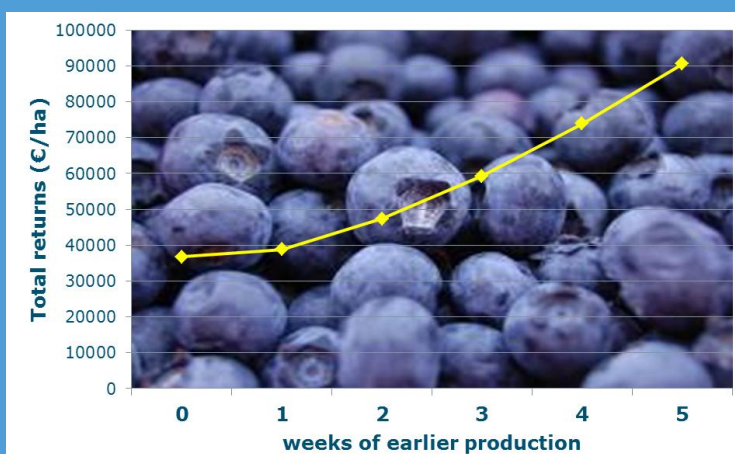
## Blueberry production (the Netherlands)



## Price and total production of blue berries in NL (based on auction data)



## Possible returns by earlier production



## Cost price differences blue berry

	Life span	Average yield	Labour harvest	Labour tariff	Annual costs tunnel	Energy costs
open production	20 years	8.5 t/ha	2250 hr/ha	€5/hr	-	-
production in tunnel	6 years	7.0 t/ha	1500 hr/ha	€ 14/hr	€ 7,600	€25,000/ha

### Cost price:

- Open culture € 4.18/kg
- Tunnels: € 11.52/kg
  - 10% lower energy costs: € 11.18/kg
  - One more year (7 years): € 11.00/kg
  - 10% more production: € 10.71/kg

## Effect on profitability

- Tunnel profitable if production advances  $\geq 6$  weeks:

weeks earlier	average price	open production		production in tunnel	
		cost price	net result/ha	cost price	net result/ha
0	€ 4.32	€ 4.18	€ 1,150	€ 11.52	€ -48,500
1	€ 4.56			€ 11.52	€ -41,500
2	€ 5.57			€ 11.52	€ -32,000
3	€ 6.97			€ 11.52	€ -20,000
4	€ 8.69			€ 11.52	€ -6,000
5	€ 10.65			€ 11.52	€ 7,300
6	€ 12.56			€ 11.52	€ 21,100
7	€ 14.54			€ 11.52	

- Important condition: market is not affected!

## Remarks from economics

- Low costs does not mean high profits
- High costs is not the same as low profits
- What matters is the difference between costs and returns, therefore:
  - Directions for technical research
  - Improvement of returns -> marketing

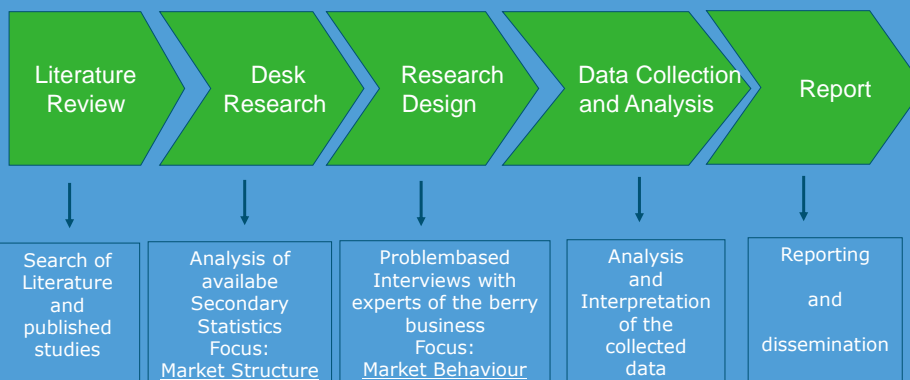


## Market situation

- Overview of market situation
- Construction of national supply chains
- Insights of market behaviour main actors

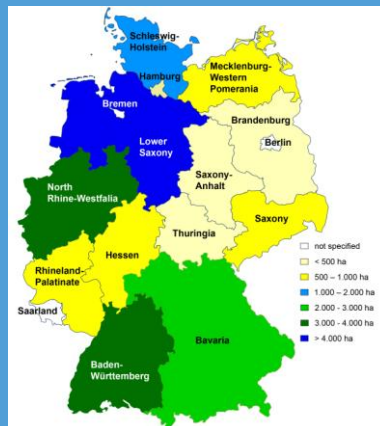


## Methodical frame WP 4.2



## The Case of Germany: market structure

- number of enterprises 2005:
    - ~ 3.300 grow strawberries
    - ~ 3.000 grow other<sup>1)</sup> soft fruits
  - production area 2010:
    - ~ 18.300 [ha]
  - Share in fruit harvest 2010:
    - Strawberry [86 %]
    - Currants [6,5 %]
    - Blueberries [4,6 %]
    - Raspberries [2,9 %]
- <sup>1)</sup> currants, raspberry, blackberry, blueberry, gooseberry



Source: German Federal Statistical Office, 2005 and 2011

## The Case of Germany: Blueberries

Development of domestic production, import and export of Blueberries in Germany from 2008-2010 [t]

Criteria	2008	2009	2010
Domestic Production	4.116	9.940	8.305
Import	2.766	4.574	5.556
Export	451	1.715	1.469
Domestic Supply	6.431	12.799	12.392

Source: German Federal Statistical Office, 2011; own calculations

## Selected Countries

### Included now:

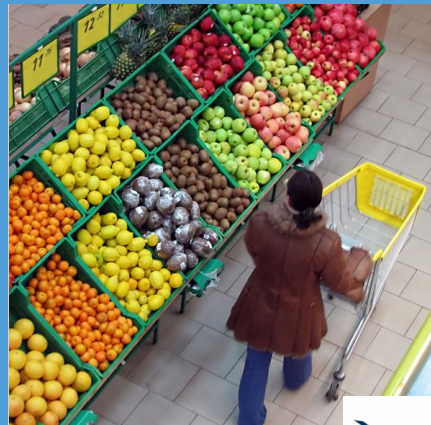
- Poland
- Germany

### Future plans:

- Italy
- United Kingdom
- Spain
- Russia
- Canada
- ....

## Marketing strategies WP 4.3

- Develop, test and evaluate an effective marketing strategy to increase consumption based on health benefits of berries.
- By means of 5 phases in an iterative process between available research (Isafruit Focus Balkans) and sme's:





## Goal tasks



### 1. Consumer health benefits

To **combine** consumer health benefits and gaps from the perspective of the SME's

To **explore** the marketing questions of two SME's to **identify** the main interests for marketing strategies of each SME.

To **combine** the product characteristics from the EU Berry project to improve European berry production, quality, and nutritional value and consumer health benefits.

To **select** interesting or relevant product characteristics for the marketing strategy



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### 2. Product characteristics



In order to structure this process an adjusted selection of the ISAFRUIT House of Quality will be made, to strengthen the linkage between consumer health benefits and (new) product

Based on the outcomes of this an augmented list of interesting and relevant consumer health benefits and target groups for marketing strategies will be made.

### 3. Tailored marketing strategy

One feasible marketing strategy for a target consumer group or target market will be chosen. This marketing will be tailored for the SME's

### 4. Pilot of Tailored marketing strategy

SME's will conduct and explore the campaign based on the general guideline and protocol for the tailored marketing strategy

### 5. Evaluation

The tailored marketing strategy will be **evaluated on effectiveness**, e.g. consumer preferences, consumer awareness, availability and consumption



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Will be continued!




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SEVENTH FRAMEWORK  
PROGRAMME



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## EUBerry – algemeen

- Workpackage 1 = breeding
- Workpackage 2 = cultivation techniques (PPO-AGV, glas)
- Workpackage 3 = fruit quality (FBR)
- Workpackage 4 = economics and marketing (BBF, LEI)
- Workpackage 5 = knowledge dissemination (WUR)



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## Kosten/opbrengsten framboos (€/m)

<b>Returns (1.8*6.50 €)</b>		<b>11.70</b>
Year costs	1.456	
Marketing costs	0.94	
Crop protection	0.10	
Others	0.12	
Harvesting	2.70	
Cultivation labour	4.00	
Result		<b>2.39</b>



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## Effect of different changes on returns (€/meter)

<b>Standard (1.8 kg 6.50 €)</b>	<b>2.39</b>
Autumn (Polka) instead of summer (Tulameen)	2.58
10% cheaper plants	2.40
Production increase to 2.0 kg	3.28
2.0 kg, price 6.00 €	2.36
Harvesting costs increase to 6.50 €/hour	2.17

## Benefits define maximum acceptable costs

weeks of earlier production	gross benefit /ha
0	
1	€ 2,117
2	€ 8,529
3	€ 11,883
4	€ 14,631
5	€ 16,665

annual costs tunnel: € 7,600 => two weeks earlier needed (excl. heating costs and effect on yield)

annual costs foil greenhouse: € 12,800=> four weeks earlier needed (excl. heating costs and effect on yield)

