

# Uruguay thinks big with concerted export expansion plans

**Uruguay is a small country, but it has been growing on the international fresh produce scene and has made inroads in supplying the UK with high-quality fruit. Anna Sbuttoni reports**

Uruguay plays an important role in kicking off Latin American supply at the start of the season, exporting citrus and blueberries as its two top lines. The country has been able to compete with heavyweight southern hemisphere rivals by maintaining a sound strategy, focusing on food safety and quality. Today, all exported fruit is grown in GlobalGAP-certified fields and a strong emphasis is put on the requirements of the main markets.

Marta Bentancur Servetti, president of the Southern Hemisphere Association of Fresh Fruit Exporters and international affairs co-ordinator at blueberry exporters' association Upefruy,

says Uruguayan growers and exporters have focused on fruit quality and safety from the very beginning, in an attempt to add value to their offer. However, she admits that the last few years have thrown up a number of challenges, ranging from economic fluctuations and trading conditions to the weather.

"Even though all export fruit sectors have been affected negatively by the dollar:peso ratio and the increasing cost of production, we have benefited from the relation of the euro and sterling and a fairly good demand for fruit in Europe," Bentancur Servetti explains. "And several climatic events have in one way

or another affected production and quality in the last two years, including severe drought during 2008 and part of 2009 and heavy rains and wind from September to November last year. The severe drought during 2008 has had a negative effect on the present season for citrus, apples and pears, causing lower volumes and small sizes. And in the last quarter of 2009, heavy rains, unusually low temperatures and winds created negative conditions for the blueberry harvest."

The Uruguayan fresh fruit sector has a wide offer, but the majority of production is still used to supply the domestic market, with just two main

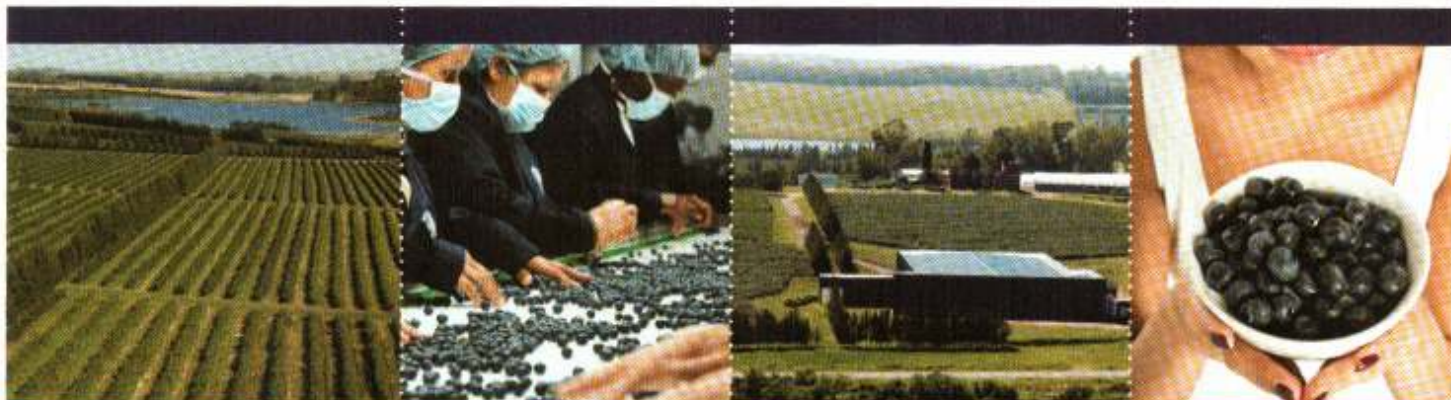
categories enjoying significant growth on the international market.

The most significant is citrus, including easy peelers, oranges and lemons, grown on 16,000 hectares and which exporters have been supplying to customers in Europe and Asia for more than 40 years, sending some 130,000 tonnes of fruit annually, worth more than \$80 million (£49.5m) FOB. More than 80 per cent of export volumes are sent to Europe and the UK remains a very important market, especially for easy peelers. In fact, one of the main targets for the coming years is varietal conversion, so that growers and exporters will be able to adjust to market demand, with easy peelers the most sought-after line.

The sector itself is well established and is characterised by the vertical integration >>



Citrus and blueberries are the top two lines for Uruguayan fruit exporters



From the purest uruguayan prairies, straight to our market destinations

## Non-stop blueberries delivered direct

- 262 acres of natural farm
- Packing plant 4.000 m2
- 2.900 m2 of cold stores
- Processing capacity of 30.000 kgs. p/d
- Packing line has weight control capabilities
- Fruit classified by size & firmness (BBC technology)

BRAZIL  
URUGUAY  
CHILE  
ARGENTINA



ESSENCE FROM THE PUREST NATURE

Chapicuy | Paysandú | Uruguay | [00598] 750 4986 | info@midgold.com | www.midgold.com.uy

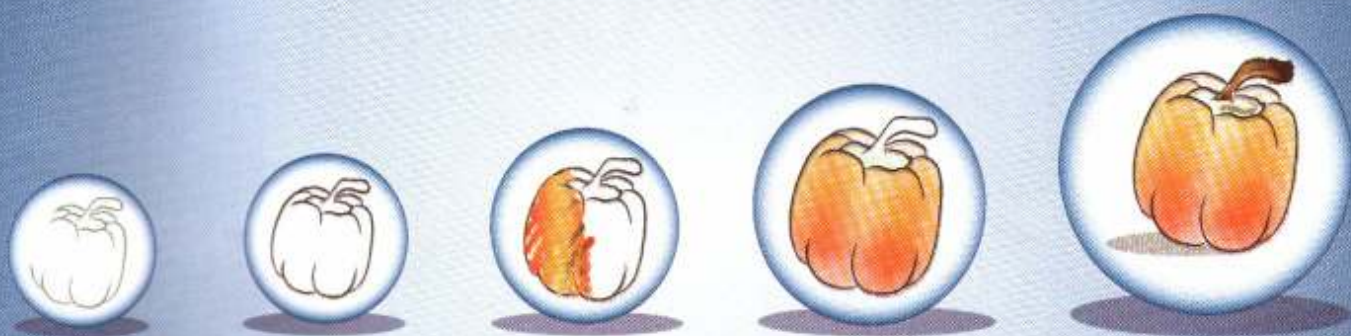
Growers, Packers & Shippers | Freshest & Delicious Natural Blueberries

:: SEPTEMBER :: OCTOBER :: NOVEMBER :: DECEMBER



# www.freshinfo.com

Leading the world in online  
fresh produce news



...giving you the full picture...

All subscribers to FPJ get freshinfo free of charge  
To subscribe to freshinfo only, go to [www.freshinfo.com/store](http://www.freshinfo.com/store)



Uruguay is well known for its citrus offer

of grower-exporters, who own the plantations, packhouses, coldstorage facilities and, in some cases, the juice processing plants.

Uruguay may be best known for its citrus exports, but blueberry production is rapidly increasing as the country has positioned itself at the start of the Latin American season and come on board the Blueberries from the South campaign alongside Chile and Argentina, in an attempt to boost demand in the UK and Europe and find a market for the increased volumes coming on stream.

Upefruy was set up to position Uruguayan blueberries on the international market by supporting better production technologies, such as improved irrigation, frost protection and post-harvest management, as well as co-ordinating training at all levels. This proactive approach, with investment, research and marketing through public-private strategies, has helped put hundreds of hectares in production.

The berries have shown promise, with some 800ha planted and exports now worth \$8m a year. The main production areas are concentrated in the north of the country on the border with Argentina, in Salto and Paysandu, as well as around Montevideo and further east along the south coast. The main varieties grown in Uruguay are O'Neal, Misty, Blue Cuinex, Blue Crop, Emerald, Jewel, Reville, Blue Gold and Blue Jay.

The most recent blueberry season, now drawing to a close, saw 17 export companies export a total of 1.1m kilos of fresh blueberries. The European market absorbed 54 per cent of the volumes, with the UK taking a 14 per cent share.

Mateo Fernández, commercial manager at Madifox, has watched the blueberry industry develop rapidly, but he warns that those involved will have to work hard to ensure the long-term sustainability of the sector. "The cultivation of blueberries in Uruguay started eight years ago," he explains. "The blueberry plants reach their full

productivity around their seventh year and bear fruits until 25-30 years of age. In recent years, the first plantations in Uruguay have reached full production and in the last few years, more land has been cultivated and more varieties have been planted. Today, planting has slowed as margins have decreased. Existing plantations must work in their cost structures in order to adapt to this new scenario and those producers who cannot do this will be out of business in the next few years."

Fernández admits there are a number of factors affecting the Uruguayan blueberry sector, from the supply chain to relationships with different markets, to the goal of offering consistent, high-quality supply. "A new, state-of-the-art airport will start to operate and Montevideo has one of South America's principal and most efficient ports," he reasons. "One other challenge is the building of solid commercial channels. The business of growing and exporting blueberries is very recent, so most of the commercial relations are recent. Another challenge is uniform production of high-quality blueberries –

Uruguay must have unique standards in production, as well as in post-harvest.

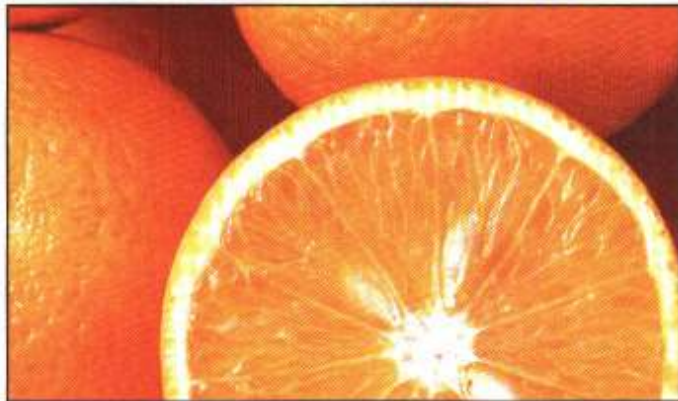
"But growers and exporters have been innovating in many ways, through investment in new packing facilities and treatment systems and improving harvesting and packing.

"At present and in the near future, the trend is to form partnerships among producers and to centralise packing and export, to be consistent on quality. And for smaller producers, the aim is to work to reduce costs with higher production per hectare, to develop an industry to process the fruit and to improve in logistics," adds Fernández.

Top fruit has been exported for a long time, but volumes are much smaller than those achieved by the citrus category. Apples are grown mainly in the south of the country, by 660 growers on 3,600ha, producing some 59,000t in 2009. Pears are produced by almost 400 small growers on 1,000ha, with 13,000t reached in 2009. But both apples and pears are predominantly grown for the home market, with only five per cent and 12 per cent respectively earmarked for export. ■



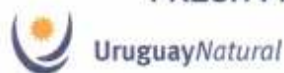
Uruguayan blueberries are rapidly increasing in volume



**WORKING TOGETHER TO GROW AS RESPONSIBLE FRUIT SUPPLIERS**

**Visit us at Fruit Logistica Hall 25/D-08**

**FRESH FROM URUGUAY**



**Contact us**

**E:info@upefruy.org T: +598 95 04 63 39**

**www.upefruy.org**

**We are part of blueberries from the south**





Horacio Ozer Ami

# Uruguayans seek a slice of blueberry pie

**Midgold is the one of the foremost blueberry exporters in Uruguay and is enjoying its third export season. Anna Sbuttoni caught up with Horacio Ozer Ami, general manager and chairman of Uruguayan blueberry association Upefruy, to find out whether the fruit has proven to be the “blue gold” promised for Latin America**

## When was Midgold set up and what are its main aims?

Midgold was set up in 2005 and we started planting in October, so we have reached our third export campaign and this season, we will send 500 tonnes to markets including the UK, Europe, the US and Canada, with around a quarter for the UK.

The firm is based in the north of Uruguay, in Paysandu, where we have 104 hectares of planted blueberries, a packhouse and a dam on site. Half of the site has not yet been planted, but we have plans to expand blueberry production or to try other crops, such as mandarins and clementines or early apples, on which we have done some trials on Royal Gala and Pink Lady, because we are looking for the right varieties for the region. At the end of next year, we will decide what to plant.

This year, blueberry production is up 20 per cent on last season, but it has not been as high as expected. To match increasing production, we are planning to increase capacity in the packhouse next year with the extension of the

packing lines to increase volumes.

## What are the main challenges as a blueberry grower and exporter in Uruguay?

We feel comfortable with the UK market and returns have been better than they were last year because there were fewer volumes than expected and prices were at normal levels, so we cannot complain. We have close relationships with our clients in the UK, which we supply through Berry Gardens and Angus Soft Fruits – we talk openly about the market and the climate.

But the main challenge for us is to improve fruit quality and achieve good volumes so that we can access the market, as well as make sure we choose the right varieties for the right markets and ensure consistent supply, week in, week out.

It is important to talk to our clients and retailers, making sure we have the right size and shape and a good bloom. Misty is the main variety that we supply to the UK market, as well as some Emerald and Star. These are the three

varieties that are good enough for the specifications of the UK market, but we are thinking of investing in earlier varieties so that we can achieve a longer season. At the moment, Uruguay has a six- or seven-week season and we want to reach 10 to 12 weeks.

## What is your background?

My background is in breeding programmes, working with corn and barley, before I moved into citrus at Forvel, which has since been bought out by Univeg. Here, I started blueberry production, then I set up Midgold with other shareholders.

Midgold has a different point of view compared with other blueberry growers in Uruguay. For some, blueberries were an investment and a way to make money quickly and easily, but Midgold has always been run as a fruit business and we know how to deal with it.

I have been president of Upefruy for two years and I believe we need to build the blueberry industry as a country.

## How is the blueberry market changing?

The volumes of blueberries are increasing and we have room to grow demand in the UK, but we need to work very hard with our clients and the retailers to increase sales in an organised way. The Blueberries from the South campaign has an opportunity not just for promotional activities, but for growers and exporters in Uruguay, Argentina and Chile to co-ordinate themselves and create an industry that is very organised in a commercial way.

## How are you innovating?

We want to innovate in the field by introducing polytunnels to protect the fruit, but that would represent a significant investment. And to keep in touch with the market, we introduced a newsletter for our clients this year to share information, tell them about the region, the weather and find out more about the market situation in return.

## What is the future for the blueberry industry in Uruguay?

There are good opportunities for us in the UK market, especially as the first airfreighted fruit is more expensive and the UK is willing to pay the difference. Then, seafreighted fruit is cheaper, and that is when retailers can promote the fruit.

Midgold and Gamorel are the two main blueberry firms in Uruguay and there a number of small- and medium-sized companies working together in grower groups, which I think will make a difference. There is no competition between growers in Uruguay because there are a lot of markets out there and there has been a lot of co-operation between us, through Upefruy. The next thing we will be looking at is how to produce better-quality fruit and to adjust our forecasts to make them as accurate as possible. ■