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## Canada

## Strawberries

## Market Update

## 2003

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**Report Highlights:**

Canadian production of fresh strawberries slipped about 10% from last year's crop to an estimated 22,500 metric tons. U.S. fresh strawberry sales to Canada will exceed \$110 million during 2003 and capture about 98% of the Canadian import market. Canadian import demand for frozen strawberries is on the increase, but Mexico and China are important competitors.

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## Executive Summary

\*For 2003, Canada's bearing area for strawberries slipped to about 4,000 hectares, a decline of almost 15% from a year earlier. The post estimate of total Canadian production during 2003 is 22,500 metric tons, down 10% from the 2002 level of 25,068 metric tons.

\*U.S. strawberry exporters captured 98% of the Canadian import market for fresh strawberries last year and U.S. fresh sales to Canada during 2003 are expected to exceed 56,000 metric tons, valued at more than \$110 million.

\*Canadian import demand for frozen strawberries surged 24.2% during 2002 and rose another 13% during the first nine months of 2003. Most of the increase reflects strong demand from Canada's food processing sector.

\*Mexico and China are important competitors in the Canadian import market for frozen strawberries.

## Section I. Fresh Strawberries

### Production

In recent years, low profitability and variable spring weather conditions have resulted in a steady decline in the total Canadian bearing area for strawberries. For 2003, bearing area slipped to about 4,000 hectares, a decline of almost 15% from a year earlier. However, despite indications that yields were improved over last year, the increases were insufficient to offset the reduction in area. On balance, the post estimate of total Canadian production in 2003 is 22,500 metric tons, down 10% from the 2002 level of 25,068 metric tons.

Provincial summaries: Reports indicate that the Ontario crop yield was improved over 2002. In B.C. an average crop was expected although production potential was reduced by sudden heat that brought on the crop too fast with full ripening coming before complete size-up in some fields. In Quebec, the provincial agriculture ministry reported that weather conditions during the growing season varied widely from region to region and that yields ranged from average to below average.

In 2003, Statistics Canada released the following revisions to fresh strawberry historical production data (metric tons): 1997, 27,003; 1998, 27,672; 1999, 28,207; 2000, 25,826; 2001, 26,200.

## Canada: Fresh Strawberries; Supply and Distribution

Units: hectares / metric tons

	Revised 2002	Estimated 2003	Forecast 2004
Area Planted	5,874	5,180	5,000
Bearing Area	4,684	4,055	4,000
Total Production	25,068	22,500	23,000
Imports, Fresh	56,585	59,000	60,000
TOTAL SUPPLY	81,653	81,500	83,000
Exports, Fresh	401	280	300
Domestic Fresh Market	75,752	75,220	76,450
For Processing	5,500	6,000	6,250
TOTAL UTILIZATION	81,653	81,500	83,000

Source: Statistics Canada and Post Forecasts

**Consumption**

Statistics Canada's most recent consumption data for fresh strawberries is for 2001. Per capita consumption that year slipped to 1.95 kg from the record level of 2.1 kg in 2000. Much of the decline was attributable to lower imports from the United States in 2001, a year when U.S. fresh strawberry output fell sharply resulting in reduced supply and higher North American prices.

**Prices**

Wholesale market prices for imported U.S. fresh strawberries during June 2003 were generally higher than a year earlier. Flats of 12 X 1 pint from California were typically selling for C\$18.00-18.50 in Toronto about C\$1.00 above the same offering one year ago.

## Trade

In 2002, U.S. strawberry exporters captured 98% of the Canadian import market for fresh strawberries. U.S. fresh sales to Canada reached 55,409 metric tons in 2002, almost 24% above the year earlier level when overall U.S. export supplies of strawberries were lower due to a reduced crop. The value of U.S. fresh strawberry exports to Canada in 2002 reached \$95 million. For 2003, U.S. fresh strawberry exports to Canada advanced 3% in the January-September period. For all of 2003, they are expected to exceed 56,000 metric tons, valued at more than \$110 million. Despite a strong rise in imports from Mexico during 2003, U.S. exporters retained their dominance in the Canadian import market.

Canada: Fresh Strawberry Imports  
 Calendar Years 2000-2002  
 Comparison 9 months 2002 & 2003  
 HS 0810.10  
 Units: metric tons

Country	2000	2001	2002	Jan-Sept. 2002	Jan-Sept. 2003	% change 2003/02
-- The World --	50,135	45,523	56,585	51,924	54,082	4%
United States	48,397	44,745	55,409	51,286	52,962	3%
Mexico	977	290	609	578	1,006	74%
New Zealand	562	394	426	-	38	na
Poland	-	-	24	-	22	na
Costa Rica	2	12	19	15	9	-38%
Argentina	-	15	15	-	8	na
Guatemala	1	2	1	0	4	3374%
All Others	196	66	82	44	33	-25%

Source: World Trade Atlas

## Marketing

The peak marketing period for U.S. fresh strawberries in the Canadian market is March through June, the months immediately preceding the peak marketing period of the Canadian domestic crop (June & July). In 2002, the province of Ontario was the number one destination for U.S. fresh strawberry exports to Canada accounting for more than half of the total. The table below illustrates Canadian imports of fresh strawberries from the United States, by province. Note: Imports are based on the Customs clearance point and may not represent province of ultimate destination.

### U.S. Fresh Strawberries; Imports by Province

Calendar Years 2000-2002

Units: metric tons

HS0810.10

Province	2000	2001	2002	% share of 3 year total
-All Provinces-	48,397	44,745	55,409	100%
Ontario	27,388	25,251	31,588	57%
British Columbia	8,114	7,552	11,097	18%
Alberta	8,395	8,412	9,664	18%
Quebec	2,288	1,597	1,359	4%
Manitoba	1,731	1,451	1,252	3%
Saskatchewan	285	167	278	0%
New Brunswick	196	315	171	0%
Others	-	-	-	-

Source: Derived from World Trade Atlas

## Tariffs

Under the FTA/NAFTA all import duties on U.S. fresh and frozen strawberries, including any seasonal duties, were reduced to zero on January 1, 1998. Beginning January 1, 2003 all duties on imports of fresh or frozen strawberries from Chile and Mexico were reduced to zero under the tariff provisions of the Canada/Chile Free Trade Agreement and under the NAFTA. The MFN rate for fresh strawberries for table use is free.

**Section II. Frozen Strawberries**

Canada: Frozen Strawberries; Supply &amp; Distribution

Units: metric tons

	Revised 2002	Estimated 2003	Forecast 2004
TOTAL Production	2,600	2,700	2,700
Imports	18,485	20,500	23,000
TOTAL SUPPLY	21,085	23,200	25,700
Exports	693	1,000	1,000
Domestic Consumption	20,392	22,200	24,700
TOTAL UTILIZATION	21,085	23,200	25,700

Source: Statistics Canada &amp; Post Estimates

## Frozen Strawberry Imports

Total Canadian import demand for frozen strawberries surged 24.2% during 2002. The trend to increased imports of frozen strawberries continued in 2003 as imports during the first nine months rose another 13% above the year earlier rate. Most of the increase is due to strong demand from Canada's food processing sector. Mexico and China are important competitors in the Canadian import market for frozen strawberries. For example, in 2000 imports of frozen strawberries from China captured only 4% of the Canadian import market. In the January-September period of 2003, China accounted for 15% of total Canadian frozen strawberry imports. From 2000-2003, U.S. market share fell from 52% to 42%.

Canadian Frozen Strawberry Imports  
By Country and Leading State  
2001-2002 Calendar Years & Year-to-Date Comparison  
January-September  
Units: metric tons  
HS 0811.10

Country	2000	2001	2002	Jan-Sept. 2002	Jan-Sept. 2003	% change 2003/02
-- The World --	14,469	14,884	18,485	15,034	17,025	13%
United States	7,449	7,480	8,147	6,743	7,164	6%
Mexico	5,241	5,248	5,698	4,882	5,419	11%
California	4,574	5,043	4,387	3,633	4,596	26%
China	591	678	1,654	1,411	2,477	76%
Poland	375	828	1,242	878	204	-77%
Washington	758	715	1,189	899	1,051	17%
Chile	284	380	1,081	662	1,018	54%
Illinois	2	-	719	542	414	-23%
Ohio	1,080	1,076	717	616	360	-41%
Pennsylvania	0	0	530	485	428	-12%
Argentina	36	18	189	76	234	207%
Oregon	923	359	167	156	131	-16%

Source: World Trade Atlas

Note: States listed are included in U.S. total

## Importers

Industry Canada lists the following as the major importers of record for frozen strawberries: VALLEY MARKETING CORPORATION, Atwater, California; COMMERCE ALIMENTAIRE INTERNATIONAL VLM INC/VLM FOOD TRADING Kirkland, Quebec; E D SMITH & SONS LTD Winona, Ontario; FRUITRADE INTERNATIONAL INC Toronto, Ontario; GRIMMWAY ENTERPRISES, INC. Shafter, California; GROUPE ALIMONCO INC Pointe-Claire Quebec; J M SMUCKER (CANADA) INC Sainte-Marie, Quebec; KRAFT CANADA INC Toronto, Ontario; LES ALIMENTS BRECON INC Pointe-Claire, Quebec; MARTIN-BROWER OF CANADA CO, Mississauga, Ontario; MILLER & SMITH FOODS INC Mississauga, Ontario; OTC FOODS INC L'Île-Bizard, Quebec; PACIFIC COAST FRUIT PRODUCTS LTD Abbotsford, B.C.; RELIANCE FOODS INTERNATIONAL INC Vaudreuil-Dorion, Quebec; UNIFIN RICHARDSON BV St. Marys, Ontario; UNIVERSAL FLAVORS-CANADA, INCORPORATED Mississauga Ontario.



### Exchange Rates

Where prices and values in this report are expressed in Canadian dollars, the exchange rates are: 1999, C\$=US\$.6730; 2000, C\$=US\$.6733; 2001, C\$=US\$.6458; 2002, C\$=US\$.6368; December 2003, approximately US\$ .7650.