



**Technomic®**

# **Volumetric Assessment Blueberries in Foodservice**

Preliminary Report

Prepared for



February 24, 2020

Project #18650



# I. Introduction



# Introduction

## Objectives

Technomic has provided volume data on the blueberry market in foodservice. Various formats evaluated include

- Whole fresh
- Frozen
- Canned
- Dehydrated

Deliverables include:

- 2019 total foodservice volume (pounds)
- Volume by format
- Volume by foodservice segment
- Volume comparison by format in commercial segments
- Volume by foodservice segment and format
- Blueberry format forecasts, segment by commercial and noncommercial

## Methodology

Technomic conducted a structured survey of 600 foodservice operators to gather blueberry usage information.

Channel interviews were also conducted with 10 foodservice distributors.

Analysis of Technomic's database of 95 foodservice distributor shipment database was conducted on the relevant categories.

All data obtained was analyzed and evaluated using Technomic's market sizing model.

# Segments Included

2019 data

	Segment	Definition	% Total food & non-alcoholic beverage purchase dollars	2019 real growth % (purchases)	# of industry units/locations
Commercial Segments	Quick service restaurants	<ul style="list-style-type: none"> <li>Fast service restaurants that offer no/limited table service.</li> <li>"Pay before you eat" format.</li> <li>Average per person check &lt;\$9.50</li> <li>Examples: McDonalds, Subway, Taco Bell, Dominos</li> <li>Subsegment of Limited Service Restaurants</li> </ul>	25%	0.6%	304,069
	Fast casual restaurants	<ul style="list-style-type: none"> <li>Same definition as above, but average per person check is <math>\geq</math>\$9.50.</li> <li>Also known as "better fast food".</li> <li>Examples include Panera, Chipotle, Noodles &amp; Co.</li> </ul>	6%	1.1%	50,218
	Midscale full service restaurants	<ul style="list-style-type: none"> <li>Full service, sit down, table service restaurants</li> <li>Generally offer no alcohol, or alcohol is limited to beer/wine.</li> <li>Many are breakfast-focused.</li> <li>Average per person check &lt;\$12.00.</li> <li>Examples include IHOP, Cracker Barrel, Denny's.</li> </ul>	6%	0%	85,998
	Casual dining full service restaurants	<ul style="list-style-type: none"> <li>Unlike midscale, offer full bar.</li> <li>Average per person check \$12-\$50</li> <li>Examples include Outback Steakhouse, Applebee's, Olive Garden</li> </ul>	18%	0.5%	242,405
	Fine dining full service restaurants	<ul style="list-style-type: none"> <li>Upscale, white table cloth restaurants</li> <li>Average per person check excluding alcohol <math>\geq</math>\$50.</li> </ul>	3%	2.4%	18,429
	Lodging	<ul style="list-style-type: none"> <li>Hotel foodservice, including hotel restaurants, room service, banquets and catering</li> </ul>	4%	2.2%	56,474
	C-store foodservice	<ul style="list-style-type: none"> <li>Foodservice and prepared foods within convenience stores</li> </ul>	3%	1.1%	139,547
NonCommercial Segments	Supermarket foodservice	<ul style="list-style-type: none"> <li>Foodservice and prepared foods with supermarkets</li> <li>Excludes retail purchases in produce, frozen or ambient aisles.</li> </ul>	7%	2.2%	44,089
	Recreation	<ul style="list-style-type: none"> <li>Stadiums, country and private clubs, theme parks, non-hotel casinos, movie theaters and cruise line foodservice</li> </ul>	2%	-0.5%	32,180
	Healthcare	<ul style="list-style-type: none"> <li>Foodservice in acute care hospitals, long-term care nursing homes and senior living</li> </ul>	5%	3.3%	81,947
	Business & industry	<ul style="list-style-type: none"> <li>Foodservice in plants and offices</li> </ul>	3%	0.5%	10,098
	Colleges/universities	<ul style="list-style-type: none"> <li>Foodservice in colleges and universities</li> </ul>	3%	1.7%	4,551
	Schools	<ul style="list-style-type: none"> <li>Foodservice in K-12 schools, both public and private</li> </ul>	4%	0.2%	126,371
	All other noncommercial	<ul style="list-style-type: none"> <li>Military, corrections, childcare</li> </ul>	2%	-0.2%	6,391
	<b>Total</b>		<b>94%*</b>	<b>1.1%</b>	<b>1,226,322</b>

Source: Technomic

\*Inflation adjusted

\*\*Refreshment services, bars/taverns, commercial caterers not included.



# II. Blueberry Overview

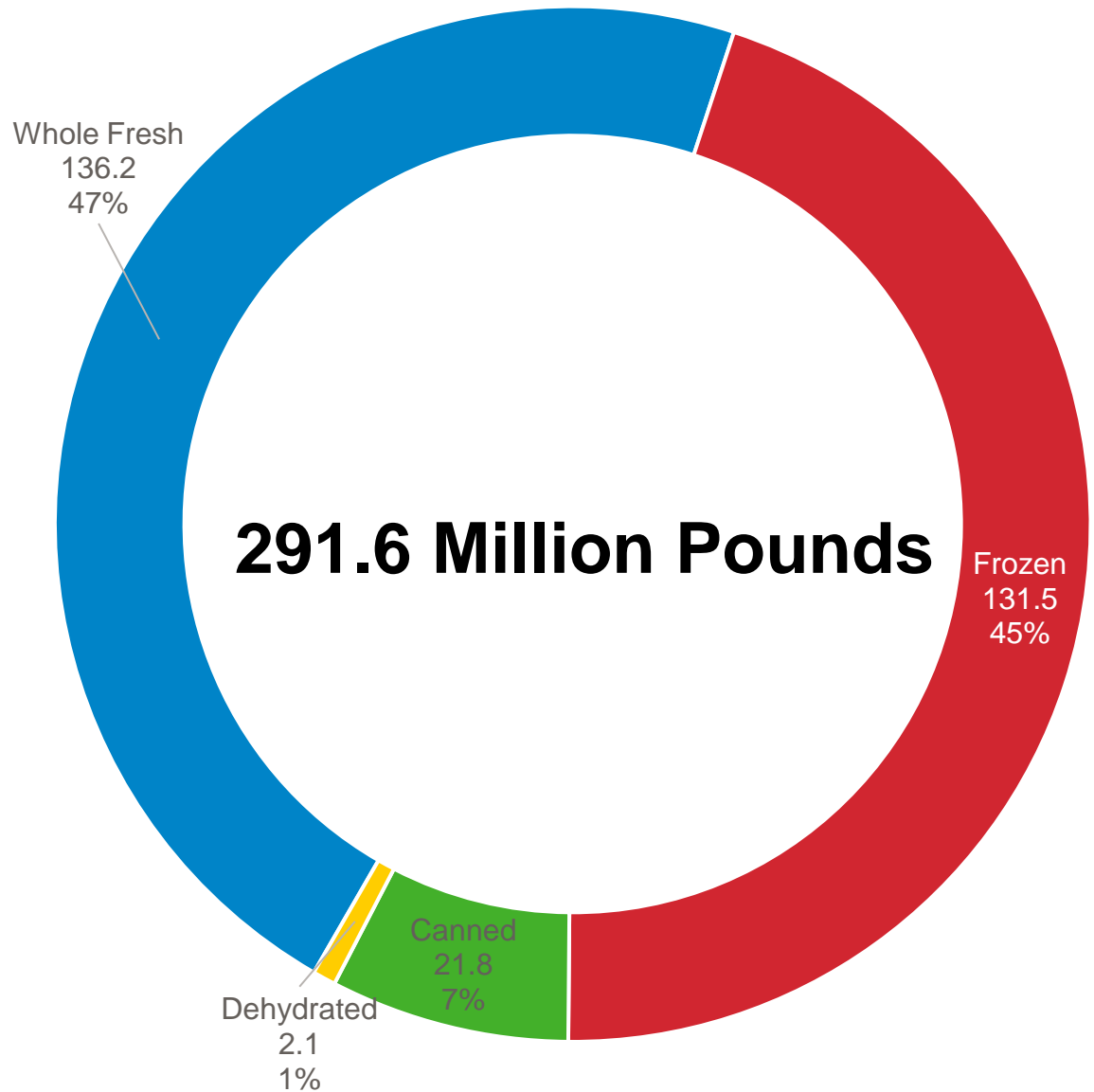


# US Foodservice Blueberry Volume

2019

Among the 4 formats studied, the US foodservice blueberry category totals 291.6 million pounds in 2019. The two largest categories are whole fresh, and frozen, which are almost identical in volume size.

- These two formats represent over 90% of total blueberry poundage.
- Canned is the next largest format at almost 22 million pounds, followed by a very small portion that is dehydrated.

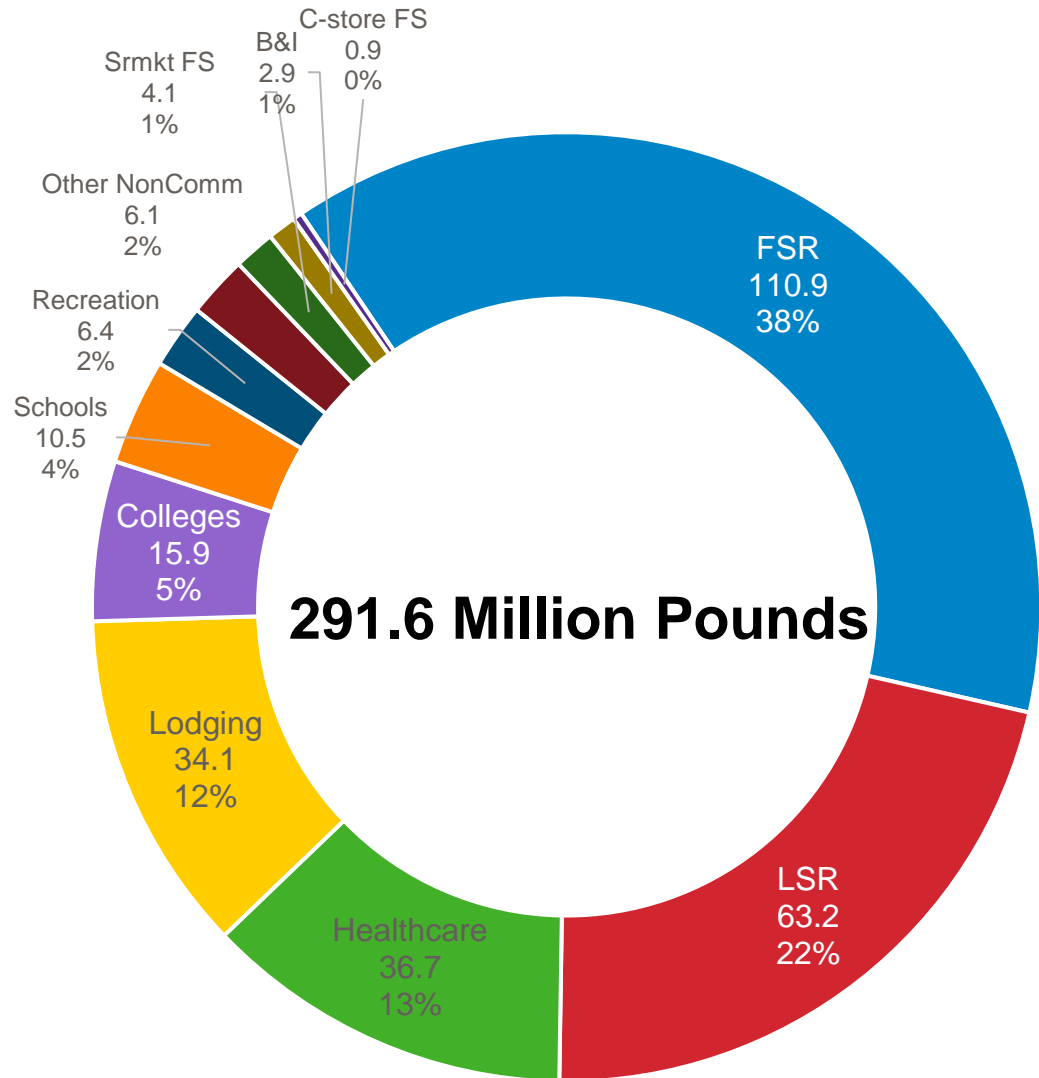


# Blueberry Operator Segments

## All Formats

Full service restaurants represent 38% of all blueberries used in foodservice, followed by limited service restaurants at 22%.

- The next largest segment users are healthcare and lodging; in aggregate, these segments used 25% of all foodservice blueberries.

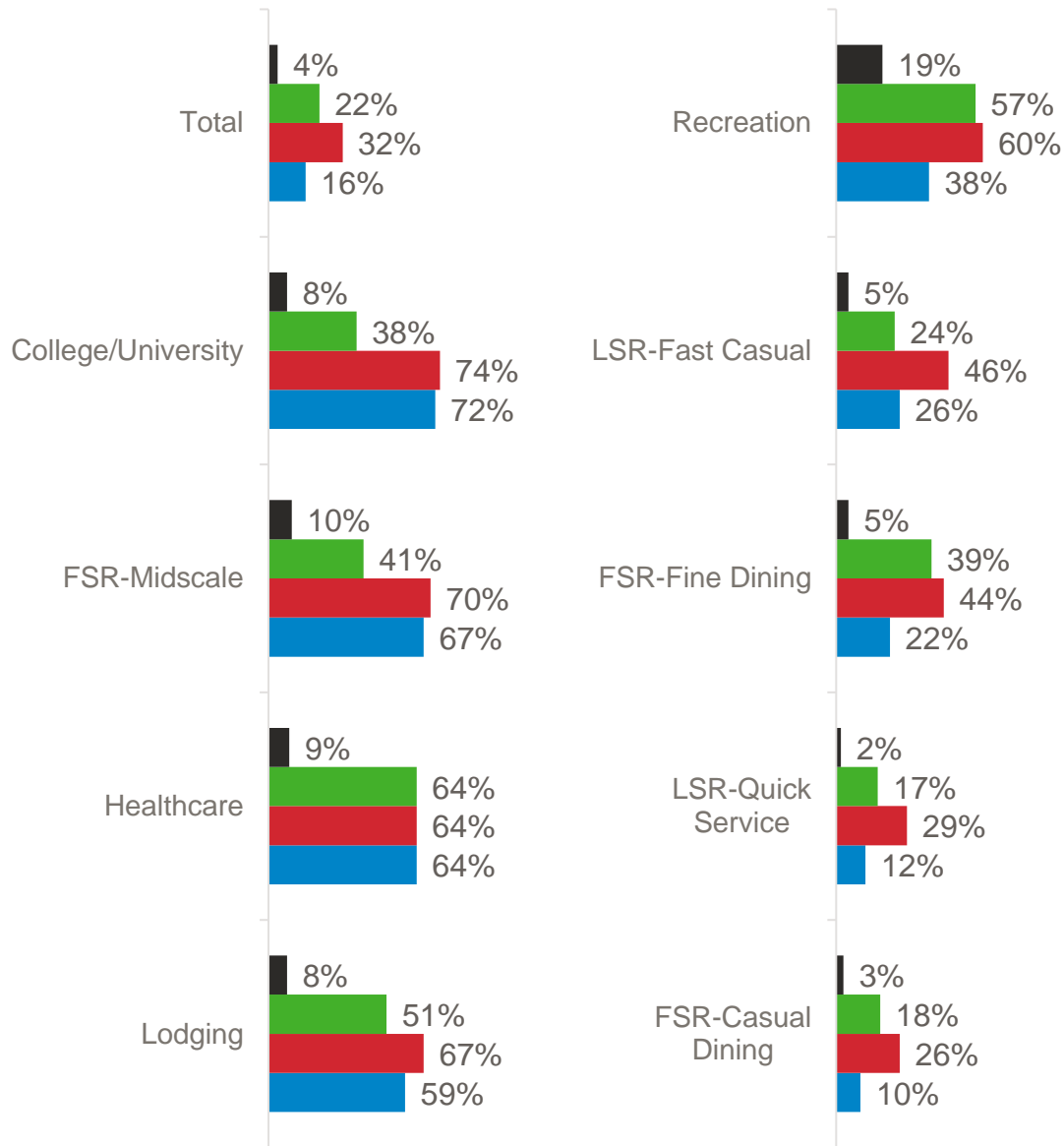


# Berry Penetration

## % Operators Menuing

Based on the segments shown, 16% of all operators offer blueberries on their menus today. This compares to 32% for strawberries, 22% for raspberries and 4% for blackberries.

- Blueberry penetration is highest within college/universities, full service-midscale restaurants, healthcare and lodging operations, where over half of operators menu them.



■ Blackberries ■ Raspberries ■ Strawberries ■ Blueberries

Total data weighted by segment composition  
Source: Technomic Ignite Menu Platform



# 2019 Foodservice Blueberry Format Segmentation

Foodservice Blueberry Market – All Formats: Pounds Million								
Segment	Fresh Whole		Frozen		Canned		Dehydrated	
	M Lbs	%	M Lbs	%	M Lbs	%	M	%
Limited Service Restaurants	31.6	23%	25.6	19%	5.5	25%	0.5	25%
Full Service Restaurants	52.3	38%	50.4	38%	8.0	37%	0.2	10%
Lodging	17.0	12%	15.2	12%	1.6	7%	0.3	16%
Recreation	4.4	3%	1.6	1%	0.2	1%	0.1	5%
C-stores FS	0.4	0%	0.2	0%	0.3	1%	0.0	0%
Supermarket FS	2.0	1%	1.7	1%	0.3	1%	0.1	5%
<i>Subtotal Commercial</i>	<i>107.7</i>	<i>79%</i>	<i>94.7</i>	<i>72%</i>	<i>15.9</i>	<i>73%</i>	<i>1.3</i>	<i>61%</i>
B&I	1.3	1%	1.1	1%	0.4	2%	0.1	5%
Healthcare	13.9	10%	19.0	14%	3.6	17%	0.2	10%
Colleges	9.0	7%	5.9	5%	0.8	4%	0.2	10%
Schools	2.0	1%	7.7	6%	0.8	4%	0.1	5%
All Other NonCommercial*	2.4	2%	3.1	2%	0.3	1%	0.2	10%
<i>Subtotal NonCommercial</i>	<i>28.5</i>	<i>21%</i>	<i>36.8</i>	<i>28%</i>	<i>5.9</i>	<i>27%</i>	<i>0.8</i>	<i>39%</i>
<b>TOTAL</b>	<b>136.2</b>	<b>100%</b>	<b>131.5</b>	<b>100%</b>	<b>21.8</b>	<b>100%</b>	<b>2.1</b>	<b>100%</b>

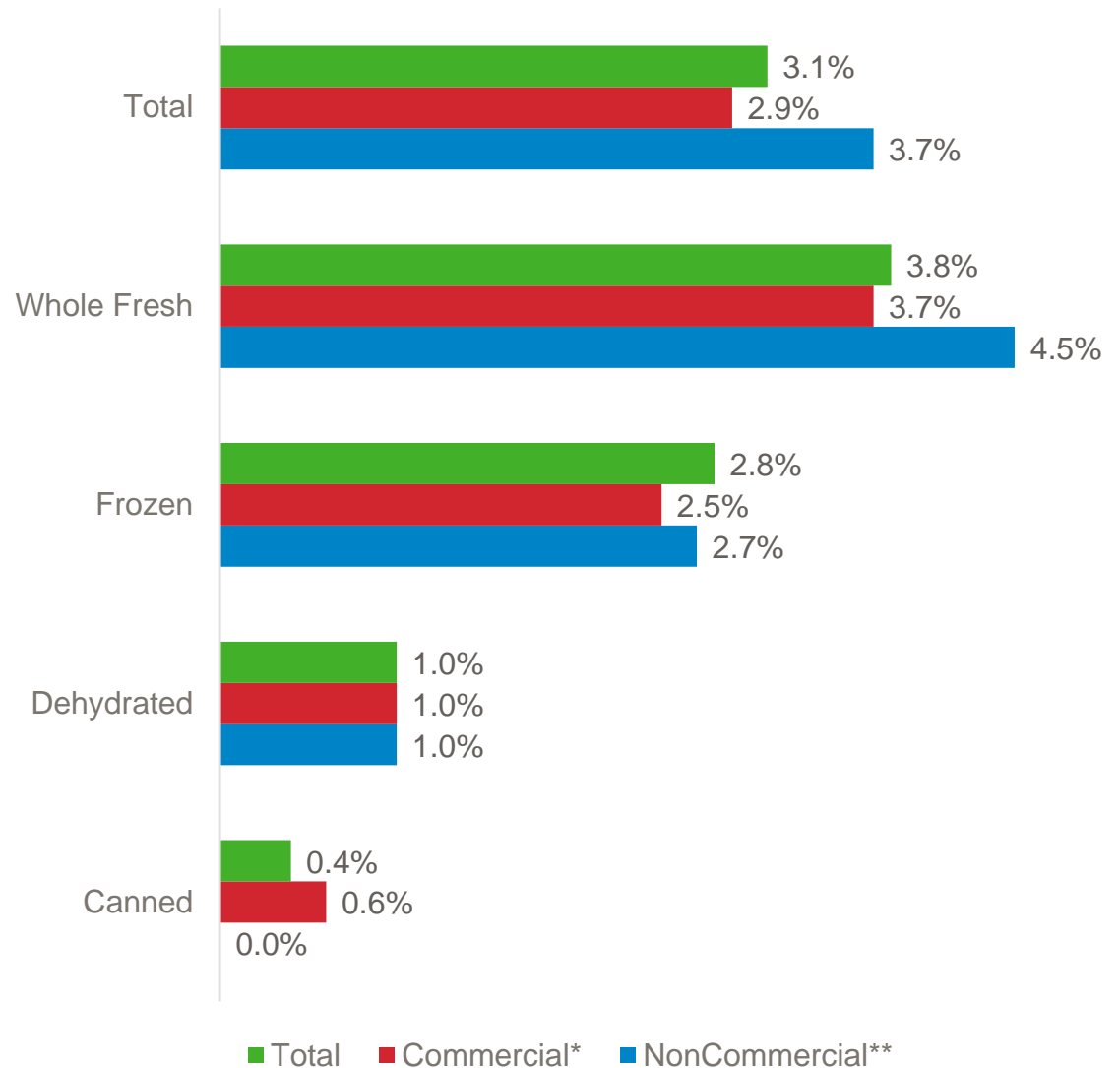
\*Military, Corrections, Childcare

# Blueberry Volume Historical Growth

## Commercial & Noncommercial

In 2019, total blueberries grew at just over 3% in terms of poundage. Whole fresh drove growth overall as did the non-commercial sector of the business.

1 Year 2018-2019



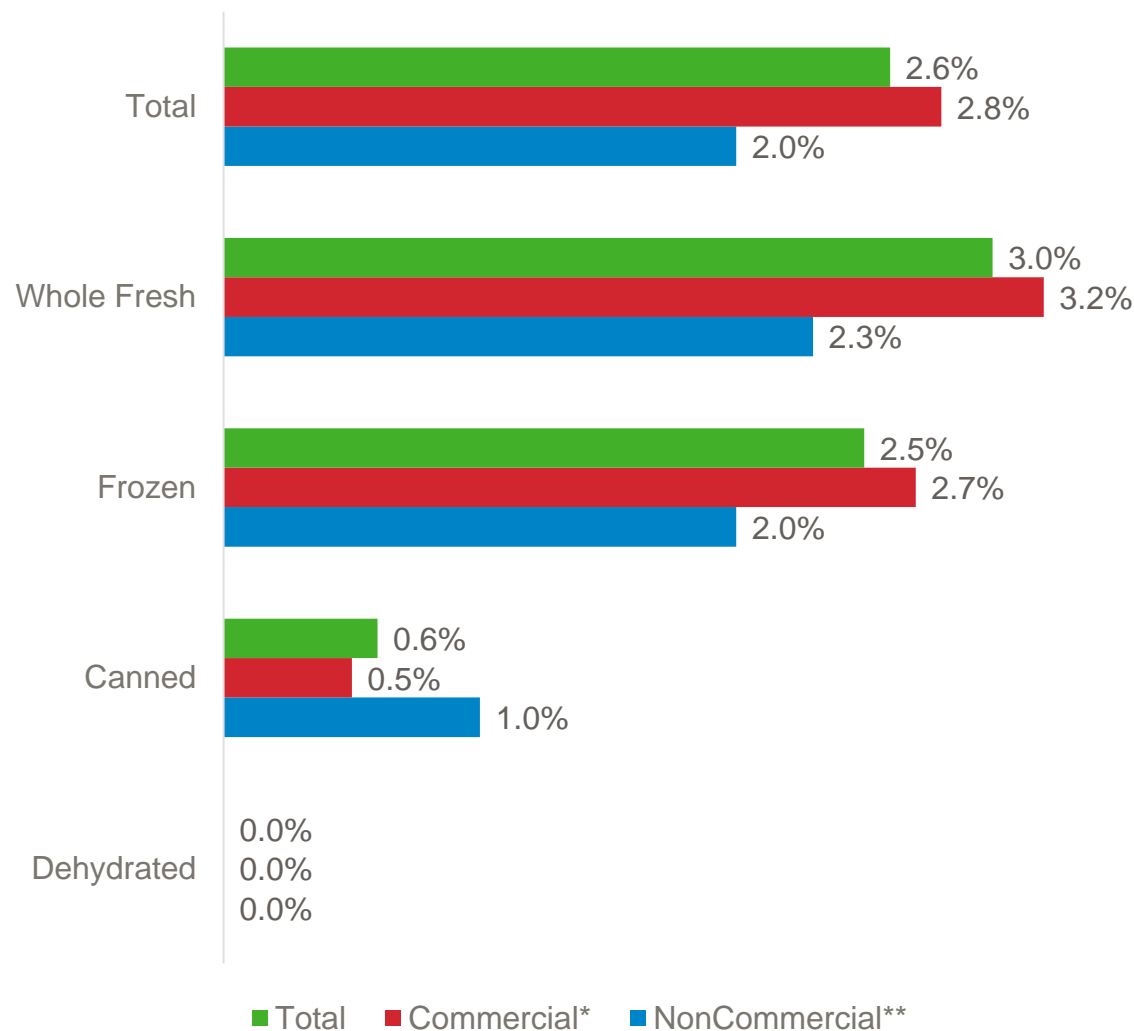
Commercial foodservice – limited and full service restaurants, lodging, recreation, supermarket foodservice, convenience stores foodservice.  
 Noncommercial foodservice – B&I, schools, colleges, healthcare, military, corrections, childcare

# Blueberry Volume Forecasts

Over the next 3 years, the total foodservice blueberry market is expected to grow at a 2.6% annual rate, with blueberries in commercial segment growing 2.8%, and slightly slower in noncommercial.

- Of the different formats, whole fresh is expected to grow at the most aggressive rate, at 3.0%, followed by frozen at 2.5%.

3 Year CAGR  
2019-2022



Commercial foodservice – limited and full service restaurants, lodging, recreation, supermarket foodservice, convenience stores foodservice.  
Noncommercial foodservice – B&I, schools, colleges, healthcare, military, corrections, childcare

# III. Fresh Blueberries

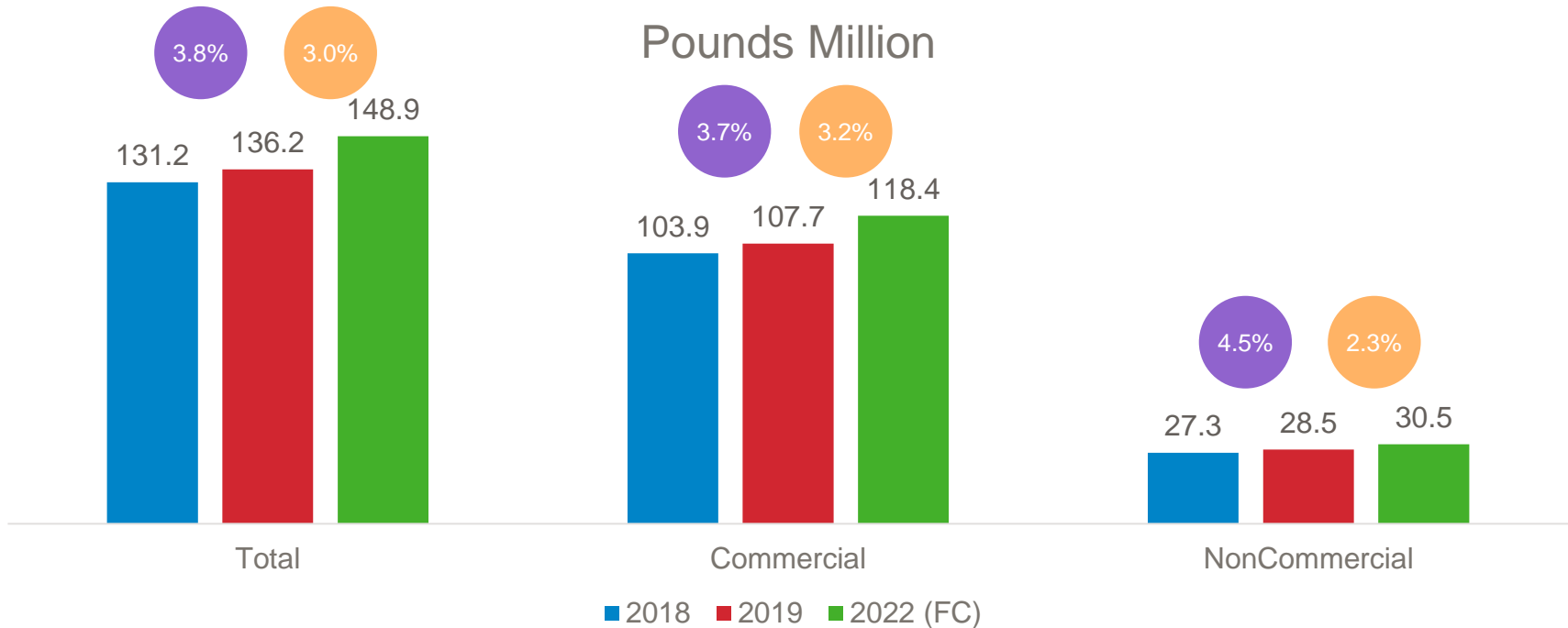


# Fresh Blueberries

## Historical and Forecasted Growth

In 2019, fresh blueberries total 136.2 million pounds, with 107.7 coming from commercial segments. This represents a 3.8% increase from 2018.

- Going forward this format is expected to grow by 3.0% annually over the next 3 years, or 12.7 million pounds.



Commercial foodservice – limited and full service restaurants, lodging, recreation, supermarket foodservice, convenience stores foodservice, other retailers and caterers.

Noncommercial foodservice – business & industry, healthcare, K-12 schools, colleges/universities, military, corrections, childcare

● = 2018-2019 growth rate

● = 2019-2022 3 year Compounded Annual Growth Rate

# 2019 Fresh Blueberry Format

Full service midscale restaurants represent the largest share of fresh blueberry usage, with a 19% share of total. The next largest segment users are full service casual dining, and quick service, at 17%, and 16% shares respectively.

- Total full service restaurants have 38% of fresh blueberry poundage, while limited service restaurants have 23%.

Segment	M Lbs	%
Limited Service Restaurants	31.6	23%
- Quick Service	22.1	16%
- Fast Casual	9.5	7%
Full Service Restaurants	52.3	38%
- Midscale	25.6	19%
- Casual dining	23.0	17%
- Fine dining	3.7	2%
Lodging	17.0	12%
Recreation	4.4	3%
C-stores FS	0.4	0%
Supermarket FS	2.0	1%
<i>Subtotal Commercial</i>	<i>107.7</i>	<i>79%</i>
B&I	1.3	1%
Healthcare	13.9	10%
Colleges	9.0	7%
Schools	2.0	1%
All Other NonCommercial*	2.4	2%
<i>Subtotal NonCommercial</i>	<i>28.5</i>	<i>21%</i>
<b>TOTAL</b>	<b>136.2</b>	<b>100%</b>

\*Military, Corrections, Childcare



# IV. Frozen Blueberries

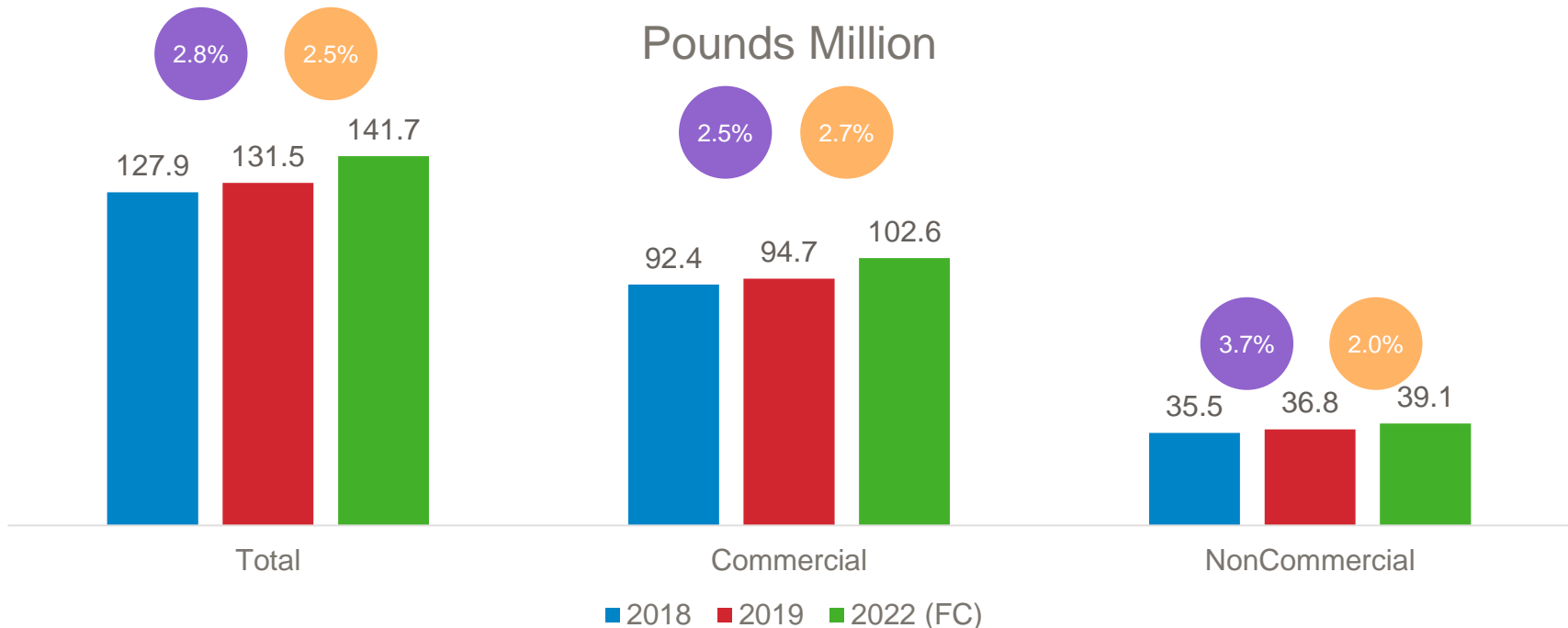


# Frozen Blueberries

## Historical and Forecasted Growth

The frozen blueberry market in foodservice totals 131.5 million pounds in foodservice, with the majority of pounds found in foodservice.

- Since 2018, this blueberry format has grown by a 2.8% rate, with a slightly faster growth rate within noncommercial.
- Over the next 3 years, the format's growth will slow very slightly to 2.5%, with commercial segments driving growth.



Commercial foodservice – limited and full service restaurants, lodging, recreation, supermarket foodservice, convenience stores foodservice, other retailers and caterers.

Noncommercial foodservice – business & industry, healthcare, K-12 schools, colleges/universities, military, corrections, childcare

● = 2018-2019 growth rate

● = 2019-2022 3 year Compounded Annual Growth Rate

# 2019 Frozen Blueberry Format

Full service restaurants represent 38% of all frozen blueberries used in foodservice, with midscale the volume leader.

- Outside of restaurants, healthcare and lodging operators are the represent the largest volume users, totaling 26% of frozen blueberry volume.

Segment	M Lbs	%
Limited Service Restaurants	25.6	19%
- Quick Service	21.8	17%
- Fast Casual	3.8	2%
Full Service Restaurants	50.4	38%
- Midscale	25.7	20%
- Casual dining	23.7	18%
- Fine dining	1.0	<1%
Lodging	15.2	12%
Recreation	1.6	1%
C-stores FS	0.2	0%
Supermarket FS	1.7	1%
<i>Subtotal Commercial</i>	<i>94.7</i>	<i>72%</i>
B&I	1.1	1%
Healthcare	19.0	14%
Colleges	5.9	5%
Schools	7.7	6%
All Other NonCommercial*	3.1	2%
<i>Subtotal NonCommercial</i>	<i>36.8</i>	<i>28%</i>
<b>TOTAL</b>	<b>131.5</b>	<b>100%</b>

\*Military, Corrections, Childcare

# V. Canned Blueberries



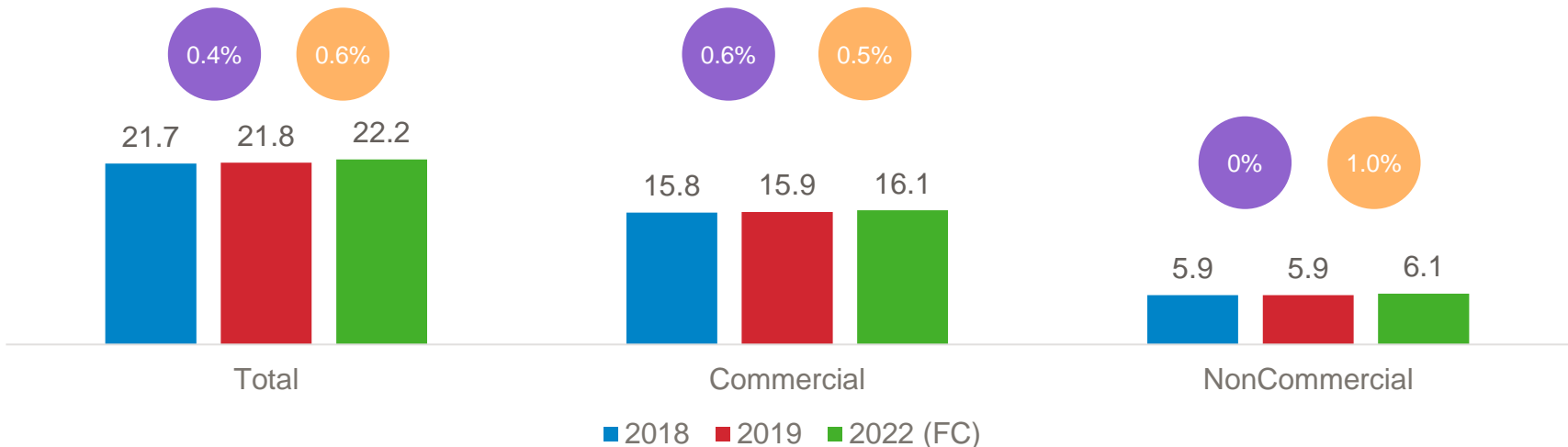
# Canned Blueberries

## Historical and Forecasted Growth

Canned blueberries totaled 21.8 million pounds in 2019, which represented an increase of only 100,000 pounds from 2018.

- All 2019 growth came from the commercial sector of the market.
- By 2022, the format will increase by 400,000 pounds, evenly split between commercial and noncommercial.

### Pounds Million



Commercial foodservice – limited and full service restaurants, lodging, recreation, supermarket foodservice, convenience stores foodservice, other retailers and caterers.  
 Noncommercial foodservice – business & industry, healthcare, K-12 schools, colleges/universities, military, corrections, childcare

- = 2018-2019 growth rate
- = 2019-2022 3 year Compounded Annual Growth Rate

# 2019 Canned Blueberry Format

Canned blueberry usage is highest within quick service restaurants, followed closely by casual dining and healthcare operations.

Segment	M Lbs	%
Limited Service Restaurants	5.5	25%
- Quick Service	4.1	19%
- Fast Casual	1.4	6%
Full Service Restaurants	8.0	37%
- Midscale	3.5	16%
- Casual dining	4.0	18%
- Fine dining	0.5	3%
Lodging	1.6	7%
Recreation	0.2	1%
C-stores FS	0.3	1%
Supermarket FS	0.3	1%
<i>Subtotal Commercial</i>	<b>15.9</b>	<b>73%</b>
B&I	0.4	2%
Healthcare	3.6	17%
Colleges	0.8	4%
Schools	0.8	4%
All Other NonCommercial*	0.3	1%
<i>Subtotal NonCommercial</i>	<b>5.9</b>	<b>27%</b>
<b>TOTAL</b>	<b>21.8</b>	<b>100%</b>

\*Military, Corrections, Childcare



# VI. Dehydrated Blueberries



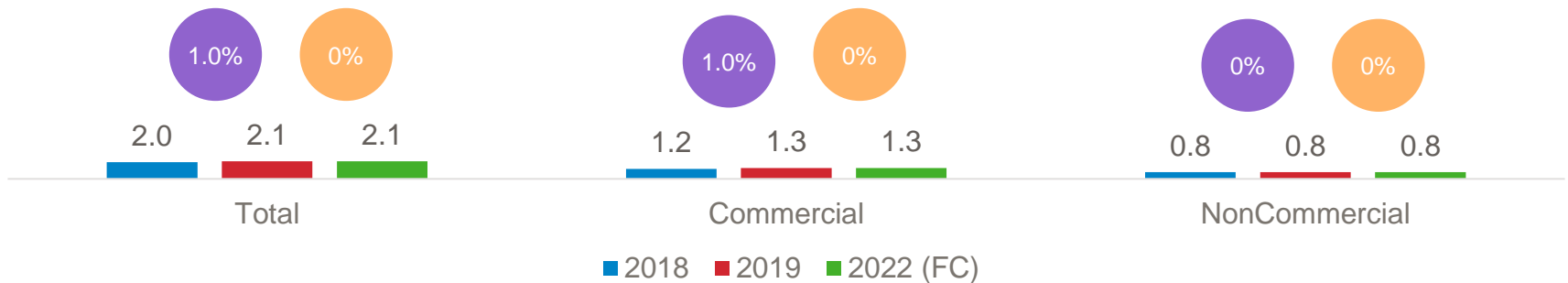
# Dehydrated Blueberries

Dehydrated blueberries represents a very small portion of the foodservice market at only 2.1 million pounds in 2019.

- Growth of the category is very low, at only 1% in 2019 and the forecast is for a flat growth situation

## Historical and Forecasted Growth

Pounds Million



Commercial foodservice – limited and full service restaurants, lodging, recreation, supermarket foodservice, convenience stores foodservice, other retailers and caterers.  
 Noncommercial foodservice – business & industry, healthcare, K-12 schools, colleges/universities, military, corrections, childcare

- = 2018-2019 growth rate
- = 2019-2022 3 year Compounded Annual Growth Rate

# 2019 Dehydrated Blueberry Format

Dehydrated blueberry usage is highest within quick service restaurants.

Segment	M Lbs	%
Limited Service Restaurants	0.5	25%
- Quick Service	0.4	20%
- Fast Casual	0.1	5%
Full Service Restaurants	0.2	10%
- Midscale	0.0	0%
- Casual dining	0.2	10%
- Fine dining	0.0	0%
Lodging	0.3	16%
Recreation	0.1	5%
C-stores FS	0.0	0%
Supermarket FS	0.1	5%
<i>Subtotal Commercial</i>	<i>1.3</i>	<i>61%</i>
B&I	0.1	5%
Healthcare	0.2	10%
Colleges	0.2	10%
Schools	0.1	5%
All Other NonCommercial*	0.2	10%
<i>Subtotal NonCommercial</i>	<i>0.8</i>	<i>39%</i>
<b>TOTAL</b>	<b>2.1</b>	<b>100%</b>

\*Military, Corrections, Childcare