



# THE US MARKET FOR IQF EGGPLANT

Market Brief #05

## INTRODUCTION

Eggplant, also known as aubergine (*Solanum melongena*), is grown throughout the tropics, subtropics and the warm temperate regions. The young and almost mature fruits are used as a vegetable. They may be roasted, fried, broiled, stuffed, cooked as curry, pickled, grilled or prepared in some other manner.

Eggplant is a common market vegetable in tropical countries, with minor production occurring in the US and Mexico. In 2010, worldwide production totaled 41.8 million MTs, with China accounting for 59% (or 24.5 million MTs) share of production, India 25% (10.5 million MTs), Egypt 3% (1.2 million MTs) and Iran 2% (778,630 MTs). In 2010, US production<sup>1</sup> totaled 64,000 MTs. According to a USDA report, approximately 98% of US production goes to the fresh market while the remainder used for processed products such as frozen entrees and specialty dips and appetizers.



*IQF Eggplant Wedges*

In 2011, the US imported 52,157 MTs of fresh eggplant valued at US\$64.1 million, with Mexico comprising 79% and Honduras 8% of the supply in terms of volume. From 2010-2011, imports peaked from December-February at approximately 9,000 MTs per month, before bottoming out from July-September at approximately 800 MTs per month. As the primary supplier, Mexico provides seasonal imports once the summer production season ends in the US<sup>2</sup>.

For the purpose of this survey, only IQF or “individually quick frozen<sup>3</sup>” eggplant will be analyzed. IQF eggplant can be processed in variety of forms including breaded cutlets, slices, wedges, and diced.

## US MARKET

Market data on IQF eggplant is difficult to obtain since it is a niche product. Multiple frozen vegetable industry representatives (both government officials and importers) stated that the IQF eggplant market is “very small” and that imports are typically on an ad-hoc basis. However, a general description of demand for various types of IQF eggplant was provided. Industry representatives confirmed that demand is weak for frozen breaded eggplant cutlets and that demand was declining. They noted that there is fairly consistent interest in IQF diced eggplant, followed by somewhat less interest in IQF wedges. As one representative explained, IQF eggplant is a “specialized product for a specialized market.” For example, the representative stated that one of the world’s largest food companies has shown interest in IQF diced eggplant after acquiring a pizza division from a competitor. However, a different industry representative stated that the market is so small it is not worth entering; suggesting instead various other horticultural products widely grown in Central America.

<sup>1</sup> Several varieties are produced in the United States, including the traditional *Black Beauty* and *BlackBell*, which tend to be oblong or globular in shape. (Eggplant, Vegetables and Melons Outlook, 2006) <http://webarchives.cdlib.org/sw1db7wq09/http://ers.usda.gov/publications/vgs/2006/12dec/vgs318.pdf#page=23>

<sup>2</sup> Georgia, Florida, California, New Jersey, and New York are the top US eggplant producers. (Eggplant, Vegetables and Melons Outlook, 2006)

<sup>3</sup> IQF is a process which freezes food rapidly so there is no damage to the cellular structure of the food.

## SUPPLIERS

In terms of fresh eggplant, **Mexico** is by far the largest supplier to the US market. From 2006-2011, the country comprised on average 81% of US import volumes, which ranged from a low of 38,716 MTs in 2007 to a high of 55,619 MTs in 2010. **Honduras** was a secondary supplier of fresh eggplant. Over the same period, US imports from the country peaked in 2007 at 10,093 MTs, but have since dropped to a low of 4,353 MTs in 2011.

A frozen vegetable industry representative stated that **China** and **Egypt** are the top suppliers of IQF eggplant due to their high production base and low processing costs. **Canada**, **Mexico** and the **EU** were also mentioned as suppliers, but on a much smaller scale. The EU in particular finds it difficult to compete with the other suppliers due to the high production costs. In general, China and Egypt are able to out-compete domestic US production if the suppliers are given enough "lead-in" time. Another industry representative based in the US stated they import IQF eggplant on an ad-hoc basis (i.e. only a single pallet per shipment) from a Mexican processor due to the cheaper costs of imports.

## PRICES

In July 2012, international prices for IQF diced eggplant were quoted at US\$775 per MT (FOB, Egypt) and US\$935 per MT (CIF, New York, same shipment).

| Table 1: Price Quote for IQF Eggplant (Diced), July 2012 |                    |                    |
|--|--------------------|--------------------|
| Cut  | FOB, Egyptian port | CIF, New York port |
| 10*10/20*20 mm   | \$775 per MT       | \$935 per MT       |

Source: Industry Representative

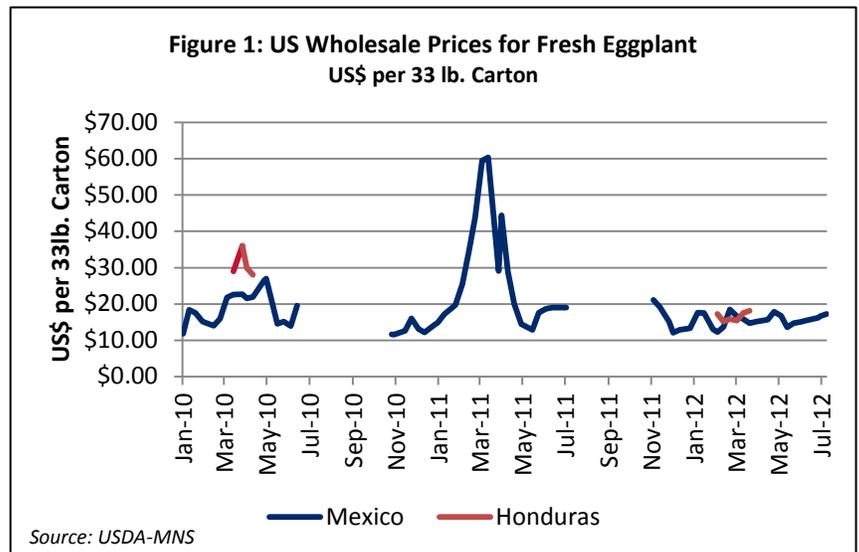
From January 2010 to July 2012, US wholesale prices for fresh Mexican eggplant ranged from a low of US\$11.53 per 33 lb. carton (November 2011) to a high of US\$60.38 per 33 lb. carton (March 2011). According to industry representatives, adverse weather conditions (drought, excessive rain) in the US caused crop losses, leading to a price spike and subsequent bottoming out. From January-July 2012 prices average US\$15.72 per carton.

US wholesale prices for fresh Honduran eggplant ranged from a low of US\$15.13 per carton (February 2012) to a high of US\$36.00 per carton (March 2010).

## STANDARDS, LAWS AND REGULATIONS

### Grades and Standards

The US has published standards and grades for fresh eggplant<sup>4</sup> but not for frozen or processed eggplant. However, multiple industry representatives noted that the US has strict import requirements and regulations regarding frozen vegetables. For example, IQF processing plants must meet SQF<sup>5</sup> Certification and pass independent third party audits that test for food safety and quality.



<sup>4</sup> The US Grades and Standards for Eggplant <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5050264>

<sup>5</sup> The Safe Quality Food (SQF) Program provides two standards based on the type of food supplier: SQF 1000 for primary producers and SQF 2000 for manufacturers and distributors. <http://www.sqfi.com/standards/>

## OUTLOOK

Of the IQF eggplant cuts, IQF diced generated the most interest among US importers, followed by IQF wedges and IQF breaded cutlets. The general consensus among industry representatives is that the US market for IQF eggplant is very small, with purchases occurring on an ad-hoc basis by buyers. China and Egypt are the top international suppliers due to their large production base and competitive price structure. Secondary suppliers include Canada, Mexico and the EU. However, the EU finds it difficult to compete in the international arena due to high production costs. In general, competing in the US market will require state of the art processing equipment, high quality control standards, and a strong relationship with an importer who can locate buyers in the foodservice sector.



*IQF Diced Eggplant*

## REFERENCES

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2. "IQF Diced Eggplant", Galina-Agrofreeze, Egypt; Accessed July 2012  
<http://www.galina-eg.com/default.asp>
3. "Vegetables: Eggplant", American Frozen Food Institute; Accessed July 2012  
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4. "Vegetables and Melons Outlook" USDA- Electronic Outlook Report from the Economic Research Service; 2006  
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5. "Eggplant Profile" AgMRC, Agricultural Marketing Resource Center; Revised April 2012  
[http://www.agmrc.org/commodities\\_products/vegetables/eggplant-profile/](http://www.agmrc.org/commodities_products/vegetables/eggplant-profile/)
6. "Vegetables and Melons Yearbook (89011)" USDA-ERS; Accessed July 2012  
<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1212>
7. "Food Service, EGGPLANT CUTLETS, VEGAN BURGERS, PARM BITES, VEGETARIAN MEATBALLS, PARM PATTIES, PARMESAN SLIDER" Dominex; Accessed July 2012  
<http://www.dominexeggplant.com/>

## APPENDIX

### Buyers of IQF Eggplant

| Company   | Comments   |
|---|--|
| <p><b>Dennis Sales, Ltd.</b><br/>Salisbury, MD<br/>410-742-1585<br/><a href="http://www.dennissales.com/">http://www.dennissales.com/</a></p> <p><b>Contact: Ryan McLaughlin</b></p>  | <p>IQF diced eggplant is the highest demand, followed by wedges, no demand for cutlets. Demand is mainly from foodservice as opposed to retail markets. In general, the company mostly imports through Savannah, Newark, Norfolk and Long Beach on the west coast.</p> <p>Galina Agro-Freeze (<a href="http://www.galina-eg.com">www.galina-eg.com</a>) based in Egypt, is a noteworthy supplier of IQF diced eggplant.</p> <p>IQF eggplant is a “specialty items for specialty customers”</p> <p>Nestle has shown some interest in IQF diced eggplant after acquiring a pizza division from Kraft Foods.</p>  |
| <p><b>Forbes Frozen Foods, Inc.</b><br/>Ohio<br/>513-576-6660<br/><a href="http://www.forbesfoods.com/">http://www.forbesfoods.com/</a></p> <p><b>Contact: Roger Winters, David Winters</b><br/><a href="mailto:rwinters@forbesfoods.com">rwinters@forbesfoods.com</a><br/><a href="mailto:davidwinters@forbesfoods.com">davidwinters@forbesfoods.com</a></p> | <p>Roger: Industrial food sector typically purchases IQF smooth sliced whole-cut zucchini, while the foodservice sector typically purchases crinkle cut whole-cut zucchini. Only chance of entering the market is if there is a shortfall (i.e. disease outbreak) or seasonality gaps. However, zucchini is grown from Mexico to Michigan, so seasonality is already built in. Initially suggested we look into producing sugar snap peas and green peas, but later expressed interest in possible imports from Honduras...(ACCESO should respond to Roger by e-mail with product specifications and volume projections).</p> <p>Roger expressed in a later e-mail (after phone call) that competing in the US market will require state of the art processing equipment and quality control standards. As I mentioned eggplant is very small and yellow squash / green zucchini very competitive.</p> <p>We would be interested in working with you in the development of marketable items in the US. We can aid in evaluating the opportunities from the agricultural side up and the marketing side down. What can you grow and process effectively?</p> <p>Example: Ecuador did a similar approach. They built a state of the art processing plant and started to produce broccoli and cauliflower. They took a lot of the market but at a cost and are now finding it very hard to compete profitably.</p> <p>Perhaps you could send us a list of what Honduras can grow.</p> <ul style="list-style-type: none"> <li>• Freezing/processing plant needs SQF (Safe Quality Food) certification, the US import market for frozen vegetables is heavily regulated.</li> <li>• Estimate the recovery of your process line(s)</li> <li>• Project costs in totes ( bins)</li> <li>• Estimate the freight to the respective markets. (Charleston, New Orleans, Elizabeth , NJ, Seattle )</li> </ul> |
| <p><b>Lamex Foods, Inc.</b><br/>Minnesota<br/>952-844-0585<br/><a href="http://www.lamexfoods.eu/">http://www.lamexfoods.eu/</a></p>  | <p>US has stringent import requirements for frozen vegetables Processing facilities must pass 3rd party independent audits (HAACP)</p> <p>Generally agreed that IQF diced eggplant in greatest demand.</p>   |

Buyers of IQF Eggplant

| Company   | Comments  |
|---|---|
| <p><b>Other Importers Contacted, but no feedback provided</b></p> | <p>Bonduelle Inc. 514-384-4281 (Montreal) → Frozen Eggplant and Zucchini<br/> <a href="http://www.bonduelle.ca/fr/index.php">http://www.bonduelle.ca/fr/index.php</a></p> <p>Brecon Foods, Inc. 514-426-8140 (Quebec) → Frozen Eggplant and Zucchini<br/> <a href="http://brecon.ca/web/cart.php?m=splash">http://brecon.ca/web/cart.php?m=splash</a></p> <p>Foodguys LLC 503-570-2871 (Oregon) → Frozen Eggplant and Zucchini<br/> <a href="http://www.foodguys.com/">http://www.foodguys.com/</a></p> <p>Harvest Food Group, Inc. 630-821-4000 (Illinois) → Frozen Eggplant and Zucchini<br/> <a href="http://www.harvestfoodgroup.com/">http://www.harvestfoodgroup.com/</a></p> <p>IMPERIAL VALLEY FOODS 760-203-1896 (California) → Frozen Eggplant and Zucchini<br/> <a href="http://www.fruvemex.com/">http://www.fruvemex.com/</a></p> <p>KENDALL FROZEN FRUITS, INC 310-288-9920 (California) → Frozen Eggplant and Zucchini<br/> <a href="http://www.kendallfruit.com/">http://www.kendallfruit.com/</a></p> <p>Martin Group LLC 206-525-1545 (Seattle, Washington) → Frozen Eggplant and Zucchini<br/> <a href="http://www.martingroupllc.com/">http://www.martingroupllc.com/</a></p> <p>Van Drunen Farms 815-472-3100 (Illinois) → Frozen Eggplant<br/> <a href="http://www.vandrunenfarms.com/">http://www.vandrunenfarms.com/</a></p> <p>VLM Foods Inc. 514-426-4100 (Quebec) → Frozen Eggplant and Zucchini<br/> <a href="http://www.vlmfoods.com/">http://www.vlmfoods.com/</a></p> <p>White Toque Inc. 201-863-2885 (New Jersey) → Frozen Eggplant<br/> <a href="http://www.whitetoque.com/">http://www.whitetoque.com/</a></p> |