

Costa African Blue

Cultivating success and driving innovation



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Costa Group Consolidated Holdings Pty Ltd

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Introduction from the CEO



Costa Group has a proud history dating back more than 130 years, when the Costa family established the business in regional Victoria, Australia. Today Costa has grown into a world leading fresh produce business, growing a range of sustainable and nutritious fruit and vegetables supplied to consumers across the world. Costa has a distinguished and successful track record of partnering with communities and local workforces to drive social and economic value for regions and communities.

Costa's blueberry operations in Morocco were established in 2007 under the name African Blue, with the first commercial plantings in 2008. Originally a joint venture between Costa Group Pty Ltd, Moroccan Partners Avi Weizman & Abdelatif Bennani, and Total Produce in the UK, African Blue is now majority owned by Costa Group.

Today, African Blue Morocco is one of the country's premier producers of high-quality blueberries. The business cultivates approximately 352 hectares across Morocco's northern and southern regions and plays a central role in the broader African Blue and Costa Group global network.

Morocco has rapidly established itself as a leading global exporter of blueberries, with export volumes reaching 67,300 tonnes in the 2023/24 season and projected to grow to over 85,000 tonnes by 2025/26. African Blue has played a vital role in this growth, helping position Morocco as a trusted supplier of premium fruit to some of the world's most demanding retail and wholesale markets.

African Blue has also been pivotal in elevating regional production standards and supporting the global expansion of premium Costa blueberry genetics.

Central to our operations is our alignment with Morocco's current agricultural strategy, Generation Green 2020–2030, launched by King Mohammed VI in 2020. This national plan emphasises youth entrepreneurship, climate-smart agriculture, and sustainable land use.

African Blue contributes to these goals through its continued investment in local employment, water-efficient irrigation, and varietal innovation. Our operations are underpinned by our focus on Sustainable Commercial Farming, combining our technological expertise with innovative practices to reduce our environmental impact. These practices support Morocco's broader vision of building a resilient, inclusive, and modern agricultural sector.

Marc Werner
Costa Group
Chief Executive Officer

Executive summary

Costa is a global leader in agricultural production, innovation, technology and marketing, growing fresh and nutritious produce for consumers around the world.

Our operations in Morocco, under the name of African Blue, include 352 hectares in northern and southern regions.

This document provides a summary of our operations including:

- Overview of operations
- Employment
- Workplace Health and Safety
- Innovation
- Variety Improvement Program
- Sustainability
- Community

Key ingredients to success – people, product and collaboration



People – Exceptional agronomic and technical expertise.



Product – Global industry leader in blueberry variety improvement and development, utilising plant genetics to breed premium varieties.



Collaboration – Strong emphasis on economic and social development in the rural regions in which we operate.

Overview of operations

Costa Group is a global leading grower, packer and marketer of fresh fruit and vegetables.

In addition to our berry farms in Morocco, we have berry operations in China and Laos.

In Australia, our operations include approximately 7,200 planted hectares of farmland growing berries, citrus, table grapes, avocados and bananas, as well as 40 hectares of glasshouse facilities and three key mushroom growing facilities.

The company is known as a leader in agricultural production, innovation, technology and marketing.

Costa has an established 25 years+ blueberry Variety Improvement Program, developing new blueberry varieties suitable for a range of global growing conditions. The program is globally recognised, with varieties licensed in countries across the Americas, Africa, Asia and Australia.



African Blue Morocco

African Blue is a leading supplier of premium blueberries for global markets, with farms in the coastal region of Moulay Bousselham and in Agadir in the south of Morocco.

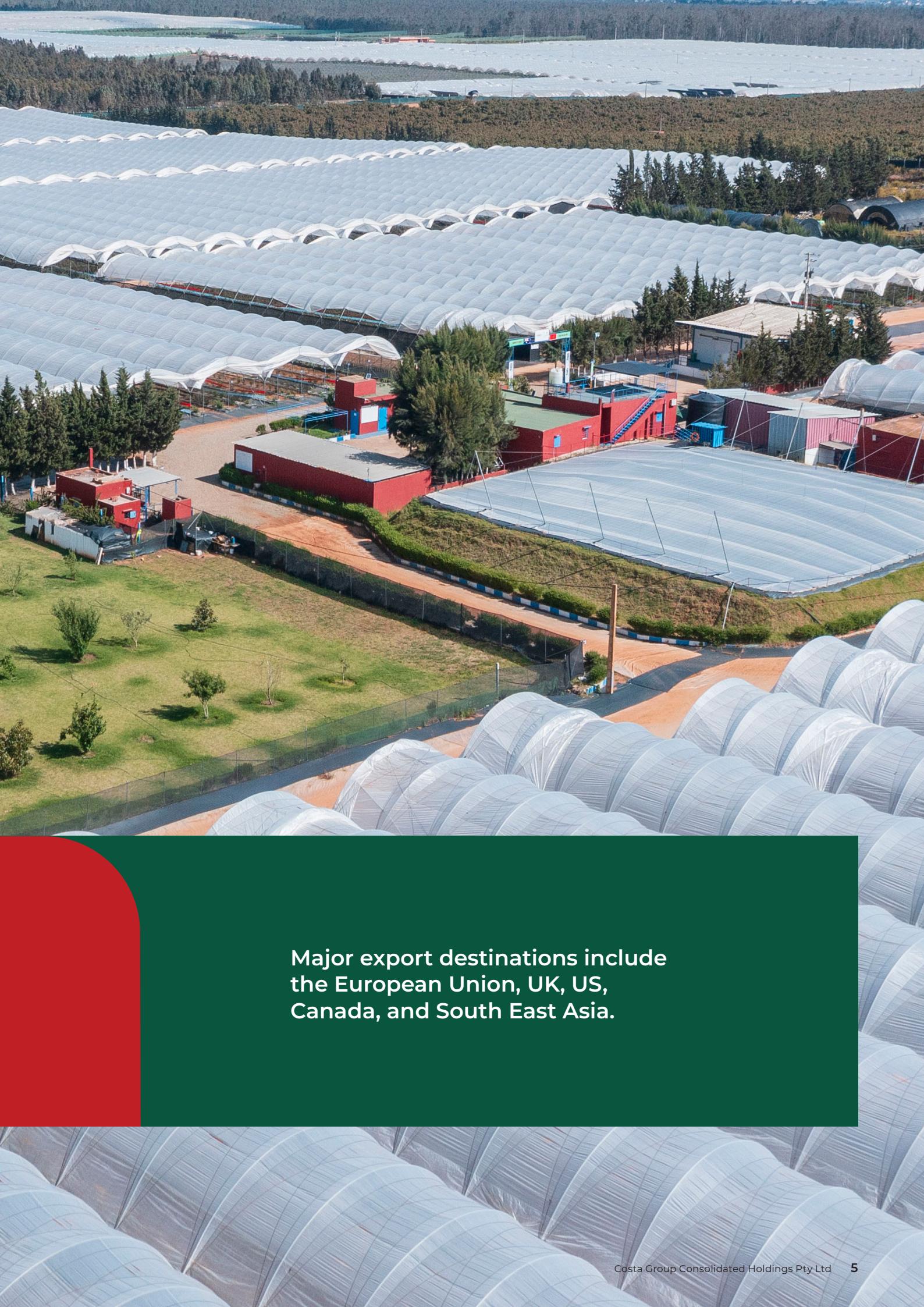
African Blue was established in 2007, originally as a joint venture between Costa Group Pty Ltd, Moroccan Partners Avi Weizman & Abdelatif Bennani, and Total Produce in the UK. It has been majority owned by Costa Group since 2017.

The business is a leading supplier of premium blueberries to the European Union, United Kingdom (UK), United States (US), Canada, and Asia. This benefits from Morocco having free trade agreements with the US, with Europe, and the UK.

To complement on-farm advancements, African Blue has significantly strengthened its post-harvest capabilities. Its 10,000-square-metre packing facility in Larache, now enhanced with a 12-lane Elifab mechanical packing line, increases operational efficiency and throughput.

This infrastructure is key to supporting the company's export programs and maintaining consistent product quality across global markets.





Major export destinations include the European Union, UK, US, Canada, and South East Asia.

Strategic Redevelopment and Variety Innovation

In response to evolving global market demands – particularly the growing emphasis on fruit size, consistency, and quality – African Blue launched a comprehensive 10-year accelerated redevelopment strategy in 2021.

This long-term plan targets the replanting and development of more than 706 hectares by 2031, centred around Costa's advanced proprietary genetics: Eterna, Delight, Breeze, and Cascade. Now in its fourth year, the initiative is already showing impressive results. Newly redeveloped farms are achieving substantial improvements in both yield and fruit quality. Notably, first-year commercial harvests of Cascade grown in soil are forecast to exceed 15 tonnes per hectare, demonstrating the performance potential of the new blueberry genetics platform.

To maintain its competitive edge, African Blue is fast-tracking the evaluation and local adaptation of new Costa varieties. This industry leading approach ensures the company remains at the forefront of varietal innovation, continuously aligning its offering with evolving consumer preferences and environmental conditions.

With substantial investment in genetics and infrastructure, and a commitment to quality, African Blue Morocco is focused on leadership in premium blueberry production. As the business advances through its next phase of strategic transformation, it remains committed to delivering exceptional fruit to global markets – strengthening Morocco's position as a powerhouse in the international blueberry industry.



Larache



First-year commercial harvests of Cascade grown in soil are forecast to exceed 15 tonnes per hectare, demonstrating the performance potential of the new blueberry genetics platform.

Farming operations

Costa has blueberry farms in northern and southern Morocco totalling 352 hectares, designed to capitalise on Morocco's diverse climatic and soil conditions.

The operations of Sweet Berry and African Blue in Morocco are strategically located across key agricultural regions, supporting both northern and southern production hubs to ensure consistent, high-quality berry supply. Our berries are marketed through Driscoll's of Europe, Middle East and Africa.

Farms are in the southern and northern agricultural zones:

- Massa (Sidi Wassay, Commune Massa, Agadir) – located near the Atlantic coast, this farm benefits from a mild climate.
- Baytar (Douar Laghouazi, Commune Rurale Laouamra) – situated near the Larache region, this site leverages temperate conditions and access to irrigation networks.
- Moulay Bousselham – Rouif and Ouled Mesbah 2 (Douar Ouled Mesbah, Commune Rurale Bahra Old Ayad) – positioned along Morocco's northern coastline, these farms take advantage of the region's moderate temperatures and sandy-loam soils, optimal for high-yield berry production.
- Larache (Douar Boucheren, Commune Rurale Laouamra) – northern coastal location with fertile soils and cool Atlantic influence, supporting berry production.
- Chouafaa (Douar Chouafaa, Commune Rurale Moulay Bousselham) – positioned near Moulay Bousselham lagoon, benefiting from water availability and favorable microclimate.
- Ouled Mesbah 1 (Douar Ouled Mesbah, Commune Rurale Bahra Old Ayad, Moulay Bousselham) – coastal site with sandy soils and moderate temperatures, ideal for consistent berry quality and early timing.
- Zaouia (Douar Zaouia, Commune Rurale Moulay Bousselham) – strategically located to complement nearby farms and extend the production window.
- Massa 5 (Douar Ait Saleh, Belfaa, Massa) – southern coastal site in the Massa region, leveraging warm climate early season harvests.

Collectively, these farms demonstrate a carefully planned geographic distribution that enhances operational efficiency, ensures year-round berry supply, and strengthens Morocco's position as a competitive exporter of premium berries. The mix of northern and southern locations, along with access to diverse soil types and microclimates, enables African Blue to maintain high-quality production throughout the year while optimising logistics and market responsiveness.

African Blue is recognised by leading customers as a preferred supplier, reflecting the company's consistent product quality, reliable service, and responsible approach to sustainable blueberry production in Morocco. The company continues to strengthen its reputation through sustainable practices and a firm commitment to delivering premium-quality Moroccan blueberries.

Partner Growers

In a strategic move to broaden African Blue's market reach and enable year round supply of blueberries to its customer base, African Blue has licensed Costa varieties to growers within Southeast Africa (South Africa, Zimbabwe and Zambia) to create a counter-seasonal supply of blueberries to African Blue, Morocco.

One of these licensed projects is managed under a Zimbabwe based company Direct from Source, in which 11 growers supply fruit marketed by African Blue to its Asian and European customers.

Located close to the capital of Zimbabwe, Harare – the growers, through Direct from Source, are presently responsible for circa 15% of the total annual African Blue sales volume.

In South Africa, Costa varieties are grown across 189 hectares through Total Produce Holdings (TPH) which has sublicensed growers Alpha Berry Ventures, Oude de Tongue and Safriblue.

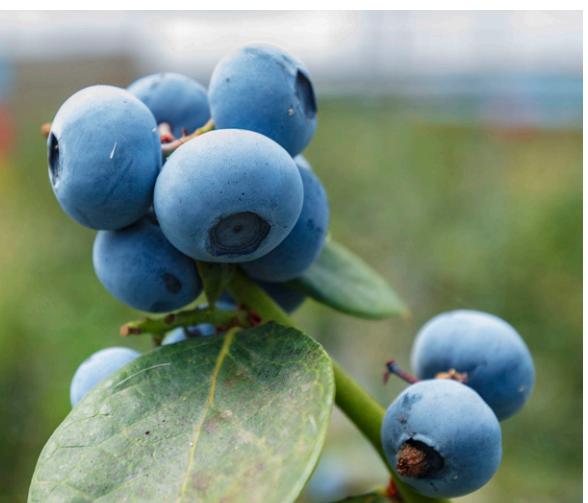
A further 130 hectares is currently grown within a grower group managed by Driscoll's Southern Africa, and African Blue is currently launching another grower Baobab Ventures expected to grow to circa 160 hectares within four years time.

African Blue also collaborates with a network of carefully selected third-party growers across Morocco to strengthen its supply base and ensure sustainable, high-quality blueberry production. These partners are strategically located in major agricultural regions – including **Larache, Kenitra, and Agadir** – which offer optimal climatic and soil conditions for premium berry cultivation.

Through these partnerships, African Blue enhances Morocco's blueberry supply chain by increasing production diversity, supporting local employment, and promoting modern agricultural practices.

The collaboration with independent growers not only strengthens the company's operational capacity but also contributes significantly to Morocco's agricultural export performance.

This network exemplifies a commitment to sustainable, inclusive rural development, reinforcing the country's position as a leading exporter of high-quality berries.



People/Employment

Economic contribution

Agriculture accounts for approximately 14% of Morocco's GDP and employs 40–50% of the population. Within this sector, blueberries represent a smaller but strategically important sub-segment, contributing over €500 million in turnover to the Moroccan economy. African Blue, produces circa 9% of Morocco's blueberries, while its contribution to the overall economy is modest, it is highly significant within horticulture and export-oriented agriculture.

African Blue's operations align with Morocco's broader agricultural strategy of transitioning toward higher-value crops, diversifying exports, and strengthening agribusiness rather than traditional commodity farming. The company's expansion supports regional value chains, enhances infrastructure including packing, processing, and cold-chain logistics and contributes to rural development in key production zones such as Larache and Souss-Massa.

By integrating advanced blueberry genetics (Costa varieties such as Eterna, Breeze, and Cascade) and high-standard post-harvest facilities, African Blue introduces technological and varietal upgrades that improve sector productivity and responsiveness to market demands. This positions Morocco within the global premium fruit supply chain, enhancing export competitiveness and sector resilience.

The company is projected to contribute 6,500 tonnes to Morocco's total blueberry output of 85,300 tonnes for the 2025/26 season, generating approximately MAD 360 million in export revenue and directly supporting Morocco's trade balance.

African Blue's 6,500 tonnes of production supports over 6,000 seasonal jobs, encompassing both direct and indirect employment. Concentrated operations in Larache, Moulay Bousselham, and Massa support rural incomes, local logistics providers, and broader regional economic activity.

Through the 10,000m² Larache packhouse and partnerships with local suppliers, African Blue emphasises domestic value-addition over raw-product export by supplying demanding markets in the EU, UK, US, Canada, and Asia with consistent, high-quality produce,

African Blue's modern, export-oriented model raises standards in training, infrastructure, and productivity, with the potential for positive spill over effects across the wider blueberry and horticulture sectors.

While the absolute contribution to national GDP is modest, African Blue's strategic importance – through export growth, premium market access, value addition, and sectoral modernisation – is substantial. It represents a key driver of Morocco's transition toward high-value, globally competitive agriculture.

People

A successful berry operation is labour intensive, and we recognise its success will be built on local expertise and resources. In 2024, there were 2,270 full-time equivalent employees in African Blue.

Costa is committed to:

- Respecting and complying with all local labour laws and regulations.
- Providing fair remuneration and incentives for workers.
- Development and implementation of sound and proven safety practices.
- Training, skill and personal development initiatives for staff.
- Clean and safe accommodation.
- Development and career opportunities for local people, with a particular focus on young people.
- Providing employment for local casual labour.
- Transform local farmers into agriculture industry workers.



Profile



Khawla Derstaouieh

Khawla Derstaouieh is the Research and Development Manager for African Blue in Morocco. She grew up in a small city in the Atlas Mountains, in the heart of Morocco and after graduating from high school in 2018, decided to pursue a degree in Agricultural Business Management.

Khawla completed an internship at African Blue on the Choufaa farm in 2019, and in February 2022, began her first job at African Blue as a Quality Supervisor. After three months as a Quality Supervisor, she moved into a new role as a Test Plot technician, where she also worked with the R&D manager, and was responsible for managing irrigation, phytosanitary practices, and best management practices in the Agadir test plot.

In 2023, she took on the role as R&D Officer before moving into her current role of R&D Manager where she is now involved in the Variety Improvement Program, selecting the best varieties for commercialisation, and also managing applied research in the south of Morocco.

“ I dedicate most of my time to self-education. I spend nearly all my time at home reading and learning. I also received a lot of support from my colleagues and the Costa team, who have always been there for me.

What I like about my job is that it encompasses a range of activities, from managing trials and collecting data to implementing research findings, which keeps the work both dynamic and engaging.

Working with a diverse team of experts also provides opportunities for learning and growth and enhances my professional network. However, what I love the most is the feeling that my efforts directly contribute to the development of the team by keeping them updated with the latest research and results, as well as to the success of the company’s products. ”

Workplace Health and Safety

We place a high priority on preventing and reducing agricultural safety risks for workers and are focused on ensuring the quality and safety of our agricultural products.

Building on and continually improving the safety culture of our Morocco berry growing operations is a priority for Costa.

Safety initiatives include mobile machinery safety checklists which cover pre-start and starting checks, and inspection of the surrounding work area in order to promote the safe maintenance and operation of mobile machinery, including tractors.

Firefighting training is also provided covering team leaders, equipment operators, fertigation managers and security personnel. Working at Heights training is also provided to farm managers, administrative staff, tunnel assembly workers and team leaders.

Innovation

Costa has developed a global reputation as a leader in the development of new agronomic practices, including the introduction and commercialisation of growing blueberries in substrate and the development of new varieties suited for tropical latitude environments.

The importance of managing climate risk and the need for new and emerging technology is highlighted by the strong and focused response from the Costa Executive and Board.

Variety Improvement Program

Costa's Variety Improvement Program is globally recognised, with Costa varieties licensed in regions including Australia, the Americas, Africa and Asia.

Using traditional plant breeding techniques, Costa identifies and develops plant selections chosen for their performance across key areas of fruit quality, productivity, and agronomic outcomes.

Among the best-known varieties to come through the Variety Improvement Program is Arana, now one of the most sought-after blueberry varieties around the world. Its superior size, flavour and quality derives a price premium.

Emerging varieties include Eterna, Giant, Cascade, Breeze, Velvet, Bounty, Promise and Delight. This varietal suite symbolises the improvement in fruit quality we look to offer the consumer, with firm, great tasting blueberries.

All our varieties go through a rigorous selection process and are tested in Morocco to ensure each one will provide consumers with a great experience.



Variety Improvement Program lab



Costa's Variety Improvement Program is globally recognised, with Costa varieties licensed in regions including Australia, the Americas, Africa and Asia.

Sustainability

Irrigation

Water scarcity is a critical issue in Morocco and efforts are intensifying to ensure water security through an expanded desalination program and new water management policies.

Costa irrigation systems are best practice – delivering water and fertiliser directly to the plants. Soil moisture and pot moisture are monitored so that irrigation matches plant demand.

Sensor systems have been installed to track irrigation, environmental and weather information at frequent intervals across the farms. This provides capability to optimise both water and fertiliser use assisting in the preparation of irrigation strategies.

At the Massa farms south of Agadir water supplies are drawn from groundwater and stored in plastic lined basins. These basins have been covered with a suspended fabric roof to reflect heat and prevent sunlight from supporting algae growth. This has resulted in improved water quality and reduction in water evaporation.

Use of pesticide/fertiliser minimisation

In addition to targeted irrigation use, Costa has a technical team which closely monitors plant nutritional requirements and pest levels. This ensures that actions to rectify any issues only take place when there is a specific need. This reduces the level of inputs for control.

IPM Strategy

Costa has developed an integrated approach to pest and disease management, effectively combining beneficial insects and organic products to reduce reliance on chemical pesticides. The African Blue team is actively engaged in research and development to find more effective control measures.

Recycling and reuse

In our northern Morocco farms old tunnel steel is currently being recycled. Tunnel hoops and legs which have reached end of life are being re-purposed into trellis frames. These frames are built by the African Blue team and installed to support the crop and improve harvest rates. In 2024 over 10 tonnes of old steel was fabricated into trellis frames.



Community

Costa strongly supports the emphasis on social development in the regions in which we operate, and our operations are aligned with the Generation Green 2020-2030 strategy which includes developing a rural middle class and promoting youth entrepreneurship.

Our community focused actions include:

- Providing safe, healthy, beneficial and fair employment.
- Specific community support programs which support local initiatives such as local clean-up days.
- Staff engagement in local festivals and events.
- Sponsoring sporting teams.
- Respecting the local neighbouring farmers and ensuring that farming operations do not have any negative effect on neighbours and communities.



The African Blue team participating in a local clean-up day

Future Plans

The agri-food sector is vital for Morocco's economic growth, contributing 16% of GDP and 19% of total exports in 2023. In 2023, Morocco exported over 1.04 million tonnes of fresh produce to the European Union, making it the EU's top non-European supplier¹. Blueberry exports reached 67,300 tons in 2024 – a 25% year-on-year increase.

It plays a key role in employment, providing 67% of rural jobs and 36% of all jobs.

Costa has been privileged to play a role in the ongoing expansion of this agricultural industry and is committed to supporting the Moroccan Government's Generation Green 2020–2030 plan.

The importance of food safety will remain a priority and work on the development of environmentally low impact pest control and water efficiency will continue. This includes the development and planting of high yielding pest resistant berry varieties.

We will also continue to invest in the development of our people, with a strong focus on providing employment opportunities in the regions where we operate.

With significant investment in genetics and infrastructure, and a commitment to quality, African Blue Morocco is positioned as a leader in premium blueberry production. As we enter the next phase of strategic transformation, we remain focused on delivering exceptional fruit to global markets – further strengthening Morocco's reputation as a powerhouse in the international blueberry industry.



¹. <https://www.moroccoworldnews.com/2024/02/23242/eurostat-morocco-remains-top-supplier-of-fresh-produce-to-the-eu/>



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