

“Varietal Strategies for Future Success?”

Future Orchards 2012

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Improvement Program Ltd

“Varietal Strategies for Future Success”

Introduction:

- **Where have we come from with varieties?**
- **Globalisation**
- **What information is required**
- **Where Do You Get It?**
- **How do you get the trees you want?**
- **What does certification mean?**
- **What varieties are out there?**
- **Conclusion**

The reasons behind variety management:

- Reduction in the number of buyers through consolidation.
- Greater competition for access to buyers.
- Retailers requiring long lines of fruit and year round supply.
- Many more alliances in the supply chain.
- Downward pressure on prices paid for fruit.

Globalisation:

- Began in 1521.
- Peaked in the late 1890's.
- Protectionist policies slowed development in the 1920's and 30's.
- Started again in the 1940's.
- In percentage terms global trade is currently just over half of what it was in the 1890's.

Global trade will continue to grow!

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Current Marketing Approach:

“There are only 2 people in the value chain that have a strong focus on the quality and the price of fruit; they are the growers, and the consumers. Everyone else takes a percentage from the sale regardless of the quality, or the price”.

Current Marketing Approach:

In Australia 80% of retail price is made up of non growing costs (packaging, freight, sales commissions & retailer margins etc.)

- Growers have minimal contact with consumers.
- Fruit quality can vary widely, sales commissions are high.
- Retailers have well placed outlets and developed and set the sales models.

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- Consolidation of retailers is going to continue and their power is surely going to increase.
- Variety management offers an opportunity to engage directly with retailers and own the process.
 - It can only succeed if it adds value.
- Transparency of the process is vital if it is to be seen as distinct from the traditional approach.
 - Variety management needs to bring disciplines to the supply of product.

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- The arrival of variety management has altered the way growers make planting decisions.
- This process has been dominated by anecdotal information.
- Tighter control of varieties means the freedom to plant whatever you like is gone.
- Growers need to develop a new approach for making variety planting decisions.

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- **New varieties entering the market will need planning commitment and support to make it.**
- **Growers will need to adapt to this new environment and understand that a collective approach will be required to facilitate their success with new varieties.**

What Information is Required?:

- What are the distinguishing characteristics? (can they be delivered through the supply chain)
- Can it be produced to the required specification in your location? (has it been sufficiently evaluated)
- What level of intellectual property (IP) will be in place? (PBR, USPP, trademarks, will they be defended?)
- What is the marketing plan? (production targets and retail outlets, who controls promotion \$'s)
- Who is managing the variety? (will you have the opportunity to participate in decision making?)

What Information is Required?:

- How will production of the variety get started? (will there be enticements for early adopters)
- Where else in the world is it going to be planted? (How many growing locations are required to service the marketing plan)
- What will it cost to be involved? (what is the royalty regime, nursery tree, production)
- Is there R&D support? (will there be funds available to resolve growing and supply issues as they arise)
- Will you and the other the participants be committed to the program? (Have they signed a contract?)

Where do you get the information?

- The entity that markets/sells your fruit.
- The existing industry network.

**Are you locked into packing/marketing system,
legally or morally?**

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If you are locked into a marketing/packing system then:

- you need to know what varieties they are considering.
- It may be that you are happy for this decision to be made for you.

If you are not locked in then you need to build your awareness of what is happening:

- You may need to consider new alliances.
- To do this you will need to travel from the farm.
- How well you do this will dictate what options may be available.

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In assessing which business you might be involved with you may need to consider the following issues:

- The scope of their operations, local, regional, continental or global.
- The way they communicate with growers.
- Their industry track record and their ability to develop and implement a production and marketing plan.
- What strategic alliances do they have that will add value?

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- Growers will need to be able to effectively assess marketing plans and variety agreements
- Your business may need to access additional legal and financial expertise

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How do you get the Nursery Tree you want?

- What's your relationship like with your nursery?
- Have you discussed your future needs with a nursery?

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Does your nursery understand your tree requirements?

Do you have a nursery tree specification?

There is no prize for 2nd in the nursery tree stakes

Nursery trees are everything when it comes to income creation for the business



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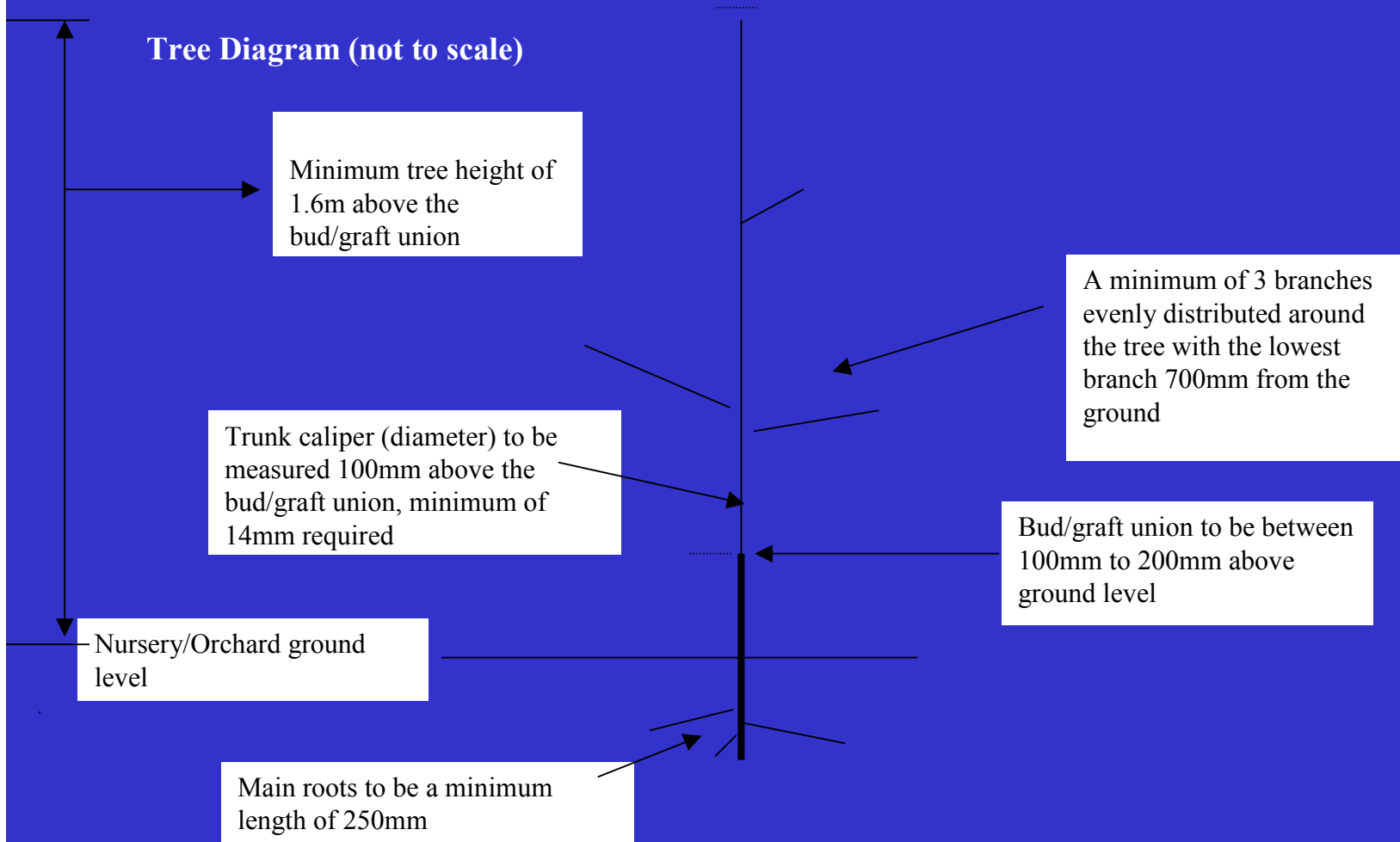
Summer Budded Trees Production and Description

This is a 2-season process. Rootstocks are planted in spring (September) and budded in summer (February). The stocks are left in the ground for winter and are headed off at the bud in the late winter (August). The bud is then grown into a tree in the second season.

Minimum tree specifications for summer budded trees in addition to the general requirements.

- 3 branches distributed evenly around the tree
- The lowest branch is to be a minimum of 700mm from the ground; this will vary according to the growing characteristics of the variety.
- Branches are to meet the 3 to 1 rule. That is branches have a diameter no more than 30% of the trunk diameter.

Tree Diagram (not to scale)



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What is Certification?

APFIP has registered a certification trademark that it has licensed for use with nursery trees and rootstocks that meet the following criteria:

- Test negative for virus (apple stem pitting, apple stem grooving, apple mosaic & apple chlorotic leaf spot)
- Are true to type
- Meet minimum nursery tree standards



® Registered certification trademark of APFIP

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Research completed by Les Penrose et al in Australia in **1988** clearly showed the value of using virus testing planting material.

- Virus tested Jonathon trees out yielded infected trees by 56 per cent ,
- Virus tested Richared Delicious out yielded infected trees by 40 per cent ,
- Virus tested Granny Smith by 41 per cent

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Wilhelminadorp research station in Holland evaluated the effect of virus on the production of Golden Delicious over 14 years by comparing the yield of virus-free and virus-infected trees in the orchard:

Virus-free: 327 kg per tree

Virus-infected: 279 kg per tree (17% less)

The difference in production per tree over 14 years = 48kg.
Multiplied by 2300 trees per hectare = 110,400kg (110 tonnes)
which = **7.8 tonnes per year less production from virus infected trees.** The same loss in production was consistent in other varieties and also with pears. This trial looked at production only and did not take into account the fact the fruit quality was also affected by virus.

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A survey of key Australian pome fruit growing districts for exotic and endemic pathogens (*F. E. Constable, P. A. Joyce and B. C. Rodoni*) was completed in January 2005.

This survey detailed the incidence of the viruses ApMV, ASPV, ASGV & ACLSV.

Samples were collected from every major growing area in Australia with a total of 173 trees sampled and tested.

163 samples (94.2%) were found to be infected with one of more of these viruses

Only 10 (5.8%) samples were uninfected with half of these 10 being seedling controls that were virus free.

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There will be around 80,000 certified M26 rootstocks in total produced by the APFIP licensees this winter for the production of nursery trees **(by the licensed nurseries)**.

We are still 2 seasons away from commercial availability of certified M9 rootstocks.

The first certified quince rootstocks (A, C & BA29) will be distributed to licensees this winter.

APFIP will be in a position to again offer certified rootstocks to growers from 2008 onwards but only in small quantities.

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APFIP Certified licensed nurseries:

Forest Home Nursery 799 North Huon Road, JUDBURY TAS 7109 03 6266 6272

Olea Nursery Mitcheldean Road WEST MANJIMUP WA 6258 08 9772 1207

Tahune Fields Nursery Lucaston Road LUCASTON, TAS 7109 03 6266 4474

Tangara Nursery 40 Pages Road GROVE, TAS 7109 03 6266 4364

Hansen Orchards Basin Road, GROVE TAS 7109 03 6264 0200

Balhannah Nurseries Coldstore Road LENSWOOD SA 5240 08 8389 8600

Mount View Orchards 272 Old Tumbarumba Road BATLOW NSW 2730 02 6949
1765

**APFIP will almost certainly license additional nurseries to use the
Certification Trademark.**

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APFIP is an independent evaluator of varieties and not a variety manager

Not all commercial varieties have been entered for evaluation

Evaluation is conducted as part of commercial orchards

Variety reports are available on the APFIP website @ www.apfip.com.au

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What varieties are available

Variety	Management Strategy	Who is the Manager/agent
Apples		
Buckeye® Gala cv.	Open	Flemings
Brookfield® Gala cv.	Open	Flemings
Gale Gala	Open	Flemings
Alvina cv. Gala	Open	Tahune Fields
TF Gala	Open	Tahune Fields
Galaxy Gala	Open	ANFIC
Cripps Pink	Open	Anyone can propagate
Ruby Pink cv.	Open	Tahune Fields
Rosy Glow cv.	Open	Flemings

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What varieties are available

Variety	Management Strategy	Variety Manager/agent
Scifresh cv. (Jazz™)	Controlled	Montague Fresh
Delblush cv. (Tentation™)	Controlled	Oztaste
Nicoter cv. (Kanzi™)	Controlled	Desmond Muir
Nicogreen cv. (Greenstar™)	Controlled	Desmond Muir
Caudle cv (Cameo™)	Controlled	Tahune Fields/Montague Fresh
Sweetie cv.	Open	ANFIC
Honeycrisp cv.	Open	Flemings
Fuji Brak cv. (KIKU™)	Trademark use controlled	ANFIC
Crimson Snow	Controlled	Oztaste/Tangara Nursery
Fiero cv. (Early Fuji selection)	Open	Tahune Fields & Tangara Nursery

cv. indicates that the cultivar has PBR protection. This means that propagation by the grower is prohibited without the approval of the PBR owner.

Disease Resistant Varieties

There are a number of disease resistant apple cultivars now under test in Australia including a very interesting selection from QDPI. The commercial place for these has not yet been fully assessed but they offer a significant future opportunity as consumer preferences change.

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Pears, what's in the future?

The future for the expansion of consumption of European pear varieties is somewhat unclear.

What is absolutely clear is that there have been no new global European pear varieties in the past 150 years.

Nashi/Asian pears make up more than 50% of world production but their market acceptance outside Asia is severely limited.

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Pears, what's in the future?

The development of inter-specific pears is of interest. These are pears that are crosses of European x Asian pears.

There are a number of breeding programs working in this area but the most advanced is the HortResearch/Prevar breeding program in New Zealand.

The first of these new pears will be fruiting in Australia in the next couple of years.

If you are into pears then a visit to New Zealand to look at what's coming could be a worthwhile investment.

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Conclusion:

- Variety management is here to stay
- It will take time for managed varieties to become a significant % of world production
- But variety lead in times mean that it is an issue for today!
- Growers must develop a working relationship with nurseries
- Nursery trees and their quality is priority No. 1
- Growers need to actively participate

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