

What are you prepared to invest in new varieties?

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Introduction

- Snapshot history of apple varieties
- New scope for apple varieties
- Variety time span
- Capability assessment
- Research
- Conclusions

What are you prepared to invest in new varieties?

Apples have amazing varietal recognition.

A look back in history soon shows why this is the case.

In 300BC the Greek philosopher Theophrastus who is credited with founding the science of botany clearly distinguished crab apple and cultivated apple varieties. One in particular was called Epirotic and was thought to have originated in Albania. This variety is mentioned again some 400 years later in the Natural History of the first century AD written by the Roman, Pliny. Pliny goes on to record the various characteristics of each apple variety and how and when they are best consumed.

References from “The Book of Apples” published in association with the Brogdale Trust, Joan Morgan and Alison Richards pages 15 & 16.

What are you prepared to invest in new varieties?

Little wonder that the apple industry has developed such a significant number of varieties.

Globalization is a process that is ongoing has ensured that they span the growing regions of the world.

What are you prepared to invest in new varieties?

Each growing region has tended towards particular varieties

Red Delicious in the USA, *Fuji* from Japan, *Gala* & *Braeburn* from New Zealand and *Jonagold* from Northern Europe are just some examples of this.

These new varieties and their derivations have created opportunities.

This process has in effect then funded the next variety development on a classic risk/reward basis.

What are you prepared to invest in new varieties?

This cycle peaked during the later part of the 20th of century.

Production of the standard varieties expanded rapidly during the 1990's.

Returns to growers have fallen.

The investment funds are aimed at the highest possible chance of gaining a worthwhile return.

What are you prepared to invest in new varieties?

There are 60+ apple breeding programs operating in the world.

Many new varieties lining up for commercialisation.

The wonderful variety recognition status that apples have is clearly one of the drivers for this.

Only a matter of time before the apple found a way to move forward.

What are you prepared to invest in new varieties?

Cripps Pink cv./Pink Lady® has shown up a new pathway.

This in turn has encouraged others to follow.

Now many examples of this model being used for new apple varieties.

Growers need to develop ways to become involved in new varieties.

What are you prepared to invest in new varieties?

In an ever expanding world of consumer products it seems that the apple has found a way to maintain its recognition status.

With such a proven track record the new variety deal should be quite straightforward.

Time was the greatest tool in variety introductions

Which meant each individual managed their own level of risk & reward.

What are you prepared to invest in new varieties?

Longevity of the varieties themselves is a key component (50+ years is the norm).

In hindsight, “Granny Smith” would have made a wonderful brand.

The current crop of new varieties also have characteristics to ensure longevity.

Their commercialisation strategies have focused more on exclusivity.

Resulted in a much faster pathway to market for new varieties.

What are you prepared to invest in new varieties?

35 years for Cripps Pink cv./Pink Lady® to get to where it is now (unplanned at the start).

Scifresh cv./Jazz® just over 20 years (planned from the start)

The ramifications of this shorter time to market are what we are discussing.

What are you prepared to invest in new varieties?

Variety information will not come to the farm gate wrapped in a neat package marked “**new variety opportunity**”.

It will take significant time, effort and commitment to determine a new variety strategy.

You can be sure that those that have accessed new varieties to date made the effort.

What are you prepared to invest in new varieties?

Variety lead in time is shorter.

Early movers with a new variety are the only ones “in”. Is this fact or fiction?

Or are these early “in” growers the same ones as always have got in first?

Maybe we don't need to look much farther than the strategy that these growers adopt to see where our future lies.

What are you prepared to invest in new varieties?

We need to understand what is required to assess the opportunity/risk involved.

Clearly we need to know why we don't want to play with a new variety equally as well as why we want to play.

What are you prepared to invest in new varieties?

The first step in this process is to assess your own business capabilities.

Will require a bit of of navel gazing

Growers should not be afraid to rely on the strengths that have bought them this far.

This capability assessment should include an assessment of the following and is for your own use:

What are you prepared to invest in new varieties?

- Your current variety plantings and the production of each, where have they come from and how did you access them.
- Profitability assessment of each variety (see next point)
- Annual orchard replacement strategy, what % is being changed, what extra could you afford to change if necessary,
- Packing/coolstore capabilities,
- Current alliances, if any and a clear understanding of your own philosophy about how you will go about assessing and making new alliances.

What are you prepared to invest in new varieties?

- Your marketing strategies
- Where you are located relative to the markets
- What is your decision making process is it a committee of one, or many, will it impact on your ability to make a choice in a timely manner.
- What areas are you prepared to compromise on in discussions about access to a variety?
- Plus as many other things of relevance you can think of.

What are you prepared to invest in new varieties?

This assessment is necessary process.

There may well be structures around varieties that you may simply not consider.

You need to be in a position to make the pitch on a variety of interest.

The variety owner/manager will want to know as much as about you as you do of them.

What are you prepared to invest in new varieties?

An example of how this assessment can be used is to ask yourself this question:

- An opportunity exists to grow under license 50 tonnes of a new variety (*which is equal to 15% of your production*) and this needs to be available in a specified period of time.

This would pose a whole host of questions that you would need to answer not least of which are:

- Who is licensing you, are they the owner or a licensee themselves?
- Who else is growing it?
- Can you pack it?
- What is the marketing plan?
- Could you get the planting completed, would you to add to your current production or replace some of your existing orchard?
- Would you be able to finance it?
- Will there be an opportunity to increase your planting in the future.
- This list could go on and on.....

What are you prepared to invest in new varieties?

Going through this exercise is a key step if growers are to be serious about seeking out new variety opportunities.

Once this step has been taken then growers need to avail themselves of new variety information.

The key sources of this information are all around starting with your regular industry network, meetings/conferences, newsletters, the Internet, journals, researchers etc...

What are you prepared to invest in new varieties?

You will need to head out beyond the farm gate and to cross the road as this information is not likely to land in your lap.

Travel to see new varieties and to meet with those promoting and licensing them will be necessary in this process.

What are you prepared to invest in new varieties?

New variety systems will require modifications and improvements over time.

They are still young but are a natural progression of our apple variety heritage.

The management of varieties can deliver many benefits.

If discipline around the supply of consistent product to consumers is not one of them then maybe the opportunity will be lessened.

What are you prepared to invest in new varieties?

At the moment the landscape looks fairly cluttered with new varieties.

Research both within and without on your business is necessary to help reduce the risks. Here is a summary of how this might be approached:

1.) Navel gazing

- Capability assessment

2.) Navel gazing

- Why play
- Why don't play

3.) Travel & research

What are you prepared to invest in new varieties?

Does the new variety pathway look like this?



What are you prepared to invest in new varieties?

Or like this?



What are you prepared to invest in new varieties?

Or like this?



What are you prepared to invest in new varieties?

“No new variety will reach more than 2% of world production in the foreseeable future” (me IFTA Grand Rapids 2001).

Managed varieties are now wide spread but no single new variety has a production target beyond 0.5% of world production.

This is clearly a limiting factor with new managed varieties.

History shows that the production opportunities are large and extend over a long period of time.

There is clearly an opportunity here for variety managers to extend their production.

2% of world production would represent 1.2 million tonnes.

Expansion of managed programs is unlikely to occur until good systems and the disciplines that make the variety successful are in place.

What are you prepared to invest in new varieties?

Competition in the short term for the limited amount of production will be fierce and growers need to be prepared to work hard to be involved.

This will take a significant investment in, time, money and expertise.