

Cornell as Catalyst: Supporting the Tree Fruit Industry as it Adapts to Change

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In this issue of the *New York Fruit Quarterly*, Desmond O'Rourke examines global trends in the world apple market and highlights the challenges and opportunities these trends present for New Yorkers whose livelihoods depend on the tree fruit industry. Cornell University, guided by its land grant mission and long service to this important sector of New York's agricultural economy, is committed to helping the industry adapt successfully to a demanding new market landscape. In April, Dean Susan Henry charged New York State Agricultural Experiment Station Director Dr. Jim Hunter with forming a Cornell Tree Fruit Industry Task Force to work proactively on this commitment. Since then, the industry and the task force have made significant progress on a variety of important initiatives. This article is a report on that progress.

Mission of the Task Force

The mission of the Cornell Tree Fruit Industry Task Force is to significantly enhance Cornell University's traditional role as an educator and effective developer of promising technologies and marketable products. The Task Force will also go beyond tradition by helping Cornell become a major catalyst for positive change and a proactive partner in support of the people, businesses and institutions who will transform the tree fruit industry into a dynamic and vital contributor to New York's current and future economy.



Progress of the Task Force

Cornell's extension, teaching and research efforts have long had dedicated people and valuable programs that have helped equip tree fruit stakeholders with market information and analysis, sound skills with which to make good business decisions, better production practices and technologies, and promising new products. Last spring, New York State Agricultural Experiment Station Director Jim Hunter, who chairs the task force, asked a large group of those involved with the apple industry to a task force meeting in Geneva. Participants included field researchers and educators, as well as Station and Ithaca campus faculty members, George Lamont of the NYS Horticultural Society, NY FarmNet Director Cathy Sheils, and New York State Department of Agriculture and Markets Deputy Commissioner Rick Zimmerman. Area Extension Educator Alison DeMaree presented

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a comprehensive "state of the industry" report before the group joined in a candid, wide-ranging discussion geared to identifying key problems facing tree fruit farm and marketing operations. Conference participants recommended that the task force focus on four major areas in order to heighten the impact of Cornell's traditionally supportive programs:

1. Facilitate re-engineering of market structure to ensure long-term viability of the New York tree fruit industry.
2. Help improve industry understanding of the dramatically changed market environment; develop and deliver effective management and decision-making tools for use by individual growers.
3. Establish effective leadership development programs designed specifically for the tree fruit industry.
4. Complete high-priority production and handling technology tasks assigned to Cornell in the 2002 NY Apple Industry Strategic Plan and dictated by current needs.

To successfully accomplish these goals, task force leaders spent the summer of 2002 seeking convergence of individual agendas, skills and efforts to make the whole effort greater than the sum of its disparate parts. Others set out to implement recommendations of the April conference. A task force steering committee met again in September to sharpen the focus of the overall enterprise, identify project "champions," and place priorities on various aspects of the initiative.

Re-engineering market structure

Bruce Anderson, Jerry White and Wen-fei Uva, all faculty members in the Department of Applied Economics and Management, lead Cornell's effort to help the industry re-engineer its market structure. Skilled and experienced as these and other members of the task force are, they will play no direct role in grasping the market opportunities identified by Desmond O'Rourke. New York growers, shippers, packers, retailers and their organizations will do the grasping. Indeed, New York's leading players, after reaching hard-earned consensus on a statewide strategic plan for the industry in 2001, have already formed Premier Apple Cooperative as an important vehicle through which to address persistently low producer prices. The task force will put the Cornell College of Agriculture & Life Science's weight, knowledge and experience behind Premier's success and other continuing efforts to improve the performance of tree fruit markets. The first of many projects in this long-term initiative will be to seek funding and carry out a survey of apple marketing costs incurred between the farm gate and the retail shelf.

Understanding and Responding to Change

During the past decade, tree fruit growers in New York State have struggled to cope with negative price and financial trends. The forces of supply and demand still operate in somewhat familiar cyclical fashion. Financial gains, however, have been less pronounced during good years; and down years have taken an increasingly greater toll on operator equity and grower confidence in the future. This new business climate calls for better understanding of current economic forces and their impact on individual operations. Growers also need to

develop improved financial and marketing plans, diversified production strategies, innovative business structures, and sharpen their decision-making skills in order to prosper in this daunting new world. Cathy Sheils (Director, NY FarmNet) and Alison DeMaree (Lake Ontario Area Extension Educator) head the task force effort to promote solid market understanding by growers and effective business response to change. In cooperation with NY Farm Bureau, Farm Credit of Western New York and First Pioneer Farm Credit, the task force sponsored recent workshops for growers and agri-service providers on these critical issues, featuring Desmond O'Rourke's seminar on world apple market trends. The New York State Department of Agriculture and Markets is funding the development of a decision-making workbook for growers, to be published by the end of 2002. This network of assistance should prove valuable for all fruit growers and related businesses faced with challenging choices among a wide variety of paths to a viable future.

Preparing Industry Leaders

Only an industry guided by enough skilled, forceful leaders will find and realize economic gains from aggressive new export strategies, innovative marketing programs for new tree fruit varieties, or creative industry alliances such as Premier Apple. LEAD-NY is one of Cornell University's many strong leadership development programs, and it is dedicated to promoting effective leadership in food and agriculture. The task force, in close cooperation with industry, seeks to tailor new training programs to meet specific industry needs for leadership development and to encourage greater participation in the traditional two-year LEAD-NY courses. Task force members Marc Smith (NYSAES), Larry Van de Valk (LEAD-NY), and Hudson Valley Area Extension Educator Mike Fargione are responsible for this initiative.

Developing Production Technologies

Cornell researchers and extension specialists are carrying out important responsibilities assigned to the College of Agriculture & Life Sciences in the 2001 NY Apple Industry Strategic Plan. These action steps include the development of a total quality improvement plan for New

York apples, the development of an IFP protocol for use in the export market and the design of a program to enable the safe, effective use of 1-methylcyclopropene (MCP) to dramatically increase the quality of stored apples. Since the strategic plan was announced, the industry has encountered a new production problem related to internal fruit worms. Geneva scientists Harvey Reissig and Art Agnello are building a rapid response project to solve this problem. The task force production technology initiative, guided by Cornell horticultural sciences professors Terence Robinson and Chris Watkins, will bring the college's best resources to the tasks of solving production problems and making the most of critical opportunities for improved profitability. Development of better production practices; the introduction of new, profitable varieties; a sustained, rigorous emphasis on quality improvement; and concerted focus on transferring these new practices and technologies for use by growers will characterize this element of the task force mission.

Alliances

"Cornell as catalyst" and "make the whole greater than the sum of its parts" have been key, recurring principles followed by those charged with fostering the healthy infancy of the tree fruit task force. The group has managed to change some of the dynamics governing the interaction of college programs supporting the tree fruit industry. Dialogue across disciplinary lines, new professional relationships among researchers and NY FarmNet practitioners, and lively debate about thorny issues have already helped us put such principles into practice. Internally, we are finding more collaborative ways to accomplish the mission. Other major institutional players are already taking productive parts in this process. The New York Department of Agriculture and Markets is funding some of our ongoing work. Members of the state legislature are aggressively seeking ways to bolster the initiatives described in this paper. Many members of the New York congressional delegation have expressed strong interest in the goals of the task force and the health of the New York apple industry. New York Farm Bureau and Farm Credit Services have played important roles by sponsoring recent industry workshops organized by members of the task force.

The tree fruit industry is fortunate to have such powerful resources on hand in times of economic crisis. Cornell's positive impact on behalf of the industry will be much greater if we can continue to engage these valuable institutions substantively in the combined effort. The most important alliances will be those formed by and among growers, shippers, packers, retailers and their organizations leading the drive to ensure long-term prosperity in the tree fruit industry. If the task force can facilitate and promote such collaboration, its mission will have been served.

The Long Haul

Changes in the economics of apple and fruit markets here and around the world make themselves felt every day as

new, often harsh realities for growers and marketers across New York State. Such realities will influence decisions that could transform farms and rural communities for generations to come. If the Cornell Tree Fruit Industry Task Force is to make any lasting contribution to the industry's viability in this climate of change, the effort will have to be sustained in proportion to the size of the challenge. The opportunities are many, if elusive. New York State's comparative advantages are real, if often unrecognized; and the industry's potential for success is great, if not yet realized. Cornell's commitment to making a positive difference for all those with a stake in the long-term success of a tree fruit industry so important to the past and future of our great state remains firm.

Marc Smith grew up on a dairy farm in Livingston County, and holds a master's degree in economics. He served as New York State Executive Director for the USDA Farm Service Agency from 1994-2001, during which time he worked with the New York congressional delegation, the NYS Department of Agriculture and Markets, farm organizations and growers to design and promote the Apple Market Loss Program. He became assistant director of the New York State Agricultural Experiment Station in Geneva, in August 2001.

Dr. Jim Hunter is a Cornell plant pathologist. He worked on vegetable crops and served as chair of the department of plant pathology at Geneva for 10 years before becoming director of the New York State Agricultural Experiment Station in 1987.
