

NEW YORK FRUIT QUARTERLY

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Editorial

Marketing the New York Apple Crop

Many challenges that face the New York apple industry are out of our control, but fortunately or unfortunately, we have the opportunity to take control and try to solve some of our problems. The biggest challenge is that market trends are changing. Who would think that consumers would spend 47 percent of their food dollar away from the grocery store? This will only rise, and soon will be over 50 percent. You wonder why retail chains such as A&P and Grand Union, two old companies, have experienced financial troubles over the years. Once market powerhouses, P&C and the New Jersey-based chain, Pathmark, have both been in and out of Chapter 11. When we see high retail prices, we cannot believe how any grocery store could lose money, but they do, and it is because consumers have unlimited places to spend their dollar. What our industry has to do is to take this information, understand it, and change the way we have always done business, to the way we need to do it.

Successful strategies to address the marketing needs of the fruit industry in New York include both the skills of Cornell and the support of the New York State Department of Agriculture and Markets. In addition, we need the support of our government. We have been very appreciative of their contributions over the last few years. It is very appropriate that your tax dollars find their way back to you, and Albany and Washington continue to offer us the aid that is needed. Our Land Grant University has contributed to this industry for decades, providing New York with the best horticultural tools in the world. To be successful, we must have these same tools for marketing. Articles such as the one by Wen-fei Uva in this issue and the information that has been presented by Dr. Gerry White and Dr. Bruce Anderson to our industry over the last few months (*NY Fruit Quarterly*, Vol. 8, No. 2, p.7) are great examples of these marketing tools. Our New York State Department of Ag & Markets is also an important player in our struggle for success. On the marketing front, Ag & Markets offers us numerous opportunities. Their representation of our industry in the world market is vital. Involvement with the FAS, as well as different Ag Export Showcases, at trade shows gives us the chance to be exposed to the world market. Our Commissioner of Agriculture, Nathan Rudgers, is providing the leadership that all of New York agriculture needs to be competitive. We look to the Commissioner to continue his mission and to implement new and exciting consumer campaigns to focus on increasing the demand by consumers for New York apples. Imagine what the effect would be if every tenth political ad you see over the next four months was, instead, a "Have You Had Your Apple Today?" ad.

Expanding market access and increasing market penetration certainly is one of our goals at the New York Apple Association (NYAA). Last year we embarked on a campaign to expand and increase our Empire apple markets. We were able to penetrate over 21 retailers to perform over 1,000 in-store demos. We also carried out different advertising promotions with retailers in the North, Southeast, Southwest, and as far away as California. In the recent "World Apple Report", results of the annual retailer survey were published. This survey was mailed to produce directors in all major chains in the United States. The results were "The Empire variety, which had received mediocre ratings in previous surveys, came in fifth ahead of Granny Smith." It also states "retailers report that their future stocking plans show that about 25 percent of the retailers plan on stocking 20 percent more Empires next year." In 1995-1998, Empires received a rating of 3.20 (out of 5), in 1999, a 3.40, and last year the highest ever at 4.08. Our attempt to expand and to penetrate worked.

On the export front, expanding markets is almost as important as on the domestic front. In some instances, perhaps more important. The NYAA is deeply involved

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ABOUT THE COVERS

Front cover: Apple storage technology has developed to a high level of sophistication, providing apples to consumers 12 months out of the year.

Back cover: Beautiful apples produced on the farm must be marketed effectively for the grower to be profitable.

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through the United States Export Council, with programs that help New York growers in the United Kingdom, Latin America, and recently in Mexico. Competition is fierce, as we now compete with the Southern Hemisphere and others from around the world. We see the threat of the Chinese ability to flood markets and displace Washington State in the Far East. We continuously fight the French-subsidized crop and have to contend with Chili and New Zealand. Our activities in our foreign markets are a unified effort, working with all major apple-producing states except Washington. To make further progress, the industry needs to build trust and collaborate on marketing. Presently, the United States government provides market access funds (MAP) to Washington State and the United States Apple Export Council with restrictions that keep the programs fragmented.

Finally, we need to strengthen trade associations and cooperatives and encourage strategic alliances and collaboration. I feel that perhaps that this is our biggest challenge. This situation goes far beyond growing areas, districts and states. As we

try to market our products, whether it is 90 miles to NYC or 3,000 miles to Los Angeles, there are fewer buyers today than yesterday. As we try to convince the buyers that our apples are bigger, better, sweeter and fresher, it usually only ends up being cheaper. When we only try to influence the buyer, and not the consumer, the result will be, sell cheaper. Imagine what could happen if all parties were willing to work together to achieve a common goal and increase marketing options for all?

Recent data from Cornell on the health benefits of eating apples have given us all hope that we can expand on this information and be in a position to tell the world that "one apple a day can keep you healthy." It will take money and a collaborative effort from the United States apple industry to get this message to the consumer. Imagine increasing apple consumption from one apple a week to one apple a day!! I would vote for that!

James Allen
President
New York Apple Association

