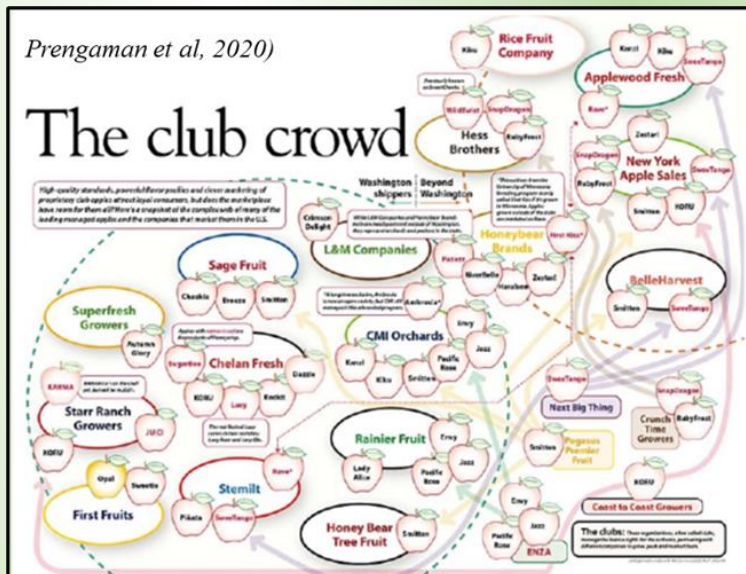


Succeeding with a New Club Variety

— How to navigate the management required



Tony Filippi

ANFIC Development Officer

Citrus Australia Congress

Novotel Sunshine Coast

7th March 2024

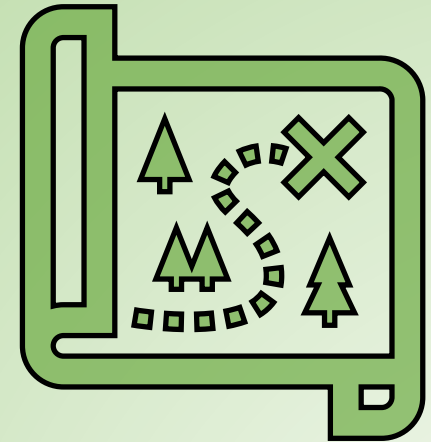


SQUEEZE

ME

Outline

- Background to presentation
- Objective of new varieties
- Overview of steps to a new variety
- Commercialization and club structure
- Produce the quality to drive the brand
- What growers and variety managers look for
- Final message



Background

- ANFIC / HFA are an Intellectual Property (IP) Manager, Commercialiser and major importer of many fruit crops including citrus, stone fruit, apples, pears, avocados and berries to name a few.
- This exposure provides **commercial experiences** that can be transferred to the citrus industry.
- Much of the following presentation is taken from these crops and put into a commercial **citrus variety context**.

ANFIC Fruit Tree Varieties

For information about ordering fruit trees and delivery timeframes, please go to our [Grower Information page](#).

To place an order for trees, please contact an ANFIC nursery. Home gardeners can order fruit trees from the [PlantNet website](#).

If you have questions regarding our fruit tree or rootstock varieties, please contact the ANFIC office.



Apple



Avocado



Berries



Citrus



Nut Crops



Other Fruit



Pear



Rootstocks



Stone Fruit



Table Grapes



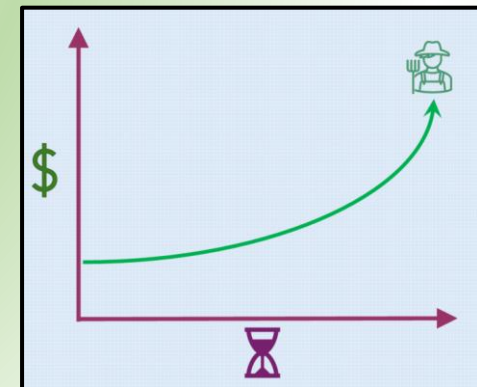
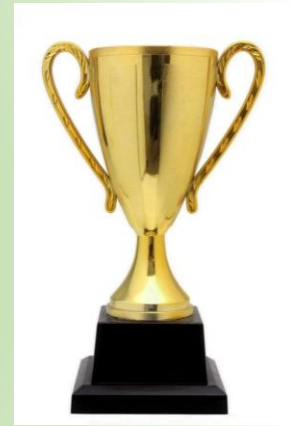
New and Coming
Soon

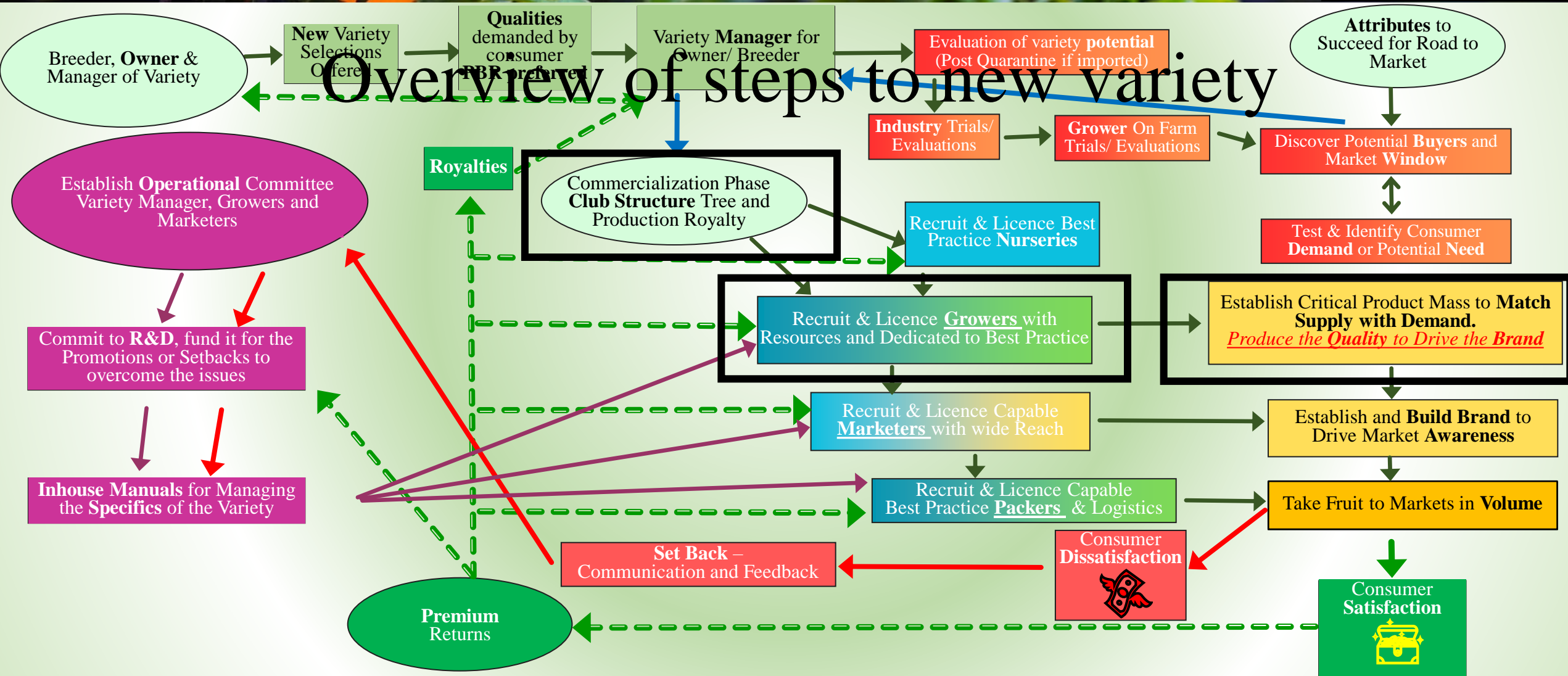


Top Selling

What is the objective of all new varieties

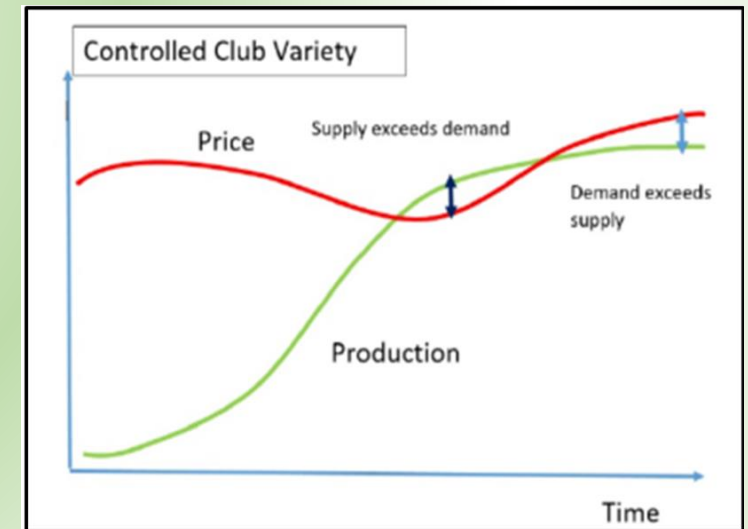
- Have **high fruit quality, yield** and other attributes of major **benefit** to the **grower** and the **consumer**
- Both Grower and Marketers have confidence in a variety which can be **commercially successful**
- A Grower's expectation is that the new citrus variety is going to be **superior to other varieties** and provide **higher returns**.
- *"The goal of a managed variety is to find that sweet spot where everybody is making out...the money is trickling down to the grower"* (Burfield, 2023).





The new 'Coordinated Marketing/Grower Club' varieties

- Many of these new cultivars are protected for the IP of their **novelty and uniqueness**.
- Aim is to **capitalise on marketing** varieties through 'Managed Clubs/Closed Loop' with **growing rights** i.e. *Early Sicily* (C1867 cv), *Tango*, *Sumo Citrus* (Dekopon cv) and others.
- Growing rights aim at gaining a **competitive advantage**.
- By **regulating supply**, delivering high **product quality**, with **targeted marketing** strategies.
- This should achieve higher market prices with **higher profits** for **all stakeholders**.



Model for controlled variety with restricted planting
(Brookes & Spark, 2017)

Outline of 'Grower Club' structures

- Growers have access to these 'Grower Club' varieties via **contractual licence agreements**.
- These can **vary widely**, from basic one-off tree royalty fee only for tree sales, usually a one-off charge with no limitations on planting.
- To fully '**closed loop**' arrangements with strict rules on production factors, marketing and tree numbers planted.
- Tree and fruit production royalties compensate the managers and breeders but also allow investment for **technical support** and **precise marketing**.
- **Not all varieties will succeed** but...if **high standards** and product **uniformity** is practised to develop the **strongest marketing**, then it is more likely (*Winton, 2017 & Prengaman et al, 2020*).



Potential benefits of ‘Grower Club’ varieties *(Comiskey, 2007).*

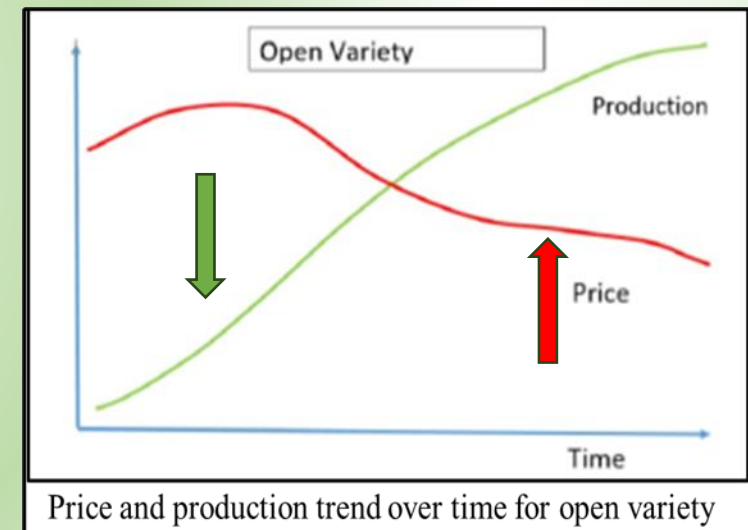
- Prevention of **over planting** varieties (area matches market volumes required)
- Controlled /**coordinated marketing** for more sustainable returns
- National unity across **wide range of ripening** times
- Can **unite growers** both within Australia and internationally through **sharing of information.**
- Create **technical excellence** via sharing benchmarking and technological information exchange for **unique cultural practices**
- Opportunity for quality **family farm growers** to participate
- Create a **critical mass** for **filling the shelf space marketing window** in an orderly manner.



Why do fruit industries need new varieties?

- **Citrus** fruit is perceived by consumers as a **commodity** product.
- In fruit commodities, **oversupply pushes the price down** to a level where the **producers are losing money** (Halton, 2022).
- Promoting new cultivars with **distinctive and novel** appearance with **taste** to match the **consumers expectations** can **counter oversupply**.
- These cultivars have potential to be **branded with trademarks** to create **consumer awareness and trust** in the product.
- Our “New Asia” market is the most lucrative for Australian producers.
- But these markets set **high quality standards** and demand **consistent fruit quality**. (Zanetti et al, 2020)

Ok to come in here at this stage



(Brookes & Spark, 2017)

Not so good here

Quality for satisfied consumer (Abouzari & Nezhad, 2016).

- Cannot establish a Brand if the product **does not deliver** on the **promise**.

'QA 101'

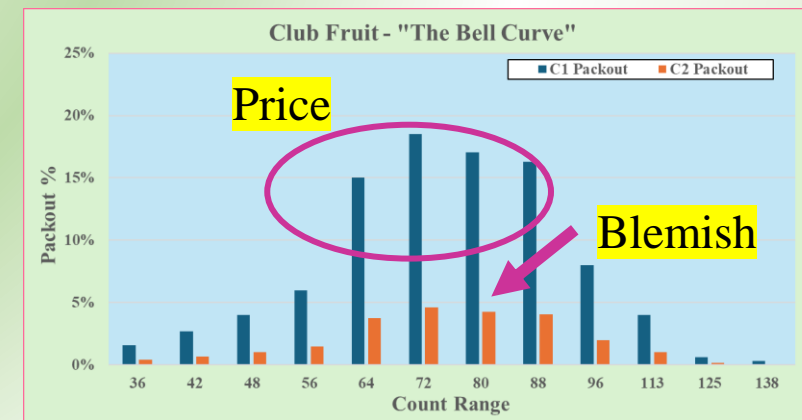
1. Visual appeal - Fruit shape, size, colour and texture
2. Flesh texture, flavour (taste), juice content and aroma (brix, TA, etc.)
3. Be easy to peel and seedless
4. Rind firmness with good shelf-life (storage potential).
5. Virtually free of injury, blemishes, pest & disease and disorders (albedo).
6. Be **uniform** as possible **at maturity** and **be consistent** when reaching consumer

- *The brand will hinge on these traits*



Striving for uniformity & consistency

- Aim is to achieve **premium market price**
- For the variety to have a chance to succeed, practices in the **orchard must excel** (*Prengaman et al, 2020*).
- For the grower it is about profitability, so what is it?
 - $\$OP = \text{Yield (t/ha)} \times \text{Price (\$/kg)} - \text{Exp (\$/kg)}$
 - $\text{Price (\$/kg)} = \text{Fruit Quality (Size, Taste, Shelf Life, Colour and Texture)}$, **Packing percentage**, **minimum blemish**, and **market ready maturity**. (*Kanonich, 2013*).
- Yield is important but without quality you are on a **price deflation** slide.
- Packers/ logistics and marketers **need to preserve and enhance** this quality to complete the recipe for success.



Everyone has to be focused

- With new ‘Grower Club’ varieties, **everyone needs to get paid**, otherwise the model will fail.
- The variety **must be planted** to have a chance of success – **need good growers.**
- In the ‘Grower Club’ there are **6 players** that are all required:
Breeder, Variety Manager, Grower, Packer/ Logistics, Marketer & Consumer.
- Two of these focus on Quality (Q) and Price (P):
 - Growers = **for returns** & consumers = **for satisfaction**
- The rest take a cut regardless, but they also **need to focus** and **invest in Q & P** for sustainability of the variety and its **Brand.**
- For growers to consider planting they **must have confidence** all players **are committed**, including other growers.



Market and management attributes focus

- **Variety attributes and desirable traits** are a **standout** from the crowd
- **Well funded** with investment early to establish the variety
- **Grower manual** for product specifications and cultural practices
 - Industry manuals cover the fundamentals
 - Inhouse manuals cover the intricacies.
- Striving to **maximize performance** of the unique variety attributes and eventually market.
- Continued **R&D** to fine tune the traits and /or **solve the issues** that arise.
- **Discipline** to maintain and drive the quality standards, evidence of a disciplined **supply base** i.e., other growers
- **Open to apply** preventative and remedial measures as the variety requires
- Are you **happy to work** with the marketer and or packer



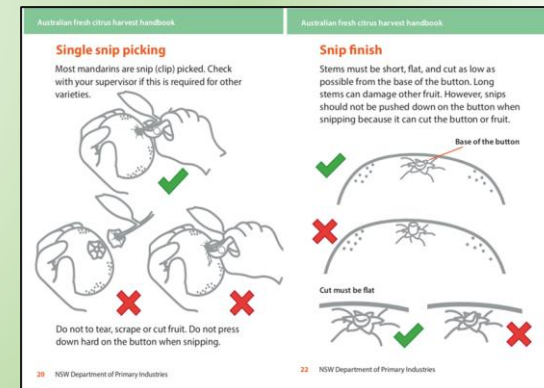
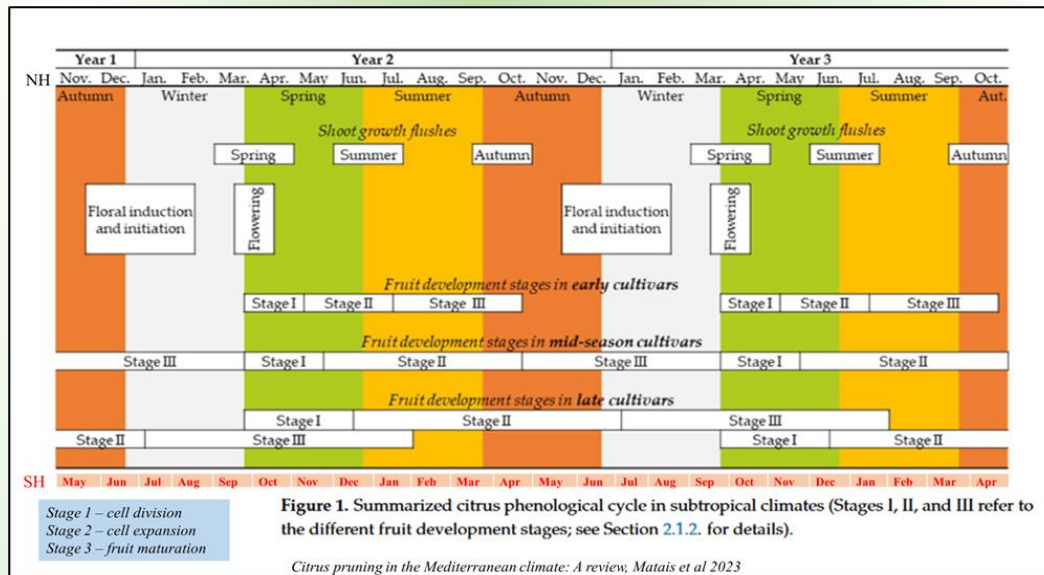
Key production knowledge required

- Access to historical R&D and/or any **local experience**
- Find out the key **limitations or challenging** traits of the variety as there is no such thing as the ‘**perfect**’ variety.
- Climate, does it **suit your location** where you want to grow the trees?
- Don’t plant trees where fruit **traits cannot be expressed**
- **Location** of your **packing facility** (cost and distance).
- Acquiring **quality nursery trees**
- **Rootstocks** to match the soil conditions and planting density.
- **Planting density** for efficient production and fruit quality to match
- Production **inputs** of the variety must **not be prohibitive** to the bottom line.
- Is there a structure for **benchmarking** data to disseminate and drive **continuous improvement**?



Cultural practices for quality are all about timing

- There is **no such thing** as a **set and forget** variety that delivers quality!
- Can you manage applying the **necessary cultural practices on time** i.e., crop regulation, harvesting, nutrition, irrigation, etc?.



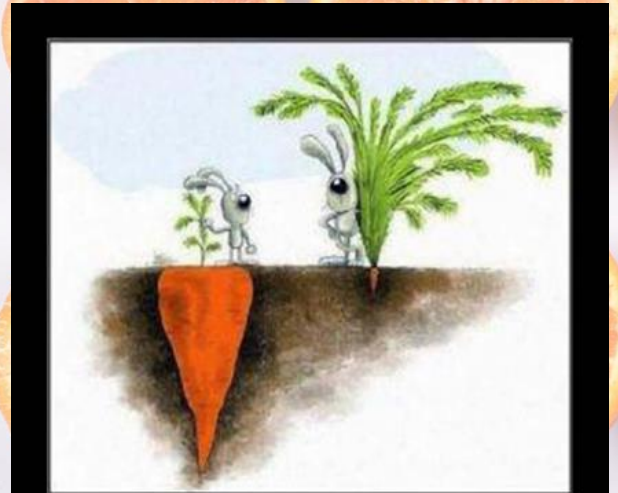
What's the takeaway message?

- Provide a **consistent** consumer experience is the **prime goal!** (Consumers have to **part with their \$ to buy.**) (*Lehnert, 2015*)
- Be **willing to share** in pioneering the **development** of the variety
- Always **meet the standards** set
- Excessive **composite and small grade** fruit places pressure on premium price strategies – **don't grow it!!**
- High percentage of Class 1 **prime sizes** delivers **grower profitability**
- All factors need to be answered and **made clear before recruitment**
- **Do not** advise growers to plant if they **don't support and believe** in the brand (*Grundlingh et al, TopFruit, 2024*)
- **Do not** want good quality growers **subsidizing** poor quality growers (*Comiskey, 2007*)
- **Setbacks and obstacles** will happen, but if the variety has standout **consumer qualities**, then the **new variety can succeed**

REFERENCES AVAILABLE

THANK YOU & QUESTIONS

REMEMBER



SUCCESS

It's not always what you see