



2013 IFTA Conference

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Model for Evaluating and Marketing New Apple Varieties

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Wescott Agri Products

Varietal Development – Supply Driven Model



- Historically dominate model
- Production and distribution of varieties was driven by the nursery industry
- Primary genetic source of new varieties came out of **publicly funded** programs
- Nurseries were “licensed” to **produce and sell** as many trees as possible
- Variety “promoted” to growers with little input from end user
- Successful varieties became a commodity
- Challenge was move the volume produced

Varietal Development – Club Model



- Turn of century saw introduction of “Club Model” or demand driven model
- Private industry model connecting breeder to retailer
- Aligning all stakeholders with a shared revenue stream through “life” of variety
- Managed supply to correlate with demand

Varietal Development – Public /Club Model



- 3rd Model has evolved – States and Universities driven
- Publicly funded programs to develop varieties for their support base with attached restrictions and revenue streams

Club Model – Impact on Industry

- Potential for greater returns to stakeholders
- Accelerated generation of new varieties from **private sector**
- Accelerated global exchange of varieties
- Accelerated activity in public programs
- Varieties are less bullet proof and **vary significantly** under different growing conditions

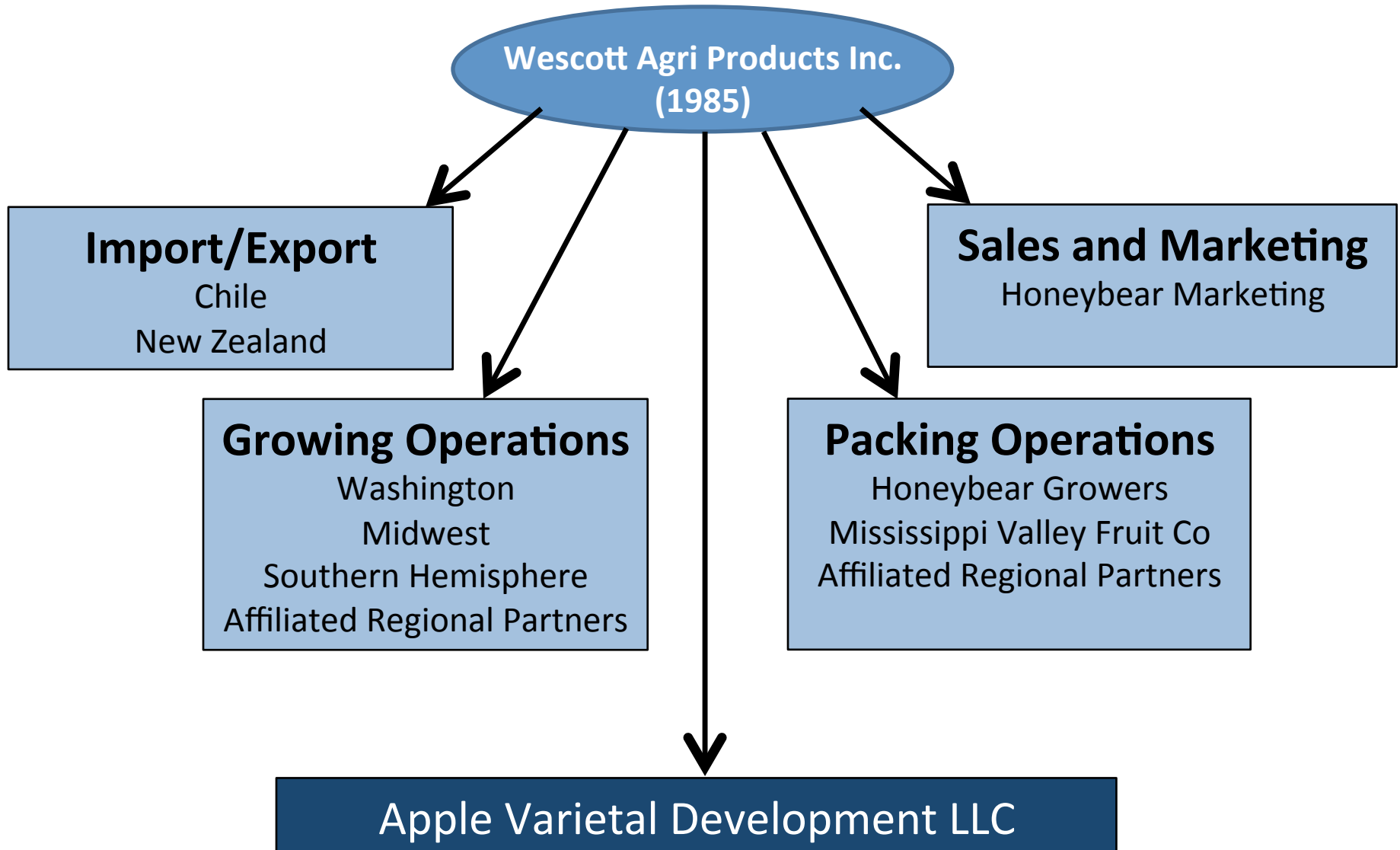


Change is Required



- Net result is an explosion of potential varieties coming from very diverse breeding programs
- Industry requires new structure and resources to adequately respond to these changes
- Addition of varietal development service to Wescott business structure

Wescott Business Structure



Apple Variety Development LLC



- Creation of Apple Variety Development LLC
- Multi regional varietal testing service
- Collect data to determine commercial potential of a variety
- Develop commercialization strategy based on reality of variety's traits
- Accelerate “Speed to Market”

Breeders:

Regional, National and International

**Canada
Southern Hemisphere**

Web based platform

Determine Commercial Potential

Acquire Varieties

Testing Sites for Varieties

Aggregate Data

GO!

Breeders:

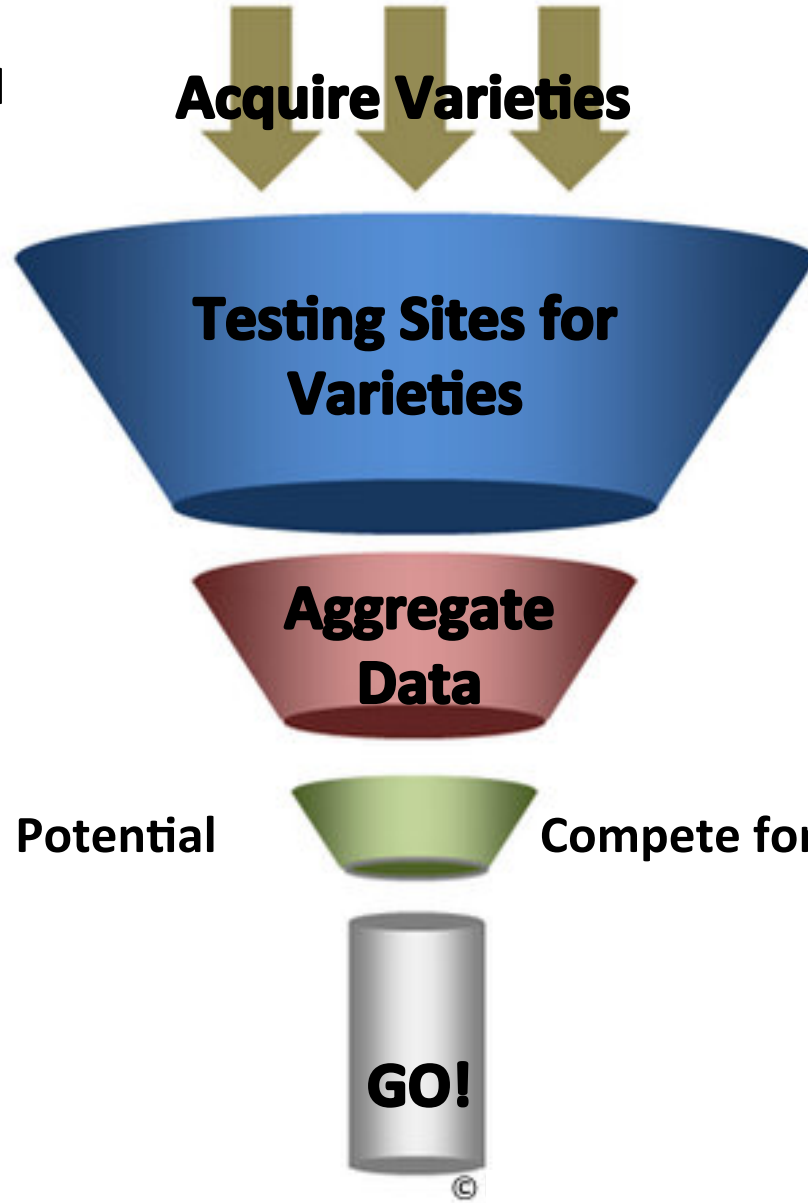
Independent & Institutions

**Pacific Northwest
Northeast
Midwest**

Standardize and Synthesize data

Compete for Right to Commercialize

**Set up Regionally Appropriate
Production and Marketing Program**



Conclusion



- Future health of our industry will be based on our ability to increase consumption that meets or exceeds the pace of production
- Currently, production increases out pace consumption increases
- Improvement of varietal selections that better meet the expectation of a diverse customer base can help reverse this trend

Conclusion – con't



- “Club Variety” is one tool that can help bring new and improved varieties to market providing;
 - Start with high quality product
 - Accurately and realistically ID traits of the variety in the location and conditions it was produced
 - Implement cohesive production and marketing strategy
- Club model is not a replacement of the traditional model but an enhancement to it

Conclusion – con't



- More expensive model to implement and participate in but potential for higher returns attracts stakeholders
- Loss of market share for the category would result if all future varieties were brought to market this way
- Need stratified market approach to attract **all** consumers!
- Components of Club Model can be incorporated into other commercialization models
- Whether stand alone or stage in the life cycle, it will continue to influence the future our industry



Questions & Comments

Thank You!!



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