

Ohio Fruit ICM News

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Comments from the Editor

If you are having trouble with deer, please note the deer management workshop to be held here at Piketon. More details are in this issue.

Plasticulture strawberries are planted and we have ordered our row cover for the trials at Piketon. Everbearing strawberries are producing a limited quantity. If you had a market willing to pay a premium price these might be something you want to look at in a limited fashion.

Our red raspberry harvest ended early this year. We haven't even had a frost, but with the difficult growing year we were observing a significant amount of sunburn on them reducing fruit quality. I am very impressed with some of the new numbered primocane bearing blackberries we are evaluating with Dr. Clark (Univ. of Arkansas). Berry size and flavor is very good. We will have to look at yield and I am still holding out hope for a thornless selection.

We are continuing on with establishing our new vineyard. Tiling is done and vines are ordered. Trellis construction will commence soon.

Managed Varieties - Are They in Our Future? By Matt Harsh, Associate Extension Educator, PSU (Source: PSU Fruit Times Vol. 26, No. 9)

You can hardly pick up a trade publication these days without finding an article either touting a new "managed" variety as the greatest thing to come along in years, or an editorial from someone decrying the concept of "club varieties" as un-American, anti-free market, and the end of fruit farming as we know it. What is a grower to do? Are managed varieties a potential boon, or a giant pitfall? As with so many things in life, I think the

truth lies somewhere in between. And in the interest of getting to that truth, I thought it might be useful to take a few moments and clarify a few things about variety management: what it is, what it seeks to achieve, and what ultimately are the implications for the mid-Atlantic fruit industry.

What exactly is variety management anyhow?

Variety management is a term that encompasses a wide range of concepts that are currently being used to control the release and distribution of some new tree fruit cultivars. These strategies run the full gamete from a cultivar simply being marketed under a trademarked (rather than cultivar) name, to very controlled situations involving proprietary plant material, exclusive marketing arrangements, franchise fees, and production based royalties.

From observing the many “club” varieties that currently exist, all of them utilize at least one of the following strategies to gain varying levels of control: a trademarked name, controlled production, and/or controlled marketing. The number of these strategies that a club employs would seem to indicate just how controlled a variety is. I try to think of managed varieties as occurring on a spectrum that runs from loose arrangements at one end, to very closely controlled (tight) arrangements at the other with medium or hybrid arrangements in between.

Loose managed varieties are those that are basically controlled through a trademarked name. Anyone can purchase plant material and plant as much as they’d like with royalties typically being charged on a per tree basis. The subsequent fruit can be marketed however the grower would like (i.e. through any marketing channel) as long as trademark standards are upheld for all fruit that bears the trademark. A good example of this would be Pink Lady®. Pink Lady® is actually the trademark name for apples of the ‘Cripps Pink’ cultivar. If you’ve planted ‘Cripps Pink’, you should have received a trademark agreement spelling out the standards for Pink Lady® and how these apples can/should be marketed. Anyone can plant ‘Cripps Pink’, and there is no limit to the number of trees that can be planted. You can sell the apples yourself as Pink Lady® (an exemption exists for direct marketing) or take them to any packer/wholesaler that adheres to the Pink Lady® trademark agreement when marketing.

Conversely, tight managed varieties are those that employ not only a trademarked name, but controlled production and marketing as well. With these cultivars plant material is not openly available, and just because you want to plant a cultivar doesn’t mean you’ll be able to. Growers are usually selected to be a part of these “clubs” based on certain criteria such as geographic location, site appropriateness, management history, etc. Royalties are usually charged on a production rather than per tree basis, and growers typically pay a franchise fee for club membership or actually “lease” the trees from the proprietor of the cultivar. All production is obligated to a specific marketing channel and a grower cannot sell fruit outside of that channel. Cultural information is developed and shared only within the club; and if you chose to leave the club you lose your right to produce the cultivar. Jazz® is probably the best known example of a tight club. Jazz® is a

trademarked name for a cultivar developed by HortResearch of New Zealand. Jazz® apples are currently grown in the USA by a small group of growers in Washington State that have contractual arrangements with ENZA Ltd., the owner of Jazz® and the Oppenheimer Group, the exclusive marketer of Jazz® in North America. All of the Jazz® apples produced in Washington State are delivered to specific packing houses and marketed exclusively by the Oppenheimer Group.

Somewhere between these two extremes lay hybrid managed varieties. Such a cultivar might use a trademarked name for fruit sales, but won't have either the strict production or marketing arrangements that a tight club would employ. Any grower that wishes may grow a hybrid controlled cultivar, and usually a per tree royalty is assessed. Many times these cultivars are actually a selection of another openly available variety. Therefore growers are free to market the cultivar by its common name, or go through a designated marketing channel and have the fruit marketed under the club regime. Under the club regime, fruit that meets certain parameters will be marketed under the trademark (and often charged a per box royalty), while the rest can be marketed under the common variety name. An example of a hybrid scheme would be Kiku®, which is actually a highly colored sport of 'Fuji.' Growers may plant Kiku® trees and sell the apples themselves (as Fuji), or they can enter the managed marketing chain where the apples that meet the Kiku® standard will be sold as Kiku®, and the rest will simply be sold on as 'Fuji'.

Which type of variety management scheme is best?

Certainly I'm in no position to give a definitive answer on this one. Each managed variety scheme possesses its own level of risk, commitment, and potential reward. And to a certain extent risk is in the eye of the beholder when it comes to something like variety selection. Obviously a tightly managed variety involves a big commitment of effort and capital and there is no guarantee that the variety will take off in the marketplace. However, if it does and everything works as designed, the rewards could be substantial. By nature, a loosely managed variety likely has less potential for huge returns over the long-term given the lack of strict controls on volume and marketing. Hybrid arrangements are certainly intriguing as they essentially seek to combine the best elements of loose and tight situations while managing risk all at the same time (i.e. you're likely planting a variety that already has an established market).

Why has variety management come into existence?

Frustration with the way that varieties are currently introduced and subsequently handled on the part of variety developers is certainly a driving force in variety management. Traditionally, new varieties were developed, trialed, and licensed to the nursery industry with the originator getting a per tree royalty. Although this royalty may seem costly to growers, often times a variety originator doesn't really make much money off of the variety. Fruit breeding in a long-term and expensive proposition, and simply developing varieties, charging a \$.50 a tree royalty and sitting back doesn't pay the bulldog, particularly at our Land Grant universities. Variety originators want, and need, to make

more of an economic return from their efforts and variety management is a way to accomplish this. Additionally, in the past, the marketplace has taken sort of a wild-west approach to new varieties. Anyone can plant anything, anywhere, in whatever quantity they want and we'll sort it out later. If you think about it for a minute, we can all see that this might not be the best scenario. Rushing to market when prices are high, the tendency to constantly "improve" a variety, no standardization, inability to balance supply and demand...all of these factors and more make the idea of gaining (and sustaining) some sort of control in the marketplace very attractive.

What does variety management seek to achieve?

The thing that variety management really seeks to achieve is control and coordination in the marketplace. The theory goes that if you can better manage production, and coordinate marketing, a higher quality, more consistent product will result. Variety management isn't about picking winners and losers or limiting what you can or can't do on your farm. Ultimately it is about trying to deliver a higher quality product to the end consumer while providing a better return on effort for everyone involved.

What will be the role of variety management in the Mid-Atlantic?

Currently, variety management hasn't really had a big impact on the mid-Atlantic fruit industry. We have some loosely managed varieties available, and I understand that some hybrid club varieties are heading our direction. As to tightly managed varieties, given the very strict nature of these arrangements, the considerable capital and coordination required, and in some cases the very specific cultural requirements, it makes sense that these varieties will gravitate to other growing districts (i.e. Washington State) first. But given time, I'd imagine we'll see tightly managed varieties around here as well. Certainly, our proximity to major metropolitan areas, ready access to consumers, and considerable direct marketing trade makes our region attractive for the introduction of tightly managed varieties. Perhaps, we'll even have our own proprietary tightly managed variety crop up some day.

In many ways, variety management is just the latest manifestation in the fruit industry of a long-term trend that is occurring all across agriculture. I'm speaking of the move away from traditional open market transactions and towards the development of "value chains" that link all the players in a marketing channel- from input suppliers to retailers - together in coordinated, trust based, relationships. But that is a whole other subject entirely...and the topic for another article. So are managed varieties just a fad, or an incredible new opportunity? Only time will tell. Ultimately the quality of the eating experience that end consumers have will be the dictator of success or failure of these schemes. As my good friend Dr. Jim Schupp once said to me, "You know Matt, for any of these things to be successful they actually have to be good to eat and be better than what is already out there."

Are Deer Eating Your Profits?

Are your fields and gardens turning into a buffet for deer? If so, plan on attending a deer control workshop on Friday November 2nd at the OSU South Centers in Piketon and get advice on how to exclude deer from your land. Specialists in deer biology and control will provide valuable insight on how to protect your land from the increasing deer population. You'll also hear from vendors on what is available on both a small and large scale for deer deterrent and exclusion. After lunch, you will tour the fields of OSU South Centers and view their deer fencing systems and learn the pros and cons of the many options available.

Speakers:

Lloyd Culbertson, Wildlife Management Consultant, ODNR Division of Wildlife
Lloyd graduated from The Ohio State University with a BS in Agriculture, emphasizing on Wildlife Management. He has worked for the ODNR Division of Wildlife since 1981 and has extensive experience in forest wildlife research.

Dave Apsley, Natural Resources Specialist, OSU Extension Center at Piketon
Dave has over 18 years of experience in forestry & natural resources education, management and research. He holds a bachelor's degree in Forest Management from Purdue University and a master's degree in Forest Resources from the University of Georgia.

Workshop is limited to the first 75 paid registrants and the registration deadline is Monday, October 29.

Workshop Registration: 9:00 AM, November 2nd and program starts at 9:30

Lunch is included

Cost: \$30 per person

Phone registration with credit card accepted. Call Julie Strawser at 740-289-2071 ext. 223 or 1-800-297-2072 ext. 223 (Ohio only) for more information.

Calendar - Newly added in ***Bold***

October 5-6, US Highbush Blueberry Council Fall Meeting, Crowne Plaza Northstar Hotel, Minneapolis, Minnesota. For more information:
<http://www.blueberry.org/calendar.htm>.

Oct. 27, Kentucky Nut Growers Association Fall Meeting, UK Research and Education Center, Princeton. Contact Joe Masabni 270-365-7541 ext 247; e-mail
jmasabni@uky.edu.

November 2, Deer Control Workshop, OSU South Centers Piketon.

November 3, Midwest Apple Improvement Association Annual Meeting. Dawes Arboretum, Newark, OH. For more information contact Mitch Lynd at (740) 967-5355.

November 11-13, Southeast Strawberry Expo, at the Sheraton Imperial Hotel, Research Triangle Park (Durham), North Carolina. New Grower workshop and farm tour on November 11; trade show and educational sessions on November 12-13. For more information, email ncstrawberry@mindspring.com, call 919-542-3687, or visit www.ncstrawberry.com.

December 3, USDA NC-SARE Farmer & Rancher Grant proposals deadline

December 4-6, Great Lakes Fruit, Vegetable and Farm Market EXPO, DeVos Place, Grand Rapids, MI, for more information www.glexpo.com.

Jan. 7-8, 2008 Kentucky Fruit and Vegetable Conference, Embassy Suites, Lexington, KY. Contact John Strang 859-257-5685; e-mail: jstrang@uky.edu

Jan 14-16, 2008. Ohio Produce Growers and Marketers Association Congress, Kalahari Resort & Conference Center, Sandusky Ohio

Jan. 28-30, 2008. Indiana Horticultural Congress, Adam's Mark Hotel, Indianapolis. For more information see www.inhortcongress.org

Jan. 29-31, Mid-Atlantic Fruit and Vegetable Convention, Hershey Lodge and Convention Center, Hershey, PA. For More information Contact William Troxell 717-694-3596.

Jan. 29-31, Annual meeting of the North American Strawberry Growers Association will be held in conjunction with the Mid Atlantic Fruit and Vegetable Convention (above), and the National American Bramble Growers meeting (below). For more information: Kevin Schooley at kconsult@allstream.net or visit www.nasga.org.

Jan 29-31, North American Bramble Growers Association Conference, Hershey Lodge and Convention Center, Hershey PA. For more information contact: Debby Wechsler, 1138 Rock Rest Rd. Pittsboro, NC 27312, nabga@mindspring.com.

February 11-12, Ohio Grape & Wine Conference, Shisler Conference Center at OARDC in Wooster.

NOTE: Disclaimer - This publication may contain pesticide recommendations that are subject to change at any time. These recommendations are provided only as a guide. It is always the pesticide applicator's responsibility, by law, to read and follow all current label directions for the specific pesticide being used. Due to constantly changing labels and product registrations, some of the recommendations given in this writing may no longer be legal by the time you read them. If any information in these recommendations disagrees with the label, the recommendation must be disregarded. No endorsement is intended for products mentioned, nor is criticism meant for products not mentioned. The author and Ohio State University Extension assume no liability resulting from the use of these recommendations.

Ohio Poison Control Number

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