

Honeycrisp Apple Growers and Marketing Co.



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1. Who are We?

- a. A group of Honeycrisp growers in Washington with acreage from 1 to 8 years old.

2. Reason We Organized in a Grower Group

- a. To provide a resource for growers in Washington who have planted or will plant Honeycrisp.
- b. We also want to get growers together to set up grade standards for Honeycrisp, e.g., Fujis have five grades and have proved a marketing nightmare. We propose one to two grades maximum for marketing efficiency.
- c. Two packing locations, one in the Chelan-Brewster district and one in the Yakima-Tieton district.
 1. The packing houses are set up to ensure uniform grade standards and enforce rigid quality characteristics.
 2. By centralizing packing we can provide an outlet for growers and other packing houses that cannot devote time with a 10 to 20-bin lot picked from a 3-year-old planting. These small lots have proven to be a detriment to the FOB market because salespeople at large sales desks tend to blow the fruit out at below market conditions.
- d. A fieldman service is available to help in orchard site selection and as a help in growing the quality characteristics we are looking for in the Honeycrisp apple.
- e. Our organization will provide promotional and marketing support to ensure that Honeycrisp will have buyers.

3. Marketing and Challenges

- a. Challenges
 1. Who is your customer? If you don't have a plan, don't plant the variety.
 2. Getting market penetration with a new item at store level. Again, you need a plan.
 3. The uncontrolled planting without any viable production to determine how big the market is, e.g., Cameo dilemma: 500,000 box production—50 loads sold in January; Pink Lady dilemma: 500,000 box—fair sales, no buyer for certain sizes.
 4. No price guarantee back to the grower to assure him a return on his investment.
- b. Marketing
 1. We have set up a promotional assessment to fund promotions heavily while times are good. We hope to avoid the Fuji mistake.
 2. We will have strict requirements regarding eating quality or the fruit will not be shipped.
 3. We will have a minimum floor price where it may prove better to not pack certain sizes or grades than to lower the FOB price. Profitable pricing must be maintained.
 4. We will work with other growing districts and packing houses to ensure the success of the variety.
 5. We will examine the possibility of a variety co-op to discuss issues of grade and pricing.

4. Conclusion

- a. Honeycrisp has a market potential of between 500,000 to 1 million boxes in the short-term production.
- b. That many trees are in the ground for

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that figure. Future planting should be approached based on how the market accepts the increased production and how successful marketers are in opening new markets for Honeycrisp.

- c. Growers have the biggest risk on any new planting. Costs can run from \$7,000 to \$9,000 per acre without any guarantees of price. We are encouraging any grower who has Honeycrisp to be a responsible steward to the market in general. We cannot sacrifice on issues of quality and price. Once you compromise on either of these, the future of Honeycrisp would be in doubt.