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The Taste of Summer In Winter: A Case Study of California Summer Fruits in New Zealand

Lisa Cork

The California Tree Fruit Agreement (CTFA) represents growers of all fresh peaches, plums, and nectarines in California. On behalf of the growers, CTFA conducts research, administration, mandatory inspection programs, and promotes Californian nectarines, peaches, and plums through generic marketing, advertising, and public relations programs in the United States and abroad. To fund these services, growers pay a mandatory per-box assessment. In the early 1990s CTFA started working with the New Zealand Ministry of Agriculture and Fisheries to gain market access to New Zealand. In 1995 this was achieved and approximately 500 metric tons of California stone fruit was imported to New Zealand. In 1996, with the market fully open, nearly 1,000 metric tons of fruit was imported. To support development and growth of this new market, CTFA appointed a New Zealand marketing representative in 1996.

This case study reviews the growth of the New Zealand market from 1996 to 2003. Facing significant barriers, the market grew from 1,000 metric tons to over 3,500 metric tons in 7 years.

This case study explains the distribution challenges faced in marketing summer fruits in winter and emphasizes the importance of accurate market information when dealing with international marketplaces.

Challenges

An informal survey conducted at the end of the 1996 season revealed that although the market had grown, the produce trade perceived California Summer Fruits unfavourably because the fruit was “dry, mealy and tasteless,” according to feedback from retailers and comments from consumers. As a result, several major New Zealand importers stated, “Unless the Californians can get it right, there is no future for this product in New Zealand.”

These comments prompted an analysis of the challenges faced in marketing summer fruits counter-seasonally in New Zealand.

The first challenge faced was the logistics of exporting, distributing and marketing California Summer Fruits in a cold-winter climate. While California Summer Fruits are exported to other Southern Hemisphere countries, New Zealand is the furthest south and has a winter climate. Average winter temperatures are 8–15°C (45–60°F) during the day and 0–8°C (32–46°F) at night. Compared with the United States, New Zealand homes are much colder in winter because most New Zealand homes are not centrally heated. Instead, New Zealanders use portable or wall mounted gas/electric heaters and typically heat only one living area. So while ambient winter temperatures posed a unique challenge, the lack of central heating in most New Zealand homes compounded the problem.

The second challenge was a terminology barrier. While both countries speak English, terminology varies between the two. California Summer Fruits uses the term “Mature” in their maturity grade standards to denote fruit that is not ripe but will ripen in the right conditions. To the New Zealand fruit trade, the term “Mature” means the fruit is ripe, if not slightly past its best.

The challenges facing California Summer Fruits in 1996 included:

- The New Zealand produce trade had unfavourable perceptions of California Summer Fruit. The key complaint was that the fruit was “dry, mealy and tasteless.”
- California’s maturity-grade standards meant fruit was labelled “CA Well Mature.” In the language of California, this meant fruit was not ripe, but would ripen in the right conditions. New Zealand produce traders buying this fruit interpreted the words “CA Well Mature” as meaning the fruit was ripe.
- The protocol for handling and distributing ripe fruit is to transport it in refrigerated trucks and refrigerate it at temperatures of 4–6°C (39–43°F).

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The California Tree Fruit Agreement has invested in research to develop protocols for optimal summer-fruit handling (Crisosto 1999). Californian research showed that not-ripe summer fruits stored in what is called the “Danger Zone”—the temperature zone between 2–10°Celsius (36–50 °F)—have a propensity to turn dry, mealy, and tasteless. Given that these were the same symptoms experienced in New Zealand, there had to be a connection.

In 1996, after numerous conversations with New Zealand importers, wholesalers, and retailers, after learning more about New Zealand fruit-handling procedures, after studying California Summer Fruit’s fruit-handling research and after understanding that there was a terminology difference, the problem being experienced in New Zealand became apparent.

Without realising it, New Zealand’s produce trade was contributing to poor-tasting fruit because of the way they were handling and storing it. Once this was discovered, the challenge became to change the handling procedures in order to optimize fruit taste and flavour.

Actions Taken

Between 1997 and 2001, face-to-face visits with the produce trade communicated the need to handle California Summer Fruits differently in winter in order for consumers to get a good eating experience.

In addition, using California Summer Fruit’s fruit-handling guidelines, new handling protocols were developed for New Zealand. A variety of materials were created to communicate the new handling message. Handling manuals were developed and distributed. Real thermometer wall charts communicated the need to store fruit at specific temperatures. Training seminars taught produce managers the importance of selling fruit that tasted good. Fruit-assessment tools were developed for importers and retailers so fruit could be assessed before sending it to stores. Penetrometers and thermometers were distributed to assist the produce trade with fruit assessment and fruit handling. Importers and retailers willing to trial pre-conditioning/ripening fruit were given promotional support at the consumer level so shoppers were aware of the commitment their store was making to fruit taste and flavour.

Outcome

From 1996 to 2003, total California Summer Fruit imports to New Zealand increased 250%, from 1000 MT to 3,500 MT. In 1996, fruit purchase penetration was a mere 24% of New Zealand households (Holway 1996). At the end of 2003, it had risen to 72% of New Zealand households (California Tree Fruit Agreement 2003). California Summer Fruits moved from being positioned as a speciality winter niche fruit to a mainstream winter fruit. A consumer survey revealed consumers were buying this fruit weekly to fortnightly and more than 70% were satisfied with the taste experience.

Keys to Success

In any international situation, the market needs to be understood. California Summer Fruits would not have enjoyed the success and market growth they achieved in New Zealand if they had not invested in the market and in local representation.

When distributing internationally, companies must travel to the market when the product is there. It is important to interact with stakeholders—importers, wholesalers, receivers, and retailers—to understand how the product travels, handles and performs in the market.

Investments must be made in research—both formal and informal—to understand how the market perceives the product. This research should be used as the baseline to develop a cost-effective and sales-driven marketing strategy.

Current knowledge, past experience, and current perceptions of users must be understood in order to make research applicable to their need and their situation.

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