

High fuel prices may give New York apples a competitive edge

Detail Introduction :

Two relatively new apple varieties from New York have had another successful season. One of them, SnapDragon, is expected to go out of stock later this month. "This variety will sell out sooner than last year thanks to broader distribution and seasonal programs from nearly all of our major retail partners," says Jessica Wells, CEO of Crunch Time Apple Growers. On the other hand, RubyFrost supply remains strong and is expected to stay that way until late June or early July, and is now available for shipping.

On the other hand, much of the new demand for both varieties is coming from the Midwest. "A customer from many years ago added several divisions in that part of the country, allowing a whole new set of customers to try both SnapDragon and RubyFrost," Wells continues. "In addition, both varieties continue to sell extremely well in the Northeast, and Southeast retailers have seen triple-digit growth year over year for SnapDragon."

RubyFrost supply is still going strong and is expected to stay that way until late June or early July.



The power of premium apples

Wells adds that while overall consumption of apples has been fairly stable over the years, there are more high-flavor, premium varieties on the market, meaning there is potential for consumption to increase simply because the apples available are better than ever and offer a great eating experience for shoppers, she says.

Also tapping into demand, Crunch Time recently launched a fundraising program that gives consumers access to SnapDragon apples they may not have seen before. "We are not limiting the program to locations where there is a SnapDragon retailer. We offer the company's 4kg boxes to school groups, churches, sports teams and community organizations to sell within their communities," adds Wells. "The program is structured in such a way that the groups should reap a huge benefit while offering a new and healthy alternative to traditional fundraising activities."

In terms of prices, as with many commodities, the FOB price of apples is up 20-30% from last season, with RubyFrost prices 5% more than last season at the start of the season. "With the SnapDragon sale on the horizon, we expect prices to remain stable," says Wells. "We don't anticipate an increase in RubyFrost prices, but the market conditions dictate that as we get closer to the end of the season."

You also have to take into account the rising costs for growers and carriers across the country. "With prices as high as they are, I think they will continue to play a role for some time and certainly for the remainder of our selling season," says Wells.

In fact, those high fuel prices may help give New York apples a competitive edge. "All of our apples are grown in New York, which is an advantage over the premium West Coast varieties, as many of our retail partners are also located in that area," concludes Wells. "Not only does this lead to increased freshness and quality due to shorter shipping times, but we are also able to efficiently transport the apples to major population centers east of the Mississippi. Our shipping costs are between \$7.50 and \$12 per bushel (\$0.19 to \$0.30 per pound), which is lower than fruit shipped from the West, which means lower farm-to-store costs, fresher produce, and, hopefully, more satisfied consumers."