



# Pink Lady®

**April • May 2011**

## **SAPLA News**



Late last year IPLA met in Nagano, Japan for its annual conference. It was an eye-opening experience for many of us who attended and for whom it was a first visit to the country. The Japanese Pink Lady® business is still in a fledgling state but has enormous potential. It is therefore with shock that we have witnessed the mass destruction by the recent earthquakes and tsunami. Our heartfelt sympathy goes out to the Japanese people and especially Taka Nakamura (Chairman Japan Pink Lady® Business Association) and his family and associates.

SAPLA is made up of producers, packers, marketers, technical experts and the SA license holder, TopFruit. As Chairman, it was heartening to see the much-improved turnout at the Pink Lady® AGM in February.

As I have said before, the Pink Lady® business is not small. With my grower hat on, I appeal to all growers to pay more attention to this Lady and not to leave everything up to their packers and marketers. At the AGM, I pointed out the huge discrepancies in returns from different marketers. It is your money that is used to do the annual survey through Frudata. The differences in returns between the highest and lowest operators have remained the same year after year, namely between R50 – R70 per carton. Surely it is time for some producers to ask questions of their marketers?

Most of the research being done on Pink Lady® in SA revolves around Internal Browning. It is imperative that IB problems be sorted out in order to help ensure the sale of quality Pink Lady® over the entire marketing period. This in turn will help the Pink Lady® business meet the new stricter disciplines that Peter Dall talks about in his article. As I said at the AGM, it is also critical that Apple and Pear Australia Limited (APAL) applies the resources required to bring Chile to the party in order to have a more disciplined Southern Hemisphere supply to the EU and UK. A Pink Lady®\Rosy Glow orchard walk was arranged recently for the Ceres region. Thank you for the excellent attendance.

Finally, a really very exciting bit of news is that Coregeo won the prestigious Chartered Institute of Marketing's Food, Drink and Agriculture Group Excellence in Marketing Award at a function at the House of Commons on the 17th March 2011. This award is presented annually to only one food, drink or agricultural company whom CIM believe has demonstrated outstanding marketing skills. I quote – "The Pink Lady® apple brand was judged to be the winner, based on strength and longevity of brand; having a fully international supply chain; its growth in international markets; its unique business model, success in multi channels; a track record of change and innovation; and finally it's good CSR and environmental record". Very well done to Andy Macdonald and Fiona Williams!

*Phil Kilpin*  
Chairman SAPLA



## **International Award**



**Andy Macdonald (middle) receiving the award**

March was a very special month for the Pink Lady® brand in the UK when the Chartered Institute of Marketing (Food, Drink and Agriculture Group) presented their 'Excellence in Marketing' award to Pink Lady® apples at the House of Commons. This award recognises, not only our local efforts to build brand equity, but the global value of the brand.

Since the first Pink Lady® sold in 1992 in the UK there has only been one year when sales did not improve on the previous year. We are now the 4th most popular apple sold in the UK by value, we have more than doubled spontaneous recognition over the past 12 months and our premium brand status has been maintained now for nearly 20 years.

*Andy Macdonald*  
Managing Director, Coregeo UK



# IPLA News



Having recently attended Fruit Logistica in Berlin and the South African Pink Lady® Association AGM, it has once again become clearly evident to me that the Pink Lady® Business is a dichotomy of two different ways of operating the business.

Firstly, there is the Northern Hemisphere, especially the European Model where for the past 10 years they have controlled the number of hectares that can be planted, licensed only 6 marketeers, and have invested huge amounts of money stimulating demand. The Europeans have been able to increase demand and limit supply. We all know that this is a sustainable formula for high returns on investment, once again we have seen the success of the European business this Northern Hemisphere winter. Despite a record crop of 110000 tons of Pink Lady® apples, they have been able to increase prices above the 2010 levels and the sales have been well ahead of target, so much so that by mid May 2011 the Northern Hemisphere stocks were to be depleted and they will leave a strong Pink Lady® Market for the Southern Hemisphere Pink Lady® Producers.

The Southern Hemisphere situation is entirely different, up until now there has been no control on plantings in the Southern Hemisphere, anyone who has wanted an Export License has been granted one and 52 Importers in Europe and the UK have been licensed to receive Pink Lady® Apples from the Southern Hemisphere. On top of that we do have the summer effect, were there is an abundant supply of Peaches, Nectarines, Melons, Strawberries etc. that apples have to compete with. Added to this, many of the 60 plus Exporters out of the Southern Hemisphere have a very short term outlook of the Pink Lady® business. It's pick, pack, ship and hope for the best. This creates a tremendous over supply in Europe in June and July, it lowers the price and it takes months for the market to recover.

So how do we and the International Pink Lady® Alliance (IPLA) intend rectifying the Southern Hemisphere problem? The following steps will be taken in the 2011 season, with further steps to be taken in subsequent years.

- Limit plantings to +/- 5% of the existing plantings per annum, this can only be done with the new CPM's (Cripps Pink Mutations), already in South Africa limitations will be in place for 2012 and we are confident that the same will be in place for Chile from next year.
- Try and install more discipline with the Pink Lady® Importers, to only import to programme, Import Licences will now require that they provide evidence of their import programmes and they will be evaluated at the end of the year on their performance against this programme.
- The number of Importers Licences will be reduced, probably not greatly in the first year but depending on performance against programme, more and more will be denied licences in future.

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## Look out for this little guy!

Thanks to a generous contribution by SAPLA towards the local Pink Lady® marketing budget, three innovative Pink Lady® advertisements will be flighted during the screening of a popular mid-season movie in Ster Kinekor cinemas. Three versions of the ads will be flighted during the intro section of our associated movie. For a sneak preview follow this link.

<http://www.apple-pinklady.com/Un-nouveau-spot-TV,1583.html>

A schedule of movies and cineplexes will be sent out closer to the time.



## Local Market News

### PINK LADY® LOCAL MARKET SALES

Pink Lady® total local market sales for 2010 were **1 463 220 kgs**, a **10%** increase on 2009. We are thrilled with the results and pleased that the brand is showing growth in the local market year on year.



### COMPETITIONS

Monthly competitions are being run on the website [www.pinklady.co.za](http://www.pinklady.co.za). These competitions run from April to November, to direct more traffic to our website. We offer great recipes and health tips (from Spice4Life).

Pink Lady® is running another exotic **African holiday competition** in the August edition of **SARIE** magazine which hits the streets late July. Readers can win a trip for 2 to an exotic African getaway valued at approx R40 000. More details to follow later in the year.

### FACEBOOK

Pink Lady® joined Facebook this year! We would love to have you as a fan of our page. Ask your friends to join us on our **Pink Lady® Apples SA** page as we work to increase our fanbase. Our Facebook page will have regular updates on what is happening with **Pink Lady® plus feedback** on any events as they take place.

### INSTORE TASTINGS

Instore tastings will be held in selected **Pick 'n Pay, Spar and Woolworths** stores this year. A new recipe leaflet will be handed out in stores at tastings and for any events we host.





### IPLA News continued

- There will be a strong emphasis on monitoring quality at the port of departure but also on arrival. Fruit kept in store in Europe will be inspected on a regular basis and if found not to be up to Pink Lady® quality standards, fruit will either have to be repacked, or delabelled or sent to processing. We must make sure that the quality on the shelves is of a consistently high standard.
- A lot of emphasis has been put into developing new markets such as South East Asia, Middle East and Russia. The first Pink Lady® Apples are being sold by the licensee in China at the beginning of April 2011, strategy has been put in place to develop Singapore, Malaysia and Brunei and some very good work has been done by our European partners in Russia. We are also developing the domestic markets in Brazil, New Zealand, Chile and South Africa which is very important and good progress has been made in this regard. We must increase the demand for Pink Lady® Apples.
- Effort will be put into trying to install a greater marketing discipline amongst our Exporters that they only ship to programme. We are under no illusion that this will be easy but we will at least try.
- Greater promotional activity has been planned for Europe and England this coming Northern Hemisphere summer to stimulate demand.

We hope that all the above measures will lead to a more orderly supply and marketing situation for Pink Lady® Apples from the Southern Hemisphere 2011.

We, as the IPLA, are working hard to restore confidence in the brand and we have very many loyal supporters of the brand in the supply chain. We are determined that Pink Lady® will not become a commodity apple and will always earn us a substantial premium over other apples. We have a great product, we have a great brand, we have a great organization behind the brand and we have very many loyal growers and other stake holders in the chain. This has to be a recipe for success and we know that we can make a great success of the variety and 2011 can be the turning point for the Southern Hemisphere, when some of the above measures start to kick in.

*Peter Dall*  
Chairman, International Pink Lady® Alliance

### CRAFTS FOR CANCER

“Crafts for Cancer” will be hosted again in October by the main sponsor Pink Lady® Apples. We will raise funds for the **Tygerberg Hospital's Breast Cancer Transport Fund** and our target this year is to raise another **R10 000!** It will be held at De Grendel Wine Estate who have very kindly donated the use of their venue as one of our many sponsors.



### Local Market News



#### PINK LADY® SPONSORSHIPS

Pink Lady® has sponsored 5 young children to achieve their goals to kayak competitively. The first big event is on 30 April at the Nagle Dam in Durban where we will be giving away apples and promotional items at the event.



*Pink Lady® has sponsored the Laerskool Lochnerhof netball team with Pink Lady® T-shirts and other promotional gear.*



*Pink Lady®, together with Tru-Cape, also sponsored 3 ladies in the recent Cape Argus Pick 'n Pay Cycle Tour.*



#### PRESS LUNCH

We hosted a press lunch on 12 April at De Grendel Wine Estate. Our aim is to build a strong relationship with the media to create as much editorial support as possible.

