

Welcome to our post-event coverage of the inaugural [Global Grape Summit!](#) The event which [took place on June 5](#) in conjunction with the London Produce Show and Conference was a huge success, drawing an international crown of 300 important industry actors delving into the biggest issues facing the sector. This week we will be providing summaries of each of the seven educational sessions in four parts.

This second part will feature a session on the consumer response to new varieties, which included a panel discussion as well as a presentation on trends in the U.K. market.

## **CONSUMER RESPONSE TO NEW VARIETIES**

*Presentation of Kantar study - Joe Shaw Roberts, Consumer Insight Director, Kantar Worldpanel (U.K.)*

*Panelists:*

- *Phil Macy, Category Buyer for Grapes and Stonefruit, Sam's Club (U.S.)*
- *George Liu, CEO, Frutacloud (China)*
- *Josep Estiarte, Director, Special New Fruit Licensing, SNFL (Spain)*
- *Tania van der Merwe, Senior Buyer, Freshmark (South Africa)*
- *John Pandol, Director of Special Projects, Pandol Bros. Inc (U.S.)*

*Moderator:*

*Jim Prevor, CEO & Editor in Chief, Produce Business Magazine*



With such a significant introduction of new table grape varieties into the marketplace over recent years, Global Grape Summit attendees were eager to hear what the speakers and panelists had to say in this session. Joe Shaw began by giving an insightful presentation on trends related to table grape purchases in the U.K. market, citing data from Kantar.

A sample of 30,000 households weighted to represent the British population was used to identify purchase trends, while a 4,200 household subset of the purchase panel was used to understand how the grapes are being used.

Shaw noted that the table grape category was strong in the U.K., with annual sales having seen steady growth from £755 million (US\$960 million) in 2014 to £818 million (over US\$1 billion) in 2018. The frequency of purchase has been the main driver of grapes' value over the last five years.

Looking at the different color varieties, Shaw highlighted: "Long-term growth comes outside white grapes, driven by purchase frequency and new shoppers."

Total market share of white grapes over the last four years has declined by 3%, while red

grapes have increased 4%, black grapes have risen 70%, and purchases of mixed grapes have grown 33%.

"As such, the main movement of volume in the last year is from white grapes to red grapes," he said.

He also noted there were some subtle differences in the demographics of households buying these different grape varieties. Younger, less affluent shoppers are more likely to purchase white grapes, while more affluent consumers are more likely to purchase red, black and mixed. Black grapes are also more likely to be favored by older shoppers, while families are more likely to opt for mixed grapes.

Over a year, however, it's common for shoppers to buy multiple types of grapes. In addition, he said: "The more we can encourage shoppers to buy different varieties, the more value they will bring to the category."

Interestingly, shoppers who purchase apples, bananas and citrus, were more likely to buy the four different types of grapes. Shaw therefore suggested that link deals between those four fruit categories could potentially drive higher engagement with grapes.

Giving some final thoughts, he said that although grapes feature at 10% of all fruit consumption occasions in the U.K., grapes needed to look for growth in other occasions, such as during lunch or on-the-go.



Following Shaw's presentation, he was joined by five other grape industry experts from around the globe for a panel addressing their experiences with new table grape varieties.

Moderated by Jim Prevor, CEO and editor in chief of Produce Business Magazine, the panel discussion addressed a huge range of issues related to the influx of new varieties, including how to make consumers happy, how to ensure everyone along the supply chain makes money, and ultimately how to increase consumption.

Phil Macy, category buyer for grapes and stonefruit at Sam's Club, commented on how he decides which varieties to purchase.

"I'm an advocate for the consumer, and so really what I want to do is try to buy whatever the consumer wants," he said.

He said that repeat purchases, driven by a combination of good appearance and flavor, lead to increased sales, which influence him to buy more of that variety.

"So how do we increase sales of table grapes? By buying newer varieties that taste better.

Not all new varieties taste better, but the ones that really eat better - that's where I really want to try go to," he said.

Responding to the question of whether the industry can sustain dozens of new varieties, Josep Estiarte, director at Special New Fruit Licensing (SNFL), noted that ultimately, the consumer today wants to see good texture, flavor, condition and size.

"The consumer doesn't even know whether they're buying a new variety or an older variety. So I think from the breeders' side, we need to make sure that the varieties we bring to the market have these attributes, but provide the consistency so the consumer comes back to buy more of the variety," he said.

"If we look today in the marketplace there are more than 50 varieties, so releasing a new variety now will be more challenging than it was 10 years ago...We have to add value into the category."

Commenting on the issue that many growers today complain that they are paying license fees for new varieties but sometimes do not get a product that is significantly better or doesn't do anything to increase consumption, John Pandol, director of Special Projects at Pandol Bros, lamented that entities - like the University of California, which used to provide numerous publically available varieties and technologies - no longer had the same prominence that they once did.

"Those days are over. Now if we want new chemicals, we want new genetics ... any new production technology, they're going to be private and not public, and it's going to be expensive," he said.

On the situation in the Chinese market, George Liu, CEO of Frutacloud, said that new varieties have an important advantage there as most people get their information online.

"They don't walk into their retail store and see what's available. They know what's available through their WeChat or Weibo and other social media platforms, so if you can do a break-out marketing campaign - even for a small variety - you can see huge success there."

He also commented that although imported products are typically seen as being more premium and of high food safety standards compared to local production, he believes that local grapes have "improved dramatically over the last few years".

"I think that in the future we can no longer dismiss the domestic production as something of a sub-premium category," he said.

Asked about African consumers' knowledge of new varieties and how they are impacting consumption, Tania van der Merwe, senior buyer at Freshmark, highlighted that it can be challenging to put new varieties on shelves as many of them get exported by local companies and growers.

"However, I saw a change about two years ago when we started with more new varieties during the import season - and I have more access to the new varieties than during our season. There are certain ones we pinpointed and said 'yes, we are going to try these ones'," she said. "I think there are quite a lot so as a buyer you really need to decide for your customer in a way which varieties will work."

However, she highlighted that although new varieties have performed well in stores where more affluent consumers shop, in general, South Africa is a price-sensitive market. It is also crucial that grapes on the market have good flavor and can be consistently supplied.

Macy said that for him, consistency of supply, among other factors, is definitely an element he takes into consideration when deciding what to buy. But he said it is important to always have diversity in case there is ever a supply issue with one crop.

Speaking on the evolution of the table grape market and the role of new varieties, Pandol highlighted that many of the new cultivars nowadays are bred using substantially similar stock. While there are various factors that can differentiate products, such as service, the specific growing region and the grower have a huge impact over how well a certain variety turns out.

"Back in the day, some growers were better than others. Now, instead of 10 varieties we have 100, and some growers are still better than others," he said.

"The challenge for them is, as one guy said - 'I want to get it in enough hands that some guy is successful so the other guys are envious and they plant that variety, and that gets out to the consumer and they eat good grapes'.

"The market is not like a chess game, it's more like billiards. Other commodities are also developing new varieties - the berry guys, the stonefruit guys, just look at the citrus guys."

Estiarte added that he believes that 70% of success with a variety comes from genetics, and 30% from the grower. It is therefore "a matter of finding the balance" between them, he said.

Pandol also said that vineyards are expensive, and his current economic strategy is to make

sure that when a new variety is planted it should be usable for 20 years.

"We hope we're choosing winners ... Because we don't want to be treated like a puppy, where the kid takes care of it for 10 days and you take care of it for 10 years.

"Sometimes you try stuff and it doesn't work; sometimes we try stuff at retail and it doesn't work. The worst question we get from international grape people is 'what are you doing in California?' Well, it's interesting and irrelevant what we're doing because some varieties may work or may not work. I hate to think there were varieties that didn't work for us and then they delayed planting them and they were winners."

Shaw also commented that the data shows that grapes are more likely to be consumed for health or for enjoyment.

"Lots of cool tasting grape varieties are more likely to boost people's enjoyment and perception of taste," he said. "In addition, health claims - that grapes can contribute to one of your five-a-day [fruit servings], or that they are high in fiber - can help drive grape consumption long-term."



Wrapping up the discussion, each panelist was asked what their takeaway message would be to the industry in order to best use new varieties and to increase consumption.

Liu said: "If you put a brand on something, it has to be distinguishable from other stuff ... it's about finding ways to show what is unique about the product, and then working from the breeder to the grower to the importer to the retailer to make sure that every grape that is delivered to the consumer is up to the standard of eating quality."

Estiarte said: "I think the magic word here is consistency. If you have consistency on the shelves then your consumer will come back and will enjoy that product. I think all of us here, the breeders and the growers, have a big part to play to ensure that the final product is consistent every day of the year."

Van der Merwe said: "Consistency is always great to start with a new variety ... sometimes you're excited about this new variety and just launching it, and then next year it's not available. So consistent availability is very important, and flavor, flavor, flavor."

Shaw said: "Any innovation going into the marketplace has to be focused on a different consumer need. So new varieties coming in that have a different quality compared to what we're used to have the potential to do that."

Pandol said: "I think our biggest challenge is going to be value. The average price here is just over £3 per kilo, that's about 10% under the average retail of the U.S. ... As growers, we all want the premium, we all want the big sale ... But you know what? A couple of years ago one guy said 'value pays the bills', and I hate to say it, but we need to chase the economics more than we need to chase those premiums."

Macy said: "I really think that if we can increase consumption with elementary school kids, somehow get really great tasting grapes to the schools - not give them what's left over, but really good flavored grapes - that's going to help increase consumption, not in the short-term but in the long-term. Because once they start tasting those, we won't have enough grapes in the ground."