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Innatis clubbing together

Additional costs and challenges from Covid-19 have proven a test for all, but French apple grower Innatis has seen its team come together during this crisis, says president Marc Rauffet



How is the apple season going so far in terms of sizes and quality? How was the crop affected by the weather this season?

Marc Rauffet: Harvesting began earlier than usual this year, by approximately a week for our club varieties HoneyCrunch, Zingy and LoliPop, as well as for Gala. This year we have an amazing crop, both in terms of sizing (one or two sizes above the yearly average) and quality, with sugar levels higher than usual. The weather was mild this season, and we were able to manage the impact of the frost in the orchards during the flowering period. After that, we didn't experience any long period of extreme heat, so the fruits didn't suffer from sunburn, and the variations in temperature were really good for the fruits this year.

Back in February, you were concerned about low prices. With the coronavirus, everything changed, didn't it? What was the impact at Innatis?

MR:

The health crisis had a huge impact on the last campaign. In France and in Europe, household demand for everyday, healthy fruits with a good shelf-life skyrocketed. During the first lockdown between March and May, consumption rose dramatically in France. Even this past summer, sales were 20 per cent higher than usual. In the end, the volume of apples traded by Innatis increased by 15 per cent compared with the previous season.

The trend has continued into the beginning of this season, with sales 7 per cent higher than this time last year. People are still being careful about prices and looking for healthy items they can trust. But they're going less for exotic fruits and choosing the French origin. Covid has affected our exports. Some markets are becoming more price-oriented, while logistics can be a challenge. As a result, exports to Asia and the Middle East are a little lower than usual.

How costly has it been to make all your fields and packhouses Covid-secure?

MR: Our investment to Covid-secure all our fields, packhouses and offices has been as much as €326,000, in addition to a huge "inside" cost in terms of efficiencies within such a secure area. There are many new daily challenges we have to face now. But we have also seen how the crisis can bring people together. I spoke about the importance of our basic workers at our last Christmas party. It is crucial that we take care of everyone doing such important jobs. This was evident when Covid-19 arrived. The riskier jobs were done by basic workers. When you're packing apples, you are 100 to a room. So we had to find solutions to make it simple and safe and give workers the confidence to come in to pack apples. They do not just do it for the money, but in order to help others. We provided bonuses for all basic workers, and I had tears in my eyes when I read their letters of appreciation, but they are the ones who took the risk to come in and worked so hard. We are very proud.

Which markets are you targeting for growth?

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

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MR: We are highly focused on club varieties so we choose which market to target according to the variety's characteristics. We have a different commercial strategy for each of our club varieties, Chouquette, HoneyCrunch, Zingy and LoliPop. Chouquette is a rustic French apple, very well established in France since 2005 and, with the launch of organic Chouquette in 2020, France remains our primary target. HoneyCrunch's notoriety has increased tremendously in Europe these past 20 years, particularly in Germany, France, the UK, Sweden, Finland and Ireland, which are our primary markets for growth.

Conventionally grown LoliPop is very successful in Asia, including in Vietnam, Singapore, Malaysia and Hong Kong. It is a very sweet apple with a strong shelf-life, and its intense red colour attracts a lot of attention. Over the past three years, LoliPop production has quadrupled, while organic LoliPop has been marketed very successfully in France.

Zingy is an early-harvesting, flamboyant-looking red apple, with a fresh taste and a hint of acidity. Volumes will grow tremendously in the coming years and we think Zingy has potential across Europe.

Do you see demand for such club varieties in the Middle East?

MR: In the Middle East, of course, the markets are all different. Dubai is not Jeddah, Kuwait is not Oman, and Qatar is not Bahrain. In Dubai, almost everything is imported, but there is a lot of competition for apples. We see a lot of new sources arriving in the Middle East - Moldova, Slovenia, Ukraine, Poland, to add to the competition from the US, China and Italy. Turkey is the new player at the moment, exporting a lot to the region. Price

is very important in the Gulf. But we sell a lot of Pink Lady, LoliPop and organic Juliet there, and we expect to sell a lot of Zingy.

Asia is very interested in club varieties. Many markets are becoming more price-oriented and we try to deal with that by focusing on club varieties. Our strength lies in our range, allowing us to match the variety with our customer's requirements.

Is sustainability increasingly becoming central to all your operations? What are the main efforts you are making when it comes to environmental issues?

MR: The Innafruits producer organisation promotes environmental considerations and practices. All Innafruits' orchards have been approved by the Eco-friendly Orchards (Vergers Ecoresponsables) label and respect the French Apple Growers' Quality Charter. All Innafruits' orchards are certified by the French label 'Haute Valeur Environnementale' (High Environmental Value).

Innatis not only has an environmentally responsible approach to production, but also to product packaging. We have invested in equipment to produce fruitainers made entirely out of recyclable cardboard. Plastic has been completely eliminated from this packaging to match our customers' demands. However, following the pandemic, the shift to online orders had an impact on the type of packaging requested by our customers.

Is Brexit a concern at the company? Have you been able to prepare given the uncertainty? What impact do you anticipate?

MR: There is a lot of uncertainty regarding Brexit at the

moment because the terms of the commercial agreement between France and the UK haven't yet been clarified. But we continue to work with our UK customers and are confident that our relationships will continue throughout this political crisis. Since the Brexit vote, we have experienced a slight fall in volumes and prices in the UK. The uncertainty is bad for business. We cannot build or invest as we'd like. It is difficult when you don't know what the conditions will be for you to remain a supplier to the market.

What is certain is that UK consumers will keep eating apples. We will probably see farmers in the UK increasing production to supply the domestic market. But you see niche varieties like Kissabel growing in the UK at the moment, so that's good news. We are settling an agreement to plant our new varieties in the UK. Over the last five years, we have become a specialist grower of club varieties. We are growing hundreds of hectares of branded apples with a certain value. They are not apples you can buy in Italy and Moldova and everywhere else, like Gala. We are no longer fighting over such varieties. We want to reward our growers while protecting our planet, people and soil, and at the end of the day that comes at a cost. We can't compete on Galas, but HoneyCrunch, Chouquette, Juliette, Pink Lady, Joya, Lollipop - these we can compete on. We can export these and give real value back to our farms.

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