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Cornell Enters into an Alliance for Processed Apples with Cadbury Schweppes

By Linda McCandless

GENEVA, NY: Over the last century, apple breeders at Cornell University have named 62 apple varieties, many of which, like Empire and Cortland, are internationally renowned for their taste, quality, nutritional value, and yield. But, when lab size is measured by the acre and output by the ton, maintaining a world-class research apple program can be expensive.

To help sustain the research program as well as the New York State apple industry, Cornell has entered into a 10-year research alliance with Mott’s, LLP, a Cadbury Schweppes Americas Beverages (CSAB) company. The agreement will give CSAB exclusive rights to new processing apple varieties for use in the development of premium Mott’s products in exchange for their help in supporting Cornell’s apple breeding program.

"The alliance with Cadbury Schweppes reflects our strong commitment to strengthening the state’s fruit and vegetable industries from farmer to consumer," said Susan K. Brown, Cornell professor of horticultural sciences at the New York State Agricultural Experiment Station (NYSAES), in Geneva, N.Y., and director of Cornell’s apple breeding program.

"We are pleased to have the opportunity to work with Cadbury Schweppes on our apple research program," said Brown. "As one of the world’s largest purchasers of processed apples, they have a significant stake in the continued growth of apple farming in New York, and that closely aligns with the mission of the Experiment Station."

Under the terms of the alliance, Mott’s will purchase exclusive rights to a new apple, NY674, which has very favorable processing characteristics. Mott’s will also have the first option on processing varieties from future Cornell breeding program releases. In exchange for these rights, Mott’s will pay Cornell $50,000 annually for 10 years, in addition to a one-time payment for the rights to NY674 of $25,000, plus royalties based on the volume of NY674 purchased from growers, and royalties from other varieties they license.

According to Brown, Cornell’s non-exclusive licenses for growing fresh market apples will be unaffected by this alliance.

"This relationship provides the long-term funding needed to maintain the Cornell apple breeding program at a time when funding for applied research is very limited," said Brown. "We have hundreds of advanced selections and thousands of trees to look after. In apples, important new varieties may take 15 years to develop, and another 15 before they are commercially viable."
Releasing "managed" or "club" varieties of apples will help New York's land grant university support their world-renowned apple program. In the managed variety business model, the university will receive more royalties than it otherwise would, and will receive them for a longer time. When an organization like Mott's manages production and marketing, consumers and growers benefit because quality, supply and price are easier to maintain. Europe uses the model to manage the popular 'Honeyscrisp' apple. Canada uses a similar model to manage dairy production and pricing.

"We view these commitments as a win-win-win for everyone," said George Lamont, a long-time New York State apple grower, and former president of the NYS Horticultural Society. "The growers are getting a long term commitment to the continuation of apple processing in New York, Cornell receives over $500,000 to help fund their cash-starved breeding program, and Mott's receives the exclusive use of at least one and probably several superior processing varieties."

"Our vision to deliver a program that benefits consumers, New York growers, Cornell and Cadbury Schweppes has now become a reality," said Bob Norris, director of field operations for CSAB, which is one of the largest producers of soft drinks and premium beverages in the Americas. "The Cornell and Cadbury alliance will lead to the sustained economic growth of the New York's growing community, and enable the state's apple industry to sustain their global competitiveness."

Mott's buys 6.5-8 million bushels of apples from New York growers each year, or about 25 percent of the total New York apple crop, including 50 percent of the processed apple crop. Their largest processing facility is located in Williamson, N.Y.

Researchers at Cornell's Experiment Station in Geneva advance a sustainable agriculture and food system through innovative research, education and extension programs that improve human health, protect the environment, and support economic development.

New York ranks second in the nation in apple production behind Washington, with 45,000 acres of apples under production, and a crop that was valued at $194 million in 2004.

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