

Harvesting and Handling Section

PACKINGHOUSE NEWSLETTER

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No. 3

HOW TO MAXIMIZE REVENUE FROM LARGE CROPS

We, in this Section, have long championed the importance of the fresh fruit industry if only to maintain an image in the buyer's mind of attractive fresh citrus. (We are sure that such an image is extremely helpful in the selling of processed products.)

Now we have very solid support for the importance of the fresh fruit market, especially when prices are low. This was in a very technical study by Dr. Max R. Langham of the Department of Agricultural Economics at Gainesville. Because of the very technical nature of his paper, we asked if he would condense this into one-half page, using no technical terms. This Dr. Langham has done.

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Recent research on the demand for oranges conducted by the Department of Agricultural Economics at the University of Florida indicates that additional oranges processed into frozen concentrated orange juice add very little to the industry's total revenue. The reason for this is that, as the industry processes more oranges into frozen concentrate, the price of the frozen product must be lowered (in order to move the additional concentrate) at about the same rate as the quantity is increased.

This conclusion does not hold for fresh oranges. As the industry sells more fresh fruit, revenue increases. This is because the price of fresh fruit does not have to be lowered at as fast a rate as the quantity of fruit sold in fresh form increases.

These results indicate that the industry should seriously consider marketing a larger portion of the crop in fresh form rather than as frozen concentrated orange juice. Management, and technical problems associated with allocating a larger portion of the crop to fresh use may offset a part of the advantage of increased total revenue. The existence of such problems and how much they would add to cost have not been studied.

Max R. Langham, Associate  
Professor of Agricultural Economics

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## STATUS OF 2-AMINOBUTANE FUNGICIDE

The Federal Register Vol. 30, No. 222, Wednesday, November 17, 1965, carried notice of permission for experimental shipments under permit using 2-aminobutane on apples, lemons, and oranges with a maximum residue of 20 ppm.

Attention is drawn to the fact that this temporary tolerance applies only to oranges and lemons and not, as yet, to other types of citrus fruit.

The most successful form of 2-aminobutane, the carbonated version, has been given the tradename of TUTANE by the Eli Lilly Company. We will keep you informed further as to its status and success.

## SPOT CHECKS BY THE FOOD AND DRUG ADMINISTRATION

Some packers have been puzzled at receiving a "report of sample analysis" from the Food and Drug Administration. Receiving such a report merely means that fruit which you grew, packed, or handled had been spot checked. It does not mean that you are in default. Under "report of analysis" if the section on "No regulatory action indicated on this sample" is marked, then you have nothing to worry about. If the next section is marked, indicating that you are over tolerance or have residues of some chemical for which there is no tolerance, I am sure that you would hear from the Food and Drug. We, in this Section, are always interested in hearing of such incidents, particularly if it involves new chemicals which we are still learning to use. So far we have heard of no one being reprimanded for being outside the law. The only reason for mentioning the matter in this letter is that these reports of spot checks have caused some concern as to whether any action is necessary on the part of those who receive them.

## DEGREENING ROOM DESIGN

Bulletin 620 "Degreening of Florida Citrus Fruit" will soon be out of print. A new version is planned, incorporating our findings and experience over recent years, particularly with regard to degreening in large pallet boxes. It will be some time before a new bulletin is available and meanwhile, we urge shippers interested in this subject to get in touch with us before building new rooms or remodeling old ones.

## EXPORT TO EUROPE

Fungicides: We have just been informed by Mr. Paul C. Minneman, Agricultural Attaché, U. S. Embassy, Bonn, Germany, that existing tolerances for o-phenylphenate (Dowicide) and diphenyl (biphenyl) have been extended for one year for the EEC countries. He draws attention to the fact that labeling regulations may differ for individual countries within EEC.

Prices: Attention is drawn to Foreign Agricultural Circular, Citrus ECF  
1-66, January 1966, Common Market Establishes 1965-'66 Reference Prices  
for Citrus Fruits. This is available from Foreign Agricultural Service,  
USDA, Washington, D. C., 20250.