FRESH FRUIT MAKES MORE MONEY FOR GROWERS

It would not have been surprising if the item on payrolls in Newsletter #79 had elicited a dour response from some fresh fruit managers; after all, handling those big payrolls is no picnic. No such comments were received. However, several colleagues allied with the processing industry chided us with such comments as: "The packing people haven't yet taken advantage of the industrial revolution." "Any industry so inefficient should not be retained." "Making FCOJ is not only good, it is better for Florida." etc.

We did not, nor ever will, knock FCOJ. Any channel that moves over 150 million boxes of oranges per year is a "thing of beauty and a joy forever." However, for such volume as the fresh fruit trade can carry, fruit moving into fresh fruit channels returns considerably more to the growers than does equivalent fruit sent to the cannery.

Some years ago, a company with whom I was working agreed to let me quote these figures on the comparative profitability of the fruit they had moved in fresh and processing channels over an eight year period (Table 1). In handling nearly three million boxes over eight years, they made nearly a million dollars more on the 50% marketed fresh than on the 50% marketed through their affiliated cannery. This raised the overall profitability of their operation by 33¢ per box over the eight year period.

Reference to the 1975 Florida Citrus Summary indicates that the difference is very real, quite consistent, and still prevails. Over the last five years, the 170 million boxes of citrus that the Florida industry has shipped in fresh fruit channels has returned over forty seven million dollars more per year than the equivalent volume of the same varieties going to the cannery. The overall increase in "on tree" value was $1.39 per box due to having been shipped as fresh fruit (Table 2). This does not include the returns from tangelos and "Honey Tangerines".

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1 John Keats (1795-1821) "Endymion", only slightly misquoted!
Table 1. Analysis of the effect of owning a packinghouse on calculated "on tree" prices for a grower-packer harvesting a total of 2,977,470 boxes over 8 years from 1954-61.

I. Varieties Harvested, 1954-61

<table>
<thead>
<tr>
<th>Varieties</th>
<th>(approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round oranges</td>
<td>57%</td>
</tr>
<tr>
<td>Grapefruit</td>
<td>20%</td>
</tr>
<tr>
<td>Temple</td>
<td>19%</td>
</tr>
<tr>
<td>Tangerine</td>
<td>4%</td>
</tr>
</tbody>
</table>

Approximately 50% shipped fresh, rest sent to an affiliated cannery.

II. Returns Calculated as "On Tree" Price

| Actual returns with 50-50 cannery fresh outlets | $4,701,162.06 |
| If all had gone to the cannery                 | $3,703,534.96 |
| Gain due to having use of packinghouse          | $997,627.10   |

An increase of 33 cents per box net profit

Table 2. "On tree" per box returns from fresh and processing channels for Florida citrus fruit, 1969-70 to 1974-75.

<table>
<thead>
<tr>
<th>Season</th>
<th>Oranges Fresh</th>
<th>Oranges Processed</th>
<th>Grapefruit Fresh</th>
<th>Grapefruit Processed</th>
<th>Temples Fresh</th>
<th>Temples Processed</th>
<th>Tangerines Fresh</th>
<th>Tangerines Processed</th>
</tr>
</thead>
<tbody>
<tr>
<td>'70-71</td>
<td>$1.81</td>
<td>$1.42</td>
<td>$2.42</td>
<td>$1.63</td>
<td>$3.24</td>
<td>$0.83</td>
<td>$2.67</td>
<td>$0.13</td>
</tr>
<tr>
<td>'71-72</td>
<td>2.50</td>
<td>2.01</td>
<td>3.14</td>
<td>1.85</td>
<td>2.85</td>
<td>1.50</td>
<td>4.21</td>
<td>0.12</td>
</tr>
<tr>
<td>'72-73</td>
<td>1.85</td>
<td>1.54</td>
<td>3.10</td>
<td>1.47</td>
<td>3.15</td>
<td>0.85</td>
<td>3.70</td>
<td>-0.35</td>
</tr>
<tr>
<td>'73-74</td>
<td>2.10</td>
<td>1.43</td>
<td>2.54</td>
<td>1.10</td>
<td>2.75</td>
<td>1.00</td>
<td>4.00</td>
<td>-0.45</td>
</tr>
<tr>
<td>'74-75</td>
<td>2.33</td>
<td>1.45</td>
<td>3.33</td>
<td>0.79</td>
<td>2.65</td>
<td>0.35</td>
<td>4.65</td>
<td>-1.05</td>
</tr>
<tr>
<td>Averages</td>
<td>$2.12</td>
<td>$1.57</td>
<td>$2.91</td>
<td>$1.37</td>
<td>$2.93</td>
<td>$0.91</td>
<td>$3.85</td>
<td>$0.37</td>
</tr>
</tbody>
</table>

Premium for fresh ($/box): $0.55, $1.54, $2.02, $4.22

Boxes shipped fresh '70-'75: 61,901,000, 86,573,000, 10,293,000, 11,173,000

Additional $ for using fresh fruit channel:
- Total for 5 years = $235,309,890, Avg. per year = $47,061,978
- Average overall premium = $1.39/box excess over cannery returns.

As mentioned above, the fresh fruit market can absorb only a limited proportion of Florida's huge citrus production and the staggering size of the concentrate industry makes Florida's fresh fruit volume look small. However, not only is the fresh citrus fruit industry profitable, not only does it provide seven times as many jobs per million boxes of citrus as the processing industry, it is, in terms of sheer volume of fruit shipped, approximately equal to all the commercial apples from the twenty six states in the commercial apple business.

Hang in there packers, you're doing better than most people recognize!

Bill Grierson
AREC, Lake Alfred
IF A LITTLE IS GOOD, A LOT CAN BE ILLEGAL

One thing the citrus industry does NOT need is trouble over illegal residues of pesticides, or anything else. This occurred recently in Germany where the authorities picked up grapefruit with over their legal tolerance of 70 ppm diphenyl.

It turns out that some enthusiastic soul, apparently going on the principle of "if a little is good, a lot must be better" used 5 or 6 diphenyl pads per carton!

ALWAYS USE THE EXACT AMOUNT OF PESTICIDE OR ADDITIVE THAT IS RECOMMENDED, NO MORE, NO LESS. In this case two diphenyl pads per carton would be the upper recommended limit.

In Memoriam

Nearly 24 years ago Dr. Bill Newhall and I went out on our first troubleshooting call to a Florida packinghouse. Surprisingly (for our citrus experience was small) we solved the problem, and also made a lifelong friend, James W. Bowen, Jr. For 24 years he has boomed at me cheerfully over the telephone, always starting "You old reprobate...". Bluff, cheerful and always courageous in trying new methods, Jim Bowen was the first president of the Florida Fresh Citrus Shippers Association (now Florida Citrus Packers). On Saturday, March 27 he died of a massive coronary. Lake Placid Groves (Consolidated-Tomoka) has lost a valued executive, the fresh citrus industry has lost a real leader and I have lost a valued friend who called me for the last time the day before he died. Goodbye Jim, a lot of us will miss you.

Bill Grierson
AREC, Lake Alfred

ERRATUM

Packinghouse Newsletter No. 78, page 2, line 2 "...less than 30% of the Florida orange crop was color-added..." should, of course, have been "less than 30% of the fresh fruit shipments of Florida oranges are color-added." Even allowing for a liberal amount of treated "eliminations", only about 4% of the total orange crop would have been treated last season. The other figures in the article were correct.

Editor

AVAILABLE PUBLICATIONS

Available from Florida Crop and Livestock Reporting Service, 122 Woodward Street, Orlando, FL 32803.

"Florida Agricultural Statistics: CITRUS SUMMARY 1975."

Available from Dr. E. George Stern, Wood Research Laboratory, College of Agriculture, Virginia Polytechnic Institute, Blacksburg, VA 24061


Available from Florida Fruit Digest Co., 46 W. Duval Street, Jacksonville, FL 32202.

"The Florida Fruit and Vegetable Directory" published by Florida Fruit Digest Co. Price: $6.00.
Available from Dr. W. Wardowski, AREC, P. O. Box 1088, Lake Alfred, FL 33850.


Available from Dr. B. L. Wild, Officer-in-Charge, Gosford Horticultural Postharvest Laboratory, P. O. Box 355, Gosford, N.S.W., Australia 2250.


Available from Dr. C. W. Coggins, Department of Plant Sciences, University of California, Riverside, CA 92502


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