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PACKINGHOUSE NEWSLETTER

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PACKAGING AS A MEANS TO HIGHER PROFITS AND GREATER EFFICIENCY

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HISTORY:

The first packages in the agricultural industry came about as a result of the shift in the economy from an agricultural base to a manufacturing and service base. People moved to the city and suburban areas. Refrigeration was just coming of age in the home. More recently the housewife no longer shopped every day for the evening meal, as she had entered the workforce. Packaged items were more acceptable as it simplified shopping.

Early packaging was plagued with problems of spoilage, damage and waste due to improper packages and poor handling. More durable items such as potatoes and onions were the first to be bagged at the field for the consumer. The art and science of packaging in the agricultural industry lagged far behind that of other products. Consumers were and are dependent on their local produce market to supply them with fresh, high quality, fruits and vegetables. Produce buyers depended on past performance based upon long relationships with growers and brokers. Identifying "brands" were the buyer's beacon of reliability.

EVOLUTION:

Produce was traditionally shipped from the farm to market in wood crates, barrels and boxes.

Basic package needs:

- A. Ability to contain the product.
- B. Ability to retain the product.
- C. Ability to help preserve the product.
- D. Ability to have the product stand out from the rest.
- E. Be readily available and reasonably priced.

Crates, barrels and boxes had all of the above traits except for the ability to have the product stand out from the rest. Containers identified the product: pickle barrel, orange crate, flour sack, etc. The orange crate did have very attractive side panels that allowed the produce buyer to readily identify the brand. Some of the labels used on these crates are collector items today.

Yet the consumer remained relatively uninformed of citrus brands. Sunkist (originally spelled "Sunkissed") Marketing Association began in 1914 to actively advertise their name in the Saturday Evening Post. To this very day the name Sunkist is instantly associated with an eating orange. The Florida orange is still considered a juice orange. The California orange is a dryer, thicker skinned, yet more attractive fruit. The Florida citrus fresh fruit shipments represent approximately 15 to 18 percent of the entire citrus crop. The Florida citrus crop is about three times the California crop, and the Florida fresh citrus is about half the entire California production. Many wonderful eating oranges are used for juice in the home simply because the consumer has not been educated properly about Florida citrus.

Other marketing programs have had tremendous effects on several products. Names that are almost exclusively associated with a particular item spring to mind instantly; Chiquita - bananas, Dole - pineapple, Campbell's - mushrooms??? That one did not fly very well. The brand was associated almost exclusively with soups and the transition did not happen.

Advertising is an expensive game to play, yet, without an educated consumer, educated to your brand, the sales effort is always uphill. Prepackaging of produce was slow and fragmented. The grower was so dependent upon the broker to sell his products that he lost control of his market. The broker sells whatever is the quickest mover and wherever he makes a higher profit. This method of produce selling did little to advance the market. The market was controlling the industry rather than the industry controlling the market.

PRACTICAL PACKAGING:

As someone who is deeply involved with packaging, packaging design and promotion I must remain practical at all times. Several very important questions must be asked and answered before proceeding.

1. Does the package add value to my product? The answer must be yes.
2. Can I sell the product? The answer is always yes.
3. Will the package be representative of my product? If it is not, the package is a detriment.
4. Does it pay to package commodities differently than the others who pack the same item? This is a very "iffy" question. To improve the image of a low price item with a high price package may work well with the right market conditions.
5. Can it fit into my present operation? Yes, ninety percent of packaging operations are installed in existing plants.
6. Will it pay back my investment in one or two seasons? If it does not, think three times. Inflation increases a great deal faster than the grower return on produce.

PACKAGING METHODS:

Florida agricultural products are packaged into consumer units of bags, cartons, and trays. Bags are available in several forms. For produce items that must have much ventilation, the bag of choice is one of a soft strong woven mesh.

Poly is the bag of choice when moisture retention is required. For items such as lettuce, carrots, green beans and other leafy produce, individual cartons for the consumer is largely limited to the gift fruit industry which does a very good job. Trays are just small cartons with an overwrap of traditionally a solid poly film. A tray pack that incorporates a soft woven mesh as the overwrap and a carry strap is being introduced.

Automatic packaging methods give the grower/packer a fast return on investment and enhances the product line. The current labor shortage is not going to improve, as other service industries pay more, offer better environments and benefits. Automation is a frightening prospect for most people. The thought of computerized equipment in the hands of the packinghouse personnel is something that could keep you awake at night. There are several very successful installations of automatic computerized equipment in Florida. People are taught the care and use of the equipment and find that it is no more troublesome than that old dumper that runs and runs.

Payback of a modern bagging system may be in less than two seasons. The automatic bagger can consistently produce 30 bags per minute of oranges (#100) in five pound units. The average worker filling bags manually will average 4.5 per minute. The average man hours needed to produce 1000 master cartons or 8000 bags is 5.1 for the automatic system while the manual system requires 39.3.

Weight accuracy of the automatic system is less than two grams per bag. The weight accuracy of the manual system is plus or minus 6 ounces per bag. On one load of 1000 cartons (8000 bags) the automatic system allows a maximum of only 250 lbs of overweight give-away. The manual system allows over 2500 lbs. The average cost of a five pound bag on the automatic unit is 1.2 cents, pre-formed bags average 5.3 cents per bag.

CONSUMER RESPONSE:

The consumer is the final and ultimate critic and inspector of your product. The consumer is better educated today. Fresh produce, properly packaged, is an asset to the produce department. Use of smaller more attractive units has been shown to be of particular value as the size of the family unit has decreased.

The consumer is willing and able to pay for the premium quality of brand names. Consumers want a product and package combination that is attractive, informative and of fine quality. Those packaged products that stand out from the crowd are the ones that command a premium.

METHODS BOTH GOOD AND BAD:

Attractive, protective and convenient packaging is not a great mystery. The traditional methods of packaging are not to be scrapped entirely, they must adapt to present market requirements. Those companies that wish to stand out from the crowd must be willing to develop sound marketing programs and follow through with those programs. The fresh produce industry must heed the call of the present consumer who wants quality and a name brand he can rely on.

Grapefruit consumption is down by 18 percent. Why? I don't have the answer and neither do the grapefruit producers. The use of recognized personalities has had very little success in convincing the consumer to buy that product. With few exceptions the personality promotion has fizzled.

Marketing is not the taking of an order, anyone can do that. Marketing is the art of listening to the consumer and anticipating his needs and wants. Marketing is not dropping your price because you might lose the order, marketing is setting the price. That must be supported by quality product. Marketing is adding value to a product and letting the consumer know that the value is being passed on to him.

FUTURE PACKAGING:

We can help the future of our industry by planning today those methods and marketing strategies that will be needed to maintain a prominent place in the food industry. Proper and effective packaging methods can and do improve your position in the market.

There is no limit to what we as agricultural producers can achieve by having our products stand out from the crowd. What makes your orange better than your neighbor's? Better juice content, higher sugar, better shelf life, no bugs, no whatever. When your oranges sit beside your neighbor's oranges in the supermarket bin, who knows the difference if you don't stand out from the crowd.

Fear of the unknown is the greatest enemy of any sales organization. Each of us tend to remain where it is friendly and warm. The innovators and shakers of this business step out and forge ahead with new programs and with a careful ear to the consumer who tells you exactly what he wants: Value for his dollar.

AVAILABLE PUBLICATIONS

Available from Dr. W. F. Wardowski, CREC, 700 Experiment Station Road, Lake Alfred, FL 33850

Development Transition from Enzymatic to Acid Hydrolysis of Sucrose in Acid Limes (*Citrus aurantifolia*), by Ed Echeverria. *Plant Physiol.* 92:168-171. 1989.

Economics of Weight Bagging Machines for Florida Citrus Packinghouses by R. P. Muraro and W. F. Wardowski. *Proc. Fla. State Hort. Soc.* 97:103-105. 1984.

Analysis of Automatic Weight-Fill Bagging Machinery for Fresh Citrus. *American Society of Agricultural Engineers* 2(2) 252-256. 1986.

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