

Average Packing Charges for Florida Fresh Citrus – 2004-05 Season

Ronald P. Muraro, Extension Economist
University of Florida, IFAS, CREC, Lake Alfred, FL

Florida fresh citrus packers were contacted to collect data on the average “packing charges” for the 2004-05 season. A total of nine packinghouses from both the Indian River and Interior production regions provided data for the survey. This is not a statistically chosen sample; therefore, the costs may not be representative of Florida’s total citrus packinghouse industry. The participants were chosen because of their willingness to participate in the survey. The information reported were “packing charges,” not actual packing costs.

The average packing charges are presented in 4/5 bushel carton equivalents. The total average packing charges include the following items:

1. Materials including mesh/plastic bags, labels/Price Lookup Codes (PLUs), etc.
2. Supervisor/foreman labor, grading, palletizing, shipping and general labor including payroll taxes, workers’ compensation, ground insurance, etc.
3. Other direct packing costs include items such as: fruit treating; power, lights and water; repairs and maintenance; miscellaneous supplies; etc.
4. Indirect packing costs include such items as: insurance-fire and casualty; taxes and licenses; depreciation and rent.
5. General and Administrative (G&A) costs include: office personnel (payroll taxes, w/comp); packinghouse and general manager; office supplies; telephone; etc.

6. Selling Expenses which include sales salaries, travel telephone and telegraph and brokerage fees.
7. Special assessments include such items as: advertising taxes; inspection fees; Florida Citrus Packers; Citrus Administrative Committee (CAC).

Total packing charges per 4/5 carton equivalent were collected for five variety categories: domestic grapefruit; export grapefruit; oranges; temples and tangelos; and tangerines. Along with the total packing charges, information was collected on Florida field box bases for fruit drenching charges, packinghouse eliminations charges and hauling charges for fruit elimination to the juice processors.

A summary of the estimated average packing charges is presented in the attached table. The 2004-05 average packing charges for the five variety categories were: domestic grapefruit (\$3.835/carton); export grapefruit (\$4.245/carton); oranges (\$4.192/carton); temples and tangelos (\$4.495/carton); and tangerines (\$5.056/carton). Fruit drenching charges ranged from \$0.178/box for grapefruit to \$0.186/box for the other three variety categories. Average packinghouse eliminations charges were: \$0.594/box for grapefruit; \$0.571/box for oranges, temples, tangelos and tangerines. Hauling charges for eliminations averaged: \$0.425/box for grapefruit; \$0.410/box for oranges, temples, tangelos and tangerines.

Additional information on citrus budgeting and cost analysis and harvesting charges (pick, roadside and hauling) can be obtained by contacting your County Extension Citrus Agent or going to UF/IFAS EDIS website: <http://edis.ifas.ufl.edu>

Estimated Average Packing Charges for Florida Citrus, 2004-05^a

	Domestic Grapefruit	Export Grapefruit	Oranges	Temples/ Tangelos	Tangerines
	-----		\$/Carton	-----	
Total Packing Charge ^b	3.835	4.245	4.192	4.495	5.056
	-----		\$/Box	-----	
Drenching Charge	0.178	0.178	0.186	0.186	0.186
Packinghouse Elimination Charges	0.594	0.594	0.571	0.571	0.571
Hauling Charges for Eliminations	0.425	0.425	0.410	0.410	0.410

^aPacking charges represents a total of nine citrus packinghouses from both the Indian River and Interior production regions.

^bTotal Packing Charge includes the following items:

1. Materials including mesh/plastic bags, labels/Price Lookup Codes (PLUs), etc.
2. Includes supervisor/foreman labor, grading, palletizing, shipping and general labor. Includes payroll taxes, workers' compensation, ground insurance, etc.
3. Other direct packing costs include: fruit treating; power, lights and water; repairs maintenance; miscellaneous supplies; etc.
4. Indirect packing costs include such items as: insurance-fire and casualty; taxes and licenses; depreciation and rent.
5. General and Administrative (G&A) costs include: office personnel (payroll taxes, w/comp); packinghouse and general manager; office supplies; telephone; etc.
6. Selling Expenses which include sales salaries, travel, telephone and telegraph and brokerage fees.
7. Special assessments include such items as: advertising taxes; inspection fees; a Florida Citrus Packers tax; and a Citrus Administrative Committee (CAC) tax.

SOURCE: Ronald P. Muraro, University of Florida-IFAS, Citrus Research and Education Center, Lake Alfred, FL, September 2005.