



Average Packing Charges and Packout Percentages for Florida Fresh Citrus – 2003-04 Season

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A survey was sent to Florida fresh citrus packers to collect data on the average “packing charges” for the 2004 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; a Florida Citrus Packers tax; and a Citrus Administrative Committee (CAC) tax.

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 2003-04 average packing charges for the five variety categories were: domestic grapefruit (\$3.636/carton); export grapefruit (\$3.741/carton); oranges (\$3.993/carton); temples and tangelos (\$4.026/carton); and tangerines (\$4.795/carton). Fruit drenching charges ranged from \$0.158/box for grapefruit to \$0.173/box for the other three variety categories. Average packinghouse eliminations charges were: \$0.523/box for grapefruit; \$0.548/box for oranges, temples and tangelos; and \$0.548/box for tangerines. Hauling charges

for eliminations averaged: \$0.423/box for grapefruit; \$0.494/box for oranges, temples, tangelos and tangerines.

During April and May of 2004, a phone survey interviewed packinghouse managers and asked questions about packout percentages (Timpner and Roka, 2004). The higher the packout rate, the lower the cost of processing “eliminations.” The percentage of fruit deemed acceptable for a fresh market outlet is known as the “packout percentage.” For example, if a load of navel oranges has a packout of 64%, this means that out of 100 navel oranges, 64 were deemed acceptable for the fresh market. The remaining 36 were sorted out and sent to the processing plant. Criteria for pack-out, or conversely eliminations, are based upon size, cosmetic, and internal fruit characteristics. These eliminations are sorted out in the packinghouse at several different stages that consists of machines, sensors and humans.

The 2003-04 average packout percentages for selected Florida citrus varieties are shown in Table 2. The average packout percentage for early/mid-season, Valencias and Navel oranges were 70%, 71% and 64%, respectively. The average packout percentage for colored/red grapefruit was 59% and for white grapefruit was 35%. Since most of the white grapefruit marketed fresh are exported, the external blemish restrictions have to meet a higher market standard. For specialty fruit, the average packout percentage was 77% for tangelos and tangerines and 76% for Temple oranges.

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>

Table 1. Estimated average packing charges for Florida citrus, 2003-04

	Domestic Grapefruit	Export Grapefruit	Oranges	Temples/ Tangelos	Tangerines
	-----		\$/Carton	-----	
Total Packing Charge ^a	3.636	3.741	3.993	4.026	4.795
	-----		\$/Box	-----	
Drenching Charge	0.158	0.158	0.173	0.173	0.173
Packinghouse Elimination Charges	0.523	0.523	0.548	0.548	0.548
Hauling Charges for Eliminations	0.423	0.423	0.494	0.494	0.494

^aTotal 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.

NOTE: Packing charges represent a total of thirteen citrus packinghouses from both the Indian River and Interior Production regions.

SOURCE: Ronald P. Muraro, University of Florida-IFAS, Citrus Research and Education Center, Lake Alfred, FL, August 2004.

Table 2. Estimated average packout percentage for selected Florida fresh citrus varieties, 2003-04 season

Variety	Average Packout % ^a	Variety	Average Packout % ^a
<u>Oranges</u>		<u>Specialty</u>	
Early/Mid-Season	70	Tangelos	77
Valencia	71	All Tangerines	77
Navels	64	Temples	76
<u>Grapefruit</u>			
Colored/Red			
White	59		

^aTimpner, Marcus and Fritz Roka. Survey of fresh harvesting, packout rates and packinghouse charges for the 2003-04 season. Southwest Florida Research and Education Center. 2004.