

## **Average Packing Charges for Florida Fresh Citrus – 2006-07 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 2006-07 season. A total of fifteen packinghouses from both the Indian River and Interior production regions provided data for the survey. This was not a statistically chosen sample; therefore, the charges 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 was “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 Table 1. The 2006-07 average packing charges for the five variety categories were: domestic grapefruit (\$4.051/carton); export grapefruit (\$4.357/carton); oranges (\$4.376/carton); temples and tangelos (\$4.497/carton); and tangerines (\$5.637/carton). Fruit drenching charges ranged from \$0.178/box to \$0.182/box depending on the citrus variety category. Average packinghouse eliminations charges ranged from \$0.600/box to \$0.628/box for all varieties. Hauling charges for eliminations averaged from \$0.507/box to \$0.592/box.

A comparison of packing charges from 2003-04, 2004-05, 2005-06, and 2006-07 seasons are shown in Table 2.

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 the UF/IFAS EDIS website: <http://edis.ifas.ufl.edu> or UF/IFAS CREC website: [www.crec.ifas.ufl.edu/extension/economics](http://www.crec.ifas.ufl.edu/extension/economics)

Table 1. Estimated Average Packing Charges for Florida Citrus, 2006-07<sup>a</sup>

	Domestic Grapefruit	Export Grapefruit	Oranges	Temples/ Tangelos	Tangerines
	----- \$/Carton -----				
Total Packing Charge <sup>b</sup>	4.051	4.357	4.376	4.497	5.637
	----- \$/Box -----				
Drenching Charge	0.180	0.178	0.182	0.181	0.181
Packinghouse Elimination Charges	0.605	0.600	0.621	0.616	0.628
Hauling Charges for Eliminations	0.581	0.592	0.507	0.565	0.581

<sup>a</sup>Packing charges represents a total of five citrus packinghouses from the Interior production region and a total of ten citrus packinghouses from the Indian River production region.

<sup>b</sup>Total 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, August 2007.

Table 2. Estimated Average Packing Charges for Florida Citrus – 2003-04, 2004-05, 2005-06, and 2006-07<sup>a</sup>

	Season	Domestic Grapefruit	Export Grapefruit	Oranges	Temples/ Tangelos	Tangerines
----- \$/Carton -----						
Total Packing Charge <sup>b</sup>	2006-07	4.051	4.357	4.376	4.497	5.637
	2005-06	4.016	4.395	4.347	4.614	5.469
	2004-05	3.835	4.245	4.192	4.495	5.056
	2003-04	3.636	3.741	3.993	4.026	4.795
----- \$/Box -----						
Drenching Charge	2006-07	0.180	0.178	0.182	0.181	0.181
	2005-06	0.181	0.189	0.181	0.184	0.188
	2004-05	0.178	0.175	0.186	0.186	0.186
	2003-04	0.158	0.158	0.173	0.173	0.173
Packinghouse Elimination Charges	2006-07	0.605	0.600	0.621	0.616	0.628
	2005-06	0.545	0.553	0.548	0.548	0.552
	2004-05	0.594	0.569	0.571	0.571	0.571
	2003-04	0.523	0.523	0.544	0.544	0.544
Hauling Charge for Eliminations	2006-07	0.581	0.592	0.507	0.565	0.581
	2005-06	0.505	0.534	0.515	0.531	0.534
	2004-05	0.425	0.429	0.410	0.410	0.410
	2003-04	0.423	0.423	0.496	0.496	0.496

<sup>a</sup> 2006-07 packing charges represents fifteen citrus packinghouses from both the Indian River and Interior regions.

2005-06 packing charges represents seventeen citrus packinghouses from both the Indian River and Interior regions.

2004-05 packing charges represents nine citrus packinghouses from both the Indian River and Interior regions.

2003-04 packing charges represents nine citrus packinghouses from both the Indian River and Interior regions.

<sup>b</sup> Total 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.
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**SOURCE:** Ronald P. Muraro, University of Florida-IFAS, Citrus Research and Education Center, Lake Alfred, FL, August 2007.