

2014/15 Average Packing Charges for Florida Fresh Citrus

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A survey of Florida fresh citrus packers was conducted in April 2015 to collect data on their packing charges during the 2014/15 season. A total of sixteen packinghouses participated in the survey, seven from the Interior region and nine from the Indian River region. The average of their responses was computed to obtain the estimates presented below. It is worth noting such estimates correspond to packing charges, not packing costs.

There are two changes relative to previous reports based on comments from the industry. First, this report itemizes Industry Assessments and Sales Charges separately from Packing Charges whereas previous reports presented them together in one category. Second, in this summary there is a single category for Grapefruit. Previous reports made a distinction between Domestic and Exported Grapefruit. However, as the result from a discussion held with packers it became apparent that the packing charges for both domestic and exports are the same; any difference between the two is an up-charge related to enhanced packaging.

The average packing charges by citrus varieties are shown in Table 1, and are expressed in dollars per 4/5 bushel carton. For grapefruit, the 2014/15 average Packing Charge, Industry Assessment and Sales Charge were \$4.504, \$0.302, and \$ 0.556 per carton, respectively, while for oranges, the charges per carton were \$4.785, \$0.184, and \$ 0.556. For temples and tangelos the charges were \$5.031, \$0.186, and \$0.557 per carton, respectively, and for tangerines they were \$5.916, \$0.194, and \$0.556 per carton.

Table 1 also shows the average charges for drenching, packinghouse eliminations, and hauling eliminations from packinghouses to processors. These charges are presented in dollars per box. For grapefruit, the charges for drenching, packinghouse eliminations, and hauling were \$0.199, \$0.663, and \$0.559 per box, respectively. For oranges, those charges were \$0.200, \$0.678, and \$0.554 per box, respectively. The charges for temples and tangelos were \$0.196, \$0.703, and \$0.642 per box, respectively. And, for tangerines such charges were \$0.200, \$0.702, and \$0.692, respectively.

Table 2 shows a comparison of the 2014/15 packing charges to those of previous years. To make the estimates comparable across seasons — given the changes introduced in this report discussed above — the 2014/15 Packing Charge, Industry Assessment, and Sales Charge were added together. Also, the figures for grapefruit in seasons 2008/09 to 2011/12 correspond to the category presented as domestic grapefruit in previous reports.

Table 1. Estimated Average Packing Charges for Florida Citrus, 2014/15

	Grapefruit	Oranges	Temples/ Tangelos	Tangerines
	-----\$ per Carton -----			
Packing Charge ¹	4.504	4.785	5.031	5.916
Industry Assessment ²	0.302	0.184	0.186	0.194
Sales Charge	0.556	0.556	0.557	0.556
Total	5.362	5.525	5.774	6.666
	-----\$ per Box -----			
Drenching Charge	0.199	0.200	0.196	0.200
Packinghouse Elimination Charge	0.663	0.678	0.703	0.702
Hauling Charge for Eliminations	0.559	0.554	0.642	0.692

¹ Packing Charges include the following items:

1. Materials including labels/PLUs (Price look-up codes)
2. Includes supervisor/foreman labor, grading, shipping and general labor. Includes payroll taxes (FICA), workers' compensation, ground insurance, etc.
3. Other direct packing costs include: fruit treating; power, lights and water; repair/maintenance; miscellaneous supplies, etc.
4. Indirect packing costs include such items as: insurance-fire and casualty; taxes and licenses; depreciation and rent.
5. G&A costs include: office personnel (FICA, w/comp); packinghouse and general manager; office supplies; telephone; etc.

² Includes assessments such as: advertising taxes, inspection fees, Florida Citrus Packers, CAC.

Source:

Ariel Singerman, University of Florida, IFAS, Citrus Research and Education Center, Lake Alfred, FL, April 2015.

Table 2. Comparison of Average Packing Charges for Florida Citrus by Season

	Season	Grapefruit	Oranges	Temples/ Tangelos	Tangerines
		-----\$ per carton -----			
Total Packing Charge ¹	2014/15	5.362	5.525	5.774	6.666
	2011/12	4.907	5.241	5.451	6.336
	2010/11	4.654	5.071	5.486	6.105
	2009/10	4.730	5.065	5.252	6.054
	2008/09	4.495	4.886	5.088	6.116
		-----\$ per box -----			
Drenching Charge	2014/15	0.199	0.200	0.196	0.200
	2011/12	0.207	0.203	0.191	0.199
	2010/11	0.199	0.201	0.195	0.195
	2009/10	0.192	0.192	0.191	0.191
	2008/09	0.191	0.193	0.191	0.190
Packinghouse Elimination Charges	2014/15	0.663	0.678	0.703	0.702
	2011/12	0.654	0.680	0.687	0.718
	2010/11	0.676	0.706	0.744	0.777
	2009/10	0.649	0.675	0.712	0.710
	2008/09	0.656	0.675	0.709	0.749
Hauling Charge for Eliminations	2014/15	0.559	0.554	0.642	0.692
	2011/12	0.615	0.568	0.559	0.590
	2010/11	0.516	0.498	0.537	0.588
	2009/10	0.564	0.510	0.525	0.525
	2008/09	0.586	0.571	0.585	0.589

¹ Total Packing Charges include Packing Charge, Industry Assessment, and Sales Charge as defined in Table 1.

Sources:

Ariel Singerman, University of Florida, IFAS, Citrus Research and Education Center, Lake Alfred, FL, April 2015.

Ronald P. Muraro, University of Florida, IFAS, Citrus Research and Education Center, Lake Alfred, FL, September 2012.