

Average Packing Charges for Florida Fresh Citrus – 2011-12 Season

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Florida fresh citrus packers were contacted to collect data on the average “packing charges” for the 2011-12 season. A total of sixteen packinghouses from both the Indian River (11 packers) and Interior (5 packers) 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 eliminations sent to juice processors.

A summary of the estimated average packing charges is presented in Table 1. The 2011-12 average packing charges for the five variety categories were: domestic grapefruit (\$4.907/carton); export grapefruit (\$5.333/carton); oranges (\$5.241/carton); temples and tangelos (\$5.451/carton); and tangerines (\$6.336/carton). The 2011-12 packing charges represent an increase over the 2010-11 season of 5.6% for domestic grapefruit, 9.1% for export grapefruit and about 3.6% for oranges and tangerines. Fruit drenching charges averaged \$0.201/box. Average packinghouse eliminations charges ranged from \$0.644/box to \$0.718/box for all varieties. Hauling charges for eliminations averaged \$0.593/box.

A comparison of packing charges from 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 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

Table 1. Estimated Average Packing Charges for Florida Citrus, 2011-12^a

	Domestic Grapefruit	Export Grapefruit	Oranges	Temples/ Tangelos	Tangerines
	-----		\$/Carton	-----	
Total Packing Charge ^b	4.907	5.333	5.241	5.451	6.336
PLUs Charge for Traceability ^c	0.150	0.150	0.250	--	0.300
	-----		\$/Box	-----	
Drenching Charge	0.207	0.207	0.203	0.191	0.199
Packinghouse Elimination Charges	0.654	0.644	0.680	0.687	0.718
Hauling Charges for Eliminations	0.615	0.635	0.568	0.559	0.590

^aPacking charges represents a total of five citrus packinghouses from the Interior production region and a total of eleven citrus packinghouses from the Indian River production region.

^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.

^cPrice Lookup Codes (PLUs) charges were only reported by Indian River packers.

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

Table 2. Estimated Average Packing Charges for Florida Citrus – 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12^a

	Season	Domestic	Export	Oranges	Temples/ Tangelos	Tangerines
		Grapefruit	Grapefruit		----- \$/Carton -----	
Total Packing Charge ^b	2011-12	4.907	5.333	5.241	5.451	6.336
	2010-11	4.654	4.890	5.071	5.486	6.105
	2009-10	4.730	5.001	5.065	5.252	6.054
	2008-09	4.495	4.722	4.886	5.088	6.116
	2007-08	4.261	4.445	4.582	4.802	5.520
	Season	----- \$/Box -----				
Drenching Charge	2011-12	0.207	0.207	0.203	0.191	0.199
	2010-11	0.199	0.199	0.201	0.195	0.195
	2009-10	0.192	0.195	0.192	0.191	0.191
	2008-09	0.191	0.194	0.193	0.191	0.190
	2007-08	0.185	0.185	0.187	0.188	0.189
Packinghouse Elimination Charges	2011-12	0.654	0.644	0.680	0.687	0.718
	2010-11	0.676	0.665	0.706	0.744	0.777
	2009-10	0.649	0.634	0.675	0.712	0.710
	2008-09	0.656	0.628	0.675	0.709	0.749
	2007-08	0.648	0.628	0.653	0.675	0.705
Hauling Charge for Eliminations	2011-12	0.615	0.635	0.568	0.559	0.590
	2010-11	0.516	0.522	0.498	0.537	0.588
	2009-10	0.564	0.542	0.510	0.525	0.525
	2008-09	0.586	0.604	0.571	0.585	0.589
	2007-08	0.561	0.569	0.540	0.519	0.533

^a 2011-12 packing charges represents sixteen citrus packinghouses from both the Indian River and Interior regions.
 2010-11 packing charges represents twelve citrus packinghouses from both the Indian River and Interior regions.
 2009-10 packing charges represents fourteen citrus packinghouses from both the Indian River and Interior regions.
 2008-09 packing charges represents fourteen citrus packinghouses from both the Indian River and Interior regions.
 2007-08 packing charges represents sixteen citrus packinghouses from both the Indian River and Interior regions.

^b 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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