

STRAWBERRY MARKETING IN KENTUCKY - 1960

BY WILLARD H. MINTON

DEPARTMENT OF AGRICULTURAL ECONOMICS

Twelve local assembly markets served Kentucky strawberry farmers in 1960. These markets were:

- (1) Cincinnati Produce Growers' Association, Cincinnati, Ohio
- (2) Fern Creek Strawberry Growers, Fern Creek, Ky.
- (3) Greenup County Strawberry Growers, Greenup, Ky.
- (4) Hunt's Strawberry Market, Franklin, Ky.
- (5) Independent Strawberry Growers' Association, Bowling Green, Ky.
- (6) Johnson County Strawberry Growers, Paintsville, Ky.
- (7) Kentucky Mountain Growers' Cooperative Association, Morehead, Ky.
- (8) Logan County Fruit and Vegetable Market, Russellville, Ky.
- (9) McCracken County Strawberry Growers' Association, Paducah, Ky.
- (10) Oakland Strawberry Growers' Association, Oakland, Ky.
- (11) Queen City Sales, Somerset, Ky.
- (12) Trimble County Growers' Association, Bedford, Ky.

Seven of these assembly markets dealt in fresh market strawberries only. Four serviced both the fresh and process strawberry markets, while one reported sales exclusively to processors. (See map showing location and type of berry marketed.) Although most of these local markets have served Kentucky strawberry growers for a number of years, one has served as an organized market for only two years. However, three local assembly markets that operated in 1959 did not operate in 1960.

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FRESH MARKET STRAWBERRIES

During the past few years a distinct shift in size of shipping containers has taken place. The 16-quart crate was used for 90.6 percent of the fresh market berries shipped in 1960. The 24-quart crate continued to decline in importance as a shipping container and accounted for 7.6 percent of the fresh market berries in 1960. The 8-quart flat was introduced by one local market as a shipping container and accounted for 1.8 percent of the fresh market berries. Because of the relative insignificance of the 8-quart and the 24-quart shipping containers, the discussion will be in terms of 16-quart equivalent crates.

A total of 34,560 crates (16-quart equivalent) was sold for a gross value of \$155,313 through the local markets in 1960. The grades for these berries were 89.4 percent U. S. No. I, 10.4 percent U. S. No. II, and 0.2 percent unclassified. Quality as indicated by these percentages was considerably higher in 1960 than has been true for the past few years (Table 1).

Table 1. -- Percentages of Fresh Market Berries Grading U. S. No. I, U. S. No. II, and Unclassified, 1956-60

	1956	1957	1958	1959	1960
	%	%	%	%	%
U. S. No. I	77.7	82.6	82.5	80.2	89.4
U. S. No. II	21.4	15.9	16.7	17.8	10.4
Unclassified	0.9	1.5	0.8	2.0	0.2
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

All marketing costs, including costs of crates, were deducted from gross sales figures to give the grower a take-home price for fresh market strawberries. The take-home price for U. S. No. I fresh market strawberries (16-quart crate equivalent) averaged \$3.61 with a range of \$3.12 to \$5.16 for local markets in the state. The take-home price for U. S. No. II fresh market strawberries (16-quart crate equivalent) averaged \$2.70 with a range of \$1.67 to \$4.19 for local markets in the state. The take-home price for unclassified fresh market strawberries (16-quart crate equivalent) averaged \$1.93 with a range of \$1.03 to \$2.37 for local markets in the state. The take-home price on a 16-quart crate equivalent for all fresh market strawberries averaged \$3.51 with a range of \$2.72 to \$4.89 for local markets in the state (Table 2).

Marketing costs at the local level were made up of the following items: manager's compensation, shed labor, office labor, telephone, supplies, rent or shed payments, inspection fees, license fees, insurance, and taxes. The marketing costs at the local assembly market for fresh market strawberries (16-quart crate equivalent) averaged 23 cents per crate with a range of 9 cents to 36 cents per crate for local markets in the state.

Table 2. - Local Market Strawberry Sales, Kentucky, 1960
Fresh Market, 16-Quart Total (Converted)

Local Market	Number of Crates	Gross Price (Shipping point)	Local Market-ing Cost Per Crate	Return at Shed Per Crate	Return Less Cost of Crate	Return to Farmer Per Pound
		dollars	dollars	dollars	dollars	cents
A	2,405	4.36	0.29	4.07	3.30	16.5
B	889	3.83	0.36	3.47	2.72	13.6
C	2,759	5.50	0.12	5.38	4.89	24.5
D	924	4.00	0.30	3.70	2.98	14.9
E	7,000	4.69	0.20	4.49	3.71	18.6
F	1,519	4.42	0.25	4.17	3.37	16.9
G	4,013	4.51	0.25	4.26	3.48	17.4
H	2,287.5	3.80	0.30	3.50	2.75	13.8
I	5,711	4.52	0.20	4.32	3.54	17.7
J	4,829	4.31	0.30	4.01	3.21	16.1
K	2,223.5	4.29	0.09	4.20	3.47	17.3
Total	34,560	4.49	0.23	4.26	3.51	17.6

PROCESSING STRAWBERRIES

Processing outlets used by Kentucky farmers in 1960 were:

- (a) Breyer Ice Cream Company, Celina and Livingston, Tenn.
- (b) Colonial Frozen Foods, Franklin, Ky.
- (c) Frost King Foods, Paducah, Ky. ^{1/}

These plants bought berries direct from farmers at the plants. In addition, one plant maintained pick-up points in outlying areas. Too, these plants bought berries from the local assembly markets that handled processing berries. Two processing plants that operated in Kentucky in 1959 were inactive in 1960 because of a shortage of berries in their areas.

Approximately 1,031,700 pounds of Kentucky strawberries were sold to these processing plants for a gross value of \$158,078 in 1960. The average take-home price to the grower was 14.3 cents per pound with a range of 13.8 cents to 14.5 cents for individual markets. Handling costs for processing berries averaged about 1 cent a pound.

TOTAL STRAWBERRIES^{2/}

A total of 86,145 16-quart crates of strawberries (converted) were marketed through the aforementioned local assembly markets and processing plants by Kentucky farmers in 1960 for a gross value of \$313,391. Those berries that were sold through fresh market channels returned an average of 17.6 cents per pound to the grower, while those berries that were sold through processing marketing channels returned an average of 14.3 cents per pound to the grower. These figures indicate a higher return to the grower from fresh market sales than from processing market sales.

According to the U. S. D. A., 1956 was the most recent year of high acreage for strawberries in Kentucky. The 1956 harvested acreage of 6,200 acres had declined to 5,200 acres in 1957, 4,400 acres in 1958, 2,400 acres in 1959, and 1,700 acres in 1960. This represents a decrease of about 70 percent in harvested acreage over the four-year period. Preliminary reports indicate that harvested acreage for 1961 will be 1,800 acres.

Although this is only a slight increase over 1960, it appears that the low point in this production cycle has been reached.

The most recent year for low prices for strawberries in Kentucky was 1957. Average return to the farmer by the local assembly markets and the processing plants increased from the 1957 low of 11.7 cents per pound to 13.1 cents per pound in 1958, 14.9 cents per pound in 1959, and 15.7 cents per pound in 1960.^{3/} With the upturn of the production cycle, prices should continue to increase slightly for the next two or three years before reaching a peak.

^{1/} See map for location.

^{2/} See Table 3 for detailed comparisons among fresh market sales, processing market sales, and total sales for the years 1956-60.

^{3/} See Table 3, column "Return to Farmer Per Pound."

Table 3. - Comparisons Between Fresh Market Sales and Processing Sales in Kentucky, 1956-60 (16-quart crate equivalent)

Type of Berry Marketed and Percentage to Each	Volume (Crates)	Gross Value (Shipping point)	Gross Price (Shipping point)	Marketing Cost Per Crate* (local)	Return To Farmer Per Pound
		dollars	dollars	dollars	cents
<u>1956</u>					
Fresh Market 66%	332,951	1,325,037	3.98	0.88	15.5
Processing 34%	170,493	524,562	3.08	0.40	13.4
Total	503,444	1,849,599	3.67	0.72	14.8
<u>1957</u>					
Fresh Market 67%	243,946	839,858	3.44	0.96	12.4
Processing 33%	118,111	255,854	2.17	0.14	10.2
Total	362,057	1,095,712	3.03	0.70	11.7
<u>1958</u>					
Fresh Market 39%	130,115	503,114	3.87	0.93	14.7
Processing 61%	203,408	534,047	2.63	0.20	12.2
Total	333,523	1,037,161	3.11	0.49	13.1
<u>1959</u>					
Fresh Market 30%	29,799	135,869	4.56	1.04	17.6
Processing 70%	68,709	202,544	2.95	0.20	13.8
Total	98,508	338,413	3.44	0.46	14.9
<u>1960</u>					
Fresh Market 40%	34,560	155,313	4.49	0.98	17.6
Processing 60%	51,585	158,078	3.06	0.20	14.3
Total	86,145	313,391	3.64	0.51	15.7

*Includes cost of crates for fresh market and total.