

STRAWBERRY MARKETING IN KENTUCKY - 1958

By Willard H. Minton
Department of Agricultural Economics

Marketing information for strawberries for the year 1958 was obtained by contacting the local strawberry markets in Kentucky in the summer of 1958. These local markets were made up of 14 cooperatives and 4 independents. Records and estimates from these local markets indicate that approximately 4,000 acres were in production in 1958 with a total yield of 359,000 16-quart crates (all berries converted to a 16-quart equivalent). This was an average yield of 90, 16-quart crates per acre.

Approximately 156,000 crates were sold through fresh market channels in 1958. The local markets sold about 130,000 crates of this total while about 26,000 crates were sold direct by the growers. Those berries sold through the local markets graded 82 percent U.S. No. 1, 17 percent U.S. No. II, and 1 percent Unclassified.

All marketing costs charged the grower at the shed, including cost of crates, were accounted for to give the grower a take-home price for fresh berries. The average take-home price for 24-quart crates for Kentucky was \$4.05 with a range of \$2.24 to \$4.73 for local markets within the state. The average take-home price for 16-quart crates for the state of Kentucky was \$3.12 with a range of \$.77 to \$3.81 for local markets within the state.

Fifty-five percent of the fresh market berries were packed in 16-quart crates, and the remaining 45 percent were packed in 24-quart crates. There is a decided trend toward the use of 16-quart crates for marketing berries. In 1957, 45 percent of the fresh market berries were packed in 16-quart crates.^{1/} A per quart take-home price was determined in relation to size of crates. For 16-quart crates, the average take-home price was 19.5 cents per quart, while the average take-home price for 24-quart crates was 16.9 cents per quart. This indicates a higher take-home price for fresh berries marketed in 16-quart crates in 1958. However, in 1957, there was a slightly higher return in favor of 24-quart crates.

Marketing costs at the local market level were made up of the following items: Manager's compensation, shed labor, office labor, telephone, supplies, rent or shed payments, inspection fees, public relations, and insurance. The average marketing cost for 16-quart crates was 27 cents per crate in Kentucky, with a range of 10.0 cents to 100.0 cents per crate for local markets within the state. An average marketing cost for 24-quart crates was also 27 cents per crate in Kentucky, with a range of 12.0 cents to 100.0 cents per crate for local markets within the state.

^{1/} Less than 10 percent of the fresh market berries were packed in 16-quart crates in 1956.

The market for processing berries was decidedly more active in 1958 than in 1957. The farmers in Kentucky marketed 4,068,157 pounds of strawberries in 1958 for an average take-home price of 12.1 cents per pound with a range of 10.9 to 12.7 cents per pound for local markets within the state. When this was converted to a fresh 16-quart crate equivalent, a \$2.41 take-home price to the farmer was noted. Handling costs for processing berries averaged about one cent a pound. Processing berries averaged 51 cents more per crate (16-quart equivalent) than the average for all fresh berries that were graded No. II or Unclassified.

It might be well to compare the year 1957 with 1958. Estimated acreage was 4,500 acres in 1957 and 4,000 acres in 1958. Total estimated production in 1957 was 390,000 16-quart crates (includes processing berries) as compared to 359,000 16-quart crates (includes processing berries) in 1958. The take-home price to farmers for 24-quart crates (fresh market berries) averaged 30 cents more in 1958 than in 1957. The take-home price to farmers for 16-quart crates (fresh market berries) averaged 74 cents more in 1958 than in 1957. Local marketing costs averaged 33 cents per crate in 1957 as compared to 27 cents in 1958. The average take-home price for processing berries was 2.2 cents per pound more in 1958 than in 1957. Total take-home money to farmers in 1957 was about \$777,000 as compared with about \$872,000 in 1958.

It is interesting to note the transition in the market make-up of berries for the two years. In 1957, 74 percent of Kentucky berries were sold through the fresh market while 26 percent were sold as processing berries. Conversely, in 1958 43 percent of Kentucky berries were sold through the fresh market, while 57 percent were sold as processing berries.

A number of factors contributed to the difference between the two years. Production per acre and quality was generally a little better in 1958. Too, prices were more favorable in 1958. Probably the most important factor was the activity of the processing market in the two years. In 1957 the processing market in Kentucky was less active in comparison to other years. Some processors failed to open for business in 1957 and some of those that did, restricted their operations. This was due to the large carry-over of stocks of frozen berries from 1956.

Further and more detailed information for 1957 and 1958 can be observed from the tables on the following pages.

Strawberry Marketing in Kentucky, 1958

Fresh Market, 16-Qt. Total

Local Market	Number of Crates	Gross Avg. F.O.B. Price \$	Avg. Mkting. Cost Per Crate \$	Avg. Return at Shed \$	Avg. Return Less Cost of Crate \$	Avg. Return Per Quart \$
A	987	3.79	.44	3.35	2.60	.162
B	-----	-----	-----	-----	-----	-----
C	-----	-----	-----	-----	-----	-----
D	1,479	3.75	.15	3.60	2.80	.175
E	406	3.29	.16	3.13	2.33	.146
F	4,584	4.46	.10	4.36	3.81	.238
G	42	1.72	.15	1.57	.77	.048
H*	-----	-----	-----	-----	-----	-----
I	14,005	4.14	.20	3.94	3.16	.198
J	238	3.65	.26	3.39	2.59	.162
K	10,327	3.80	.35	3.45	2.65	.166
L	38	3.13	.21	2.92	2.14	.134
M	16	3.39	.25	3.14	2.34	.146
N	19	2.99	.20	2.79	1.99	.124
O	15,212	4.11	.20	3.91	3.13	.196
P	2,716	4.40	1.00	3.40	2.60	.162
Q	18,256	4.45	.23	4.22	3.42	.214
R	3,504	3.98	.50	3.48	2.70	.169
Total 16-Qt.	71,829	4.16	.27	3.89	3.12	.195

*Inactive in 1958

Strawberry Marketing in Kentucky, 1957

Fresh Market, 16-Qt. Total

Local Market	Number of Crates	Gross Avg. F.O.B. Price \$	Avg. Mktg. Cost Per Crate \$	Avg. Return at Shed \$	Avg. Return Less Cost of Crate \$	Avg. Return Per Quart \$
A	3,277	3.90	.34	3.56	2.76	.172
B	-----	-----	---	-----	-----	-----
C	-----	-----	---	-----	-----	-----
D	1,144	3.57	.14	3.43	2.63	.164
E	13,557	2.81	.25	2.56	1.76	.110
F	6,688	4.20	.09	4.11	3.31	.207
G	-----	-----	---	-----	-----	-----
H	887	2.60	.33	2.27	1.47	.092
I	27,102	3.22	.20	3.02	2.22	.139
J	109	4.00	.28	3.72	2.92	.182
K	12,411	4.24	.35	3.89	3.11	.194
L	504	2.99	.20	2.79	2.03	.127
M	-----	-----	---	-----	-----	-----
N	257	2.84	.20	2.64	1.84	.115
O	11,357	3.20	.20	3.00	2.20	.138
P	26,255	3.82	.62	3.20	2.40	.150
Q	-----	-----	---	-----	-----	-----
Total 16-Qt.	103,548	3.52	.33	3.19	2.38	.149

Strawberry Marketing in Kentucky, 1958

Fresh Market, 24-Qt. Total

Local Market	Number of Crates	Gross Avg. F.O.B. Price \$	Avg. Mktg. Cost Per Crate \$	Avg. Return at Shed \$	Avg. Return Less Cost of Crate \$	Avg. Return Per Quart \$
A	6	3.58	.44	3.14	2.24	.093
B	1,419	5.90	.44	5.46	4.51	.188
C	4,667	5.51	.33	5.18	4.23	.176
D	810	4.75	.15	4.60	3.65	.152
E	6,813	5.12	.16	4.96	4.03	.168
F	1,392	5.33	.12	5.21	4.51	.188
G	1,905	5.14	.25	4.89	3.89	.162
H*	-----	-----	---	---	---	---
I	37	4.88	.20	4.68	3.78	.158
J	9,107	5.26	.37	4.89	3.92	.163
K	122	5.39	.50	4.89	3.99	.166
L	2,789	4.46	.21	4.25	3.34	.139
M	832	5.23	.25	4.98	4.08	.170
N	7,482	5.36	.20	5.16	4.24	.177
O	179	5.08	.20	4.88	3.98	.166
P	213	5.95	1.00	4.95	4.05	.169
Q	877	5.91	.28	5.63	4.73	.197
R	207	5.13	.50	4.63	3.68	.153
Total 24-Qt.	38,857	5.25	.27	4.98	4.05	.169

*Inactive in 1958

Strawberry Marketing in Kentucky, 1957

Fresh Market, 24-Qt. Total

Local Market	Number of Crates	Gross Avg. F.O.B. Price	Avg. Mktg. Cost Per Crate	Avg. Return at Shed	Avg. Return Less Cost of Crate	Avg. Return Per Quart
		\$	\$	\$	\$	\$
A	525	4.30	.51	3.79	2.89	.120
B	2,553	5.31	.35	4.96	4.06	.169
C	4,446	5.79	.62	5.16	4.26	.178
D	1,856	5.70	.16	5.53	4.58	.191
E	871	3.67	.25	3.42	2.52	.105
F	2,708	5.79	.13	5.66	4.76	.198
G	1,268	5.17	.33	4.83	3.93	.164
H	-----	----	---	----	----	----
I	718	3.96	.20	3.76	2.86	.119
J	12,240	6.06	.42	5.63	4.68	.195
K	954	5.44	.50	4.94	4.04	.168
L	3,941	4.40	.20	4.20	3.30	.138
M	1,411	5.11	.35	4.75	3.75	.156
N	14,059	4.22	.20	4.02	3.12	.130
O	-----	----	---	----	----	----
P	4,507	4.43	.64	3.79	2.89	.120
Q	33,535	4.99	.29	4.70	3.79	.158
Total 24-Qt.	85,592	5.04	.33	4.71	3.75	.156