**Targeting the Marketplace:**
*Fresh vs. Processed*

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**INTRODUCTION**

The purpose of commercial citrus ICM is to bring a high quality product to market efficiently and economically. There are many paths by which Florida citrus products may travel from the grove to the consumer, but the ultimate choice of utilization for a citrus crop is a decision that must be seriously considered by the citrus manager. For example, citrus crops produced for the fresh market often incur higher production costs due to the additional spraying necessary to minimize peel blemishes. Costs and returns must continually be evaluated and reevaluated throughout the production season. However, the initial decision to produce a fresh-marketed crop occurs prior to bloom, when the previous season’s crop characteristics and market performance are assessed. Whether a crop is destined for the fresh or processed market, the citrus manager has the same goal of maintaining the health and vigor of the citrus trees. The final market destination will influence the targets, timing, and type of materials that are applied in the field to help ensure a marketable crop. This chapter introduces some of the strategies and tactics that the citrus manager may draw upon to help deliver the highest quality product possible.
The choice of utilization for a citrus crop, whether to sell to fresh or processed markets, is a decision that must be seriously considered. Due to the additional spraying necessary to preclude peel blemishes, citrus crops produced for the fresh market often incur higher production costs. The grove manager must evaluate whether these costs are justified by the fresh market value of the crop. Further, a number of events beyond the manager’s control may make the crop unacceptable for the fresh market. In particular, damaging weather events, such as hail, windstorms, and freezes, may force the grower to divert a crop to processing. This marketing decision (fresh vs. processing) is usually considered on a block-by-block basis prior to bloom, with continuing evaluation throughout the entire production season. Seasonal evaluations of the fruit’s external condition are needed, particularly for fruit size and condition of the peel, prior to the application of additional sprays. Additional sprays may not be warranted because of grade-lowering factors that already exist. Not all trees are able to produce an economically profitable fresh fruit crop because of variety, disease incidence, pest pressure, tree age, tree condition, or general environmental conditions at the specific grove site.

In addition to evaluating the condition of the fruit, the grove manager must consider economic factors that affect the prices offered for fresh and processed fruit each season. Currently, approximately 5 percent of Florida’s orange crop and up to 50 percent of its grapefruit crop is marketed as fresh fruit. Tangerines and most of the specialty varieties are marketed primarily for the fresh market. Variability in fruit utilization can have a profound impact on fresh fruit prices. Blemished fruit going to processing plants as eliminations from the fresh packing operations, or in salvage conditions at harvest, typically brings lower prices than citrus originally destined for the processed market. Some juice markets may not accept additional fungicides from the drenching and waxing of fruit, which represent limitations on eliminations from fresh fruit packinghouses. There are also significant costs associated with fresh fruit handling, reducing profits if the fruit is then processed.

The initial decision to produce a fresh-marketed crop occurs prior to bloom, when the grove manager assesses the previous season’s crop characteristics and market performance. At this time, price expectations play a major role in the decision. The final marketing decision occurs, of course, when the fruit is being evaluated for harvest. The external appearance and size of the fruit are evaluated to determine the anticipated or estimated percentage of the crop that will be marketed in fresh fruit channels. Any fruit that is not the desired size for the current market demand, or possesses too many peel
blemishes, should be directly sent to the processing plants. In some years, when the prices offered for the eliminations are extremely low, it may be beneficial for the grower to consider spot picking the crop in an effort to match the harvested fruit with market demands for size and quality, thus leaving fruit on the tree that would have been eliminated from the fresh fruit packing operation. As the season progresses, if fruit size increases or market demands change, additional spot picking may be warranted.

Figure 4.1 is a flow chart of the decisions growers make during a growing season. As indicated in the figure, growers start the season at bloom time with the initial decision to produce a given crop for the fresh or processed market. If the fresh market is chosen for the specific crop, the grower begins applying the first spray at or shortly before bloom to protect the crop from various foliar, bloom, and fruit-infesting fungal diseases, particularly scab and melanose. As the season progresses, the grower should reevaluate the external appearance of the crop several times, applying additional sprays when necessary to maintain fresh-quality appearance standards. If at any time during the year the fruit becomes blemished, or if its size does not conform to market demand, the grower evaluates current fruit prices to determine if additional sprays are practical. If the additional sprays will not produce an economic return, they are omitted and the fruit follows a processed market production program.

As a citrus crop is managed from bloom to harvest, the grove manager must take into consideration the seasonal growth cycle of the citrus tree, the development of the grove, and current environmental factors. Whether a crop is destined for the fresh or processed market, the citrus manager has the same goal of maintaining the health and vigor of the trees. The Florida citrus industry must continue to be recognized as a consistent source of high-quality citrus juice products and fresh fruit in order to maintain and increase its customer base. These issues are discussed further in subsequent chapters.

The initial decision to produce fresh crops happens prior to bloom; price expectations play a major role in this decision.

When prices for eliminations are low, it may be beneficial to spot pick the crop to match the harvested fruit to the market demands for size and quality.

If additional spraying of citrus (to protect the crop from pests and diseases) will not produce an economic return, sprays are omitted and fruit prepared for processing.
Figure 4.1  Fruit marketing decision matrix for orange production.
CONSIDERATIONS IN THE FRESH FRUIT MARKET

Generally speaking, crops targeted to the fresh market require higher production inputs than crops targeted for the processed market. This higher cost is especially evident in the additional spray applications needed to minimize crop blemishing. In addition, more specialized cultural requirements, such as in water and nutrition management programs, may be needed. In some cases, (e.g., Sunburst and other mandarins that can produce excessive yields) crop thinning may be desirable to increase fruit size and to prevent limb breakage and tree collapse. Specialty varieties also exhibit somewhat greater susceptibilities to certain fungal diseases, such as alternaria and scab, requiring additional considerations for scouting and treatment. Thus, a higher level of integrated pest management is required, especially to manage fungal diseases. Special tree spacing and pollination considerations are also required for some specialty varieties.

Special harvesting equipment is needed and more careful harvesting protocols are required in order to avoid unwanted physical damage to the fruit during the harvesting, handling, and postharvest periods. At times, there may be a conflict between early marketing, legal maturity and best price, resulting in suboptimal fruit being delivered to market. However, if harvesting is delayed too long, there may be undesirable consequences, such as fruit deterioration and fruit drop.

REFERENCES


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