

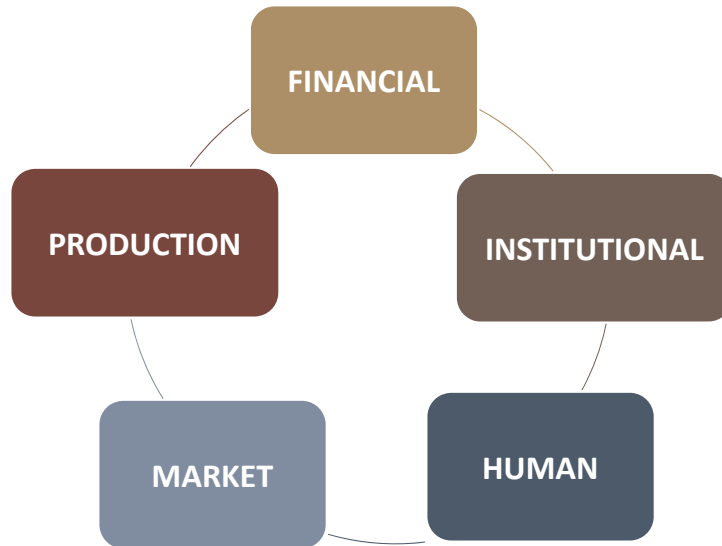
Economics & Marketing of Peach Production in Florida

Kimberly L. Morgan, Mississippi State University
Mercy Olmstead, University of Florida

2012 University of Florida Stone Fruit Field Day
24 April 2012

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Florida peach – RISKY business?!



Florida peach OPPORTUNITY

- FDACS Specialty Crop Block Grant
 - Funded in 2010 to conduct research on establishment and production costs in Florida stone fruit industry
- **Begin at the beginning...**

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Florida peach orchard

- Current available budgets do not accurately represent Florida production
 - Middle Georgia
 - Southeastern Consortium → MS, AL, LA, TX, AR & GA
- Key areas:
 - Tree expense
 - Revenue
 - Florida tree fresh peach ~5x national fresh peach
 - 40¢/lb. vs. \$2.00/lb.
 - **MARKETING**

Florida 2011 peach grower survey

RESULTS

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Reported 2011 Florida peach acreage (n=27)

	Acres	% of Acres	Average acres/farm
Peach Acreage Owned	476	76%	17.6
Peach Acreage Leased	154	24%	5.7
Total Peach Acreage	630	100%	23.3

- Estimated 900 acres
- In 2012 - 150+ acres planted
- 50-200 acre groves

Reported 2011 Florida peach preferred varieties (n=27)

Preferred Florida Peach Varieties	
UFSun	Flordaprince
TropicBeauty	Flordaglo
UFOne	UFBeauty

* 2012 – UFBest available

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Reported 2011 Florida peach marketing channels (n=13)

Market Channel	Number of respondents	% of respondents	“Very Satisfied”
Cooperative	5	38%	100%
Broker / Wholesaler	2	15%	50%
Direct-to-Final Consumer	9	69%	78%

Reported 2011 Florida peach technologies (n=27)

Technology	Number of respondents	% of respondents
Soil analysis	24	89%
Plant leaf analysis	12	44%
Freeze protection	10	37%
Irrigation system	12	44%

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Florida 2011 peach grower survey

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BUDGETS

Florida peach planning budgets

Year	Variable Costs (VC) per acre	Fixed Costs (FC) per acre	Total Costs (TC) per acre	Total Costs (TC) per pound	Return above VC per acre	Return above TC acre
	---\$---	---\$---	\$/acre	\$/lb.	\$/acre	\$/acre
1	\$4,337	\$723	\$5,060	-----	-\$4,337	-\$723
2	\$2,771	\$832	\$3,602	\$2.07	-\$596	-\$1,427
3	\$3,466	\$1,086	\$4,552	\$0.78	\$3,784	\$2,698
4	\$3,956	\$1,267	\$5,223	\$0.60	\$6,919	\$5,652

- Yields: YR2 12lbs/tree, YR3 40 lbs/tree, YR4 60 lbs/tree
- 75% packout
- \$1.25 grower price
- FC - 5% gross receipts management charge

Florida peach WHOLESALE Analysis YR4

SALES	TOTAL COMMERCIAL YIELDS			
	20	40	60	80
0.50	-\$2,332	-\$566	-\$547	\$341
0.75	-\$1,633	-\$57	\$1,519	\$3,096
1.00	-\$944	\$1,321	\$3,586	\$5,851
1.25	-\$255	\$3,784	\$5,652	\$8,606
1.50	\$433	\$4,076	\$7,718	\$11,361
1.75	\$1,122	\$5,453	\$9,784	\$14,116
2.00	\$1,811	\$6,831	\$11,851	\$16,871

- Returns above Total Costs (TC) per acre

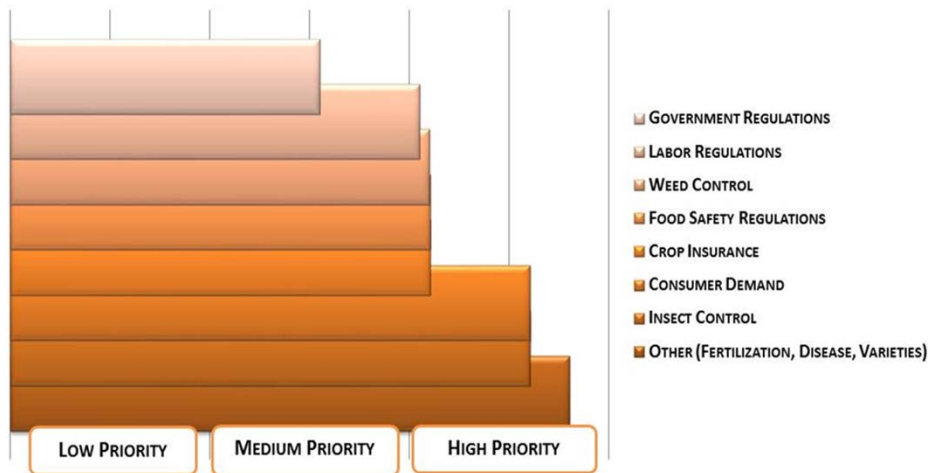
2011 Florida peach grower survey

- Keep in touch with specialists
- New varieties
- Staggered production
- Planned technological investment
 - Freeze protection (33%)
 - Overhead irrigation (11%)
 - Plant leaf analysis (11%)
- Crop insurance (77%)
- Minimal leverage of land & establishment costs (80%)

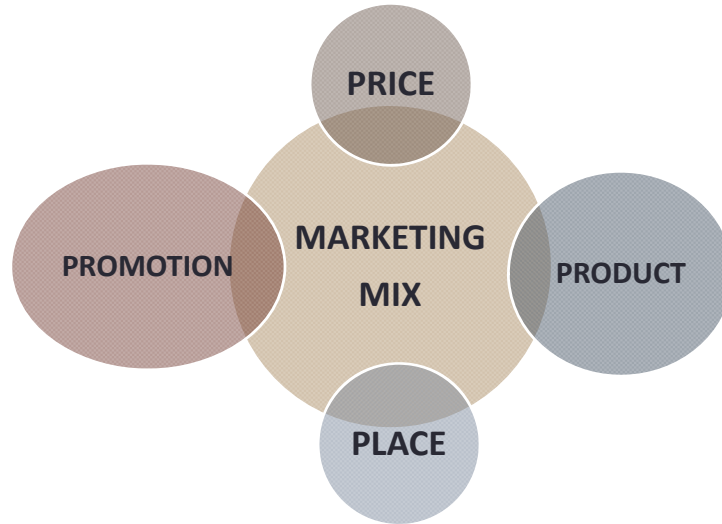
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Reported research goal priorities?

HOW MUCH PRIORITY, IF ANY, SHOULD EACH GOAL HAVE FOR FUTURE RESEARCH PRIORITIES?

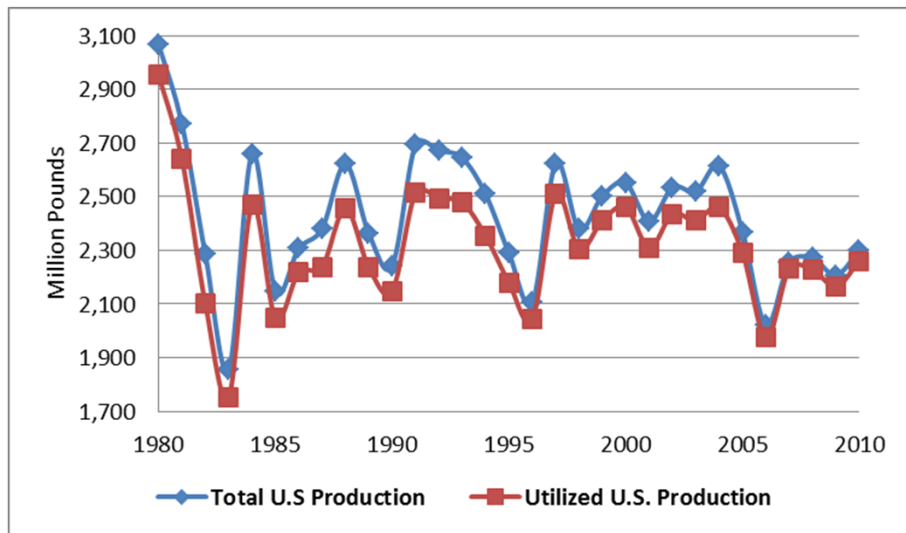


Florida peach marketing

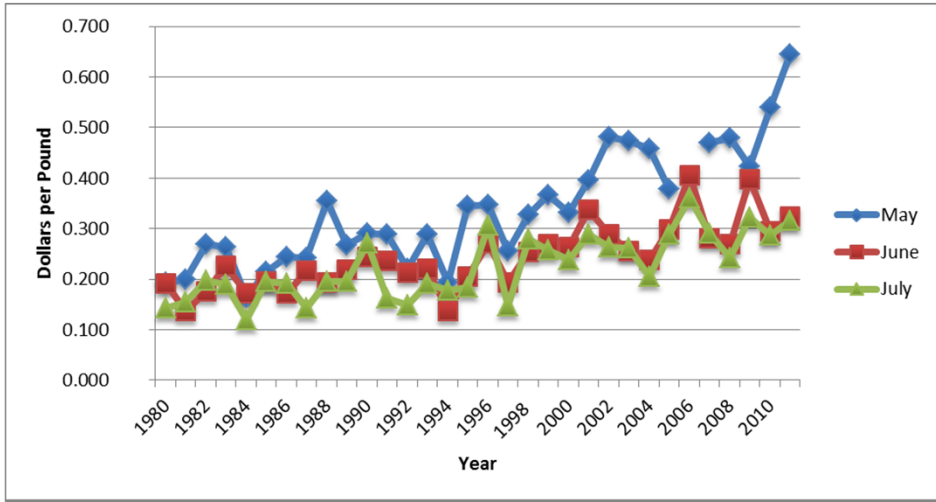


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U.S. total and utilized production, all peach, 1980-2010, USDA-NASS

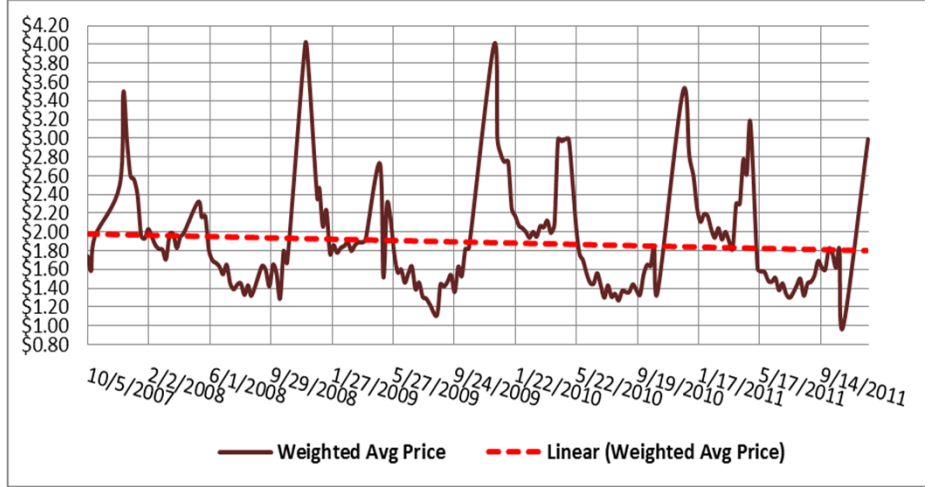


U.S. monthly average grower price received, fresh peach, May-July, 1980-2010, USDA-NASS

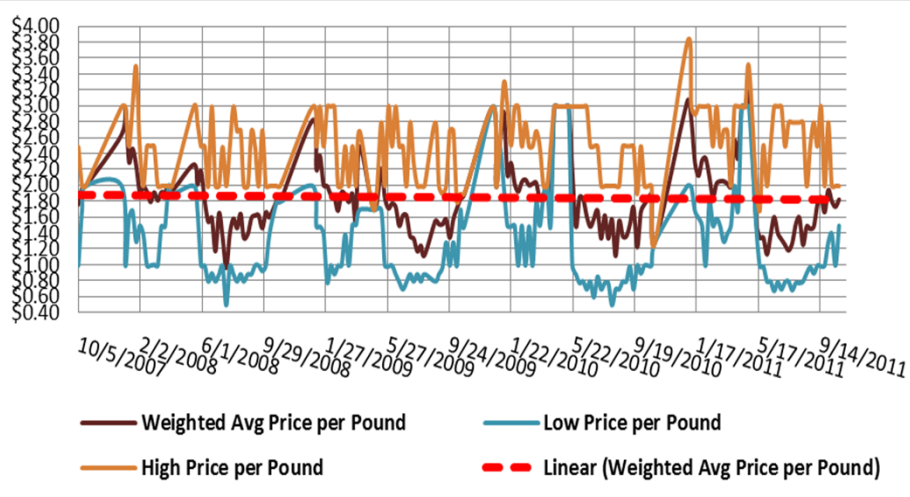


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U.S. average retail price, fresh peach, Oct. 2007 - Dec. 2011, USDA-NASS



Southeastern U.S. average retail price, fresh peach, Oct. 2007 – Dec. 2011, USDA-NASS



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U.S. average weekly retail price, fresh peach, April 1 – June 30, 2011, USDA-NASS



Direct marketing motivation

Illustration of farm share and components of the marketing bill for U.S. retail food products

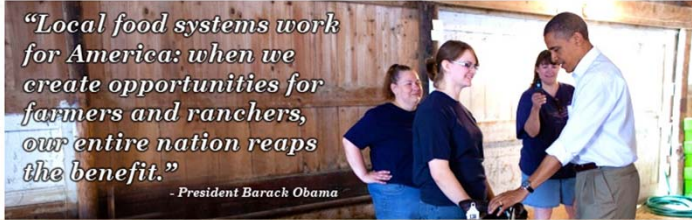


Sources: ERS; Agricultural & Food Policy Center, Texas A&M University.

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“Local food systems work for America: when we create opportunities for farmers and ranchers, our entire nation reaps the benefit.”

- President Barack Obama



THE WHAT AND WHY OF LOCAL FOODS

INTRODUCTION

KNOW YOUR
FARMER
KNOW YOUR
FOOD

COMPASS



Direct marketing motivation

USDA Economic Research Service –
Report #128, November 2011

- ❖ “Marketing of local food consumed by consumers is projected to reach \$7+ billion in 2011”

- ❖ “Despite increased production and consumer interest, locally grown food accounts for a small segment of U.S. agriculture. ***For local foods production to continue to grow, marketing channels and supply chain infrastructure must deepen.***”

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Food Industry
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Linking Agricultural Markets

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Free web-based resource
 Allows users (producers & buyers) to update individual data & search all data
 Maps potential markets
 Maps and provides profiles of food related businesses

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Connecting willing markets and quality sources of food from farm and fisheries to fork in Florida

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Age: Population 18 years and under
Where: [Search]
Advanced Search

Farmers, Fisheries, & Businesses
Farmer/Rancher: [Search]
Within: FL 50 miles of Zip [Search]
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Business Spotlight
Leverock's
Wanting some fresh seafood and a great atmosphere stop by Leverock's in New Port Richey. More than 50 years ago, Johnny Leverock won an oyster bed in a card game. Thus he started Leverock's Oyster Bar, a thriving seafood restaurant in a former gas station.
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Mar 1, 2012 - The Know Your Farmer, Know Your Food (KYF) Compass...
2012 USDA Ag Outlook Forum
Feb 2, 2012 - USDA Marks 150th Anniversary in 2012 By S. Matteson Agriculture...
Feeding Illinois
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Business Search | **Market Research** | **Help**

Farmer/Rancher [Begin New Business Search](#)

Fruits & Nuts

Peaches
Uncheck an attribute above to remove it.

Select By: **Fruit Product Type**, **Nut Product Type**, **Product Attributes -**, **Product Verified**, **Product Attributes - 3rd Party Certified/Verified**

Select a Category: Passion Fruit, PawPaws, Peaches, Pears

Select a Subcategory: No Attributes

Business Results | **Census Profile**

Search By: FL Statewide | Search Within: Florida

12 results | Showing page 1 of 1

Results/Page: 50 | Sort by: Registered Member

- Harris Farm**
Keystone Heights, Florida
- High Springs Orchard & Bakery**
High Springs, Florida
- Hydro Harvest Farms**
Ruskin, Florida
- Mid Florida Citrus Foundation**
Tavares, Florida
- Old City Rootstocks**
Saint Augustine Beach, Florida
- Sunrise Peaches**
Saint Augustine, Florida
- The Family Garden Organic Farm**
Bell, Florida

Jump to: All | Search By: Business Name

Registered | Not Registered | E-mail | Web site

Business Search | **Market Research** | **Help**
Business Results | **Census Profile**

Demography Variables and Map Legend

Type: Food Preferences

Subtype: Average Fruits & Vegetables at Home Ex

Region: Florida

Map it!

80% Layer Transparency Ratio

- 0 - 523.46
- 523.65 - 617.29
- 617.4 - 725.24
- 725.51 - 947.21
- 948.29 - 3093.76

Print Census Profile

	YR 2000	YR 2010
Total Population	15,593,328	18,917,612
Population Density (per sq. mi.)	275	334
Total Household	6,341,121	7,448,581
By Age		
Population 18 years and under	3,826,121	4,019,724
Population 19 to 24 years	1,122,612	1,649,653
Population 25 to 34 years	2,063,668	2,305,256
Population 35 to 54 years	4,600,754	5,095,232
Population 55 to 69 years	2,284,276	3,345,517
Population 70 years and over	2,075,947	2,502,230
By Household Type		
Total Family Households	4,238,409	4,882,567
Total married couple families	3,242,027	-
Total married couple fam. w/ chldrn. < 18 yrs.	1,260,336	-
Total nonfamily households	416,338	-
Total One Person Households	1,686,374	-
By Race		
White	12,463,302	14,115,506
Black	2,312,105	2,902,619
Asian	264,377	423,678
Native Hawaii and Pacific Islander	6,812	13,631
Other Race	472,333	812,603
2 or More Races	409,021	571,322

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Home>Details

Farmer/Rancher>Fruits & Nuts>Fruit Product Type>Peaches

The Family Garden Organic Farm

2440 SW 32nd Place
Bell, Florida, 32619

Email: [Contact Us](#)

Website: www.thefamilygardensca.com
(opens in a new window)

Phone: (352) 214-5871

Contact: [Jordan Brown](#)

Last updated: Jul 7, 2011

“We are a small family farm in North Central Florida...We offer wholesale delivery to Gainesville three times a week. With advance notice we can grow to your specifications.”

Farmer/Rancher

Fruits & Nuts

Fruit Product Type
Blackberries, Cantaloupe, Peaches, Strawberries, Watermelon

Nut Product Type
Pecans

Product Attributes - 3rd Party Certified/Verified
Organic (Certified) (Certifying Party: QCS)

Product Forms
Fresh

Methods of Sale
Community Supported Agriculture (CSA), Delivery, Farmers Market, On Farm Sales, Wholesale

Herbs

Herb Product Type
Basil, Cilantro, Parsley, Rosemary, Other: hoja de aguacate

Product Attributes - 3rd Party Certified/Verified
Organic (Certified) (Certifying Party: QCS)

Product Forms
Fresh

Methods of Sale
Community Supported Agriculture (CSA), Delivery, Farmers Market, On Farm Sales, Wholesale

Vegetables

Vegetable Product Type
Beans (Snap), Beets, Bok Choy, Broccoli, Cabbage, Carrots, Cauliflower, Chard (Swiss), Collards, Corn (Sweet), Eggplant, Greens (Turnip), Kale, Lettuce, Onions (Green, Sweet), Peas (English, Southern), Peppers (Bell, Hot, Spanish, Squash), Potatoes (Sweet), Potatoes, Tomatoes, Tomatoes

About Us
We are a small family farm in North Central Florida. We offer Certified Organic fruit and vegetables and truly natural raised animal products. We offer wholesale delivery to Gainesville three times a week. With advance notice we can grow to your specifications.

Business Connections
No connections yet.

Industry Affiliations
No affiliations yet.

On the Web

Find us on Facebook

Buy & Sell Forum Listings
No Buy & Sell Forum ads yet.

The Family Garden Organic Farm

Main The Farm CSA and Products Information CSA Sign-up

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4/12/11 CSA
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“Our certified organic produce is marketed both through a wholesale broker and locally to stores and a community-supported agriculture program (CSA)...”

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Foodsearcher.com

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Change Location

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Florida Market Maker
fl.marketmaker.uiuc.edu

Kim Morgan
morgan@agecon.msstate.edu
Tweet me @morgankiml
www.extension.org/blueberries

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