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CALIFORNIA
STRAWBERRY
PRICES

and the

1957 SEASON

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CALIFORNIA STRAWBERRY PRICES AND THE 1957 SEASON

LAST YEAR CALIFORNIA STRAWBERRY GROWERS SUFFERED THE MOST SEVERE PRICE DECLINE SINCE THE INDUSTRY BEGAN EXPANDING FOLLOWING WORLD WAR II.

WHAT WERE THE REASONS FOR THIS PRICE DECLINE AND WHAT CAN STRAWBERRY GROWERS EXPECT DURING THE 1957 MARKETING SEASON?

FIRST SOME BACKGROUND INFORMATION

1. California is now the leading strawberry-producing state in the nation.

Forty-four per cent of all strawberries produced in the United States last year were grown in California.

California has become increasingly important in the freezing of strawberries. Close to two-thirds of the State's crop is processed--accounting for about half of the national processed pack.

The farm value of the California strawberry crop last year amounted to 41 million dollars.

2. California has reached this high level of production after twelve years of continuous growth.

During the war, strawberry acreage in the state fell to less than one thousand acres. Since then acreage has climbed to a record high of 19 thousand last year.

Not only is acreage up but the yield per acre in California is the highest in the nation. High yields resulted from the introduction of the University varieties in the mid 1940's, a long harvesting season, and improved cultural practices on the part of growers.

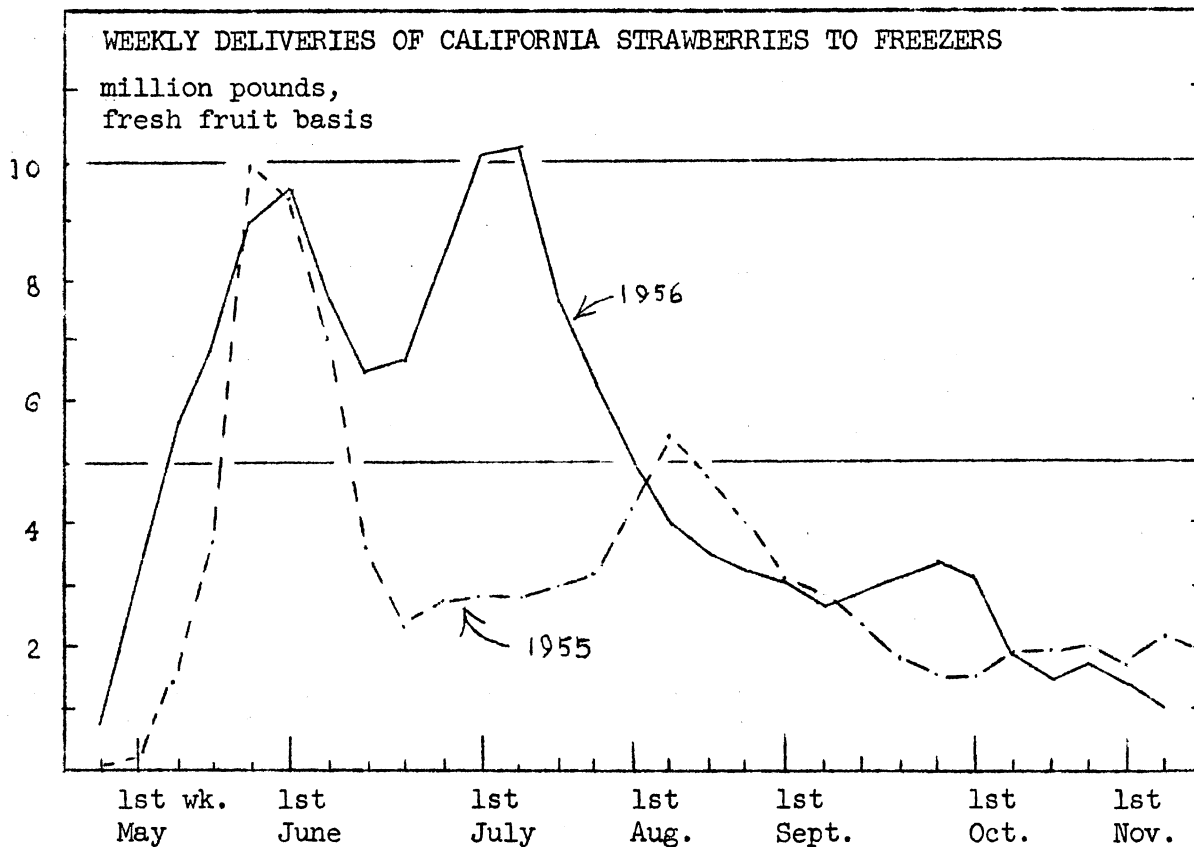
3. Other competing areas have also increased production and yield per acre of strawberries in recent years.

Competing states showing an increase in production in recent years include Arkansas, Kentucky, Michigan, New York, Oklahoma, Oregon, Tennessee and Washington. Strawberry production in Mexico and imports of processed strawberries into the United States from Mexico have also increased in recent years.

For some timely strawberry facts and figures see last page.

A YEAR OF HEAVY SUPPLY --- 1956

1. The United States strawberry crop last year was one-fourth greater than in 1955. California production jumped 46 per cent from 1955 to 1956.
2. Rail and truck shipments of California strawberries to out-of-state markets totaled 3,665 carlots last year compared to 2,297 carlots in 1955 -- up 60 per cent.
3. Truck receipts at San Francisco, Oakland and Los Angeles of California strawberries totaled 1,727 carlots last year compared to 1,195 carlots in 1955 -- up 45 per cent.
4. The total United States frozen pack of strawberries in 1956 rose to an all time record high of over 300 million pounds. California growers delivered 144 million pounds of strawberries to freezers in 1956 compared to 98 million in 1955.
5. The relative size of the California frozen pack in 1955 and 1956 and the timing of deliveries to freezers are illustrated in the chart below. Note the heavy deliveries during the latter part of June and July compared to 1955.



AND THIS IS WHAT HAPPENED TO PRICE -- GROWER AND PROCESSOR

1. To Growers for Processing:

Price to California growers for strawberries delivered to freezers:

1955
Opened at 17¢ per pound and strengthened in late July and August to mostly 17¢ and 18¢ per pound. This price continued to end of season.

1956
Opened at 17¢ per pound and weakened in mid-June to 15¢ per pound. Market weakened again in mid-July to mostly 12¢ per pound with some as low as 10¢. Continued to end of season.

2. To Growers for Fresh Market:

Carlot shipping point prices for Central California strawberries. Prices below are f.o.b. for University varieties, 12 pt. tray, including loading, bracing, pre-cooling and dry ice charges.

	1955	1956
May 2nd wk.	\$ 3.25 - 3.35	\$ 3.00 - 3.25
3d. wk.	3.00 - 3.50	mostly 3.25
4th	3.00 - 3.10	3.25 - 3.30
June 1st wk.	3.00 - 3.10	2.75 - 3.00
2nd	3.25 - 3.50	2.90 - 3.00
3d	3.25 - 3.50	mostly 3.00
4th	3.25 - 3.50	mostly 2.75
5th	3.00 - 3.25	mostly 2.65
July 1st wk.	3.00 - 3.25	mostly 2.50
2nd	3.00 - 3.25	mostly 2.50
3d	3.15 - 3.35	2.85 - 3.00

3. To Freezers for Wholesale:

California freezer f.o.b. plant quotations for frozen strawberries:

1955	1956
Opened at 21¢ per pound for bulk choice. Price remained unchanged at 21¢ until market strengthened in mid-October to 22½¢ and to 23¢ in mid-November.	Opened at 21¢ per pound for bulk choice. Market weakened during mid-June and July. Most sales from August through November at 16 to 17¢ per pound.

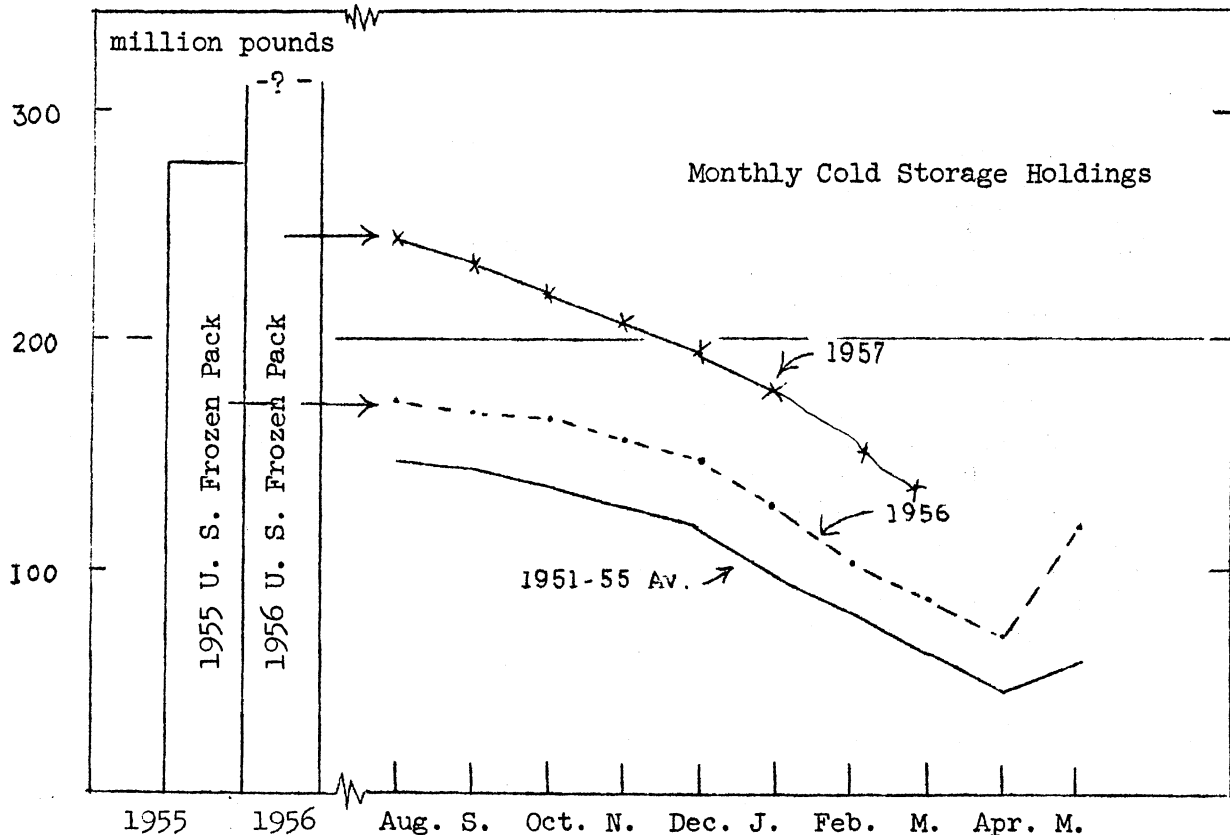
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WHAT IS THE MARKET SITUATION FOR THE 1957 CROP?

1. Market demand and consumer acceptance for California strawberries should continue at a high level in 1957. This is based on a continuation of high level expenditures for food nationally and the continued effort of the California industry in carrying on an effective industry trade promotion program. The availability and price of other competing berries and fruit will also affect the demand for fresh and frozen strawberries during 1957.
2. The supply of strawberries holds the key to prices in 1957. This total supply will be made up not only of the forthcoming crop but also of stocks of frozen strawberries. At this date it is too early to accurately foretell the size of the 1957 crop either in California or nationally. Indicated acreage for harvest in the nation for 1957 will again place production at a high level. However, with strawberry production centered in many different states and with weather playing an important part in yields, the supply picture can change in a short period of time. The first preliminary estimate of acreage for the mid-Spring group of strawberry-producing states including California will be released by the USDA on March 9. The first indication of production for this group of states will be released on April 10.
3. Growers should keep abreast of crop developments not only in their own districts but also in other competing areas. While California has become the top strawberry state in the nation the future of the industry in the state is nonetheless tied closely to developments in other production areas.
4. A current and true picture of the supply and demand situation for strawberries is especially important to growers early in the season when the field price for freezer berries is being established. Only if growers are aware of the entire supply and demand prospects can they help to establish a field price that will be both fair, realistic and in the long run to their advantage.
5. As mentioned above an important factor affecting this year's prices is the size of cold storage holdings resulting from the record 1956 frozen pack. These cold storage holdings of strawberries are reported monthly, as of the end of each month, by the USDA, and they serve as a current guide of the movement of the frozen pack into consumption. In this way they shed light on the all important question of inventories held by the industry prior to the harvest of the new crop.

6. The chart below shows the high level of monthly cold storage holdings following the record frozen pack of 1956 compared to the year previous. While monthly totals are currently higher than in previous years the movement into consumption has also been greater. For the period between the end of August 1956 and the end of January 1957 movement out of storage has been 29 per cent above the movement of the same period a year earlier. Cold storage holdings for the next few months will tell the story of how well inventories can be lowered prior to the new pack.

STRAWBERRIES: UNITED STATES FROZEN PACK FOR 1955 & 1956 AND MONTHLY COLD STORAGE HOLDINGS IN THE U.S. FOR 1956, 1957 & THE AVERAGE 1951-55.



COLD STORAGE HOLDING OF STRAWBERRIES IN THE UNITED STATES BY MONTHS

Month	1951-1955 Av.	1955	1956	Month	1951-1955 Av.	1956	1957
millions of pounds, end of month							
Aug.	145.6	171.9	244.1	Jan.	94.0	125.0	177.7
Sept.	142.0	168.6	235.5	Feb.	78.3	100.0	? 151.7
Oct.	135.4	162.3	223.8	March	61.9	83.4	? 133.2
Nov.	125.7	151.9	210.3	April	45.9	65.0	?
Dec.	114.6	141.4	197.0	May	59.3	116.1	?
				June	114.0	213.8	?
				July	144.1	242.4	?

STRAWBERRY FACTS AND FIGURES

Item	6-yr. Av. 1949-1954	1955	1956
UNITED STATES			
Acres for harvest	116,740	101,390	115,530
Yield per acre (lbs)	3,445	4,405	4,787
Production (mil. lbs.)	394.5	446.6	553.1
Farm Value (mil. \$)	76.4	89.5	98.2
Per cent of crop processed	43%	57%	55%
Frozen pack (mil. lbs)	186.3	275.5	
CALIFORNIA			
Acres for harvest	7,620	14,000	19,000
Yield per acre (lbs)	13,863	11,910	12,800
Production (mil. lbs)	107.9	166.7	243.2
Farm Value (mil. \$)	20.4	33.6	41.2
Per cent of Calif. crop processed	45%	61%	64%
Per cent Calif. crop is of U.S.	27%	37%	44%
Per cent Calif. processed crop is of U.S. processed crop	28%	40%	51%
Strawberries delivered to freezers - fresh fruit basis, mil lbs.	-	97.6	144.1
Truck receipts at S.F., Oakland and L.A. of Calif. strawberries (car- lots - 1400 trays, 12 pt.)	-	1195	1727
Rail shipments of Calif. strawberries to out-of-state markets (carlots)	-	2029	3234
Truck shipments of Calif. strawberries to out-of-state (carlot equivalent)	-	268	431
COMPETING PRODUCTION AREAS			
Louisiana production (mil. lbs)	23.0	12.7	24.2
Kentucky " " "	8.0	9.2	16.7
Tennessee " " "	19.7	19.3	41.8
Arkansas " " "	21.6	4.9	20.7
New York " " "	13.7	15.3	13.9
Michigan " " "	30.8	33.0	33.6
Washington " " "	31.9	39.3	11.6
Oregon " " "	48.7	83.5	70.7
Production in Mexico (mil. lbs)	-	17.6	15.4
Imports of Mexican strawberries into the U.S. (mil. lbs)	-	13.4	11.5

SOURCE OF DATA: United States Department of Agriculture, California Crop and Livestock Reporting Service, and Federal-State Market News Service.