

RESULTS FROM THE 2006 MARKETING SURVEY

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In October of 2006, the New York State Berry Growers' Association distributed a pricing survey to its members. The survey asked growers to fill out the prices they received during the 2006 growing season for the three major small fruit commodities – strawberries, raspberries, and blueberries – grown in New York State. Prices for berries marketed via pick-your-own (PYO), retail, & wholesale channels were requested. Growers were also asked if they marketed their berries via value-added products.

Fifty-seven growers from 34 counties responded. Seventy percent of the respondents grew multiple commodities. Eighteen percent grew solely strawberries, 10% grew only blueberries, and 2% grew exclusively raspberries. Most growers sold their crops through multiple marketing channels. Retail sales predominated, with PYO sales trailing slightly. A relatively large number of strawberry growers wholesaled their crop, while relatively few raspberry growers did so. Twenty-six percent of respondents marketed their berries via value-added products.

STRAWBERRIES

Forty-eight growers from 31 counties were represented. Onondaga and Ontario counties had the highest number of respondents.

Most growers marketed their crop via PYO operations (83%) and farm stands (85%); however, 67% also used wholesaling as a marketing channel. PYO farms typically sold their crop by weight rather than by volume. Growers received a minimum price of \$0.75/lb to a maximum price of \$2.80/lb for PYO fruit (Table 1). Retail prices for pre-picked fruit ranged from \$2.50/qt to \$5.00/qt, while wholesale prices for an 8-quart flat of fruit sold for as little as \$14.00/flat to as much as \$24.00/flat. Growers received, on average, \$1.31/lb for PYO berries, \$3.57/qt for retail berries, and \$19.19/flat for wholesale berries.

Table 1. 2006 pricing for strawberries grown in New York State

	PYO (\$/lb)	Retail (\$/quart)	Wholesale (\$/8 quarts)
Minimum	\$0.75	\$2.50	\$14.00
Maximum	\$2.80	\$5.00	\$24.00
Average	\$1.31	\$3.57	\$19.19

BLUEBERRIES

Twenty-nine blueberry growers representing 24 counties responded. Seventy-nine percent of these marketed their crop via a PYO operation, 83% sold their berries through a farm market, and 52% wholesaled their fruit. PYO prices ranged from a low of \$1.00/lb to a high of \$2.25/lb (Table 2). Retail fruit sold for a minimum of \$1.63/pint and a maximum of \$4.00/pint, and wholesale prices ranged from \$15.75 to \$27.00/12-pint flat. Growers who marketed their retail and wholesale fruit by the quart received substantially lower prices than those who marketed their fruit by the pint. On average, PYO fruit sold for \$1.49/lb, retail fruit sold for \$2.91/pint, and wholesale fruit sold for \$21.49/flat.

Table 2. 2006 pricing for blueberries grown in New York State

	PYO (\$/lb)	Retail (\$/pint)	Wholesale (\$/12 pints)
Minimum	\$1.00	\$1.63	\$15.75
Maximum	\$2.25	\$4.00	\$27.00
Average	\$1.49	\$2.91	\$21.49

RASPBERRIES

Raspberries were divided into summer-fruiting and fall-fruiting types. Twenty-six individuals from 19 counties grew summer-fruiting varieties, and 27 producers from 20 counties grew fall-fruiting types. Of these, eight grew exclusively summer-fruiting varieties, nine grew exclusively fall-fruiting varieties, and 18 grew both types of raspberries. Ontario and Wayne counties had the greatest number of summer raspberry producers, while Monroe County had the greatest number of fall raspberry growers.

Prices for PYO summer raspberries ranged between \$2.00 and \$3.64/lb (Table 3). Interestingly, only 54% of the summer raspberry crop was marketed via PYO. The majority of the fruit (85%) was sold pre-picked and marketed through a farm stand. Retail prices varied dramatically, with some growers receiving as little as \$0.75/half-pint and others receiving as much as \$5.00/half-pint. Wholesale prices were equally dramatic, ranging from \$11.00 to \$32.00/flat. Growers who sold their pre-picked fruit by the pint rather than by the half-pint typically received less money per unit volume of fruit, and those who sold their fruit by the quart received even less. On average, PYO fruit sold for \$2.72/lb, retail fruit sold for \$2.66/half-pint, and wholesale fruit sold for \$22.68/flat.

Table 3. 2006 pricing for summer raspberries grown in New York State

	PYO (\$/lb)	Retail (\$/half-pint)	Wholesale (\$/12 half-pints)
Minimum	\$2.00	\$0.75	\$11.00
Maximum	\$3.64	\$5.00	\$32.00
Average	\$2.72	\$2.66	\$22.68

Seventy percent of the fall raspberry crop was sold via the PYO market, 78% was sold through farm stands, and only 30% was wholesaled. PYO prices ranged from as little as \$2.00/lb to as much as \$5.82/lb (Table 4). Prices for pre-picked fruit varied greatly also, with retail prices ranging from \$0.75 to \$4.50/half-pint and wholesale prices ranging from \$11.00 to \$36.00/flat! Growers received, on average, \$2.99/lb for PYO fruit, \$2.60/half-pint for retail berries, and \$23.44/flat for wholesale fruit.

Table 4. 2006 pricing for fall raspberries grown in New York State

	PYO (\$/lb)	Retail (\$/half-pint)	Wholesale (\$/12 half-pints)
Minimum	\$2.00	\$0.75	\$11.00
Maximum	\$5.82	\$4.50	\$36.00
Average	\$2.99	\$2.60	\$23.44

CONCLUSIONS

Pick-your-own, retail, and wholesale prices varied dramatically for all of the commodities surveyed. For example, prices ranged from \$0.75 to \$2.80/lb for PYO strawberries, and from \$0.75 to \$5.00/half-pint for retail-marketed summer raspberries. It is unlikely that these prices reflect actual production and marketing costs, plus a fair profit margin. It seems more likely that prices are being determined by some arbitrary means. Without knowing true production and marketing costs, growers could be losing money with each sale if the price is too low. Also, low prices put downward pressure on prices in the region, reducing profits for everyone.

Some argue that consumers in rural areas are unwilling to pay higher prices for berries. However, there was no relationship between a county's population density and PYO prices. Retail prices for both blueberries and raspberries were somewhat higher in more densely populated areas than in some of the more rural parts of the state. For example, growers in Erie, Monroe, Onondaga, Oneida, the Capital District, and the Upper Hudson Valley often commanded a premium price for their retail berries.

When establishing a price, growers should keep in mind a number of factors:

- ❖ Growers must have full knowledge of their production costs in order to determine a fair price for their berries
- ❖ One of the major costs of production is labor - including their own!
- ❖ Once production costs are determined, growers should set a price that will cover these costs and provide a reasonable profit
- ❖ Consumers are more motivated by quality fruit than by price
- ❖ Customers are willing to pay for the “farm experience”

Only after these factors are considered can a price be established that is fair to both the producer and consumer alike.