

FLORIDA WATERMELON PRODUCTION AND MARKETING OUTLOOK FACTS: 1981

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An inspired economist was once quoted as saying, "It costs more not to harvest than it does not to plant." His reference was not about the cost of planting or cost of harvesting, but about the accumulated cost of production up to the point of planting or harvesting. It costs more not to harvest because not harvesting incurs the cost of planting and growing up to harvest without any revenues, whereas not planting incurs no cost of production at all.

This statement has special application to watermelon producers. Since 1971, Florida watermelon producers left more than 10 percent of their crop unharvested only twice; 1975 and 1980. The purpose of this circular is to explore the historical production and pricing patterns for Florida watermelons and supply an outlook for 1981 and a method for developing future outlook information for Florida watermelons.

Industry Production

The state of Florida is a major producer of spring and early summer watermelons for the domestic U.S. market. In 1980 Florida produced 72.3 percent of the U.S. spring production (Table 1) and 34.8 percent of the total U.S. production. The 1980 season was worth approximately 48.5 million dollars in crop value; which represented 7.8 percent of the total fresh vegetable income for Florida. Other states which compete with Florida for the spring market include Georgia, Texas, Alabama, California, and Arizona (Table 1). In addition, Mexico competes with south Florida for the early market.

Table 1.—1980 Spring Watermelon Production by State¹

State	Percent of total
Florida	72.3
Georgia	4.8
Texas	11.0
Alabama	2.0
California	7.8
Arizona	2.0

¹Source: Crop Reporting Board, *Vegetables 1980 Annual Summary*. ESS, USDA, December, 1980.

As the market volume leader, Florida is not assured profits for its watermelon production. In fact, compared to competing crops in Florida, watermelon returns are often depressed due to large volumes of production. Florida watermelon acreage has shown considerable variation, ranging from 65,000 acres in 1976 to 45,000 acres in 1980. Comparing acres planted to average price per hundredweight for Florida watermelons (Figure 1) gives some interesting results. Starting in 1971, Florida watermelon acreage increased in 1972, fell each year through 1975 and then rose sharply from 47 to 65 thousand acres in 1976. Since 1976 the acreage planted has declined to 45 thousand acres in 1980.

In contrast, the average price for Florida watermelons decreased in 1972 then increased each year through 1975. In 1976 the average price decreased substantially then increased each year since to a record high average value of \$5.92 per hundredweight in 1980. This pattern is the exact opposite of the pattern displayed for planted acres. It appears that higher acreages planted to watermelons works to lower the price paid to the grower.

Lower prices cause another effect. That is, it causes Florida producers to leave watermelons unharvested. Unharvested acres of watermelons are due to many factors such as disease, trucking shortages, etc., but the price the producer receives is one of the more important factors. Figure 2 shows the annual average value and unharvested acres for Florida watermelons. The same opposite pattern appears between these two factors for the years from 1971 to 1980 as was evident between annual average value and planted acreage. The question which remains is: **are unharvested acres due to the number of acres planted** (and, therefore, trucking shortages, diseases, and other production failures have greater impact) **or; are unharvested acres due to the low value for the product** (and, therefore, left unharvested because of the profitability at that point in the production process)? The answer to this question can best be determined by studying the production of watermelons in Florida.

Intra-Florida Production

During the last 10 years, production shares in the various production areas of Florida have changed

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