

It is interesting to note that the price for the first six weeks of the season is highly variable (note the large separation between the average price and lower confidence bound). After the sixth week the price steadily declines and the separation of the two curves becomes smaller. July 4th is traditionally viewed as the season's end in Florida, which occurs the 14th or 15th week of the season.

Figure 5 gives some indications for the reason Florida watermelons have the seasonal pricing pattern shown in Figure 4. Figure 5 shows the market share for Florida and its seasonal competitors in percent of total U.S. shipments. The extent of Florida's domination in the market can be seen in Figure 5. Producers in south Florida compete with Mexico for the available early market. Florida clearly dominates the market from weeks six to eleven. This is the time the north and central areas of Florida are producing. Comparing this with Figure 4 shows that Florida's production share is increasing at the same time price is decreasing (weeks six to eleven). The north and west areas compete with other Southeastern U.S. producers beginning around week eleven.

Week eleven is when Florida prices fall to their low levels and it is these low prices which often cause farmers to leave potentially productive fields unharvested. The degree of unharvested acres is dependent on the market price and its relation to harvesting and marketing costs. If the cost of harvest and marketing exceeds the market price, then fields are left unharvested.

Research Results About Florida Production and Pricing

A recent study by Wall, Tilley, and VanSickle [2] of Florida watermelon production analyzed the relationship between prices, planted acres, harvested acres, and shipments of watermelons from Florida and other states competing with Florida. As is indicated by the data in the previous discussion, it was determined that higher prices in one year will influence production in the following years. Specifically, the findings of the study indicate that a 10 percent increase in the current year's price will, on the average, cause producers to increase produc-

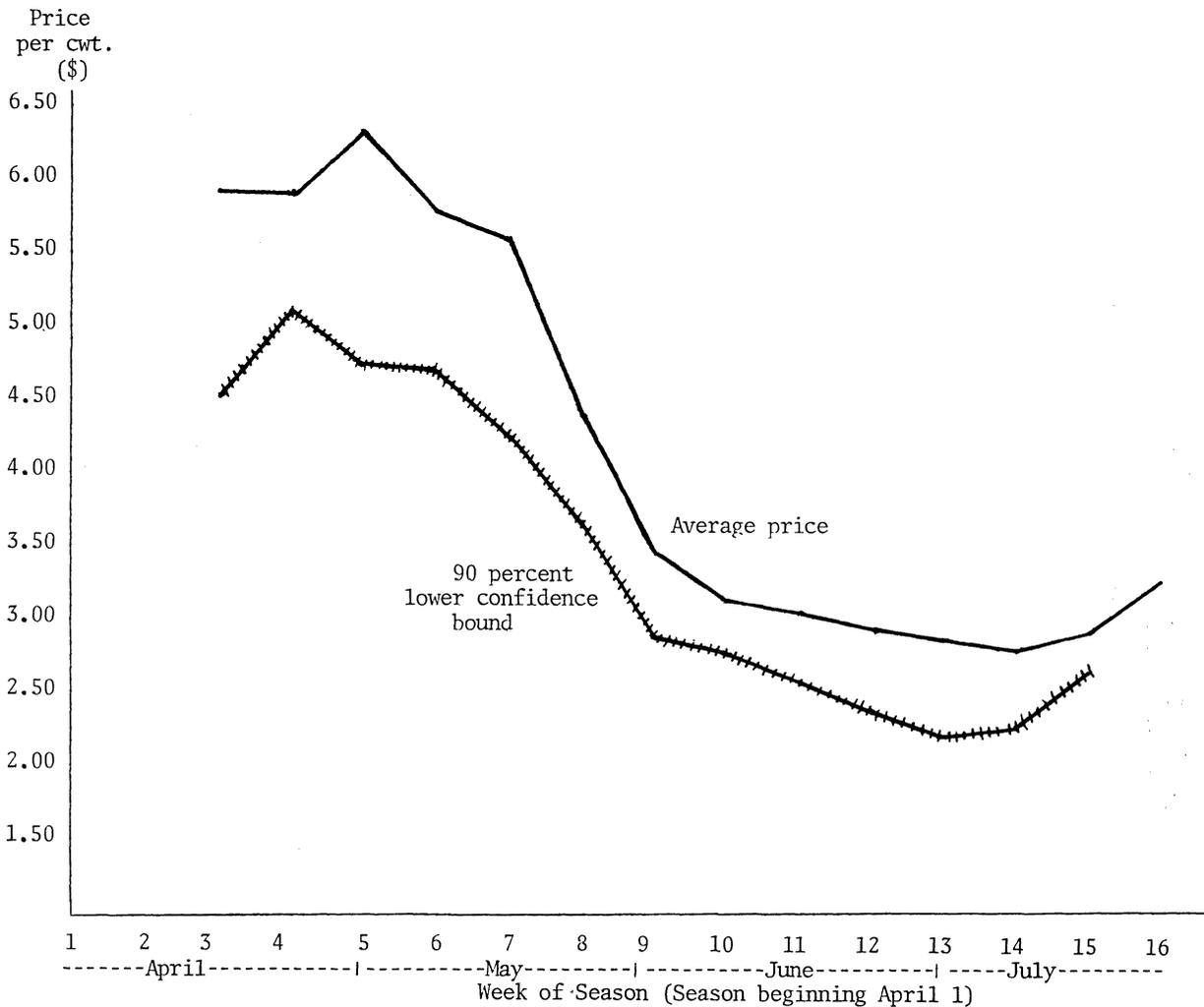


Figure 4. Average weekly shipping point prices and 90% lower confidence limit for medium sized watermelons (25-28 lbs.).