

Consumer Reaction to Varying Prices for Frozen Orange Concentrate

By

MARSHALL R. GODWIN and L. A. POWELL, SR.
Associate and Assistant Agricultural Economists

INTRODUCTION

Within the past two decades the Florida citrus industry has expanded at a spectacular rate. The flow of income into the Florida economy generated by the production, processing and marketing of citrus and citrus products ranks second only to the income derived from tourism. In the three seasons from 1952-53 through 1954-55, Florida produced an annual average of 126 million boxes of citrus fruit, or about 67 percent of the total United States supply. In a comparable three-season period 20 years previously, Florida produced an average of 30 million boxes annually, or about 38 percent of the total U. S. supply.

As a result of such phenomenal development, the Florida citrus industry has occasionally experienced "growing pains". From time to time producers have been faced with disastrously low prices resulting from the pressure of the mounting production on the market. Only through vigorous research and promotional programs has it been possible to forestall price depressions that otherwise might have extended over a period of several years and resulted in economic repercussions that would have adversely affected the economy of the entire state.

There is little to indicate that the citrus industry in Florida will not continue to expand. In light of past experiences, growers, packers, shippers and processors have shown considerable interest in the accumulation of economic information that will be of assistance in dealing with the future problems arising from increasing production. Through their several industry organizations, various elements of the industry engage in a continuing search for solutions to the problems which they envision in the years ahead.

Although the deliberations of industry groups have not been crystallized into a specific course of action, it is evident that the fundamental objectives sought are: (1) a stable market for citrus and citrus products and (2) a price that, in the long run, will yield equitable returns to the producer in relation to other