Colorado Agricultural Experiment Station
Colorado A & M College
Fort Collins

Report to Growers on Mesa County Peach Marketing in 1944
in cooperation with the
Mesa County Research Committee

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Introduction

It must be considered that the marketing of peaches since 1940 has been affected
by the favorable economic situation. Incomes are relatively high and so the con-
sumer demand for peaches, as well as for all consumer goods, has been better than
average. Furthermore, the relatively high point value (as set by the C.P.A.) on
peaches and other fruits, has increased the demand for fresh fruits for eating and
canning.

Colorado peach growers need not be too concerned with marketing problems as
long as such favorable prices prevail, but the more important consideration must be
for those coming years when peaches will be harder to sell. Colorado growers must
retain the confidence of dealers and consumers in order to compete when selling is
more difficult.

Purpose of the Study

In consultation with a number of growers, the chairman of the Mesa County
Research Committee, the chairman of the Peach Sub-Committee, the Executive Secretary
of the Board of Control, and representatives of the shipping associations, the fol-
lowing points were outlined for the survey.

1. Comparison of markets:

In the markets where Colorado peaches meet competition with peaches
from other areas, do the dealers sell Colorado peaches? Why, or why not?
Are other peaches sold for Colorado peaches, or vice versa?

2. Comparison of product:

How do Colorado peaches compare with peaches from Washington,
Michigan, Idaho, Utah, and other areas, as to pack, color, condition,
quality, and demand?

3. Effect of washing, brushing:

How do the unbrushed, brushed, and washed peaches compare as to
condition of the fruit and demand for it? How do the dealers and
consumers react to washing or brushing?

4. Effectiveness and timeliness of advertising:

Check the trade attitude and the reaction of consumers in consider-
ing the advertising effectiveness. Is the advertising timed with the
arrival of peaches?
The suggestion was also made that throughout the study as many comparisons as possible should be made with data of other years, as data for one season alone may be misleading.

AREA COVERED AND PROCEDURE

Because of the lateness of the season only 10 days were available to spend in the markets. The major markets visited were Wichita, Topeka, Kansas City, Des Moines, Ames, Omaha, and Lincoln. Wholesalers and retailers were interviewed in these major cities. In addition, stops were made at retail stores and fruit stands along the route between the major centers. A total of 65 dealers were interviewed, and some consumers were contacted in the retail markets. Further details about the survey are available from the Rural Economics and Sociology Section, Colorado Agricultural Experiment Station.

FINDINGS OF THE 1944 SURVEY

Comparison of the Markets

One of the problems in the markets is the lack of information about the supply of peaches. Housewives ask the retailers such questions as, "Can I get Colorado peaches next week?" Retailers can only take whatever they can obtain from the wholesaler, so they have no accurate answer for the housewife. (As one dealer stated, "I ordered 50 bushels of Colorado peaches this morning but I only got 15."") Wholesalers in turn are dependent on the brokers, until it finally comes right back to the producers in Mesa County.

Sept. 8
Wichita
All the wholesalers were sold out Friday morning, and wished they had more peaches. This was true in both the markets receiving rail shipments and those receiving truck shipments. Wholesale quotations (though none to sell) were $3.50 to $4.50. Retail prices ranged from $3.79 (Dillon's Chain Stores) to $4.98. Boxes were selling for $1.65.

Sept. 9
Topeka
Of the three leading wholesalers, only one had Colorado peaches. It was Saturday and they "hoped to have some by Mondays." Safeway was featuring a big ad in the paper about Colorado peaches at $3.99, but the central store had no bushels for sale. "They haven't come in yet," was their reply to inquiries. They had boxes of Colorado peaches selling for $1.69.

Sept. 11
K.C., Mo.
Three cars of Colorado peaches were on the tracks; one of boxes and two of bushels. There were more peaches from all areas competing in this market, and the largest quantities were from Michigan. Prices were arrived at by bargaining, except perhaps to regular buyers. Wholesale "quotations" were given up to $5.00. Trade was active. Retail markets selling nearly all boxes at $1.79; some bushels were for sale at one stand at $4.50, but they were actually Michigan peaches.

Sept. 12
Des Moines
Two of the leading wholesalers said they could have handled several more cars a week sooner, and the demand was still strong. One of them commented, "We can't get enough of the boxed peaches. I hear a lot of them went out in bulk truck loads, but we're even afraid of baskets this far. If we could have gotten them last week we could have handled 5 to 6 more cars." Because the Des Moines dealers had a price war during
the California peach season, it may have been that their own conservative ordering was the cause of the shortage of Colorado boxed peaches.

Another dealer commented, "In my opinion, Colorado peaches rank third, Michigan first, and Utah second. But people in general don't think that; advertising has done it. And even my wife insists on buying Colorado peaches!"

Des Moines dealers had an unhappy experience with California peaches this year. It seems that a quantity of peaches came in all at once, but dealers became uncertain and began to cut prices, so that a price war resulted. This left the dealers in a poor state of mind when the Colorado peaches came into the market.

Wholesale price is a bargained price. Retail, bushels sold for $3.39 (2") and $4.49 (2½"); boxes for $1.39 (leader) and $1.50 to $1.75 — mostly around $1.59.

Sept. 13
Ames

"They've moved good, but it's getting late now. I wonder how people keep canning so many."

The major market in Ames was selling boxes at $1.79; bushels at $3.98 (2") and $4.65 (2½"). Brushed and unbrushed all the same. Another store was selling bushels for $4.59 (2½"). Quality was very good, and favorable comments were made on the Colorado peaches. They were selling some Michigan peaches, but the major dealer said, "This is a Colorado market," even though the Michigan peaches were selling for less.

Sept. 14
Omaha

The wholesale markets receive peaches from many points, as Omaha is another terminal market. There were a lot of peaches from Michigan, some from Utah, Idaho, and Washington. Colorado peaches looked good and the market was fairly active. Wholesalers were quite pleased with the quality of Colorado peaches, though "all peaches are selling this year." There seemed to be more information concerning the supply going into this market. Retail markets weren't too active. Prices ranged from $1.59 to $1.79 on boxes; $3.97 to $4.69 on bushels.

Sept. 15
Lincoln

The wholesale market reported very favorably on Colorado peaches. There were no complaints on quality, ripeness, or pack; and peaches were moving well. One dealer stated, "We made money on Colorado peaches this year — not like California (too many)." Boxes selling at $1.50 and $1.60; bushels at $4.00. The retailers reported a fair to slow market on this date (weather was quite cool). One or two dealers commented on the fuzz, but no strong reactions were expressed.

Comments from two customers were very favorable: "Those are the finest peaches we've ever had." Another customer (formerly lived in Colorado) stated a preference for riper peaches.

One dealer in Des Moines was using poor quality, 1½ inch, Michigan peaches as a leader. He brought people in on the basis of a low price ($1.49), and then sold
them the much nicer Colorado peaches at $3.89 and $4.49.

Another dealer in Des Moines used Colorado boxed peaches as a leader. He admitted he lost money (at $1.39), but considered it good advertising.

Comparison of Product

Mesa County growers might well consider coordinating their effective program of quality production with other peach production areas of the State. Dealers consistently stated that Colorado peaches are more uniform in size and quality than peaches from most of the other states. For example, one dealer stated: "You see them on top; you see them all the way through." Another dealer took the trouble to show a skeptical customer a half basket of peaches (from which he had sold one-half bushel) in order to prove that these (Colorado) peaches are uniform throughout the pack. Other dealers commented that Michigan and Illinois peaches weren't "as honest a pack" as the Colorado peaches. If this reputation is to be maintained it is important that ALL Colorado peaches shall be of high quality.

Also, the advertising may be timed to include other areas of production in order to avoid confusion in the markets. When Mesa County Advertising states that as of a certain date the Colorado peaches will be off the market and then other Colorado peaches keep coming into the market, the trade is confused. They do not differentiate between the different Colorado areas, and thus may lose confidence in the advertising.

According to many dealers, Colorado peaches rank high in uniformity of size and quality. One dealer stated that he could keep Colorado peaches from 1 week to 10 days longer than any other peaches he had handled. (It is to be hoped that this isn’t all due to green peaches.) Illinois and Arkansas peaches have been condemned, particularly in the past, for their poor keeping quality. However, Illinois and Arkansas peaches were of better quality this year, and if Colorado growers are to maintain their enviable position they will have to continue to improve the quality of the fruit that goes onto the markets.

Washington boxed peaches were wrapped in dark purple paper, and this aided the appearance very much. Colorado growers and packers might well explore the possibilities of using colored paper wrappers which will add to the appearance of the fruit. Though there were some box-packed peaches from the Mesa County area which seemed to be poor (loose) packs, there were no complaints from the trade.

Baskets should be more carefully ring-packed, and more definitely identified. In some markets the baskets looked as if they had been tampered with, and this appearance usually raises a question in the mind of the buyer as to whether he is buying a genuine and original pack. After the lids are taken off the baskets the buyers cannot know whether or not the peaches came from Colorado. If the buyer cannot be fairly certain of the pack, he will be less likely to demand Colorado peaches (or any other specific Kind).

Michigan peaches in some cases were identified by printing on the tabs of the ring-liners. This could be duplicated for Colorado peaches in order to identify baskets. Perhaps the baskets could be labeled, as the boxes are, at least some of the Idaho baskets were. Again, the color of the ring-liners may be considered in order to display the peaches to the best advantage.

Colorado peaches lacked color this year when compared to peaches from Utah, Idaho, or Washington. In Kansas City, particularly, the Idaho Hales showed up to
good advantage. Michigan peaches were about on a par with Colorado peaches in color, but because all Michigan peaches were brushed and some of the Colorado peaches were not brushed, in some markets the Michigan peaches looked better. One dealer stated that he did not handle any Colorado peaches this year because "they looked too rough and fuzzy."

Many dealers stated that Colorado peaches bring more money than any other peach. This year Colorado peaches were competing successfully with Michigan peaches in markets where Michigan peaches were priced at least 50 cents per bushel below Colorado peaches.

Some dealers do sell or attempt to sell Michigan or Idaho peaches for Colorado peaches. This may be partly caused by the limited means of identification. One dealer actually had Idaho peaches with labels on the baskets which he attempted to sell as Colorado peaches. It was explained that "the two areas are right together and baskets were so hard to get this year, they used whatever they could get." Such practices should if possible be prevented by Colorado growers if they are to maintain confidence in Colorado peaches in the markets.

A report from Illinois gives the following facts about peaches picked and packed at three different stages of ripeness: (1) green-ripe, (2) firm-ripe, and (3) tree-ripe.

1. Seven out of every ten of the 123 customers with whom interviews were obtained said they preferred tree-ripe peaches. Tree-ripe peaches outsold other peaches when prices were the same, and only after tree-ripe peaches were sold out did the customers start buying firm-ripe peaches.

2. When there is a small price differential there seems to be no apparent slowing up in the sale of tree-ripe peaches. They still sell first. Retail prices used were 19 cents per pound for tree-ripe, 17½ cents for firm-ripe, and 16 cents per pound for green-ripe.

3. There were substantial losses in the tree-ripe peaches while in transit, in the top and bottom layers in the baskets. The peaches in the other stages of ripeness received some bruising but held up better in transit because of their firmness and small size. But in the stores, because of quick turnover, there was very little loss from the original bruising to the tree-ripe fruit, and, surprising as it may seem, there was greater loss from the green peaches because they were held so much longer in the stores. The average loss in the stores from the green peaches was 13.2 percent, from the firm-ripe 9.9 percent, and from the tree-ripe 7.3 percent.

Colorado growers know that if the peaches are allowed to ripen before picking, an orchard will yield considerably more than if the fruit is picked too green. Therefore, as long as the grower can obtain more boxes or bushels of fruit for sale by picking the fruit riper, the price is higher for the riper fruit, and the customers prefer the riper fruit, it would seem that Colorado growers might consider marketing ripener peaches more consistently.

Washing and Brushing of Peaches

Peaches from competing areas (Michigan, particularly) are brushed, and unbrushed peaches look quite rough and lacking in color. For the most part brushed and unbrushed peaches sell for the same price in the retail market. Most dealers and consumers prefer to handle the brushed peaches, though occasionally a customer
will state a preference for unbrushed peaches on the basis that they are in better condition.

Washed peaches were sent from the Mesa County district for the first time this year. However, because the car numbers were not available for identification, it was not possible to trace the washed peaches through the market. Only one box of washed peaches was seen in the markets visited, and this single box (a box of F0s) appeared to be left over in one market. There was no spoilage of these peaches, but no conclusions can be made from this one observation. The following quotation is taken from a letter to the author:

"There has been no particular comment on these washed peaches other than the statement of the trade that they resembled brushed peaches and that there was no particular difference between them. There has, therefore, been nothing unusual about the experiment this year but very often that is the case with an experiment that it sometimes takes two or three years before any particular advantages or disadvantages are discovered."

During a hot harvest season it would be helpful to observe packing and shipping temperatures of washed (precooled) and brushed peaches and to compare the products as they go into the retail markets.

Effectiveness and Timeliness of Advertising

There is little doubt that advertising has been very effective. But the trade generally accepts all Colorado peaches as the same. They cannot differentiate between areas of Colorado. Therefore, it would seem very important that additional effort be made to coordinate the production and marketing of all the Colorado areas.

Several instances have already been cited to illustrate the effectiveness of the advertising program. Dealers and customers are aware of the quality of Colorado peaches, and they do wait for them and ask for them in the markets.

The radio advertising seems to be a good supplement to the newspaper advertising. The two methods seem desirable from all comments that have been received. However, as mentioned, the dates for the arrival of Colorado peaches need to be coordinated with the supplies going into individual markets. It is not enough for dealers and consumers to know that Colorado peaches are available—they need to know that they are in the particular market center in which they live.

The advertising for labor was apparently quite effective. The job was done. Even though there was a shortage of workers, the situation this year (1944) was improved over last year (1943). Information from the labor office indicates that using both newspaper and radio was better than using either alone. Some attention should be given to the appeal used in advertising for peach pickers. The vacation appeal reaches many middle-class people who are not used to living conditions as found in and around Palisade. If these people are expected back year after year the situation must be honestly presented. Even though it is important to attract them, a more serious condition may arise if dissatisfaction prevents their return another year. Mesa County improved conditions this year, and a long-time program for creating better migrant labor facilities will probably aid in filling the labor needs of the peach growers.

This year it was demonstrated that complete information to those in charge, both at the distant points of contact and in the Mesa County area, will help considerably in efficient handling of labor. Advertising need not carry all the details, but it may make an honest appeal and direct people to the correct places to get complete information and necessary assistance or permission.