

Marketing California Dates

variable supply and quality, thin but widespread demand create problems to be overcome by orderly marketing

Varden Fuller

The date palm gardens of the Coachella Valley in Riverside County supply more than nine tenths of the United States commercial production of dates.

Approximately one half of the small amount of dates used in the United States—only one fourth to one half a pound per person per year—is now supplied from domestic production; the other half is imported, principally from Iraq and Iran.

With the continual increase in bearing date palms to 4,000 acres at the close of the decade, the domestic industry has been able to supply half of domestic consumption.

The Nation's use of dates, foreign and domestic combined, has not increased in the past quarter century. Hence there is a tendency for domestic dates to replace imports.

In the economic environment in which the industry operates, it is doubtful that—as a long-run matter—any significant expansion of domestic bearing acreage is justified. Returns to growers, while relatively good on the small production of the 1920's, were generally poor during the 1930's and have been adverse in recent years. Only in the war years of 1942-45, when imports were greatly curtailed, did growers receive favorable returns.

Supply and Demand

The industry faces perplexing problems in supply and in demand. On the supply side, the industry has found almost insurmountable difficulties in maintaining the stability in quality and quantity of output necessary to orderly marketing.

Notwithstanding the stability in acreage of bearing palms—which varies only slightly from year to year on a gradually rising trend—wide variations in annual output are introduced by variability in yields, which also are gradually increasing. In the past five seasons—1945 to 1949—the yields per acre successively have been 4,160 pounds, 9,725 pounds, 5,665 pounds, 8,821 pounds, 7,190 pounds.

The problem of variable supply is further aggravated by year-to-year differences in grades of fruit and the proportion of the merchantable crop. Of the fruit delivered to packing houses, from 2% to 20% is unfit for human consumption. Further, anywhere from 10% to 35% of

the edible fruit is substandard in quality—not merchantable as whole fruit—and must be sold in processed form.

Finally, as to output variability, the industry has a further problem with respect to grades. The industry is developing grade standardization. But stable grade standards are difficult to maintain because the quality of the crop varies from year to year and depends upon numerous cultural and weather factors. When the proportions of the better grades are light, there is considerable pressure for upgrading and for merchandising in whole form a portion of those dates ordinarily considered substandard.

On the demand side the problem is the merchandising of a commodity which the American consumer is habituated to use only incidentally. With quality right and price within reason, consumers use domestic dates in small quantities. With quality off or prices high, consumers evidently have a strong inclination to stop using domestic dates altogether or to use them only for limited purposes.

Confronted with such severe limitations in consumption behavior, the date industry must spread its fruit widely over the national market. Nation-wide marketing involves competitive products but far more important is whether marketing machinery and practices meet the particular requirements of the industry.

Responsibilities

A marketing organization specialized to dates only and gauged to widespread but thin distribution and built around an annual volume of 25 million pounds—the average of five recent seasons—would become unbearably costly with only 13½ million pounds to handle, as in 1945-46. On the other extreme, with 32½ million pounds to handle—as in 1948-49—a marketing structure built to accommodate the average output and facing a comparatively inflexible demand could scarcely be expected to move the additional volume successfully.

As of the spring of 1950, there were 72 packers in the industry with approximately 90% of the volume concentrated in the hands of seven packers. Most of the packers were primarily local, roadside or mail-order operators. The packers handling the bulk of the output maintain

direct sales connections with brokers and other outlets in the larger cities outside California.

Recently, there has been a tendency for packing and marketing to shift from an industry structure into the hands of private firms.

Even if this tendency to market through private channels should prevail, the industry faces urgent problems in stabilizing the supply in terms of quantity and quality. Probably the greatest single problem affecting date marketing is obtaining and retaining retailer acceptance.

There is a progressive tendency to receive dates at the packing house on United States Government grades. This will mean less culls and substandard fruit delivered at packing houses. With further improvements in packaging, there will be a more reliable and attractive product which may be expected to find greater retail trade and consumer acceptance.

Quality control, grade standards, and packaging are fundamental in achieving supply stability. Beyond these, progressive changes, orderly marketing will ultimately require the industry to market its product with less month-to-month and less year-to-year variation than has been characteristic of the past.

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CALIFORNIA AGRICULTURE

Progress Reports of Agricultural Research, published monthly by the University of California College of Agriculture, Agricultural Experiment Station.

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