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## **2018 New York State Pricing Information of Local Berries<sup>1</sup>**

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In 2019, Cornell Food Industry Management Program in conjunction with the NYS Berry Growers Association distributed a berry pricing survey to commercial berry growers across New York State. The survey collected 2018 price information so commercial growers can make better pricing decisions for their various berry crops.

Producers were asked to list the prices they received during the 2018 season for four major berry crops (strawberries, blueberries, brambles (raspberries, blackberries), and ribes (currants, gooseberries)) – all currently being grown in NY state. Growers were also given the opportunity to list other berry crops, and the related pricing information, on the survey. Pricing information was requested for three markets; pick-your-own (PYO), wholesale, and retail venues (farmers market, farm stores, fruit stands). Producers were also asked if they used their berry crops in value added products and if they were organically certified.

Of the 124 surveys returned, 117 responses were from growers who reported producing at least one type of the berries in question representing 45 counties (Table 1). Erie, Monroe, and Tioga counties had the highest number of respondents with 7, 7, and 6 respectively. Thirty respondents indicated they are organically certified, more than double the number of organically certified respondents in 2012.

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Table 1: Number of survey respondents, 2006 through 2018

	2006	2009	2012	2018
TOTAL GROWERS	48	162	117	117
CONVENTIONAL GROWERS	--	157	97	87
ORGANIC GROWERS	--	5	12	30
COUNTIES REPRESENTED	34	48	37	45

Almost all berry prices from all market channels increased from 2012 to 2018. Some of the price increase may be due to increased proportion of higher-value berries, such as organic berries, greater consumer demand, or simply inflation.

In order to determine if the 2018 berry prices in New York State have kept pace with the inflation rate, the 2012 reported average prices per pound of each berry crop were inflated by the CPI (consumer price index) to obtain a "predicted" 2018 price. The predicted prices were then compared to the 2018 berry prices. The average rate of inflation since 2012 has been 1.50% annually. That means \$1.00 in 2012 has the same purchasing power as \$1.09 in 2018.

The 2018 average prices and the 2012 average prices adjusted for inflation are reported in Table 2. The column titled "Reported 2018 Average Price" shows the average price using the data obtained from the 2018 price surveys. The column titled "Predicted Average Price" is the predicted sales price assuming the price increased at the same rate as the inflation rate. To calculate this information the average reported sales price from the 2012 berry price survey was normalized by the inflation rate of 1.50% over 6 years to show what the 2018 equivalent sales price would be.

If the resulting number is positive (in green) than the average reported sales price in 2018 is greater than that of the predicted sales price when adjusting for inflation. If the difference is negative (red) than the average reported sales price in 2018 is less than that of the predicted sales price. Essentially, if the number is positive than in theory the average berry grower would be receiving higher revenue than they were in 2012, while if the number is negative then the average berry grower would be receiving lower revenues than they were in 2012. This is assuming all other costs increased at the same rate as the inflation rate. Furthermore, the predicted price does not take into account any other market factors, such as increased demand, organic factors on pricing, the pricing structure of other producers, etc.

Table 2: Reported Average Price per Pound Vs. Inflation Adjusted Price per Pound

	REPORTED 2018 AVERAGE PRICE	PREDICTED AVERAGE PRICE, <i>Adjusting 2012 Data for Inflation</i>	DIFFERENCE
<b>BLUEBERRIES</b>			
PYO	\$2.83	\$2.37	\$0.46
WHOLESALE	\$3.44	\$3.37	\$0.07
RETAIL	\$5.41	\$5.29	\$0.12
<b>STRAWBERRIES</b>			
PYO	\$2.68	\$2.26	\$0.42
WHOLESALE	\$2.74	\$2.56	\$0.18
RETAIL	\$5.11	\$4.07	\$1.04
<b>SUMMER FRUITING RASPBERRIES</b>			
PYO	\$4.14	\$4.29	\$(0.15)
WHOLESALE	\$4.84	\$6.72	\$(1.88)
RETAIL	\$8.11	\$8.01	\$0.10
<b>FALL-FRUITING RASPBERRIES</b>			
PYO	\$4.54	\$4.17	\$0.37
WHOLESALE	\$5.91	\$6.05	\$(0.14)
RETAIL	\$8.74	\$8.38	\$0.36
<b>BLACKBERRIES</b>			
PYO	\$4.69	\$4.87	\$(0.18)
WHOLESALE	\$5.72	\$6.10	\$(0.38)
RETAIL	\$7.94	\$7.73	\$0.21

\*2012 average price adjusted for inflation was calculated using an average inflation rate of 1.50%. Using the following equation;  $1.015^6 * 2012 \text{ average price} = 2012 \text{ average price adjusted for inflation}$ ; we found the 2012 prices adjusted for inflation. The column titled "Difference" is simply:

$2018 \text{ Average Price} - 2012 \text{ Average Price Adjusted for Inflation} = \text{Difference}$ . If the difference is positive (green text) then the average sales price in 2018 was greater than the 2012 average price adjusted for inflation. If the difference is negative (red text and in ( )'s) then the average sales price in 2018 was less than the 2012 average price adjusted for inflation.

\*\* Retail is the price obtained using data for all reported retail operations; farm store, fruit stand, farmers market, and other reported retail operations; and averaging the data into one category meant to represent all retail operations

Both blueberries and strawberries are shown to have an average sales price for all sales methods higher than the predicted sales price adjusted for inflation. This means the average producer of blueberries and strawberries could be making more in 2018 than they were in 2012. Summer-fruited raspberries, fall-fruited raspberries, and blackberries each have reported sales prices for 2018 that are less than the predicted sales price when adjusting for inflation. Producers of these crops may want to analyze their sales pricing structures. If demand for these products is high enough producers may want to consider increasing their sales prices at least enough to cover the cost of inflation since 2012.

Funding for the report was provided by the New York Berry Growers Association. If you would like to read the full report please you may click: [Full Report](#).

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