

Colorado Flower Production*

T. Paul Newman
Westend Greenhouses
Olean, New York

Preliminary to discussing Colorado cut flower production as I observed and learned about it from those engaged in that production, these facts should be noted. They are taken from the U.S. Department of Agriculture Marketing Survey "Cut Flower Production and Sales 1957."

Colorado Cut Flower Growers production that was sold so far as carnations are concerned, was, in 1956 53,811,000 carnations at an average price of .088 cents per stem. In 1957, 58,553,000 were sold at an average price of .089 cents per stem. The anticipated sales of carnations for 1958 are 60,000,000 items at an average price of .09 cents. The majority of the carnations sold are produced in the Denver area of Colorado.

Because carnation production represents approximately 88% of the total Colorado cut flower production area and because the carnation production is marketed interstate with national distribution thus affecting us both directly and indirectly, I shall in this report be concerned only with that flower. As a matter of fact, Colorado flower markets are importers to some degree of all other kinds of cut flowers with the possible exception of snapdragons. Their major imports are glads, asters, mums, pompons, orchids and roses; plus the exotics such as strelitzia, etc.

The production of carnations in Colorado and the prominent position which that cut flower has as a major agricultural interstate export from Colorado, has not occurred by accident.

The climate is excellent for carnation production as was learned by many of the first growers. But climate was not enough as those early growers soon found when they produced but could not market the production profitably. They almost reached the point of complete economic collapse in the 1930's and early 1940's.

Only after a movement toward cooperation between the growers and a continuation of that cooperation through the establishment of a strong commercial, grower-financed extension program did the growers start to overcome their economic plight.

Improved production from this type of technical assistance to growers has resulted in all growers sharing in quality production year round. That production is marketed by grower-owned or grower cooperative wholesale distribution markets. A strong realistic national advertis-

**Editor's note—This was a talk given by Mr. Newman at Erie County's Fall Flower Growers' Tour last November 5, 1958.*

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ing program has augmented their marketing program and has helped them reach the strong national competitive position they now enjoy.

The growers have cooperated in permitting their individuality to be submerged by following growing practices which research at the University level, applied and interpreted in a practical way, has dictated. They have cooperated in controlling production so it is in constant supply as is dictated by their markets.

So far as grading their production is concerned, the growers have been willing to place flowers of like quality together in the unit package used. Admittedly the grading as practiced leaves much to be desired. As an example: that which is described as Fancy grade in summer does not have the same qualities that the fancy grade would have in winter. The main prerequisite for a grade seems to be stem quality, which includes length, strength and freedom of disease and insect damage. Of the three grades used, the term Fancy applies to the top grade, Standard to the middle grade and Short or Design to the lower grade. Generally, Fancy is used to designate the best quality of production at any specific time of year with Standard and Short or Design designations given to the appropriate lower grade material. Ungraded material, that which has crooked stems, malformed flowers, etc., is discarded.

The grading is done by people, thus is subject to human error, and judgment. At present, many thousands of dollars are being invested for the development of grading machines which when perfected will eliminate many factors of error. The Colorado growers should I feel, be highly commended for their efforts to improve the grading of their product.

All the effort expended in producing at least about 60% Fancy grade and the consistent control of their grade of production has placed them in a fine competitive position in interstate competition for markets. Colorado carnations, considering the volume involved, (their volume of production is second only to California) return the highest gross income per flower nationally. Production from each square foot of producing area (producing area as used here is the ground space of the greenhouse actually occupied by the plants) is from 32-45 flowers. It was apparent that those growers with the highest production had the best quality. This indicated a great potential in production even if there should be no further plant expansion in Colorado.

Has the quality and quantity of Colorado Carnation production been profitable to the grower?

From what I could learn, their total cost of operation on a square foot basis is comparable with ours. In fact, it is a bit higher. I attribute the difference to management costs. I believe the management of Colorado greenhouses receives a greater income in salary and bonus than those in the East. This assumes operations of equal size.

Plant maintenance has been kept current. Nowhere did I observe greenhouse neglect. Their heating plants were modern and well cared for.

There is a continuing capital investment. The monies for it are apparently coming from surplus earnings. All plants had a form of air conditioning, mostly pad and fan. Some plants were or had in the past two or three years erected more greenhouses generally of three types of construction: pipe frame with wood sash, aluminum or plastic. Types of automatic watering, fertilizing and heating were in use in the majority of ranges. They seemed to think and act as modern progressive growers must.

Net profit based on gross income, is from 5-15% as compared with the average Eastern operator who is realizing, assuming he pays realistic salaries and bonuses, 1-4%.

Yes, Colorado cut flower operations are profitable.

This report because of time restriction for its presentation, is necessarily sketchy. However, because its purpose is to present a factual interpretation of the effect of their production on us, may I say that I feel Colorado production is desirable competition.

Why?

Number one—Their production is generally of equal or better quality than that produced in the East. It may be this is apparent only because they do a better job of grading.

Number two—The price they ask or suggest for their production and that which is returned to them averages more than ours. They do not try to undersell.

Number three—They do not oversupply a market, nor do they ship large quantities of lesser grades. Production that cannot be sold profitably is dumped. In July of 1958, for example, approximately 40% of their production was destroyed, mostly of the lesser grades.

Number four—Their product on a market tends to stabilize that market and tends to increase prices received for production of equal quality.

Number five—Their progressive and realistic advertising program has been effective in increasing the popularity of carnations the country over. The increase in demand for any one flower tends to pull other kinds up the ladder of demand.

The philosophy of growing, marketing, and cooperating which the Colorado producers subscribe to has resulted in a progressive, profitable operating Colorado floriculture industry. It is a big asset to the floriculture portion of our national agricultural industry.

The Colorado growers are a challenge to less progressive modern growers. Today, they look ahead and try to anticipate the future demand for floriculture products. They know that demand potential will increase rapidly as our national population grows from the present 175 million to 275 million by 1980.

As with Colorado growers, our future looks good. We must, to insure it, take full advantage of information already available and the new information that will continue to become available. We must cooperate in exchange of management, marketing, and production information. We must cultivate the expanding market for our product by making it available at the time and in the place the consumer may purchase it. We must encourage the consumer to "Think Flowers".