

More on Production Costs

The cost of operating a greenhouse is sometimes hard to pin down. It varies, among other things, with the system of keeping accounts. The following costs are from three growers specializing in carnations. They are not to be taken as average for Colorado. In fact, they are above average in production. Your editor does not know to which greenhouses they belong nor is he interested in finding out. They are presented here in order that you might compare them to your own costs.

By way of explanation, Grower A has a low labor item, but when management is included, his total cost is close to that of Grower B. The manager in this case is probably doing quite a bit of the labor. Grower C is very high on the labor item (which includes management). Each individual set of books may differ in this respect, depending upon whether the owner takes his profit by salary and charges it to labor or to management, or whether he takes the profit at the end of the year

after all costs (including reasonable labor and management costs) are paid. Note also that the interest item in each case is about the same. Those paying little or no interest are fortunate, since they should have lower costs per square foot.

Production Costs for 3 Colorado Carnation Growers 1955

All costs are calculated per square foot of producing bench

Item	Grower A		Grower B		Grower C	
	cost	% of total	cost	% of total	cost	% of total
Labor	.52	28.9	.919	50.5	1.3945#	58.8
Fuel	.12	6.7	.108	5.9	.1444	6.1
Taxes	.09	5.0	.053	2.9	.1150	4.8
Depreciation	.14	7.8	.125	6.9	.1847	7.8
Repairs	*		*		.0727	3.1
Interest	.20	11.1	.208	11.4	.2029	8.6
Utilities	.05	2.8	.022	1.2	.0378	1.6
Insurance	.04	2.2	.027	1.5	.0400	1.7
All other	.28	15.5	.124	6.8	.1807	7.6
Total	\$1.44		\$1.586			
Management	.36	20.0	.235	12.9		
Prod. / Mgmt.	\$1.80		\$1.821		\$2.3727	
Production per ft ²	29.0		32.326		32.778	
Cost per bloom	.0621		.0563		.0724	

* Included in All Other Expenses

Management cost included in labor