

CUTTING COST IN NURSERY OPERATIONS

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Today we are faced with a very difficult task of growing top quality seedlings at an acceptable cost. Each of us is well aware of the tremendous rise in the cost of labor, equipment and supplies during the past few years.

All indications are that costs will increase another 10% during the next year.

I want to mention some specific percentage increases in costs during the past five years as they relate to Westvaco's nursery.

<u>Item</u>	<u>Percentage Increase</u>
Labor	50
Tractor	45
Fertilizer	270
Mulches	25
Packing Supplies	50
Mineral Spirits	100

During this period of time the cost of growing our seedlings has increased thirty three percent.

It is very apparent that costs are increasing at a rapid pace. We have little or no control over some of these increases. However, there are ways that we need to consider in order to improve the over-all cost picture.

We should analyze every phase of our work to determine what adjustments are necessary and what techniques we should use to get the job done.

Items that might be worth consideration are:

1. Better utilization and care of equipment - schedule longer days and weeks.
2. More mechanization could be the answer for some.
3. Look for substitution of materials and alternate methods of operation.
4. Upgrading of personnel - Hire more productive and diversified employees instead of one capable of performing menial tasks because we can hire them at the minimum wage scale.