

## CUTTING COSTS IN NURSERY OPERATIONS

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Six years ago, at the Nurseryman's Conference in Stone Mountain, Georgia, I was asked to speak for a few minutes on Cost reduction in nursery operations. Here I am today talking on the same subject to just about the same group. As I look around I see a few new faces but most of us have been at this for a pretty good while. So, I figure whoever planned this program thought that I either am smarter now than I was six years ago or I didn't tell all I knew then. Unfortunately, neither is the case; I don't know much more now than I did then, and I wasn't keeping any secrets in 1968.

But we are living in an era of change and nothing is changing faster than the economic situation. I guess you might call this the age of inflation, and I suppose you could say that the answer to "cutting cost in nursery operations" is simple; there ain't no way. It seems right foolish to talk about cost cutting so I think we might more reasonably discuss some aspects of holding increases to a minimum. Consider a few points.

Since this group met at Wilmington a couple of years ago:

1. Mineral spirits, one of our best tools in pine seedling production, has increased about 175% in cost.
2. Fertilizer, another necessary ingredient, is up about 120%, when you can get it.
3. Seed costs are up 75% or more.
4. Equipment cost are up from 40 to 50%.

and so on, with everything we use. Consistently, we have seen the cost of seedlings jump from about \$4.00 per thousand to about \$8.00 per thousand in the last several years.

It seems that the only reasonable approach in trying to hold cost increases to a minimum is to try to become more efficient and smarter in what we do. Since I have only about 10 minutes to talk and I have already used up most of that, I thought I would pick one item in the nursery operation and try to say something about that.

What is the single most significant item in your nursery budget and probably the one you can have more control over than any others?

### LABOR

How much of your total budget is in labor costs? At our nursery it runs about 45%.

We have all worked with people enough to know that they generally react to certain motivations and certain kinds of supervision and it is up to us to try to make this a positive reaction. I don't suppose I am going to tell you anything new but I do have a few thoughts about what we can do to make our labor force more efficient and less costly.

1. Develop working attitudes. A man that wants to work and wants to get the job done will accomplish far more than the man who is just putting in time and waiting till payday. How do you motivate people to want to work harder? Lots of ways, I guess, and each person is an individual case. A sense of pride in accomplishment, competition with fellow employees, development of loyalty to the organization, and you could name others, but they all contribute to more productive employees.

2. Train your people properly. Don't assume a man knows how to do a job when maybe he doesn't. Be sure he knows what to do and how to do it best when you assign the task. Even routine jobs require a certain degree of training for high efficiency.

3. Supervise properly. It is our responsibility as supervisors to see that the job is done as we think it should be. Too often I think we send a crew out to do a job and forget about what they are doing. We need to be aware of what is happening and to see that things are being done as they should be.

4. Mechanization and innovation are great labor savers. Don't continue to do things like you have been doing for the last ten years. This is usually the easiest way but quite often is not the best way. Look for better ways to work that involve less man hours. I know that others have talked about this already so I won't spend much time here. But two or three points seem worth mentioning. Mechanized lifters, better use of chemicals, improved packaging systems, better culling and grading procedures; all of these can contribute to labor cost reductions.

5. The last and probably the most important factor I might mention in relation to labor is a good safety program. This will not only result in better labor utilization but will have a positive effect on employee morale. Don't pay for labor that doesn't contribute to your operation, and that is what you are doing when you pay for lost-time accidents, hospital and doctor costs and increased workman's compensation rates.

Well, I have taken enough time and probably haven't said anything new but possibly I have made you think about a thing or two. I could sum these points up quickly; attitude development, training, supervision, innovation and safety.

One final point and I will quit. Any reduction in costs, no matter what it involved should be made only in the light of maintaining seedling quality. Seedling costs still comprise only about 15% of the total cost of regeneration and seedling quality probably has more effect on survival and growth than any other single factor. We should continue to become more efficient in every way possible, but seedling quality is still and should continue to be the principle consideration.