

Analyzing Crop Profitability And Financial Metrics On Flower Farms: Raindrop Farms Results

Definitions and Background: Each of four flower farms spent the 2022 season in a facilitated cohort using the Know Your Cost To Grow program. After choosing two crops to study, they identified all of each crop’s discrete direct variable labor activities, and then spent the season conducting time studies for each activity. At the end of the season, we were then able to calculate each crop’s total direct variable costs, and ultimately its contribution margin, defined as the crop’s returns to indirect costs and profit. Armed with this knowledge, a farm can then work towards the goal of increasing the overall combined contribution margin for all of its crops.

Overall Results: Raindrop Farms completed the analysis for their ranunculus crop, which showed a positive contribution margin.

Crop	Crop Unit	Price	Variable Cost Per Marketable Unit	Contribution Margin Per Marketable Unit	Contribution Margin Per Direct Labor Hour	Contribution Margin Per Standard Unit of Space
Ranunculus	Stem	\$1.60	\$0.59	\$1.01	\$94.59	\$1040.58

Salient Costs: Transplant (corm) costs were a major cost for the ranunculus crop, and both weeding and harvest labor loomed large. For this farm to increase their contribution margin on ranunculus, a great place to start would therefore be to study and seek further efficiency in both the weeding and harvest processes, as well as to investigate how they might spend less on corms.



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Ranunculus

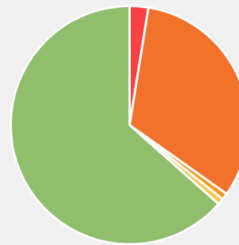
Cost Breakdown

Crop/Crop Unit Costs per Cost Category

Ranunculus Stems [Download](#)

Variable Costs	
Total Field Input Costs	\$15.60
Total Labor Costs	\$198.02
Total Machinery Costs	\$5.39
Total Packaging Costs	\$5.17
Total Seed or TP Costs	\$389.65

■ Total Field Input Costs
 ■ Total Labor Costs
 ■ Total Machinery Costs
■ Total Packaging Costs
 ■ Total Seed or TP Costs



Labor Breakdown

Crop/Crop Unit Labor Hours per Labor Activity Category

Hint: If you unable to see the Labor Activity Hours in the chart below, resize this page to expand the chart.

Ranunculus Stems [Download](#)

Crop, Crop Unit	Labor Activity Category	Labor Activity Hours
Ranunculus, Stems	Bed Preparation	0.64
Ranunculus, Stems	Transplanting	1.35
Ranunculus, Stems	Irrigation	0.11
Ranunculus, Stems	Weed Management	2.86
Ranunculus, Stems	Harvest	2.09
Ranunculus, Stems	Post-Harvest	0.86
Ranunculus, Stems	Transplant Production	3.10

■ Bed Preparation
 ■ Transplanting
 ■ Irrigation
■ Weed Management
 ■ Harvest
 ■ Post-Harvest
■ Transplant Production

