

Analyzing Crop Profitability And Financial Metrics On Flower Farms: Roots Cut Flower Farm KYCTG 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: Both of Roots Cut Flower Farm’s crops studied, sunflowers and ranunculus, had positive contribution margins per marketable bunch. The results show that ranunculus far outrank sunflowers in terms of space (5x), as well as by labor hour (2x).

| 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 |
|------------|-----------|--------|-----------------------------------|---|---|--|
| Sunflowers | Bucket | \$75 | \$30.31 | \$44.69 | \$61.06 | \$303.93 |
| Ranunculus | Stem | \$1.50 | \$0.42 | \$1.08 | \$115.98 | \$14,594.33 |

Salient Costs: Harvest labor loomed large for both sunflowers and ranunculus. For this farm to increase their contribution margin on both crops, a great place to start would therefore be to study and seek further efficiency in the harvest process.



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Sunflowers

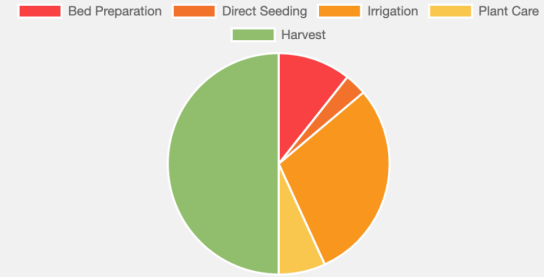
Labor Breakdown

Crop/Crop Unit Labor Hours per Labor Activity Category

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

Sunflowers ▼ Bucket ▼ [Download](#)

| Crop, Crop Unit | Labor Activity Category | Labor Activity Hours |
|--------------------|-------------------------|----------------------|
| Sunflowers, Bucket | Bed Preparation | 0.53 |
| Sunflowers, Bucket | Direct Seeding | 0.16 |
| Sunflowers, Bucket | Irrigation | 1.46 |
| Sunflowers, Bucket | Plant Care | 0.34 |
| Sunflowers, Bucket | Harvest | 2.49 |

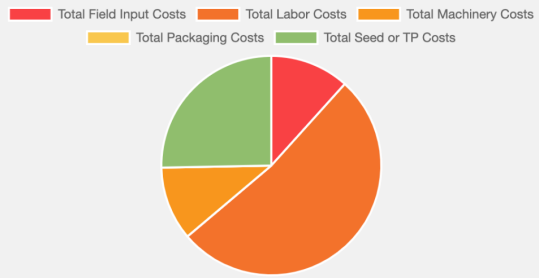


Cost Breakdown

Crop/Crop Unit Costs per Cost Category

Sunflowers ▼ Bucket ▼ [Download](#)

| Variable Costs | Cost |
|-------------------------|----------|
| Total Field Input Costs | \$24.00 |
| Total Labor Costs | \$107.51 |
| Total Machinery Costs | \$22.43 |
| Total Packaging Costs | \$0.00 |
| Total Seed or TP Costs | \$52.13 |



Ranunculus

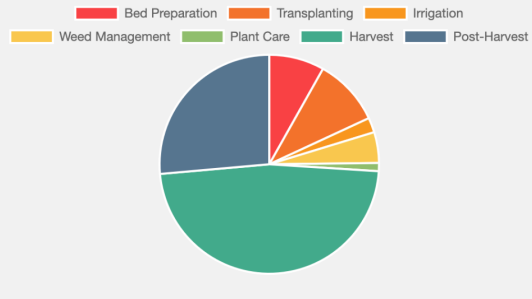
Labor Breakdown

Crop/Crop Unit Labor Hours per Labor Activity Category

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

Ranunculus ▼ Stem ▼ [Download](#)

| Crop, Crop Unit | Labor Activity Category | Labor Activity Hours |
|------------------|-------------------------|----------------------|
| Ranunculus, Stem | Bed Preparation | 10.25 |
| Ranunculus, Stem | Transplanting | 12.50 |
| Ranunculus, Stem | Irrigation | 2.75 |
| Ranunculus, Stem | Weed Management | 5.72 |
| Ranunculus, Stem | Plant Care | 1.51 |
| Ranunculus, Stem | Harvest | 59.87 |
| Ranunculus, Stem | Post-Harvest | 33.23 |



Cost Breakdown

Crop/Crop Unit Costs per Cost Category

Ranunculus ▼ Stem ▼ [Download](#)

| Variable Costs | Cost |
|-------------------------|-----------|
| Total Field Input Costs | \$698.10 |
| Total Labor Costs | \$2717.99 |
| Total Machinery Costs | \$19.57 |
| Total Packaging Costs | \$0.00 |
| Total Seed or TP Costs | \$2160.00 |

