

Achieving Poinsettia Success



Maintaining efficiency throughout all aspects of poinsettia production is one way growers at Kube-Pak achieve success with their poinsettia sales. Read on to learn more about Kube-Pak's methods.

By Meghan Boyer

Many growers produce poinsettias, but few of them actually earn a good profit with the popular holiday plant. The unfortunate reality is that most growers are simply breaking even. Overwhelmingly, poinsettias are a cash crop that brings in enough revenue to cover expenses during the winter season but not much else. Yet, the crop is a moneymaker for some.

Bill Swanekamp, president of Kube-Pak, Allentown, N.J., is among the growers who are successful with poinsettia production. This past year, Kube-Pak produced about 250,000 pots and essentially sold out, only throwing away a couple hundred. In addition to selling out, Swanekamp maintained selling prices throughout the season — prices that were raised between 8 and 10 percent last fall.

So how does Kube-Pak do it? Swanekamp attributes his company's poinsettia success to examining methods closely and having systems in place for all aspects of production — from choosing the right market to shipping efficiently: "It's got to be an entire process that has to be integrated top to bottom, all the steps. And if you do that, then I think you can make money," said Swanekamp, "We have a famous saying here [at Kube-Pak]: Without a system, there is chaos."

Start With The Basics

Having a successful poinsettia business starts with identifying which market to target; each grower will have a personal preference as to which market is the best fit for his or her situation. For instance, Swanekamp feels chain stores are difficult places to sell his poinsettias and still make money because the chains want plants at

low prices. Instead, he chooses to sell to florists and garden centers and get premium prices for high-quality plants. Swanekamp pointed out, "We're not affected by supply and demand because our customers are looking for a quality product and price is not...as big an issue." By choosing the right market, Kube-Pak is able to sell at the prices it wants and maintain those prices throughout the season.

After choosing the best market, the next step is to examine production efficiency because, "you can have the nicest plants in the world and not make any money if you're doing it in an inefficient manner," Swanekamp explained. Internal production costs are some of the only costs growers can control: "You can't change the cost of the pot and the media and the cost of the cutting; you really have very little control over that. But we can control our production



Left: Kube-Pak's head grower, Hank Bukowski, sits amid a large poinsettia crop. (All photos courtesy of Kube-Pak) Right: Growing more doesn't always equate to making more money: Kube-Pak leaves some houses empty but sells out at full price.



Swanekamp found success in painting some of the roughly 250,000 poinsettias he produced.

costs," he said. This means monitoring how employees grow and maintain the poinsettias.

Growers at Kube-Pak direct stick all of the poinsettias, then they root, pinch and final space them. This method allows the pot to only be handled once from sticking until final spacing. "[Then] we put it under drip irrigation," said Swanekamp, "and the next time the plant is touched is when it's shipped out of the greenhouse."

This touch-it-once method amounts to minimized input costs, especially on labor. Swanekamp further maintains labor costs by ensuring an appropriate number of workers are scheduled for the job. "If the job needs 10 people, don't put 15 on it," he said, because scheduling extra workers wastes time and money.

To ensure everything and everyone is working efficiently, Swanekamp tracks daily production costs on poinsettias. "Everyday, every aspect of the job, whether it be sticking the cuttings, spacing them, pinching them or putting the drip irrigation on them, all of those costs are tracked each day for each employee," said Swanekamp. This gives him a gauge as to whether or not each person is being efficient. Records from previous years give Swanekamp a basis for comparing output.

Pay Attention To Detail

Costs at Kube-Pak are also kept low because of the types of greenhouse equipment used: Growers have worked to make the greenhouses more energy efficient. Each greenhouse has bottom heat and heat curtains. In addition, the houses are covered in double poly, with one layer being an IR film. "When you add all that up, our input costs on fuel are also very low," Swanekamp pointed out.

To further save on production costs, Kube-Pak uses a lot of early varieties and drops the temperatures in the greenhouses as the plants start to mature. "We cool the greenhouse down

and by doing that, delay the continuing opening of the bract. You can lower the greenhouse temperatures in the 50s from November 15 on," explained Swanekamp. This amounts to further savings on heating.

When it comes to shipping, Swanekamp has a set system. "When we're doing our poinsettia shipping, everything is done off of a master," he said. The trucks are set up, and the material is pulled from the greenhouse and sleeved. Throughout the day as the orders are filled, workers pull from the pre-sleeved areas, put the plants on carts, sort them and deliver them.

Control What You Can


It is important to control what you can when it comes to poinsettias, though growers should realize there is only so much they can do. "You can only control so much. You can control what you do internally, you can control the market you focus on, but you can't control the overall economy," explained Swanekamp. He chooses not to react to the ups and downs of the poinsettia market. "Growers need to fight the tendency that when they've had a good year, the next year to grow 10 or 20 percent more, especially on this crop," he explained.

The growers at Kube-Pak have more poinsettia-growing capacity than they use. "We're only doing ⅓ of our facility on poinsettias," said Swanekamp. "One third is not used at all." He pointed out that growing more doesn't always equate to making more money: "You can grow more but you won't make any money on it because there's so much out there that the price drops to nothing." The Kube-Pak philosophy is to have some empty houses and sell out at full price instead of having completely full houses but needing to discount to sell the product.

In terms of the overall market, Swanekamp

believes the industry can raise prices on poinsettias by working together. "The best thing we can do as an industry to raise poinsettia prices is cut production," he explained. By cutting production, growers will create a shortage and therefore, will be able to name their prices. Of course, the cycle of supply and demand is difficult to break. "It's hard," said Swanekamp, "We've been in a position of overproduction, and the big boxes know it. So sometimes you have to make the choice to say this is not a sale that I want because the price is too cheap."

Take Your Time

Success and change don't come overnight. Kube-Pak's systems have been coming together for many years: They started direct sticking roughly 30 years ago, and Swanekamp tackled each area as it was necessary. "All of these different points, they're constantly coming at you," he explained. The trick is to keep up with the ebb and flow of business and focus on what is necessary at the time. For instance, he focused on sales in the beginning when Kube-Pak started doing poinsettias. After securing sales, the focus turned to efficiency and so on. Over time, Swanekamp put together the efficient top-to-bottom poinsettia system that brings Kube-Pak success today. 

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