MANAGING a greenhouse business is like managing many other businesses. The big difference is the greenhouse manager works with live plants. For success, the manager must understand both business principles and horticultural concepts. In this unit, you will learn about basic greenhouse management.

Objective:

Analyze greenhouse business management.

Key Terms:

direct labor costs
direct materials costs
greenhouse manager
grower
marketing costs
marketing manager
overhead costs
production manager
propagator
retail growers
shipping room manager
specialty growers
wholesale growers

Greenhouse Business Management

Managing a greenhouse business can be a rewarding career. It is ideal for anyone who wishes to combine business skills with a love of plant production.

TYPES OF GREENHOUSE BUSINESSES

A greenhouse business falls into one of three categories: specialty grower, wholesale grower, or retail grower.

Specialty growers produce crops sold to wholesale or retail greenhouse growers. Specialty growers often specialize in one crop or a limited number of crops. Some specialty growers focus on rooted cuttings, such as poinsettia cuttings, chrysanthemum cuttings, or florist...
azalea liners. Specialty growers are common when it comes to producing seeds, particularly for bedding plants. Another type of specialty grower produces bulbs for forcing, including Easter lilies, tulips, and daffodils.

**Wholesale growers** produce a limited number of crops. Wholesale growers might specialize in the production of cut roses, foliage plants, or potted flowering plants. Their products are then sold to retailers.

**Retail growers** generally produce a variety of crops sold directly to the public through their own retail outlets.

## GREENHOUSE BUSINESS COSTS

Depending on the type of greenhouse business, the costs can vary a great deal. However, some costs are common to all greenhouse operations.

**Direct materials costs** are costs that have a direct impact on the production of crops. They include the costs of plant materials, pots, chemicals, and growing media.

**Direct labor costs** are costs based on production activities, such as planting crops, spacing crops, watering and fertilizing crops, and managing pests and diseases. Direct labor costs include wages and benefits (health insurance, paid vacations, sick leave, etc.).

**Overhead costs** are costs that do not have a direct impact on the production of the crops. Some examples of overhead costs are heating fuel, office management and secretarial support, taxes, depreciation, insurance, and utilities.

**Marketing costs** are costs associated with advertising, packaging, shipping, and billing.
CAREER OPPORTUNITIES

Many different career opportunities exist in the greenhouse industry. Large companies may seek employees for specialized jobs, while smaller companies may look for employees to perform diverse tasks.

The **greenhouse manager** is responsible for the total greenhouse operation. Often the greenhouse manager is also the owner.

The **production manager** plans and supervises the production of the crops that management has decided to grow.

The **propagator** is in charge of all phases of the propagation of plant materials. The propagator must understand methods of propagation, cultural practices that speed propagation, and disorders that occur during propagation.

The **grower** is given charge of the day-to-day tasks involved in producing one or more crops. He or she oversees tasks such as planting, watering, fertilizing, and harvesting the crop. Large operations have more than one grower, with each assigned to a different greenhouse or range of houses.

The job of the **marketing manager** is to sell the crops. This job includes tasks such as grading the plants, storing the plants, packaging and shipping the plants, and ordering materials to perform these tasks. In a small operation, the production manager may carry out all the tasks described here.

**Shipping room manager** is the person responsible for handling a crop from the time it leaves the greenhouse until it is shipped.

Many jobs are available for other work to be done in the greenhouse. These jobs are often labor intensive. Some examples are filling pots with media, disbudding plants, packaging plants for shipping, taking cuttings, and driving trucks. Entry-level workers are commonly assigned these jobs before advancing to manager positions.
NECESSARY SKILLS FOR A GROWER

A grower requires expertise in many facets of greenhouse management. He or she should:

♦ Understand the crops being grown and how to care for them. Proper watering, prescribed fertilizer rates, photoperiodic control, and pest management are areas in which a grower must be proficient.

♦ Have mechanical skills, particularly those needed to keep the greenhouse in good repair and operation.

♦ Understand the market and be able to deliver crops in good condition.

♦ Possess administrative talents that result in efficient use of the labor force in the greenhouse and completion of production tasks (pinching, chemical applications, black-cloth treatment, etc.) on a timely basis.

♦ Have a good understanding of laws that apply to the greenhouse industry. Two examples are laws pertaining to pesticide storage and to use and runoff of fertigation water.

Summary:

A greenhouse business falls into one of three categories: specialty grower, wholesale grower, or retail grower. Specialty growers produce crops sold to wholesale or retail greenhouse growers. Wholesale growers produce a limited number of crops sold to retailers. Retail growers produce a variety of crops sold directly to the public through their own retail outlets.

Depending on the type of greenhouse business, the costs can vary a great deal. Costs are considered direct materials costs, direct labor costs, overhead costs, or marketing costs.

The many different career opportunities in the greenhouse industry include greenhouse manager, production manager, propagator, grower, marketing manager, and shipping room manager. Large companies may seek employees for specialized jobs, while smaller companies may look for employees to perform diverse tasks.

A grower must understand proper watering, prescribed fertilizer rates, photoperiodic control, and pest management. He or she should have mechanical skills, understand the market, possess administrative talents, and have a good understanding of laws that apply to the greenhouse industry.

Checking Your Knowledge:

1. What are three major types of greenhouse businesses?
2. What are the major types of costs associated with a greenhouse business?
3. What are examples of the major greenhouse business costs?
4. What are some career opportunities in the greenhouse industry?
5. What skills must a grower possess?

Expanding Your Knowledge:

Visit a greenhouse business as part of a school field trip or on your own. Ask the greenhouse manager to share his or her thoughts regarding the business aspects of a greenhouse operation.

Web Links:

Business Management
http://www.umass.edu/umext/floriculture/fact_sheets/business_management.html

Starting a Greenhouse Business
http://pubs.caes.uga.edu/caespubs/pubcd/b1134-w.html


Industry Guide to Marketing Container Plants