

# Maintenance Materials: COST AND SUPPLY TRENDS '74

Superintendents had better be prepared to make upward adjustments in several budget entries and also be well-armed with source material to support their higher proposals

by FRED V. GRAU

Golf course superintendents can be expected to adjust their budgets for 1974 to compensate for across-the-board increases, now that the Nixon Administration's Phase 4 stabilization plan is in effect.

Labor costs will necessitate a 5 to 7 per cent budget adjustment upward to allow for its part in the manufacturing, the servicing and the operation of golf course equipment. If Congress passes the proposed minimum wage bill over President Nixon's anticipated veto, which is unlikely, labor costs could go even higher.

**Maintenance equipment and service:** In addition, the cost of doing business has increased. Specifically, the cost of servicing heavy equipment has gone up, due to the sophistication of the machinery, increased demand, delivery hikes, the gasoline shortage, OSHA regulations and cost of maintaining a complete parts inventory.

One example of how all these hidden costs adds to the retail price, which ultimately the superintendent has to pay for, was told to me by a long-time friend who runs a turfgrass equipment company. Time was, he told me, when a power mower came into his shop in a package it only had to be uncrated, needed only gas, oil, grease and an adjustment or two. It was then ready to cut grass.

Today, when the crate is opened, the machine inside is knocked down. It takes several hours to assemble and service before the unit is fit to be loaded onto one of 11 trucks for delivery to the customer. The trucks cost about \$25,000 a piece. And because many pieces of maintenance equipment are bulky, fewer units can be loaded onto a truck. This hikes delivery costs, which must be added to the selling price.

This company could also do well in the used-car business. Eleven station wagons are continually on the go (with 11 drivers who are experienced servicemen as well as salesmen). There have been occasions when one of them has driven 270 miles (one way) to answer



a complaint or service call. Gasoline, too, will cost more, so again, service calls will be more expensive.

Service means also parts on hand, because a breakdown must be corrected quickly. This company has 14 mechanics and a staggering inventory of parts for every machine they sell. These costs again are added to the selling price.

Freight and handling charges are significantly higher than they ever have been. These charges enter into the selling price.

Maintenance equipment prices as of this writing are status quo; however, under Phase 4 manufacturers can apply to the Cost of Living Counsel for price increases. Whether equipment companies will do this or not remains unknown.

After Phase 4 ends sometime this month, prices could rise sharply. New union contracts for higher wages, higher prices for steel, plastics and other necessary raw materials, and finally, the impact of complying with OSHA requirements will contribute to the higher cost of keeping the golf course in shape.

**CHEMICALS:** Costs of manufacturing needed chemicals have increased partly because of higher labor costs, partly because of state and Federal regulations. To meet these requirements means that companies must hire larger staffs at every level. Higher costs all along the line are being laid at the doors of the Environmental Protection Agency and OSHA.

Chemical manufacturers have done a remarkable job of stabilizing prices despite the rising labor costs, marketing and distribution and service costs.

Now that some of the old reliable chemicals have been banned, superintendents must use substitutes, which often are less effective and must be handled differently. These increase costs to the superintendent, who must adjust his budget accordingly. Higher chemical prices? Yes, but no anticipated shortages and no great increases. Buy normally as needed. Hoarding is

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not the answer. Figure on a 7 to 8 per cent increase in the budget for chemicals.

**Fertilizers:** No immediate relief from the temporary shortage of phosphorous, but this will not seriously affect turfgrasses. Years of applying high-phosphorus materials have built up phosphorus reserves to a level that should suffice for years to come. Experiments conducted many years ago showed that on a low-phosphorus soil and with zero-phosphorus fertilizers, 20 years could elapse before the turf would exhibit symptoms of phosphorus deficiency.

With the cost of labor still soaring, superintendents are tending toward those materials that need to be applied less frequently. This puts a drain on long-lasting fertilizers, particularly the nitrogen-bearing materials. Among these are the organics, which, though higher in cost per unit of N, are safer and feed the turf over longer periods of time. Judging from the advertising pressure, there should be no shortage of materials, although an increase in selling price can be expected if the controls do not function as expected.

**Seeds:** Without seeds of various kinds for new establishment, for renovating and reseeded, the superintendent would be in a sorry predicament. Supplies will be adequate from the producing areas to the consuming areas. Costs, yes, will be considerably higher for the better kinds of seeds. Quite frankly, there are some horror stories coming out of the producing areas.

One field of an elite bluegrass in 1972 produced 1,400 pounds of re-cleaned certified seed to the acre. Another farm with the same grass, under different management yielded only 150 pounds of seed per acre. This kind of discrepancy is no trifling matter.

The time-proven practice of burning the stubble fields after harvest reduced disease, controlled insects, stimulated formation of seed primordia and increased seed yields. Open burning now is prohibited because of anti-pollution laws. The experimental "smokeless" field

burners are slow and cumbersome and are a long way from being practical. Unless the straw is disposed of, seed yields will decline drastically, which will raise costs and, thus, selling prices. Attempts are being made to gather the straw and pelletize it. There is a market for this product, but there are problems in producing the pellets. The pressure required to form the pellets raises the straw temperature to the charring point.

Cleaning seed to high purity is painstaking and time consuming, but is an integral part of the production cost and is figured in the selling price. Add transportation to the consuming areas and costs of distribution, and one begins to wonder how we superintendents were able for so long to buy grass seeds so cheaply.

Research is needed to develop these improved grasses. Research costs money. The trend today is to set the selling price high enough so that there is some monetary return to the developer to cover research costs and to encourage further research developments.

While I was writing this section, I had a call from a man who is "tops" in the field of turfgrass seeds. He said, "Yes, prices have advanced tremendously." An example is common Kentucky bluegrass. Not long ago it brought \$.42 to \$.48 a pound. In late June and early July, quotations ran \$1 a pound and higher. Three factors, unforeseen, have collaborated to produce this drastic spiral. The seed-producing areas of the United States have been plagued by the worst drought in 50 years. When drought hits and there is no irrigation water, the grower simply watches his crop wither. Someone else is watching and that's when the price of grass seed starts to climb.

There has been unprecedented demand abroad for American-grown turfgrass seeds. France and Italy ordered huge volumes of ordinary run-of-the-mill ryegrass at \$.40 to \$.45 a pound. Golf course superintendents have bought this commodity for \$.11 to \$.15 a pound or less. The money situation has been a factor because the exchange rate favors overseas customers. With the devaluation of the

American dollar, it takes fewer kroner, lira and francs to purchase imported seed from the United States than from within their respective countries.

Remember, the common turfgrass seeds are "free to float" on the law of supply and demand. Now the pendulum swings strongly in favor of the proprietary varieties, which have been bound by contracts and will sell at prices not much higher than they were during the past six to 12 months. This situation permits the turfgrass superintendent to utilize the elite varieties, which are certified and produce dependable results with less seed per acre and, coincidentally, at about the same cost per acre as the common, less desirable turfgrass types.

I would urge every reader to review the article in the March issue (p. 53). There have been significant changes. Most of them were anticipated, but we were not sure of the magnitude of the changes.

What was said about blends still holds. A blend of elite turfgrass is quite different from the old "shotgun mixture" of common grasses and legumes that dominated thinking about 35 to 40 years ago. Interestingly, enough, few turfmen want to go out on a limb and leave Merion bluegrass out of a blend. This grass, with all of its faults, still has basic strengths with qualities that are the goal of those who search for high quality. Merion set the standard when it was released at Beltsville nearly 25 years ago. It stubbornly holds onto its position, even though other bluegrasses have matched its performance and to some extent exceeded it.

**Conclusion:** Some last words are needed. The word is "buy normally as needed." Hoarding cannot be condoned. When supplies of one item are short, "substitute freely." Excessive buying pressures simply drives prices higher. Don't overuse or over plant. Use the least quantity needed to get the job done. Use equipment that will most effectively achieve results.

And finally, support research without which things would be a lot worse. □