at a season volume of 600,000 boxes. The long-run cost curves for both the single-unit model packinghouses and the two-unit model packinghouses tend to be nearly horizontal beyond this point. The difference in operating cost of two types of packinghouses is due undoubtedly to the fact that the two-unit packinghouse can utilize more completely the available labor in a packinghouse and reduce the number of weeks that some workers are employed.

OPERATING COSTS FOR CONVENTIONAL PACKINGHOUSES

Season costs were developed for four conventional packinghouses of the same sizes as used for single-unit model packinghouse. The primary difference between the two types is that the conventional packinghouse uses field box handling and degreening of fruit, rather than the bulk system. These costs were estimated within the same institutional framework regarding prices of the productive factors, production standards, rates of output, season variation, type of fruit, type of pack and level of efficiency as were the costs for the model packinghouses. It is assumed that box dumping is performed by a box-dumping machine.

The individual packinghouse cost curves all decrease at first and then level off (see Figure 5). The long-run average cost curve traces the relationship between output and minimum average total cost, as the capacity rate of packinghouse is varied. This curve, similar to the long-run cost curves for the model packinghouses, first decreases and then levels off within the prescribed output limits.

COMPARISON OF LONG-RUN COST CURVES FOR CONVENTIONAL AND MODEL PACKINGHOUSES

The long-run cost curves for the three types of packinghouses are compared in Figure 6. Long-run average total costs for the three types of packinghouses decrease as the size of the packinghouse, defined in terms of rate per hour, increases. This situation can be said to exist only for the range in rates for which costs were actually estimated. In actual operation, diseconomies might be expected eventually, due to management difficulties as the size of the packinghouse increased.

Two types of long-run savings may be possible: (1) those which would result if packinghouses shifted from the conventional field box automatic dump method now in use to the lower