

agement function and charged no salary or compensation as a cost.

Interest was also omitted unless actually paid on borrowed capital. Hence, the interest expense is a comparatively small item. Had interest been included on the whole invested capital in the plant and equipment at 5 percent, it would have amounted to about 4 cents per bushel of tomatoes packed.

The container cost for lug boxes was obtained from two types. The curved-side lug box was higher in cost but did not require a "no-kut" liner. Wrapping paper was used only for lug boxes in which the tomatoes were place-packed. All other containers were jumble-packed. Liners were used in the 60-pound nailed box and the 60-pound wirebound box. Other materials included labels, paste, nails, car strips and bulkheads.

No container cost is shown for the 60-pound field box, as these containers were furnished as a rule by the buyers. Use of these containers involved expense (depreciation, repairs and return freight charge); however, these costs were not paid by the packinghouses.

Total packing costs, before compensation to management or interest on invested capital, averaged 89 cents for lug boxes, 56 cents for open-top field boxes,⁷ 114 cents for the 60-pound nailed box, and 97 cents for the 60-pound wirebound box.

It should be pointed out that comparisons of costs of the 60-pound nailed box and the 60-pound wirebound box are somewhat distorted, since all firms did not pack every type of container. This resulted in different groupings of the firms in determining the packing cost for each container, and because of the small number of firms packing the 60-pound wirebound box there was a very favorable combination. Only seven houses packed the wirebound box, and several of these were low-cost firms. The lowest cost firm packed 58 percent of the wirebound boxes.

For firms packing both the 60-pound nailed box and the 60-pound wirebound box, examination of detailed costs shows little difference between the two containers (Table 5).

Total packing costs for the same containers varied widely between firms, indicating a good opportunity for cost reductions by some of the packinghouses. The costs of packing lug boxes ranged from 74 to 110 cents per unit for 12 packinghouses. The lowest-cost firm did not wrap tomatoes, but another house which wrapped them had costs almost as low.

⁷ Packing cost for field boxes did not include any cost for containers.