

COST REDUCTION 1/

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(Panel Moderator)

In anything we attempt to do, we have two concerns: how much will it accomplish and how much is it going to cost? I think the term "cost reduction" may be a misnomer. I believe that we're fooling ourselves in talking about cost reduction in this day and time. Costs keep going up and I really don't think there's anyway to hold them down. Maybe we should call this panel "cost control." Certainly, we are concerned with cost control and the things we can do to keep our costs at as low a level as possible.

You in the agencies engaged in selling seedlings or growing seedlings on a contract basis are always anxious to maintain costs and be able to give service at as low a cost as possible. We in the industry--let's face it--have to stay competitive with you just to justify our existence.

I think it would be a mistake to talk about cost reduction or cost control in anyway except in the context of maintaining quality. The cost of seedlings in our sophisticated system of regeneration today still amounts to not much more than 10 to 20 percent of the total cost of regeneration. So, it's a mistake to skimp on seedling quality in order to save a few cents per thousand when considering the total expenditures. However, anything that we can come up with to maintain costs or control costs and at the same time maintain quality is important to us.