



Thebesto Bee. Vol. 1, no. 7 November 1922

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“THEBESTO” BEE

VOL. 1.

DENVER, COLORADO, NOVEMBER, 1922

No. 7

Published when the spirit moves, for our members and for western beekeepers, by the Colorado Honey Producers Association, at 1424 Market St., Denver, Colo. Frank Rauchfuss, manager.

JUST BETWEEN OURSELVES

November. * * * How the procession of the months passes by! Thanksgiving is upon us, and we have much to be thankful for, even if some of us haven't made any money this year. * * * By the way, do you know if your bees made you any money this year? Do you actually KNOW what your costs of production were? If you do, you're one in a thousand among beekeepers. * * * And if you DON'T know, how can you expect to sell at a profit? * * * We have tried to make this issue a sort of cost-of-production number. We wanted to get a number of beekeepers, big producers and small owners, to give us their actual figures on production costs. We didn't accomplish as much as we had hoped, because few actually kept accurate cost records, and others who did are ashamed of the showing they make. The average beekeeper knows that he harvested a certain number of cans or cases of honey, what he got for it, and how much he paid out. If he happens to have any left, he thinks he made a profit. Did he count what he paid in taxes? How much he lost from bee disease? How much from theft? Depreciation? Interest on investment? The value of his own time? Unless he has taken account of these items he doesn't really know his crop costs. * * * Anybody can own a few hives of bees, put on some supers and perhaps get a honey crop of some sort in the fall. And he may have a little more money from them than he has spent on them. But that does not necessarily represent profit. * * * Whether beekeeping is to be a business or just a summer job, or a sort of side issue for spare hours in the future, depends very greatly on ascertaining crop costs, and either cutting cost of production materially or getting bigger average yields, or both. Say what we will, the future trend of honey prices is not upward, unless beekeepers learn to know their costs and maintain a strong spirit of co-operation.

MATTER OF COSTS

Beekeepers Must Know Production Costs or Go Broke

With honey prices below those of sugar, supplies and labor not far below wartime prices and hundreds of newcomers taking up beekeeping, experienced honey producers, especially those who are in the business on a considerable scale are seriously concerned over their business future. The average beekeeper doesn't pay much attention to exactness in figuring cost of production. It is vitally necessary, however that costs be figured closely if he would know what he is doing and not gradually dissipate his working capital and even his original investment, scarcely knowing how or when he lost out. And the most effective remedy against price cutting is to know what it costs him to raise his crop. It is with a desire to help the beekeeper learn his production costs that the C. H. P. A. members whose production costs are given in the following tables, have consented to compile them for publication. For obvious reasons they do not wish their names printed. But Thebesto Bee can say this much: They operate in Colorado, and all are careful business men and good progressive beekeepers, who have followed beekeeping over a considerable period of years. Like most other producers of foodstuffs, if error has been made in their cost tables, it has been on the side of under-estimates in those items where of necessity estimated costs must be used rather than exact-to-the-penny figures.

Table 1

One thousand colonies, run for extracted honey. Five year average, 80 pounds per colony. Yard work done by manager and his assistant, and their time not charged against production costs.

List of Equipment

1,000 colonies of bees @ \$5.00	\$5,000.00
3,000 bodies with combs @ \$3.00	9,000.00
Building and equipment.....	2,000.00

\$16,000.00

Overhead Expenses

15 locations @ \$10.00.....	\$150.00
Insurance on \$15,000.00.....	200.00

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Use of 2 trucks, 6 months @	
60.00	720.00
5% winter loss, 50 colonies @	
\$3.00	150.00
2% loss Foulbrood, etc, @ \$4.50	90.00
Extra labor, 5 men @ \$70.00, 2 months	700.00
Wear and tear equipment, 5% on \$11,000 valuation	550.00
Wear and tear on trucks, 15% on \$1500.00 valuation	225.00
	\$2785.00

Production Costs

Interest 6% on investment in bees, combs, buildings, and real estate, total \$16,000.00	\$960.00
Location rent	150.00
Insurance	200.00
Use of trucks, 6 months @	
\$60.00 (2)	720.00
Five percent winter loss	150.00
Two percent disease loss	90.00
Extra labor, 5 men, 2 months @	
\$70.00	700.00
Five percent depreciation on equipment, \$11,000.00	550.00
Fifteen percent depreciation on trucks, 2 Fords	225.00
	\$3745.00
1334 cans @ 34c delivered yard	453.56
668 cases (plain) @ 33 made up	220.44
	\$4419.00

Bee veils, smokers, paint, not taken into consideration.

1 1/4 lbs. wax obtained out of cappings per colony. (Have set this aside for comb replacement.)

One year's labor for manager and assistant.

Actual expenses for running 1,000 colonies, not making any allowance for time of manager or assistant on crop of 80 lb. average, per 60 lb. can, \$3.31 1/4

A few omissions will be noted in the above table. The producer has failed to include the original cost of trucks as any part of his investment. He has taken no account of taxes or of theft, which in an extensive apiary, is quite an item. Some may contend that the item of winter loss is fully compensated for by the usual summer increase, and possibly they are correct. The sum claimed for winter loss, however, will not more than cover a fair deduction for theft.

Table No. 2—Comb Honey

Owner operates 300 colonies run for comb honey. Does most of his own work. Equipment value, \$6,000. Supplies \$ 445.75 Wages for eight months 1200.00

Interest on money invested	360.00
Operating car	300.00
Insurance	50.00
Labor	200.00
Depreciation on car	220.00
Depreciation on equipment	150.00

\$2925.75

Cost of operating 300 stands of bees and producing 600 cases of honey, \$4.98 per case.

This member has also submitted figures on cost of a case on a three case per colony basis, bringing it to \$3.21 per case. It will be noted that he too has left out of consideration, taxes, rent for buildings, winter losses, and theft. Your manager has enumerated these and other items in the table below, leaving out entirely the item of wages for the owner of the apiary, and finds that if there is a crop of two cases per colony the cost is \$2.87 1/2 per case. So the beekeeper has only the difference between \$2.87 1/2 and the actual average price obtained for his honey crop for his 8 months labor.

Table No. 2A

(C. H. P. A. Manager's Revision of Table 2)	
Sections, thin surplus fdt., ship- ping cases	\$445.75
Interest 6% on \$6,000.00 invest- ment for outfit	360.00
Cost of operating truck, (re- pairs, oil and gas), 12 months	300.00
Insurance	50.00
Extra help during season in yards and shop	200.00
Taxes	80.00
Winter loss, 5%	60.00
Rent two bee locations (\$30.00) shop and storage room 30-170	200.00
Average loss through disease and other causes	30.00
Overhead expenses and supplies used in producing crop per case, on two case crop per colony, \$2.87 1/2.	

F. RAUCHFUSS.

Table 3—Combination

700 colonies run for comb and ex- tracted. Investment as follows:	
350 colonies in 10-fr. hives at	
\$7	\$2450.00
350 colonies in 8-fr. hives at	
\$6.50	2275.00
10-f. equipment at 1922 cost	3476.00
8-f. equipment at 1922 cost	2880.00
(Hive bodies, supers, extra tops and bottoms, queen excluders, etc.)	
Buildings, extractors, motor, honey tanks, etc.	1,000.00

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1 light truck and 2 light cars....	2000.00
	\$14081.00
Deduct value of bees without hives at \$3	2100.00
	\$11981.00
Deduct 25% for depreciation to date	2995.25
Present worth of equipment....	\$ 8985.75
Add value of bees	2100.00
Total investment at present worth	\$11085.75

Production Cost—1922

6% interest on \$11086.....	\$ 665.16
5% depreciation on equipment less bees and trucks	374.30
15% depreciation on trucks at present worth	225.00
Upkeep of cars, (actual 1922 cost)	883.76
Insurance	100.00
Rent, 15 locations	224.00
Freight and postage	50.00
Taxes	150.00
General expense, incidentals....	215.22
Advertising and printing.....	125.00
Labor, 1 man 12 mos., at \$125. Two extra men	1500.00
Supplies,	505.00
950 cans at 34c	323.00
450 cases at 32c, (comb)	144.00
400 cases at 50c (ext)	200.00
15,000 sections at \$11.85.....	178.20
100 lbs. thin surplus	65.00
Miscellaneous supplies	400.00
Loss from theft	100.00
Total	\$6427.64

Crop

450 cases comb at (estimated) \$3.50	\$1575.00
950 cans at (estimated) \$4.80....	4560.00
	6135.00
Selling expense at 5% (estimated)	306.75
Net value of crop	\$5828.25
Net loss, \$599.39.	
(And the owner drew no wages!)	

If the beekeeper sets down with scrupulous exactness every cent that he spends for his business the total of the small items usually not accounted for, will surprise him. In Table 3 above, the writer finds items for ant poison, phone calls, necessary lunches for men on belated road trips, power and light bills, plumbers' charges, can labels, fence wire, posts,

bridge material, small tools, bee journals, necessary traveling expense to bee meetings, telegrams, clover seed, sugar for feeding, fuel for boiler, and many other necessities that go to deplete the net balance for the year.

Thebesto Bee invites comments and criticisms from members and non-member beekeepers on the tables given. Are the men who furnished them conducting their business on a too lavish scale? Can their costs be cut, and if so, where? Your own table of costs will be welcomed, and your name not used unless you wish it.

MUTUAL AID

The Beekeepers' Club of Riverside, California, has recently established a revolving fund among its membership, the purpose being to lend small sums to the smaller honey producers who are short of cash, to enable them to hold their crop for reasonable prices, rather than to force it on the market at any old price. The money is loaned without interest, and in return for the favor, the borrowing member agrees not to sell either retail or wholesale at less than a fixed price without permission from the board of directors.

How the plan will work out remains to be seen. Theoretically it ought to help in keeping the retail price to something near a cost figure, as least. Usually the price cutter is the small producer, but not always. And generally behind the price cutter you'll find an exceedingly short pocketbook, which his cut price only makes worse, eventually.

HOT STUFF

Some of the stuff that occasionally gets by the newspaper reporters and passes for bee information tends to make a bee man weep. For example, the following news item that was sent out by the press associations last month:

Montgomery, Ala.—"Achievement Girl," Montgomery's famous queen bee, is spending her time "indoors" carefully guarded from a heavy rain of the last three days. When signs of summer began to fade in the hills of North Dakota, "Achievement Girl" started southward where the climate is more suitable for a queen bee outdoors. But the weather has been so unfavorable since she came back south to the plantation of J. M. Cutts, where she was born and reared that she is not permitted outside her castle.

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CO-OPERATE

Mr. Average Beekeeper is going to have plenty of time this winter while he is doing his shop work to ponder over the profits he hasn't made the past season. No question, it's been a poor year financially for beekeepers. If there is any remedy, the beekeeper ought to know it.

Education and co-operation are the only remedies in sight. Education of the public towards the more extensive use of honey, and education of the beekeeper himself on production costs and a just retail selling price. He is being educated rapidly on the necessity of working his local market to the limit, but in doing that he is tending, in his anxiety to dispose of his crop, to cut his asking price so deep that there is nothing in it but ruination for himself and spoilation of the wholesale market thru sympathy. Today good honey is selling in carlots in some eastern markets at the carlot price of sugar, and retailing in many western communities at the price of a gallon of sorghum. Why? The beekeeper himself.

Good, loyal enthusiastic support of their co-operative organizations by beekeepers would do much to stabilize the markets. There is room for such an organization wherever honey is produced in quantity. But the members must do more than sign up and pay their dues. They must be willing to take the bitter with the sweet, the "downs" as well as the "ups," and refuse to be misled by outsiders with axes to grind. More co-operative movements have gone to the wall thru lack of loyalty in the ranks of the members than from all other causes combined. Think of these things.

NEW BEE BULLETIN

Deputy State Bee Inspector Newton Boggs is preparing a bulletin on bee-keeping which will be out soon after January 1 as a college publication for free distribution. It will deal with beekeeping conditions in Colorado as Mr. Boggs has found them during his year with the State Entomologist's office.

There are 65 vocational students taking beekeeping at Colorado Agricultural college this year. A number of those who enrolled a year ago have made good as beekeepers the past season.

A CIRCLE BEE-YARD

An occasional departure from the conventional pattern in placing the hives of an apiary inclines the observer to wonder if we may not find new ways to save steps and time in arranging our colonies. A C. H. P. A. member who has excellent protection on all sides of his home apiary has placed his hives in a good-sized circle, the entrances facing inward. When he works in the yard he loads a truck with supplies of everything needed, and drives up behind the hives, working right off the truck and moving the car forward as often as necessary to keep his base of supplies close to his work. He claims the saving in time and labor is quite material. In a less sheltered location the circle plan probably would have too many disadvantages in wintering, unless the hive entrances of half the circle were reversed for wintering. Where conditions are favorable a modification equally time-saving might be made by setting the hives in conventional straight rows, but having every other row face opposite ways, with room between the backs of the hives to drive the truckload of supplies.

A C. H. P. A. member once had an apiary laid out in squares like small city blocks, with well-kept streets running both ways. There were eight hives set on each side of each block, making 32 hives to the block, just like that many houses, only the entrances were faced in, instead of out. Two feet space in front of the hive entrances was kept clear of all growth, and the rest of the center of each block was planted to grass, just like little parks. Grass and weeds were, of course, kept entirely from the streets. The owner states that the fact that the entrances of his bee city faced all points of the compass seemed not in the least to discomode the bees or interfere with their wintering. Certainly such an apiary would be an attractive show place, but not very practical for a commercial bee-keeper.

For Sale

Seven shares of stock in the Colorado Honey Producers' Ass'n. B. E. Woodward, E & C Building, Denver, Colo.

Thebesto Bee sent free.