



American Cyanamid Company

PLASTIC & ADDITIVES Department

REPORT

ON

PRODUCTION AND COST

CHICAGO PLANT

CHICAGO, ILLINOIS

DATE MAY 1982



Memorandum

To: Mr. H. C. Gaffney
Location: Chicago Plant
From: B. G. Witherspoon
Location: Charlotte
Extension: 280
Subject: DIRECT COST VARIATION

Date: June 14, 1982

Reference:

Copy to: Mr. A. C. Bell NA
Dr. R. B. Toothill NA
Mr. C. R. Wherley NA

During the month of May 1982, the Chicago Plant generated a favorable variation of \$65,440 as shown below:

	May 1982 Favorable (Unfavorable)	Cumulative Favorable (Unfavorable)
<u>Manufacturing Variance</u>		
Litharge	(2.0)	(6.9)
Stabilizers	6.8	(16.4)
Plant General Expense	1.3	15.8
Control Laboratory	(.4)	(.1)
Plant Protection	(.6)	(6.2)
Steam	.7	(8.5)
Sub Total	5.8	(22.3)
Material Price Variance	59.6	248.7
Grand Total	65.4	226.4

The major components contributing to the current month and cumulative manufacturing Variances are listed below:

Variable	Favorable (Unfavorable)				Y-T-D Total
	Litharge	Stabilizers	Service Dept.	Total	
Material & Containers	-	3.3		3.3	(13.1)
Overhead	(5.8)	3.4		(2.4)	(28.0)
Sub Total	(5.8)	6.7		.9	(41.1)
<u>Price</u>					
Labor	1.5	.1		1.6	1.6
Prime Period Cost	2.3	-	1.0	3.3	17.2
Total Controllable Cost	(2.0)	6.8	1.0	5.8	(22.3)

An analysis of the current month's manufacturing variance is tabulated below:

1. Manufacturing Variance

Variable Materials

Barium Stearate

Substitution for normal Lead Stearate (1.5)

Bulk Lead Carbonate

Bulk Lead Carbonate usage submitted in April for
Cyastab 40 Oiled, new cost sheet and production
entered in May resulting in a favorable variation of 4.3

Other Variable Usage .5 3.3

Variable Overhead

Electricity

Low production volume has caused an unfavorable
variation in Electricity usage (1.5)

Direct Labor

Effective usage of direct labor and usage of foreman
because of slow sales requirements 1.2

Water

During slow manufacturing requirements water system
not effectively secured (1.3)

Control Lab

Lower than budgeted sales requirements has caused
an unfavorable variation 0 (1.1)

Other Variable Overhead .3 (2.4)

Price

Labor

Lower than budgeted Overtime 1.6

Prime Period Overhead

Depreciation

Actual depreciation lower than budget 1.5

Other Manufacturing Period Cost .8 2.3

Service Departments

Plant Protection

Overcharge of salaries to Plant Protection will be
reversed in June (1.3)

Other variation .7 (.6)

Plant General Expense

Salaries lower than budget 1.6

Other expenditures (.3) 1.3

Control Lab

Lab supplies higher than budget

(.4

Steam

Natural gas charges slightly lower than budget

.7

Total Controllable Cost.

5.8

2. Material Price Variance

Significant items are listed below:

Pig Lead

Purchase price for lead \$.1900/lb. lower than standard 56.2

Phthalic Anhydride

Average purchase price \$.1246/lb. lower than standard 3.1

Other Price Variance

.3

59.6

Total Variation for May 1982

\$65.4

Net variation of \$65.4 was allocated to the Plastic Additives Department.

B. G. Witherspoon

B. G. Witherspoon

BGW/kf

P10010 VARIABLE STANDARDS COST OF PRODUCTION

DEPARTMENT 692 DEPARTMENT 682
 PERIOD MAY 1982
 PLANT CHICAGO

PROD NO	PRODUCT NAME	INV CL	CURRENT MONTH			YEAR TO DATE		
			PRODUCTION QUANTITY	VAR. STD UNIT COST	VAR. STD DOLLARS	PRODUCTION QUANTITY	VAR. STD DOLLARS	VAR. STD DOLLARS
9534501	CYASTAB #15	01	42,100	.435500	18,334	108,300	47,164	47,164
9534502	CYASTAB #40	01	26,850	.438700	11,779	313,000	137,313	137,313
9534506	CYASTAB #621	01				32,650	10,150	10,150
9534509	CYASTAB #15-24	01	40,008	.443500	17,743	120,024	53,230	53,230
9534515	CYASTAB #40 OILED	01	9,475	.465700	4,412	9,475	4,412	4,412
9534582	BULK LEAD CARBONATE	21	107,927	.426700	46,052	547,336	233,548	233,548
9534803	CYASTAB #563	01	40,650	.401300	16,312	201,600	80,887	80,887
9534805	CYASTAB #593	01	4,150	.352400	1,462	33,650	11,858	11,858
9534810	CYASTAB #523	01				47,000	22,663	22,663
9534811	CYASTAB 593 OILED	01	6,000	.368700	2,212	10,150	3,742	3,742
9534817	CYASTAB 563 DUSTLESS	01				41,150	16,418	16,418
9534827	CYASTAB #800	01	53,815	.440900	23,727	444,132	195,817	195,817
9534829	CYASTAB #800 DUSTLESS	01				111,806	49,401	49,401
9534832	CYASTAB #800 OILED	01	9,192	.464100	4,266	74,529	34,581	34,581
9534834	CYASTAB 670 OILED	01				64,320	31,002	31,002
9534902	CYASTAB 712 OIL	01				15,500	11,323	11,323
9535001	CYASTAB #908	01	88,500	.536200	47,453	338,496	181,501	181,501
9535002	CYASTAB #918	04	30,392	.471100	14,317	80,114	37,741	37,741
9535003	CYASTAB #948	01	34,500	.423800	14,621	104,900	44,456	44,456
9535005	CYASTAB #988	01				90,500	52,462	52,462
9535011	CYASTAB 908 DUSTLESS	01	2,000	.542300	1,084	106,471	57,732	57,732
9535012	CYASTAB 988 DUSTLESS	01				56,900	32,922	32,922
9535015	CYASTAB 919A	01	7,728	.472900	3,654	87,028	41,155	41,155
9535016	CYASTAB SX3	01	10,000	.444400	4,444	110,850	49,261	49,261
GROSS PRODUCTION AT STD			513,287		231,878	3,149,881	1,441,272	1,441,272

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W10304

MATERIAL VARIANCE REPORT

PAGE 3

DEPARTMENT STABILIZERS
PERIOD MAY 1982
PLANT CHICAGO

682

PRODUCT

0682

MATERIAL CODE	MATERIAL DESCRIPTION		C U R R E N T		M O N T H		Y E A R		T O STAND QTY	D A T E	
			USG QTY ACTUAL	STAND QTY	VARI AMT	USG QTY ACTUAL	VARI AMT	VARI AMT			
9516302	PHTHALIC ANHYDRIDE	10	20,350	21,244	448	100,850		98,902		969-	
9534501	CYASTAB #15	10	950		413-	16,050				6,989-	
9534502	CYASTAB #40	10			-	1,150				50-	
9534514	CYASTAB 621 DUSTLESS	10			-	2,000				629-	
9534517	CYASTAB 15 OILED	10				450				210-	
9534532	BULK LEAD CARBONATE	10	107,927	117,850	4,255	547,336		566,012		8,076	
9534807	CYASTAB #810	10				1,950				865-	
9534817	CYASTAB 563 DUSTLESS	10				450				179-	
9534827	CYASTAB #800	10	33,320	33,319		218,287		219,108		340	
9534829	CYASTAB #800 DUSTLESS	10				30,756		30,755		4	
9534832	CYASTAB #800 OILED	10	4,242	4,242		53,429		53,428		2-	
9535001	CYASTAB #908	10				85,921		85,920		2	
9535002	CYASTAB #918	10	24,392	24,391	6-	74,164		74,164		17-	
9535006	CYASTAB 988 OILED	10				700				417-	
9535011	CYASTAB 908 DUSTLESS	10				54,021		54,020		7	
9535015	CYASTAB 919A	10	7,878	7,878		87,328		87,327		5	
9536901	LITHARGE	10				28,350				13,393-	
9536980	LITHARGE BULK	10	250,932	251,719	294	1,514,106		1,528,267		5,976	
			524,233	520,953	3,277	3,238,981		3,197,042		11,191- *	
			524,233	520,953	3,277	3,238,981		3,197,042		11,191- **	
	TOTAL DEPT										