



editor's report

Greenhouses — They're Not Pretty

Many years ago, I saw a television commercial advertising automobile tires. From behind a stack of tires, the owner of the car care center sponsoring the commercial made the bold announcement, "Nobody likes spending money on tires. They're not pretty, and you can't do much with them, but we all use them. So, when you need to buy new tires ..." Then he went into his sales pitch.

I've never forgotten that commercial; the owner understood that no one really wanted to buy his product, but he knew that they would. Most growers feel about greenhouse structures the way they do about tires. Building new or renovating existing structures often requires a substantial financial investment that no one really wants to make. You don't get a direct, immediate return on your investment. It's much more gratifying to spend that money on more plugs or additional labor.

Laying out money on greenhouse structures is a big lump to swallow in the best of times — there are always so many things to spend money on, not the least of which is that heating bill that comes every month. Can you afford to spend money now? Can you afford not to? Is your greenhouse really leaking money? For that matter, is everyone and everything in your greenhouse operating at maximum efficiency?

EVEN LATE BIRDS EAT

This is one of those rare win-win situations, the kind where everyone benefits — even latecomers. Growers who foresaw the industry's current difficulties were able to implement changes earlier and have not been as affected as those who were taken by surprise, but it's still not too late for most everyone in our industry to get a nice, fat worm.

There seems to be a consensus about what needs to be done in floriculture: tighten production in the short-term and raise the value and price of the product for the long-term. Most growers think that their operation is already as tight as it can be, and in many cases, that's true. But, in the short-term, to make it through the "right now" problems of sagging market and rising heating costs, everyone is going to have to run a tighter ship.

Oddly enough, one of the possibilities for cutting costs involves spending money. You would be surprised how much money new, efficient equipment

and structures will save you. Wagner Floral Company in Tiffin, Ohio is in the process of installing new glass structures that should save them 30 percent on their heating bill every year. Other equipment upgrades at Wagner's were selected with efficiency in mind and are, therefore, making the renovation a wise investment. Associate editor Mary Stoerp tells about Wagner's renovation on page 26. (We have also designed a special greenhouse section this month to give you some ideas about new structure and covering products on the market. That information is on page 16.)

The other thing growers can do in the short-term is to cut production costs: minor changes where one or two percent can be shaved from the cost. Taken together, these savings can mean a lot to the bottom line, and Paul Thomas of the University of Georgia has the economic data to prove it. In tandem with an agricultural economist, Paul has analyzed production costs and shows you how juggling as little as a one-percent increase in operating and pricing variables can affect your bottom line dramatically. His research is on page 36.

While tightening belts might be good for the near future, it cannot solve longstanding problems of the floriculture industry. For these, the solutions also need to be long-term. Increasing demand for the product, which will in turn allow growers to increase prices, is the goal on everyone's lips. Programs like "America in Bloom," "Flowers. Alive with Possibilities" and some of the consumer-focused advertising by companies like Proven Winners and The Flower Fields are an indication of upcoming trends. Again, Paul has gleaned from growers how much a small price increase affects a profit margin. That information will appear in the May issue of GPN.

The second half of this formula is something we would all like to see happen. A valued product, a well-priced plant, a fair profit margin. The good news is that for the first time in the history of this industry, everyone seems to be behind the idea; people seem ready to make this happen.

If you have other ideas or opinions about the market's current situation and how to get out of it, I'd love to hear from you.



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