



# Home Depot's



# LABEL CONFUSION

**Growers across the country are coping with the inevitable implementation of Home Depot's new tagging program. Here's an update on where the program stands.**

**By Beth Meneghini**

**I**t was only a matter of time before the big box stores got in on the act. With the green industry's emphasis on marketing and a large number of breeders, growers and even small retailers branding their plant material, the chains weren't about to miss out on a new gardening trend.

Home Depot is the first major retailer to step up to the plate. Just over 18 months ago, the retail chain announced to its growers that it would be implementing new tagging requirements on much of its plant material. Under the new program, specific plant material is required to carry a Home Depot tag and no other.

"The company wanted a more universal tagging program to make things easier for the consumer," said Paul Nelson, live goods coordinator for Home Depot's lawn and garden division. "The new tags tie in with our sign program and help create a more uniform look in the garden center."

Nelson is quick to point out, however, that

Home Depot is not interested in eliminating grower brands, just in simplifying choices for the consumer.

## THE HOME DEPOT PLAN

Home Depot does not charge growers directly for the new tags; rather, growers buy the tags in volume from a third-party supplier, Horticultural Printers. The specifics of the program get a little fuzzy beyond that. According to Nelson, growers are required to use Home Depot tags for any material in 1-gallon pots and larger. All landscape material also requires a Home Depot tag. But Nelson admits that those are not the standards for all growers.

"Stores in other parts of the country require tags in some inch-variations as well. Requirements can vary from store to store," said Nelson.

Smith Gardens in Bellingham, Wash., tags only their six material. On the other coast, American Farms in Naples, Fla., tags all material

eight inches and above. And there is a variety of guidelines across the country.

Likewise, the Home Depot tagging program has been implemented in some areas of the United States but not in others.

"It's pretty sporadic in Florida," said Jim Pugh, partner and general manager of American Farms. "Some growers seem to be adhering to the program and some don't. It's very hit or miss."

Dave Edenfield, vice president of sales and marketing for Smith Gardens, believes most growers on the West Coast are gradually trying to put the Home Depot program into practice.

"Growers are doing what they can as fast as they can," said Edenfield. "Home Depot is sensitive to that. If you walk through a California Home Depot, you definitely won't see as many different tags as you once did." To its credit, Home Depot has geared up for a lengthy implementation process for this new program.

"We would have loved to see the new tags fully implemented by now," said Nelson. "But

we couldn't expect our growers to throw out their current stock of tags and take that kind of financial hit. We're moving slowly and simply trying to accommodate our growers the best we can."

## PRAISE AND CRITICISM

Grower reaction to the program has been mixed. "I feel comfortable with the Home Depot tagging program," said Pugh. "It simplifies things for us."

American Farms discontinued its in-house branding strategy when the Home Depot program was announced.

"Our own brand was exclusive to a particular line so it didn't hurt us too much to drop it," said Pugh.

But for other growers who tried to differentiate product or brand a specific plant line, the new program has cost them not only time and money, but possibly consumer recognition.

"Investment in tags can be substantial," said Nelson. "We don't want growers to simply throw out their tag inventories. We don't require them to use our tags until they've used up all old tags."

But confusion reigns for growers that utilize national marketing brands like Proven Winners, Flower Fields and Bodger Botanicals. These growers must adhere to new Home Depot tagging standards but are also required to continue using the tags of these patented brands.

"As a grower, I've got to use the Proven Winners tags," said Pugh. "It is a patented plant and in order to ship them, I've got to identify these plants as Proven Winners."

According to Nelson, Home Depot appreciates these quality plants from growers and is not forcing any grower to ship patented plants without the required tags.

"We want our own consumers to recognize that we're carrying quality plant items," said Nelson. "We try to work out a solution with each grower to ensure that patented labels appear where they should."

Nelson acknowledges a variety of solutions. In some cases, this means that Home Depot tags are left out of nationally branded plant material. In other cases, two tags appear in each pot. Another option is to keep the patented tag in the

pot and use a Home Depot sticker on the outside of the pot.

"I think the hardest part about all of this is the confusion it creates," said Edenfield. "It's meant to clarify things for consumers, but it seems to add another layer of complication for the grower."

## THE AUTOMATION QUESTION

Growers are finding that the new tagging system also creates challenges for shipping.

Instead of tagging plants at the time of planting, growers must now tag at the time of shipping.

"It's not a huge problem, but it certainly does add some additional labor and cost," said Edenfield. "Growers at least have the option to

automate tagging at the time of transplant. Automating with only a specific block of plants at the time of shipping is much more difficult and costly." Home Depot's tagging requirements have forced large growers who deal with multiple crop types and multiple chain stores to become much more organized with their plant shipments.

"You must be sure that the right tags go to the right store," said Pugh. "You absolutely cannot have plants with Home Depot tags show up at another chain. It simply can't happen. As a result, you've got to work out all the logistics and really be prepared at time of shipment. We are constantly checking, checking and checking again."

## A PARTING OF GROWERS

Since Home Depot announced its new policy more than a year ago, a division in growers has resulted.

"Home Depot's tagging decision really separated growers into those who can and will, and those who can't and won't," said Edenfield.

"There are clearly growers out there who simply don't want more complication in their programs."

These growers have eliminated the chains as customers. Others have gone back to dealing strictly with small retailers. Growers who consider big box stores their lifeblood have simply eliminated other major chain stores as customers to focus on the increased complication with the Home Depot program.

"It might be easier for smaller or niche growers to handle these new tagging requirements," said Pugh. "But when you grow as much material as we do, it's a definite challenge. We've really had to make a strong effort to stay on top of this."



Jim Pugh, American Farms, shows the extent of product grown at their Naples, Fla. location. According to Pugh, segregating the Home Depot product will be a challenge.

At this point, Home Depot remains the first and only major chain store to require its own tags in the plant material it sells in its stores.

"I don't know where any of the other chains stand on this issue," said Edenfield. "My guess is that they're waiting to see how it turns out for Home Depot."

Buyers from Kmart, Wal-Mart and Target were unavailable for comment as of press time.

As for Home Depot, Nelson says the company is on track with the current program and has not yet

released any plans to expand its new tagging program to other plant sizes.

"For now, we're concentrating on eliminating anxiety and communicating with our growers. We want to continue a beneficial relationship with our growers as well as provide quality plants with a uniform look to our consumers." The industry is taking a wait-and-see approach as breeders, growers, consumers and other chain stores watch this new trend take hold.

"I don't know where these new tagging requirements will take us or how the future of dealing with the chains will change," said Pugh. "But I think the bigger issue in this whole thing is tagging and labeling in general. It's the Achilles heel

for growers. The focus is no longer on the quality of the plant but what kind of tag is stuck in it. That kind of thinking won't do anybody any good." GPN

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