

# Changes Are Coming



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I took a trip to Michigan last month to visit a few growers and to soak up some sunshine before the start of winter. I know it seems a little odd to visit bedding plant growers in late summer when all they have in the greenhouse is a few stock poinsettias, the first early poinsettia sticking and maybe a few other fall crops, but this is a great time to actually sit and talk with growers and/or owners. You tend to talk about happenings in the industry as opposed to happenings with petunias or bacopa.

During one such sit-down, I learned that Wal-Mart has instituted yet another price cut for the upcoming spring. Ten percent across the board, and that's in addition to their increased demands for color-coded pots with coordinated tags. The nerve of these big boxes never ceases to amaze me. They keep demanding more for less. And, they announced that anyone not wanting to play by the new rules would be cut from the vendor list. I'm sure I don't have to say how unpopular this hard-line approach is with the growers I visited.

But Wal-Mart isn't the only chain instituting new policies to growers. Home Depot has taken a pretty controversial approach to marketing green goods by asking for only Home Depot tags and labels in their plant material. Their reasoning is that having only one tag in the garden center is less confusing for the consumer. That may or may not be true, but aside from the logistics nightmare this will cause, there are patent issues to consider. Patented plant material must carry a tag identifying it as such, or the grower is held responsible. It is interesting, though, to watch the big boxes attempt to copy what the independents do so well with branding and marketing. More information about the Home Depot program can be found on page 26.

## SWEET IRONY

When retailers cut prices, growers are hurt in a variety of ways. Lower prices are most immediately felt in the bottom line — in profits. But there are often long-term effects: less travel to conferences, selection of less expensive varieties to produce and maybe even a tightening of grower trials and experimentation.

Jim Barrett concludes his article about growth regulators on lantana by encouraging growers to experiment with different chemicals and rates to find the combination that is right for them. (You can find this article on page 50.) With growers forced to cut costs — both production costs and labor costs — are they going to invest in this kind of experimentation? Who can afford to trial new chemicals or growing methods when they are just trying to make ends meet? Not many people. And when we stop being innovative, our product starts suffering.

The irony is that cutbacks, like Wal-Mart's, hurt them too. They get lower-quality plant material that has not been grown under ideal conditions. They end up dealing with hostile vendors, and they eventually lose the best growers because everyone has a stopping point.

One grower I visited last month told me that the most recent cuts at Wal-Mart had forced them to ask their employees to pay a monthly premium for insurance. These are minimum wage employees — Wal-Mart's core market. The sweetest part of the irony is that these employees will have less money to spend at Wal-Mart because of the Wal-Mart-dictated price cuts...They really have hurt themselves. The situation would almost be laughable except the worst part of it all is that they didn't have to cut prices; consumers would actually have paid more.

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