



guest editorial

# Add Value

## to Your Poinsettia Crop, Part I

By Josef Fischer and Paul Ecke III



**T**hree for \$10, \$2.99 with your supermarket card. Is no price too low for the beleaguered poinsettia? How did we get here, and what can we do?

For years, growers have looked to reduce crop cost as the way to make money with poinsettias. But there is only so much cost to reduce. You must “add value” if there is any hope for increased profits. We will look at how successful growers are marketing poinsettias around the world, what can be done with new genetics, how to breathe life into old product forms, how to package and how to move toward a profitable poinsettia crop. This will be a practical discussion on what you can do.

### WHERE ARE WE TODAY?

Who makes too much money growing poinsettias? After talking with breeders, propagators, growers and retailers, the answer is pretty much nobody. Maybe the better question is “Who makes *any* money on the crop?” We have watched the crop become a generic-price football, so we will address where we are, how we get here and where we can go?

The only happy news from USDA is that, over the past nine years, the total market for potted poinsettia’s wholesale value has risen almost every year. That is good news. There are more total dollars available for growers who grow poinsettias.

However, if we factor inflation out of the picture, then we see the trend every grower understands — the real price, expressed in 1992 dollars in the USDA data, is shrinking. Shrinking price puts more pressure on reducing costs, and this is a crop that many of you have already “reduced” as much as possible. With the energy increases this year and all the fallout yet to happen — plastic prices and raw material increases — this is a bad trend.

We have moved the poinsettia from a spe-

cialty potted plant to a plant easily grown in a bedding plant greenhouse. Too easy to grow means too many people growing poinsettias means prices that are too low.

Some of the other factors? Too much space — with not much else to put in it. Too many retailers using poinsettias as a lure for traffic. No product differentiation. And, last but not least, a very short selling window — you do not get a few extra nice weekends with Christmas.

Many growers make money on bedding in spring and try to survive the winter. Spring is a longer season. It is easier to “add value” with bedding and, most importantly, a grower can turn the space several times in spring. So we all made money in the spring. We all built more greenhouses for spring, and we are all farmers — Ecke and Fischer included. We are genetically predisposed to fill any idle greenhouse space — even if we sell at a loss.

We really are farmers. We often hear growers tell us that once the plant “leaves my door it is someone else’s problem,” and we both think that is the wrong answer. Our lack of understanding about what the shopper is thinking — what motivates the shopper to make a purchase — that lack of understanding about all things consumer is one of the issues with lower poinsettia prices.

Let’s also be fair — most of the poinsettias “leave our doors” looking pretty good, but then they get to retail. Most consumer product companies have a good idea why their customer buys product. We’ve seen merchandising with two prices marked in the same place — no confusion there. Of course you cannot see what you are buying as everything is in a sleeve.

Let’s also remember who buys our plants. We have seen many surveys, and they all say the same thing:

- Bought by women, mostly 50 and over
- Bought as a gift (50 percent) and as a home decorating “self use” (50 percent)

It all boils down to “How can we make changes?” We have two choices here. We can roll over and be “price takers,” — that is “true” farmers. Farmers have almost always been price takers — price of wheat is up, price of corn is down. Or we can reinvent ourselves into consumer product marketing people and start adding value. Consumer Product Marketing People — that is a mouthful. But we have to pick one.

So that it is all we have to do — change every bit of how we all do business.

In next month’s continuation, we’ll show you a few things you can make to create impact as “Consumer Product Marketing People.” The most important things we need to reconsider are genetics, packaging, form, colors, presentation, promotion and quality.

The challenge will be how we integrate this philosophy into the ways we sell and package the crop. Remember the statistics — it is all about women and it is all about decorating OR it’s all about women and it’s all about giving a gift. GPN

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