

from the road



Quint[essen]tial Questions

A trip to the 2009 IPM Essen Horticultural Expo — and illuminating interviews with growers in attendance — shed some light on what's to come for the industry.

By David Edenfield

In late January, I attended the 2009 IPM Essen Horticultural Expo held in Essen, Germany. It was my fourth time attending the show, and, as in the past, the insight I gained into emerging trends in Europe proved to be well worth the time and effort. I have noticed through the years that trends at the show begins showing up in the United States within 18 to 24 months. It is an excellent show to see new packaging and containers, product enhancements, color and pattern designs, and some new plant varieties, but in general, there are just a lot of great, progressive ideas. The show has more than 400 exhibitors representing more than 45 countries. The expected attendance was reported at more than 60,000.

I have to admit, it has been a long time since I attended a show as brimming with excitement as this show. I was truly surprised. I talked with several other U.S. growers, and they noticed the same excitement among the growers and exhibitors.

I was interested in talking with growers this year, particularly considering the tight economic conditions. I wanted their predictions for this season and beyond. I also wanted to know what adjustments they might make to better their chances of a successful season. Here is what I found.

Survey Says...

The slowdown in Europe really started about two months later than it did in the United States.

When the grower community really started to feel the impact, plans were already in place for production to support the 2009 season.

Available credit. European growers are facing the same issues as their American counterparts: Banks and lending institutions have been unbelievably tight and slow to approve short-term operating loans. Growers are having to go to great lengths to satisfy the requirements and demands set forth by the banks. In some cases, they are receiving only a portion of the funds they need to operate. With that in mind, they are planting only as much as they can afford to, and in some cases, that is actually less than what they planted a year ago and less than what the market bought a year ago.

Production quantities. With tight credit, growers also are not able to take a lot of risk on new production or unproven items. Growers are generally reporting production numbers that are either flat or slightly down for spring 2009; they're disappointed that they probably won't be able to increase prices this year. (Remember that pay by scan does not exist in the European markets.)

Still, growers are planning for a strong spring to finance production in the fall. Several growers indicated their autumn business had been much better the last two seasons. I asked why, and they weren't sure but hoped the trend would continue. But the majority of growers expect a pretty good year, with consumers out in full force and buying as they have in the past.



1 and 2: Many exhibitors were taking advantage of the edibles trend with grow-at-home veggies in great packaging. 3: Varieties were displayed with bright colors at the Essen show. 4: These plants' tags translate roughly to "chubby is chic" in German. 5: Striking, unusual varieties sparked conversations at Essen.



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Consumer trends. Growers firmly believe consumers will be staying home and not traveling as much or as far this year, which will lead to better demand for their products. Keep in mind that backyards in Germany, France and Holland are generally smaller, and a lot of gardening is done in containers and window boxes.

Growers and retailers also notice more and more young people getting interested in gardening, and they are looking for a simpler, feel-good, "back to nature" experience. We noticed several products being introduced to appeal to this emerging group of consumers. The interest and demand for vegetables and herbs was apparent throughout the show. From seeds to 8-inch herb planters, from home mushroom production kits to dwarf container fruits and vines, it was the hot category of the show. I asked whether consumers saw themselves saving money by producing their own vegetables, and they didn't mention it as a consideration. Consumers seem to be simply more interested in growing and eating fresh vegetables and fruits produced for themselves.


Consolidation. I brought up the subject of consolidation, and all growers had the same comment: There is too much product and too

many growers in the marketplace. They agree that some growers will not continue in the market after the spring season; the prediction is that they will run out of capital to operate. For that reason, no one is considering buying other growers or expanding.

Looking Ahead

I asked European growers, "In order to continue to grow your business' profitability, what has to happen?"

The answer: "We need good spring weather, better varieties that appeal to the consumers, more customers purchasing our products and higher prices for what we produce."

Sound familiar? These are the quintessential questions to ask — with answers that are nearly universal. 

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