



production

A Happy Holiday?

The slumping economy made its presence known to the retail industry as their sales figures took a hit this Christmas. But how did it impact poinsettia growers?

Compiled by Tim Hodson

According to the National Retail Federation (NRF), overall spending for the 2008 holiday season declined 2.8 percent. It was the first decrease in holiday sales since NRF began tracking and forecasting holiday sales in 1995.

Consumers were extremely conservative and price conscious this year for all of their purchases. "Consumers showed they were more than willing to wait out retailers this year, causing increased pressure on prices," says NRF Chief Economist Rosalind Wells.

How did this impact large growers and their poinsettia production and sales? *Big Grower* polled more than 20 growers across the country (with growing space of 250,000 square feet or more) to find out more about their growing season and wholesale sales.

While the survey is not scientific, it does paint a pretty good picture of how the market looks today.

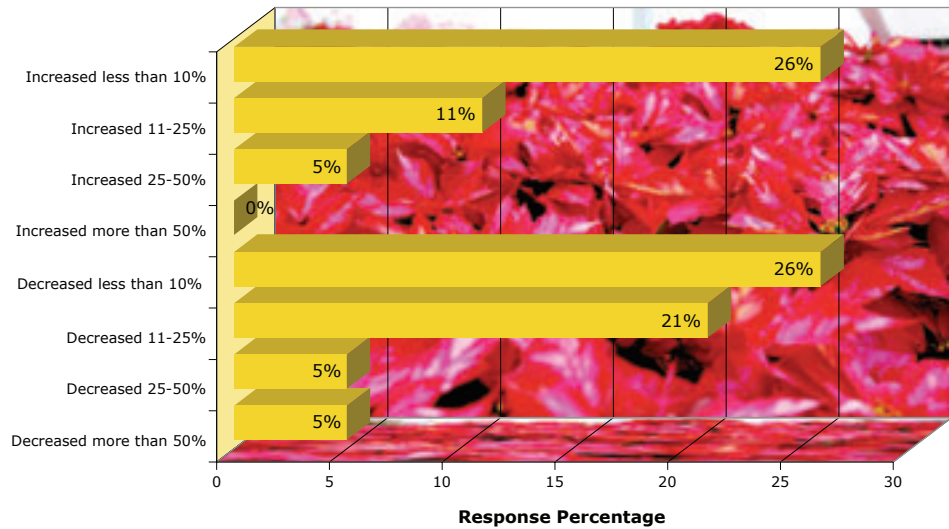
The struggling economy, unpredictable weather and plant disease seemed to be the biggest scrooges this season, according to the growers we surveyed.

Unusually cold and snowy weather in the Pacific Northwest hurt poinsettia sales in that region, one grower said. Another noted he had shrinkage caused by a *Botrytis* problem in his poinsettia crop.

To minimize the financial risk, one grower said he resorted to hiring a contract grower this year to produce poinsettias for his business.

How much did your poinsettia production change in 2008 vs. 2007?

26%
INCREASED their poinsettia production by as much as 10 percent in 2008—and 26 percent also **DECREASED** percentage from 1 to 10 percent. Another 21 percent said their 2008 poinsettia production decreased 11 to 25 percent.

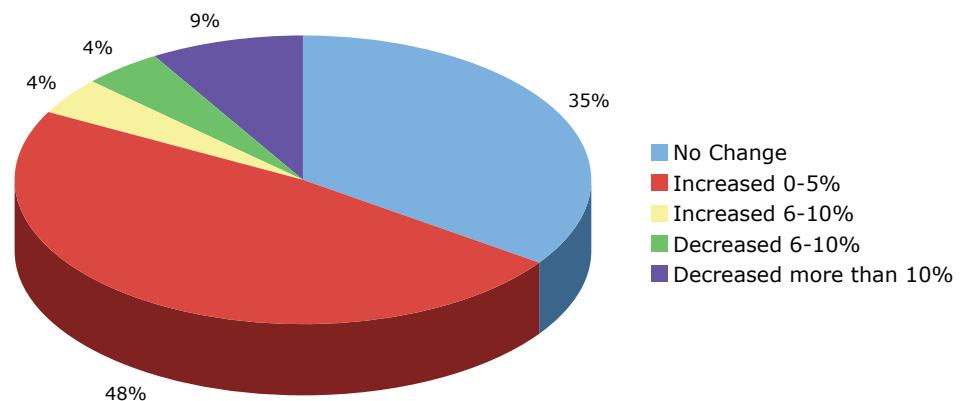


“We cut our production 25 to 30 percent, but with our price increase we were down only 13 percent in dollars (compared to 2007).”

62% said they grew fewer cultivars this season, while the remaining 38 percent grew the same number of cultivars as they did in 2007.

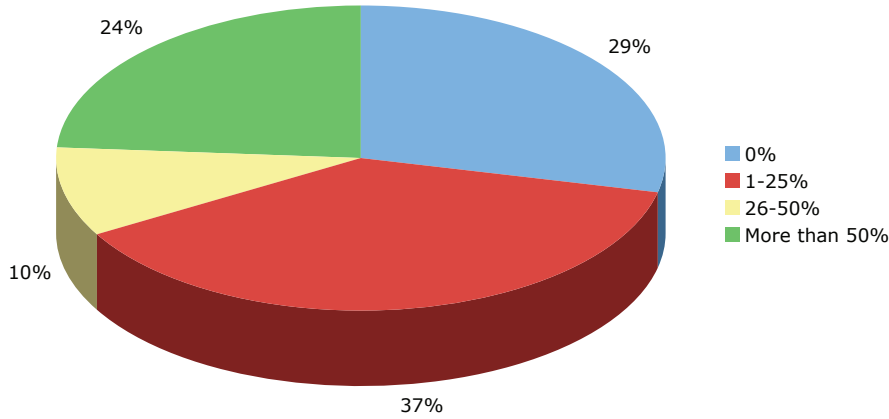
How much did your poinsettia sale prices change in 2008 vs. 2007?

48% of the growers said they were able to raise their wholesale price by as much as 5 percent over 2007's prices. Thirty-five percent did not raise or lower their prices compared to last year.



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How much of your 2008 poinsettia crop was grown on speculation?



What was left on Dec. 26?

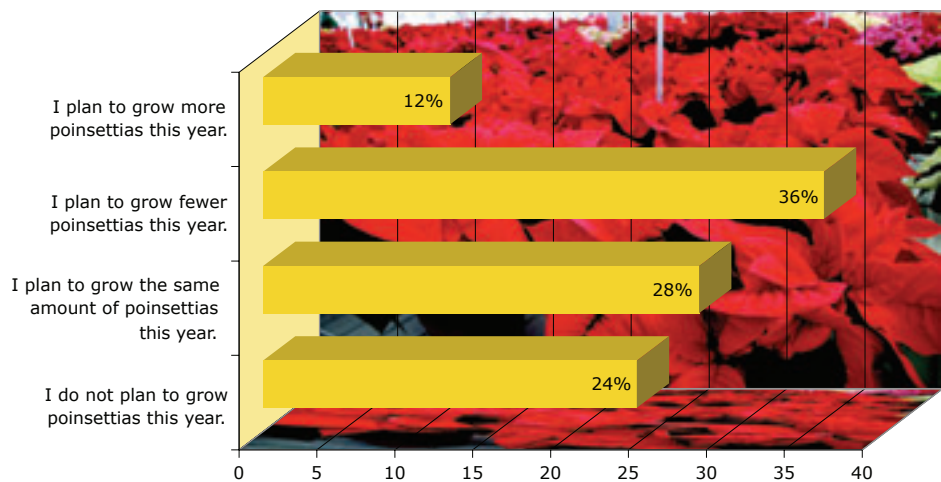
27% said they sold their entire poinsettia crop this year. Another 27 percent said they did not sell 5 to 10 percent of their 2008 crop. Thirty-two percent said they did not sell 11 to 25 percent of their poinsettias.

The cost of energy is making growers take a look at how they grow their poinsettias. In 2008, 62 percent of the growers said they grew their poinsettias at lower temperatures compared to previous years.

What are your poinsettia production plans for 2009?

36% said they plan to grow fewer poinsettias this year.

24% do not plan to grow poinsettias this holiday season.



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