

The economic viability of Northwest Ohio's greenhouse industry is under threat from competing regions such as Ontario, Canada. (Photos: Bowling Green State University)

Growers in Northwest Ohio have joined together in a unique economic development program that promises to increase consumption while retaining each company's individuality.

By Neil Reid and Michael Carroll

For three years, we have been working with Northwest Ohio greenhouse growers to help them organize as an industrial cluster. Simply put, cluster-based economic development (CBED) consists of people working together to improve an industry to advance a region's economy. These people may be in competition with one another or work for local suppliers, infrastructure providers, educational institutions and/or public service agencies.

Cluster-based development is derived from the premise that a company can become more competitive and successful when it looks beyond its own limited capacity to address challenges and solve problems. Cluster-based approaches to economic development can help companies identify and solve problems by working together. The goal is to improve an entire industry or region, not just an individual company.

We believe Northwest Ohio's greenhouse growers have a chance to maintain their independence while successfully competing in the global economy by using a cluster-based approach to their industry.

Why Northwest Ohio?

The Northwest Ohio region is one of the major producers of greenhouse products in the United States. Lucas County (Toledo), the center of the region's greenhouse industry, ranks 4th in the state and 94th in the nation in the value of greenhouse production.

Today, however, the economic viability of Northwest Ohio's greenhouse industry is under threat from competing regions. In recent years, Southern Ontario, Canada, has emerged as a major competitive threat to Northwest Ohio's greenhouse industry.

A 2003 survey of Northwest Ohio growers

identified Canada as the most significant competitor to their industry. In 1995, Ontario had a positive trade balance with Ohio in floriculture products of \$531,186. By 2004, this trade gap increased to \$2,014,171. This is a significant change in a short time.

Other challenges facing the industry include endemically high utility costs, lack of a strong market presence and the existence of price wars among local competitors. On the other hand, the industry has a number of strengths and opportunities including a wealth of local grower knowledge and experience, considerable latent demand for the industry's output and the access

to a significant scientific knowledge base from local university researchers, agricultural extension agents and scientists from the USDA's Agricultural Research Service (ARS).

Given this competitive backdrop, in 2003 the concerned parties applied for and received funding from the U.S. Department of Agriculture to assess the economic state of Northwest Ohio's greenhouse industry. The study's goal was to identify the competitive challenges facing the industry. After careful assessment, it was determined that Northwest Ohio growers would benefit from a cluster-based approach to economic development. ▶

Marketing The Cluster

The goal of the Northwest Ohio Greenhouse cluster's marketing campaign is to acknowledge the region's heritage of growing and communicate the expertise and quality available from regional growers. The full marketing campaign — From Our House To Your House — is currently underway and includes:

- Point-of-purchase displays with the Maumee Valley Growers logo have been distributed to participating greenhouses.
- Editorial columns, describing the benefits of buying plants from local growers, have been and will continue to be submitted and published in the region's daily newspaper, *The Blade*, as well as in a number of community newspapers.
- Newspaper ads and television spots (on University-owned PBS stations) appeared in mid-April 2006.
- The www.maumeevalleygrowers.com Web site launched in April 2006.
- The Maumee Valley Growers logo adorned Toledo Public Transit vehicles (bus wraps) beginning early summer 2006.
- Five greenhouses have agreed to be test-market sites to determine if plants labeled with the Maumee Valley Growers logo sell at higher quantities than those that are not branded.
- Retail cards for a consumer reward program were distributed to greenhouses in May 2006.
- In fall 2006, the Maumee Valley Growers pink mums campaign will donate a portion of sales to the Susan G. Komen Breast Cancer Foundation.



Michael Carroll and Neil Reid are reaching out to Northwest Ohio growers to improve the entire industry. The Center For Regional Development is an interdisciplinary research platform with expertise in regional economics and community development.

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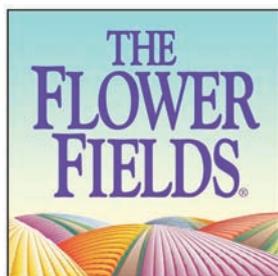
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Assembling The Cluster

In October 2004, eight Northwest Ohio growers were invited to discuss the possibility of forming an economic cluster. Presenters made the case that the future economic success (and in some cases survival) of Northwest Ohio growers lay in their willingness to work

together to solve commonly shared problems.

The growers invited to attend this meeting were carefully chosen: They had a reputation as being among the most innovative and open-minded in the region and were, therefore, most likely to be receptive to the idea of pursuing a

CBED strategy. After nearly an hour of frank discussion, the growers admitted they did face an uncertain future and the idea of cooperating to solve industry-wide problems was worth additional consideration.

During the next meeting in December, growers agreed to try the CBED strategy, and the Northwest



A cluster-based approach to economic development is helping Northwest Ohio's greenhouse growers maintain their independence while competing in the global economy.

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Ohio greenhouse industry cluster was born.

The CBED concept was presented at the January 2005 Toledo Area Flowers and Vegetable Growers Association meeting to allow exposure to a larger number and variety of growers. Currently, all of the cluster's activities are funded by a grant from the U.S. Department of Agriculture. Growers do not pay a membership fee; they provide the valuable resource of their time, ideas and expertise.

Specifically, participants are asked to take part in the cluster infrastructure, which consists of a project manager, advisory board and cluster champion. The project manager's job is to make sure the cluster is running smoothly and that all participants are working together to reach the cluster's goals. The advisory board is the decision-making body of the cluster. The cluster champion works with growers to identify problems that the cluster might solve.

Only growers are eligible to vote when decisions are made with respect to cluster activities. Indeed, when a vote is called, all growers present, even those who are not advisory board members, can vote. For example, when the decision was made to hire a company to design branding and marketing for the cluster, all the growers present at that particular meeting made the decision. Likewise, it is the growers who choose the cluster champion.

The First Project

To be deemed a success by the growers, the first Northwest Ohio cluster project had to bring value to

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the industry and demonstrate the benefits of working together. It also had to have the potential to include as many of the region's greenhouse growers as possible. Many growers still had not joined the greenhouse cluster. If the first project could get growers excited and confident about CBED, then this would increase the likelihood of success with future collaborations.

After much discussion, the advisory board decided that branding and marketing would be the first cluster project. Lack of satisfactory marketing expertise had been identified as a significant barrier to expansion by 65 percent of the region's growers who responded to a 2003 survey.

The advisory board also thought growers would resist a project that required sharing sensitive information. Participating in the development of a joint branding and marketing strategy would not threaten growers and had a good chance of producing results (i.e., increased sales) that would show growers the advantages of working together.

In keeping with the cluster philosophy of solving industry-wide problems with local expertise, the advisory board chose a local branding and marketing firm, Thread Information Design, to develop a brand and comprehensive marketing strategy for the cluster.

The first task for the firm was to develop a brand name, logo and positioning statement for the cluster. Working with the cluster advisory board, Thread developed a name (Maumee Valley Growers), logo and positioning statement (Choose The Very Best) for the cluster. Beginning in November 2005, the Northwest Ohio greenhouse cluster started operating under the umbrella of Maumee Valley Growers. All of the marketing campaign work has been funded by the U.S. Department of Agriculture grant.

What's Next?

Tom Wardell, owner of Wardell Farm Market, Waterville, Ohio, is hopeful the marketing campaign is just the beginning for the Northwest Ohio greenhouse cluster. He said, "If we can be successful with this marketing campaign, then the growers who are just watching the cluster now might agree to join. They will see that when we pool our resources, we can tackle problems too big for any one of us to manage successfully. We are exploring group energy purchases for

propane, oil and natural gas. Insurance costs are being addressed through an umbrella policy for liability and healthcare. Workers' compensation costs are also under investigation. With CBED, Maumee Valley Growers can look forward to a brighter future." **GPN**

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