

# Specialty Crop Update: Greenhouse, Nursery, Turf

Ben Campbell  
University of Georgia

# The Green Industry/Environmental Horticulture Industry

Production, distribution, wholesale retail and services

Nursery and Greenhouse

Floriculture

Turfgrass



# Economic Impact of Green Industry - US

- \$191 billion in economic impact
- Employment impacts: 2.3 million jobs
- Sector size:
  - Landscaping and horticultural services (with estimated 1,460,669 jobs and \$221.89 billion value added)
  - Greenhouse, nursery and floriculture production (with 217,574 jobs, \$28.69 billion)
  - Lawn and garden equipment and supplies stores (with 292,614 jobs, \$43.80 billion).

(Hall et al. 2020).

# Output Contributions (from Hodges et al. 2015)

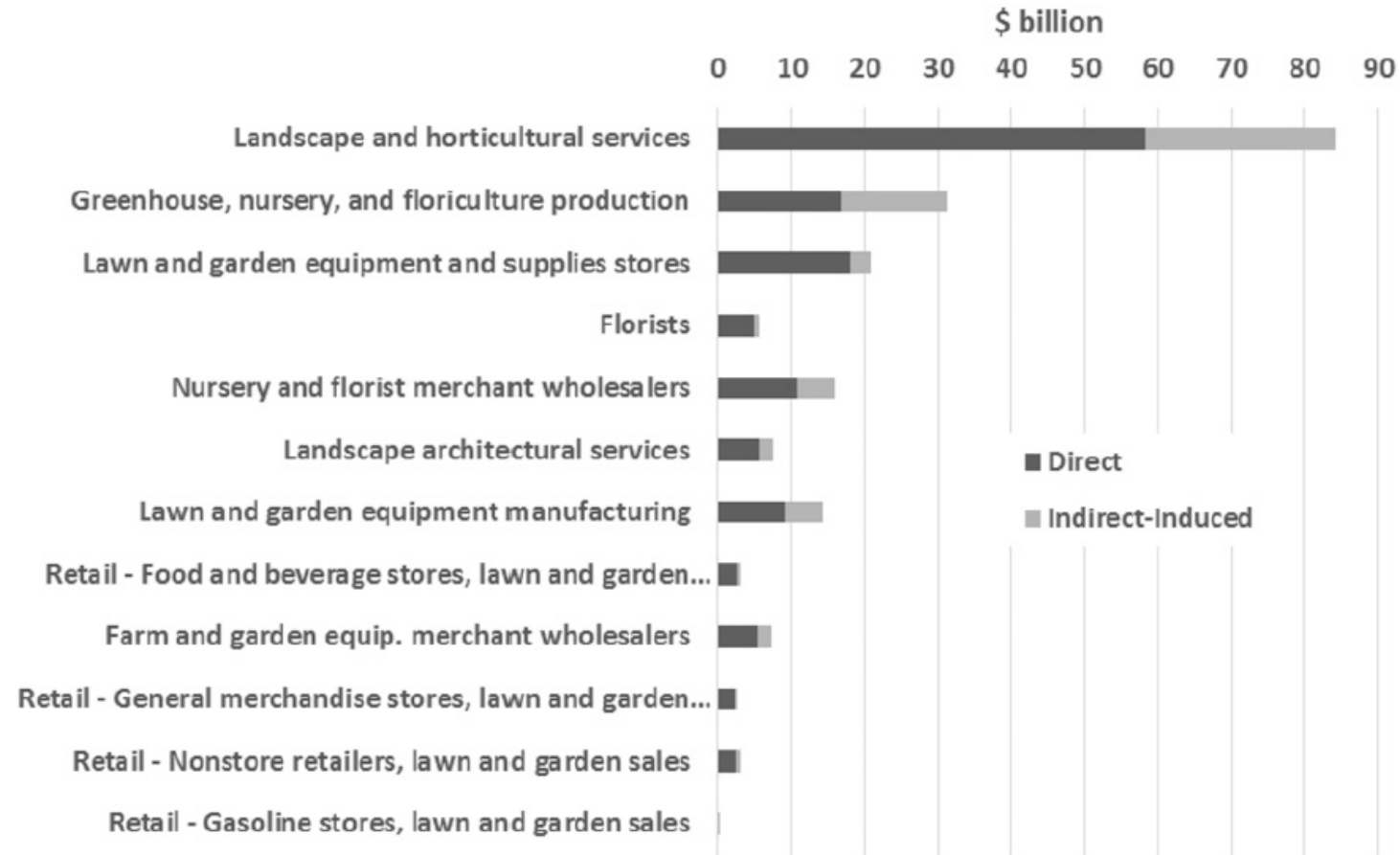


Fig. 4. Output contributions of U.S. green industry sectors by direct- and indirect-induced multiplier effects in 2013.

# Issues with providing a specialty crop update (*especially* for Green Industry)

- Little data on the greenhouse, nursery, and turfgrass sectors – especially for price, production, and demand
  - Ag Census
  - Census of Horticultural Specialties
  - Floriculture and Nursery Crop Yearbooks (stopped in 2007)
  - S-1065 Multi-State – survey of industry every 5 years
  - IBIS World Reports
  - Industry Surveys
  - Floriculture crop summary – USDA-NASS
- Rely heavily on:
  - Economic outlook
  - Weather predictions – especially in Spring for demand; in Winter for supply

## Top Concerns

- 1. Economy (26%)**
2. Production (17%)
3. Weather (12%)

Greenhouse Grower, 2016 State of the Industry  
<http://www.greenhousegrower.com/management/growers-and-suppliers-move-forward-with-cautious-optimism-in-2016/#Tinsel/126522/3>

# Impact of COVID - 19

- 2020 = Great year for the Green Industry!!!
- Could be a major issue for 2021

# COVID – 19 Impact

Did you do any of the following because you spent more time at home during the coronavirus pandemic? (i.e. you would not have but did because you were home more)

	Yes
Planted a garden	44%
Put in new turfgrass	13%
Outdoor renovations (e.g., put in new plant beds, etc.)	18%
Other landscaping activities	25%
No changes	40%

# COVID – 19 Impact

Table 1. Changes in Plants and Other Product Purchasing.

	Purchases Jan. - July		Change (%)	Extrapolated to Population (\$) <sup>a</sup>
	2019	2020		
<i>Plants for home, garden or landscape</i>				
Alabama	\$151	\$155	2.8%	\$6,130,416
Florida	\$246	\$259	5.3%	\$77,046,192
Georgia	\$220	\$224	1.9%	\$11,772,264
Louisiana	\$99	\$158	59.7%	\$79,116,267
Mississippi	\$189	\$207	10.0%	\$16,113,539
North Carolina	\$165	\$191	16.2%	\$80,571,488
South Carolina	\$191	\$187	-2.1%	(\$5,854,530)
Tennessee	\$251	\$218	-12.9%	(\$63,849,920)
<b>Southeast</b>	<b>\$204</b>	<b>\$211</b>	<b>3.4%</b>	<b>\$132,381,965</b>
U.S.	--	--	--	\$649,235,901 <sup>a</sup>

Heard estimates of  
25-40% for some  
producers/garden  
centers



# COVID – 19 Impact

*Landscape items, such as pots, fertilizers, mulch, etc. (not including plants)*

	Purchases Jan. - July			
	2019	2020	Change (%)	Extrapolated to Population (\$)
Alabama	\$146	\$142	-2.8%	(\$5,966,405)
Florida	\$240	\$280	16.8%	\$236,911,084
Georgia	\$225	\$206	-8.6%	(\$55,464,031)
Louisiana	\$102	\$141	37.9%	\$51,796,521
Mississippi	\$190	\$152	-20.2%	(\$32,710,868)
North Carolina	\$152	\$197	29.7%	\$136,117,326
South Carolina	\$179	\$171	-4.2%	(\$10,914,528)
Tennessee	\$256	\$248	-3.3%	(\$16,540,103)
<b>Southeast</b>	<b>\$201</b>	<b>\$210</b>	<b>4.6%</b>	<b>\$174,114,373</b>
U.S.	--	--	--	\$853,902,582 <sup>a</sup>

Campbell, Rihn, Campbell, 2020

<https://agecon.uga.edu/content/dam/caes-subsite/ag->

[econ/documents/extension/publications/Economic%20covid%20Impact%209%204%2020.pdf](https://agecon.uga.edu/content/dam/caes-subsite/ag-econ/documents/extension/publications/Economic%20covid%20Impact%209%204%2020.pdf)

# COVID – 19 Impact

Table 2. Impact of COVID-19 on Green Industry Sales.

	Total Effect (Plants + Landscape Items)
Alabama	\$164,011
Florida	\$313,957,276
Georgia	(\$43,691,767)
Louisiana	\$130,912,789
Mississippi	(\$16,597,329)
North Carolina	\$216,688,814
South Carolina	(\$16,769,058)
Tennessee	(\$80,390,023)
<b>Southeast</b>	<b>\$306,496,338</b>
<b>U.S.</b>	<b>\$1,503,138,482 <sup>a</sup></b>

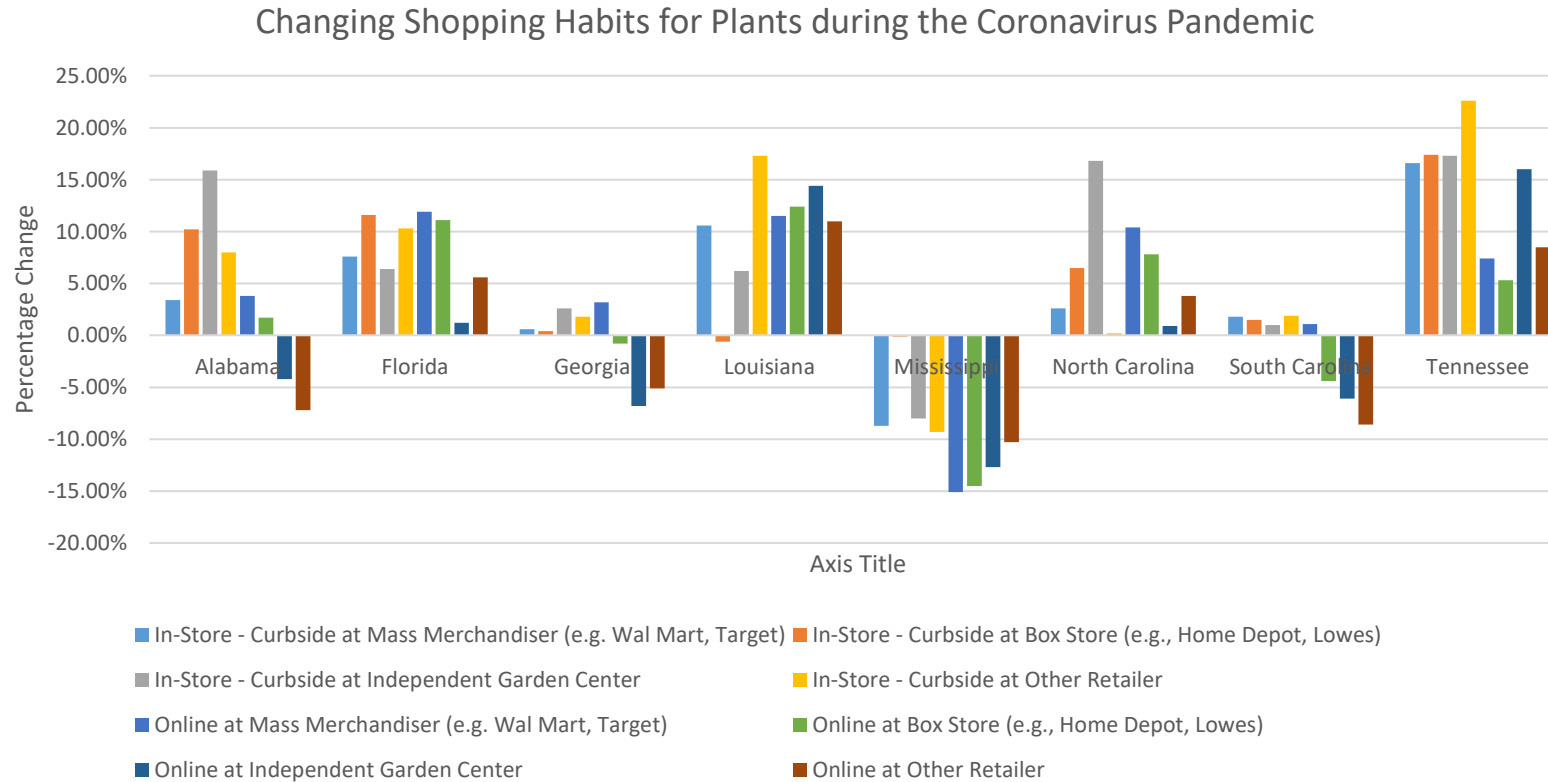
Campbell, Rihn, Campbell, 2020

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The screenshot shows a news article from the Los Angeles Times. The headline is "Coronavirus hit California's cut-flower industry at the worst time". Below the headline is a photograph of a man in a blue shirt and cap standing in a large field of colorful cut flowers. The article text discusses how the pandemic has severely impacted the industry, with many farms facing financial difficulties. A sidebar on the right provides statistics on COVID-19 cases in California, showing 790,729 confirmed cases and 15,071 deaths as of September 22, 2020. There is also an advertisement for Drizly and Datagonia at the bottom right.

Campbell, Rihn, Campbell, 2020  
<https://agecon.uga.edu/content/dam/caes-subsite/ag-econ/documents/extension/publications/Economic%20covid%20Impact%209%204%2020.pdf>

# Shopping Habits



Campbell, Rihn, Campbell, 2020

<https://agecon.uga.edu/content/dam/caes-subsite/agecon/documents/extension/publications/Economic%20covid%20purchase%20change%209%204%2020.pdf>

# Next Year = > 2021

- Economy = > Recession??
- Shopping Patterns
- Demand: 2020 = 2021
- Weather
- Election
- Trade Risks

# Georgia (data is available)

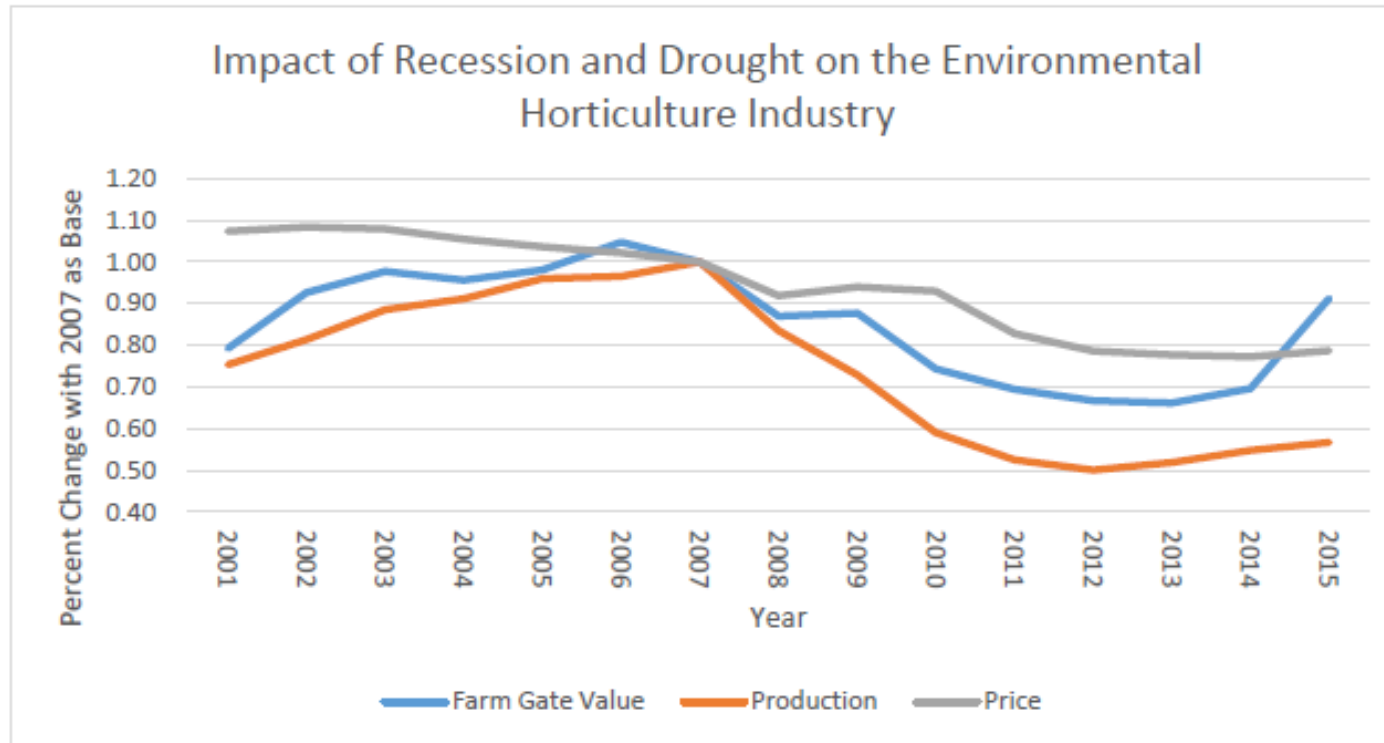
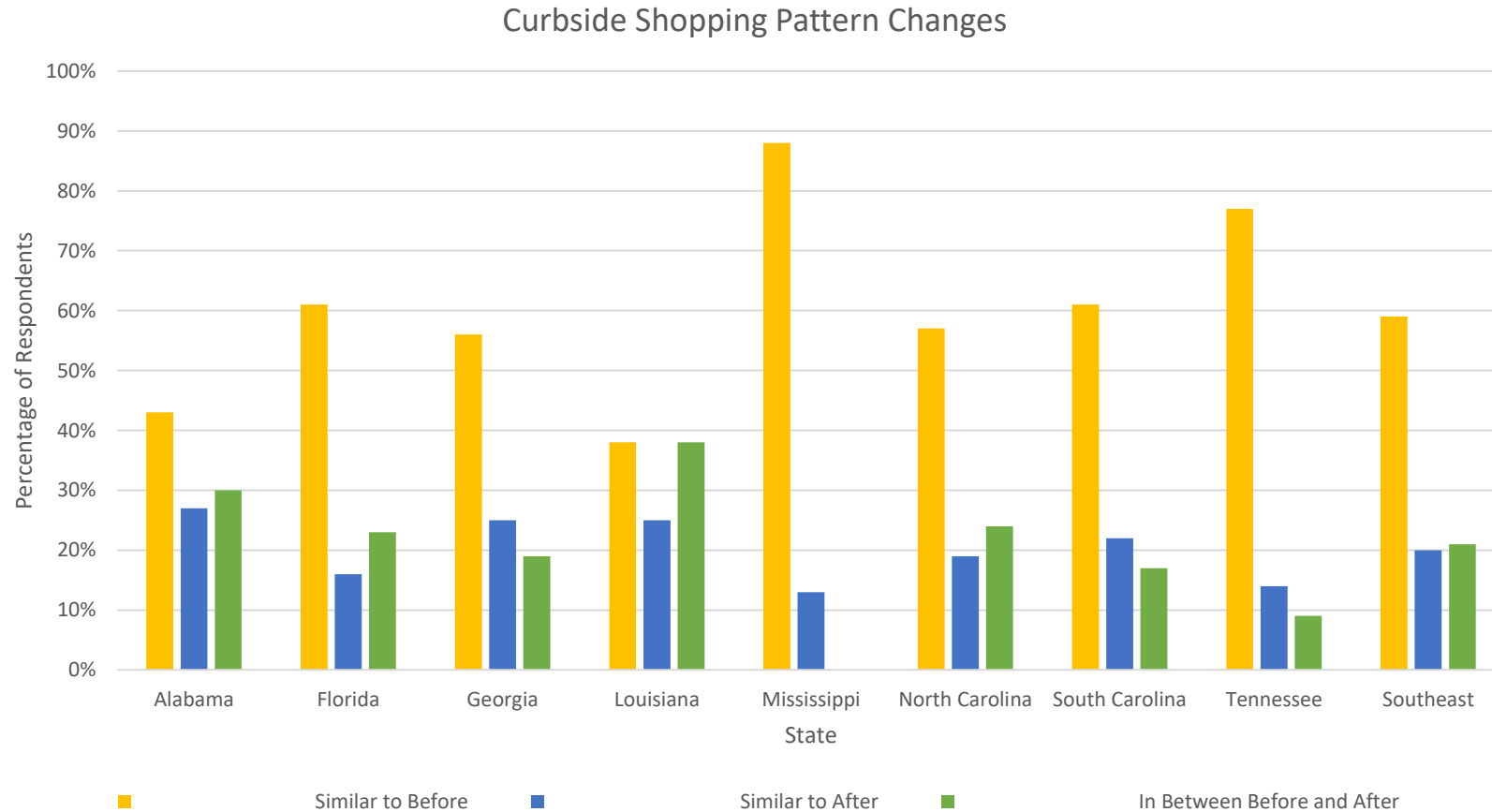


Figure 10: Growth/Loss of Various Measures of the Environmental Horticulture Industry in Georgia Compared to 2007. (With 2007 as the base year, that means the value for average prices in 2007 are set to 1.00. With every movement above or below 1.00, that indicates a percentage change. For example, a value of 0.74 for farm gate value during 2010 means farm gate values were 26% lower in 2010 than the farm gate values in 2007.)

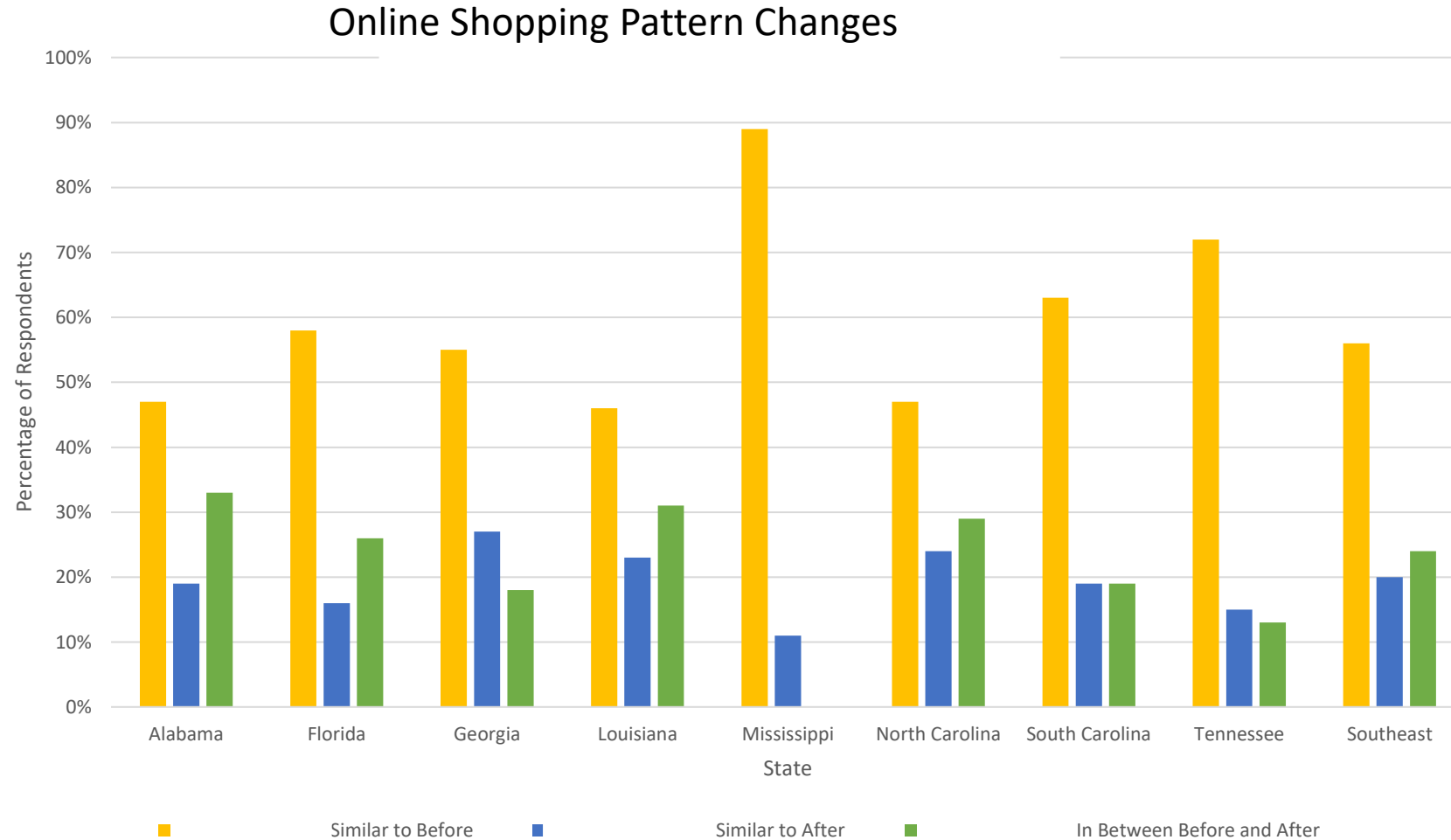
# Post-Pandemic Shopping Habits



Campbell, Rihn, Campbell, 2020

<https://agecon.uga.edu/content/dam/caes-subsite/ag-econ/documents/extension/publications/Economic%20covid%20purchase%20change%209%204%2020.pdf>

# Post-Pandemic Shopping Habits



Campbell, Rihn, Campbell, 2020

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# Green Industry Expectations

- Over the past decade, trended upward; however, a number of issues that may halt this trend:
- Reduced growth in 2020 => best guess is 2018/2019 levels
  - Industry goes as economy (unknown) and weather goes (hoping for dry weekends during the spring – normal spring weather)
  - Production side
    - Increasing production costs: tariffs (purchasing inputs), impact of Covid (obtaining labor), new production practices forced into system (Neonics)
    - Pricing pressure as many firms will overproduce expecting 2020 demand
    - Adapting to fleeting shopping behavior changes
  - Demand side
    - Not a large export market
    - Decreasing demand in spring compared to 2020 – most likely back to 2019 levels or lower
  - Other factors:
    - Election – during presidential year, economy usually suffers as we have the unknown
    - Household incomes – slow, but last couple of years have seen upward growth for US incomes



- Thank You!

- Questions??