GROWERTALKS

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On the Rack

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GrowerTalks tried to make some sense of the cart conundrum with the industry's first-ever shipping cart survey

The guy who came up with the idea of shipping plants on carts was brilliant. Without them, there would be no mass market bedding plant business.

He really screwed the industry when he told Fred Meyer or Grants or Kmart or whomever, "Hey, no charge for the service! We'll just leave them here on the sidewalk and pick them up next week." Growers have been paying for his generosity ever since.

Everyone is frustrated by the shipping cart situation. A few complain vehemently about it. Most have accepted carts as a necessary evil and a cost of doing business. A small number are investing in technology to turn this necessary evil into an efficient, effective business asset. And everybody wants to know what the other guy is doing.

So we asked. Actually, a grower in the Northwest asked *us*, assuming we know everything (sorry, we don't). Specifically, he wanted to know if there were any statistics out there that show how many carts the typical grower has for a certain amount of production space, as well as how often the typical grower turns his carts. We replied that, as far as we know, nobody has those numbers—and then we decided to be the first to get them.

So we conducted a survey of 100 or so cart users, asking those questions and several more about their cart usage habits. We received 29 responses to our quick-and-dirty survey, so statistically accurate it's not. But it paints a good picture of cart usage in America. We want to use this year's survey as a starting point for a much more comprehensive annual survey. If the information is useful, let us know, along with ideas for other questions we should ask.

Cart Survey Results

Average production space 948,000 sq. ft.

Average No. of carts 2,482

Carts per acre 109 (1 cart per 382 sq. ft.)

No. of cart turns per season 20

Carts lost per season 84.5 (3.4%)

Here are the questions, the answers (averaged), an analysis of the data and some interesting comments:

1. How many square feet of greenhouse production space do you have? **948,000 sq. ft.**

Our largest respondent reported 650 acres of production space; the second largest has 4,350,000 sq. ft. Many included shadehouse and field production, not just greenhouse space. The smallest respondent has 25,000 sq. ft. of production. We didn't include the 650-acre response in our size average, as it would have thrown the average right out the window.

2. How many carts do you have to serve that production space? **2,482 (one cart per 382 sq. ft.)**

Our average of 2,482 carts for an average of 948,000 sq. ft. works out to one cart for every 382 sq. ft.—call it 400 sq. ft. for easy figuring. That's 1,500 carts for 600,000 sq. ft., exactly what one of our respondents reported. One of our largest respondents, with nearly 4 million sq. ft., has 10,000 carts. Again, right on the average. If you want to calculate in acres (43,560 sq. ft.), that's an average of 109 carts per acre.

This is another category where we tossed out an extremely large number: 40,000 carts, for a business with 1,231,000 sq. ft., which would have bumped our average number of sq. ft. per cart up by more than 1,000 carts. (Our smallest respondent has 14 carts for 25,000 sq. ft.)

The lowest we found was our respondent with 40,000 carts, which works out to one cart per 31 sq. ft. Our next lowest was 80 sq. ft. per cart, for a grower with 800,000 sq. ft. of production and 10,000 carts. (He noted that he uses the carts to merchandise in stores, so he needs plenty of them.) The highest was 2,600 sq. ft. per cart, for our 650-acre grower, who has 10,000 carts.

Nine of our 21 respondents reported numbers at or below one cart per 400 sq. ft. Five reported numbers between 1,000 and 2,000 sq. ft., and two reported one cart per more than 2,000 sq. ft.

3. How many flats does each cart hold? **54**

What size flat? **8 ½ x 20, 10 x 20, 17 x 17**

We asked this question because the more flats you can fit on a cart, the fewer carts you may need; but we didn't see any correlation. The above flat sizes were the most common ones reported. Flats per cart ranged from a low of 20 17 x 17 flats to a high of 110 8 x 20 flats.

4. How many times do you turn those carts in a spring season? **20**

Not all growers track this, and not all figure it the same way, but the low response was two, and the high was 90. If we toss out the high and the low, our average drops to about 16.5.

One grower with 900 carts reported turning them 2.5 times per week. "Can't even guess" was the response from someone with 10,000 carts. "Daily" was another answer, as was "Lots—10?" All told, it's hard to figure turns per season because what defines the season? Maybe a better question is turns in the month of March, April, May and June. One grower actually sent us numbers breaking down shipments by day of the week: Friday was busiest, followed by Thursday, Wednesday, Saturday, Tuesday and Monday. ***5. How many carts did you lose in 2002?*** **84.5 (3.4%)**

Nobody likes losing carts. Or as one respondent wrote, "We never lose racks; we just find them two or three years later. This year we found some at a factory, in a garage, six being used by another greenhouse, poles that were cut down, 10 being used at a fruit stand that said they bought them from a big box store. We've had drivers in the past hit bridges or leave doors open so the racks fly out. We even had one driver who, we found out after the fact, was blind in one eye and proceeded to take down a whole display without knowing it. In truth, we plan on 3 to 5% losses." If that's the case, they're right on the average of 3.4%.

Of those who replied to this question (four didn't), two said they hadn't lost any carts so far in 2002. One only has 60

carts to begin with, but the other has 1,500 carts, so he's obviously doing something right. He reported his tracking system as nothing fancy, just "number out, number back in." The grower with 40,000 carts reported losing only 200 of them—less than 1/10 of 1%. As a large grower once told us, it's not the system; it's how you manage the system.

Tell that to the two guys who lost 11.5% to 12% of their carts. One penciled in "appx. 400 were stolen." And another reported losing 2% to actual loss and 2% to damage. Damage was something we didn't think to ask about.

6. What brand(s) of carts do you use?

Cannon was listed by 12 of 29 respondents. Wellmaster and Karsten were next, with nine each, while five respondents reported using some other brand. Eleven of our 29 respondents use more than one brand, while five build their own carts.

7. Do you ship on your own trucks, common carriers, or both? **Own trucks: 19 Both: 7 Common: carrier 1**

We asked this to see if there was any correlation between cart quantities or losses and the method of shipping them. We don't see any links.

8. Do you use a cart tracking system? **Yes: 11 No: 18**

This result surprised us more than anything. It could be that those who say they don't use a "tracking system" actually do count their carts going out and coming back in; they thought we were asking for something fancy, such as barcodes. In fact, only four businesses in our survey reported using barcodes.

Against the Grain

Mea Nursery, a container rose and garden mum producer in Lindale, Texas, decided nearly six years ago that the best way to beat the shipping cart problem was with wooden racks. They've been shipping container roses and garden mums on them ever since.

"The purpose for having wooden racks is very simple: We didn't think we'd get [metal racks] back," says General Manager Ed Borger. "We wanted a rack to ship on for all the reasons you use a rack and have it cheap enough so that if it got left behind, we could incorporate that cost into the product, and it wouldn't be onerous to the customer."

According to Ed, Mea (pronounced may) builds between 3,000 and 4,000 wooden shipping racks a year. They buy truckload quantities of lumber from sawmills during the mills' slow season and assemble the racks at the nursery using their own labor. He estimates the cost of each rack at $25 to $32, depending on labor costs and the lumber market.

The racks are intended for reuse, although only about 10% come back. Some stores dispose of them, some reuse them for their own purposes, some give them away and some save them for pickup. Ed says the low cost allows them to build the cost of the rack into the product price.

However, not all customers want wooden racks, such as in the North and East where disposal is a problem. In that case, Mea rents one-way carts from E-Z Shipper, Westlake Village, California (Tel: 818 707-7393). The cost of a one-way rental is a bit higher than the cost of a wooden rack, he says.

While wooden plant shipping racks are rare in the United States, we've seen them used successfully in Europe, most notably in France, by the country's largest grower, who staples POP signs onto the sides, such as "One Flat Covers One Square Meter!"

Ed says Mea has done similar promotions on their racks. "We've stapled some things on there and used them for

display racks. But generally we consider them to be delivery racks, and we think that's our cheapest alternative as far as racking goes. If [the customer] can put up with it, we like them to use it because it keeps our cost of product down."

One business reports: "Our drivers track carts on invoice, and the store signs that they agree with the count. We track by state and by account so we can plan pick-ups with our deliveries. Tracking is Excel based."

Another says: "We aggressively pick up our carts on a daily basis as they are cleared by our merchandisers," and adds that "GPS (global positioning system) technology would be great."

A third writes: "We mark on the invoice how many carts were dropped off and how many were picked up and returned, keeping a running total for each store."

9. Would you be willing to participate in a national cart-tracking system (not that we know of one; we're just curious)? **Yes: 9 No: 9 Maybe: 11**

10. Would you be willing to participate in a national cart rental program? **Yes: 4 No: 13 Maybe: 12**

We tossed in questions 9 and 10 out of curiosity. Two-thirds of respondents would be interested in a national cart-tracking program. In fact, there was talk a couple of years ago about developing a national Web site.

However, it's about 50/50 when it comes to renting carts, with lots of maybes and only four strong yes answers. We think its partly because growers like having their own sizes to fit their flats, containers and trucks, and partly because some growers use their carts to differentiate themselves.

11. Anything you'd like to add about the challenge of carts? Interesting stories, gripes, ideas that have helped you?

"Bounty for cart thieves!" and "Cart rustlers need to be dealt with Old West style: Hang 'em high!"

Those sentiments sum up quite bluntly the most common responses we got to this question. Besides cart loss due to outright theft, other concerns are stores and competitors that misuse carts. Here are some quotes from respondents on these and related topics (respondent's size and number of carts is in parenthesis):

"The biggest problem, in addition to problems with chain stores, which everyone is aware of, is dishonest growers who steal someone else's carts instead of purchasing their own." (3,000,000 sq. ft.; 1,650 carts)

"We leave our carts at the customer. They're supposed to have them empty on the next delivery. Frequently, they're still full of product, which is sometimes not our own." (920,000 sq. ft.; 1,200 carts)

"I worked for a large color grower that has tremendous cart problems. They didn't put their name or cart number on ANY of their initial racks, and I now see them at every retail nursery in Southern California." (25,000 sq. ft., 14 carts)

"The big problem for most growers dealing with the big chains is not enough real estate to hold the product at their stores, thus forcing growers to have to leave carts at stores. … This contributes to our cost of doing business, while diminishing the quality of the product and customers' perception of the product. We all have our horror stories." (4,356,000 sq. ft.; 2,000 carts)

"Worst problem is leaving the carts at stores, then returning to pick them up days later, only to find they still have product on them—sometimes not even our own material." (750,000 sq. ft.; 720 carts)

"Many carts tend to get stolen by competitors and altered by welding an extra shelf on it." (1,000,000 sq. ft.; 1,200 carts)

"Thieves, when caught, should immediately be delisted from any retailer they do business with. Growers should

prosecute thieves to the fullest extent of the law. If retailers would support us by delisting thieves, the problem would be solved as news spread. Also, people that unload their product onto other's carts should face the same consequences. This is theft as well." (800,000 sq. ft.; 10,000 carts)

"Used 170 racks this fall for the first time. Lost 15 racks. HELP!" (300,000 sq. ft.; 200 carts)

"[Our biggest challenges are] maintaining racks, storage off season, not using racks efficiently, customers wanting to keep our racks rather than unloading at delivery." (387,000 sq. ft.; 500 carts)

"Getting correct 'empty carts available for pickup' info from stores." (650 acres; 11,000 carts)

"People stealing our racks or displaying competitors' product on our racks." (1,200,000 sq. ft.; 9,850 carts.)

"One of the owners was driving down the interstate and looked over to a chain store we deliver to regularly. Two employees were throwing one of our carts into their trash hopper. Upon immediate investigation, the store had CUT THE RACK into multiple pieces to make it easier to put into the trash hopper. They did, however save the caster wheels. The store had received a directive from a regional VP to clear the stores of plant racks. Our greenhouse was 20 minutes from the store." (600,000 sq. ft.; 1,000 carts)

"Buy quality carts; it pays in the long run." (400,000 sq. ft.; 900 carts)

Our favorite story:

"Chris, here's a good one: Last week on the news there was a story about a flower truck being stolen in the city. Of course, the lady whose truck was stolen was quite pissed, and she went on and on about this huge problem. … You guessed it, in the picture there it was, a good ole Karsten rack, the shelves painted green, and down on the bottom there's the name VanWingerden. We're now in the process of getting the racks back."

And finally, some helpful ideas:

"The original intent of carts was to carry product from our greenhouse to the stores, but that has now expanded to them also being used as a selling tool. We continue to work on new designs/models to address this expanded role. The ultimate goal is to get the carts back to the greenhouse fast so we can fill them up again, so if we design them to sell product faster, then that only helps.

"We do provide incentives to drivers to come back with a full load of empty carts, and we set up our routing system to ensure full loads back. We also fill trucks to only 80% later in the season so we can pick up more carts on the return trip." (93,920,000 sq. ft.; 10,000 carts)