

GROWERTALKS

Web Exclusive

Acres Online

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Before we dive into this week's fun, let me correct one little item from last time: Kmart bought Sears. Or Kmart and Sears merged, depending on whom you read. I wrote that Sears bought Kmart. How'd I screw up? Because the two television newscasters I heard it from had it backwards, too. And of course I didn't check it--there's no way Kmart could buy Sears--they just came out of bankruptcy, right? But there's no excuse for a fact error, so I apologize. Still, it doesn't change the gist of my commentary on the topic: Kmart needs to find a niche.

GrowerTalks columnist John Friel put it cleverly, as he usually does: "*Lusitania* to *Titanic*: Whattaya say we lash our ships together and ride out this storm?"

Down with chains

Apparently one of my e-mail readers took exception to my reporting last time on good-looking poinsettias at Home Depot. She wrote to say,

"I'm sick and tired of hearing about how great the mass market stores are doing. Go ahead and continue supporting them and enjoy shopping at Wal-Mart. Soon that will be the only choice you'll have."

Then she asked to be taken off my mailing list.

She must have missed the October 5 e-mail in which I wrote complimentary things about L&M Greenhouses, a local independent where I finally found some good ornamental kale for my own garden.

The bottom line is, I support anyone that you, my readers, grow for or sell to. And I want to help everyone do a better job for the end consumer, no matter where they shop.

Speaking of independents

Saturday before Thanksgiving I hit several holiday open houses at local retailers. Heinz Brothers Greenhouses was doing a clever scavenger hunt that encouraged customers to visit every area of their greenhouses. Poinsettias looked good and were priced for profit: \$15.99 for 6 in. I watched one customer spend \$1,200 on about a dozen poinsettias and a load of holiday greens!

At Fifth Avenue Flowers (which also has a garden center), they price poinsettias as a florist does: \$30 to \$35 for 6

1/2 in., two plants pinched. The price difference is based on size--fuller plants sell for more. Perceived value, in other words. I assumed that at that price most would go to wire orders, but new owner Larry Kaspar said probably 80% would go to walk-in customers.

The coolest thing I saw? Painted and glittered poinsettias at grocery chain Jewel, from pot plant legend Norm White in Virginia. Called "Stained Glass Poinsettias," they were a nice orange shade, in orange pot covers, for Thanksgiving, and they were priced at \$6.99, compared with two for \$10 for regular plants. The woman working the floral area loved them, and she showed us an order form for more of Norm's painted poinsettias called the "Palm Beach" series: Christmas Blueberry, Christmas Teal and Christmas Cranberry.



One last note: Metrolina Greenhouses (yeah, that 100-acre behemoth down in North Carolina) has already sold 28,000 painted and glittered poinsettias this season--at \$7.97, which is \$2 more than their regular plants. It's a niche, they say, but a big one. Abe Van Wingerden credits head grower Sim McMurray, who's leading the painting effort, and Bud Barnhardt, who's come up with some of their best color combinations.

In other words, whether you like it or not, consumers want painted flowers. Are you going to cash in or sit on the sidelines?

Traveling with the Yankees

I promised a few words about Horti Fair. Well, much of the fun of Horti Fair comes from skipping out of the big show and visiting Dutch greenhouses. One of my two travel days was spent with Mark Elzinga of Michigan's Elzinga & Hoeksema Greenhouses and two of his employees, Roger Rosenthal and Joe Grzegorzczuk. Mark had been to Holland on numerous occasions, but it was Roger's and Joe's first time. I took them to the Aalsmeer Flower Auction, the Aalsmeer Flower Market (a show running simultaneously with Horti Fair, where the guys picked up a ton of cool ideas), one of the world's largest garden centers, and a small grower way out in the country called Houtepen Brothers, run by Arthur Houtepen. It's a great place, with just eight employees growing and shipping 50,000 spathiphyllum a week. Mark and Arthur spent several hours discovering how similar their business problems are. And as a bonus we saw the first automatic spathiphyllum sleeving machine, built by Visser.



caption: On the top, Mark and Joe discuss the idea of shrubs in packs. On the bottom, Joe, Roger and Arthur talk the universal language of greenhouse growing.

Speaking of Yankees, while at Horti Fair I was surprised to run into a young guy named Heath Perry, whom we featured in the March 2004 *GrowerTalks* because he uses corn as part of the greenhouse heating system at Heath's Greenhouse in Bancroft, South Dakota. I was impressed that he'd visit a major international show, and I guaranteed him that he was the only grower there from South Dakota.

If I didn't already think of Heath as an up-and-comer, I do now.

Finally ... cost increases

My quick survey last time about cost increases and surcharges yielded the following:

"We have been getting pot prices that reflect a 24% to 42% increase ... added to a 25% to 50% increase in propane

this fall and smaller prices increase predicted in flats, soil and sleeves."

"Just received a \$2,200 order of foil ... and saw a 12.5% fuel surcharge."

"Prices have not increased dramatically for my 2005 inputs. However, you really have to watch the fuel surcharges. They are on everything--plants, plugs, soil, plastic, etc. If growers don't watch the charges, they could be losing a substantial amount of their margin."

"Costs going up? You bet. I had a supplier call me that had 12 rolls of poly in stock that they would be willing to sell at their cost, just so they could move the material. Their cost, from the manufacturer, was \$190 for a single sheet. Three years ago I paid \$160 with their markup added. I didn't want to ask what the price would normally be."

"In quotes on plastic [pots] I have seen in general a 30% increase. ... Fuel in general is up 10% but I booked early and ours is up only 6%. ... 60-cubic-ft. bags of soil went up about 20% and then they even put a \$60 surcharge on the shipping. ... Plant and plug prices are about the same. ... Labor will be up about 10%--\$8 minimum to even get people to apply."

See you next time,

Chris Beytes
Editor