GROWERTALKS

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Industry Flat, Says Marvin

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During the summer, Hortistician Dr. Marvin Miller gave us the quick rundown on the latest USDA/NASS Floriculture Crops Summary for 2018. But while crunching the numbers, Marvin noted that something didn't seem quite right. Some of the math added up to less than it should have. He pointed out the error to NASS and they've issued a correction. Here's Marvin's explanation:

In this revision, they corrected the errors in the previously released report regarding the Expanded Totals found in the table on page 7 of the original report. Their conclusion remains that growers with $100,000 or more in 2018 sales increased their totals 8.8% over the 2015 sales levels. However, when the smaller growers, i.e., those with sales from $10,000 to $99,999, are added to the mix, the revised numbers suggested that the expanded sales totals in 2018 were 9% higher than the 2015 levels, as opposed to the 5.8% originally reported. (That's the error he spotted.)

It's important to note that three states, which participated in earlier years (Hawaii, Maryland and South Carolina), are no longer contributing to the 2018 totals. In contrast, five new states were added to the 2018 totals, largely in an effort to achieve greater geographic diversity. The five new states, Alaska (which was added at the request of Alaska's U.S. Senator Murkowski for the state's cut peony growers), Colorado, Connecticut, Virginia and Wisconsin, accounted for over 69% of the increase in value of the 2018 total over the 2015 level. Furthermore, the total 2018 sales of the five new states were 120.4% higher than the 2015 sales total for the three states that discontinued participation. So much of the nearly 9% growth overall is accounted for by the change in these five new states replacing the three states no longer engaged with this survey.

In somewhat sharp contrast, examining the 12 states that participated in both the 2015 and the 2018 surveys, the increase in their total sales was only 2.9% over that three-year period. If one were to consider inflation over that time, true growth would be reported as a minor fraction of this 2.9%.

When asked if this means that the industry is flat, Marvin replied: "Yes." **GT**