

GROWERTALKS

Acres & Acres

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Spoiled by Success?

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Just when you thought 2020 was the year that would go down as the best in history for your business*, 2021 came along, and by many accounts, matched or even exceeded 2020.

I base this on a few bits of evidence:

- 1) demand and sales for seed, plugs and young plants were through the roof, according to distributors (along with the hardgoods needed to produce them);
- 2) your weekly scores, which you've sent every Monday since Easter; and 3) what you tell me in the notes included with those scores.

To point 2, I give you the month-by-month scores for the U.S./Canada for last year and this year:

	2020	2021
April	6.8/6.8	8.4/8.6
May	9.1/9.0	8.6/9.2
June	8.3/8.8	7.9/7.0**
Average	8.1/8.2	8.4/8.3

***At press time, this only included the first weekend of June.*

Average it all up, and you get 8.4 for the U.S. and 8.3 for Canada in 2021 vs. 8.1 and 8.2 in 2020. Now granted, I still had three weekends of June left to tally, and June 2021 was much softer (call it more normal) than June 2020, which was

a barnburner! But at worse, I think 2021 will average out to be very close to 2020, with most of the high scores coming early in the season rather than later.

Easter weekend, April 3-4, kicked off 2021 with scores of 8.9 in the U.S. and a perfect 10 in Canada. Laura from South Dakota wrote, "It was the best first Saturday of April we have ever had, exceeding sales of even mid/late April in previous years. Customers were buying everything ..."

Michelle from Louisiana wrote, "We have been in business for 17 years at this location and are breaking sales records. Believe it or not, our sales are better than last year."

Ratings and comments like that continued through April and May. Week after week you told me it was fantastic, better than last year, record-breaking, you're running out of plants to sell. Mother's Day rated 9.4 in the U.S. and 9.0 in Canada. You reported new records in Florida, Minnesota, Wyoming, Iowa, Missouri and British Columbia. Either you were exaggerating, lying or it was really, really good out there.

But then it got soft at Memorial Day, with 7.5 and 8.0. After the crazy sales of previous weeks, it felt like the bottom had fallen out. And yet the five-year (2015-2019) average for Memorial Day is 7.8 and 8.4, so we weren't too far below that—in fact, bad weather in the East could account for the difference.

In June, I heard of a glut of annuals and veggies on the benches, and even a lowering of the minimum price on bedding flats at the United Flower Growers auction in Canada to move the glut. Apparently growers, eager to fulfill the expected 2020-like demand, speculated heavily and suffered accordingly.

Now, the \$64 question is, “How do I plan for 2022?”

In 2020, I was involved in several webinars where I heard retailers talk about their plans. One, who was up 40% through the spring and summer of 2020, said he thought he might have half of those gains for 2021, and so was planning a 20% increase over 2019 levels. I heard similar numbers from others. Of course, many saw 2020-level gains yet again and so were scrambling for product.

For 2022, I've already heard one idea: Average your sales from 2019, 2020 and 2021, and use that as a starting point.

Personally, I think 2022 will be a return to the pre-pandemic years, with more people back in the office and weather again the dominant factor in weekend sales. I would chalk up 2020 and 2021 as beautiful gifts to the bottom line, and go back to 2019 as a starting point, basing your production and sales needs on your operating costs, customer expectations and desired growth plans. Grow enough to make a good profit for your business and don't try to milk every sale that might come along.

In other words, go back to the solid business basics that got you here.

Got an idea for planning for 2022? Send it to me at beytes@growertalks.com. **GT**