Cultivate'22 Recap, Products & More!



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COMING UP THIS WEEK:

All over but the shoutin'
Keynote: Compared to 2019 ...
Don't be like Peloton
YGA, YRA winners named
The CC Rack Build winner
Seven new products
Finally ...



All over but the shoutin'









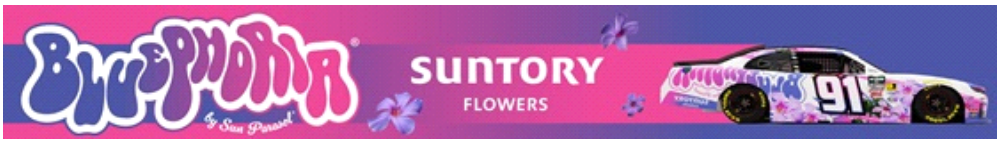
Another Cultivate'22 is "all over but the shoutin'" as my southern father-in-law used to say and there is nothing that would have me label it anything less than top-notch. Solid attendance, everyone was in a good mood, plenty of new stuff on the trade show floor … Perhaps a bit of rain that made it tricky to get across the street to the North Market for lunch was the only dampening factor.

Held Saturday through Tuesday, July 16-19 in Columbus, Ohio, Cultivate'22 featured 652 exhibitors and more than 140 educational sessions, plus four different tours on Saturday (greenhouse, nursery, retail and landscape operations) and some workshops, too.

I only attended one session—"Outlook and Opportunities in the Tropical and Foliage Market" (which I moderated)—but I was told that many of the sessions were standing-room only, especially those on the topics of labor and efficiency. The sessions on biological controls, where Tech on Demand editor Bill Calkins spent much of his time, were also well attended, he reports (meaning watch for more on biocontrols in Bill's newsletter).

Regarding attendance, when I met with the AmericanHort staff Sunday afternoon in an informal get-together, CEO Ken Fisher said, "We are back to pre-pandemic numbers … it's pretty strong." Trade shows often don't like to give out actual attendance figures (plus, all the AmericanHort people are probably on a well-deserved post-show vacation), but digging back through old articles from Cultivates past revealed the figure 10,016 from 34 countries in 2017. I doubt the show was that high this year, but regardless, it doesn't really matter how many attended if the right people were walking the aisles and we saw many of the big names in attendance.

Also very important: our friends from Canada and Europe were back in attendance, helping bring back the global flavor of the event!



Keynote: Compared to 2019, everybody was up in 2022!

Monday morning saw one of the educational highlights of Cultivate'22: the AmericanHort State of the Industry Address featuring President and CEO Ken Fisher, advocacy expert Craig Regelbrugge, and Dr. Charlie Hall, AmericanHort's chief economist. Here are some bulletpoints:

- U.S. horticulture/floriculture is a $348 billion dollar industry, creating 2.32 million jobs.

- Consumer demand has been bolstered by $10 trillion economic stimulus, but now that it's been paid out and time has passed, other factors are impacting the market, including a supply chain halt, fear of recession, "re-pricing" due to supply chain and labor issues, and inflation.

- There's "more money chasing the same supply."

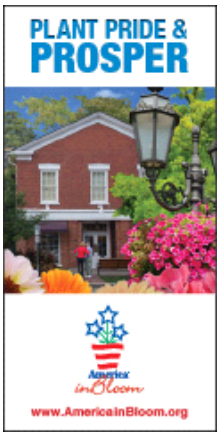
- The pandemic helped people save $2.7 trillion. But today, savings levels are lower than 2019—a bad trend.

- 2022 retail independent garden center data (compared with 2021) shows that IGCs are down 5.5% in sales, down 12% in transactions, but up 8.3% in average sale (due to price increases).

- The current consumer spending outlook is at a 20-year low.







- 2021 was the pinnacle of sales for the horticulture industry:
- Gross sales up 20%
- Average ticket up 4%
- Margins up 20%
- Customer count up 15%
- Grower sales up 18%

- But net profit for growers, retailers and landscapers was very mixed (from -7% to +33%).

- 2022 was a different story:
- Weather was unpredictable
- Spring came late
- Retailers bought very early and inventory was long
- For the first time in years, many wholesale orders were cancelled
- At the box store level, quarter-over-quarter comps were very erratic

- 2022 vs. 2021 numbers are showing 30% of growers had increased gross sales, but 30% had lower gross sales.

- We should compare 2022 to 2019. In this case, 100% of growers are UP, with 63% of growers up more than 25% over their 2019 levels.



Dr. Hall: “Don’t be like Peloton”

More bullet points from Charlie Hall’s portion of the keynote:

Supply Chain:
- Labor is the main issue
- Things were improving until the Russia/Ukraine conflict
- The supply chain is de-risking, leading to reduced supply

Labor:
- Three times the number of new retirees during the pandemic
- New (small) business applications were up 3x
- The labor gap is huge
- Increased compensation (from growers)
- 21% increased wages by 10+%
- 58% increased wages 6% to 10%
- 21% increased wages 1% to 5%
- Despite this, wages are not keeping up with inflation

Fuel & Energy:
- Crude oil prices are up and continuing to climb: 2022 ($39.17) to 2023 projected ($89.75)
- One key factor is we lost 3 million barrels of refining capacity during the pandemic due to multiple factors and new refineries are not being built with the move to alternative fuels. Thus,

refiners are charging more.

Input Cost Increases:
- Total increase in input costs (including containers, fertilizer, chemicals, labor, plants, trucking, etc.):
- 2021 = 10.1%
- 2022 = 8%
- 2023 (projected) = 3.6%
- Only 40% of growers have passed on 100% of the cost increases

Housing:
- A good plant and product use indicator
- Still strong, but the number of new builds and permits is going down
- With increasing interest rates, the housing boom will correct itself as it has in all past recessions

Inflation:
- Consumers are resilient due to economic relief
- But … consumers are now drawing down savings
- We are seeing both demand PULL and cost PUSH, and both are driving inflation

Likelihood of recession:
- Employment indicators say NO
- Fed activity says NO
- Treasury yields say NO
- Financial sector risk says NO
- But … between now and July 2023, Charlie says the risk is 50/50

What to do? “Don’t be like Peloton.” Peloton was too bullish about the market for their product. They assumed demand would continue to boom after the pandemic, so they loaded up on inventory and spent way too much on marketing. When things slowed down, they were stuck without any working capital and their stock price plummeted. Be very careful investing your working capital into inventory. Don’t bet the farm on what is very much a short-term trend.



Young Grower, Young Retailer Award Winners named

During the Monday night Unplugged event at a boisterous tavern called GasWërks, *GrowerTalks* and *Green Profit* magazine crowned the winners of its annual Young Grower and Young Retailer Awards.



Quinten Henning, 23, vice president of Henning's Farm & Greenhouses in DeMotte, Indiana, was named Young Grower of the year for 2022. And Ashleigh Munro, 32, Garden Centre Coordinator at Kiwi Nurseries in Acheson, Alberta, Canada, won Young Retailer.



Quinten and Ashleigh were two of six finalists chosen for this year's award. The other finalists for the Young Grower Award were Mike Krueger, Midwest Groundcovers (St. Charles, Illinois) and Erika Ramos, J. Berry Nursery (Grand Saline, Texas). For Young Retailer, the other two finalists were Casey McCollum, Plant Perfect Garden Center (Bismark, North Dakota) and Will O'Hara, Van Wilgens Garden Center (North Branford, Connecticut).

This year marks the 18th annual Young Grower Award for *GrowerTalks* magazine, which was

sponsored by Ball Horticultural Company. It's the 17th annual Young Retailer Award for *Green Profit*, and it was sponsored by The Garden Center Group. AmericanHort was also a sponsor for both awards.

Ball Publishing created the Young Grower and Young Retailer Awards to recognize young professionals in the horticulture industry who have inspired others with their leadership qualities and are hardworking, passionate, creative and innovative. To qualify for the awards, you have to be under the age of 35 as of the month of July and reside within the United States or Canada.



CC Rack Build Competition

Something new at Cultivate was Container Centralen's annual Rack Build Championship, in which four expert rack assemblers from greenhouses and nurseries around the country compete to see who can assemble a three-shelf rack most quickly. This was the eighth such competition; the others have all been held at TPIE in Florida. The four contestants were inspired by pounding rock music; the audience was inspired by cocktails and hors d'oeuvres.

The winner? Veteran competitor **Juan Corro** of McCorkle Nurseries with a blistering time of 24.6 seconds. That beat his 2015 winning time of 25.39, but didn't quite approach the record set by Geraldmike Ferrar in 2017, who won the contest with a time of 23.3 seconds (which I think is the fastest ever).



Juan Corro on his way to victory.

Second place went to **Oscar Ramirez** of Flowerwood Nursery (27.31), third to **Leo Ramirez** of Spring Creek Growers (29.22) and fourth to **Ignacio Montoya** of Clinton Nursery (33.91).



New products

The aisle numbers at Cultivate'22 went from 100 to 3700 and included some 652 exhibitors (according to the Cultivate website exhibitor listing). If I stopped to chat with each of them about their latest offerings, I'd have been there until Christmas—and they tore down Tuesday at 2. Still, my fellow editors and I did what we could to find you the significant new offerings in a range of categories, including pest control, plants, containers, retail products and greenhouse technology, which is my beat. You can see a bunch of our favorites in THIS VIDEO. But for now, here are seven of my favorites in the equipment category:

MultiColor transplanter
TTA's Midi MultiColor transplanter is designed for planting mixed baskets or pots with up to six different colors or varieties of plants. As shown, it's equipped with 16 grippers with an output of up to 1,000 plugs per hour per gripper.



Not inexpensive at $250,000, but have you tried finding people that want to stick plugs in baskets all day? www.tta.eu

Soil analyzer

Wadsworth's 7-in-1 Soil Analyzer probe is designed to work with their "Seed" environmental control platform. It can sense moisture, temperature, pH and EC; and it can then calculate your N, P and K levels.



Now, it can't tell your fertigation system what to feed your plants. But with a calculation of NPK levels, you can maybe catch a nutritional issue before you spot the deficiency in your crop.
wadsworthcontrols.com



LED lighting

Signify/Philips, one of the leaders in horticultural LED technology, introduced the dimmable Grid Light. Measuring 44 in. x 44 in. and powered by 120 to 277 volts, the Grid Light is suitable for small or large commercial operations, vertical growing, propagation racks, even home use. An application guide, based on 15 years of research, is included.



At the opposite end of the, er, spectrum, is “The Force”—a high-powered wide-beam light designed for high-wire crops like tomatoes and cucumbers. And cannabis. www.signify.com/en-us



AutoStix Media

If you use Visser's AutoStix, and if you want to further speed up your young plant sticking and growing process, give their new AutoStix Media a try. Unlike regular AutoStix Strips that contain unrooted cuttings, these are pre-rooted cuttings that can run through a standard AutoStix machine.



Visser has also updated the machine's stripper bed for easier maintenance.
www.bellparkhorticulture.com



Hydronic heating

Stuppy Heat$_2$O hydronic heat tubes use a new fin design with a taller top fin with more surface area (thanks to that little bend) that they say it gives off 30% more heat than a standard fin design.



Also, because they can bend the fin to make 90-degree corners at the end of a bench, you don't need leak-prone rubber hoses to make corners. www.stuppy.com



AgriNomix scoreboard

AgriNomix's new planting line scoreboard may have been the least expensive efficiency tool on the trade show floor. Now, I've seen scoreboards for sticking lines to keep track of the output of individuals, but this keeps track of the throughput of an entire transplant line, whether planting by machine or hand. It's all wireless and cloud-based, and uses an off-the-shelf television from Best Buy or Costco or wherever.



The readout on the TV shows the current job, the desired amount, the amount produced so far and the amount remaining; the desired throughput per hour, the actual per hour and the efficiency rating; and the details of the next batch to plant. Even the line's downtime! The hardware (minus the TV) is just $6,580 for one line; each additional line is just $1,000 more. agrinomix.com



Vertical growing racks and LEDs

Ebb-and-flow bench manufacturer Innovative Growers Equipment (IGE) of Sycamore, Illinois, saw a need for high-quality, domestically produced racks for vertical growing applications. So they now design and build them, utilizing heavy-duty steel, rollers and hardware for durability in the growing environment. And, of course, they accommodate their ebb-and-flow benches.



And if growers need LEDs attached to them, IGE can provide that, too, with in-house engineered and assembled LED racks with a spectrum selected specifically for cannabis. innovativegrowersequipment.com/grow-racks-cannabis

Finally ...

One of my favorite booths of the whole show had to be that of PlantPop, run by the brother and sister team of Josiah (19) and Julia (17) Parkerson. Their dad is Art Parkerson, *GrowerTalks* columnist and owner of Lancaster Farms in Virginia.



PlantPop is all about making plants and gardening cool and fun; the “pop” in the name stands for popular culture. Explained Josiah, “At PlantPop, we want to find and study the intersection of plants and popular culture. Our goal is to find wherever people are doing interesting, cool, creative, innovative and original things with plants, and we want to document that.”

To that end, Art has been making amazing videos for years; I’ve promoted many of them in the past, including those starring then 4-year-old Julia giving tours of their farm and sharing her favorite varieties. Currently, Art is doing time-lapse photography of flowers opening; his work looks good enough to appear on NatGeo!



At the booth, they were giving away stickers and selling clever t-shirts sporting plays on popular

consumer brand logos such as “Monstera Energy,” (Monster Energy), “Begonia” (Patagonia), “Red Bud”(Red Bull) and “Coleus” (Coleman). I’m wearing a “Begonia” shirt as I type this and it already has brought a smile to some folks here at Ball. Help support their efforts at https://plantpop.com.

Feel free to email me at beytes@growertalks.com if you have ideas, comments or questions. Beefs, even ... especially if barbecued!

See you next time!



Chris Beytes
Editor
GrowerTalks and *Green Profit*

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