

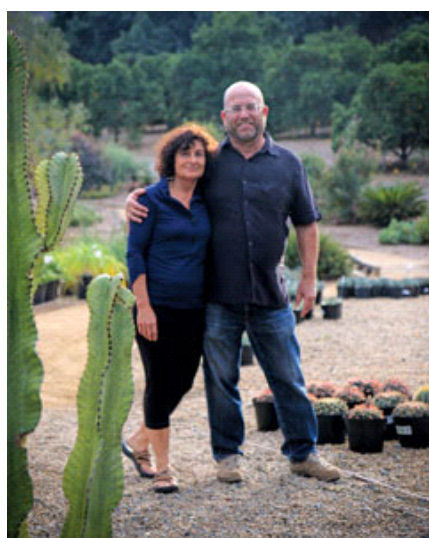
GROWERTALKS

Cover Story

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Capitalizing on the Succulent Craze

Chris Beytes



All big nurseries start small. Altman Plants of Vista, California, started as a single bloom on a small cactus growing in a windowsill at the apartment shared by Ken Altman and his then-girlfriend (now wife) Deena. Recalls Ken of that watershed moment in the early 1970s, “I think it was that flower that just took our hearts away.”

Forty years later, Altman Plants is the third-largest grower (by size) in America and probably the largest cacti and succulent grower in the world, producing tens of millions of plants every year (Ken is tight-lipped with specifics).

GrowerTalks recently spent an afternoon with the two self-proclaimed Berkeley hippies to learn more about how they discovered succulents 40 years before the rest of us and how they plan to maintain their advantage in the marketplace.

GrowerTalks: Take us back to when you discovered plants.

Ken Altman: When I was six or seven years old, I was collecting seeds off of flowers. I don’t know why I did it, I just liked it. I did that probably until I was 12 or 13, then I forgot about it. Then I got some bedding plants when I was probably, what, 18? And started planting them.

Deena Altman: My parents had a teeny, weeny rare plant nursery. And we grew up next door to that. And I hated it with a passion. I had jobs to do. I had to wash the clay pots—this was back when there weren’t plastic pots. My dad had one of those clippers to clip the cans open to get the plants out ... that kind of thing.

GT: You were one of those kids who was going to escape the family plant business?

Deena: Exactly me! Anyway, so Ken [then her high school sweetheart] comes over—he’s invited me to grad night and we’re going to have a pre-date—and he says, “Oh my God, you have a nursery!” And I’m like, “So?” I’m ready to end the date. He was completely blown away and enamored and loving the plants. So the rest of our time before we started the nursery, he would say to me, “Can I quit school and start a nursery?”

And I'd say "No, no! We're not going to do that!"

GT: So how did you wind up with that cactus on your windowsill?

Deena: [My parents' nursery] didn't have cactus and succulents. But for some reason, between the two of us, we started to really like these plants. I was at Pacific Oaks College in Pasadena, which is near the beautiful succulent garden at Huntington Botanical Gardens, and I'd hang out there and I got to know the people who ran it.

Ken: We quickly had a good collection [of succulents] because everything we would ever run across we would buy and propagate. This was while we were going to school. We studied like crazy, we read all the books, and watched and observed our plants. And we made friends who were in the succulent business. They would tell us things. That's how we learned—mostly watching.

GT: This was still a hobby. When did you get serious?

Deena: What happened was, while we were in college, we decided to start a mail-order business. We had all these little plants that we were growing and propagating and loving it ...

Ken: We'd have six of this one and four of that one ...

Deena: Right. We'd put them in this catalog and we'd mail them out, asking a dollar for the catalog. And we couldn't believe it, we were making like \$10 a week on this catalog. ... [But] we ended up having too many plants because they weren't selling that fast. So then Ken took the plants in our Datsun station wagon—he had eight flats in there—and he took them to Green Thumb Nursery ... and the first day they bought all eight flats. And Ken was there all day writing it up—"Well, this is a *Stapelia gigantea*, this is \$3. This one took us five years to grow, this is \$5." And the guy would come out and say, "Are you still here writing this up?" It was really funny.

Ken: We were wondering how the plants were going to sell [at Armstrong]. We didn't want to push or rush too much. I think we waited about three weeks to go back. I went back and there was nothing there. They said, "Where have you been?" I said, "Well, we didn't want to pressure you." They said, "They sold out in the first day. We've been waiting for you to come back."

GT: Up to that point, they'd been the domain of the collectors, the mail-order folks and the botanical gardens?

Deena: That's right. Exactly. And we had all these interesting things. So it dawns on us—because everywhere he goes he's selling out this little station wagon ... we realized that mail order wasn't the business; [wholesale] was the business.

Ken: So we moved down to San Marcos to an old duck farm and found we had the room to grow other plants because we loved other plants, too. Our first crop was 6,000 pots of 6-in. impatiens. We babied every one of them. I really enjoyed that. So we started to grow other flowering plants. We were amazed at how fast they sold.

Deena: But there were a lot of other growers of those kinds of plants. We were concerned that people wouldn't want ours because they already had relationships [with other growers].

GT: So how did you break into the mass market?

Ken: We heard that Target was going to come to town. It seemed like a good opportunity. Here was a customer that didn't already have vendors. So we wrote to them, wrote to them, finally got an appointment. ... There were a few different things that got them interested. And as I was walking out, I said, "We also grow color." And they said, "Okay, great, if you grow color, we'll sign that up at the same time."

Over time, we got more and more shelf space. We performed. We had their interest at heart and it showed. The plants were good. And as they started to choose fewer and fewer vendors to do more and more of the business, we got that business—which was great, it was a great anchor. Then, when other chains saw our plants in Target, or saw us unloading in [Target's] parking lot, they were interested.

GT: As your mass market business grew, how much did color begin to outweigh succulents?

Ken: Maybe 10% or 15% of our business was succulents.

Deena: The succulents didn't have the draw that the flowering plants had.

GT: But they got your foot in the door with Target. What other benefits have they brought Altman's?

Ken: They've given us a chance to know the buyers all over the country. Because succulents will ship pretty well and you can get a dense-enough load that you can afford to send a truckload east. So there are a lot of areas of the country where we don't sell color because it doesn't travel, but we do sell succulents.

Deena: Another thing succulents gave us is incredible ingenuity. Like, you can't just sell a succulent, you have to sell that it's a stone or an old man or a brain. So we got extremely creative. We had all kinds of collections, like Spiny's Friends, which was a kids' collection we did for a while.

Ken: [Succulents] also made us think about packaging and merchandising. At one point, we developed a cell tray that would hold the plants without them falling over. Then we found that people got stuck by cactus, so we developed handles so people could pick them up.

GT: Let's talk about the current succulent craze. What do you attribute it to?

Ken: I don't know, but there are a few things associated with it. One, it started being in décor magazines. I think we have more people with less time and succulents are really good for that. They still live even if you don't give them any time. I think people are more into minimalism, so they can see form. And I think the supply has been good—I think that might be where we've helped. We've gotten them out there in front of people.

Deena: There's also a big psychology shift. If you think about food, in the 1970s, people didn't really care

about culinary things like they do now. “Where did I get this beef? Where did I get the herbs for this?” They started to show interest in the details and intricacies of food. I think the same thing happened with plants. Succulents offer such a wide range of varieties and forms.

GT: What percentage of your business do cacti and succulents now make up?

Ken: It's about half our business.

GT: When did that growth happen?

Ken: I'd say over the last five to eight years. It's been growing every year. And the other part of the business has been growing, also. Our company has grown double-digits every year since we've been in business. It's been a combination of the color and the other plants we grow.

GT: How do you keep your succulents exciting to your customers?

Deena: Through the years of our succulent business, we keep trying to reinvent it. We reinvent the containers they're in, the color of the containers they're in, the different solutions that they can fill for people—whether it's a container garden, a wall planter, something for their home, something for their dorm rooms ... we keep thinking, “What's the new invention for succulents?”

Ken: We have a lot of segments identified for succulents now. There's the landscape side, there's the collector side, there's the decorative dish garden side, there's the novelty side. There are container gardens. We think of them all as segments and we try to develop them all as we go.

GT: What's hot right now? What's growing?

Ken: Decorative and container gardens are the hottest right now. Things that people can put on their patio or in their house.

GT: You had a 40-year head start in succulents. What do you do to keep your lead?

Ken: We keep investing in it. We're developing a 150-acre site with more succulents, more stock. Right now we have somewhere between 7 million and 8 million sq. ft. of greenhouse for succulents. And we have 500 or 600 acres. And they're small things—you can get a lot of plants in that amount of space. We're making our inventory deep so we can supply our customers and grow better and better plants.

And we have breeding going on. We have two breeders on staff. Whereas before we would just release all these great things that we've bred, going forward we're picking what we're going to patent. We should have done this 10 years ago. But we're doing it now because the stuff we're coming up with is markedly better.

Deena: And that's one of our secrets, too. We do actually have better plants than other people. As well as growing them well and not selling them until they're ready, which takes patience, we have better plants.

GT: What do retailers need to know about succulents from a producer's prospective?

Ken: If you have too small a display, they don't sell. You need to have a critical mass that is enough for [customers] to see it as a category. The other thing is, you can have a reasonable rate of sale, down to about half a display, and then they stop selling. So you have to be ready to replenish. Don't think of it as selling 100% and then replenishing.

GT: Where are we on the curve of this succulent craze?

Ken: We're definitely not at the beginning. I hope we're not at the peak. I get a little concerned because the number of [growers] doing it usually is a sign of a crash.

GT: Your own sales numbers have to give you some indication.

Ken: Then we're at the beginning.

Deena: I think there's the craze and then there's the establishment of the [succulent] business. I think the business has grown, and no matter what, it's not going to shrink back to where it was.

GT: Do you think the succulent craze has helped horticulture in general?

Ken: I think it's good for Millennials. I think it's going to get them into growing plants, collecting plants.

Deena: Make them interested in gardening.

GT: Maybe they'll have that little specimen that suddenly blooms without warning?

Deena: There you go! Exactly!

Ken: That's what we hope. **GT**