

GROWERTALKS

Acres & Acres

11/1/2020

Three Opinions on Spring 2021

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In *Green Profit's* "Front" news section, there's an excerpt from a Zoom panel discussion I moderated back in September for BFG Supply's annual expo. My three guests were Kate Terrell from Wallace's Garden Center in Iowa, A.J. Petitti from Petitti Garden Centers in the greater Cleveland area, and Dean Daren from English Gardens in the greater Detroit area.

All three are noted retailers with excellent businesses; two of the three (Kate and A.J.) also do some of their own growing, and they had some interesting insights about their production plans for 2021. Dean, who is just retail and landscaping, no growing, and so buys in plants for English Gardens' six retail locations, had an inspiring idea about working with his growers. I didn't have space to share those thoughts in the news section, so I figured I'd do so here:

Kate, on her outlook for Spring 2021: "I'm definitely increasing, probably 15% to 20% on some [product] lines," Kate said of how optimistic they are about next spring's sales. Plant-wise, Wallace's is constructing a 9,000 sq. ft. greenhouse, which they'll fill primarily with herbs and veggies. Both of which are, unsurprisingly, way up, she added.

In addition to herbs and veggies, Kate plans on a good season for tropicals—she's increasing that department by more than 30% by bringing in a third semi-load from Florida instead of her usual two.

"Houseplants continue to explode for us," she said, adding that they've started growing a lot more houseplants because of supply problems and shortages. "As my dad says, we're going back to the early '80s when he used to grow his own houseplants," she said with a laugh.

How A.J. is planning for 2021: "What we did—and I don't know if it's right or wrong—we are taking our initial 2020 plan and adding about 20% to 25% to that," A.J. told the audience.

As of mid-September, Petitti's sales were up 40% to 45% over 2019. He thinks it's reasonable to expect sales for spring to be up by about half that amount. Normally, he would look for a 5% year-over-year increase.

"It sounds realistic," A.J. said of their bold plan. Part of his reasoning is that they increased their customer database by more than 25%—about 125,000 new customers. "I think we're going to retain a lot of that new customer base," he projects.

How Dean is ensuring supply for 2021: As the only non-grower in the group, Dean has an interesting plan to

ensure a steady supply of plants for Spring 2021: He's offering deposits to his growers on up to 50% of their projected purchases.

"We think that's going to go a long way on them making sure we get what we order because a lot of them didn't have a great year," Dean told the audience. "A lot of them had losses early, and they weren't able to replant as much and do second and third crops."

Michigan, as you may recall, didn't classify garden retailers as "essential" until April 25, so the state's retailers and many of its growers, lost nearly a month of sales. Despite the late start, English Gardens was able to finish up almost 20% over 2019. Growers who had to dump early spring crops weren't so lucky, which is why English Gardens is "looking to share the wealth a little bit" with the deposit program.

"We're so fortunate we're having the kind of year we are having," Dean explained. "We're looking to spread that around a little bit."

What a fine example of collaboration between retailers and growers, eh? And talk about how to inspire loyalty with your vendors.

As for how Dean thinks we'll do as an industry next spring? He told the audience that he thinks it will be 12 to 24 months before the country returns to what one might call normal. And because of that, "I think the business will continue to be strong because people aren't doing anything," he said. Except gardening, we all hope.

I'll grant you that the three opinions above are just that—opinions. But they're from smart folks who lived through Spring 2020 successfully and are basing their plans on years of experience. As the fine print says, "Your results may be different." But you could do worse than give their plans some consideration when making your own. **GT**