



# Bulletin

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# 2001 SEASON SALES SUMMARY

THIS VERSION WAS REVISED WITH DIRECTION FROM OFA

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The Season Sales Summary thanks the two sponsors who support this annual study and make this valuable data collection possible: *GMP* Magazine and Ohio Florists' Association. We appreciate the efforts of participants over the years that took time to respond to this annual study.

Even though this survey was sent only to OFA members, only 85 percent identified themselves as OFA members; 20 percent were members of the Perennial Plant Association; and 10 percent were members of the American Nursery and Landscape Association (Table 1, page 3).

### SURVEY METHODOLOGY

We used a questionnaire, cover letter, and envelope for the 2001 Summary, which was similar to those used in the last four years. The survey was designed for the "scantron"

format, in an attempt to increase accuracy in completion as well as analysis of the data. Two separate mailings were used to increase the response rate to a total of 1,596 OFA members. In July, 2001, researchers mailed survey forms and business reply envelopes to U.S. producer-members of OFA (1,596). Of the survey forms mailed, we received 246 responses, for a 15.4 percent response rate. The response rate this year increased by 4 percent from last year's response rate (11 percent in 2000, 12 percent in 1999, 20 percent in 1998, 20 percent in 1997, 16 percent in 1996, 20 percent in 1995, and 22 percent in 1994). The survey is long and requests detailed information. This likely contributes to the low response rate.

### SURVEY RESULTS

Responses were received from 34 states. The greatest number of responses came from Ohio (43), which accounted for 18 percent of the total. The states from which we received the next greatest number of responses were: Michigan (13 percent), Wisconsin (9 percent), New York (8 percent), and Pennsylvania (7 percent). Nineteen percent of the responses came from states in the North (CT, DE, ME, MA, MD, NH, NJ, NY, PA, RI), 32 percent from East-Central states (MI, OH), 25 percent from North-Central states (IA, ID, IL, IN, MN, MT, MO, NE, OK, WI), 9 percent from the South (AL, FL, GA, KY, LA, MS, NC, SC, TN, TX, VA, WV), and 10 percent from the West (AZ, CA, CO, HI, NM, OR, WA).

We asked growers to indicate in which of the three types of businesses they were involved: production, wholesale, and retail. Respondents included producers (15.7 percent); wholesalers (16.2 percent); retailers (16.2 percent); production and wholesale (9.8 percent); production and retail (14.9 percent); wholesaler and retail (8.1 percent); and production, wholesale, and retail (13.2 percent), and 5.9 percent did not report the type of business in which they were involved. Looking at the businesses in terms of what activities they conducted or functions they performed, 54.9 percent grew plants or had a production function; 48.5 percent sold plants at wholesale; and 54 percent sold plants at retail. Most firms were involved in more than one channel of distribution.

## SPECIAL EDITION

### 2001 SEASON SALES SUMMARY

The Season Sales Summary is one of the longer-running sources of information on the bedding plant industry. It was established more than two decades ago by Alvi Voigt from Penn State. The research for this project is sponsored by the Ohio Florists' Association and *GMP* Magazine.



### OFA Mission Statement

To support and promote floriculture professionals through life-long learning, career enhancement, and public awareness.



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SPECIAL EDITION • MARCH 2002

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### INDUSTRY SALES

Gross sales were reported both in total and by crops produced (Table 2). Seventy-one percent of the respondents reported their sales for 2000, the year prior to the survey. One very large firm with sales over \$100 million was eliminated from the average calculations because it skewed the averages too high. Excluding that firm, the average (mean) total gross sales for 2000 was \$2.4 million. This was still a relatively high average brought up by almost 22 percent of firms reporting sales greater than \$2 million. The range of gross sales reported was between \$9,300 and \$100 million.

The median gross sales (gross sales reported by the firm ranked in the middle of all respondents) for 2000 was \$615,000, up \$15,000 from 1999. The median shows that 50 percent of the participants had revenues of less than \$615,000.

Distribution was bimodal (the mode is the most frequently reported response) for 2000 gross sales: \$250,000 and \$3,500,000. Six firms reported gross sales for each of those modes.

Compared to participants of previous years, we are seeing companies respond that have substantially higher sales. This may be a function both of increasing firm size and the ability and/or willingness to report this data. Many smaller firms do not respond because they either have no time to complete the complex form or they do not collect this information. Yet, there is a consistent trend reported by USDA statistics where smaller firms account for a smaller percentage of production and an even smaller percentage of total gross bedding plant sales. Small firms play an important role in the industry, but an increasingly less proportionate one.

Categorizing respondents by size using gross sales, we saw more large firms participating this year. Only 8 percent of respondents reported sales less than \$100,000. These firms would normally be excluded from USDA Floriculture Crop Statistics, but are included here since they made an effort to contribute results. Thirteen percent reported sales below \$250,000. Forty-one percent reported sales below \$1 million, and eight firms reported sales greater than \$10 million in 2000.

Most responding firms sold more than one category of plant material. This would indicate they market a diverse product mix. However, most firms appeared to have substantial sales in one category, and they supplemented this primary product with substantially lower sales of other product lines. Annual plant sales were reported by 60 percent of the participants; perennial sales were reported by 50.6 percent; flowering plant sales were reported by 42.1 percent; and cut flower sales were reported by 11.9 percent. Foliage plant sales were provided by 68.1 percent of the respondents, while 15.7 percent of the respondents provided nursery (woody plant) sales information (Table 2).

Average (mean) gross sales were calculated for those who sold each category of plants. The average sales of foliage plants in 2000 was \$417,783; average annual plant sales were \$1,358,990; perennial sales averaged \$839,229; cut flower sales averaged \$423,344; and flowering plant sales averaged \$962,009 (see Table 2 for

mean, median, and mode in each category). Median sales (the point where 50 percent of respondents fall above and below) are, with the exception of annuals, substantially lower than the mean. This may indicate that firms with lower sales are being offset by a few firms reporting substantially higher sales in each category. This is an indication that one product line is a primary component of sales and the other product lines supplement the primary offering. In other words, firms emphasize or specialize in one aspect of production, but supplement it with a diverse product mix.

We classified growers by size to make comparisons in their average plant sales. Small growers had annual revenues of less than or equal to \$250,000 and accounted for 28 percent of total respondents. Medium-sized growers had annual revenues of between \$250,001 and \$999,999 million in 2000 and accounted for 36 percent of the participants. Large growers had revenues in excess of \$1 million, and accounted for 36 percent of all respondents. Reversing the trend we observed last year, only 24 percent of the smaller growers had a retail operation affiliated with the production facility. For the medium-sized growers, 33 percent had an associated retail operation. For large sized-growers, 43 percent had a retail operation (Figure 1, page 4).

## 2000 VERSUS 2001

Participants were asked to compare the 2000 and 2001 seasons in terms of units grown, prices, and total sales. In our survey last year, 54 percent of the respondents said they planned to market more containers grown for the 2000 season and 28.3 percent reported they planned to decrease marketing. Actual increases in units sold was reported by 48.5 percent of the firms. Only 16.2 percent decreased production units, and 28.9 percent did not change production units more or less than 1 percent.

Ninety-four percent of the respondents changed prices in 2001. Most were minor increases of less than 5 percent. Approximately 11 percent of the respondents changed prices by less than 1 percent. Fully 81.7 percent of the respondents raised prices, while 0.9 percent reported lowering prices 1 to 5 percent, 0.4 percent reported lowering prices 6 percent to 10 percent, and 0.4 percent reported lowering prices more than 10 percent. Fifty percent raised prices 1 percent to 5 percent, 27 percent raised prices 6 percent to 10 percent, and 4.3 percent raised prices more than 10 percent. Last year, 57 percent raised prices 1 percent to 5 percent, 10.6 percent raised prices 6 percent to 10 percent. Another 0.4 percent raised prices more than 10 percent. So, the price increases reported this year were some of the most dramatic price increases in the last five years.

**Table 1.** Percentage of respondents who have current memberships with selected associations.

Association	Percent with current membership
American Nursery and Landscape Assn.	10.2%
Ohio Florists' Association	85.1%
Perennial Plant Association	20.0%

**Table 2.** Gross sales for product lines and 2001 total for respondents.

Product line	Percent reporting	Mean	Median	Mode
Annuals	60.0%	\$797,269	\$226,383	\$100,000
Perennials	50.6%	\$549,731	\$71,700	\$25,000a \$50,000
Fresh Cut Flowers	11.9%	\$423,344	\$100,000	\$5,000; \$50,000; \$100,000; \$150,000
Flowering Plants	42.1%	\$614,682	\$100,000	\$100,000
Foliage Plants	68.1%	\$417,783	\$50,000	\$50,000
Woody Plants	15.7%	\$1,039,792	\$120,000	\$20,000a \$120,000 \$150,000
2001 Total Sales	71.1%	\$2,404,128	\$615,000	\$250,000 \$3,500,000a

a. Multiple modes exist.

### MARKETS

Survey participants were asked to indicate the percentage of their crop sold to several retail outlets listed on the survey form (Table 3). Nearly 42 percent of respondents sold to garden centers. Sales to nurseries averaged 14.7 percent, mass merchandisers 28.2 percent, landscape contractors 15.1 percent, and 64.2 percent to their own retail operation. If we normalize (make the total add to 100 percent) the average percent, we can estimate the approximate size of each distribution outlet. About 22 percent of the volume was sold through traditional garden centers, 12 percent through nurseries, 10 percent through mass

merchandisers, 25 percent through a producer's retail outlet, 18 percent through landscape contractors, and 13 percent through other outlets. These numbers reflect a significant increase in the percentage of plants moving through the growers' own retail outlets.

We asked how far plants were shipped. On the average, respondents shipped plants 435 miles, with a median of 100 miles. This was a smaller area than reported last year (1,795 miles with a median of 75 miles). This would be consistent with larger growers retailing more product locally, reducing the average market area for the participating firms.

Figure 1. Growers with retail operations.

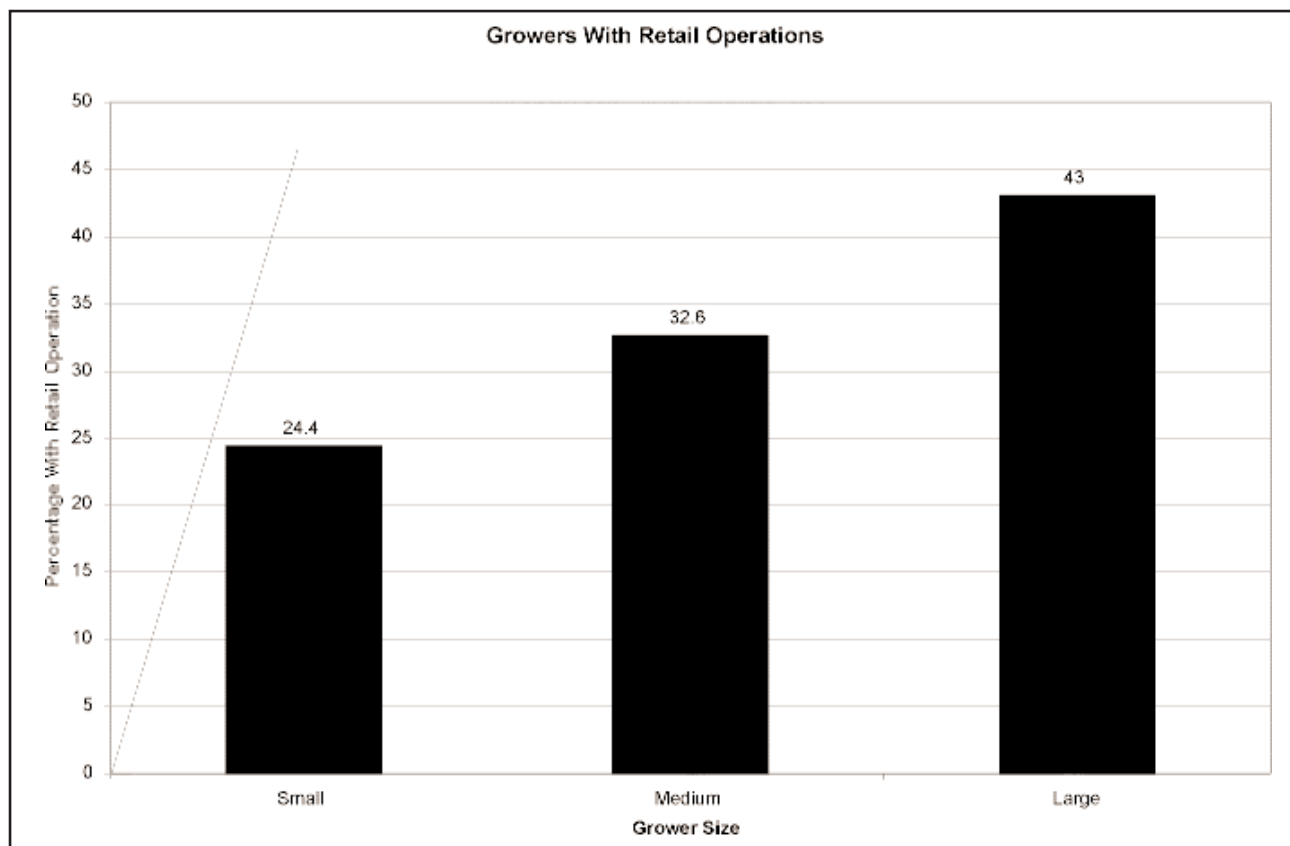


Table 3. Market channels of distribution for bedding plants grown in 2001.

Market Channel	Average percentage (mean)	Normalized average percentage (mean)	Percentage of respondents who sold nothing through this outlet	Percentage of respondents who sold 100% of their product through this outlet
Garden centers	41.9%	22.3%	43.4%	3.8%
Nurseries	14.7%	12.4%	68.5%	0.4%
Mass merchandisers	28.2%	10.1%	74.5%	0.0%
Own retail outlets	64.2%	24.5%	37.9%	19.6%
Landscape contractor	15.1%	17.6%	55.3%	0.0%
Others	24.1%	13.2%	66.4%	1.3%

### CRYSTAL BALL GAZING TO THE 2002 SEASON

Participants reported adjustments they plan to make in the number of units and the types of plants they will market in 2002. Survey participants reported that they are planning to increase total unit sales over 2001 sales. Forty-six percent anticipate increasing unit sales, down from 60 percent of last year's firms who projected unit sales increases. Slightly more than 15 percent of the firms anticipate reducing unit sales, more than double the 6 percent of firms last year who planned to decrease sales. About 28 percent reported planning to sell approximately the same number of units in 2002, similar to the 30 percent reported last year (Figure 2).

Participants were asked what was their "best selling" annual plant species and cultivar for 2001. The plant mentioned most was petunia, which was mentioned by 4 percent of responding firms. When asked which three plants were the best selling this year (2001), petunias

were listed as the first "best selling plant this year" option, with 18.2 percent reporting. Impatiens was reported second, with 17.1 percent. Geraniums (cuttings) were third with 8.4 percent reporting (Table 5, page 6).

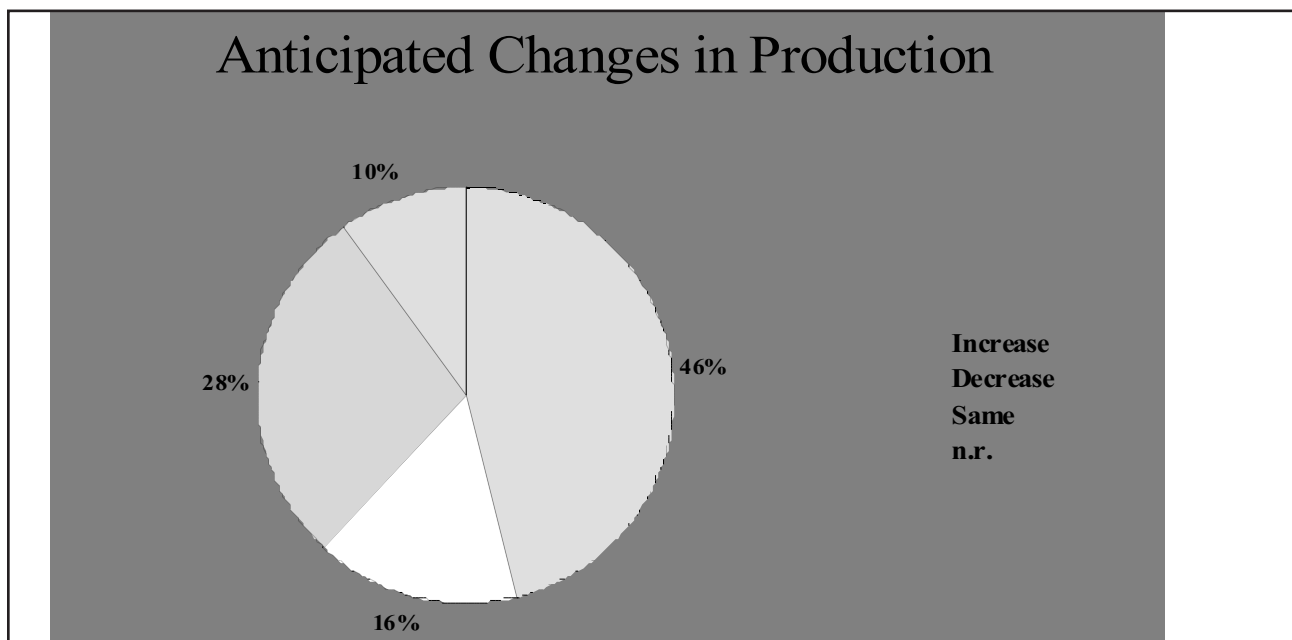
Respondents were also asked which three plants would be produced more. Petunias were mentioned most (18.5 percent). Geraniums were mentioned in the second "more blank (9.2 percent), while impatiens were mentioned in the third" more blank (8.4 percent)(Table 5, page 6).

Respondents gave information on their best-selling cultivars and colors of impatiens, geraniums, and petunias (Table 4). Super Elfin was by far the top impatiens cultivar (25 percent). The top impatiens color was white (23 percent), followed by red (18 percent). Americana was the top geranium cultivar, followed by Designer. Red was the best-selling cultivar for geraniums, almost 60 percent. Wave was the top petunia cultivar (27 percent). Purple (Wave) was the top petunia color.

**Table 4.** Best selling cultivars and colors of impatiens, geranium, and petunia.

Plant	Best selling cultivar (%)	Best selling color (%)
Impatiens	Super Elfin (24.7%) Accent (16.2%) Dazzler (6.0%)	white (23.4%) red (17.9%) mix (15%) pink (5.5%)
Geranium	Americana (16.6%) Designer (7.7%) Oglevar (4.7%) Tango (4.7%) Sassy (4.7%)	red (60.4%) pink (3.0%) mixed (2.1%)
Petunia	Wave (26.8%) Madness (7.7%) Dreams (5.1%)	purple (25.1%) white (14.0%) mixed (8.5%)

**Figure 2.** Anticipated changes in production.



Geraniums (cuttings), as they have for more than three decades, top the list of bedding plants produced, accounting for 17.8 percent of the total crop with a very good "grade" rating of 2.0 (1=A or excellent, 2=B or very good) (Table 6). Second to geraniums were impatiens, with an equally high rating (1.6), but accounting for slightly less of the crop (13.7 percent). Third in sales were petunias with a slightly lower rating (1.7) and production percentage (11.5 percent). Rounding out the top four was New Guinea impatiens

(grade 2.3, 7.6 percent of production). Pansy followed impatiens with a higher grade (1.9) and also accounted for 7.6 percent of production. Begonia, marigold, geranium from seed, vinca, and "all vegetables" rounded out the top 10 annuals. Combining the percentages of production, the top ten annual bedding plants accounted for 87.1 percent of production. Best-selling cultivars for each species were reported by a percentage shown in the last column. A majority of the best-selling cultivars were unchanged. There

**Table 5.** What three annual and/or perennial plant species will you produce more of next year and best of 2001?

Species	Produce more of for 2002	Species	Best selling new plant for 2001
Petunia	18.5%	Petunia	18.2%
Geranium (cuttings)	9.2%	Impatiens	17.1%
Impatien	8.4%	Geranium (cuttings)	13.2%
Begonia	4.8%	Begonia	7.7%
Bacopa	2.9%	New Guinea Impatiens	3.7%

**Table 6.** Marketing trends of annuals in 2001.

Crop	Grade (average) <sup>1</sup>	Percent	Best selling cultivar	Percent reporting <sup>2</sup>
All Vegetables	2.3	4.4	Cucumbers	22.6
Annual Salvia	2.3	4.3	Victoria Blue	19.6
Annual Dianthus	2.2	4.1	Telstar	20.0
Annual Phlox	2.9	0.6	21st Century	13.6
Begonia	1.9	7.3	Cocktail	21.7
Celosia	2.6	2.1	New Look	17.0
Cole Crops	2.7	2.4	Broccoli	24.7
Dusty Miller	2.3	3.5	Silver Dust	57.9
Geranium (seed)	2.5	5.7	Pinto	18.7
Geranium (cutting)	2.0	17.8	America	18.7
Gomphrena	2.8	2.8	Buddy	19.1
Hybrid Impatiens	1.6	13.7	Super Elfin	27.7
Marigold	2.0	7.2	Bonanza	17.0
Melampodium	2.6	2.8	Showstar	15.6
New Guinea Impatiens	2.3	7.6	Paradise	15.3
Pansy	1.9	7.6	Delta	23.8
Peppers	2.3	3.2	California Wonder	20.0
Petunia	1.7	11.5	Wave	32.3
Portulaca	2.3	3.7	Sundial	53.8
Snapdragon	2.3	4.3	Tahiti	18.7
Tomatoes	2.0	4.2	Better Boy	23.4
Verbena	2.2	3.7	Romance	16.6
Vinca	2.2	4.3	Cooler	37.0
Zinnia	2.2	4.1	Profusion	24.3

<sup>1</sup> 1=A, 2=B, 3=C, 4=D

<sup>2</sup> Percent reporting that cultivar as their "best cultivar."

were four annual species with a different best-selling cultivar: New Guinea impatiens, 'Paradise', Pansy 'Delta', Marigold 'Bonanza', and Zinnia 'Profusion'.

The top 10 perennial species reported by our participants were: chrysanthemum (15.5 percent of production, very good grade of 2.0), Hosta, *Hemerocallis*, ornamental grasses, *Coreopsis*, *Rudbeckia*, *Primula*, *Heuchera*, *Echinacea*, and *Phlox* (Table 7). Grades for all the listed species were less than 2.5, as were nine of the annual plant species.

Bedding plant sales increased for another consecutive year. The USDA Crop Reporting Service showed that the 36 states participating in the data collection increased bedding plant sales from \$1,943,139,000 in 1999 to \$2,122,575,000 in 2000, or an increase of 8 percent (USDA, National Agricultural Statistical Service web site located at <http://usda.mannlib.cornell.edu/reports/nassr/>

other/zfc-bb/). Sales continue to increase, as they have for over three decades. However, the rate of increase in growth is slowing (Figure 3, page 8).

With bedding plant sales increasing for many years, when will production begin to level off and sales begin to enter the mature stage of the product life cycle? Much will depend on the general economy and growth in housing starts. Recession may keep consumers closer to home and looking at their houses and landscapes. Some industry professionals might suspect a downturn in sales if the economy is stagnant and not growing. Yet, it may be a disguised opportunity to market more bedding plants, since this is a relatively inexpensive way to brighten the home and garden. Weather, as always, will continue to play a role in the development of the next season and have a profound impact on sales.

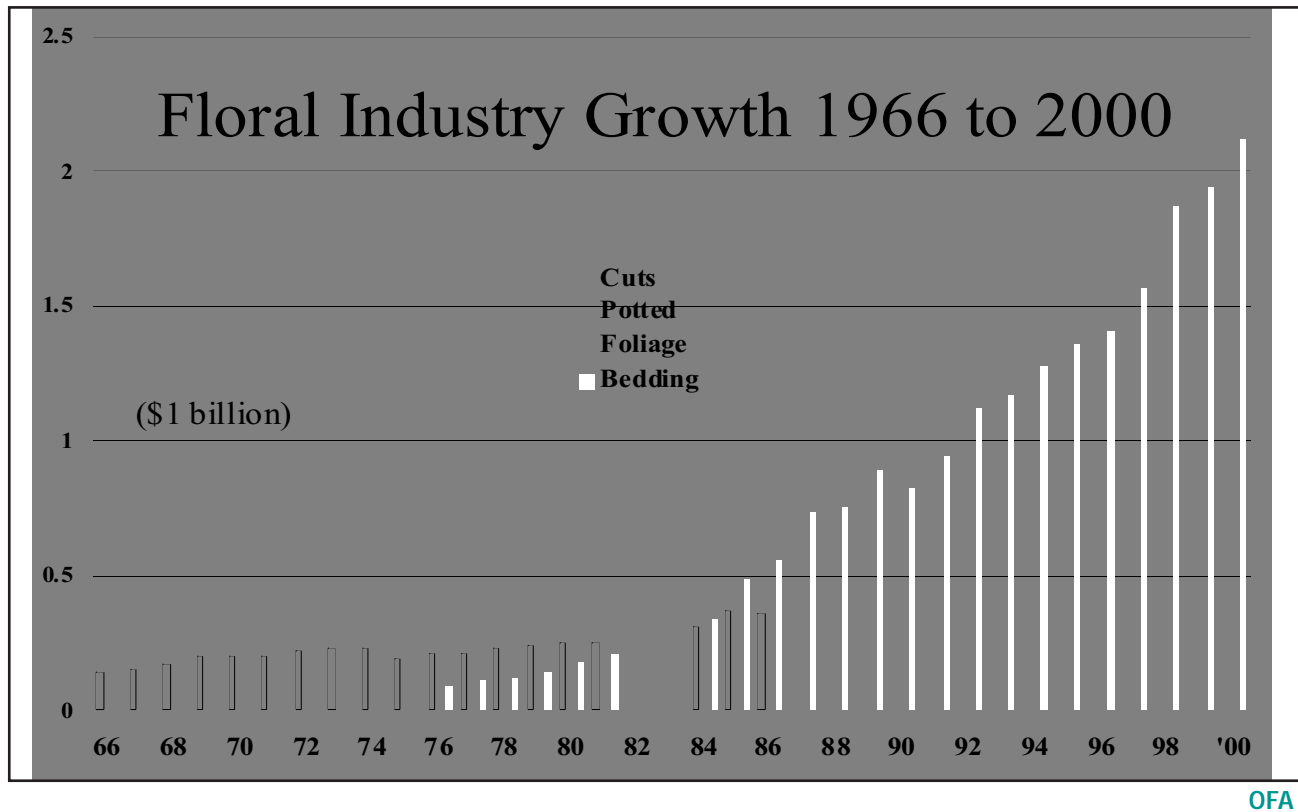
**Table 7.**

Crop	Grade (average) <sup>1</sup>	Percent	Best Selling Cultivar	Percent Reporting <sup>2</sup>
Aquilegia	2.4	4.2	McKana	12.3
Astilbe	2.2	4.6	Fanal	12.8
Chrysanthemum	2.0	15.5		
Clematis	2.2	4.7	Jackmanii	30.2
Coreopsis	1.9	6.7	Moonbeam	22.1
Delphinium	2.2	4.5	Magic Fountain	17.4
Dianthus	2.3	5.0	Sweet William	11.5
Digitalis	2.4	4.6	Foxy	16.6
Echinacea	2.0	5.4	Magnus	32.8
Gaura	2.4	2.4	Siskiyou Pink	15.7
Hemerocallis	1.9	8.6	Stella de Oro	34.0
Heuchera	2.0	5.6	Palace Purple	24.3
Hibiscus	2.4	3.9	Disco	14.0
Hosta	1.7	9.0	H. albo marginata	12.3
Iris	2.5	2.9	German	11.9
Leucanthemum	2.2	3.7	Other	19.1
Ornamental Grass	2.0	6.9	Pennisetum	15.3
Phlox	2.2	5.1	P. subulata	21.3
Primula	2.4	6.6	Pacific Giant	16.6
Rudbeckia	1.9	6.7	Goldstrum	35.3
Salvia	2.0	4.4	May Night	25.1
Verbena	2.1	4.7	Homestead Purple	11.9
Veronica	2.3	3.2	Sunny Border Blue	27.2

<sup>1</sup> 1=A, 2=B, 3=C, 4=D

<sup>2</sup> Percent reporting that cultivar as their "best cultivar."

Figure 3. Floral industry growth 1966 to 2000.



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