A Growing Interest 2:

Climate Change and Economic Impacts of the Plant Sector

State of the Industry: An Update

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Introduction

Good morning. It is again an honor to participate in the second meeting focusing on the challenge of climate change education for the plant sector.

Let me start with a bit of disclaimer or qualifier. Although my comments and insights are intended to be representative of real conditions they are clearly subject to other points of view. My presentation will not offer scientific data – odd when speaking to a group of scientists…. But will convey the general state of a *selectively defined* plant industry.

A. My Perspective

As many of you know, I seek and participate in a reasonably wide range of plant sector activities and businesses.

Starting my career in the plant sector with just over a decade as a college and university professor, followed by 25 years of landscape architectural practice, plant industry advisor and landscape service company owner, my perspective is somewhat unique.

Here are a few examples:

LA Practice – ASLA

- 128 Independently Owned Garden Centers
  - Performance numbers each week
  - Site and Facility Improvement Program
    6-12 each year for past 25 years

- Resort/Hospitality Landscape Architecture
  - Ongoing Site and Event Design

- General Land Use Planning & SSI Pilot Project

Investor/Owner

- Residential Focused Service Company

Landscape Industry Advisor

- ANLA, PLANET, NCLNA, NCGC, NCA&T
- OPM Program
- ANSI and Industry Stewardship Program/GBA
- Regular outreach to Plant Sector Company Owner's

B. “Photosynthetic” Content from Last Meeting

In November 2008, we began to address the Climate Change Communication Challenge for the Plant Sector. Irony was present at our last meeting in that two unintended yet neutralizing factors were at work; The Great Recession and Climate Change Education for this industry.

In my remarks that day, I framed our challenge this way, “Climate Change as defined by the body of knowledge we rely on is so vast and specialized that it is impossible or impractical to grasp its application to everyday business life – for the overwhelming majority of the people and organizations in this “sector”.

I went on to say, If “Climate Change Science Information” is one step ahead of the public, they acknowledge and try to use the new information in their lives; if it is two steps ahead, they consider the information abstract and farfetched; and if it is three steps ahead, they are doubtful and ignore it, if not intellectually, through their behavior.

C. What is the Plant Sector?

I think it is beneficial to define this so called plant sector. From my perspective, it is a complicated (complex) mix (not a blend) of horticultural crop activities and landscapes which include specialized agricultural crops and environmental horticultural crops. An often disconnected, and highly fragmented group of individuals and businesses, public and private landscapes ranging from home gardens, highway rights-of-way, arboreta; botanical gardens, golf courses to fruit and vegetable crop production and variations of each. One thing is for sure, there is nothing close to a single or united voice for this so called industry.

D. Who Are the Players and How Are They Doing These Days?

The players and their processes and relationships are most often unique subsets of their segment within this sector (industry). I will provide a simple supply chain-like framework to provide an answer to these questions. *Does your company have interest or concerns about climate change? If so, what are they? What is your current thinking about climate change and your business? Do you see specific changes in our industry as a result of the climate change message? What industry trends do you think are being influenced by the public awareness of climate change?*

Producers
Nurseries, greenhouse operations, specialty food crop growers, turfgrass farms, and scores of hybrids and subsets of these and others.

- In most cases they are 20 to 50% less of these producers than when we met in 2008.
- In short, there are fewer producers in non-food green goods in the market today than in 2008.

Brokers and Re-wholesalers
Brokers, Regional Assemblers, Sales Agents, Farmer's Market

- There is less information about this group of players, but in some cases they increased early during the recession and are now declining.

Specifiers/Designers
Landscape Architects, Architects, Designers, D.O.T. and other government agencies and mass merchants.

- Some indications reveal the 1 in 2 Landscape Architects are unemployed.
- Architect graduates have the lowest employment demand in history.
- Design/Build landscape companies work is off from 50% to 60% in residential projects and even higher in non-government commercial work.

Consumer Outlets
Independent Garden Centers, Mass Merchants (Boxes), Farmers Markets, Landscapers

- Total green goods sales are down 20 – 30%.
- Many Independent Garden Centers retailers are on the ropes
- Growers are going directly to the consumers.
- Landscape installation companies are in decline or significantly smaller in total revenue than in 2008.

Trade and Professional Associations

- Significant decline in memberships
- Reduction in programs and events
- Increased reliance of sponsorships

In short, the non-food portion of the plant sector is smaller, with fewer resources and opportunities. This reality added to our original challenge of climate change education, during times of *survival management* is not fertile ground for things that do not appear to provide immediate value.

E. Insights from the Garden and Farm

In preparation for today's presentation I asked the questions referred to earlier to 24 individuals from six states representative of the sector players. Here are samples of the responses to the questions:

- "Nothing that I would call a concern that I would relate to climate change as it relates specifically to our goals."

- “The golf industry in the SE is experiencing a major shift in the turf selection for putting greens.”
- “I doubt that many would attribute this shift directly to climate change but it certainly is a large part of it.”
- “My first reaction is that climate change is not top of mind for us for our clients.”
- “I think there’s a general consensus among our clients that they would like to see “green” approaches followed, if it does not cost any more.”
- “The climate is changing, that is obvious. Whether it is changing naturally, because climate is never static, or because of human influence is what the debate is about.”
- “People used to be aware of the natural world because they were a part of it. They were outside for long portions of the day. Now people are not outdoors nearly as much and the disconnect makes them vulnerable to opinion reporting. So the message of climate change increasingly carries a fear factor with it to sell the story.”
- “We need to be more aggressive in espousing the value of what we do – enhance the environment, mitigate environmental damage, enhance the quality of life.”
- “If climate change is driving movements like the Sustainable Sites Initiative, this movement could influence macro changes in how design, installation and management of the man made landscape occurs.”
- “Our company has very few concerns about climate change. What we have experienced is more insect pressure from ‘southern’ climates moving north, example, bagworms. In addition, we are testing more species with historically less hardiness because of public pressure.”
- “The weather extremes we have experienced the last two years are real and if they continue could have serious consequences. A drought here, like Texas is experiencing could be devastating.”
- “What is the message? Is it we have to reduce our carbon footprint? Or is it managing weather extremes that are the result of climate change or is it meeting government regulations or is it trying to meet what we perceive consumer demand is to be “green”.”
- “Not sure if it is actually public awareness of climate change or our perception of public awareness that is driving some of these trends.”
    - Water efficiency and conservation
    - Native plants instead of introduced exotics
    - Locally grown
    - Reduced turf
- “Climate change is defined for us as a business issue – we do not take a position on the science.”
- “For the most part, our view is that the issue has been influenced with politics. At my age, living and doing business in Iowa for over 50 years, we have been exposed to weather extremes on a yearly basis.”

- “It is a broad enough topic that it has become a part of regular planning discussions.”
- “One could argue that climate change is a key driver of sustainability concepts.”
- “Perhaps one could argue that greater emphasis on codes, standards, certification programs are being influenced by public awareness of climate change.”
- “Climate change as I see it will continue to yield slightly warmer temperatures.”
- This is a continued trend as seen in the latest hardiness zone map, where mid-atlantic and northern states hardiness zones have increased.

From my perspective, the State of the Industry (plant sector) is weakened, yet resilient, smaller yet more productive, surviving not thriving, highly fragmented and reliant on short term thinking. Our challenge in 2008 is still real and unchanged with the added challenge of business and organization thinking influences by the Great Recession.