

Our retail ecosystem is under duress

Everybody loves plants. Whether you have a green thumb or just a harbinger of doom to all things green and lovely, we all know that plants add so much to our lives.

They are used in healing gardens, beautify our communities, and add a 20% bump to home values, just for starters. This couldn't happen without our wonderful growers and retail garden centers delivering the goods.

But with all that said, economics are shaky for businesses and consumer confidence is fickle, which points to an uncertain future.

Lights and shadows

Recently, I attended the annual Evening of Lights Christmas Open House at Al's Garden & Home, which is one of the OAN's flagship, family-owned retail operations. Al's produced this event at all four of their locations. I went to the one in Sherwood. It was a sight to see and very well attended.

The Bigej family, which owns Al's, works hard to create memorable experiences. Their Fall Fashion Show is another example and was also well attended. The strong crowds at these off-season events were a good indication of the public's enduring interest in gardening, especially when presented with fun special events that build community.

Unfortunately, other indicators are cause for concern. Garden centers, at least in Oregon, had a miserable early spring, causing tree and shrub sales to dip. Additionally, statistics from Oregon and throughout the country showed that input costs were way up and profit margins were shrinking. Garden centers must consider this as they budget for 2024.

This Christmas, we saw increased consumer spending nationally, but big box retailers had to deploy big discounts to entice people. We don't know what that means for the nursery and greenhouse industry in 2024.

After all, consumers don't just have

less money, but more places to spend it. In talking to our most involved members, and reviewing economic data, it's evident the American public has fallen back in love with travel. During the pandemic, people did staycations to fix up the backyard. Now, vacations are taking some of that precious discretionary income back.

Showing up one's neighbors with a gorgeous front yard remains an American pastime. However, housing sales are slowing, and business costs are rising. Employees are expecting larger raises to cover the cost of inflation. Utility bills keep skyrocketing. More than ever, our retailers must find ways to be more efficient and do more with less.

The plant funnel is getting gray

American farmers are hardworking, and their workforce is as well, but there's a problem. Both are aging rapidly.

The average American farmer is 57½, according to the most recent USDA data. That's up sharply from 1978, when it was just over 50.

If the country doesn't recruit new farmers or adapt to having fewer, older ones, that will affect how plants get into the hands of the public. While there are examples of grower/retailers, most retailers across our state and country depend on growers to supply them.

While the OAN and its leadership are seeing the sons and daughters of our titans take the reins, that's not the case elsewhere in ag.

Nationally it has been well reported that ag presents formidable entry barriers for young people, particularly those who weren't born into multigenerational farming families. It takes money to buy the land, equipment, and other essentials to run a farm. The upcoming generation may have interest, but not the raw wealth.

Lifestyle stress is also a pressing concern for farmers. They are often at the mercy of weather, supply shortages, volatile markets and other external factors.

Gen Z to the rescue?

In a recent article in *Greenhouse Grower* magazine, Katie Dubow, presi-



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dent of Garden Media Group, pointed to Gen Z (aka Zoomers) as a force that can "reshape the future of the horticulture industry." Born from 1997–2012, this demographic is ahead of Millennials and Gen X when it comes to homeownership.

In 2022, 30% of 25-year-olds owned their home, compared to the 27% of Gen Xers and 28% of Millennials when they were the same age, according to Redfin. "They see their home, and quality things to fill it, as a long-term investment," GMG reports.

Dubow correctly points out that the green industry can capitalize on Zoomers' nature-oriented value systems. Since Gen Z is the first generation raised entirely in a digital world, growers and retailers must understand, and cater to, their specific habits and preferences.

As for recent plant trends, fragrance is flying off the shelves. Or in my own vernacular: if it stinks, it will sell.

Retail garden centers are first to see the front edge of demand. They shape what is grown. It's become a challenge to sell larger growing plants and shade trees. Land use policies increasingly dictate that new houses are built with forced density, but there's always room for beauty. Porch plants (my description) will tap into the beautification arms race of prideful homeowners.

Perennials and annuals have grown in 2023, and nobody is sleeping on the edible market anymore. May our plant aromas, and the general public's hunger to grow their own food, be the light at the end of a shaky economic tunnel. I am so proud of our retail garden centers and growers. I hope 2024 lives up to the fullest extent of its promise. ☺