

The business outlook for 2024 and beyond

From hydrangeas to housing, here's what's impacting the nursery industry this year



1ST FOOTAGE

BY JON BELL

Four years ago, the country was in the midst of one of the most unusual and uncertain times. The COVID-19 pandemic had the U.S. on lockdown, with offices and schools closed, masks mandated and people sticking close to home to stay safe.

But that ended up being huge for the nursery industry. People sticking close to home meant that they turned their focus to their houses, yards and gardens — and the plants, flowers and shrubs that beautify them. The result: record sales for the nursery industry. In Oregon alone, nursery sales hit \$1.19 billion in 2020, an all-time high — until the following year, when they climbed to \$1.3 billion.

In the ensuing years, as the world returned to life post-COVID, sales leveled off, but so far, at least, the renewed craze for gardening seems to have stuck.

“All of us saw, as a result of the pandemic, a surge in sales over 2020 and 2021,” said Alec Charais, chief marketing and product development officer for **Bailey Nurseries** (St. Paul, Minnesota). “It transitioned, generally speaking. We still see consumers shopping at retail locations, but just not at the same levels as during the pandemic. I think now, though, that people are still more engaged in gardening than they were.”

That's a good sign for the nursery industry, especially if the trend ends up having any legs. But there are, of course, other factors that will come into play that will impact how the nursery industry's near future unfolds. Good or bad, what follows are a few of the blips on the radar of some nursery industry watchers and players that might be good for everyone to keep an eye on.

Inflation

It's been the talk of the town the past couple years, and the chatter about inflation isn't likely to die down anytime soon, especially considering November's presidential election.

“You will hear Trump blast Biden over inflation this, inflation that,” said Charlie Hall, professor and Ellison Chair in International Floriculture at Texas A&M University, noting that inflation peaked at 9% in June 2022 but dropped to just above 3% in May. “Inflation, while still around, is not nearly as bad as it was.”

That said, Hall noted that it will be important to see what's going to happen with interest rates. The Fed has signaled that it is going to act slower since inflation has been reined in, but any move they make on interest rates could impact the bigger picture. ➤

Business outlook for 2024

Spending

During the pandemic, consumers stopped spending money on things like travel, but other goods, including nursery plants and shrubs and other discretionary items, sold like hotcakes. Hall said people are spending more on recreational goods — think cars, car parts and services like gym memberships — and travel spending has picked up markedly since the pandemic. That's good for nurseries, but it could be better, Hall said.

“As long as discretionary spending keeps up for things like flowers and shrubs, that's a good thing,” he said. “But we have not been successful at making people think those are nondiscretionary, which we need to do a better job of.”

Also, people have largely burned through any excess pandemic-related funds, like stimulus payments, and



People sticking close to home during the Covid-19 pandemic meant that they turned their focus to their houses, yards and gardens — and the plants, flowers and shrubs that beautify them. As Covid restrictions eased, the consumer craze for gardening has continued. WAVEBREAK MEDIA MICRO

MATERIAL FLOW AND CONVEYOR SYSTEMS INC.

21150 Butteville Rd. NE
Donald, OR 97020

Toll Free 800-338-1382
Phone 503-684-1613
Fax 503-684-5133

Visit Our Website:
materialflow.com
All pricing F.O.B.
Donald, Oregon

**SALE ON MANY PRODUCTS
USED/SURPLUS RACKING,
CONVEYORS, CONV. BELTING,
SHELVING, PLASTIC BINS,
LIFTS, CASTERS & MUCH
MORE. 2 miles off I-5 just
south of Wilsonville.**

ALUMINUM
DOCK PLATES

STEEL
DOCK BOARDS



IN-STOCK

IN-STOCK

Many Sizes Available
\$334 to \$689
\$1,602 to \$3,517

IN-STOCK



Used and
New

TEARDROP
PALLET
RACKS

IN-STOCK



HAND TRUCKS
58PMP
\$145

100s of
Hand Trucks
IN-STOCK

Rivet
Shelving
Various
Colors
Available

1/4 Yard - **\$1,039**
1/2 Yard - **\$1,223**
3/4 Yard - **\$1,341**
1 Yard - **\$1,595**
1-1/2 Yard - **\$1,813**
2 Yard - **\$2,160**



CASTERS

1,000s IN STOCK

ROUGH TERRAIN
OUTDOOR TRUCK

\$1,295

IN-STOCK

Assembly Required



Special
On Self
Dump
Hoppers

MFRLC357
shown

ALUMINUM
DOCK BOARDS

IN-STOCK

\$930 to \$2,044

INDUSTRIAL STEEL
ROLLING LADDERS

Capacity 350 lbs.
F.O.B. Donald, OR.

Top Step - 16" x 24" W
Platform



Model No.	Steps	Height to Top Step	Wgt.	Price
MFRLC354	4 Step	40"	165	\$499
MFRLC355	5 Step	50"	196	\$634
MFRLC356	6 Step	60"	229	\$782
MFRLC357	7 Step	70"	260	\$839
MFRLC358	8 Step	80"	293	\$940

Assembly Required



Gravity Roller Conveyor
In Stock - Donald, OR



Powered
Conveyors

Prices subject to change without notice



CPT2748E
4400 Lb. Cap.
27 x 48
\$249



At Blue Heron Farm, we grow our plants for quality and consistency and have a diverse selection of fine plant material.

- Container shrubs, trees and fruit trees
- Specimen shade and flowering trees
- Bare root shade and flowering trees

Contact us for a free catalog:

Blue Heron Farm
 Post Office Box 357
 Independence, OR 97351
 Phone: 541.754.4224
 Toll Free: 800.223.8410
 Fax: 541.754.6181
customerservice.bhf@gmail.com
www.bhfnursery.com

Business outlook for 2024

they're starting to use their credit cards more. That's nothing to be alarmed about but, Hall said, it could get to that point.

"We are not quite to the point where consumers are leveraged as much as they were, but it's something to watch," he said.

Social media

Like it or not, social media is here to stay. But from the constant changes at X based on the whims of Elon Musk to the uncertain future of TikTok — it could be banned in the U.S. later this year — platforms are in flux, as are the attitudes and engagement levels of the people who are on them.

Katie Dubow, president of Garden Media Group, said some older social media users may be getting tired of the channels; some may have even bailed on them altogether.

"I think it's a thought in the back of a lot of people's heads," she said.

So does that mean that nursery-related businesses should pull the plug as

well? Not according to Dubow. Instead, it might be time to find ways to get more creative with social media, websites and apps. She noted that people are very social within apps like the book-focused Goodreads or the running-related Strava, and conversations that lead to product recommendations are common. There may be opportunities for nurseries to find niche audiences in similar spaces.

Dubow also said nurseries and retailers should do what they can to foster engagement with their customers online.

"People are always looking for places to engage with other people online," she said. "If you're a garden retailer, a nursery or someone with an interest in that niche, maybe you have a section for community on your website or even a comment section where conversations can start."

Branding

In the big field of nurseries these days, it can be hard to stand out if you're

just growing run-of-the-mill plants. One way to differentiate in today's crowded market — and capture those discretionary dollars that are still being spent — is by offering branded plants that not everyone else has.

Bailey Nurseries has done that well through its First Editions® and Endless Summer® brands of plants, including hydrangeas, lilacs and azaleas.

"Brands continue to out-perform generic products. We see that in how consumers are shopping and also in market research," Charais said. "Even though we're in a somewhat volatile market, shoppers are generally willing to pay for quality, and consumer brands like ours are highly visual and stand out on the shop floor."

It's a strategy that's worked well for Bailey, which introduced its first branded plant 20 years ago. The company also has its own breeding arm, Bailey Innovations, that develops new plants to add to the Bailey lineup.

EXCLUSIVELY FROM THE HC COMPANIES:

Elevate Your Brand with Square Pot Printing



Leader in Horticultural Containers



VIBRANT FOUR-COLOR PRINTING - Stunning four-color printing on square containers, delivering crisp and precise branding colors that match your standards seamlessly.

ENDLESS ARTISTIC POSSIBILITIES - With four flat sides, each printed individually, our square printed containers offer limitless creative potential. Showcase unique artwork, messages, and imagery on each side.

STREAMLINED BRANDING - Incorporate UPCs, SKU numbers, and QR codes directly onto the container, eliminating the need for separate labeling and saving you money.

PALETTE OF POPULAR COLORS - Square containers are available in a wide range of popular colors to align with your brand's identity or create striking contrasts that capture attention.

COMPATIBILITY GUARANTEED - Our printed square growing containers come in a variety of sizes and seamlessly fit with their corresponding trays and flats, ensuring the perfect match.

LOCAL PRODUCTION, NATIONWIDE DELIVERY - Our containers are proudly manufactured and printed in the USA, guaranteeing quality while supporting Made In America. We deliver across North America for your convenience.



With this new innovative square pot printing capability, you can transform your brand's presence with our growing containers today! Stand out, simplify, and leave a lasting impression. **Contact us now!**

HC-COMPANIES.COM | 800.225.7712

CELEBRATING 70 YEARS

OBC NORTHWEST, INC. Nursery & Greenhouse Supplies

Your Complete Source for Greenhouse, Nursery,
B&B Supplies and Accessories since 1954

“Our focus is to make sure we are bringing exceptional plants to market, not a lot. It’s quality over quantity,” Charais said.

Bailey is continuing that strategy with the introduction of a new hydrangea called Eclipse® and another called FlowerFull™, both of which are part of First Editions®.

“We’ve been very fortunate to have new innovations from breeding that really stand out in the market,” Charais said.

Housing

People love their homes and they love their landscapes and gardens. So it’s no wonder that the housing market has a huge impact on the nursery industry. And right now, housing is strong, as is the demand for it. According to tax and audit consultant RSM LLP, the U.S. needs 1.7 million housing units annually between now and 2030 to close a gap in housing. Last September, the U.S. Census Bureau reported that housing starts were on pace to hit close to 1.5 million by year’s end — a solid number that still came up short.

“Housing is still strong, we just don’t have enough of them,” Hall said, noting that homebuilders have been wise in offering incentives that help buyers avoid some of the pinch that’s come from higher interest rates.

Fueling the demand for housing is, in large part, a wave of younger first-time homebuyers who are looking to put down some roots. There are some 50 million people in the U.S. between the ages of 25 and 35, a solid demographic when it comes to the homebuying public. Helping out even more is the fact that, according to the National Gardening Association, more than 18 million new gardeners emerged during the pandemic — many of them younger and likely part of the home-seeking club.

Another piece of the housing puzzle for nurseries to keep an eye on? Homeowners associations.

Dubow noted that 84% of new single-family homes sold in 2022 were part of HOAs. And while that may have been an obstacle to home gardeners in the past who were limited in what they could plant >>

OBC IS YOUR GREENHOUSE SPECIALIST

- * Highest quality steel made in the USA, fabricated in Canby, Oregon
- * Customizable sizes and kits
- * Hose trolleys, benches, ground cover, polyfilm; you name it, we can supply it.
- * We’re also a distributor for Conley’s engineered structures and Gintec’s shade structures.



Everything you need to grow!



OBC’s custom soil mixes
& OBC’s Earthpots®

All the supplies you’ll need to take your plants from germination to fruition!



1076 SW Berg Parkway Canby, OR 97013 • obcnw.com
1-800-477-4744 • information@obcnw.com

Business outlook for 2024

based on HOA rules, times are changing. Dubow said legislation in places like California and Texas is opening doors to allow people to plant a wider variety of plants and not be fined by their HOA. That legislation is driven by drought conditions and the need to plant climate-appropriate landscaping, and there might be an opportunity for nurseries to play a role.

“Local regulations are changing,” Dubow said. “Maybe there’s a way nurseries can figure out how to be part of the change.” ©

Jon Bell is an Oregon freelance journalist who writes about everything from Mt. Hood and craft beer to real estate and the great outdoors. His website is JBellink.com.



Fueling the demand for housing is, in large part, a wave of younger first-time homebuyers who are looking to put down some roots. OAN FILE PHOTO

Leading the way in new tree introductions since 1946!



**RED
SENTINEL™
MAPLE**

Acer rubrum 'WW Warren'



J. FRANK
SCHMIDT
& SON CO.

P O Box 189 | 9500 SE 327th Ave | Boring, OR 97009
503-663-4128 | Toll-Free 1-800-825-8202
www.jfschmidt.com



**FIRE
HOUSE®
SWEETGUM**

Liquidambar styraciflua 'JFS KW1LS'

