

STATE OF THE INDUSTRY: GROWER-RETAILERS

Power over plants

As COVID-era gardeners and shipping issues put a strain on the supply chain, three retailers share their reasons for growing more.

Jolene Hansen



Arch Greenhouses in Edmonton, Alberta, heavily focuses on efficiency; they've maximized their 1-acre city lot of growing space to produce 85% of their plant material.

Photo courtesy of Arch Greenhouses

The number of independent garden centers growing their own plant material increased significantly in the past year. After 2020's introduction of 18 million new gardeners — and enduring plant shortages — the trend isn't surprising. But pandemic pressures don't tell the whole story. The last two years have triggered new trends and accelerated trends already underway in the industry. We spoke with three grower-retailers about their expanding growing plans.



SCHULTZ GARDEN CENTER

Matthew Schultz says the increased profits from 2020 and 2021 could fund a new greenhouse expansion in the future at Schultz Garden Center. Photos courtesy of Schultz Garden Center

(<https://www.schultzgardencenter.net/>)

Glenville, New York

FOR SCHULTZ GARDEN CENTER, the tradition of growing plants dates back to 1892. Vegetables were the starting point, but ornamentals followed early on. “We gradually just kept transitioning — less and less farming and more and more greenhouses and ornamental production,” says Matthew Schultz, manager.

Today the grower-retailer has 80,000 square feet of greenhouse space and grows 99% of the plants they sell. All plants go to retail customers. “We never have and don't currently have any desire to wholesale,” Schultz says.

A few years before the pandemic, the IGC began increasing the diversity of its offerings along with volume. The focus expanded from industry standards to embrace more houseplants and other trending items. Then COVID hit.

“Everything under the sun has been selling. With that, we've been able to continue expanding and finding new areas,” Schultz says. They now grow nearly 1,000 plant varieties. As a grower, his primary challenge has been finding wholesalers with availability when Schultz stock sells out.



The IGC's motivation for growing remains unchanged. “The big reason we've always grown our own stuff is just being able to control the quality. We're very big on providing the best quality plants for our customers,” he says. “We feel that the best way to do that is to grow our own stuff right here on site.”

Schultz believes starting plants from seed or plugs has cost advantages as well. “We have enough experience from the years of doing this that we've been able to really control our costs and keep it down,” Schultz says. The family-owned and -operated IGC has a staff of five — all family members — and no seasonal help.

But growing your own has risks. “We are our own supplier. So, if anything were to happen to a greenhouse or whatever, we're in a bit of trouble,” Schultz says. “We have not had that happen yet, thankfully, but there is always that risk.”

The family doesn't have immediate expansion plans, but they're considering a new greenhouse. The IGC's increased sales for 2020 and 2021 — between 30% and 40% over previous years — would fund expansion and other potential projects. Schultz expects 2022 sales to stabilize but to hit a level higher than 2019 still.

As the youngest family member, fresh out of college with an MBA, Schultz has his eye on growing more than plants. “We're definitely trying to work toward getting the next generation [of consumers] enthusiastic about gardening and doing stuff outside to help keep building the industry and building our base,” he says.



EAST PIERRE LANDSCAPE & GARDEN CENTER

After purchasing the business, the pair soon discovered that buying in finished product left gaps between what they could get and what their customers wanted. A desire for greater control over inventory and offerings led them to grow more. Since the pandemic hit, they've continued that course.

“We want particular product that we can't get, so we are increasing [our growing],” Smith says. The IGC grows bedding plants, hanging baskets, perennials, indoor foliage plants, succulents, vegetables and herbs. Bare root perennial production has increased significantly.

The IGC's four shoppable, gutter-connected greenhouses have undergone improvements from new tables to retrofitted roofs, to support growth. An additional greenhouse is devoted to product destined for the South Dakota Capitol building, Governor's Mansion and other state buildings in Pierre.

East Pierre's greatest challenge to expansion has been the labor shortage, exacerbated by COVID. The IGC lost several staff, including a hort-degreed employee who they thought was their succession plan. With a labor force of mostly high schoolers in their first jobs, Smith is still determined to increase on-site growing to provide customers with the plants they want.



East Pierre Owners Art Smith and Mary Eckstrom
Photo courtesy of East Pierre Landscape & Garden Center

He expects next year's supply chain challenges and demand to be much like 2021. “What we are doing then is taking matters into our own hands,” he says. “We're starting off with seeds on this, we're doing plugs on that — growing things up ourselves.”

Smith's and Eckstrom's plans include more and more plants grown on-site — and time spent in the new greenhouse when the citrus comes in bloom.

Smith says the business has been self-funded from the beginning and pre-pandemic growth made several property improvements possible. 2020 and 2021 garden center and gift shop sales increases of nearly 35% over previous years will help fund future projects. These include a 1,700-square-foot, in-ground, high-efficiency greenhouse for citrus and avocado production — part of a venture into finished produce.

ARCH GREENHOUSES (<https://archgreenhouses.com/>) Edmonton, Alberta



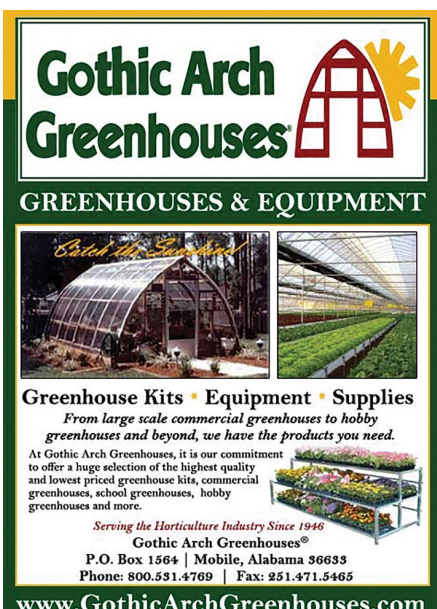
Aaron Webb, greenhouse manager and head grower at Arch Greenhouses
Photo courtesy of Arch Greenhouses

CANADIAN NONPROFIT ORGANIZATION Arch Enterprises launched Arch Greenhouses in 1979 as a therapy program for developmentally disabled adults. Over the years, the facility's staffing and production evolved, but the self-sufficient greenhouse and its customers still help support the nonprofit's community of clients.

Since the beginning, growing has been integral to Arch Greenhouses' mission and success. The landlocked facility's 35,000-square-foot greenhouse nearly fills its 1-acre city lot. With physical expansion constrained, growth focuses on improving efficiency and productivity within existing space, from shipping and receiving to storage and greenhouse production.

Greenhouse manager and head grower Aaron Webb estimates that 85% of Arch's plant material is grown on site. Spring production focuses on annuals, perennials, succulents, vegetables and herbs for the IGC's own retail sales. Fall mum and poinsettia crops are primarily wholesaled. That's remained constant through the pandemic.

Webb continues to look for ways to increase plant diversity and volume. Coleus and begonias are Arch specialties. He plans to increase in-house production of tropical plants, a trend strengthened by pandemic-driven interest. “Houseplants have been a really great season extender for us,” he adds.



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