Seeds Planted for Improved Market

Times have been tough, but seed companies expect a turnaround

By Anthony Pioppi, Contributing Editor

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ell before the economy headed south, the golf course seed industry was feeling a downturn, especially the overseeding market as golf course superintendents looked for ways to save money and water.

Now with the golf course construction industry at a near standstill and with no upturn in site, the seed distributors and growers are finding ways to survive. And, for the most part, they remain upbeat about business.

"I’m always optimistic, and I’m generally right," said Bill Rose, president of Tee-2-Green in Hubbard, Ore. “I think it will be going again in 2011.”

Rose has been involved with the seed business since 1951. “I’ve been studying it, and there are 20-year cycles,” he said, adding that drops in his business normally do not last long. Rose estimates his business is down 30 percent compared to 2007.

Murray Wingate, marketing manager for Lebanon, Pa.-based LebanonTurf, said the past two years of economic downturn have been much swifter and more significant than anyone has seen in a long time.

“That has really put the brakes on consumption,” Wingate said. “So seed companies have really had to adjust. But it’s a crop that comes only once a year, so you can’t change production overnight.”

Steve Tubbs, president of Tangent, Ore.-based Turf Merchants Inc. (TMI), estimates his business is off about 25 percent compared to 2006 and 2007. Most of TMI’s sales come from one part of the golf market — overseeing.

Continued on page 22
Seeds Planted

Continued from page 20

According to Tubbs, the overseeding market tumbled two years ago as courses that normally overseeded either eliminated the practice or cut back. For instance, some superintendents did away with overseeding of rough and fairways while retaining it on greens and tees.

“The combination of (an increase in) seed prices and fertilizer prices made them rethink about overseeding,” Tubbs said.

Tubbs also said that some places, Las Vegas for instance, have come full circle in their overseeding rates as a way to save money. When courses first started the practice, they were putting seed down at a rate of 250 pounds per acre and kept increasing until 800 pounds an acre was not uncommon with some superintendents using 1,000 pounds an acre. To reduce spending, Tubbs said some courses have lowered rates back to 250 pounds.

Courses that do overseed produce a distinct product that can’t be created any other way, said Tubbs, who wonders if the clubs that have cut back have harmed their businesses.

“What would the Masters be if the course was not overseeded with ryegrass? Tubbs asked. “Seeing Augusta, there’s nothing more spectacular than a course overseeded with ryegrass.”

Wayne Horman, the national accounts manager for Marysville, Ohio-based Scotts Professional Seed, agrees with Tubbs. He said he understands courses want to keep costs down, but other factors need to be considered when eliminating overseeding and those making such decisions need to ask, “If I don’t overseed, will I get the golfers?”

Convincing courses that overseeding is in their best benefit might be one way to improve sales, but Tubbs’ company, in his words, is “re-inventing the wheel.” For TMI and others it means developing products such as salt-tolerant rye-

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Like Rose, Muntz, sees the market coming back in two years.

“I’m very optimistic when we get to 2011,” he said. “This is a two-year stint. It’s a matter of us getting through. I will survive. I was prepared for this. I knew this was coming.”

The reason he said better days are ahead is seed sales eased off quicker than the slowdown in production, resulting in a large stockpile of seed. Once the excess is used, prices will rise, he said.

Another sign of optimism comes from Stacie Zinn, president of Environmental Turf Inc. in Avon Park, Fla., which produces environmentally friendly warm-season turfgrasses.

“We’re seeing an increase in the number of sod farms licensing or looking to license our proprietary turfgrasses,” Zinn said. “When a farm takes on a new variety, it may be a year to 18 months before it can harvest. So what this tells me is that sod producers are looking at the economy and the marketplace and are seeing that they’ll need inventory of new grasses when the market rebounds sometime next year.”

According to Rose, another reason the industry might turn is the increase of courses that are interseeding, the result of equipment manufacturers producing machines that have a better rate of germination.

“The key in the United States is interseeding,” Rose said. “We have to fix up the courses we have. The ones that are in good shape are the ones that will do well.”

Tubbs expects to survive the slump and looks ahead to better days.

“I think if you’re still in the industry, you have to be optimistic,” he said.

Horman is more cautious.

“I know when things rebound, things won’t come back like that,” he said, snapping his fingers.