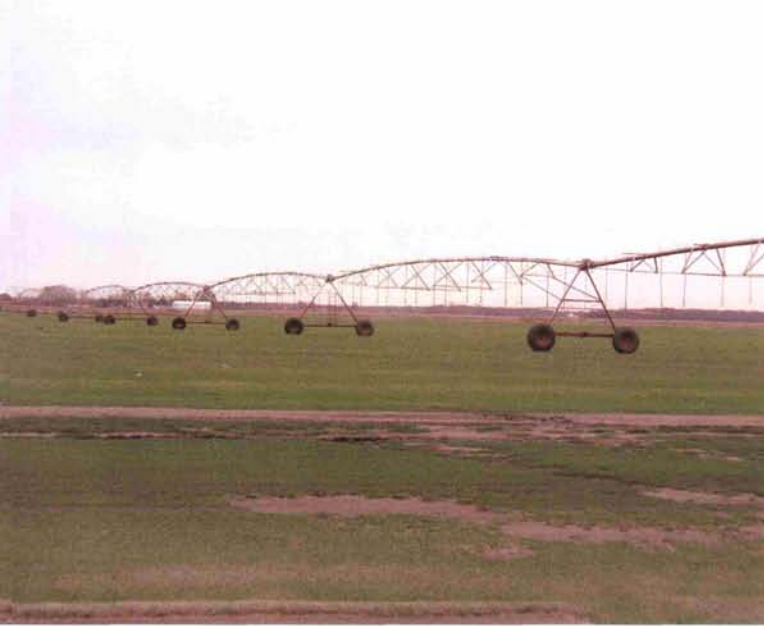


Who Upset Mother Nature? How the Drought Impacted Sod Growers

Trebro autostack sod harvester and load of sod with linear irrigation in the background.

I'm not sure who upset Mother Nature, but she has not been very pleasant this year. Over the past year, she has thrown us several curveballs. It started with last winter, when in southern Wisconsin and the northern counties of Illinois, we experienced varying degrees of winterkill damage, mostly on established turf. In some instances in southern Wisconsin, established sod fields sustained up to 50% damage. This was just the first of many challenges this year, and it was subsequently compounded by heavy demand on turfgrass sod, beginning a sod shortage that really won't be felt until next spring or early summer.



A 1/4-mile-long irrigation line will irrigate 33 acres a day at 1" of water (1,000 gpm).

We were one of the lucky ones. Our northern farm received minor damage due to winterkill. If you remember back to last Thanksgiving, the weather was very mild and the turf tissue was still very supple. Then, during the IPTC, we received anywhere from 1" to 8" of snow depending on where you were. Ice formed under the snow then receded during December. Once again in January, we had a dramatic warm-up to the point that the frost came out of the ground and we were able to harvest once again. This lasted only a few days before the cold air returned. The Chicagoland area received anywhere from 1/2" to 2" of rain, which turned to ice once more. The rest of winter was relatively mild to normal.

Spring hit but the April showers did not. So far this year, the Chicagoland area is roughly 10 inches of rain below normal. This was good for business; little rain means landscapers are able to get more ground prepared for sodding. Most sod producers stripped well above their quotas, for not only April, but also May and June. Lack of rain from Mother Nature is not always a bad thing for this very reason. This year, however, watering bans were out earlier than the typical timeframe of around the 4th of July weekend. Not only did almost every suburb reduce watering to even/odd days for a set number of hours, most ended up with complete watering bans on turf. During this time of year, we typically expect business to slow down but not

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come to a screeching halt. Let me give you an idea of how it affected our sales: by the end of June our numbers were up more than a million dollars over the prior year in total sales, including our hardscapes, but by the end of September not only did we give up the million, we were behind in sales by almost the same amount over just a 90-day period.

Not only were the watering bans stricter than in years past, they were not removed by the usual date of September 1. They lasted, in some cases, until October 1. The last drought of this magnitude was 1988, which ended up being one of our best years ever in sod sales, so we are hopeful for a turnaround. However, drought, along with the excessive heat, slowed rhizome production this summer, which suggests emergence of a longer-term problem. Strong demand, combined with these adverse growing conditions, could produce a supply problem by the summer of 2006 with some growers. The verdict is still out on what sales will do the rest of this year. If it con-

tinues to be dry and winter doesn't come early, before Thanksgiving, I think sales will continue to be strong.

Then, we dealt with the most damaging and numerous hurricane season since they started keeping records. I know we all live in the Midwest and hurricanes don't affect us directly, but they did affect us financially. Take the price of diesel fuel, for example; over the past year, it has gone up almost \$1.50 per gallon. With a fleet of trucks to deliver our products, in an average year our fleet travels roughly a million-plus miles. That means if a semitractor gets an average of 6 mpg driving in the greater Chicagoland area, we just incurred an additional expense of about \$200,000 (1 million miles driven at 6 mpg with an average increase of \$1.25 a gallon), which chews up a good portion of profits. Now take in the fact that sod producers have to irrigate their fields. At H & E, we have 14 (10 diesel, four electric) wells, most of which use anywhere from 50 to 70 gallons of fuel per day to irrigate just under 3,000 acres of

turf. Thus, we experienced more than \$3,000 per week in additional expense for irrigation. To top it all off, due to the fact of lack of moisture from Mother Nature most of us started irrigating earlier than normal, and the trend seems to be that we will be irrigating longer into fall than usual unless there is a dramatic change in temperature, which will add to expenses.

This was one of the toughest years on record economically and meteorologically. It would be nice to find out what upset Mother Nature so things can be set right with her. Hopefully in 2006 we will have a normal year, meteorologically speaking. With the Gulf Coast getting back on its feet, we can also hope things will smooth out economically. If we are lucky, the price of oil and natural gas will come down, which will reduce the cost of fertilizers and fuel used by all of us. This has been an interesting year, but I can't wait to see what next year will bring us. 



Linear irrigation tower.