John Walsh
Editor

Fuel effects

Last year there was a lot of buzz and media coverage about high fuel prices and their impact on golf course maintenance. Although there doesn't seem to be much coverage or buzz about the topic this year, it's still negatively affecting golf course superintendents, forcing some to tweak their budgets.

In June, golf course managers in California were paying more than $3.25 a gallon for petrol. Some in Florida were paying more than $3.00 a gallon. Higher fuel prices affect golf course maintenance in several ways. The most notable is that they're driving up the cost of fertilizers and pesticides because fuel is used to manufacture and distribute those products. During a recent fertilizer plant tour, LESCO and Turf Care Supply officials said the price of urea, the primary raw ingredient in fertilizer, increased 30 percent from 2005 to 2006. Higher fuel prices also affect equipment operations on the course, mainly through the use of mowers and utility vehicles.

As a result of these price hikes, some superintendents are changing their practices to soften the financial blow. For example, some are switching from gas-powered golf cars and utility vehicles to electric or hybrid ones. Others are switching from gas-powered greens mowers to electric ones. Some are using more plant growth regulators to help reduce the number of mowings per week. Still, others are expanding native areas and reducing areas of maintained turf, which helps reduce labor costs, too.

However, it seems not every golf course superintendent is negatively affected by higher fuel prices. In fact, it seems superintendents at private golf facilities are less affected because members at those clubs don't want to see a decline in the quality of course conditions and are willing to take the financial hit until fuel prices come back down. Prices will decline because of market conditions. It's just a matter of time. Using alternative fuels, drilling for oil in places such as Alaska, building nuclear power plants in less-populated areas of the country and a more steady Middle East are a few market factors – no matter how far off in the future they seem to be – that could help ease fuel prices.

Up to this point, it doesn't seem like any portion of the increased fuel prices are being passed on to golfers. But how long can that happen? Golf course owners are relying on skillful superintendents to do wonders with their maintenance budgets. On the other side of the golf course equation are the golfers who have high expectations of course conditions. So, something has to give. Either the golfer pays higher green fees or course conditions slip a bit. Maybe this has happened already at some public golf courses.

If course conditions slide, some golfers will become unhappy and play elsewhere, rounds and revenue will decline, and a few more courses will go out of business in saturated markets. According to the National Golf Foundation, 68 golf courses closed in 2003, 63 courses closed in 2004, 94 closed in 2005, and 90 are predicted to close in 2006. See a trend here? High fuel prices might be the straw that breaks the camel's back, so to say, and could be one more factor of course closings.

Fuel prices will undoubtedly have an impact on course quality at some facilities. The question is whether golfers will accept that or even draw a connection between increased costs and conditioning. The challenge for those facilities will be to educate golfers about that connection or to justify increased green fees. Either of those options are a tough sell in a highly competitive market.

NGF predicts 130 course openings this year. Subtract the number of course closings projected, and there's a net gain of 40 courses this year. That's not much growth. Nonetheless, it's still growth. It's a tough time for the golf course business, but the industry will get through it, no doubt.

An economic climate like this is forcing managers to adopt better practices and run better businesses. Will facilities revert to their previous practices if times get better? I doubt it. The industry has entered a new era in which doing things "the way we've always done them" just isn't good enough.

The impact of fuel prices is just part of the equation that's pushing the industry to reinvent itself. It's not fun, and it's not easy, but it has to be done for the golf industry to survive and thrive in the 21st century. GCN

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