

Canadian Sod Giant

Fairlawn is a Study in Management and Marketing

A major force in the Canadian sod industry is Bill Campbell, a grower at Brantford, Ontario. He has worked closely with the Canadian growers association as an officer and director through the years and is currently helping develop a major summer meeting for next year when the group hosts the American Sod Producers Association.

Campbell's company, Fairlawn Sod Nursery Ltd., is now growing some 1550 acres of cultivated sod. He has 700 acres at Brantford which is the headquarters farm, 650 at Montreal, and 200 near Windsor.

Like most sod production in Canada, his acreage is on mineral soil and turns over about every 30 months. Canadian sod culture, Campbell says, is quite similar to methods used in the northern sections of the U.S.

However, growers apparently have somewhat less in the way of disease problems. Also, they do little irrigation, except just prior to harvest when necessary. Sales are growing and approaching 30 million yards yearly in the Province of Ontario, with another 5 million in other Canadian areas. A few more growers are entering the field each year as popularity of the industry progresses. Campbell estimates that about half his total production goes to residential construction. The balance, he says, goes to all sorts of commercial uses such as schools, factory lawns, parks, and highways.

Problems, according to Campbell, are closely associated with those in the U.S. segment of the industry. Fixed costs are high. Land must be bought and a considerable investment made in establishing the crop, and then getting it to market. Specialized equipment is needed. And production must be tailored to what the market can utilize. Like this country, from time to time, growers experience the problem of some surplus. Land where most of his sod is grown, Campbell says, runs between \$300 and \$400 per acre.

Campbell originally was a soils extension specialist at the University of Guelph. He formed a partnership

with a friend who maintains only a financial interest and went into the sod production business. The first crop by Fairlawn was sold in 1960, was less than 150,000 square yards. By comparison, 1971 sales will approach 2 million square yards.

The Fairlawn Sod Nursery operation is an excellent demonstration of management and marketing. Campbell's theory is that many operators can grow acceptable sod, but it takes good management to efficiently harvest the crop, transport it to market, and then compete in the market for sales. He recently returned to school part time and obtained his masters degree in business administration.

His primary turfgrass is a 50-50 blend of Merion Kentucky bluegrass and common. He stresses, however, that the common is a mixture of known Kentucky bluegrass strains, composed of named varieties, grown

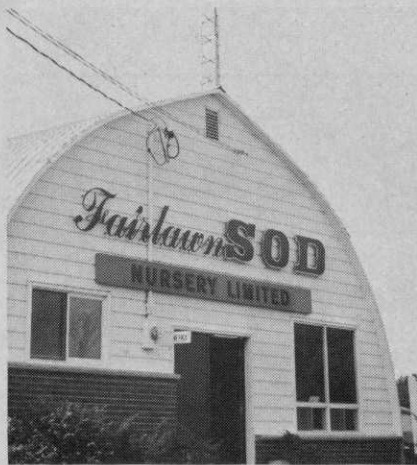
and blended by Jacklin Seed Company, the source of all his seed. The so-called common may include Delta, Newport and other varieties processed by Jacklin which blend well with Merion. This year Campbell is including some Fyking in his blend.

Campbell credits his management team with much of the growth and financial success at the Fairlawn operations. He believes in long tenure for employees. His general manager, Garry Jefferies, 35, has been with the company 10 years, and currently serves as a director of the Nursery Sod Growers Association of Ontario. General farm manager, Ed Strome, 32, has been with Fairlawn for six years.

Management starts with making the crop. Besides a creditable source of seed, Campbell depends on special equipment, not only to get the job done right, but to cut the labor and



Bill Campbell, left, with his general farm manager, Ed Strome.



Office headquarters



Office manager, Ray Dunham

equipment costs. For example, a J & M bulk fertilizer unit which holds 8 tons is used to eliminate bags. The bulk unit feeds fertilizer into a tractor pulled 1-ton Lely spreader. In short, Campbell says this saves handling 40 bags of 50 pounds each for every ton. He uses about 200 tons of fertilizer yearly at his Brantford farm. Savings are twofold. First, fertilizer delivered in bulk is \$6/ton less in cost than bags. Second, the 1-ton Lely can be filled mechanically in five minutes. It would require about one-half hour to open and dump 50 bags.

On new seedings, Campbell uses a 12-foot Brillion Pulvi-mulcher in soil preparation. He plows once and then pulverizes rather than disking. Disking, he feels, ridges and fluffs the soil too much, thereby increasing packing and levelling operations.

The harvesting system is a pallet operation. Ryan sulky rollers are used to lift and roll sod and pallets are piled by hand. Trucks are then loaded with a forklift.

A typical crew consists of a foreman, a cutter operator, four men to build pallets and a forklift operator. Such a crew can harvest an average of 700 square yards per hour

throughout the working day. This includes time lost in moving from field to field and also routine break-downs.

Campbell keeps daily records of yards harvested and hours worked and credits good foremen for keeping his phase of the operation efficient.

Pay per hour for labor runs \$1.90 to \$2.00 per hour.

Sod is transported to market on a contract basis, with contracts being made with owner operated units. These carry the Fairlawn emblem. Rates are paid on a per yard basis. This appears the best bet since trucks are needed only 7 months of the year.

Pallet losses are a nuisance and Campbell estimates that he will lose about 700 per year in moving his crop. This represents a \$2000 yearly loss.

Fairlawn sod is sold mostly to landscapers with direct retail business accounting for less than three percent of the total. Considerable credit is given but accounts are normally paid in 60 days. Service charges are applied to all past due accounts. Bad debts range from one to two percent of sales in a normal year. They are minimized by credit investigations of new customer and ageing of receivables with prompt follow up on overdue accounts.

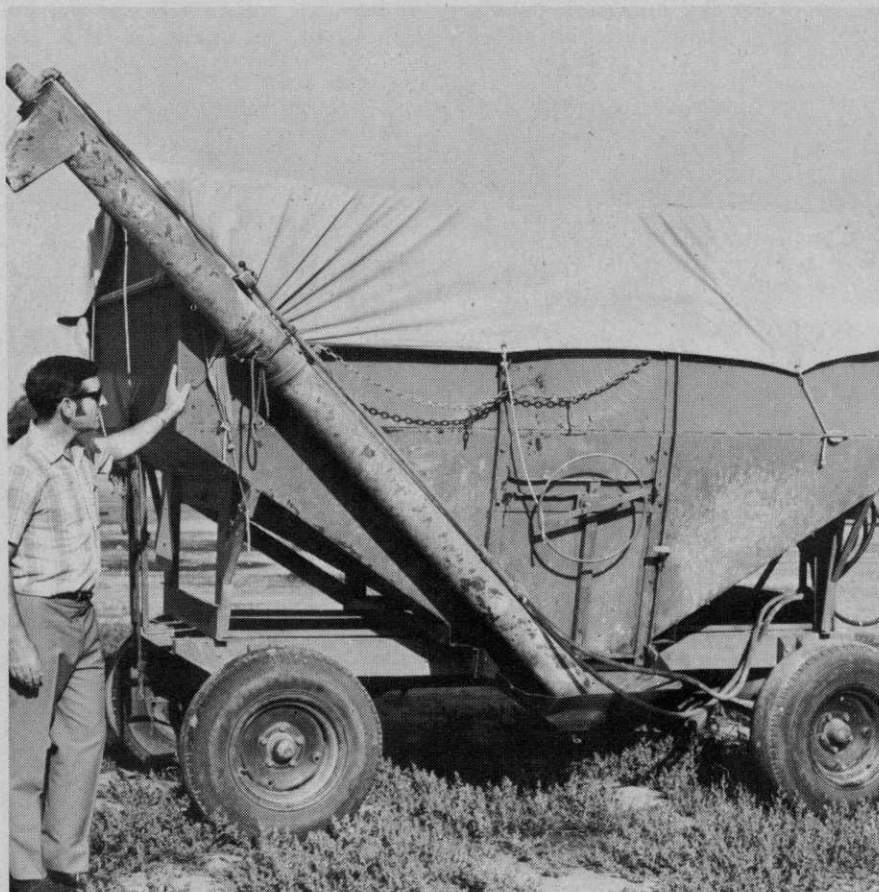
Prices vary, but the normal wholesale farm price has been running 25¢ per yard. A 10 percent volume discount is given on total season's purchases of 50,000 yards or more. Around Toronto, the price has been about 20¢ this year with some sod selling as low as 18¢.

Campbell reports that metropolitan Toronto has to be the sod using capital of the world. New housing includes sodded lawns, both front and back, and the city quite likely has the highest use of sod on a per capita basis in the world, he says. About 65 of Canada's 100 growers today are located within 60 miles of this major market.

The business of growing sod commercially in Canada started in the early 1950s. Campbell says that the late William Ruthven of Alliston, Ontario, noted the large amount of pasture sod being utilized in the Toronto area and planted a field to Merion bluegrass.

This field was mowed, fertilized and sprayed as any fine lawn. Landscapers early noted the superiority of this cultivated product and for a number of years the Ruthven Merion Sod Co. Ltd., found it difficult to meet the demand.

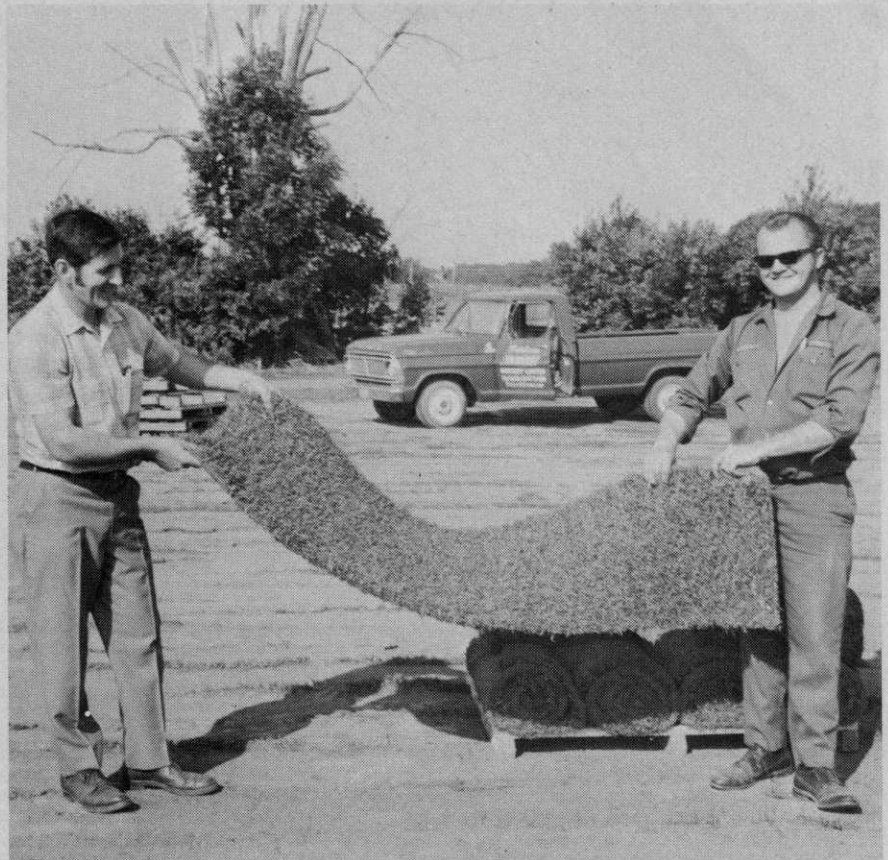
Campbell states that the rapid



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growth of the industry in Canada and indeed, North America, during the past 20 years was probably due to (a) the availability of Merion bluegrass which was a superior variety with an extensive root system which lent itself to rapid production of salable sod, (b) the generally availability of the power sod cutter which first came into use in the late 1940s, and (c) the great surge in all types of construction, accompanied by rising incomes and a buoyant economy.

Today, about 80 growers with acreages ranging in size from 10 to 1500 operate in Ontario. They grow upwards of 18,000 acres. Quebec counts 14 growers with 3600 total acres, all within 40 miles of Montreal. They sell in excess of 4 million square yards yearly. Other areas have fewer growers. In Alberta a few are located near Calgary and Edmonton, and in Manitoba there are at least two growers near Winnipeg, Campbell states. In the Maritimes there is one farm near St. John, New Brunswick. Sod production in British Columbia is small because moisture conditions are such that lawns can easily be established from seed in the Vancouver area.



Campbell, left, and Ed Strome.



Fairlawn now grows some 1,550 acres of cultivated sod.