

Marketing Order Concept A Necessity For Sod Producers

By TONY TASHNICK

Secretary

Sod Growers Association of Michigan

IN 1969, LIFE magazine surveyed the American public to gain insight into the demand that Americans would make on the economy during the decade of the seventies. Leading the list, before all of the so-called necessities of life (nice house, car, full pantry, etc.) was "Grass and Trees around me!"

We seem to be at the right place, at the right time, with the right product. But as one sod grower coyly put it, "We don't seem to be able to do anything but lower the price."

Few growers realize the economic impact of our industry, or the amount of business activity that our 39 million yards of sod are able to generate. We are so busy with the everyday job of getting that seed down, or that flooded spot drained, or that truck loaded, we can't comprehend the problems that would arise if the sod market should collapse.

Growers who were formerly landscapers would go back to landscaping; farmers would go back to the more profitable crops of corn and tomatoes.

Before that happens though, indications are that in order to stay in the sod business, the sod grower is going to be required to sell his crop to the home owner and builder by

getting out and laying sod himself or combining with an already established sodding firm.

The present trend in the landscaping business is to deal exclusively in trees, shrubs, flowers and grass seeding and leave the sodding to the "fly-by-night," the laid-off factory worker and the sod grower. They can't waste their time on sod. It's a low profit item. A no profit item.

Presently, there is no distinction between retail trade and wholesale trade. The home owner can often have sod layed for the same price that the legitimate landscaper can have quality sod delivered. And the home owner will be sold poor quality sod.

The sod grower, in order to generate a cash flow adequate to cover expenses, has been obliged to provide more and more services at or below cost. We have thereby succeeded in cutting out our best salesmen and most reliable customers, the legitimate landscape nurseryman.

Attempts have been made to find solutions by the Sod Grower Association of Michigan, and the Sod Producer Association of Michigan before it. Many suggestions were put forth; some were implemented. For example, the credit re-

port system is somewhat successful, but many of the people on it are still hitting growers with credit problems.

A pricing agreement was tried. It worked for a while, but was eventually eroded by growers who found it economically impossible to either commit themselves or maintain a non-commitment.

The market report was able to provide useful information to some growers, but could not be sustained.

An acreage assessment to provide funds for an executive secretary and advertising program was initiated, but money had to be returned due to a lack of cooperation on the part of the majority growers.

All of these abortive attempts to solve the sod industry's ills only succeeded in creating the feeling that nothing can be done without having means of enforcing industry wide agreements. At meetings sod growers have been extremely reluctant to bring up the subject of pricing because many have had to maintain the 33¢ price and lost business as a result.

As a last resort, directors of the Sod Growers Association of Michigan formed a committee to investigate the marketing order concept and its possible application to the

A Marketing Order Explained . . .

What is a marketing order? George Stachwick, program director agricultural marketing at Michigan State University, defines it as "a self-help marketing program that agricultural producers can implement to solve a wide range of problems through unified action."

The purpose of a marketing order is to increase and stabilize a grower's income and to promote orderly marketing of sod. Every order is based on enabling legislation. This legislation outlines the procedure that must be followed in initiating, administering

and dissolving an order as well as types of programs that are permitted under it.

According to Stachwick "a marketing order is not a fixed entity which can be described and understood in unchanging terms. Marketing orders provide a kit of tools among which choices must be made to select the combination best suited to a given marketing situation."

Sod growers must work together to make a marketing order succeed. Under the terms of the order, growers control the flow of sod to the market and eventu-

ally enable all growers to ask a better price for sod. The order is controlled and operated by sod growers. Government participation is strictly through advice and enforcement of the order.

Why are not other industries using marketing orders? Many are, including fruit, milk, tobacco and cranberry industries. Generally, a marketing order is most effective in situations where the production and/or marketing area and the marketing problems are limited and definable, and where producers have common economic interests, Stachwick concludes.

Load It With Logs... Then Chew 'Em To Chips

Here's a powerful, all-hydraulically operated unit that fits right in with today's modern emphasis on environmental control... Vermeer's New 671 Log Chipper. Eliminates tree and log disposal problems quickly, safely, economically. Load it with logs, old lumber, railroad ties, decayed telephone poles; then chew 'em to chips in minutes for valuable mulch, bedding, ground cover, erosion control, etc. The 671 Log Chipper... great for cities, parks, landscapers, contractors, utilities and tree service firms everywhere. Write for more information and complete literature. Better yet, ask for a free demonstration.



7211 W. Washington

Pella, Iowa 50219

For More Details Circle (114) on Reply Card



It's automatic! Just load any log or piece of wood—up to 4' wide, 6' long—into the hopper... where carbide-tipped cutting teeth chew it to chips in minutes. Handy conveyor then deposits chips in truck for easy disposal.

sod industry. It had been suggested from time to time by various sod growers, but never given serious consideration.

The result of this investigation is the current plan to initiate action in developing a marketing order. I have found a positive response in about 80 percent of the sod growers in Michigan to the concept.

There are presently 134 marketing orders in effect throughout the United States. Some are extremely successful, others are not so successful. The degree and speed of success appears to be determined by the extent to which the particular commodity's market had deteriorated before the growers initiated the marketing order.

The outlook for the sod industry may appear to be good for the next

two or three years, but it will only take one good year to stimulate production which will soon outstrip demand. Already some large farms are doubling their production in anticipation.

We are acting at a time when the prospect of over extreme supply is still ahead of us. By establishing controls now, at a time when the market is expanding naturally, the chances of a successful marketing order are greatly enhanced. The Market Development Program would be able to insure against any reductions in allotments, no matter what turns the economy takes, and increased production would be indirectly increased by the anticipated demand.

This business of fighting and squabbling among ourselves is a

waste of time and money. We must come together and with a united effort get about the business of selling sod. The marketing order is a tool that we can use to sell sod. The time for the marketing order is now.

EDITOR'S NOTE:

At presstime the Sod Growers Association of Michigan have presented James Coddington, USDA Consumer and Marketing Service, with a proposed marketing order. Pending review by the legal department, an acceptable version will then be presented to all interested parties.

Discussion of the proposed order is scheduled in Parlor C, Union Building, Michigan State University, December 6, 1972 at 9 a.m. The meeting will be sponsored by the Sod Growers Association of Michigan and the Michigan Cooperative Extension Service.

According to Tony Tashnick, SGAM secretary, the program is to educate sod producers and handlers as to the contents of the marketing order so they may intelligently represent themselves at the official public hearings to be called by the Secretary of Agriculture, USDA. Tentative date of the public hearings is late January.

All U.S. sod growers are invited to attend the educational meeting. For reservations, contact Tony Tashnick, SGAM secretary, 60 Rush Lake Road, Pinckney, Michigan 48169. Phone (313) 878-3347.

For fastest-starting turf



PARK Variety Kentucky Bluegrass

More Park is seeded each year in the U.S. than any other certified variety of bluegrass.

The 1972 seed crop is the best ever. We recommend that you order your supplies early.

Available exclusively from

TWIN CITY SEED CO.

500 30th Ave. N.E., Minneapolis, Minn. 55418
Phone (612) 789-8821