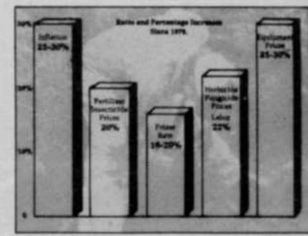

STATE OF THE LANDSCAPE INDUSTRIES

DIVERSITY PROVIDES MEANS TO OVERCOME RECESSION

By BRUCE F. SHANK

Despite interest rate, inflation, and construction problems, the landscape market's diversity has provided a fair amount of insulation from recession. Certain segments and regions of the industry are experiencing significant cutbacks, but overall the landscape industry has adjusted skillfully and faces moderated growth rather than losses. The focus is on cost control.

Weeds Trees & Turf conducted seven different surveys to gauge the impact of recession on the various segments of the landscape industry. Data from the National Golf Foundation, the National Landscape Association, and other industry groups were also used in the writing of this State of the Landscape Industry Report. Association officers were polled for their account of the state of their market segments.

The two most common adjustments made to control costs were reduction in staff and delaying equipment purchases. Two thirds of the landscape contractors indicated a reduction in credit use. All segments reported use of lower maintenance plant material and chemical trimming to lower costs. Both golf course superintendents and landscape contractors are switching to larger equipment to cut labor time.

Other cost cutting techniques and conditions of specific landscape markets will be covered in the following pages. In general, no drastic changes in operations were reported. The market has made adjustments to control costs, perhaps something it could and should have done before. No one was caught by surprise. Most problems were anticipated and adjustments were made before business health was threatened.

Diversity within the landscape market made adjustment more practical than single-service markets. Construction oriented landscape firms placed new emphasis on renovation and maintenance. Interior landscaping has offered shelter for some companies.

Persons working from a set budget, such as golf course superintendents and public landscape managers, are evaluating maintenance efficiency. They are challenging the status quo and trying

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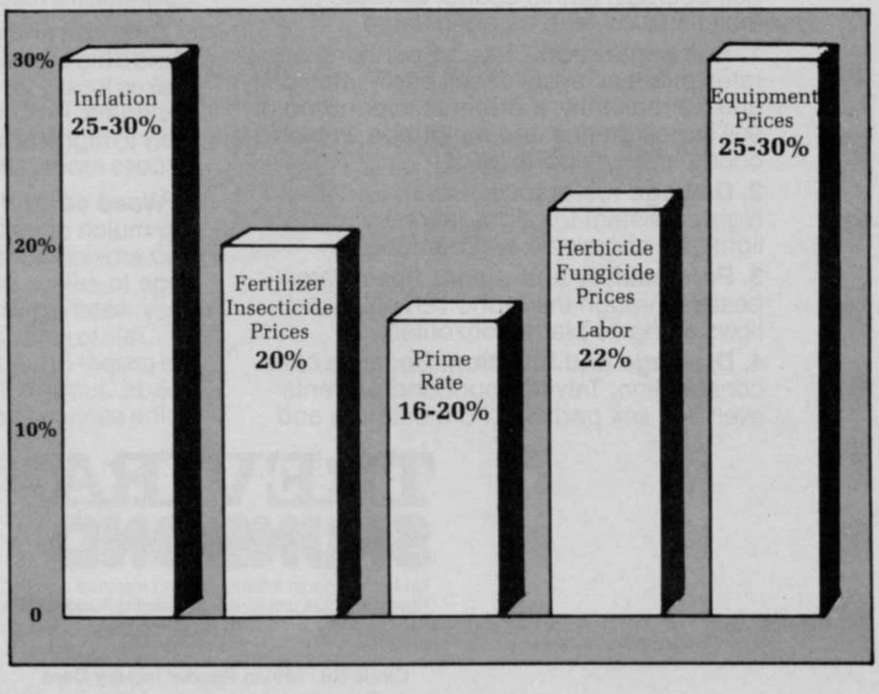
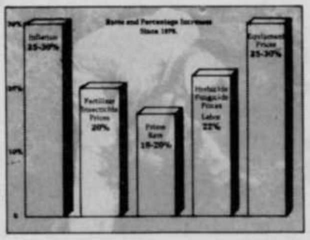
TABLE 1.

Rates and Percentage Increases Since 1979.





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methods to cut maintenance costs. Low maintenance plant material, more efficient equipment, and better control of irrigation will pay dividends in the future.

Both landscape and golf course architects are recommending conversion to low maintenance material. Those who maintain the landscape after design changes question the practicality of some of the changes, but have started to incorporate maintenance saving ideas on an increasing scale. The inclination to test the water before diving in is a characteristic of landscape managers which has protected them from serious problems in the past year and a half.

Whereas the sod market is getting hit harder than other landscape markets, the lawn care market continues to chug along at 24 percent growth. Stagnant construction has caused almost a 50 percent decrease in sod sales. Cost control has kept the remainder of the landscape market even or slightly ahead of inflation. The trend is likely through 1982.

The Business Climate

1982 will mark the second year of very high interest rates and more than five years of double-digit inflation. Landscape businessmen have been aware of these financial facts. What they haven't known is how these factors cause local concerns.

Until construction contracts dried up in late 81, we were dealing with regular, large increases in the cost of labor, equipment and chemicals. We learned to live with those. The landscape market was also adjusting to drought in many parts of the country. That too was handled without major losses.

But, in 1980, when interest rates increased with the Federal Reserve Bank's tight money policy, the credit market started getting out of hand. Not even the bankers were sure what to do.

Today, housing starts are dropping to depression era levels far below the 1.1 million unit mark of 1981. Even the Sun Belt cities, except for Austin and Houston, TX, fell off 1980 levels. Creative financing was unable to make a significant impact on housing starts as mortgage rates remained above 16 percent, quite a shock from the 10 percent rate of early 1980.

Conservative estimates place the prime rate at 14.5 percent by the end of 1982 and 13 percent by the end of 1983. It is currently 16.5 percent. The National Association of Home Builders has announced housing will not recover substantially until mortgage rates come down to a tolerable 12 to 13 percent.

Using these theories, a significant recovery in housing will not take place until late 83 or early 84.

Regional problems in industrial cities where automobile manufacturing and steel are dominant, are causing declines in landscape revenues. Unemployment figures continue to climb beyond the 9 percent mark.

In the midst of this bleak environment, only the sod production market faces severe losses. A National Landscape Association survey showed its members experienced an 11 percent gain in revenue in 1981 and anticipate a 7 percent increase for this year. Factor in inflation, and NLA members are staying even.

Growth has to come from a competitor as new business shrinks. But, no one is willing to play share of market games. The airlines provided a good example of price cutting to gain share of market. After years of inflation-plus price hikes, the thought of freezing prices is hard to accept. In some markets ChemLawn has elected to moderate price increases for 1982 according to Marketing Director Ralph Lund.

After getting in the habit of annual price increases, suppliers may moderate increases at best. Expecting supplies to increase in price, landscape businessmen will have to pass along the increase or cut costs by increasing efficiency.

The landscape market has the advantage of being moderately recession-proof. Companies largely based in agriculture, look to landscaping and golf courses when agriculture goes flat. The low volume, higher profit margin of this industry pays dividends when the high volume, low profit margin of agriculture is threatened. In good times, the landscape market is overshadowed by agriculture. In hard times, the landscape market is a welcome customer.

A recent report by Charles H. Kline & Co., sets the value of chemical products purchased by the landscape industry at $1.1 billion. Compared to the multi-billion dollar ag-chem market the landscape business may seem small. After considering the better profit margin and increased stability of the landscape market, more chemical companies are establishing specialty product divisions this year to mar-

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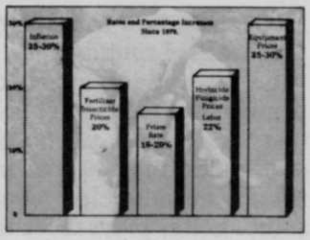
TABLE 2.

Cost Cutting Measures by Market

	Percent of Respondents			
Area	**Golf**	**Landscape**	**Sod**	**Parks/Schools**
Delay Equipment Purchase	54%	48%	81%	13%
Reduced Labor	50%	—	73%	51%
Increased Trim With Chemicals	—	41%	—	66%
Cut Fertilizer Use	30%	—	49%	42%
Cut Herbicides Use	18%	7%	20%	31%
Cut Chemical Inventory	44%	22%	—	—
Add Low Maintenance Plant Material	—	70%	—	50%
Use Growth Regulators	—	20%	—	17%
Use Larger Mowers	—	24%	—	77%



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ket to the Green Industries.

Kline predicts the turf and landscape market will grow at a rate of 10 percent annually to 1986, measured in current dollars. It sees lawn care growing by 24 percent annually in the same period. A growth rate of 12 percent was set for fertilizers.

The dilemma of farm equipment manufacturers is well known. International Harvester is trying to restructure its debt and even John Deere is cutting back production this year. High interest rates are keeping landscape businessmen away from large equipment purchases the same as farmers. However, the prospects for a quick recovery are better for the landscape market as equipment efficiency is stressed to cut labor and interest rates drift downward.

Equipment distributors called by *Weeds Trees & Turf* did not paint a dismal picture. Jack Cantu, president of Wesco-Zaun, a Toro distributor in St. Petersburg, FL, said new golf courses and tourists escaping severe winters up north are keeping his customers busy. Even Bert Bradshaw of Lawn Equipment Enterprises in Detroit has good words for his equipment business. Apparently, laid off auto workers are buying mowers and snow blowers to compete with professionals.

Equipment is pushed harder and on a daily basis in landscaping. Down time is critical. Unreliable equipment can't be tolerated. Replacement equipment simply must be purchased regardless of interest rate or price. If the prime rate falls two points this year, the landscape maintenance industry will be buying. It simply doesn't pay to wait for interest rates to drop to previous levels.

Since many landscape businessmen have trimmed staff this year to cut costs, they will know fairly accurately how much labor reduction saved. When they compare this figure to similar savings offered by more efficient equipment, they will be looking for larger but still highly maneuverable mowers. The lessons of cost cutting will not be forgotten quickly.

The turf and landscape market also purchases $140 million in turf seed each year. Advances in low maintenance turfgrasses are being applied by landscape businessmen. Renovation with improved turfgrasses will continue as landscape managers seek a turfgrass that grows slowly, looks good, and survives on less, water, fertilizer and fungicides. Improved tall fescues and hard fescues, as well as hardier Kentucky bluegrasses and perennial ryegrasses are available today. Seed companies expect adequate quantities of these lower maintenance grasses within two years.

"The lessons of cost cutting will not be forgotten quickly."

The survey shows both an increase in the use of lower maintenance plant material and a reduction in the amount of ornamental planting. Until new construction returns to previous levels the nursery market will be supplying replacement or renovation material, at least to the professional market. The logic that the economy would encourage customers to fix up their property is sound according to NLA figures. NLA members indicated they offset new construction losses to a large extent by residential renovation work. Henry Weller, president of the American Association of Nurserymen reports nurserymen saw some cancellations. Weller encourages fellow nurserymen to adjust to present conditions rather than waiting for a turn around in sales. Turf seed experts like Doyle Jacklin, of Jacklin Seed Co., Post Falls, ID, believe the hope for large sales increases brought about by homeowners fixing up has not been realized yet. Retail seed sales have not shown dramatic improvement nor has the purchase of sod for home renovation been encouraging.

Jacklin and Jay Glatt of Turf Seed in Halsey, OR, suspect seed distributors and retailers are keeping smaller inventories, relying instead on delivery from the seed company within a week. Facing a good harvest, the seed growers need to move their inventories of Kentucky bluegrass from last year.

The Golf Market

With the number of golf courses growing at one percent per year and maintenance budgets increasing at 8 to 9 percent, the golf course market is considered a mature but consistent performer. Growth is not the only qualifier of a good market to manufacturers and suppliers. Reliability is the main concern during a recession.

The Kline report estimates annual consumption of chemicals and fertilizers by golf courses as $175 million, or $10 million less than residential and commercial lawn care. This is the first indication that golf is not the biggest market in the landscape industry.

Golf associations are aware of their growth problem and, for the first time, are all working together to improve it. "For the first time in its history, we see a marshalling of forces, a unification of key organizations in the industry to meet the challenges of the next decade . . . to take a fresh look at management of the game and to revive its economic viability," says Jim Wiley, president of the Golf Course Superintendents Association of America. "Old adversaries such as inflation, lack of adequate participation by the younger generation, the expense level and the time it takes to play golf are challenges that have built up over the years. In addition, new challenges, such as resource limitations, water and energy, must be faced. These add up to economic threats to a business and sport that has gracefully survived world crises through the years when other sports were similarly threatened."

Wiley feels the results of industry

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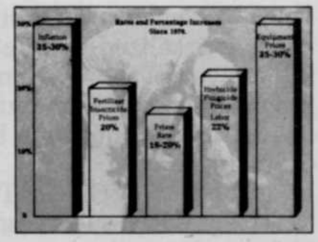

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self examination will find a receptive audience. An Allied Technical Research Task Force has been established to facilitate management practices. "The GCSAA and the U.S. Golf Association will be playing pivotal, cohesive roles in lower maintenance turfgrasses, water source and utilization research, computer resource development, and other ways of doing more for less," Wiley claims.

Golf Journal managing editor George Eberl puts it this way in a report on the high cost of golf, "When these expenses (maintenance costs) are combined with rapidly escalating property taxes, the two-headed economic monster of inflation/recession, and the proliferation of other competing sports activities, it is little wonder that golf course development has slowed considerably over the past several years and what we have is confined chiefly to resort and real estate complexes, most often in the Sunbelt States."

The National Golf Foundation has been the keeper of golf industry statistics. NGF reported out of the 150 course openings in 1981, 78 percent were linked to real estate developments and only 90 of these were totally new courses. NGF reported 118 golf construction starts in 1981.

Joe Finger, a golf course architect in Houston, TX, cites development and construction costs as the major roadblock to new courses. He estimates costs of $2.5 to $5.6 million to purchase land, build the course and clubhouse, install irrigation, and buy carts. To accomplish this, a "strictly membership club" would have to charge an initiation fee of about $9,000 to $18,000 for 300 members, or $4,000 to $9,000 for 600 members.

Finger suggests cutting the length and area of the course, reducing the number of bunkers, and installing more efficient irrigation systems with fewer heads.

Superintendents of existing courses have delayed equipment purchases and reduced crew size to work from tighter budgets. Nearly 40 percent of the superintendents in the *WTT* survey said they had adjusted plans for course improvements and cut back on travel to conferences. The least likely items to be cut are chemical applications, mowing frequency, and irrigating only critical areas. Less than a fifth of the superintendents said they would lower maintenance standards to cut costs, but one fourth said they have let some areas go natural.

Even though almost 80 percent of the superintendents said they had delayed equipment purchases, 48 percent said they were using larger mowers to cut labor time. More than half said they have converted part of their trimming to chemicals from equipment. More than 40 percent said they are improving irrigation systems for efficiency. Use of sod for repairs was reduced by a third of the superintendents. Other cost cutting procedures used by 25 percent or less of the respondents are use of growth regulators, eliminating some bunkers, use of fertilizer/herbicide combinations, and renovation to lower maintenance grasses.

> "Today it costs $2.5 to $5.6 million to build a golf course."

On the income side of golf, courses have increased membership dues an average 12.5 percent since 1980, hiked greens fees an average 15 percent, and raised cart rental fees by 13.5 percent. These increases have not kept pace with inflation of 12.5 percent in 1981 and an estimated 7 percent this year. Rounds played increased in 49 percent of the courses reporting by an average of 15.7 percent. Speed of play and marketing the course to groups are two areas contributing to increased rounds.

Demographics are becoming a prime consideration of golf promoters. They know young golfers (17 and under) play 30 percent of their rounds on municipal courses. The senior golfer plays more than twice as many rounds as the junior golfer. But, 75 percent of rounds played are by persons between the ages of 17 and 65. The dominant part of the market has time constraints due to employment. Women's golf is being slowly diminished by working women and their time constraints. Time is the key factor.

NGF estimates that 360 million rounds were played in 1980 with a 7 percent increase in 1981. Municipal courses make up 15 percent of all courses but carry 22 percent of rounds. Daily fee courses make up 45 percent and carry 45 percent of the rounds. Private courses make up 40 percent of the market and carry 33 percent of the rounds.

Some courses supplement course income with restaurant and bar and golf cart rental. Golf cars figure in time saving and cart use is increasing.

Golf courses simply can't allow maintenance costs to increase rapidly. It becomes the superintendent's responsibility to control them. Hazards which penalize the golfer and slow down play not only are maintenance headaches they are irritants to the golfer. The local course should be fast and enjoyable. The well-to-do golfer can travel to courses with the challenge they desire. The key is to increase rounds by decreasing time. The golf industry will need the 80's to find the answers to growth.

Lawn Care Market

The economy has apparently had the least effect on lawn care. It is the volume maintenance service of the landscape market. Each year it gains a greater share of the existing residential market. There are 68 million residences in the United States. Lawn care companies currently service ten percent (6.8 million) and hope to increase the percentage into the twenties during the eighties.

Growing in the past few years at

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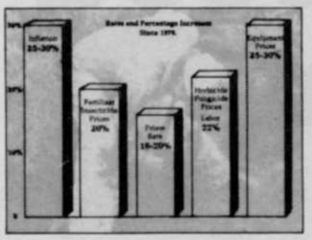

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25 percent annually, this growth is expected to continue through 1986 (Kline Report). Housing starts will raise the number of residences to perhaps 75 million by 1986. Lawn care businessmen will meet their goal of 20 percent easily before then. By 1986, 20 million residences will have a lawn care service and this would represent 27 percent of the market, a figure currently reached by retail lawn care product companies.

Lawn care is divided into two major categories, mowing/maintenance and chemical application. In 1981, the market grossed $870 million in chemical and $627 million in mowing/maintenance for a total of $1.5 billion, according to a *Lawn Care Industry* magazine survey. The Kline Report estimated residential and commercial lawn care markets to consume $185 million in chemicals and fertilizers in 1981. If growth rates are accurate, the lawn care market will consume more than $560 million in chemicals and fertilizer by 1986, in 1981 dollars. Annual inflation of 6 percent would increase that figure to $800 million. It is not hard to defend the lawn care market as the front runner in the landscape industry. The market will perform $6.5 billion in service in 1986 at current growth rates.

Chemical lawn care is practiced by 75 percent of the companies according to Lawn Care Industry's survey of its readers. LCI readers serve 6.7 million chemical accounts at an average annual charge of $130. Seventy-two percent of LCI's 10,200 readers do mowing/maintenance at an average annual charge of $1,483 for 423,000 accounts.

The survey respondents averaged 22 percent profit by charging roughly $4.25 per 1,000 square feet on chemical application and $21 per hour for labor and equipment on mowing/maintenance. They spend an average of 4 percent on advertising.

As a volume oriented business, lawn care is restricted from entering time consuming landscape functions such as planting, trimming, and tree care. It is limited also in mowing work. Soliciting residential mowing accounts is not sensible at today's labor rates and overhead costs. Commercial mowing makes more sense and is more common. A residential customer will accept four to six treatments at $40 each, but might not accept a weekly charge of $40 to mow his lawn.

The line between mowing/maintenance by lawn care firms and landscape maintenance by landscape contractors is fuzzy. Landscape contractors and landscape nurserymen have claim to much of the same work.

"By 1986, 20 million residences will have lawn care services."

Lawn care companies have experimented with tree spraying and even golf course maintenance. Tree spraying and fertilizing appear viable as an additional service to present customers.

A definite trend is offering a variety of treatments from one spray truck. Hand controls and truck controls for injection of chemicals needed for the job are being used on a limited basis. The chemical applicator can apply only what is needed and has the ability to apply specialty chemicals, such as fungicides and insecticides, where required. This cuts down on chemicals used unnecessarily in tank mixes.

Marketing sophistication may be the main reason why a part of landscape maintenance became a separate market. Specializing in one area and using promotion to gain volume made lawn care climb from meager beginnings in the late 50's to the leading landscape market of the 80's.

The Landscape Contracting Market

The fact that most of the growth in the landscape market has been from splinter groups from landscape contracting is a testament to its health. Lawn care and interior landscaping are both on the map to stay.

Without including the dollars from lawn care, the landscape contractor represents the third largest buyer of chemicals and fertilizer in the total landscape market at $110 million. It represents the greatest variety of work on a profit basis in the market. The diversity of the market gives it the flexibility to balance any weakness in any of its parts.

The majority of landscape contractors gross under $250,000 per year according to the Associated Landscape Contractors of America. WTT research indicates the average gross in less than $100,000. The landscape nurserymen remains a factor in the market although the real backbone of the market is maintenance. This becomes most apparent when construction work falls off and maintenance becomes the only reliable cash flow.

Construction, however, is the type of service provided by most landscape contractors. WTT survey results show 85 percent of landscape contractors in construction and 72 percent in maintenance. The health of the landscape architect represents a good future for construction. "People are beginning to understand the professionalism and importance of landscape architecture to the solution of current and future land planning and land use planning," says Calvin Bishop, president of the American Society of Landscape Architects. "Today, there are 25,000 to 30,000 practicing landscape architects according to the U.S. Bureau of Labor Statistics, and it reports there will be at least 1,200 job openings annually for landscape architects between now and 1990."

More than 40 accredited landscape architecture schools currently have 5,500 students enrolled. Certification exams are required in

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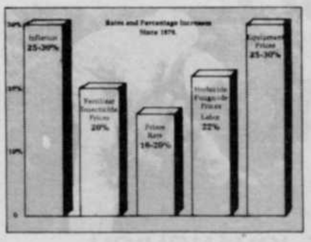

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37 states as of 1982.

The 1978 Census of Agriculture identifies 34,483 landscape planting and maintenance services. California represents a third of the market. Florida and New York each have roughly 2,500 firms according to the 78 Census. The report lists gross receipts for planting and maintenance as $1.4 million and $1 million for arborist services with 10,000 firms.

The 1978 Census gave a wholesale value of trees and shrubs produced by nurseries in the U.S. at roughly $700 million if you take out fruit and nut stock. For the same year it listed foliage (tropical plants) sales of $425 million. Both this figures contain consumer purchases as well as professional purchases. Nevertheless, it shows the market for plant materials well exceeds $1 billion.

A recent survey by the National Landscape Association, a division of the American Association of Nurserymen, showed gross sales by members increased 11 percent in 1981 and a predicted increase of 7 percent for 1982. Approximately half the NLA members reported new residential landscaping and commercial renovation down in 1981, but residential renovation and commercial construction up. They anticipate commercial renovation to get worse or stay the same for 1982 and residential renovation to increase again. Loss in two areas, new residential and commercial renovation were balanced by increases in residential renovation and commercial construction. Loss of commercial construction can be balanced too by their 82 predictions.

The growing influence of the landscape architect is a positive factor in the landscape market as supported by the growth of design/build firms. ASLA's Bishop predicts, "The coming years will require continuing expansion and strengthened relationships within the entire Green Industry. Professionalism and cooperation will create, attract, and preserve the need for environmentally sound landscapes. There is a great breadth of practice in landscaping, from traditional residential design, parks and recreation, highways, military, golf, shopping centers, institutional projects, and campuses, to environmental improvement statements, landscape planning, design/build, historic preservation, research and computer assisted analysis using satellites."

The success of the Interior Plantscape Association indicates healthy growth in that market which began in the late 60's. Certification is keeping a handle on standards and the reputation of a group more aligned to contracting than to the florist industry. Changes in office and shopping center design are creating greater opportunity each year.

> "85% of sod growers report losses from construction."

The increase of contracting out by public agencies in the late 70's is slowing down. The WTT survey shows less than 10 percent of landscape contractors perform public work under contract. They point out problems with poor specifications and bidding practices. Public agencies are reporting decreases or the same level of contracting out to landscapers.

The Sod Market

"After 21 years in the sod industry, I feel our position in the industry is being threatened," said one respondent to our survey. Clearly there is a problem when 40 percent of the growers have converted some of their sod acreage to alternate crops like soybeans, corn, wheat, potatoes, onions, cabbage, spearmint and peppermint.

The problem is centered in the north with Kentucky bluegrass sod. Southern sod growers indicate business is in better shape than up north. Sun Belt growers are selling Floratam St. Augustine grass as fast as they can grow it.

Kentucky bluegrass growers face more sobering challenges with 85 percent reporting losses to housing and construction. Thirty-eight percent of the growers reported decreasing their sod acreage in the past two years. Nearly half the growers half cut prices to spur demand. More than two thirds have cut back on labor. Fertilizer rates have been lowered by nearly half the growers. A third of them have also trimmed marketing and advertising costs. Equipment purchases have been delayed by 81 percent of the respondents. A third reported cutting seed purchases by 50 percent since 1979.

The business from the landscape contractor and the homeowner is off severely. Only a fifth of the growers felt fast germinating, improved perennial ryegrasses have hurt the demand for Kentucky bluegrass sod.

One grower said he has been selling sod at the same price for five years out of necessity. A New York sod grower reported Canadian growers selling sod in the U.S. at 25 to 40 percent below local delivered prices. The market apparently has had some challenges to meet before construction fell off. Sod producers will have much to discuss at their meeting in Denver in July. Members and non-members of the American Sod Producers Association should make plans to be there by contacting ASPA, 9th and Min-

Continued on page 48

TABLE 3.
Services Performed by Landscape Contractors

Service	Percent
Exterior Landscape Construction	85%
Exterior Landscape Maintenance	72.6%
Exterior Landscape Design	81%
Erosion Control	38%
Irrigation Installation/Maintenance	23%
Interior Landscape Installation	13%
Interior Landscape Maintenance	12%
Interior Landscape Design	13%
Nursery Retail	42%
Nursery Wholesale	22%
Sod Production	5%

PURDUE *from page 47*

In conjunction with the educational functions, Purdue also produces a constant stream of research findings to improve the quality of the region's turf. Both Drs. Daniel and Freeborg are credited with much of the significant early work in the use of arsenic for selective weed control. In the period from 1951 to 1975, their work shifted from lead to calcium arsenates. Each was a popular subject that the professors frequently lectured on. Consequently, the research and promotion of this treatment was a major part of the turf program from 1951 until it was banned in 1975 because of its tendency to drift. Stemming from that development, a current project in the a department is research in to a flowable form of the arsenate herbicide.

Daniel rates the PURR-wick system as one of his major accomplishments, describing it "the best thing I've ever done." An acronym for Plastic Under Reservoir Root (Zone), the PURR-wick system was developed in 1966 for greens in need of exceptional drainage. It incorporates an impermeable plastic base topped with drainage pipes and a sand medium. The grass is then planted in the sand, providing the entire system with superb drainage.

The concept behind the PURR-wick system was taken one step further with the advent of the Prescription Athletic Turf (PAT) System. This advancement entailed connecting a pump to a similar drainage system, enabling the turf manager to remove water at will during the wet season and irrigate from beneath the turf to conserve water during dry periods.

The breeding of new grass varieties such as Sodeo and Wabash bluegrasses has been another contribution of the turf department.

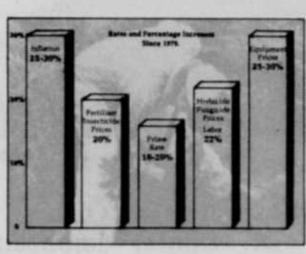
The researchers are currently working on projects involving adding fiber to root zones, growth regulator application on the roots of bentgrass and the development of a new dwarf type of bluegrass.

The research group made up of Drs. Daniel, Freeborg, a technician and nine part-time student helpers, has been making itself accessible to companies to assist with research and development. Headed by Dr. Freeborg, these projects are financially beneficial to the turf area which receives less than $100,000 annually out of the Agronomy Department's $3 million budget.

With the Purdue turf program in a relatively secure position, Daniel can see himself eventually easing into retirement. First, he would like to gradually give up some of his responsibilities to a younger individual who could then move in to a tenure track and take over on a full time basis.

Daniel does not expect the size of the research staff to change much either. Purdue's turf department is definitely leaning in the direction of the undergraduates, and will most likely continue to do so. The University is comfortable in the educational role it has carved for itself. **WTT**

LANDSCAPE *from page 46*



STATE OF THE LANDSCAPE INDUSTRIES

nesota, Hastings, NB, 68901.

The 1978 Census of Agriculture lists 1,060 growers, using 98,472 acres to produce $206,611,000 on sod and sprig sales. Since prices have not increased and acreage may now be shrinking, the 1978 figures should be similar to those of the next census.

The bankruptcy of Roll N Grow, a company making a sod mimmic with seed imbedded in a rolled jute base, also points to weakness in the acceptance of the technology involved in laying down sod or similar product. Erosion control remains a solid market for sod products. So does commercial and residential construction when they recover. Sod has a future and a niche that other products can't fill.

Whereas the sprig market in the Sun Belt has a bright future, the sod market will adjust to balance supply and demand. Prices have to go up. The small grower filling the gaps during good times and keeping prices down has to be discouraged from reentering either by certification or lack marketing ability.

The Arborist

Nature is lending a hand to this stable landscape industry. The spread of the gypsy moth has offset any decreases caused by the economy.

Erik Haupt, president of the National Arborist Association, says, "The general consensus of our members was that the current economic crisis has not affected our industry to the degree it has many other businesses. Interestingly enough, our officers and directors from areas particularly hard hit by inflation/recession indicate demand for their services is back to normal after a slow start in the first quarter."

Still, Haupt is concerned about the impact of growing insurance,

"Arborists in hard hit areas report demand normal after slow first quarter."

tax and interest costs, in a addition to increased government regulation. "Organizations that recognize the importance of responsible business practices and utilize all available technical assistance will survive and will emerge as a stronger operations," Haupt concludes. **WTT**