



Average Seed Expenditures

Year	Amount
1980	\$6,318
1981	5,577
1982	4,394
1983	Insufficient responses

BOUNCING BACK

Sod industry fights back with customer education and higher quality turfgrass

1983 will be the year the sod market recovers, according to the results of an informal WEEDS TREES & TURF survey.

All respondents were owners, presidents or in top supervisory positions within the company. On the average, they managed 276.5 acres of sod. Sod production is the primary business of over 80 percent who replied. Others raised cattle, were in nursery sales or land development and maintenance.

Half of the respondents have reduced their sod acreage in the past two years to crops such as wheat, soybeans, corn, tomatoes, mint, vegetables, trees and tobacco.

Challenges ahead

Four challenges surfaced as major concerns for sod producers.

Growing higher quality sod at lower prices was mentioned frequently.

"For us, selecting the varieties and species that will satisfy the cities so sod can be used instead of rock or other ground covers is one of our concerns," said one sod grower from Colorado.

"This (alternate ground cover) is brought about by some water shortages in our area and from this, some cities like Aurora, CO, have enacted ordinances against bluegrass above certain quantities."

Keeping expenses under control was a concern for all, but depending on the

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size of the company, seems to be handled in different ways.

"I have a second job during the winter months," explained one sod producer. "My wife also works. That's O.K. for a small producer like me to get by, but a large sod operation would have to diversify into other crops in order to survive. The solution to the whole problem lies in the ability to

lower interest rates and housing costs."

Another respondent said, "The uncertainty of demand brings about low production and low prices. The profit margin is very narrow compared to five or more years ago."

Education, not only of sod producers in state-of-the-industry developments, but of the public in the short and long-range benefits of sod over seed, was one of the largest areas of concern.

As one sod producer put it, "We need to have consumers recognize the value of quality sod over seed."

Another sod producer thought indiscriminate buyers were a problem. "We have to educate buyers to the importance of quality sod. Indiscriminate buyers that go for the lowest price sod regardless of quality, often hurt the image of all sod producers because the sod they lay often turns out poorly (weed-infested) and is often of mixed varieties. Low-quality producers are kept in business and prices in general are held down."

The threat of over-production was another challenge. While some areas are depressed, in others the demand for sod is there, but the money isn't.

"At present, we could sell more sod than we could grow," said one respondent. "We plan to continue planting as soon as we can afford to do so."

Elusive answers

The answers to these and other challenges aren't simple. According to the survey, there is a definite need for more aggressive advertising and marketing; more communication among industry members; lower interest rates; emphasis on good business practices and quality products; and more research at the university level for finding more disease-resistant strains.

Employment numbers of both full

Importance of Buyers in the Sod Market*

	Important	Moderately Important	Not Important	No response
Landscape Contractors	46	5	1	5
Homeowners	30	16	7	4
Cemeteries	6	17	20	14
Golf Courses	5	28	20	4
Garden Centers	13	20	14	10
Schools/Parks	15	19	11	12
Other	2			
*based on 57 responses				

Average Number of Employees

Year	Full-time	Part-time
1980	7.28	8.0
1981	7.54	8.0
1982	8.0	7.0
1983	6.08	6.0

and part-time employees have noticeably declined over the past four years. In 1980, the respondents employed 7.2 full-time employees on the average; in 1981, 7.5; in 1982, 8.0; and in 1983, 6.8. Part-time employees went from 8 in 1980, stayed the same in 1981, dropped to 7 in 1982 and dropped again this year to 6 on the average.

While the number of employees declined, few respondents have sold any of their sod acreage in the past two years and less than 30 percent have sold any equipment.

Some respondents maintain business is better than ever. Most, however, see 1983 as the year the sod business will pick up. Reduced interest rates were a prime factor listed in boosting sod sales.

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In the chemical expenditure categories, 1982 was the year the most money was spent on fertilizers, herbicides, fungicides and insecticides. An average \$2,160 was spent, based on 36 responses. Insecticides came out on top with an average of \$2,240 being spent.

Equipment-buying has been held to a minimum over the past two years. Sixty-five percent of the respondents have postponed buying mowers, 46 percent have postponed buying sod harvesters, 40 percent forklifts, 44 percent trucks and 40 percent sprayers and spreaders.

Seed-buying has experienced a significant drop since 1980, although not

enough responded to accurately judge seed sales for 1983.

In 1980, on the average, \$6,318 was spent on seed. That dropped to \$5,577 in 1981 and \$4,394 in 1982. A little more than 50 percent of the respondents anticipated their seed purchases to increase in 1983, and again, a little more than half agreed the prices would pretty much stay the same. Fifty-four percent indicated they would be more inclined to try more expensive, improved seed varieties.

Landscape contractors are the most important category of buyers, followed by homeowners, schools and parks, garden centers, cemeteries and golf courses.

Challenges, solutions

Sod producers had other challenges facing them including lawn disease control, increasing productivity to keep prices down, oversupply in certain areas, government spending and sanctions, collecting on accounts receivable, selecting varieties and species of seed, finding workers, uncertainty of the market, slow down in building trade, not undercutting each other, being able to make a profit, cutting overhead and expenses, keeping ahead of hydraulic seeding, and, in general, being able to survive. Sod producers saw as solutions less acreage with higher quality seed varieties, sensible people elected to government posts, an improved economy, sod organizations to be better organized and to have those associations better police production, better water management, develop more disease-resistant seed varieties, have less government intervention in migrant labor problems and develop custom blends of sod that buyers can't get by using seed.

One individual, though, seemed to sum up a pervading feeling. The solution is simple enough—work like hell.

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