

THE LAWN CARE CRISES

Chemical lawn care companies face pressure from media and law-makers. But their friendly insurance agent might pose the most urgent problem.

Bill Schaeck's Chem-Green business was up for sale. The reason? His insurance premiums were about to triple.

George Meeley of Chem-Turf in Anaheim, Calif., bought Chem-Green—Meeley's insurance policy doesn't expire for another year.

Meeley hasn't decided what he'll do if his premiums drastically increase.

When the problem crosses his mind, he slowly shakes his head and whispers, "I just don't know."

That is the state of the lawn care

industry as it looks toward the 1987 season: a collective shaking of heads as lawn care operators face crisis upon crisis.

Lawn Care Industry magazine's annual survey revealed that 89 percent of the nation's LCOs feel insurance is a "major concern." Eighty percent of the respondents reported an increase in premiums for the current year.

According to Jim Leatzow of Financial Guardian Insurance, Lombard, Ill., the trend will continue for two or three more years.

And that's just half the problem. The other half is that pollution liability clauses are being excluded in 1987 from general liability policies, according to the Insurance Services Organization.

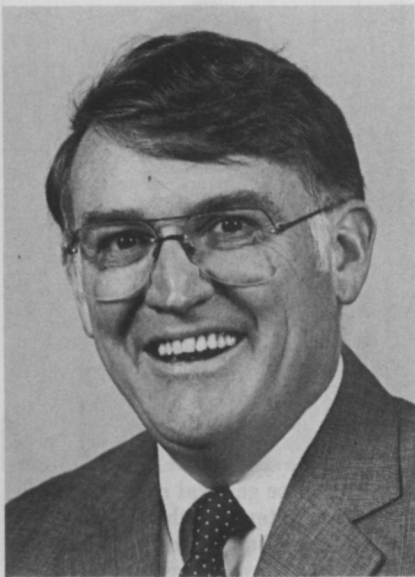
"Pollution liability is not available, so people are being more careful and thinking, 'if anything happens, I just close up shop,'" observes Jim Brooks, executive vice-president of the Professional Lawn Care Association of America.

Other problems being encountered by the industry include biased reports from media giants CBS-TV, ABC-TV, and *Home Mechanix* magazine; and new sign-posting laws in various communities.

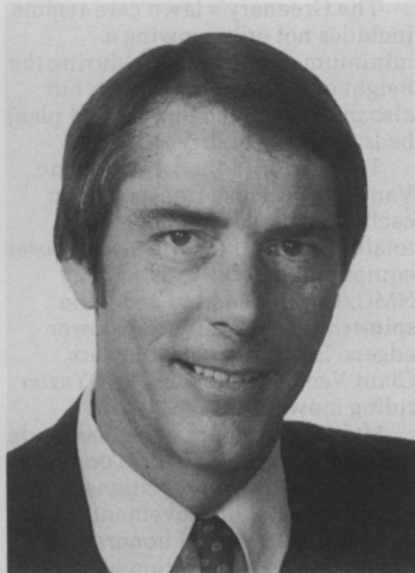
The troubles are being felt in all quarters. ChemLawn, the largest chemical lawn care company in the country, lost 28,000 customers during its fiscal third quarter. A

In 1986, what do you predict your expenditures will be for:

Chemicals, supplies	% Sample purchasing	Average per purchaser	Projection to LCI readership	% Change since 1985
Granular fertilizer	78	\$12,708	\$113.0 million	+18.5
Pre-emergence herbicides	69	8,608	67.9 million	+36
Liquid fertilizer	35	12,926	51.7 million	+16.8
Insecticides	73	4,844	40.5 million	+27
Grass seed	69	3,909	30.8 million	+19
Post-emergence herbicides	69	3,605	28.5 million	+20
Soil amendments	30	2,860	9.9 million	+4
Fungicides	47	1,810	9.7 million	-14
Plant growth regulators	17	670	1.3 million	+28
Equipment				
Tractors	20	14,264	32.6 million	+22
Walk-behind mowers	42	3,963	19.0 million	+27
Riding mowers	13	10,687	15.9 million	-4
Spray tanks	27	3,940	12.2 million	-50
Sprays, pumps, hoses, etc.	47	2,103	11.3 million	-21
Irrigation equipment	12	5,651	7.7 million	-200
Aeration equipment	30	1,958	6.7 million	-3
String trimmers	35	1,138	4.5 million	+20
Tree care equipment	27	1,403	4.3 million	-86
Spreaders	46	538	2.8 million	-187
Predicted totals:			470.3 million	+11.65



Chemlawn president Jack Van Fossen says "there is still a large potential for lawn care service" despite recent problems.



Jim Brooks, president of the PLCAA, says the lawn care industry will have to "stand up and fight. It's just never done that before."

press release attributed the loss, at least partially, to "negative, inaccurate, and incomplete media stories about the safety of lawn care products, both on national and selected local television and in the press." The negative coverage, the release continued, caused an increase in cancellations and a decrease in new customer inquiries.

"We believe the slowdown is a reflection of shifts in both consumer

attitudes and spending patterns," says ChemLawn chairman/CEO Jack Van Fossen. "There is still a large potential for lawn care service. But the rapidly changing marketplace requires greater emphasis on quality performance and value added to meet consumer needs."

ChemLawn, too, announced this year that it would post a sign on every lawn after chemical treatments. Other LCOs are slowly, hesitantly following suit.

"We'll get through it all, but there are a lot of potholes," says Brooks. "The industry will have to stand up and fight. It's just never done that before."

Despite all the problems, the

industry continues to thrive.

According to the *Lawn Care Industry* report, chemical lawn care revenues grew from \$832 million in 1984 to \$932 million in 1985. Median growth was 20 percent per company.

Overall, purchases of chemicals, seed and equipment were predicted to increase 11.65 percent this year with dramatic increases in the purchases of pre-emergence herbicides and plant growth regulators (see chart).

In 1984, the average LCI reader had 724 lawn care accounts. That number increased to 1068 (32 percent) in 1985, yet another indication that the industry continues to be a viable—and profitable—one. **WT&T**

LAWN CARE... CAREFULLY

Hilton Head's veteran landscape management company exercises extra care when applying chemicals to the island's fragile environs.

It's a resort...a retreat...a retirement community.

Hilton Head Island is many things to many people, but its main attraction is the serenity of its ocean-surrounded landscapes.

Hilton Head has 10 plantations, each with homes, villas, and commercial properties which must follow strict architectural guidelines. The landscaping throughout the island follows a similar conservative pattern, though it rarely wavers from Hilton Head's "paradise island" blueprint.

Maintaining that beauty has been anything but serene for the island's lawn care and landscape professionals. Three harsh winters, including snow on one occasion, and the severe drought last summer have made the job a challenge to even the island's best landscape managers.

Only three chemical lawn care companies work on Hilton Head. Because of the wealth on the island, most homeowners can afford to hire landscape contractors for combined turf and landscape care.

The award-winner

The Greenery, an award-winning design/construction/maintenance landscape company, handles about 300 residential and commercial maintenance accounts on Hilton Head. Founded by Berry Edwards in 1973, the Greenery is one of the oldest landscape companies on the island.

With age comes experience and a lawn care philosophy that differs from the newer, strictly chemical lawn care companies.

"Some of the turf/lawn care companies have a program to come in and spray whether it's needed or not," says Tom Van Hise, the Greenery's general manager for maintenance. "They may provide a better product in the long run, but with these recent comments on chemicals, our philosophy will be safer."

The island is concerned with chemicals running into the marshes or ocean and damaging the fish. But most of the controversy focuses on