Chapter 11. Ornamentals

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In 2006, the commercial sales value of New York floriculture production totaled $206.6 million, a 3 percent increase from the year before, and once again ranked New York 5th in the nation. Nursery crops sold totaled $202.5 million, representing a 12 percent jump from the $181.3 million sold in 2005. The open ground area used to produce floriculture crops in the state was 503 acres, up 4 percent from 2005, and greenhouse space increased 8 percent to 20.8 million square feet in 2006.

TABLE 11-1. GROWER CASH RECEIPTS OF FLORICULTURE AND NURSERY CROPS, NEW YORK, 2001-2006

	2001	2002	2003	2004	2005	2006[p]
			--- Million dollars ---			
Floriculture[a, b]	172.9	186.9	194.9	183.0	200.7	206.6
Nursery[c]	142.9	153.7	159.6	172.4	181.3	202.4
Floriculture and nursery crops	315.8	340.6	354.5	355.4	382.0	409.0

[a] Includes growers with $10,000 or more in floriculture sales.

[b] Includes ornamental plants without woody stems, grouped into bedding/garden plants, cut cultivated greens, cut flowers, potted flowering plants, indoor foliage plants, and propagative floriculture material.

[c] Includes ornamental plants and trees with woody stems, including broadleaf evergreens, coniferous evergreens, deciduous shade trees, deciduous flowering trees, deciduous shrubs and other ornamentals, fruit and nut plants for home use, cut and to-be-cut Christmas trees, and propagation material or lining-out stock. Also includes other ornamental crops not classified as floriculture.

[p] Preliminary.

Source: *Floriculture and Nursery Crops Situation and Outlook Yearbook*, Economic Research Service, USDA, various years.

When reading the published U.S. floriculture and nursery crop statistics, it should be noted that only 15 states were surveyed by USDA in 2006, compared to 36 in the past. The 2004 and 2005 data in Table 11-2 were adjusted to include only the 15 states surveyed in 2006 for comparison. The 15 states selected in the USDA survey accounted for 75 percent of cash receipts received by greenhouse and nursery crop farmers in 2006. Producers in these 15 states with at least $100,000 of floriculture sales received a total of $3.8 billion from floriculture crops in 2006, a 3.4 percent decrease compared to 2005. All floriculture crop groups experienced lower sales except cut flowers, herbaceous perennials, and cut cultivated greens, which together accounted for 27 percent of total grower sales in 2006.

TABLE 11-2. WHOLESALE VALUES OF FLORICULTURE PRODUCTION, BY GROWER SIZE[a], NEW YORK AND UNITED STATES, 2004-2006[b]

	New York			U.S.		
	2004	2005	2006[p]	2004	2005	2006[p]
			------ *Million dollars* ------			
Small growers	25.3	22.6	21.3	116.6	94.9	160.9
Large growers	157.7	178.1	185.3	3994.9	4052.7	3834.9
All growers	183.0	200.7	206.6	4111.4	4147.6	3995.8

[a] Small growers have between $10,000 and $100,000 in annual floriculture sales; large growers have at least $100,000.

[b] Wholesale value of sales of growers with at least $10,000 in annual floriculture sales. Growers are located in the 15 surveyed states, including California, Florida, Hawaii, Illinois, Maryland, Michigan, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Texas, and Washington.

[p] Preliminary.

Source: *Floriculture Crop*, National Agricultural Statistic Service (NASS), USDA, 2007.

In 2006, bedding and garden plants continued to top the list of floriculture commodity categories in New York, and sales by operations with $100,000 or more annual sales decreased 0.8 percent to $109.1 million from the year before. Potted flowering plants were second with sales valued at $50.3 million, an increase of 0.7 percent. New York cut flower production saw increases of 8 percent in production value ($2.9 million) in 2006. Wholesale value of foliage plants in New York was $5.5 million in 2006, an increase of 74 percent from 2005.

TABLE 11-3. GROWING AREA FOR FLORICULTURE CROPS IN NEW YORK[a], 2001-2006[p]

Year	Total greenhouse cover	Shade and temporary cover	Total covered area	Covered area per grower	Open ground	Total covered & open ground
		-- *1,000 square feet* --			--- *acres* ---	
2001	18,649	604	19,253	75	858	1,300
2002	17,279	510	17,789	70	453	861
2003	18,065	634	18,699	76	455	884
2004	19,767	625	20,392	80	516	984
2005	19,207	499	19,706	78	483	935
2006[p]	20,758	460	21,218	87	503	990

[a] Includes operations with $100,000+ in annual floriculture sales. Crops include cut flowers, cut cultivated greens, potted flowering plants, potted foliage plants, bedding and garden plants, and propagative materials. Total may not add due to rounding.

[p] Preliminary.

Source: *Floriculture Crops*, NASS, USDA, various years.

TABLE 11-4. VALUE OF FLORICULTURE PRODUCTION BY PLANT CATEGORY, NEW YORK, 2001-2006

	2001	2002	2003	2004	2005	2006[p]	5-yr. avg. 2001-2005	2006 vs. 5-yr. avg.	2006 vs. 2005
				--- *Million dollars* ---				%	%
Bedding/garden plants[a]	97.4	99.3	107.5	101.1	110.0	109.1	103.0	6%	-0.8%
Potted flowering plants[a]	4.5	5.6	5.0	4.7	2.7	2.9	4.5	-35%	8.3%
Cut flowers[a]	40.2	47.9	43.1	40.2	49.9	50.3	44.3	14%	0.7%
Foliage plants[a]	2.5	3.9	4.1	3.5	3.1	5.5	3.4	60%	74.1%
Propagative materials[a]	6.0	5.4	9.0	8.2	12.3	17.5	8.2	114%	41.8%
Grower sales $10,000-$99,999 (Unspecified crops)	22.4	25.0	26.3	25.3	22.6	21.3	24.3	-12%	-5.5%
Total[b]	172.9	186.9	194.9	183.0	200.7	206.6	187.7	10%	2.9%

[a] Sales by operations with annual sales of $100,000 or more.
[b] Total reported crops includes categories not listed – cut cultivated greens and propagative materials.
[p] Preliminary.
Source: *Floriculture and Nursery Crops, Situation and Outlook Yearbook*, Economic Research Service, USDA, various years.

Higher freight costs (largely by air), higher energy, and fertilizer costs, plus the depreciation of the U.S. dollar resulted in higher import prices. That helped U.S. growers to be more competitive in the market. However, ornamental industry growth could be hampered by higher energy costs and housing market slowdowns in 2007. While well-managed firms will weather tighter profits, smaller firms could face exit or consolidation. Service-oriented firms, like landscapers and retail centers, however, may be better positioned for growth in 2007.

Over the past few years, homeowners have developed different attitudes about gardening activities. Much of this is related to shifting demographic dynamics, such as the aging baby boomer generation and a younger homeowner who has different ideas about how to spend discretionary income. The Baby Boomers have been the driving force behind the huge growth in gardening activities over past decades. Now, as the leading edge of this generation approaches 60, these former do-it-yourself gardeners have become more service-focused. Dollars that used to be spent at the local garden center have been reallocated to the lawn and garden service segment such as lawn and landscaping companies. Homeowners in the 25-40 age bracket seem more interested in using available discretionary dollars for activities other than gardening, such as travel or other leisure-related activities.

As the industry approaches maturation, annual retail gains in the lawn and garden industry slows. Households are committing fewer discretionary household dollars at the local garden center. Today's garden center is faced with having to target other market segments to sell goods and services. Business models need to be tweaked or changed in order to remain competitive in a changing industry environment. First, the industry needs to find ways to expand services that appeal to a service-oriented generation. Second, retailers must target new groups of consumers, such as first-time homebuyers, condominium dwellers or the ethnic consumer. Third, retailers must recognize they can no longer expect the same kind of robust growth they experienced in the past. Today, growth in retail revenues is going to track with overall population gains and general economic growth. Businesses in the industry must find better ways to reach out to today's savvy consumers if they are going to survive this changing market.