Southeastern Floriculture: A Growing Industry

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The USDA Floriculture Crops 1996 Summary shows that greenhouse industry in the Southeast is strong and growing. As in other parts of the country, there are pressures in the market place because of the increasing importance of the large chain stores. Several major growers are becoming larger and taking much of the chain store business. However, many smaller growers are successfully differentiating themselves and are taking advantage of the significant market niches that develop as the retail chains and large wholesale growers expand.

The USDA report gives data for 36 states and started surveying all the states in the Southeast in 1992. Figure 1 gives the wholesale value of floriculture crops produced in each state in the Southeast and the percent change between 1992 and 1996. Most of the states have realized significant growth during this period. The overall growth in the Southeast was 18% compared to only 10% for the country as a whole. The number one state, California at \$703 million, grew by only 5% during this period. Florida at number two and North Carolina at number seven rank among the top 10 states in the country.

The relative importance of different floriculture segments in the Southeast, excluding Florida, is shown in Figure 2. Foliage production in Florida is at \$326 million, therefore I left Florida out of this figure. In those 10 Southeast states, the value of bedding and garden plants grew by 26%, while the value of potted flowering crops and other crops decreased. Other crops includes foliage, cut foliage and cut flowers. Bedding and garden plants account for 44% of total U.S. production. However, bedding plants are more important in those 10 Southeast states, accounting for over 50% of the total.

Table 1 shows the number of pots produced in different states for poinsettias, hardy chrysanthemums and vegetative geraniums. Production for all three increased between 1992 and 1996. It is interesting to see the amount of growth in production of poinsettia and geraniums compared to the rest of the country. The Southeast accounted for most of the increase in U.S. production of poinsettias, and geranium production actually decreased in the area outside of the Southeast. Because of incomplete reporting of individual states and the limited number of crops reported separately, it is not possible to see the growth of several other crops, such as pansies and impatiens, important in the Southeast.

The number of wholesale growers in each state by sales volume is presented in Table 2. The 2,404 growers in the Southeast are 25% of the growers in the U.S., and they account for about 30% of total U.S. production. For both the U.S. and Southeast, the number of growers with sales above \$500,000 has increased, while the total number of growers continues to go down. This trend is greater in the Southeast, however, than in other regions of the country. The increase in growers over \$500,000 was about 14% in both the Southeast and U.S., but the decrease in total number of growers was 11% in the Southeast and only 5% for the entire country.

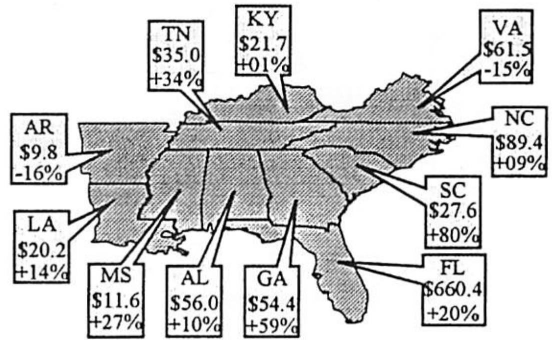
There are several illustrations of how strong the Southeast market is. One is the rapid growth of the Southeast Greenhouse Conference and Trade Show and the increasing number of national supplier companies participating. Another is the very significant amount of flowering potted crops and bedding plants shipped into the Southeast from other regions, like Texas, California, Canada and the Midwest. Additional evidence of the importance of the industry are the recent moves by some of the broker sales companies to strengthen their sales force in the Southeast.

The USDA numbers indicate that growers in the Southeast are generally being successful. However, they also illustrate that there is significant pressure on smaller growers and many are not successful. The current pressures on growers will continue and become more intense. The growth of the retail market in the Southeast will continue. Producers at all sizes must evaluate market changes and make appropriate adjustments to their marketing and production strategies to protect or grow their business.

Table 2. Number of Wholesale Growers in Southeast

	Number of Growers $100,000 to $500,000		Number of Growers > $500,000		Total Number of Growers	
	1992	1996	1992	1992	1992	1992
AL	49	49	26	28	202	171
AR	17	23	3	7	83	78
FL	459	378	265	293	1,203	1,028
GA	59	70	21	31	183	199
KY	53	49	10	11	175	154
LA	26	28	15	15	110	94
MS	25	14	3	10	59	68
NC	61	50	29	36	194	169
SC	21	27	14	12	114	95
TN	53	46	14	15	165	164
VA	55	54	26	30	214	184
SE Total	878	788	426	488	2,702	2,404
U.S. Total	3,054	2,905	1,507	1,709	10.279	9,765

Figure 1. Wholesale Value of Floriculture Production in Southeast
($ in million)
(% change 1992 to 1996)



Southeast total is $1.047 Billion; +18% from 1992
U. S. Total is $3.421 Billion; +10% from 1992

Table 1. Production of Selected Crops By State in 1992 and 1996
(1,000 of pots)

	Poinsettia		Hardy Chrysanthemum		Vegetative Geraniums in pots	
	1992	1996	1992	1992	1992	1992
AL	920	992	633	659	340	430
AR	508	--[1]	--	--	108	138
FL	3,327	5,392	826	811	2,573	3,285
GA	1,134	1,134[3]	554	726	621	2,748
KY	615	640	485	--	648	587
LA	556	454	230	453	97	151
MS	283	330	232	253	103	92
NC	3,882	4,070	1,918	2,455	1,124	1,604
SC	297	714	509	754	283	215
TN	866	--	693	--	393	498
VA	1,422	--	763	--	730	747
SE Total	13,810	16,720[2]	4,902	6,111[4]	7,020	10,495
SE Increase		21%		25%		50%
U.S. Total		59,102	36,866	45,624	53,225	55,872
U.S. Increase	55,439	6%		24%		5%

[1] USDA did not report individual data for state.
[2] SE total includes 2,994 pots estimated by author as production in the states not reported in 1996.
[3] Yes, 1,134 for both years is correct.
[4] Total is for seven states reported for both years.

Figure 2. Wholesale Production by Crop for 10 Southeastern States Excluding Florida
($ in million)
(% change '92 to '96)