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## Cut Foliage Grower

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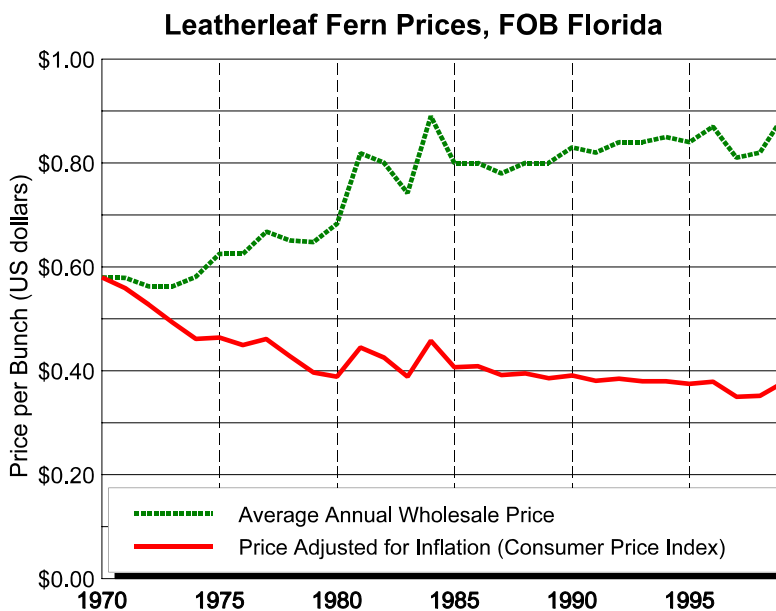
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### Strategies for Potentially Increasing Cut Foliage Profits

Robert H. Stamps<sup>1</sup>

By numerous accounts, the profitability of Florida's cut foliage industry has been declining over time due to increasing production costs and declining prices. Listed below are several suggestions that might help increase the profitability of your company. Not all of these ideas may be applicable to your operation and there are, of course, no guarantees.

**Grow more profitable crops** – For years, the mainstay of Florida's cut foliage industry has been leatherleaf fern, *Rumohra adiantiformis* (4). Unfortunately, when adjusted for the eroding effects of inflation, prices for this bread and butter crop have shown a steady decline (Figure 1). Supplies, labor, fuel and other costs have been increasing while the wholesale price has declined. Despite this, many cut foliage growers choose to keep this crop in production due to customer demands; however, growers should consider adding other, potentially more profitable crops to their product mix. As an example, "Florida" ruscus (*Ruscus hypophyllum*) currently sells for around 15¢ a stem compared to leatherleaf fern that often sells for about 4¢ a stem. Per acre yields are about the same for both crops. To be fair in this comparison, it must be noted that leatherleaf can be grown in a shade fabric-covered structure whereas most



**Figure 1.** Changes in leatherleaf fern price over time.

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Florida ruscus production requires a more costly solid roof that prevents rain from getting on the crop since foliar wetting can contribute to *Pseudomonas* disease development, a severe bacterial pathogen (1). On the other hand, when ruscus is grown under cover it does not require intensive and costly applications of pesticides to control disease and insect damage as is required for leatherleaf fern. Even the current ruscus price is down 33% from where it was a decade ago. Both crops illustrate the wisdom of getting into and out of crops in a timely manner. This is similar to the strategy many investment managers use regarding stocks. Unfortunately for growers, the getting in and out of production of specific crops is much more complicated, expensive and time consuming compared to the stock analogy. This is due to the considerable time lag that exists between the time a producer decides to grow a crop and it is available for market. During this time span, which may be 6 to 18 months or longer, market demand and prices may have changed.

Although it is easy to give advice to “grow more profitable crops”, it is not so easy to find, learn to produce and locate markets for new cut foliages. It takes time, money, perseverance and market information. Suggestions for finding potential new crops have been given previously (3). It is a clear gamble to start producing a new crop — a grower may invest considerable time and money and still not create market interest or have enough product to sustain interest if the product does generate initial market acceptance. Growers should consider production and marketing cooperatives as possible aids to establishing markets and supplying new crops.

**Provide value-added products** – Additional profits can sometimes be garnered by going beyond the basic selling of fresh cut foliage crops by the leaf or stem. According to the Florida Department of Agriculture and

Consumer Services *AgVenture Services* literature, “Value-added products offer the greatest potential for successful entry into regional and national markets”. Cut foliage growers have increased their returns by processing their cut foliages into value-added products. For example, many make garlands and/or wreaths to broaden their product mix and appeal to customers. Evergreen wreaths made using Leyland cypress and/or pine can also help fill the traditional cut foliage sales void that occurs during December. Producers — mostly out-of-state — dry, dye and preserve the cut foliages produced here in Florida. They are adding value and often increasing profitability in a manner similar to that of the food processors who turn cattle and vegetables into frozen convenience meals for today’s busy workers.

**Grow crops for “off season” and/or special season sales** – As mentioned above for wreaths, winter sales of holiday products can help during this historically slow sales period. Offering red and green products such as holly branches with berries could help. *Ardisia* is also sold at this time of year, but since it is listed as a Category I plant on the Florida Exotic Pest Plant Council’s Pest Plant list, its use is discouraged. Category I plants are “Species that are invading and disrupting native plant communities in Florida.” Don’t forget the many uses for pine cones during the December holidays season.

For early spring sales, forced flowering branches of nectarines, peaches and other plants have potential. There are some very attractive double-flowered fruit trees that have been bred for ornamental use. Subtropical and tropical foliages, like calatheas, crotons, and monstera, have potential to increase summer sales.

**Buy in products for resale from low cost or high value producers** – One of the interesting findings of the cut foliage

businesses analysis programs (2) is that the highly profitable firms broker a larger percentage of finished product that was purchased for immediate resale. This can help the small grower who specializes in unique crops as well as the larger buyer/shipper who may not be equipped to grow all the crops that the market demands.

**Market your products** – Even the best product can fail if it is not marketed properly. In fact, many cut foliage growers believe they lack the expertise to market their products. This may be true, but assistance is available. One “no cost/low-cost/shared cost” source of marketing help is available through the Florida Department of Agriculture and Consumer Services **AgVentures Services** program. This agribusiness assistance program “offers professional marketing and

infrastructure assistance in bringing new products to market”. The program is designed to promote the use of Florida grown agricultural commodities. Some free services offered are logo design and assistance with advertising programs. Shared cost programs cover capital improvements, fixed assets and machinery, packaging and advertising. This program can also provide competitive intelligence. For more information visit their website ([www.fl-ag.com](http://www.fl-ag.com)) or contact Les Harrison (850 / 487 - 4322 , [harrisl@doacs.state.fl.us](mailto:harrisl@doacs.state.fl.us)).

As a final note — remember the words of Leon Stein, “an intelligent person is one that is open-minded, active-memored, and persistently experimental”. Good luck in all your future ventures.

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