

## Commercialising Plants from an Australian Perspective®

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### INTRODUCTION

My father started Larkman Nurseries in 1984 as a part time interest. When he died in 1989 I had to learn about running a nursery.

At that stage we were producing around 300,000 tubes (5-cm liners) across a range of 600 plant taxa. In 2002/03 we produced 1.8 million tubes across a range of 2500 taxa. Our target within the next 4 years is 4 million tubes.

At the time of writing we operate on a small 2-ha site with seven propagation tunnels (500 m<sup>2</sup>) and 16 poly/shade houses (1700 m<sup>2</sup>). Our new site is 10.5 ha with 6300 m<sup>2</sup> of poly/shade houses. We will be converting the poly houses at the current site to propagation.

We are the second largest specialist tube nursery in Australia. We have the largest range and are known for *Lavandula*, *Rosmarinus*, *Salvia*, *Heuchera*, *Hosta*, *Geranium*, and perennial plant production.

### NEW PLANT DISCOVERY

Finding new plants is easy. It is like fishing in a trout farm. The hard part is finding the right plant at the right time.

To be successful you need to be aware of what is driving plant purchases — the factors influencing the choices of the home gardeners and landscape designers. Are we in a drought? What colours are fashionable? Are natives, conifers, or cottage garden plants the flavour? What were the answers to these questions last year and the year before? Why are certain varieties popular?

These are not definitive questions, to which the answers will reveal plants to look for. They are “mood setting” questions. They tell you what sort of things to look for. They help you guess where the market is going. This is important, as the plants can take several years to reach the retail garden centres.

Next you need to understand where you might find potential introductions. You are unlikely to pick up any “new show stoppers” by visiting large commercial nurseries. Most large plant breeders and growers around the world are part of a network. They get new releases through their own network and feed back their discoveries into that network. But what you will discover is where they see their local market going. This gives you some clues as to what you may find elsewhere.

Garden centres are great, as you can see the retail trends and you can pick up some interesting plants that will add to your range. You can see what some possible new plants look like when they hit the retail sector. It is also part of the research. Just because you may love a plant does not mean customers will.

Finally, you go and visit the specialist breeders and collectors. This is where you will have the most fun. It is also where you may get confused as they show you all the great plants they have collected or bred. The problem is, very few of them will have done any serious trialling; most will not know or care how they are going to perform in a pot in a garden centre; and they will have their favourites, which will probably not be what you need to take home. They know their plants but probably don't know your market.

All this is done in a sense of little time and very little room for more plants. Hence you have to make quick decisions on what should be taken. As an Australian I need to bear in mind what Australian Quarantine Inspection Service (AQIS) is going to let in and how the plants are going to react to the barerooting, the freezing temperatures in the plane hold, and the 3 hours of methyl bromide treatment.

Back home, we have a couple of people we can show the plants to who can give us an idea of what will sell and what won't. One of them is called Jo and we will look at certain plants as a 'Jo plant' — which means they will probably sell to a specific sector of our customer base. Generally my rule of thumb is if I like it, it presents well, and fits in with our current growing regime, I take it.

### TRANSPORTING THE PLANTS BACK TO BASE

Once you have your plants — some with growing agreements, some you have bought outright, and some you have bought from a garden centre — you have to get them ready for the trip home. If you are like me, the plants have been bouncing around the back of the rental car for a week or so and are not looking too happy. Some may even have been jammed in a piece of hand luggage and made a couple of short air or train trips. They are generally not in ideal condition for transport.

Packing plants is a long and tedious job. It requires removing all the growing media from around the roots and packing them in a good strong box. They need to be kept moist but not wet as they will rot if too wet.

Once the roots are cleaned the plants need to go into a box. It is surprising how many 6-, 8-, and 10-inch pots you can get in a cardboard box. Once again the plants aren't very happy about this, especially when the plane gets to 10,000 m and the hold temperature drops below zero.

In Australia you have to hand the plants into AQIS on arrival for inspection and gassing against possible pests and diseases. Then they are potted and go into quarantine for 3 months to 3 years depending on the plant species. The facility has to be arranged prior to departure. This is very important for high-risk plants as there is limited space in government-run quarantine nurseries.

### DEVELOPING A COLLECTION

When collecting the plants a theme will develop and it is best to stick to it. We have found that releasing a range of plants is best. It spreads the marketing costs as you can use one set of advertisements to push the whole range. It enables you to get better publicity and is more interesting for the gardening public.

One issue that is very serious is the labelling. Yours may be the starting stock for that plant for the whole of your territory, so if you get the name wrong then the whole industry will suffer. There are several cases of this over the past few decades. *Lavandula* 'Miss Donnington' (see *Lavandula angustifolia* 'Bowles' Early') is a classic case. The original plant is supposed to be *L. angustifolia* 'Miss Donnington' which quickly became popular amongst the lavender farming community. The problem is that the plant sold is the hybrid *L. ×intermedia*. This has caused a great deal of angst as many bought it to produce oil and the two taxa produce distinctly different oils that are used for quite different products. To add more aggravation we cannot determine what plant it actually is.

Once out of quarantine you need to bulk the plants up to around 50 units. This will give you a starting stock along with enough plants to get some in the ground. It is

easy to relax at this stage and plant out all the plants then have them die. It is wise to keep some aside in a controlled environment until a decent number have become established. This is the stage where you develop the growing protocols. You will also need to do tests to determine how to propagate the plant, to see how it performs in the pot and how it copes in the ground. Eventually you will need to distribute to growers in other areas to determine how and if it will grow under local conditions.

## COMMERCIALISATION

This is the key to the whole business and the easiest part to get wrong. While the plants are in quarantine you need to start researching the history and cultural information. It is also good if you can find out who was the original breeder. If you do then you should credit them in any publicity material. At this stage it is also handy if you can find any photos or electronic images. Without images it is hard to get growers interested for the preliminary trials. It is often the lack of good quality images that has forced us to hold back a release by 12 months.

I will return from a European trip with in excess of 100 plants. Some of these may never become commercial for a variety of reasons. They turn out to be poor performers and not worthy of release. It is no good growing and selling a plant if it is going to die in the first summer after planting out.

Another reason not to release a plant is that it may have the potential to become an invasive alien weed. In the past this wasn't a concern of many nurserymen and we are now paying the price. It costs the taxpayer money to control the weeds, it is bad for the environment and it is damaging to the reputation of our industry.

In assessing the weediness of a plant you need to consider the whole of your potential sales territory. We recently held off on a climber because the seeds have a high viability. We cannot grow it in Melbourne as it doesn't like temperatures below 10 °C but I feel it would be a major disaster in the tropical regions of Australia. We had another plant in the mid 1990s that we also scrapped. We started with 10 tubes and within a month it was coming up all over one tunnel.

Other plants you may have obtained, as part of a collection, may be too similar to existing cultivars. Releasing them all just confuses the market and irritates the growers. This reinforces the key issue of understanding your market.

There are three ways of releasing a plant onto the market. First you can spend large amounts of money on a massive advertising campaign; or you can develop some promotional material and time the release for optimum sales; or finally just propagate the plant and put it on your general growing list. We don't do the first, as we do not see the justification for the huge spend.

The second option is the best for good plants and the latter for run of the mill or special collectors plants. It is all a matter of balancing the expenditure with the expected or possible return. It is no good spending \$100,000 on an advertising campaign if you are only ever going to sell 50,000 plants. Every dollar spent on marketing has to be recouped in royalties or the tube price, which can price the plant out of the market.

Like everything else to do with fashion, plant selection is cyclic. Plants are popular at first because they are different. However, once everyone has one they aren't different, so they are no longer fashionable. They stay unfashionable until they are forgotten. A designer then sees the qualities that initially made the plant popular and uses it again. Others see the plant, like it, and it becomes fashionable again.

Fashion cycles are aggravated by growers who see a plant in demand so they mass-produce it. A glut forms and the demand drops off at which time the prices drop. Now the growers can't sell the plants so they have to throw them out and the following year choose not to grow them. Next there is a shortage of the plant and prices go up and the cycle starts again.

To maximise the return you have to time the release with the sales cycles. Plant groups rise and fall in popularity according to weather patterns, fashion, garden styles, etc. It is important to be aware of this. If natives and drought-tolerant plants are on the rise then it is pointless releasing a plant that needs summer watering and a shady position. Hence it may be wiser to hold on to it for a couple of years. We have plants in the system that have been there for 5 years or more, waiting for the time to be right.

If, however, the market is on the rise for a particular group then it is a good time to release. We were fortunate when we first put our lavenders onto the market. They were on the rise as there hadn't been any real work done on them for several years and the public was hungry for new and exciting lavender cultivars.

If possible it is good to release a range. It can be of the one species — say a range of different coloured rosemary — or of a similar habit like our range of hedging plants called Heritage Hedges. If this is to be done well then the range has to be relevant. The idea is to get people to buy more than one plant so it is futile to release a frost-sensitive plant in the same package as one that won't tolerate warm temperatures.

Plant collecting is an investment. Like in any investing, patience is a virtue. The plants will not always fire away when you release them, the phone won't ring off the hook just because you have announced a new plant. Indeed it may be a couple of years after the initial release before the public picks up on the plant.

Failure to treat the process as an investment is a mistake. In the share market, profit is made by regularly putting money into the market regardless of whether it is going up or down. Hence it becomes an expensive exercise, especially when some years you have no winners. We first released our ornamental heucheras in about 1998 yet it wasn't until 2001 that they finally started to get the recognition we had believed they should.

If the plant is released without fanfare and it is a good garden performer it will become popular. It will be chosen on its merit and not on the advertising. The industry will pick it up because they know they can grow it and sell it. This is the best way to get a plant into the mainstream.

Look at plants such as *Cupressus sempervirens* 'Swane's Gold', *Rosa* 'Korbin', Iceberg® rose, *Pittosporum tenuifolium* 'James Stirling'. These plants are in almost every garden centre in Australia yet were not mass marketed. Larkman Nurseries has been fortunate to have a couple of winners like this. *Lavandula* 'Avonview' and *Sisyrinchium* 'Devon Skies' have done very well with little or no marketing.

When we introduce a new plant we do not drop off an old one. The public wants range and diversity. This is not achieved by replacing old plants with new ones but by continuing to do limited numbers of older varieties and following the sales cycles.

The idea is to set up a repetitive process. Each year a new group of plants is added, last year's group is planted out and trials are started. The previous year's crop is now in production and promotional material is being sent out. The crop prior to that is in full production and is starting to make a return on the investment, the crop may be two to five taxa. At the same time planning is underway for the next trip.

## RELATIONSHIPS WITH BREEDERS

When visiting nurseries and breeders it is the repeat trips that make the difference. On the first trip you are just another overseas visitor; by the second trip, an interested nurseryman, and by the third trip they regard you as a regular. It is important to build this trust, as there are some unscrupulous plant collectors around the world. Australia has an above average share and when I first started travelling I had some bad feelings to clear up. One Australian took a plant from a breeder overseas. He took it home, put it through Plant Variety Rights (PVR) and released it on the Australian market as his plant. He then sent it over to its original country where he had it protected using the Australian tests. Finally he took the original breeder to court for infringing the PVR. Fortunately he lost.

This is why it is so important to track down the breeder if you have a plant you want to release. The breeder should at least be acknowledged and if possible paid a royalty. If the plant cannot be protected then the royalty will have to be small but it all helps to reward and encourage the breeder.

You cannot take a protected plant across an international border of a UPOV (International Union for the Protection of New Varieties of Plants) country without the breeder's written consent. It is your responsibility to determine if a plant is protected or not and you cannot use the excuse that you didn't know. In the mid nineties two lavenders were brought into Australia by several different growers. They were due to be protected in Australia but by the time that went through, some of the importers had started producing them. When the plant was eventually protected they were told to destroy their crops.

One hopes to obtain exclusive rights to a plant or series of plants as it allows you to spend money on the development with a greater chance of recovering the investment. Exclusives are hard to come by now as most major breeding and marketing companies are part of established networks. Where they are available, there are usually long and intense negotiations. We have recently been appointed as the Australian agent for Blooms. I had a three hour meeting followed by an email a week for the next 6 months, with a lot of debate over specific clauses, before we were able to agree on the contract.

I also signed another one with Las Palmas Innovations from Holland. Their contract was about 10 pages and included clauses such as: "Any breach of this contract by the Licensee (Larkman Nurseries) will be subject to a €50,000 fine per transgression." Due to the size of these companies and their turnovers they can afford good legal teams. Their lawyers are there to get the best terms they can for their clients. They do not like the nurseries changing the contracts so it can often be a battle to get your interests protected. The contracts are never written to favour the agent.

## PRICING POLICY

The best way to protect against vagaries of the economy is to have a product that is wanted and is exclusively yours. It shuts out your competitors and it allows you to charge a realistic price. However, with the costs of the research and development you have to have a full margin and any discount is going to come straight off your profit. Too many discounts and you will jeopardise future developments and forfeit the returns from the investment.

We are all in business for the lifestyle. It just depends on which lifestyle you want. I do not want to worry about cash flow, to hope that the weather holds out, to hope that

the government doesn't stuff the economy or whack on an extra tax or two. I want to enjoy the benefits of my hard work, to travel, go on holiday, buy what I want.

The only way to get this reward is to have a successful company that returns a good margin. Such a company is one that has a secure future and is protected against the movements of the economy and the decisions of other people. A company that maintains its margins, that has a broad customer base, and a broad product range. A company that is efficient, that the staff can enjoy being part of and that you can be proud of. Your business is a tool to give you a lifestyle that you and your family can enjoy.

We can all have this. We just have to be aware of what our business is, what affects it, and what we can do to safeguard it. We all need to develop our own "Unique Selling Point". I have chosen to develop a process for finding and commercialising new plants in the Australian market place and for maintaining an extensive range. This is our "Unique Selling Point". What is or will be yours?

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## Herbaceous Perennial Production in Poland<sup>®</sup>

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**Production of garden perennials is developing rapidly in Poland, because of the introduction of container technology in the early seventies, the development of garden centre chains, the expanding home market, and increasing export opportunities. This paper analyses the author's research into the trends in the Polish herbaceous perennial industry over the past 30 years. More than 2000 species and cultivars are listed by nurseries' lists, but their frequency varies. Production is spread all over the country and was estimated at about 500,000 container plants in the year 1989 increasing to more than 5 million in 2000. There is a potential to increase both the range and production volume further.**

### INTRODUCTION

Poland is in the middle of Europe. The climate can be described as continental, but influenced by the Atlantic Ocean making weather patterns difficult to predict. For example, winters vary from a real continental winter with lots of snow and very low temperatures to rainy, mild maritime winters. Similar unpredictability occurs in the other seasons. It is hard to be a gardener in Poland, but on the other hand plants produced by the Polish industry are considered more hardy than plants from the mild climate of Holland.

In addition to the climate, the structure of the nursery industry, and the assortment of plants has been influenced by the many years within a centrally planned economy and lack of access to technological innovation.

Since 1989 the economy of the country has changed, with further changes foreseen as a result of membership of the European Union. Horticultural production and markets are under great pressure. Producers of cut flowers, pot plants, and greenhouse vegetables have to compete with the imported goods, mainly via Holland, but originating from many countries. That is not the case with most hardy plant production. Perennials, especially those produced in containers, are rarely imported or exported — the exception being from Poland to Russia.