

## Production Planning for an Uncertain Future®

### Bill Hendricks

Klyn Nurseries, 3322 South Ridge Road, P.O. Box 343, Perry, Ohio 44081 U.S.A.

Email: bhendricks@klynnurseries.com

At Klyn Nurseries we do not consider ourselves a specialty nursery, but a nursery that serves the landscape industry with special plants. We do not produce commodities but rather produce a diverse line of plants ranging from bog and marginals, bamboo, grasses, perennials, shrubs, and trees both in containers and in the field. Our goal has been to produce a high quality, broad-ranged inventory with smaller numbers of many items. We try to introduce people to unique plants and through this approach have developed a loyal customer base.

Over the years, this philosophy has worked well to grow our diversity as well as our customer base. As for so many others, business was great through 2007 when the bottom fell out of the economy. Like others we have experienced a reduction in sales but have developed a flexibility to respond to the needs of our customers.

Changing times and changing trends affected our bottom line as it has done to so many others. As an industry we have been affected by many factors beyond the economy. Charlie Hall was warning us that we were a maturing market and that a leveling off and even shrinking market was occurring. On top of this an increasing awareness of being "green" and invasives has complicated our future. We have always thought of ourselves as the "Green Industry" but today even concrete trucks advertise "Going Green."

Then there is the invasive issue. This movement started well before the economic downturn but continues to cause confusion within the industry, native area restoration people, and the general public. Today such plants as barberries and burning bush have come under attack in many areas. Plants that were commodity items that added profit to many nurseries bottom line were now outlawed or considered bad. Many people found themselves with plants that were always reliable sellers becoming difficult to sell regardless of the economy. Add to this invasive species like emerald ash borer, Asian long horned beetle, and viburnum leaf beetle that are attacking our plants and our bottom line.

Maintaining a diverse line of plant material is difficult, but it has proven to be our salvation. Like many of you we have ridden the highs of a good economy only to wake up one morning finding ourselves in a recession plagued with gluts in the market and falling prices. This one is unique in its depths and longevity and like nothing any of us have experienced before.

Staying the course has been something we have worked hard to maintain at our nursery. I think all of us are changing how we do business, but at the same time are we changing who we are and who our customers perceive us to be? There is no set answer to these questions and the answer will be different for different nurseries.

We are comfortable with who we are and have worked toward fine tuning our strengths and minimizing our weaknesses. A strength that has served us well is our philosophy of educating not only our staff but our customers and where possible, the gardening public about unique plants. Our catalog is perceived as much as a teaching tool as it is a pricing system. We spend a great deal of time educating our staff as well as encouraging tours, and lecturing to the industry, garden designers,

landscape architects, and master gardeners about plants and their proper usage. Selling through education helps us listen to our clientele as well as getting an inclination of the next changing trend in plants.

Our product diversity has been our greatest success as well as our greatest struggle. We have chosen to focus on the unique and what we feel are plants that meet the current trends. Being optimistic we have looked at issues such as invasiveness and realized that growing natives has become an opportunity. As urban foresters struggle with emerald ash borer and other invasive pests, a rising awareness has shown a need for diversity in the urban forest. Though we still grow a few *Acer platanoides* cultivars in minimal numbers we have greatly increased our production of native trees and species that have not been widely used, always looking for the best cultivar or seed source.

Often these trees are not easy to find on the open market or we are not satisfied with what is available to us. We have always propagated the majority of the plants we grow; we feel it has become even more important to us now. It has helped us differentiate ourselves by being able to offer a diverse line.

Seed production is important for controlling consistent sources of many plants. For example, through observation we have selected a hardy strain of *Koelreuteria paniculata* that we first observed for cold hardiness during the brutally cold winters of the late 1970s. Not only are these trees very cold hardy, but produce straight trees much easier than many other seed sources. Through careful observation and seed selection we have been able to improve the quality of certain species. Years ago I purchased seedlings of *Sorbus alnifolia*. After spending several years growing these trees to saleable caliper size most were discarded because of inferior quality. We selected seed from the best plants in the group and improved the quality of the plants we were growing. By the third generation of seed produced trees we had what we were looking for with crops of consistent high quality plants with a superior form.

The call for natives also had us looking at local hardy seed sources of several species. Some were readily available in the market place but we saw the opportunity to produce trees and other plants from known seed sources. *Aesculus glabra* are native on many of the flood plains of local streams and rivers. This is a tree that may get positive or negative response from people. If you talk to some, you hear that it is susceptible to guignardia leaf blotch. Through observation and selection we find that we can produce consistent crops of clean-foliaged trees that are free of leaf blight. On further observation we find variability in fall color and continue to select our seed trees for disease resistance and better fall color than the norm.

We also use softwood cuttings to propagate a wide range of plants. Working with some of the original plants distributed from the National Arboretum we were able to increase our elm production on *Ulmus americana* 'Valley Forge' and offer caliper plants at a time when this plant was new and in short supply.

Through our potted tree liner program we can raise the rooted cutting to an 8 ft whip ready for fall field planting in a single season. The potted tree liner program also allows us to grow otherwise difficult species such as tap-rooted plants like *Nyssa* and *Carya* that insure successful movement and transplanting of these otherwise difficult species.

Root cuttings are yet another way that we can produce certain species that have proven difficult by other means. *Rhus copallina* 'Lanham's Purple' and

*R. javanica* var. *chinensis* 'September Beauty' are two examples of plants that are best propagated by root cuttings.

In winter we maximize our propagating facility by using one of our greenhouses to produce a range of grafted plants many of which would be difficult to find or costly as purchased liners. Another benefit is enabling us to keep important employees on staff giving them something to do in the winter that adds positively to the bottom line.

We also produce many plants from hardwood cuttings including *Taxus*, *Thuja*, *Juniperus*, *Chamaecyparis*, *Buxus*, and *Ilex*. This helps control costs of purchased liners and spread the work load and pressure on valuable propagating space enabling us to propagate 12 months a year.

Without proper management and inventory control it would be very easy to over produce in any market let alone the trying times we are experiencing. When times were good it was easy to produce more than last year because the market could accept them. Today we must face the reality of costs and reduced sales. As we plan our liner production or liner purchases we look at sales over the last 5 years and assess each plant considering the length of production cycle, current trends, and availability in the market place. We look at what plants are being produced in great numbers by other nurseries and, rather than enter the fray of commodity and price, we choose to focus on new trends and specialty plants that tend to hold their price because of reduced availability in the market place. This niche marketing has helped us weather the storm through these difficult times.

No matter what you produce, it is imperative that you understand your market and keep a focus on your buyers. As we plan for the next several years we foresee shortages especially of field crops. On the other hand container crops have a shorter cycle. We are being conservative in planning container production but have worked hard to keep our field planting at a somewhat more consistent planting cycle. In a few years there will likely be a shortage of caliper shade trees. If you are a tree producer will you be ready? If you are a container producer it will be far easier to increase quickly and keep up with a recovering economy. Will we learn from these times or will we overplant once again?

I once saw a plaque that read "If you think you can or you think you can't. You're right!"