

Oregon nursery industry reclaims No. 1

By ALIYA HALL
Capital Press

WILSONVILLE, Ore. — During the recession that began in 2008, one-third of the Oregon's nursery business was lost, but now in 2017, the industry has come back strong, reclaiming first place among agricultural commodities in the state.

"It was almost a perfect storm of calamity economically," Jeff Stone, director of Oregon Association of Nurseries, said of the recession. "It hit farm-wide."

The recession that hit the housing and construction industries by proxy also hurt nurseries, because both are major customers. Homeowners also shied away from making improvements to their yards and gardens.

"I equate it to families who don't go on vacation, but do a staycation, and say, 'Man, my yard looks like garbage; I should go to the garden center.' Well, they were so timid about their future they didn't do any home improvement," Stone said.

There had been downturns in the nursery industry before, but none lasted as long or cut as deeply, said Stone.

"The 2008 cycle was particularly dark and damaging," he said.

The market difficulty combined with the lack of labor at the time made nurseries more cautious.

After 2008, nurseries had to change and adjust their growing time. Before, they could simply plant products and sell them, but during the recession, they "came to a rude awakening," Stone said.

"When it got past a certain age of a plant that isn't going to market, what do you with it? You destroy it," he said. "You have all those years of trying to get a plant to market and then there was no market."

Nurseries knew the recession wasn't going to last forever, but the concern was if



Photos by Aliya Hall/Capital Press

Jeff Stone, executive director of the Oregon Association of Nurseries, said he is fortunate to be part of the nursery community, and that it is still a "handshake industry" where friendship and trust has been built over a long period of time.



Construction on Riverfront Park in Salem, Ore., signals more business for nurseries. The housing and construction industries are major customers.

the companies could handle how long it would last.

"The ones that survived continued planting. Bigger nurseries weathered it out, medium (nurseries) had tougher times, but the smaller ones had true difficulty," Stone said.

Recovery was initially slow, but the industry has since grown significantly. In terms of sales, nurseries have generated \$950 million to \$975 million; the peak in past years was over \$1 billion.

However, fewer nurseries have generated that revenue, Stone said.

Nurseries have also changed how they manage production to look for more efficiencies. During the recession, they focused on making production more lean. Stone said that the biggest step to save labor cost was to switch to automation.

"Automation is an alternative for folks, but that still costs money and significant investment," Stone said.

The ordering process has changed as well, said Stone. Customers are putting orders in to ship sooner than they had previously.

"The degree of dependence on planting a long time ago for sale next year has probably shortened," Stone said.

Stone enjoys an informal competition with Oregon's beef industry, which has traded the top sales spot with the nursery industry over the years.

"It's the greatest arms race between aggies that you can have. I'd rather have us trade off by a growing market share," he said. "We have great collaboration and relationship with cattle, wine and crop farms."

After sitting at the No. 2 position, the nursery industry reclaimed its first-place position this month.

"The sales figures reflect how the nursery and greenhouse industry recovered from the great recession," Stone said in an email. "The quality of plant material grown and sold by Oregon growers is well known and (I) hope that this signals continued success of our traded sector industry."

As for the competition with the beef business, Stone called the cattle industry "vibrant and a force in Oregon agriculture."

"I hope that we continue to grow together for the benefit of all of Oregon agriculture," Stone said.



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