

## How Plants Get to Market: The Plant Supply Chain and New Introductions

the fascinating business of breeding, trialing, and marketing new annuals, perennials, and woodies

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Garden Decorating Guide – Terra Nova Nurseries



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AmericanHort truly represents the entire horticulture industry, including breeders, greenhouse and nursery growers, retailers, distributors, interior and exterior landscapers, florists, students, educators, researchers, manufacturers, and all of those who are part of the industry market chain. We are the leading national association for the green industry, and AmericanHort works tirelessly to connect the industry across states and segments, giving you opportunities that expand your network and resources.

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## Gardening is changing and so are the plants



Kelly Norris – gardener, designer, book author, horticultural raconteur

"Plants do equal **lifestyle**; gardens, after all, are expressions of their creators.

**Planting with purpose** may be the new mantra afoot in horticultural consumerism, if only because **we have so many options for how to spend our time and treasure.**"

"What does it do?" asks today's consumer.

And there are more plant consumers in 2020-2021 than ever

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## What do market researchers know about end consumers of plants?

You are overwhelmed by selection

- yet new plant introductions continue to increase and are the lifeblood of our industry

You will only purchase plants in full bloom

You are brand-driven

Subaru, KitchenAid, etc.

You aren't willing to spend money on plants (too generic)



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## Truth? Our industry...

Has not convinced consumers of the amazing value of plants.

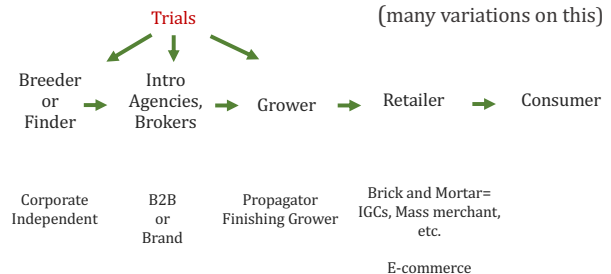
Has not adequately communicated (and charged for) costs of production inputs, labor, trucking, etc.

Could improve marketing ☺



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## The plant supply chain (many variations on this)



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No one walks into a garden center and asks  
“What’s old?” – Dr. Allen Armitage

### New. Plants. Sell.

Ex: *Hydrangea*, *Echinacea*, *Heuchera*...  
Absolutely nuts. 200+ cultivars EACH



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How do I help make you a smart shopper?

Understand the supply chain  
Quality costs money  
Tags don't tell you everything



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Independent (professional or amateur)  
University or public garden

#### Corporate/R&D

Many categories (seed, vegetative, vegetable)  
International and dynamic  
Can be vertically integrated supply chain

Sportfishing!

Propagators, growers, etc.

### Breeder or finder



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Why? Ornamental plant breeder's possible goals:

#### Practical:

Disease resistance  
Longer flowering time  
Sterility  
Reduced flop  
Production  
characteristics

#### Novelty:

Color break (flowers or foliage)  
Flower type (double, quill, etc.)  
New  
New  
New  
New  
New

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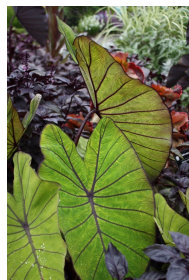


PlantHaven Inc. Patents Granted and Pending

Patents Granted and Pending

Patent No. 7,812,111 (2010)	Patent No. 7,812,112 (2010)
Patent No. 7,812,113 (2010)	Patent No. 7,812,114 (2010)
Patent No. 7,812,115 (2010)	Patent No. 7,812,116 (2010)
Patent No. 7,812,117 (2010)	Patent No. 7,812,118 (2010)
Patent No. 7,812,119 (2010)	Patent No. 7,812,120 (2010)
Patent No. 7,812,121 (2010)	Patent No. 7,812,122 (2010)
Patent No. 7,812,123 (2010)	Patent No. 7,812,124 (2010)
Patent No. 7,812,125 (2010)	Patent No. 7,812,126 (2010)
Patent No. 7,812,127 (2010)	Patent No. 7,812,128 (2010)
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Patent No. 7,812,197 (2010)	Patent No. 7,812,198 (2010)
Patent No. 7,812,199 (2010)	Patent No. 7,812,200 (2010)

### Plant introduction agencies



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### Used to control propagation

What can be patented by US Patent & Trade Office? ("Plant Breeders Rights" elsewhere)

New/unique plants (have to prove)  
Bred/hybridized/selected, found  
mutation/sport  
CANNOT patent plant found in  
"wild" .....



### Plant patents

Discoverer/breeder can file  
Has to happen within 1 year of discovery  
Takes ~ 1 yr, \$1500-\$3000  
PPAF = Plant patent applied for  
PP4987  
Duration of 20 years

#### Why?

Unusual/superior plant that  
growers/consumers will value [enough to  
pay royalty]

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## Trademarks

Does not control propagation, just protects the name given by a particular seller

™ = we claim trademark rights

® = federally registered trademark; listed on USPTO website (\$400)

Plant breeding programs, branded marketing programs

CANNOT trademark/register cultivar names

SHOULD be used to identify SOURCE of plant, NOT a particular plant.

Protects prospective purchaser from confusion (not)

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## Examples

Coreopsis Big Bang™ Series  
Coreopsis x 'Star Cluster' PP#23035

Echinacea purpurea Supreme™ Series

- Echinacea 'Supreme Flamingo' PP#
- Plus 4 more
- Terra Nova Nurseries

Star® Roses Pink Knock Out®  
Rosa 'Radcon' PP#15070



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## New plants in production

Trials-to-market period much shorter

Vegetative/micropropagation (often contracted) by licensed propagator

Seed (slower to build supply)



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## Ornamental plants: approximately \$10 billion (U.S. wholesale value)

Produced in

Container nursery

Field (in ground)

Greenhouse

LOTS of overlap

Marketed and sold at

Wholesale

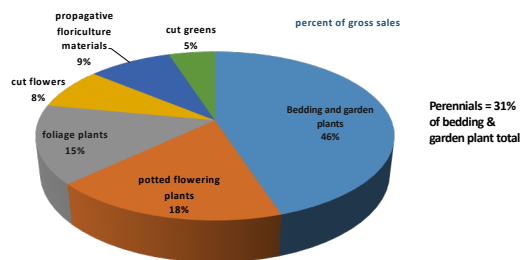
Retail

Combination thereof



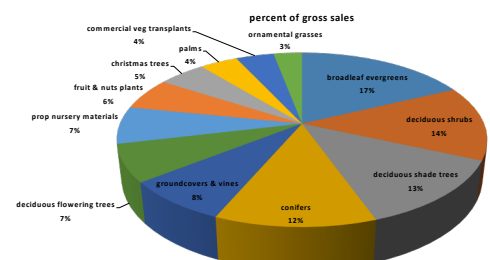
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## Floriculture - \$4+ billion



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## Nursery - \$4+ billion



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### Fate of wholesale ornamental plants:

#### Garden centers

IGCs + retail nurseries (19%)  
Big box/mass marketers (17%)

Nurseries and greenhouse that sell direct to Consumers (16%)

Supermarkets (7%)

Landscape contractors (14%)



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### Big box stores

Utilize large regional growers

#### Contracts

Able to sell at lower prices

volume  
low/no profit margin as plants aren't main product line

#### Variety

Bread and butter but also some gems  
Everything is in bloom (retail ready)

#### Quality?

Can be good, can degrade rapidly  
**GET THEM FAST**



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### Independent Garden Centers (IGCs)

Single store (or small chain) and family-owned

#### Service + knowledge

May grow some of their own

Often utilize regional growers as well  
Some wholesalers only sell to IGCs

#### Need to sell at higher prices

Profit margin is everything since plants ARE main product line (and are perishable)

#### Variety

Usually terrific - Not just "full bloom"

#### Quality?

Should be good!  
Shop early and often

E-commerce



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### Grower and retailer dilemma: SPRING

USUALLY a three-month window = 60-80% of annual sales

USUALLY totally, utterly weather-dependent

Late summer, fall perennials + ornamental grasses - green

Avg ticket May - \$56-\$75

Avg ticket August - \$26-\$35

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### Sales vs. last chance table

Some IGC sales are seasonal, intended as promotions

End of season sales on woody material, so they don't have to overwinter

Beware the random marked down/last chance pile



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### Quality – how can you tell?

Fungus gnats and whitefly

Weird smell

Pop that pot!

Healthy pale roots

NOT root bound

• Esp. woody plants

Well rooted

• NOT growing media falling out of pot



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### How do I get my local garden center to carry...

Hot new plants  
Fewer invasive plants  
More natives  
Something I saw in a magazine

WHATEVER...



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### Trials

Comparative trials:  
Breeder  
Plant Intro Agency  
Brand trials

Trials + displays:  
Universities  
Public gardens  
Propagators



<http://trialgardens.raker.com/trial-data>

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Broker, distributor, promoter, associations...  
(you may recognize some of these as "brands")



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