



EAGL Delta Track 2025:

Decisionmaking in the Midst of Uncertainty Panel (Nov 18)

(Links take you to Fathom Video/Audio)

[VIEW RECORDING - 43 mins \(No highlights\)](#)

Meeting Purpose

[Panel discussion on grower strategies for 2026 amid economic uncertainty.](#)

Key Takeaways

- **[Cautious 2026 Outlook:](#)** Most growers project flat-to-modest growth, with "destination" garden centers outperforming traditional ones. The landscape sector is stagnant, with smaller projects offsetting job volume.
- **[Strategic Pricing:](#)** Growers are avoiding across-the-board increases. Instead, they are targeting price hikes on high-demand items ("hot sauce plants") and growth categories while holding prices on price-sensitive "milk and eggs" plants.
- **[Efficiency as the New Growth:](#)** With pricing constrained by consumer thresholds, growers are focusing on operational efficiency. This includes automation (e.g., autonomous carts), lean management, and packaging innovations that reduce costs without lowering retail prices.
- **[H-2A Program as a Game-Changer:](#)** The H-2A program provides a reliable workforce, enabling productivity gains. Recent wage reductions are a key opportunity, but growers are also using skill-based scorecards to build their internal talent bench.

Topics

2026 Outlook & Market Dynamics

- **[General Sentiment:](#)** Cautiously optimistic, with flat-to-moderate growth projections.
- **[Market Performance:](#)**
 - **[Garden Centers:](#)** Destination centers (e.g., Groovy Plant Ranch) are thriving by creating an experience, while traditional centers struggle.
 - **[Landscape Sector:](#)** Stagnant. Job volume is stable, but project sizes and contract values have shrunk.
- **[Regional Factors:](#)**

- Mid-Atlantic: Recovered from a 15% YTD deficit after record April rain.
- Midwest: Strong performance in Ohio driven by destination centers.
- Pacific NW: Cicada impact skewed 2025 results.

Operational Responses: Efficiency & Labor

- Automation & Lean Management:
 - Goal: Increase output per employee.
 - Initiatives:
 - Autonomous Carts (Barrows): Automate cart movement to free up labor for skilled tasks.
 - Lean Management: Hiring a manager with a Six Sigma Black Belt to drive continuous improvement (5S, Kaizens).
- H-2A Labor Strategy:
 - Significance: Provides a reliable workforce, enabling management to focus on productivity instead of daily labor shortages.
 - Opportunity: Recent wage reductions make the program more cost-effective.
 - Talent Development: Using skill-based scorecards to create clear career paths and build a talent bench.

Strategic Responses: Pricing & Supply Chain

- Pricing Strategy:
 - Constraint: Retail prices have risen 30–50% in 10 years (e.g., Boston Ferns: \$9.98 → \$16.98), creating a consumer price threshold.
 - Action: Target price increases on high-demand items and growth categories.
 - Innovation: Use packaging changes (e.g., stadium pots) to increase rack density and reduce costs without lowering retail prices.
- Supply Chain:
 - Status: Stable but not cheaper; costs are now predictable.
 - Key Issues:
 - Tariffs: Peat moss is exempt; cuttings are not. Advocacy is focused on exempting cuttings, as they cannot be sourced domestically.
 - Logistics: Store-specific SKU rationalization is used to match product mix to local market demand and price sensitivity.

Sustainability & Regulation

- Regulatory Pressures:
 - Buyers: Walmart requires sustainability audits.
 - Local Legislation: Santa Cruz County, CA, requires tracking nitrogen runoff.
 - State Climate Bills: Oregon, Washington, and California are passing bills that increase costs (e.g., an 8% tax on natural gas in Washington).

- **Business-Driven Sustainability:**
 - **Rationale:** Proactive sustainability is a sound business strategy, as it often reduces costs and builds resilience against future regulations.
 - **Examples:**
 - **Tray Reuse:** Reclaiming 65% of trays from Lowe's saves significant money.
 - **Water Reclamation:** Using 100% reclaimed water eliminates municipal water bills.

Next Steps

- **All Attendees:**
 - Attend the 12:20 PM session on H-2A labor adjustments.
- **Wes:**
 - Implement H-2A at two additional sites.
 - Focus on continuous improvement and empowering employees as "change agents."
- **Emily:**
 - Continue investing in mechanization despite H-2A wage reductions.
- **Derek:**
 - Continue strategic pricing on growth categories and packaging innovations to manage costs.