

S U M M E R 2 0 1 4

# Industry Trend Report



## Trend No: 4 Consumer environmental concerns and the effect on ornamental horticulture sales Do we overreact?

By: Jean Dumas and Frank Zaunscherb

This article takes a departure from examining statistical trends and their effect on horticulture, as in previous editions, to looking at a subject that has been trending strongly in the news today. Headlines like “Decline in birds, not just bees, linked to neonicotinoid pesticides”, “Bee-killing neonicotinoids worry Montreal gardener”, and “How Home Depot is helping Bees”<sup>1</sup>, in reputable news outlets have been reaching a large number of the public and specifically plant purchasing consumers.

As reported in the media, a panel of independent scientists from the Task Force on Systemic Pesticides found neonicotinoids (neonics) are harming the environment, linked its use with the known decline in bee (butterfly, insect and bird) populations, and are predicting their negative affect on crops pollinated by insects. The agricultural sector, including wholesale nursery and floriculture, have been implicated as contributors in the decline by the use of this pesticide.

With a lack of research data, it is impossible to report how consumers are reacting to this news and if it has any short-term or

### Insights and Opportunities

Significant trends are at work shaping the future of the ornamental horticulture industry and affecting businesses that grow and retail plants, and sell related products and services.

With nearly three decades of relevant experience in the Canadian ornamental horticulture market, MARCON+ZRB examines these trends and reports on what they mean to you and your business.

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long-term affect on purchase patterns, but we do know some of the reaction it has caused on the horticulture industry in North America.

Following the release of a report by the group which tested a small sample of plants purchased at Big Box stores, finding more than half contained traces of neonics in them, some large retailers have responded quickly. Starting in the fourth quarter of 2014, Home Depot (US), and BJ's Wholesale Club (200 East Coast US locations) are requiring plant vendors to label plants treated with neonic pesticides.<sup>2</sup> Home Depot Canada Inc. plans to follow suit.<sup>3</sup>

Canadian nursery and floriculture growers are faced with business-impacting decisions about which crop types to grow for 2015, significantly revising their IPM practices and new plant labelling. Retailers and landscape service providers will need to make competitive business decisions and be ready to answer consumer questions and concerns about the plants they sell and install.

Minnesota is the first American State to recently legislate a law that prohibits labelling plants as beneficial to pollinators if those plants have been treated with a pesticide lethal to them.<sup>4</sup> In other words, if a Minnesota retailer sells a butterfly bush for example, as a plant that attracts butterflies, they can only sell it if it has not been grown using a pesticide known to be lethal to the insect.

Canadian Health Minister Rona Ambrose recently called the research done by her department to date "inconclusive", and said it will closely monitor the 2014 growing season and may take further action after evaluating the outcomes.<sup>5</sup>

Fuelled by such on-going and high profile media reports, the horticulture industry needs to consider what the affect and the extent of the effect would be on consumers, not only when they see plants labelled with "grown with neonicotinoid" vs. "grown without neonicotinoid" in garden retail outlets beginning in 2015, but on their environmental attitudes towards gardening in general. Why? This issue knows no borders. Strategically, it is much better for the green industry to act, than to react. By acting, it is able

to determine the milestones of future events and shape their impact. By reacting, it will have to deal with the outcomes of unplanned situations and develop plans in response to a crisis.

As an industry commenter to an article in the American greenhouse trade publication "Grower Talks", wrote (July 9, 2014): "best to at least listen to these arguments about neonic insecticides rather than dismiss them as a bunch of activist crazies. This is the first of many environmental issues that consumers are asking about in our industry and it is not going away. Next it will be PGRs, Round Up, GMO foods, GMO vs. hybrids, fertilizers, etc. Social media will spread these ideas and opinions like wildfire. We need to develop strategies to deal with these movements."<sup>6</sup>

The Canadian Nursery Landscape Association makes a document available on its trade website on the subject of neonics, which includes talking points for consumers regarding neonics.<sup>7</sup>

In the US, the AmericanHort industry trade association just announced it is launching the bee and pollinator initiative to develop a stewardship program that improves the circumstances surrounding the pollinator health concerns, funds research to answer science questions, and spreads the word how the program has a positive impact on pollinators and still allows mitigation of the spread of invasive pests.<sup>8</sup>

Are these actions simply reactions to outside influences, or part of a concerted and powerful strategy by the green industry to establish a positive consumer perception about its importance and leadership in growing a healthy environment? Do we have data in hand to make to make good decisions? Should concepts and communication strategies be tested with consumer focus groups, or through other valid research before launching a strategy and communications plan? These are questions to ask ourselves if we want to act instead of react.

## Resources

<sup>1</sup>“Decline in birds, not just bees, linked to neonicotinoid pesticides” - CBC News July 14, 2014

<http://www.cbc.ca/news/technology/decline-in-birds-not-just-bees-linked-to-neonicotinoid-pesticides-1.2706542>

CBC News June 24, 2014

<http://www.cbc.ca/player/News/TV+Shows/The+National/Technology+%26+Science/ID/2467633528/>

“Bee-killing neonicotinoids worry Montreal gardener. Major garden supply retailers say they are looking into the issue” - CBC News June 28, 2014

<http://www.cbc.ca/news/canada/montreal/bee-killing-neonicotinoids-worry-montreal-gardener-1.2690743>

“How Home depot is helping bees” - CBS News June 27, 2014

<http://www.cbsnews.com/news/how-home-depot-is-helping-bees/>

<sup>2</sup>“Home Depot, BJ’s Wholesale to require neonic labelling” – GrowerTalks, Ball Publishing, August 1, 2014

<http://www.ballpublishing.com/growertalks/ArticleComments.aspx?aid=2418>

<sup>3</sup>“Home Depot raises warning flag on a pesticide tied to bee deaths” – The Globe and Mail, July 8, 2014

<http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/home-depot-raises-warning-flag-on-a-pesticide-tied-to-bee-deaths/article19517082/>

<sup>4</sup>“Don’t cross the pollinators: Starting July 1, they’re protected by law” – Minnesota Post, June 20, 2014

<http://www.minnpost.com/politics-policy/2014/06/dont-cross-pollinators-starting-july-1-theyre-protected-law>

<sup>5</sup>“Pesticides linked to bee deaths must be banned, scientists say” – CBC News, June 24, 2014

<http://www.cbc.ca/m/touch/news/story/1.2685492>

<sup>6</sup>“Reader comments to Depot, BJ’s Wholesale to require neonic labelling”

<http://www.ballpublishing.com/growertalks/ArticleComments.aspx?aid=2418>

<sup>7</sup>“Responding to questions regarding neonicotinoid insecticides”

<http://www.canadanursery.com/Page.asp?PageID=122&ContentID=2466&SiteNodeID=1007>

<sup>8</sup>“Bee Part of the Solution: Join Us in the Fight to Protect Pollinators” – AmericanHort, August 1, 2014

<http://americanhort.theknowledgecenter.com/AmericanHortNews/index.cfm?view=detail&colid=124&cid=326&mid=7167>