



## NHPGA Receives Agricultural Promotion Mini-Grant

The New Hampshire Plant Growers' Association was recently awarded a grant through the NH Agricultural Promotion Mini-Grant Program. Administered by the NH Department of Agriculture, Markets & Food, this program was established to provide grants for promotional efforts involving NH agricultural products. Grant money is intended to be used to increase demand for products in existing markets as well as to identify new markets and build product demand.

The grant award will be used to create a Membership Directory that will be easily accessible on the NHPGA website. It will be a resource for both industry members and the general public. This addition to the website will enable searches by location and will provide brief descriptions of member companies. The information that is compiled will be made available in print form as well. This will be distributed at events targeting both industry members and the general public.

The NHPGA board of directors is pleased to offer this service as an additional benefit to members. It will provide links to member businesses and potentially increase sales of products and services. As an organization, the NHPGA will benefit from this project as well. It is anticipated that sales of website banner ads will increase with the additional exposure created by the directory. Data for the directory will be collected this summer at the time of membership renewal. Watch for the updates at [www.nhpga.org](http://www.nhpga.org) in the coming months.

## NHPGA Summer Meeting Announced

The annual NHPGA Summer Meeting will be held on Wednesday, August 6<sup>th</sup> at Lake Street Garden Center in Salem, NH. Lake Street Garden Center has been family owned and operated since 1974 and boasts 9 acres of hardy and annual plant material and garden accessories. Showcased at the Summer Meeting will be Lake Street's new greenhouse which opened in late winter 2014 after nearly 6 months of construction.



## Providing Value to the Consumer of Tomorrow

*Dr. Charlie Hall, Texas A&M University,*

The Great Recession had a major impact on the national green industry due to job losses, home foreclosures, declining consumer confidence, lower business spending, and inflationary pressures on some of our key production inputs. Due to the cumulative impacts of these stressful economic conditions, we find that several of our friends and colleagues are no longer working in the industry. Of those that have survived, several that I have interacted with have indicated their business activity is still way down; others say they have either been "holding their own" or "doing OK."

However, there has been another (yet smaller) subset of firms that have indicated their "sales are up" or that their business has been "expanding" during the recovery. So, naturally, this prompts the question as to how have they done it? What is it that separates the firms that are just doing "ok" from those who are doing well? As usual, there is no easy answer, but there are a couple of major underlying reasons.

First, the severity of the economic downturn (and the subsequent recovery) has not been equal in all areas of the country. Some regions experienced more of an economic downturn than others and are recovering much more slowly. Firms that operate and market in regions that are fairing better economically find themselves in a more favorable market position. Also, firms who sell directly to end consumers have perhaps benefitted from the increased interest in "buying local" that has stemmed from the rise in fuel prices.

However, more importantly, firms who are doing better in today's economic climate have been (1) proactive in shaving costs out of their value chain (through either lean flow analyses and/or adopting technology/mechanization), and (2) successful in differentiating themselves in the marketplace by effectively articulating their value proposition.

In marketing lingo, differentiation exists when customers [under conditions of competitive supply and faced with a range of choices]: (a) perceive that product offerings do not have the same value and (b) are prepared to dispose of unequal levels of resource (usually money) in acquiring as many of the available offerings as they wish. Customers (both end consumers and business-to-business) generally use five major attributes in making a decision about what products/services to buy and from whom to buy them from including quality, price, service, convenience, and selection. **Value** represents the tradeoff between the benefits derived from this varying mix of attributes relative to the sacrifices (dollars) made in getting them. So the key for firms in the floriculture industry is to provide greater value to customers. The interesting thing is that the difference in value that customers perceive (when comparing your firm to competitors) can either be real or perceived through various signals you relay through your marketing efforts.

Economists characterize demand by a concept called the "price elasticity of demand," which measures the nature and degree of the relationship between changes in the quantity demanded of a good/service and changes in its price.

An important relationship to understand is the one between elasticity and total revenue. The demand for a good/service is considered relatively inelastic when the quantity demanded does not change much with the price change. Therefore, when the price is raised, the total revenue of the firm increases; likewise, when prices are lowered, revenue decreases. What this effectively means is that firms can actually raise their prices, and though they might sell fewer units, total revenue for the company still goes up.

So, the obvious question is this: How does a firm go about making the demand in its respective trade area more inelastic? By distinguishing itself somehow in terms of perceived value (e.g. the mix of quality, price, service, convenience and selection attributes). That is why marketing efforts are so important in the first place. They are the key to successful differentiation.

However, the only way in which all of this makes sense economically is if the firm *successfully* differentiates itself in the mind of the customer in terms of the types of products or services offered and the segment(s) of customers it targets. While it may be too soon to start raising *all* prices in the short run since we are still in the midst of economic stress, there is a chance for firms to test the waters, so to speak, on some of their more differentiated product/service offerings.

Of course this requires a firm to *stay the course* in terms of marketing efforts. Firms actually need to consider *increasing* their marketing efforts during times of economic stress. As others make cutbacks (and marketing is usually the first thing to go during economically stressful conditions), an increase in marketing efforts can lead to increased customer "mindshare." While it may seem counter-intuitive, firms normally spending 3 percent to 5 percent of gross sales on marketing in prosperous market conditions should consider increasing this to 5 percent to 8 percent during times like the industry is currently experiencing. As the saying goes, speak when others are quiet and even a whisper can be heard.

Of course, what matters most is the *message* that is being communicated through a firm's marketing tools. If, through unified messaging, the perennial plant industry can position itself in such a way that its products/services are considered to be necessities in people's lives and not mere luxuries, it will be the best mitigation strategy against recession and weather-related risks it can employ. Post-recession consumers are willing to undergo greater search, acquisition, and learning costs in making decisions regarding their purchases. They have particularly exhibited a willingness to purchase and, in some cases, pay a premium for products and services that enhance their quality of life in terms of social well-being, physical well-being, psychological well-being, cognitive well-being, spiritual well-being, and environmental well-being.

This positioning strategy warrants further examination. The value proposition (or differentiation strategies) for all firms in the industry in the future must focus on the unique ways in which quality of life is improved for its customer base. Whether one is a member of the Baby Boomer, Gen X, or Gen Y generation, quality of life is a higher order need that is important to them.

For example, although the economic downturn has increased anxiety on the part of Baby Boomers regarding retirement, they are nevertheless proactive in seeking innovative solutions to dealing with aging. They view their new stage of life as one of activity and fulfillment rather than idleness. Members of Gen X are the most "time-starved" generation, often juggling career and family obligations, but they maintain a strong commitment to work-life balance in their lives. The Gen Y generation is just beginning their adult lives and facing lots of firsts – their first home, first job, and most importantly, first independent income. They are trying to find the right balance between spending for necessities and spending for entertainment. This generation is concerned not just with function and utility but also with style.

All of these generational attitudes are related in one key aspect – all of these demographic segments are interested in enhancing their quality of life through health/well-being enhancements, ecosystems services benefits (also referred to as environmental amenities), and economic paybacks.

For example, some of the economic benefits of associated with flowers (and flowering shrubs and trees) are that they beautify and help draw customers to shopping districts, reduce shopper stress while they are there, enhance overall curb appeal for local businesses, boost apartment and commercial building occupancy rates, increases revenue from tourism, create local jobs (from various interiorscape and landscape design, installation, and maintenance activities), increase residential and commercial property values, and even reduce the costs of street repairs from the reduced temperatures resulting from shaded roadways and sidewalks.

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Learn More about the  
NHPGA, visit [NHPGA.org](http://NHPGA.org)







Bruce Cilley  
Strafford County  
FB President

## News From the Corn Crib Strafford County Farm Bureau

Sometimes it is the things that don't happen that are as important as those that do to show you are doing something right. Recently I was at a social event when a woman introduced herself as a member of the Strafford

County Farm Bureau (SCFB). In the course of conversation she indicated that she had considered giving up her membership this year as she wasn't sure what the benefits of having one were. Thanks to all of the hard work our board members as well as friends of the board have been investing, she changed her mind and renewed her membership. She also asked that I express my appreciation to the board.

There is no doubt that we have a highly energized board of directors at the helm of the SCFB. This dedicated group pushed us to new heights last year in membership as well as held our first Annual Spring Fundraising Breakfast that was a huge success (see full article on the SCFB Breakfast event on page 12). As important as our board is to the vibrancy of the SCFB however, it is our members who are becoming increasingly more active that is the driving force. We are seeing larger turnout for our monthly meetings and tours and it is evident that members enjoy the opportunity to see how their colleagues manage their agricultural operations. This is a great way to both network and pick up tips for improving one's own business.

As the agenda the board set out last fall continues to unfold, each passing month has brought exciting events. Our March meeting, for example, was hosted by Taylor Egg Products in Madbury. The history of this farm and the tour we were given made this a particularly educational visit. A complete article on this tour is on page 19.

## Providing Value to the Consumer of Tomorrow

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While the list of environmental amenities, otherwise known as ecosystems services, is quite exhaustive, it is impressive to consider a mere subset of them such as the carbon that is sequestered, oxygen that is generated, wildlife that is attracted, biodiversity that is enhanced, the heat islands that are offset, the air, noise and glare pollution that is reduced, soil erosion that is mitigated, storm water runoff that is more efficiently handled, wind damage that is minimized, and the reductions in energy use that arises from the temperature buffering that plants provide around buildings. Needless to say, many of these environmental amenities translate into substantial economic contributions to local economies as well.

While these economic and environmental benefits may not come as much a surprise, the plethora of health and well-being benefits might. Peer-reviewed research has documented a person's ability to concentrate in their work environment in enhanced by the presence of plants and flowers. Children learn faster and are less distracted in flower and plant-filled environs as well, and flowers have even been documented to reduce stress levels, hypertension, and ease the effects of attention deficit disorder. Any person who has given/received flowers or plants as gifts knows the joy and excitement they generate and these powerful emotions carry over to beautified interiorscapes and landscapes as well.

However, the plethora of benefits provided by flowers is not common knowledge, let alone ingrained in modern day American culture. Humans often have difficulty in even seeing flowers or plants in their own environment, much less connecting plants to tangible benefits – a phenomenon called plant blindness. For most people, flowers and other plants are a part of the subconscious sector of mental life, perceived as the backdrop, not the main actors in the playing out of our everyday lives. Thus, all in-

April's meeting was hosted by Coppal House Farm in Lee. John Hutton gave us a wonderful tour of his operations and provided some Ag education about the way they grow and process canola and sunflower oil. They have a very diverse operation with pigs, chickens, sheep and work horses who are used for many of the farm chores. Following the tour of the Coppal House Farm our meeting was held in John's new yurt, which of itself was a great experience.

At both our March and April meetings, we were excited to see members participate in the tour and meetings. All of our board meetings and tours of facilities are open and free to our members. If you have been thinking of attending, please come to one of our upcoming meetings. You are guaranteed to learn something new and interesting – and perhaps, something you will find beneficial to your own operations.

On May 8 we will be meeting at Berybogg Farm in Strafford N.H. We are very much looking forward to our visit at this 30 year old blueberry farm. With seven acres of blueberry bushes of every conceivable variety, this is sure to be a highly educational event for anyone already involved in or thinking about cultivating berries.

On June 12 there will be another unique opportunity to learn new things. Our June meeting is being hosted by the N.H. Veterinary Diagnostic Lab in Durham. This state-of-the-art facility is certain to be extremely interesting to anyone interested in the science-side of agriculture.

If you are not on our email list, please contact me at bcilley@NHFarmbureau.org to be included. This is the most convenient way of letting our members know about events and activities.

We look forward to seeing you at one of our upcoming meetings.

dustry firms need to emphasize these types of messages in the marketing efforts of their individual companies. Since previous efforts on the part of the industry to provide a united voice through a generic advertising campaign (e.g. Got Milk) has been met with less than enthusiastic response, this may be the best alternative to propagate the quality of life value proposition.

Of course, one industry-wide effort that is already in place that has shown to be quite effective in conveying this message is America in Bloom (AIB). Now in its tenth anniversary, the program has countered early naysayers by effectively not only conveying the industry's message of beautification, but one of economic development, provision of environmental amenities, and enhancement of health and well-being as well. Almost 200 cities and several million citizens have been exposed to AIB's message; undoubtedly benefitting the countless local businesses in those trade areas. One such business owner stated publically at this year's OFA Short Course that they had experienced an 8% increase in business during the period their city had participated in America in Bloom. While this alone is impressive, it is exciting to consider that as AIB continues to expand, even more synergistic benefits will likely result.

In summary, there is an old adage that says: "If you always do what you've always done, you'll always get what you've always gotten." This latest economic downturn has certainly caused us all as an industry to do some things differently than we had been doing them previously. We're doing more with fewer people and in some cases, fewer resources. But as we move into the future, even more aggressive marketing will be needed to ensure that we are considered as necessities in our consumers' lives and not mere luxuries. Now is exactly the time to make those strategic marketing investments both as individual firms and through industry-wide (e.g. AIB) efforts.

## NH Maple Season Celebrated



Governor Maggie Hassan tapping a tree in commemoration of the maple season with Chris Pfeil looking on.

Story & photo by Maureen Duffy  
NHFBF Communications Director

Spring is in the air with the sugaring season upon us. Governor Maggie Hassan celebrated the arrival of this true New Hampshire tradition at The Maple Guys sugar house in Lyndeborough on March 11.

Chris Pfeil, co-owner and operator of the sugar house showed the Governor the new state-of-art equipment The Maple Guys are using to produce maple syrup.

"I'm delighted to be here and acknowledge the importance of agriculture and the maple industry to New Hampshire," said the Governor. "It is a critical part of our heritage. Our maple producers are great stewards of the land

that utilize new technology to make this New Hampshire tradition better."

This New Hampshire Maple Producers Association event was well attended with over 50 visitors including fellow maple producers, students from Lyndeborough Central School, Commissioner of Agriculture Lorraine Merrill, State Director for Farm Service Agency Jay Phynizy and other agricultural industry leaders.

In honor of the season, Governor Hassan tapped a maple tree. Soon after, sap was flowing from the tap into a personally signed bucket.



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