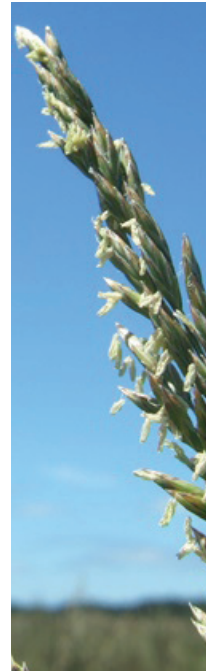


Domestic Turf - 2020 and Beyond

With most of the turf planting season for 2020 behind us, we can note that the spring COVID-related home improvement spending surge extended well beyond spring. This gift to our industry has been confirmed by numerous US distributors reporting record-breaking sales for spring, summer, and fall. So what's ahead for 2021? What might we surmise specifically about the spring and fall turf market for 2021? Here are some thoughts to chew on:



- **The sellers.** From top to bottom, our industry has been shown much favor. Seed farmers, in general, had good yields and were able to sell large volumes profitably. Both wholesale seed producers and regional distributors moved seed through the channels successfully, and again, profitably. And, of significant importance, many (maybe most) point-of-purchase retail stores selling agricultural goods, have had banner years. Who could ask for better positioning to meet a new year? We anticipate those who were in business this year, should be around next year.
- **The buyers/consumers.** Turfgrass seed is sold to homeowners, landscapers, athletic fields, and applicators for commercial, roadside and public lawn areas. New home construction is strong. This should convert to new homes needing front and back yards, subdivision, common areas, utility repairs. There also appears to be a multi-year trend to move out of crowded cities, as work-at-home opportunities continue to increase. Many golf courses have had good play this year and will need repair. New courses, however, are not expected. Sports fields have had limited use, and will also have limited needs. Public works, roadside repair, and government funded projects are more likely than not to continue and possibly increase. Office buildings, retail sites are struggling and likely will not be maintaining their outside grounds at previous levels. Commercial applicators are probably facing a mixed bag, depending on their clientele.
- **Demand and consumption.** A good case can be made for 2021 turf demand to be about average of the last few pre Covid-19 years. Demand has to be acted upon, though. We see these potential limitations to actual consumptions: Disposable income from consumers, limited budgets on large commercial sites, funding for government and corporate new projects, and the weather. This last item, the weather, is one which historically is more powerful than all the rest. Regardless of need and desire, a long, cold, wet spring followed by a early hot summer will crush spring consumption.
- **Supplies.** For 2021, we already know that turf-type perennial ryegrass is tight, followed by creeping red fescue and other fine fescues. While inventories this summer of turf-type tall fescue were good, we could see select varieties have limited supply. The same could be said about Kentucky bluegrass. And, while not a turf-type, the wholesale prices of KY-31 tall fescue has steadily increased since May based on anticipated demand exceeding 2020 crop supply. While we may have enough seed for spring, based on demand, we could be entering fall with minimal carryover. Furthermore, balancing of supply/demand (*does it every really happen??*) may not be possible by fall, especially on late harvested crops, like turf-type perennial ryegrass.
- **Covering your spring needs.** There are probably some very important products in your line-up that you will want to have covered. If the possibility exists that they might run short, have a backup option. Don't get greedy. While there are some very positive indicators that Spring 2021 could be good, most of us have experienced poor springs followed by bountiful harvests and falling prices. While we don't know where 2021 crop prices might shake out, consider which items you will be okay carrying into fall, even if prices adjust downward in the summer.
- **A note on other crops.** While forage and cover crop consumption doesn't exactly match turf consumption. The same parameters should be applied to your consideration of 2021 needs. Consumption was very good. Farm stores should be in very healthy financial shape. Inventories of annual and perennial species are creating tight supply conditions for spring, and in some cases all of 2021. Weather is always a factor, as are local, regional, and global economics.

If there is anything we can do to help you plan for your upcoming seed needs, please don't hesitate to ask. We have many options available in taking care of both your current and future seed needs, including contract production and open bookings. Check with your Smith Seed sales representative for more information.