

2002, Annual Georgia Sod Producers Inventory Survey

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The combination of a slower economy, suppression of sales from drought restrictions, and an increase in the number of producers and turfgrass acreage all suggest sod prices should be suppressed this spring as supply seems to be meeting or exceeding demand. In January, the Georgia Sod Producers Association conducted their eighth consecutive survey of sod producers (32) in the state. The purpose of the survey was to determine the present status of inventory levels and projected price changes in the Spring, and also to determine inventory. Reporting on over 90% of the acres in the state, the farms were divided into four size groups: less than 100 acres, 100 to 300 acres, 301 to 600 acres and more than 600 acres.

The survey obtained estimates of the inventory level for bermudagrass, zoysiagrass, centipedegrass, and tall fescue based on estimated sales for the first five months of 2002 as excellent (10+% above demand), adequate (equal to demand), fair (less than 10% below demand), and poor (more than 10% shortage). Producers were also asked their current price per square foot on truckload orders to the Atlanta area. The producers also provided spring price expectations and pricing on freight.

Bermudagrass remains the only grass grown by all producers and inventory levels were higher than ever. Seventy-eight percent of the producers rated their inventory as adequate to excellent, compared to 73% last year and 48% in 2000.

Zoysiagrass showed the greatest growth among producers with 21 farms which is up 61% from the 13 farms last year. Although 48% of these farms report adequate to excellent inventory which was down from the 61% last year, the increase in producers will probably more than offset this reduction in inventory.

Even though acreage was not being surveyed, centipedegrass production may be up as much as 40%. That was because new growers increased 20% from 20 to 24, and 75% of growers had adequate to excellent inventory compared to 55% in 2001.

Tall Fescue was grown on 9 farms compared to 11 in 2001, which may be an indication of a softening of the market. Similar to last year, 67% reported excellent to adequate inventory.

Reflective of the market conditions, the average price per square foot of truckload orders of bermuda to the Atlanta area was down 5% from last year. Prices varied from 13.0 cents to 19.5 cents, with an average price of 15.6 cents. With Zoysia demand continuing to be high, prices have increased after last years decrease. The average price is up 2.05 cents or 6.6% over last year and ranged from 25 cents to 38 cents, with an average price of 31 cents.

Average centipede prices were down 8% and ranged from 14 cents to 25 cents, with an average price of 17.9 cents. The price of tall fescue decreased slightly (1%) for the third straight year. Prices ranged from 17 cents to 21.5 cents, with an average of 19.8 cents compared to 20 cents last year.

Regarding grower price expectations, 61% expect bermuda price to remain unchanged but 35% expect a decrease. This expectation of price decrease was up 12% from last year. Even though more than 83% of the zoysia and centipede producers expect prices will not change, for the first time in years there were growers (15%) that feel prices may decline. Tall fescue producers expect prices to remain steady as prices have been flat for at least three years.

For the first time shipping information was part of the survey. Freight rates per mile

shipped to Atlanta ranged from \$1.25 to \$2.15 and averaged \$1.80. Fifty-nine percent of producers do not include freight in the price quoted and 99% of producers make additional drops on a load. Charges for added drops ranged from \$15.00 to \$75.00 with most being about \$30.00.

There continues to be interest in the newer turfgrass releases from the University of Georgia and other entities. These grasses include 'TifSport' and 'TifEagle' bermudagrasses, 'TifBlair' centipedegrass, and an old release that has increased in popularity recently, 'T-10' or 'Shanghai' bermudagrass. Finally, the newer zoysiagrasses include 'Empire', 'Empress', 'Zenith', and 'Zeon.' As with most products, the newer grasses should have an added premium over traditional ones.