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ENTERING THE NURSERY OR GREENHOUSE BUSINESS

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ENTERING THE NURSERY OR GREENHOUSE BUSINESS

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Are you thinking of starting your own nursery or greenhouse business? If so, this publication will point out some of the facts you need to know.

As with most businesses, the main requirements are knowledge or experience, capital and hard work. You should have a knowledge of plant and flower production, or a real willingness to learn. Many technical books and specialized publications are available to help you.

Both nursery and greenhouse operations require large capital investments. Good returns can be expected because market prices remain fairly constant from year to year. But returns will not be realized for about 2 years in the greenhouse business, and about 2 to 4 years in the nursery business. Maximum returns will take a year or two longer.

Consult with your County Extension Agent for advice and technical assistance. Through him you can secure the help of Agricultural Extension Service specialists. Your county agent can also help you acquire publications from the State Experiment Station, the Texas Agricultural Extension Service and the United States Department of Agriculture.

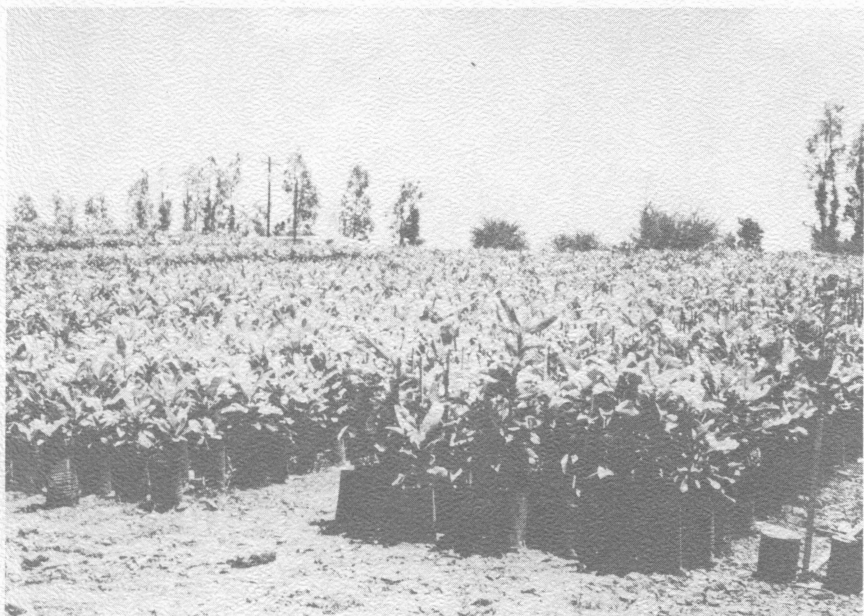
Determine the Type of Business

By talking with your county agent and nursery and greenhouse operators in your area you can determine whether your business should be:

- a. Retail: retail shop only, with no growing area.
- b. Retail grower: retail shop, plus sufficient acreage for growing. (15 to 20 acres is considered to be the minimum requirement for a nursery.)
- c. Wholesale grower: grow plants for sale to other nursery operators.
- d. Landscape nursery: provide landscape services as well as retail sales yard. May produce some of their own materials.
- e. Garden center: provide a wide variety of plants, equipment and related supplies. May also offer landscaping and other services.
- f. Outdoor-flower-grower: produce field-grown cut flowers for market (gladiolus, iris, narcissus); may also produce bulbs, corms or tubers.
- g. Plant broker: serves as a collection and holding point for plants from many areas for sale to retail nurseries. Some may specialize in one area such as foliage plants.



Consumer demand for indoor-type foliage plants has stimulated growth of the greenhouse industry.



Young magnolia trees at a South Central Texas wholesale nursery await shipping to retail nurseries or shifting to larger containers.

Determine Equipment Needs

Your County Extension Agent and Extension specialists can advise you on the structures and equipment you will need. Many equipment dealers and suppliers offer valuable technical aid in developing a nursery or greenhouse business.

Plan for Initial Investment

There are so many different types of nursery operations and such variation among them that the initial investment can vary tremendously. Some of the factors will include:

- Cost of land and necessary buildings
- Equipment
- Utilities
- Insurance
- Labor
- Interest
- Management

Since 2 to 4 years are usually required before significant returns may be expected, enough funds or credit must be available to operate the business during this establishment period.

Select the Business Site

Selecting the proper site for your nursery or greenhouse business is vitally important. A nursery site for field-grown stock should have well-drained soil such as clay-loam, silt-loam or sandy-loam. Rocky soils will interfere with cultivating and digging operations. A level area, or a hillside with a slope of less than 5 degrees is acceptable. Areas with natural pine shade are desirable for azaleas, camellias and holly. Windbreaks may be needed to reduce winter injury to broad-leafed evergreens. A nursery with container-grown stock requires an area that is relatively level, with sufficient slope to provide surface drainage. Both operations need an ample supply of good quality water.

Greenhouse sites should be level, with as much light as possible. Wind protection is important, and should be in the direction of the prevailing winds in your locality. A large water supply is necessary, and water should be low in total soluble salts with little or no sodium. City water is usually best for greenhouse production, if it is available.

Plan for Financing

Sources of financing may be available from banks, private money-lending institutions, or the Small Business Administration. Before approaching any money-lenders, a prospectus of your future business should be prepared. The prospectus should contain *at least* the following points:

- a. Size of operation.
- b. Location.

- c. Type of business.
- d. Value of assets.
- e. Cost of equipment needed.
- f. Markets—their source and dependability.
- g. Estimated returns.
- h. References from other businessmen or leaders in the community.

Information on developing a business prospectus is available from banks, financing agencies or the Chamber of Commerce.

Conclusion

The future of the nursery business in Texas appears good at this time. It has been estimated that Texas is producing only about half the nursery stock being sold here. Many plants are transported all the way from the west coast, and Alabama, Louisiana and Florida also ship significant quantities of foliage plants, shrubs and trees to our state each year.

Large container nursery producers are favoring locations near the Texas Gulf Coast, hoping to serve the growing population centers of that area. Bedding plant production in East Texas is definitely expanding. And the new demand for foliage plants has stimulated their production in the Lower Rio Grande Valley.

There is a very high risk factor in almost every phase of the nursery business. The occasional short periods of extreme cold along the Texas Gulf Coast have probably been the most limiting factor in the growth of container nursery production. Container plants are more susceptible to cold injury than those growing in the ground, since cold air can circulate around the container and easily damage the plant's root system. To have any insurance against this type of damage, costly precautions must be taken. However, these increased production costs may be offset by lower transportation charges required for locally produced stock.

Market demand has been excellent in recent years but it should be remembered that in periods of recession and national emergency, nursery products are considered luxury items and may be among the first to suffer. Although not a problem at present, overproduction and domination of the industry by large producers are possibilities to contemplate.

The nursery business offers an interesting potential for well qualified, hard-working people. Established firms in both the nursery and greenhouse industries are always looking for good help. While the starting pay scale is usually the minimum allowed by law, it is comparable to other agricultural industries. Valuable experience can be gained by working for a reputable grower for several years before starting your own business. There is ample opportunity for individuality and satisfaction in producing or selling products that can improve our environment.

A list of publications on the greenhouse and nursery industries is available from Dr. William C. Welch, Extension Landscape Horticulturist, The Texas A&M University System, College Station, Texas 77843.

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