

### Driving the Supply Chain

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As a young plant company, we depend on a global supply of seeds, cuttings and tissue culture to keep our business moving. Our customers have become accustomed to having access to thousands of varieties grown to order as needed and in short notice. Gone are the days of growers doing everything themselves.

As our industry has grown into what it is today, many niche businesses have developed along with this growth. Spurred mainly by the color-growing sector, seed and cutting suppliers are now starting to serve others sectors, such as perennials and shrubs. Offshore seed supply paved the way for other business such as unrooted cutting producers. These offshore locations have unique advantages to serve these types of businesses, notably an ideal climate for year-round production and a cost-effective labor force for producing these low-cost inputs.

Although the distribution and product development models for seed and cuttings have followed similar trends, many new challenges have emerged, in particular shipping and inventory issues. Challenges with cutting supplies are similar to cut flower production. Postharvest problems remain a constant issue that growers try to improve. They've put endless resources into solving problems, such as defoliation and ethylene buildup during transit. The recipients of these cuttings also had to adjust their methods to give priority to unpacking and sticking problematic crops. As new varieties and products continue to drive our market forward, cutting growers are constantly adjusting and developing their methods to properly grow and ship these new varieties.

Inventory and availability projections are another area where cutting growers have made strides in improving the supply chain. Sophisticated cutting growers have implemented real-time inventory and online ordering systems, which are great tools for growers who need up-to-the-minute information when trying to plan and book their production schedules. However, with the last-minute nature of our business, these online availabilities can run far short of requirements if growers and suppliers don't work together to project future needs.

At Pacific Plug & Liner, we've continued to diversify our young plant business and have added many tissue culture crops to our offering. Tissue culture adds another complete line of complexity to an already time-sensitive supply chain. These plants require extensive lead times for production in the lab, as well as a gradual build up and ramp down in the production cycle. Growers need to take product over a period of time in smaller increments compared to one big delivery. The small increments are great for having consistent monthly availability, but it's a disadvantage when you have customers who want one large delivery. Many growers end up growing on a speculative model to offer these varieties. With tissue culture items, our input cost is much higher than for seed or cuttings. Shrink can often be much higher as well. As a result, we've been very selective on what we offer in tissue culture products.

Whether it's seed, cuttings or tissue culture, more time is always better when planning and sourcing your production. It's critical to work with your suppliers to ensure availability and timely delivery. Time, however, is often what we have the least of.

Growers have many challenges that force them to order later and later. Market instability is especially prevalent for growers who serve mass merchandisers, and a yearly line review can greatly affect what's grown year to year. However, one can still be conservative with their planning and book a percentage of their program early on.

Our industry is a diverse group and serves a number of markets from small to large. The supply chain of seed, cutting and liner producers generally serves this entire system. As propagators, we have to be able to produce 100 to 100,000 of a plant, all with the same quality specifications and on the same crop schedule. Growers and retailers can take advantage of these capabilities and design their production in line with their customers' needs. With a little more time and a lot more planning, an effective young plant supply chain can be an indispensable tool available to all growers, large and small. GT

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