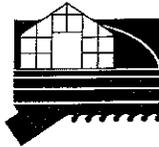




**Connecticut
Florists
Association**



**CONNECTICUT
GREENHOUSE
GROWERS
ASSOCIATION**



**Connecticut
Nursery &
Landscape
Association**

Statement of
Bob Heffernan
Executive Director
Connecticut Green Industries Coalition
to the
Legislative Program Review & Investigations Committee / Connecticut General Assembly
on
Connecticut's Economic Competitiveness in Selected Areas

October 9, 2009

Any serious discussion in this state regarding economic competitiveness must include agriculture, which contributes \$2 billion directly to Connecticut's economy.

Of this, more than half — \$1.1 billion — is in one commodity, the green industry. This includes the production, sale and installation of flowers, plants, trees, shrubs, perennials, annuals, florists, greenhouses, garden centers, and landscapers.

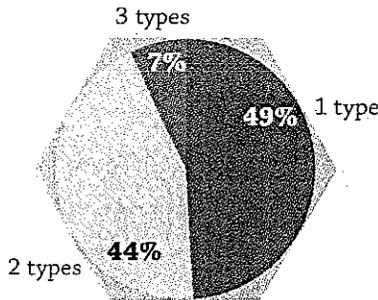
As you will see by the attached economic impact study, Connecticut's green industry generates 48,000 jobs at 3,350 companies operating in all 169 towns.

Our industry's payroll is nearly \$500 million annually, and we hold more than 46,000 acres of land.

Further, while most agricultural crops are not subject to the sales tax, the state does apply this tax to retail purchases of flowers, plants, and landscaping. Even better, anywhere from 40%-60% of the ornamental plants grown in our state are exported outside Connecticut's boundaries, bringing in cash to the state.

Connecticut \$1.0 Billion

Percent of firms in one or more types of business



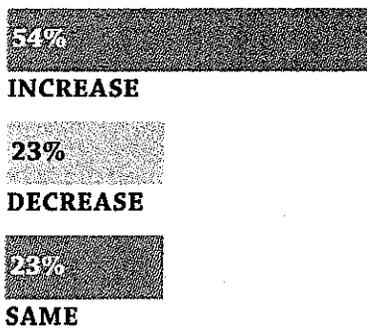
Environmental Horticulture is a major sector of agriculture in Connecticut. There are more than 3,350 firms in this industry.

These firms are involved in:

- **PRODUCTION:** nurseries, greenhouses, herbs, cut flowers, turfgrass.
- **RETAIL:** garden centers, florists.
- **LANDSCAPE SERVICES:** landscape design, installation, maintenance, lawn care, tree care.

Many firms are involved in more than one of these types of business.

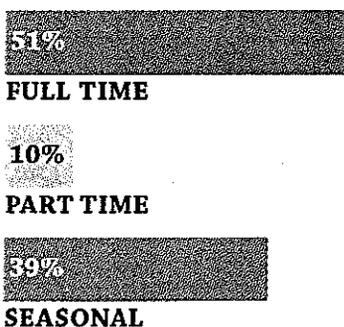
Income of firms surveyed



The **Environmental Horticulture** industry produces income. The estimated value in Connecticut for 2007 is **\$1.022 billion in gross income**.

- Similar to the previous survey in 2004, income has grown for more than half of firms.
- Over the three year period, between 2004 and 2007, more than **1,800 firms increased their income**. The average increase per firm was 17 percent.
- Many additional firms, not counted in this survey, derive at least partial income from this industry. These include seasonal outlets such as roadside markets, hardware stores, mass market stores, and property maintenance firms.

People employed by businesses



Environmental Horticulture provides MANY jobs. At least 48,000 people are employed in this industry. An additional 5,800 are needed.

- Half of those in this industry are fully employed. An estimated **24,000 jobs are full time**. An additional 3,300 are needed.
- This industry paid an estimated **\$490 million to employees** in 2007 including benefits, almost half (48 percent) of state income.
- More than half the businesses (56 percent) reported an increase in the cost of labor. The average increase per firm from 2004 to 2007 was 15 percent.

Types of businesses

67%

LANDSCAPE & TREE SERVICES

49%

RETAIL

39%

WHOLESALE PRODUCTION/SALES

14%

OTHER

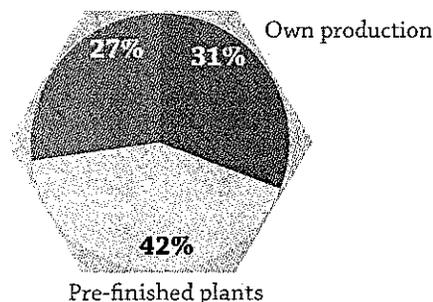
Environmental Horticulture is diverse.

Three-quarters of firms offer, derive income from, and provide jobs in, landscape and tree services.



Income from plant sales

Finished plants



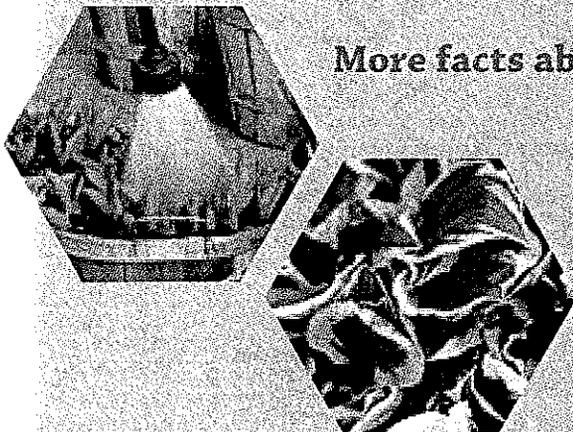
Plant production and sales are a significant part of the Environmental Horticulture industry. Plant sales generate over \$583 million.

This includes:

- \$181 million from plants produced totally by the seller. Almost a third of firms selling plants grew many from start to finish.
- \$245 million from young plants purchased ("pre-finished"), then grown further prior to selling.
- \$157 million from "finished" plants bought for resale, either wholesale or retail.

Plant production generates \$426 million. A majority of firms (89 percent) sell plants.

More facts about Environmental Horticulture in Connecticut



- The industry is keeping more than 46,000 acres in agriculture, of which 23 percent is open space and at least 3 percent is in a land preservation program.
- Businesses in this industry paid an estimated \$150 million in taxes in 2007. Over half the firms (61 percent) reported an increase in taxes paid. The average increase per firm was 19 percent.
- The top three major concerns expressed by a majority of this industry were energy costs, health care costs, and immigration/labor issues.

