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BUSINESS MANAGEMENT

Turfgrass Producers International

Cancun, Mexico—February 2-4, 2005

"Business with Pleasure" (Midwinter Conference Theme)

First Business—The 2005 TPI Midwinter Conference is sure to begin on a strong note with the pre-conference seminar "Family Business and Estate Succession Planning," in response to many member requests for guidance in this extremely sensitive area of business.

With the focus on providing valuable information members can take home and put to use, the General Education Assemblies will be presented by respected academic and industry professionals. Each presenter and topic has been thoroughly researched and selected for their practical content, based on member needs as discussed at prior Roundtable Forums.

During the two sessions with TPI exhibitors, members will have ample opportunities to discover the latest offerings of equipment, supplies and services through one-on-one conversations with

company representatives.

The Roundtable Forum has rapidly become THE networking clearinghouse where members share useful experience and knowledge with each other. New to the format will be table facilitators who are also experts in various areas of turfgrass sod production. Comments from this event also provide direction for the TPI Board.

Then, Pleasure—Picture the beautiful surroundings of a scenic location that engages the senses with a gentle ocean breeze, clear turquoise waters, captivating sunsets and tours of ancient archaeological wonders. Imagine also having time to enjoy these local offerings, even taking a walk along beautiful sandy beaches, floating through underground rivers, swimming with dolphins, enjoying botanical gardens, the sea aquarium and much more.



Business Benefits Coming

TPI members, in the U.S. should watch their mail for announcements of at least three new business-oriented membership benefits. Because these offerings will be coming from separate firms, separate mailings will be required.

Credit Card Processing, offered by NPC: Because of changes within the credit card processing industry (as a result of higher security measures to reduce identity theft), TPI was able to negotiate very competitive rates for its members. **Benefit**—expand income potential and reduce credit and collection concerns.

Seasonal Worker Health Insurance, offered by American Plantsman: This unique program makes very affordable health-care reimbursement possible for

seasonal workers and even members of their families. **Benefit**—reduce out-of-pocket costs and make a valuable benefit available to employees at little cost (no cost when the employee pays).

Employee Funds Transfers, offered by U.S. Bank: Many migrant farm employees routinely send a portion of their pay to family members residing in their home country. This program reduces the cost of these transfers and simplifies the entire process. **Benefit**—Employee gratitude and loyalty grows when they recognize that you care about them and their family members.

TPI will continue to acquire and offer additional benefits that add value to the membership.



Remember: Passports are Required for ALL Attendees of TPI Midwinter Conference in Cancun, Mexico

To attend the TPI Midwinter Conference (February 2-4, 2005) in Cancun, Mexico, a valid passport is now required of ALL non-Mexican visitors. A photo identification, such as a driver's license, is no longer sufficient for entering Mexico. If you do not already have a current passport, now is a good time to apply. Delaying can cause frustration and a missed opportunity to attend one of the most exciting TPI Midwinter Conference venues ever!

Taking Care of Business

By Jack Hall, Ph.D.
Professor Emeritus
Virginia Tech

Per\$onal Ob\$ervation Pay\$ Off!!


Word of mouth and printed data are always valuable, but the opportunity to make personal observations has a way of bronzing facts in the mind and providing increased assurance of your decision. In this regard, if you could make decisions about varieties you were buying, growing and selling on your farm from daily personal observations of that varieties' performance, how valuable would that be in managing your operation?

Every university turfgrass researcher desires that their variety testing data be of the highest quality and generate the greatest positive impact to the greatest number of growers in their state. To accomplish this, tests need to be planted in climatic areas in soils that are representative of the industry being served and maintained under management typi-

cal of that industry. Unfortunately, limited financial support hampers the ability of researchers to plant variety tests at outlying sites where monthly travel costs associated with data collection, and the cost of maintaining plots under typical sod industry management, is prohibitive.

I specifically remember a situation where a Virginia sod grower provided two or three thousand dollars a year for three years, for the installation of a replicated variety test that had 50 tall fescues in it, on a field near his home. It was close enough that he could go out each day and look it over to make his own observations about how the varieties were doing. He would note germination speed, upright growth tendency, disease and insect activity, drought tolerance, spring green-up, genetic color, winter

color, blade width and texture. It was a "win-win-win" situation for me, the sod industry, and the sod grower. We collected monthly data during the growing season that was relevant to the sod industry in that area and he was able to look at the varieties daily and form his own opinions from a much larger, personal database. In addition, he could combine his observations with the National Turfgrass Evaluation Program (NTEP) database to make the final decision.

Consider approaching your state turfgrass specialist and offering to financially support a variety trial on your farm. You will sleep better at night after making decisions about the varieties you are planting, based on your own personal observation of those trials and your location-specific experience. 

U.S. and Global Economic Outlook Positive

The U.S. and global economies will expand strongly during the rest of 2004 and into next year, according to the latest analysis by The Conference Board, a respected, not-for-profit, non-partisan organization that brings leaders together to find solutions to common problems and objectively examine major issues having an impact on business and society.

The organization advised that the misperception of the U.S. and global economies being at risk—having passed the business cycle's early acceleration phase—is not so. Industrial growth has been rising at a 5.6 percent in the U.S. and a 5.2 percent rate globally. From a near standstill in mid-2003, the sudden economic growth rates in the past nine months has put a tremendous pressure on the global supply chain, particularly in key industrial commodities like steel, copper, aluminum and energy.

Global energy markets and the U.S. labor market are also tight, and industrial activity's strength is likely to spur higher inflation and higher interest rates in the U.S. and elsewhere.

On Inflation/Interest Rates: A Slow But Steady Increase

"Overall, there appears to be little risk of the 1970s style inflation that would

cause the U.S. Federal Reserve Board to raise interest rates suddenly and substantially," said Gail D. Fosler, executive VP and chief economist for the organization. "More likely is that both inflation and interest rates will rise slowly but persistently in the foreseeable future. The Conference Board forecast shows the core consumer price index staying close to 2.5 percent this year and heading toward 3.5 percent by the end of 2005."


Present inflationary pressures mean the Federal Reserve does not have the same latitude it had in the 1990s to cut rates when the U.S. or global economies ran into trouble. Prices and wages are less rigid than in the '70s, but many of the structural forces—the expanding global supply chain, information and communications technology, declining inflation rates in healthcare, etc.—are probably reaching the point of diminishing returns from the perspective of price stability.

Tight labor market conditions affect inflation because higher wages tend to drive up services prices, which constitute 60 percent of all consumer spending. Information and communications technology is an important source of productivity gains and will keep prices low. But a low unemployment rate this early in the recovery suggests that the building wage pressures will continue.

The Conference Board's latest forecast shows that services prices will begin to pick up this wage pressure, moving from approximately a current three percent annual increase to over four percent by mid- to late-2005. These rates, when combined with goods prices in the three percent range, point to at least a four percent overall rate by late next year—an uncomfortable position for the Fed.

The 1970s All Over Again?

The 1970s were dominated by a unique combination of oil, commodity and import price increases that represented dramatic external shocks of unprecedented magnitude. The surge in commodity prices was transmitted almost immediately to the U.S. price structure by a declining U.S. dollar that sent non-oil import prices up five-fold between the end of 1972 and mid-1974, causing compensation increases to double.

A sustained high oil price creates incentives for investment in oil development that will upset a delicate global demand/supply balance that favors oil producers. Although the U.S. is a major source of global oil, energy is much less important in the U.S. economy because the U.S. can adjust more easily because of today's fuel-saving technologies, especially in the auto market, that were not available 30 years ago. 

Marketing Tip

By Clif Gregoire
Medina Sod Farms, Inc.
Seville, OH

For Control of Erosion and Sedimentation... Just Sod It!

While the dynamics of turfgrass sod production in the Northeast Ohio area have changed in recent years, the concern for marketing and selling quality turfgrass sod has not. Current economic trends force us to promote the practical uses of sod over the traditional aspects. I refer to sod as an erosion and sedimentation control method.

In the past few years, we have seen many Department of Transportation (DOT) and highway projects turn toward different seeding methods, including seed mat. As we all know, these new methods don't compare to sod in curbing the major pollution source of our watershed areas: erosion and sedimentation. I think it is time for sod producers to reintroduce quality turfgrass as the number one erosion and sedimentation control method.

As turf producers, we understand the reason why sod should be the number one choice in these projects. Our challenge lies in educating (or re-educating) the market place.


Another step in the marketing and education process is to target new construction projects. It follows that in any construction project, there will be a certain amount of erosion. Along this line, I can't help noticing large blacktop and concrete parking areas that have an adverse effect on the flow of rainwater into drains, gulleys and ditches. Also, the rapid movement of water from rooftops and parking areas causes an increased rate of erosion. I have seen this happen over the past 40 years around our own farm fields as new construction in our area has increased.

While preparing for this article, my mind turns to a recent trip to a fellow turf producer in Louisiana. Traveling along the Mississippi River, I observed severe flooding of crops and farmland. This constant cycle of flooding and its aftermath are causing both environmental and economical damage. I know turfgrass sod could help throughout the Mississippi watershed because sod is an immediate silt filter, with an established root system that begins stabilizing the soil as soon as it is laid. We can also promote the advantage of using big roll sod for its cost effectiveness on labor and

the added benefit of reduced seams.

There is a definite need to promote sod as the ideal choice for soil erosion control. Currently our farm is beginning research into that market in our own area. Our best search results have come from a simple internet search of "watershed erosion control," yielding the names of numerous state and international organizations working toward answers to erosion problems. We are considering memberships in local and state organizations to help us establish inroads in this marketplace. In addition, grant monies backed by state erosion control projects, are available. Turf producers should check with the research department of their local state colleges.

I hope to see the renewed interest in and usage of quality turfgrass sod for DOT, county, highway and other erosion control projects. Sod is the best choice; let's make every effort not to keep this a secret!

Medina Sod Farms is proud to be a charter member of TPI. We thank the TPI staff for their dedication and our fellow members for their contributions and our continued success. 

Writing for Clarity

Whether writing a letter or e-mail message, write "conversational" so you'll be understood.

Focus—State your purpose immediately so your reader knows what your message is about.

Brevity—Delete every word that isn't necessary (i.e. change *The fact of the matter is to The fact is*).

Humanize—(i.e. Change *Enclosed please find to Enclosed is*).

Diversity—Begin sentences with different parts of speech such as a noun, then pronoun, perhaps even an action verb.

Paragraph Structure—Limit paragraphs to one topic to avoid confusion. Short paragraphs are less intimidating and stand a better chance of being read and understood.

Shrewder Computing

Cyber Security In Six Easy Steps

Whether a business is large or small, its customer lists, credit card information and employee records are prime targets for on-line fraud, identity theft and other security breaches. To manage this security challenge, the U.S. Chamber recently published *Common Sense Guide to Cyber Security for Small Business*—available at no charge at www.cyberpartnership.org. Following are some of the useful tips found in this publication.

Use Strong Passwords—Combine letters, numbers and symbols that will be impossible for someone to guess, and change your password often. Avoid using words in the dictionary. Most importantly, don't write down your password.

Limit Access—Allow only employees to see customer lists, account information and records on a need-to-know basis. Have your system administrator restrict employee permissions to his or her responsibility-based need.

Install Anti-Virus Software—Be sure anti-virus software is installed on every business computer. Virus protection is no longer a luxury.

Update Software—Virus programs are only effective if they're updated regularly with new virus definitions that protect against newly released viruses. Your cyber security depends on taking advantage of these updates.

Back Up Important Files—Although obvious, very few companies take the time to backup files that are essential to their businesses. Beyond malicious hackers, a back-up will mitigate damage from office floods, fires and other disasters, if stored in an off-site location.

Get Insurance—If computers are an essential element of your business, it just makes good sense to protect yourself from a cyber attack, power surge, flood or major storm. Be prepared by insuring your electronic infrastructure.

TPI Action

TPI Purchasing Office Building

After a nearly two-year search, the TPI Board of Trustees recently gave unanimous approval for the purchase of a TPI office building. The 3,100 sq. ft., one-story, brick/stone building is located in East Dundee, IL, a far-west suburb of Chicago. Closing/possession is scheduled for mid-October 2004. Remodelling will delay occupancy until March 2005. Change of location notices and more details will be featured in an up-coming issue of *Turf News* magazine.

Task Force Groups Address Multiple Issues

Questions, suggestions and concerns identified at recent TPI Roundtable Forum discussions have resulted in formation of the following special TPI Task Force Groups:

Improving TPI's Website – Chairman Chip Lain

International Membership Benefits – Chairman Rob Davey

Farm Innovation Information Transfers – Chairman Norm DeBuck

Grass Seed Quality Standards – Chairman Ed Zuckerman

Jointly Sponsored Conventions – Chairman Arthur Milberger

Members who would like to offer input on any of these topics should contact the chairman or the TPI staff.

Who Said, "Talk Is Cheap?"—The \$355,000 Conversation

In a recent article titled, "Lawn Replacement Therapy," featured in the November 2004 issue of *Garden Ideas & Outdoor Living* magazine, from *Better Homes & Gardens*, TPI Executive Director, Doug Fender was quoted several times. The end result was a six-page, full-color spread in which Turfgrass Producers International was mentioned frequently. The equivalent advertising cost for a six-page spread would have been over \$355,000!

To receive additional information on any of these items, Contact the TPI Office

Tel: 800/405-8873 or 847/705-9898

Fax: 847/705-8347

e-mail: info@TurfGrassSod.org

Website: <http://www.TurfGrassSod.org>

New Rules on White Collar Overtime Exemptions

On April 20, 2004, the U.S. Department of Labor issued final regulations, effective August 23, 2004, revising the so-called "white collar exemptions" for executive, administrative and professional employees" rules from the federal Fair Labor Standards Act overtime requirement. While the proposed changes have been scaled back from the original proposal, this is the first major overhaul of the regs in 50 years.

Employers should be aware that most states have their own overtime rules and should be familiar with them as they sometimes differ from federal law.

Ag Exemption from Overtime Payment Not Affected by New Rules.—There has been some confusion among TPI members as to whether the new rules repeal the long-standing exemption from overtime of workers engaged in agricultural work. Turfgrass sod production (as distinct from landscaping) has long been considered agricultural and workers engaged in sod production generally are exempt from overtime. The new rules do not affect this exemption.

Minimum Threshold for Exemption (\$23,660)—An employee must be paid overtime if he or she is paid less than \$455 per week (\$23,660 per year), up from the current \$155 per week (\$8,060 per year). The threshold is fixed and does not automatically increase with inflation.



Business Management

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