2023 Sod Producers Report

Annual survey examines inventory and price

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The Georgia Urban Ag Council conducted their 28th survey of Georgia sod producers. The purpose of the survey was to determine the status of inventory levels and projected price changes for spring and early summer 2023.

Survey details

This year, 22 producers participated in the survey, representing farm sizes which were:

- less than 300 acres (8 participants)
- 300 to 600 acres (6 participants)
- 601 to 900 acres (3 participants)
- more than 900 acres (5 participants)

The survey obtained estimates of the inventory for bermudagrass, zoysiagrass, centipedegrass, St. Augustinegrass, and tall fescue based on estimated sales for 2023 as excellent (more than 10% of demand), adequate (equal to demand), and poor (more than 10% shortage).

Pricing information included farm price and price for truckload orders to the Atlanta area or within 100 miles of the farm, all costs were reported as price per square foot of sod.

Inventory levels

Bermudagrass is being grown by 21 of the surveyed producers. Fifty-seven percent of the producers rated their inventory as adequate to excellent this year (Figure 1). A good portion (63%) of the growers with greater than 600 acres anticipate an insufficient bermudagrass supply, while 43% of the producers with 600 acres or less project having sufficient inventories. For 2023, bermudagrass supply may be much like 2022, thin.

The number of producers growing **zoysiagrass** (77%) was higher than previous years. Zoysiagrass is a popular species with many commercially available cultivars. There are at least fourteen zoysiagrass cultivars being grown in Georgia. Unlike 2022's dearth in supply, 75% of producers forecast an adequate zoysiagrass supply in 2023 (Figure 2). Of the producers reporting poor supply (4 total), three were growers with less than 300 acres in total production.

Of the 22 producers surveyed 14 (64%) were growers of **centipedegrass**. Fifty-seven percent of the growers had adequate to excellent inventory compared to 30% in 2022, and 55% in 2021. Of the larger growers, 57% with greater than 600 acres expect an adequate to excellent centipedegrass supply.

St. Augustinegrass is being grown by 9 of the 22 producers surveyed. Fifty-six percent reported a poor supply.

Down from previous years, **tall fescue** was grown by 32% of producers. Sixty-three percent of Georgia's tall fescue producers reported poor inventory. Multiple factors (e.g. seed production, trucking, climate, etc.) may have contributed to a loss in tall fescue supply, but these results are consistent with trends forecast in the 2022 sod survey.

Figure 1.
Percentage of bermudagrass producers projecting adequate to excellent supply for the past five years.

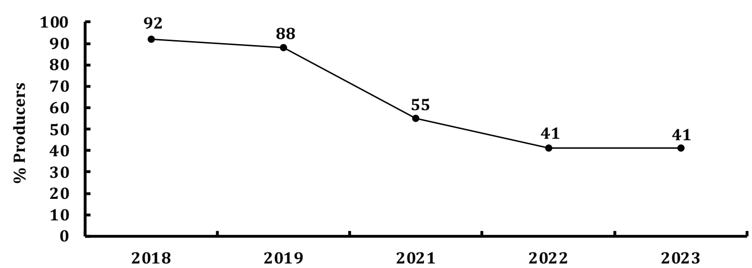
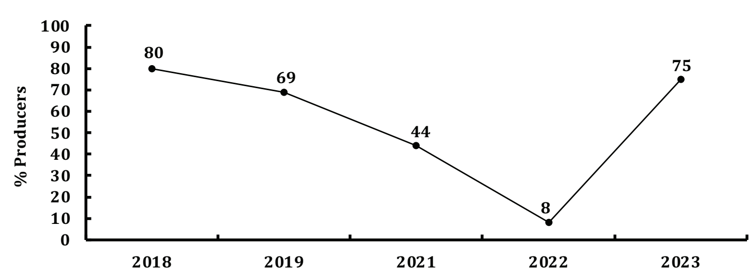


Figure 2.
Percentage of zoysiagrass producers projecting adequate to excellent supply for the past five years.



Sod prices

Both on-the-farm and delivered prices of all species are expected to increase in 2023. Price increases could range from 9% to 25% over 2022 prices (Table 1). While greater than the 2022 price, zoysiagrass will have the lowest price increase relative to the other species. Figure 3 provides a five-year perspective of delivered sod prices.

Table 1.

Change in prices from Spring 2022 to 2023

Turfgrasses	On-the-farm 2022	On-the-farm 2023	On-the-farm % change	Delivered* 2022	Delivered* 2023	Delivered* % change
	--- cents / ft² ---			--- cents / ft² ---		
Bermudagrass	27.8	34.2	23.0	34.3	40.1	16.9
Zoysiagrass	56.5	62.6	10.8	63.5	69.3	9.1
Centipedegrass	30.9	34.7	12.3	36.6	40.8	11.5
Tall Fescue	35.5	44.4	25.1	41.8	47.2	12.9
St. Augustinegrass	50.0	55.8	11.6	56.0	61.6	10.0

* Delivered price includes freight and pallets. The delivered price included the Atlanta area or within 100 miles of the farm.

Table 2.

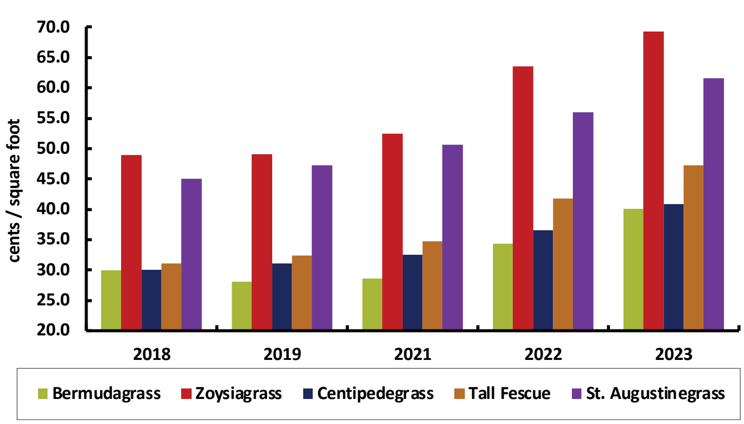
Comparison: Farm to delivered prices, 2023

Turfgrasses	On-the-farm Price (avg.)	On-the-farm Range	Delivered* Price (avg.)	Delivered* Range
	cents / ft²			
Bermudagrass	34.2	23.0 - 52.0	40.1	30.0 - 54.0
Zoysiagrass	62.6	42.0 - 95.0	69.3	55.0 - 91.0
Centipedegrass	34.7	19.0 - 50.0	40.8	19.0 - 55.0
Tall Fescue	44.4	28.0 - 60.0	47.2	34.0 - 61.0
St. Augustinegrass	55.8	40.0 - 70.0	61.6	46.0 - 73.0

* Delivered price includes freight and pallets. The delivered price included the Atlanta area or within 100 miles of the farm.

Figure 3.

Historical perspective of sod prices in Georgia, 2018 to 2023.



The average price per square foot for a truckload of **bermudagrass** delivered to the Atlanta area, or within 100 miles of the farm, was higher relative to 2022 (Table 1). The 2023 survey indicated prices varied from 30.0 cents to 54.0 cents, with an average price of 40.1 cents (Table 2). The average price in 2022 was 34.3 cents per square foot and ranged from 28.0 cents to 54.0 cents.

The 2023 average price for a delivered truckload of **zoysiagrass** was greater than 2022 levels. The average price of delivered zoysiagrass in 2023 was 69.3 cents and ranged from 55.0 to 91.0 cents. In 2022 zoysiagrass prices ranged from 50.0 to 75.0 cents and averaged 63.5 cents. Centipedegrass prices in 2023 ranged from 19.0 cents to 55.0 cents and averaged 40.8 cents, compared to 2022 when the average delivered price was 36.6 cents and ranged from 24.0 to 54.0 cents.

The 2023 average delivered price for **tall fescue** (47.2 cents) was 13% higher than 2022 (41.8 cents). This year, prices ranged from 34.0 cents to 61.0 cents.

The average price of delivered **St. Augustinegrass** in 2023 was 61.6 cents and ranged from 46.0 to 73.0 cents. In 2022, St. Augustinegrass prices ranged from 50.0 to 62.0 cents and averaged 56.0 cents.

Projected increases

Regarding grower price expectations, growers are split on sod prices holding steady or increasing throughout 2023.

- Despite a forecast shortage in **bermudagrass** supply, 48% of producers expect steady prices this year.
- For **zoysiagrass**, 53% of producers anticipate steady prices in 2023.

It is common for sod prices to fluctuate throughout the growing season. Grower optimism tends to be high early in the year, but environmental and market forces can influence sod prices mid- to late in the growing season.

Certification

2023 had 16 producers representing 73% of the respondents with some certified grass on their farm (Table 3). Sixty-nine percent of these growers charge a premium for certified grass, up from 53% in 2021 and 2022. The remaining growers either do not place an added value on certified sod or do not participate in the certification program. In 2023, the typical extra cost ranged from 2.0 to 10.0 cents per square foot and averaged 5.0 cents. This translates to between $10.00 and $50.00 on a 500 square foot pallet.

The price point where consumers (i.e. industry practitioners and homeowners) value varietal purity is unknown. Anecdotal estimates – informal survey of a several hundred participants – of homeowners and end-consumers suggests the value of a certified grass is likely within the reported range of this survey. When told of the benefits of certified sod, end-users indicated they are willing to pay at least $20 / 500 square foot pallet to ensure varietal purity.

Freight, unloading fees, and fuel surcharge

2023 freight rates per mile shipped to Atlanta, or within 100 miles of the farm, was consistent with 2022 (Table 4). This year, costs ranged from $4.00 to $6.50 and averaged $5.25. A separate freight rate is charged by 64% of the respondents, up from what was reported in 2022.

If an unloading fee is charged, it may range from $50 to $150. Most producers will make additional drops on a load. The range ($40 to $150) was consistent with last year's survey. The average cost for additional drops in 2023 was $96.32; an increase from the 2022 cost of $83.21. One respondent reported adding a 5% of total load fuel surcharge.

Markets

The 22 producers who participated in this survey estimated that 46% of the grass sold was to landscape contractors (Table 5). This industry segment continues to be the perennial leader and is consistent with national trends where landscape contractors are the largest marketing channel for horticulture and specialty crops (www.nass.usda.gov/Publications/Highlights/2020/census-horticulture.pdf).

Golf courses remained in the second position, accounting for 19% of sales in 2023. It appears that on-course upgrades and renovations will continue throughout the year.

Existing developers fell from the 3rd rank last year to the 5th this year. This survey is likely not a good barometer of housing starts but may offer an indication of an emerging trend within the state.

Acreage in production

Half of the producers indicated they planned to add acres into production during 2023. This year's increase could exceed 650 acres, up from 600 acres forecast in 2021. Comparing the responses from this survey with the Georgia Crop Improvement Association's "Turfgrass Buyers Guide" (www.georgiacrop.com/turf-grass) the 3% to 4% annual increase in production continues into the 2023 growing season.

Table 3.

Percentage of survey respondents who grow certified grass and the additional charge for certified grass

	Growers with certified grass		Growers that charge a premium			
Year	%	n*	%	n*	Average	Range
					cents	*cents*
2023	73	16	69	11	5.0	2.0 - 10.0
2022	89	16	53	8	4.0	2.0 - 5.0
2021	85	17	53	9	3.0	1.0 - 10.0
2019	65	11	82	9	2.3	2.0 - 4.0
2018	69	9	55	6	2.0	2.0 - 3.0

* Total number of respondents 22,18, 20, 17, and 13 for 2023, 2022, 2021, 2019, and 2018 respectively.

Table 4.

Historical freight rate for sod deliveries

Year	Range	Average	% Change
	$ / mile	$ / mile	
2023	4.00 - 6.50	5.25	0.0
2022	4.00 - 9.00	5.26	24.1
2021	3.76 - 6.00	4.24	9.3
2019	3.83 - 5.00	3.88	8.4
2018	3.00 - 4.50	3.58	2.3

* Delivered price includes freight and pallets. The delivered price included the Atlanta area or within 100 miles of the farm.

Table 5.

Ranking of industry segments for sale of turfgrass

	2023		2022	
Industry segments	Rank	Average*	Rank	Average*
Landscape contractors	1	45.7	1	43.6
Golf courses	2	19.4	2	18.5
Homeowners	3	13.8	4	15.4
Garden centers	4	12.1	6	11.6
Existing developers	5	10.7	3	16.0
Brokers	6	10.6	8	7.0
Sports/athletic fields	7	6.8	5	13.9
Landscape designers	8	4.2	7	11.4

* Average percentage of total sales.

Summary

Over the previous three years, the decline in bermudagrass and zoysiagrass inventory was unprecedented. For 2023, it appears zoysiagrass production will rebound and bermudagrass production has plateaued, albeit low. The trend of producers adding acres into production should continue during 2023, but newly planted fields will not be reflected in this survey for another year to two.

2023 will be the third consecutive year of higher sod prices. While there is grower optimism that sod prices will remain steady, there are multiple factors that could change their perspective. Unlike many commodities, individual sod producers have the ability to alter their pricing based on these factors resulting in abrupt adjustments up or down. End users (Table 5) should compare prices while considering all the aspects of purchasing grass (i.e. certified sod, delivery charges, customer service, warranties, etc.).

Thank you! Because the timing of 2023 sod survey was intentionally pushed to February, data collection was accelerated. We would like to thank the staff, especially Becki and Leslie, at the Georgia Crop Improvement Association for their assistance in contacting growers and facilitating data collection.

Bullet points from the 2023 Sod Producers Report

> 2023 will be a year of higher sod prices.

> Supply of bermudagrass and tall fescue may be limited in 2023.

> Freight rates should remain constant with last year.

> The average price for certified grass increased to 5.0 cents per square foot, still an acceptable price to ensure varietal purity.

> Half of the producers are considering adding acreage into production during 2023.

About the author
Clint Waltz is Professor and Turfgrass Extension Specialist at the University of Georgia campus in Griffin, GA.