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The state of the industry 2012

By Dave Doherty

The question that I am asked the most frequent has to do with the state of the industry. It is not a simple question to answer and the answer starts about 10 years prior to the beginning of the recession in 2008, so let's go back to 1998, to start to answer the question.

In 1998 the National Golf Foundation published a report that the golfing population in North America would not support more than **300** new golf courses a year. **We built 500 a year.**

The Real Estate industry realized that if there was an ocean, mountains or golf course as part of their package that they could sell each lot or unit for around $50,000 to $75,000 more per unit. A two hundred unit project could bring an additional $10,000,000 to $15,000,000 with a golf course cost of $5,000,000 to $7,000,000. At that time in 1998 and up until the recession in 2008 we over built what the golfing population could support by 2,000 courses. It took the perfect storm of the overbuilding and the recession to finally make us look at what had been created, and we had no time to respond in an intelligent manner, in regards to our own courses. **The recreational dollars that were available as a result of the recession were and are at an all-time low, while the competition for those dollars was and is at an all-time high.** Canadian courses were affected by a tremendous drop in tourism as was Mexico.

In October of 2008 most U.S. courses stopped almost all spending for a brief period of time in an attempt to assess their own situations, being in most cases unaware of the 2,000 course overbuild which had taken place over the last 10 years.

In most cases during this period from 2008 through the present, the cost per round was reduced in order to maintain some type of cash flow and at the same time operating budgets were reduced. The condition of many courses in regards to the playing portion of the facility began to deteriorate as course maintenance staffs were reduced on average by 20% to % 30 and maintenance budgets were reduced in the same manner.

The golf course maintenance industry has learned a tremendous amount since late Fall, 2008. It has forced all of us to study more and learn from science. During this educational process we have learned how [in most cases] to maintain the standards expected by our golfing public. We have learned how to use fewer chemicals and less water and still provide an acceptable product. This reduction in resources available to us has forced us to look further than ever before into what is causing weak/stressed turf areas. We now know that the number 2 cause of stressed turf and disease is in most cases a lack of oxygen available to the plants root zone. We have learned how to inject oxygen into our root zone in many different ways thus allowing the plant to breath more efficiently and maximizing its ability to take in and process the nutrients it needs.

We are learning how to work with Mother Nature through the understanding and implementation of practical science based on *field* research combined with *academic* research.

It will be a long, long time before the State of the Industry goes back to pre-recession, and I think that is a good thing. We have definitely taken major steps to go GREEN and at the same time become more efficient with fewer resources. We are using less in the way of chemicals and water and that is definitely a good thing. Until unemployment is reduced we will have very stiff competition for recreational dollars and the experts don't predict unemployment to get back to pre-recession levels for quite some time.

THE STATE OF THE INDUSTRY IS STRONG BECAUSE WE HAVE BECOME STRONG.