



Ontario Natural Grass Sod Industry Outlook 2022-2024

The Nursery Sod Growers Association of Ontario (NSGA) expect tight supply conditions and rising input costs to impact the price and availability of natural grass sod over the next several years.

COVID-19 dramatically increased the demand for natural grass sod during the 2020 and 2021 seasons. Prior to this spike, sod sales in Ontario had been gradually trending downward. As a result, the market was not prepared to handle such an increase and supply shortages were felt across the province. These shortages were mitigated by the fact that many of our grower-members were harvesting more than they otherwise would have, pushing younger crops to be ready for sale.

Similar effects have been experienced throughout the supply chain, with high demand impacting the availability of key production inputs like seed, fertilizer, fuel and equipment. The impact of cost increases on production inputs is expected to worsen in 2022, with early indicators suggesting that seed prices could as much as double, while fertilizer is projected to reach near record highs.

Natural grass sod is a two-to-three-year crop in Ontario, meaning that seed sown today may not be ready for sale until 2023 or 2024. As such, annual increases to the price of inputs have a compounding effect on the cost of sod inventory. While sod harvested in 2021 is more expensive than ever before, the upward trajectory is expected to continue. The NSGA anticipates the situation to be worsened by a higher-than-normal replacement requirement, caused by strong demand conditions. The result of which will likely mean less mature inventory to begin the 2022 season, more acres of new seedings and a greater reliance on fertilizer and other cultural inputs to push younger crops.

Over the past decade, the market price of sod in Ontario has remained relatively constant, while costs associated with its production have continually increased. In 2021, we saw prices begin to come up in most regions of Ontario. The NSGA expects market price to continue to rise over the coming seasons, as growers are faced with diminishing margins and a high degree of uncertainty in their operations.

Despite expected price increases, natural grass sod remains a cost-effective ground cover that provides numerous advantages. Natural grass sod is an important component in commercial and residential landscaping in Ontario, providing immediate, weed-free, vegetation, soil stabilization and erosion control, as well as other functional and aesthetic benefits. Natural grass impacts our communities positively; it produces oxygen, removes and stores atmospheric carbon, reduces the urban heat island effect and provides proven psychological benefits.

About the NSGA:

Ontario sod farmers grow healthy and vibrant communities. Natural grass contributes to quality of life, providing clean, cool air, a safe place to play and a positive impact on mental health. The Nursery Sod Growers Association of Ontario is a non-profit organization of member farmers that educates and promotes the use of natural grass sod, in the right places, to benefit the lives of those in our communities. For more information contact nsga@rogers.com

PO BOX 25045, 370 STONE ROAD WEST, GUELPH, ON N1G 4T4
519-265-6742 Phone 519-265-8873 Fax nsga@rogers.com www.nsgao.com