

Departments

4/1/2008

Frontlines

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Armstrong Buys 16 Pike Locations

A federal bankruptcy judge approved the sale of 16 Pike Family Nurseries locations to California-based Armstrong Garden Centers in early March. The Pike operation, which was ranked the largest independent garden center chain based on annual sales, had gone on auction the last week of February, just three months after it filed for Chapter 11 bankruptcy protection. The owner at the time of sale was Roark Capital Group.

Armstrong, an employee-owned company with 34 locations in California and the country's second-largest garden center chain, paid \$5.2 million for 15 metro-Atlanta Pike stores and one store located in Charlotte, North Carolina. The Pike stores will continue to operate under the 50-year-old Pike Family Nurseries name. Roughly 400 employees will remain employed at these locations. The new ownership has also promised to honor outstanding gift cards, which amounted to \$800,000.

Other entities purchased the remaining Pike property. As of press time, New Jersey-based stone wholesaler George Schofield Company purchased the entire stone inventory from two Pike wholesale locations for \$1.2 million. Schofield will keep one of these two locations operating. Skinner Nurseries, Jacksonville, Florida, purchased the inventory and leases of two Pike locations for \$1 million. And for \$490,000, Gary Pike, son of Pike founder William "Pete" Pike, purchased the plant inventory of two Pike wholesale locations and the lease for the Tucker, Georgia, wholesale location. Gary, who owns Gary's Garden Center in Lake Oconee and an Atlanta wholesale business, Gary Pike's Plants, will use the Tucker location to expand his wholesale business.

The total sale amounts to \$7.9 million. Pike owes as much as \$5.6 million to its largest 20 unsecured creditors. The largest of these is Monrovia, whom they owe \$716,779. It's not clear if enough funds will be left once Pike's secured creditors are paid.

Pike Family Nurseries is a victim of Mother Nature and the economic havoc she can bring. Two damaging spring freezes were made worse by the Southeast's historic drought of 2007. Water restrictions for both themselves and their customers combined to dry up sales for 2007.

"I'm very saddened that the drought and those economic components caused Pike to move to bankruptcy," says Charles Hall, director of the Georgia-based Garden Centers of America. "All of us in the industry are pleased that Armstrong purchased the Pike name and stores, and the employees will be able to continue under Armstrong ownership. Overall for the industry, it's a good solution."

The new management will still have to deal with weather that's forecast to be just as dry for the coming summer.

Hall was somewhat more optimistic, however, with the recent passing of legislation in Georgia's lower chamber that would possibly provide some easing of the water restrictions in regard to landscaping.

PMA Releases Seasonal Reports

The supermarket floral industry has a new tool to measure trends and sales. The Produce Marketing Association (PMA) is now providing its supermarket members with Floral Market Watch reports, designed to help track sales trends.

Their first report, analyzing the December 2007 holiday season (from Thanksgiving to Christmas), indicated a decrease in same-store sales. More than 60% of respondents said the season didn't meet their sales expectations. The reasons? Everything from bad weather to concern about the economy.

Forthcoming Floral Market Watch looks will look at the floral industry's peak sales periods, including Valentine's Day, Easter and Mothers' Day. The confidential survey data is analyzed by Sandy Hering of Floral Marketing Innovations, Mattapoisett, Massachusetts. An estimated 12,000 stores nationwide were represented in the first survey.

"It doesn't just present holiday sales data in a vacuum, it puts our recent experience in the context of longer market trends, for example that sales of fresh-cut flowers have increased by nearly 10 percent from 2005 to 2007," explains PMA Floral Council Vice-Chairman Cindy Hanauer, director of floral operations for Winn-Dixie, Jacksonville, Florida.

The Floral Holiday Market Watch report on the December 2007 holiday season is available free of charge to PMA members. The Valentine's Day report was due to be released in mid-March. For more information, visit PMA's website at www.pma.com/floral or call (302) 738-7100.

GCU Graduates 40

The American Nursery & Landscape Association (ANLA) recently announced the graduation 40 individuals in the Garden Center University (GCU) class of 2008.

GCU, taught by "professor" Ian Baldwin, is a two-year program designed to train owners and managers to create a more profitable, efficient and customer friendly garden center.

"GCU is sort of a mini-MBA for garden centers," says Ian. Participants, which include both veteran garden center owners and newcomers to the industry, attend five weekend-long semesters during the two years. In addition to class instruction, participants experience a range of "field work," including visits and networking with winning owners of super-league stores, as well as get-togethers at trade shows and field trips to retail garden centers.

Stepables Launches 2nd Annual Contest

Put your merchandisers (and your customers) to work for a good cause. Under A Foot Plant Company and its national brand of creeping perennials, Stepables, has launched their second annual We've Got Sole plant display contest, with prizes and up to \$5,000 in donations to your favorite local charity as the incentive.

"The We've Got Sole contest has expanded in order to strengthen meaningful industry relationships while giving back to the community," said Frances Hopkins, founder and president of Under A Foot Plant Company.

Nationwide, independent garden centers carrying the line of plants are eligible to participate in the contest by submitting digital images of their store's creative display gardens featuring Stepables varieties and retail displays using the Good For Your Sole point-of-purchase materials.

New to this year's contest, garden centers can invite their customers to participate by creating their own STEPscape displays. Consumers can design and fashion their home's walkways, patios, banks or water gardens with Stepables plants, and then submit digital images of their creativity for a chance to win various prizes for themselves and donations to local charities of their choice.

Garden center winners will be chosen for the best displays from the following categories: definitive Stepables display, supporting STEPscape display, and use of space display. Consumer winners will be selected for best: water-wise STEPscape; walkway, path or patio STEPscape; and hillside or slope STEPscape.

Additional information on contest rules, regulations, prizes, and photo categories can be found at www.stepables.com. Deadline is June 1, 2008.