

Acres Online

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A couple extra items this week because I missed last week's e-mail, and I'll be in Amsterdam next week for Hortifair and won't be writing one then. So I babble on a bit longer than usual, but it's all good stuff, I promise!

Wilma!

Katrina hit South Florida growers hard, and Wilma only added to the damage. Winds of 120 mph literally flattened greenhouses. One place I talked to lost 50% of its single poly roofs, including the steel—it was just mangled, the grower said. However, he added that probably 80% of his employees showed up for work the next day, so rebuilding is underway. Florida growers are resilient! I'm proud to have been one.

What's the forecast for the Florida foliage industry—and bedding and pot plants, too, for that matter? Katrina caused an estimated \$427 million in crop damage (including winter vegetables, fruit and ornamental fish) and \$200 million in structural damage, according to the Miami-Dade County Cooperative Extension Service. They estimate Wilma's damage at \$217 million in crops and \$30 million in structures.

I'm told that after Katrina, some of the smaller businesses—the under 5-acre guys—decided not to rebuild, primarily because land values in the Homestead area are going through the roof and it may finally be time to cash out. But I think the big guys—the Costas, the Lovell Farms, and so on—still see the profit potential in floriculture, especially as hurricanes, high fuel costs and thinning margins eliminate lesser competitors.

But it doesn't make the business any easier when Mother Nature decides to stomp on your structures.

What's up with co-ops?

Two different co-ops came up on the radar in the last few weeks: The Ontario Flower Growers and Van Wingerden Wholesale up in Washington.

Ontario Flower Growers. Rumor had it that the Ontario auction, or "clock" in Toronto, has gone into the Canadian equivalent of Chapter 11 bankruptcy. Well, that's not quite correct. The auction, officially known as the Ontario Flower Growers Cooperative, is alive and well and doing business every day, providing cut flowers and potted plants to wholesalers and retailers in the greater Toronto area. Get up at 5 a.m. sometime and pay them a visit!

However, Ontario Flower Growers Inc., which is a separate business unit that exports product into the States, has

faced some financial challenges recently, according to Andy Kuyvenhoven, chairman of the board of OFG Inc., including the exchange rate and rising fuel costs. So they have filed “a notice of intention to make a proposal to reorganize the company under the BI Act,” as they officially put it. Which is basically the same as our Chapter 11. Andy says that OFG Inc. is still supplying customers during the reorganization and that they are a “viable, ongoing business.”

Van Wingerden Wholesale. A Washington state partnership between brothers Dave, Mike and Steve Van Wingerden plus DeVry Greenhouses in Canada, this co-op recently shut down its joint facility in favor of operating and shipping directly from the greenhouses. Why? A couple reasons. First, when they started about six years ago, they thought that they’d be able to do year-round business, bringing in pots and cuts and other brokered products. But the exchange rate has hurt that plan. As it turned out, they use their co-op facility (and its staff) only about three months in the spring, and again for poinsettias. That’s it.

Second, they found it to be less efficient than shipping straight from the production greenhouses. Product was being handled a second time as it went through the co-op facility. Dave says that was adding a day’s worth of handling and costs to every delivery. And, of course, fuel prices have greatly increased distribution costs.

So the partners decided to eliminate the middleman that they had created, shutting down the co-op and scaling back their businesses. Only a couple of people lost jobs, he says; the rest were given positions in the greenhouses. The co-op facility (which is a greenhouse) will be used for production. The four businesses will still work together to cross-market each other’s products as they had before they formed the co-op. And Dave says they plan to stick to more local deliveries to reduce delivery costs.

The Fall Season

Mum sales this fall stank. (Or is it stunk?) Regardless, that’s what I’ve heard from a wide range of sources across the country. What’s the cause? Is this the first sign of a shaky economy due to high fuel prices and fear of winter heating costs? Is it oversupply? Bored customers who are spending their money on inflatable pumpkins and plastic ghouls instead? I suspect it could be all of the above. Certainly, in my travels, I’ve seen a lot of marginal quality at the mass markets. And I’ve seen a ton of small mums—4 in. and 6 in., which, in my opinion, is NOT what consumers want. Yeah, it may give retailers those 99 cent and \$1.99 price points, but how the heck do you decorate with these crummy little plants? Consumers don’t want to plant this time of year. And they don’t want to replace dead petunias in their existing containers. They want to decorate for Halloween, period.

This weekend I’ll be doing the second annual Halloween River Ridge Report, and we’ll see how my neighborhood compares this year to last.

Halloween stats

The Connecticut Florists Association picked up a telling item from the National Retail Federation and the Society of American Florists. According to NRF, consumers were expected to spend \$3.29 billion on Halloween this year, up 5.4% from last year. But SAF’s florists were surveyed about Halloween, and only 28% said it would become a more important holiday in the future, while 35% said it would stay the same, and 25% said it would be less important.

It looks to me that only 28% of those florists are planning on capitalizing on the future growth of Halloween as a decorating holiday. The rest will give up those potential sales to others florists or other product categories. That’s a defeatist attitude, and those businesses may not last long.

Canadian Halloween ideas

Last week I was in Ontario, speaking for an event hosted by Valleybrook Gardens, the big perennial grower up there. While up there, I dropped in at a chain store. Now, I was told Halloween isn't as big in Canada as it is in the States. Yet I found two potted plants specifically tagged for the holiday (the left and center tags, below). I picked up the Candy Corn Plant tag at a U.S. greenhouse a couple years ago in a pot of *Manettia inflata*.



I really can't figure out why more growers and retailers don't get creative with this holiday, considering it's the No. 2 decorating holiday behind Christmas. Yet we're putting out the same products, in the same packages that we did 20 years ago.

Grant money for energy curtains

Got an interesting press release from Walter's Gardens, the perennial nursery in Michigan. They were just awarded a federal "Energy Efficiency Improvement Grant" to the tune of \$10,311 for installing a heat-retention curtain in three new greenhouses. They are the first Michigan greenhouse to receive a grant under this program. According to Walter's Gardens, they've increased their greenhouse space by 22%, but thanks to the energy curtain and other conservation efforts, their heating costs have gone up just 4%. (Of course, that's probably not taking into account recent increases in fuel prices). Still, it's a great investment, and it's cool that they got grant money for part of the project.

Walter's worked with a fellow named Chris Byrnes from Viability LLC, a company that helped in the grant application process. You can reach him at chris@viabilityonline.com. For information on energy grants, go to <http://www.rurdev.usda.gov/rbs/farmbill/index.html>.

Better breeding in Florida

If you're a plant breeder or are interested in the topic, you'll want to attend the Independent Plant Breeder's Conference, November 18–20 at the Fort Lauderdale Marriott North. Hosted by the University of Florida's Environmental Horticulture Department, the conference is designed to inform plant breeders how to bring hybrids successfully to market. It's a chance to learn the latest about hybridizing, plant patents and marketing your hybrids, while meeting other breeders and industry insiders. Go to <http://conference.ifas.ufl.edu/IPBC/> for information and to register.

Wal-Mart's pricing, from a small grower's perspective

Per Wal-Mart considering pricing (Acres Online October 14): It's also good for me, the small grower. As long as the big guys are somewhat profitable with the chains, they tend to stay away from my customers: the private garden centers. I've been scared that the big growers would, and some have already, really look into large, independent garden centers for moving their products because they can't make ends meet with the chains. The chains don't usually hurt small growers, and sometimes actually help. They get the product out for the public to see, and then honestly, they usually don't take care of it, so the customer ends up visiting a retailer I sell to. Gotta find/keep our niche!

*Marty Reichenberger
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Finally ...

I'm all about customer service, so I'd like to compliment an Internet bookseller from which I purchased a used copy of a *Chilton Repair Manual* for my 1988 GMC van. The proprietor, "Zilveta@ebay," enclosed a thank-you card with my book. It was a nice little touch.

Only one problem: The card read, "Dear Thomas, enjoy this Hugo Boss shirt."

See you next time. And Go Gators!

Chris

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