

GROWERTALKS

GT in Brief

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C. Raker & Sons Sold to Indiana Grower

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GrowerTalks learned that C. Raker & Sons has entered into an agreement to sell 100% of their business to Indiana firm Roberta's Unique Gardens of Waldron, Indiana. According to the press release, Roberta's is a fourth-generation grower/retailer that grows and sells finished perennials and annuals through online and televised shopping channels. They're also a big commercial exhibitor at flower and garden shows, and have been a Raker's customer since 2011.

The transaction is expected to close in the fourth quarter of 2017.

Of course, the question we always ask first is, "Why?" In this case, why did Raker sell? It's an especially important question when one of the statements in the press release is, "The agreement enables Raker to enter the 2018 growing season with a healthy, restructured balance sheet and renewed overall energy from its young and talented management team." That implies an unhealthy balance sheet—which Raker had. Rumors have persisted since July that Raker was in financial difficulty and was for sale. We asked Susie Raker-Zimmerman about that, and she admitted that the company was indeed upside down on their debt, hence the decision to sell.

"Our debt issues haven't happened overnight—it has been a multitude of events over the last 10 years," she explained via email. "Several customer/broker bankruptcies over the past five years have resulted in a loss of cash flow that could've been used to pay down debt, several bankruptcies—which have resulted in a loss of business that is difficult to replace—investment into programs and business ideas that didn't pan out, the prolonged impact of regaining business after the recession of 2008 and the continued consolidation within all segments of the industry."

All told, a heavy burden for any business. Thankfully, they found a willing and eager buyer in Roberta's. According to a statement by Eric Wallien, CEO of Roberta's, "We've always had a great working relationship with the Raker team, and this opportunity was one that we felt was in the best interest of both parties."

Susie will be staying on at the business—which will still bear her family's name in some form, according to the release. She added, "Our young management team is in place and looking forward to the future."

"Eric and the Roberta's team have been a growing part of our business over the years and the timing was right. The cultural fit is great, and our team is thrilled about this new partnership." **GT**