

GROWERTALKS

GT in Brief

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Costa Farms Acquires Green Leaf Nursery

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The news has just come out that Costa is buying a competing Homestead foliage grower, Green Leaf Nursery*. The deal includes inventory and customer base, but not the 50 acres of land, which Costa will lease for five years.

Founded in 1971 and owned by brothers Gus and Tom Pena, Green Leaf grows much of the same product as Costa, including Boston ferns, mandevilla and hibiscus, plus an indoor plant line. And Green Leaf sells to the same customers—Lowes and Home Depot.

“I’ve been friends with Gus for a long time, 15 years or more,” Costa CEO Joche Smith said. “This was a good fit for him and for us. We can roll their production, after this year, right into our organization.”

With a similar product line and only a five-year lease on the Pena’s land, what Costa is mainly getting in the deal is increased sales—namely into some territories that Costa doesn’t currently serve.

“One thing we think we’ll do for sure is be able to take an expanded offering into those same stores and help those stores grow more sales,” Joche says. “[We’ll] be able to bring in the Englemann product line and a few of the specialty items that we do. We’re confident we will be able to drive sales for our customers.”

Why did Green Leaf decide to sell? In part, it was an exit strategy, co-owner Gus Pena said. He and his brother have run the family business since their dad died in 1985. Gus has one son in the business, who heads up merchandising in the Nashville market. Gus says he’s known the Costas “forever.”

“Throughout the years, we’ve always worked with Costa, whether it was developing a new container for Kmart or shipping on racks or just trying to increase the viability of our industry overall.” He added, “They were my biggest competitor ... they made us better, made us step up to the plate and do better quality and better programs. ... It’s a good marriage, and the timing was perfect. I’m 61, but I still feel young and am excited about working for Costa in the future.”

Gus plans to stay on to head up a couple of retail divisions for Costa. Tom, the production manager, will decide after this season whether or not he’ll stay on. Either way, they won’t be leaving agriculture. Their 50 acres of land is inside the Homestead city limits and highly desirable for development. They also have 25 acres of land, including an avocado grove, which Tom will continue to manage. And they have a family farm in Mississippi where they share-crop corn and soybeans. Says Gus, “We’re ag. We love what we do.”

For 2018, nothing will change, however. And that's good, because the year has started off great.

"Sales are up about 20 points over last year. Spring is breaking early in the south and the stores are cranking. We're shipping like it's the middle of spring right now."

*Not to be confused with Greenleaf Nursery Company of Oklahoma, Texas and North Carolina; or Green Leaf Plants, the young plant division of Aris Horticulture. **GT**