

GROWERTALKS

GT in Brief

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Syngenta Acquires Yoder Mums

Chris Beytes

In late October, just a week after announcing the purchase of Goldsmith Seeds, Syngenta made it known their company is buying the rights to all of Yoder Brothers' pot and garden mum varieties and breeding programs. The deal includes all the production assets (not including real estate) required to deliver current and new varieties to the market. This includes a long-term lease on Yoder's Alva, Florida, production site. The arrangement also includes Yoder's aster program. About 150 Yoder employees will become Syngenta employees.

The acquisition gives Syngenta the rights to the Yoder name, as well. Yoder will continue to operate its pot plant, cut mum and perennial business under the Yoder name until July 2009, at which time they'll transition to a new name.

Yoder will continue to operate their brokerage business in the U.S. and Canada and will sell Syngenta's Yoder-brand mums and asters, along with their other proprietary and licensed lines, including Green Leaf perennials, Keepsake azaleas, TradeWinds hibiscus, Sun Parasol mandevilla, Poulsen roses, hydrangeas, poinsettias, flowering products from Yoder Canada and other brokered products.

We asked Yoder's vice chairman Tom Doak why Yoder decided to sell.

"That's a complex question," Tom answered. "There are several reasons. One is we're aware that the business is in a state of consolidation. Yoder felt like we either needed to be a consolidator or we needed to look at how we were going to be positioning ourselves in the industry. We did not think that we had the resources to be a consolidator. So we were receptive to conversations ... relating to our business that would allow us to restructure it in a manner that would give us the resources to go forward."

Succession planning was another issue. "The Yoder family didn't think there was anyone in the family who would be continuing with the business, which obviously made the family more amenable to looking at an outside sale," he says.

Reports about a possible relationship between Yoder and Syngenta surfaced about two years ago. But Syngenta initially approached them a year before that, Tom says. "We weren't prepared to talk with them at that time. But they re-approached us a year later. Times change, and so we elected to hold a conversation

with them.”

Speaking with Syngenta president Gary Falkenstein, GrowerTalks asked why the company purchased Yoder’s mum and aster business alone, and not the perennial and pot lines, as well. Gary’s response was that garden mums are an important garden plant that represent a significant quantity of cuttings. It’s also a crop that fills a gap in the Syngenta order-taking and shipping calendar.

“We’re primarily a spring business,” Gary says, “and we’re busy entering orders from July to October. Then we’re busy shipping product from December through February and into March. We do some poinsettias primarily in August. But now with the garden mums ... all of a sudden order entry is very strong in October, November and December.”

In regard to the decision not to purchase the entire Yoder business, Gary responds: “The perennials are still a little bit outside of our expertise.” Syngenta has been working on a perennial line from the genetics side, but, according to Gary, the company isn’t approaching perennials from the aspect of on-shore or young plant production. Syngenta also isn’t entering the cut mum business. According to Gary: “It’s a customer base we don’t understand. And it’s a very small part of the business.” Yoder has retained the intellectual property rights to their cut mums, and Syngenta will produce them under license at the Alva, Florida, facility.

According to Tom Doak, there are no plans at this time to spin off the remaining divisions of the Yoder company. He does add, however, that “no one knows what will happen 10 years from now.” They are not in any discussions currently nor have they sought any discussions concerning the rest of the business.

Tom adds that the family plans to invest the proceeds from the sale back into the business. “I am a shareholder in the company, and I’ve been a director and president of it for a long time. I think we can assure people that the Yoder family is not anticipating taking anything out of this. All the money will be employed to improve the company’s balance sheet and to have funds available for future expansion and development.”

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—Chris Beytes