

GROWERTALKS

GT in Brief

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Color Spot Buys Hines

Chris Beytes

The deal was finalized last October but has not been made public until now: Color Spot Nurseries has purchased Hines Growers, Inc. *GrowerTalks* confirmed the news during a visit to Color Spot's Fallbrook, California, headquarters in June.

"Last year we entered into an agreement to acquire the remaining three Hines facilities," confirmed Color Spot co-founder and CEO/President Jerry Halamuda. "They are freestanding—a separate legal entity. The management team there, under the head of Steve Thigpen, are still operating (Hines). They're in a growth mode, they're building inventory and will continue to build inventory."

The three locations are Rainbow, California (270 acres), in north San Diego county; Winters, California (1,100 acres), near Sacramento; and Forest Grove (1,000 acres), just south of Portland, Oregon.

That gives Color Spot 15 production facilities total, six in their Southwest market, six in the west, plus the three Hines locations.

Jerry says the Hines locations will continue to operate under the Hines Growers, Inc. name. Customers "won't see any difference," he says. "Anything you've seen from them before has been Hines Growers; it's Hines Growers still." That includes management teams at the three locations.

The big question, of course, is why?

First, says Jerry, it was a good deal. But second, "We're bullish on the nursery business. We always have been." Jerry estimates the tree and shrub side of the business has shrunk by 50% over the last five years due to the decline in the housing market. "Housing is never going to come back to that level," he says. "But where we see growth for the next five years is both at the retail sector and also at the landscape contractor end of the business. We're going to see a significant need for shrubs and foundation plants and trees, and there's going to be a short supply. It's in short supply right now. We see growth over the next five years.

"We certainly didn't acquire these facilities because of the profit they were generating. It's because of the size and location of the facilities and what can happen over the next five to ten years." **GT**