

GROWERTALKS

GT in Brief

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Dümmen and Sakata Settle Their “Disagreements”

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What disagreements? Good question!

Sometimes (in fact, usually), press releases leave us with more questions than answers. That's certainly the case with one that crossed our email. It read:

“Morgan Hill, CA and Hilliard, OH—Sakata Seed America, Inc. and Dümmen Orange NA, Inc. today announced that they have resolved disagreements that led each to notify ornamental growers and customers over the past several weeks about termination of the companies' relationship. To ensure that no customers—brokers, growers or retailers—are affected, the companies have agreed that Dümmen may continue to sell and ship Sakata's SunPatiens and all other Sakata genetics through March 31, 2016, after which Dümmen will no longer be an authorized distributor of Sakata ornamentals. While Dümmen may confirm orders for its SunStanding Impatiens varieties, Dümmen will not ship any such orders until after March 31, 2016.”

Mysterious, eh? That is, unless you were privy to those notifications mentioned above ... which *GrowerTalks* was. So here's the back-story:

But before that, know that we reached out to both Dümmen and Sakata for comment, and we sent them a copy of the piece below to confirm that our facts were straight. Dümmen's Perry Wismans told us they had agreed not to talk about the case, but via email he did say, “We are glad that this is behind us and decided to not comment any further.” He also confirmed the details as we had them. Sakata's Mark Seguin, while not commenting further, also confirmed the facts as we have related them.

So here's the rest of the story:

Dümmen propagates Sakata genetics at their Oro Farms facility in Guatemala. That includes calibrachoa, petunias, osteos, SuperCal Petchoas and a few other crops. And SunPatiens, the largest crop.

At the California Spring Trials in April, Dümmen introduced a SunPatiens competitor called SunStanding. Sakata learned of this and alleged that it was bred from SunPatiens genetics in violation of their license

agreement. Dümmer says no, they were within their license agreement when they developed it.

This apparently made Sakata pretty angry because they decided to end their relationship with Dümmer. On August 24, they sent a letter to their broker customers stating that, effective September 23, “Dümmer will no longer be an authorized distributor of Sakata vegetative ornamentals.”

The next day, Dümmer sent a letter to customers maintaining that “there is no basis for terminating the License Agreement, and in particular, Dümmer Orange has not breached any term of its Licensing Agreement with Sakata.” The letter went on to say that Dümmer would be taking all necessary steps to “preserve and protect its rights as a licensee under the agreement.”

Two days later, a letter from Sakata announced the termination of their license agreement with Dümmer effective September 22. The letter stated that this action “is fully within Sakata’s legal rights.”

Dümmer responded September 2 with a letter to brokers saying that they would “proudly deliver all orders placed before September 22, 2015, including those with a delivery date after September 22, 2015.” So it was obvious they were taking that deadline seriously.

But more important was the second paragraph in that letter, in which Dümmer stated, “Given the long-standing relationship between our two organizations, Dümmer Orange’s goal is to come to an amicable solution on the current dispute with Sakata in order to minimize further disruption to our mutual customers during your booking season.”

In other words, they wanted to work things out with Sakata. Which, based on the press release above, they seem to have done, at least in a way that minimized disruption to your orders.

One detail in the release stands out: the last line, which reveals that Dümmer will be shipping their new SunStanding Impatiens starting April 1, 2016—which means Sakata either didn’t have legal grounds on which to stop them or else chose not to fight the battle.

But at the same time, Dümmer will no longer be a licensed producer of Sakata genetics after March 31. So while they may have resolved their disagreement over SunStanding, damage was done to the business relationship.

But what does all this mean to you? Your only concern is getting the cuttings you need when you need them, right? Well, between now and next March 31, you can still order and receive your Sakata cuttings through Dümmer, if that’s your preferred supplier. And while you can place orders for SunStanding, Dümmer can’t ship them to you until April 1.

Meanwhile, Sakata is ramping up production at other offshore sites, including Ball FloraPlant, Danziger and Kientzler Costa Rica, to meet your cutting needs now and after the split with Dümmer. So if you buy your Sakata stuff from another source, you should have no problem getting what you need both now and next spring. **GT**