

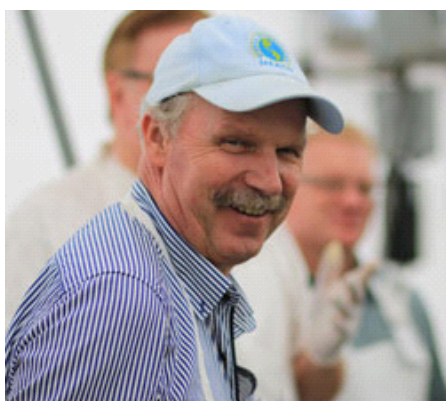
GROWERTALKS

GT in Brief

12/31/2015

News from Abroad

Chris Beytes



Down Mexico Way

Trip No. 1 was to Mexico to visit Vivero Internacional, one of only three unrooted cutting producers in the country (Plant Source International and Floraplant S.A. de C.V. are the others). I travelled with 10 sales reps from McHutchison, Vaughan's and JVK, three of the many brokers Vivero works with to distribute their unrooted cuttings in the U.S. and Canada. The brokers were there to gain insights and confidence in Vivero's production of spring annuals, something they just started two years ago. Vivero's business office is in the modern city of

Cuernavaca, about 60 miles south of Mexico City. Their two nurseries are further south, in the suburbs of Oacalco and Casasano. The pair total about 110 acres.

Pictured: Joachim Hitzigrath

Vivero Internacional was founded in 1990 by Joachim Hitzigrath, who came to Cuernavaca from Germany in 1988 for breeding company Fischer, which wanted to produce geranium cuttings there. Mexican law at the time required a Mexican to have majority ownership in any company, so there was a partner involved. That put general manager Joachim in a frustrating spot between the two owners, so he left to start his own nursery. That was Vivero Internacional. (Vivero means "nursery" in Spanish.)

Vivero's first crop was finished poinsettias (yes, there's a good market for them—after all, poinsettias originated here; they're called nochebuena, which is the same word for Christmas Eve, their big holiday feast). Just two years later, Fischer's deal with the Mexican partner having gone bad, Fisher asked Joachim if he'd produce their geranium cuttings. He agreed and that was the start of his offshore propagation business. Three years later, the Ecke Ranch asked him to produce poinsettia cuttings. He expanded to about 60 acres. His son, Dennis, joined the company a short time later; today he is GM.

With all the changes among breeders the Hitzigraths work with, they've branched out into spring annuals and are now buying tissue culture stock from German breeders PAC, Endisch and Westhoff; PAC and Endisch

for geraniums, Westhoff for spring annuals. (They're also doing contract production for Ball FloraPlant and Selecta.)

Vivero's greenhouses are simple steel and single poly affairs fabricated on-site using locally available materials. They're not fancy, but they're tall, ventilated by fans, fully insect screened and have manually retractable shade over each bay. The ground is local lava gravel. Benches are welded steel that support individual grow bags. Media is the same lava as the floor, fed by drip tubes. The climate is such that no heating or cooling is needed, just some sun protection for young stock plants. The system is not fancy, but it's functional.

Most important in URC (unrooted cutting) production is hygiene and they have this down as tight as any facility I've visited. Their main line of defense against human-vectoring virus, bacteria and fungi is foot and hand baths—and lots of them. In one stretch of two hours and less than 100 yards, we went through 12 such stations, each time cleaning our boots, gloves and fronts of our rubber aprons.

All in all, an impressive company. The fact that Ball FloraPlant trusts them to contract grow cuttings speaks highly of their sanitation and quality-control protocols, as does their long history for Fischer, Ecke and Syngenta. But it's still a family-run business that's nimble and eager to meet the needs of even the smallest brokers and growers.



Conaplor: A giant Mexican nursery cooperative

The Vivero site we visited was in Casasano, which is like the Homestead or Kalamazoo of Mexico, with dozens of wholesale and retail nurseries along the highway in and out of town. Vivero's next-door neighbor, Conaplor, is a wholesale nursery cooperative that's owned by 83 such growers.

Pictured: Gustavo Otero in front of Conaplor's modern offices.

Retail manager Gustavo Otero told us that Conaplor was formed in 2003 by 107 area growers who joined together to market their products (that number has since declined to the current 83). Each owns a share of the cooperative and pays 10% of the selling price for operating costs. It's much like the Dutch auction, except without the auction clock. Conaplor has an inside sales force that sells product across all of Mexico and even into Central America. They don't do any distribution; customers have to pick up product.

And what product! We walked the 17 acres of greenhouse and open sales area where some 5,000 varieties of tropical plants were available. Quality was as good as anything north of the border and the selection was the broadest I'd seen anywhere. It certainly gave all of us a new appreciation for our Southern neighbor.

England pays growers to heat

Two weeks later, in England, I learned the government will send you a fat check every year for 20 years if you invest in a biomass boiler for your home or business. I found this out while in Chichester to speak at a one-day study tour and conference on Biomass and New Energy. I joined 40 growers to visit two new biomass boiler installations.



Pictured: This 1 MW biomass boiler at Fresh Acres Nurseries could bring its owner \$140,000 per year for 20 years in government subsidies.

During the tour, I kept hearing reference to “RHI.” I finally sussed out that RHI is the Renewable Heat Initiative, a “scheme” (as Brits call a program) introduced by the government in 2011 to encourage businesses and individuals to invest in alternatives to fossil fuel. It covers biomass and also solar panels and heat pumps—anything that replaces oil, coal or gas. You pay for installation and track your energy output and the government writes you a check based on the savings.

How big a check? How about \$2.2 million over 20 years? That figure comes from Richard Lovejoy, owner of Fresh Acres Nurseries. Richard has two biomass boilers, a small one of 200 KW and a larger of 800 KW. This figure is only for the 800 KW unit, for which his up-front investment was \$362,000. Payback is four years; over 20 years, calculating his wood chip bills, his savings on fossil fuel and his RHI payment, he should come out about \$2.6 million ahead—even more if oil prices go up. Now you see why he’s got two biomass boilers!

The incentive has worked: Some 12,000 consumer and 12,000 commercial biomass systems have been installed since 2011. But now the bad news: The program and its payouts may be reduced or eliminated in 2016 due to budget cuts. But anyone already in the scheme is guaranteed payment for 20 years.

I couldn’t help but remind one grower that this is his tax dollars at work.

“It’s madness!” he agreed. “No, wait,” he amended, not wanting to insult the hand that feeds him, “I mean generous!” **GT**