

GROWERTALKS

GT in Brief

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Scotts Buys into Bonnie Plants

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Back in December, Scotts Miracle-Gro hinted that they were on the verge of partnering with an “industry-leading brand” with a “significant presence” in the current retail channel.

Now we know who it is: It's Bonnie Plant Farm, the giant vegetable bedding plant grower based in Union Springs, Alabama. It makes better strategic sense for Scotts—Bonnie has 72 growing stations in 48 states and is in every single Walmart, Home Depot and Lowe's store in the U.S. And 4,800 independent garden centers, too. No other plant brand has that much market coverage or retail exposure.

According to the press release, Scotts will have minority ownership in Bonnie, which is owned by Alabama Farmers Cooperative (AFC).

We asked Stan Cope, president and grandson of the founders, “Why does Bonnie Plants want or need a partnership with Scotts? Your business seems pretty good without that.”

Here's his reply to that question and others:

Stan Cope: Our business is great! As Jim Hagedorn [CEO and Chairman of Scotts] said in our press release, the relationship between Bonnie and Scotts ‘dates back decades.’ We have a long-standing history of friendship, camaraderie, respect and, in 1996, we formally partnered on a co-branding marketing program with Scotts for Miracle-Gro, which was quite successful. That said, we've jointly discussed and explored ways to work together to build the gardening category for many, many years. Now is finally the time to join forces, work together and drive the gardening category to new heights.

GrowerTalks: AFC sounds like a pretty big organization—is a deal this big something unusual for them? Or are there other such partnerships/deals among other AFC-owned companies?

SC: This is definitely a big deal for AFC. The opportunity to partner with the world's largest consumer gardening company fits perfectly with AFC's vision of strategic partnerships where appropriate. This is not a new concept for AFC. In 2004, they put their agronomy business into a joint venture whose partner is now WinField Solutions, a wholly owned subsidiary of Land O' Lakes. AFC is always looking for strategic partnerships where they make sense.

GT: Scotts brings marketing prowess to the table. Will we see the Bonnie Plant name on the side of a NASCAR race car? In other words, what sort of marketing might we see? Will you try to make Bonnie Plants a household name?

SC: As Scotts is a well-known marketing expert, we're quite confident their marketing prowess will be both impressive, as well as extremely beneficial to Bonnie. Currently, in the near term, Scotts' marketing expertise will enhance and improve consumers' livegoods shopping experience through better product naming, packaging, merchandising and even garden-to-table initiatives.

GT: Something else they bring to the table is R&D. What sort of R&D does Bonnie need from Scotts?

SC: We welcome Scotts extensive and proven successful R&D expertise, which will help innovate with the goal to offer vegetable and herb plants with quicker and more plentiful harvests. We are also exploring new innovation products to help drive growth in the category.

Scotts' side of the story

For Scotts Miracle-Gro's view of the deal, we called Mike Sutterer, VP of Marketing, and hit him with the "why" question.

"We have all the products that go around the plant—soil, plant food, mulch and other products," he replied. "But we aspire to be more than just a garden products company. We need to be a gardening company. And gardening always starts with the plant."

Mike calls Bonnie Plants, "the best in the industry at what they do."

Scotts has "dabbled" in livegoods over the last decade or so, Mike says, "but we've never really figured it out." So instead, they decided to partner with a livegoods company that complements their strengths: building brands, marketing, understanding the consumer, R&D and finding new benefits for the category.

"Those are things we do very well."

What does Mike see Scotts doing to improve upon Bonnie's business model?

"Number one is do no harm," he said with a laugh. "You don't stay around as a brand or a company for 100 years by accident. Clearly, you're doing something right."

"[But] for all the success that they've had, there are a lot of things they could do better," he adds, such as taking advantage of evolving consumer trends like organics and ready-to-use vegetables and herbs.

"I think that's where we can help from an R&D and marketing standpoint, and build upon the success that Bonnie has achieved over the past 100 years." **GT**