

GROWERTALKS

GT in Brief

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Dümmen Orange Makes Three Acquisitions

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Once again from the “big get bigger” file, Dümmen Orange announced two acquisitions in five days—a young plant substrate company and a potted plant breeder.

On June 1, Dümmen Orange released news of the purchase of Grow-Tech, a developer and manufacturer of growing plugs and microgreen growing media.

The Portland, Maine-based company offers several types of stabilized growing media, including FlexiPlug, FlexiTrays, BioStrate and PUREgrown. Grow-Tech has a European sales and service office in De Lier, the Netherlands.

Why a substrate company? The press release states that “this step reflects the growing importance of scale in the plug business [and] the opportunity to serve the consolidating young plant growers around the world with innovative products.”

Grow-Tech was owned by the investment company Anania & Associates, which purchased the company in 2010. The company has doubled its workforce and grown its sales 700% since then, says Anania. Grow-Tech was named South Portland’s Business of the Year in 2016. Edwin Kijkshoorn is managing director.

Then on June 5, Dümmen Orange made yet another acquisition announcement, this time potted plant breeder De Eeuwige Lente BV. The Gendt-based nursery is known for African violet, kalanchoe and Euphorbia milii (crown of thorns).

De Eeuwige Lente B.V. is a family business specializing in breeding, cutting propagation and rooting, with a history dating back to 1908.

Harry Kloppenburg, managing director at Dümmen Orange, stated, “Saintpaulia and Euphorbia milii are beautiful products with huge potential for existing and new customers. They add even more depth to our range for our customers and their customers in turn.”

Then on June 12, Dümme Orange bought the genetics from well-known calla lily breeder Golden State Bulb Company of Moss Landing, California.

Dümme Orange announced they had bought five lines of genetics from Golden State: Callaifornia Callas, AmeriHybrid Scentiment Begonia, Aloha Lily Eucomis, Caribbean Jewels Scilla and Callaifornia Diva Aethiopica. The only product Golden State retains is the rest of its AmeriHybrid tuberous begonias collection (which are also for sale).

According to the press release, Golden State will continue to supply the market with these products through September 2018, after which Dümme Orange will assume responsibility for producing and supplying them from their own sources.

What's this mean for Golden State after September 2018? To find out, we called company President Walter Petuck.

"At that time, we will cease business as Golden State Bulb Growers and determine what to do with the facility," he said. Why make the decision to shut the doors? Profitability, he answered.

"We've been struggling to make a profit for a couple of years. Looking at the future, trying to compete internationally from here in California looks pretty difficult; minimum wage is going up, overtime rules are changing, regulatory rules are getting tougher, it's more and more costly to do business here [and] it's very difficult to increase prices on an annual basis to cover all these costs."

That's why Golden State's owners decided to search for a new owner who could move crop production to a more economical location and invest more in breeding and marketing.

According to the press release, the cultivation of Callaifornia Callas is already underway in the Netherlands. For the other crops, Dümme Orange is exploring options to cultivate them in Europe and Central America. Dümme Orange will employ several key GSBG employees to ensure a smooth transition of all the product lines.

It had to be a tough decision for the owners, the Brown family, as Golden State is a fifth-generation business going back to 1911. **GT**