

Dummen Orange acquires McHutchison, Vaughan's

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Dümmen Orange acquires brokers McHutchison, Vaughan's



Last week, Dümme Orange announced that it has acquired McHutchison Horticultural Distributors of Wayne, New Jersey, and Vaughan's Horticulture of Naperville, Illinois, two wholesale brokers/distributors. Both operate under the umbrella of McHutchison Corporation.

Dümme Orange execs Biense Visser (CEO) and Kate Santos (Operations Director) were in the Ball Horticultural Company offices on Thursday to discuss the acquisition; alas, I was on a plane to Florida so couldn't sit down with them for an in-person interview. However, I'm not the only journalist on staff. Jen Zurko ably took my place and asked the question that always comes up: Why?

The short answer? To get closer to their customers, they replied. Dümme Orange has traditionally sold all of their products through brokers such as Ball Seed and Express. Being able to utilize the sales force of Vaughan's Horticulture and McHutchison will allow them more direct access to growers, they explained.

"For our organization, at our core, we're innovators," Kate said. "We're about developing new products for the market that really differentiate us in a significant way. And in order to do that, we need scale in order to distribute those innovations."

If you've been paying attention, you know that Dümme Orange has recently acquired breeding companies that offer genetics outside of their traditional lineup of annuals and perennials—such as calla lilies from Golden State Bulb and orchids from Sogo—so they're looking for new ways to bring those products to market.

Both Kate and Biense stressed that the partnerships Dümme Orange has with their current broker partners will not change, and that they will continue to build upon those relationships. McHutchison and Vaughan's will continue to operate as separate entities, with Scott Crownover and Keith Cable staying on as division presidents, respectively.

"One of the most important things we want all of our broker partners to take away from this announcement is that we still want to maintain an open platform," explained Kate. "We do value their partnerships and will continue to want to work closely with each and every one of them to continue to grow the business we have with them, because it's very important for us as an overall organization."





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What's their long-term plan?

Kate and Biense acknowledged that this news has raised some eyebrows, especially with their broker partners, but one of Dümmen Orange's long-term goals was to look at how they could distribute their own products (with a focus on the niche products) so they can better serve their customers.

And speaking of long-term, rumors have been swirling for a year or two that Dümmen Orange has been making all of these acquisitions with the end goal of selling the company. Kate and Biense insist that is not the case.

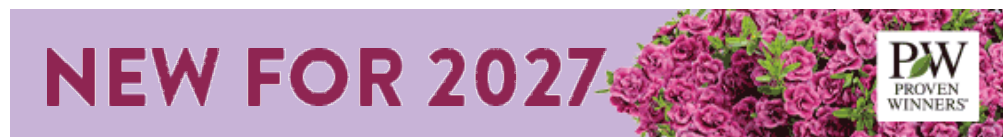
"It's very simple: It's a long-term strategy, and you see that we're investing in new crops," countered Biense. "And with these new products, before these investments materialize, seeing substantial revenues may take five to 10 years. So we are investing in the future of the industry, because to transform breeding takes time, takes years."

As proof of their commitment, Biense pointed to a new \$10 million R&D facility they're building in the Netherlands, and a new state-of-the-art elite stock greenhouse they're building in Germany. "We're not saving dollars, we are investing dollars, in order to advance the industry," he said.

"Our ultimate objective, our strategy, is to be the frontrunner in floriculture, so these are all strides to take in order to be that frontrunner," added Kate. "Some of them are really to create a sustainable platform for floriculture innovation in the future. It's not a mindset of short-term wins; it is future-focused."

Part of that strategy is to strengthen their organization with a more global approach, as Perry Wismans—who previously oversaw their North American operations—was recently promoted to Global Head of Floricultural Innovation.

Says Kate, "We have this amazing global team that is working together on these strategies and thinking, 'How do we really build an infrastructure for a future that is sustainable for our organization?'"



From Vaughan's perspective

Back from my Florida trip, I contacted Keith Cable to get the Vaughan's/McHutchison angle on why they decided to sell.

"From our perspective, we were afforded the opportunity to align with one of the premier breeder/producers in our industry," Keith answered. "This will help develop our product knowledge and market support, which will translate into better service for our customers and enable us to grow our business."

I asked him if he felt it was important for a broker to be aligned so closely with a breeding company these days. Certainly, it's hardly a new phenomenon: competitor Ball Seed Company has had sister breeding companies (PanAmerican Seed, Ball FloraPlant, Darwin) for years. Keith wouldn't answer that directly; he'd only say, "We're going to continue to sell the products that are best for our customers, regardless of who produces them."

Keith confirmed that he and Scott Crownover would remain in charge of their respective divisions, reporting to CEO Mike Tizio.

"We're excited about the opportunity this presents to our customers, our vendors and our

company," he concluded.



Organics board says yes to hydroponics

It was a close vote—8 to 7—but the National Organic Standards Board has rejected a proposal that would have prohibited hydroponic and aquaponics growing methods from being certified as organic. The vote came November 1 at a meeting of the Board in Jacksonville, Florida, after a long and heated debate on the topic.

Aeroponics, however, is another matter: NOSB voted 14 in favor (with one abstaining) of prohibiting that production practice from being certified as organic. That's a moot point, however, as currently there are no aeroponics operations in the U.S. that are certified organic.

Just what the term “organic” means is an interesting scientific and even philosophical question: Traditionalists insist the term implies growing in—and in harmony with—natural soil. Hydroponic proponents argue that sustainability should be a key element of organic production, and hydroponics use less water and less land than growing in the ground. Apparently, that argument carried the day with NOSB.

If the proposal to prohibit hydroponics had been approved, it would have removed a significant supply of organic produce from store shelves. However, I've read that some traditional organic farmers are now threatening to drop out of the program.

Here are four articles on the news: one from *The Packer*, one from NPR, one from *Business Insider* and one from *The Washington Post*.

<https://www.thepacker.com/article/updated-organic-board-aeroponics-out-hydroponics-aquaponics>

<http://www.npr.org/sections/thesalt/2017/11/02/561462293/hydroponic-veggies-are-taking-over-organic-and-a-move-to-ban-them-fails>

<http://www.businessinsider.com/hydroponic-grown-food-organic-labels-2017-11>

https://www.washingtonpost.com/news/wonk/wp/2017/11/02/pioneers-of-organic-farming-are-threatening-to-leave-the-program-they-helped-create/?utm_term=.593cf46d1fca



Foliar disease webinar next Tuesday

Dang diseases! They never go away! But they give me the opportunity to do great webinars with amazing pathologists—such as Dr. Janna Beckerman of Purdue.

Next **Tuesday, November 14**, I'll be hosting a webinar in which Janna will go into detail on a range of ornamental plant foliar diseases, briefly focusing on diagnosis, but more heavily emphasizing management, and also how to most effectively deploy fungicides. She'll also talk about how some diseases, namely phytophthoras, pythiums and rhizoctonias, can “jump the shark” as she puts it, causing both root rot and aerial blights.



Register for this free one-hour webinar at www.growertalks.com/webinars.

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An advertisement for Star Roses and Plants. On the left is a photograph of a Nandina 'Tuscan Flame' plant, showing its multicolored, low-maintenance evergreen foliage. On the right is a dark green background with the text: "star® ROSES and PLANTS", "Nandina 'Tuscan Flame'", "Multicolor, low-maintenance evergreen", and a white button that says "ORDER NOW".

At The Landscape Show Redux

I was in Orlando last week for the do-over of the Hurricane Irma-cancelled The Landscape Show, hosted by the Florida Nursery, Growers and Landscape Association. I've been involved with trade shows for most of my horticulture career, but had never given thought to how much work it takes to redo a cancelled event, as FNGLA just did.

I spoke to CEO Ben Bolusky and COO Linda Adams about it. They told me first that FNGLA had show cancellation insurance—pretty routine, when you host an event during hurricane season in a hurricane-prone state—so the Association is fine, financially.



This is only part of the show; there was another hall behind me.

The decision to do the redux came not from staff, but from a survey of buyers and exhibitors. Linda said that 80% of buyers and 65% of exhibitors wanted the show to go on. They spoke, FNGLA listened ... and got to work.

First, they needed to find available space at the Orange County Convention Center. And they needed to confirm that there was available hotel space, and line up a host hotel. Next, since not every exhibitor wanted to participate, they had to create an all-new trade show floor plan, then accommodate exhibitors in a way that made them happy. As for buyers, anyone who had registered for the original show was automatically reregistered for the redux.

The hard work paid off, and I don't think I've ever been to a trade show where the audience was more upbeat, friendly and positive. As you can imagine, much of the discussion revolved around catching up with friends and colleagues to see how they fared in the storm (which was less than two months in the rearview mirror). This show wasn't about attendance numbers, it was about an industry proving that it's still in business.



How three growers fared

Much of my time at the show was spent asking one question: How'd your business come through the storm?

At bedding plant grower Bloom-Masters in Lake Mary, they suffered no wind damage, but they did endure flooding damage to about 5% of their facility, said Shelby Griffis. What sucked about the flooding was that it came from a new nearby housing development, the overflow of which went onto Bloom-Masters' property instead of the development's own retention ponds. Shelby said the city and the developer have already agreed to fix the drainage problem. Despite the flood, Bloom-Masters had a nice display of fall annuals at the show.



Excelsa Gardens of Loxahatchee also had no structural damage, but they lost lots of covering. Crop damage was limited to more fragile, brittle varieties. “Just a lot of leaning,” said Colin Friedrich of the majority of plants. “September was kind of a wash as far as selling anything.”



By the way, Excelsa got the prize for the best 10 x 20 booth at the show—their 88th booth award ribbon, at my count. Want to know how to display plants and impress buyers? Check out their booth at [TPIE](#) in January.

Billy Hopkins of Hopkins Tropical Fruit Nursery in Immokalee, about an hour northwest of Naples, suffered damage to almost half of his crop of interesting and exotic fruit trees, with 20% a total loss. He told me they spent 40 hours pumping out flood water and 15 days living on a generator.

Damage and loss included some mature stock plants, such as a 60 ft. x 60 ft. *Inga edulis* (ice cream bean). He also lost lots of peach tree stock, meaning it will be hard to get bud wood.

But Billy, a fifth-generation grower and third-generation Floridian, shrugged it off.

“It is what it is. It’s a hurricane. This is Florida.”



Whom did Irma help?

Poly and shade manufacturers, I suppose. And also [Mark Arnett](#), who runs the company Driftwood Furniture by Mark Arnett. He sources (with permission) cedar driftwood from private islands off the state’s west coast above Tampa. The storm’s wave action exposes the stumps of more long-felled trees and polishes the wood, expanding his source of raw materials for his popular tables, chairs, arbors, mirrors and bowls.



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UF poinsettia trials

December 5 is the date of the University of Florida Poinsettia Trials, from 9 a.m. to 2 p.m. at the UF Environmental Horticulture Greenhouse Complex. You'll see 148 poinsettia varieties from Beekenkamp, Dümmer Orange, Selecta/Ball, Suntory and Syngenta; along with University of Florida research on a range of greenhouse topics, including poinsettia heat delay and natural day flowering, wood fiber, coleus varieties, superfoods (ginger, turmeric), CT scanning of roots and biofilm management. There's a \$50 fee for attending, which covers your barbecue lunch.

See the schedule and register here: <http://tinyurl.com/FLPoinsettia17>. Questions? Contact Dr. Paul Fisher, pfisher@ufl.edu.

Know of an upcoming poinsettia trial that I haven't featured? Email me at beytes@growertalks.com and I'll get it into the next *Acres Online*.

Finally ...



I read recently about an elderly man in Germany who thought he'd discovered an unexploded WWII bomb in his back yard. Turns out it was very large zucchini that someone had apparently tossed over the hedge (the gentleman was not reported to have his own vegetable garden). Dark green in color and almost 16 in. long, it did resemble a bomb, say police called to the scene.

I give the newspaper editor bonus points for coming up with the headline "Marrow Escape" (marrow being an English term for summer squash).

See you next time,

A handwritten signature in black ink that reads "Chi".

Chris Beytes
Editor
GrowerTalks and Green Profit

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An advertisement for NurseryGuide.com. On the left, the text "FIND MORE" is in large, bold, dark blue letters, with "Search with confidence." below it in green. In the center, there is a search bar with a green "SEARCH NOW" button. To the right, it says "Hundreds of growers. Thousands of plants." and "NEW! NurseryGuide.com" with a leaf icon. Below that, it says "Built for wholesale plant search." The background is a gradient of light green to dark green.