

GROWERTALKS

GT in Brief

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Smith Gardens Acquires Skagit's Operations

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In April, Smith Gardens of Bellingham, Washington, announced that it had acquired Skagit Horticulture's Riverbend facility operating out of Mount Vernon, Washington. The deal also includes all of the inventory that was already in production.

You may recall that in February, Skagit made the announcement that the company was discontinuing operations effective April 7. On April 8, we learned that Smith Gardens was taking over.

We reached out to Eric Smith, co-owner and CEO of Smith Gardens, to get some more background about the acquisition, and his and his brother Mark's plans for the Riverbend location.

Eric acknowledged that they were just as surprised as everyone else when Skagit made their announcement, but then the wheels started to turn. As Smith was also in peak production time, they were feeling the full strain of being at capacity at their four locations—to the point where the forklifts and other plant-spacing automation they've invested in couldn't operate effectively because there simply wasn't enough room for them to move.

"April 8 is a challenging time of year to do a business transaction, let alone an operational transition, but we were interested," Eric said. "So early on, we signed a letter of intent with Skagit Horticulture after their announcement that gave them the confidence to keep producing as we worked on a longer agreement for the facilities and the systems."

The letter of intent included a request that Skagit continue production and keep the facility functioning so that when Smith took over the site it would be delivered in working order. Everything moved quickly—between Skagit's announcement and when Smith took over was less than two months.

"When there are live plants involved, everybody's on a timeline," said Eric.

Now, with the addition of what Smith will call "Riverbend," they'll have an additional 24 acres under cover and 20 field acres to continue to produce annuals and perennials, which is pretty much the same product mix Skagit was growing. Seven managers and 50 employees were selected to stay. Andres Alamillo, Smith's continuous improvement manager, will serve as Riverbend's interim site and integration manager, overseeing the transition to all of Smith's processes and company culture.

With it being spring and the acquisition still very new, Eric said they haven't had a chance to really think about long-term investments they'll be making at Riverbend, but it's got loads of potential.

“Currently, the Riverbend site is about 30% utilized,” said Eric. “We look forward to expanding our business to fully utilize the site. What that looks like in the next two and three years is to be determined. Right now, it gives us a chance to really dial in our other operations, while this takes some of the over-capacities we have felt and can spread that out at Riverbend.” **GT**