Loads of Education & Cool Products from Cultivate'24



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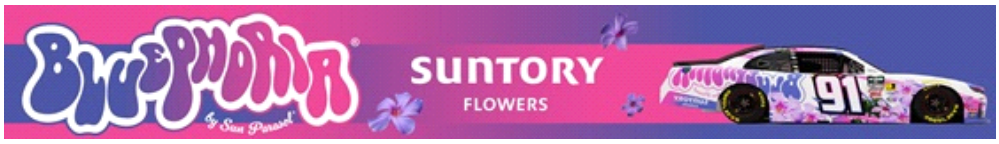
GrowerTalks' Acres Online

News and Commentary from GrowerTalks Magazine

COMING UP THIS WEEK:

Correcting/Clarifying
SCOTUS tax ruling
Observations from Cultivate'24
- State of our industry
- 4 reasons to be sustainable
- Lots of new products
- Congrats to our Young Grower!
A new open-roof GH
Colorado trials coming up





A pair of corrections/clarifications

First, from the June 21 *Acres Online* in which I visit a peat bog. My hosts were the fine folks at Premier Tech, of which it is **Bernard Bélanger** who is chairman, not Claude Bélanger, as I wrote. Claude? Where did I come up with the name Claude? Who is Claude? I don't know anyone named Claude. My apologies to Bernard—and also to his son, Jean, who was probably as surprised as anyone to read about his father's secret identity.

(By the way, on my visit there, I learned that Premier Tech is the sponsor of the Israel-Premier Tech







pro cycling team, which just competed in the Tour de France. Team member and Canadian rider Derek Gee finished the Tour in ninth place, the third-best finish ever for a Canadian rider! Congrats!)

Second, in last week's *Acres Online*, I shared some inspirational photos from two Chicagoland garden retailers, Redbud Creek Farm and Blumen Garden. Only I didn't mention that the first five photos were from Redbud Creek. I assume you probably figured it out, but just in case you didn't …



SCOTUS tax decision could affect your business estate planning

Green Profit's business columnist Bill McCurry caught me at Cultivate to ask he if could fill in our readers on a recent Supreme Court decision. "Of course!" I quickly answered.

In his notes to us about the case, Bill quoted Judge Gordon J. Tucker, who wrote in 1866, "No man's life, liberty or property are safe while the legislature is in session." Bill says you can now add the Supreme Court to that list, thanks to their June 6 decision in Connelly v. United States.

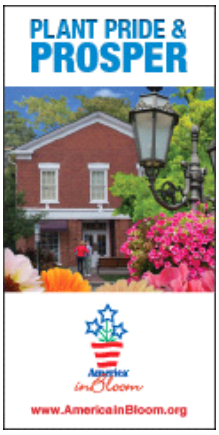
In the ruling, the court unanimously held that a corporation's contractual obligation to redeem shares is not necessarily a liability that reduces a corporation's value for purposes of the federal estate tax.

In layperson's language, explains Bill, "life insurance policies on owners' lives, owned by the company, and usually used to buy out remaining partners or provide working capital, may be taxable and included in the corporation's income and valuation for estate tax."

That's what happened to the Connelly family, who brought the suit. The family building supply business, owned by two brothers, had taken out a $3.5 million insurance policy on each brother, which was to be used to buy the deceased's shares upon his passing, ensuring the business would stay in







the family (apparently, a not-uncommon estate-planning practice). That happened, and an IRS audit led to an additional $890,000 tax bill. The surviving brother sued, leading to SCOTUS getting the case.

After deliberation, the court ruled unanimously that when the brother died, the proceeds of that policy became assets of the company—effectively making a $4 million business now a $7 million business for tax purposes.

So if you are using a life-insurance policy as a way to help your survivors or heirs purchase your share of the family business when you shuffle off this mortal coil, you'd better check with your tax and estate planning experts!

Here's a piece with more detail on the ruling.



Observations from Cultivate'24

Another Ohio is in the books (okay, okay, Cultivate, but you old timers know what I mean; I could have also called it Short Course and you'd have smiled in appreciation of the historical reference) and there's every indication it was a good one. An official official from AmericanHort, the show owners/organizers, couldn't give me any attendance figures other than to say that pre-registrations were up "by almost double digits" over previous years, which reflects optimism leading up to the event. A non-official official I spoke with Monday night hinted at attendance numbers that sounded almost too good to be true, so I won't repeat them here.

Ask exhibitors what they thought and you get mixed answers. Some had a great show, others thought attendance was soft compared to last year. I guest just as beauty is in the eye of the beholder, so is trade show quality. Suffice it to say that, based on my observations, anybody who is anybody, plus everybody else, seemed to be walking the aisles.



Charlie's State of the Industry

Regretfully, due to a conflict, I was unable to attend the Monday morning State of the Industry session, which brings us all up to date on the Association, Washington, and the economy, but I was told the 1,000-seat auditorium was standing-room-only and overflowing. Everyone wants to know what Ken Fisher (AmericanHort President and CEO), Matt Mika (AmericanHort VP Advocacy & Govt. Affairs) and Dr. Charlie Hall (AmericanHort Chief Economist) had to say.

I was able to connect with Charlie later to find out what he told the audience. Based on his data from 110 EAGL* and Your MarketMetrics growers, Spring 2024 was a season of “mixed performance.” A third of participants were up in gross sales over last year, a third were about flat or up slightly, and a third were down. In units sold, about half were up and about half were down. And in bottom-line net profit, almost exactly half were up and half were down.

Mixed says it! (While not scientific like Charlie’s data, my weekly sales survey showed the same mixed results.)

What does it mean to you going forward? Three of Charlie’s take-home messages were: “Manage your working capital,” “SKU rationalization,” and “focus on your value proposition.”

Sound advice for all businesses at all times!

**Executive Academy for Growth & Leadership*



More salient points from Charlie …

… taken from Bill Calkins’ notebook (because Bill DID make it to the talk):

- Landscape service demand is strong, driven by housing AND demographic shifts. As huge generations age, landscape services will continue to grow in importance.

- The cost of doing business (inputs, labor, trucking, etc.) continues to increase. Cost of goods was up about 1% in 2024 compared to 2023 and is expected to rise another 3.2% in 2025 (trucking and labor …). Bottom line: Continue to raise prices to cover this cost and drive growth.

-Although overall consumer purchases of seeds, flowers and potted plants (not shrubs) has plateaued, it has NOT declined post-recession like in the past. Bottom line: Don’t lower prices.

- The income of our key customer base (middle- to upperclass) has not gone down. It’s still higher than pre-pandemic, so our customers have money to spend. These shoppers are spending at the same rate, no matter how they “feel.” (Depending on the political party in control, half the population is positive, and half the population is negative about the economy.) Purchases of items that come from discretionary dollars are strong.

- In summary, big-picture numbers are pretty solid. Our industry is maintaining many of the customers gained during the pandemic and sales dollars are significantly higher than they were in 2019. Costs continue to rise, so we need to increase prices to stay ahead. No matter what happens in November, our core customers will continue to buy what they like and what makes their lives better. If we double down on our messaging around the positives that come from flowers, plants and nice yards, there’s no reason to freak out.



Four sensible reasons to be sustainable

Two topics that 10 years ago were fringe but today are mainstream are biosolutions and sustainability (by the way, biosolutions are sustainable). I stepped off the tradeshow floor for a couple hours on Monday to moderate a panel discussion on the topic of sustainability, and my audience learned a lot from my four experts.

One of my panelists was Scott Zoch, COO of Westerlay Orchids in Carpinteria, California, where sustainability is part of their DNA. One of my last questions was one some audience members might have been thinking: “Why bother with this whole sustainability thing? It sounds like a lot of work and a lot of money?” Scott gave four fantastic reasons:

1. “It’s better to be the peer-leader when engaging your customers.”

2. “So you don’t get caught flat-footed when your customers communicate an expectation around sustainability.”

3. “When done well, you will be focused on some of the most important parts of your P&L and exploring solutions that improve quality, save money, reduce waste and/or improve safety.”

4. “It’s an area of your business that can ‘raise the bar’ on your competition and make you more competitive.”



Sustainable products on the tradeshow floor

As I said, sustainability is becoming more mainstream, more common and, frankly, more necessary—from a financial standpoint and because of customer demand. Face it, younger consumers are going to be asking hard questions about your business and your products. Is it environmentally friendly? Is this a good place to work? Are you giving back to the community? Those who answer in a way that satisfies them will get the business.

Here are three products (out of scores, no doubt) that have sustainability built in:

Bio-based pots by Creo





Creo is the new name for Summit Plastics, and Creo has two new pot lines made with two forms of bio-plastic: AgaveGrow and Asili. AgaveGrow is a waste product from the tequila industry. The agave pellets are blended with regular plastic pellets, replacing anywhere from 10 to 40% of the plastic, resulting in injection-molded nursery pots that look and feel just like 100% plastic. Now, these are NOT biodegradable or compostable, but they are recyclable. Asili, meanwhile, is also a bio-based pot that looks and feels just like plastic (and goes through automation just like plastic), but is biodegradable over time (about 3-5 years). They are working on a home-compostable version that would break down much faster.

Sun Gro Black Bear potting mix



Black Bear is sustainable because it replaces perlite with biochar for aeration and drainage. Biochar is made by burning organic matter (in this case wood) in an oxygen-free process called pyrolysis, which captures the carbon that otherwise would have been lost to natural decomposition. And biochar is said to remain stable for centuries. Sun Gro has professional and home gardener Black Bear mixes.

FeuZdin nursery pots



FeuZdin ... the name looks funny, but it's pronounced "fused-in"—which describe the way the colorful labeling is done. But the real key? They're square, not round, allowing you to fit about 50% more on a rack shelf. They showed 2.6 qt., 1-gal., 2-gal. and 3-gal. sizes.



Two cool tools

My main beat and interest at the trade show is mechanization, and I found some good stuff for all budgets:

Burro Grande



No, it's not what I had for lunch. It's an autonomous plant mover that hauls trains of racks or wagons around your nursery or greenhouse with no operator needed. Instead, it's guided by GPS when outside and Lidar when inside. All you have to do is program the route and stopping points you want it to navigate, and its travel speeds. On gravel, it can pull 3,500 lbs for about 12.5 miles on a battery charge; on concrete, the capacity and distance increase to 5,000 lbs. and 15 miles. At $38,000 Burro Grande is cheaper than a tractor and needs no driver! That's Nathan Heath, senior manager of sales and channel growth for the new (2020) company.

AdeptAg PD-X3 pot dispenser

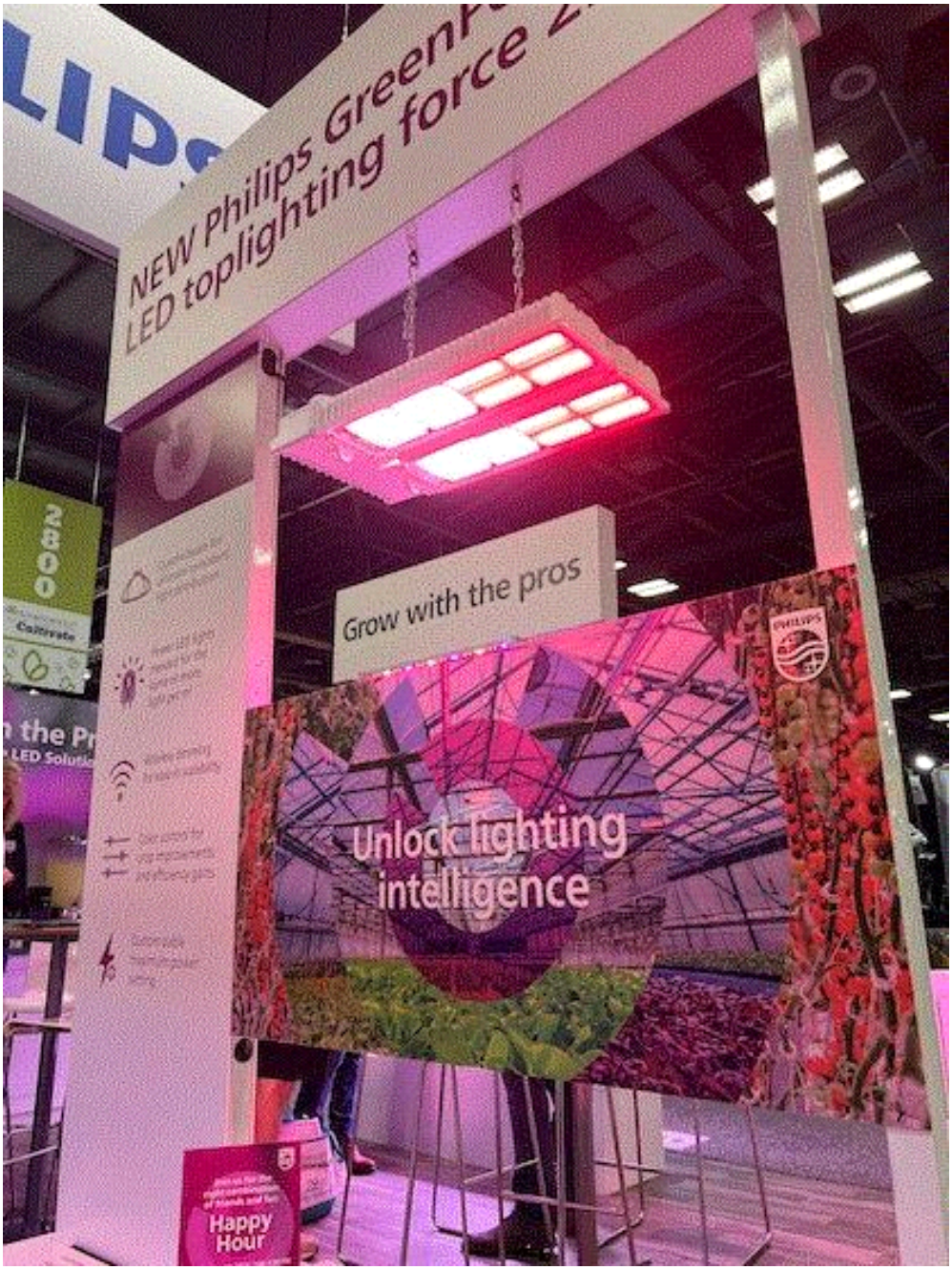


AdeptAg (formerly AgriNomix) has launched a new high-capacity pot dispenser that fills three shuttle trays at a time, for an output of up to 1,000 trays per hour. Pots get loaded from the back, not the top, for easier, safer loading. And it uses the latest servo- and stepper-motors, for speed and accuracy.



Three more cool tools

Philips Toplight Force 2.0



Philips, maker of top-notch LED lighting for the greenhouse, has a new Toplight called the Force 2.0, which is a new form/shape for Philips. Their former Toplights were long, like a single-bulb fluorescent fixture; this one is rectangular and features a “Quadro Beam lens that distributes the light in four directions.” This lets you use fewer fixtures. Also, you can control the color to match the crop, and dim the lights wirelessly.

BioBee BugFlow



For just $400, you can buy a powered applicator that cuts the time it takes to spread beneficial insects on an acre of crops from 1 hour to just 10 minutes—an 83% improvement!—and do it more gently and more evenly. BugFlow, from BioBee, is a battery-powered hopper (3-qt. capacity) that connects to an off-the-shelf battery-powered blower.

Dramm fence post sprinkler holder, twin shutoff



Two new products from Dramm, the masters of watering. The Post-Mount Sprinkler Holder features a blue-anodized aluminum bracket that attaches to nearly any sort of post, plus an impact sprinkler and short hose connection. And to get water to it, consider a new twin shutoff featuring Dramm's one-touch high-flow valves.

You can see these and many more products and plants in the video Osvaldo Cuevas and I shot on the show floor. Check it out HERE. You can tell he had fun editing this one!



Say hello to our Young Grower and Young Retailer winners

Congratulations to the winner of the 2024 *GrowerTalks*/Ball Horticultural Company Young Grower Award, Drew Groezinger, owner of Clara Joyce Flowers in Stockton, Illinois. Drew grows specialty cut flowers, does young plant propagation and wedding floral design! And right next to Drew is our *Green Profit*/The Garden Center Group Young Retailer Award winner, McKenzie Lain, general manager of her family's IGC, Watters Garden Center in Prescott, Arizona.



They accepted the awards during Unplugged Monday night at Cultivate'24, which was a heckuva party. A special thanks to all of the finalists, judges and award sponsors, including AmericanHort and BASF, for making this a fantastic night!

The newest open-roof greenhouse in North America



It’s also the first of the freshly redesigned Rovero Roll-Air rolling-roof retractables in North America. It was built for Mark Foertmeyer, owner of Foertmeyer & Sons Greenhouse of Delaware, Ohio. Roll-Air has been around for decades, but the new owner of the company, Jacco van Delden (left, with Mark), completely re-engineered the system to ensure that it’s dependable, repeatable and waterproof. Mark says he likes the design because when open, it’s just like growing outdoors, which he prefers whenever possible.



We stopped in at an open house Mark and his vendors were holding to show off the new 3 1/2-acre range, which also has a headhouse by DeCloet and one bay of Rovero's also-new Horti-House, a widespan design with a special feature: you can latch the poly from the inside, making for safer covering changes. Other suppliers on hand included flood irrigation by Erfgoed and heat by Biotherm.

While the range isn't quite finished, Mark plans on moving in fall mums as soon as he can.

Colorado Destination Days, and the Colorado State U Flower Trials

If you're looking for an excuse to visit the mountains this summer, Consider the Denver area in early August for Colorado Destination Days, where you can visit numerous greenhouse and trial gardens over a four-day period, Aug 5-8. Participants include Colorado State University, Denver Botanical

Garden, Gulley Greenhouse and Garden, Blooma Farms/Rocky Mountain Liners, Welby Gardens and Chatfield Farms. Each has its own day for being open, so check the schedule HERE.

Dr. Chad Miller, Associate Prof and CSU Trial Gardens Director, emailed me the info about the event and wanted to highlight his own and his crews' efforts at CSU, which include more than 1,000 annual varieties planted, including 250 brand new ones; plus 300 perennials, with more than 100 new varieties. They'll be open Tuesday, August 6, from 9 a.m. 'til 1:30 p.m.

You can learn more and RSVP HERE.

Ball Customer Days are this week!



If you aren't too busy Thursday or Friday, make plans to visit West Chicago, Illinois, home of what we Ball employees affectionately call "The mother ship": Ball Horticultural Company, and Ball Seed Customer Days, a flower and plant trial that's been taking place since the '50s, and always in the same spot (although the gardens have changed mightily since then).

You can come Thursday, July 25 or Friday, July 26. Both days will be chock-a-block with things to do, starting with touring acres of gardens to see the latest annual and perennial genetics from the world's best breeders (tropicals, too!). I'm assured there are more than 700 new varieties to see!

There will be educational seminars on "Hardy Annuals & Cool Flowers" (Dave Dowling), "Grower Math" (Jim Kennedy and Stephen Steiner), "Blooming Tropicals" (Dani Jentz and Andrew Britten) and "Plant Nutrition 101" (Dr. Josh Henry), "Ball Perennials" (Katie Anderson and Karen Bunting) and more.

There will also be mixed container demonstrations, demos of the TTA CuttingEdge automated sticking machine, and tours of the Ball Helix Lab and Ball Seed Premier Lab.

And of course my favorite event (besides all the others): Lunch in the big tent!

Register HERE and let 'em know you're coming. I'll be there both days, so if you see me, say hello and tell me what's happening in your neck of the woods!

Feel free to email me at beytes@growertalks.com if you have ideas, comments or questions.

See you next time!



Chris Beytes
Editor-in-Chief
GrowerTalks and *Green Profit*

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