

GROWERTALKS

GT in Brief

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One Expands, One Retires

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We've got a well-respected, large, first-generation greenhouse with owners who want to expand and a well-respected, mid-sized, third-generation greenhouse with an owner who wants to retire. They get together, strike a deal and everybody's happy!

That's the story behind the purchase of De Jong Greenhouses of Pella, Iowa, by Dan and Jerry's Greenhouses of Monticello, Minnesota. The deal was announced in February.

To learn more, *GrowerTalks* put in a call to the "Dan" in Dan and Jerry's—Dan Totushek, company president. Dan has run the business with partner Jerry Quaal since 1979, when the duo built two acres of greenhouse after working together on Jerry's father's farm.

"We were looking to grow," Dan said matter-of-factly of their purchase. De Jong has a line of potted floral crops that Dan and Jerry's, a spring bedding specialist, doesn't do. It was a good location, too: "They're right centrally located to a lot of our customers."

Also, they wanted to buy a viable, going concern. De Jong fits that description.

"In years past, [we have] bought distressed businesses," Dan explained. "We said if we buy any more greenhouses, we're not going to buy distressed ones; we're going to buy a good, well-run, operating greenhouse range."

De Jong has three locations in Pella, totaling 7 acres under roof and another 4 or 5 acres of outdoor production.

"[Mark] has a good staff and a very nice facility ... the main range there is very nice and modern."

The addition of De Jong's will give Dan and Jerry about 50 acres at six sites in three states.

De Jong's side of the story

Dan told me Mark sold because he wanted to retire, but we wanted to hear that from him.

Mark says that three years ago he gave his son, a golf course superintendent in North Carolina, the opportunity to come back home and take over the business, which was founded in 1933 by Mark's grandfather, but he had no interest in becoming the fourth generation. He gave dad his blessing to sell.

Mark's goal with selling was to preserve the business and the employees' jobs (35 full-time and 10 year-round part-timers), and to have a path out for his wife and him, so he was particular about whom he sold to. Several companies kicked the tires, including Dan and Jerry's maybe 18 months ago, but nothing came of it.

"All of a sudden they were back," he says of the current deal.

"Of those who were expressing any interest at all, they seemed like a really good fit. We offered to them a territorial expansion and a fit with serving some of their existing customers along with a whole new book of customers that we have," he says. For instance, De Jong serves four Costco stores. "That was attractive to them." But they have a very diverse customer base, including IGCs and supermarkets, and even traditional truck routes to florists.

"There aren't many of us left," Mark says of being a year-round potted plant grower.

We asked Mark if it was bittersweet to know the De Jong family was ending its 84-year run in the greenhouse business.

"Oh sure, sure," he answered. "I would have loved to see the family continue to own the name. But my dad warned me when I was a young man, he said, 'Hey, if you don't like it, stay away, because you'll just ruin it.'"

But retirement will have to wait. Mark has agreed to stay on for three years to help with the transition. His role: "Blend the two efforts and build a bench in his team so they'll have good staff to go forward with."

And after that?

He laughed. "Until just a few weeks ago we hadn't even dared dream about retirement because there wasn't a path. Now we can at least dream about it." **GT**