

GROWERTALKS

GT in Brief

3/1/2019

Ball's New Cut Flower Division

Jennifer Zurko

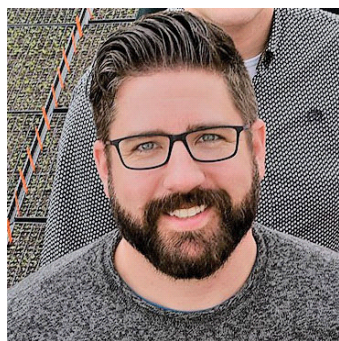
Late last year, Ball Horticultural Company began plans to develop a brand new business unit dedicated solely to the cut flower market.

Although the company's Ball Seed and PanAmerican Seed divisions have already been selling and breeding cut flowers for years, it was focused on select crops and mostly seed varieties. This new business unit will focus on seed, vegetative and tissue culture crops, utilizing Ball's team of breeders and actively working with other third-party breeding partners to build a robust product line of innovative cut flowers.

Scott Rusch, who is currently Product Development Director for PanAmerican Seed, will be the General Manager of this new division. Right now, he's wearing two hats, but is hoping that he'll be able to fully transition to his new job this summer when they're able to fill his position at PanAmerican.

GrowerTalks had a quick chat with Scott to find out the why, when and how of Ball's new focus on the cut flower market:

GrowerTalks: Ball Horticultural Company (through PanAmerican Seed and Ball Seed) has bred and sold cut flower varieties for years. Why did Ball decide to create a separate division dedicated to the cut flower market?



Scott Rusch: When people think of Ball and PanAmerican, they think of plants for the garden center, for the landscape, perennials, but they don't necessarily immediately think of Ball as a cut flower powerhouse outside of a select range of classes—which is somewhat ironic as we very much have cut flower roots going back to our founder George Ball.

We see great potential in this market and it is an area where Ball can leverage its breeding and distribution expertise in a growing category. It's all about being the best and fastest to market with innovative, new cut flowers for growers. By having a team in a separate division, we feel that we will get the required level of focus to be

successful.

GT: Is your plan to gain market share aggressive? Or will you start off slowly to bulk up your product offering first? This may be a chicken-and-egg kind of scenario ...

SR: We certainly have a lot of competition in this space. I mean, if you think about all of the major cut flowers—roses, chrysanthemums, carnations, orchids, alstroemeria—Ball doesn't have a proprietary position in any of those. So we're going to look at what crops we want to go after. I've got some pretty strong opinions about not getting into

cut flower roses and trying to develop other products that might compete with roses or be a more innovative option for growers. And the same with carnations and mums—there are breeders in other companies who are really experts in those areas that could take us years to catch up, unless we acquire via acquisition—which is something we're open to.

To answer your question more directly, I think we're going to build the product line slowly. Our goal is to go after a majority share of the bouquet in a deliberate way. Right now, if you look at our cut flower offering at PanAmerican, we dominate in cut flower snapdragons and we've got strong market share on cut flower matthiola and dianthus. Our team has many innovative ideas for other crops, so we'll have the opportunities to either acquire another company already breeding in those classes or breed our way there, which does take a longer investment in time.

GT: Who are your main competitors?

SR: Right out of the gate we have to acknowledge Dümmer as a leader in the cut flower space. They have a really strong presence in multiple categories. There are many other companies active in cut flowers—to name a few you have Danziger, Florist, Sakata and Takii. In certain markets or segments, they'll be a competitor to us, but in others they'll continue to be a supplier and collaborator.

I'm excited about the opportunity to work with these companies, as well as all cut flower breeders globally to collaborate with our distribution network and maximize the opportunity with their new innovative products.

GT: What about your customers? Is this going to be a global division just for the fact that there aren't a huge amount of cut flower growers in North America?

SR: Our customers for this new division will be distributors, so many of those will be Ball distribution companies or companies like Gloeckner and Florensis, with which we have long-standing relationships. We'll plan to sell those companies seed or set them up as licensees for vegetative products.

We plan to support our customers with knowledgeable, technical salespeople who can advise best practices in growing. The business plan is still being built and we are evaluating the most efficient way to work with our customers.

GT: What about production? Where is everything going to be produced?

SR: From a seed standpoint, we'll use the existing PanAmerican Seed production locations. We'll leverage the same team, and the same inventory and operations people here in West Chicago. They are really the best in the world, so there is no need to try to build that again from scratch.

As it relates to vegetative crops, that's to be determined. I don't anticipate setting up new farms; our goal is to work with existing producers and set up licensing deals. The business plan is still under construction, so we are evaluating the best way to tackle this and will keep you updated when we have more concrete plans.

GT: What are you going to call this new division? Have you come up with a name yet?

SR: I want to leverage all Ball employees' collective creativity by holding a naming contest, including all of our sales people out on the road. We still have to go through some branding exercises on refining our vision on what we want the company to stand for before we get started, but my intention is to get employees to help generate ideas for the name. I work with infinitely creative people all throughout Ball who I'm fully confident will help come up with a great name.

GT: What do you think the biggest challenge will be in developing this division?

SR: I think the biggest challenge is developing a business unit and cohesion across the teams with a global focus

because by default we will be decentralized across many locations throughout the world. Most of the production is in equatorial regions, with the major markets in Colombia, Kenya and Kunming, China. And most of the consumption markets are Northern Europe, Russia, North America, China and Japan ... there are so many large customers with complex supply chains spread across the entire world. So creating and fostering a transparent, workable framework for the team I think will be the immediate challenge.

The great news is that we have many people who are knowledgeable and passionate about cut flowers throughout Ball in Colombia, Brazil, China, Europe, Australia, South Africa and North America. There has been an outpouring of support and interest from our employees, so we have the passion and determination that Ball is known for already to support this new team. **GT**