

GROWERTALKS

GT in Brief

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Sunshine Buys Esmeralda Group

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While those of us in the bedding plant and nursery world have been locked down or selling out this spring or attending virtual trade events, the cut flower world has seen some big news in the form of an acquisition. On June 26, two cut flower giants, Sunshine Bouquet Company and the Esmeralda Group, entered into an agreement in which Sunshine Bouquet will acquire all of the operations of the Esmeralda Group in Ecuador, Colombia and the United States. The only asset not included is Esmeralda's flower breeding operations.

With a combined 1,200 hectares (2,800 acres) of farms in Colombia and Ecuador, Sunshine is now the largest cut flower producer in South America and one of the top five in Colombia—and perhaps the largest in the world. They'll also be the largest—or one of the largest—bouquet makers in the world.

Marta Pizano, FloraCulture International's Colombian correspondent, interviewed John Simko, president and CEO of Sunshine Bouquet, to learn more about what she calls "a shining example of vertical integration ... bring(ing) together production, supermarket sales and wholesalers under one roof, creating a giant that is set to be a true game-changer in the global floriculture scene."

Here's what she learned:

John is at least a third generation cut flower man; his grandfather started a cut flower nursery in New Jersey in 1936; under John's parents it grew into a major cut mum supplier. But competition from states with milder climates and from offshore production made them decide to get out of production to focus on the retail and wholesale flower business to supply imported cuts.

Eventually, John bought the business from his parents, continuing the retail/wholesale business. He recognized opportunities in the mass market floral business, so in 1985, he established the Sunshine Bouquet division in Colombia; in 2001, they purchased their first Colombian farm and through additional purchases have grown steadily since then.

Why purchase Esmeralda? The sudden death in 2016 of Esmeralda founder Peter Ullrich, a long-time friend of John's, was the catalyst.

"I always admired his entrepreneurship, the quality of the flowers coming out of his farms, his grasp of the business and his vision," John told Marta. In 2019, John met Peter's widow, Clarisse, at the Proflora show in Bogota.

"Peter's sudden death in 2016 had a huge impact on the Esmeralda Group," John says. "Clarisse and I got talking and a project started to take shape."

Through the acquisition, Sunshine and Esmeralda bring together about 2,800 acres of cut flower production in Colombia and Ecuador. The Ecuadorian farms now make Sunshine the largest flower grower/exporter in Ecuador. Staff-wise, Sunshine Bouquet was already providing almost 15,000 jobs; with Esmeralda they will add 2,000 to 3,000 more.

How will the new company operate? "Sunshine and Esmeralda will keep their identities," says John, adding that he took this step to build, enhance and develop, not to disrupt great achievements that have already been reached. The only branch that will disappear is Connectaflor, Esmeralda's Miami-based distributor for North America, which stopped operations in August. Esmeralda staff will continue to cater to wholesalers and international markets, without any substantial changes.

"It's a fantastic, highly efficient team and the name is held in very high regard," John says.

How did Sunshine fare this spring?

COVID was extremely hard on the cut flower business due to the almost complete shutdown of florists and flower events. Supermarkets stayed open, however, and with them their floral departments.

When cargo capacity out of South America became limited due to lack of flights and exporters were scrambling to ship flowers, Sunshine was able to charter their own planes, delivering flowers to their customers on time. At most, they had to discard 20 million flower stems; John says he feels they fared well, as that really isn't very much for such a large company. They also didn't have to cancel any contracts or dismiss any staff. They took a hit from the pandemic, but have bounced back, and demand for flowers is strong, John says.

"I guess people like to see pretty, beautiful flowers when they have to stay home."

In ending his conversation with Marta, John expresses his overall satisfaction with his career in the flower business. Wrote Marta, "He is a true believer in the benefits flowers can bring to people, both customers and workers: 'To think that we are helping so many people make a living, particularly at a time of crisis, gives me enormous satisfaction.'"

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