

# NEWS on the GROW

compiled by Catherine Evans

## Franks Nursery Files For Chapter 11 Again

After weeks of falling stock prices, withholding payments and speculation of trouble, Franks Nursery & Crafts, Inc. announced that it filed for Chapter 11 voluntary liquidation bankruptcy protection in the Bankruptcy Court for the Southern District of New York.

Franks intends to conduct an orderly liquidation of its assets for the benefit of all of its creditors, Franks said in a press release. Since emerging from a prior Chapter 11 bankruptcy proceeding in May 2002, Franks has worked diligently in an attempt to return to profitability; however, due to a general weakness in economic conditions, a steady decline in customer traffic and unfavorable weather patterns causing a decline in all markets, Franks has sustained significant losses from operations. Despite its efforts to maintain a core group of its retail locations as a going concern, Franks ultimately concluded that it did not have sufficient financing to continue operating such locations.

Franks has entered into a \$27.5 million debtor-in-possession financing facility with Kimco Capital Corporation, which will provide it with liquidity sufficient to dispose of its assets in an efficient manner. Upon approval of the Bankruptcy Court, Franks will begin conducting going-out-of-business sales at each of its 169 retail locations and will sell its property and leasehold interests.

Concerns for the company hit several weeks ago as stock prices for the company continuously fell and did not trade for days at a time. According to an article in *The Detroit News*, "Its [Franks'] stock, which traded for as much as \$1.40 a share during the past year, closed at 26 cents a share — down 13 percent — Tuesday afternoon in over-the-counter trading." In Mid-July Franks also hired a new CEO to try to help the company out of the slump it was in.

More and more calls started coming in to Franks from vendors complaining of late payments and the cancellation of orders for the upcoming holiday season. Industry sources also say that many growers who supplied Franks with product were told not to ship for fall several weeks ago, leaving millions of dollars in unsent product just sitting in the greenhouse with no where to go.

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## Fine Announces U.S. Subsidiary

Fine Holdings, the parent company of UK manufacturer Fine Agrochemicals Limited, a supplier of plant growth regulators (PGRs) to world markets, recently announced the formation of Fine Americas Inc. A wholly owned subsidiary of Fine Holdings Limited, Fine Americas will be responsible for the Fine Group's business interests in the United States, Canada, and South and Central America.

Fine Americas, Inc. has been established to provide greater sales, marketing and technical support for its customers in the United States and to meet the increasing demand for Fine's products in the Americas. The

new subsidiary will work closely with its sister company, Fine Agrochemicals Limited, in this endeavor. The company's office will be located in California, which is close to key U.S. markets and easily accessible for its international customer base.

One of the officers of Fine Americas is Fine Agrochemicals Managing Director, Julian Ward. "We are delighted to have made this decision," said Ward. "The establishment of Fine Americas demonstrates our increasing commitment to the worldwide PGR business sector and in particular to our customers in the United States, Canada and Latin America."

## GPN Wins Award

GPN's July 2003 issue placed in the "Top 25 Issues" under the Best Single Issue category of the 2004 Tabbies editorial and design competition. The competition judged 12 editorial categories, ranging from Editor's Column to Best Single Issue and six design categories. Our very own GPN placed 12 in the Best Single Issue category out of more than 300 entries from around the world.

The Tabbie awards are given out by the Trade Association Business Publications International (TABPI), and 2004 is the first year the contest took place. The association "endeavors to bring together editors working for English-language publications worldwide and encourage a common dedication to editorial ethics and excellence."

The first phase of the organization's objective is accomplished by the creation of a comprehensive editorial and design competition in 2004. This competition, The Tabbies, recognizes excellence in trade, association and business publications. It exposes editors to similar business-to-business magazines and their local practices across the globe. Associations in different countries and regions are invited to participate as official partners, according to TABPI.

The second phase is to partner with additional editorial associations around the world. According to TABPI, these groups will be extensively surveyed to determine what additional functions should be incorporated into future competitions. It will also be determined what resources they offer their members, and what type of resources they desire, but do not have the workforce.

The third phase is to work toward bringing various local groups together, allowing them to share current resources to each other's benefit, according to TABPI.

For more information on the Tabbie awards visit [www.tabpi.org](http://www.tabpi.org) to see GPN proudly displayed as one of the "Top 25 Issues."



## GCA Announces Performance Trials

Following in the footsteps of the California Pack Trials, Garden Centers of America (GCA) has announced Eastern Performance Trials to take place in September 2005.

In the announcement, Jack Bigej, GCA president, confirmed the six sites for the first-ever coordinated trials on the Eastern Seaboard, scheduled for September 19-24, 2005. Host locations for the trials will be Conard-Pyle, Philadelphia, Pa.; Homestead Growers, Annapolis, Md.; American Horticultural Society at River Farm, Alexandria, Va.; Virginia Growers, Richmond, Va.; White's Greenhouse and Nursery, Chesapeake, Va.; and McDonald Garden Center, Virginia Beach, Va.

Logistically, the Eastern Performance Trials will provide attendees a convenient and compact travel schedule, covering six sites over 275 miles along Interstate Highways 95 and 64, reported the GCA. "This schedule and lineup will make it easy for people to see a wide range of new plant material and network with some of the nation's leading breeders and growers in a minimal amount of time and miles" Bigej said.

A complete list of participating companies, all leading names within the green industry, will be announced in the coming weeks. Those expected to participate include several national tree and shrub growers in addition to major seed companies. National and International breeders that specialize in seed and herb crops are also expected to be part of this new program.

Bigej also announced the formation of an advisory committee to finalize the details of the trials program: Don Riddle, Homestead Gardens, will be committee chair, and John Rader, EuroAmerican Propagators, will be committee vice-chair. Other committee members include Susie Usrey, Monrovia; Anna Ball, Ball Horticulture; Niles Riese, Ernst Benary of America; Linda Guy, Carolina Nursery/Novalis Group; Tal White, White's Greenhouse & Nursery; Joe Gray, Hines Horticulture; Allen Armitage, Athens Select/University of Georgia; Joel Goldsmith, Goldsmith Seeds; Eddie Anderson, McDonald Garden Center; and Dave Williams, Williams Nursery.

"We have several goals in mind as we move forward with this major undertaking," Bigej said. "One is to make it easier and more convenient for those in the Eastern half of the country who cannot get away for the California trials in the spring. Another is to provide independent garden center operators the opportunity to see and place orders for new introductions and offerings that will be made available to the independent channel."

For more details visit the Garden Centers of America Web site at [www.gardencentersofamerica.org](http://www.gardencentersofamerica.org). ♦

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According to *The Detroit News*, Franks laid off an undisclosed number of employees on Tuesday as the stock continued to fall. GPN has since learned that almost all employees at the corporate headquarters have been laid off, except for a skele-

ton crew that is left to take care of store closings and final Chapter 11 details. "One man, who identified himself as a 51-year-old accounting employee, said he was fired Tuesday along with 80-90 percent of the company's staff," reported *The*

*Detroit News*. "He described an emotional scene that played out earlier in the day with long-time employees crying upon hearing they had lost their jobs." No one from Franks could be reached for comment on any of this information.

Franks Nursery & Crafts, Inc., headquartered in Troy, Mich., operates the largest chain (as measured by sales) in the United States of specialty retail stores devoted to the sale of lawn and garden products. For more information on the Franks filing see Stan Pohmer's column on page 52.

### **Pink Hibiscus Mealybug Threatens Georgia**

The Georgia Department of Agriculture inspectors have been looking at a number of major crops for plants infested with pink hibiscus mealybugs.

First Foliage Nursery in Homestead, Fla., shipped as many as 44,000 infested hibiscus plants from the beginning of March until the first week of June to 41 Lowe's and Home Depot stores in Georgia; all but four of the 41 destination stores are in metro Atlanta and North Georgia, according to the Georgia Department of Agriculture.

"This tropical exotic pest came into South Florida about two years ago from the Caribbean," said Georgia Department of Agriculture Commissioner Tommy Irvin. "These insects are a problem to stop and contain because there is no effective chemical treatment." In Florida, it was first discovered on the east coast in Broward County in June of 2002.

The most effective action a home or garden owner can take, Irvin suggested, is to double bag the infested plants in black plastic and tie them up securely, then leave them in the hot sun for a minimum of two weeks.

Pink hibiscus mealybugs have become a growing problem in Florida within the last two years. A number of efforts are underway to try to fix this problem.

According to the Florida Department of Agriculture and Consumer Services, pink hibiscus mealybug is a tiny (3 mm) sap-sucking insect that attacks fruit trees, vegetables and ornamental plants and occurs in most tropical areas of the world. The insect has a life cycle of 24-30 days, and there could be as many as 15 generations each year. Pink hibiscus mealybugs can kill more than 200 plant species.

The insect forms colonies on the host plant, which grows into large cotton-like masses of white, waxy deposits on branches and leaves. As it feeds, it pierces into the soft tissues of the plant, injecting a toxic substance that results in malformed leaf- and shoot-growth (commonly called "bunchy top"), stunting and possibly death. If flower blossoms are attacked, the fruit will set poorly.

In the egg and crawler stages, pink hibiscus mealybug is most easily spread by wind. The wax, which sticks to each egg, can also be transported by ants and other small insects, a person's clothing or an animal's fur. It can be identified from other mealybug insects by its reddish-brown, smooth body and pink-to-red body fluid. In cooler climates, the pest overwinters on the host plant, either in the egg stage or as an adult. In warmer climates, the insect may stay alive and reproduce year-round.

More information about pink hibiscus mealybugs is available at [www.doacs.state.fl.us/pi/enpp/ento/pink.htm](http://www.doacs.state.fl.us/pi/enpp/ento/pink.htm) and <http://creatures.ifas.ufl.edu/orn/mealybug/mealybug.htm>.

## Taiwanese Orchid Competition

A once sugar-cane-filled country with miles and miles of open fields has begun filling that space with some different types of profitable crops, orchids. According to the article "Orchids flourish on Taiwanese production line" by Keith Bradsher, published in the *New York Times* (NYT), Tuesday August 24, 2004, Taiwan is in the process of building greenhouses in order to dominate the world's \$2 billion orchid industry.

In recent years, orchids have become much more popular throughout the world (For more information in the trend, see the June 2003 issue of *GPN*). More and more growers are getting into the business of growing orchids because of their profitability.

However, the only problem is that according to the NYT article, "If the Taiwan effort is successful, orchids could lose their image as the high-priced but finicky princes of the floral world and become lesser nobility, almost as inexpensive as poinsettias. The favored flower for

debutantes' corsages a generation ago, orchids are already starting to appear in rows of \$15 potted specimens at mass merchandisers like Home Depot and seem poised to become even cheaper."

Just a little over 10 years ago,

orchids were seen as a specialty plant that was only a collector's item or seen in a wealthy atmosphere; however, times have changed and people are buying more and more. With the amount of research that has been and is currently being done,

orchids are much easier to grow and put into mass production than they were a decade ago.

"Now, if Taiwan is successful, there could be orchids for the masses. Seeking a cash crop to replace sugar, which is plagued by falling

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prices, Taiwan is hoping to double its orchid business, and the government plans to bring heavy public spending into the previously private world of growing orchids," according to the *NYT*.

In an effort to stop this new plan, a U.S. federal court plans to hear

arguments in the fall from Hawaiian orchid growers who don't like what Taiwan is doing to take over the orchid market, according to the *NYT*. Currently, Taiwan produces mostly phalaenopsis orchids, the most common type.

According to the *NYT*, "This

summer, after six years of sometimes bitter review, the United States Department of Agriculture approved regulations that would allow potted phalaenopsis to be imported from Taiwan. But orchid growers in Hawaii have asked a federal court for a prelim-

inary injunction to block the imports. Hawaiian growers contend that the potting material, a type of moss, could harbor dangerous insects like blood-sucking midges and tiny thrips, which can carry plant diseases." Though orchid production may create more jobs in Taiwan, orchid growers in other parts of the world may lose theirs.

### **Antioxidant Protects Metal-Eating Plants**

An antioxidant, a type of compound that prevents damage to living cells, appears to allow some kinds of plants to thrive on metal-enriched soils that typically kill other plants, says a Purdue University scientist.

This finding, published in the current issue of *The Plant Cell*, provides an important new insight for the development of plants that could be used to help clean polluted sites. The work also answers a fundamental question for researchers studying how certain types of plants tolerate levels of metals in their tissues that are toxic to most other plants.

"We were able to clearly establish for the first time that plants that create and accumulate high cellular levels of the antioxidant glutathione are much more nickel tolerant," said David Salt, associate professor of plant molecular physiology in Purdue's horticulture department.

Understanding the mechanism behind nickel tolerance provides an important tool for researchers whose goal is to develop plants that remove toxic metals from the environment, in a process known as phytoremediation, or extract useful metals from soil, a process known as phytomining.

While previous research has shown where metals reside in a plant's cell, this is some of the first data showing how plants protect themselves from the damaging effects of those metals, according to Purdue University.

Plants require metals like nickel in minute quantities for certain metabolic processes, but at high levels metals can damage membranes, DNA and other cell components. Most plants try to keep the levels of metals in their cells at



a minimum, but plants called metal hyperaccumulators have the unique ability to build up unusually high levels of metals in their tissues without any ill effect.

Previous research indicates that hyperaccumulators store metals in a specialized cell compartment called the vacuole. Sequestered in the vacuole, nickel and other metals can't damage other parts of the cell. But nickel still must travel within the cell in order to enter the vacuole in the first place.

In this study, researchers sampled a number of closely related plants that grow on soils naturally enriched in nickel. These plants ranged from those that didn't accumulate any nickel to the hyperaccumulators that built up almost 3 percent nickel by weight.

It was found that the concentration of glutathione was well correlated with a plant's ability to accumulate nickel.

Researchers isolated a gene called SAT and inserted it into a model lab plant called *Arabidopsis thaliana*, which does not normally tolerate nickel. The gene SAT produces an enzyme called serine acetyltransferase, which plays a role in producing glutathione in hyperaccumulating plants.

When researchers grew both normal *Arabidopsis* and those containing the SAT gene on a nickel-containing medium, the normal plants failed to grow and showed signs of severe membrane damage, an indicator of oxidative stress. The plants with the inserted gene thrived, showing no signs of membrane damage.

### Colorado Passes Fax Law

With just about four months to go on the FCC's January 1, 2005 deadline of the Junk Fax law, Colorado beat them to the punch and set a statewide ban of its own. Effective August 5, 2004, all business owners must obtain written consent from all recipients prior to sending commercial faxes, according to SAF's *Washington Week in Review*. The consent is even needed if there was a business relationship existing between the two parties prior to the ban.


According to thedenverchannel.com, "A measure introduced by Rep. Buffie McFadyen, D-Pueblo

West, makes sending an unsolicited fax a deceptive trade practice."

Even if a company needs to fax you a quote, they need your written permission first, according to SAF's *Washington Week in Review*. The Review also states that "In addition, you must clearly mark at the

top or bottom of each transmitted page, the date and time the message is sent, an identification of the person sending the fax and the telephone number of the fax machine sending the message."

Even though Colorado has put forth the strict regulations on the

Fax law, the FCC is not going to require as much information. The FCC legislation states that written consent is no longer needed as long as there has been an established business relationship that exists. For more information visit [www.safnow.org](http://www.safnow.org). 



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