

from the road

Checking Out Mexico

Three days was a quick trip, but it did give me some interesting information about floriculture in our neighbor to the south.

By Bridget White

What is the first location that comes to mind for offshore cutting production? Costa Rica? Guatemala? Israel? Probably not Mexico. You just don't hear a lot about cuttings originating in Mexico, despite the country's status as the United States' largest free-trade partner.

Even without a lot of publicity, many people are aware that a couple of major companies produce some material in Mexico — Fischer USA, Oglevee, Ball FloraPlant and Suntory to name a few. Still, I had never had the opportunity to personally inspect Mexican production or even to become more than minimally familiar with it until a couple of months ago. After my trip to Central America (see the April and May issues of *GPN* for details) earlier this year, I got an irresistible offer from a good friend to show me how the other half lives — the Mexican, contract-grown, non-branded half. I couldn't refuse.

The week I spent touring production facilities in Costa Rica and Guatemala gave me real insight about how some of the largest American breeders/marketers that are responsible for the major three brands in the United States, run offshore production facilities. The trip to Floraplant B.V. de C.V. in Curnevaca, Mexico promised to reveal the ins and outs of contract production for multiple

companies. More than anything, though, I was anxious to see if there would be a major difference in sanitation, production and logistics between large, branded companies and smaller, generic/non-branded companies.

MEET THE COMPANIES

Many of you have probably never heard of my host company, SuperFresh Marketing. In many respects, that's not surprising, since SuperFresh is rather new to the scene and, more importantly, does not make any effort to brand itself or its product. This is a different kind of company than what you've probably become accustomed to.

"We promote our products as varieties and cultivars, not as part of a brand," explains company owner Jim Snyder. "We're positioning ourselves differently than Proven Winners or The Flower Fields. We see a growing need for quality, unrooted cuttings in genetics that perform and are priced at a reasonable level that the end user can work into their financial situation."

Started two years ago to capitalize on open production space at Floraplant B.V. de C.V. (more about them in a minute), SuperFresh Marketing is a young plant company that specializes in unrooted cuttings. The product — a mix of patented material that has been licensed from other breeders, proprietary material that is exclusive to the company and open market material — is contract-grown in Mexico, import-



Top: Our tour group, minus me who had to sneak this picture past some of the more camera-shy, included Floraplant's director of production Joachim Teck (pictured second from the left) and SuperFresh owner Jim Snyder (pictured in the middle). **Second:** Like many U.S. facilities, Floraplant incorporates several types of greenhouse construction. Five acres of the newest type, of European construction, are pictured in the background. **Third:** Propagation on all of the SuperFresh material is done onsite. Virus indexed cuttings arrive and spend the first few weeks in this American-style prop house before being transplanted into finish containers and moved to final housing. **Bottom:** One of the newer greenhouses showing some of SuperFresh's wide product range.

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ed into the United States and sold through the broker network. Offerings cover more than 400 varieties of vegetatively produced annuals, perennials and herbs from breeders such as Benary, Danziger and Westhoff.



Top: Harvest on vegetative varieties marketed by SuperFresh. **Middle:** A disinfecting container such as this is used on each harvest cart for the SuperFresh material. Having so many knives ensures adequate disinfection before the knife has to be used again. **Bottom:** After harvest, SuperFresh cuttings are sent to quality control for inspection on size and number and then packaged for shipment.

SuperFresh carries everything from standards such as calibrachoa, bacopa and dahlia to exotics such as *orthosiphon stamenis* (cat whiskers).

All of this material is produced at Floraplant, which is located outside of Cuernavaca, Mexico, about 1½ hours south of Mexico City. Floraplant is another place many have probably never heard of because it is strictly a production facility and does not do any marketing into the United States. Most of the space at Floraplant is dedicated to contract production for SuperFresh Marketing and Oglevee, with the remainder of the space used for finish production for the local market and fresh-cut herb production.

Floraplant, in one form or another, has been around since 1985. It was started by Hans Peter Doster as a production facility for Fischer and more recently has produced cuttings for PSI, Oglevee and now SuperFresh. The facility encompasses 81 acres of greenhouse space and 25 acres of uncovered space for the fresh-cut herb program. It is built on terraced slopes up and down the hills that cover this part of Mexico. With its clean, modern greenhouses and great views, Floraplant makes an impressive show.

And Floraplant seems to have mastered the business side of production as well. Awarded ISO 9001 certification for the past four years, Floraplant joins an exclusive club that not many in floriculture belong to (Kientzler's Innova Plant in Costa Rica is the only other facility I know of). A common designation in manufacturing, ISO 9001 certification means that the company's policies, procedures and business operations are evaluated on an annual basis to make sure they conform to the highest international standards in everything from shipping and delivery to personnel and management. While certification has the most impact on the companies that deal directly with Floraplant, such as SuperFresh, it does help ensure that the end user will receive the best product and have better service than from other places.

According to Snyder, the coming together of these two companies is the best kind of win-win situation. Floraplant focuses on what it does best, production, and SuperFresh focuses on what it does best, sales, marketing and distribution.

A QUICK TOUR

A full day would be more than enough time to tour any greenhouse, but Floraplant is like three companies joined together, and we had to struggle to see the entire facility during our short trip. Given that our focus was on SuperFresh's stock

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production, we spent the majority of our time examining houses of different kinds of vegetative annuals at various production stages. We saw spent stock plants ready to be disposed of, mature plants at the peak of stock pro-

duction, young plants bulking up for harvest and a propagation house full of newly stuck cuttings to start the cycle all over again. (By the way, stock plants are replenished from certified stock each year.)

You wouldn't normally expect to see this much product in mid-August; most stock facilities would be almost empty, except for the beginnings of an initial build-up. Luckily, SuperFresh has a strong year-round busi-

ness, with several peaks, and we were able to see lots of product. In fact, approximately 30 percent of their 15-20 million cuttings shipped this year were during the "off season."

Now, keep in mind that the majority of SuperFresh's crops are fairly low protocol — things like coleus and scaveola — so when you see that all the greenhouses have thrips screening and raised benches; when you see a container of 10 knives on every harvest cart; when you hear that the time from cut to cool is 20 minutes; you start to understand how a company could be so comfortable handing over the reins of production to someone else. Most breeders/marketers are hesitant to contract out their crop and give someone else control over production, but Snyder says it is working really well.

"It's been nothing but a good experience," says Snyder. "Floraplant has been professional; they have an up-to-date facility; they have all the latest technology in communications, software and hardware; they have great experience in producing the product; and they are accommodating with whatever we ask them to do."

All of the SuperFresh crops looked great, healthy and productive, and the sanitation protocols were more than would be expected for the kinds of crops being produced. Additionally, Floraplant was in the midst of a massive greenhouse build during our visit. Five acres of new, modern greenhouses are being constructed to house the majority of the SuperFresh material, and seeing American-style, double poly, high-roof greenhouses in the middle of Mexico was a little weird but very impressive.

Not being cleared for a tour of Oglevee's geranium facilities, we watched harvest for a few minutes from outside a couple of houses while Joachim Teck, Floraplant's director of production, told us about harvest procedures and dealing with the latest developments in that industry. Teck said he feels fortunate never to have had major problems with the geraniums he oversees and credits that to strict sanitation

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and good employees.

Probably the most interesting part of the day, simply because I had never seen it before, was our quick tour of the fresh-cut herb production. Floraplant has developed a system of shade structures, a La Southern Florida production, and in-ground cultivation to produce approximately 12,000 lbs. of cut herbs per week, approximately 300 tons annually. Since this is food product, it is organically grown, and Teck said it is sometimes a challenge to keep the outdoor fields clear of insects/disease.

The fresh-cut herbs are hand-cut in the field; cleaned, counted and bulk packaged in the cool house; and sold to distributors in the United States by weight. Distributors repackage the herbs into much smaller containers, and this is what is sold at fairly high prices in grocery stores. Surprisingly, though, Teck reports that the margins are not that good, and he does not expect that business to grow much.

The segment Floraplant is looking to for the best long-range growth (SuperFresh anticipates 20-30 percent for a couple of years and then 5- to 10-percent annual growth long-term) is their finish department. Floraplant has all the Home Depot stores in Mexico and ships product as far north as Tijuana, approximately a 20-hour drive. Home Depot is actively building stores in Mexico and is seeing strong year over year



Top: Floraplant employs a simple yet effective method for ensuring proper packing. The variety code and number required are listed on each box and checked off when filled. Notice the packer's initials. This helps with accountability in case of an order mix-up. **Bottom:** Shipping of finish product for local market sales. Aside from the plants that are stretched by our standards, this could be any U.S. greenhouse.



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growth at existing stores. According to Teck, the finish market is definitely getting bigger; people are taking advantage of the wider availability of plants through places like Home Depot and are buying more and more product. This is a trend he expects to continue for some time.

Other than shipping such long distances, finish production at Floraplant is very much like finish production at any U.S. facility. They grow a wide variety of standard annuals in different size pots (no packs) and hanging baskets. All irrigation is done by hand — labor is not an issue. As you would expect, prices are pretty low, approximately 60 percent of what we would get in the United States. The one big difference I saw between U.S. and Mexican production is the size of the plants. After going through a few greenhouses of what I considered stretched, over-grown plants; I asked about size and was told that was the standard for their market. Interesting to see the different things cultures value.

WHY MEXICO?

After seeing for myself how nice this particular facility is, hearing about the readily available experienced growers and researching the nice climate, I was sold on Mexico as a great location for stock production. So why aren't more companies there?

Snyder hypothesized that it might be because of land ownership restrictions. In Mexico a Mexican citizen must be the majority stockholder in any company. So for a foreigner, being a 100-percent owner/operator is not possible. You have to find a partner, and this kind of governmental red tape, Snyder said, has driven many U.S. companies to more foreigner friendly countries such as Costa Rica and Guatemala.

"The ownership restrictions are actually no problem for us," Snyder explained. "We're not interested in owning, just in getting good product. With Floraplant, we know we get that. They have 20 years experience growing this type of vegetative material, they are ISO 9001 certified, we are able to benefit from a closer proximity to the United States, the infrastructure is great...we've got a great set-up, so the owner thing just isn't a problem."

Additionally, these days dealing with the USDA and APHIS might be a little easier when shipping from Mexico than from Guatemala. Both Teck and Snyder report that there have been no problems with shipping since the most recent *Ralstonia* scare from Guatemala. USDA has visited Floraplant, as they have all offshore shipping sites, and has certified the company to ship to the United States, both for geraniums as well as other



Top: After the cut herbs are harvested in the field, they are sent to the cool house for repacking, boxing and shipment to the United States. **Bottom:** Because of their delicate foliage, some cut herbs, such as this basil, are shipped in protective bags to prevent bruising.

crops. In fact, shipping from the site seems to run very well. A combination of good logistics, good roads and frequent planes out of a major airport mean that shipments arrive at the buyer less than 48 hours after harvest.

It sounds almost too good to be true, but it isn't. I can now say with some authority that from what I've seen Mexico is a great place to produce cuttings. So with one last word of thanks to my hosts, SuperFresh Marketing and Floraplant B.V., for making such a great trip, I'll leave Mexico for now and head off to the next destination. GPN

Bridget White is editorial director of GPN. She

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