Andersons to buy Scotts Pro Turf

By A. Overbeck

MAUMEE, Ohio — In a move that will likely trigger further consolidation within the fertilizer industry, The Andersons, Inc. has signed a letter of intent with The Scotts Co. to acquire Scotts’ U.S. Professional Turf business.

The two companies have agreed to a long-term supply agreement under which Scotts will use its proprietary manufacturing processes to produce products for Andersons. The acquisition includes ProTurf, Contec and other brand names, the distribution network, customer lists and all trademarks.

Dinelli receives Excellence Award

By Mark Leslie

NEW ORLEANS — Ingenuity and initiative in the Dinelli family are long-standing traits, the latest result of which is the presentation of the 2000 Scotts Tradition of Excellence Award to Dan Dinelli of North Shore Country Club in Glenview, Ill.

The Scotts Co. of Marysville, Ohio, presents the annual peer-nominated award to recognize outstanding achievements among superintendents who are “dedicated to advancing the science of course maintenance and making golf the best it can be,” said “What you see when a course opens is a collaborative effort. But I don’t know if I’ve ever looked at a course scorecard and seen the name of the builder. My objective would be to have the builder

NGCOA’s Stine: Continue assn. growth

By Peter Blais

FT. LAUDERDALE, Fla. — In a sign of these consolidation times, William Stine, president of 100-course Meadowbrook Golf Group, was elected president of the National Golf Course Owners Association (NGCOA) during the group’s annual meeting here.

“I’ve been on the [NGCOA] board for the past eight years and was a member before that,” said Stine, who started in the business as a single-course operator. “It’s just in the past few years we’ve become a multi-course operator. I’ve evolved through the business, just as our organization has.”

Stine’s father, Charlie, started

GCSAA: Scott Woodhead takes reins

NEW ORLEANS — Scott Woodhead was elected president of the Golf Course Superintendents Association of America during the recent International Conference and Show held here.

Woodhead, who was appointed to the board in 1993, hails from Valley Meadow Country Club in Kansas City, Mo.

He replaces David Fergus of Blue Hills Country Club in Kansas City, who will continue on the board as immediate past president.

Consolidation hits fertilizer industry

Continued on page 42

REPLENISHING NATURE

Greg Nash-designed Anthem Golf & Country Club shows its colors in Phoenix. Builders replenished the natural vegetation in order to bring back the land to its original state. See p.8.
We built it heavy-duty. But not by the rules.

The ProGator® Utility Vehicle from John Deere.

With the John Deere ProGator, the idea of a heavy-duty utility vehicle just got redefined and redesigned. No other vehicle combines the strength, reliability, and flexibility of the ProGator UV.

You can see the difference just by walking through the operator station. It’s wide open, making it easy to get on and off.

Driving is a different feel as well. A five-speed, synchro-mesh transmission allows for seamless shifting — no more overlapping gears. And the hydrostatic steering provides for precision control and tight turning.

If you have a ton to haul, then this is your vehicle. The ProGator UV weighs in with a hefty 2,650-pound load capacity. Strength also comes in the form of a one-piece axle supporting the rear wheels.

Heavy-duty for any duty. The ProGator UV has the strength and versatility you need, and the performance no other vehicle can top. Call for a demonstration today.

www.deere.com

SUPPLIER BUSINESS

Andersons/Scotts
Continued from page 1

and copyrights associated with the professional turf market. Scott’s seed business is not a part of the transaction.

"With this acquisition, we have a national presence and we are going to build the infrastructure that is necessary to support that," said Richard Anderson, president of Andersons Processing Group.

Anderson declined to reveal specific figures, but said the combined company would have a strong market share in the higher-value N-P-K product lines of granular fertilizers and combination products.

"The compelling reason for us to do this is that much of Scotts product line is blended," said Anderson. "We bring regional production and distribution to the table, so there will be greater logistical efficiency. These combined strengths will increase our ability to respond to the market more quickly and bring a better line of fertilizers to the superintendent."

Citing low margins, production conflicts and distribution difficulties, Scotts has abandoned the professional turf business in favor of the lucrative commercial marketplace.

"The industry structure is such that [the professional business] is not financially viable," said Scott Todd, senior vice president for Scotts professional business group.

There are an excess number of competitors, many of which are willing to compete on price. And you have a customer base, who, because of falling utilization on golf courses, have tighter budgets. Since Scotts products are at the high end of the quality space, people say, 'Hey I'd like to use those products, but at the end of the day, I might have to use something that is a little lower quality.'"

Scotts professional products also come off the same production line as the consumer products, creating an internal competition for resources. Additionally, when Scotts changed to distribution last year, gaps in market coverage emerged that challenged the company’s delivery efficiency.

"Any one of those three reasons has an impact, and when you line up all three of them together it is catastrophic," said Todd.

Andersons, however, remains confident in its market position.

"We now have a dominant position in the premium end of the spectrum. We are consolidating two product lines that cover the waterfront of products, brands and technologies that are needed for the golf and landscape market," said Anderson. "With this, in combination with our regional manufacturers, we will have the ability to compete more on price sensitive products that has been the case in the past."

The Scotts acquisition is an extension of Andersons' continuing growth strategy. Andersons currently has manufacturing facilities in Maumee, Bowling Green, and Pottstown, Pa., and Montgomery, Ala. While the company has worked to expand on the East Coast and in the Southeast in the past six years, it expects that this move will open up opportunities to expand westward.

"We have had a minimal presence on the West Coast and Scotts has had a much larger position out there, so we are looking to them to help guide us on things we need to do out west," said Doug Masters, national sales manager for Andersons.

More immediately, Andersons will be working with Scotts to sort out branding strategies.

"We have the opportunity to offer a complete line of homogeneous and blending products," said Anderson. "We have a lot of work to do with the Scotts team and their marketing people to understand how to take that fundamental concept and create a comprehensive line."

Anderson will also work to integrate the two sales and distribution staffs.

"Golf is relationship-driven," he said. "The people are a valuable part of this transaction."

Sales and distribution will not change for the 2000 season. The non-binding agreement must be approved by the boards of both companies and is expected to be completed by May 31.