Dow AgroSciences sorting out Rohm and Haas acquisition

Company to expand its golf presence

By ANDREW OVERBECK

INDIANAPOLIS — As the consolidation trend in the chemical industry continues to unfold and competition heats up, companies are scrambling for whatever market advantages they can get their hands on. In the case of Dow AgroSciences, it made the move earlier this year to purchase Rohm and Haas because the added product lines boosted its position in fungicides and expanded its presence in the turf and ornamentals market.

“As we looked at our product line, we realized that we've always lacked a strong fungicide line,” said Scott Eicher, Dow AgroSciences' senior product marketing manager for turf and ornamental.

The need to balance its product portfolio, which is strong in both herbicides and insecticides, was made especially clear last summer when the rates and uses of its popular Dursban insecticide was scaled back by the Environmental Protection Agency. According to Eicher, addressing product gaps was important for the company.

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Troon adds to California stable

By DOUG SAUNDERS

BRENTWOOD, Calif. — Shadow Lakes Golf Club has opened for play here continuing the growth of the stable of courses built and operated by Troon Golf Management of Scottsdale, Ariz. The facility is situated in the rolling grasslands of this agricultural community just east of San Francisco in a region that has seen a flurry of golf course construction in the last three years.

The 6,700-yard Gary Roger Baird-designed course plays through a

IRS's depreciation ruling due in November

By ANDREW OVERBECK

ATLANTA — The National Golf Course Owners Association, along with accounting firm KPMG, is continuing to work with the Internal Revenue Service to achieve a favorable outcome in its two-year battle to update tax rules to allow for the depreciation of greens, bunkers and tees.

The issue, which has been fast-tracked as part of the IRS's newly created Industry Issues Resolution (IIR) pilot program, is set to be settled by November.

Besides an initial meeting with the IIR group in June, KPMG partner William Ellis organized a course visit for IRS officials in

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Dow AgroSciences
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if it was going to be an effective competitor going forward. "We want to grow our business and Rohm and Haas appeared to have the best fit because it offered patent-protected chemistry," he said. "This allows us to invest and grow the business."

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Rohm and Haas appeared to have the best fit because it offered patent-protected chemistry, he said. "This allows us to go after the golf course market."

"At this point all the products are staying," he said. "But we need to make sure they fit."

"For example, Dimension is a pre-emergent herbicide for crabgrass control that is unique — it does not stain, has excellent pre-emergent control and has some post-emergent activity on young crabgrass, and can be used on cool- and warm-season grasses. In addition, we will continue to make and sell Team Pro herbicide, which also controls crabgrass, to formulators because it is a traditional, cost-effective, value-priced product. Dimension has a price premium."

A similar situation exists when it comes to Eagle and Rubigan fungicides. "Rohm and Haas' Eagle fungicide is from the same class as Rubigan," Eicher noted. "But Eagle has a stronger reputation as a fungicide for the golf course market. Do these products fit together? That is the question."

Other possible changes involve cutting back the number of product formulations. "With Fore fungicide, we'll carry both the traditional formulation and the one formulated with the new "rainshield" technology," Eicher said. "We need to figure out if that makes sense for our business. We might drop a formulation if it doesn't, or find a channel partner or a formulator that they want to go private label with it."

GOLF IS A PRIORITY

As the product evaluation continues, Eicher and his team are working on making sure customers continue to be served and products continue to be properly and efficiently manufactured.

"We need to make sure that our important distribution channel partners are serviced properly so the end user won't see any change in the quality of service they receive," said Eicher. "We also need to make sure the manufacturing transition goes well. We don't have the history and knowledge that the Rohm and Haas management had so we have to make sure we are making the same quality of product that they were delivering."

To help in these efforts, the company has added three new sales staff and a field research biologist. Distribution channels will also be streamlined this fall, said Eicher.

"Previously, we did not spend many resources on the golf segment," said Eicher. "But now that we have expanded our fungicides line we will be more active in the golf course business."

Dow AgroSciences expanded product line:

INSECTICIDES: Address, Confirm, Conserve SC, Dursban

SOIL FUMIGANT: Curfew

HERBICIDES: Confront, Dimension, Gallery, Goal, Kerb, Lontrel, Snapshot 2.5 TG, Surflan, Team Pro

FUNGICIDES: Dithane, Eagle, Fore, Rubigan, Systhane

IN THE PIPELINE: Dimension Ultra SC, a new micro-encapsulated formulation that offers less volatility and lower rates.

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