Harrell’s merges with Wilbro to become Southeastern powerhouse

By ANDREW OVERBECK

SYLACAUGA, Ala. — Harrell’s Fertilizer, based here, has become a regional force overnight following the completion of its merger with Norwest’s, S.C.-based Wilbro Jan. 1. With the deal, Harrell’s has added coverage in the Carolinas, Virginia, and eastern Tennessee to its existing service area of Florida, Alabama, Mississippi, Louisiana, and western Tennessee.

Harrell’s will be taking over existing Wilbro accounts and will also gain a blending plant and distribution facility in Norw-ay. Jack Harrell, Jr. will be the president and CEO of the new company and former Wilbro president Harvey Williamson will serve as general manager of the Norw-ay operations.

“We’ve been talking for two years about getting together,” said Steve Wilson, director of marketing and communica-tions for Harrell’s. “The two companies are very similar, we both manufacture custom fertilizers and are distributors for TPI’s POLYON product.”

“The business philosophies are also similar,” Wilson continued. “The custom-ers will not see any difference in opera-tions or service. We will bring our small company philosophies to a larger company. We don’t want to forget what has made us successful.”

PROSPECTING FOR CUSTOMERS

With that in mind, Harrell’s will not be cutting many jobs, keeping all Wilbro sales staff and only trimming extraneous accounting and office staff in Norway.

While Wilson said the current economic situation did not drive the decision, he did say the combined company will enjoy economies of scale in regards to purchasing.

“In this business you either shrink or grow,” Wilson continued. “The custom-ers will not see any difference in opera-tions or service. We will bring our small company philosophies to a larger company. We don’t want to forget what has made us successful.”

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Deere’s financial woes to extend into 2002

By ANDREW OVERBECK

MOLINE, Ill. — Deere & Co. reported worldwide net losses of $282.1 million for the fourth quarter and $64 million for the year ended Oct. 31. The company posted a net income of $71.1 million last year. Deere expects losses to extend into the first quarter of 2002 and beyond.

Affecting results for both peri-ods were after-tax charges of $216.6 million caused by early retirement programs, the decision to exit the handheld con-sumers products business and the restruc-turing of certain manufacturing and marketing operations.

“Fourth-quarter results were adversely affected by production cutbacks aimed at driving more efficient asset levels and by continued weakness in our major markets,” said Robert W. Lane, chairman and CEO. For the quarter, net sales of all seg-ments were lower than last year due to production cutbacks, continued softness in the economy and weaker foreign cur-rencies.

Looking forward to 2002, Deere said that its first-quarter net sales will likely fall three to seven percent and that it plans to cut an additional 250 jobs at its headquarters.

In other news, Deere & Co. has sold its Homelite consumer products business to TechTronics Industries Co. of Hong Kong. Under terms of the agree-ment, TechTronics will own the Homelite brand of handheld and power equipment. Deere said it will continue to market its John Deere Pro Series line of handheld equipment for commercial users.

Toro closes two factories

BLOOMINGTON, Minn. — In a continual effort to reduce produc-tion costs and improve asset utiliz-a-tion, Toro Co. has announced the closure of two factories in the last several weeks.

In early December, the company said that it will sell its Riverside, Calif., headquarters and plant and move all manufacturing operations, including golf-related irrigation products, to its facility in El Paso, Texas. Toro will leave its office op-erations in Riverside.

As a result of the plant closure and restructuring, 440 jobs will be eliminated. The move is expected to cost between $6.4 and $6.9 mil-lion in fiscal 2002 and provide an annual savings beginning in 2003 of between $7 and $7.5 million.

In addition, the company will close its Evansville, Ind., plant and shift manufacturing to its Tomah, Wis., and Windom, Minn., plants. The factory produced Toro and Exmark branded grounds mainte-nance and sports turf spraying equipment.

“This allows us to eliminate the 94 employees and result in a cost savings of about $2 to $2.3 million beginning in 2003. Manufacturing will be phased out by June 15 and inventory and equipment transfers will be finished by October,” said Robert Foley, president and CEO. "It is the right decision to keep our manufacturing in the U.S. and focus on our core business of providing quality, innovative turf products to customers. We are also eliminating our manufacturing footprint in Europe, which will save us about $1 million per year in overhead costs, and improving our overall efficiency.

The company is negotiating temporary relief from its lenders and is pursuing the refi-nancing of debt on a longer-term basis. We also expect to benefit from increased sales and the lower urea costs that we have seen in the fourth quarter.”

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Ford rolls out THINK neighbor

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use alternative fuels. The neighbor weighs in at 1,300 pounds, is eight inches wider than an average golf car, and can go up to 25 mph. The vehicle uses a 72-volt power system with six 12-volt batteries and has a range of 30 miles.

It is also available with a sport package that includes: a golf speed setting of 15 mph; ball, tee and scoreboard holders; club washer, sand and seed bottles; and a bag rack. The street-legal golf car will sell for approximately $6,495.

Klein also said that the division will be introducing a utility vehicle model this summer.

MARKET REACTION

The entry of a Big Three automaker to the golf car market has so far been greeted with indifference from existing manufacturers.

"It is not positioned for general applications on golf courses in terms of weight, turf compaction and turning radius," said Club Car’s vice president and business manager Dewey Holland, who used to work for Ford as a marketing manager for its pickup truck line.

Lack of a traditional distribution network will also pose a competitive disadvantage, according to Ron Skenes, marketing communications coordinator for E-Z-GO. "They have name recognition, but distribution is the challenge," he said. "Dealers with showrooms are not how courses purchase golf car fleets."

Ford’s entry into the market, however, may lead golf car manufacturers to get into the neighborhood electric vehicle market.

Norwalk, Wis.-based Columhi Par Car will introduce a product into that niche this year and other car makers implied that they might follow.

"They expand people’s ability to get around, and the electric vehicle is a new way to do it," said Yamaha’s president Bill Szarowicz. "I am glad Ford is doing it because it shows that golf cars are not just for golf anymore."

Biotech controversy

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tested by APHIS, according to Hornan. A tentative timeline for release is in the fall 2003.

TURF SEED, INC.

Bill Rose, president of Turf Seed, Inc. in Hubbard, Ore., would argue that there is no such thing, to date, as a safe control zone for gene flow. "Gene Flow from Transgenic Creeping Bentgrass in the Willamette Valley," that introduced genes in bentgrass can release GM pollen to distances up to and greater than 3,000 feet.

"The APHIS regulations are not safe at all," said Rose. "In our study, all species of grasses that we exposed the transgenic pollen to received it, and they were capable of reproducing and sending the introduced gene on further. We met with APHIS and presented our position to them, but they said we had not been able to demonstrate that the genes were "sterile,"" he said.

Rose pointed to the Aventis’ Starlink fiasco last year when their Bacillus thuringiensis (Bt) corn — approved by the Food and Drug Administration for animal consumption only — prompted public fears of allergens as the product found its way into taco shells.

"Anyone familiar with the Starlink case with Aventis know that it just about broke that company," said Rose. "Aventis not only had to reimburse the farmers that grew the genetically modified corn, but all the farms adjacent to them paying the premium on the product produced.

"I see the dangers with bentgrass being about 10-fold more. Corn is an annual and, of course, bentgrass is a perennial," explained Rose. "When [GM] pollen is received by an agrisist plant, it can just leap frog on to another plant."

An escape of an introduced gene would be difficult to contain in the Willamette Valley, according to Rose. "Our company alone has 500 acres of Poa in production that will have to move elsewhere if it becomes contaminated," he said. "Our study was undertaken to identify how big the problem could be, and it’s huge."

Animals and wind are mentioned as having potentially adverse effects on testing sites.

"The wind in the valley can reach up to 50 miles per hour. Any GM seed, depending on where the wind is blowing, can end up 10 or 15 miles from a testing site," Rose said.

MALE STERILITY

Rose also is president of the biotechnology company HybriGene in Hubbard, Ore. that is working to create a desirable bentgrass as a male sterile plant. "We’re active in producing transgenic bentgrass," said Rose, "but we’ve opted to not proceed with open pollinated research until the seed we produce can not reproduce itself."

"Dr. Albert Kaushik runs our HybriGene lab in Rhode Island where we’re working to create a male sterile bentgrass," Rose continued. "We’ll have product that produces desired turf and is sterile by 2004. Companies currently testing with transgenic perennial grasses should cease until then there’s sterility in the product. Even with greater control zones established, it’s still risky."