New Bayer ES primes fungicide lineup

By ANDREW OVERBECK

MONTVALE, N.J. — Bayer AG’s sale of Aventis CropScience not only created a new number two chemical player in the golf and turf business, but it also brought together two already impressive fungicide lineups. According to Dan Carrothers, head of newly-formed Bayer Environmental Science’s U.S. green industry business, the combined product line boasts a product for virtually any disease any time of year.

“In the short term, we now have one or more products that basically control any disease that a superintendent would face,” said Carrothers. “In addition, we have products that use different modes of action and active ingredients, which is key to [fungicide] resistance. We now can offer Bayleton or Compass for anthracnose, Banol and Allett for pythium and Bayleton and Chipco 26 GT for dollar spot.”

But the depth and breadth of the lineup is not the only benefit. “We will be able to look at the full portfolio in terms of product mixtures and combinations,” Carrothers continued.

“Before, we were competitors so we didn’t even think about it. We will look at new formulations and ready mix innovations.”

Continued on next page

Laser caddie attacks rental market

By ANDREW OVERBECK

GLOUCESTER, Mass. — After spending seven years helping U.K.-based Powakaddy establish itself in the United States, Bill Bouzan has formed a new partnership and plans to develop a rental market for motorized caddies.

Bouzan has teamed up with Australian-based motorized caddie manufacturer Motorized Golf International and is the exclusive distributor for the company in the United States. Motorized Golf International USA (MGI) got started last year and has, to this point, been importing units from Australia and selling primarily to private users. This November MGI will open its own 6,500-square-foot manufacturing facility and warehouse here in Gloucester and will start pushing the motorized caddies for rental use.

“We are rolling out our product program and are talking with golf course owners and management companies to show them how motorized caddies can provide revenue from the walking golfer,” said Bouzan.

According to Bouzan, the estimated size of the motorized caddy market is 15,000 units per year, 99 percent of which are sold for private use. Of the 10,000-plus courses in the United States, four million are golfers in the U.S., four million are lion golfers in the U.S., four million are hard-core walkers. MGI’s rental caddie, the Laser, sells for $799. The self-propelled unit is made of powder-coated steel and is powered by a 31-amp 12-volt battery. It weighs 48 pounds and has wide wheels to prevent turf damage.

Continued on next page

Lesco takes Novex plant over

Cleveland — In its second quarter report, Lesco reported that it will sell two fertilizer factories and liquidate discontinued inventory to trim costs.

While Lesco’s total sales increased 1.4 percent and net income increased 9.6 million from $75.5 million, golf sales and national account sales declined 4.3 percent and 1.5 percent, respectively, during the second quarter.

In order to cut costs, the company will sell its Novex plant in Disputanta, Va., and its blending plant in Stockton, Calif. Lesco plans to source the Novex product from the eventual buyer of the Virginia plant. New Lesco president and CEO Michael DiMino first identified Novex as an under-performing product line this spring (GCN June 2002). Out West, the company will source blended fertilizer from retained Lesco blending facilities or the eventual buyer of the Stockton plant. The expected annual pretax earnings benefit from selling the facilities is approximately $3 million.

“The Novex plant capacity is far greater than we need for our customer demand,” said DiMino. “We are looking for a buyer who can supply Novex to us and then use the remaining capacity in markets that are not competitive with Lesco’s U.S. golf and professional lawn care markets.”

On the product side, Lesco currently manages and carries inventory for over 22,000 stock keeping units (SKUs). The inventory markdown and liquidation will eliminate over 12,000 SKUs.

Continued on next page

Turf Tiger applies material even when wet

The new Turf Tiger features a large 7,500-lb. capacity that topdresses sports turf and golf courses. It can be filled with sand, peat, compost and other bulk materials. The Turf Tiger spreads in a path from eight feet to 12 feet wide, depending on the material. Brush and other spinner attachments are also available. For more information, call 800-311-1323.
Approximately 6,500 of the remaining SKUs are replacement parts for lawn care equipment.

“We have implemented a new product lifecycle program that requires the progressive markdown and liquidation of discontinued SKUs over predetermined timelines. This process will convert these discontinued items to cash as effectively as possible and eliminate the annual carrying costs of discontinued inventory, including taxes, insurance, storage, handling and interest,” said DiMino.

While Lesco planned for the decreased sales in national accounts DiMino is working to change the golf sales results.

“Second quarter golf sales were disappointing and there are no excuses. We are changing the structure of the golf sales team and we expect better results in the coming periods,” he said.

Despite the downturn in golf sales DiMino said Lesco is on track to meet its full-year growth and expects sales growth to increase four percent.