

Toro bullish on golf, bearish on economic outlook for '93

By HAL PHILLIPS

MINNEAPOLIS — President George Bush has pinned his reelection hopes on a steady economic recovery that will pick up speed come 1993. The Toro Company, for one, is not convinced.

After announcing a \$9.9 million loss for the quarter ending July 31, Toro has indicated it plans to close three facilities and merge two others, citing continued softness in sales of its consumer products, increased promotional expenses to improve sluggish retail activity, and added operating costs associated with its irrigation and consumer businesses.

"These actions are necessary to achieve our performance goals for fiscal 1993 and beyond under the assumption that the economy will continue to be sluggish," explained Toro Chairman and CEO Kendrick B. Melrose.

However, according to Assistant Treasurer Stephen Keating, "This really doesn't change at all our commitment to the golf industry. This is basically a reorganization and downsizing to make our consumer business more profitable."

Further, Keating agrees with Melrose's less-than-rosy outlook for 1993. And while golf industry indicators remain at optimistic levels,

the sputtering economy has affected the overall posture of conglomerates like Toro.

"We just don't see a significant turn-around on the economy," Keating explained. "We're looking at a flat year and we're adjusting our sales and expenses accordingly."

"That's what we see on the consumer side. On the golf side, there has been some slackening off with regard to new golf course construction. But we're expecting some growth in 1993. And we will certainly not spend any less on re-

search and development."

The company said it expects a net loss in the quarter of 56 cents per share from the facility closings, plus a net loss from operations in the 65-cent per share range.

Toro officials indicated the company has tentative plans to close its Toro-branded riding products manufacturing plant in South Bend, Ind., and move the operation to existing facilities in Windom, Minn., and Tomah, Wis. A distribution center in Mountain Top, Pa., will also be closed. In addition, the company

said it will integrate a Riverside, Calif., irrigation controller assembly operation into a neighboring irrigation facility.

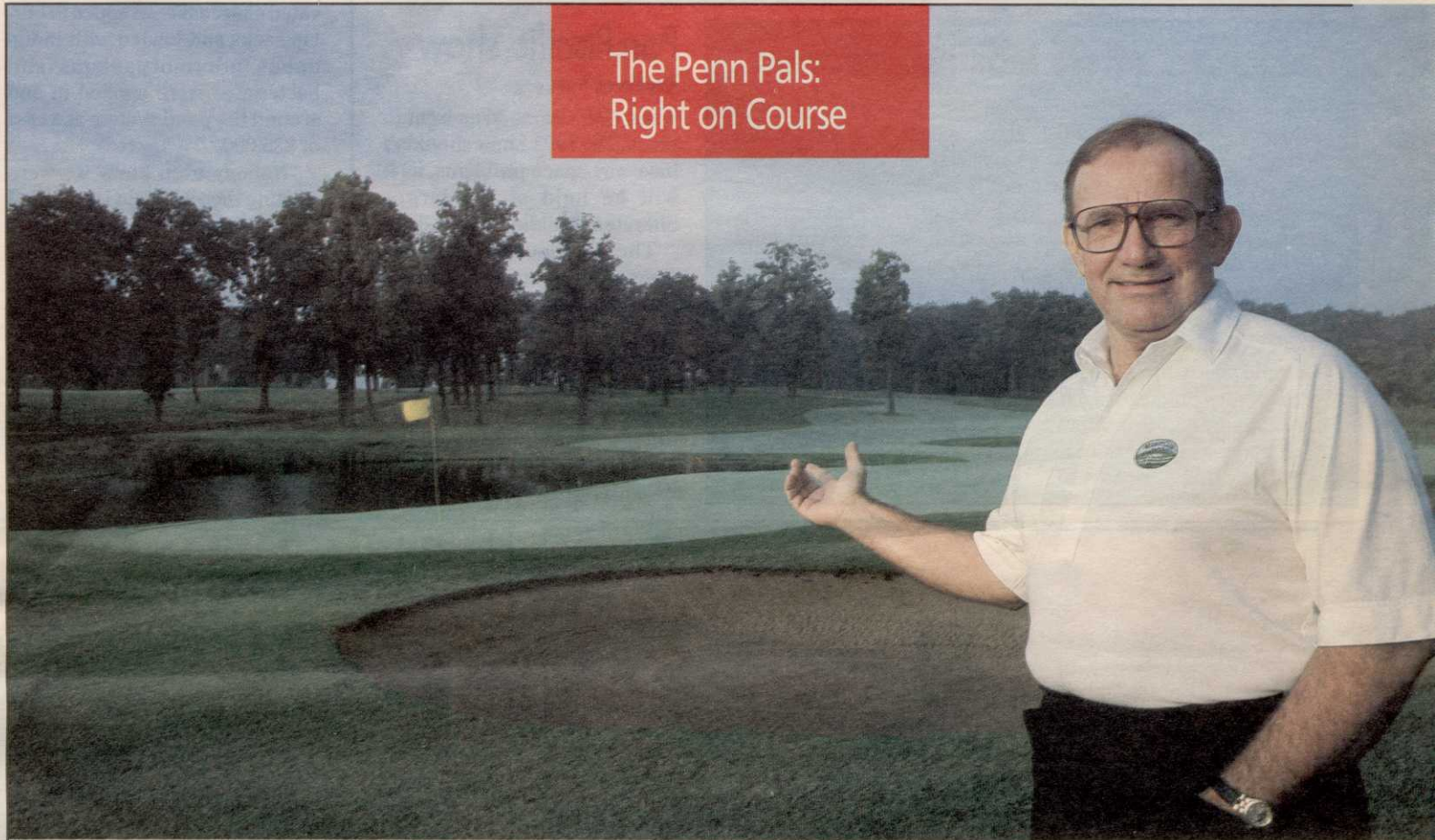
So, as the election season kicks into high gear — and candidates on both sides step up the rhetoric regarding economic cures — Toro is girding for a listless economy in 1993.

"This may actually work to our advantage," said Keating, tongue planted firmly in cheek. "The more people get sick and tired of politics, the more they may play golf."

Hyundai secures Anaheim contract

Hyundai Golf Cars, U.S.A. has been selected to provide golf cars to the two public courses owned by the city of Anaheim, Calif., according to Jim Lester, national manager of sales and marketing for Hyundai. The Anaheim Hills and H.G. "Dad" Miller golf courses will feature 142 Hyundai golf cars, eight converted utility vehicles and four passenger vehicles.

The Penn Pals: Right on Course



Oscar Miles, CGCS, overlooks the 6th hole at the Merit Club, Libertyville, Illinois.

PennLinks Greens. Penneagle Fairways. Penncross Tees. The 'Penn Pals' Are Picture Perfect At The Merit Club.

Superintendent Oscar Miles, with Club President Ed Oldfield's affirmation, specified all the grassing of this Robert M. Lohmann designed club. With a clean canvas and open palette, Oscar began with PennLinks greens, Penneagle fairways and Penncross tees, framing them with bluegrass/fine fescue/wildflower and prairiegrass roughs. You couldn't paint a more attractive picture.

Oscar chose PennLinks greens for its rapid establishment, marvelous root system, a crown and stolons that take topdressing, upright, grainless qualities and good, consistent color ... the best putting surface available.

He selected Penncross for tees because they recover from divot scars more quickly.

And the Penneagle fairways? Oscar chose Penneagle for its upright growth, reduced thatch development, low nitrogen requirement and good drought and dollar spot resistance. He seeded at 80 lbs. per acre for immediate turf development and

erosion control. The fairways were playable in 8 weeks. Oscar's crew usually mows fairways in the evening and leaves the clippings; recycling nutrients while reducing removal and fertilizer costs.

Oscar articulates it best: "The unique coloring of the 'Penn Pals' contrasts beautifully with the grassing around them, defining the target areas. And with the dew on the bents early in the morning, they're a marvelous work of art."

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Oscar L. Miles

RISE legislation

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cide, Fungicide and Rodenticide Act (FIFRA) also moved ahead in 1992. The Rose Bill — named for committee chairman Rep. Charlie Rose (D-N.C.) — has garnered 100 co-sponsors in the House and Senate, each of which will vote on a separate, but similar packages.

"FIFRA is being considered for amendment this year," James explained. "Our specific language on pre-emption is now part of the FIFRA amendment language. The House measure has already been amended and sent to committee."

However, James will have some bad news to report.

"Neither bill is probably going to advance this year," he said. "We'll most likely have to wait until 1993. There is simply too much legislation that is considered more important at this time."

One important thing to remember: This is an election year.

"The only legislation that moves along in an election year is stuff that makes on party look good; or something that makes the other party look bad," James opined.

Waiting for 1993 simply doesn't help the RISE effort on Capital Hill, said James. Election year politics have muffled any legislative momentum the Rose Bill may have generated and, more important, the delay gives opponents time to rally.

"We have to assume that the opposition at the state and federal level will get stronger," said James. "We anticipate a harder struggle next year, but we fully intend to see it through."