

Off The Fringe

NEWS WITH A HOOK

Business briefs

Arysta N.A. buys Micro Flo, a subsidiary of BASF

Arysta LifeScience North America Corp. acquired the major assets of Micro Flo Co. LLC, a wholly owned subsidiary of BASF Corp.

The acquisition broadens the scope of Arysta LifeScience's North American sales operations and creates a strategic position in the U.S. crop protection segment.

"With this acquisition, Arysta LifeScience gains a solid range of products, a proven U.S. distribution network and a capable and experienced sales force with excellent customer relationships," said Dr. Christopher Richards, Arysta LifeScience president and CEO.

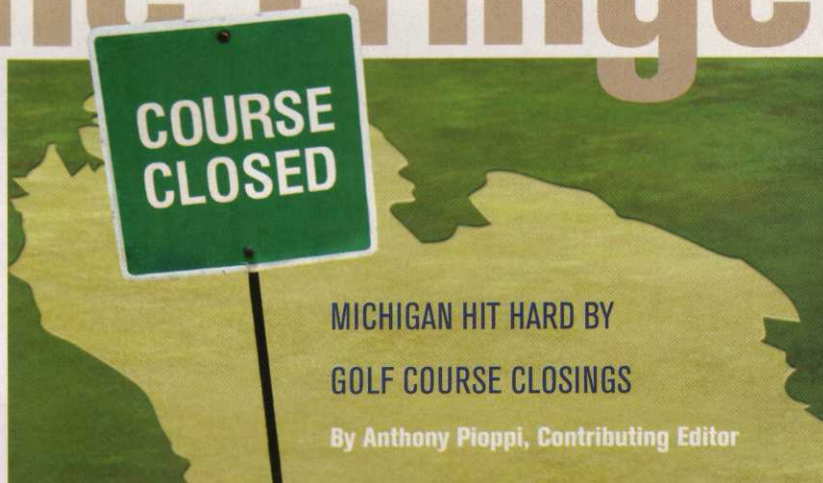
"Micro Flo is highly regarded for its portfolio of products and its customer service focus. Adding Micro Flo's operations to our existing presence in North America will give Arysta LifeScience a substantially stronger platform for future growth in the region."

Closing of the transaction is expected by the end of the first quarter this year, pending customary regulatory approvals. Both companies agreed not to disclose financial details of the transaction.

Micro Flo, with headquarters in Memphis, Tenn., and a formulation site in Sparks, Ga., is a manufacturer and distributor of off-patent crop protection chemicals and offers a variety of manufacturing and distribution services. This includes wholesale distributorships for fungicides, herbicides, insecticides and plant growth-regulating agents. Micro Flo has relationships with the major U.S.-based agricultural distribution networks.

Under the agreement, Arysta LifeScience will acquire the commercial business of Micro Flo, including a portfolio of active ingredients

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MICHIGAN HIT HARD BY GOLF COURSE CLOSINGS

By Anthony Pioppi, Contributing Editor

Ceasing Operation

Only a few years ago Michigan was the darling of golf course construction. How times have changed. This year the Wolverine state will see more golf courses bulldozed under than built. There were slightly more than 850 golf courses in Michigan at the beginning of 2006. There will be many less at the end of the year.

Michigan, like the Myrtle Beach area before it, is undergoing a market correction, which means golf course closings. While some are being eradicated and others are on death's door, only one course will be built in 2006.

Golf course openings are down across the country. The National Golf Foundation said 124.5 courses (in 18-hole equivalents) opened in 2005 compared with 150.5 in 2004. In the record year of 2000, 398.5 courses opened.

Jerry Matthews is by far the most prolific architect in Michigan's history, having his hand in more than 100 designs, including some with his father Bruce Matthews, with whom he began designing in 1959. He said he foresaw the golf boom ending in his home state but not like this.

"I felt it would slow down. It ended abruptly," the 72-year-old Matthews said.

Included in the growing list of courses that no longer exist is the Wolverine Golf Course, the first layout Matthews designed with his father. He said he was stunned and saddened when he drove up expecting to see golf holes and instead found homes.

"You have a lot of memories tied up in what you do," Matthews said.

He and partner Gary Chapman have no new courses on the drawing board, although they are in talks that could lead to designs. Their work is coming from renovations.

Matthews said he and Chapman have come up with six reasons for the dire conditions of the golf market:

- The state, especially in the southeast region, is overbuilt.
- The economy is down, more than that of other

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states because of its reliance on the battered automotive industry.

- Skyrocketing land prices have led many owners to sell courses to real estate developers.

- Many courses were built without good marketing strategies and in poor locations.

- The burgeoning casino industry has hurt the golf industry.

- The changes in people's recreation habits.

According to Matthews, the last factor is often overlooked. He said individuals and families have more options than in past years for recreation. Now people participate in activities that weren't available when many of the public courses were built.

Matthews is not optimistic, but his attitude is countered by another Michigan architect, Ray Hearn, who estimates that 75 percent of all closings are actually because of sales to developers. He said he is in talks with two separate owners who, if they sell their courses to homebuilders, intend to immediately find land and build new courses. Both current layouts could sell in the \$20 million range.

Hearn does concede that courses built without adequate research are shutting down as well; some have been in business less than 15 years. He said owners often built on a whim, sometimes just for the novelty of owning a course. Many of those owners are finding themselves in tough times.

"Those days are gone. Now it's a very business-savvy industry," Hearn said.

There are those who say government is to blame for the downturn, including Kate Moore, the executive director of the Michigan Golf Course Owners Association (MGCOA). She said municipalities have built courses with unfair advantages and forced out owners in the process.

"Government-owned golf courses have impacted private-sector-owned golf courses," she said.

In Michigan, as one example, because municipal courses do not have to pay sales tax on equipment purchases, they have fewer operating expenses than the competition.

She does concede that Michigan is overbuilt. Between 1998 and 2003 about 150 public courses were opened. "The fact is there are too many golf courses in Michigan," she said.

Moore said many golf course owners think some municipalities have gone too far in their attempts to attract more customers who would be taken from privately owned facilities since golf participation in the state is stagnant. For instance, the city of Lansing granted a liquor license to one of its courses so it could entice outings.

"Municipal golf is a place for young people to learn the game," she said. "Its purpose is not to make money."

Mike LaFaive, director of fiscal policy for the Mackinac

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Center for Public Policy, a conservative research institute, sided with the MGCOA. He said many municipalities are forcing taxpayers to carry the burden of courses losing money.

A July 31, 2005, article in the Lansing State Journal newspaper said the four courses owned by the city of Lansing lost an average of \$641,500 from 2000 to 2004, with a projected deficit of \$475,000 in 2005.

LaFaive said golf is not the only area from which governments should stop playing a role. He does not understand why municipalities should build and maintain parks or tennis courts.

To many superintendents, it doesn't matter whether a government is in the business of providing recreation. They have more important concerns, such as finding jobs.

At Traverse City Golf and Country Club, superintendent Steve Hammon said he realized the state of affairs when he posted an opening for an assistant superintendent and six of the first 20 applicants had head superintendent experience.

Hammon said another sign of the tough times for the industry occurred when his course decided to purchase a new irrigation system. More than one irrigation installer he spoke with told him that it was the only course they had bid on in 2005.

Hammon said his private club is doing well, but others are not. He said some private courses have waived initiation fees in an attempt to attract new members.

Quotable

"We're going to lose our ash."

— Dave Shetlar, professor of entomology at The Ohio State University, on the threat posed by the Emerald Ash Borer, an exotic beetle that's killing ash trees in Michigan, Indiana and Ohio.

"America is the only country in which the average amateur game cannot be played in four hours or less, but no one wants to address this unspoken gripe."

— W. Eric Laing, author of *"America! What Have You Done to the Auld Game?"* and self-proclaimed grumpy old Scotsman.