

BUILT *to* LAST

Mercer Botanicals' long-standing reputation for growing high-quality tropical foliage plants and developing lasting relationships has allowed the company to continually evolve and meet the needs of a changing market.

BY TIM HODSON

Central Florida is known as the “Tropical Foliage Capital of the World.” Just drive up Highway 441 from Orlando and travel through towns like Apopka, Mt. Dora and Zellwood and you can't miss seeing greenhouses of all shapes and sizes growing all shapes and sizes of tropical plants.

Mercer Botanicals Inc. (MBI) in Zellwood has more than a few of those said greenhouses. For nearly a quarter of a century, the tropical foliage grower has continually grown its business while growing high-quality plants for its customers.

Big Grower recently had the opportunity to visit with Wayne Mercer who, along with his wife Chris, co-owns Mercer Botanicals to find out what his company has done and is doing to be successful in today's ever-changing marketplace.

MAKING THE MOVE

Mercer Botanicals Inc. began operating in central Florida in 1991 when Wayne and Chris took over the business that Wayne's second cousin, Gene Batson and his wife, Barb, had purchased in 1987. The Batsons bought the 3-acre Emanuel Gardens in Zellwood from Farm Credit Services.

At the time, the property needed a lot of work. So Gene invited Wayne, who had been a residential homebuilder in Michigan, to come to Florida to work for him putting up greenhouses and repairing existing ones.

After about a month, Wayne discovered how much he liked working for Gene, being a part of the plant business as well as the Florida weather. So he called his wife in Michigan and told her, “Honey, we're moving to Florida.”

MERCER BOTANICALS INC. AT A GLANCE

LOCATION: Zellwood, Fla.

OWNERS: Wayne and Chris Mercer

SPECIALTY: Wholesale grower of tropical plants for garden centers, florists, dish garden manufacturers, retail outlets, foliage brokers. Also does contract growing for other growers.

GROWING AREA: Approximately 1 million square feet

NUMBER OF EMPLOYEES: 40

“Chris was stunned but not shocked by the phone call,” Mercer recalls.

Relocating to the Sunshine State from Michigan was a big change for the Mercers — and it wasn’t just the weather. Prior to going to work for Batson, Wayne had always been his own boss building houses and Chris was a dental hygienist. Neither one of them had any experience in the horticulture business.

“I could hardly pronounce dieffenbachia, but Gene was there to mentor and guide me,” Mercer says.

He spent the first three years doing mostly construction and maintenance for Gene on the property before he started to really learn how to be a grower. Chris started out clipping and poking (cutting and sticking) ‘White Butterfly’ syngonium alongside Barb.

From the production side to the different aspects of the business, Wayne says Gene and Barb provided them with a three-year crash course in the tropical plant industry.

Wayne called the crash course a “baptism by fire.” However, he is forever grateful to Gene for his tutelage and compassion in helping get Mercer Botanicals off the ground.

TAKING CARE OF BUSINESS

Today, those 3 acres that Mercer Botanicals started on have grown to more than 50 acres of contiguous property that have been purchased over the years. Only 30,000 square feet of the original structures still exists as part of the company’s current 1 million square feet of production space.

MBI serves customers throughout the United States and Canada growing more than 3 million plants produced annually.

Mercer Botanicals employs 40 people on a year-round basis. Wayne spends most of his time cultivating his staff and improving operational procedures while Chris Mercer spends 70 percent of her time selling MBI tropical plants and addressing customer needs.

Wayne is really enthusiastic when he talks about his employees. Courtney Boyd is the lead grower who supervises a six-person growing staff that includes Liberio Lora, assistant lead grower. Cruz Barajas manages the staff that is needed to meet production numbers and to pull customer orders in a timely manner. Barajas’s right-hand man is Jorge Torres. “He does not have the word ‘no’ in his vocabulary,” Mercer says.



Mercer Botanicals has 1 million square feet of production area and grows approximately 3 million tropical foliage plants per year.

Mercer considers MBI to be a “small big grower” that knows how to adapt to change. “Our 1 million square feet of production allows us the flexibility to develop our customer base. We are large enough to be an asset to a mega grower serving the box stores while small enough to service one-man operations that sell to small garden centers and florist shops in the Southeast,” Mercer says.

IT'S ALL ABOUT RELATIONSHIPS

MBI does not use the “traditional” sales and marketing staff to go out and pound the pavement looking for new customers like many other growers do.

“We are blessed to produce quality plants that people want to buy and people contact us when they want to buy them,” Mercer says. He knows his sales force is non-traditional, “but it is right for the pace that we have grown at over the years, which is about an acre-and-a-half of production a year for every year that we have been in business. It has been very manageable growth for us.”

MBI's customers want consistency in plant quality and availability of plants. Mercer says to meet those expectations requires a coordinated effort of all MBI employees — a point he repeatedly emphasizes.

Wayne says Chris — as the company's entire sales staff — “takes our motto of

“THE RELATIONSHIPS
WE HAVE ESTABLISHED
WITH OUR CUSTOMERS,
SUPPLIERS AND
EMPLOYEES DRIVE ME.”

-WAYNE MERCER

GROWING THE NEXT GENERATION



Max Mercer in the University of Florida greenhouses

Wayne and Chris Mercer have no plans to retire in the very near future. But when that day comes, they have a good idea what may happen to Mercer Botanicals.

It is very possible that Maxwell Mercer may be the person telling Wayne and Chris what do in the greenhouse even before they retire.

Max is the youngest of the Mercer's three children. Currently, he is a junior at the University of Florida working on a degree in horticulture. Max also is the president of the Environmental Horticulture Club and a member of the university's agriculture fraternity.

Max has grown up with Mercer Botanicals. When he was a toddler, Chris would bring him to work with her every day and he would play in the greenhouses. As Max got older, he started working with the plants that were on the benches that he crawled under as a child.

“Every parent wants what is best for their children,” Wayne says. So if

Max decides he wants to enter the family business, Wayne and Chris have created “the opportunity for Max, if he desires, to step into an established business that has been built with a long-term vision.”

Max is looking forward to the day that he officially enters the industry. As a student at UF, he is learning about all aspects of plants and the business, not just tropicals. “Right now I am learning what makes plants tick,” Max says.

He said he really appreciates learning about the different strategies that it takes to grow different types of crops. He has grown up around tropical plants, “but who's to say that we can't expand [into other types of plants] in the future?”

And the Mercers are realists. They are not forcing Max into the business and Wayne hasn't sugar coated the profession for his son either. “I told Max from the very beginning, ‘Son, this is not a job, it is a lifestyle!’”

‘Worry Free Buying’ personally and our customers are very aware of that.”

He jokes, “If something in the system breaks down, Chris has a special chain she can shake with vigor at me!” As childhood sweethearts and after 35 years of marriage, Wayne says he makes every effort

to minimize those unfavorable days.

But Mercer says no matter what type of products MBI grows, the success of his business is all about relationships. “We have relationships with most of our customers that go back 10 to 15 years or even longer. The relationships we have established with

our customers, suppliers and employees drive me. I thoroughly enjoy the interactions and can’t imagine life without them.”

“Our ideal customer shares the same business philosophy of serving people as we do. They expect us, as a grower, to provide quality tropical plants measured by fullness, size, color and pest-free,” he states. “That customer understands trucking costs to California or Canada are the same for a 6-inch lowest-cost grower’s products versus our upgraded tropical plants. Our customers have a better sell-through with our products compared to lowest-cost producer’s plants. The key here is consistency, shipment after shipment, year after year. There is a market for both products.”

Even with his long-term relationships, Mercer says his customer base has continually evolved over the years. “We use to provide plants to the dish garden industry — a lot of liners and small pot material. Although this market is still a player, we now sell 25 percent more 6-inch and 8-inch plants to an expanding garden center base. We also contract grow for a mega grower who is known for above-industry standards in quality and service. Their goal is to wow their customers and we are grateful for our small role to help meet that goal.”

MEETING (AND BEATING) CHALLENGES

Mercer recognizes that the industry has changed quite a bit since he got into it back in the early ‘90s. There are challenges today that didn’t exist back then.

He said this last recession has definitely made an impact on growers. “Our entire industry is challenged to bring dollars to the bottom line. Fifteen years ago, we were using profits to build and expand. The payback was 36 months. Now that payback is 10 to 15 years. With the cost of entry so steep to get into our industry, we remain very positive for the future with our property size, newer structures and business longevity.”

And because of the economic downturn, Mercer says for the first time in 20 years he is not currently building additional square footage of production greenhouses. Instead he is leasing an additional 100,000 square feet in nearby Apopka to meet his customer’s needs.

“Sadly, we have watched some of our colleagues close their doors over the past four years. Other growers, including us, have eliminated wasteful business practices that impact the bottom line. We are constantly changing how we operate every aspect of the company,” he says.

“We are always trying to get better at evaluating the products that we grow, the products that will produce the most revenue and finding the right balance of how much product to carry and when to carry it.”

As a Florida grower there is another big challenge MBI faces — water conservation.



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CONTINUING EDUCATION

After Wayne Mercer graduated from high school, and after two years at a community college, "I decided I was way too smart for college so I started my own construction company."

He was always learning on the job, but about 10 years ago, Mercer said his company "kind of hit the proverbial ceiling when our revenues and profits kind of stagnated."

One of Mercer's friends got him to join an executive coaching and peer advisory group to learn more about different aspects of business and to supplement his community college education and "master's degree in the school of hard knocks."

"It was kind of like getting an MBA," he says.

One of the many speakers over the six years that the group hired was Tom Hill who has formed the Tom Hill Institute (www.tomhillinstitute.com).

Hill is a former educator who left the teaching profession and successfully pursued an entrepreneurial (and very successful) career in real estate franchise sales. Hill sold his company and now spends his time and energy giving back what he learned in becoming what he is today.

Mercer says that his continuing education through the Tom Hill Institute provides him with "a wealth of growth leadership information to assist business regardless of what level they currently operate."

He says the upcoming mandates in Florida could crush some companies. MBI has been on board with Florida's Best Management Practices since its inception. "Our irrigation systems use controlled micro-irrigation heads which limit flow. We know this will not be enough, so we are developing a strategy for rainwater collection and water purification. It will take 15 years to fully implement. Water conservation is not going away in Florida and it seems the farmer is always holding the short end of the stick."

Mercer also plans to continue to make additional operational changes, become more proficient with biological controls, strive for water independence and utilize affordable automation.

DULY DILIGENT

So what's next for Mercer Botanicals?

"Like many other growers, we have our heels dug in and are waiting for signs of the next business-friendly cycle. But we definitely are not stagnant. We continue to improve and consolidate operations to be efficient in serving our customers," Mercer explains.

"We must remain diligent. The industry is not headed for extinction. It is just reorganizing how we operate and consolidating to be more efficient in serving the customer at the price point currently being paid for our plants." ■

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