

## Bell's Grower Network: Incredible Results

It all started when we ran an In Brief item in the January 1999 *GrowerTalks* about a state-of-the-art greenhouse built by the state of Maryland and the University of Maryland Eastern Shore that was available to a "strategic partner." Gary Mangum, co-owner of Bell Nursery with partner Mike McCarthy, called to tell us Bell was already taking a look at the facility, with the hopes of creating a network of growers to supply him with product—much like poultry giants Perdue and Tyson have done with mom and pop poultry farmers.

Less than four years later, Bell's "Associate Grower Network" has 21 owner/operators who grew \$5.9 million worth of bedding plants in 13 acres of greenhouse this spring. Bell's sales grew by 40% as a result. Bell anticipates adding up to four acres a year. Talk about a success story!

We wrote about the network in September 2001 ("Flower Farmers," page 32). We wanted to follow up and see how business is going for one of these farmers-turned-growers.

Rusty and Brenda Biddle mortgaged their 18-acre farm to join the network in 2000. Brenda (who was cleaning leaves on poinsettias when we called) says it was a risk, but so far Bell's repayment analysis has been right on track. They've been able to make payments on their roughly \$300,000 investment, plus expand the business. Each grower arranges his own financing through Farm Credit or another lender.

The Biddles added a loading dock and a second ½ acre of greenhouse this spring, and a ½ acre of ECHO hanging basket system, which gave them an extra 8,000 pots to sell to Bell on top of their original contract for two turns of spring bedding. They're also growing 7,200 10-in. poinsettias—more gravy that Brenda says will help them pay off their investment that much sooner. But so far everything has gone back into the business.

As the Network has expanded, so have Bell's operating costs. Mike and Gary have implemented a contract initiation fee and a small annual fee for all new network members to cover some of the infrastructure and marketing costs. He explains that for each grower they



Rusty and Brenda Biddle (with daughter Aubrey), discuss marigolds with Gary Mangum (right). Since the photo was taken, the Biddles have doubled the size of their operation.

add, Bell has to buy 200 carts. Plus, Bell spent more than \$1 million on their merchandising program in 2002 and anticipate that growing to \$1.5 million for 2003. But according to Gary, the Network has allowed Bell to keep up with customer demand without going into debt for new construction. Instead, they've invested in equipment and process improvements, shipping and display carts, and people—"what we believe are some of the very best people in the industry," Gary says. He adds that as the Network has expanded, product quality has actually *improved*, because of the dedication of the Network members.

In Maryland, economic development consultant JOK Walsh is thrilled with the results thus far, as are representatives of Cooperative Extension from the University of Maryland Eastern Shore who developed the network concept and continue to work with Bell on the program. According to a senior Farm Credit representative, "The Bell project has greater potential for Maryland agriculture than any program we've ever participated with."

—Chris Beytes

## Gary Mangum on Bell's Big Mums

At Bell Nursery, a cooperative working relationship with the retail buyers with whom we work allows us to be innovative and offer products not typically available in a "big box" environment. Here, Home Depot District Manager Sean Sites (left) and Live Goods Merchant Vinny Naab are pictured with one of Bell Nursery's 13 in. "Super-size" garden mums. We've produced this item for the last seven years, and it's just a small part of a fall program that helps set Home Depot apart in the marketplace.

Home Depot and Bell have expanded the market for this item by more than 30% each year. Bell growers are able to exceed the retailers' required finish size, and provide the end consumer with a plant that ensures that our self imposed "WOW" test is met. Consumers love the look, and take them away by the carload.

And yes, with proper pricing at wholesale and a retail price of \$19.98, we're both earning a good return on our investment.

—Gary Mangum, co-owner, Bell Nursery, Burtonsville, Maryland

Wow is right! Bell's Super-size garden mum fetches a retail price of \$19.98 at Home Depot. Who says there's no money in garden mums?



Gary Mangum



Here, network growers are seen with early spring production as well as the newest crop being offered, Poinsettias.

Bell associate growers have several things in common. All take extraordinary pride in what they do. They are hard working owner operators who were each willing to make an investment in their future based upon their return on investment.



Bell's head grower **Tom Wheeler** and his team are responsible for weekly oversight and hands on training in all the network greenhouses.



For additional information Contact Gary Mangum at 301-421-1500