



Welcome to South Central Growers!



Company Introduction & Overview:

- South Central Growers was founded in 1979 and purchased by Willem Van Der Hengst in 1990.
- At that time, the facility consisted of 3 acres of climate-controlled greenhouses.
- Today, Willem's sons Alex, Ron, and Tim own and operate the facility.
- A second-generation family business, South Central Growers now utilizes over 40 acres of production space and an intricate network of contract growing partners around the country.
- In a typical year, we will produce over 9 million individual plants including annuals, bedding plants, hanging baskets and patio ready containers as well as hardy mums and poinsettias.



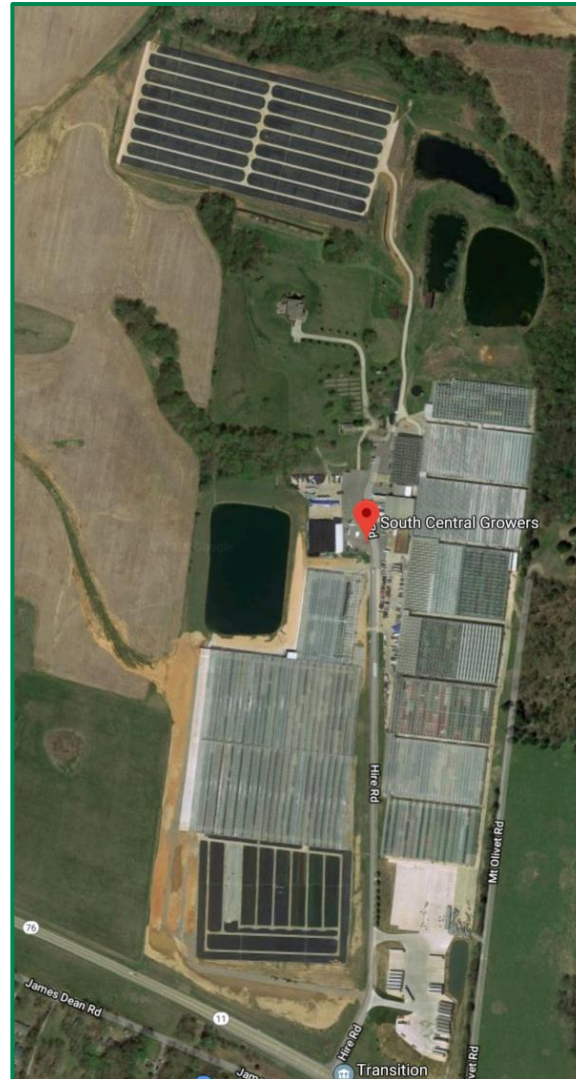
Alex, Ron, & Tim Van Der Hengst

[The SCG Video](#)
[youtube.com](#)

Current Facilities

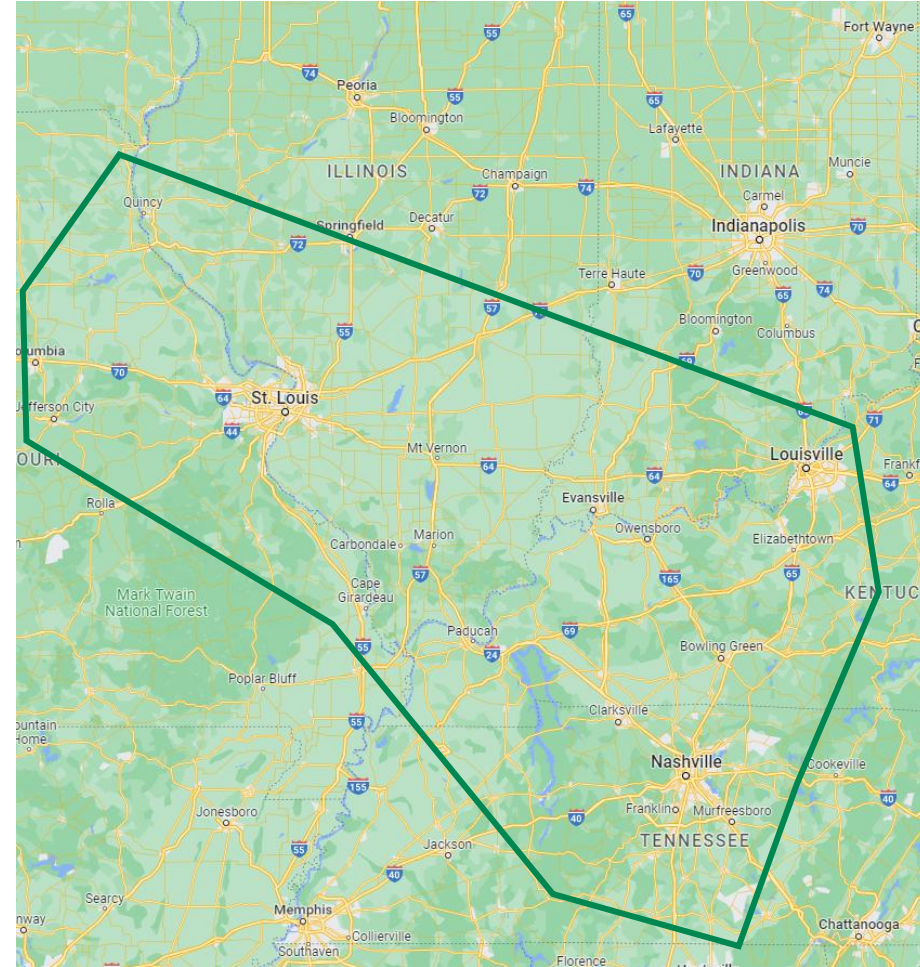
Springfield, TN Facility:

- 23 acres indoor production
- 17 acres outdoor production



Current Facilities

- From our Springfield, TN location, we ship to 85 Lowe's Home Improvement stores across 7 states
- Our major markets include Nashville, Louisville, and St. Louis
- In addition, we also ship to 40 Sam's Club locations across Tennessee, Mississippi, and Alabama
- Our sister facility, Pleasant Valley Farms in Van Buren, AR services 37 Lowe's stores in R5 & R12
- We supplement our production using a network of trusted contract growers to improve seasonal availability, mitigate risk of crop failure, and provide additional flexibility throughout the year





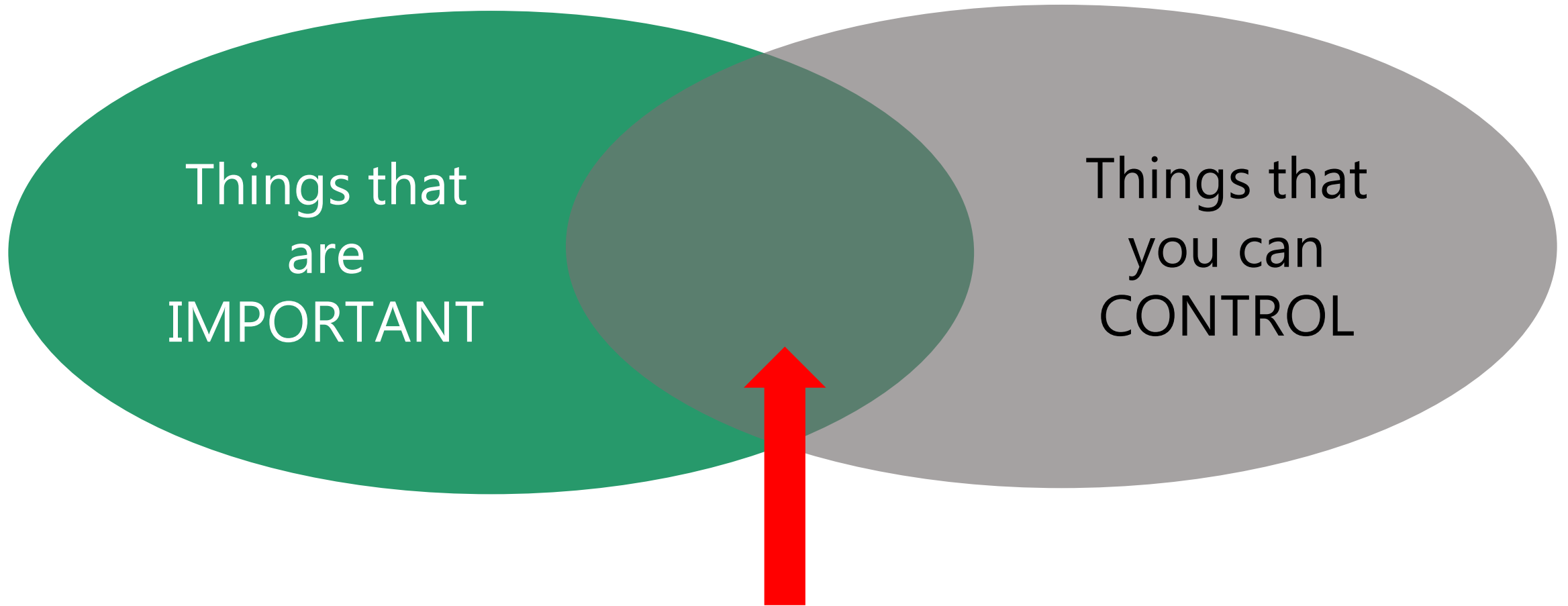
Increasing Costs



Economic Uncertainty



Margin Compression



80+% of your emotional and mental
energy should be spent here

Potential Savings (Low-High)

High Savings Low Control	High Savings High Control
Low Savings Low Control	Low Savings High Control

Ability to Control (Low-High)

- Each idea or project should be analyzed and categorized within the matrix
- Capabilities audit must accompany decision making discussions
- SMART goal setting to measure progress/success
- Post-mortem analysis for continual improvement in project identification processes

Automation/
Equipment

Packaging/Shipping
& Logistics

Project
Categories

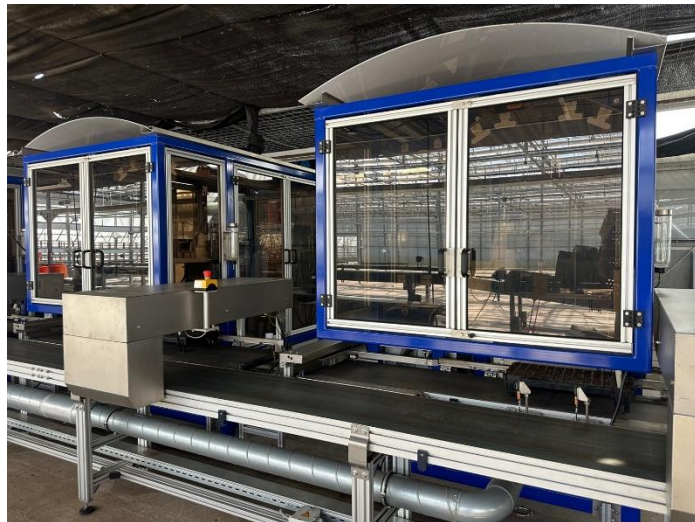
Process
Improvements

SKU and Customer
Rationalization

Automation/
Equipment

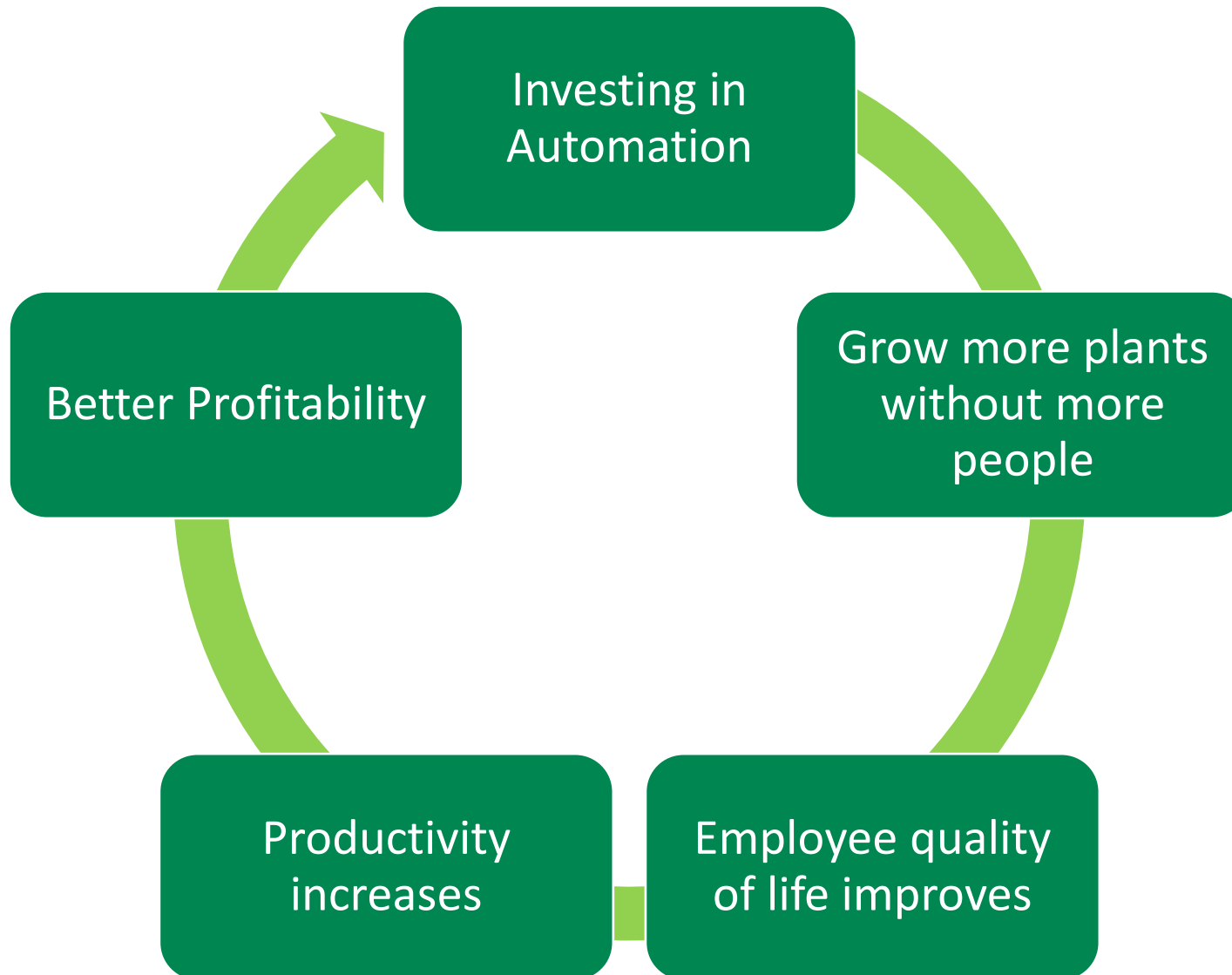
Project
Categories

Automation/Equipment:



- Two TTA transplanter machines – 800 revolutions/hour
 - 36 gripper – 28,800 cuttings/hour
 - 48 gripper – 38,400 cuttings/hour
- Vacuum drum seeder - ~150,000 seeds/hour
- TTA FlexSorter – removes need for hand grading/flat fixing
- ISO transplanter robots – 2,700 cuttings/hour/robot

Automation/Equipment:



Packaging/Shipping
& Logistics

Project
Categories

Packaging/Shipping & Logistics:

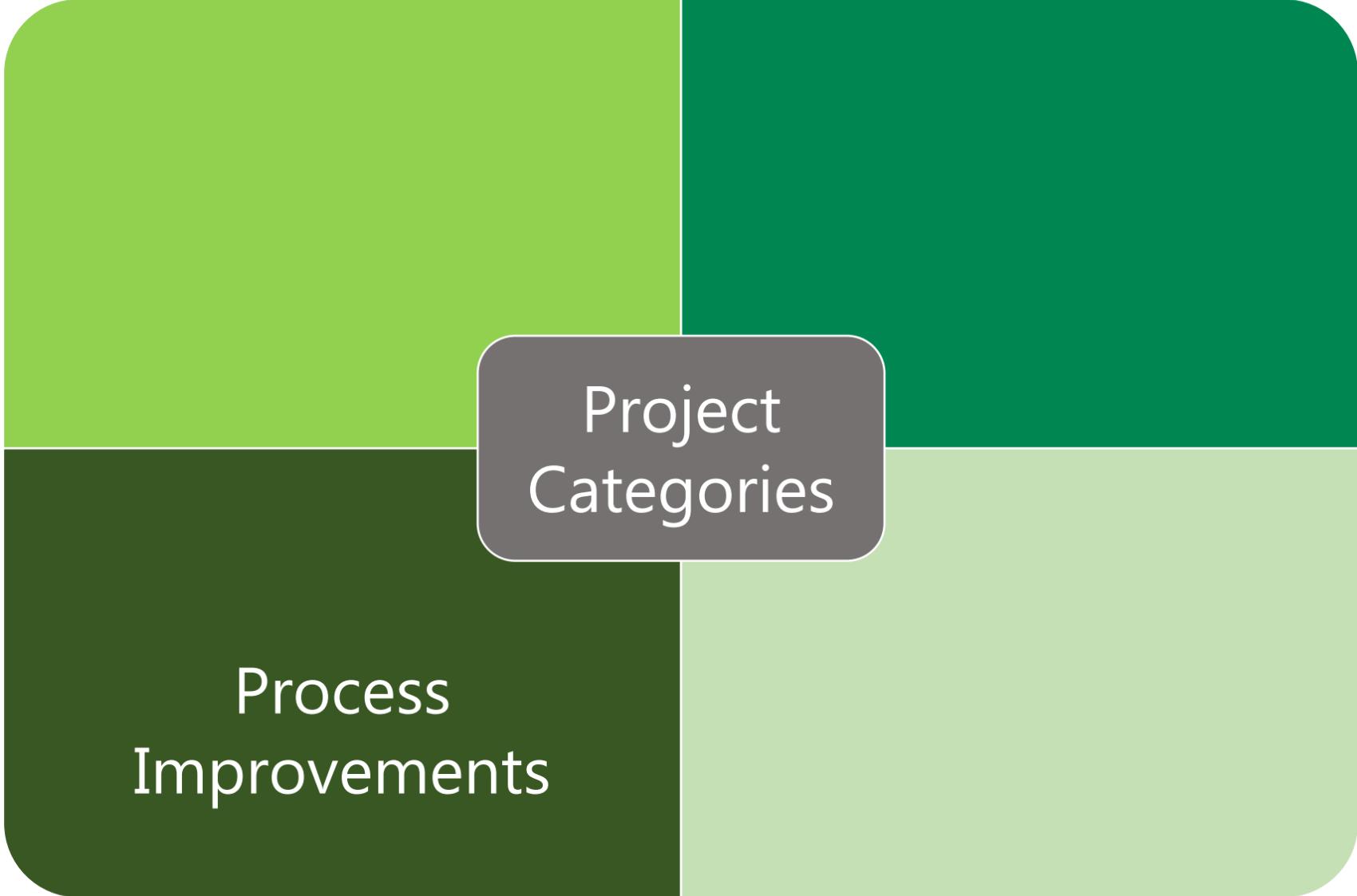


- In 2019, we replaced our entire fleet of rolling racks
- We moved from a 22"x57" footprint to a 31"x44" footprint
- The new rack shelves increased shelf area by 8.8%, but in many cases, holding capacity increased by substantially more
- Example – Boston Fern Hanging baskets went from 48 units per cart to 64 units per cart
 - In 2025, we shipped 194,634 Ferns on 3,041 carts
 - Our old cart would have required 4,055 carts
 - This saved us 1,014 carts (just over 24 fewer truckloads)

Packaging/Shipping & Logistics:



- In 2025, we moved our q1.0 and q2.5 production into the Stadium pot from East Jordan plastics
- On average, stadium pots allow for 19% more production units in the same greenhouse footprint
- Our cart utilization increased as well, in some cases up to 50%
- Example: Lowes q2.5 Monrovia moving to q2.0 Stadium pot
 - Previously, 40 3-count flats per cart (120 units per cart)
 - Now, 30 6-count flats per cart (180 units per cart)
 - ~38k flats shipped this year (228k units)
 - Pot changed reduced 633 carts or roughly 15 truckloads



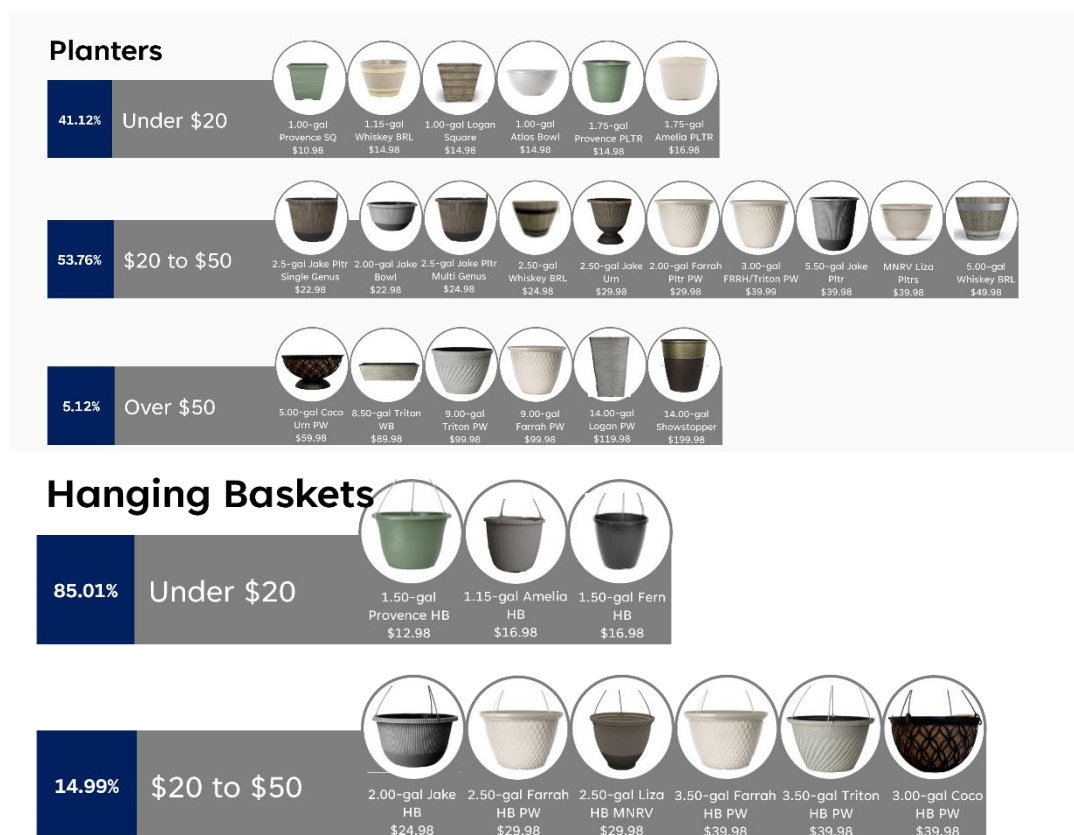
Project
Categories

Process
Improvements

Process Improvements:



Process Improvements:

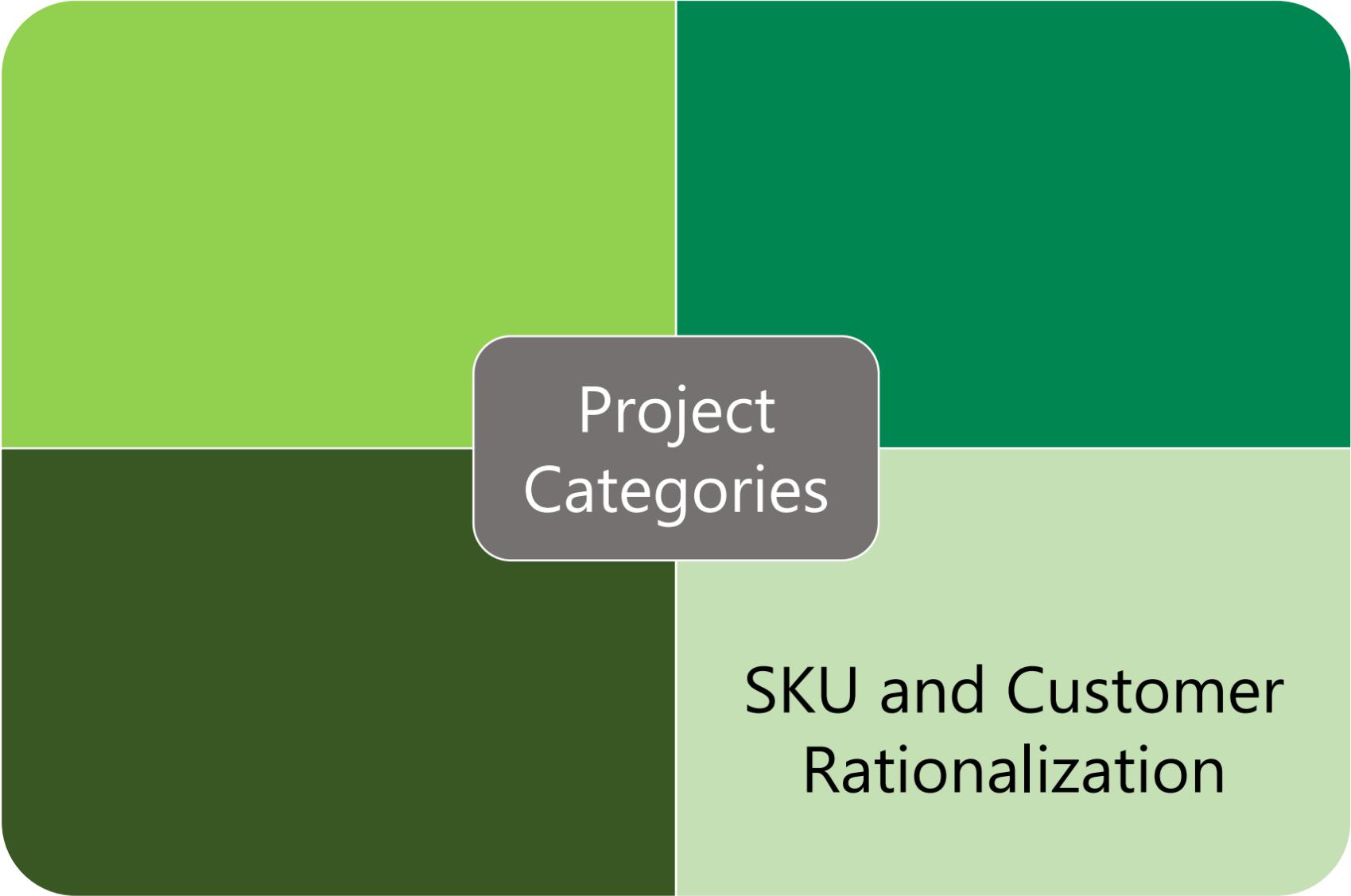


- Lowe's lineup of decorative plastic has ballooned in recent years
- The bulk of these planters and baskets are manufactured in China
- The potential for obsolete inventory bloat, carrying cost increases, and waste is substantial
- We adjusted our forecast process to match the pallet counts of the plastic to mitigate financial impact of these factors

Process Improvements:



- Custom designed and engineered plug tray has feet
- Eliminates the need for double trays, streamlines labor-intensive repetitive task
- Seamlessly moves through ISO conveyor belt for easy automation

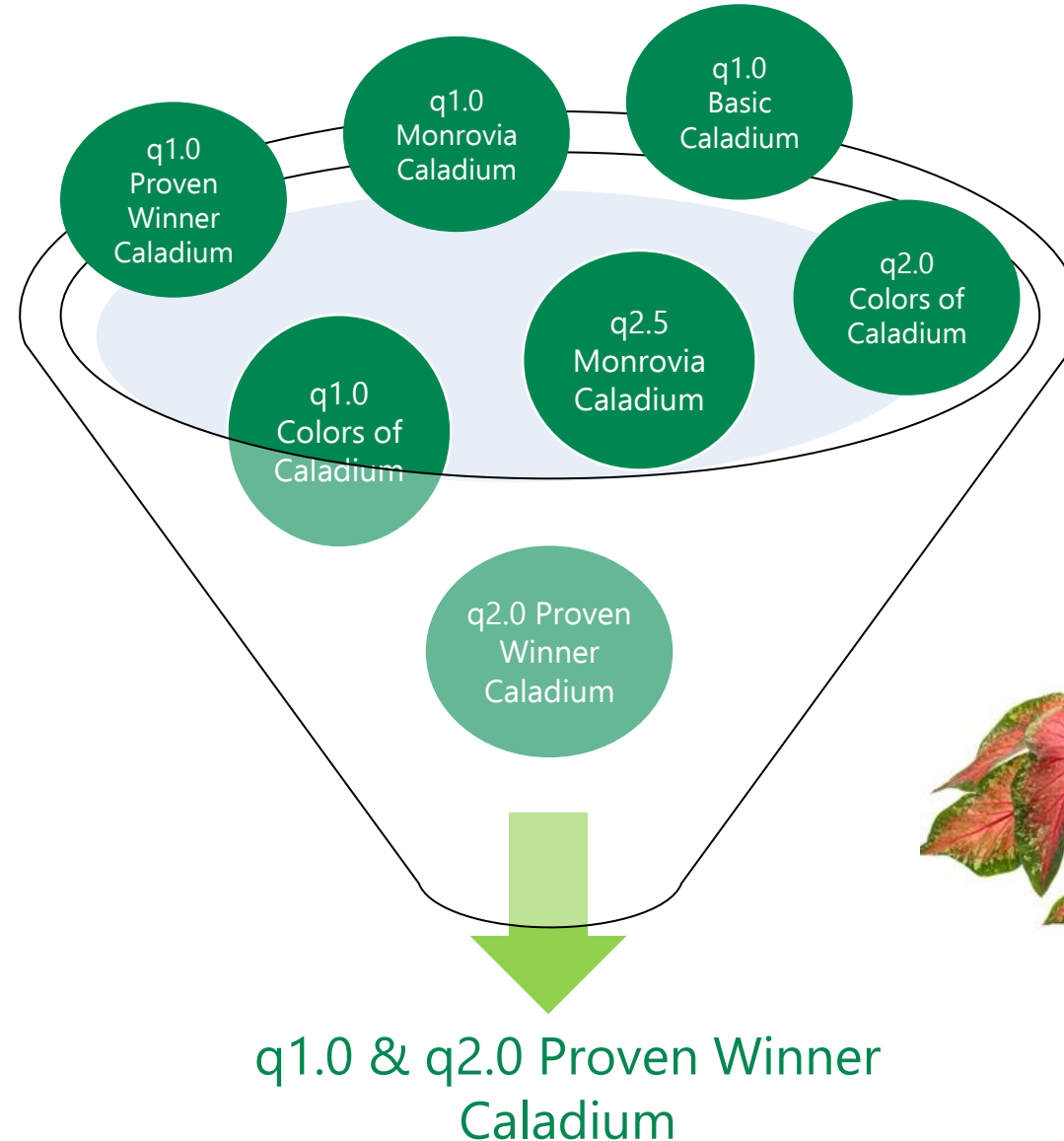


Project
Categories

SKU and Customer
Rationalization

SKU Rationalization:

- Example – Caladium Programs
 - Over several years, branded caladium programs were added in multiple sizes
 - Differentiation was minimal, and the customer value proposition for carrying multiple programs was not compelling
 - Added to this, breeder bulb substitutions became problematic
 - In 2022, we moved all Caladium production into Proven Winners, reducing our program from seven different pots to two



Customer Rationalization:

- In 2019 it became clear that our customer base needed to change

Major Customers		
Lowe's	Walmart	Sam's Club

- Walmart's level of partnership was significantly different than our other major customers in key areas:
 - Pricing – often 8-12% lower for like items
 - Costs – less volume = lower efficiency and higher freight and handling costs
 - Relationship – adversarial business practices
- Result – we opted not to renew our business relationship for 2020

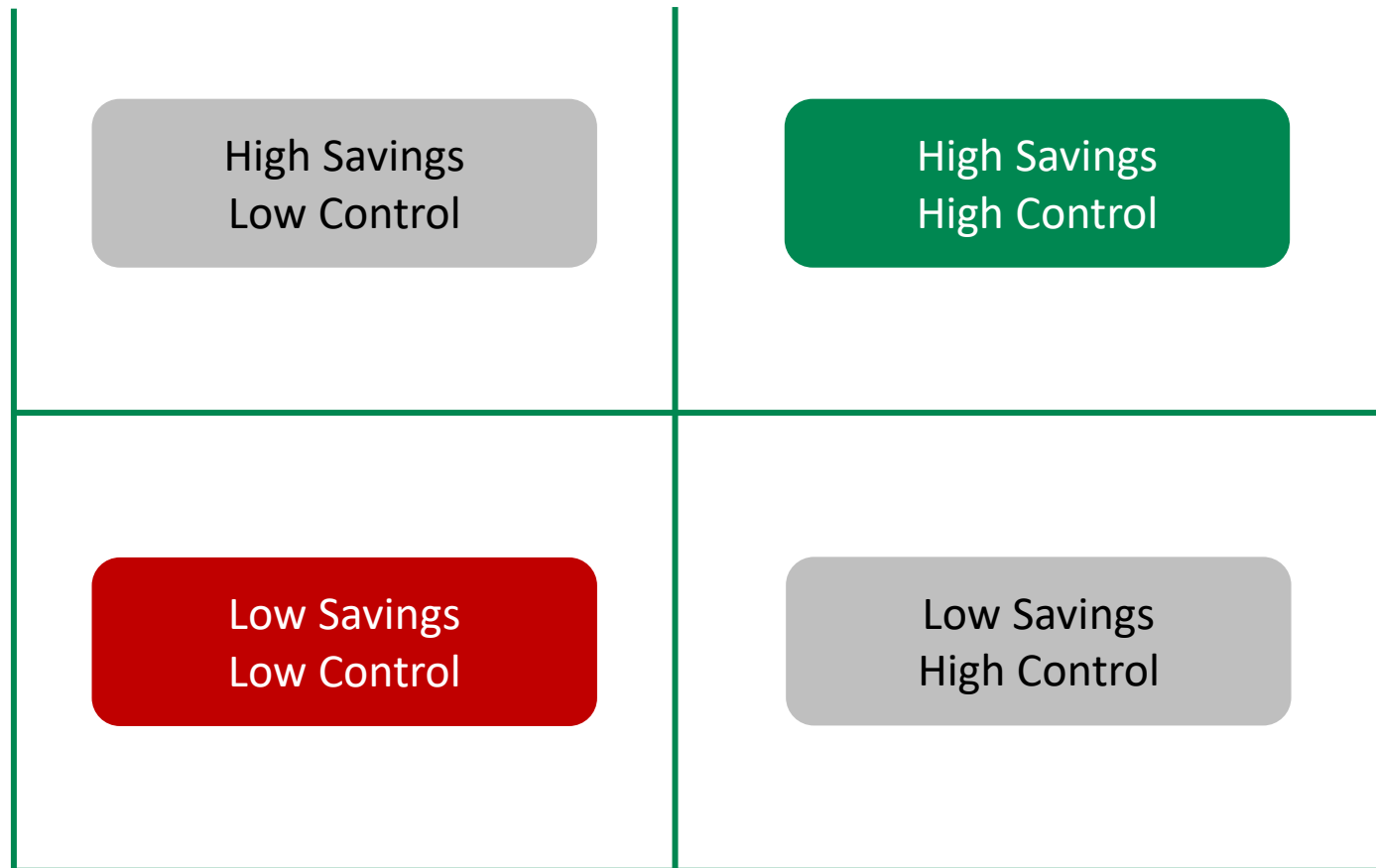
Smaller Customers	
Local Landscapers	Local Garden Centers

- As we expanded our facility, it became unsafe to have outside landscapers on site choosing plants
- Our increased big box presence created operational practices that were not suited to servicing smaller independents
- Result – we opted to end business relationships with these customers

What's next?



Potential Savings (Low High)



Ability to Control (Low High)



Thanks for visiting South Central Growers!

