

Businessman hopes to regain control of nursery

Bob Terry's Fisher Farms was seized by bank in 2015

By MATEUSZ PERKOWSKI
Capital Press

Despite losing control of his nursery company last year, Bob Terry isn't eager to exit the industry.

In fact, Terry said he hopes to regain ownership of Fisher Farms, a nursery in Gaston, Ore., which he ran for nearly 20 years before his lender, Rabobank, seized the operation in 2015 as collateral for debt.

"I'm not the typical 70-year old," he said. "Bob Terry is not going to sit on the front porch and whittle whistles."

Management of the nursery was turned over to a receivership firm, Global Ventures, Inc., which was appointed to recoup as much as possible of the \$16 million that Rabobank claims it's owed by Fisher Farms.

Though a stipulated court agreement prevents him from becoming involved in the company's management until mid-2016, Terry said he wants to take an operational role — potentially with the backing of investors — once that provision expires.

"I took it from a small farm to a large business," he said.



Mateusz Perkowski/Capital Press

Bob Terry, who ran Fisher Farms for roughly 20 years before his bank put the nursery into receivership in 2015, hopes to regain control of the company. Terry also serves on the Board of Commissioners for Oregon's Washington County.

The financial pitfalls of the nursery industry are nothing new for Terry, who was introduced to the industry in the late 1980s when he was recruited as a turnaround expert for the ailing Oregon Garden Products nursery.

Though he came into the business with practically no experience with plants, he was intrigued enough by the industry to buy his own nursery, Fisher Farms, in 1996. For the past five years, he's also served on the Washington County Board of Commissioners.

Terry said he's proud of his company's accomplishments: It's one of a handful of plant

producers certified by USDA for overseas exports and owns numerous licenses for plant varieties. At its peak size, the company produced nursery stock across 250 acres in Gaston, Sherwood and Dayton.

According to court records, Fisher Farms took out an operating line of credit from Rabobank in 2011 for \$10.5 million, using the nursery's assets as collateral. That line of credit was extended several times, with the last extension ending Dec. 31, 2014.

Ownership of the nursery's real estate was conveyed in 2011 under a forbearance agreement to a subsidiary of

Rabobank, which sold off all the sites except for the Gaston location.

Fisher Farms then began renting that land back from Rabobank's subsidiary to continue production, but the lender claims that by 2015 the nursery defaulted on the lease.

According to court records, the nursery failed to repay its loans and in June 2015 the bank petitioned the court to appoint a receiver to take over the nursery's inventory, equipment and accounts, which served as collateral. At that time, Rabobank asserted that Fisher Farms debt had grown to more than \$15 million.

The receiver, Global Ventures, later reported that the company had debts of \$15.9 million and assets of \$7.1 million.

It also fired the nursery's operations manager for "lack of proper inventory controls and a willful act of insubordination." Global Ventures said that Fisher Farms was missing more than 200,000 plants in its inventory, which it attributed not to theft but to a lack of paperwork maintenance.

Terry objects to this characterization, countering that the company meticulously tracked its inventory, including physically taking stock of plants twice a year.

Global Ventures' executives terminated the operations manager for knowing more than they did, not because any plants were actually missing, Terry said.

Terry also claims that his company owed slightly less than \$15 million, but the amount was inflated by expenses incurred by the Global Ventures.

"The receiver likes to make it look worse than it is, because it makes them look good," he said.

Mark Boyd, president and CEO of Global Ventures, said that, as a court-appointed receiver, it wouldn't be appropriate for him to comment on the situation. An attorney representing Rabobank, Joe VanLeuven, said

the bank could not comment about a borrower due to confidentiality laws.

Fisher Farms sustained losses of \$2.4 million in 2013, less than \$1 million in 2014 and more than \$1 million during the first half of 2015, according to a receiver's report. By late 2015, Global Ventures claimed that the nursery had generated a profit of roughly \$1 million.

The losses were caused by a plunge in demand for nursery stock following the housing meltdown, which the nursery industry began to feel as early as 2007, said Terry.

Financial problems were widespread in the nursery industry after the financial crisis, said Bob Boyle, senior vice president at Northwest Farm Credit Services, who said he could not comment on Fisher Farms in particular.

"It went through a very brutal cycle," Boyle said.

Even so, Terry contends that his fortunes were improving in 2015 and the company would have generated a strong profit in 2016.

He attributed Rabobank's decision to place Fisher Farms into receivership to the Netherlands-based company's own financial quandaries related to turmoil in the eurozone, which prompted it to divest nursery assets, he said.

WSDA to host open houses on gypsy moths

By DON JENKINS
Capital Press

The Washington State Department of Agriculture will host open houses around Western Washington to explain why it will attack gypsy moths by spraying pesticides over cities.

WSDA will wage an aerial campaign in the spring against leaf-eating gypsy moths in Seattle, Tacoma, Kent, Gig Harbor, Lacey, Nisqually and Vancouver. The department plans to spray a total of 10,450 acres, including 130 acres in the densely populated Seattle neighborhood, Capitol Hill.

WSDA has routinely sprayed since 1979 to eradicate gypsy moths, a scourge in Eastern and Great Lakes states and a threat to the Christmas tree, nursery and timber industries.

The department has not sprayed in Seattle since 2006, when a pesticide application encountered protests and withstood a court challenge.

The Oregon Department of Agriculture plans to spray 8,674 acres in North Portland to eradicate gypsy moths.

Egg masses attached to the personal belongings of new residents moving from infected states could potentially introduce gypsy moths to the Northwest.

WSDA typically sprays an area three times over several weeks to kill emerging caterpillars. At the open houses, WSDA staff members will show maps and have material on the pesticide Bacillus thuringiensis var. kurstaki, commonly known as Btk.

WSDA last summer trapped 42 gypsy moths, the most since 2006. Some 22 European gypsy moths were caught on Capitol Hill.

WSDA will spray the other areas because Asian gypsy moths were detected. Asian gypsy moths are considered more dangerous to plants because females can fly, while European gypsy moth females are flightless.

Asian gypsy moths had not been found in Washington since 1999.

Each open house will be 5:30 to 7 p.m. The dates and places are:

- Feb. 23, Kent Memorial Park, 850 N. Central Ave., Kent
- Feb. 24, Miller Community Center, 330 19th Ave. E., Seattle
- March 1, Vancouver Public Library, 901 C St.
- March 3, Olympia View Elementary School, 1330 Home St. N.E., Olympia
- March 10, Fabulich Center, 3600 Port of Tacoma Road, Tacoma.

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