

In California all tailwater and the first one half inch of rainfall in any 24-hour period must be retained on site. The goal of running a cleaner operation with less impact on the environment is one that we support — but it is difficult for a large outdoor operation that drains the rain of several hundred acres, not to mention the water from our own irrigation.



Likewise, having multiple small locations can be equally tough to ameliorate.

California has passed a health insurance regulation that asks companies with more than 200 employees to cover the health insurance needs for employees and family. This can add a \$6,000-8,000 yearly cost for employees that may be earning \$18-20,000 per year — a very large percentage increase. California's Workman's Compensation crisis is well known, and now it turns out that the unemployment insurance system is likewise in trouble and will be augmented by a 50 percent increase in premiums.

Beyond the above top-of-the list items, there are still interesting challenges in the marketplace. Each national retailer is looking to differentiate their program. For the grower, this leads to shorter production runs and increased complexity due to customization. At Altman Plants we believe that each customer deserves to be treated separately, but certainly achieving this in an efficient manner is a learning process.

Also coming soon from a national retailer near you is UCC.net. This improvement in the product identification system will improve EDI but will

require a significant investment in software and systems as well as a learning period for growers and retailers alike.

There are definitely some tough challenges out there, but that is what makes life interesting.

— Deena and Ken Altman (not pictured)

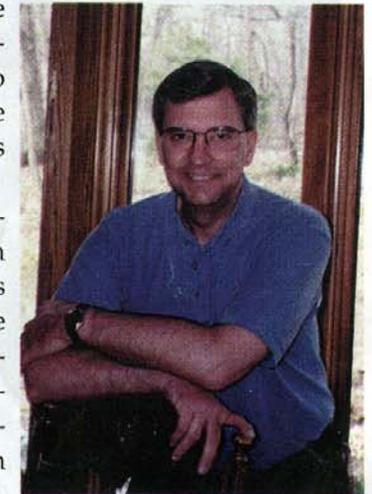
Altman Plants

Vista, Calif.

CHANNEL SPECIFIC WORRIES

The strength of the mass marketers will continue to polarize growers...forcing those who service them to become even more efficient, while at the same time they will have to start the learning curve to accommodate the "pay by scan" activities and responsibilities that will roll out in 2005.

Those choosing to supply the independent garden centers will have to help them differentiate their products and programs from the mass marketers...it's no longer the sole responsibility of the independent garden center retailer to create this differentiation, but rather a partnership between retailer and grower that will result in relationships that both can benefit from.



— Stan Pohmer

Pohmer Consulting Group

Minnetonka, Minn. ♦