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DeLeon's Bromeliads: Transforming The Specialty Crop Marketplace

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“It Takes Money To Make Money!”

DeLeon's Bromeliads takes its cues from European production, uses plenty of automation and doesn't scrimp on quality to stay at the forefront of specialty production.

By Meghan Boyer

“It takes money to make money,” is an adage that over the years Rob DeLeon, president of DeLeon's Bromeliads, and his brother, Don, vice president, have taken to heart. The pair recently built a turnkey greenhouse filled with new automation, they grow orchids from mericlones and they cool the crops with air conditioning (it takes money). Each year, the company produces millions of orchids and bromeliads and sells them to a range of clients, including most of the big boxes as well as small, independent garden centers (to make money).

DeLeon's success hinges on product quality, which the brothers maintain by equipping staff with the best-possible tools for production. From adopting European production techniques to incorporating new automation into its greenhouses, DeLeon's Bromeliads is at the forefront of specialty crop production.



Left to right: Philip Hamilton, lead grower; Donna Leyva, shipping manager; Austin Adams, general manager; and Rob DeLeon, president.

Growing With The Market

The orchid market is doing well right now, and U.S. consumers are beginning to broaden their orchid palates, which means there is an increased demand for more colorful and interesting varieties instead of the basic purples and whites. Additionally, as orchids become more affordable (thanks to wholesale production), more people regard them as disposable items that they can buy and rebuy. This translates to greater consumer interest in orchids and, ultimately, greater orchid sales for producers like DeLeon's.

DeLeon's Bromeliads opened in 1980 with a single 2.3-acre location.

“We started out strictly with bromeliads, but when we saw an opportunity with orchids, we decided we would try to grow [them]. And we're very happy that we have. The orchids complement the bromeliads very much, and right now, there's advantage even far greater for the orchids than for the bromeliads,” said Rob DeLeon.

Now, with a facility near Homestead, Fla., a newer location in Mt. Dora, Fla., and facilities in Costa Rica, DeLeon's produces millions of bromeliads and orchids each year for big box stores, such as Target, Lowe's, Wal-Mart, Home Depot, BJ's Wholesale Club and Kroger, as

well as interiorscapers and independent garden centers. The company sells direct to some clients and, for the big boxes, often works with supply partners, such as Costa Nursery Farms, to put its product on shelves.

Big Changes

To meet the demand for its product, DeLeon's Bromeliads has undergone some big changes recently. In addition to expanding the Homestead location, DeLeon built a new, automated Dalsem range at the Mt. Dora facility, where the weather is more conducive to spiking orchids. All of his choices, from the new build to the increased automation, are geared toward producing the best quality plant at the most reasonable price.

"I think we are successful at what we do because we strive to have the best products. We feel that we offer a very upscale product to our customers," said DeLeon. "The quality speaks for itself, and quality sells. That's why we're able to continually expand, because we're offering a high-quality plant, and there are suppliers that are offering a lesser-quality plant. I think the quality in the long run is going to be the key to whether or not people are going to be successful or not survive in the marketplace when it comes to both orchids and bromeliads."

Quality Plants

For DeLeon, quality starts with testing to find which varieties are going to be good production plants for him, because what might grow well in Europe may not grow well in Florida. "People

don't realize how much testing is involved. We probably have more plants that we've actually gotten rid of than ones that we've accepted as good production plants," said DeLeon. It takes several years from when a new variety arrives before it can be judged worthy or not for production.

Another key to DeLeon's quality is the uniformity of the crops. He grows from mericlones, which are artificially produced orchid clones that provide more uniform plants. Mericlones are more

expensive than seedlings, which some orchid growers use, but seedlings are more variable when it comes to growing. For DeLeon, the higher cost pays off in increased crop uniformity and spiking consistency.

Crops are also upscaled according to customers' needs. "Stores want to be individualized. So when you walk into a store and see a plain orchid in a clay pot and you go to the next store and see it in the same clay and the next store in the same clay, it gets

DeLeon's Bromeliads At A Glance

Owners: Rob DeLeon, president, and Don DeLeon, vice president

Location: Goulds and Mount Dora, Fla., and a facility in Costa Rica

Size: 72 acres overall

Employees: roughly 180

Sales Reach: United States, Canada, Jamaica and the Virgin Islands

Customers: Big boxes such as Target, Lowe's, Wal-Mart, Home Depot, BJ's Wholesale Club and Kroger as well as mom-and-pop establishments and all sizes in between

2006 Production Totals: 2 million bromeliads and 4.1 million orchids



As DeLeon continues to work with the automation in his new greenhouse, he will get a better sense of how much he will save on labor costs.

Lessons Learned

Rob DeLeon, president of DeLeon's Bromeliads, has discovered a lot while growing the business. Working with his brother, Don, vice president, the two started selling solely bromeliads and later introduced orchids.

"I think the lesson we've learned is that it takes a lot of trial and error to find the right varieties that will grow well and that will be varieties that customers really want. During the past, it was simple just to prop something up and sell it. Now we've become more specific, and it pays off. It really does," explained Rob.

Here are some of the revelations he has discovered while growing specialty crops:

You can never have too much crop information. "More information makes our job more simple. When I look back from years ago, I wish we had what we have today years ago."

It takes money to make money. "As we could afford to spend the extra capital to make it easier, we've gone in that direction. We don't mind spending the money, because we know it is going to give us a better opportunity to grow a higher quality plant."

You have to have the right quality at all times. "We're not the cheapest, but we've had people tell us, 'You're more expensive than somebody else, but we'd rather spend more money because your product is that much better.'"



The table-moving robot literally lifts tables off the ground as it moves them to different production areas.

a little monotonous for the customers that are shopping," said Austin Adams, general manager at DeLeon's Bromeliads. For this reason, DeLeon's places orchids in everything from standard clay pots to different types of ceramic and porcelain containers and wicker baskets.

Though growing quality plants means putting more money into them, producing such plants at a reasonable price for consumers is essential. Many of DeLeon's customers have a set price for orchids, because the stores won't allow intermittent price increases that reflect the fluctuation of growing costs. "It's difficult to get a price increase, so you have to be more efficient, you have to sit there and cut your cost where you can and still be able to produce a really high-quality plant," explained DeLeon, who feels lucky to see a price increase once a year for his product.

The European Way

With a long-term crop such as orchids, many growing costs are unavoidable. For instance,

because he uses air conditioning in the greenhouses, DeLeon can spend \$40,000-50,000 each month during the summer just to cool his crops and spike plants. This means DeLeon needs to find other means of reducing costs. He takes cues from European orchid production to help keep expenses low and improve quality.

DeLeon describes European orchid-growing facilities as being highly efficient operations that rely heavily on automation and have fewer employees per acre than typical U.S. operations. Automation helps keep labor costs down, increase crop uniformity and keep up with the increasingly scientific business of growing orchids.

"Because phalaenopsis orchids are the number-one potted plant in Europe, they have pretty much been leading the way," explained DeLeon. "Here, most of the nurseries are light years behind [Europeans] when it comes to phalaenopsis production, but some of the nurseries have started to get on track and do it their way. If you want to be efficient, if

you want to be able to make money at it, you really have to move in that direction."

Focused On Automation

With the company's move toward a more European style of production, automation has become a vital element for DeLeon. "Gone are the days where you had to spend the night at the nursery. Gone are the days when you had to spend 12 hours getting an order out. It's advanced, not only in the growing end of it but in the shipping end of it, the production end of it, everything," Adams explained.

Automated environmental controls handle everything from irrigation to fertigation in the greenhouses while monorail trolleys move plants and generators automatically turn on if the electricity goes out. In the new greenhouse, which is recently completed and not yet fully in use, plant transportation is all automated with the help of a potting machine, a table mover and a vision system.

The new potting machine has four robots and can pot plants, space them and grade them all at one time. The automated transport cart (ATC) picks up tables, takes them out in the nursery, puts them down and pushes all the tables over; it literally lifts tables off the ground as it moves them to different production areas. The vision system is a camera that can take a 360-degree picture of each plant and grade it according to criteria that is input into the program. (See sidebar, above)

As DeLeon continues to work with the automation in his new

Automating Grading

In his latest greenhouse build, Rob DeLeon, president of DeLeon's Bromeliads, added a vision system, which will help to fully automate plant uniformity in the range. While the system is used in European production, DeLeon's black-and-white system is the first U.S. camera installation for Logiqs Agro, the company that provided logistical systems in the new facility.

The camera will be used to grade plants according to criteria DeLeon inputs into the program. He wants his system to have two categories (A and B), explained Edwin Hoenderdos, who handles North American sales for Logiqs Agro. The

A category will represent the larger orchids, and the B category will be smaller orchids. As plants pass through the system, the camera will measure the size of the plant and the leaves and sort it accordingly. The system also uses belts to turn plants and face leaves in the same direction. A color vision system can take the grading one step further and sort plants according to flower color.

Hoenderdos cites uniformity as a key benefit of an automated grading system, because it takes away subjective grading. "With this system, it always does the same thing," he explained. "You and I might look at it, and you may say that's an A category. I might call it a B. [This system] takes the interpretation out of the whole thing."

greenhouse, he will get a better sense of how much labor (and related costs) he will save and how much efficiency will increase. He is hoping to reduce labor costs 50-75 percent. DeLeon also estimates the automation will pay for itself in about five years. The ATC will likely pay for itself in less than two years, he explained, because he can fit an extra row of tables into the greenhouse by using it.

In the future, DeLeon is considering adding additional



This vision system takes 360-degree pictures of plants and grades them according to criteria that is input into the program. (Photo: Logiqs Agro)

automation, including a machine that will place plants in media, thereby increasing uniformity even further. "It's exciting when you see some of these things, because it makes your job easier. You don't have to worry if someone is potting the plants too deep or not firm enough in the pot. [It is] very uniform," he said.

Investing In Success

The quality and uniformity DeLeon gets from his crops is a product of what he puts into ♦

Shipping Specialty Plants

For certain customers, DeLeon's Bromeliads uses disposable wooden racks to make shipping the delicate plant material easier. The pallet-type racks are loaded with plants, shrink wrapped and sent to the customer, who can place the racks anywhere and sell directly from them. Once the racks are empty, they can be broken down and thrown out or recycled. The cost of the rack is figured into the overall price, much like shipping boxes are (another shipping method DeLeon's uses).

Rob DeLeon, president of DeLeon's Bromeliads, believes that, while orchids are more difficult to handle, the overall expense of shipping them is not greatly increased; it simply takes more time to prepare the orders. "It is a more tedious task to be able to get everything ready, because you can't start grabbing plants," he said. "It's not like foliage where you can just go pick up a tray and go ship it because they're all even." DeLeon's customers often request specific plant attributes for their order, including certain colors, heights or spike numbers, which means the picking process becomes about choosing exactly what the customer wants.



Austin Adams, general manager, and Donna Leyva, shipping manager, work in a greenhouse at the DeLeon's Bromeliads Mt. Dora, Fla., location.

them: money. With the money he has invested in automation and structures, DeLeon's has created what Adams describes as a "wonderland" for horticulture and given his workers the tools they need to grow quality crops.

"I think it is prudent to say that with the crops we're growing, it takes money to make money. I really think it's true, because there were times when I tried to do things the cheaper way. It was so much more difficult," DeLeon said. In most cases, people can see a difference in quality between those who invest in their businesses and those who don't, he pointed out.

DeLeon's structural investments pay off in more than just plant quality, too. When hurricanes hit in the Homestead, Fla., area more than a year ago, he sustained roughly 5 percent damage to the facility, whereas other nurseries had 75- to 100-percent loss. If he had spent less on the structure, DeLeon feels his losses would have likely been greater. With no insurance available

for shadehouses and expensive premiums with limited coverage for greenhouses, it's difficult for growers to want to invest in their structures. But DeLeon asks this question of them: "Do you spend the extra money and feel like sitting duck for a storm, or do you spend the extra money because you know it can handle the storm?" His new build, DeLeon feels, can weather the storm.

Perhaps most importantly, with the money he has invested, DeLeon says he sleeps soundly at night knowing he has a sound infrastructure for his business, one that continuously produces quality products. ■

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