What To Do, and Not Do, When You Experience A Total Greenhouse Crop Failure

Quite a few growers in the Northeastern U.S. are currently involved in a crop loss situation. The cause is suspected but so far tests are negative. Time will tell. If one day you find yourself with a greenhouse full of dying or unsellable plants, here is a brief review of the things you should and should not do as you seek answers and if necessary, a settlement for damages.

As of this publishing, there is a significant crop failure issue involving dozens of greenhouses in the Northeast U.S. The cause is not yet known so I won’t mention names or speculate on causes. I can tell you the professional labs are working on it, and the company is cooperating. What’s happening with the greenhouse owners and growers is another matter altogether. Emotions are running high. After 30-plus years in the greenhouse industry, I can tell you that almost every grower/owner I have known longer than five years has had 1 or 2 total crop failures, some big, some small. At the time of discovery, grief, anger and disbelief set in. Scenarios of bankruptcy run though the mind. Its easy to let emotions run your show. However, this is unhelpful. What you do after that initial discovery can make the difference between a quick recovery and 3-5 more years of misery. This E-Gro Alert is dedicated to what you should and should not do if you have any kind of massive crop loss. There is no legal advice here, I am not an attorney,
but I am a State Extension Specialist in Floriculture with many years advising law firms and researching crop losses. My intent is that this will give you an idea of how things work. At the end of the article I will list three things you need to do now to survive most to crop failures, but first, let us review:

1. If your crop loss is an act of God (weather, earthquake, etc): Take pictures, see the insurance company.

2. If your crop loss is due to vandalism - Take pictures call the police and your insurance company.

3. If your crop loss cannot be explained by the above, then do the following, Take pictures, samples then…

Discuss the Issue with Your Grower Before Taking Action

Discovery of any crop loss can be upsetting and devastating to any business. However, you really don’t have any time to process things emotionally. Your best bet is to approach things quietly, carefully and methodically. It is essential you pull your head grower, and any sub section, or direct reports to that grower, into a private one-on-one meeting with you and a third person (preferably one without a direct investment in the company). That third person’s job is to keep you centered and out of a separate lawsuit for employee abuse.

Offer Immunity…This Is Essential to Moving Forward!

Everyone makes mistakes. It is likely someone on your staff made a mistake. Things will go better if you take

Fig. 2. Pansy Mottle Syndrome. This was found to be a genetic issue, not boron deficiency or any other product caused issue.
a non-punitive approach. Why? You do this because 90% of all crop “disasters” are mistakes made by employees, not caused by company products. My experience is that about 20% of these employee-caused events still wind up with accusations of some companies product being at fault, threats of lawsuits, product distributor relations destroyed and sometimes even a real court case you lose at great financial cost above the crop loss itself….all because the grower got scared they’d lose their job and clamed up.

Be calm, and indicate that no action will be taken against the employee so long as whatever happened wasn’t intentional (see second rule above). Indicate the scope of issue but Do Not Assign Blame! Offer confidentiality for information sharing, and ask non-growing related staff-employees for their opinions on the cause. You may be surprised who knows what. Take photos of the crop the day you discover the issue, and then weekly from then until resolution. Be sure to take a panoramic view of the greenhouse interior and close ups of not just the damaged parts but of roots, leaves and flowers. Digital images are free, time stamped and you can store hundreds on a thumb drive.

Go over pesticide and other input records. Look for mistakes. No one is perfect. By doing this, you increase your chances of finding out what really happened and this will speed up your company’s recovery 10 fold. Ask employees their opinion as to what might have happened. Take notes. Ask them to think further about it and get back to you. Do this individually for each employee involved in that crop. If the employee knows they made a mistake, they usually come forward within 48 hours.

Have the Head Grower Write a Narrative

The second thing you do is have your head grower(s) write a narrative about the history and development of Cooperating Universities

UCONN
Cornell University

College of Agricultural & Environmental Sciences
UNIVERSITY OF GEORGIA

IOWA STATE UNIVERSITY

MICHIGAN STATE UNIVERSITY

NC STATE UNIVERSITY

THE OHIO STATE UNIVERSITY

PENN STATE
Cooperative Extension
College of Agricultural Sciences

PURDUE UNIVERSITY

University of New Hampshire
Cooperative Extension

Virginia Tech
Invent the Future®
that crop, and the suspected issue that caused its loss, if any. This forces the head grower to work through the entire timeline, and perhaps realize things that were not in-mind at the onset of the issue. It’s important to get this done while the crop is fresh in the mind. Save these narratives.

**Items to Pull Together Before You Contact Anyone.**

Do not call anyone, including the company reps, until you have in-hand the following items. You are going to need them and making any company or Extension person wait around while you do the pulling together of materials is not going to help your cause. These items include: WPS records for the entire operation, including herbicide applications. Fertility/irrigation records, staffing and time clock data, In-house and external weather data, new purchases, any in-house water/soil pH/EC tests, written observations by the growers and if you track this, the data regarding day to day shrink. Electricity bills, water bills and employee time cards, if available, should be set aside covering the duration of the crop up until the issue was discovered.

**Communicate With Your Customers**

Hiding doesn’t work - If you have a dated contracts or sell through your own or other retail outlets, you better be up front if there is a delay or outright crop loss. Let them know of the shortfall but no not assign cause, blame or value to anyone at this point. If you have any doubts as to what to say to large, national audiences, consult a media specialist.

**Preserving the Evidence**

Please note: This is what the majority of failed lawsuits/claims stem from. DO NOT DUMP YOUR CROP! Wait until you know what caused the problem. There can be hundreds of causes attributed to crop losses. If you truly feel a product or external suppliers plant product is the cause, quietly begin pulling together the evidence (the materials you have involving that crop. This is includes items like limestone that you don’t feel is involved. If it goes into the crop, it may wind up being tested. Record product lot #’s, manufacturing dates; find your receipts to prove you bought it. Not having proof of purchase was a huge issue in Benlate cases. Never ever throw away input product receipts!

Storing/saving samples of your inputs is essential. Set them aside so they are not used. Keep dry goods cool, dry and not outside in a barn. Make sure the above mentioned bags/boxes/containers are dated and locked away. Again, unless told to do so by YOUR attorney, do NOT dump your crop. Keep growing it until the insurance company adjuster is done and your lawyer says it is OK to dump. If you believe the issue is a volatile material, put 10-20 damaged plants in original pots each
into plastic zip lock bags. Place that bag in another zip lock bag and place in a cold refrigerator or freezer. Label the bags! Review what you are providing / taking for samples. Don’t forget to test amendments. Please make sure you do not appear to be hiding something by trying to make your greenhouse look good. If the photos look staged or impossibly clean, it’s going to be detrimental.

Who to Contact First

In this order, contact your consultant, your Cooperative Extension Agent, and have them review your materials and grower narratives and then have them tour the greenhouse. They become witnesses to the time and condition at the time of discovery of the issue. Then, and only then, contact the individual product distributor you “feel” is the cause....but DO NOT assign blame to their product or to their company. Remember? You have no proof and you’re coming up fast on slander. Expect disbelief. Just as you were shocked by the issue, so will any company representative called in. They know why they are there and you must realize, they sell and believe in their products. Just let them ask questions, observe and take notes. You are NOT going to convince them it’s their products fault and you should not even try. Let the tests do the convincing.

Work With Professional Testing labs

It is essential you have tests performed by independent or state-run/university professional laboratories. Company tests are fine, but independent tests are far better if resolution proves difficult. Work with the best labs and do not be afraid to spend the money necessary to support your company and your livelihood.

Working with Product Companies

You’ll likely be visited several times by different company representatives and their technical experts. Share plant samples, product samples but do not give away all of your plants, product or any original paperwork like those receipts. Copies only! Once the representative leaves, do as much communicating in writing as is possible. Try not to have lengthy phone calls. If the company needs more information, tell them to request it in writing so you can think about your responses. Be calm, professional and straight up. Give them a reasonable time to investigate and respond.

Working with Your Attorneys

The time to call an attorney is the point where you feel the product distributor or manufacturer is not going to properly investigate your claim. Another reason is if the product is clearly proven the cause, and if they offer you a low-balled “take this token payment and let us move on” that doesn’t cover your expenses at a minimum. Just remember, contacting a lawyer is pretty serious business...and costly. Time is money to an attorney. The initial meeting is usually free of charge, but fees are usually 25% up to 50% of the settlement. Be sure to ask clear, prepared questions. Remember, they don’t want to hear the drama or your grand fathers growing philosophy. They want you to provide a summary of why you feel you have an issue with said product, what evidence you have so far, and what specifically the manufacturer/distributor has done to address your issue. They will want all your communications (in writing) with them, all your images, and the rest of the “evidence” or lab tests you
pulled together. If they accept the case, you must be efficient and quick about providing them what further information they ask. DO NOT LIE or HIDE things from your attorney. Oh, the stories I could tell. Your attorney can only help you if you are honest with him or her. If you cook-the-books, fake your WPS records, and have a secondary cash-based business on the side, you probably should tell them. This WILL be found out by the other side and exposed in court.

Working with Insurance Companies

The role of the product manufacturer’s insurance company is not to pay you. It is to protect the interests of the company, and pay the least possible if the claim is proven to be valid. They will be thorough. They will be persistent. They will investigate every corner of your business if it pertains to the claim. This will take time. You can make things so much better by cooperating, providing timely responses to questions, and by being courteous. You certainly should have your insurance company aware of the events and what is being done by the product’s company insurance firm. If you have lawyers, they will want to be informed and updated. Just a word of caution: Do not play head games with the adjustors! I have been on teams of adjustors and seen about every dumb move someone can make. They have seen it all and they know their stuff, and ever since Benlate hit the court systems, they understand nurseries and greenhouses. Assume they are knowledgeable, professional and have sufficient insight to see into your business operations. They will work quickly but your cooperations will speed things up.

Your claim may have an expiration date, so don’t be the lead weight that delays.

Crop Value and Loss of Business

At some point, if things do go your way, the insurance company may ask you for a reasonable determination of the value of the loss. Do not do this yourself. Hire a certified public accountant at the barest minimum. Have them determine the direct inventory loss values, present value of the crop and “loss of business” issues. Again, I worked on the other side helping insurance companies come up with their own internal estimate of the above. The two estimates will have to be reconciled. One item that catches most business owners flat footed is when the lawyers or insurance companies ask for the sales and inventory figures for the last few years. Example: you claim you’ve experienced a million dollars in lost sales from this crop. They will likely review your past five year’s sales. The sales had better be close to a million dollars each year or you better have a good reason why this crop was different. Most importantly, you will also likely be

Fig. 4. Ethylene symptoms, caused by improper maintenance of a unit heater.
required to provide past years IRS filings. Again, in a court of law, or during a deposition, you will be under oath.

Consider a Settlement Instead of a Law Suit

No one likes to think they can’t win a lawsuit, but in fact, a vast majority of cases are settled out of court. If there is to be a settlement, it will be directed and choreographed by your attorney. They know from experience if a settlement is reasonable and if one is likely. Follow their advice. Your attorney’s can advise you on specifics, but just know they will expect their time and effort to be part of the compensation.

Have a Reasonable Time Expectation

For small losses, claims can come to resolution within six months. Notice I said resolution, not settlement. You may not get a penny. For most cases I have been involved with it took 12-18 months for a resolution. For the larger cases involving millions of dollars, I have seen resolutions take 3 - 5 years. You can easily see that for most circumstances, you will not have a new crop in place for sale, or the cash in hand to handle that season’s cash flow shortfall. This leads me to the secret method to surviving total crop losses and keeping your business afloat you can establish now.

1). Estimate from last year’s crops, how much operating cash it takes to repopulate and operate a growing season in the greenhouse. Somehow, some way, have that value of cash in the bank as a liquid asset, as a rainy day fund. It will rain. You will thank me.

2). Pre-test your major purchase input before your plant a half million dollar crop. Use a few petunias and New Guinea impatiens as a quick test crop. Keep them around to test a new pesticide or crop treatment 48 hours before you use the entire 100 gallon tank on your half million dollar crop.

3). Re-enforce recording thorough pesticide and fertility treatment records. Crop journals are the #1 tool for crop issue resolution, and because you now check them often, it keeps growers eyes on the crop and what they are doing.

Cut Yourself, and Your Staff, a Break

Just a personal observation here. Once the matter has come to resolution, have a company picnic, an evening BBQ or some other way to celebrate and give the employees, and you, closure. You and your family should take a week off on vacation. Huge crops losses can be gut wrenching and cause upheaval in your life. Having been involved in this process for many years, your best decision will be to take a break and reset your mental clock. Things will get better.