

Ceres Solutions

“Good Stewardship is Actually Good Business”



QUICK FACTS

Name: Ceres Solutions

Ownership: 100% Farmer-Owned Cooperative since the 1920s

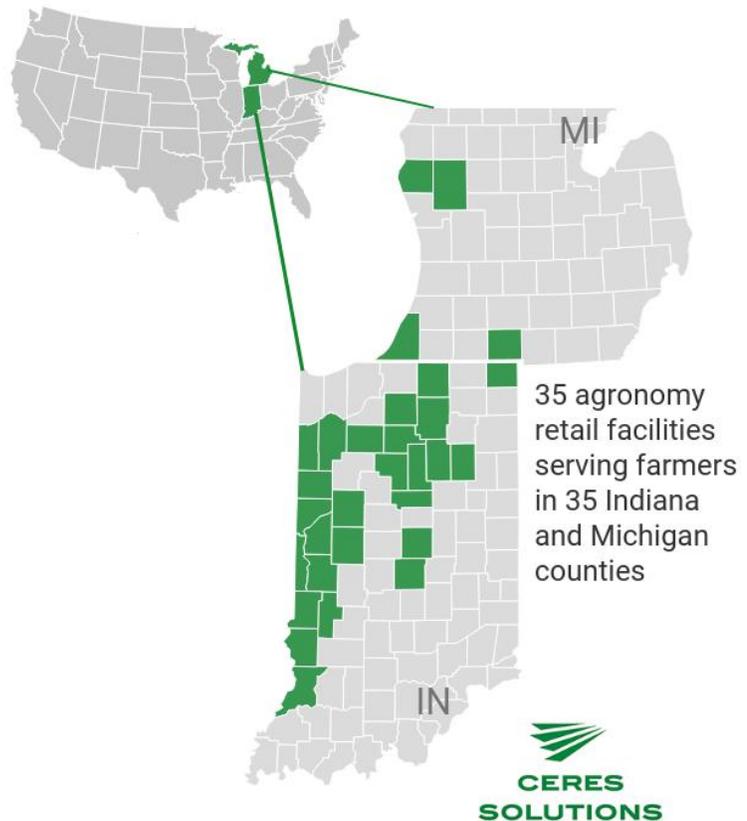
Headquarters: Crawfordsville, Indiana

Locations: 60 locations (35 agronomy and 25 energy locations) in 35 Indiana and Michigan counties

Employees: 650

Ceres Solutions is a farmer-owned cooperative based in Crawfordsville, Indiana that emphasizes “service, stewardship and innovation.” Farmer-owned since the 1920s, Ceres provides seed, nutrients, supplies, technology, education and more to help local farmers achieve their production goals. The company’s more than 650 employees are well aware that customers have many reasons for integrating conservation agronomy practices, but in the end, it often comes down to economics. This is why the company motto is “Good stewardship is actually good business.”

In 2008, Ceres Solutions determined that cover crops were a natural fit with their decades-long focus of helping customers economically integrate conservation practices that protect the land and natural resources for future generations. Betsy Bower, an agronomist and Certified Crop Adviser for the company’s Indiana branches, is a strong advocate of cover crops in Indiana. She explains how Ceres Solutions decided to incorporate cover crop products and services into its offerings. “When your customers ask you to do something,” she says, “you should not say no.”



Embracing Cover Crops

Betsy recalls that Ceres' entry into cover crops started with a noticeable uptick in customer requests for help managing cover crops, right about when local EQIP (Environmental Quality Incentives Program) contracts involved the addition of cover crops. Customers had many new questions for Ceres, especially regarding when and how to terminate cover crops. Together with several colleagues, Betsy approached upper management to discuss incorporating cover crop products and services into Ceres Solutions' business model. They realized it would not require any extra investment, and it would help use their existing facilities, services, and human

resources more effectively. Because cover crop seed comes in after other crop seed, it can be stored in the empty warehouses. And since cover crop planting and terminating happens at a slower time of the year, it can be handled by the current staff. According to Betsy, Ceres staff already had the needed crop nutrition and crop protection knowledge, and cover crops were a logical extension of that expertise.

After learning more about cover crops and ways to leverage current resources, the general management agreed to add cover crop products and services to their portfolio. Betsy and her colleagues had the green light to try out cover crops in western Indiana. After using cover crops for a few years, Tom Stein, the Templeton branch Manager, said "It is the right thing to do for the watershed, for our customers, and for Ceres Solutions."¹

Ceres Solutions cover crop products and services, in order of demand

- 1 Advising services
- 2 Selling cover crop seeds
- 3 Cover crop seeding and termination services
- 4 Adjusting nutrient management plans to account for cover crop use
- 5 Soil sampling to assess soil changes from cover crop use

Overcoming Challenges

When the Ceres team first decided to offer cover crop products and services, they ran into several operational issues, especially around timing and logistics. "There was a lot of trial and error in those early years," Betsy recalls. The team had to figure out how to mix and move cover crops between all the locations, for instance. They also had to work out the logistics of the broadcast spreader and aerial applications, such as the size of plane, different mixes and manpower needed. Knowing they had to be willing to make mistakes to grow and improve, they worked through these early challenges.

Early on, the team found that there is always the challenge of uncertain weather. They quickly learned that making contingency plans is essential; any termination strategy or planting plan needs a solid backup plan. For example, colder temperatures could mean delayed termination and a new termination product, so the Ceres team must be prepared to offer their customers these alternate options.

¹ Bower, "Using Conservation Agronomy Practices in Indiana to Improve On-Farm Sustainability - One Retailer's Experience."

In those first years, Ceres Solutions also found they needed more certainty in planning the supply of cover crop seed. The Early Order Program became a vital component of the planning and management strategy—a way for suppliers and growers to be prepared for the cover crop season by allowing customers to make a partial payment, or at least a commitment, to buy cover crop seed. In the beginning, when they didn't know what to expect, the program helped Ceres work with their seed supplier to anticipate how much seed to order. Successful from the beginning, the Early Order Program is still part of their cover crop strategy 10 years later.

Keys to Success

The Ceres team identified the following four keys to successfully incorporating cover crop products and services into the agricultural retailer business:

1) Commit to training the team

One of Ceres' first steps was to provide a cover crops basic training through a webinar to all staff and then develop a cover crop resource guide. After training and beginning to work with customers on cover crops, they identified "cover crop champions" within the Ceres team—those who were willing to work with the customer on cover crops, to work with the seed company, to work with the applicator, and to make it all happen together. For these cover champions, the company made it a priority to make working with cover crops easy.

2) Commit to marketing

"Marketing has definitely increased awareness of what Ceres offers," says Betsy. "Because no matter how many times we see customers, we are always shocked to find out that they don't know what we offer." As soon as Ceres became involved in cover crops, the marketing team started with customer outreach. The team continues to send out regular mailings, post information on the website, share advertisements for EQIP programs, and put out press releases for the local newspaper. In addition, Ceres staff are encouraged to accept invitations to talk at local meetings about cover crops. The company participates in local events to serve the community, expand awareness of cover crops, and establish Ceres Solutions as a leader in the field.

3) Help farmers make informed decisions.

Ceres Solutions has developed an assortment of cover crop resources for their staff and customers, including a Ceres Solutions Cover Crops Termination Guide, and Info Sheets on various cover crops. In addition, Ceres offers free advising services for those interested in trying cover crops. Still, it is essential, says Betsy, to avoid making promises to farmers. "Agriculture is a biological system, you don't know what is going to happen." Ceres is committed to providing strong support to customer decision making, by working closely with farmers to first determine their goal(s) for planting cover crops and to select the appropriate seed mix. The team also offers field scouting and monitoring of the new crop. In addition, new farmers interested in cover crops can connect with Ceres' strong network of experienced cover crop farmers.

4) Build a strong partnership with the local Soil and Water Conservation Districts (SWCDs) and the Natural Resource Conservation Service (NRCS)

Nearly 100% of Ceres' Indiana branches work with the local Soil and Water Conservation Districts, for instance, helping to develop a local cover crop tour. Betsy emphasizes that this valuable relationship took around three years to build, beginning with understanding each other's perspective in order to establish trust. Some Ceres Solutions staff are now Associate Supervisors in the local Soil and Water Conservation Districts.

Looking to the Future

Today, after 10 years in the cover crop business, Ceres Solutions offers a full suite of cover crop products and services, with staff trained in almost all service locations. Because Ceres Solutions was one of the first agricultural retailers to incorporate cover crops into their business, they have become a statewide leader in conservation efforts, which increases opportunities for more and different business.

Even though cover crop offerings are not highly profitable, they build strong customer relationships and enhance customer loyalty. Betsy says that farmers now see Ceres Solutions as a "one stop shop," a trusted adviser on conservation as well as traditional agricultural management. She believes that cover crops will not only help their cooperative retain current customers but also gain new ones.

"We've got the same goals, we just have slightly different perspectives. Once we understand everyone's perspectives then we can work really well together."

—Betsy Bower, CCA, about Ceres Solutions' partnership with NRCS

Ceres Solutions intends to continue its strong relationship with the local soil and water conservation districts and NRCS. More powerful working together, these partners are actively looking at other conservation issues on which they can collaborate. Among the many benefits this cooperation brings to farmers is that the Ceres team has the appropriate expertise to help their customers access conservation-related grant funding.

Betsy and her colleagues at Ceres Solutions are pleased with the benefits that cover crops have brought to farmers, to their business, and to soil health and water quality. They plan to continue expanding their cover crop offerings and participating in new collaborations, including the Land O'Lakes SUSTAIN™ program. Ceres recently joined this effort to improve, measure and document sustainable agriculture practices, further enhancing their ability to share training, technologies and practices with their Indiana farmer customers.

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