

FarmShift: Fertilizer 2017

Retailing Fertilizer in the Age of Intensified Grower Needs

Quantitative research investigating the changing relationship between growers and fertilizer retailers in Western Canada



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Across all aspects of crop production, fertility is where the greatest number of growers are making changes to their production practices. In addition to the agronomics of getting to that sweet spot of optimum yields, growers are also striving for greater operational efficiency - time is money and speed can enhance profitability.

We have seen notable changes in: products, blending practices, rates, application timing and demand for specialty products. These are driven by two fundamental shifts - increasing farm size and availability of equipment that is faster, more accurate, versatile, and high-volume and in some cases, data-driven.

This drives shifts in growers' expectations of the retailer, and retailers are striving to keep pace with these shifting needs and expectations.

Which leads us to these questions... **How exactly is the relationship between growers and fertilizer retailers changing? How much switching is going on as growers endeavor to find suppliers who can better meet their needs? What are the implications for retailer market share?**

This latest FarmShift study will involve a quantitative survey of 400 western Canadian growers to provide insight about the changes that are occurring between growers and their fertilizer retailers.



Who will be interested in this study?

This syndicated study is for companies and organizations impacted by growers' shifting fertilizer practices, with the need to:

- Understand the relative growth and decline of players in the fertilizer business
- Identify the drivers of changing grower purchase behaviours
- Deploy resources and strategies to adapt to changing needs

This includes fertilizer retailers, wholesalers, trade associations, equipment retailers and manufacturers. Previous subscribers to FarmShift: Changing Practices will find the study useful as a follow-up that focuses exclusively on fertilizer.

The omnibus is for those companies and organizations looking for proprietary insight on their own topics – possibly in the realm of novel products, services or policy questions that are related to fertilizer practices.

Some may have just a few questions, while others might need a longer battery of questions to fully address their topic. You can subscribe to the report and/or purchase just omnibus questions.

“75% of western Canadian growers have made changes to their fertility practices in the last two years or are planning to make changes in the next two years.”

Source: FarmShift 2016 Changing Practices Study

“Farm consolidation and use of new equipment and technology are the main drivers of significant changes for growers, which in turn are creating new demands on the retailer.”

Source: Prominent Western Canadian Retailer



Topics and questions to be addressed

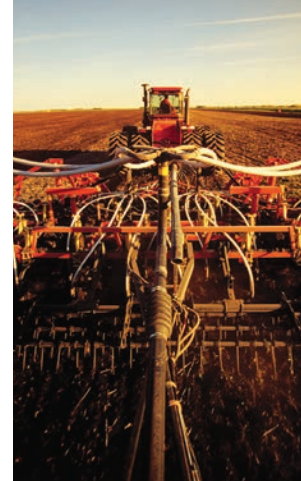
Syndicated Survey Outline

Investigating the grower-retailer relationship

- ✓ The analysis will measure each retailer's 2016 share of growers (providing an indication of retailer market share), and examine growth and retention heading into 2017.
- ✓ From which retailers did growers purchase fertilizer for their 2016 crop? How many purchased from more than one retailer? How satisfied are growers with these retailers?
- ✓ For their 2017 crop, who have they already purchased from, who do they intend to purchase from? From 2016 to 2017, which retailers appear to be gaining customers/business? And which ones are vulnerable?
- ✓ In each of the past three years, how many different retailers have growers purchased fertilizer from? How much switching is occurring?
- ✓ What are the principal factors driving growers to change fertilizer retailers? On the flip side, what are the primary reasons a grower stays with one particular retailer?
- ✓ Which are the table-stakes attributes? What must retailers absolutely have to deliver on? What is optional? What are growers' greatest frustrations with fertilizer retailers?
- ✓ How do growers rate their fertilizer retailers on key attributes? (e.g. product lineup, pricing, product availability, capacity, logistics and timeliness, agronomic advice, service)
- ✓ What needs do growers have that are currently unmet by their traditional retailers? How are they attempting to meet these needs? How many have or are considering acquiring wholesale access?

Grower profile

- ✓ Product use: In 2016, how many growers used more than one form of fertilizer (granular, liquid, anhydrous)? And which combinations did they use? Which specific nutrients did they use (N, P, K, S, micros)? How many ordered custom blends? How many ordered individual products? How many used premium differentiated products (e.g. ESN, MicroEssentials, AgroTain, SuperU)? In total, how many different blends or products did they purchase?
- ✓ Fertilizer equipment: What on-farm fertilizer storage do growers have (number and capacity of fertilizer bins or tanks)? What fertilizer application equipment do growers own (number of seeders/drills, number and capacity of fertilizer tanks/liquid caddies on each drill, dedicated fertilizer application equipment like floaters or spreaders)?
- ✓ Application practices: How many growers are doing split applications? How many are applying all of their fertilizer at time of seeding? How many are utilizing custom application services and on how many acres?
- ✓ Demographics: Farm size, age, province, crops grown



The Omnibus Section – add your own proprietary questions

- ✓ For organizations that have their own proprietary questions they would like to add to the survey, the omnibus is an economical way to gather insight.
- ✓ The FarmShift team will work with you to develop your questions, and they could cover such diverse topics as:
 - Reactions to a new concept or product
 - Brand/product awareness, perceptions, usage, purchase intentions
 - Attitudinal questions (agree/disagree)
 - Company or brand ratings
 - Information needs, information seeking practices



Methodology

This quantitative investigation will entail an online survey with a random sample of 400 western Canadian growers, stratified by province and farm size to ensure a representative sample. Farmers participating in the study will be the main/joint decision-maker on their operation, not be planning to retire or exit farming in the next five years, and have at least 2000 acres under crop.

A sample of this size is accurate within +/- 4.9% at the 95% confidence level. Further, this sampling plan is robust enough to allow the results to be reliably analyzed for statistically significant differences.

The changing relationship between growers and their retailers and switching patterns will be analyzed to determine whether there are differences by:

- ✓ Farm size
- ✓ Which retailers growers purchase from
- ✓ Various grower segments (TBD based on growers' product use, equipment ownership, and application practices)
- ✓ Province
- ✓ Age



Deliverables

- Clients purchasing this study receive a full report in PowerPoint format, including an executive summary and the detailed findings and implications. Executive summaries are also provided separately in PDF format.
- Clients purchasing omnibus questions receive a report in PowerPoint format containing their own results, together with tables showing their results by province, farm size, and age (other demographic or behaviour variables are available on a custom basis).
- Conference call presentation and discussion of the results is available (an in-person presentation can be arranged for an added fee).



Timing

Early bird pricing deadline	January 31, 2017
Client consultation and design of omnibus questions	January – early February 2017
Omnibus questions finalized	February 10, 2017
Survey data collection	February/March 2017
Delivery of reports	April 28, 2017*

(*omnibus results may be available sooner)



Costs

	Before Jan 31	After Jan 31
Report	\$15,000	\$18,000
Omnibus questions:		
Closed-ended question	\$1,500	\$1,750
Per three rating / ranking / scaling questions	\$2,000	\$2,250
Open-ended questions	\$2,500	\$2,750

If a large segment of omnibus questions are purchased by a single client, we will develop a package price.

About FarmShift

FarmShift is the prime source for farmer-focused market research in Canada, conducting a wide range of both syndicated and custom market research.

Through the course of ongoing research and discussion with farmers, the retail channel, and agricultural companies, our experienced agricultural market research team is constantly watching for fundamental shifts that might impact farmers' practices, needs, and expectations. We explore these shifts, trends, and opportunities via our line of syndicated studies.

As well, our market research group provides a full range of customized quantitative and qualitative research services. We have also adapted the most widely used market research techniques to the specific conditions faced in agriculture and food. No matter how complex your challenge or how intricate your opportunity, we have the depth to design a study that produces actionable results.

FarmShift: Retailing Fertilizer is the latest study in our syndicated series, which began in 2007.

Other FarmShift syndicated studies include:

Changing Practices I & II	Future of Corn & Soy	Future of Canola	Wheat Marketing Practices
Precision Farming I & II	Media Mix I & II	Business on the Colony	Certified Wheat Seed
Social Media	Million \$ Farms	Large-Acreage Farmers	Wheat Production Strategies

Our syndicated FarmShift studies have had over 100 subscribers, including equipment, crop protection, grain, seed, technology, and financial services companies, as well as agricultural industry associations and government. For more information on the full line-up of FarmShift studies, please visit FarmShift.com.

Study Team



SHARON BARKER Director, Research Strategy

Sharon heads up the research practice and is involved in the design and implementation of all FarmShift syndicated studies and custom research projects. Sharon has over 20 years of experience in conducting strategic research in the agricultural sector among producers, retailers, manufacturers and employees, as well as research targeting Canadian consumers. Sharon's experience includes market research related to brand strategy development, biotechnology, crop input and agronomic services, financial services, retailer needs assessment, grain marketing, risk management and consumer attitudes and perceptions of agricultural issues. She has a Bachelor of Commerce degree, majoring in marketing from the University of Calgary. Sharon is based in Calgary.



JOANNA KORMAN Senior Associate

Joanna specializes in tailoring leading edge consumer and business-to-business research techniques to the complex decision-making processes required in agriculture. With over 25 years of experience in agriculture, Joanna's particular areas of research expertise include brand health and brand positioning, new product development, pricing, customer satisfaction and loyalty. She has considerable experience in the life sciences sector and a high level of familiarity with agricultural products across Canada. Previously Joanna headed up the agricultural division as Senior Vice-President for a major North American research company. Joanna has a Master of Agricultural Economics from the University of Manitoba and resides in B.C.



RON KROEKER Senior Associate

Ron specializes in qualitative research, including depth interviews with end users, vendors and channel partners. Ron is particularly adept at investigation requiring innovative approaches. Ron's career in marketing extends over three decades with experience in various roles in agribusiness. Much of this experience was gathered building and managing industry-leading brands. Prior to joining Blacksheep, Ron provided leadership in sales and market development for a software system utilizing GPS technology for food production traceability. He managed sales and marketing functions for 10 years with a leading agricultural retailer, during which time he was awarded CAMA's prestigious Agri-Marketer of the Year title. Ron has a diploma in Agriculture from the University of Manitoba and resides in B.C.



RUSSELL JEFFREY Managing Partner

Russell provides industry relevant expertise and insight to the development of clients' research solutions. Russell brings over 25 years of progressive management experience to FarmShift, including the management of some of Canadian agriculture's most known brands. In 2003, Russell left the corporate sector to found an integrated marketing firm with extensive capabilities in agriculture, leading to the establishment of FarmShift. Russell has a Master of Science in Agricultural Economics and lives in Winnipeg with his family.

Sign-up Form

Report

Cost is \$15,000 until January 31, 2017 and \$18,000 thereafter.

Omnibus questions

A quote will be provided based on the number and type of questions you have.

Cost of omnibus questions:	Before Jan 31	After Jan 31
Closed-ended question	\$1,500	\$1,750
Per three rating / ranking / scaling questions	\$2,000	\$2,250
Open-ended questions	\$2,500	\$2,750

Please indicate approximately how many proprietary questions you anticipate: _____

All study documentation is confidential and strictly for the internal use of participating organizations. The report is syndicated and may not be reproduced in any way, or disclosed to any other party, in any manner whatsoever, without the prior written consent of FarmShift Inc. Omnibus results are the sole property of the client who purchases them and may be used or distributed in any way the client prefers.

In the unlikely event of an insufficient number of subscribers, the study could be postponed or cancelled.

50% of study cost is due upon sign-up, and 50% is due upon receipt of deliverables. Costs exclude applicable taxes.

Company

Phone number

Name

Position

Signature

Date

Please sign, scan, and email to info@farmshift.com.

