



Bringing world-class technology home.



welcome video

Presentation to
Entrepreneurship in Agriculture
March 27, 2008

“The Plan”

- Understanding how Latham Hi-Tech Hybrids is growing “from the ground up”
- Implementing our marketing plan
- Promoting a new company/products with limited budget
- Understanding importance of relationship marketing
- Q&A

Company Overview



- Independent, family-owned seed company
- Focus on what we know best: sales & marketing
- Wholesale marketer of seed corn hybrids with multiple traits for in-plant seed protection
- Value-added traits include Roundup Ready® Corn 2, YieldGard VT™ Triple, YieldGard® Corn Borer, YieldGard® Plus and Processor Preferred®
- Added value-added traits from other leading providers in 2008 (Herculex and Agrisure)

Our Mission



- **Mission: to deliver world-class corn technology to farmers in the upper Midwest through local, professional sales representatives**
- **Headquarters in Sheffield, Iowa**
- **Centrally located to serve five-state marketing area: Iowa, Nebraska, Minnesota, Wisconsin, South Dakota**

Company Overview



- **Started because John Latham saw an opportunity to enter the high-tech corn market**
- **Founded April 2004 and licensed in December**
- **First full year of commercial sales was 2005-2006 (for 2006 spring planting)**
- **Sales increased 25% from 2006 to 2007**
- **On track to have 75% increase in 2008 (hired six DSMs between April and October 2007)**

Our Support Network



- **North Iowa SBA / John Pappajohn Center**
- **Placed 3rd out of 87 entries statewide in 2006 John Pappajohn Business Plan Competition**
- **Presented to Venture Network of Iowa, drawing interest of venture capitalists and angels**
- **Received Wellmark Community Investment Fund**
- **Applying for training grant through State of Iowa**

Management



- **John Latham, President/CEO**
 - President of Latham Hybrids, LLC
 - Sales and Marketing Director for Latham Seed
 - 8 years as Latham DSM, top salesperson 7 years
 - Former agronomist for Pioneer Hi-Bred
 - Former president of the Iowa Seed Association

- **Shannon Latham, Vice President of Marketing**
 - 15 years experience in marketing, public relations and advertising related to agriculture
 - Build, support the Latham Hybrids' brand
 - Implement integrated marketing plan
 - Account Exec with Meyocks & Priebe Advertising
 - Operated own communications firm (2003-2006)
 - Former president, Iowa National Agri-Marketing Association (NAMA)
 - Bachelor's of Science, Iowa State University
 - MBA, University of Iowa

- **Chris Latham, Chief Financial Officer**
 - Chief Financial Officer, Latham Hybrids
 - Chief Financial Officer, Global Mixers; a \$10 million privately-held concrete mixer manufacturing company based in Des Moines
 - MBA, Iowa State University

■ **Jamie Carda, Corn Product Manager**

- More than 20 years industry experience
- Experience in all phases of sales, recruiting, training, production, inventory management, research and people management
- Regional sales director for family-owned hybrid company headquartered in Illinois
- Corn product manager and as sales/marketing manager for independent seed company
- MBA, University of Nebraska – Kearney

- **Steve Sopher, Corn Operations Manager**
 - Agronomist with Latham Seeds for 10 years
 - Vistive™ soybean product manager
 - Manage product inventory
 - Ensure that stock orders are entered and current
 - Facilitate yearly forecasting with President and Corn Product Manager

Regardless of product or company, marketing goals should meeting the following criteria:

- Specific – for example, earn \$30,000 net sales
- Measurable – target date for completion
- Attainable – not so high that you cannot reach
- Rewarding – reflect reasons started business in first place
- Timeline – include short- and long-term goals

- **Marketing Plan – outlines marketing strategy including goals and methods for achieve those goals with reference to business as a whole**
- **Includes: research and competitor overview**
- **Identifies the customer base and venues for product introduction**
- **Is integral component of business plan**
- **ROPE: Research, Objectives, Plan, Execute**

- Farmers prefer to do business with regional and local companies (The Meyocks Group)
- Younger farmers are adapting new seed technology at higher than average rates (Purdue University)
- Seed companies with the highest trait mix are capturing market share (Doane Market Research)

2007 Independent Professional Seed Association

- Farmers surveyed believe in parity of seed quality
- Believe performance is “local”
- Information sources: 25% use own research, 25% yield results/plots, 22% seed company rep, 21% farmer-dealer
- 72% buy from farmer-dealer, 24% buy direct
- Opportunities: (1) Differentiate, (2) Value Proposition and (3) Pipeline

2007 marketing intern interviewed Top 25 dealers

- When make seed purchasing decisions?
- What can we do to help you sell more of our hybrids?
- What is a barrier to putting up field signs?
- Would you be interested in co-oping local advertising?
- How would you prefer to receive our communications?

Marketplace Situation



- **Decreasing market share by industry leaders (Pioneer, NK, Golden Harvest, Garst)**
- **Mergers and acquisitions**
- **More farmers are looking for a company they can trust**

Objectives



- **Maintain and enhance relationships with existing Latham dealers and sales force**
- **Create awareness for Latham Hi-Tech Hybrids**
- **Increase sales of Latham's hybrid seed corn**
- **Position Latham Hi-Tech Hybrids as a company committed to the sales and marketing of seed corn, so farmers don't have to worry about our name changing overnight**

INDEPENDENT. OPTIONS.

- One-stop shopping: we select genetics and traits from Monsanto, Dow, DePont, Syngenta and others
- Recommend best seed for *your* situation
- Focus on profit per acre
- Independent, family-owned business with roots in rural Iowa
- Sales driven, marketing led – focus on strengths

Marketing Budget



- **Year 1 – \$100**
cover letter and photocopy of hybrid summary
- **Year 2 – \$20,000**
professionally produced product guide
limited radio to promote triple-stacks
- **Year 3 – \$100,000**
integrated campaign around F.I.R.S.T. Trials

Communications Pyramid



- Smaller Audience
- Costs less to reach
- i.e. sales force, dealers



- Major influencers understand and can explain/sell benefits of new product
- i.e. customers, farm managers



- Deliver the right, consistent messages
- i.e. farmers in general, media

Execution

- Hired first full-time employee to build Professional Sales Network – September 2006
- New Hi-Tech Website launched September 2006
- 46 outdoor boards for advertising campaign, October thru December 2006
- Direct mail series, promoting triple stacks to new customers, September through November 2006
- New dealer incentive trip announced to D.C., in Summer 2007

2007-08 Marketing Campaign



- DSM Introduction Campaign: local news release, direct mail campaign, ad in local newspaper
- Produced “professional” product guide
- Fall advertising campaign: *Iowa Farmer Today* and *Iowa Farm Bureau Spokesman*
- Direct mail series, promoting triple stacks to new customers, September through November
- Direct mail series, publicizing yield results, September through December
- Published yield guide

2007-08 Marketing Campaign – EXAMPLES

Latham
HI-TECH-HYBRIDS

PO Box 167
Sheffield, IA 50475

www.lathamhybrids.com

FIRST-CLASS MAIL
U.S. POSTAGE
PAID
DES MOINES, IA
PERMIT NO. 2995

**The proof is
pouring in ...**

**Latham Hi-Tech Hybrids
tops yield tests.**



Direct Mail Example – Back Side

... your Latham Hybrids District Sales Manager,
Jason Obermeyer.



Jason Obermeyer
District
Sales Manager

Your Latham Hi-Tech Hybrids district sales manager Jason Obermeyer of Wells, Minn., brings nearly 15 years of agribusiness experience. Most recently he served as agronomy location manager for Crystal Valley Co-op in Janesville, Minn. Prior to that, he worked as agronomy location manager for WFS in Briceyn, Minn.

"Jason has shown a passion for becoming a true partner with farmer customers and understands the direct connection between each customer's success and our company's success," said John Latham, president, Latham Hi-Tech Hybrids. "He has an excellent track record of working with his producers in person to find their most profitable options."

Obermeyer said he's "really looking forward to working for a family-owned, independent company like Latham Hi-Tech Hybrids. I believe strongly in Latham Hybrid's vision of helping farmers feed and fuel the world and am eager to become a true partner in our customers' success."

Expect a call from Jason soon, or give him a call today at **507-402-3087**.

Latham Hi-Tech Hybrids doesn't just claim to boost yields, we deliver the bushels per acre to back it up.



In 2006, Latham Hi-Tech Hybrids'

LH 5617 RRBTW won the Farmers Independent Research of Seed Technologies (F.I.R.S.T.) in LeMars, Iowa. Across six F.I.R.S.T. trial locations in northwest Iowa, Latham Hi-Tech Hybrids placed first for overall gross income based on a combination of yield and drydown.

Call us today to find out how Latham Hybrids can pump up your profits with the right seed technology.

Latham
HI-TECH-HYBRIDS

www.lathamhybrids.com
1.877.GO.LATHAM



Local Ad Example

INDEPENDENT. OPTIONS.

EXERCISE YOUR INDEPENDENCE.

***Choose the Independent Source
for Hi-Tech Seeds.***

Latham Hi-Tech Hybrids is proud to be an independent, family-owned company. Because we're independent, we can offer a choice of seeds with the same genetics but different traits made by rival companies like Monsanto, Dow, DuPont, Syngenta and more. That's just one example of how staying loyal to our customers lets Latham deliver the best seed to maximize customer yield and profits

You have options with Latham brand soybeans and Latham Hi-Tech Hybrids. Let us show you how we mix world-class technology with truly local service to help you maximize yields and profits.



Contact your local Latham seed consultant today:

Jason Obermeyer
Wells, Minnesota
507-402-3087
Jason@lathamhybrids.com
www.lathamhybrids.com

Latham
HI-TECH+HYBRIDS

Bringing world-class technology home.™

INDEPENDENT. OPTIONS.

EXERCISE YOUR INDEPENDENCE. CHOOSE THE INDEPENDENT SOURCE FOR HIGH-TECH SEEDS.

THE POWER OF INDEPENDENCE

Latham Hi-Tech Hybrids is one of the few seed companies in the country that can offer a choice of seeds with the same genetics but different traits made by rival companies. For example, Latham Hi-Tech Hybrids offers the same 110-day genetic package in two versions: one with the Herculex® 1 technology and one with the YieldGard VT Triple™ technology.

NEW! LH 6014 HXRR 110   	NEW! LH 6018 VT3 110 
<small>Herculex and the Herculex logo are trademarks of Dow AgroSciences LLC. LIBERTY and LibertyLink are registered trademarks of Bayer. YieldGard and Roundup Ready Corn 2 system are registered trademarks of Monsanto Technology LLC.</small>	

Because Latham Hi-Tech Hybrids is family-owned and independent, we help you select the traits that will best fit your unique growing situation, no matter who created them. That's just one example of how staying loyal to our customers lets Latham Hi-Tech Hybrids deliver the best seed to maximize customer yields and profits.

Latham Hi-Tech Hybrids—Independent. Options.
Let us show you how we mix world-class technology
with truly local service.

Call **1.877.GO.LATHAM** today.

Latham
HI-TECH-HYBRIDS
Bringing world-class technology home.™

2008-09 Marketing Campaign



- Developing tactics specific for each sales channel (based on market research findings)
- Growing Season Direct Mail Campaign, May-Sept.
- Product Direct Mail Series, June-July
- Fall campaign: print, radio and direct mail
- Tradeshow presence and pre-show mailers – NEW
- Alfalfa Product Launch: News release, desk-side visits, dealer mailing with tech sheets, *Tech Talk* article, direct mail (DM) piece to dealers/farmers

Earned Media (P.R.)



- Never underestimate the value of earned media
- Editorial coverage provides credibility (even a newsletter to establish an expert on your staff)
- Look for opportunities to make news: **Interest** (new seed company starts in time when most companies are merging); **Timeliness** (first company to offer new VT hybrids); **Proximity** (local resident hired as DSM); **Prominence** (John Pappajohn awards \$10,000); and **Consequence** (Latham Triple-Stack tops F.I.R.S.T. Trial and highest gross margin per acre)

A Work in Progress ...



- Continue to look for opportunities to “make news”
- Have relied primarily on secondary research (most cost effective)
- Undergoing strategic management process to determine how we may best grow our business
- In process of building professional sales force that will make direct sales to farmers (relationship building)
- Are designing programs to recognize customers
- In process of developing a system to provide value-added services in hopes of strengthening relationships with customers (will be delivered by DSM and dealers)

“Don’t forget that [your product or service] is not differentiated until the customer understands the difference.” Tom Peters, *Thriving on Chaos*

- **Dedicated sales force with value proposition**
- **Emphasis on Seed2Soil™ program**
- **Developed on-line ordering system**
- **Product line extension (alfalfa) for 2008**
- **Adding new technology offerings for 2009**

- Family-owned and operated by husband-wife team
- No longer 100% Monsanto technology/traits
- Creating a more customer-focused culture (pull v. push strategy)
- New value proposition (sales plan)
- Focused message: “Independent. Options.”

Emphasis on Relationships



- Targeted marketing in each DSM's local area (rather than across entire marketing area)
- Increase frequency of all touch points
- Focus on test plots, results and testimonials

“The Plan”

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