

A Stacked Trait Strategy

THE ROLE OF RETAILERS GROWS IN IMPORTANCE AS COMPLEXITY IN THE MARKET EVOLVES.

THE NUMBERS TIED to farmers' adoption of stacked traits would impress executives in any industry. According to the U.S. Department of Agriculture's National Agricultural Statistics Service, some 4 percent of corn acres were planted with seed bearing stacked gene varieties in 2003. A decade later that figure had grown to 71 percent. For the 2014 growing season, USDA's numbers indicate that stacked seed comprises 76 percent of corn acres.

Seed companies are intent on finding continued success with stacked trait technology. While stacks are popular, experts say sales are still based on providing growers site-specific recommendations coupled with the proper underlying genetics.

Aside from meeting growers' wants and needs, industry leaders increasingly rely on representatives and sales staff at the retail level to help farmers wade through what can be a complicated, but very beneficial product lineup. That means in the growing seasons to come, seed companies will invest in more education, training and support for seed dealers and retailers.

STACKS OFFER SOLUTIONS

"If we look at what farmers are demanding, stacked traits are the majority of our lineup," says Drew Porter, DuPont



Drew Porter, DuPont Pioneer director of product marketing for the United States and Canada.

Pioneer's director of product marketing for the United States and Canada. "They love the simplicity, insect control and durability that come with stacked traits." Porter adds that the popularity of DuPont's AcreMax family of products, which includes the industry's first integrated corn rootworm refuge product, now represents three-quarters of all insect trait corn products sold for Pioneer.

AgReliant Genetics president and CEO Craig Newman agrees with Porter. "Stacked trait products have evolved significantly during the past 15 years," Newman says. "There have been more options and improvements, which have been adopted quickly. The complexity and speed of the evolution of the new stacked traits will continue, especially with the emergence of resistance issues."



Craig Newman, AgReliant Genetics president and CEO.

With advances such as refuge-in-a-bag, Newman says that the seed industry has been able to minimize concerns that, in the past, influenced adoption of stacked trait technology. First introducing stacks for commercial planting in 1998 with RoundUp Ready and Yield Guard Corn Borer technology, AgReliant knows the importance of minimizing grower concerns, as its product line is comprised of more than 80 percent stacked traits.

Addressing concerns and minimizing risks are also key. "Growers have rapidly adopted stacked traits since their introductions because of the benefits they provide, including yield improvement, risk management, ease of use and overall return on investment," says Hank King, U.S. corn marketing leader for Mycogen Seeds.





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“Mycogen Seeds is one of the few companies in the industry with a global research and development pipeline of genetics and traits.” The brand and its parent company, Dow AgroSciences, have a long history of creating and bringing new traits to the marketplace. King says the company offered up the world’s first corn *Bt* (*Bacillus thuringiensis*) trait in 1988, found great success with their SmartStax Refuge Advanced hybrids and now anticipate the introduction of POWERCORE, with the broadest spectrum of above-ground insect control, in 2015.

Pat Steiner, who heads up Syngenta’s corn portfolio in North America, says positioning stacked traits begins with location. “First, we consider grower needs by geography,” he says. “For all



Pat Steiner, Syngenta North American corn portfolio head.

of our Agrisure corn traits, we focus on grower needs in specific locations. From there, we consider hybrid and refuge needs for insecticidal traits. This can be a complex process as we are looking at getting the right hybrids with the right traits and making this decision 12 to 18 months in advance of the market, while things like pest shifts are occurring.” Syngenta’s stacked varieties include Agrisure Viptera, Agrisure Duracade and Enogen corn.

While Syngenta’s Steiner starts with location, Rebecca Waller, DEKALB brand manager for Monsanto, says farmers’ needs steer their strategy. At the moment, yield performance, strong agronomics and products that deliver consistent results top their customers’ lists. “To deliver on our customers’

expectations, we need to bring a number of things together, starting with globally-sourced germplasm that provides the best-in-yield potential; an industry leading breeding program to enable that germplasm, as well as identifying strong agronomic characteristics to bring to market and protect all of that potential with cutting-edge trait technology via our Genuity platform of traits,” Waller says.

Currently, Monsanto’s marketing efforts for traits zero-in on functional benefits, such as pest control for corn rootworm, corn earworm and black cutworm. Modes of action for corn traits are also key, Waller adds. “We emphasize products with multiple modes of action for maximum protection against pests,” she says. “For traits like Genuity DroughtGard Hybrids, that provide farmers with a combination of drought-tolerant genetics, agronomic recommendations and the industry’s only drought biotech trait, we focus on the benefits the products provide while still maintaining top-end yield potential.”

MORE THAN JUST TRAITS

While popular among growers, the claim can’t be made that stacked trait seed products just sell themselves. Confronted with a smorgasbord of seed options, farmers need guidance and expertise when it comes time to



pairing those offerings with their needs. Although they comprise some of the latest and greatest technology on any company's product list, the selection process doesn't automatically start with stacked traits, says DuPont's Porter.

"Our plan is to have a local Pioneer team member working one-on-one with the grower to understand the specific needs, fields, crop history and use so that the right product can be placed on the right acre," he says. "That's a foundation we start with before ever having the trait discussion. We want to give them the right underlying genetics."

Newman agrees that genetics remain the most important selling point. "We provide trait options based on the needs of our customers," he says. "The needs differ for each grower by geography, environment, farming practices and objectives. The genetics in each product are the most important factor, as the traits just protect yield potential."

Steiner says that at Syngenta, new offerings haven't influenced the way they service customers. "If we do a good job focusing on grower needs, then positioning a product is consistent whether a hybrid contains a trait or not."

Companies say their sales staff are still committed to their respective full product lineups, something that's particularly important for offering regionally-appropriate traits.

"In the DEKALB brand, we are focused on marketing and selling a full portfolio of product offerings that meet farmers'



As the product lineup for seed becomes increasingly complex with stacked traits, retailers are an integral part of seed companies' outreach and marketing plan.

needs," says Monsanto's Waller. "From a crop-to-crop perspective, our philosophy is similar: focus on farmer benefits, but the execution is typically tailored to the specific crop and situation. In the beginning, much of the conversation was education, but today we are more focused on the benefits traits provide and how they fit into the complete offering, including genetics, breeding, agronomic services and yield protection."

King says Mycogen is committed to offering a selection of conventional products, in addition to the company's primary market focus which is multi-stacked *Bt* options offered in the Refuge Advanced portfolio. "Because our conventional inbreds are a basic building block in our traits breeding program, many of our conventional hybrids come in our latest genetics," he says. "This

allows us to meet the needs of growers who have different risk management and grain marketing preferences."

Porter says Pioneer takes the principle of regionalism to a whole new level. "We decided not to take a broad regional approach to sales, but instead created smaller and smaller geographies," Porter says. "That strategy comes at a cost. We have to have more products, which creates complexity but we are confident we have products tailor-made for those specific geographies."

RETAILER ROLES EVOLVE

As agriculture has evolved, so has the seed retailer. Some, such as DuPont Pioneer's Porter would argue their role has risen to a new level. "We've seen the increasing importance of that local sales representative," Porter says.



"Farming is a complex business. Farms are bigger and the number of choices remains high. Local sales reps understand field conditions, insect pressure and operational needs and can make the right recommendation for germplasm and traits. The advent of stacked traits reaffirms the importance of salespeople."

Recognizing this fact has meant directing time and resources to support sales personnel. For DuPont Pioneer, Porter says that's translated into doubling the number of field agronomy staff since 2008 and investing in training for sales representatives to ensure they're well-versed in genetics and technology.

"With so many stacked traits on the market, it can be confusing to find the right genetic and trait package to meet the program needs a grower has today," says Mycogen's King. "Each contains different combinations of traits with different levels of effectiveness against pests and herbicide tolerances." That's one reason educating retailers is important to the company. "This year, we have numerous Dow AgroSciences technology centers across the U.S.," he says. "We invited thousands of retailers, dealers and growers to see the in-field performance of our corn and soybean genetics, insect- and herbicide-tolerant traits and crop protection offerings."

Today, it's also important that retailers are able to deliver agronomic advice throughout the growing season. "Our dealer network is a vital partner when we put together our marketing strategies for DEKALB products and traits," Waller says. "These dealers are

the trusted advisors for our customer. They are the ones who can assist farmers in determining the appropriate trait protection for their farm and then provide agronomic insights that can drive yields."

Offering guidance on inputs, such as herbicides and insecticides is often expected by customers. "We do help evaluate the benefits of the traits for the grower versus the benefits on conventional hybrids," says Newman of AgReliant Genetics. "If the grower does not have the protection of a stacked trait, we discuss how he can protect his crop using alternative methods, such as soil insecticide."

Product evolution can be rapid, says Syngenta's Steiner. "For seeds, expertise in hybrids and traits is critical to getting seed placed on the right fields," he says. "A seed advisor or retailer must be familiar with current hybrid and trait launches to be able to make the best recommendation for a grower. At Syngenta, we are selling hybrid Agrisure trait combinations that show a dramatic performance benefit over just a few years ago."

A PROMISING FUTURE

Industry leaders believe retailers will remain important in future stacked trait product marketing. This 'mix and match' scenario is inherently complicated and will only become more complex.

"As more and more traits are brought to market, the challenge will become educating customers on the differences between traits and

keeping everyone focused on the most important concept, which is about the entire package: genetics, traits, seed treatment, chemistry and agronomic recommendations," Waller says. "It is only when we bring all of these components together in concert, that we can enable the greatest potential yield."

These salespeople have risen to the challenge before and will do it again, she adds. "In the future, dealers will continue to innovate and find ways to improve on-farm agronomic services, product recommendations and logistics for their farmer customers," Waller says.

DuPont Pioneer's Porter says although market expansion is expected, it shouldn't overwhelm farmers because not all products are available to all farmers. Additionally, farmers use their sales representatives to help make seed decisions and ensure they get the right product on the right acre.

Steiner believes that "Marketing success will be determined by performance in the field. ROI and risk management remain extremely important to a grower. Retailers and seed advisors will have a big impact on the success of future trait combinations through their recommendations."

Regardless of the strategy, companies see the value and potential in stacked trait seed. "We need the improved stacked traits in the future," Newman says. "We need to embrace them even if it means significant time, effort and complexity to launch and market these evolving innovations." **Maria Brown**

