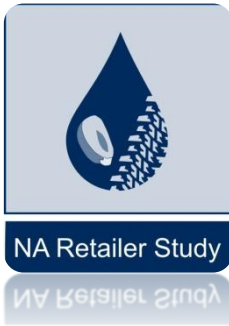


## FOCUS: BUSINESS/STRATEGY

### Context Addresses Unique Challenges in N.A. Agricultural Retail Sector



One of the most dynamic market sectors in agriculture is the Ag Retail sector. Agricultural Retailers face big challenges. Major consolidation across the retail and wholesale industry is continuing. Trends in solutions management for the grower will continue to provide enormous complexity throughout the entire agricultural market. Through these ongoing changes, the ag retailer will continue to be the touch point for the grower.

Challenges, opportunities, risks and potential abound, but until now, there's not been a single resource providing a current and comprehensive look at the Ag Retail industry. Context is pleased to introduce **The North American Ag Retailer Competitive Study** - a unique evaluation of this important market sector along with the kind of analysis companies have come to expect from The Context Network.

#### What the Market Looks Like:

Context Partner Tray Thomas says, "Trends in consolidation will only intensify in the coming years. As an example, Agrium has outlined their expansion plans in several presentations. These included both organic and inorganic growth strategies, both of which will lead to further retail consolidation. These plans, plus the continued consolidation of the industry as a whole, will radically change the face of retail."

Thomas notes that complexity in product offerings will also accelerate with the development of new traits and chemistries. The next decade will bring the first biotech products targeted specifically at drought, along with continuous improvements of some of the yield traits already in the market. In addition to traits, new herbicides will be targeted for glyphosate resistance management, new fungicides for plant health improvements, and new insecticides for enhanced control of secondary pests in Bt crops, etc.

"All of these trends will have a profound impact on how the channel is structured, how manufacturers communicate to growers, and ultimately how growers receive and interpret information. The retailer remains at the center of this evolution and growers will likely turn to their local retailer as their key source to navigate through these trends."

Context Senior Associate, James Mann adds, "The response and subsequent actions taken by retailers and wholesalers to address these trends will have a major influence on how the final message is delivered to the grower. The winners will be those that can adapt to the changing market by assimilating information for the end user."

Thomas concluded, "We do know that firms that take more proactive management of these changes through better understanding of both current trends and future scenarios will best position themselves toward successfully advancing their business objectives. **The North American Ag Retailer Competitive Study** will allow more proactive management of these changes through better understanding of both current trends and future scenarios. We look forward to working with companies as the study is released." For more information, contact [tray.thomas@contextnet.com](mailto:tray.thomas@contextnet.com) or [james.mann@contextnet.com](mailto:james.mann@contextnet.com).

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*The Context Network* provides business management and strategy consulting services to the world's leading agriculture, biotechnology and food companies and government agencies and institutions. Major areas of expertise include strategy, merger and acquisition support, valuation of new technologies, formation of alliances, and market research. The West Des Moines-based firm is composed of a core of professional consultants that is complemented by a network of hundreds of industry and subject-area experts.