

FOCUS: PRECISION AG

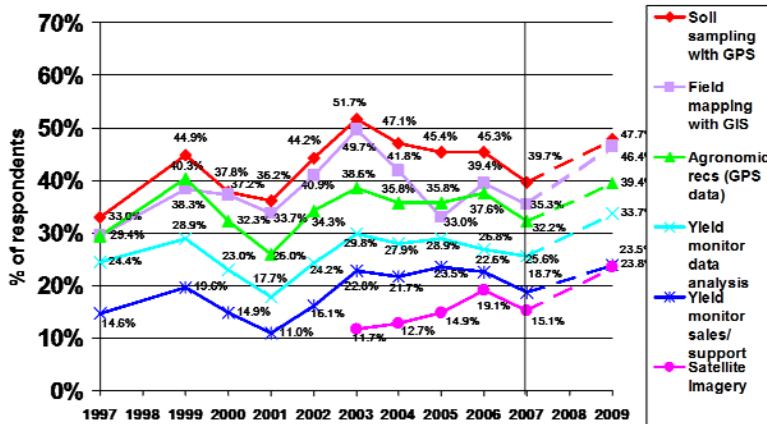
Precision Ag On the Rise

All the pieces are in place. Broad acre crop commodity prices are at record highs. Seed has dramatically increased its role in value. Fertilizer prices have doubled and tripled with strong global demand and tight supplies. Context Partner Mike Borel said combined, these factors point to an imminent and considerable rise in the adoption and use of precision agriculture technologies. "We're already seeing a significant vault in the number people investing in precision technologies as they are advancing to the point where they show a return."

Most noteworthy of late is Monsanto's purchase of a Colorado-based company, EarthMap Solutions, a remote sensing company that has unique capabilities for processing satellite and aerial imagery into geo-referenced, color-coded maps showing and measuring crop conditions. "Monsanto – a seed biotech company was an EarthMap customer, but they obviously saw significant value in further investing in a remote sensing interpretation company." Borel said.



*Precision Ag Use Over Time
2007 Purdue University CropLife
12th Annual Precision Ag Survey*



2007 Weighted Base: 374

Note: No data for 1998; 2009 is predicted use

Throughout the channel, growers, seed companies, crop protection interests, machinery manufacturers, all the way through to value-added processors are showing heightened interest, use of and investment in precision ag."

Context Partner, Mike Borel

Adding to the value of precision technologies is the real-time information growers and companies can use to understand, measure and monitor the crop. "Essentially, we're at an economic point where it pays to accurately and carefully conduct this type of live assessment of our biological investment."

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The Context Network has a wealth of experience and continues ongoing project work in precision ag – a term that encompasses multiple technologies that use global positioning (GPS) or geo-referenced information. Borel explained that the primary segments of precision ag include Auto Steering/GPS Guidance systems, GPS, Remote Sensing, Variable Rate delivery systems, Direct Sensing applications (yield monitors, boom height, green seekers, etc.) and Geographic Information Systems (GIS).

At this point, the technologies have been around long enough to get the kinks out of the hardware. Growers have become confident implementing and applying some technologies and software providers have worked with web and desktop applications well enough and long enough to allow a steeper adoption curve to occur. Fueled by current market conditions, we foresee greater implementation of and investment in these technologies.”

For more information on precision agriculture technologies and applications, contact Mike Borel at mike.borel@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 more than 100 industry and subject-area experts.