



CONTEXT

Multi-client study prospectus

**2012 Benchmarking for Crop Protection
Manufacturers in North America
Covering 2011 and 2010 Actual Results**

For more information, questions or requests

Contact Mike Borel, Partner & Project Sponsor

Ph: 925/937-4180

Email: mike.borel@contextnet.com

INTRODUCTION

Crop Protection manufacturers are experiencing more dramatic year-to-year changes in farm commodity prices, crop acreages, energy and raw material prices, the general economy, the farm economy and competitor initiatives than ever before. This is on top of the longer-term trends of:

- Industry consolidation, especially of distributors/retailers and generic companies
- Generic acceptance
- Increasing discounts & rebates to the channel and to growers/end users
- Increasing differentiation of grower/end user focus, warehousing and distribution, inventory management, advertising & promotion, COGS and others
- Increasing role and impact of GMO crops and mixed CPC and seed portfolios

With each company experiencing these industry dynamics and directing their own initiatives for change, there is a real need for ongoing, independent industry benchmarking.

WHY THIS STUDY?

Our 2006 study was the first comprehensive benchmarking study for this industry in over a decade. That study and each of the succeeding annual studies have shown that individual company position relative to the industry (and peer) range and average can and does change significantly year-to-year. “Best in Industry Performance” also continues to change.

There is high value in understanding your company’s performance relative to competitors and knowing where the industry-leading performance bar stands in the various metrics.

This information will enable focused attention on the areas of highest impact, and accurate feedback on the relative effectiveness of changes implemented in current and prior years.

All competitors are working to increase their productivity and, in many cases, are significantly adjusting their business models and spending profiles. An annual benchmark allows companies to understand whether or not the changes they are making are effective, and whether these changes are improving their own competitiveness vs. the competition.

WHO SHOULD SUBSCRIBE?

All Crop Protection companies who:

- value an accurate external dimension in business performance, and/or
- are in, or aspire to be in, the Top Ten of North America.

STUDY OUTLINE

- I. Background, introduction and overview of participant mix - portion of the Top 10 represented, Basics vs. Generics, etc.
- II. Comparisons of composite industry data
 - a. Key metrics
 - b. Basics vs. Generics comparison
 - c. 2011 vs. 2010 – (this section will allow you to track year-to-year change)
 - d. Largest shifts 2011 vs. 2010
 - e. Metrics with the largest spread
- III. Detailed data by metric (see Appendix A), including appropriate aggregates, customized for each subscriber showing your company position vs. the range and average of those in the Top 10, your peer group (Basics or Generics) and also showing the range and average for your non peer group. Observations by metric are included where meaningful.
- IV. Summary charts of your company vs. Top 10 and vs. peer group
- V. Custom, confidential recommendations based on the data analysis for your company
- VI. Appendix of additional “drill down” comparisons, including product category, organization segmentation, and Ag vs. Professional Products

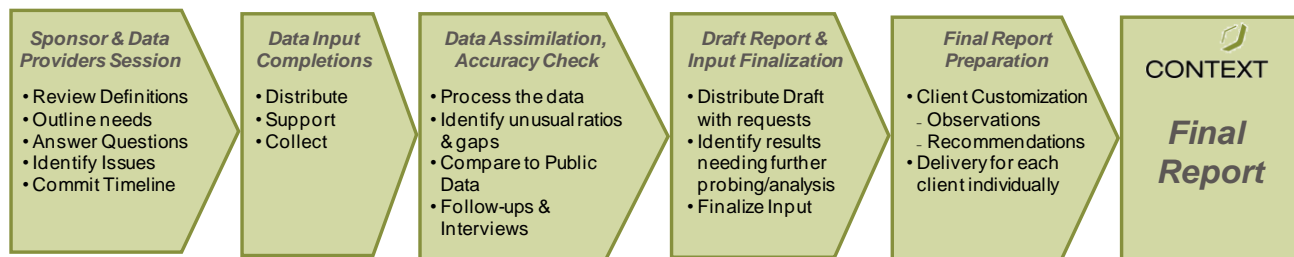
SCOPE

The study will use 2011 and 2010 actual data for each company and includes the U.S. and Canada. Aggregate region and individual country analysis is included.

Professional products and Ag segments are separated and compared with competitors and each other for companies with both.

METHODOLOGY

After insuring that a confidentiality agreement is in place, we will share the detailed definition of terms along with the questionnaire for data input. Subsequent stages are illustrated below:



TIMELINE

- ◆ Subscriber sign-up: July 2011 to February 1, 2012
- ◆ Meet with sponsor and data providers for each subscriber: January – February 2012 (to outline needs, answer questions, resolve issues and commit timeline)
- ◆ Final Data Input Form distribution: before March 15, 2012
- ◆ Completed Data input submissions: by March 30, 2012
- ◆ Data assimilation, checking, interviews by Context: April 1-14
- ◆ Draft report distribution for identification of areas for further probing: April 15, 2012
- ◆ Feedback and any data corrections submission: Late April 2012
- ◆ Report delivery: May 2012

CLIENT PROTECTIONS/ASSURANCES

Critical Value Factors for Subscribers:	Context Assurances for Each Critical Value Factor:
1. Protection of company data	The source company of data will not be identified to any other company outside of the Context Network. Sales revenues, number of products and other metrics that would easily enable data association to a company, will be set up in ranges where needed for value, or excluded.
2. Sufficient subscribers to assure Top 10 representation as well as Basics and Generics	Direct cooperation from supermajority of the Top 10 companies and sufficient numbers in each category to enable data sharing without risk to the confidentiality for any individual company.
3. Accuracy of the data provided – Several steps help assure common definitions and accuracy of data	<ul style="list-style-type: none"> ➤ Context will meet individually with each subscriber's data providers and study sponsor to review definitions and assure understanding – prior to the data request. ➤ Context will do background research and use it to cross check information provided and identify questions for follow-up. ➤ A draft report will be shared with each subscriber to help identify areas for further questioning. ➤ Companies will be asked to verify accuracy.
4. Comparability of data	Careful attention to consistency of company reporting to allow apples-to-apples comparability between companies and from year to year. This allows the data to be used to measure company performance vs. competitors over time.

DELIVERABLES

The final report will be organized per the study outline in a PowerPoint presentation format with associated tables and charts. It will be delivered on a flash drive memory stick. The report will be supported with an in-person presentation.

PROJECT LEAD

Mike Borel, Partner and leader of this project, has over 20 years of global experience as CEO / President / GM / Consultant in crop protection, biotechnology, animal agriculture and precision ag technologies. He has led teams to outperform competitors in sales and profits in every position held, spanning Start-ups to Fortune 50. Since 2002, he has been consulting - helping companies achieve remarkable results.

ABOUT CONTEXT

The Context Network provides business management consulting services to the world's leading agriculture, biotechnology and food companies, as well as government agencies. The firm is composed of a core of professional consultants with direct industry experience, complemented by an extensive network of industry and subject area experts.

Other multi-client reports offered by Context include Biotech Traits Commercialized, Global Seed Market Database; Global Seed Sector 2020 Outlook: Major Field Crops; Global Seed Sector 2020 Outlook: Major Vegetable Crops; and The Future of the North American Biofuels Industry.

The Context Network has many years of experience working in the crop protection, seed and biotechnology industries. Context has excellent industry knowledge, access to key contacts and a strong background in the relevant technologies, players and issues.

Other important characteristics that make Context uniquely suited for this project:

- A clear agribusiness focus has allowed Context to be involved in key industry decisions and issues, and to be intimately familiar with this unique market.
- The professional background of its staff, including seasoned executives with operating experience in agribusiness companies, gives Context the insight and ability to provide effective solutions.
- Context has significant relevant consulting experience, with staff background in such groups as Arthur D. Little and PricewaterhouseCoopers, complemented by internal Context work, which gives Context the proven consulting processes necessary to deliver actionable results.
- The flexibility of Context's network, with a strong inner core of consultants complemented by a network of over one hundred industry experts, ensures that Context reports contain accurate, reliable information with the best foresight in the industry.

Through its focus, process, experience and flexibility, Context can provide both relevant information and the insights necessary to make this information useful and actionable.

Metrics List

PROFITABILITY GROUP

TOTAL DISCOUNTS/REBATES as a % of Gross Sales
 Total Discounts/Rebates on Herbicides - % Gross Sales
 Total Discounts/Rebates on Insecticides - % Gross Sales
 Total Discounts/Rebates on Fungicides - % Gross Sales
 Total Discounts/Rebates on PGRs - % Gross Sales
 Total Discounts/Rebates on Other - % Gross Sales
 Total Discounts/Rebates on Professional - % Gross Sales
 TOTAL DISCOUNTS/REBATES TO CHANNEL as a % of Gross Sales
 Total D/R to Channel on Herbicides - % Gross Sales
 Total D/R to Channel on Bulk Herbicides - % Gross
 Total D/R to Channel on Packaged Herbicides - % Gross
 Total D/R to Channel on Insecticides - % Gross Sales
 Total D/R to Channel on Fungicides - % Gross Sales
 Total D/R to Channel on PGRs - % Gross Sales
 Total D/R to Channel on Other - % Gross Sales
 Total D/R to Channel on Professional - % Gross Sales
 DISCOUNTS/REBATES - Grower/End User as a % of Gross Sales
 Total D/R to Grower/End User on Herbicides - % Gross Sales
 Total D/R to Grower/End User on Insecticides - % Gross Sales
 Total D/R to Grower/End User on Fungicides - % Gross Sales
 Total D/R to Grower/End User on PGRs - % Gross Sales
 Total D/R to Grower/End User on Other - % Gross Sales
 Total D/R to Grower/End User on Prof. - % Gross Sales
 NET SALES REVENUE as a % of Gross Sales
 Net Sales Revenue on Herbicides - % Gross Sales
 Net Sales Revenue on Insecticides - % Gross Sales
 Net Sales Revenue on Fungicides - % Gross Sales
 Net Sales Revenue on PGRs - % Gross Sales
 Net Sales Revenue on Other - % Gross Sales
 Net Sales Revenue on Professional - % Gross Sales
 COGS - FORMULATION as a % of Net Sales
 COGS - Formulation on Herbicides - % Net Sales
 COGS - Formulation on Insecticides - % Net Sales
 COGS - Formulation on Fungicides - % Net Sales
 COGS - Formulation on PGRs - % Net Sales
 COGS - Formulation on Other - % Net Sales
 COGS - Formulation on Professional - % Net Sales
 GROSS MARGIN as a % of Net Sales
 Gross Margin on Herbicides - % Net Sales
 Gross Margin on Insecticides - % Net Sales
 Gross Margin on Fungicides - % Net Sales
 Gross Margin on PGRs - % Net Sales
 Gross Margin on Other - % Net Sales
 Gross Margin on Professional - % Net Sales
 TOTAL OPERATING EXPENSES ROLL-UP as a % of Net Sales
 Total Operating Expenses Roll-up on Ag as a % of Net Sales
 Total Operating Expenses Roll-up on Prof. as a % of Net Sales
 MARKETING, SALES, DISTRIBUTION EXPENSE ROLL-UP as % of Net
 Marketing, Sales, Dist. Expense Roll-up on Ag as a % of Net
 Marketing, Sales, Dist. Expense Roll-up on Prof. as a % of Net
 SALES & TECHNICAL SUPPORT EXPENSE as a % of Net Sales
 Sales & Technical Support Expense on Ag as a % of Net
 Sales & Technical Support Expense on Prof. as a % of Net
 ADVERTISING AND PROMOTION EXPENSES as a % of Net Sales
 Advertising & Promotion Expense on Ag as a % of Net
 Advertising & Promotion Expense on Prof. as a % of Net
 MARKETING EXPENSE (n.i. A&P) as a % of Net Sales
 Marketing Expense (n.i. A&P) on Ag as a % of Net Sales
 Marketing Expense (n.i. A&P) on Prof. as a % of Net Sales
 WAREHOUSING AND DISTRIBUTION EXPENSE as a % of Net Sales
 Whsg & Distr. Expense on Ag as a % of Net Sales
 Whsg & Distr. Expense on Professional as a % of Net Sales
 R&D EXPENSE (n.i. Disc.) ROLL-UP as a % of Net Sales
 R&D Expense Roll-up on Ag as a % of Net Sales
 R&D Expense Roll-up on Professional as a % of Net Sales

DEVELOPMENT EXPENSE as a % of Net Sales
 Development Expense on Ag as a % of Net Sales
 Development Expense on Professional as a % of Net Sales
 REGISTRATION/REGULATORY EXPENSE as a % of Net Sales
 Registration/Regulatory Expense on Ag as a % of Net Sales
 Registration/Regulatory Expense on Prof. as a % of Net Sales
 G&A EXPENSES as a % of Net Sales
 G&A Expense on Ag as a % of Net Sales
 G&A Expense on Professional as a % of Net Sales
 MARKET RESEARCH EXPENSE as a % of Net Sales
 Market Research Expense on Ag as a % of Net Sales
 Market Research Expense on Prof. as a % of Net Sales
 COMPLAINT SETTLEMENT EXPENSE as a % of Net Sales
 Complaint Settlement Expense on Ag as a % of Net Sales
 Complaint Settlement Expense on Professional as a % of Net
 BAD DEBT EXPENSE as a % of Net Sales
 Bad Debt Expense on Ag as a % of Net Sales
 Bad Debt Expense on Professional as a % of Net Sales
 EBITDA as a % of Net Sales
 EBITDA on Ag as a % of Net Sales
 EBITDA on Professional as a % of Net Sales
 DEPRECIATION as a % of Net Sales
 Depreciation on Ag as a % of Net Sales
 Depreciation on Professional as a % of Net Sales
 AMORTIZATION as a % of Net Sales
 Amortization on Ag as a % of Net Sales
 Amortization on Professional as a % of Net Sales
 PRE-TAX INCOME as a % of Net Sales

WORKING CAPITAL UTILIZATION GROUP

INVENTORY TURNS per YEAR
 Inventory Turns per Year - Ag
 Inventory Turns per Year - Professional
 ACCOUNTS RECEIVABLE TURNS per YEAR
 Accounts Receivable Turns per Year - Ag
 Accounts Receivable Turns per Year - Professional
 WORKING CAPITAL TURNS per YEAR
 Working Capital Turns per Year - Ag
 Working Capital Turns per Year - Professional

PRODUCTIVITY GROUP

Net Revenues per Sales & Tech Svc Rep
 Net Revenues per Sales & Tech Svc Rep - Ag
 Net Revenues per Sales & Tech Svc Rep - Professional
 Net Revenues per Employee
 Net Revenues per Employee - Ag
 Net Revenues per Employee - Professional
 Gross Margin per Sales & Tech Svc Rep
 Gross Margin per Sales & Tech Svc Rep - Ag
 Gross Margin per Sales & Tech Svc Rep - Professional
 Gross Margin per Employee
 Gross Margin per Employee - Ag
 Gross Margin per Employee - Professional
 EBITDA per Sales & Tech Svc Rep
 EBITDA per Sales & Tech Svc Rep - Ag
 EBITDA per Sales & Tech Svc Rep - Professional
 EBITDA per Employee
 EBITDA per Employee - Ag
 EBITDA per Employee - Professional
 Pretax Income per Sales & Tech Svc Rep
 Pretax Income per Sales & Tech Svc Rep - Ag
 Pretax Income per Sales & Tech Svc Rep - Professional
 Pretax Income per Employee
 Pretax Income per Employee - Ag
 Pretax Income per Employee - Professional

Metrics List (cont.)

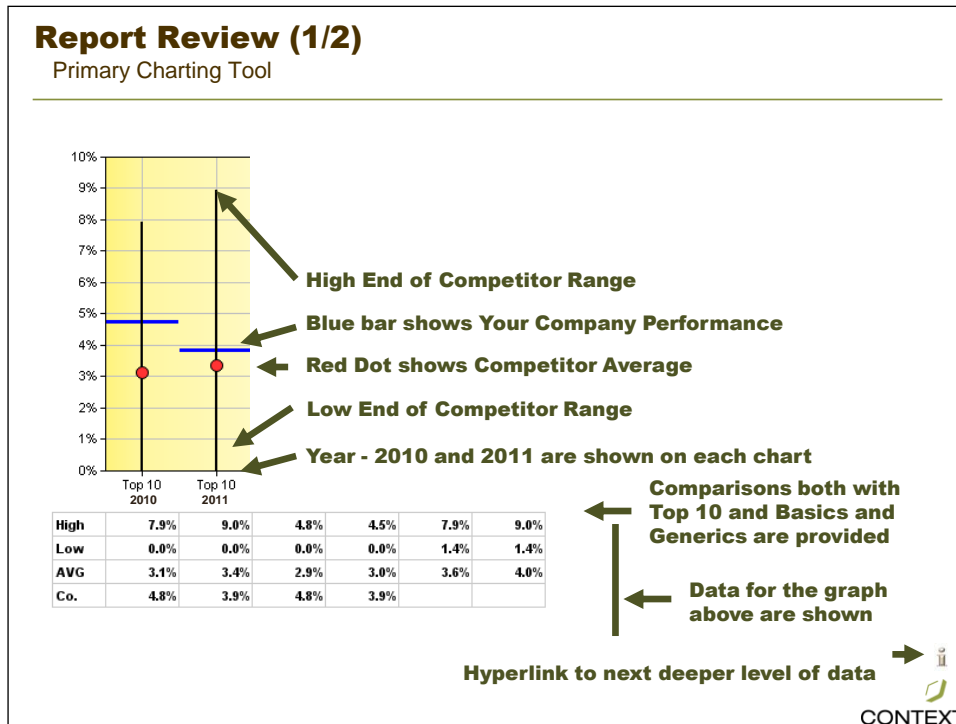
PRODUCTIVITY GROUP (cont.)

Sales & Technical Service Expense per Sales & Tech Svc Rep.
 Sales & Tech Svc Expense per Sales & Tech Svc Rep - Ag
 Sales & Tech Svc. per Sales & Tech Svc Rep - Professional
 Development Expense per Development Representative
 Development Expense per Dev. Representative - Ag
 Development Expense per Dev. Representative - Professional

PERSONNEL RATIOS

% Time to Growers/End Users by Sales & Tech Service - Ag
 General Management & Admin as a % of Total Employees
 General Management & Admin as a % of Total - Ag
 General Management & Admin as a % of Total – Prof.
 HR, IT, Finance/Accounting/Controlling as a % of Total Employees
 HR as a % of Total Employees
 IT as a % of Total Employees
 Finance/Accounting/Controlling as a % of Total Employees

Marketing, Sales & Tech Service Organizations as a % of Total
 Marketing, Sales & Tech Service Orgn. as a % of Total - Ag
 Marketing, Sales & Tech Service Orgn. as a % of Total – Prof.
 Marketing Organization as a % of Total Employees
 Marketing Organization as a % of Total - Ag
 Marketing Organization as a % of Total - Professional
 Sales & Tech Service Organization as a % of Total Employees
 Sales & Tech Service Organization as a % of Total - Ag
 Marketing, Sales & Tech Service Orgn. as a % of Total – Prof.
 Sales Organization as a % of Total Employees
 Sales Organization as a % of Total Employees - Ag
 Sales Organization as a % of Total Employees - Professional
 Development Organization as a % of Total Employees
 Development Organization as a % of Total Employees - Ag
 Development Organization as a % of Total Employees – Prof.
 Registration/Regulatory Affairs as a % of Total Employees
 Registration/Regulatory Affairs as a % of Total - Ag
 Registration/Regulatory Affairs as a % of Total – Prof.
 Technical Service Reps to Sales Reps
 Technical Service Reps to Sales Reps - Ag
 Technical Service Reps to Sales Reps - Professional



Please contact Mike to obtain the complete set of definitions and data templates
mike.borel@contextnet.com

HOW TO ORDER

2012 Benchmarking Study for Crop Protection Manufacturers in North America can be purchased by Manufacturers (Basics and Generic / Post Patent) for \$37,500, excluding expenses.

Only participants in the study will be able to purchase the results.

Early sign-up is very helpful and encouraged.

Expenses will be minimal and consist primarily of actual Web conference expenses for the data providers' meeting and actual travel expenses for the report delivery/presentation to any North American site. Presentations outside of North America can be arranged for additional cost.

Subscribers will be invoiced in 2 installments:

- \$18,750 One-half of the purchase price on January 1, 2012
- \$18,750 The remainder upon delivery of the final study

To subscribe to the **2012 Benchmarking Study for Crop Protection Manufacturers in North America**, please read and agree to the following statement:

“To protect our investment in this report, and that of other subscribers, we agree to maintain confidentiality of the study results within our company. We may make this report available to any subsidiary company in which we hold more than 50% interest, or to a parent company that holds more than 50% interest in our firm. We understand that we may use or disclose any information in this report that is public knowledge or that was in our possession before receipt of the study, or that comes to us from third parties independently of this report.”

ACCEPTED:

Name: _____ Signature: _____

Title: _____ Company: _____

Telephone: _____ E-Mail: _____

Please mail, fax, or scan and email this signed page/agreement to:
The Context Network | 4401 Westown Pkwy., #214 | West Des Moines, IA 50266
Phone: (515) 225-2204 | Fax: (515) 225-0039 | joanne.powers@contextnet.com



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Ph: 925/937-4180

Email: mike.borel@contextnet.com

www.contextnet.com