Marketing proposal for

G&C CROP SOLUTIONS

KINGFISHER FFA CHAPTER OK0192
OKLAHOMA 2018

Wheat Belt
Marketing Firm
Peyton Burns Kaci Jackson Harrison Themer

Product Description

G and C Crop Care is an aerial spraying/crop dusting operation which utilizes turbine aircraft, GPS, and advanced nozzle technology to apply pesticides to crop acreages near Kingfisher County in Northwest Oklahoma. Primarily, ***G and C*** sprays wheat acreages but has diversified into canola, soybean, and rye acreages and also treats pastures for pest infestations. It is a branch of Andy Deterding Ag Aviation, which is a $3 million agribusiness serving northern Oklahoma and southern Kansas. Greg and Courtney Deterding, owners of ***G and C Crop Care*** in Kingfisher, now hope to expand their sector of the business and increase their family's profits.

G and C Crop Care has maintained their limited client base over the past several years, but health concerns have forced the Deterdings to expand the services their company provides beyond aerial applications. *The Wheat Belt Marketing Firm* kept the Deterdings' goals in mind of adding value to the business, diversifying the services provided, and attracting new customers, utilizing a conservative capital budget and limiting the risk and expenditures associated with agribusiness expansion.

WB Marketing Firm suggests the following changes to the business:

- Implement a crop scouting service to the existing aerial spraying operation, utilizing Unmanned Aerial Vehicle (UAV) technology
- Change the name of the company to ***G and C Crop Solutions*** to help keep the current customer base, but expand market opportunities
- Create a new logo for brand identity
- Identify new and updated advertising strategies

Market Analysis

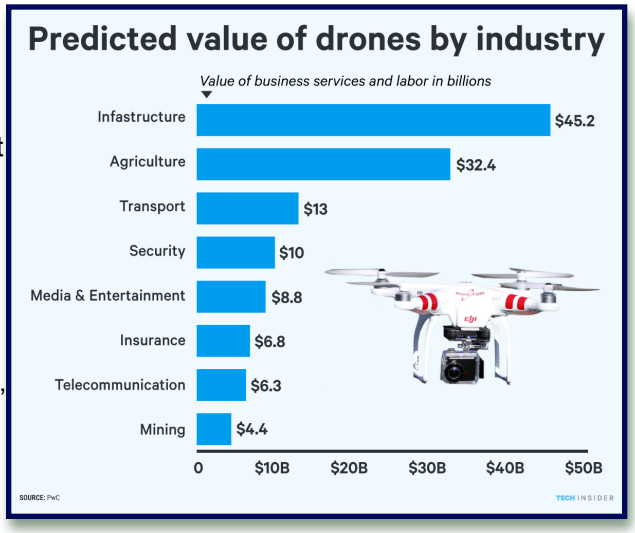
Client's status in current market:

G and C Crop Care currently sprays an average of 10 fields per year in Northwest Oklahoma, totaling nearly 10,000 acres of pastures, alfalfa, wheat, and soybeans. The company utilizes their crop dusting aircraft to distribute chemicals to treat and prevent disease and insect pests at a cost of $8/acre, not including the cost of chemicals. Current marketing methods include: mailers to nearby residents and current customers, 4H, FFA, and rodeo sponsorships, radio advertising during local sports broadcasts, newspaper advertising, and a Facebook page. Yearly gross profit is nearly $80,000 for the company, but the owners hope to increase profits.

Industry Trends:

The following statistics are evidence that there is a promising future for the use of UAVs in Northwest Oklahoma:

- The Association for Unmanned Vehicle Systems International estimates that farms will eventually account for an 80% share of the commercial drone market (Khoka, 2014).
- Oklahoma is 4th in the nation in number of farms ("Oklahoma agriculture," n.d.).
- Drones have decreased the amount of money spent on pesticides and fertilizers (Calderone, 2018).
- Corn, soybean, and wheat farmers could save an estimated $1.3 billion annually by using drones (Doering, 2015).
- Drone sales increased by 33% in 2017 (Margeritoff, 2018).
- In 2018, 33% of farmers are using UAVs (Margeritoff, 2018).



Buyer profile and behavior:

We project the majority of potential buyers to be males between the ages of 20-65, with an annual income of over $75,000. These producers raise wheat or other similar crops or graze beef cattle on pasture and have experienced insect or disease pests in their fields. Younger clients are looking to implement more technology, while aging clients are hoping to cut down on their manual workload and investing money on less physical labor. Most customers have invested in aerial spraying services in the past and plan to save money by hiring a drone scouting service which allows for more localized pest treatments.

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Competition's SWOT Analysis:

Company	Strengths	Weaknesses	Opportunities	Threats
ESCOTT Aerial Spraying (405)262-8566	• In business for over 30 years • Large, established customer base • Conveniently located near highly traveled area • User-friendly Web site	• Expensive spraying prices compared to market prices • Limited advertising • Long waiting period for services • Only offers aerial spraying	• Increase in farmers who profit over $75,000 • Improved drone technology • More effect, eco-friendly chemicals on the market	• Urbanization threatens land use near headquarters • More frequent presence of high wind events/severe storms decreases safety of aerial applications
Wheeler Brothers Grain Co. Serving Agriculture since 1917	• Specializes in ground spraying • Inexpensive prices of services • Abundance of equipment to meet customer demand • Family, locally owned/operated	• No aerial spraying services • No scouting services • Ground spraying takes more time; damages a small percentage of crops	• Farmland increasing in value in central OK • Increased farm revenue due to oil production • Less strict federal regulations for spraying	• Located in drought-prone area • Increase in EPA regulations, promoting more localized spraying • Increase in wind turbines, disturbing application
Jordan Air, Inc. Complete Aerial Application Gracie Jordan 822-3471 or 822-3434 TOLL FREE NO.: 1-877-276-3477	• Been in business over 50 years • Short waiting period for applications • Reasonable pricing structure	• Limited use of crop scouting • Only 3 staff members • No social media presence • Small customer base	• Increased awareness and acceptance of technology in rural areas • Increased oil revenue in western Oklahoma	• Larger amounts of independent/aging farmers • Increasing amount of wind turbines and dangerous electric lines • Urbanization

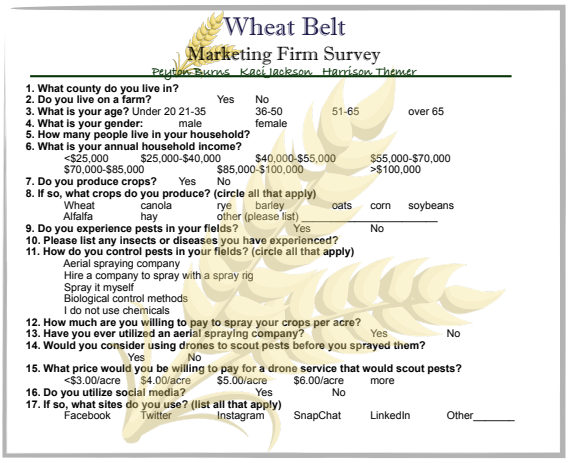
Client's SWOT Analysis:

	Strengths	Weaknesses	Opportunities	Threats
G&C CROP SOLUTIONS	•Highly experienced owner-operator for 40 years •Technological advancement ensures continued operational demand •DJI is one of top UAV companies in United States •DJI includes diverse product line to improve services provided	• Competitors can offer similar products/services quickly • Small clientele • Only 2 staff members • Limited advertising • Limited flexibility in pricing • Limited amount of flight time	• Continued expansion for online sales • Affiliate relations with vendors • Increase in value of farmland due to oil income • Technology boom in the community • Increase in younger farmers • More aging farmers who work less due to age and health	• Changes in FAA regulations can impact business • Located in drought-prone area • Located in the "wind tunnel" of Oklahoma • Continual increasing insurance costs (liability)

Primary Research Results:

Surveys: *WB Marketing Firm* distributed 100 surveys to producers in Kingfisher County, including several current customers. Of these surveys, the following important results were obtained:

- Most customers are willing to pay less than $3 per acre or at least $5 per acre for a season of scouting.
- 100% of respondents have experienced pests in their fields.
- 63% of respondents have utilized an aerial spraying service.
- 77% of respondents were open to the idea of using a drone service.
- All respondents had a yearly gross income of over $75,000.



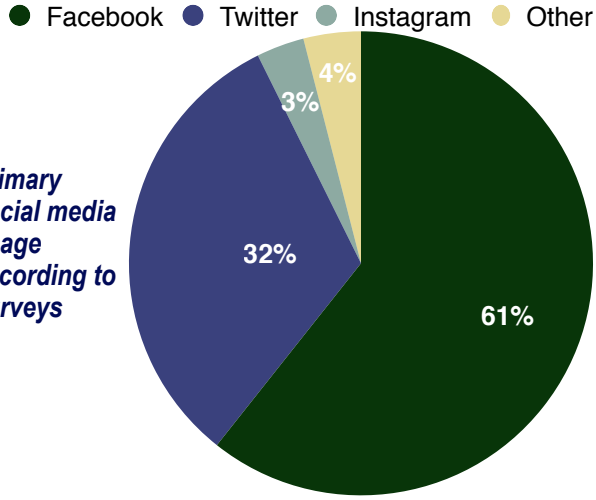
Wheat Belt
Marketing Firm Survey

Peyton Burns Kaci Jackson Harrison Theimer

1. What county do you live in?
2. Do you live on a farm? Yes No
3. What is your age? Under 20 21-35 36-50 51-65 over 65
4. What is your gender: male female
5. How many people live in your household?
6. What is your annual household income?
<$25,000 $25,000-$40,000 $40,000-$55,000 $55,000-$70,000
$70,000-$85,000 $85,000-$100,000 >$100,000
7. Do you produce crops? Yes No
8. If so, what crops do you produce? (circle all that apply)
Wheat canola rye barley oats corn soybeans
Alfalfa hay other (please list)
9. Do you experience pests in your fields? Yes No
10. Please list any insects or diseases you have experienced?
11. How do you control pests in your fields? (circle all that apply)
Aerial spraying company
Hire a company to spray with a spray rig
Spray it myself
Biological control methods
I do not use chemicals
12. How much are you willing to pay to spray your crops per acre?
13. Have you ever utilized an aerial spraying company? Yes No
14. Would you consider using drones to scout pests before you sprayed them?
Yes No
15. What price would you be willing to pay for a drone service that would scout pests?
<$3.00/acre $4.00/acre $5.00/acre $6.00/acre more
16. Do you utilize social media? Yes No
17. If so, what sites do you use? (list all that apply)
Facebook Twitter Instagram SnapChat LinkedIn Other_____

Focus Group and Interviews: A focus group of 13 wheat producers, ages 16-35 were interviewed to help determine specific marketing and advertising strategies. The following results were obtained:

- 100% yearly attended farm shows; including KNID Agrifest in Enid, John Deere Days in Kingfisher, and Rother Brothers Customer Appreciation Day in Kingfisher.
- 11 of 13 group members were interested in a free trial of a drone scouting service to aid in current production.
- Ideas of marketing items suggested by the group included: yard sticks, hats, ink pens, and koozies.
- They read newspapers weekly, including the Kingfisher Times and Free Press, the High Plains Journal, and Pioneer Tele-Topics.



Primary social media usage according to surveys

Business Proposal

Mission Statement:

G and C Crop Solutions *is dedicated to serving Northwest Oklahoma with affordable aerial spraying and mapping services to lower input costs and take profits from eye level to sky level!*

Key Planning Assumptions:

According to primary research results, Northwest Oklahoma farmers want to: cut down on input costs, reduce wasted pesticides, fertilizers, and other chemicals, become more eco-friendly, use cutting edge technology, and invest extra capital they have made from oil production on their land. More specifically, in Kingfisher County, farm production will maintain or increase in the next 5-10 years, and farmers will continue to surplus capital from oil production. Therefore, more capital will be invested to improve production practices.

Short-Term Goals:

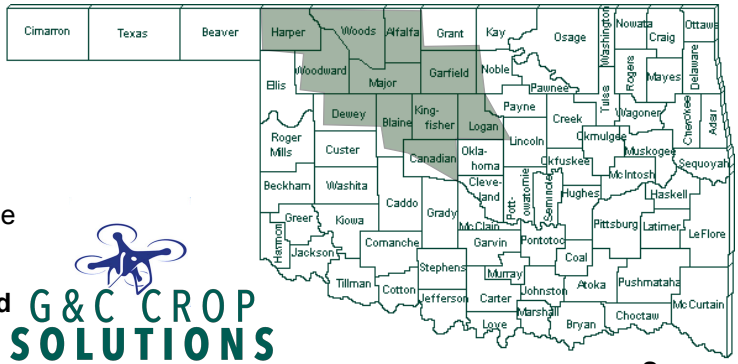
	customers	acres	profits
Year 1	***10***	***10,000***	***$50,000***
Year 2	***15***	***15,000***	***$75,000***
Year 3	***20***	***20,000***	***$100,000***

Long-Term Goals (within 5 years):

- Expand the target market to include the Oklahoma panhandle and southern Kansas.
- Double current yearly net profit of $80,000; having a net profit of over $160,000 yearly.
- Increase customer base to at least 40 customers per year.

Target Market:

1. Men ages 25-65
2. Wheat, canola, and other row crop producers
3. Producers who graze beef cattle on pastures
4. Residents in Northwest Oklahoma; specifically in the following counties over the 3-year roll-out: **Kingfisher, Garfield, Canadian, Blaine, Logan, Major, Woods, Harper, Alfalfa, Dewey, Woodward**



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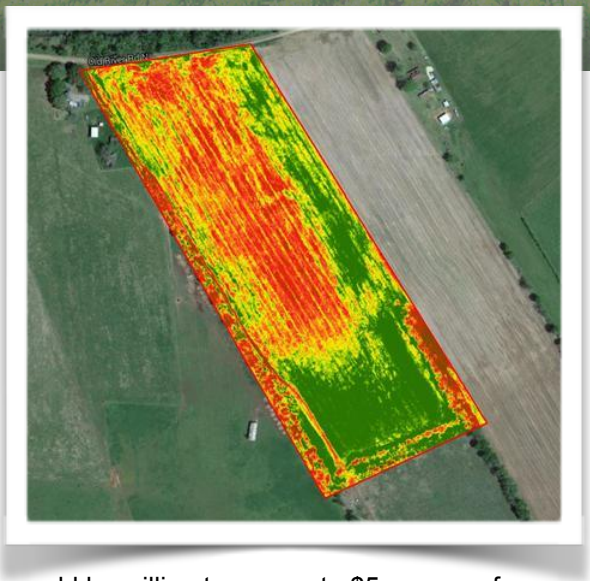
Product:

G and C Crop Solutions will provide local producers with drone scouting services. Once under contract, the crop scouters will bring their bring equipment on location, scout the cropland or pasture, gather data, and provide clients an analysis, detailing their cropland. The provided infrared data will inform the producer of disease and/or insect stress in the fields so the producer can spot spray if warranted, rather than purchase the chemicals to treat entire fields or lose large acreages of crops to pests. The drone utilized will be a DJI Smarter Farming package complete with the software necessary to conduct cropland analysis. The package also contains a drone usage license, and extra batteries will be purchased to ensure accuracy at job sites. An Apple MacBook Air computer will also be purchased to view and analyze data.



Price:

Primary research results suggest that customers would be willing to pay up to $5 per acre for an entire season of scouting. Also, pricing is comparable to commodity prices and similar searches offered by other companies. We developed the following price structure for the ***G and C Crop Solutions*** scouting service:

- ***$5 per acre for a season of scouting***
- ***Includes contract of up to 6 months on the same field***
- ***80-acre minimum***

Place:

Current bookings with ***G and C Crop Care*** are via telephone calls or direct on-farm visits. We suggest online booking with an option to pay with PayPal or credit card, and a $150 deposit should be due upon booking.

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Promotion:

*A new logo was designed by *WB Marketing Firm* for ***G and C Crop Solutions*** to create brand identity for existing and new customers and to use on all promotional items. We suggest implementing the following promotional strategies.

Social Media:

- Create a Twitter Account, updated weekly; pay the fee to promote certain tweets
- Update existing Facebook page and regularly pay for promotions
- Post and Tweet daily during prime pest infestation times of the year

Print Media:

- High Plains Journal (52,000 readers in northern Oklahoma and southern Kansas)
- Kingfisher Times and Free Press (readers in Kingfisher County)
- Enid News and Eagle (readers in Northwest Oklahoma)
- Pioneer Tele-Topics (Pioneer Cooperative members in Northwest Oklahoma)
- Cimarron Electric monthly newsletter (Cimarron Electric Cooperative members in Kingfisher and 2 surrounding counties

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*Aerial Application * Crop Scouting*

www.gandccropsolutions.com

Displays:

- Private directional road signs to attract target market at these locations:
  - Highway 81, 3 miles north of Kingfisher to attract P and K John Deere customers
  - Highway 33 on the west edge of town to attract producers exiting Kingfisher and traveling northwest
- Car wrap: wrap 2 current personal vehicles with logo and print media
- Booths at 3 farm shows:
  - KNID Agrifest in Enid, OK with 3,600 average visitors
  - P and K John Deere Days
  - Rother Brothers Customer Appreciation Days
- Maintain sponsorships of various 4H, FFA, and Rodeo events and display sign at each event

JOHN DEERE

Promotional items: all were determined by responses from the focus group

- Portable USB chargers
- Yard sticks
- Koozies
- Hats

***all promotional items will include the new logo*

Promotional Event:

One drawing at each Farm Show for a free crop scouting/analysis of up to 100 acres

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Drawing for 1 FREE crop scouting up to 100 acres!

Position:

G and C Crop Care currently has an established and loyal customer base who depend on their services for crop protection. Most importantly, the new drone scouting service will be the first one of its type in Northwest Oklahoma. This unique selling position should provide ***G and C Crop Solutions*** the advantage it needs to be competitive in the aerial application market.

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Budget

	YEAR 1	YEAR 2	YEAR 3
INCOME:	10,000 acres	15,000 acres	20,000 acres
$5/acre	$50,000	$75,000	$100,000
Operating EXPENSES:			
Drone: DJI Smarter Farming package *(software, license, extra batteries)*	$10,375	$765	$10,375
Laptop Computer and Accessories	$2,000	$0	$0
Drone and Liability Insurance	$900	$900	$1,800
FAA Pilot Certificate	$150	0	$150
Employee *(6 months) $10/hour; 20 hours/week*	$0	$0	$4,800
Miscellaneous: *(electricity, fuel, maintenance, emergencies)*	$1,600	$2,000	$2,400
TOTAL OPERATING EXPENSES:	**$15,025**	**$3,665**	**$19,525**
Advertising EXPENSES:	***TOTAL: $14,280***	***TOTAL: $12,470***	***TOTAL: $13,470***
Sponsorships	$3,000	$3,000	$3,000
Trade Shows *(KNID, John Deere, Rother Brothers)*	$500	$500	$500
Print Media Ads: *(High Plains Journal, Kingfisher Times, Enid News/Eagle, Pioneer TeleTopics, Cimarron Elec. newsletter)*	$2,000	$2,500	$3,000
Social Media Promotions *(Facebook and Twitter promotions)*	$1,000	$1,500	$2,000
Web Design	$2,200	$2,200	$2,200
Road Signs	$835	$0	$0
Promotional Banner	$75	$0	$0
Auto Wrap *(2 currently owned trucks)*	$1,900	$0	$0
PROMO items: koozies, hats, yardsticks, portable chargers	$2,770	$2,770	$2,770
TOTAL ADVERTISING EXPENSES:	***TOTAL: $14,280***	***TOTAL: $12,470***	***TOTAL: $13,470***
TOTAL EXPENSES:	***$29,305***	***$16,135***	***$32,995***
GROSS PROFIT:	***$50,000***	***$75,000***	***$100,000***
NET PROFIT: ***(before taxes)***	***$20,695***	***$58,865***	***$67,005***
Return on Investment:	***71%***	***365%***	***203%***

Evaluation

Benchmarks:

- Scout 10,000 acres and profit $50,000 by the end of year 1 (December 2019)
- Scout 15,000 acres and profit $75,000 by the end of year 2 (December 2020)
- Scout 20,000 acres and profit $100,000 by the end of year 3 (December 2021)
    - Most business will be conducted between the months of April and September. The income statement will be evaluated on a calendar year to determine the strategies for the upcoming year.

Tools to measure benchmarks:

G and C Crop Solutions will use the company's existing software, Chem-Man to monitor billing, scheduling, and mapping, and Quickbooks to track expenses, profits, and loss. Records will be reviewed weekly and benchmarks will be measured and accurately evaluated. In addition, the company's CPA will review the new endeavor monthly to determine its financial stability.

Alternative Strategies

If the first benchmark is not met by year 1, the price structure will be re-evaluated to determine if pricing is too high to attract customers. Also, the target market will be expanded. If further benchmarks are not met, we suggest re-evaluating the advertising budget and strategies, and determine if there is enough capital to purchase a new drone or hire an employee. The company may also expand the target market to include auditors, roofing companies, and other identifiable customers not within the agricultural sector. If the benchmarks are still not met by the end of year 3, ***G and C Crop Solutions*** should return to the original business plan.

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