



Tips for global businesses planning to enter the U.S. agriculture marketplace.



Roger Underwood is an entrepreneur who co-founded the crop-technology company Becker Underwood Inc. in 1982 with high school classmate Jeff Becker. They grew and diversified the company into a global leader, producing specialty seed colorants and coatings, and biological crop protection products. Becker Underwood had \$265 million in sales by 2013 and was sold to BASF. Underwood is currently a partner in Riverwood Management LLC, a private equity fund buying and operating ag companies in North America. He shares tips for global businesses as they plan and execute their strategy to enter the U.S. agricultural marketplace.

- 1 Don't make assumptions.**
It can be an easy assumption that every successful ag product or service can also find a fit in the U.S. Start with research to understand the specific geographies or customer groups where your product can deliver value. How does it make farming more efficient, productive, or profitable within existing practices and logistics? Or, is it a groundbreaking new technology that farmers are willing to adopt to capture benefits?
- 2 Find your niche, then focus.**
The sheer size of the U.S. marketplace can be an enormous stumbling block right out of the gate for global businesses. Depending on the product or service, a company could be managing through 50 sets of state regulations. Investing the time to understand potential regulatory hurdles in high priority markets is key. Can you change a raw material or inert ingredient and avoid a path of regulatory challenges? Which areas of the country have a smoother path to market access?
- 3 Make sure your address makes sense.**
Establishing a local headquarters opens doors to resources and opportunities, and shows potential investors that you are serious. Carefully select a location with easy access to the researchers, customers, partners, dealers, and other resources that will enable your success.

- 4 Listen to the locals.**
Finding a partner or hiring an employee with local roots can bring you the knowledge and understanding of the local marketplace that would take you years to research on your own. Don't be afraid to check your ego and listen to someone who really understands the market, distribution system, farmers, and more. Programs like Cultivo Global Ag Innovation Program can help make introductions to experts in areas important to your business.
- 5 Mind the measurements and language.**
Have you and your team retooled your product to the nonmetric system of measurement, including nuts, bolts and fasteners? Make sure you can easily talk in bushels per acre and miles per hour. Scrub the language in your marketing and informational materials to be free of non-U.S. language, slang, and words that don't translate. Phrases that peg you as new to the market turn off potential customers, partners, or investors.

Cultivo™ Virtual Academy is a program focused on assisting international food and ag startups with U.S. market entry, regulatory systems, customer perspectives, business alliances, and financing. Participants meet online with industry leaders, startup communities, researchers, and farmers.

Learn more at cultivationcorridor.org/cultivo-global/

The Iowa Advantage

Iowa is the center of the universe for both educating students and on-the-ground use of row crop and livestock products and services. If your goal is to conduct research to tailor your product to the U.S. market and get it in fields or barns quickly, Iowa is where you need to be. The long list of leading companies located at the Iowa State University Research Park is a great example of this. In addition, Iowa's quality of life and low cost of living combine to attract top quality employees, many of whom have strong agriculture backgrounds and expertise.

Entrepreneurial and government resources are easy to access in the state, and the number of global companies and industry experts means a potential partner or mentor is just a phone call or cup of coffee away.

To learn more, go to cultivationcorridor.org or agstartupengine.com.