



Just What The Doctor Ordered

Precision Partners
makes the technology
solution fit the individual
practitioner's needs.



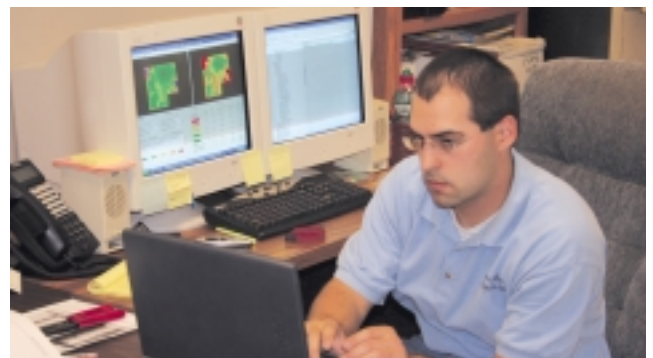
BY PAUL SCHRIMPF

THE RECENT INCREASE in fertilizer prices have Jeff Nesbitt feeling a bit more optimistic about the prospects of precision agriculture these days. At his booth at the Big Iron trade show in North Dakota earlier this year, Nesbitt was noticing a different attitude from the consultants and full-service retailers he was meeting.

"I've gotten used to people asking me four thousand questions about the benefits of variable-rate fertilization," says Nesbitt, president of Precision Partners Inc., Fergus Falls, MN. "This year, they were coming up and saying, 'We know we need to do this.'"

Indeed, given the triple whammy of high global demand for fertilizer, fuel and freight costs, and Hurricanes Katrina and Rita, U.S. agriculture is experiencing historic high fertilizer prices with no immediate end in sight. For nitrogen,

this is more and more a factor in the North Central states farther away from the Mississippi River, the key transport thoroughway for fertilizer.



Equipment and Mapping Specialist Aaron Disrud works on a customer's data request. More than 1 million acres are processed through the company's mapping center.

While use of his service might come a bit easier for Nesbitt and his crew given the state of fertilizer, it's only because he has the plan in place to take advantage of the situation. In business since 1997, Precision Partners has been able to succeed by following one simple philosophy — give the customer what they need.

"We go in asking questions about what the service provider wants to do," says Nesbitt. Precision Partners lives up to its name by offering flexibility in its program. Nesbitt has been around technology long enough to know that one size definitely cannot fit all.

"You have to go in wanting to build a program that's a win for both the service provider and the grower, and the results have to meet the expectations of the retailer or everyone will be set up for disappointment," he says.

Nesbitt cut his precision agriculture teeth in the early 1990s in the old Cenex/Land O'Lakes system, where he served as a crop consultant, and later agronomy manager of a fertilizer plant in the Red River Valley. "In those days there weren't a lot of people doing it, so I got sent to visit a lot of our retail locations and share with them what we were doing and how

we were doing it," recalls Nesbitt. He laughs, "I was kind of the poster child for precision agriculture for the company."

He found that he really enjoyed working with retailers on how to start up a precision ag program, and that became the core concept behind his current company. "We are really technology integrators for agribusinesses," says Nesbitt.

Finding The Need

Having done this so long, Nesbitt has seen how many of the mistakes that precision practitioners made have come back to haunt the entire industry. The key mistake he sees is the drive for averages in fertility. "Most guys try to define an average across an entire field, but making things even really has nothing to do with fertility," says Nesbitt. Bad ground is

bad ground and can never be improved enough to pay for the fertility program, while good ground often has untapped potential that goes unrealized when fertilizer is applied to achieve a "field average" in yield, he says

"The ground itself is the answer — soil type, topography, water — these are the keys to a successful program, says Nesbitt. "When programs have no value to growers it's no wonder, because usually the practitioner is trying to

improve what can't be improved, or not driving the best areas of the field. That's what we've been working on."

This difference in base philosophy is the foundation of Precision Partners' service plan, and it starts from the first client contact.

"When we work with new consultants and retailers, the first thing we need to do is define the issues that need answers," says Nesbitt. "Are we trying to improve yield, improve quality, save money, or all three? How do we make the program a win-win for the service provider and his growers?"

"So many organizations figure out how to do something a particular way, then try to make it fit

everywhere," he adds. "We define the challenge and then the path to work it out."

And the challenge is more than simply "the challenge." Nesbitt says that you need to also look closely at the organizational resources available to get the work done. "What you do may not be the best possible way to do something, but rather the best way based on time, people, and available technology," says Nesbitt. "You've got to have the capability to deliver."

Then there's pricing, and different people and organizations have different motivations there as well. A cooperative may be more interested in delivering a service to a member that doesn't cost money, whereas an independent retailer or crop consultant may desire better profitability. Getting all



At A Glance

Precision Partners, Inc.

Founded: 1997

Locations: Fergus Falls, MN, is the headquarters.

Two offices in Nebraska, one in North Dakota, two district representatives in Montana, and one in South Dakota.

About the Founder: Jeff Nesbitt started out in the old Cenex Land 'O Lakes system as an agronomist, where he was involved on the cutting edge of precision services.

Philosophy: Help retailers and consultants find the one or two key field factors that can be influenced by a precision program in their region, then help them solve these issues for growers.



this clear up front is critical to creating a successful program.

If all goes according to plan, a worthwhile and sustainable program should result. And Nesbitt

should know, having observed numerous failures in his decade-long work in precision agriculture.

"It seems like no matter what happens, year one will go well for most precision programs because of the inherent trust between the grower and the retailer or consultant, and because growers who adopt precision practices are generally risk takers," he says. "But in year two, three, and four, flying blind will get you. If it isn't paying off, you'll never get the program past those early risk-taking clients. And if you don't show value, you'll have trouble getting those folks to hang on as well."

Tools, Economies Of Scale

The backbone of Precision Partners' offerings is its proprietary ProfitZ Program. The consultant or retailer actually carries a portion of the program with them on laptop or desktop computers, allowing them to set up and manipulate the agronomic program at their convenience.

"The program allows them to do agronomic planning simply," says Nesbitt. "If the farmer knows what's being

planted and the cost per ton of the fertilizer, the program can do an economic analysis of variable-rate vs. straight before the farmer makes a buying decision. It can look at individual fields, blends, and return on investment and determine the best course of action."

From here, information is transferred via the Internet to Precision Partners, which is geared up to handle about any data eventuality and turn it into prescriptions and maps for virtually any controller on the market. "We have a number of geographic information system (GIS) programs here, and we can handle any kind of data you can imagine — yield data, Veris, real-time kinematic-generated topography, satellite imagery — and turn recommendations back around to them.

The company currently maps more than 1 million acres, including work on corn, wheat, barley, sugar beets, and some potatoes, and Nesbitt says it's grown steadily at a clip of about 10% annually.

But, if the price of fertilizer continues to rise, business could really take off in a hurry.

"Managing variable-rate has been about at least covering the cost of the program, but that's exploding," says Nesbitt hopefully. "Now, we're seeing a possible return of 20% to 30% on fertilizer above the program cost." It should be an interesting year. ■



The Precision Partners team: (left to right) Aaron Disrud, mapping and equipment specialist; Jeff Nesbitt, president; Tom Obowa, software and mapping specialist; Paul Bakol, mapping services manager; and Darin Sothers, ProfitZ market manager.