



# Local & Regional Resources For Development & Growth

**Pete Speranza**  
Business Development Principle, 301 INC

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Accelerating Ag Innovation and Investment

**New Uses Forum 2019**

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# MN Food innovation Ecosystem

03/28/2019



# Discussion



## **Question:**

What is the hardest Profession in the world?



## **Themes:**

- Connectivity
- Give more than you Receive

# Pete's journey

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## Connectivity



## Give more than you Receive



# Building a World Class Food Ecosystem

## Accelerators /Incubators and Enablers



## Retailers/Co-ops



## Add Food Related Jobs



## Increase Food Commerce



## CPG/Agriculture



## Entrepreneurial talent





# Judy Lundy

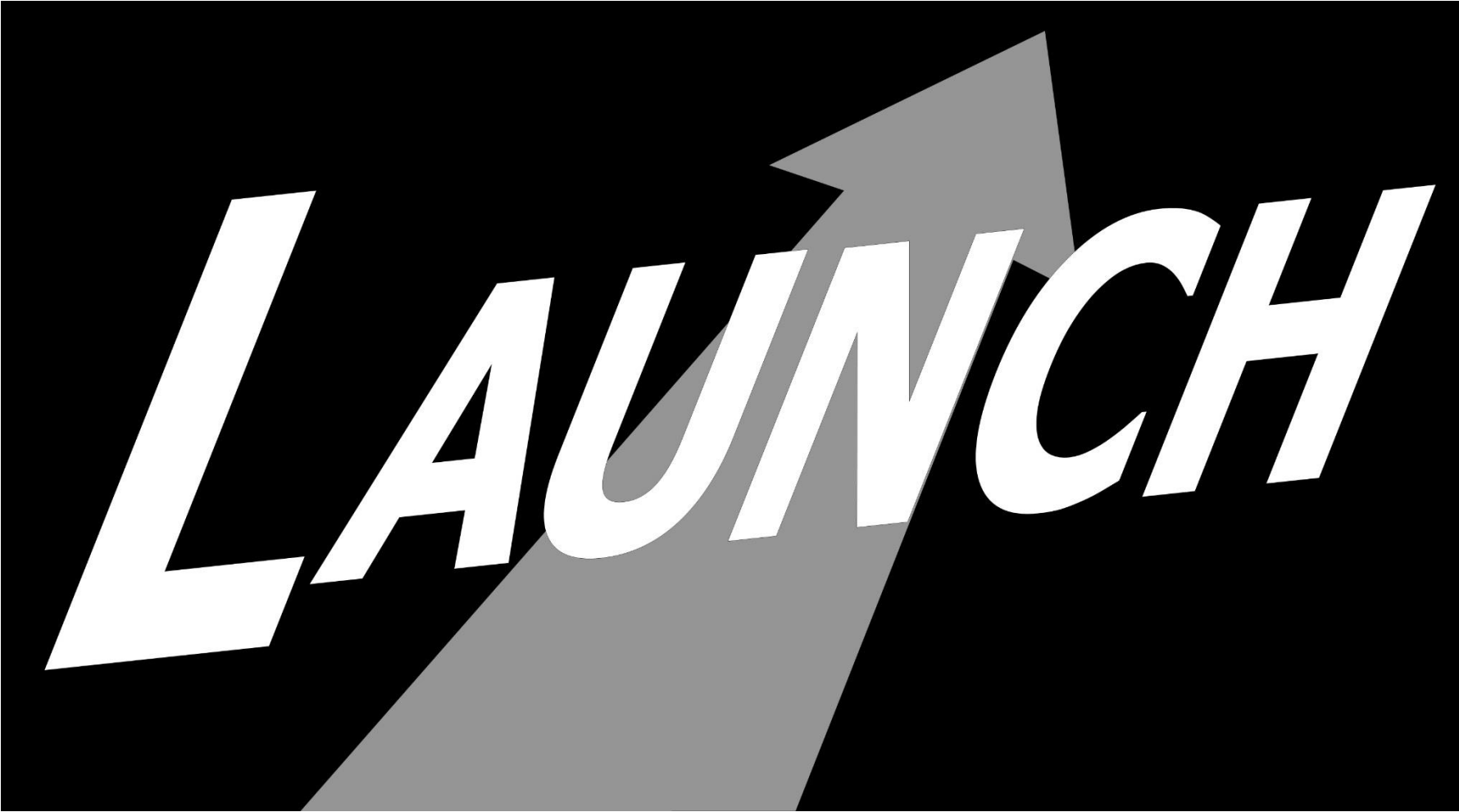
Commercialization/Innovation Coordinator  
Austin Community Growth Ventures

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Austin Community Growth Ventures





# Thad Simons

JD, Managing Director, The Yield Lab

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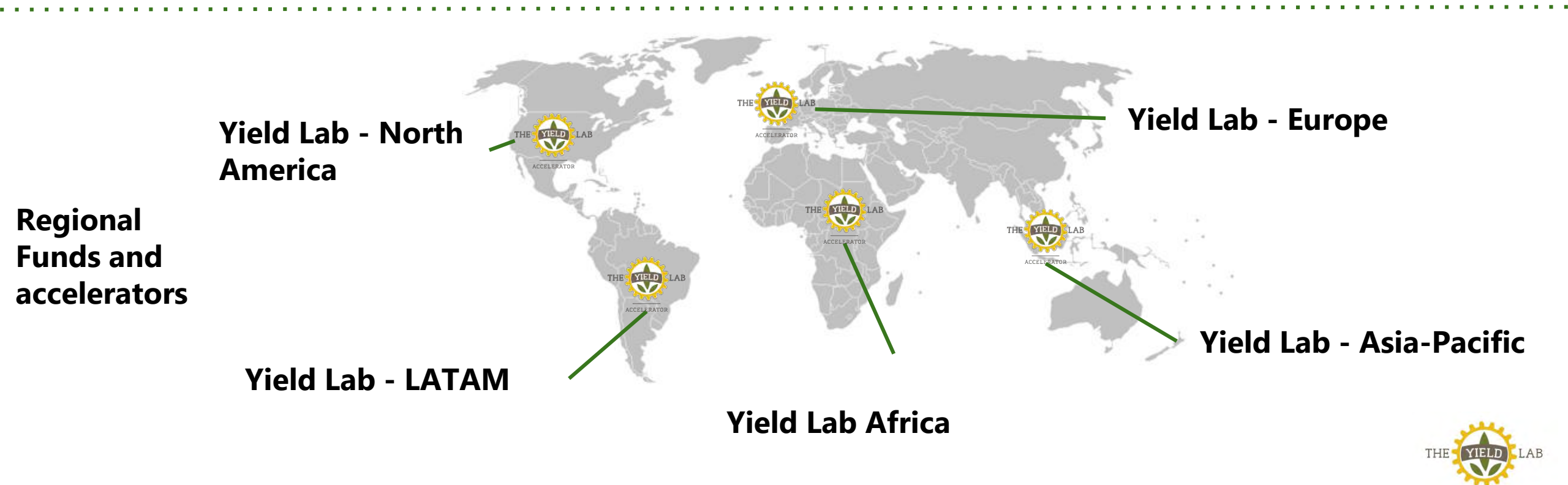




# A Global Network of Venture Funds

## Yield Lab Global Opportunity Fund:

- invests in startups sourced from our global network of Regional Funds
- makes investments in Regional Funds to generate mentored and de-risked deal flow



# The Yield Lab Portfolio

## Crop Protection/Production



## Animal Health/Nutrition



## Precision Agriculture



## Renewables & Sustainability



## Value Chain & Logistics



## Food Ingredients







# Pete Nelson

President & Executive Director, AgLaunch

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# AgLaunch Initiative

In partnership with:



**Vision:** A transformed regional agriculture and food economy centered around farmers, innovation, and prosperity.

**Mission:** AgLaunch attracts, creates, and grows agtech startups, facilitates the development of new agriculture and food value-chains, and builds collaborative farmer networks, with a commitment to intentional inclusion.

**Key Facts:** Formed through TN Rural Challenge in 2015 & Independent organization in 2018.

- ✓ 24 agtech companies accelerated
- ✓ 115 acres in field trial network
- ✓ 6 value-added projects supported
- ✓ Implemented cost share program with TDA
- ✓ Model farm program in distressed counties
- ✓ 1<sup>st</sup> capital raise with Innova RBIC (\$31M)

## Board of Directors

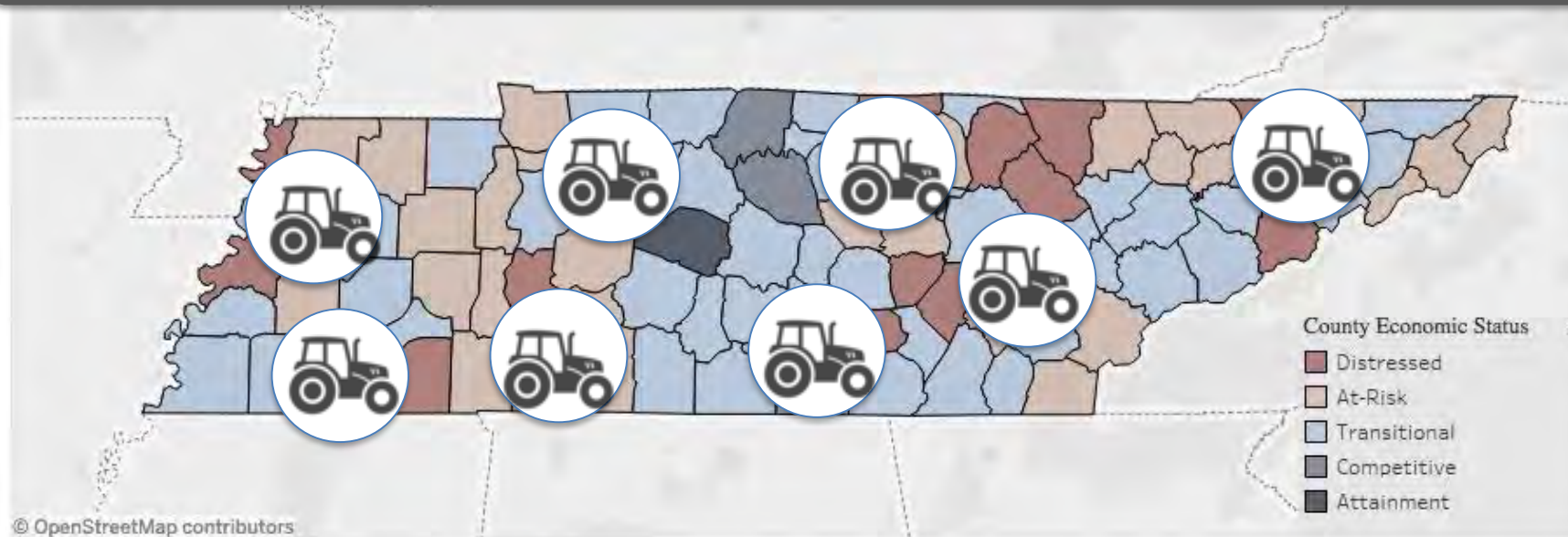


## Primary Collaborators



# Farm-Centric Innovation Model

## Technology Access, Equity Participation & Rural Development Anchor



Legends : Hover to see the definition.

Distressed



At-Risk



Transitional

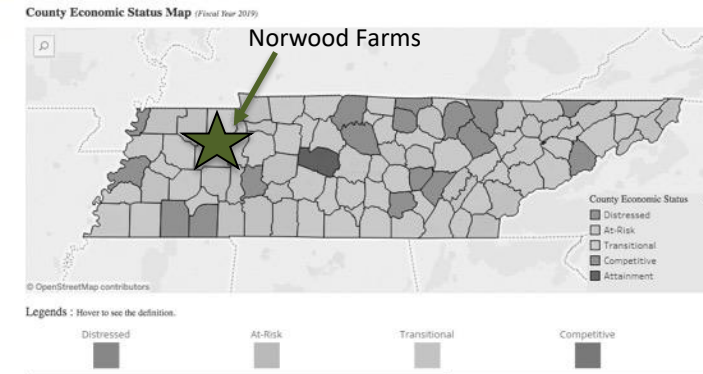


Competitive

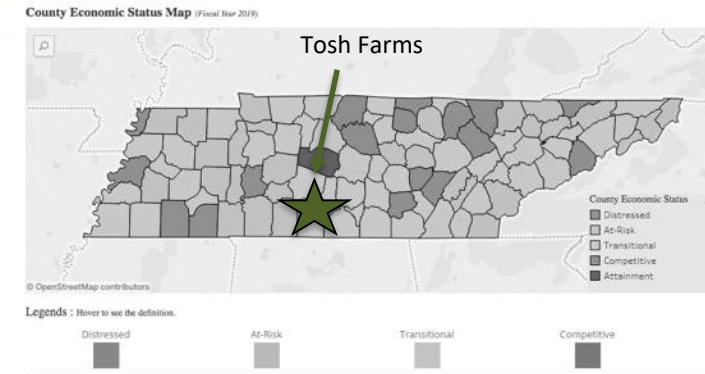




- California-based company active with specialty crops
  - Measures soils moisture in real-time
  - Winner of Western Growers & Radicle Growth's automation challenge
- Conducting first row crop trials in Tennessee
  - Partnered with Norwood Farms
  - Implementing 2.0 in 2019



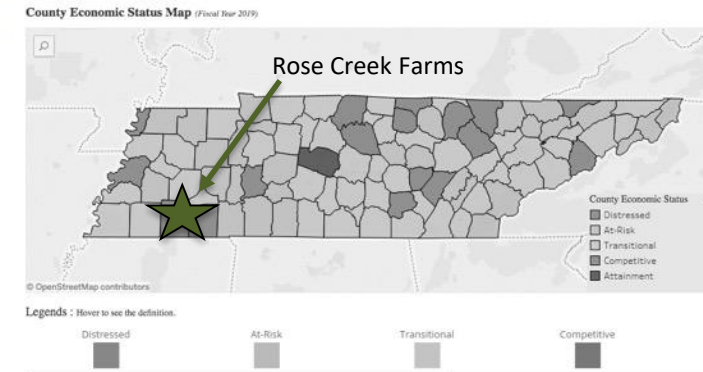
- Iowa-based company
  - Using artificial intelligence to eliminate sow and piglet deaths.
  - Iowa Farm Bureau Entrepreneur of the Year (2018)
- Conducting version 1.0 trial with Tosh Farms
  - Redesigning key components (adhesive, size of sensor) for new trial in 2019



# Case Study 3



- Rose Creek Farms is focused on small scale vegetable production
  - A major barrier to entry is producing consistent supply throughout the year.
  - Using hoop houses helped, but the controls where costly and hard to utilize.
- Rose Creek Farms incorporated the latest technologies to automate climate control as well as new trellising systems and hoop house design.
- Rose Creek Farms hosted dozens of small farmers from across the region to demonstrate latest technologies.







# Justin Erickson

Principal, Essex Capital LLC, Community Venture Network

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# *Essex Capital*

company site selection services



Brining the resources of rural Midwest communities to emerging businesses through economic development



# What is CVN?

- A collection of dozens of rural communities from ND, SD, NE, MN, IA, WI, IL and MO
- Represented by local Economic Development, communities want to share their resources to partner with businesses
- CVN is the platform by which companies can get introduced to communities and explore options – incurring no cost or travel





# Benefits to Emerging Food Companies:

- Significantly lower operating costs for those looking to expand in-house production capacity
- Availability of labor and higher retention rates than metro markets
- Financial incentives – grants, forgivable debt, non-bank lending instruments and other programs
- Partnership with public entities (ie: gov't agencies, colleges/Universities)
- Partnership with private business (ie: friendly food companies, 3PL firms, distributors)
- Civic support – your small but emerging business *is* important to a smaller city



# Rob Fuglie

General Manager, Food Building

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# CASH FLOW

## OPERATIONS

- Sell Product
- Subsidize Margin Early
- Gain Economies of Scale
- Reinvest into marketing
- Reinvest into process
- Reinvest into R&D
- Repeat

## DEBT

- Make Product
- Equipment
- Space Expansion
- Inventory
- Economies of Scale
- Marketing (Your \$)
- Product Development (Your \$)

## EQUITY

- Grow/Expand
- Growth eats Cash
- What type of partners?
- What do you want?
- Are you an owner, operator, or manager?
- Pay for representation
- You may not run it after

"The three things early stage entrepreneurs need are: Product, Customers, and Cash Flow. The greatest of these is Cash Flow.





# Panel Discussion

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# Audience Q & A

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GLOBAL SOCIAL ENTERPRISE INITIATIVE  
GEORGETOWN UNIVERSITY McDonough  
SCHOOL of BUSINESS

**RURAL OPPORTUNITY INITIATIVE**  
*Private Investment Driving Rural Prosperity*



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# Commodity Challenge Showcase

**Shannon Schlecht**  
Executive Director, AURI

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