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FarmQA: Providing Digital Tools for Agronomists

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https://farmqa.com

Social Media:

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CEOCFO: ***Mr. Iverson, what is the concept behind FarmQA?***
Mr. Iverson: The idea behind FarmQA is to provide digital tools to agronomists. There is a tremendous need for better gathering of data, storage of data and usage of data within agriculture. We saw an opportunity to do this in a way that is superior to what's currently being done, so that is what we have been doing for 6 years.

CEOCFO: ***Are most farmers using intelligence? Are they using tools that they might not have some years back or are they a little late to the game overall?***
Mr. Iverson: That is a really good question. It is a little bit of both. There was a recent study by the Association of Equipment Manufacturers that ranked agriculture as 22nd out of 22 industries in the adoption of technology. Therefore, farmers would typically not be the leaders.

That being said, there is a lot more usage of technology and digital tools now than in the past. If you go inside the average tractor or combine, there are so many screens it looks like a SpaceX rocket. Things are much more automated and more data is being gathered than ever before. It still varies a lot depending on the farmer, however.

Like any industry, some customers are on the cutting edge and some are slow to adapt. It is definitely happening, just like in every other sector of the economy, but it is probably slower in Ag than in many industries.

CEOCFO: ***According to your site, the FarmQA Controller is a precision agriculture intelligence platform. Precision meaning what?***
Mr. Iverson: It is a common term in Ag, which is basically more data and more granularity as you look at managing a farm. In the old days, and still in some places, you would treat the entire farm or entire field the same. What has happened in the last 25 years is that it has become more precise, so you can really apply different treatments and tools to different fields or even different parts of the field. Within a field, the potential for growing crops is different, so you want to treat different parts of the field differently. We facilitate that by gathering data at a very granular level, so you can be more precise in your farming.

CEOCFO: ***How do you help precision in weather prediction?***
Mr. Iverson: We partner with others for weather feeds. We do not do any weather prediction ourselves.

CEOCFO: ***Are there recommendations or is it more raw data and whoever is looking at it can put it together?***
Mr. Iverson: Our primary customer is the agronomist who basically provides advice to the grower. A typical application is that the agronomist will have people go into fields and record observations. They will look for insects, they will look for disease, they will look for different growth stages of the plants. Then the agronomist will make a recommendation to the grower as to actions to take. They may recommend applying fertilizer. They may recommend applying insecticide.

What we do is make it efficient for the agronomist, so they can basically be in the field, see what needs to happen and what is happening. They can take photos, they can store all of the information, create a very professional recommendation, and send it to the grower while still in the field. The grower can reply and take action very quickly. The way we assist that is by making that process extremely efficient.

CEOCFO: ***Is this a single solution? Are there different modules or different areas that an agronomist or anyone could use or would someone purchase a different plan or different service, depending on what they might want to focus on?***
Mr. Iverson: They would use our tool in conjunction with other tools. They would also use different aspects of the tool. For instance, we can also measure soil compaction. Depending on the types of soil and the type of equipment that is going over that soil, there can be a problem where the soil gets compacted. This makes it difficult for the plant roots to get through the compaction layer and reduces the ability for the plants to utilize water and nutrients from below the level of the compaction.

"What differentiates us is our ease of use and our flexibility. We have a team of senior engineers, almost all ex-Microsoft, who specialize in making things not only extremely flexible, but also easy to use. That is something that is really hard to do and do well. Our customers confirm that we provide great flexibility and make it easy to use, whether they are working with wine grapes or whether they are working with corn or whether they are working with oranges." Thor Iverson

We work with a compaction testing tool so that compaction data gets loaded into the system and agronomists and growers can see a map that shows where they have compaction in the field and at what level. That is in addition to scouting and observations. It is another capability and that is just the tip of the iceberg. We can also bring in satellite imagery that is used to determine the health of the crop, its level of growth stage and so on. All of this can be viewed in one place, either on the web or on the mobile app.

CEOCFO: ***How does FarmQA compare with what has been around or what else is around now? What are some of the differences?***
Mr. Iverson: If we look at agronomy data platforms, people have been doing this for a long time. It started with pen and paper and then progressed to keeping data in Excel spreadsheets and Word documents. In the last decade there have been applications that facilitate the collection of data, both personal computer and mobile based. There are a lot of what we would term scouting applications and farm management applications.

What differentiates us is our ease of use and our flexibility. We have a team of senior engineers, almost all ex-Microsoft, who specialize in making things not only extremely flexible, but also easy to use. That is something that is really hard to do and do well. Our customers confirm that we provide great flexibility and make it easy to use, whether they are working with wine grapes or whether they are working with corn or whether they are working with oranges.

We can accommodate all of those different crops, and we allow the agronomist to configure the exact information that they want to gather and how they want to track it. We do that in such a way that it is easy for them to do themselves. They don't have to pay a consultant or us to do it for them. We always say that Google was not the first search engine, but it was the best and it won in the marketplace. In the same way, we are trying to be the best. There are other companies doing it and some longer than us, but we believe that we are better and that is what our customers say too.

CEOCFO: ***Would you tell us about FarmQA being recognized in Crop Life's Best Agriculture Apps for 2021?***
Mr. Iverson: We were very pleased! We are a small company, so to be recognized is a great accomplishment. The recognition has led to a lot of inquiries and sales.

CEOCFO: ***What is your geographic reach? Is it strictly in the US or global?***
Mr. Iverson: I believe we are in 12 countries, and in most US states and Canadian provinces as well. We were formed out of a company called Amity Technology, which has done a lot of business in Eastern Europe through the years. So we have customers in Eastern Europe, as well as Mexico, South America, Western Europe, Australia and Africa. We have a pretty broad geographic footprint.

CEOCFO: ***What have you added since you first developed the app? Have there been requests from customers?***
Mr. Iverson: Just this year we added what we call "spatial data layer import," so we can bring in data that is created by other applications or other services. We did an integration with Planet which provides satellite imagery. We bring in the imagery from Planet which is very valuable to our customers and allows them to identify where there are problems. They can apply different filters to the data and see where crops are stressed.

We are also in beta now with something we call Analytics, which allows our customers to look at data across crops and fields and see, for example, where there is insect pressure. If you look at one particular field, you say, "Oh, the insects are fine," but if you look on a bigger scale you say, "Wow, we have got a real problem with this insect 10 miles to the west and they are moving this way." This is a feature which our customers are very excited about. It is in beta now and will be released later this year.

CEOCFO: ***How is business?***
Mr. Iverson: Business is great! Year to date through May we have seen over 100% customer growth. We increased our marketing activities in the first quarter and saw a good response. As we increase our customer footprint, customers are recommending us to others, so we are seeing a lot of organic growth.

CEOCFO: ***Do many people start with the free trial and move forward or do people jump right in?***
Mr. Iverson: Most of our customers start with a free trial. We interact with many of them before they become paying customers. We love every chance we get to interact with prospects and customers – that's what drives our development and builds relationships.

CEOCFO: ***The pricing listed on your site seems very reasonable. I do not know how it compares with others, but it does not seem like a lot of money for what you are getting!***
Mr. Iverson: We do not think so either. I have worked in software for decades and pricing is always challenging. We try to price in a way that is commensurate with the value provided and provides tremendous value to customers. We obviously have to make money, and we have to do that by providing value in excess of the price. Part of the pricing challenge is the wide difference in our customers. If you are an agronomist who is working by yourself in Iowa and working with corn, your economics are very different than an agronomist that is working with hops in Washington State. Pricing according to the value realized is a real challenge.

One of the things we believe is agronomists and farmers generally hate per acre pricing. Pricing by acre is tempting, but customers resist it. We have gone with per user and per role pricing instead of per acre pricing and we feel good about it. If you are an agronomist and if you are using the system 18 hours a day; good for you! If you are using it for only a couple of hours a week, but are still getting enough value from the product, that is fine too.

CEOCFO: ***How do you spend your time as Chief Operating Officer? The software is running itself; what do you do? I know you are CFO also, but basically what is going on day to day at FarmQA?***
Mr. Iverson: Our staffing is pretty lean, so I do a wide variety of tasks. Yesterday I had a board meeting in the afternoon. In the morning I met with some funders – we recently secured a combination of debt and equity financing. Between meetings I went to Fedex to send some legal documents to Ukraine for one of our customers, then I had a leadership meeting over lunch. Right now, I am focused a lot on sales and billing and collections. We're also reviewing our pricing and figuring out how to price the new functionality we're releasing this year.

CEOCFO: ***Why is FarmQA an important company?***
Mr. Iverson: A lot has been written about the need for agriculture to continue to increase production in order to feed the world. At a meeting this morning we discussed that currently a billion people in the world are undernourished.

The need to continually increase the quantity and quality of the food that is produced is the job of agriculture. To enable the increased productivity, there is a tremendous need for better collection, storage and use of agronomic information worldwide. At FarmQA, we have the opportunity to meet that need. We can help increase yields, increase quality, and enable agronomists and growers to do more with less. We are doing that now for 4 million acres, and plan to increase our impact by orders of magnitude. We're honored to play a part in feeding the world, now and even more in the future.