

Cutting-edge research that leads to new seed corn products is a differentiator for Beck's.

# Beck's Hybrids

## A HOMEGROWN INNOVATOR

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**Web site:** [www.beckshybrids.com](http://www.beckshybrids.com)

**Management:** Sonny Beck, president

**Employees:** Approximately 420

**By Rebecca Patrick**

### **Taking root:**

An 80-acre farm in Hamilton County, which is today the headquarters of Beck's Hybrids, was purchased in 1901 by Sonny Beck's grandfather, Lawrence.

Fast forward to 1937 when Lawrence and his son Francis (Sonny's father) each took advantage of the opportunity given by Purdue University for three acres of a new thing called hybrid parent seed corn. They harvested it and the first round of Beck's Superior Hybrids was born.

That was "a game-changer" for farmers, says Sonny Beck. "They can get 50% more yield from that (hybrid seed) than open-pollinated seed."

### **Current landscape:**

Beck's Hybrids now sells seed for corn, soybeans, wheat, alfalfa and cover crops – what a commercial farmer needs most in the Midwest. Corn and soybeans are their biggest producers.

Farmers can buy Beck's in eight states: Indiana, the four surrounding states as well as Tennessee and the eastern regions of Iowa and Missouri.

"We're in the top three seed companies marketwise in the Midwest and among the six largest retail seed companies in the United States – and the only one that's family owned," Beck notes.

"We only sell in 31% of the market, but we're a dominant factor in the states we sell in. We like to be a significant player in an area before we expand. We turn down business all the time. We did in Iowa for five years."

### **What makes the company stand out:**

Farmers often turn to Beck's because of its customization and variety.

"If a farmer went to a national company, like Pioneer or a DeKalb, you might only have choices from their germ plasm and their type of corn," Beck explains.

"Whereas we have licenses or distributorships with Monsanto, Syngenta, Dow and Pioneer. We can more tailor it. One of those may work on a farmer's field and one may not. And so he has to switch companies if he goes to them (the national companies), but at Beck's he can just say, 'I don't like that.' We have many other kinds to choose from."

Research and making brand new seeds “all the time” is also appealing to customers.

“Farmers want to see stuff tested like we are testing it, so they can see which ones they want. We are very nimble and can show farmers either how it’s very good or it’s very bad. They know quicker whether to use it or not.

“We beat other companies with new products by one to two years many times. And a product in our business only lasts a little less than three years, until a new corn variety or type is better; it’s constant change. Customers know us for having the newest and the best,” Beck contends.

Out of 80 total corn products, 25 are new for Beck’s this year.

### Amazing technology:

Being very fast at trait conversion – specifically, the very fastest at putting new traits into corn genetics – is a Beck’s hallmark.

The same process that took Sonny’s father eight years to do now happens in only a little over a year. A huge factor in the increased speed is a procedure called embryo rescue.

“We can now go into that ear (of corn) with a scalpel – before it’s even sweet corn size – when it’s just a little blister and dig that out and put it on an agar plate. Then in 10 days we can have a 10-inch tall plant. So we knock several days, every 50 days, off the process of having a new plant.”

### The turning point:

From 1964-1992, Beck’s experienced an approximate growth of 10% per year. Then Purdue asked Beck’s to do a paper on the future of small- and medium-sized seed companies in Indiana by the end of the century. That prompted Sonny Beck to think about his organization’s prospects and it was eye opening.

“I wrote we’re right in the start of this

consolidation phase of our industry. Of the 250 seed companies, a third of us are going to be gone in 10 years. A third will merge and be bought out by somebody. And only a third will be left,” Beck states.

“So it was like, ‘Which one are we going to be?’ We decided we were going to be a survivor.”

And to do that took changing the business model from more of a production company to a marketing one driven by innovation.

“We grew and attracted the new technologies that were coming from the venture capital companies, with the new things they wanted to get to market. . . . Adapt faster than the competition; that’s what drives us every day,” Beck offers.

Since 1992, the company’s growth in units shipped has jumped by nearly 20%. With that, Beck’s workforce essentially has doubled every five years. Today, the number stands at 420 employees; a little less than five years ago, it was 200 employees. (Beck’s son, Scott, who is company vice president, was the 12th employee back in 1987.)

“And now we can’t get the growth stopped. We can’t turn that pipeline off because the model works – having products for your customers and testing them, and then helping them choose what one(s) they want,” Beck asserts.

“But we still act like a small company. That’s a goal of ours every day, to not change the values of making our customers successful on their farms, with their families – whatever those goals are.”

### More growth coming:

This spring, Beck’s announced plans for even greater expansion over the next four years at its headquarters, with a \$60 million investment in processing, production, research and distribution facilities.

Among the slated projects: enlarging the biotechnology building for both Beck’s own

research and product development work, plus that of venture capital companies; and building a mega center for processing.

According to Beck, “No one (in the industry) will have as much processing in one place.”

The Beck offerings to venture capital companies can be particularly appealing.

“We sell that as a package as people are trying to develop a new gene. We will rent out the space. These companies don’t necessarily want to do this with national companies and be tied to companies which are eventually going to try to negotiate and not let them sell it to somebody else,” Beck explains.

“We are independent. We won’t try to monopolize their stuff. Plus, we are more nimble and faster. If they find something, we can also help them market it or they can take it somewhere else.”

### Family mentality:

Beck says there are several things he likes best about running a family company.

“It’s about being able to make decisions fast. It’s about seeing your team develop, and we have many 20-year employees; we don’t lose many employees,” he emphasizes. “We date very vigorously (with potential hires) before we get married. We want to make sure people understand our culture. It’s about attitude and work ethic. You have to have a positive attitude and be part of the solution.”

And for him, it’s about keeping the legacy going and making the brand stronger.

“We (members of the Beck family) may buy a new shirt once in a while but the rest of it goes back in the business,” he comments. “The people who keep our company going are the customers who keep investing in our products; they are our shareholders. If they don’t invest in our company by placing an order, we don’t have a business.”



Sonny Beck was named 2014 Agribusiness Leader of the Year by the National Agri-Marketing Association. Visitors can review Beck’s history at the on-site museum, which includes a display of the original family tractor, circa 1938.

