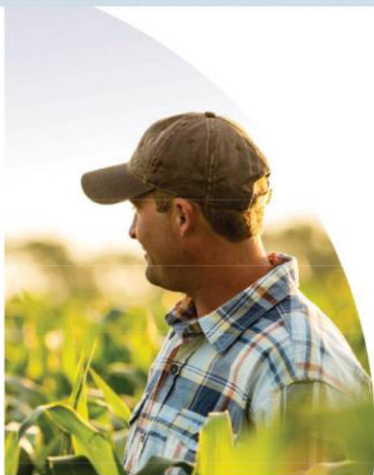


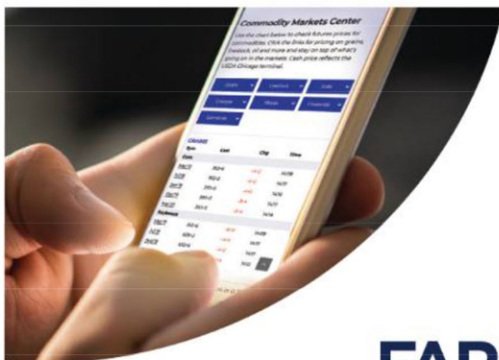
January/February 2020/\$7

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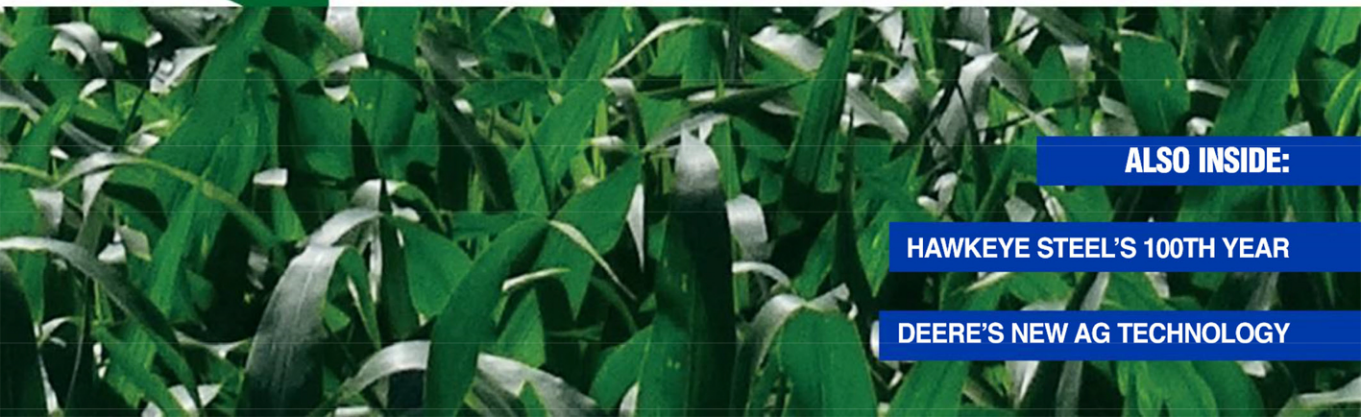
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HAWKEYE STEEL CELEBRATES 100TH YEAR

by the Agri Marketing Editors

Of the thousands of companies providing products and services to North American ag producers only a handful have celebrated a full century of being in business.

Though few in number, they have a common denominator: they have changed and evolved with their customers. They have adapted their distribution channel, their product development, manufacturing, services provided and communications, to name but a few of the changes in their evolution.

One of those companies is **Hawkeye Steel Products, Inc.** Located in, Houghton, IA, the company has been providing products to livestock producers since 1920.

During those 100 years, the company has seen changes in its product line, personnel and ownership. In 1920, foundryman and inventor **Martin Lorenzen** immigrated to the U.S. from Germany. He joined his brother who was farming near Conrad, IA.

That year they started a manufacturing company. Martin's first successful product was a metal encased and insulated glass thermos jug, sold for farmhands through local hardware stores. He coined the mark "Pride of the Farm."

To secure a more stable workforce, he purchased a foundry in Waterloo, IA, a city which had a much larger employee pool than tiny Conrad. There, he developed livestock waterers and other products requiring cast iron steel. Later, he developed an all metal livestock feeder which dominated the agricultural market.

Other innovations were building larger capacity feeders and a combination waterer which cattle could drink from the top and hogs from the bottom.

The volume was huge at that time with a territory sales managers expected to sell two semi-truck loads of Pride of the Farm feeders and waterers each week.

In 1979, the Lorenzen family decided to retire from the business and it was acquired by **Cronus Industries**, a Dallas, TX-based conglomerate which created an Agricultural Division to buy ag-related business in the wake of the 1970s boom. Other high-profile firms Cronus acquired included **American Building Company**, **Conrad American** and **Eaton**.

"In the midst of the agriculture industries' crash in the 1980s," **Tom Wenstrand**, Owner of Hawkeye Steel explains, "Cronus decided they had had enough of feeding the world and sold the business to two of its employees: myself and my business partner **Marvin Bricker** and one other investor."

Raised on a southwest Iowa farm near Essex, Wenstrand is a graduate of **Iowa State University**. Wenstrand joined the ROTC unit on the ISU campus. Upon graduation, he entered the **Iowa National Guard** as a Lieutenant.

An Iowa State classmate had been accepted at **Harvard Business School (HBS)** and encouraged Tom to apply. Wenstrand was accepted to HBS and went there while also serving as an officer in an inner-city army reserve unit.

He graduated from HBS in 1972 and spent a year writing case studies for Professor **Ray Goldberg** who coined the term "Agribusiness."

His first job was with the **Arizona Land & Cattle Co. (AZL)**. He had several job functions including market research for an AZL unit, **Farmhand**, a leading manufacturer of hay handling equipment.

His next stop was **Dekalb** in its corporate development group which had liaison responsibility for non-seed DeKalb subsidiaries, including **Lindsay Irrigation**, **Heinold Hog Markets**, a cattle feeding operation in Ulysses, KS, and a catfish farm in Mississippi.

He joined Cronus in 1981. In 1986, Wenstrand and his partners bought Hawkeye Steel. Cronus sold the business to them for 'money, marbles and chalk'. No money exchanged hands. There wasn't any. The other investor was bought out in

the early 1990's.

"In 2012, Marvin and I divided the assets according to our different interests," Wenstrand explains. "Marvin took the Conrad American line of grain bins, and I took the livestock-oriented equipment."

Today, Hawkeye Steel has three product lines:

Pride of the Farm which feeds and waters animals in the U.S., Canada and Europe. Products are 100% energy free drinkers, mineral feeders, hopper bottom feed bins and swine equipment.

Brower manufacturers feeding and watering equipment with an emphasis in the poultry market. Brower also sells a line of equipment for processing poultry. It exports to many Latin and some Asian destinations.

Span-Tech is the company's fabric building line for the storage of grain, hay, equipment, corrosive materials and for animal production including horse riding arenas.

CHANGES

"The major story during Hawkeye's tenure," Wenstrand says, "is the transition of animal agriculture

being dominated by smaller diversified grain and livestock farms to single purpose, modern and sophisticated enterprises."

He continues, "The 'buy local, know your food source' trend, while at times somewhat irrational, is for real. When these huge livestock operations were developing, we decided not to serve that capital-intensive business. Instead, we stuck to our knitting with our offerings for smaller operations.

However drinker sales to the largest cattle feeding operations, various equipment sold to larger hog operators and now, offerings of fabric buildings for composting to the largest animal enterprises are a significant part of the business.

"We have several products which were on the verge of extinction a few years ago but which now are some of our best performers. For example, sales of any products related to cage-free eggs are off the chart."

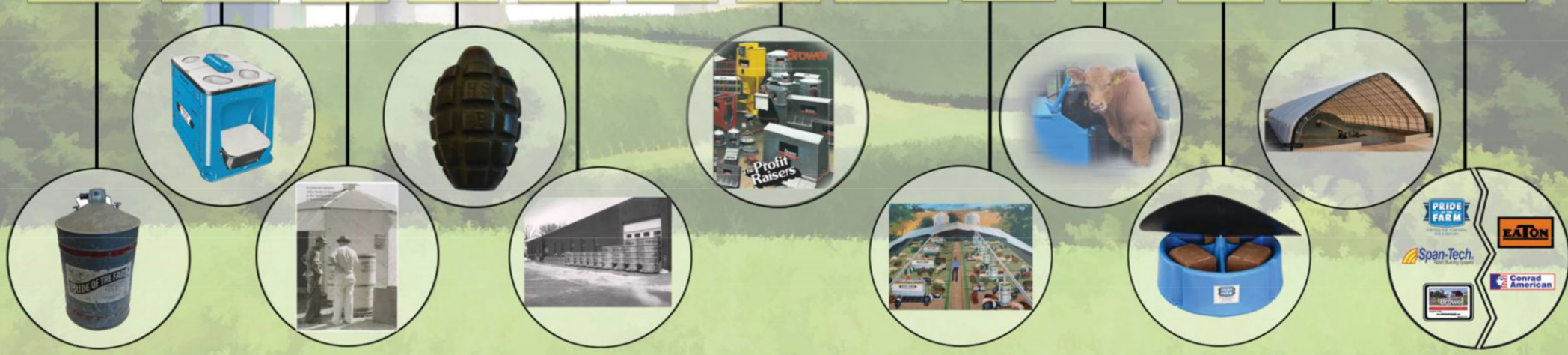
DISTRIBUTION

Wenstrand says the company's greatest challenge has been adjusting to the tidal wave of changes in the

(more on page 20)

HAWKEYE STEEL HISTORICAL TIMELINE

- 1920** Martin Lorenzen and his brother manufactured Pride of the Farm metal encased and insulated glass thermos jugs.
- 1923** Lorenzen purchased a foundry in Waterloo, IA. He started manufacturing animal drinkers and other products with cast iron components.
- 1939** Rotary feeders were introduced.
- 1950** Hawkeye Steel poured cast iron hand grenades during the Korean conflict.
- 1950's-1980's** Capacity outdoor hog feeders dominated company sales.
- 1979** The Lorenzen family sold Hawkeye Steel Products, Inc to Cronus Industries.
- 1985** The Cronus Ag Group purchased Brower Manufacturing of Quincy IL.
- 1986** Cronus sold its Ag Group (Hawkeye Steel, Conrad American, Brower) to Marvin Bricker, Tom Wenstrand and one other associate.
- 1980's** Pride of the Farm Cast iron drinkers and feeders were used in emerging hog confinement facilities.
- 1988** Pride of the Farm's Polar-Max 100% energy free drinkers were introduced.
- 1994** Dura-Bull Mineral Feeders were introduced.
- 2000** Span-Tech Fabric Buildings were developed and introduced.
- 2012** The business was split into two entities, Conrad American (and Eaton) grain systems owned by Marvin Bricker and Hawkeye Steel Products, Inc owned by Tom Wenstrand.



distribution channel. "In 1962, our dealers were mostly feed dealers or plumbers," Wenstrand explains. "A typical Midwestern county might have 20 dealers."

"Feed dealers are still viable for distributing our products today, but we have had to identify and work with distributors who can effectively service those accounts."

He continues, "Our distribution is increasingly 'omni-channel'. Our Span-Tech buildings are sold through dealers, most of whom have light construction skills."

"We increasingly are selling products on-line, but through dealer online merchants."

Wenstrand says, "On-line sellers continue to proliferate and we are not going to say no to them. Controlling our brand has new levels of complexity with third party sellers who are not beholden to you as a manufacturer."

"We do not sell directly to end-users."

OPPORTUNITIES

Cindy Wellman, VP of Sales and a 30+ year employee, says, "There are very successful dealerships who have diversified their customer base to include not only commercial animal producers but rural lifestyle as well."

"For us," she continues, "the channels to reach rural lifestyles include farm stores, catalogs and, increasingly, on-line retailers – which often include both farm stores and catalogs with multi-channel focus. Rural lifestyles increasingly look to the web first for information but continue to buy from traditional outlets for products."

One of the company's most successful product launches is the Span-Tech Fabric Buildings. "As the technology for the design and materials for that type of building advanced, I saw an opportunity in that market space," Wenstrand says.

Hawkeye was already serving animal production and initially the first market for fabric buildings were for those producers.

Over the years, though, other markets have been found. The major one is municipalities and Department of Transportation for the storage of corrosive material such as road salts and fertilizer reports **Reed Wenstrand**, that business unit's manager. Reed, Tom's son, is also a graduate of Iowa State.

"He wanted to come back to the family business and we wanted him, Tom says, "so we put him in charge of Span-Tech building line. He has built that business into one of the largest in the industry."

Their major competitive advantage is a software program Reed built which dealers can use to input the building's dimensions, construction dates, location, use and other key specifications.

"We can have an accurate quote, including freight, to them within minutes," Reed says.

In addition to pricing, the system provides dealers with engineered drawings, detailed building specs and dimensions with the fewest entries and clicks possible. The



(L to R) Reed Wenstrand, Cindy Wellman and Tom Wenstrand.

company can also provide dealers and customers 3D modeling of a building placed on site with satellite imaging.

The company's launch of 100% energy free drinkers for commercial feedyards and dairies has also been very successful. The flashpoint needed for these designs came when feedyards in the high plains became limited in water consumption because of the depletion of the **Ogallala Aquifer**.

Pride of the Farm's drinkers supply water only when needed. Insulated structures and a flap system keep water from freezing as well as keeping water cleaner.

MARKETING

Wellman says, "One of the most value-added benefits we can provide our dealers is leads. Traditional sources like publications or other media are still valuable."

"Recently the largest source of leads has become SEOs and a whole new skillset for that tool continues to evolve. Our communications strategy is changing more rapidly than ever," Wellman says.

LOOKING AHEAD

"The greatest future challenge for agriculture," Wenstrand says, "may well be addressing a wide array of social contract issue, particularly for those who are serving the animal protein business."

"However, with the small, local rural lifestyle market movement gaining momentum, I think we are properly positioned to thrive in the next 100 years," Wenstrand concludes. **AM**



One semi can transport an entire Span-Tech building.