

# Owning & Operating a Cover Crop Seed Business

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Dean Sponheim



**Sponheim**  
Sales & Services





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Sales & Services



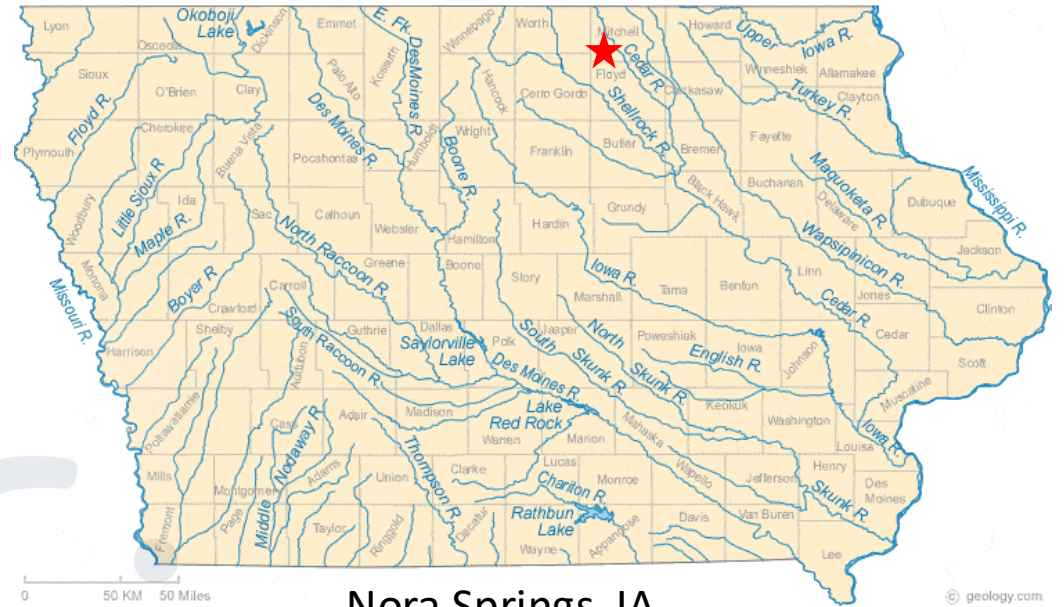






# Sponheim

## Sales & Services



Nora Springs, IA

Est. 2014



- Specialize in
  - Locally Grown Cereal Rye and Oats
  - Custom Cleaning
  - Cover Crop Mixes
  - Custom Aerial, Drilling, Inter-seeding
  - 'One Stop Shop'

# Mission Statement

Sponheim Sales and Services strives to promote the adaptation of conservation practices: cover crop and strip/no tillage, by providing individualized customer service, knowledge, and products for farmers, growers, and retailers.



# Sponheim Sales & Services History

- 2014
  - Sponheim Sales and Services was formed
  - Purchased 40 ac. of locally grown cereal rye
  - ~1200 ac. aerial seeded
- 2024
  - 1800 ac. local cereal rye & oat production
  - 40 cereal rye & oat contract growers
  - >30,000 ac. custom application (aerial + drilled)





2014





2015





**2016-2018**





**2019-  
present**





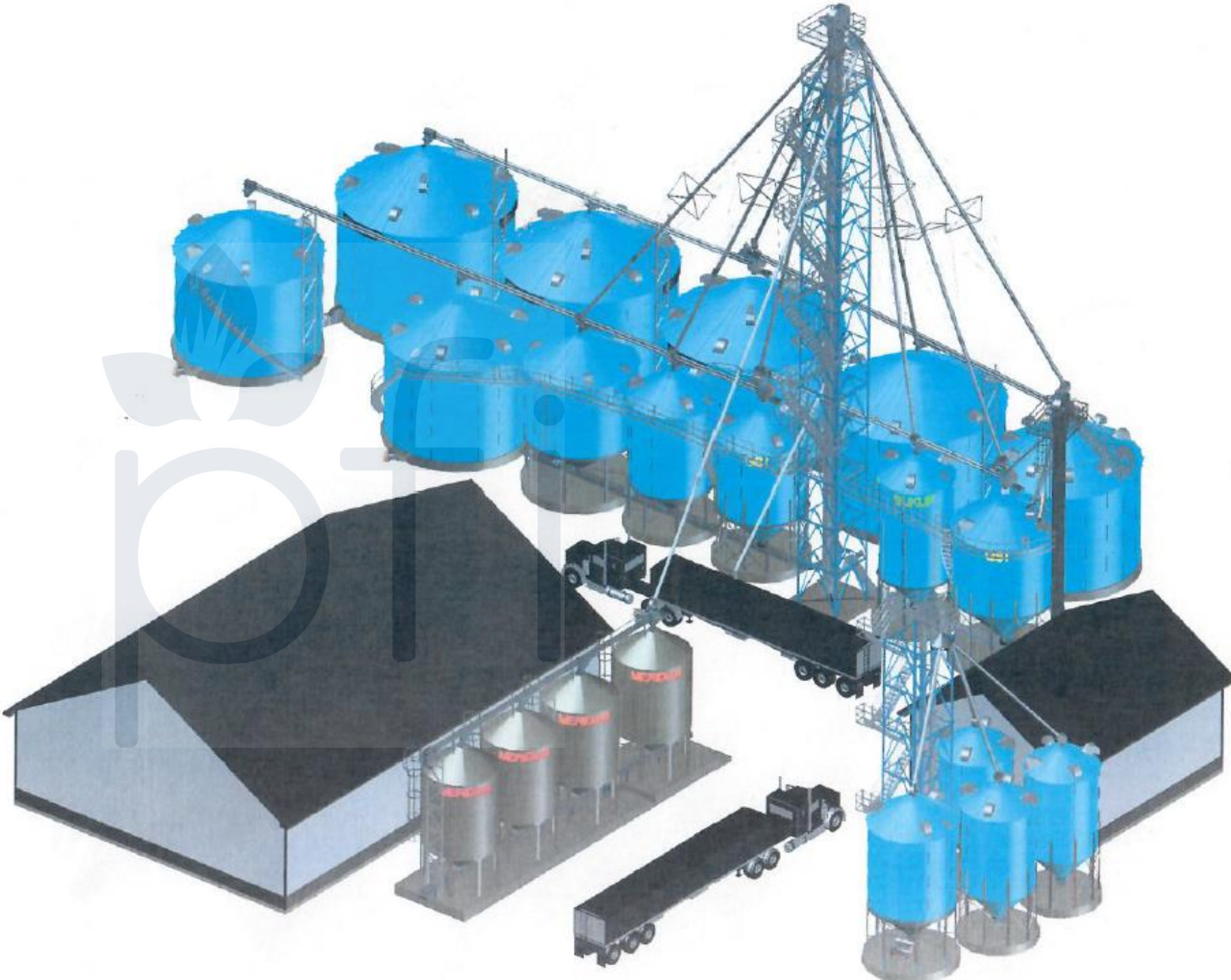








# Future Expansion





# 2014-2025

- 12,000 bu. storage → 150,000 bu. Storage
- Truck Scale
- Cleaning facility
- Upgraded warehouse
- Bagging and mixing facility
- Part-time labor
- 1 custom drill → 6 custom drills



# One Stop Shop

Easy process leads to more adoption

- Customer provides:

- Field boundary/description
- Desired seeding method
- Desired species
- Any government contract requirements
- Contact information

- Customer receives:

- Invoice
- As applied map
- Seed tag(s)

*Application*



++Support and information throughout the year



# Local Producers

- Proven yield increase following small grains
  - 5-10% yield gain in 2-year C-SB Rotation (U of M)
- No storage requirement (currently)
  - Delivery within 24 hr. of harvest
  - Storage will be required in future
- Not introducing new weed species into area
- Expand conservation practices





# Seed Cleaning

- Cereal Rye & Certified Oats
- Non-traditional
  - Clean at delivery/harvest
  - Store clean product
- Seed lots tracked & labeled
- Upgrades for efficiency and quality





# Dealer Model

- Target those already selling seed or using conservation practices
- Provide education & training
  - For sellers and customers
- Able to source all products
- Availability and storage





# Seed Business Challenges

- Keep up with Seed Laws
  - Yearly Contact with IDALS
  - Certified vs. VNS
  - Royalties
- Germination & Purity Tests
  - Lack of convenient Labs
  - Turn Around Time
  - Cost





# Seed Business Challenges

- Pricing of product
  - Volatile market
  - Lack of pricing structure
  - Competing commodities
- Storage
- Cleaning Equipment
- Transportation
- Application
- Supply





# Keys to Success

- Firsthand knowledge of practices....learn from experiences
- Our business model has made us successful
  - Make it simple
  - Educate
  - Become their trusted advisor
- Reinvestment in business





# How can we meet all the cover crop needs?

## More Production

- 23 million crop acres in Iowa
  - 2024 ~4.5 mil ac. cover crops
  - Leaves 18.5 mil ac need cover crops
    - 18.5 mil ac. x 45 lb/ac = 14.8 mil. bushels of Cereal Rye
- 14.8 million bu. / 60 bu/ac (avg. yld) =

**248,000 acres seed rye production**



# How can we meet all the cover crop needs?

More infrastructure

- 250,000 ac. cereal rye production / 5000 acre (SSS Goal) = 50
- 50 seed cleaning and selling businesses to meet Iowa demand



# How can we meet all the cover crop needs?

- How??
  - Funding
  - People
  - More seed production





# How do we increase production?

- Prove yield increase with adding 3<sup>rd</sup> crop
- Reduce cover crop cost
- Multiple income opportunities on an acre every year
  - Seed
  - Straw
  - Forage
  - Double Crop?
    - Buckwheat



# Seed Production Challenges

- Timely Planting
  - Following normal cropping practices
  - Weather Issues
  - Must Germinate!!
- Overwintering Success
  - Fall Growth
  - Freezing/Thawing
- Spring Conditions
  - Final Dormancy Break
  - Final Stands
  - # of Tillers/plant
  - Temperature
- Harvest
  - Quality
  - Moisture
  - Weather



# Summary

- Discover customers needs
- 'Invest' in customer's operation
  - Understand their fears
  - Limitations
- Follow through
  - Successful experience



*Thank you!*

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