

Retail Feed Grand Opening One of Many in 2006

When Federated Cooperative in Isanti, Minn., conducts its grand re-opening later this year, it will be one of dozens of retail feed facilities in 2006 to acknowledge its new relationship with Land O'Lakes Purina Feed.

The Minnesota feed retailer is one of approximately 10 in the Upper Midwest and 55 dealers and cooperatives across the country to change the face of its retail businesses this year by participating in Land O'Lakes Purina Feed's Advanced Retail Services or Premier Services programs, says Paul Homb, Dealer Development Project manager. Feed's Dealer Development team has sold these programs to more than 110 retailers in 2005. They opened more than 50 stores last year, and that momentum has carried into 2006.

"We are definitely seeing a growing number of co-ops and dealers consider or sign on with the program," says Homb. "We're seeing this trend around the country, as well as the Upper Midwest."



The Feed Division anticipates 55 retail grand openings of feed stores such as this one at Light's at Stone Mill in Abingdon, Va., last year.

The Advanced Retail Services or Premier Services programs offer extensive marketing and retail support. By participating in these programs, many of the feed operations will rebuild, remodel or otherwise upgrade their facilities to enhance their retail space.

Dick Fisher, director of dealer development, says a host of new or remodeled stores is a good sign for several reasons. It highlights the strength of Feed's retail development efforts. Fisher is part of a team that actively solicits cooperatives and independent retailers to sell the company's Purina Mills, Lake Country and LAND O LAKES product lines.

"We are successful in retail development because we offer the finest products in the industry, with exceptional marketing and retail support," says Fisher. "That's a very appealing offering for retailers. Besides working with our own co-ops and dealers, we've been able to attract existing dealers from other feed lines, as well as completely new retailers."

Fisher says the many new/remodeled stores also mean that Land O'Lakes is growing its retail presence throughout the country. He emphasizes that there is strength in numbers. More retailers typically mean more sales, particularly in the growing lifestyle feed market. Fisher adds that the programs also help retailers do feed sales "right." The dark, dusty feed store has given way to clean, light, airy and conveniently laid out shops that resemble small departments stores, he explains.

Plus, Fisher says that these customers are investing in the feed industry. With many co-ops and dealers enhancing their current retail operations, Fisher estimates that this outside investment has already brought \$130 million of new capital to the feed industry over the past four years. With approximately 140 new retailers yet to open, he estimates that there is another \$170 million of capital to be invested over the next two to three years. "This is a great trend for the feed industry, as well as Land O'Lakes," he says.

With all the new commitments, Fisher believes his team will be assisting with store openings well into the future. Regardless, he has every intention that they will continue to recruit new retailers in order to keep that horizon extending indefinitely.