

BW Fusion – Educating and Revolutionizing the Farming Industry with Tools That Can Grow Yield Faster and Increase the Bottom Line by Reducing Synthetic Fertilizer



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Interview conducted by:
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CEO CFO: *One of the first things I see on the BW Fusion site is "Welcome to the future of crop nutrition." What is your approach?*

Mr. Wells: We are providing innovation and education in an industry that is not regulated and there is no standard way to quantify and qualify a products performance. We can bring and are bringing targets to soil and plant, meaning a lot of farmers do not know what target they need to hit a specific yield goal. If their yield goal is 200 vs 300 we can show them what is limiting. We can quantify the biological and how it can reduce your macro fertilizer investment. We can show farmers with 100% accuracy how micronutrients, macronutrients, and biologicals are one system and one budget.

CEO CFO: *Do farmers recognize these various elements; do they not know a way to put them together?*

Mr. Wells: The farmers know the elements. The elements are calcium, zinc, copper, manganese, and iron as well as NPKS and micronutrients, for example. The nutritional market has been around since the 70s. Since it is difficult for farmers to quantify the products in this market, many have not adopted them or started practicing on their farms. Farmers focus exclusively on P and K levels as a way to achieve optimal yield; unfortunately, there is far more limiting factors that inhibit yield than just P and K.

The education that we do comes down to new education of the soil. Soil health limitations is where we start to educate. We are using the Agronomy 365 platform which utilizes data, soil health ratios, new technology, and new ways to measure biological activity. Not only are we measuring the chemical portion of the soil but also the biological portion. There is a lot of education to what we do but the result is how to apply crop input more effectively and more efficiently.

CEO CFO: *Would you give me an example of when a farmer would turn to you, what information they would give you, how the program works on the information, and then what they would get back as a result of how to direct them?*

Mr. Wells: How it works is it is really up to the farmer. We have multiple ways we can help them. The most in-depth way and accurate way is we come in and soil sample their farm. We then start with that sample and it is not just your chemical test which is the standard way everybody tests today but is also utilizing a Haney Soil Test, plus other proprietary measurements that show 70 more data points to look at that are never looked at to decipher what biological would be best for them, what micronutrient is going to be the best, what timing and also how they can change how they are fertilizing their nitrogen, phosphorous, potassium and sulfur.

We come back with a recommendation on how much nitrogen, phosphorous, potassium and sulfur are needed on the farm along with micronutrients and biologicals, which biological, how much to apply, and when to apply. If they do not want to get that in-depth, we have taken many soils in many states and many tests to come up with products that will work on any soil no matter the fertility level at specific times that they can feel 100% confident that they are going to get a return. We have built products that will only always bring a positive impact if they do not want to do the testing. We have a default set of products regardless of the soil type and situation.

CEOCFO: *What kind of reception have you been getting from farmers?*

Mr. Wells: We are getting tons of people interested. We are growing fast and doubling our sales every year. Why are we not bigger? We have not taken on venture capital. We are not doing this just to sell the business; we are doing it to make an impact and change the sector. A lot of our competitors that are trying to get into this market have hundreds of millions to invest. We are doing it with our cash and reinvesting our profitability.

Everybody wants to know more, so it just comes down to people and infrastructure. When it comes to the farmer, it is a little complex for some of them to understand, so sometimes it takes three, four, five times to understand it, the agronomy behind it, but everybody is willing to trial and start having conversations. Some farmers go all in right away because they understand it and some farmers will want more confirmation that they understand what they are doing.

"We do not just sell products. We train, educate, and innovate. We try to educate you on what is going on with your soil before we ever try to sell you anything." Grant Wells

CEOCFO: *Would you tell us a little bit about how you developed your products?*

Mr. Wells: All of our products start with our R&D department and along with our Agronomy 365 department, which is a platform that handles the soil and tissue testing and it can quantify and qualify everything. We start with what deficiency a specific soil has then we go to work at building a product that will fix deficiencies or common deficiencies in that soil. Depending on the crop, depending on the area, we would develop a product. It is pretty common that most farmers have similar deficiencies in the same area; maybe they share 70% of similar deficiencies. Therefore, we would attack that first and then figure out the right timing through the tissue and soil testing. Then after it is formulated, we would label it and market it. Everything is done based on agronomy, so we would see what the Agronomy 365 soil and tissue is saying, and then we would address it to create a new product.

CEOCFO: *I see a large number of products on your site. Are there some that get more attention than others and are there some you think are not getting the traction you think they should?*

Mr. Wells: None of these products replace each other. For instance, it is how it fits into the farmer's operation. Let us say a farmer does not have in-furrow, so that eliminates five products off his list and he would revert to maybe three different products to get the similar technology. A lot of times we try to get our technology through different delivery mechanisms, and maybe formulated slightly differently so that it could be used on a wide variety of different crops.

Some of these are organic certified. You look at our Biocast product, then you see Environoc 401, well our Biocast is Enviornoc 401 plus two food sources and the food sources are not organic approved, but the straight 401 is. Therefore, many we might offer key parts of our technologies because we can get them organic certified.

We also have a first, second, third, or fourth dollar that we recommend spending. It kind of starts with a budget as well. We work with high-yield farmers as well as normal crop farmers. High-yield farmers might make extra passes or spend extra dollars. Some of these are maybe higher-value crops. There is nothing on our current website that we do not use somewhere for something.

CEOCFO: *What, if anything, has changed in your approach over time?*

Mr. Wells: In our approach, we try to make it as simple as possible. We used to start with five things we needed for in-furrow so it has gone to manufacturing these five products into one finished product. We are trying to make it simple and the use rates easy. We have incorporated AI technology into our Agronomy 365 testing making it smarter and smarter with each recommendation. We have scaled up our manufacturing and capabilities so that we can combine ingredients to make it easier and try to approach the farmer with that simple type of tech process. It has been what has changed and we have narrowed it on timing and products over the last four years of testing. We know more now than we did four years ago on different outcomes of different things so we are a lot further ahead on figuring out how to quantify the nutritional market.

When I got started in this business back in 2009, I was only operating Wells Ag Supply, and I still own that business today. I asked myself how is the nutritional and biological market being done today and how can it be done better? The answer was that there was no integrity and consistency in the market. There were a lot of people who were just telling stories and had watered-down products. I decided when I got into it that I had enough aha moments with people and things that we created a whole company out of it at BW Fusion.

CEOCFO: *You mentioned that you haven't had investors; is that something that might change for you? Are you looking to make a big push down the line?*

Mr. Wells: I think in business, you should never say never just like anything in life. It is a little conflicting because number one is you do not want to lose control of the purpose of the business which is to expose the truth in the soil and know exactly how much synthetic fertilizer you need and do not need. The recommendations that we have are a lot different than are available today and are a lot more accurate. The conflicting part is we are profitable at doing things but how many farmers are we not getting to that we honestly can help be more precise with what they are doing. You feel conflicted and realize these guys needed your help three years ago.

The other side of that is that there is always in business a first-to-market strategy when you get to the top of the division or sector, usually you can own that space and we definitely could get there faster. If Corteva or BASF owned us, we would be on every acre overnight in the nation. We have the products and information that work. I would say that we are not quite ready for investment. At some point, we might so that we can get on more acres and help more people quicker. It would not be to flip the business and walk away.

CEOCFO: *What does 2024 look like for BW Fusion?*

Mr. Wells: It looks like doing more of the same. We want to get on more acres. We want to focus on areas of the United States we have not gotten into, market penetration while making sure existing clients are getting what they need. We have distribution facilities in Kansas now; we purchased and a new manufacturing facility in Indiana. We want to get to operational efficiencies with the company and get to new market areas.

CEOCFO: *What might someone looking at BW Fusion not understand that they really should recognize?*

Mr. Wells: We do not just sell products. We train, educate, and innovate. We try to educate you on what is going on with your soil before we ever try to sell you anything. The information that we have is revolutionary and changes the way a farmer fertilizes, and can absolutely increase their bottom line by the reduction in synthetic fertilizer, but also could be used as a tool to grow yield faster as well.

