Using Event Sponsorship to Cross the Chasm between Consumer Perceptions of Agriculture and On-farm Realities

Industry Speaks

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Abstract

Consumers routinely express positive views of farmers but not so positive opinions of the food that they eat and the food production chain in general. This is exacerbated by stories which appear in media portraying modern agriculture in a very negative light. Farmers want to counteract this through sharing with consumers how the agricultural landscape has positively changed in the last 50 years. Alltech - a B2B biotechnology agribusiness firm- believes that both perspectives needed to be heard and addressed.

Knowing how the 2010 World Equestrian Games had brought these audiences together, Alltech created a meeting place to facilitate a genuine connection between both farmers and consumers by sponsoring the 2014 Games in Normandy, France. This article describes how Alltech used this sponsorship to open a dialogue concerning the current state of agriculture and where the industry is heading.

\textbf{Keywords:} Corporate sponsorship, agriculture, consumer messaging
Introduction

Cheese is from plants, tomatoes are grown underground, and pasta comes from meat. These are just a few of the alarming responses from a recent poll conducted by the British Nutrition Council. Unfortunately, this lack of agricultural knowledge is only furthered by negative media attention and ‘undercover’ videos highlighting out of context and out of the ordinary practices. Take Chipotle’s recent web series, *Farmed and Dangerous*, as an example. Chipotle used this series to paint big agriculture as an underworld of scheming business people doing anything and everything to cover up the truth (such as, say, feeding petroleum pills to cows). This webisode went so far as to show a farmer at a photo shoot in front of a fake background while a voiceover asserts, “They pay us to fix their image, not their cattle.” In a less dramatic way, Silk’s TV spot titled *Moo*, discredited animal agriculture when the idea of milk coming from the udder of a cow is summed up in one word, ‘Ugh.’

With all these messages in popular media, it’s no surprise that consumers struggle to trust agriculture. Between phrases like genetically modified organisms (GMOs) and growth promoting antibiotics (GPAs), the world of industrial agriculture can begin to sound more like a science experiment than the source of healthy foods. Perhaps this is why surveyed consumers tend to agree that commercial farms and national food companies are more likely to put their own interests ahead of those of consumers.

On the opposite side of the discussion are farmers. Consumers want to think of farming as an industry frozen in time where machines are unheard of and chemicals are unseen. However, just as citizens today don’t live like their great grandparents did, farming has grown up too. The average farm today feeds 155 people. In 1960, that number was only 25.8. With this surge in demand and stagnant land and water resources, innovations and technology are what have kept farmers profitable and sustainable in a market with downward pressure on prices and rising costs of production.

An example of these agricultural success stories has been the global broiler industry. Broiler meat is healthy, nutritious and a convenient product available at a price % lower than it was 50 years ago.

Broilers have the best feed conversion ratio of any domesticated land-based animal. In the US the broiler industry has evolved from millions of small backyard flocks of dual-purpose (eggs and meat) chickens in the early 1900s to less than 40 highly specialized, vertically integrated agribusiness firms. Until 1920, chicken meat was considered a luxury reserved for special

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1 British Nutrition Foundation 2013
2 Blackmore 2014
3 Moo 2014
4 The Center for Food Integrity 2013
5 Farm Journal Foundation
6 Center for Food Integrity
7 Wang & Ball 2014
occasions. Chickens were strictly a by-product of egg production, as cockerels and unproductive hens were culled from the laying flock. Scientists developed ways to meet the nutritional needs of chickens kept in protective environments, making large-scale, year-round production possible. Broiler production emerged in the 1930's as a separate industry that operated year-round and in the 1950’s and 60’s vertical integration became common, with a single company involved in every process, stabilizing the rapidly changing relationships between inputs, production, and marketing segments. Havenstein compared feeding genetics from the 1950’s to a 2001 bird and demonstrated 2/3 less feed, energy and other inputs were required also produced 2/3s less emissions and waste into the environment\(^9\). Vertical integration allowed the modern broiler industry to take advantage of new production and processing techniques in order to become more efficient, responsive, and safe.

Misconceptions like these are a major concern to animal nutrition companies such as Alltech. Alltech is engaged and invested in the future of farming, which means that both customer perceptions and producer challenges are directly relevant and vitally important. Take a look at some of the perceptions of surveyed consumers in Table 1(see Appendix)\(^10\):

This growing disconnect and the seemingly conflicting needs of farmers and consumers create a challenge for B2B agriculture companies. As such, Alltech, an animal nutrition company, was faced with a dilemma: How can a company put consumers’ minds at ease about the quality and safety of food produced by their farming customers while at the same time providing those farmers with solutions that will make them more efficient and profitable? Recognizing that much of consumers’ distrust originates in a lack of transparency\(^11\), bridging the proverbial gap between the consumer and farmer had to begin with communication and education.

For many years, Alltech has worked under the philosophy of marketing through education. The company has strategically positioned itself through its symposia, lecture tours, and relationships with academia to connect on an educational platform and tell its brand story. Traditionally, the targets for this message have been the customer mills that produce the animal feed. More recently, however, the company has used sponsorship as a vehicle to expand the reach of its message, targeting both the farmer and the consumer.

**Discovering the Need**

When Alltech initially sponsored the Alltech FEI World Equestrian Games 2010 in Kentucky, an event area called the Alltech Pavilion was designed as a place where attendees could learn about what Alltech does across its many divisions including crop science, feed ingredients, beverages, and life sciences in the many markets where it operates (128 countries)\(^12\). Through a variety of media including exhibits manned by scientists, videos, and demonstrations, attendees could explore the realities of farming using all of their senses. The company seized the opportunity to showcase agriculture as a whole with its ‘farm to fork’ story. The Alltech Pavilion provided a

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\(^9\) 2003 Poultry Science Association
\(^10\) Connolly & Phillips Connolly 2011
\(^11\) The Center for Food Integrity 2013
\(^12\) Alltech
forum for 511,000 visitors over a two week period\textsuperscript{13} to discover the latest agricultural innovations and natural technologies being used all over the world. And, Alltech introduced the ACE principle\textsuperscript{14}, which demonstrated how the future of agriculture depends on solutions that are safe for the Animal, Consumer and Environment through the responsible use of limited land and water resources. Featuring a futuristic model of farming in 40 years, an interconnected energy and food production system called \textit{Farm of the Future} was displayed\textsuperscript{15}. It depicted a sustainable farming community with integrated processes such as algae production, solid-state fermentation, cellulosic ethanol production, and aquaculture, beef, and dairy operations. In the model, these technologies worked together to limit waste, maximize productivity, and minimally impact the environment.

Throughout the two weeks of the Games, Alltech watched as a showcase of innovation quickly transformed into a celebration of all things agriculture. Wishing to expose more consumers to this message, the company invited North American based agriculture companies to join in on telling the story of the farmer. As groups quickly agreed to help in this endeavor, the resulting endowment provided funds for bussing over 50,000 children from local schools to the event for tours and presentations by scientists and nutritionists on the realities of modern farming.

Alltech realized that bringing farmers and consumers together for meaningful interactions was a very unique opportunity. Instead of letting this special event become a one-and-done occurrence, they decided to sponsor the 2014 FEI World Equestrian Games™ to be held in Normandy, France\textsuperscript{16}, where they would take this concept and use it to engage the farmers of the world. Additionally, they used the concept of the Pavilion as a foundation for a much larger campaign to reach a wider audience with a longer lasting impact.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure1.png}
\caption{Alltech FEI World Equestrian Games Target Audiences}
\end{figure}

Table 2 highlights some examples of metrics used to measure the value of Alltech’s sponsorship of the 2010 Games. Each segment of attendees was impacted slightly differently.

\begin{table}
\centering
\begin{tabular}{|l|l|l|}
\hline
\textbf{Segment} & \textbf{2010 Focus} & \textbf{2014 Focus} \\
\hline
Traditional Alltech Focus & & \\
\hline
Feedmill / Premix & 2014 Focus & \\
\hline
Farmer & & \\
\hline
Food Processor & & \\
\hline
Retailer & & \\
\hline
Consumer & & \\
\hline
\end{tabular}
\caption{Alltech FEI World Equestrian Games Target Audiences}
\end{table}

\textsuperscript{13}FEI 2011
\textsuperscript{14}Alltech
\textsuperscript{15}Alltech
\textsuperscript{16}Eurodressage 2011
**Table 2. Examples of 2010 Alltech Games metrics: Impact by segment (ADMAP 2011)**

<table>
<thead>
<tr>
<th>Audience</th>
<th>Who</th>
<th>Sample of Results</th>
</tr>
</thead>
</table>
| **Internal** | Employees and others directly involved with Alltech | ▪ 400 (of 2500) employees participated directly in the Games
  ▪ 128 articles published by staff\(^4\)
  ▪ 33% drop in employee turnover. |
| **Customers** | Organizations that purchase Alltech’s products: feed; pet food; food; beverages; crop solutions | ▪ Sales to equine customers doubled
  ▪ Sales to ‘Partners of the 2010 Games’\(^2\) doubled
  ▪ Pet food sector sales increased 400% 
  ▪ B2C sales, including food and beverages increased tenfold |
| **Suppliers** | Of products or services to Alltech, eg ingredients, equipment, financial services, etc | ▪ Better trading terms\(^3\)
  ▪ Inclusion by main banks in their ‘top-30 client’ list |
| **Co-suppliers** | Companies offering products and services that complement what Alltech offers | ▪ Increased participation in industry association boards, which are by invitation.
  ▪ Increase in requests to do business
  ▪ Relationship building from key supplier attendance at the Games |
| **Competitors** | Companies that offer substitute services or products to Alltech’s technologies | ▪ Job applications doubled
  ▪ Tenfold increase in visits to website |
| **Influencers** | People or organizations who influence Alltech’s business environment | ▪ Access to leaders in business and government/regulatory bodies
  ▪ Local support for growth initiatives
  ▪ Presence on industry boards increased
  ▪ Coverage in mass-market media (CNN, NBC etc) valued at $31m\(^4\) |

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\(^1\) Alltech put out a call to staff through the weekly internal newsletter; approximately 1,000 staff members contributed to one or more of the articles.

\(^2\) ‘Partner’ sales are sales with companies who signed up to be partners to the Alltech 2010 games partnerships, including both equine and other species business.

\(^3\) ‘Better trading terms’ refers to better prices, longer payment cycles, applying ‘favored nation’ clauses, etc.

\(^4\) Coverage tracked by PR firm; value based on estimated cost of buying an equivalent amount of advertising. Examples include more than 7,500 press clippings and more than 1,000 feature stories in general market media (newspapers, magazines); hundreds of pages of articles in agricultural publications; 23,000 downloads by media outlets of Alltech audio clips; more than 20 hours of on-air coverage on Eurosport, 8.5 hours of coverage on NBC sports (with virtually every shot including an Alltech logo).
Unsung Heroes

Keeping in line with this desire to make a genuine connection with both farmers and food consumers, Alltech decided to follow the principles of Last Generation Sponsorship, a phrase coined by Kim Skildum-Reid who says, “Last Generation Sponsorship is about nurturing a brand’s connection with a target market, nurturing their needs, not brand needs, first.” Skildum-Reid describes Last Generation Sponsorship as a “Win-Win-Win.” It’s a win for the sponsor, the sponsorship seeker, and, most importantly, for the target market. Alltech knew its sponsorship of the Games had to connect with farmers, adding value to their businesses. Beyond that, Alltech wanted its brand to be a part of farmers’ stories, creating a community where farmers sought to be affiliated with the Alltech story, and not the other way around. This idea of realizing a benefit for the target market first and for Alltech second led to the concept of the Unsung Heroes campaign.

With the increasing disconnect between the consumer and the farmer, Alltech identified the need to celebrate those people working tirelessly in often thankless roles. Beginning with dairy producers, Alltech began the effort to showcase those people quietly feeding the world behind the scenes. With milk production more than doubling in the last 50 years, demand has caused dairy farmers to become some of the most innovative and progressive food suppliers in the agricultural industry, and as the global population surges beyond seven billion, this trend is set to continue.

Social Media

Alltech created the Alltech Dairy Heroes Facebook page, where followers were given an opportunity to celebrate dairy workers who go the extra mile every day. The call for stories stated it like this: “Whether it’s your mum, your child or a member of your farm team, tell us about their passion for the dairy farming lifestyle.”

One by one, stories began to trickle in. Then, the trickle became a flood. With over 30,000 likes, the Alltech Dairy Heroes Facebook page features posts about everything from ‘selfies (farmer selfies)’ to information on a facility powered solely by cow and pig manure. The Facebook page was followed up by local advertising that celebrated the Dairy Heroes in their communities as well as recognition for them at the Games events.

Highlighting individual producers in this way has had a notably positive effect. The Unsung Hero campaign created a platform for farmers to network among themselves, while also providing a window into the industry for consumers. Through both the sponsorship of the

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17 Hurt 2013
18 Gyles 2010
19 Worldometers
20 Alltech Dairy Heroes
21 Alltech
22 Farmer Selfies
23 Fair Oaks Farms
Games and the *Unsung Heroes* campaign, Alltech has been able to gain invaluable access to its customers and its customers’ customer—the consumer. As a B2B company, this ability to reach the end consumer with a message is a powerful connection.

**From Seed to Feed to Farm to Food**

Building on the success of the Alltech Pavilion at the 2010 Games, the company began planning for the 2014 Games. A focus on agriculture was a natural fit for Normandy, a leading agricultural region of France, where agribusiness accounts for 15% of employment in the region.24

As a celebration of agriculture, the plans for the 2014 Games included highlights of the food chain from seed to feed to farm to food. Pavilion elements featured everything from harnessing nature’s soil microbes to feeding the animal to its true genetic potential; from aquaculture and sustainable DHA-enrichment to life sciences and how we can eat our way to a healthier life. Sponsoring this event and hosting the Pavilion gave Alltech the ideal platform to showcase the agriculture industry and gain quality face-to-face, hands-on access to customers and consumers.

This venue opened dialogue about the current state of agriculture and where the industry is heading. With the sometimes overwhelming amount of information and misinformation available on the topic, the Alltech Pavilion strives to be a source of factual, science-driven education for consumers. There were two main messages that needed to be delivered. The first was that despite what is sometimes presented in the media, the large majority of farmers take great pride in what they do and make decisions based on what is best for their land and animals, and therefore, the consumer. After all, animals perform better when they’re healthy and happy and land produces higher yields when it’s nourished and protected.

The second message was that farmers feel pressure to meet the needs of a continuously growing world population—and on decreasing amounts of arable land. To do this, they must embrace current technologies and utilize them efficiently on their farms. Today, 1 in 7 people wake up not knowing how to find food for their families, and farmers want to be part of the solution to that problem25. The Alltech Pavilion at the 2014 Games educated consumers and producers alike on how to partner to meet global demands for nutritious food.

**Finding Synergies**

While the Alltech Pavilion was a key piece of activating this sponsorship, to look at it as a contained opportunity within the Games is to miss valuable opportunities. To fully realize the potential of this sponsorship, the company determined that its annual dairy and beef producer meeting, Alltech’s *Global Dairy and Beef* (traditionally held in the U.S.), would be held in the heart of Normandy this year during the Games. This was a natural decision since the Normandy

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24 (Deshayes 2013)  
25 (Sheeran 2011)
region is at the center of the European ruminant industry, with over 830,000 dairy and beef cattle residing on 18,300 different units.\textsuperscript{26}

Holding the this meeting for leading world farmers in France in coordination with the Games enabled the company to offer value first to the target market in the form of education, and then in turn offered Alltech the benefit of making genuine connections with farmers while also establishing itself as a thought leader in the industry.

As a lead-up to the \textit{Global Dairy and Beef} meeting, Alltech launched a nine-month on-farm campaign in 22 countries based on the E=P+S equation (efficiency=profitability+sustainability)\textsuperscript{27} under the slogan “Your Farm, Your Future.” Across Europe, a trial was conducted where over 100 farmers were identified and visited to have their operations’ EPS ratings analyzed. After the initial analysis, these farmers began the EPS program, which they will follow among 21,000 cows continuously for six months. At the end of that time, the same tests will be run again and results documented and measured. These results will be available for release during the Games in Normandy. Significant increases in each farm’s efficiency are expected, which points to more profitable, more sustainable farms. These EPS farmers were the center of a case study debuted at the \textit{Global Dairy and Beef} meeting. In addition to the focus on these results, meeting attendees had the opportunity to tour several of the most efficient, profitable, and sustainable farms in the region.

Table 3 (see Appendix) outlines samples of metrics Alltech will use for measuring the success of the 2014 Games in Normandy. The company will be looking for impact on much more than the bottom line. The three main objectives are to: a) increase brand awareness and enhance reputation; b) increase business on farm; and c) build the equine side of business, including relationships with partners.

\textbf{Beyond Sponsorship of the 2014 Alltech World Equestrian Games}

Maximizing sponsorship through activities designed to celebrate agriculture and the people whose efforts feed the world is an example of how sponsorship, when used effectively, provides a platform for the growth of both sales\textsuperscript{28} and brand equity.\textsuperscript{29} It also establishes the sponsor, Alltech, as a thought leader. By combining the sponsorship of the Games with features like the Alltech Pavilion, on farm relationships, the Unsung Heroes campaign, and the annual \textit{Global Dairy and Beef} meeting, Alltech has begun to see gains beyond the value of each individual piece of the equation, and the event hasn’t even begun.

Through the Games in Normandy, the company continued to challenge the traditional idea of sponsorship. With far reaching activation efforts, this sponsorship was more than placing a logo on every available venue surface. The decision to sponsor the 2010 World Equestrian Games was based on a multitude of factors, not the least of which was Alltech’s relationship to horses,

\begin{itemize}
\item \textsuperscript{26} Alltech 2013
\item \textsuperscript{27} Efficiency, Profitability, Sustainability
\item \textsuperscript{28} Connolly, Keogh, & Bradley
\item \textsuperscript{29} Phillips Connolly & Connolly
\end{itemize}
Kentucky, and performance. That first sponsorship demonstrated that new connections had been made with new audience groups such as consumers and food companies. And, Alltech learned from the 2010 event that there is a real need to bridge the communication gap between farmers, agriculture, and consumers. Although sponsorships are not typically used by B2B or B2F organizations, Alltech recognized that it could be a great vehicle for clearing up misconceptions, building consumer brands, and delivering the real story of food around the world.

Sponsorship can be a means to facilitating these important conversations and inspiring new ways of thinking about feeding people healthy, safe, and wholesome food. With a hand in every part of the food chain from seed to feed to farm to fork, Alltech is uniquely positioning itself to make a true difference, and sponsorship of the Games is just the start.

References

Alltech. ACE. http://www.alltech.com/feeding-the-world/ace


## Appendix

### Table 1.

<table>
<thead>
<tr>
<th>Consumer Perception</th>
<th>Farmer Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms are all large, overly industrialized, and crowded factory-type settings owned by large corporations.</td>
<td>96% of farms are family owned(^ {30}). While these farms range significantly in size, all farms are held to housing standards to ensure overcrowding does not occur.</td>
</tr>
<tr>
<td>Farmers are cold and abusive towards their animals, seeing them only as an object and a path to profits.</td>
<td>Being cruel to livestock would be counterproductive. Animals perform best when they are healthy and happy. Farmers tend carefully to their animals and strive to keep them at harmony with their environment.</td>
</tr>
<tr>
<td>Farmers are money hungry and would do anything to make a dollar, even at the expense of human health.</td>
<td>Farmers care about both their animals and the consumer and they take huge pride in what they do. Cutting corners wouldn’t be beneficial to anyone involved. Do they worry about the bottom line? Of course. Who could afford to work for free?</td>
</tr>
<tr>
<td>Farmers use harsh chemicals, unnecessary hormones and excessive antibiotics to grow animals faster than nature intended, resulting in harm to the animal and potentially the consumer.</td>
<td>Just as with human health, there are strict standards as to what is appropriate to include in animal feed and at what levels(^ {31}). Farmers use a holistic nutritional program to ensure their animals are healthy AND efficient while also providing the consumer with a safe, high quality protein source.</td>
</tr>
<tr>
<td>Farmers create significant amounts of pollution, causing long term problems for everyone.</td>
<td>Farmers are very conscious of their effect on the environment and make a focused effort to make their practices more sustainable. They view themselves as stewards of the land, and most hope to be able to hand down the farm to their children one day, then their children’s children, and so on.</td>
</tr>
<tr>
<td>Organic farmers are the most responsible producers, providing fresher, more natural and sustainable food products.</td>
<td>Contrary to popular belief, organic production is unsustainable and supplies food with the same (or some suggest marginally worse) nutritional value than that produced through conventional farming. In fact, given the same area of land, organic farmers can only produce 80% of a conventional farm’s output, with some estimates being as low as 50%.(^ {32})</td>
</tr>
</tbody>
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\(^ {30}\) (EPA)  
\(^ {31}\) (FDA)  
\(^ {32}\) (Wilcox 2011)
### Table 3. 2014 Alltech Games: Sample Metrics

<table>
<thead>
<tr>
<th><strong>Objectives</strong></th>
<th><strong>New Metrics</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equine</strong></td>
<td></td>
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<tr>
<td>Awareness of Alltech as digestive health leader</td>
<td>Increase brand awareness by 33% compared to 2010 market research study</td>
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<tr>
<td>Build connection with horse owners</td>
<td>40,000 Facebook likes for Equine Heroes social media campaign</td>
</tr>
<tr>
<td>Increase equine feed range sales</td>
<td>Social media based competitions for tickets to the Games</td>
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<tr>
<td></td>
<td>Achieve 40 higher quality global partnerships, with a goal of creating customized blends in 90% of partners horse feeds.</td>
</tr>
<tr>
<td></td>
<td>Increase sales with partners by at least 25% (already surpassed) Interactive “Equisphere” experience in Games village, experiencing the world from the horse’s perspective; Demonstrations in 2 arenas during the Games</td>
</tr>
<tr>
<td></td>
<td>Increase Lifeforce(1) sales by 500% in 2014</td>
</tr>
<tr>
<td><strong>Dairy</strong></td>
<td></td>
</tr>
<tr>
<td>Build Alltech brand on-farm</td>
<td>Increase membership in online dairy community to 25,000 by end of 2014.2</td>
</tr>
<tr>
<td>Increase on-farm sales in nine important markets</td>
<td>Bring 1000 farmers, from nine specific European markets, to the Global Dairy and Beef meeting.3</td>
</tr>
<tr>
<td>Create brand recognition</td>
<td>Fourfold increase in awareness of Alltech brand by Dairy farmers in those nine main markets, as measured through a survey.</td>
</tr>
<tr>
<td>Develop sales</td>
<td>EPS with 21,000 cows in 22 countries</td>
</tr>
<tr>
<td><strong>Megabrand</strong></td>
<td></td>
</tr>
<tr>
<td>Build Alltech reputation in key markets</td>
<td>100% brand awareness on farm of Alltech in nine important markets, measured by survey</td>
</tr>
<tr>
<td>Keep employee motivation and retention high</td>
<td>Comparison of pre and post-Games employee satisfaction surveys with those from 2010 Games</td>
</tr>
<tr>
<td>Maximize media / press coverage of the Games</td>
<td>33% reduction in employee turnover in Europe during 2014 and 2015</td>
</tr>
<tr>
<td>Increase website presence in target markets</td>
<td>20% increase in target television impressions (viewership)</td>
</tr>
<tr>
<td></td>
<td>20% increase in media coverage</td>
</tr>
<tr>
<td></td>
<td>20% increase in earned media by target list of international business media</td>
</tr>
<tr>
<td></td>
<td>300% increase in website visits/hits in target markets</td>
</tr>
</tbody>
</table>

1 Lifeforce is a new product that is just being introduced, combining multiple Alltech solutions in a single package, so the Games sponsorship is an important part of the strategy for engaging customers.
2 Launched in 2013, the community is at 20,043 as of 1st February, 2014.
3 The Global 500 meeting started in 2008 and has grown to be the largest meeting of its type; 600 top farmers, from 42 countries, attended the 2013 event in Dublin, Ireland.

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³³ Connolly & Phillips Connolly 2014.