

# A New Regional Player

MISSOURI FAMILY BUSINESS TRANSFORMS ITSELF INTO VENTURE OPERATING IN FOUR STATES



In less than two years, a family-owned business in northwest Missouri has grown through a strategy of acquisitions to become a major player in the grain industry in a four-state region.

Starting in 1988 as Gage Fertilizer in Stanberry, MO, the company today is called GFG Ag Services LLC (816-886-9900), with 13.6 million bushels of grain storage among 13 locations in Missouri and Iowa, including a terminal elevator and container loading operation in Kansas City, KS. Complementing the assets is a grain trading unit located in the company's Kansas City office. This unit was developed to accompany the existing grain assets, as well as find additional opportunities within the U.S. grain markets.

In addition, GFG Ag Services offers a full line of agronomic services through 18 retail centers operating in Missouri, Iowa, Nebraska, and Kansas. Each center offers a full range of products and services ranging from crop protection and crop nutrients, custom application and aerial spraying services, seed and feed, as well as crop insurance and farmer lending.

"Our strategy is one of continued growth," says CEO Lee Blank, who is based in Kansas City, MO. "Our goal is to build a super-regional agricultural business with the capabilities needed to support production agriculture in our region all while participating in the U.S. and global grain markets."



*GFG Ag Services now operates the former "Rock Island" terminal elevator in Kansas City, KS and bases its container loading operation there. Aerial photo by Mayland Aerial Photography, Cedar Rapids, IA.*

## Family Remains Active

The original company was founded as a family-owned corporation by Steve Gage in 1988 as a grain and agronomy business. He remains with GFG today, along with three of his children, all of whom handle day-to-day operations:

- Scott Gage handles the commodity business, including GFG's inland grain elevators, feed mills, and commodity fertilizer.

- Brad Gage is in charge of the retail agronomy side of the business including seed, chemicals, and custom application.

- Tracy Wright handles the back office operations including daily position reports, settlements, human resources, regulatory compliance, and special projects. In addition, she manages the company's crop insurance business.

## Growth Strategy

"It appeared to the Gage family that the market was evolving and an opportunity to advance the company's various

business segments was at hand," says Blank. Gage Fertilizer and grain decided it was time to take a partner, and that is when I became involved.

"I've been in agriculture my entire career. I spent 20 years in various management roles with Archer Daniels Midland Company," he recounts. "I left ADM in 2006 and with a business partner formed an ethanol production company based in Kansas City, MO. That opportunity led to spending three years in Canada and on the East Coast building a grain processing company in the Province of Quebec."

Upon returning to Kansas City in 2011, Blank, who was working as an agricultural consultant at the time, developed a relationship with Steve and his family, and over time, GFG Services was founded in October 2013.

"GFG is a partnership between a privately-held agricultural business and a North American agricultural equity partner brought together to generate a growth model," says Blank.

## GFG Facilities

The largest facility included in the partnership may have been a 6.1-million-bushel slipform concrete terminal off Seventh Street in Kansas City, KS. Blank says GFG has developed an extensive container trans loading operation at this location.

“Last year (2015), we became one of the premier grain transloading facilities in the Midwest,” he says. “The Class I carriers have deployed a great deal of capital into their intermodal infrastructure in the region, and GFG and its grain customers are benefiting from these capacity upgrades.”

Other GFG facilities in the four-state region include:

- Rail-loading grain facilities in St. Joseph and Trenton, MO.

- Inland country grain elevators at Bethany, MO (two); Charter Oak, IA; Danbury, IA; Maitland, MO; Ravenwood, MO; Stanberry, MO (two); Albany, MO; and Gilman City, MO.

- Feed mills at Danbury, IA; Stanberry, Albany, and Bethany, MO; and Jamesport, MO (certified organic).

- Agronomy and ag retail centers at Wahoo, NE; Colon, NE; Charter Oak, IA; Danbury, IA; Bethany, MO (two); Trenton, MO; Gilman City, MO; Jamesport, MO; Martinsburg, MO; Stanberry, MO (three); Albany, MO; Maitland, MO; Ravenwood, MO; Skidmore, MO; and Wathena, KS.

*Ed Zdrojewski, editor*



*GFG Ag Service's Bethany West location in Bethany, MO includes a 1-million-bushel country grain elevator with feed milling capacity. Photo courtesy of GFG Ag Services LLC.*

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