



NetSuite: A Modern Solution for Agribusiness

How growing agribusinesses can use NetSuite cloud ERP to automate, streamline, boost efficiency, and operate more profitably

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INTRODUCTION

America's rural landscape is home to nearly 2 million farms. These farms rely on a complex network of agribusiness partners including equipment manufacturers, suppliers, packers and processors, marketers, and retailers, to name a few.

In 2023, these organizations collectively contributed over \$1.5 trillion to US gross domestic product (GDP), or 5.6% of the nation's total GDP. America's farmers must overcome droughts, floods, heatwaves, global economic uncertainty, rising costs, labor shortages, and other roadblocks.

Organizations are also concerned about digital transformation, which is a logical worry point for agribusiness companies that haven't updated their technology systems or are missing out on newer innovations that can help them work smarter, better, and faster. With the right systems in place, organizations can increase efficiency, manage costs, understand yields, navigate new regulations, and become more sustainable.

This guide explores the top challenges facing the agribusiness sector, explains how these factors are impacting their operations, and shows how NetSuite's cloud enterprise resource planning (ERP) software plus an experienced implementation partner help organizations overcome these problems and future-proof their businesses.



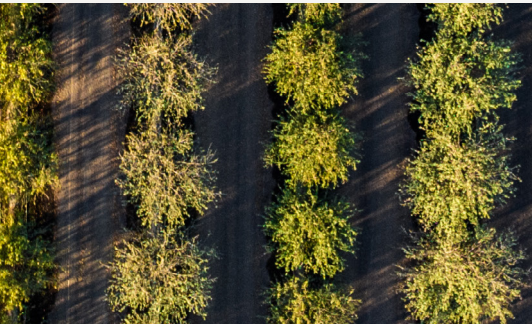
ADDRESSING THE BIGGEST AGRIBUSINESS ISSUES

Agribusiness is the backbone of the food supply chain and plays a critical role in getting food productions from farm to table as efficiently, effectively, and safely as possible. These companies are involved at every stage—from inputs to production to processing to final distribution.

Like many industry sectors in 2024, agribusiness is dealing with margin compression and pricing pressure. This isn't a new problem, but it has escalated to a higher priority over the last few years. Retailers are pressured to keep prices low, for example, which in turn compresses margins for the companies that supply those retailers. Agribusiness companies are also dealing with labor shortages, higher labor costs, and increased regulations, all of which chip away at their bottom lines.

Companies are also operating at a larger scale than they were a decade ago. Some of that growth is due to consolidation and the need to gain efficiencies and spread fixed costs across a larger organization. Internally, agribusiness entities have to efficiently manage inventory, track and report on margins, fulfill orders, and manage revenues and expenses. They also have to produce accurate forecasts, track their assets, and track revenue and expenses.

In many cases, agribusinesses rely on basic systems like QuickBooks, Microsoft Dynamics GP, Fishbowl, Famous, or older industry-specific software. Others are using proprietary, on-premises ERPs that have been highly customized, can't provide the needed reporting and don't integrate well with other systems. Most of these options require significant manual work and a lot of spreadsheets for sharing data across different systems, departments, and individual users.



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When agribusinesses modernize their tech stacks and eliminate manual work and spreadsheets, they also improve:

- Inventory management
- Margin tracking and reporting
- Order fulfillment rates
- Consolidation and deconsolidation reporting

Consolidation and deconsolidation reporting is a particularly important win for consolidated organizations that are vertically integrated. Using a cloud ERP like NetSuite, for example, allows companies to automate the management of intercompany accounts, allocations, and two-way charges.

Companies stuck on aging ERP and accounting systems also face major reporting challenges at a time when regulations are constantly changing, investors are asking for more data, and margins are thinner than ever. Systems like Famous offer rigid, inflexible reporting capabilities that might not meet a company's basic needs, with significant customization needed for many agribusinesses.

Moss Adams Agribusiness Practice professionals have worked with many companies migrating away from Famous because of the system's inability to collect, share, and report on data.

Farm-level tracking is a good example. A company that wants to know how one block or ranch is performing compared to another would be hard pressed to get that information from most software solutions. Is the underperforming block using an older planting style that requires more picking labor? Or is there another factor at play that needs addressing?

Tracking down to this level of detail is impossible with many systems without significant customization, and even more difficult for a company using spreadsheets for data collection and sharing. These blind spots can translate into much larger problems for agribusinesses whose expenses are allocated on an acreage basis versus actual usage. Without accurate information from a margin perspective on a block-by-block basis, these companies can't get a clear picture of operational and financial performance.

ASSET TRACKING: A VITAL TOOL FOR AGRIBUSINESSES

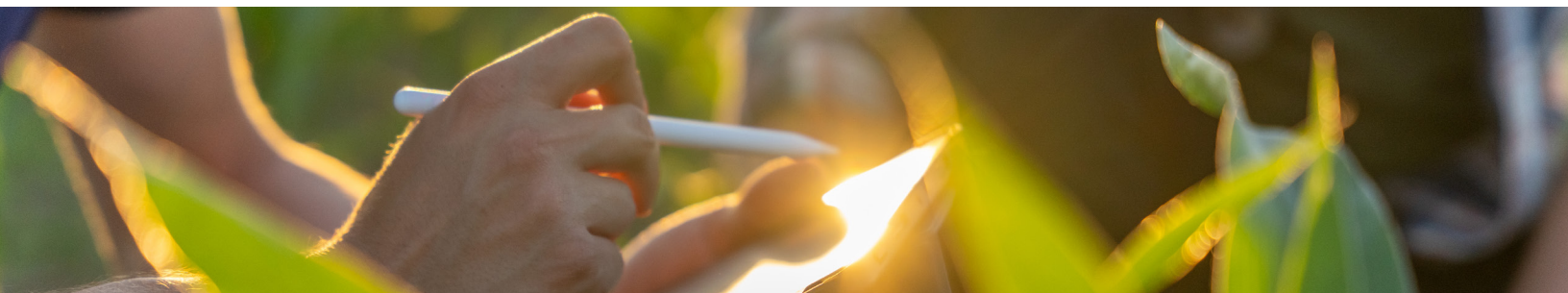
Agribusinesses must be able to accurately track assets like trees and vines, equipment, and inventory in order to make good business decisions.

For permanent crops, companies must accurately track and allocate pre-productive costs for blocks that have yet to reach full production even if those blocks are situated right next to fully producing blocks. For example, planting or grafting labor needs to be tracked to pre-productive acreage whereas labor for harvest needs to be tracked to productive acreage. This level of data granularity is critical in understanding cost structures and properly accounting for fixed assets on the farm.

Using a cloud ERP like NetSuite, agribusinesses can easily set up custom reports based on individual needs such as reporting locations by crop. NetSuite allows them to report on pre-productive blocks and then track that data right through to purchasing and across many different key processes. The system also provides a high level of detail in revenue and expense reporting on a real-time basis—something that older systems and spreadsheets simply can't do.

From a systems perspective, NetSuite tracks actual costs, fixed allocations, or dynamic allocations, depending how the agribusiness allocates costs. For example, the company may allocate based on acreage, it may use a formula, or maybe it uses fixed costs associated with every block. Whatever level it's tracking at—even if an allocation is good enough for a specific organization—NetSuite manages that level of specificity with ease.

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FIXED ASSETS MANAGEMENT

NetSuite's Fixed Assets Management offers a comprehensive set of tools to manage and track fixed assets such as equipment, tractors, vehicles, irrigation systems, packing lines, and components. It helps to streamline asset management processes, reduce manual effort, and improve accuracy in financial reporting through leveraging functionality within the solution.

Automated Asset Management

NetSuite automates the entire lifecycle of fixed assets, from acquisition to retirement. This includes tracking acquisition costs, in-service dates, and estimated useful life.

Depreciation Management

The system supports various depreciation methods (e.g., Straight Line, Fixed Declining, Sum of Years Digits, and Asset Usage) and allows for custom methods. This ensures accurate calculation and recording of depreciation expenses.

Asset Tracking

You can develop detailed records of depreciating and non-depreciating assets. Assets can be assigned and tracked by region, facility, department, or other segments, making it easier to manage extensive inventories.

Maintenance and Insurance

NetSuite helps manage maintenance schedules and insurance details for each asset, ensuring they are well-maintained and properly insured.

Lease Accounting

The system also handles lease accounting, capturing key lease details, and ensuring compliance with financial reporting requirements.

Integration with Other Modules

NetSuite integrates with other modules like Procurement and Advanced Financial Management, automating the creation of new assets and the posting of depreciation and lease expenses.



Once in place, NetSuite helped the agribusiness improve its profit margins, reduce hours spent on manual processes, and improve efficiency across all its departments.



PUTTING NETSUITE IN ACTION IN THE AGRIBUSINESS SECTOR

As a unified cloud-based ERP, NetSuite offers agribusinesses a powerful modernization, automation, and digitalization platform. One [nursery in the fruit crop industry](#) recently worked with Moss Adams to implement the ERP and immediately began seeing the benefits of its decision.

The company offers a variety of products and maintains over 600 acres and 300,000 square feet of production facilities. Its previous ERP was outdated and no longer met the company's needs. For example, it didn't support a remote work environment, leaving technicians and the production team unable to enter data when working out in the field.

The nursery's production process required significant manual data entry, leading to errors and delays in getting the data.

The ERP lacked integrations with other systems, which effectively inhibited real-time data for decision-making.

After understanding the company's goals for its new ERP, Moss Adams performed a demo of NetSuite's features and explained the benefits of switching to a cloud-based solution. Moss Adams designed and implemented a solution that included features to auto-calculate sales royalties, which involved multiple entities and tier levels, and automated their customer deposit process. This eliminated the very laborious and intensive manual calculation processes.

Once in place, NetSuite helped the agribusiness improve its profit margins, reduce hours spent on manual processes, and improve efficiency across all its departments. Moss Adams continues to provide ongoing support for this agribusiness and helps its systems scale and meet the growing company's needs.

MANAGING REGULATION AND OVERSIGHT

Agribusiness companies face a complex regulatory landscape, including strict food safety standards and environmental regulations. Food safety regulations cover processing, packaging, labeling, and transportation, for instance, while environmental regulations address pesticide use and natural resource protection.

NetSuite helps agribusinesses manage compliance and mitigate risks by centralizing data and automating processes. When it comes to food traceability, for example, the system provides precise, real-time inventory tracking and costing on a block-by-block basis, if required. This specific capability helps companies in the agribusiness sector meet the strict requirements of regulations like the Food Safety Modernization Act (FSMA).

Being able to easily track finished goods inventory by lots and expiration dates—particularly for fruits, vegetables, and other items with short shelf lives—is a major win for agribusinesses moving off spreadsheets and onto NetSuite.

As more artificial intelligence (AI) and machine learning are infused into advanced technology platforms, agribusinesses will be able to automate even more of their

track-and-trace activities, make better decisions, and develop more accurate year-over-year forecasts.

With those forecasts in hand, companies always know just how many seeds, how much fertilizer, and how much labor they need to produce the desired yields. They can also use NetSuite's data to track their assets, do test plots for new varieties, and leverage new business opportunities. On the financial side, companies can do automated bank reconciliations, which many of them currently handle manually, right in NetSuite.

In most cases, NetSuite helps reduce the amount of time it takes to run an agribusiness by about 50%, and that's in addition to the cost savings, operational visibility, and risk management benefits that the ERP provides. Once an agribusiness can easily access real-time reporting data from a single source of truth, business decision-making improves, challenges subside, and profitability improves.

These are some of the key benefits that one recent Moss Adams client in the agribusiness realized upon implementing NetSuite. The company was in the process of acquiring several new businesses and needed to move its accounting and finance function from a cost center to a strategic differentiator. It alleviated its reporting, forecasting, and visibility challenges by working with Moss Adams to adopt NetSuite and effectively transform that function into a true, strategic differentiator.



POSITIONING AGRIBUSINESSES FOR LONG-TERM SUCCESS

The near-term outlook for agribusiness is somewhat bearish. Net income for farms and the food processing sector was down for the first half of 2024, yet costs of inputs, insurance, and financing were all up. The USDA projects a 20% year-over-year decrease in net farm income for 2024, with key challenges including falling commodity prices and higher fuel, labor, equipment, financing, insurance, and shipping costs.

Extreme weather events, persistent cyberthreats, supply chain disruptions, global market volatility, and ever-increasing regulatory demands are also financial stressors on farmers, processors, and manufacturers. For help managing these realities, more agribusinesses are assessing their current tech stacks and looking for solutions that help them improve efficiency and profitability.

With locations in 30+ markets, Moss Adams professionals support the country's top agribusinesses. These clients aren't the only industry leaders who look to

Moss Adams for guidance. Moss Adams also collaborates frequently with influential industry organizations like the California League of Food Processors, Food Northwest, Hop Growers of America, the National Council of Farmer Cooperatives, and many others.

Moss Adams combines industry expertise with NetSuite implementation experience to deliver a complete package for agribusinesses that are struggling under the strain of aging systems, proprietary technology, and spreadsheets. The company also helps its clients optimize their technology investment to ensure that agribusinesses get the full benefits of their ERP's reporting, forecasting, financial management, and compliance functionalities.

Automating and streamlining these functions onto a single platform is only going to become bigger table stakes for agribusinesses going forward. The business environment will only become more complex and difficult to navigate; traceability is going to continue to be a core focus for regulators; and the age-old issue of margin compression is only going to accelerate.

The good news is that the companies that have information and data available at their fingertips to make good long-term strategic decisions will prevail in any business environment. They'll also be well positioned to leverage new opportunities as they emerge and deliver quality products to an increasingly discerning customer base.

Technology helps organizations stay agile and respond quickly to new opportunities and challenges. By embracing innovation and adopting new technologies like NetSuite's cloud ERP, agribusinesses can future-proof their operations and position themselves for long-term success.

WE'RE HERE TO HELP

To learn more about how NetSuite can help support your business, [contact your Moss Adams professional.](#)

To look forward and rise to the challenges ahead requires welcoming change with optimism. It's how Moss Adams dedicated 150,000+ hours in 2023 to helping agribusinesses strategically plan for, and go, where they want to be next. As the largest accounting and consulting firm headquartered in the West, our professionals—serving the agribusiness industry from start-up to sale—are deeply immersed in locations where many agribusiness companies innovate, operate, and thrive.

Discover how our NetSuite and other advisory solutions can help elevate your performance.

ABOUT MOSS ADAMS

At Moss Adams, we believe in the power of possible. A business and personal advisory firm with more than 100 years of experience and 4,750 professionals across 30 markets, we work with clients to rise above challenges and seize emerging opportunities. Discover how we can help you go where you want to be next. Upward.

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