

BUSINESS

& YOUR MONEY

From Minnesota to Ukraine, farm aid in real terms

EarthDaily Agro shares precision maps to help war-torn land during planting season.

By CHRISTOPHER VONDRACEK
christophervondracek@startribune.com

Dave Gebhardt says the flat fields of Ukraine — Europe's breadbasket — look like those rolling, green corn and soybean acreages surrounding the farm he grew up on near Rochester.

"They produce wonderful crops," said Gebhardt, general manager of EarthDaily Agro, a Maple Grove-based precision agriculture company. "It's like driving down to southern Minnesota."

But a steppe-to-prairie similarity is hardly the reason Gebhardt said his company's leadership felt a tug on their hearts when Russian soldiers invaded Ukraine two months ago, blocking vital Black Sea ports with their ships and littering wheat fields with land mines and tanks.

As the kid of a farmer, it spoke to something deep in him.

"You'll have heard the story that when a farmer passes away and 50 farmers show up to harvest his crops?" Geb-

hardt asked. "Well that's this, just on an international scale."

The "this" he's talking about is his company's gift of detailed, satellite-fed maps to Ukrainian farmers now in the midst of planting season.

To an outsider, the donation earlier this month may seem small, even mostly symbolic. Like clicking the "donate" button on a website, or a bartender pouring Russian vodka down the drain.

But EarthDaily's act is a farmer-to-farmer helping hand from half-a-world away.

The company's cutting-edge technology helps farmers make planting decisions, but the war adds an additional layer. With EarthDaily's analysis-rich, historical snapshots of their prized soil, producers can select the right seed and fertilizer from the safety of a laptop — without walking onto fields and risking exposure to Russian missiles or snipers from the sky.

"At least if we're planting," Inessa Vourey, a native Ukrainian and the company's eastern European business development lead, said over a video

See **UKRAINE** on D6 ▶



ELIZABETH FLORES • Star Tribune

Dave Gebhardt of EarthDaily Agro stood near one of the detailed digital maps the firm is donating to Ukrainian farmers.

Employers tap into a larger labor pool

Worker shortage, new bond funds open doors for former inmates.

By DEE DEPASS
dee.depass@startribune.com

The Minnesota Corrections work release director used to get a call every few months from an employer looking to hire some of the 500 inmates leaving Minnesota jails, prisons and halfway houses each month. Now, the unit gets a call almost every week asking to spread the word about an open position.

"It's just a dire shortage [of workers] and people looking to fill spots," said Terry Byrne, director of the Work Release Program. "So our people are finding jobs quicker than in years past. And they are higher quality, better wages."

Minnesota's unemployment rate at 2.3% is the lowest since 1999, leaving employers dealing with the tightest job market in years. The state

has 2.8 job openings for every available worker.

As a result, companies have raised pay and added benefits but also have tried to reach potential workers in places they have not looked in the past. Nearly 5,000 people exit the Minnesota criminal justice system each year, and most need a job.

New state, federal and Chamber of Commerce programs have emerged to help employers screen for this population and also address the risk of hiring former convicts.

"It's really important for the business community to have a proactive and forward-leaning orientation during a time of true crisis as it relates to our workforce," Steve Grove, commissioner of the Minnesota Department of Employment and Economic Development, recently told employers during a conference announcing a new statewide initiative designed to help employers tap nontraditional labor pools.

See **WORKFORCE** on D2 ▶

"It really is an untapped market and you will definitely get quality employees ... if they are given the opportunity."

Jeremiah Carter, Minnesota CareerForce

"We still think that there is an opportunity for us to continue to build out the store footprint."

David Kornberg, chief executive of Maurices



WITH NEW CEO, MAURICES PLANS EXPANSION



ALWAYS IN STYLE

At top, assistant manager Meg Welch inspected clothing at Maurices' Mall of America store while assistant manager Bri Falgren took jeans back to the rack Tuesday. Maurices plans to open 12 more stores this year.

Duluth-based women's clothing chain evolves while keeping homespun image.

Story by NICOLE NORFLEET • Photos by AARON LAVINSKY
Star Tribune staff

DULUTH — David Kornberg spent 15 years as a top executive at Express, the trendy mall retailer that appeals to fashionable 20-somethings.

When he was later approached to become CEO of Duluth-based Maurices, Kornberg first decided to visit one of the company's stores, which, with their bright lighting and decor, are quite different from the gloss of Express.

But it wasn't the store design that made a lasting impression on Kornberg. Instead, it was an outgoing sales manager who greeted him and his wife, then remembered him on a second visit a few weeks later.

"I saw that there was something extremely special about the brand," Kornberg said. "It wasn't just her. It was the company. It was the culture. And it was the people."

Now a year after he took the reins at Maurices, Kornberg is leading the charge to evolve the nearly century-old "hometown women's fashion brand."

The company plans to open about a dozen stores this year, adding to its chain of approximately 900. A new line of clothing for girls premiered this spring. At the beginning of the year, Maurices signed its first celebrity brand ambassador.

At the same time, Kornberg has tried to keep the company true to its small-town roots. Its emphasis on quality,

See **MAURICES** on D2 ▶

Minn. firm's maps help Ukrainian farmers plant crops

◀ **UKRAINE** from D1 call on Tuesday, "we can make it."

Gebhardt's assessment was more stark.

"Farmers are still trying to dodge land mines to plant their crop," he said. "It's a whole different kind of risk-taking."

Vourey, an alumna of an international farming program at the University of Minnesota, said her sister's family witnessed aid workers killed distributing bread in a northern Ukrainian city. Moreover, a farmer she knows made the agonizing decision to call in an air-raid strike on his land, targeting Russian armored vehicles parked in his field.

"They squeeze the land so much," said Vourey, noting the convoys of Russian tanks trampling over fields on the way to battle theaters in the country that is 70% agrarian land. "We cannot operate in those fields."

Russia's unprovoked invasion of Ukraine has brought military horrors to Ukrainians from cities to villages and caused economic reverberations around the world, from a spike in gasoline prices to a shortage of wheat.

But the attacks have also withered Ukrainian fields, prompting a looming in-country food shortage the likes of which Europe hasn't seen since World War II.

A week ago, the director of the World Food Program at the United Nations said residents of the Black Sea port city of Mariupol are being "starved to death" by the Russia military's siege.

Some international watchdogs argue Russian President Vladimir Putin's army has deliberately targeted food and agriculture sites.

Earlier this month, Reuters reported the shelling of at least six grain silos in Ukraine. In late February, an empty ship chartered by Cargill was caught in an attack on the



Cows at a destroyed farm after a Russian attack near Brovary on the outskirts of Kyiv, Ukraine, on March 28.

Black Sea, rattling shippers.

Gebhardt and others with EarthDaily — which has run precision ag services around the globe since the late 1980s and changed its name from Geosys earlier this year — said Americans should wipe from their minds images of Soviet-era collectivized farms. Ukraine, they point out, is an agricultural juggernaut.

Along with Russia, the eastern European nation accounts for approximately one-quarter of the world's grains trade. The country also ranks in the world's top 10 on staples such as corn, soybeans and barley, and is the leading producer of sunflower oils.

"Ukraine feeds about 400 million people every year," wrote Yaroslav Boiko, the founder of Agrilab, a Ukrai-



A wheat warehouse in western Ukraine, where farmers are being asked to plant all the wheat they can.

nian agribusiness that has partnered with EarthDaily to connect farmers with this technology via a secure chat

last weekend. "In the current conditions, Ukrainian farmers will be able to sow about 70 percent of their fields."

It's an improvement from late March, when the Ukrainian agriculture minister estimated his nation's farmers would sow less than half — 7 million compared to 15 million hectares — of what they had expected before the invasion.

Still, the ripple effects will be felt. On Tuesday, the Washington D.C.-based International Monetary Fund said Russia's war in Ukraine would "severely set back" the global economy.

Each pain-point, however, will sting a bit less the more Ukrainian farmers are able to get on their land to plant crops. Broadly, the conflict has illuminated the complex diplomacy of global food systems. Western agribusiness giants, for example, have not fully divested from Russia.

In March, Cargill said it was "scaling back" but keeping open "essential food and feed facilities" in Russia.

But leaders at EarthDaily Agro — a self-described "small company from Minnesota" that has worked with Land O'Lakes and keeps offices in Brazil and France — said it can be more nimble.

With its own in-kind donation, the company says it's in talks with another Minnesota company as well as a Swiss agribusiness to provide feed and fertilizer to Ukrainian farmers. They've also gained help in a growing coalition from a South African GPS firm and an Israeli company to provide Ukrainians with advanced weather data.

The generosity has also made the world feel smaller, said Vourey said, who recalled fond memories of working at an apple orchard near La Crescent, Minn., saying she would go "down to the river" on her days off.

Now, she sits in a home in France with her family and two Ukrainian refugees waiting for a day when life will return to normal.

"The big question will be whether we are able to plant or not," she said, twisting the cables of her headphones while her young son greeted her.

She recounted in the war's early days a harrowing call she made to her mother and family after being awakened in the night by a colleague calling her as bombs rained down on Kyiv. Her mom, she said, wouldn't leave.

"I was mad [yelling] 'How come? You just have to leave!' And she said, 'No. We were born in this land. And we will stand for this land, for our town, for our farm, for our country. We won't go anywhere.'"

Christopher Woodcock • 612-673-4811
Twitter: @ChrisWoodcock

Stunning reversal for Netflix raises doubts about streaming

By JOHN KOBLIN and NICOLE SPERLING
New York Times

Many entertainment executives, tired of playing catch-up to a Silicon Valley interloper, have been waiting for the comeback of Netflix. But this may not have been the way they hoped it would happen.

Netflix said last week that it lost more subscribers than it signed up in the first three months of the year, reversing a decade of steady growth. The company's shares nosedived 39% Wednesday while it shed about \$50 billion in market capitalization. The pain was shared across the industry as the stock of companies like Disney, Warner Bros. Discovery and Paramount also declined.

Netflix blamed a number of issues, ranging from increased competition to its decision to drop all its subscribers in Russia because of the war in Ukraine. To entertainment executives and analysts, the moment felt decisive in the so-called streaming wars. After years of trying, they may see a chance to gain ground on their giant rival.

But Netflix's stunning reversal also raised a number of questions that will have to be answered in the coming months as more traditional media companies race toward subscription businesses largely modeled after what Netflix created.

Is there such a thing as too many streaming options? How many people are really willing to pay for them? And could this business be less profitable and far less reliable than what the industry has been doing for years?

"They switched from a sound business model to an unsound one," veteran entertainment executive Barry Diller said last week, referring to many legacy companies that have recently debuted streaming options. "I would

guess today they're saying, 'Maybe trees don't grow to the skies.'"

The media industry, worried about declining movie theater ticket sales and broadcast television ratings, has been reshaping itself on the fly to go all-in on streaming and compete with Netflix.

Disney has invested billions. Discovery Inc. and WarnerMedia completed a merger this month to better compete with streaming behemoths. CNN even introduced a streaming version of itself, and already has canceled it.

But Netflix's sudden problems show that those investments come with a lot of risk. The streaming market may still be a giant one over the long term, but the next few years could be difficult, said Rich Greenfield, an analyst at LightShed Partners and a longtime streaming booster.

"No matter what, it looks far less profitable, and that's a problem for everybody," he said. Fewer subscribers coupled with increased costs because of fiercer competition to create original content mean less profit for everyone.

Another concern, some analysts said, is the so-called churn rate. Consumers are growing warier of rising prices for streaming services and becoming more likely to cancel a service when a favorite show comes to an end, said Kevin Westcott, vice chairman of consulting firm Deloitte.

According to Deloitte, 25% of U.S. customers have canceled a streaming service only to resubscribe to it within a year.

"They're frustrated that they have to have so many subscriptions to get all the content they want," Westcott said.

Netflix's issues increase pressure on Disney, which will report subscriber numbers May 11. If Disney's figures fail to live up to expectations, the distress signals surrounding the streaming business will grow louder.



MICHAEL GRAVIN/KRISTEN JAGLO

Join us for an evening of architecture and design

A COLLABORATION BETWEEN
AIA MINNESOTA AND STAR TRIBUNE.

Remodeling and design strategies for today.

A panel of architects and homeowners — all selected for the Home of the Month program — will share their best remodeling and home design ideas and tips you can use to create the home of your dreams.

One-on-one design consultations.
Sign up for a 45-minute, one-on-one conversation with a design professional before the program or later in May for \$35. In-person and virtual options available.

YOUR HOME, YOUR WAY

- » THURSDAY, MAY 5
- » 6:30-8:00 pm
- » Minneapolis Institute of Art
- » **ADMISSION:**
\$15 in advance
\$20 at the door

This is a great opportunity to ask some of the best local architects about your home design and remodeling projects. **Don't miss it!**

Register online at bit.ly/hotm2022

Minneapolis Institute of Art is located at 2400 Third Avenue South, Minneapolis.



Netflix's troubles increase pressure on Disney, which will report subscriber numbers May 11.