

Ceres, Inc.

Form S-1

January 24, 2014

As filed with the Securities and Exchange Commission on January 24, 2014

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT

*UNDER THE SECURITIES ACT OF 1933*

Ceres, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

100

(Primary Standard Industrial

Classification Code Number)

33-0727287

(I.R.S. Employer Identification No.)

1535 Rancho Conejo Boulevard

Thousand Oaks, CA 91320

(805) 376-6500

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Richard Hamilton

President and Chief Executive Officer

Ceres, Inc.

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.   

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.   

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.   

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer    Accelerated filer    Non-accelerated filer    ☒ (Do not check if a smaller reporting company) Smaller reporting company

# CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, \$0.01 par value per share(2)	\$ 20,000,000	\$ 2,576
Representative's Warrants to Purchase Common Stock(3)	—	—
Common Stock Underlying Representative's Warrants(2)(4)(5)	\$ 900,000	\$ 116
Total Registration Fee	\$ 20,900,000	\$ 2,692

Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the (1) Securities Act of 1933. Includes the offering price of additional shares that the underwriters have the option to purchase.

(2) Pursuant to Rule 416, the securities being registered hereunder include such indeterminate number of additional securities as may be issued after the date hereof as a result of stock splits, stock dividends or similar transactions.

(3) No fee pursuant to Rule 457(g) under the Securities Act of 1933.

(4) If issued, the Representative's Warrants would be exercisable at a per share exercise price equal to 150% of the public offering price. As estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g) under the Securities Act of 1933, based on an estimated proposed maximum aggregate offering price of \$900,000, which is equal to 150% of \$600,000 (3% of \$20,000,000).

(5) The common stock underlying the warrants is being registered solely in connection with the Securities and Exchange Commission's Compliance and Disclosure Interpretation for Securities Act Section 5, Question 139.05. No "offer" of such common stock exists as defined in Section 2(a)(3) of the Securities Act of 1933 because the warrants, if issued, would not be exercisable until one year following their issuance.

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

**The information in this prospectus is not complete and may be changed. We may not sell the securities pursuant to this prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

Preliminary Prospectus Subject to Completion Dated January 24, 2014

Shares

Common Stock

We are offering                      shares of our common stock. Our common stock is listed on the Nasdaq Global Market under the symbol “CERE.” The last reported sale price of our common stock on January 15, 2014 was \$1.46 per share. We are an “emerging growth company” as that term is used in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act.

You should read this prospectus and the documents incorporated by reference in this prospectus carefully before you invest.

*See “Risk Factors” on page 12 of this prospectus to read about factors you should consider before buying shares of our common stock.*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	Per Share	Total
Public offering price	\$	\$
Underwriting discount(1)(2)	\$	\$
Proceeds, before expenses, to Ceres	\$	\$

(1) The underwriters will receive compensation in addition to the underwriting discount.

The amounts included in the underwriting discount line include amounts to be paid by the underwriters to Trout Capital LLC for providing advisory services to us in connection with this offering. The amount to be paid by the (2)underwriters to Trout Capital LLC is equal to (i) 1% of the gross proceeds received from non-affiliates of the Company and (ii) an additional \$5,000, up to a maximum of \$12,500, for each \$5 million in gross proceeds received from non-affiliates of the Company in excess of \$15 million.

We have granted a 45-day option to the underwriters to purchase up to additional shares solely to cover over-allotments, if any.

The underwriters expect to deliver the shares against payment in New York, New York on , 2014.

#### **Aegis Capital Corp**

The date of this prospectus is , 2014.

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You should rely only on the information contained or incorporated by reference in this prospectus or in any related free writing prospectus filed by us with the Securities and Exchange Commission, or the SEC. We have not, and the underwriters and their affiliates have not, authorized anyone to provide you with any information or to make any representation not contained in this prospectus. We do not, and the underwriters and their affiliates do not, take any responsibility for, and can provide no assurance as to the reliability of, any information that others may provide to you. This prospectus is not an offer to sell or an offer to buy shares of our common stock in any jurisdiction where offers and sales are not permitted. The information in this prospectus and the documents incorporated by reference herein are accurate only as of their respective dates, regardless of the time of delivery of this prospectus or any sale of shares of our common stock.

Neither we nor the underwriters have done anything that would permit a public offering of the shares of our common stock or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside of the United States.





## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere or incorporated by reference in this prospectus and does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including our financial statements and the related notes, contained or incorporated by reference in this prospectus. You should carefully consider, among other things, the matters discussed in “Risk Factors”, before making an investment decision. You should also read and consider the information in the documents to which we have referred you in “Where You Can Find Additional Information.” Unless otherwise indicated in this prospectus, “Ceres”, “our company”, “the Company”, “we”, “us” and “our” refer to Ceres, Inc. or its subsidiary, Ceres Sementes do Brasil Ltda.*

### Business Overview

#### **Our Company**

We are an agricultural biotechnology company selling seeds to produce dedicated energy crops – renewable bioenergy feedstocks that can enable the large-scale replacement of petroleum and other fossil fuels. We use a combination of advanced plant breeding and biotechnology to develop seed products that we believe address the limitations of first-generation bioenergy feedstocks, such as corn and sugarcane, increase crop productivity, reduce crop inputs and improve cultivation on marginal land.

Our largest immediate commercial opportunity is in Brazil where we market sweet sorghum hybrids that can be used as a “drop-in” feedstock to complement existing feedstock supplies and extend the operating season of Brazilian sugarcane-to-ethanol mills. Our products are “drop-in” solutions because they can be planted, harvested and processed using existing agricultural equipment with little or no modification. Our dedicated energy crops can also be used for the production of second-generation biofuels and bio-based chemicals, including cellulosic ethanol, butanol, jet fuel, diesel-like molecules and gasoline-like molecules, from non-food biomass. Finally, utility-scale electric power can be generated from the biomass feedstocks grown from our seeds.

The seed industry has historically required very little capital to produce, condition and package seeds, and seeds have typically been priced based on a share of the value they create and thus have generated high gross margins. As a producer of proprietary seeds, we believe we are in one of the most attractive segments of the bioenergy value chain — upstream from the capital-intensive refining and conversion of biomass. Therefore, we believe our success is tied to adoption of our products rather than the relative profitability of downstream participants. Our upstream position in the bioenergy value chain also allows us to be largely independent of the success of any particular conversion technology or end use.

Due to the nature of biotechnology, we believe other crops, such as corn, rice and soybean, can benefit from many of the traits and genetic technologies we are developing for dedicated energy crops, such as traits that provide drought tolerance. We have also generated many biotech traits specifically for cereal crops, such as rice, that increase grain yields and provide greater yield stability across different environments. Our strategy is to focus on genes that have shown large, step increases in performance, and whose benefits are maintained across multiple species. To date, our field evaluations have largely confirmed previous results obtained in greenhouse and laboratory settings, and we believe that based on these multiple confirmations, we have an industry leading biotech trait technology pipeline, with applications in our energy crops as well as other crops.

We believe that the strength of our technology has been validated by our receipt of multiple competitive grants and collaborations, including a United States Agency for International Development, or USAID, grant and one of the U.S. Department of Energy's first Advanced Research Project Agency for Energy, or ARPA-E, grants in 2009, as well as a \$137 million multi-year collaboration with Monsanto Company signed in 2002. We also have significant intellectual property rights to our technology platforms, traits and seed products. We have out-licensed a portion of our traits and gene technology to existing market participants and continue to pursue opportunities to out-license these technologies.

#### *Commercial Evaluations of Our Sorghum Products in Brazil*

Since 2010, we have completed various commercial-scale evaluations of our sweet sorghum products in Brazil with over 30 ethanol mills and mill suppliers. During this time, our seeds have been planted and harvested using existing equipment and fermented into ethanol without retrofitting or altering the existing mills. The remaining biomass from this industrial process has been combusted for electricity production using existing mill boilers. We believe these experiences have demonstrated the "drop-in" nature of our sweet sorghum products, and along with higher yielding products in our pipeline, will serve as the basis for expanded adoption of this product line as a feedstock for ethanol and power production in Brazil and other markets.

With industrial processing generally well established in Brazil, we believe that field performance – primarily yields of sugars that can be fermented to ethanol – will largely determine the scale and pace at which our current and future products will be adopted. Based on industry feedback, we believe that minimum average yields in the range of 2,500 to 3,000 liters of ethanol per hectare will be necessary to achieve broad adoption. We believe that at least two growing seasons, including the one currently underway, will be required to fully demonstrate this yield range. To date, we have demonstrated on a limited scale that our products can achieve such yields within their area of adaptation, provided that our crop management protocols are followed and plantings receive adequate rainfall; however, further optimizations and additional hybrids will be needed to consistently achieve economically attractive yields across wide-area plantings.

For the 2012-2013 sweet sorghum growing season in Brazil, our products were planted by or for more than 30 mills in Brazil through a combination of seed sales, agronomy and crop management services and product evaluations. We collected yield results from approximately two-thirds of the mills that planted our hybrids during the 2012-2013 growing season; the remaining mills reported incomplete results, did not complete the evaluation or chose not to report results. For mills that reported results, yields of sugars that can be fermented into ethanol were approximately 50% higher on average than the previous season, primarily as a result of product improvements related to biomass quality and productivity, better crop management and more favorable growing conditions at most planting locations. A third-party fermentation lab in Brazil confirmed total fermentable sugar yields. Based on anecdotal customer reports, our portfolio of sweet sorghum hybrids outyielded competitor products at multiple locations where side-by-side comparisons were available. Ethanol yields from our products ranged from approximately 450 to 3,600 liters per hectare, according to mill and company calculations. Mills representing the top 20% of yields, and which generally followed established crop management practices, achieved average yields ranging from 2,100 to 3,300 liters per hectare. Lower yields were primarily due to deviations from recommended crop management protocols, weather related delays during planting and disease infection late in the growing season.

Plantings for the 2013-2014 sorghum growing season in Brazil have been successfully completed with 49 customers, including mills and mill suppliers, across 55 different locations and within our prescribed timeframes and according to our crop management protocols. Based on published reports, we estimate that these companies, which include multi-mill conglomerates, are responsible for approximately 30% or more of the sugarcane crushed in Brazil. These plantings primarily consist of small, multi-hybrid evaluations designed to determine yield potential, identify the best performing hybrids for specific regions and demonstrate various crop management practices. Several mills have planted larger evaluations this season. As part of our product development process, we have also established a number of breeding and product development field evaluations across various geographies. These trials consist of hundreds of hybrids, including a smaller subset of hybrids in more advanced evaluations in Brazil and other countries in South America. Based on the product candidates in our pipeline today, we expect to continually improve our commercial product line with higher yielding hybrids. For example, in 2013 our top experimental hybrids achieved calculated yields ranging from 5,200 to 6,400 liters of ethanol per hectare at small plot evaluations in Florida compared to 2,800 to 3,900 liters in the prior year. While we do not expect to achieve these yield levels at commercial scale at the present time, these research-stage results demonstrate the genetic potential of hybrids already in our pipeline. Further testing in Brazil will be required to confirm these research results, and substantially lower yields are expected as hybrids are advanced to larger-sized plantings which are affected by greater variability in weather, soil and other growing conditions. In addition to sweet sorghum, our field evaluations this season include high biomass sorghum, which is a type of sorghum developed and managed for its enhanced biomass yield as opposed to sugar or juice. Based on industry feedback, we believe that high biomass sorghum can be utilized as a supplementary source of biomass for

industrial heat and power generation in Brazil, especially during the sugarcane offseason or periods of sugarcane bagasse shortages. We also plan to develop and launch a number of product innovations that provide greater flexibility in harvest time and end use, as well as other benefits, to our mill customers. Total plantings of our commercial and pre-commercial sorghum hybrids cover approximately 1,000 hectares for the 2013-2014 sorghum growing season compared to approximately 3,000 hectares for the previous season due primarily to a greater focus among mills on field performance, which can be determined at a smaller scale than evaluations needed for confirming industrial performance.

Due in part to the variability in yields achieved in the 2012-2013 season, we have made a number of adjustments to our product development and go-to-market approach in order to improve crop performance and consistency, and to encourage adoption of our products. We are taking the following steps based on the experience we have gained to date:

- Focus on high performing customers;
- Target favorable geographies;
- Help mills improve on their agronomy execution;
- Expand our technical development network in Brazil;

· Rapidly develop and commercialize new products that provide higher yields, and therefore, provide a greater buffer for poor growing conditions or execution; and

- Maintain our competitive position.

## Market Opportunity

Our dedicated energy crops provide an attractive combination of high yield density, high net energy balances, low input requirements, the ability to grow on marginal land and, as a dedicated source of feedstock, the potential to be tailored for specific production and refining processes. As a result, we believe that dedicated energy crops will become a critical component for the growth of the biofuel, bio-based chemicals and biopower markets.

*Brazil.* Our largest immediate commercial opportunity is the Brazilian ethanol market, which currently uses sugarcane as its predominant feedstock. Due to the inherent limitations of sugarcane physiology and growth patterns, Brazilian mill operators typically obtain sugarcane that makes mill operation economically feasible approximately 200 days per year, based on a report issued by the Brazilian Ministry of Agriculture's crop forecasting agency, *Companhia Nacional de Abastecimento* (Conab), dated May 2012. We believe that mill operators are seeking alternatives that will allow them to increase production utilization of their existing mills beyond their current operating schedule in order to maximize their market opportunity. Moreover, the current crush capacity in Brazil will need to increase to meet expected domestic demand. The Brazilian government's energy research institute, *Empresa de Pesquisa Energética*, projects that ethanol demand will approximately double by 2022.

In Brazil, our sorghum products also can be used to generate electricity. Ethanol mills typically combust sugarcane bagasse, the leftover biomass from ethanol production, to generate onsite power. For mills connected to the grid, excess electricity production provides an additional source of revenue. Based on field and industrial evaluations with mills and other industrial companies, we believe that sorghum has a number of favorable attributes as a biopower feedstock and can be utilized as a supplementary source of biomass, especially during the offseason or periods of sugarcane bagasse shortages.

*Cellulosic Biofuels and Bio-Based Chemicals.* We expect petroleum consumption will be supplemented by products made from the conversion of non-food biomass into biofuels and bio-based chemicals. According to a 2011 report published by International Energy Agency, or IEA, biofuel production could reach approximately 112 billion gallons per year by 2030, up from 26 billion gallons in 2010. To meet these targets, the IEA believes feedstock production would need to increase to 150 million acres in 2030, up from 75 million acres in 2010. We believe quadrupling the volume of biofuels while only doubling the feedstock production acres will require higher yielding second-generation feedstocks.

*Biopower in Other Geographies.* Our dedicated energy crops can be used to generate electricity in existing solid-fuel power facilities, such as coal-fired generating plants. In the U.S., Europe and other geographies, the conversion of biomass to power has traditionally been fueled by bio-based waste products and residues from the paper and timber industries. We believe this practice has limited the size, location, efficiency and scale of biomass power generation because power producers cannot reliably secure long-term supplies of consistent quality feedstock. Based on feedback from partners and industry participants, we believe that our products can be cost competitive with existing biopower

feedstocks and, assuming that our products meet various biomass quality specifications, can be used by existing utilities and power producers.

*Food and Feed Crops.* Approximately 420 million acres of biotechnology crops were planted globally in 2012, according to a March 2013 report published by the International Service for the Acquisition of Agri-Biotech Applications. The global market value of biotechnology crop seeds was approximately \$15 billion, as reported in the same report. As people in many countries become more affluent, they tend to consume more of their dietary protein in the form of meat and dairy products, driving the demand for animal feed grains higher. Therefore, greater production of food, feed, fiber and fuel will require higher crop productivity levels among all crops over time. In order to continue the productivity gains made in many crops over the past 75 years, and to do so in a more sustainable manner, we believe that advanced breeding methods, and biotech traits, in particular, will be required to produce higher performance crops that make more productive use of cultivated land, as well as to develop more robust, stress-tolerant crops that can grow under more difficult conditions and on marginal land. Our belief is consistent with historical yield improvements achieved via plant breeding and the adoption of agricultural biotechnology.

## **Our Solutions**

We believe that nearly all bioenergy and bio-based chemical applications will ultimately depend on high yielding, low-cost, low-carbon, scalable, reliable and sustainable sources of feedstock. We believe that our dedicated energy crops and traits have the potential to become the common denominator in a broad array of bio-based products, including ethanol, butanol, jet fuel, diesel-like molecules and gasoline-like molecules, as well as electric power and heat, and can enable the development of larger-scale processing facilities given the high yield density and conversion efficiency of dedicated energy crops.

### *“Drop-In” Products*

Our products are “drop-in” solutions because they can be planted, harvested and processed using existing agricultural equipment with little or no modification and are being developed to be “drop-in” for all conversion technologies using sugarcane or biomass feedstocks.

### *High Yield Density*

Our dedicated energy crops are developed to produce high biomass or sugar yields per acre. For cellulosic biofuels, bio-based chemicals and biopower, energy grasses can yield significantly more dry tons per acre per year compared to agricultural residues and woody biomass. This maximizes the productivity of available land and shortens the collection radius for a conversion facility of a particular size.

### *Dedicated to Bioenergy and Bio-based Chemicals*

Unlike many other bioenergy feedstocks, our dedicated energy crops are currently not intended for other uses and are typically grown exclusively to be harvested as part of the bioenergy and bio-chemical value chain, creating a stable supply that will appeal to owners of conversion technologies who have invested significant capital in their infrastructure and therefore require reliable and cost-effective feedstocks.

### *Suited to Marginal Land*

Our dedicated energy crops can grow in a broad range of environments, including those not well-suited for most food crops. We are developing biotech traits for multiple crops that provide salt tolerance, drought tolerance and greater nitrogen use efficiency.

### *Scalable to Meet Demand*

Our energy crops are highly scalable, allowing us to match our production with growing demand for our seeds on relatively short notice compared to sugarcane, which can take several years to scale up commercially.

## **Competitive Strengths**

We believe that we possess a number of competitive strengths that position us to become a leading provider of dedicated energy crop seeds and traits, including:

### *Commercial Products Available Today*

We currently have a number of commercially available seed products, including sweet sorghum, switchgrass and high biomass sorghum. Our sweet sorghum hybrids have been successfully planted, harvested and processed into ethanol and power in Brazil at commercial scale. We believe that the experience of using our products as a “drop-in” feedstock for the past three growing seasons, as well as new higher yielding hybrids in our product portfolio, will serve as the basis for expanded adoption of this product line as a feedstock for ethanol and power production in Brazil and other markets.

### *Attractive Business Model*

Seed businesses traditionally incur significant research and development expenditures and have long product development time lines, but benefit from a combination of high gross margins, low capital expenditure requirements and intellectual property protection. We believe we can position our business to take advantage of low production costs relative to the high value of our products to our customers.

### *Innovative R&D Technology Platforms*

In order to maintain the strong position we have established with our combined strengths in our proprietary collection of energy crop parental lines, known as germplasm, and field-validated traits, we use our research and development expertise to continually improve our product offerings. To develop higher performing varieties and traits, we use several advanced research and development methods, including biotechnology, marker-assisted breeding and genomics. We believe that our innovative integrated breeding and biotechnology approach allows us to efficiently identify traits, effectively introduce these traits into crops, and more quickly commercialize new and improved seeds and traits for the market. We have both biotech traits and non-biotech traits. Our biotech traits for high biomass yield, nitrogen use efficiency, drought tolerance and altered flower development, among others, have been successfully evaluated in the field; however, they are still at least four years away from commercialization.





### *Extensive Proprietary Portfolios of Germplasm and Traits*

While many companies have developed portfolios of germplasm or traits, we believe we are one of the only companies focused on dedicated energy crops that has large portfolios of both field-validated traits and germplasm, which includes thousands of specimens and breeding lines, as well as multiple pools of regionally adapted germplasm spanning northern temperate to tropical climates. We have also identified to date numerous genes and their relatives from different species that significantly enhance agriculturally relevant traits. Having both germplasm and field-validated trait portfolios allows us to leverage the synergies created by combining the two and facilitates innovation in a way that would not be possible with germplasm or traits alone.

### *Management Team with Significant Industry Experience*

Our Chairman, Walter De Logi, is one of the founders of Ceres. Dr. De Logi and Richard Hamilton, our Chief Executive Officer, have been with Ceres for 17 and 15 years, respectively, and have extensive experience in the field of agricultural biotechnology. Our experienced management team possesses a deep understanding of a variety of agricultural, chemical and industrial biotechnology businesses, including the seed industry, as well as our regional markets of Brazil, the United States and Europe.

### **Our Strategy**

Our objective is to be the leading provider of dedicated energy crop seeds and traits to the renewable energy industry, including first-generation biofuels, such as ethanol, as well as cellulosic biofuels, biopower and bio-based chemicals. We also plan to pursue other opportunities to leverage our traits and genetic technology platforms. Key elements of our business strategy include:

#### *Expand Our Presence in Brazil*

Brazil represents our largest immediate commercial opportunity and we have prioritized both product development and commercial resources for this market. For the 2013-2014 sweet sorghum growing season, we have prioritized evaluations with leading mill groups and innovators. We also intend to expand our product development network with ethanol mills and other industry participants interested in, among other objectives, gaining experience with sorghum, determining yield potential and identifying specific products for their growing conditions.

*Collaborate with Leading Companies to Develop the Market for Cellulosic Biofuels*

We plan to play a significant role in the second-generation biofuels and bio-based chemicals market, which is developing more slowly than the industry originally anticipated, but that we believe will represent a significant opportunity. We are continuing to adjust the pace and nature of our research activities with these extended timelines in mind. As the industry develops, we intend to collaborate with leading cellulosic biorefining companies, technology providers and project developers to analyze feedstock supply plans and to produce optimized feedstocks that are tailored to meet the specifications of existing and new refining technologies.

*Expand Our Business into New Markets*

We intend to market our Blade Energy Crops brand as a symbol of quality, innovation and value across multiple biofuel, bio-based chemicals and biopower markets in a broad range of climates and geographies. We intend to use our large portfolios of field-validated traits and germplasm, combined with our advanced technology platforms, to develop products for a wide variety of niches and seize upon future market opportunities.

*Build New Relationships and Enhance Established Collaborations in the Global Biopower Market*

We believe that our switchgrass, high biomass sorghum and miscanthus crops can be used in power generation generally, and in particular, for co-firing with coal using the existing power generation infrastructure. To date, we have engaged in field trials of our energy crops with utility companies and independent power producers. We intend to cultivate collaborations with new parties, particularly those in Europe where we believe the market opportunity for biopower is more established today and the market need is more immediate in light of existing government regulations.

*Continue Innovation and New Product Development*

We are continuing to develop innovative solutions using a broad range of technological tools, including genomics, biotechnology and proprietary bioinformatics in order to produce crop varieties with improved yields and other performance characteristics. For example, we have identified traits that will help optimize results for growers located in geographies with varying day lengths, rainfall, temperatures and soil composition (e.g., salt, aluminum and nitrogen).

*Pursue Additional Outlets for Our Technology and Genes*

We intend to pursue additional outlets for our genetic technology and genes, including out-licensing opportunities with existing seed industry participants. For example, we believe other crops, such as corn, rice and soybean, can benefit from many of the traits and genetic technologies we are developing for dedicated energy crops, such as traits that provide drought tolerance. We have also generated many biotech traits specifically for cereal crops such as rice that increase grain yields and provide greater yield stability across environments.

*Continue to Build Our Intellectual Property Portfolio*

We believe we have established a strong intellectual property position in plant genes, traits and energy crop germplasm, based on the nature, size and filing dates of our patent portfolio and Plant Variety Protection certificates. We believe we are one of the few companies focused on dedicated energy crops that have this combination of intellectual property assets. We use our integrated technology platforms to continually improve our products and develop innovations that will further strengthen our intellectual property position. As of January 15, 2014, we owned or had exclusive licensed rights to approximately 90 issued patents and approximately 110 pending patent applications in the United States and in various foreign jurisdictions.

**Summary of Risk Factors**

Our business is subject to a number of risks and uncertainties that you should understand before making an investment decision. These risks are discussed more fully in the section entitled “Risk Factors” following this prospectus summary. These risks include, but are not limited to, the following:

• We have a history of net losses; we expect to continue to incur net losses and we may not achieve or maintain profitability.

• Our products are in the early stages of commercialization and we have generated minimal sales from our products.

• Our largest immediate commercial opportunity is the Brazilian ethanol market, where we only completed a few seasons of evaluations and commercial-scale production of our sorghum products.

• The markets for some of our dedicated energy crops are not well established and may take years to develop or may never develop and our growth depends on customer adoption of our dedicated energy crops.

• Our crops are new and most growers will require substantial instruction to successfully establish, grow and harvest crops grown from our seeds.

Methodologies and assumptions for calculating ethanol yields per hectare, a key performance metric among our mill customers in Brazil, are not standardized and therefore subject to greater variation and interpretation than results from a controlled environment.

• Our largest immediate commercial opportunity is the Brazilian ethanol market and we only recently completed our first commercial-scale plantings of our sweet sorghum products in Brazil.

- Our biotech products are not yet available for commercial use.

- The pricing for our products, including our sweet sorghum products, for the Brazilian market may be negatively affected by factors outside our control.

• Our business will be adversely affected if the field trials being conducted by our collaborators or potential customers fail to perform as expected.

Environmental factors, including weather, moisture, and pest infestations, may negatively affect the crops grown from our seeds or our seed inventories.

Our seed business is highly seasonal and subject to weather conditions and other factors beyond our control, which may cause our sales and operating results to fluctuate significantly.

The cropland made available by our customers for sorghum production may be limited by the relative attractiveness of producing other crops.

We face significant competition in all areas of our business, and if we do not compete effectively, our business will be harmed.

The biofuel and biopower industries are highly dependent upon government subsidies and economic incentives, and any changes in such subsidies or incentives could materially and adversely affect the growth of the industry and our ability to sell dedicated energy crops.

- Any restructuring actions and cost reduction measures that we undertake may not deliver the expected results and these actions may adversely affect our business.
- Our inability to adequately protect our proprietary technologies and products could harm our competitive position.
- Litigation or other proceedings or third party claims of infringement could require us to spend time and money and could severely disrupt our business.
- We may require additional financing in the future and may not be able to obtain such financing on favorable terms, if at all, which could force us to delay, reduce or eliminate our research and development activities.

## **Corporate Information**

We were incorporated in the State of Delaware in March 1996 under the name Ceres, Inc. Our corporate headquarters are located at 1535 Rancho Conejo Boulevard, Thousand Oaks, California 91320, and our telephone number is +1 (805) 376-6500. Our website address is [www.ceres.net](http://www.ceres.net). The information contained on our website or that can be accessed through our website is not part of this prospectus, and investors should not rely on any such information in deciding whether to purchase our common stock.

Our logos, “Cere<sup>®</sup>”, “The Energy Crop Company<sup>®</sup>”, “Blade Energy Crops<sup>®</sup>”, “Blade<sup>®</sup>” and “Skyscraper<sup>®</sup>” and other trademarks or service marks of Ceres, Inc. appearing or incorporated by reference in this prospectus are the property of Ceres, Inc. This prospectus and the documents incorporated by reference herein contain additional trade names, trademarks and service marks of other companies. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply relationships with, or endorsement or sponsorship of us by, these other companies.

## THE OFFERING

Common stock  
offered

Common stock to be outstanding after this offering \_\_\_\_\_ shares, or \_\_\_\_\_ shares if the underwriters exercise their option to purchase additional shares in full.

Use of proceeds	We expect to receive net proceeds from this offering of approximately \$        million after deducting the underwriting discounts and commissions and estimated offering expenses. We intend to use the net proceeds from this offering for general corporate purposes, including working capital. See “Use of Proceeds”.
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Nasdaq Global  
Market trading  
symbol

**Risk Factors** See “Risk Factors” on page 12 of this prospectus to read about factors you should consider before buying shares of our common stock.

The number of shares of common stock that will be outstanding after this offering is based on 25,224,269 shares outstanding as of November 30, 2013, and excludes:

3,378,818 shares of common stock issuable upon exercise of options to purchase our common stock outstanding as of November 30, 2013 at a weighted average exercise price of \$6.18 per share;

2,082,045 shares of common stock issuable upon exercise of warrants to purchase our common stock outstanding as of November 30, 2013 at a weighted average exercise price of \$20.34 per share; and

41,603 shares of common stock reserved as of November 30, 2013 for future issuance under our 2010 Stock Option/Stock Issuance Plan;

1,023,937 shares of common stock reserved as of November 30, 2013 for future issuance under our Amended and Restated 2011 Equity Incentive Plan; and



• shares of common stock underlying the warrants that may be issued to the Representative in connection with this offering. See “Underwriting – Representative’s Warrants.”

Except as otherwise indicated, all information in this prospectus assumes no exercise by the underwriters of their right to purchase up to an additional shares of common stock at the public offering price less the underwriting discounts and commissions.

**SUMMARY CONSOLIDATED FINANCIAL DATA**

The summary data presented below for each of the years in the three-year period ended August 31, 2013, are derived from the consolidated financial statements of Ceres, Inc. and subsidiaries, which financial statements have been audited by KPMG LLP, an independent registered public accounting firm. The consolidated financial statements as of August 31, 2013 and 2012, and for each of the years in the three-year period ended August 31, 2013, and the report thereon, are included elsewhere in this prospectus. The summary consolidated financial data for the three months ended November 30, 2012 and 2013 and as of November 30, 2013 has been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements and include, in the opinion of management, all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such consolidated financial data. You should read the summary of our consolidated financial data set forth below together with the more detailed information contained in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended August 31, 2013 and our consolidated financial statements and the related notes appearing elsewhere in this prospectus.

	Year Ended August 31,			Three Months Ended November 30,	
	2011	2012	2013	2012	2013
	(Unaudited)				
	(In thousands, except share and per share data)				
Consolidated Statement of Operations					
Revenues					
Product sales	\$ 116	\$ 432	\$ 462	\$ 14	\$ 20
Collaborative research and government grants	6,500	4,939	4,781	1,952	743
Total revenue	6,616	5,371	5,243	1,966	763
Cost and operating expenses					
Cost of product sales	2,492	2,384	6,245	700	1,309
Research and development	19,014	19,155	16,401	4,343	4,414
Selling, general and administrative	10,008	12,634	15,187	3,844	3,260
Total cost and operating expenses	31,514	34,173	37,833	8,887	8,983
Loss from operations	(24,898)	(28,802)	(32,590)	(6,921 )	(8,220 )
Interest expense	(456 )	(560 )	(46 )	(1 )	-
Interest income	7	39	126	29	16
Other income (expense)	(11,020)	(84 )	-	-	-
Loss before income taxes	(36,367)	(29,407)			