

What Big Growers Want

Not surprisingly, Purdue's third commercial farmer survey suggests larger, more demanding, and technology-savvy growers are the future.

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TO help agribusiness managers better understand trends and changes among commercial producers, Purdue University's Center for Food and Agricultural Business established a comprehensive producers survey in 1993, with a plan to conduct it every five years.

This year marks the third effort of its kind, beginning in February and March with a questionnaire mailing to 2,300 mid-size and commercial producers from across the U.S. The big questions: How is your farm business changing, and what do you want from your agricultural input suppliers?

The survey focuses on farmers with more than \$100,000 in annual gross farm sales in a particular enterprise, with a primary focus on those with over \$500,000 in annual sales in one of six key segments: corn/soybeans, wheat/barley/canola, cotton, swine, beef, or dairy. While data of the 2003 Commercial Producer Project are still being evaluated, here are some of the findings so far:

1 Mixed signals on growth. Commercial corn and soybean producers expect significant growth over the next 5 years and on average expect to increase the size of their operations by roughly 30% by 2008. This contrasts to the 21% growth expected among commercial cotton farmers and the 7% growth expected by wheat/canola/barley pro-

ducers. Of some note is that commercial corn and soybean farmers have increased their 5-year growth projections during every cycle of the survey, from 19% in 1993 to 27% in 1998 to the 30% growth projected in 2003. Obviously such growth plans have important implications for customer targeting and selection. Also, producers may

have unique needs ranging from financing to locating markets to managing labor and equipment that may provide opportunities for input dealers.

2 The largest are the innovators. The larger the farm operation, the more aggressive its position on new technology. Some 19% of the very largest respondents indicated they were the first in their area to try new products, services, or techniques. Another 53% indicated they were among the first to utilize new ideas and products

3 Dealers, manufacturer reps, farmers important outside influencers.

Local dealers were the single most important off-farm influencer for expendable input purchase decisions. Manufacturer representatives were the second most important influencer, followed closely by other farmers.

4 Emergence of the Internet as a business tool. There is little doubt that the Internet is now an important business tool among commercial crop producers. In 1998, 49% of the commercial crop producers reported using the Internet in their farm business. By 2003, 73% were using the Web as a business tool. Of even more importance is how they are using the Internet. In 2003, 61% of the commercial crop producers were sourcing product and technical information from the Internet (up from 36% in 1998) and 47% were collecting price information; 31% had purchased non-ag inputs online, and 16% reported purchasing agricultural inputs online. In 1998, only 6% reported any online purchases.

5 Trust and honesty are even more important. When asked to indicate the three most important traits in the best agricultural salesperson they knew, 65% of the respondents indicated that trust and honesty were important traits, up from 49% of respondents in 1998. These results suggest that at a time when change comes in waves, commercial producers are placing more weight than ever on the integrity of the people with whom they work. ■

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MORE AT THE CONFERENCE

On Nov. 19-20, 2003, the results of Purdue University's commercial producers study will provide the foundation for the National Conference for Agribusiness, "Commercial Producers: Meeting Needs, Adding Value," held on the Purdue campus in West Lafayette, IN. Attendees will delve into the important ways commercial agricultural producers are changing, and what this means for agricultural input suppliers. Sessions will explore branding, distribution, managing multiple market segments, and the changing role of the salesperson. For more information on the Conference, contact Scott Downey, associate director of the Center for Food and Agricultural Business, at 765-494-4325, or via e-mail at downeyws@purdue.edu.