



RESEARCH REPORT

'AND THE SURVEY SAYS . . .'

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Early tabulations of the Commercial Producer project by Purdue University/*Top Producer* are revealing some pertinent information for agrimarketers. This year, some 2,300 large, commercial producers from across the United States completed a questionnaire exploring how their farm business is changing and what they want from their input suppliers. Conducted by Purdue every five years, the Center for Food and Agricultural Business is analyzing the results to help agribusinesses gauge their own understanding of these changes.

The survey focuses on farmers with \$100,000 in annual gross farm sales in a particular enterprise, with primary focus on those over \$500,000 in annual sales in one of six key segments: corn/soybeans, wheat/barley/canola, cotton, swine, beef or dairy. Here's a snapshot:

- **Mixed signals on growth** Corn and soybean producers expect to increase operation size by 30 percent in the next five years. Dairy producers report the most ambitious five-year growth plans, anticipating 36 percent growth over the next five years. Midsized pork producer five-year growth plans dropped from 39 percent in 1998 to 0 percent in 2003.
- **Producer Internet use rising** More than 80 percent of commercial producers under the age of 45 use the Internet as a tool in their farm business. The larger the operation, the more intensely the Internet is used in the farm business. Eighty-five percent of the largest operations in the study used the Internet.
- **Who the influencers are** Local dealers, manufacturer reps and other farmers emerge as the most important off-farm influencers of input purchase decisions. Local dealers were the most important off-farm influencers for capital input and expendable input purchase decisions.
- **Trust and honesty gain ground** Sixty-five percent of producers indicated that trust and honesty were important traits in salespeople, up from 49 percent in 1998. Survey results will be presented in full at the National Conference for Agribusiness, titled "Commercial Producers: Meeting Needs, Adding Value," being held November 19-20 at the Purdue campus in West Lafayette, Ind. Faculty and experts from within and outside of agriculture will explore strategies and tactics agrimarketers can use.

For more information on this event, contact Scott Downey, associate director of the Center for Food and Agricultural Business, at 765/494-4325 or downeyws@purdue.edu. **AM**

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