

NATIONAL CONFERENCE FOR FOOD AND AGRIBUSINESS

Discover What Your Customer Thinks

A snapshot of the Large Commercial Producer Project



Today's Presentation

Producers' Business Strategies

Producers' Perceptions of Risk

How Do Your Customers Buy?

Producers' Sources of Information

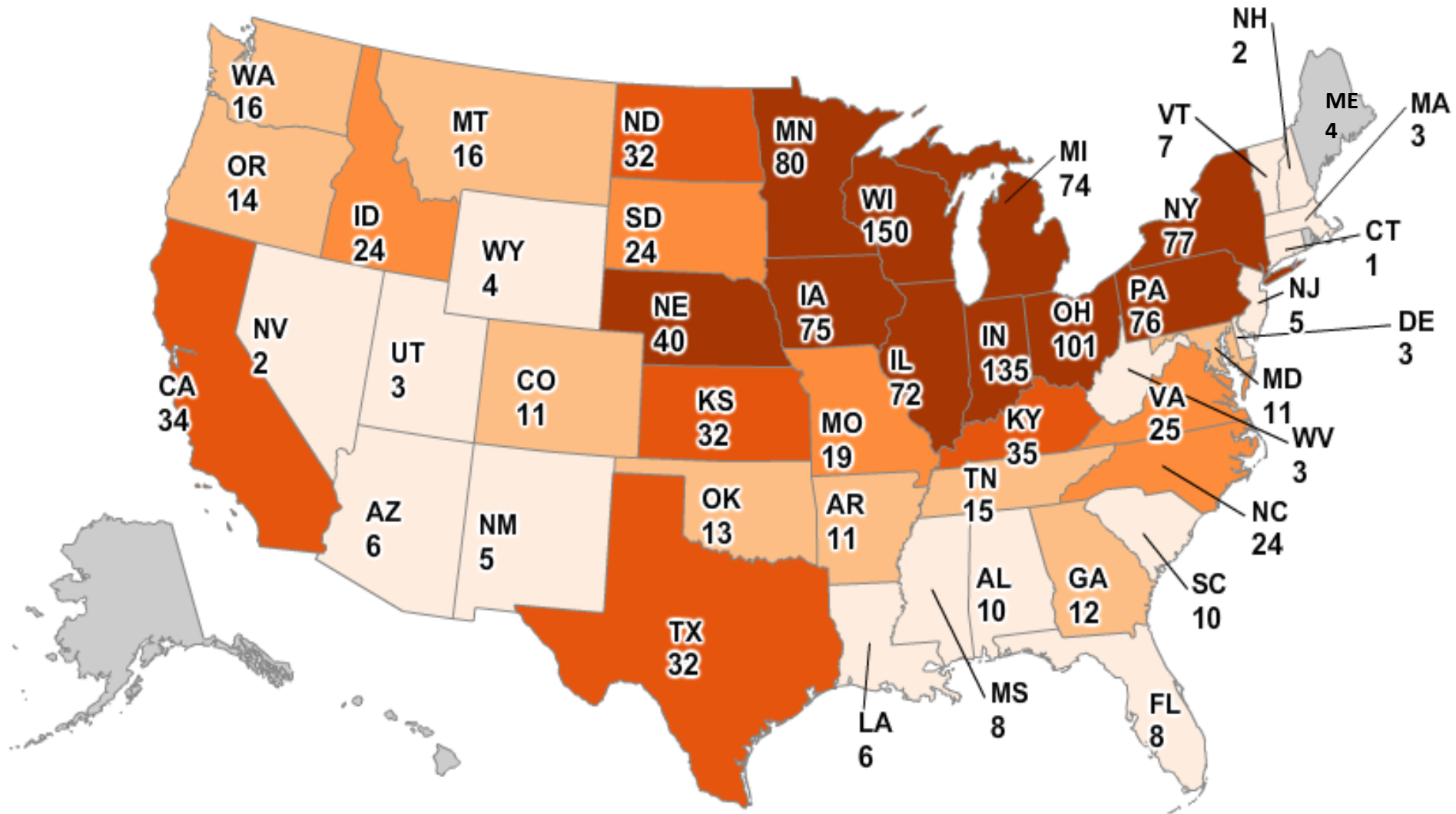
What Do Producers Value?

Introduction

- 2017 Large Commercial Producer (LCP) Survey
 - “to understand the buying preferences of large-scale producers when interacting with agricultural salespeople, retailers, lenders and manufacturers.”*
- Mail, Phone, Web
- 1,300+ total respondents
- 6 commodities: Corn/Soybean, Wheat/Barley, Fruits/Vegetables, Dairy, Cattle, Swine

Farm Size

2012 Census of Agriculture - Farm Classifications		Farm Sales Categories	LCP Farm Size Categories
Small farms	Low sales	< \$150,000	Mid-size
	Moderate sales	\$150,000 - \$349,999	
Mid-size farms		\$350,000 - \$999,999	
Large-scale farms	Large	\$1,000,000 - \$4,999,999	Commercial
	Very large	> \$5,000,000	Large



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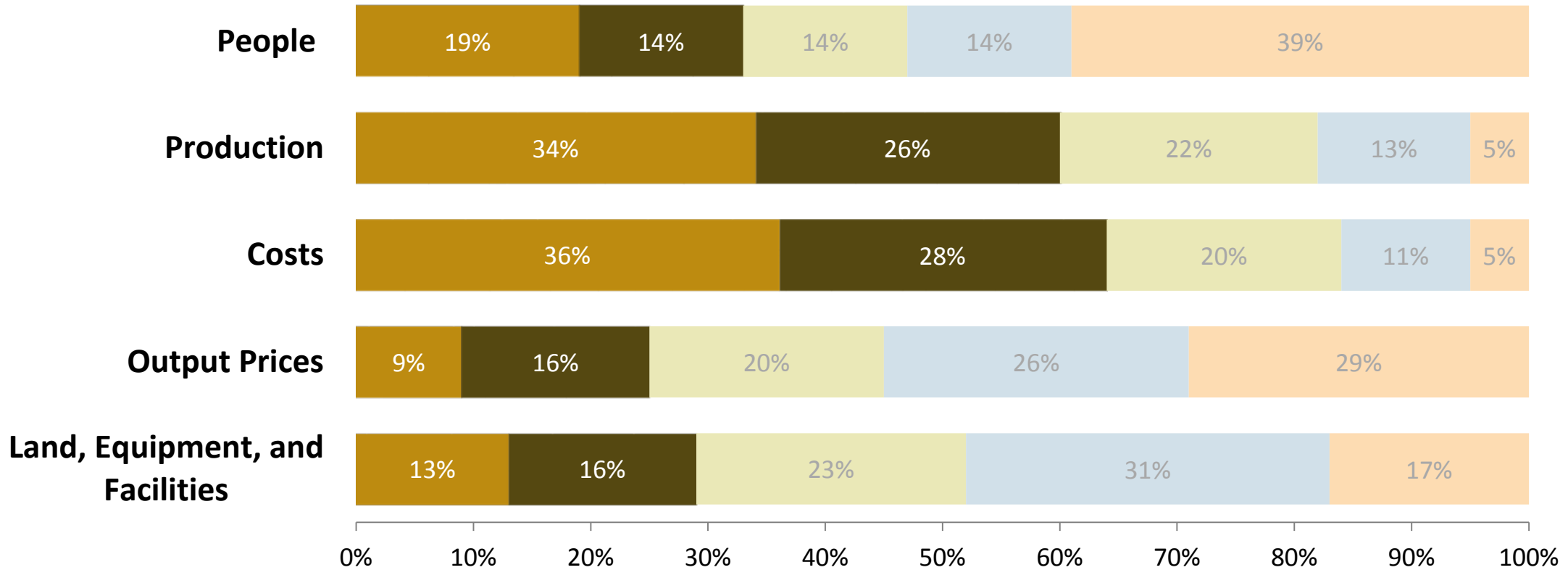
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Management Factors to Farmer Success



Ranking: (1 is the most important)

■ 1 ■ 2 ■ 3 ■ 4 ■ 5

**Managing Cost (36%)
Number one**

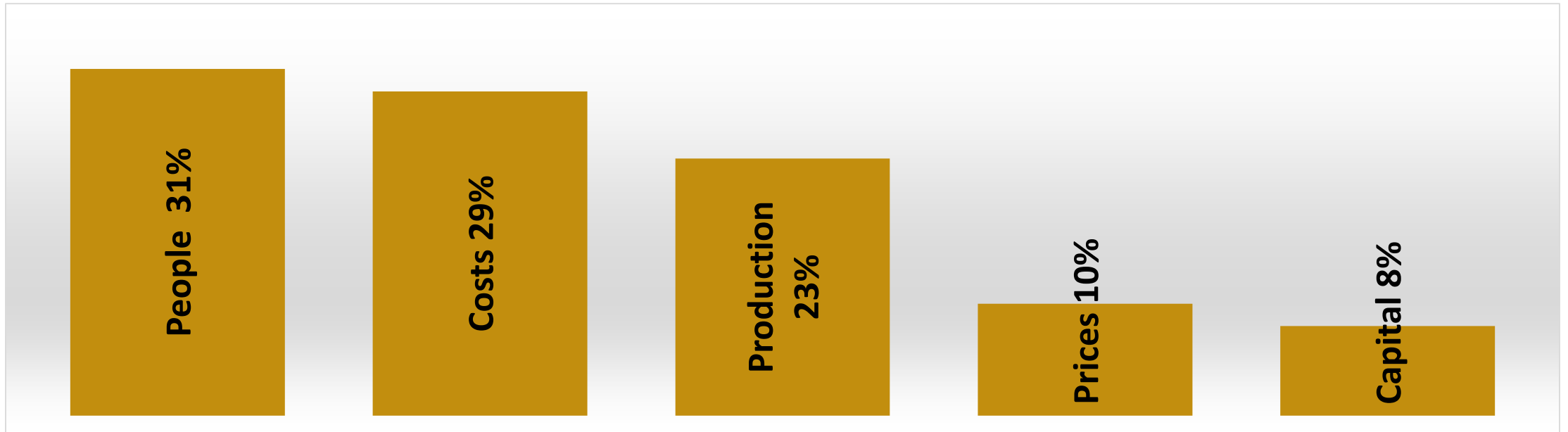
**Followed by
Managing Production
(34%)**

- Decision-making focus on managing economic productivity
- From a crop perspective - managing cost per bushel

Managing Output Prices (9%)

- Not designed their farms to be successful based on the “hope” that they would receive consistently from high prices
- SUCCESS is based on factors they can “control”

Younger generation (18-39) see people management as a critical part of their farms' success



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General Areas of Risk in Today's Agriculture

Production Risk

- (e.g., weather, pests, diseases, and technology)

Marketing Risk

- (e.g., commodity price volatility)

Financial Risk

- (e.g., cost & availability of credit, meeting cash flow needs, and short term financial shocks)

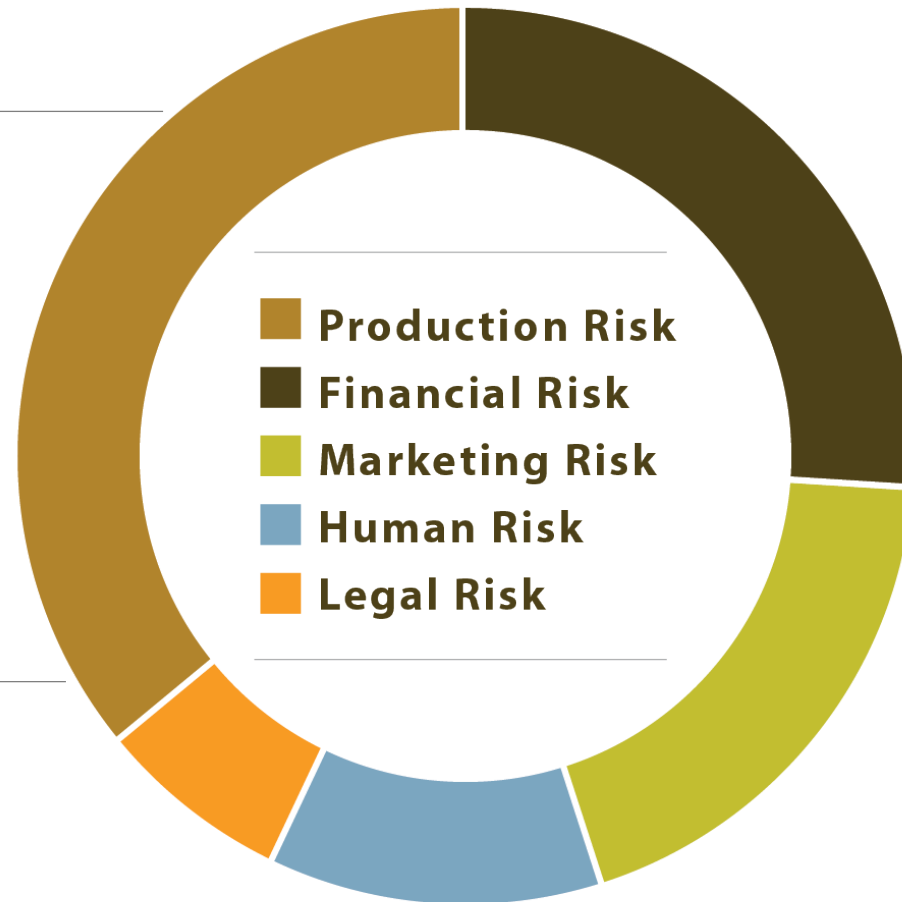
Human Risk

- (e.g., health and well-being, family and business relationships, and employee management)

Legal Risk

- (e.g., contractual agreements, business organization, regulations, and public policy)

Preference shares representing the relative ranking of importance among the five risk categories



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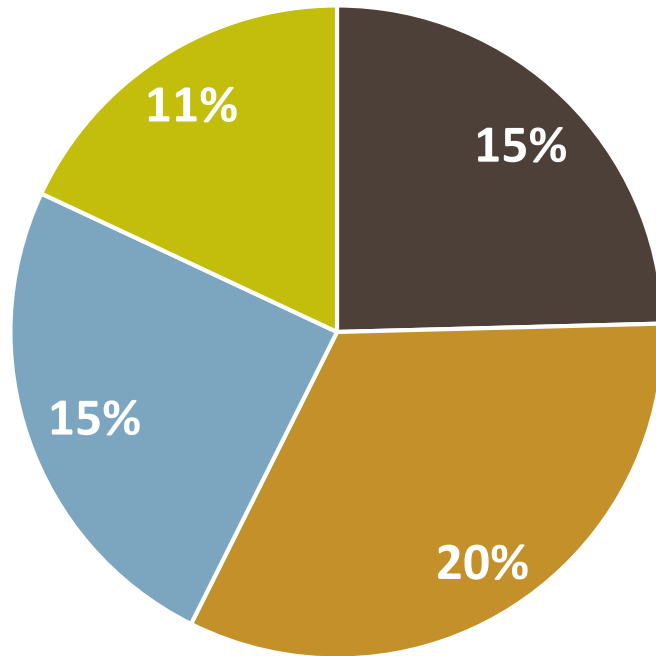
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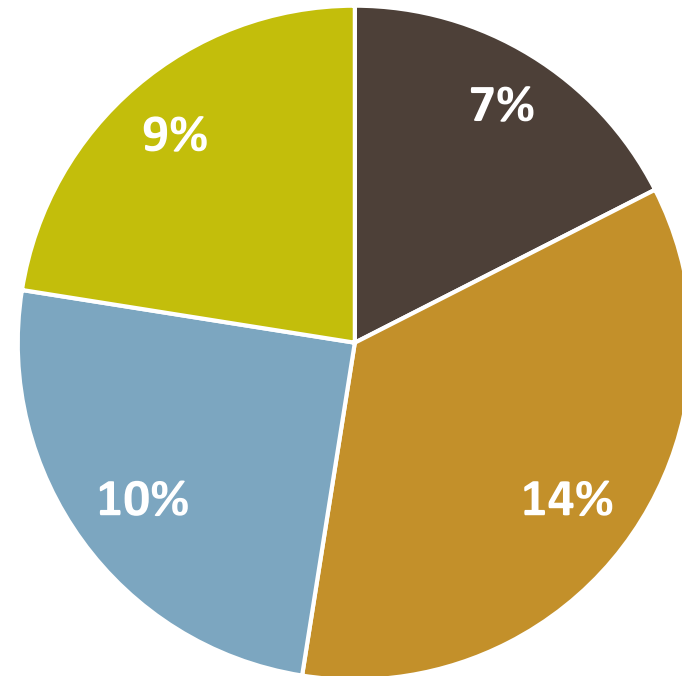
Are All Options Compared When Making Business Decisions – Marketing Production

No (61%)



■ One ■ Two ■ Three ■ Four or More

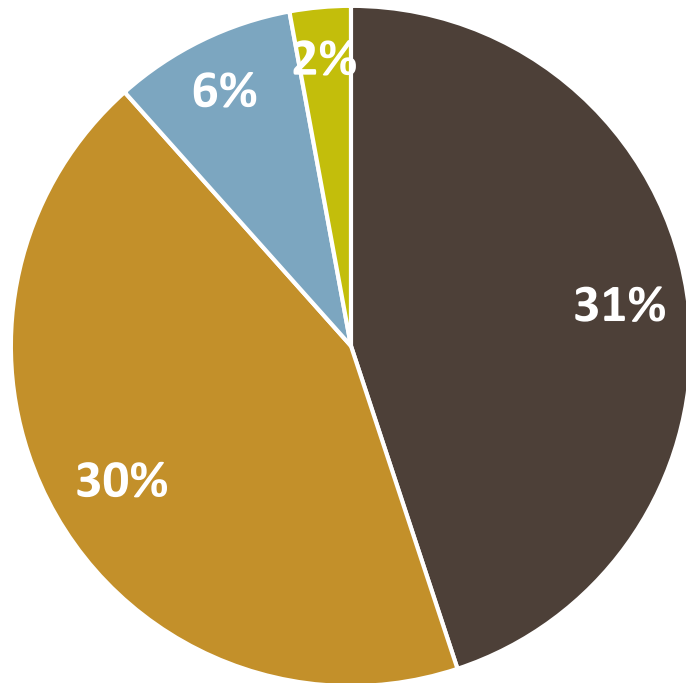
Yes (39%)



■ One ■ Two ■ Three ■ Four or More

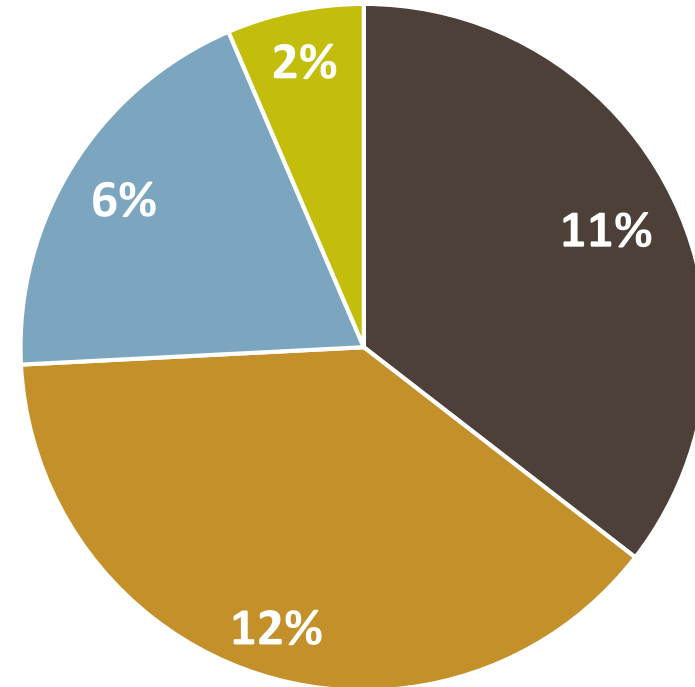
Are All Options Compared When Making Business Decisions – Obtaining Financing

No (69%)



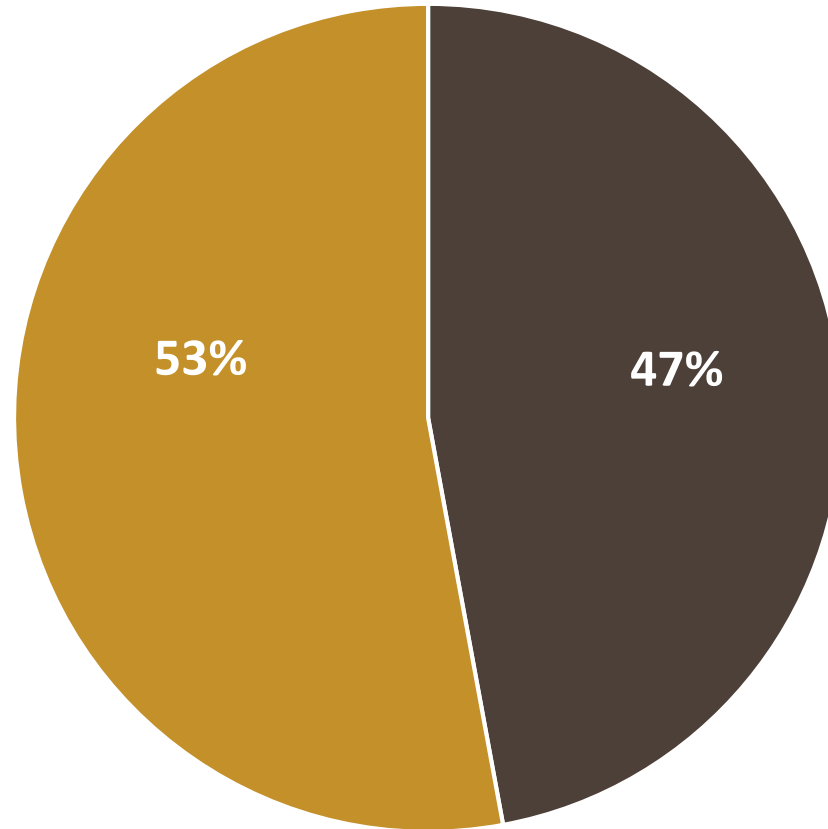
■ One ■ Two ■ Three ■ Four or More

Yes (31%)



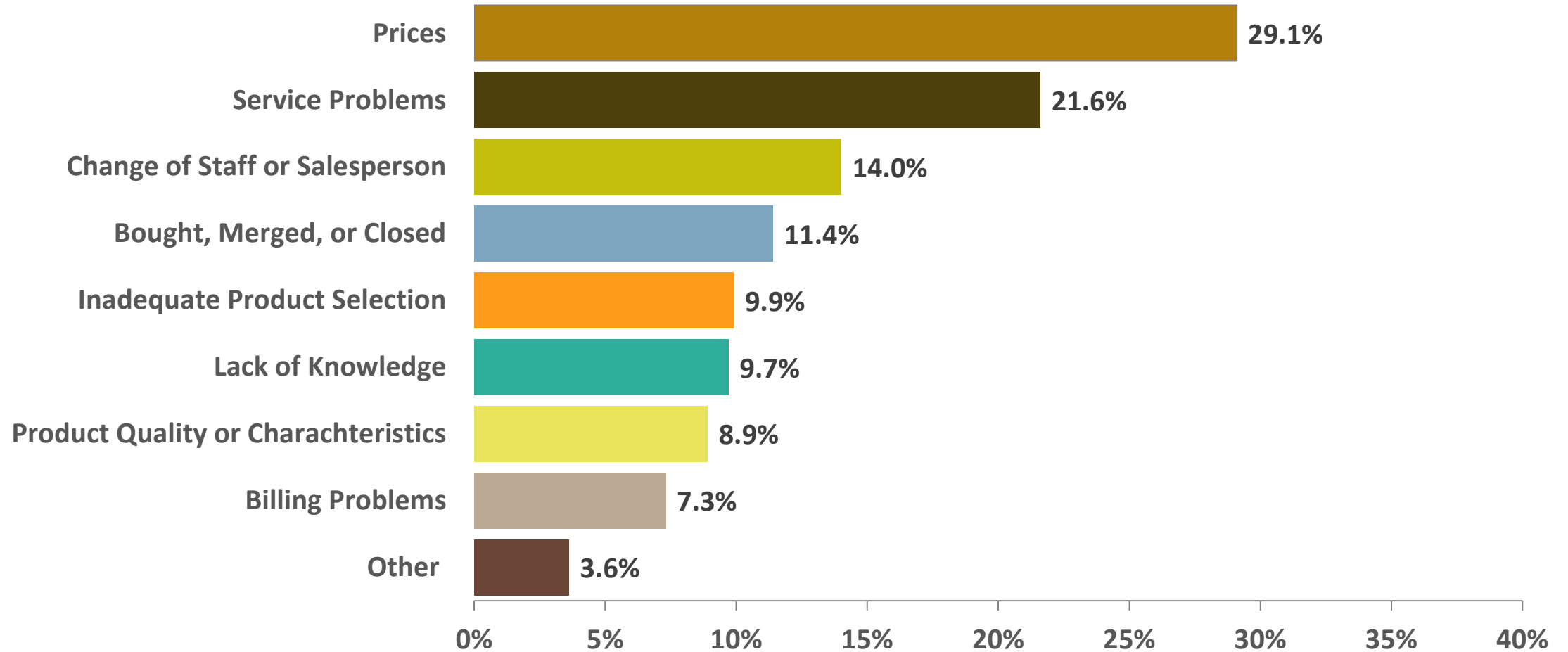
■ One ■ Two ■ Three ■ Four or More

Have you changed a major supplier in the past 5 years?

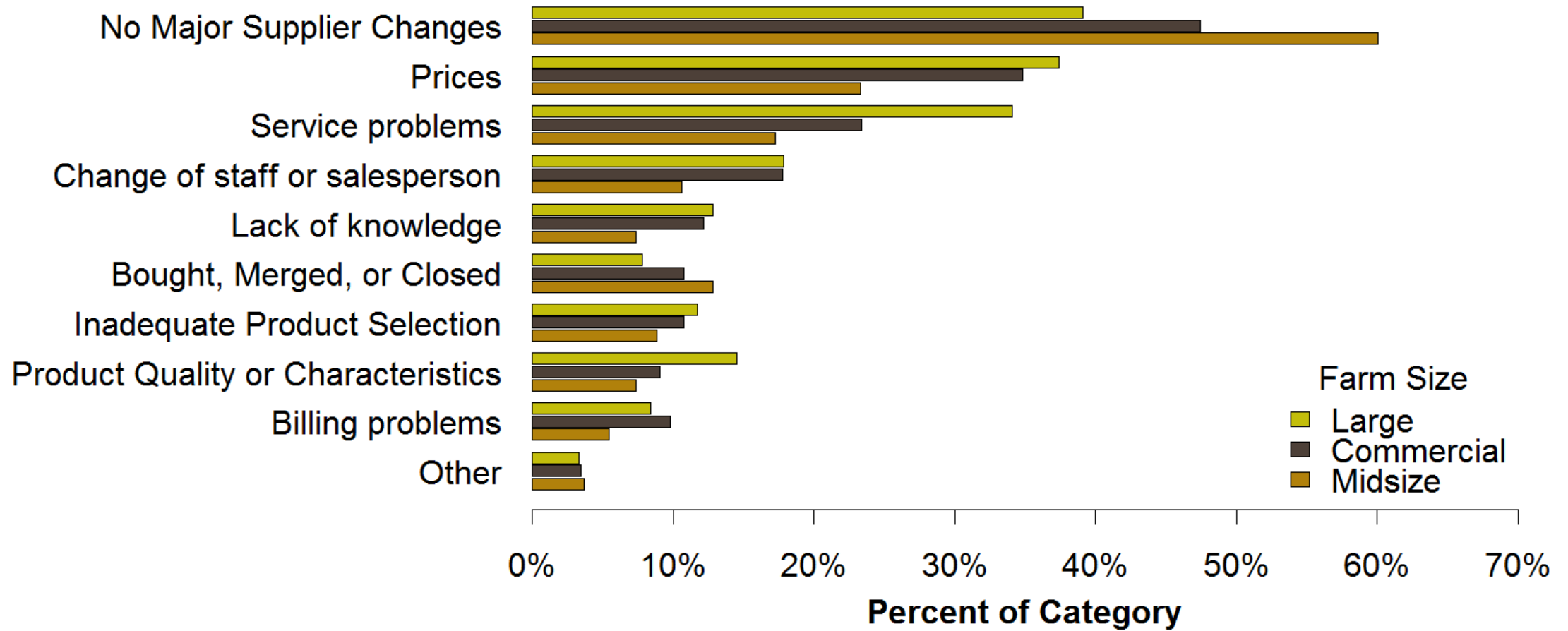


■ Changing Suppliers ■ No Major Supplier Changes

Reasons for Changing Suppliers



Reasons for Changing Suppliers by Farm Size



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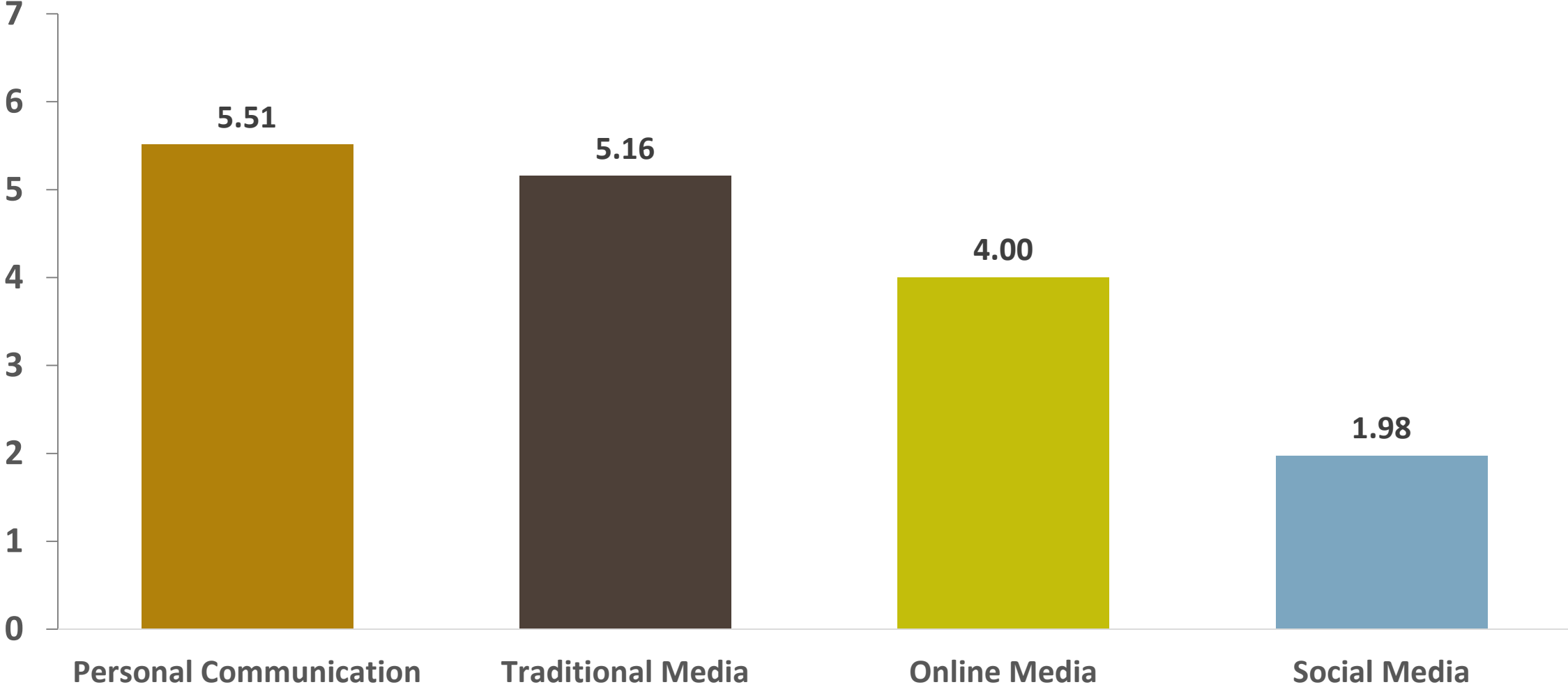
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Importance of Information Sources Mean Value



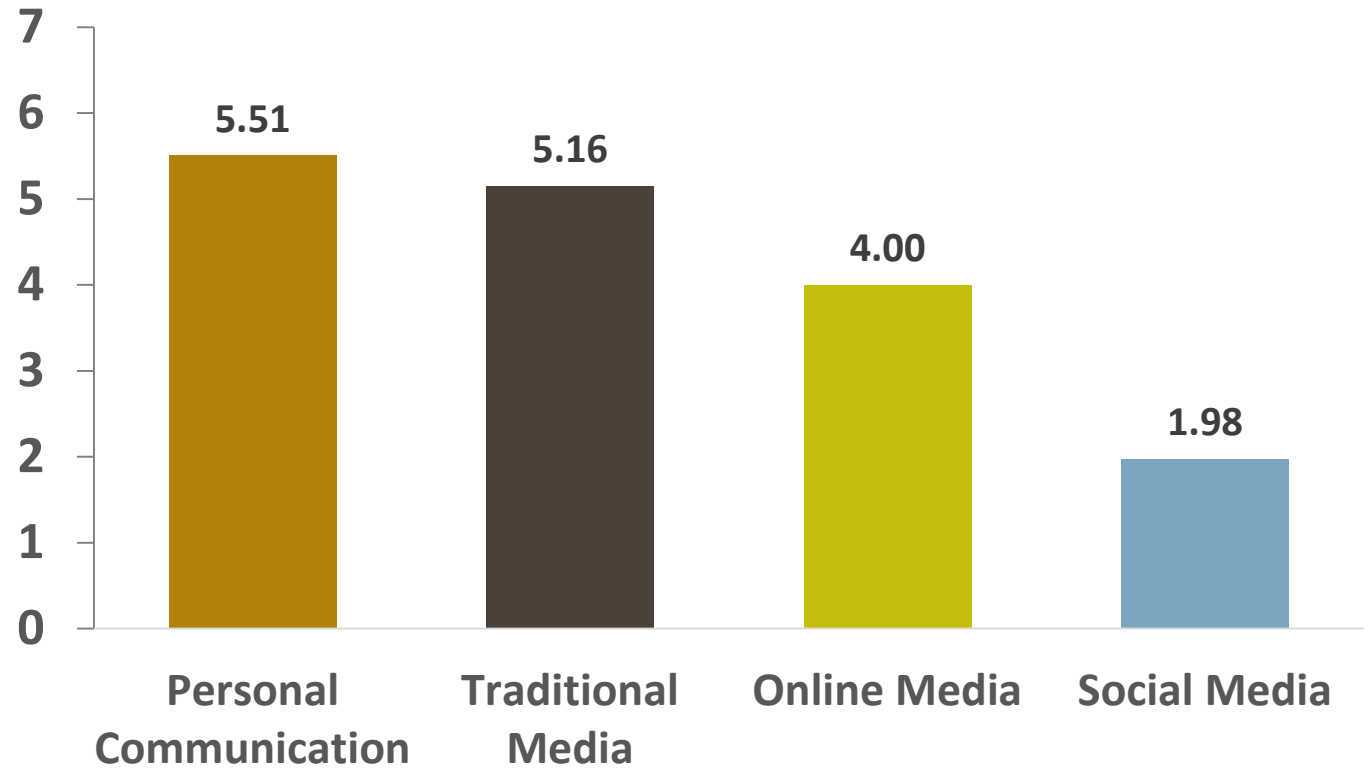
Personal Communication

- General Farm Magazines
- Dealer/Retailer Meetings
- Farm Shows

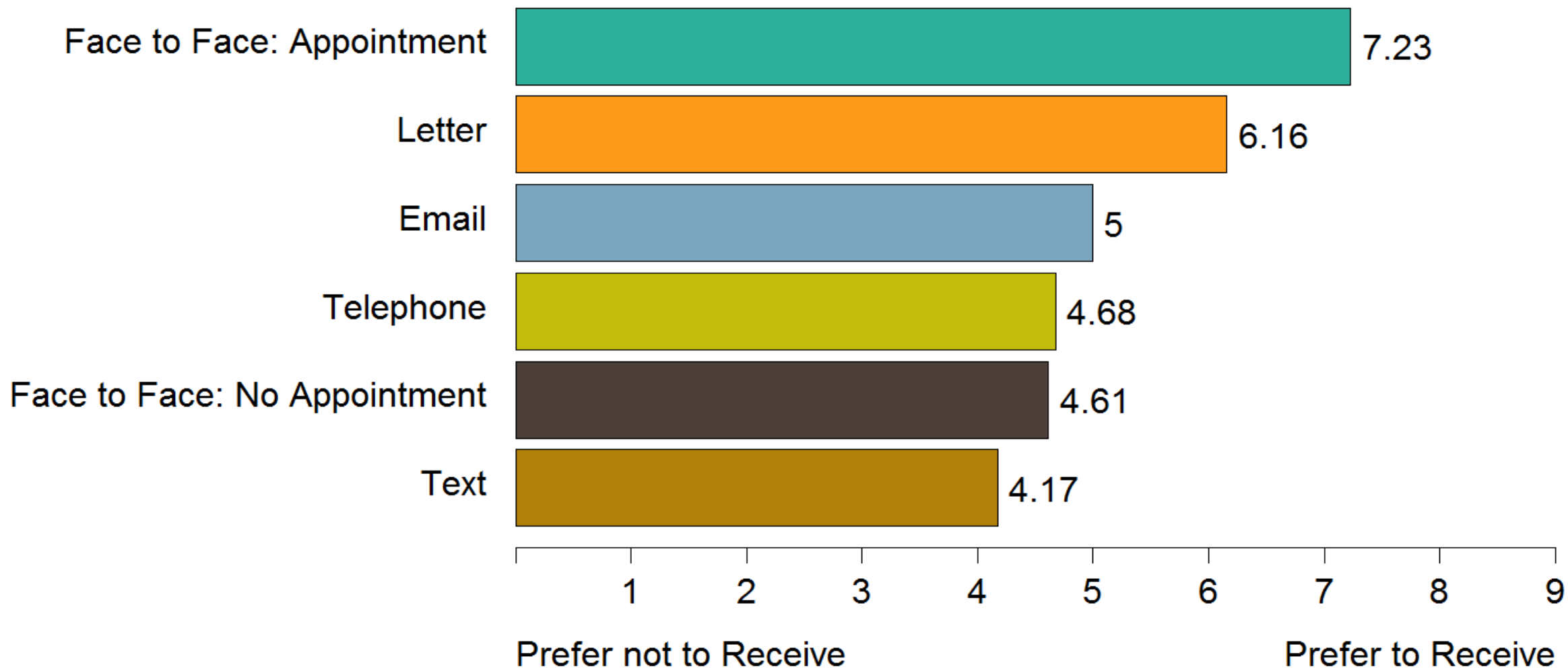
Traditional Media

- General Farm Magazines
- Dealer/Retailer Meetings
- Farm Shows

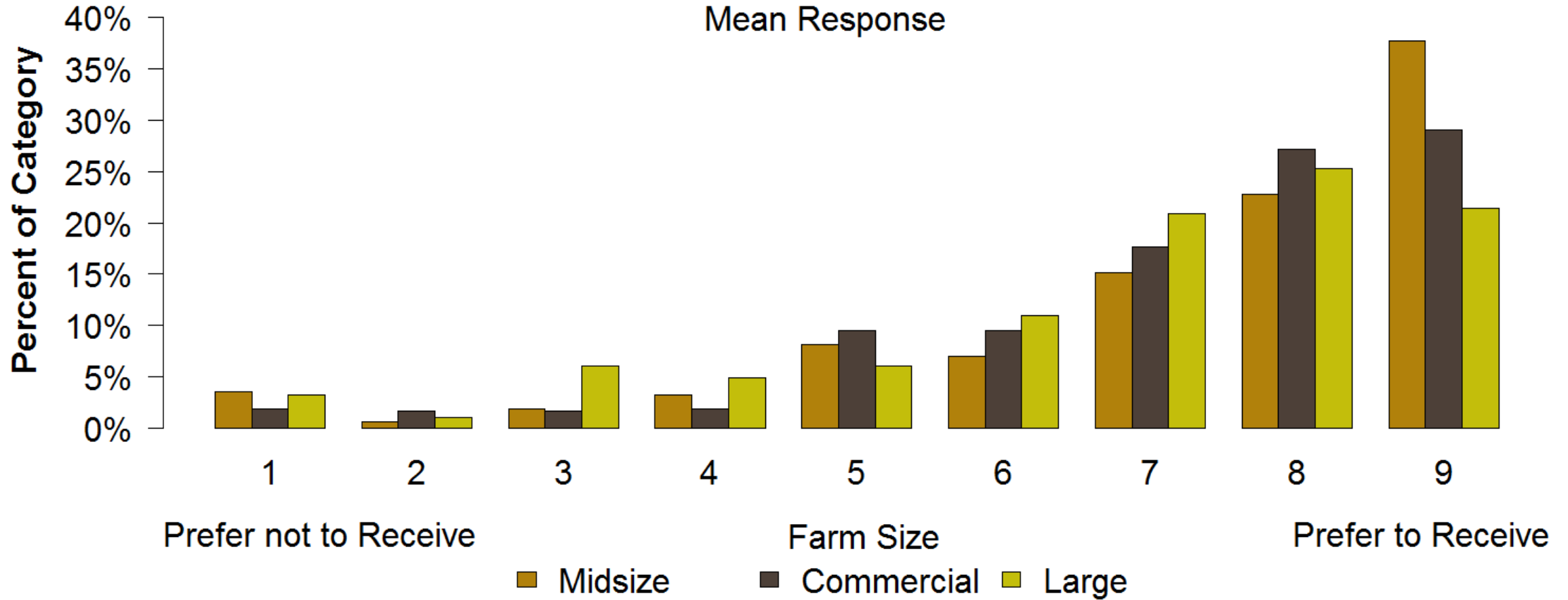
Importance of Information Sources Mean Value



Communication Channel Preferences

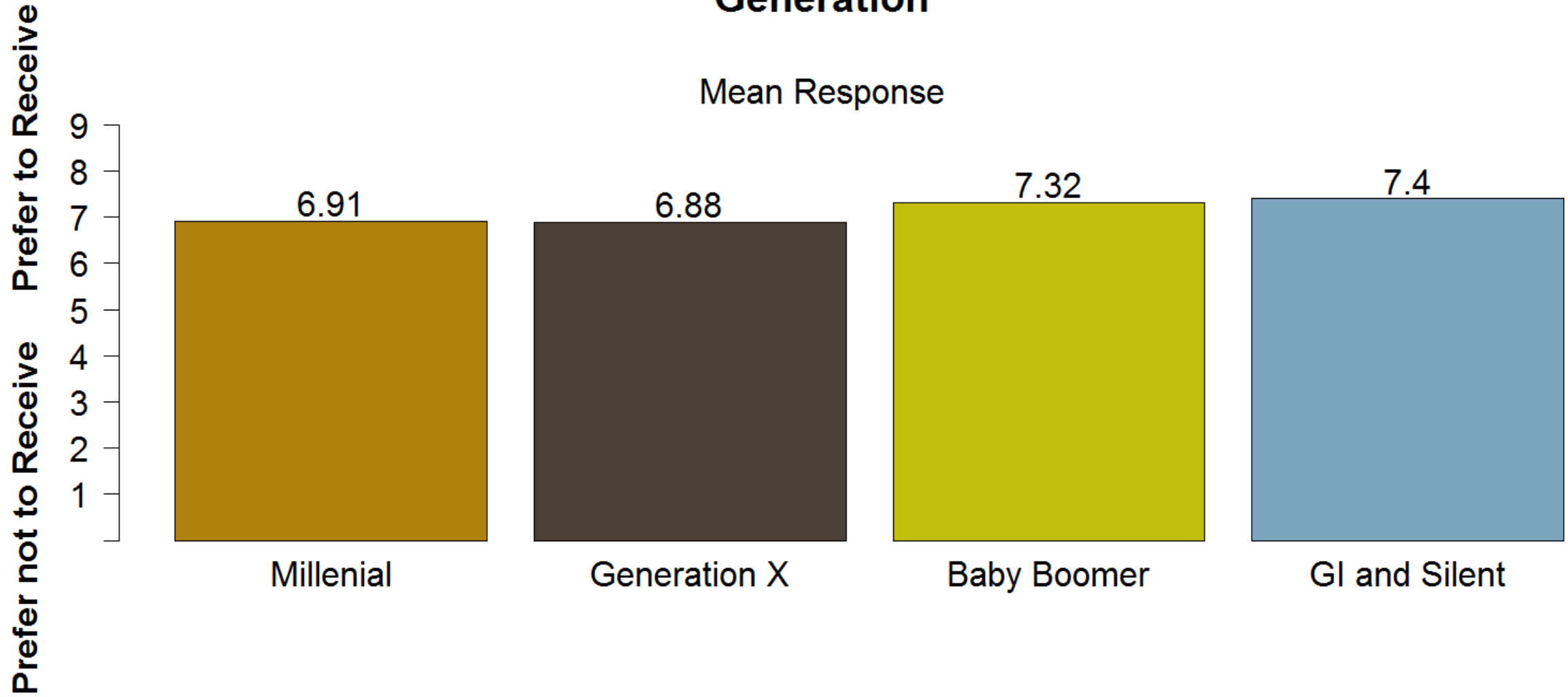


Face to Face With Appointment as a Communication Method by Farm Size

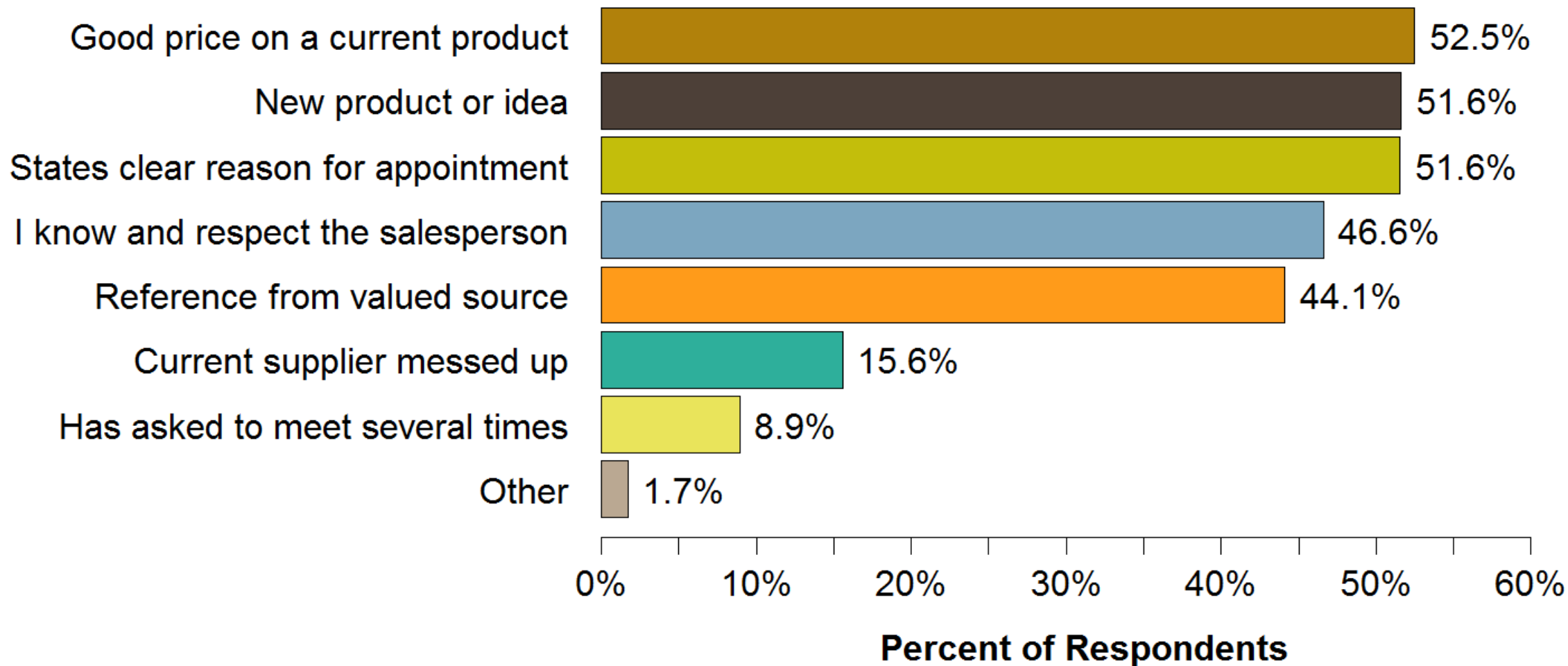


Face to Face With Appointment as a Communication Method by Generation

Mean Response



Reasons for Meeting New Salespeople



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Price

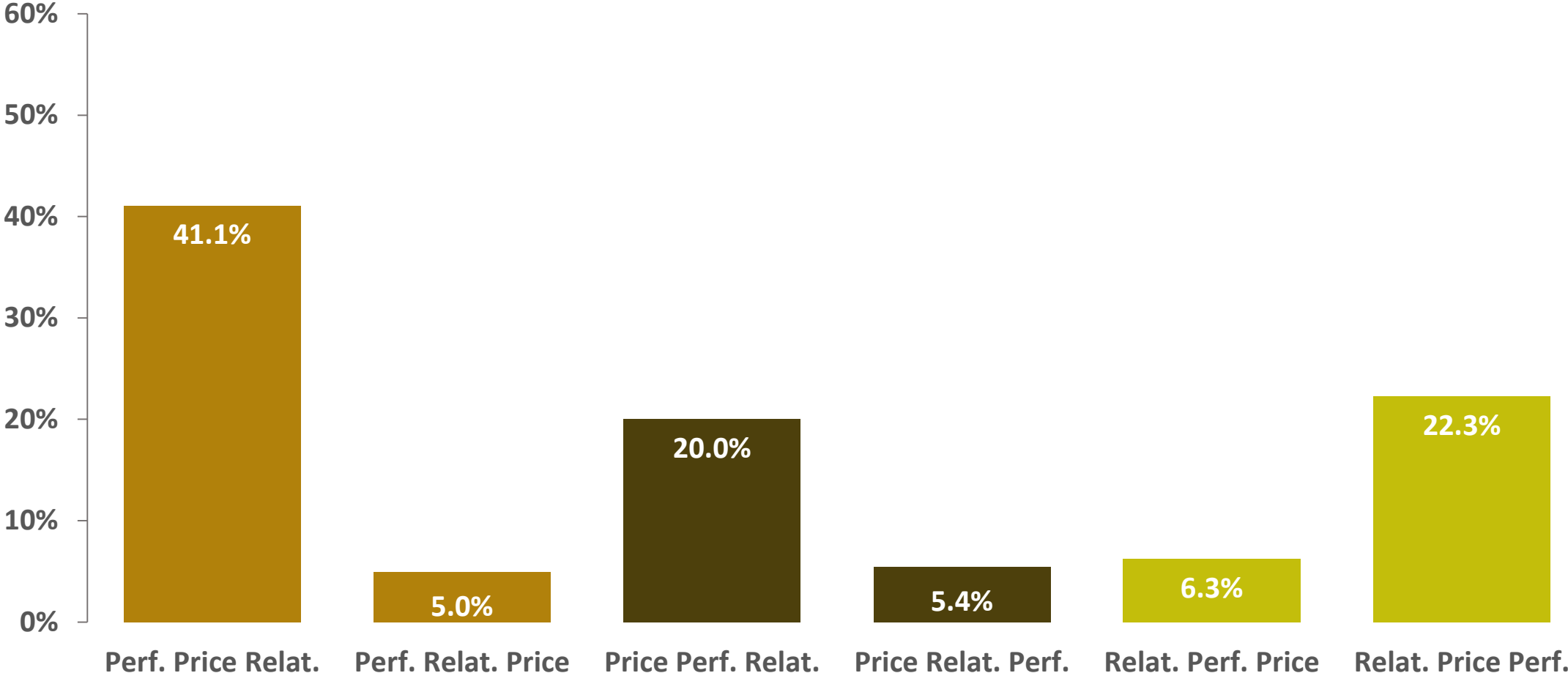


Product Performance

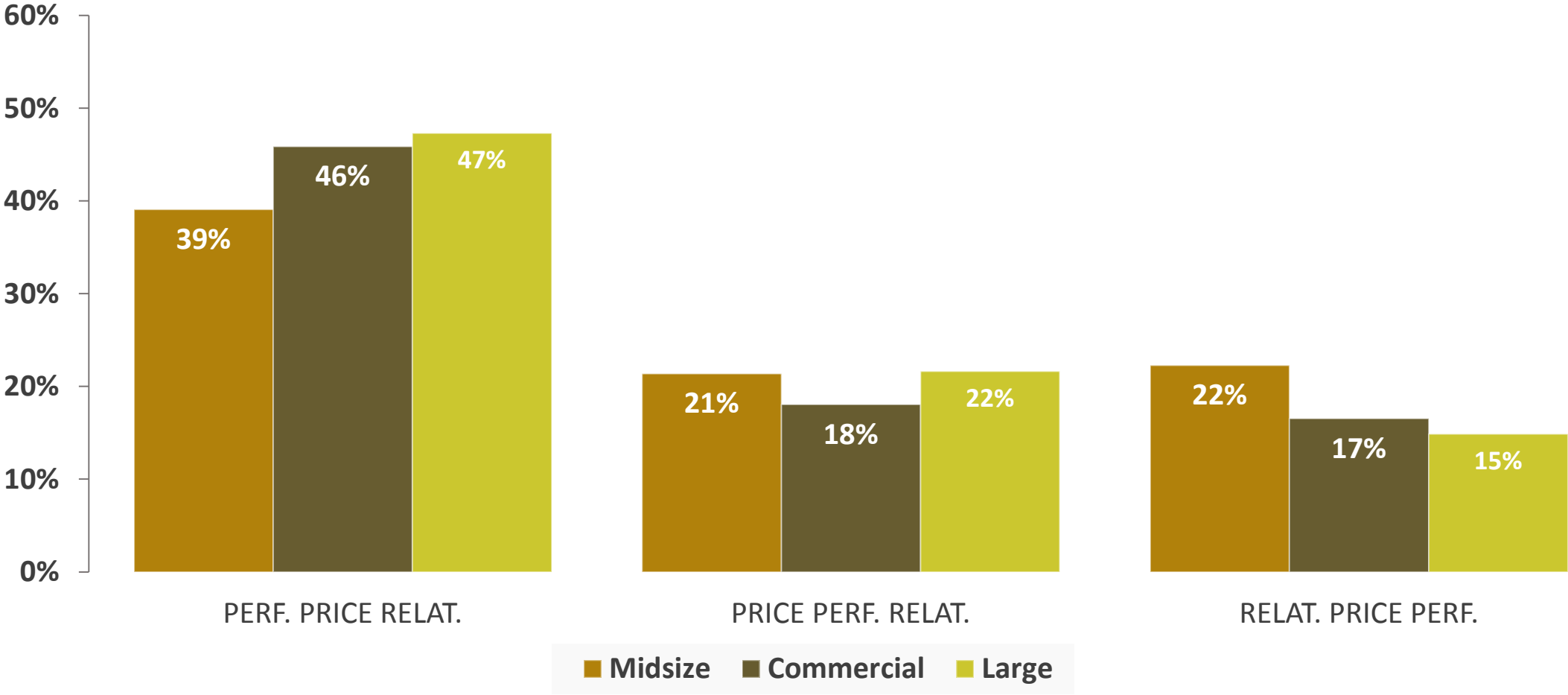


Supplier Relationship

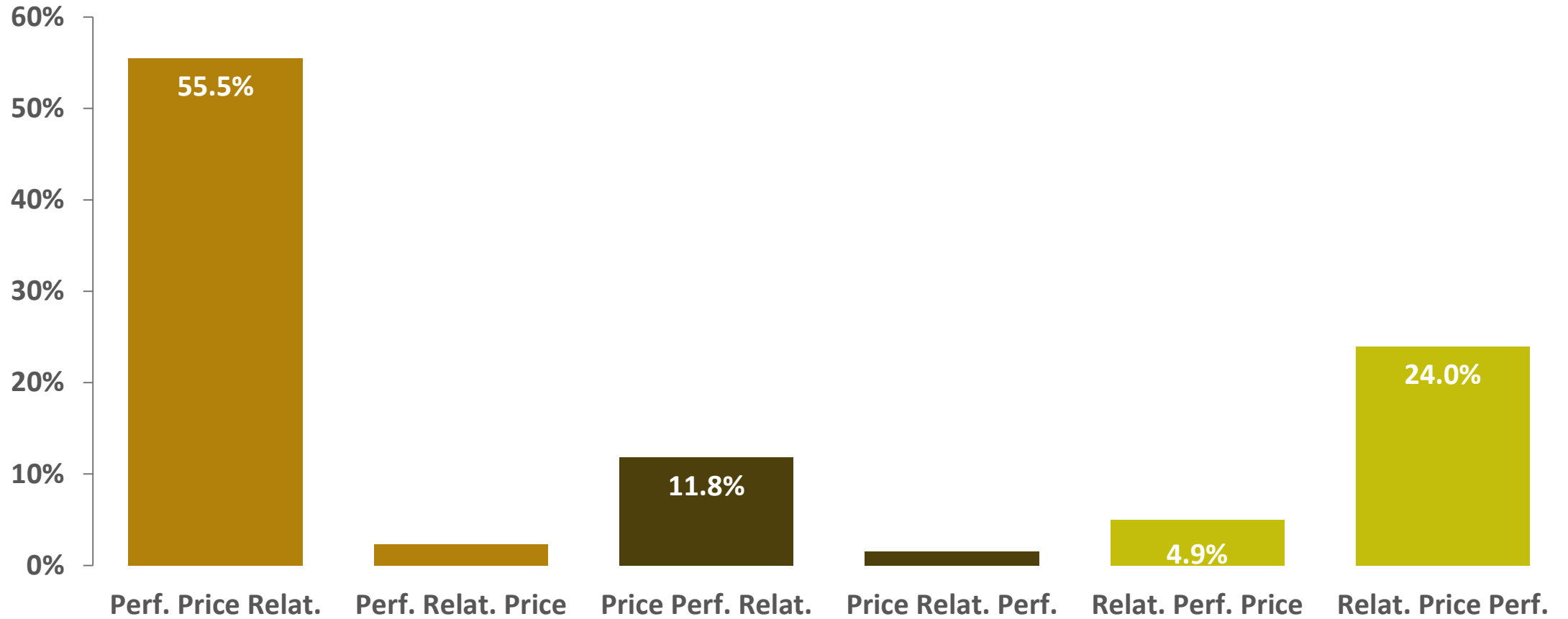
Animal Nutrition



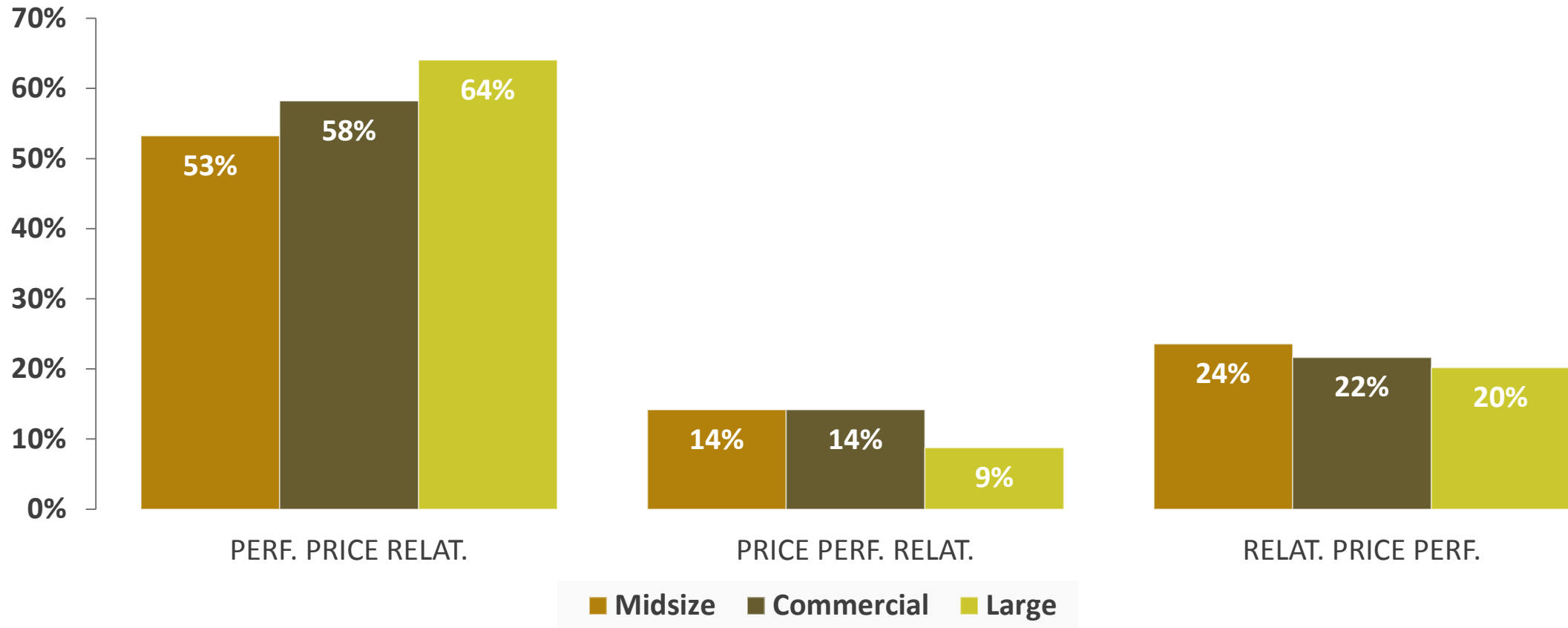
Animal Nutrition



Seed



Seed



Recap

- LCP objective: understand the buying preferences of large-scale producers
- Consolidation and evolving strategies are shifting our business relationships
- National Conference objective: exploring implications of shifting buying preferences on your business

NATIONAL CONFERENCE FOR FOOD AND AGRIBUSINESS

||| 2017 |||

Program Dates

November 7-8, 2017

Location

Purdue University
West Lafayette, Ind.

Educational Credit

You can earn CEU and CCA credit at this program.



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WEBINAR

For more information and group rates, please contact:

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