

WE ASKED; PRODUCERS ANSWERED

by Jennifer Stewart-Burton

If you work directly with farmers, whether in agricultural inputs or outputs, you know that this is a unique and complex segment and that no two farming operations are the same.

Taking the time to understand farmer customers and their businesses opens doors for the industries that work alongside them — especially in the agricultural retail sector.

“Understanding our customers’ businesses provides us opportunities to identify the offerings and solutions to help them accomplish their goals,” says **Allan Gray**, Director of **Purdue University’s Center for Food and Agricultural Business**.

The center partners with a variety of off-farm agricultural businesses to support them in knowing and serving their customers. One of the ways the center does this is by going directly to farmers and asking them about their preferences, attitudes and buying behaviors.

This research, the “Large Commercial Producer Project” (LCP) is in its sixth iteration. Findings will be presented at the 2017 National Conference for Food and Agribusiness, Nov. 7-8 on Purdue’s West Lafayette, IN, campus.

Producers’ answers to the survey questions have implications for the way agribusinesses interact with their customers. And while much of the project’s history is in agricultural sales and marketing, it has evolved over time to include strategy and risk management, perception of value and differentiation, loyalty, input procurement, and the ways producers evaluate products and services beyond price.

PERCEPTIONS OF SUCCESS

Also covered in the 2017 LCP survey is farmers’ perceptions of their most critical success factors.

“Our goal was to determine if there were differences in farmers’ perceptions of the factors that drive their success,” says Gray, who is a presenter at the National Conference. “Not surprisingly, the largest portion of producers identified managing cost as the No. 1 factor in their success.”



Slightly more surprising is that the results seem to suggest that marketing isn’t necessarily considered a key factor of most producers’ success.

“This would seem to be a counterintuitive result as most of us would be conditioned to believe marketing skills are critically important for the farmer,” Gray says. “I am not sure that the results suggest it is not important to have marketing skills for your farm.

“Instead, I believe this result is a clear indication that producers have not designed their farms to be successful based on the hope that they would receive consistently high prices,” Gray says.

The answers to this question also revealed that perceptions of success factors vary by the ages of the producers. For example, a larger portion of the younger generation, which included 18- to 35-year-olds, saw people management as critical to farm success.

One reason, Gray says, is that a

slightly larger portion of younger respondents come from larger farms. However, that doesn’t really tell the entire story.

“We believe it is likely that this younger generation is part of multigenerational businesses where they have responsibility for managing people to accomplish production activities,” Gray says. “In fact, a number of the other questions in this broad survey also indicate the younger generation’s focus on people — both on and off of the farm business — and the keen interest they seem to have in developing human relations.”

NATIONAL CONFERENCE

The 2017 National Conference for Food and Agribusiness brings together professionals from across the agri-food system to gain industry insights from one another and the Large Commercial Producer Project. The project includes research results from surveying U.S. producers of corn/soybeans, wheat/barley, cotton, fruit/nuts/vegetables, dairy, hogs and cattle.

Learn more and register at <http://agribusiness.purdue.edu/seminars-and-events/national-conference-lcp-2017>. **AM**

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