

Horns | Naws | Viawypoints

CROPLIFE IRON

WEBINARS

Refeilers

SUBSCRIBE

Tachnology.

ADVERTISE

ABOUT US

SEARCH



Issue Archives

2009 2008

2007 2006 Home > CropLife > October 2008

CROPLIFE

Equi amant

What Big Growers Want

A new survey from Purdue University explores the changing attitudes and evolving expectations of large producers.

By Allan Gray and Mike Boehlje and Maud Roucan-Kane

Share Print Text Size: A A A

October 2008

Successful crop input dealers know the importance of thoroughly understanding their customer's business. To help gauge this, Purdue University's Center for Food and Agricultural Business conducts the Large Commercial Producer Survey every five years.

In early 2008, about 2,500 mid-size and commercial producers completed a questionnaire that explored how their farm business is changing and what they want from their agricultural input suppliers. The survey concentrates on mid-size, commercial, and large growers. Researchers at the Center are evaluating the 2008 survey data and discovering important findings with significance for input dealers.

- Loyalty To Suppliers. Generally, producers consider themselves loyal to their primary local supplier of inputs, with mid-size and younger producers being more loyal than larger producers. They also express more loyalty to seed suppliers compared to crop protection products. High-growth producers (those expecting to grow more than 50% in size over the next five years) are less loyal to local suppliers. Compared to the 2003 results, producers are less loyal to their local input supplier, but it is a modest decline.
- One-Stop Shopping. Producers are almost equally split as to whether they prefer, are indifferent, or don't want to buy all of their inputs from one supplier (one-stop shopping). Smaller producers prefer a single source compared to larger producers. High-growth producers express less preference for sole sourcing. Compared to past results, producers are less supportive of single sourcing for inputs.
- Quality Of Services. Generally, producers perceive significant differences in the quality of services provided from one local retail input supplier compared to others. Larger producers see more differences than mid-size producers. Producers in this year's survey observe fewer differences in the quality of services from one local input supplier to another compared to previous surveys.
- Quality Of Information. As with quality of services, producers generally perceive that there are differences in the quality of information provided by local suppliers of inputs. Smaller growers identify more differences than larger farmers. Again, compared to previous years, producers notice fewer differences in the quality of information provided by local input suppliers.
- Pricing. Generally, producers agree that there are often significant price differences for similar products from one local supplier to another. There are no significant differences among different size operations as to this perception. In terms of purchasing the lowest-priced products, producers indicated that it depended on the product, particularly seed. Large producers are more inclined to purchase the lowest-priced products compared to smaller producers. High-growth producers were less inclined to buy the lowest price for seed, but more inclined for crop protection products.

Implications For Agribusinesses

The bottom-line implications are that there continue to be differences in the quality of services, quality of information, and price among local input suppliers inputs. However, these differences are less than they have been in the past. Producers continue to place a high value on their local suppliers. They are loyal to local suppliers and, in general, willing to pay a price premium for locally-supplied inputs.

These results imply that the retail market space is becoming more competitive, more "commoditized."

Dealers can hear complete survey results at the National Conference for Agribusiness, set for Nov. 18-19, at Purdue University in West Lafayette, IN. For more details, visit www.aqecon.purdue.edu/cab/programs/nca.

Related Articles:

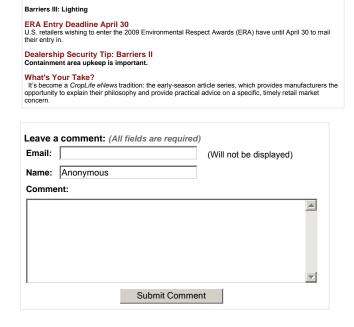
Guide Promotes Safe Ag Trucking

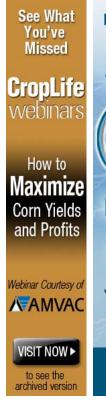
It's the beginning of another planting season, and agricultural vehicles are back on the roads and in fields A new educational publication provides safety strategies for drivers.

Dealership Security Weekly Tip: Lighting













© 2009 Meister Media Worldwide

Privacy Statement

Reprint Permissions