Farmers' demand for information has increased in recent years due to greater market instability, more complex production technologies, and greater need for financial planning and control. A variety of sources, including print and electronic media, Extension, consultants, and farm service firms are potential providers of information on production practices, marketing strategies, and financial analysis. The recent CHOICES article by Edwards and Petritz (First Quarter, '93) suggests that information needs differ by size of farm and that Extension must target its programs and delivery methods.

This article reports on a survey of expenditures on and subjective ratings of various information sources used by large-scale corn belt farmers. Eighty farmers from eight states participating in the 1991 Top Farmer Crop Workshop provided information. The Top Farmer Crop Workshop is a three-day program providing an update on crop economics and production technology as well as allowing participants to analyze alternative technologies using a linear programming model of their own farms.

The average workshop participant operated 1,820 acres with 850 acres in corn and 652 acres in soybeans. These crops represented 73.6 percent of the 1990 gross farm income. Only 23 percent of the farms had gross sales of less than $250,000, and 35 percent exceeded $500,000. The average age of the respondents was 39.7 years, and they had completed an average of 14.9 years of schooling. Participants in the workshop were younger, had more years of schooling, and operated larger farms than the average farmer in the eastern cornbelt.

We asked workshop participants to estimate their annual out-of-pocket costs for various information sources. On average, respondents spent $2,578 per year on information. The range was from $48 to $13,565, with a median of $1,625. Expenditures for farm magazines and agricultural newspapers and newsletters were reported by the largest number of farmers, 94 and 81 percent, respectively, and averaged a total of $189. However, consultants, including accountants and tax preparers, averaged $1,559 and accounted for 60 percent of total information costs. Some 70 percent of respondents used computerized information services at an average cost of $251. The average cost of their own records/budgets was $416, while field days and conferences were $138.

We also asked workshop participants to rate the value of various sources of information for making production, marketing, and financial decisions on a scale ranging from one (low) to five (high). Average ratings are reported in the figure.

Farmers rated their own farm records/budgets highest (4.52) for production, marketing (3.83), and financial (4.57) decisions. These farmers clearly rely heavily on their farm records and budgets for making decisions.

For production decisions, these large-scale farmers rated eight other sources of information above 3.00. Soil fertility consultants (3.79), the farm’s work force (3.60), university specialists (3.54), and field days/conferences (3.45) were the highest ranked. Participants rated county Extension agents and sales personnel relatively low, 2.53 and 2.42, respectively. The number of highly rated information sources may reflect the complexity of the production decisions. Soil fertility, chemical use, tillage, varietal selection, machinery selection, and enterprise combi-
For marketing decisions, participants rated relatively few information sources highly, and ratings were generally lower than for production decisions. Farm records/budgets rated highest (3.83), followed by computerized information services (3.63), and marketing services consultants (3.44). All other information sources had ratings of less than 3.00, with agricultural newspapers and newsletters at 2.94 and university specialists at 2.74.

Marketing decisions for commodities such as corn and soybeans are, in large part, decisions involving timing. Fewer alternatives may be considered in the marketing area than in the production area. In addition, the respondents rated their marketing management skills lower than their other management skills, thus they may perceive smaller benefits from marketing information. Farmers viewed relatively few of the information sources as potentially useful for marketing decisions, and apparently such sources do not provide critical information for farmers.

For financial decisions, producers scored only three sources of information above 3.00. They rated their own farm records/budgets highest (4.56), followed by the tax preparer/accountant (3.80), and lenders (3.16). Perhaps even to a greater degree than for marketing, farm finance decisions involve judgments with respect to the future. The sources of information rated highly in making financial decisions provide largely historical information that may be useful in helping farmers evaluate their current situations. As a result, these large-scale farmers do not view most of the information sources as especially useful for financial decisions.

Previous studies of random samples of farmers have found that sales personnel, family, and other farmers are important sources of information, with consultants having little importance. Differences between the Top Farmer Workshop survey and previous studies are probably related to the size of farm operations and the educational level of the farmers. Large farm operations can spread the costs of obtaining information across more units of production. Consultants receive high ratings in this study. This specialized management information—that might not be available from other farmers, personnel in agribusiness firms, and general farm magazines—would have a higher return for these farmers because of the scale of their operations. The higher educational level of these farmers facilitates their use of specialized information.

Large-scale farmers found that available information was more useful for production than for marketing and financial decisions. This challenges Extension and other professionals to provide useful decision-making information in the marketing and financial areas.

For more information: