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GETTING GOOD MARKETING INFORMATION TO FARMERS

It Might Mean Listening To Them First

— by Larry Elworth —

Intense market competition among agricultural producers, both foreign and domestic, and the sophistication of data available to buyers of agricultural products make marketing information a critical factor in farm profitability. Historically, the disparity between what information is available to producers versus buyers has provided the rationale for compiling agricultural statistics and the development of marketing services. The growing need for timely and pertinent information has recently prompted universities and government agencies to develop technologically advanced systems to collect and distribute market data. Although those efforts are the result of a demonstrated need, there is good reason to believe that the information or the format in which it is provided may never get used by producers.

Apple Growers Surveyed

An examination of the contents of one's mailbox would, on most days, refute the notion that more information is inherently valuable. The rapid increase in the volume of information coming to us has done little to ensure that it is useful. The results of a survey of Pennsylvania apple growers further suggest that the information services provided to a specific group of recipients may not coincide with what they want or will use.

In June of 1988 the Pennsylvania Apple Marketing Board conducted a survey of commercial apple growers in the state. The survey asked growers what kind of marketing information they receive, whether it is useful, their perceived need for further information, and what kind of format they preferred for receiving the information.

A majority of the respondents (67 percent) indicated an inclination to rely on readily available sources, such as personal contacts or publications generated by local or state agricultural organizations. Conversely, publications directed at the entire produce industry were less likely to be used. The growers also demonstrated an interest in localized, timely information on current price and crop movement.

The survey answers also yielded two other interesting revelations. Although no generalization could be drawn about the sufficiency of currently available information for individual growers, a need for more and better information on consumer and wholesale trends was clearly identified. And, finally, reports or articles directly mailed or targeted through grower publications were clearly the most preferred format for receiving information. In contrast, telephone hotlines and computerized services were

*Larry Elworth is Coordinator,
Pennsylvania Apple Marketing Board.*

almost universally designated as the least desirable.

These observations about what information growers use, what they think they need, and what they will most likely use can be explained, in part, by the characteristics of the Pennsylvania apple industry. The managerial structure for the vast majority of growing operations resides in a family unit which both owns and manages the operation. Orchards of all sizes are characterized by owner/managers who make administrative and production decisions in addition to their accounting, personnel, and marketing responsibilities. These structurally "flat" organizations invest ownership and management responsibilities in the hands of one or two people. Consequently the demands on their time, especially during peak seasons such as harvest, are considerable.

Those demands on managerial time explain the preferences expressed for information targeted directly at growers, mailed to their businesses, or garnered from personal contacts. The premium placed on managerial time is likely to limit the information sources a grower consults to the most accessible and relevant options. Added to these time constraints is the fact that growers who earned a college degree are predisposed to grower-oriented publications related to their academic backgrounds and which focus on their immediate problems.

The lack of interest in receiving information through computer or telecommunication methods may be related to constraints on time. It may also be attributable to the relatively high cost of acquiring computer hardware. Another reason may be that most growers lack the necessary skills to access and interpret electronic data.

Ironically, while the grower survey was being conducted, the Pennsylvania Department of Agriculture and the Pennsylvania State University were providing marketing information to growers, as well as others through telephone call-in and computer access services. These projects were initiated in spite of or, more likely, in ignorance of clear predispositions of growers towards this type of information format. In any event, delivery systems were put in place. While these systems were apparently intended to meet outstanding needs of producers, a low level of grower acceptance left those needs largely unaddressed.

Need For High Quality Information

The consequences of not having high quality information are most obvious in the marketing of produce, such as apples. As domestic and international competitive pressures have intensified in the produce sector, marketing and effective information have become increasingly crucial factors. Access by wholesalers, brokers and chain buyers to comprehensive marketing research through trade publications, gives them a large competitive edge over growers. Unfortunately, it is unlikely that research on consumer and wholesale marketing trends will come to a grower's attention. Lacking this information puts the widely dispersed and less organized group of apple growers at a disadvantage in comparison with their buyers.

This disadvantage is amplified by the fact that the first buyers of agricultural products are usually representatives of large firms which do a great deal of market research on their own. Furthermore, recent advances in Universal Price Code technology, as well as inventory and consumer tracking have heightened the dif-

➤ **Growers need good marketing information. However, it is unlikely that present producers will universally adopt available communications. Crucial issues remain in how best to make the plans of information providers coincide with the needs and interests of information users such as growers. The results of a Pennsylvania survey do not chart a prescriptive course for dealing with these issues, but they suggest that producers have clear inclinations which will affect the use—and success of any information system.**

ference in market power. This contrasts with the situation for growers who, given fluctuating demand and supply have at times been characterized as being "like a man with imperfect eyesight, shooting an inaccurate rifle, through a fog, at an erratically jumping rabbit."

Designing A New System

The differential between the level and quantity of information available to producers and their buyers has been, and still is, the rationale through the years for attempts to provide marketing information to agricultural producers. However, simply identifying the need for marketing information and putting together a system does not guarantee that the information or the system will be of benefit, or even be used by producers. It is important, first of all, to make sure that the information is relevant to the user. The problem of matching the interests of information providers and information users is best illustrated by the comment of a wholesaler about the people providing him information: "I'm trying to sell products; their goal is to find out something interesting. Those aren't always the same things."

Secondly, it is important to balance a grower's short term interest in and need for immediate, localized, and easily accessible information with the long-term need for data and analysis of long term trends.

In meeting that need, information providers are faced with a challenge. Certainly electronic data processing and delivery sys-

tems offer low-cost, efficient means of gathering and disseminating large amounts of complex information to dispersed populations. Even so, the inclinations, skills, managerial constraints, and resources of information users may not lead them to make use of such systems. One way to effect change might be for information providers to consider providing training in using the new technology and to increase public access to the hardware. It might also be possible to provide some information, such as price and movement figures, through traditional means while making more long-term marketing information available through interactive computer systems. Whatever system is devised, a balance must be struck between technological innovation and immediate usefulness.

At a minimum, designers must systematically consult with the people they plan to serve, prior to and during the design of an information system. This has proved crucial to success, not just in agriculture, but in a number of other business contexts. Pennsylvania apple producers showed a clear preference for certain types of information and a disdain for certain technical delivery systems.

Interestingly, the results of this survey coincide with findings of other studies of grower preferences, specifically in Integrated Pest Management adoption. Accounting for the specific needs and characteristics of producers can enhance the possibility of a successful agency or university project. It can also, fortunately, enhance the long-term chances of producers surviving in an increasingly tough marketing environment.

