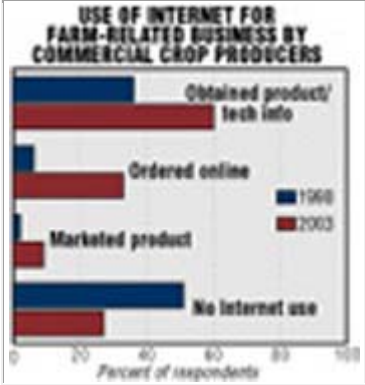




INFORMATION-HUNGRY FARMERS LOOK TO THE INTERNET FOR ANSWERS

More than 80 percent of the largest farm operators use the Internet in their operations. Those numbers speak volumes when broken out in demographic segments based on age, operation type, etc., and help illustrate how these producers use the Internet as a business tool.

More than 2,300 producers responded to the Purdue University/*Top Producer* 2003 Commercial Producer Survey. Overall, 72 percent of the typical commercial producers (more than \$500,000 in annual farm sales) in the survey reported using the Internet in their farm business, up 20 percent from 1998. While mid-size producers (\$100,000-\$500,000 annual farm sales) increased their use of the Internet as well, clearly the larger the farm business, the more likely they are to be using the Internet in their operation. Sixty-five percent of the mid-size operations reported using the Internet, while 84 percent of the largest farms in the survey put the Internet to work.



As might be expected, Internet use is strongly related to the age of the operator. More than 80 percent of the commercial producers under the age of 45 are online. However, more than half of the commercial producers over 65 report using the Internet in their farm businesses. Making the assumption that this is purely a young person's tool is simply a mistake!

HOW THEY ARE USING THE INTERNET

Seventy-seven percent of the respondents indicated that they are spending more time evaluating new technology for their farm businesses than they did five years ago. And, 62 percent indicated that purchasing inputs to use on their farms is becoming a more time-consuming activity. Given such attitudes, it is not surprising to find that the most important uses for the Internet are collecting product and technical information and locating dealers and products. Using the Internet in these ways, producers are looking for broader and more convenient sources of information and also to simplify the purchase process.

Many associate the Internet with deals and better prices, and commercial producers do use the Internet to collect price information. About 50 percent of the commercial producers in the study said they had used the Internet to collect price data on inputs for comparative purposes. After collecting product and price information, an Internet savvy producer is likely to be a well-informed producer. And, personal sales strategies must reflect this new reality. Adding to this effect is the fact that when the survey results were categorized by intensity of Internet use - non-users, moderate Internet users, and heavy Internet users - heavy users rate all sources of information (dealers, publications, meetings, etc.) as more important. If your customers are online, they are information-hungry individuals!

E-BUSINESS DOORS OPENING

Dot-bomb? Hardly. While making purchases online is not nearly as widespread as other uses, some 44 percent of the largest producers in the sample had purchased non-ag inputs online, and 29 percent of this group had purchased some ag inputs online. Now, this may have been a book and some tractor parts, but that is not the point. Once an individual has made a purchase of any kind online, a new door has opened. Interviews with producers confirmed this notion - comments such as, "I was not an Internet buyer, but I found something online that I was having trouble locating," or "I had a good experience, and I will do this

again." So, expect to see more and more producers deciding where Internet purchasing makes sense in their farm businesses.

FEEDING THE INFORMATION HUNGRY

They're hungry for information ... feed 'em! Feed farmers meaty information about products and services. Targeted, timely information communicated clearly, thoroughly, and in an easily navigable format will be the first and best used. Weblication of your products and services is an opportunity to connect with these information-hungry customers and prospects. When you have their attention, use it. Stand out with the best access to good, quality information. Further, identify opportunities to follow through on the connections made. As more farmers use the Internet as a business tool in their operations, make it a tool for your organization to successfully connect with this important customer group. **AM**

Find additional information on the 2003 Commercial Producer Survey at www.agecon.purdue.edu/cab or by contacting Scott Downey at downeyws@purdue.edu or 765/494-4325.

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