

# **“How do Argentine farmers choose their expendable inputs?”**

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# Outline for this Presentation

- I. Introduction
- II. Segmentation Three Input Markets
- III. Attributes of each Segment
- IV. Conclusions

# Introduction

## Data

“The Needs of Argentine Farmers”,  
survey done by the Center for Food and  
Agribusiness of the Austral University in Argentina

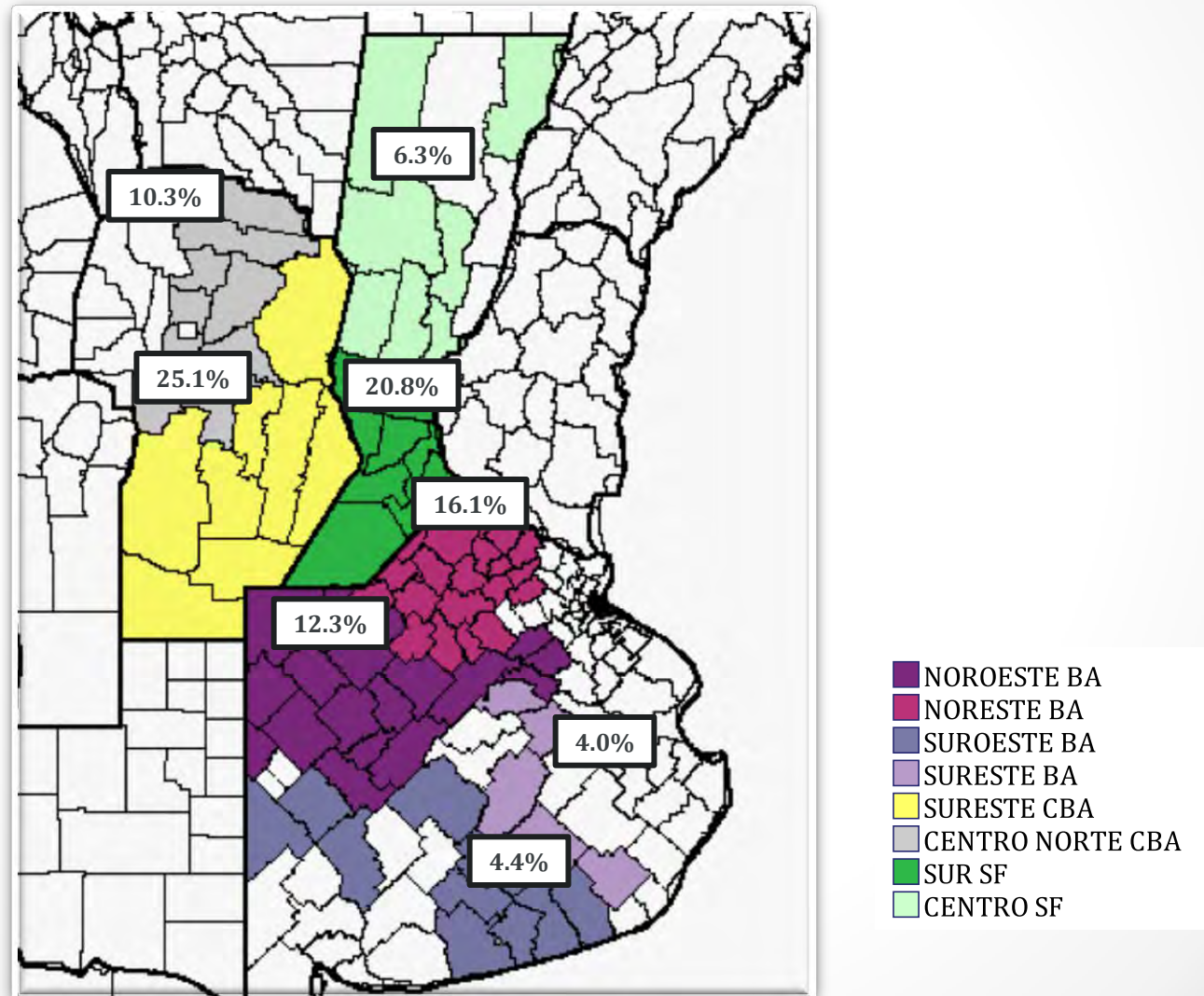
## Research Question

How do Argentine farmers choose their expendable  
inputs: seeds, crop protection and fertilizers?

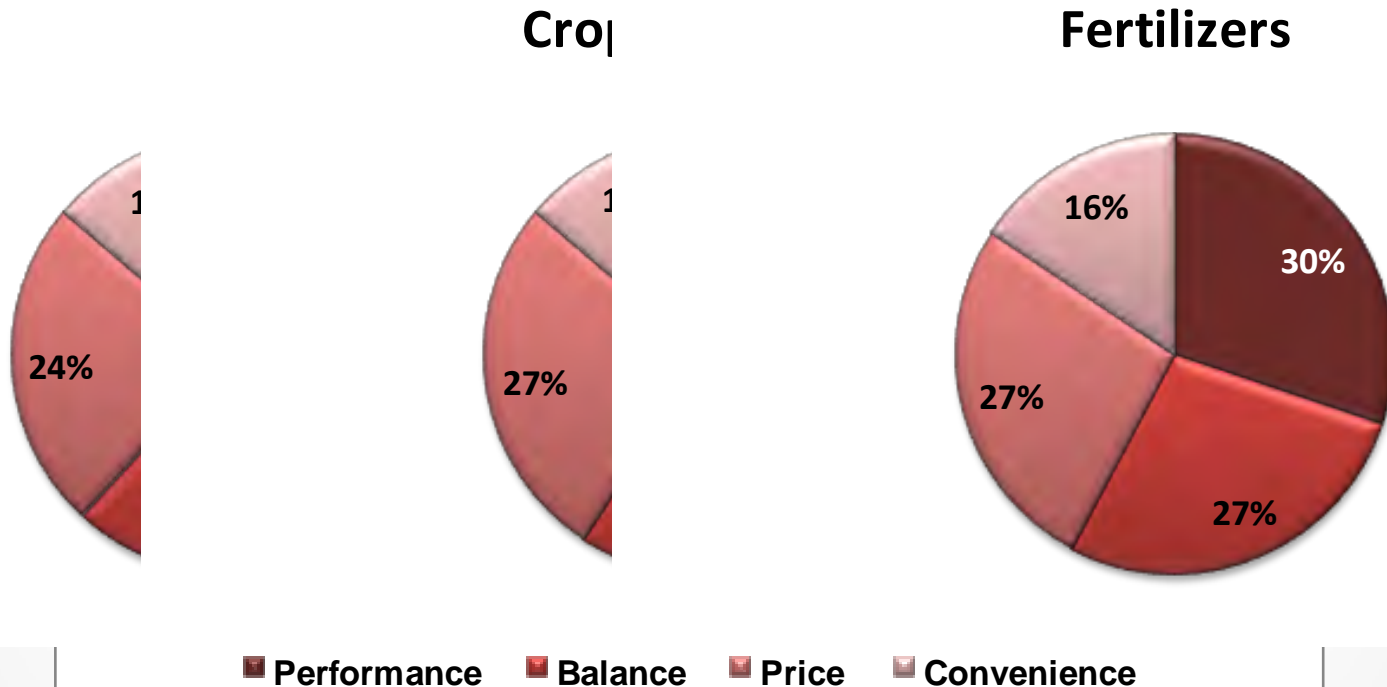
## Methodology

Cluster analysis

# Surveyed Farmers by Geographic Regions in Argentina (Percentages )



# Purchasing Factors in Three Input Markets

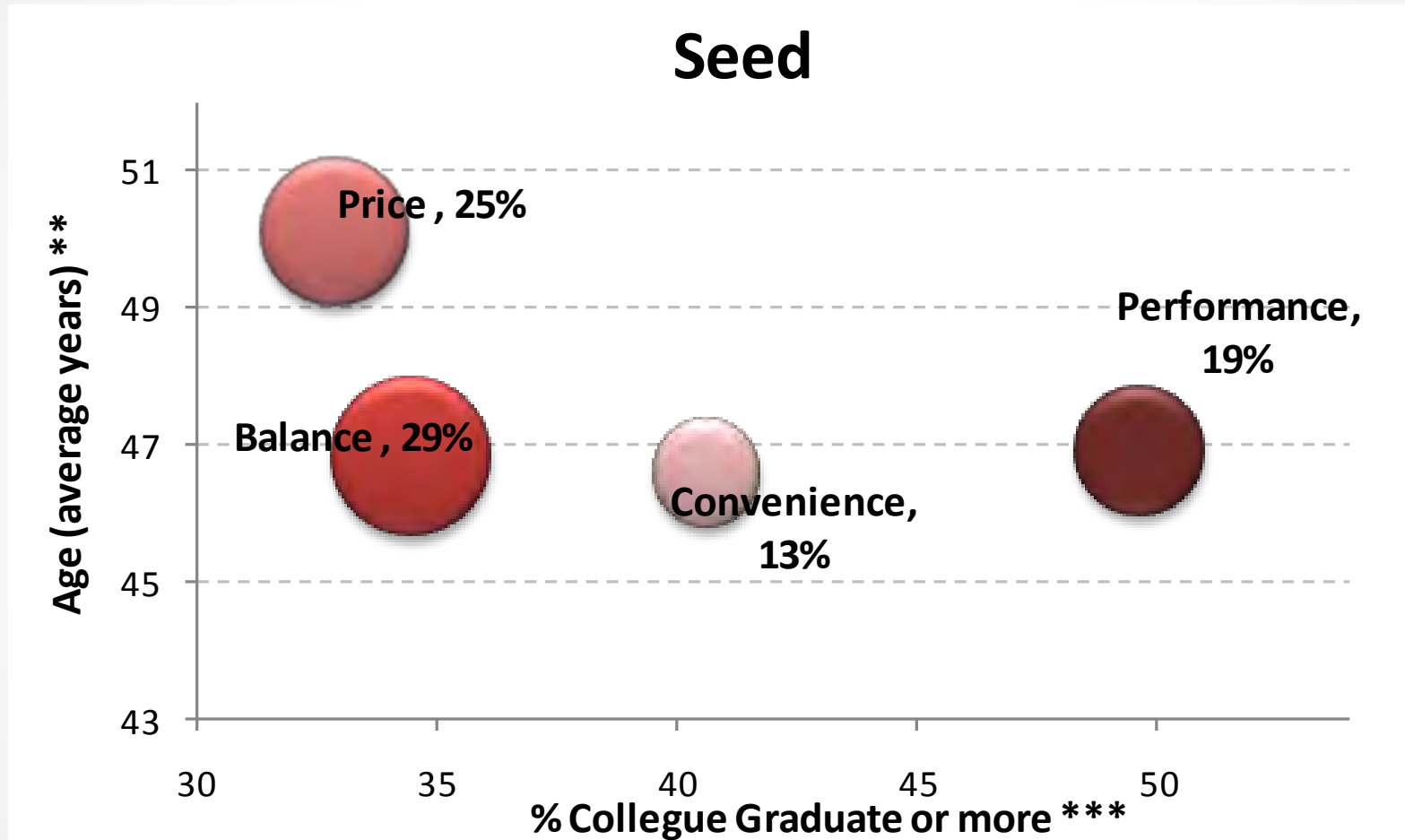


# Demographics, Future Growth and Sales Volume per Segment

## Producer Segment

Description/ Traits	Performance	Balance	Price	Convenience
Seed	More educated segment	With largest future growth	Older segment  Less educated	With slowest future growth
Crop Protection	Second largest segment in sales	Third largest in sales	Largest segment in sales	Smallest segment in sales
Fertilizers	Second largest segment in sales	Third largest in sales	Largest segment in Sales	Younger segment  Smallest segment in sales

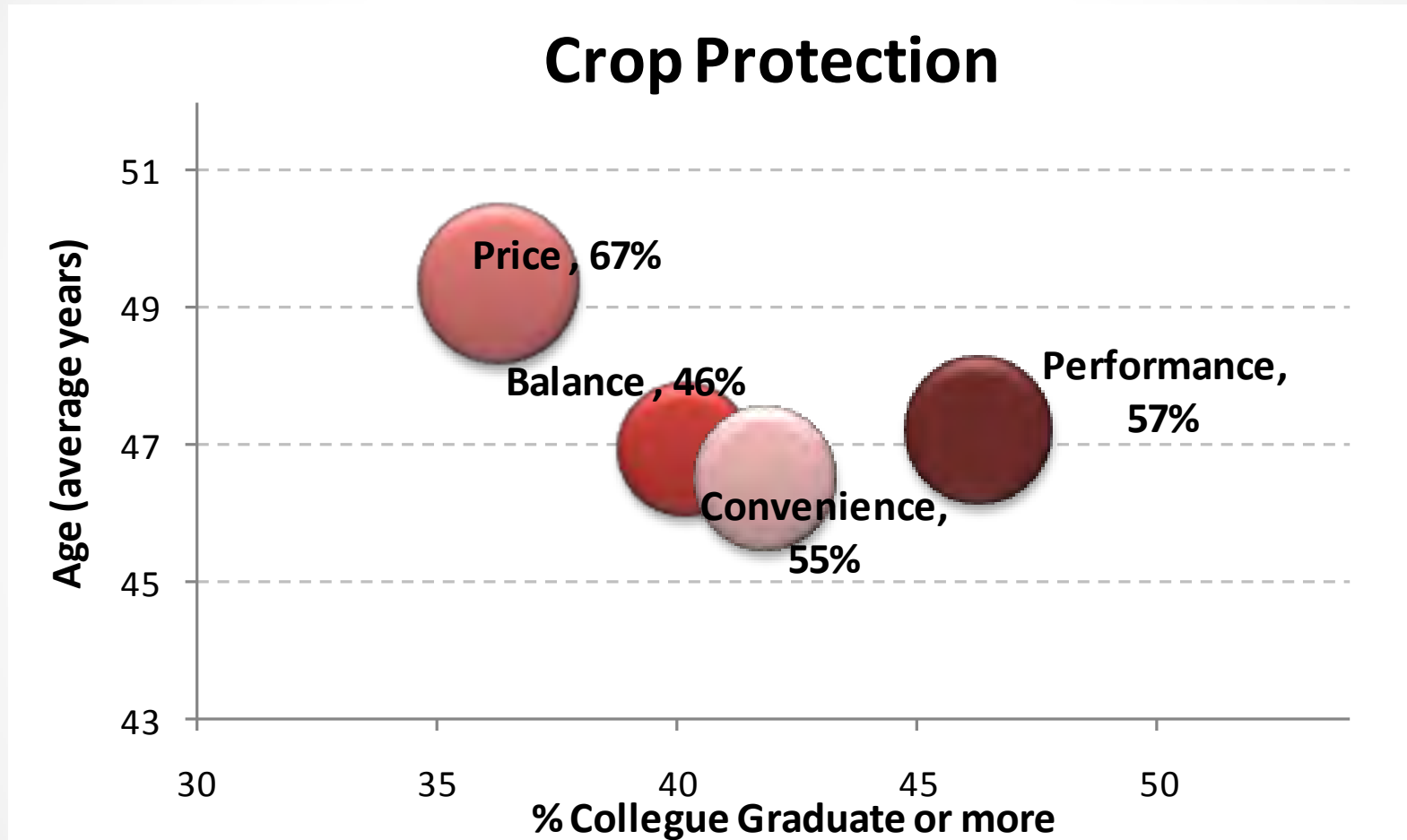
# Demographics and Future Growth per Segment



Note 1: Single, double, and triple asterisks (\*) denote statistical significance at the 0.10, 0.05, and 0.01 level respectively

Note 2: Bubble size represent Future Growth (% average); statistical significance at the 0.10 level

# Demographics and Sales Volume per Segment

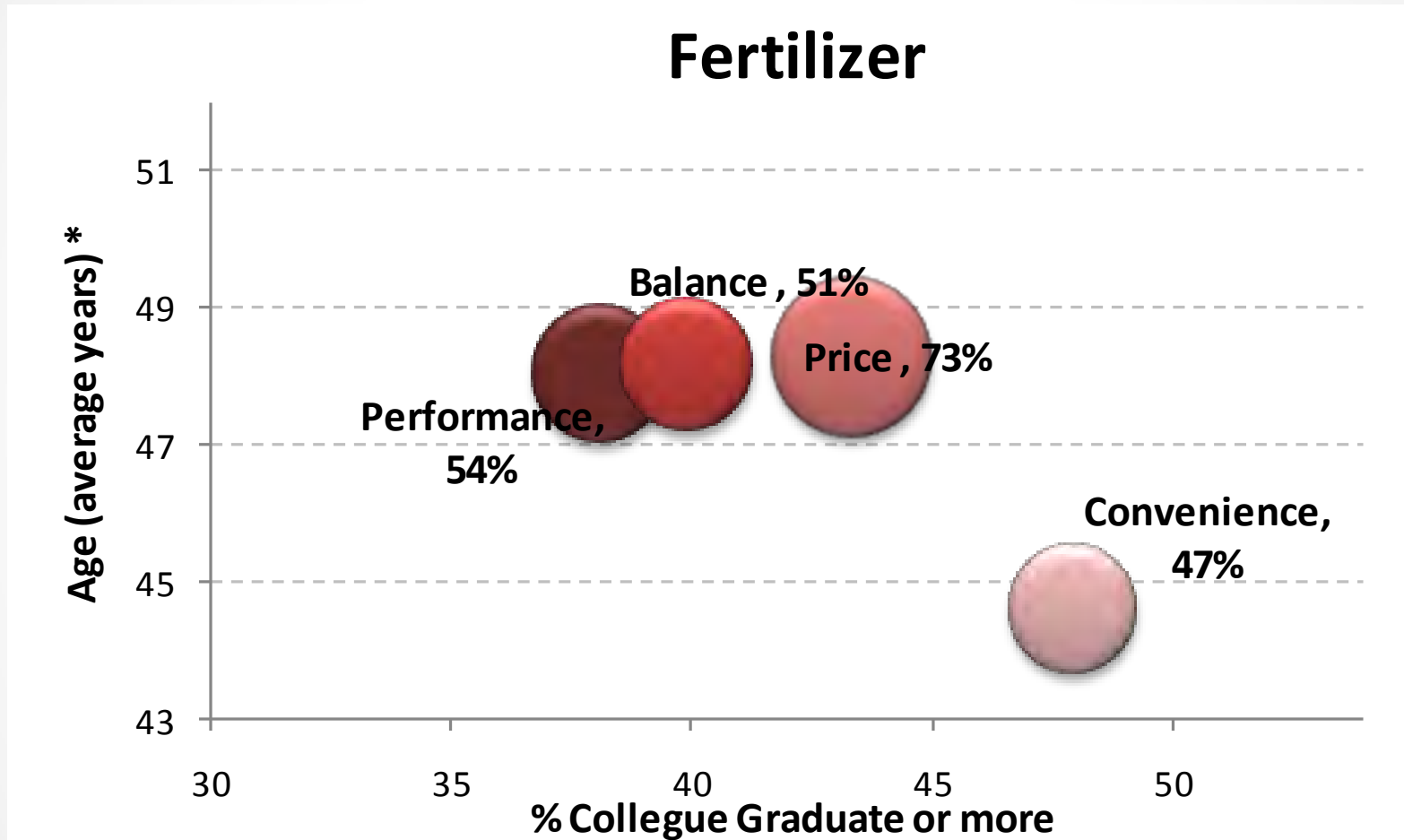


Note 1: Single, double, and triple asterisks (\*) denote statistical significance at the 0.10, 0.05, and 0.01 level respectively

Note 2: Bubble size represent Percent of farmers with Sales Volume > U\$500.000; statistical significance at the 0.10 level



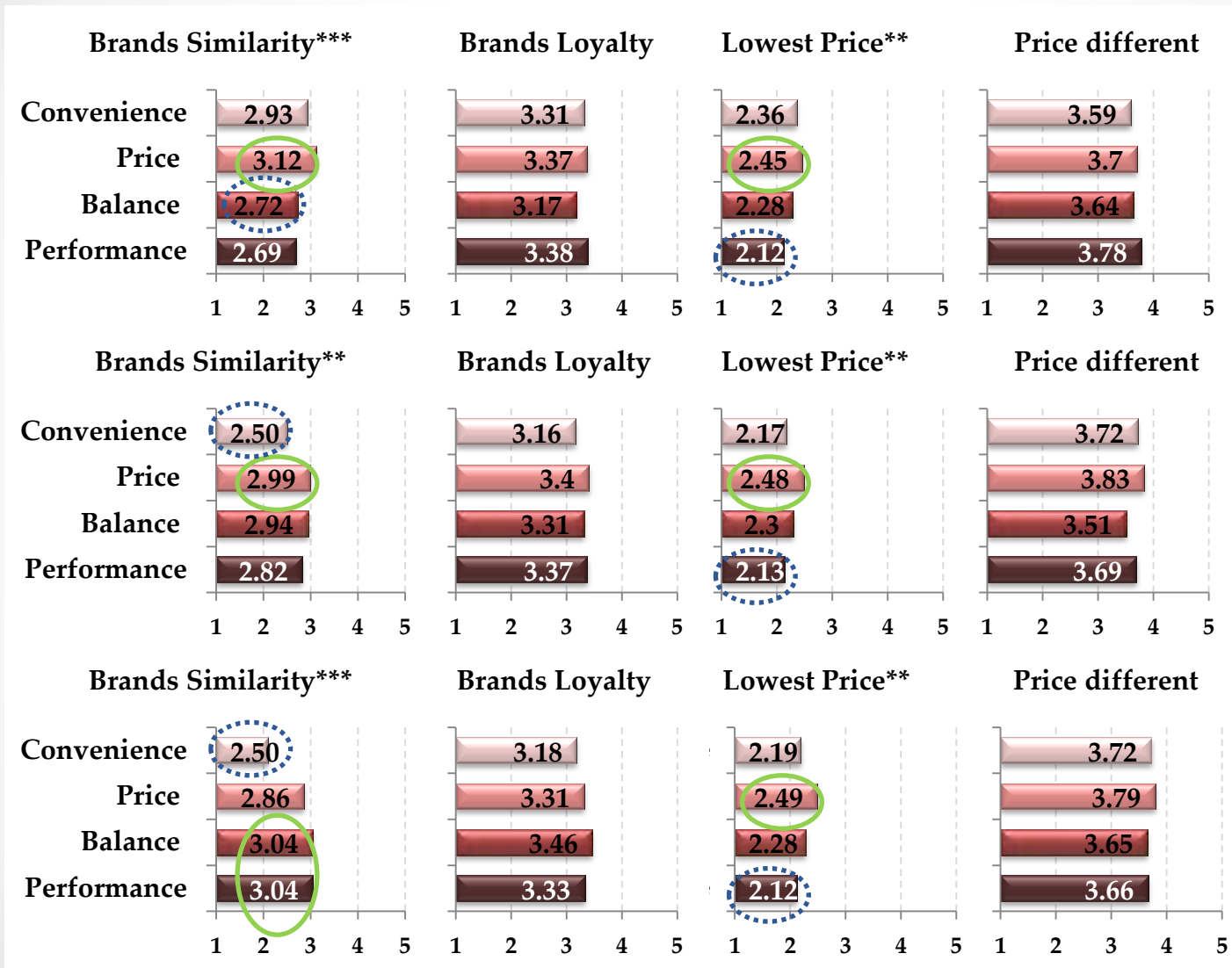
# Demographics and Sales Volume per Segment



Note 1: Single, double, and triple asterisks (\*) denote statistical significance at the 0.10, 0.05, and 0.01 level respectively

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# Purchasing at a lowest Price and Brands



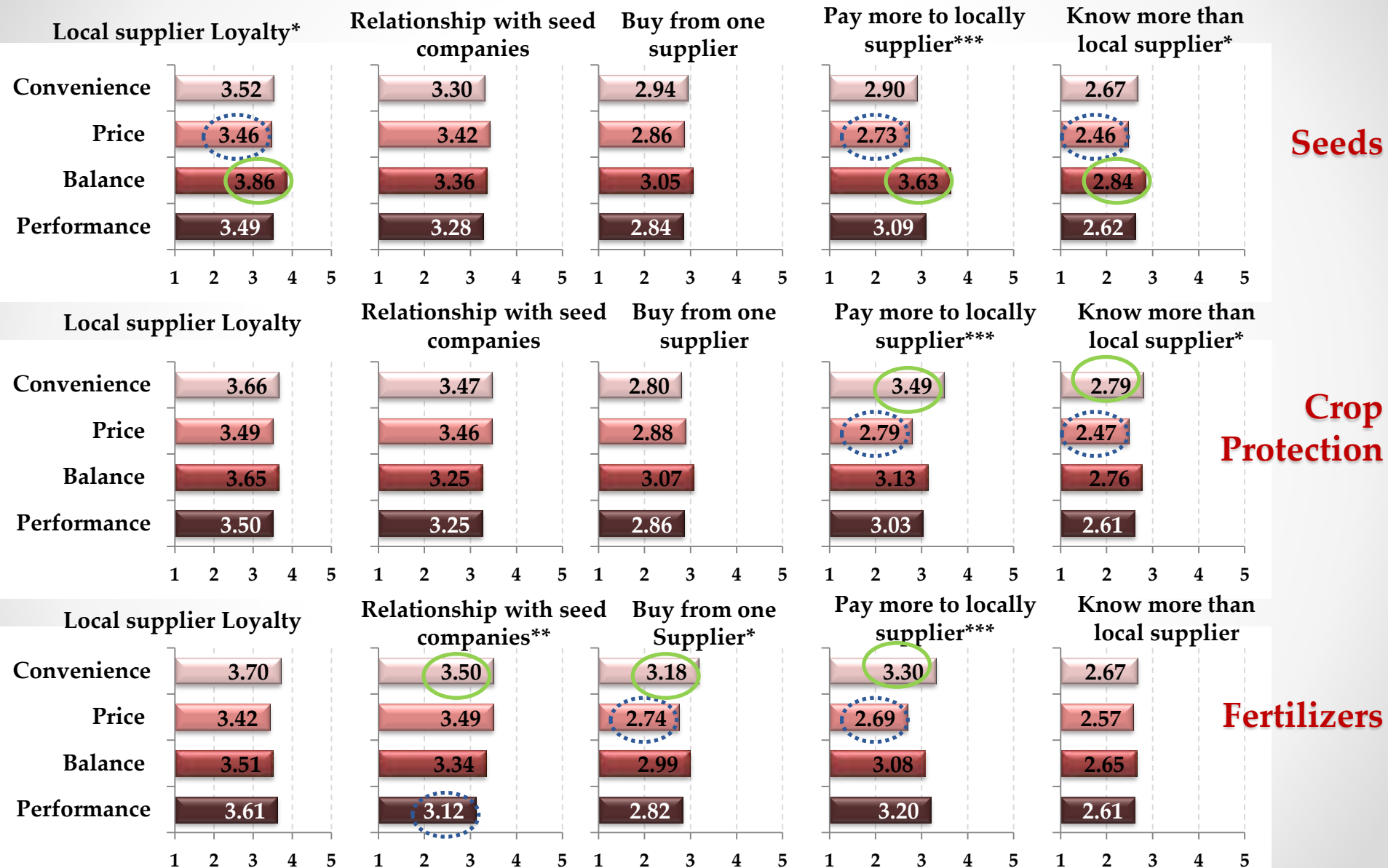
Seeds

Crop Protection

Fertilizers

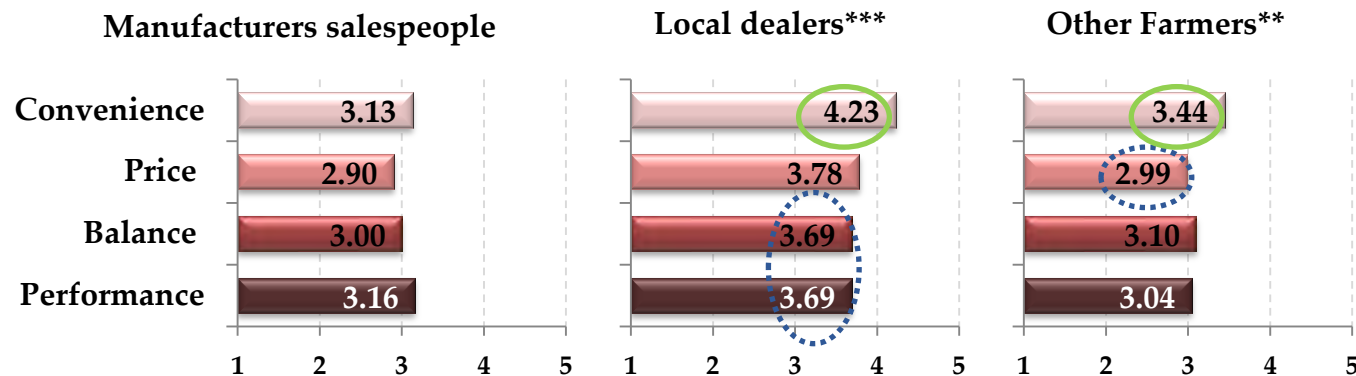
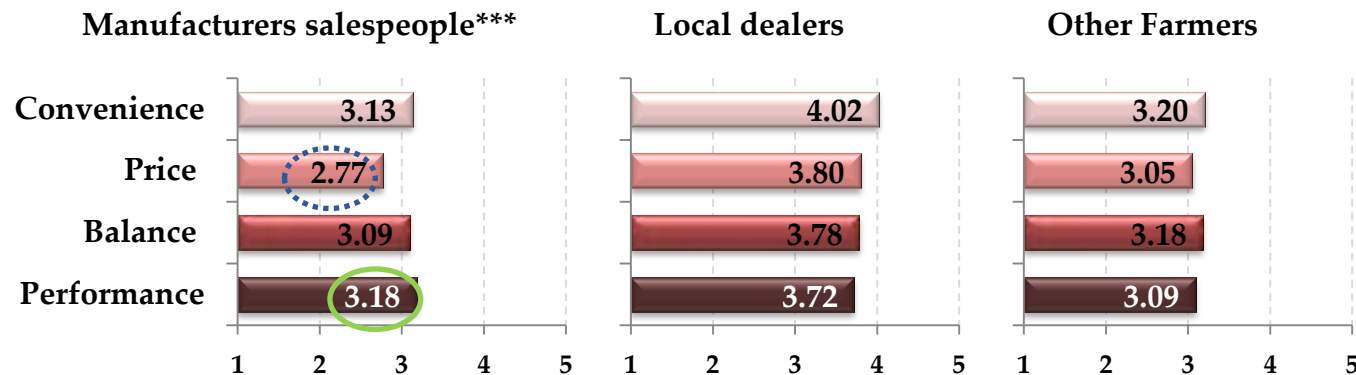
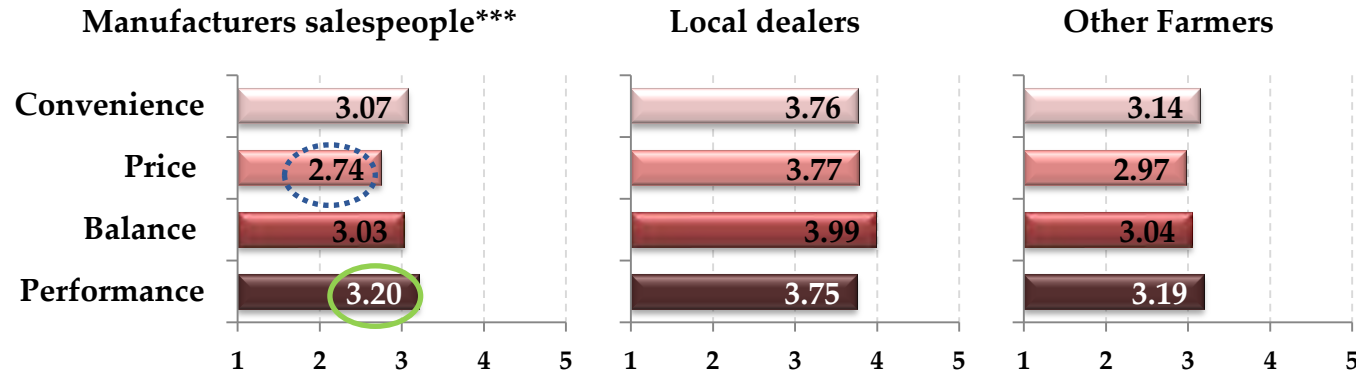
Note 1: Single, double, and triple asterisks (\*) denote statistical significance at the 0.10, 0.05, and 0.01 level respectively

# Loyalty to Local Dealers and Willingness to pay to Local Suppliers



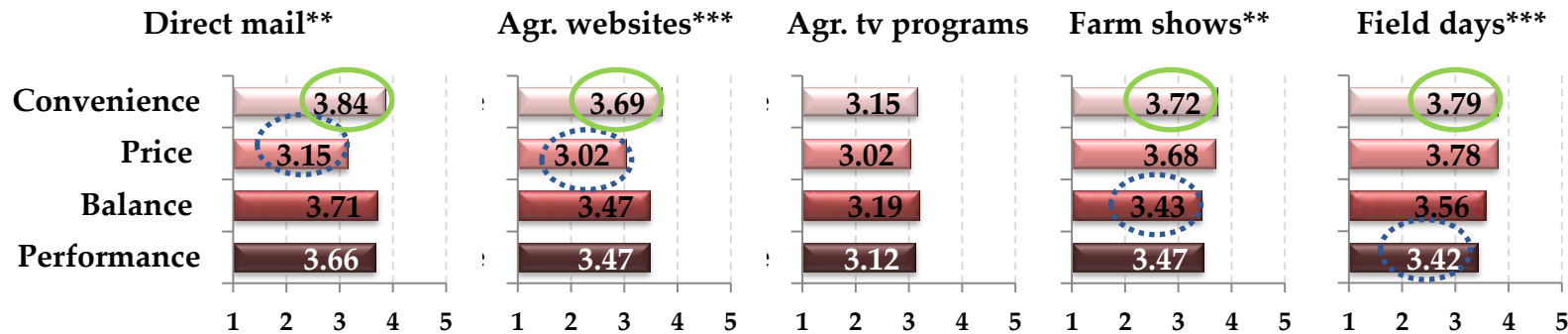
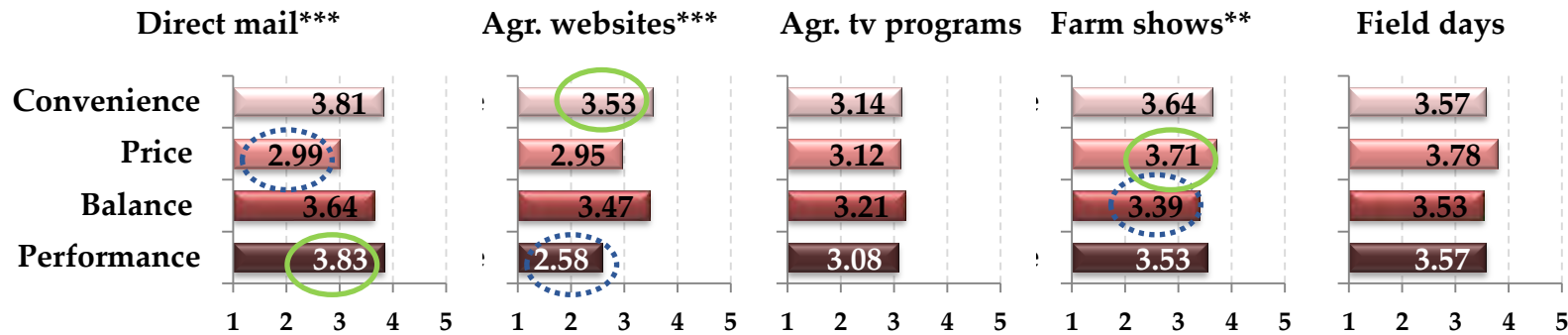
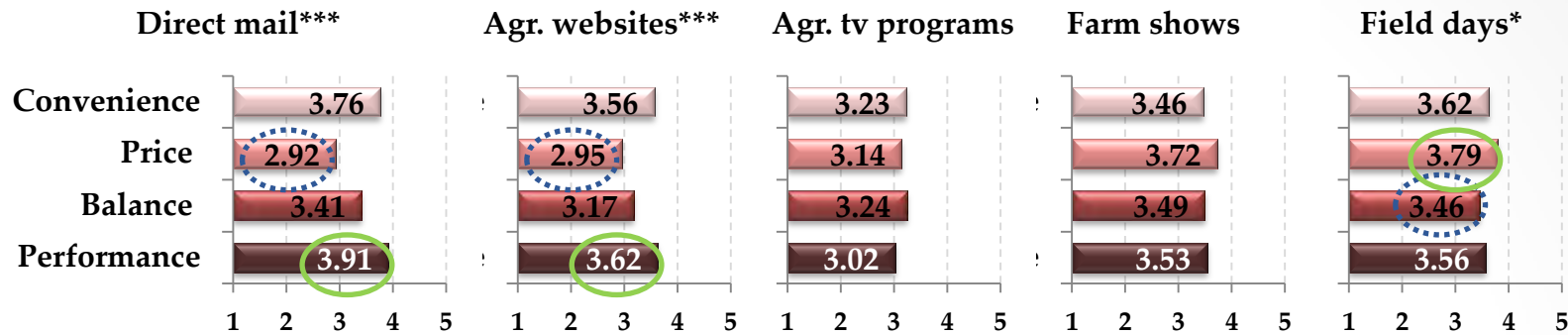
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# More Useful Information Sources



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# More Useful Information Sources

Seeds

Crop Protection

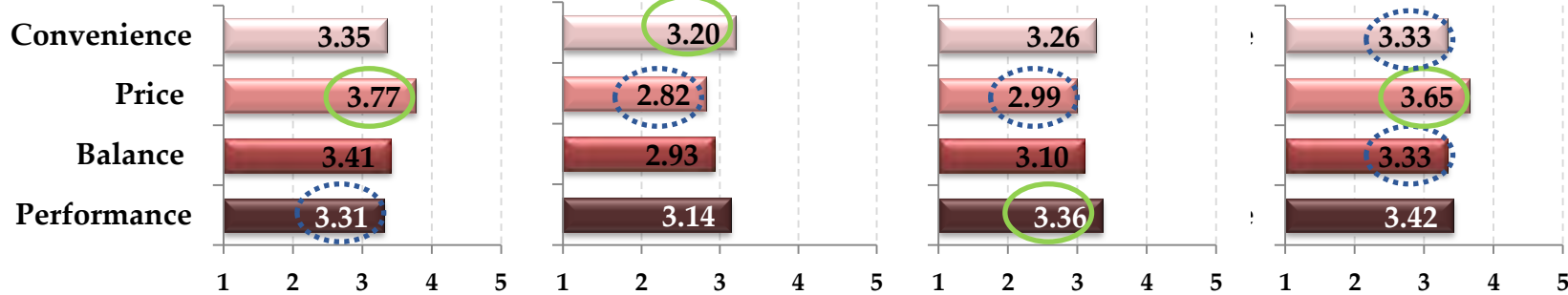
Fertilizers

Meeting with suppliers\*\*\*

General farm publications\*\*\*

Specific publications\*\*

Agricultural newspapers\*

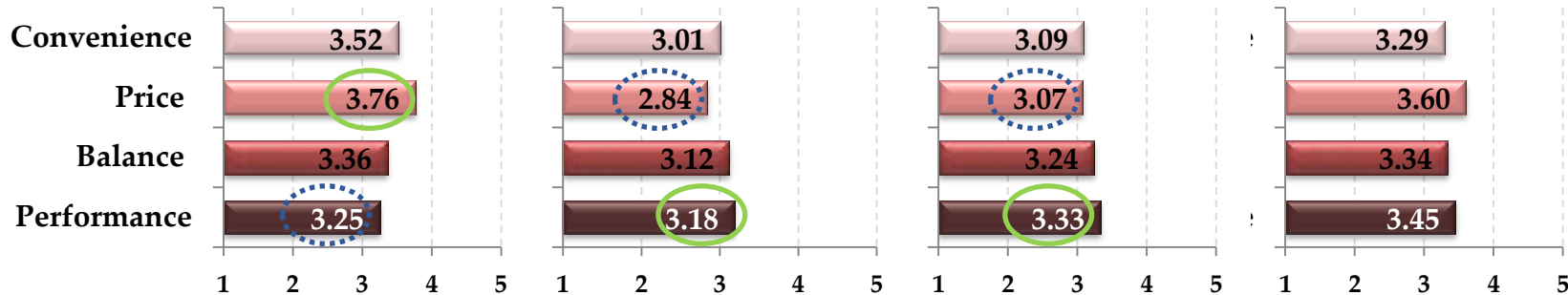


Meeting with suppliers\*\*\*

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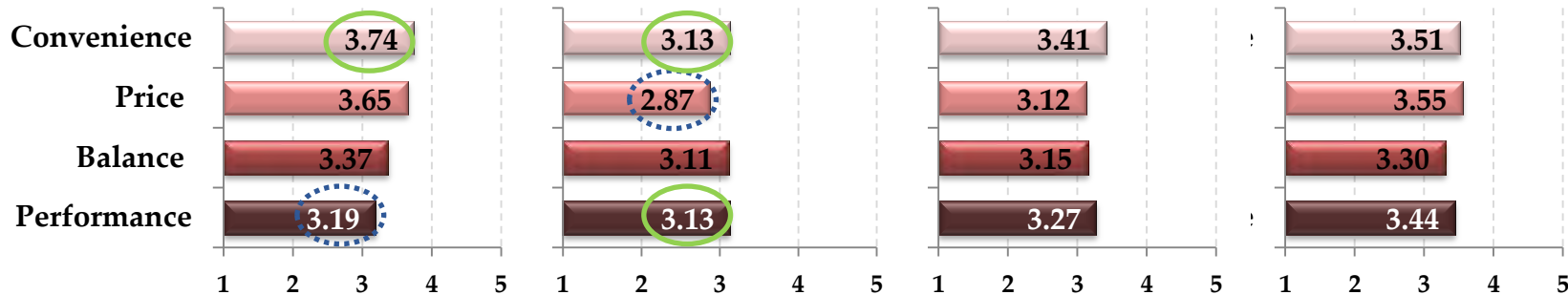


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# Overlap Membership between Input Markets

**Overlap in Membership Seed and Crop Protection Market Segments**

Crop Protection Market Segments	Seed Market Segments				Prob. of no association
	Balance	Convenience	Performance	Price	
Balance	<b>72%</b>	21%	5%	3%	<0.001***
Convenience	4%	<b>57%</b>	5%	11%	
Performance	14%	7%	<b>78%</b>	10%	
Price	10%	15%	11%	<b>76%</b>	

Notes: Single, double, and triple asterisks (\*) denote statistical significance at the 0.10, 0.05, and 0.01 level respectively

**Overlap in membership Seed and Fertilizer Market Segments**

Fertilizer Market Segments	Seed Market Segments				Prob. of no association
	Balance	Convenience	Performance	Price	
Balance	<b>63%</b>	33%	12%	21%	<0.001***
Convenience	6%	<b>44%</b>	13%	12%	
Performance	21%	13%	<b>54%</b>	7%	
Price	9%	10%	20%	<b>61%</b>	

Notes: Single, double, and triple asterisks (\*) denote statistical significance at the 0.10, 0.05, and 0.01 level respectively

# Conclusions

- High attractiveness of the Performance segment, and low for the Convenience segment
- Common marketing strategies for seed-crop protection and seed-fertilizers
- Comparing with US results for seeds and crop protection: Several differences
- Importance of:
  - Performance factor across segments
  - Local suppliers for input companies
  - Media and personal Information sources