

A Sound Basis for Market Development

AMONG THE FORMIDABLE PROBLEMS that have faced the modern agricultural chemicals industry is the development of sound marketing systems. The industry and its products are so much different from what existed before World War II as to require a new approach. It still is in the process of evolution. There is evidence that at least some major producers are becoming convinced that the pesticides products leaving their plants must be treated as consumer products. Yet they are instruments of production and must be used as technical materials. Serious harm can come from haphazard selection and use. AG AND FOOD's survey of points of view on effective marketing channels and influences on pesticides purchase by farmers indicates wide diversity of views held by producers (page 738). But it also points to some hopeful aspects of the situation.

The importance of marketing techniques is hardly debatable. But the efficacy of existing techniques can be argued at length. The data on the cover of this issue suggest that there is a huge potential market not yet developed. In 1952 only about one sixth of the acreage of principal U. S. crops harvested was treated with any agricultural chemical. Admittedly large portions of that untreated area may not be subject to profitable treatment. But we are not willing to concede five sixths.

The 1950 census indicated that 40% of U. S. farm land is included in farms selling more than \$10,000 worth of farm produce a year. Production on that scale certainly should benefit from technical aids such as pesticides and should provide an income allowing investment in their use. Quite significant is the indication (see Perspective) that about 50% of the value of agricultural products comes from only slightly more than 10% of the farms. It has been pointed out that even though the major part of production comes from relatively few farms, few individual farmers operate enterprises large enough to warrant the undertaking of a research program on their own account. Yet they need the results of research. But how many are well aware of the potential benefits? We still hear frequently of the ill-run farms within sight of agricultural colleges.

As agriculture strains to become more technical an increasing share of its production will come from large and more technical farms. One result of this is that potentially there will be greater receptivity for pesticides.

What does this mean to the pesticides producer? It should mean that better development of marketing channels and more effective dealing with the factors influencing the farmer's purchase can bring to life some of the attractive potential market.

One standard approach to selling a product is to push and peddle hard. This has been going on in pesticides. But progress recently has not been startling. Objectively, it appears that some more attention to a longer term approach might pay dividends. Investment of effort and money in increasing the size of the group that is well informed on pesticides and, therefore, more receptive to their use appears to offer some advantages over a sometimes suicidal fight over existing markets.

This is a nice wholesome thing to say on paper. But the hard-pressed business man is likely to sneer about impractical theory. The survey on pesticide buying influences recently conducted by AG AND FOOD gives support to the idea of long-term development of greater demand. The percentage of response—well over 50% in each of two surveys—was gratifying and gives the study significance. The most clearly defined conclusions were (1) that the agricultural experiment stations, extension services, and county agricultural agents are the most effective factors in influencing the farmer's purchases of pesticides, and (2) the county agent, close to the farmer, depends most heavily on the experiment station or agricultural college for the basis of his advice to the farmer.

The dependence on experiment stations suggests that the farmer is more keenly aware of the importance of sound technical advice than may have been assumed by many. It suggests also that the farmer and his closest objective adviser have placed their faith in the objectivity and dependability of the public institutions equipped for developing new and evaluating existing technical information.

With this sort of sound and dependable channel through which to reach the users of pesticides, there appears a very hopeful condition for development of a greater pesticides market. Our belief in the value of these materials suggests that this will be self-nourishing as stronger profits improve buying position.

Effort must be invested in increasing awareness of the value of pesticides. Such investment can be protected from the predatory fly-by-nighter inclined to rush in to make hay at the expense of sound companies. The responsible public institutions such as experiment stations are interested in a sound industry and they have the respect of the farmer. They should be glad to aid companies they know well and respect in protection of a long-term investment. Such protection can best be assured by a sound technical approach and thorough acquaintance and cooperations with those institutions on which the farmers place great dependence.