

Marketing -- it's no longer the farm step child

BY DICK ANGLESTEIN

UNIVERSITY PARK — Should I put out tomatoes or beans in wood or plastic containers or in bags at my roadside stand?

—If more emphasis is put on the promotion of one food product, like milk, how will it affect purchases of other food products?

—Just what is the real cost of pseudorabies to the purebred operator vs. the commercial operator?

—Just how effective are checkoff promotion programs?

—Is a soybean processing plant or a vegetable packing co-op practical in Central Pennsylvania?

—Just how much real thought goes into food purchasing decisions by consumers?

This list of questions — of vital interest to every farmer in Pennsylvania — illustrates the widespread involvement of members of the Ag Economics and Rural Sociology Department at Penn State in that phase of the overall farming operation that in the past could best be described as the often neglected stepchild of farmers — marketing.

"The types of ag products that we get involved with from time to time can range from apples to zucchini," explains John W. Malone Jr., head of the Ag Economics and Rural Sociology Department.

"We have marketing projects that run from three to five-year long-term research to short-term applied research of a month to a year."

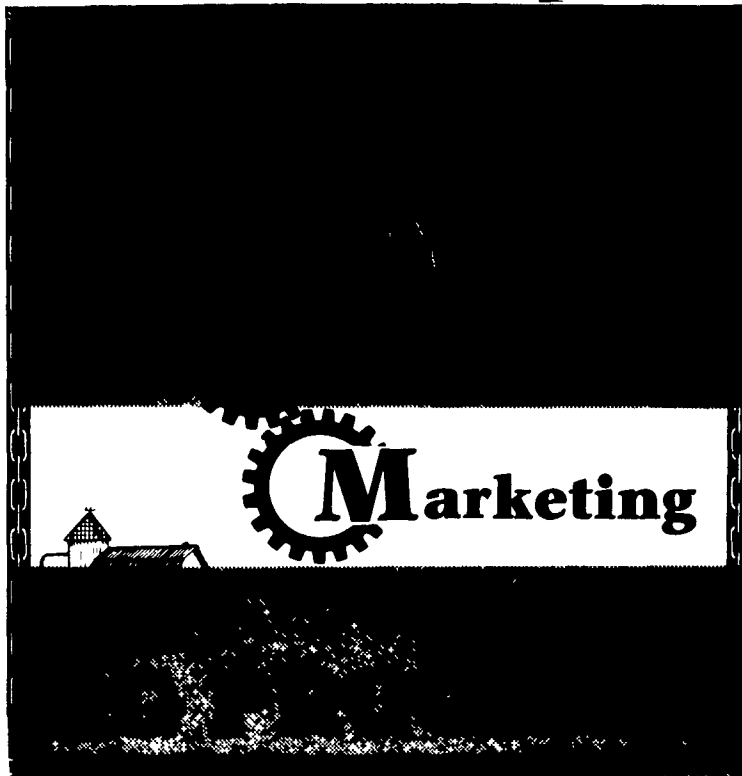
And, no matter if it's the ravages of pseudorabies or what motivates you to pick up a certain food item at the market, all of the marketing studies at Penn State are aimed at one central goal — supporting farmers and others in agriculture in their efforts in that final ultimate step in the ag chain of getting food products into the hands of consumers.

Here are just a few of the current research efforts underway at Penn State to support and aid the marketing of Commonwealth food products:

Direct Marketing

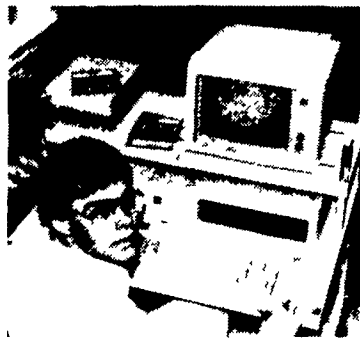
A survey of direct marketers has been launched as part of a long-range study of how to improve this phase of marketing that is so popular among Pennsylvania farmers.

"Basically, we're trying to determine the existing operating characteristics at farmer and roadside markets, as well as consumer preferences at these operations," explains Harry Vroomen, project coordinator.



"Then we'll compare the two and come up with recommended practices to improve direct marketing in Pennsylvania."

The project, funded by the Pennsylvania Department of Agriculture, will also feature work with both County Extension Agents and direct marketers in training and educational workshops. Slide



Harry Vroomen
Project Coordinator
Direct Marketing

programs and a Direct Marketing Manual will be developed.

The research will also help the state in making decisions on loan applications for direct marketing operations in Pennsylvania.

The Consumer

"Nutrition is not that big a deal to a lot of people."

With growing evidence that this assumption is playing a larger and larger role in the decision-making process of consumers as they shop for food, Robert Herrmann, professor of ag economics, is taking a closer look at the casual

food shopper.

"There is more and more evidence that a lot of people are pretty casual about making food purchase decisions," he explains.

"A lot of people don't use nutrition information in making their decisions and are quite casual about their food choices. They have a lot of other things on their minds — careers, recreation or whatever.

"Past approaches to studying consumer preferences about food were too narrow and structured.

"We got to come at the consumers indirectly in this study to try and determine the way they make these casual decisions.

"And, we must pay a lot more attention to the role of men in consumer food preferences."

Pseudorabies

Lou Moore, Extension economist best known for his annual forecasts often laced with humor, may be getting into the first detailed study of the exact economic consequences of the pseudorabies outbreak in the Lancaster County area.

"The economic consequences of pseudorabies have never been looked at," he said.

"What is the cost to the purebred operator as compared to the commercial operator?"

"We have the opportunity now to put some real figures to these things with the 50 or so people who have been involved in the pseudorabies outbreak."

The economic study would be part of the federally funded pilot program to determine if the disease can be eradicated.

"In the past only eradication has been considered, but we must also look at the economic consequences," he said.

Efficiency

"Efficiency is still a byword in Extension marketing programs," says Tom Brewer, marketing specialist.

"Operators like tree fruit growers must make long-term decisions. They stick a tree in the ground and it's there for 30 years.

"We must help them perceive the changes that are occurring in their markets so that top efficiency can be built into their decisions and operations.

"Efficiency of marketing is a lot different from just pushing more product out into the marketplace and trying to stuff it down someone's throat."

Negative benefits

Marketing research sometimes tells producers and farmers what they really don't want to know — that they can't effectively compete in a certain farming area.

Last fall, some people wanted to consider a soybean processing plant in the Blair County area.



Thomas Brewer
Marketing Specialist

"The basic facts in a soybean processing plant are a \$10 million investment and a volume of 200 tons a day," explains Lou Moore.

"Without that, you can't even think about such a business.

"Why the whole state couldn't even support such an operation."

Or, a co-op vegetable packing house for Central Pennsylvania.

"We found so much hesitancy on the part of growers," according to Brewer, "that the projected volume was not nearly large enough to justify any significant processing costs.

"We told them to try it on a limited scale without any big expenditures."

But, it never even got off the ground.

Such negative results of ag marketing studies are really quite positive in nature because they point out the economic realities to producers and growers before large amounts of capital are committed.



Robert Herrmann
Professor
Ag Economics



H. Louis Moore
Professor
Ag Economics Ext.

Action and reaction

"As we have built up more and more surpluses of food products, there has resulted more and more competition among different kinds of foods," says Malone.

"Dairy vs. vegetables; pork vs. beef, etc.

"Just how much of each can the American population eat?"

Also, there are alternative ag enterprises being considered.

"Each state or area is looking at alternative ag enterprises as possible options for their more traditional farming operations," Malone said.

"The South is taking a hard look at alternatives to tobacco and cotton.

"Here, in Pennsylvania alternatives to dairying must be considered if there are permanent drastic changes in support programs.

"But the big question in considering alternatives involves possible markets."

Also, a long, detailed look will be taken at all of these state and federal promotion programs to try and measure exact results of all the monies that are being spent.

From Concord grapes to mushrooms, from the electronic marketing of peaches to roadside stands, ag marketing — with Penn State economists at the forefront of research — is finally getting its just due in the Commonwealth.

It's no longer the neglected stepchild; it's a full-fledged member of the Pa. farm family.

Ag Progress specialists

welcome questions

ROCK SPRINGS — Do you wonder why your houseplants always die? Do you lose sleep trying to figure out the best way to keep your tomato plants from being devoured by insects? Perhaps your wheat has a strange fungus and you don't know what to do about it?

Penn State faculty and staff may have the answers. They will be on hand for you during Ag Progress Days Tuesday through Thursday at the Rock Springs Agricultural Research Center, nine miles southwest of State College on Route 45.

"Ask the Specialist" is the popular Ag Progress Day's feature where Penn State faculty who specialize in specific areas of agriculture will be available to answer your individual questions. Specialists will be ready to give you answers and help you solve your problems in several areas including horticulture, flowers, fruits, vegetables, ornamental plants, home grounds, insects, turfgrass, small-scale agriculture, soil management, agricultural preservation, farm buildings and

energy, plant diseases and computers.

"Ask the Specialist" is one of the most popular Ag Progress Days features," says Dr. Dennis Scanlon, assistant professor of agricultural education, who chairs the "Ask the Specialist" committee. "We will be providing information that people may not be able to find elsewhere at Ag Progress Days.

Not only can you get your questions answered, you can get your plants examined. You can bring a plant or plant sample to the plant disease clinic, a part of the specialist program. Experts will try to identify the problem and offer suggestions about what to do.

The growing popularity of home computers makes many people wonder if they should buy one. Come and talk to the specialist about your specific situation, and find out whether a computer would be worthwhile for you, your home or your farm. Staff will be on hand to discuss Penn State's new computer network that will link all of the county Extension offices electronically.



John W. Malone Jr.
Department Head
Ag Economics - Rural Sociology