Experts see slow growth, service in ag computers

LAKE GENEVA, WI — What is the outlook for growth in the ag computing market? Who will buy software? Where will the market be geographically? How will the products and services be distributed? When will farmers start buying?

These questions and others were explored by ag computing experts, including two from the major farm equipment companies, educators, ag lenders, farmers and other agribusinessmen at the recent Association of Agricultural Computing Companies "Trends '85" Conference in Lake Geneva, WI.

More than 100 ag computing industry leaders from across the U.S. gathered at this first-ever event to gain insight about the direction of the ag computing market.

Optimistic view

Dave Wolf, manager, computer products at Sperry New Holland, New Holland, PA, opened the conference by explaining the opportunity Sperry New Holland sees in the farm services and farm management business area.

"There are three factors forming the growth we see in the farm management/services area," he says:

1. Farmers are managing larger units.

2 Increased efficiency is necessary to survive in the farming business because of lower margins.

3. Management of cash flow is critical.

About two years ago, Sperry New Holland decided to aggressively market its computers and software through their machinery dealerships with specifically trained personnel to sell computers. Their AG-COMMAND (TM) Computer Centers provide computers, software, training, service and support to area farmers and businesses.

Another perspective

In contrast, Ken Grenier, marketing services support manager at Deere & Company, presented 1979 and 1984 market research data showing why Deere decided not to sell ag computers and software at this time. He predicted that there will probably be no mass adoption of on-farm computers for 8 to 10 years.

"Our 1979 study showed the rapidly developing PC industry was a mess and farm computer software has not matured yet. By 1984, the industry was more stable and mature software began to appear," Grenier says. The 1984 study also shows a high cost of entry into the ag computing market, and indicates little penalty with a later entry.

Grenier summarized his presentation by saying, "eventual market sales of 300,000 to 500,000 farm units seems assured. Slow steady growth appears to be the long-term trend."

Industry sets its destiny

From the university Extension's perspective, Dr. Jim McGrann, Extension economist at Texas A&M University, says there are several things Land Grant university employees can do to enhance the adoption of computers on the farm.

"We need to support the educational effort in this industry Not only do we need to teach farmers about computers, but we need to help them learn about subject matters, like accounting and nutrition, so they can effectively use a computer. We need to do a better job of education all around, especially in finance.

"We also need to work with lenders, hardware and software vendors to help them understand the needs of the farmers. And to the target audience, farmers, we must provide in-depth education about the benefits of computers," says McGrann.

From the farmer's eye

Several farmers shared their thoughts from the grass roots level of the ag computing industry. This was an opportunity for farmers to tell industry leaders how to improve their computer products and services to better serve farmers' needs and sell more products.

Craig Beane, a Fort Atkinson, WI, dairy farmer, says if he were in charge of a software company, he would.

• Instruct programmers to 'KISS"–keep it simple, stupid'

• Build a basic program that could be expanded

• Provide service and on-farm assistance like that which is now available for two-way radio repair, forage testing and milking equipment. ("Farmers are willing to pay for this service").

• Provide a hotline for help; someone who can "walk" a user through the program.

Beane adds to this list the future needs of software:

• Easier, on-screen instructions.

• More attention to what farmers want, not what the programmer thinks farmers should have.

• Implement a monthly or bi-monthly service route. Mail a card that notifies the farmer in advance of when a service representative will arrive.

• Help start user groups to allow farmers to share ideas.

• Honesty. If the product doesn't do what a user wants, say so.

Other trends revealed

At the "Trends '85" conference, ag lenders also discussed why farmers need computers and new business financers explained what to look for in an ag software company from an investor's viewpoint.

More than 93 percent of the conference attendees rated the conference as excellent or very good. Anyone who would like to know more about the ag computing market trends revealed at this conference can order written conference proceedings, audio or video tapes. Contact Linda Basse, Morgan & Myers, 146 E Milwaukee St., Jefferson, WI 53549. Phone 414/674-4026.

The Association of Agricultural Computing Companies, which hosted this conference, is dedicated to the education and promotion of computer technology applications in agriculture. Its membership consists of representatives from agribusinesses, universities, media and others interested in the ag computing market.

The Association was formed last November as a professional organization to provide credible leadership in projects too large for individual companies, such as market development, consumer education, industry standards and government affairs.

For more information regarding AACC membership and activities, contact Keith Schuman, AACC Secretary-Treasurer, S&S Programming, Box 2007, West Lafayette, IN, 47906. Telephone: 317/423-4472.

Clark named

CARLISLE — Vance L. Clark of California has been sworn in as the administrator of the Farmers Home Administration, the Department of Agriculture's principal credit agency.

Clark is a retired regional senior vice president of the Bank of America with extensive experience in agricultural credit.