

# Crop Consulting in Iowa: A Survey of Farmer Users and Nonusers

Summary of a 1994 survey conducted by Iowa State University Extension

## Services Crop Consultant Provides

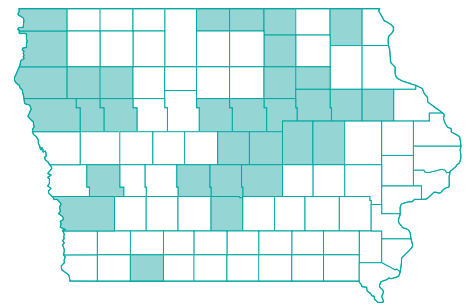
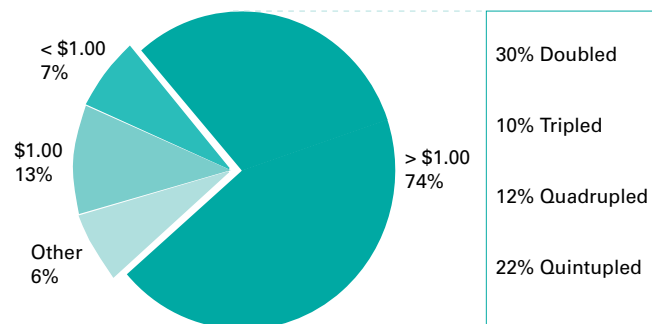
Crop consultant users were asked about services their crop consultant provides. Services provided to a majority of users include:

Commercial fertilizer rate recommendations	91%
Insect management recommendations	89%
Weed management recommendations	87%
Disease management recommendations	72%
Nutrient credits for manure application	55%
Tillage practices	53%

Other services provided are hybrid and variety selection, equipment recommendations, and custom hire or employment recommendations. For those who pay for services on a per acre basis for their total farm (47 percent of users), 81 percent pay between \$3.00 and \$5.00 per acre. For those who pay per acre on the partial farm (42 percent of users), 78 percent pay between \$3.00 and \$5.00 per acre. Six percent of the users pay per service offered, and 3 percent pay a flat fee plus per acre charges for services.

## Return for \$1.00 Spent

Users were asked, "For every dollar you spend on your consultant, estimate how many dollars you receive in return." Almost three-fourths (74 percent) of the respondents indicated they received a \$2.00 to \$5.00 return for every \$1.00 they invested in a crop consultant. Specifically, 30 percent indicated they received double their money, 10 percent tripled, 12 percent quadrupled, and 22 percent indicated they quintupled their investment.



■ Iowa counties represented in study

## About the Survey

During the summer of 1994, Iowa State University Extension's Pesticide Impact Assessment and Integrated Pest Management (IPM) programs sponsored a survey of Iowa farmers to gain information from those who use and do not use crop consultant services.

Surveys were conducted in face-to-face interviews. Two groups were surveyed; those who subscribe to crop consultant services (users), and those who do not (nonusers). Names for the user sample were obtained from the Iowa Independent Crop Consultants Association. The nonuser sample was individually matched with the user sample. One hundred twenty-eight of 152 users were interviewed, a response rate of 84 percent. One hundred twenty-eight nonusers of 145 identified were interviewed, a response rate of 88 percent. Thirty-two of Iowa's 99 counties are represented among the respondents.

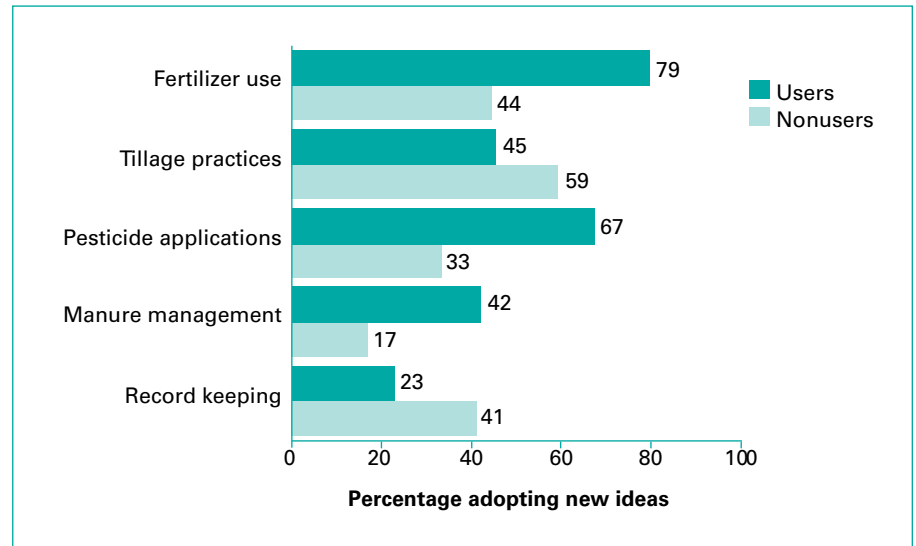
*“In any business, improved management leads to more efficient production and increased profits. Crop consultants are one way that producers can improve their management. By scouting fields for pests, calculating nutrient credits and fertilizer needs, and considering tillage and equipment needs, a good crop consultant routinely increases the customer’s net income.”*

—Wendy Wintersteen  
ISU Extension IPM Coordinator

Of special interest in this study was investigating how users differed from nonusers in farming practices and attitudes.

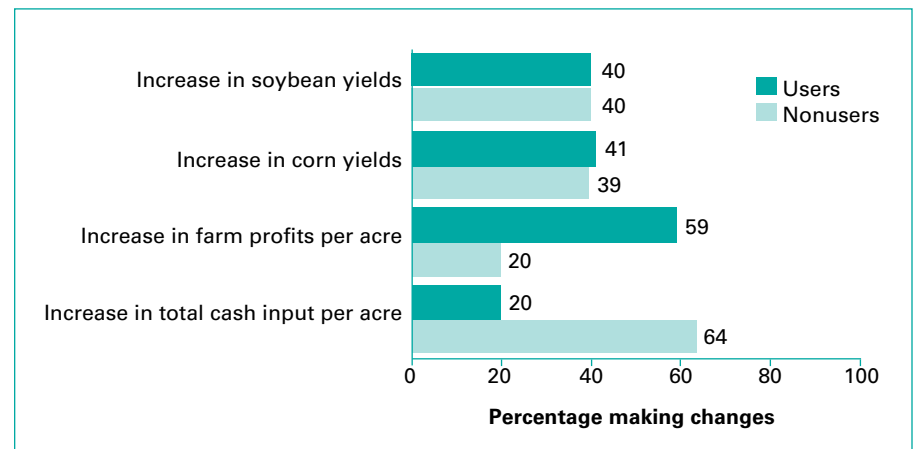
### Implementation of New Ideas

Implementation of new ideas was examined. Users were asked, “What new ideas has your consultant helped you with?” Nonusers were asked, “What new ideas have you adopted in the past 5 years?” Moderate-to-large differences exist between the groups, especially in changes in fertilizer use and pesticide applications, the two primary changes implemented by users.



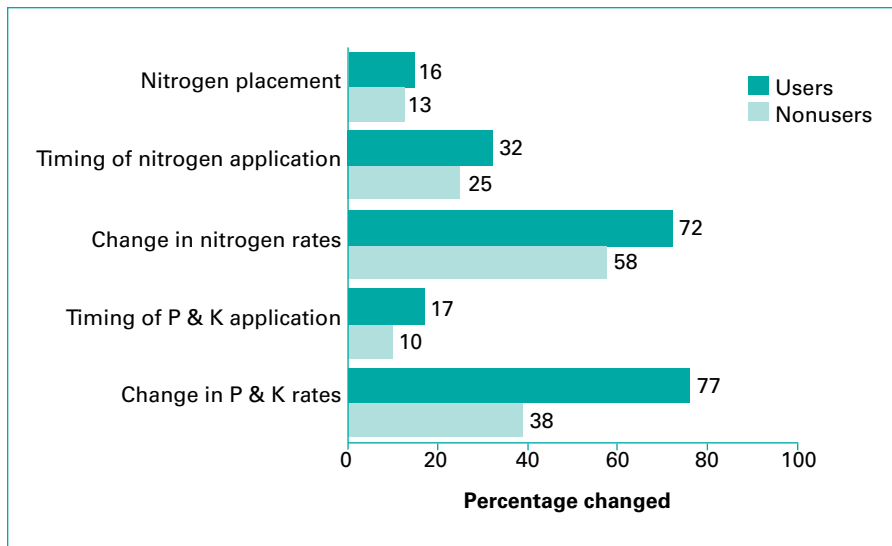
### Changes in Farm Operation

Both groups were asked several questions about changes in their farm operation. Users were asked what changes have occurred as a result of working with the crop consulting firm. Nonusers were asked what changes have occurred since 1988. While soybean and corn yields have increased in similar patterns for both groups, changes in profits and inputs differ. Fifty-nine percent of users indicated an increase in farm profits per acre, compared to 20 percent of nonusers indicating a similar increase. Twenty percent of users indicated an increase in total cash input per acre, compared to 64 percent of nonusers indicating an increase. These changes in profits and inputs, as well as the large differences existing between the two groups, reveal potential benefits of employing a crop consultant. Fifty-six percent of the users in the survey attributed changes in total cost of production (for corn and soybeans) to their consultants’ effectiveness.



## Fertilizer Changes

Changes in fertilizer rates were also examined. Users were asked, “In the time you have had your crop consultant, how have the following practices changed?” Nonusers were asked, “In the past 5 years, how have the following practices changed?” The largest differences between the groups were on nutrient rate changes. Seventy-two percent of the users indicated a change in nitrogen (N) rates has occurred since using a crop consultant, while 58 percent of the nonusers indicated a change in N rates in the last 5 years. Examining changes in phosphorous and potassium (P and K) rates, 77 percent of the users indicated they have made a change in rates during the time they have had a crop consultant while 38 percent of nonusers indicated they have changed rates in the past 5 years. When asked to indicate the specific changes they made in fertilizer rates, 85 percent of the users commenting noted they have decreased both their rates of N, and P and K, since employing a crop consultant.



“As independent consultants, we assist farmers with their business decisions. Together, we analyze agronomic factors, potential environmental impacts, and the farmers’ management style and on-farm resources . . . this integrated crop management approach allows the best plans to be made and implemented in a timely manner.”

—Chris Clark, Secretary  
Iowa Independent Crop  
Consultants Association

## Attitudes toward Crop Consultants

Respondents were asked how they feel about advice from crop consultants compared to free advice from dealers, coops, and sales people. Both groups indicated they believe crop consultants’ advice is better.

“On a scale from 1 to 10, how would you compare advice from a crop consultant with free advice from dealers, coops, and sales people?”

(1 = Dealers are far superior; 5 = Both the same; 10 = Consultants are far superior)

	1	2	3	4	5	6	7	8	9	10	Mean
	Percent										
<b>Users</b> (n = 127)	0	0	2	0	11	8	17	32	16	14	7.7
<b>Nonusers</b> (n = 128)	3	1	6	2	38	8	22	18	3	0	5.9

These favorable attitudes towards crop consultants’ advice are consistent with other findings from the survey. Eighty-eight percent of users indicated they would recommend their crop consulting firm to a neighbor and/or friends, and 79 percent indicated they have already done so.

*“The survey very dramatically shows the benefits of integrated crop management. These crop management services can be provided by a professional crop consultant or individual farmers could perform the same services if willing to dedicate the time and training necessary. The potential benefit is definitely there—farmers should utilize the refined management concepts themselves or hire qualified consultants to help.”*

—Kay Connelly  
ISU Extension Crop Specialist (Retired)

## Summary

The large differences existing between those who use crop consulting services and their neighbors who do not, reveal several benefits are gained from the information and management recommendations provided by crop consultants. Specific management practices that have increased since the employment of a consultant include pest management and alterations in nutrient rates, leading to decreases in fertilizer use. Users indicated they not only value information gained from soil sampling, scouting, and fertilizer recommendations, but also the “unbiased second opinion” the consultant offers.

Economically, the majority of users (59 percent) indicated an increase in profits per acre since hiring their consultant, attributed changes in total cost of production to their consultant’s effectiveness (56 percent), and indicated they are receiving double or better return for every \$1.00 invested in consultant services (74 percent).

However, despite these favorable findings and the perception of clear economic value of employing a crop consultant, the consultants seek out new clients and market themselves only minimally. Thirty-six percent of users first became aware of/or selected their crop consulting service through a friend/neighbor’s referral, while 25 percent indicated they were contacted by the crop consultant. Less than half (47 percent) of the user group indicated that their crop consultant made claims about the value of their services.

## Farm Operator Characteristics

	Users	Nonusers
Education		
College graduate or more	31%	17%
Gross farm income from agricultural products		
\$250,000 or more	55%	23%
	----- Mean -----	
Age	46	47
Years in farming	22	25
Acres		
Total acres farmed	909	708
Corn acres	539	387
Soybean acres	328	268

File: Agronomy 2, Ag Econ 1-5

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This project was supported in part by a grant from the U.S. Department of Agriculture (USDA) Extension Service, through the National Agricultural Pesticide Impact Assessment Program. Conclusions drawn are those solely of the authors, and do not necessarily represent official USDA policy.

Funding for this project was provided by the National Agricultural Pesticide Impact Assessment Program (NAPIAP), United States Department of Agriculture.

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