

~~What Kansas Producers Want from Their Input Suppliers~~

*Lessons for
producers from
themselves?*


Aaron J. Johnson

Logan L Britton

RISK AND PROFIT

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How important is Kansas ag supply industry?

23,290 Jobs

\$1.96B Wages

\$4.7 GDP Contribution

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Objective

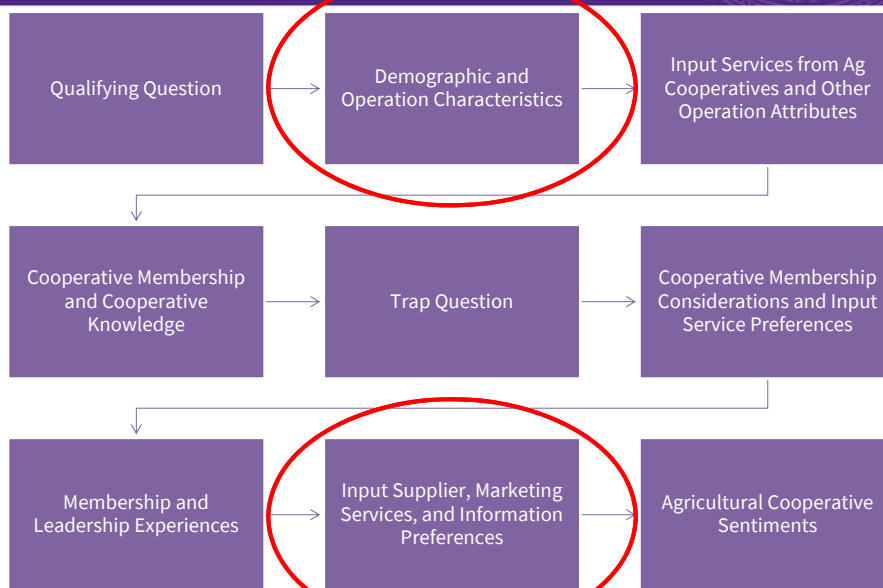
Identify customer segmentation based on value they place on supplier attributes.

Transfer learning to ag producers?



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Survey Instrument



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For Your Input Supplier, How Important...?

- Sense of Loyalty
- Pride of Association
- Market Access
- Community Involvement
- Ownership
- Control
- Knowledge of Staff

- Trust
- Price
- Quality
- Reputation
- Profit Share

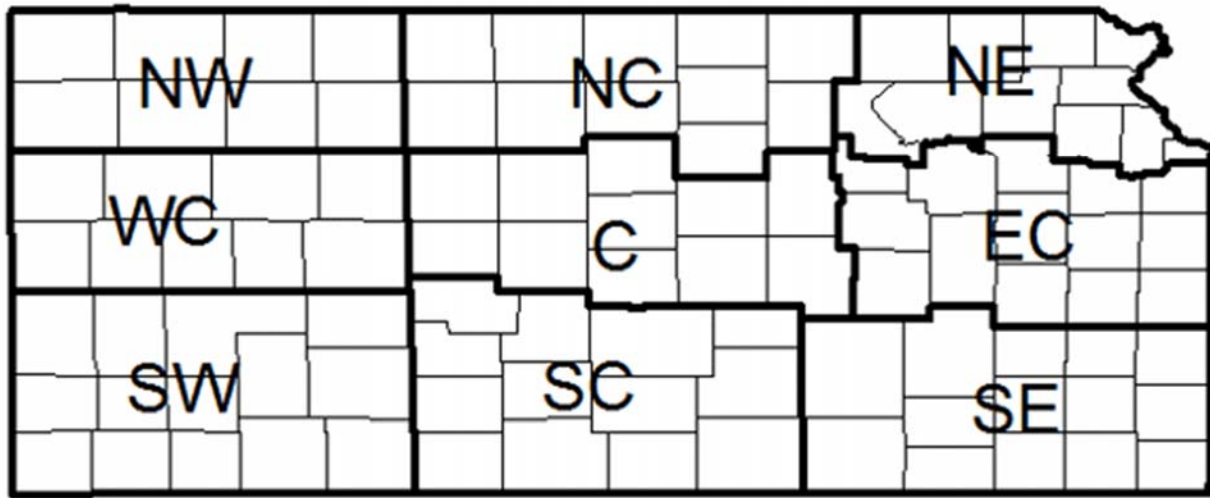
Your #1?

...#12?

Not Very Important (1)	Somewhat Important (2)	Moderately Important (3)	Important (4)	Extremely Important (6)	N/A (5)
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Data and Methods



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Data and Methods



KANSAS SPECIALTY CROP
GROWERS ASSOCIATION

368 Useable Responses

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Summary Statistics

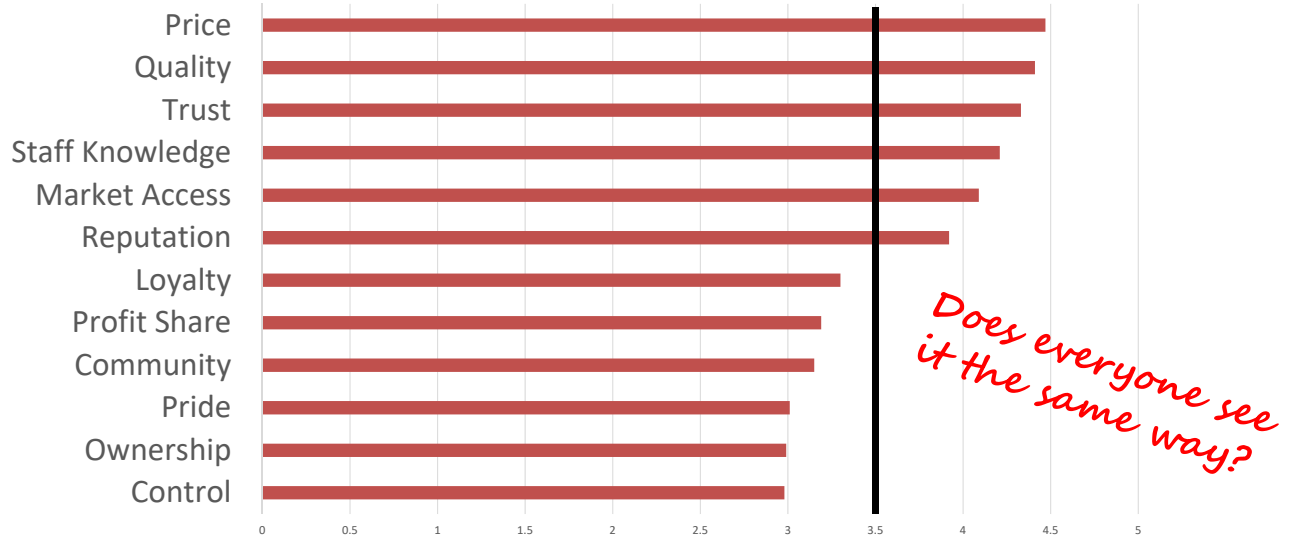
Variable	%	Age	%
Male	83.11	<25 years	1.10
HS / GED	12.26	25-34	10.13
Associates/Trade	14.17	35-44	14.79
4-Year	50.14	45-54	12.61
Grad./Prof.	23.43	55-64	23.84
Co-op Member	82.02	65-74	29.31
Owner Role	86.65	75+	8.22

Summary Statistics

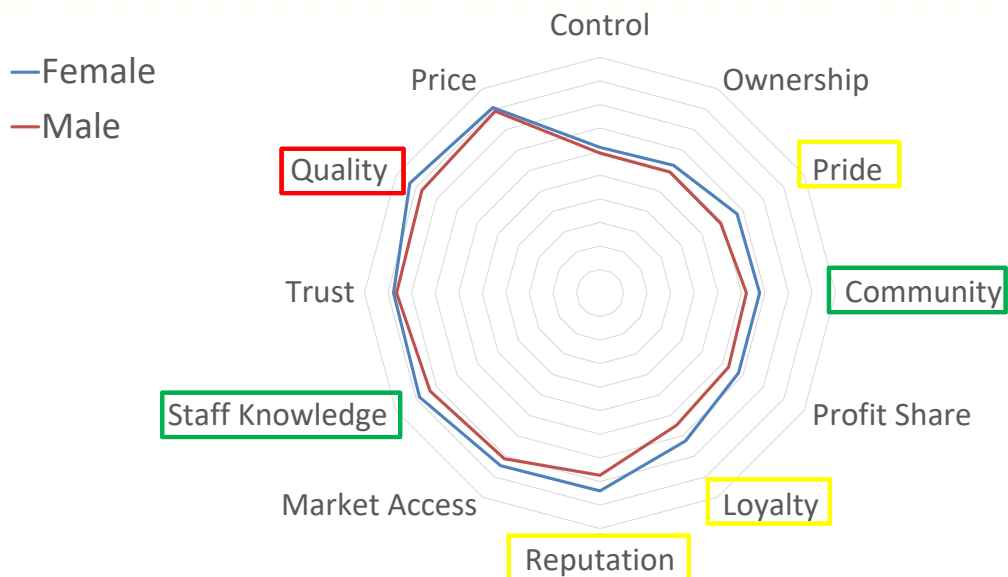
Purchases from Cooperatives

Prod./Srv.	None	Low	Medium	High	Don't
Animal Prod.	35.41	21.25	12.75	15.58	15.01
Crop Inputs	19.03	21.02	20.74	34.66	4.55
Agronomy	35.85	24.37	13.45	17.65	8.68
Market Crops	20.06	18.84	14.97	42.09	4.24
Financing	57.22	12.46	10.76	9.35	10.20
Precision Srv.	50.70	18.03	10.14	8.17	12.96

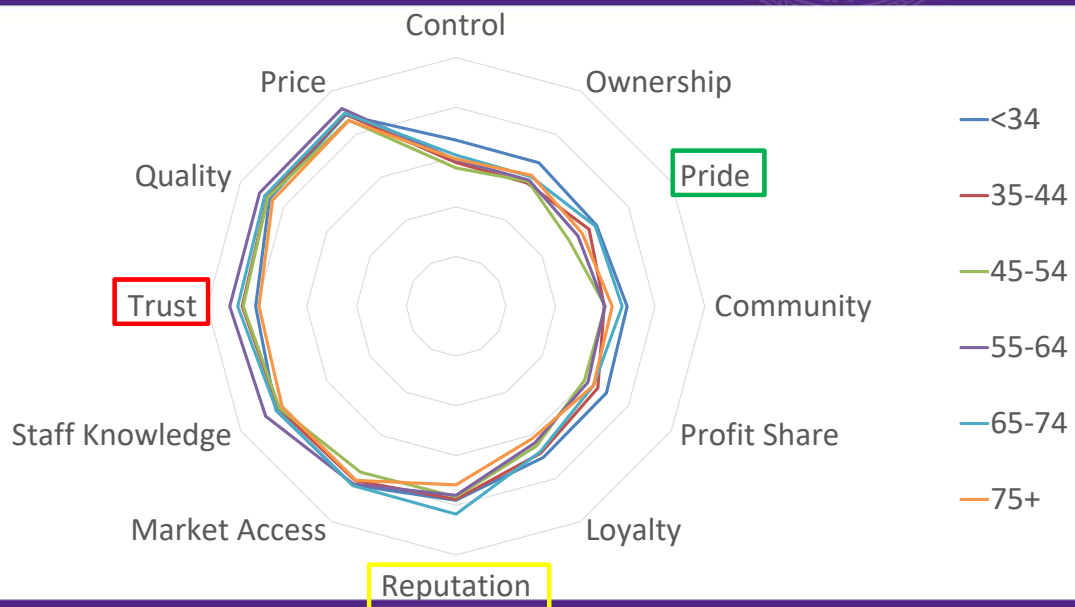
Results



Input Supplier Preference - SEX

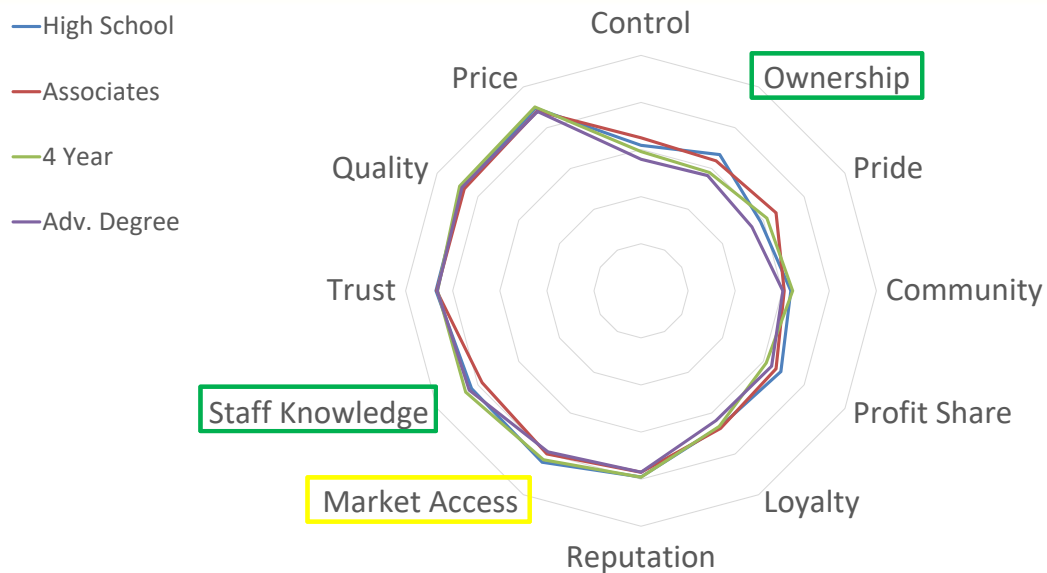


Input Supplier Preference - AGE



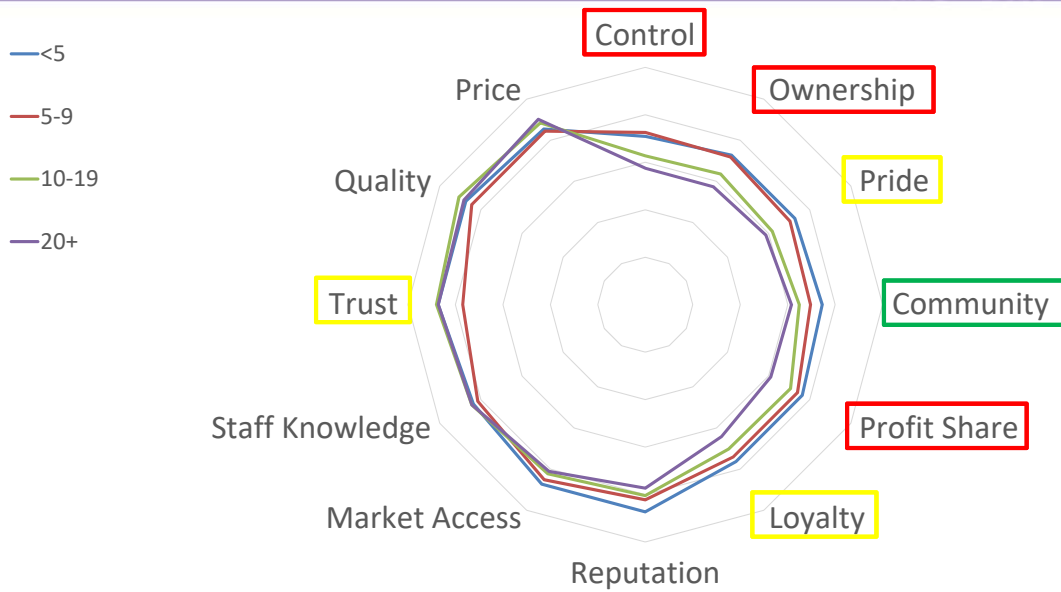
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Input Supplier Preference - EDUCATION



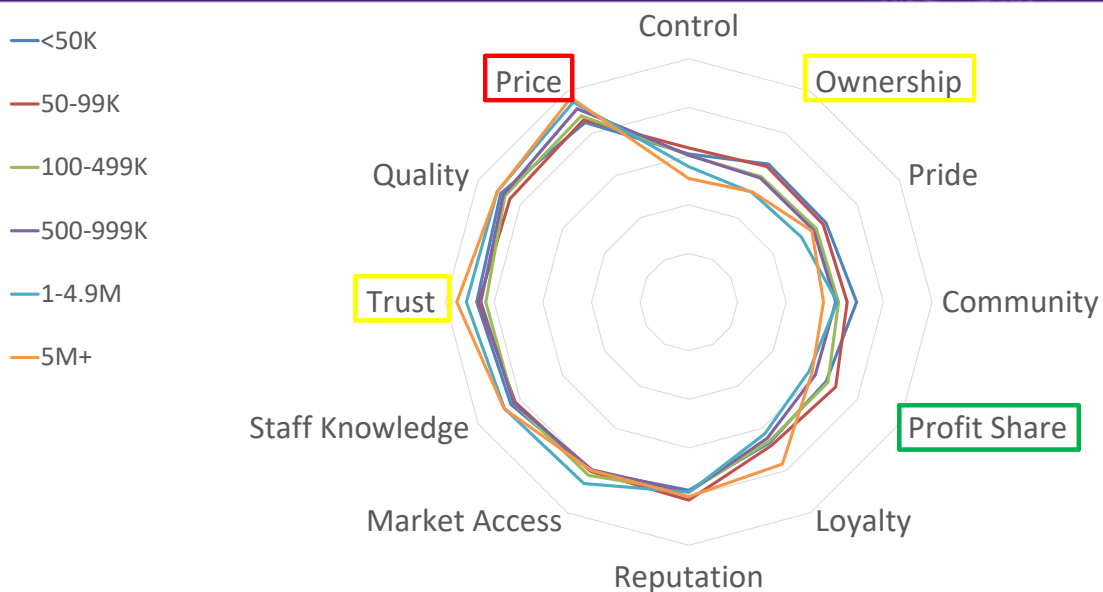
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Input Supplier Preference – YEARS IN AG



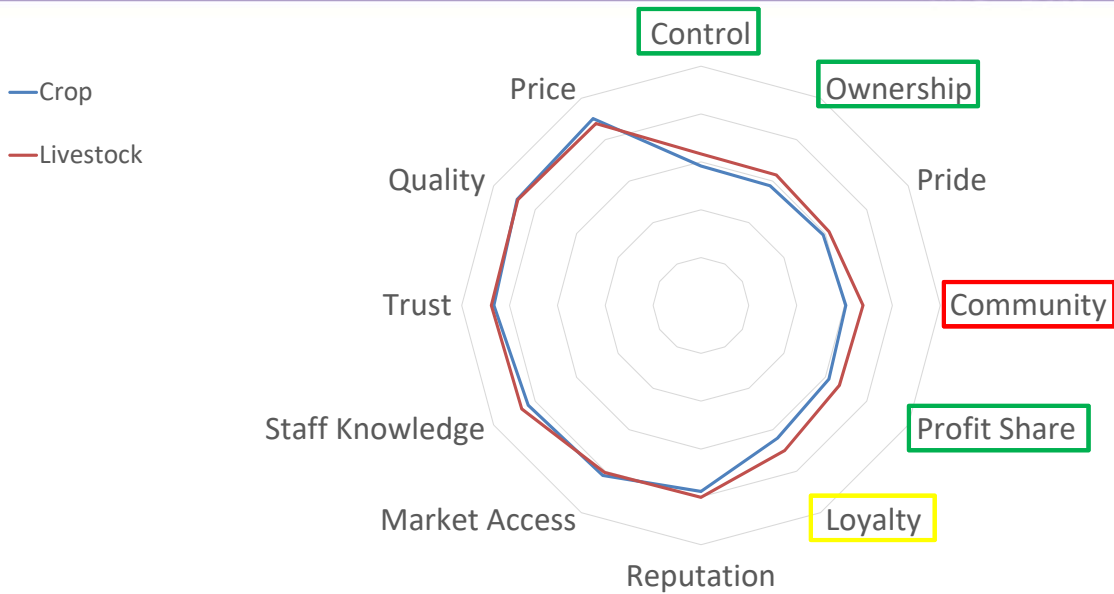
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Input Supplier Preference – AG INCOME



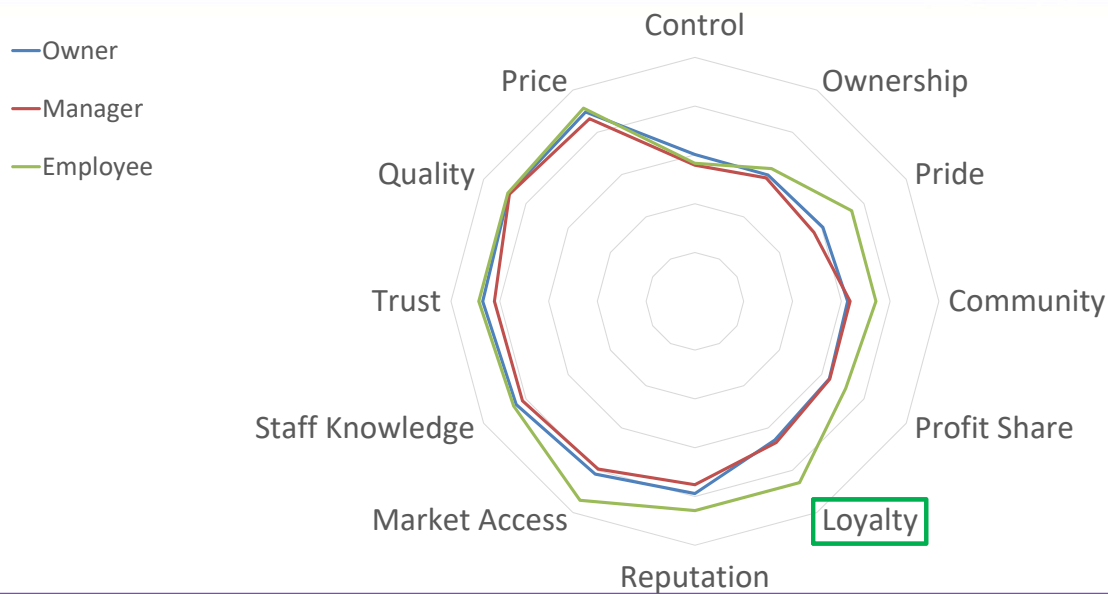
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Input Supplier Preference – MAJ. INCOME TYPE



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Input Supplier Preference – ROLE



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Input Supplier Preference - DIFFERENCES

	Sex	Age	Education	Years	Ag Inc.	Inc. Type	Role
Price					✓		
Quality	✓						
Trust		✓		✓	✓		
Staff Knowledge	✓		✓				
Market Access			✓				
Reputation	✓	✓					
Loyalty	✓			✓		✓	✓
Profit Share				✓	✓	✓	
Community	✓			✓		✓	
Pride	✓	✓		✓			
Ownership			✓	✓	✓	✓	
Control				✓		✓	

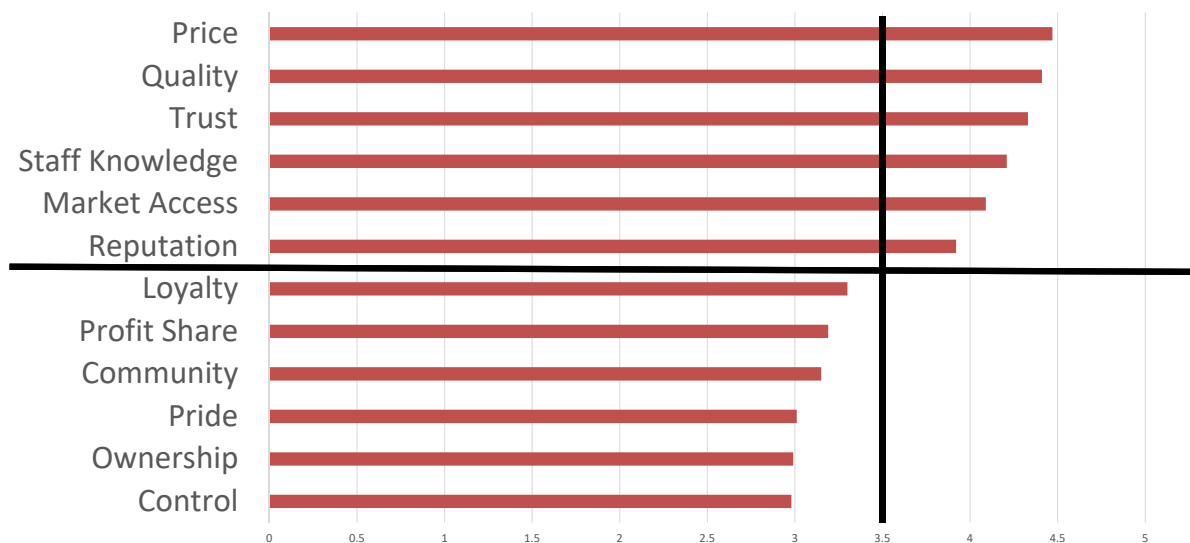
Ordered Logit Results

	Educ.	Age	Sex	Ag Yrs	Ag Inc.	Role	Partners
PRICE					+		
QUALITY		+					+
TRUST				+			
STAFF KNOWLEDGE	+		+				
MARKET ACCESS		+		—	+		
REPUATION		+	+	—			

Ordered Logit Results

	Educ.	Age	Sex	Ag Yrs	Ag Inc.	Role	Partners
LOYALTY			+	—			
PROFIT SHARE				—			+
COMMUNITY		—		—	—		
PRIDE		+	+	—			
OWNERSHIP	—			—	—		
CONTROL	—	+		—		+	

EFA Results



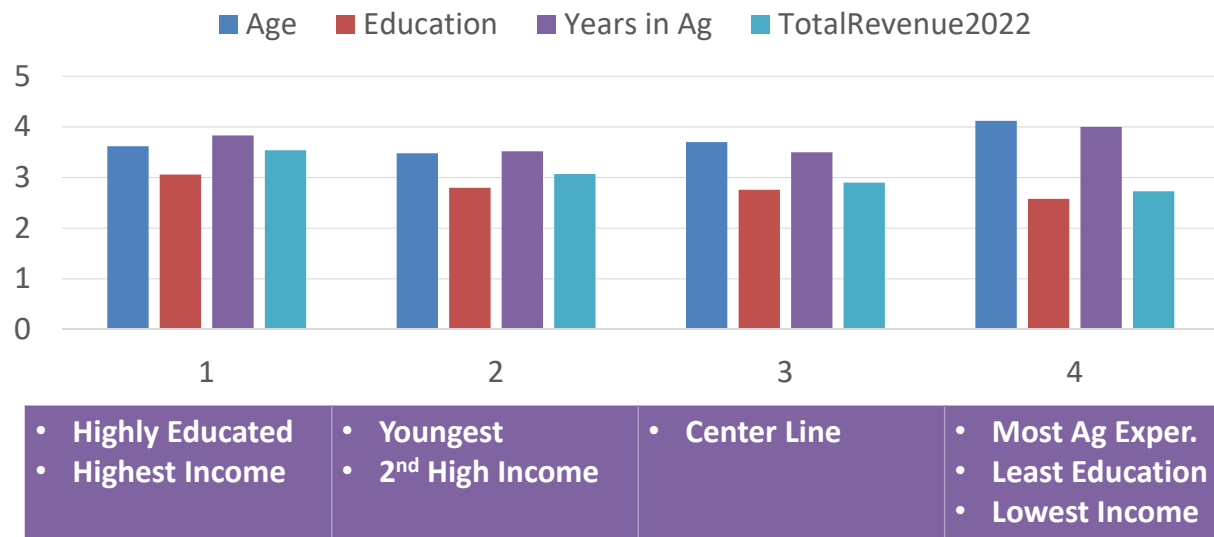
Item Averages by Cluster



Item Averages by Cluster



Cluster Results



Conclusions – INPUT SUPPLIERS

- Segmentation can make a major difference
- Strategy remains but approach will differ
 - Language and emphasis chosen
 - Target segment
- Women are simply nicer
- Bring your A-Game with older producers

Conclusions – AG PRODUCERS

- How could you use this information?
 - What do you sell?
 - Are your customers all the same?
- Key tangible markers can indicate behavior
 - What factors could you segment on?
- What are other ideas for your operation?

Thank you!

Questions?

Aaron Johnson
ajjohnson@ksu.edu