

Challenges and Perspectives in the Direct Marketing of Crop Inputs

As Amazon has disrupted retail business, there is discussion about options for agricultural input manufacturers to sell directly to growers. A recent study conducted by *agri benchmark* Cash Crop identifies important potentials but also significant challenges.

Local retailers and cooperatives have dominated the market for supplying crop inputs to farmers in most parts of the world. However, farmers are becoming increasingly sophisticated and are certainly accustomed to digital communication, online shopping, and having business relationships with people in different parts of the world. Do these conditions create an opportunity for someone else to supply them with crop inputs?

The purpose of this research was to examine the current and potential market for manufacturers direct marketing their products to farmers. This was done with *agri benchmark* partners - crop production economists and advisors - from 11 countries: United Kingdom, Uruguay, Argentina, Brazil, Sweden, Russia, Japan, Ukraine, the United States, Australia, and Poland. This panel of experts highlighted that local retailers and cooperatives are very resilient because of their relationships with farmers and the number of services they often provide in addition to selling crop inputs.

However, it also became clear that buying direct from input manufacturers might be an attractive option for certain farmer populations and for certain types of products. *agri benchmark* partners provided several examples proving that direct marketing is more than just a theory; it is a relevant business model in today's market. And, this model will only benefit from the increased adoption of video communication and the reduced need for having face to face meetings caused by the COVID crisis.

To access the complete paper, please visit the *agri benchmark* website under <http://www.agribenchmark.org/cash-crop/publications-and-projects0/reports/challenges-and-perspectives-in-the-direct-marketing-of-crop-inputs.html>. For any questions and comments, please get in touch with Travis Jansen (travis.jansen@agribenchmark.net)

agri benchmark Cash Crop is a non-profit global network of agricultural economists, coordinated by the German Thünen Institute and the non-profit company global networks. Its aim is to generate and disseminate reliable and usable analyses of major trends in global crop production for decision makers. For more information, please visit www.agribenchmark.org.