A PILOT STUDY

OF FARMERS' PREFERENCES FOR MARKETING SERVICES IN KINGFISHER COUNTY, OKLAHOMA

By

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CHAPTER I

INTRODUCTION

Vast amounts of money, time, and effort are being expended by government and industry in marketing research. Much of this research is in the marketing of agricultural products. Marketing services which are provided by marketing agencies have been studied separately and collectively. However, the preferences which farmers have for these services are not generally known.

Marketing agencies may be providing services not desired by the farmer. If such services can be eliminated, a reduction in marketing costs might be possible. Convenience to the farmer may also be increased by modifying some services and eliminating or adding others.

A need is indicated for a study of the preferences farmers have for marketing services. Such a study should provide the information needed by marketing agencies in establishing new markets or improving existing firms. Many of the problems involved in handling new production in an area could be solved more readily if the desires of farmers were known.

As marketing services required for different farm products vary, so do the preferences for marketing services vary. Farmers marketing different commodities or different combinations of commodities may have different sets of preferences. The motivational forces operating on the wheat farmer are not the same as those which operate on the livestock producer. To arrive at factors important in providing marketing services, each of the principal type of farming areas must be studied.

Since the field of study contemplated was one which had not been explored to any great extent, it was believed that a pilot study would save both time and money in conducting the major survey. There had been a large amount of work done in the consumer preference field but the techniques used were not necessarily applicable to a study of the attitudes and preferences of farmers. The nearest thing to this type of study was the work which had been done in the determination of attitudes toward cooperatives. The techniques suggested by these other studies needed to be tested to determine those applicable to this type of work.

Purpose and Scope

This study was designed as a pilot study, the results of which will be used in conducting a survey of farmers' preferences in the principal type of farming areas in Oklahoma. The purpose of this pilot study was to develop techniques for conducting a study of farmers' preferences for marketing services. This pilot study was intended to provide the basis for construction of a questionnaire, selection of a sample, and instruction of interviewers.

The results of this pilot study are not to be regarded as representative of all farmers' preferences but rather as an indicator of the factors which were considered important by farmers in one part of the wheat area of Oklahoma. This study must be evaluated in terms of how it aids in conducting the major survey and not in terms of its immediate results. Specific problems discussed in this thesis are important in this study only as they relate to similar problems which are likely to be of consequence in the major survey.

Objectives

The construction of a questionnaire for use in the major survey was the first primary objective of the pilot study. The answers to the questions in the pilot study will serve as a guide in the selection and construction of questions to be used in the main project. Ideas were expressed during the interviews which the initial questionnaire failed to cover and, in this way, the pilot study will aid in correcting the deficiency before the major survey. Questions which continually resulted in repetition or answers irrelevant to the study may now be eliminated.

The second objective of the pilot study was the determination of factors important in the selection of a sample for the major survey.

The results from the pilot study should provide a basis for the selection of a more representative sample and one of adequate size for significant results. The pilot study should aid in the determination of factors which caused variation in preferences. This information was needed before a sample could be drawn which would reflect accurately the preferences of farmers for marketing services. The problem of whether or not preferences expressed were characteristic of the locality from which they were obtained was also considered.

The third objective of the pilot study was to develop improved techniques in conducting this type of interview. This information was necessary for the instruction of interviewers for the beginning phases of the major survey. Such seemingly simple things as the procedure to use in approaching the farmer in establishing rapport at the beginning of the interview, and an explanation of the problem being studied which would impress the respondent with the importance of the interview were tested.

Techniques to be used in probing for answers and getting the farmer to express himself were the fourth objective of the pilot study. If the questionnaire for the major survey contains the type of question suggested by similar studies, this information will be very important. The interviewer must develop techniques which will effectively overcome the farmer's reluctance to discuss his likes and dislikes.

CHAPTER II

REVIEW OF LITERATURE

Social Psychology and Group Dynamics

One of the important factors in fully understanding research with preferences and attitudes is an acquaintance with social psychology.

An awareness of the tendency toward uniformity of behavior and attitudes is important in attempting to determine preferences of farmers within a specific locale. There are forces within groups which tend to restore uniformity where differences in opinions exist. The extent to which farmers' preferences for marketing services are affected by the pressures of groups should be recognized.

In a study of farmers' preferences it is the learned or sociogenic motives with which one must deal. These motives or values are those incorporated in an individual through contact with persons, situations, groups, and institutions around him.² The contributions of social psychology aid in understanding the effect of membership or reference groups on an individual's attitudes, motives, scales, frames, and standards. This is especially true when studying those farmers who are members of cooperatives and other farm organizations. A limited review of social psychology will also help in recognizing the type of group or organization which is likely to have the greatest effect on the farmers' attitudes.

¹Stanley Schachter, "Deviation, Rejection, and Communication,"

Group Dynamics Research and Theory, Dorwin Cartwright and Alvin Zander, editors (Evanston, 1953), p. 230.

²Muzafer Sherif, An Outline of Social Psychology, (New York, 1948), p. 36.

Consumer Attitudes and Demand

A closely related field in which a large amount of work has been done is that of consumer attitudes and demand. Many of the techniques are applicable to a study of farmers' attitudes and preferences. Both require the cooperative aid of methodologist, statistician, sampling expert, psychologist, and marketing researcher.

A review of the work published on consumer attitudes and demand provides an understanding of the relationship between attitude studies in agricultural economics and related fields such as psychology and sociology. Material such as that published by the University of Michigan Survey Research Center can be used in development of a study of farmers' preferences. Factors are revealed which aid in determining the type of questions and degree of probing necessary to obtain those considerations not frequently recalled or verbalized. This is one of the important problems in any opinion type research.

It is recognized that a farmer's action in choosing a market for his wheat is a function of both enabling conditions and motivational forces. This is also true of the actions of consumers. The techniques discussed in describing the research design used in these attitude studies, were also used in certain phases of this pilot study. The same type of information was sought in attempting to determine the forms of deliberation, process of information seeking, and enabling and precipitating conditions

¹C. West Churchman, Russell L. Ackoff, and Murray Wax, editors, Measurement of Consumer Interest (Philadelphia, 1947), p. 3.

²George Katona and Eva Mueller, Consumer Attitudes and Demand, 1950-1952 (University of Michigan, 1953).

³George Katona, "A Study of Purchase Decisions, Part I, The Research Design," Consumer Behavior, The Dynamics of Consumer Reaction, Lincoln H. Clark, editor (New York, 1954), p. 30.

involved. The actual conditions and choices available must be studied if the preferences are to be of value.

The same type of errors in measuring farmers' preferences are encountered as in a study of the motivations of consumers. Not only must sampling error be expected but there will also be inaccuracies that are not measurable. Errors are caused by memory when people are asked to recall the details of a decision that was made a number of months ago. 1 Also, some people may intentionally conceal their true motivations, such as price motives.

Consumer Preference Studies

The method used in this pilot study was similar to that used in a number of consumer preference studies conducted by the Bureau of Agricultural Economics. In general, the method involved the use of area sampling, and open-ended interviewing was used when the dynamic aspects of a problem were explored. An attempt was made to use the experience gained in the consumer preference field and thereby prevent duplication of effort.

The problems though, are not always the same. The respondents have different personality characteristics, and the material covered in this study is somewhat different. The farmer's preferences for services are associated with selling as well as buying, whereas the consumer is interested only in buying.

¹Eva Mueller, "A Study of Purchase Decisions, Part II, The Sample Survey," Consumer Behavior, The Dynamics of Consumer Reaction (New York, 1954), p. 40.

²James A. Bayton, "Consumer Preference Research in the Department of Agriculture," Agricultural Economics Research, Vol. II, No. 4 (Washington, D. C., 1950), p. 106.

Attitudes of Farmers

The methods used in securing farmers' attitudes toward cooperatives are more clearly related to this type of study and many of the problems involved are common to both. The attitudes sought in most of the studies deal with what farmers like or dislike about a certain institution; whereas this study involves preferences for services and is not necessarily associated with any one firm. For instance, a study conducted at the Oregon Agricultural Experiment Station describes the attitudes of cooperative members toward their cooperative. \(\frac{1}{2} \)

Farmers' attitudes toward cooperatives have also been discussed in three studies conducted by Pennsylvania State College. In these studies farmers have been interviewed to determine their reasons for supporting cooperatives and their objections to cooperatives. Both specific and general attitudes were studied. Attitudes toward a single association were studied as were attitudes toward cooperatives as a whole. In each instance both members and non-members were included so as to determine any significant difference which might exist. One of the objectives stressed in these studies was that of member and non-member support of cooperatives.

Gerald E. Korzan, Member Attitude Toward Cooperatives, Oregon State College Agricultural Experiment Station Bulletin 509 (Corvallis, 1952).

²J. K. Stern, Membership Problems in Farmers' Cooperative Purchasing Associations, The Pennsylvania State College Agricultural Experiment Station Bulletin 268 (State College, 1931).; M. E. John, Factors Influencing Farmers' Attitudes Toward a Cooperative Marketing Organization, The Pennsylvania State College Agricultural Experiment Station Bulletin 457 (State College, 1943).; J. K. Stern and H. F. Doran, Farmers Support of Cooperatives, The Pennsylvania State College Agricultural Experiment Station Bulletin 505 (State College, 1948).

A study conducted at Ohio Agricultural Experiment Station recognized the need for a greater knowledge of the attitudes of farmers in the various marketing areas. This particular study involved the attitudes of farmers toward livestock marketing cooperatives. It pointed out those factors influencing farmers who marketed all, part, or none of thier livestock cooperatively.

Since cooperative elevators are of great importance in the area covered by this pilot study, the literature from these studies should prove helpful. Some of the same factors influence both the wheat farmer and the livestock producer, causing them to patronize the cooperative type firm. Likewise, some of the objections raised to cooperatives may be expected to appear as factors favoring the private firm.

In a bulletin published by Michigan State College the attitudes of farmers toward support programs are given. The farmers interviewed were asked to give their attitudes and reasons for their attitudes about some matter pertaining to price supports. A particular phase of the program was discussed so as to insure understanding and then the question on price supports was asked. This technique should be useful when the farmer might not understand the marketing service referred to in the question.

George F. Henning and Earl B. Poling, Attitudes of Farmers Toward Cooperative Marketing, Ohio Agricultural Experiment Station Bulletin 606 (Wooster, 1939), p. 35.

²Dale E. Hathaway, E. E. Peterson and Lawrence Witt, <u>Michigan</u>
Farmers and the Price Support Program, II. Farmers Attitudes Toward the
Support Program, Michigan State College Agricultural Experiment Station
Technical Bulletin 235 (East Lansing, 1952).

Use of Related Material

An attempt has been made to use all of the available literature in these related fields which could aid in this type of research. The considerations in deciding what type of questions to use are discussed in the literature reviewed. Problems in deriving true preferences are also presented with possible answers or corrective measures.

Literature which proved of value in the planning and execution of this study is included in the bibliography. The works included should prove valuable for use in any research related to this type of work.

CHAPTER III

AREA OF PILOT STUDY

Description of Area

An area consisting of three civil townships in Kingfisher county, Oklahoma, was selected for this pilot study. The townships selected were the adjoining townships of Center, Cimarron, and Kingfisher. This area includes the towns of Kingfisher and Dover with Hennessey only two miles north of the area sampled. These three towns are located on the Chicago-Rock Island and Pacific Railway and U. S. 81 highway.

Other towns and rural places near this area are Crescent which is 24 miles east; Okarche which is 7 miles south; and Watonga which is 24 miles west. 1

One of the farmers interviewed sold wheat at Okarche while the other farmers sold their wheat at Kingfisher, Dover, and Hennessey. The different types of marketing firms and facilities available at these towns are important in this study only as they may influence the farmers' preferences for marketing services. The extent to which preferences vary with the number of different type firms available will be considered in this study.

Basis for Selection of Area

The townships included in this study were selected because they contained one area in which a strong cooperative elevator operated such

¹Distances given are from the nearest edge of the sampled area and are measured along Oklahoma or U. S. highways.

as the one at Kingfisher and one area in which there is no cooperative such as the Dover area. The purpose of this was to provide as much variation in preferences within the study as possible. A cooperative elevator was built at Dover prior to World War I but has not been operated on a cooperative basis since 1914. The elevator is still in use but is leased and operated by a private grain company.

Construction of Sample

The sample of the three townships was designed so as to obtain as much variation as possible in size of farm. The number of rural dwellings or farm units indicated on each section within the three townships was calculated and sections were classified accordingly. The eight sections containing parts of Dover and Kingfisher were not included in the sampled area. This left 100 sections with a maximum of six dwellings or farm units in each section. The 100 sections were divided into five categories; those with no culture; one unit; two units; three units; and four to six units. Five sections were then randomly drawn from each of these five categories.

Those sections on which no culture was indicated were included for the purpose of determining the problem of finding the farmer and interviewing him. Since this study involved the preferences of wheat farmers, only those farmers growing wheat on these sections were contacted. No attempt was made to find the farmer if wheat was not being grown. If the farmer lived in another section included in the sample, he was included only in the section in which he lived. No other rule was needed since the study was conducted in a limited area.

¹General Highway Map, Kingfisher county (Oklahoma Department of Highways, Department of Statistics) Date of inventory 1949.

Fifty four farm units were indicated on the 25 sections composing the sample. From these 54 dwellings or farm units, plus those farmers having wheat on sections where no culture was indicated, 42 schedules were obtained. These included all the wheat farmers except two who were absentee owner-operators and did not reside in this area. The other dwellings or farm units were either empty or occupied by non-farmers.

Description of Farms

The farmers from which schedules were obtained operated farms ranging in size from 112 acres to 1500 acres. Only four of the farms were larger than 640 acres and only four smaller than 160. The average size farm operated by the 42 farmers was 372 acres. According to the 1950 Census the average size of all farms in Kingfisher county was 283.5 acres with 43.3 per cent in the 260-499 acre class.

Of the 42 farmers interviewed, 26 were owners while 8 were renters. The entire farm which they operated was considered in determining their tenure status. The other eight farmers owned part of the farm and either leased or rented the remainder. This percentage of farmers owning the farms they operate is high compared with the data for all of Kingfisher county in which 36.2 per cent of the farmers were owners.²

Principal Crops

Wheat is the principal crop grown in the three townships studied.

Of all farms in Kingfisher county, 83 per cent reported wheat threshed

United States Department of Commerce, Bureau of the Census, <u>United States Census of Agriculture</u>: 1950 Counties and State Economic Areas in <u>Oklahoma</u>, Vol. 1, Part 25 (Washington, D. C., 1952), p. 61.

^{2&}lt;sub>Ibid., p. 69</sub>.

or combined in 1949. Other crops grown are oats, alfalfa, barley, rye, vetch, grain sorghum and cowpeas.

With the decrease in wheat acreage because of allotments, other crops have become more important. In 1950 only 19 per cent of the farms reported oats threshed or combined, or cut for feeding unthreshed, while of the 42 farmers interviewed in this survey 27 reported oats harvested in 1954. Only one of the farmers interviewed attributed any portion of the farm income to oats while the other farmers indicated the oats were used for feed.

One other crop grown extensively for feed in this area is alfalfa. The 18 farmers who reported alfalfa grown last year had an average of 35 acres. Only three of these farmers sold alfalfa hay while
the remainder was used on the farm as feed for livestock. The acreages of alfalfa seem to be fairly constant with only a small decrease
in 1954 because of drought.

The only other cash crops grown by the farmers interviewed were cowpeas, oats, and mungbeans. Located in a section of the county which has sandy soil, one of these farmers harvested and sold cowpeas for seed. One farmer attributed a small portion of his income to oats and mungbeans, crops which had replaced wheat because of acreage controls.

A number of other crops were grown by the farmers interviewed, primarily as a source of feed. Such crops as barley, rye, vetch, and grain sorghums were grown either for a cover crop, pasture, or feed.

^{1&}lt;u>Ibid.</u>, p. 61.

²Ibid., p. 99.

The farmers interviewed stated they would decrease their acreages of these crops if it were not for wheat allotments. This would seem to indicate that with existing prices these crops are grown as substitutes for wheat and are not capable of driving wheat out of production in this area.

Wheat Acreage Controls and Possible Effects

The average wheat allotment on the farms from which schedules were obtained was 144 acres. (Table 1.) This was a decrease of 9.5 per cent from the acreage allotment of 1954. The allotments varied from the smallest of 15 acres to the largest which was 630 acres. Of the 42 farms, 76 per cent had acreages ranging from 50 to 300 acres, with only four allotments greater than 300 acres.

Table 1. Wheat Acreages in 1954 Compared with 1955 Allotments and Estimated Acreages with no Controls.

Year	: Average Acreage : On Farms Studied	: Percentage of : 1954 Acreage
	(Acres)	(Per Cent)
1954	159.2	100.0
1955	144.0	90.5
Estimated Acreage*	201.0	126.3

SOURCE: Schedules obtained from farmers in three townships of Kingfisher county in March, 1955.

*The estimated wheat acreage in 1955 if there had been no acreage controls.

Any substantial increase in wheat grown would have an effect on the preferences of farmers for marketing services. This seems to indicate a need for estimates of acreages under conditions of no controls. Farmers were asked to estimate the acreage of wheat they would have had in 1955 if there had been no controls. All of the farmers interviewed except four indicated they would have increased their wheat acreages if there had been no controls. Of these four farmers, two indicated they had rented additional land to make up for the decrease in size of allotments. The other two farmers were restricted to their present acreages because of soil type and drought and not because of allotments.

The problem of storage and the importance of speed in handling would be much greater with an increase in wheat grown. As shown in Table 1, an increase in planting of 26.3 per cent over the 1954 acreage was estimated by the 42 farmers interviewed if acreage controls were removed. This is an average increase of approximately 42 acres. If this rate of increase were true for all farmers in Kingfisher county, there would be an increase of approximately 70,000 acres. 1

Farm Income Attributable to Wheat

Wheat is by far the most important crop in this area in terms of farm income as well as acreage. (Table 2.) The farmers interviewed were asked to estimate the fraction of their farm income attributable to wheat. The average portion of income derived from wheat on the 42 farms was 66 per cent. Only three of the farmers attributed more than half their farm income to other enterprises.

libid., p. 99. The number of farms in county reporting wheat threshed or combined in 1950 multiplied by average increase in acreage.

Table 2. Importance of Farm Enterprise as Source of Farm Income.

Enterprise	: Farmers Indicating : Enterprise as a : Source of Income	: Average Contribution : by Enterprise* :
	(Number)	(Per Cent)
Crops		
Wheat	42	66.0
Alfalfa	3	24.0
Cowpeas	1	25.0
Oats	1	10.0
Mungbeans	1	10.0
ivestock		
Beef Cattle	37	30.0
Sheep	4	25.0
Dairy Cattle	2	37.5
Hogs	1	13.0

SOURCE: Schedules obtained from farmers in three townships of Kingfisher county in March, 1955.

^{*}Average contributions are calculated from estimates given on farms studied with the average figured on those farms possessing the enterprise.

Beef cattle are also an important source of income in this area.

Thirty of the farmers interviewed derived all of their farm income from wheat and beef cattle. Other sources of income were sheep, dairy cattle, hogs, alfalfa, oats, mungbeans and cowpeas.

The relationship which exists between the percentage of farm income derived from wheat and farmers' preferences for marketing services should be considered. The percentage of farm income attributable to wheat is used in this thesis to give an indication of the importance of wheat to the farmer interviewed.

CHAPTER IV

MARKET OUTLETS FOR WHEAT

Marketing Facilities Available

The wheat marketing firms available in Kingfisher county provide for a wide range of preferences. There are three firms operating in the town of Kingfisher at the present time. The Kingfisher Cooperative Elevator Association, Burrus Mill and Elevator Company, and W. B.

Johnston Grain Company have a combined storage capacity of 1,861,600 bushels. Only one firm, Continental Grain Company, is operating an elevator at Dover at the present time with 15,000 bushel storage capacity. At Hennessey there is the Farmers' Elevator and Cooperative Association, Star Mill and Elevator Corporation, and Moore-Stauffer Grain Company with a combined storage of 890,000 bushels.

Limits to Farmers' Preferences

Consumers' actions are said to be a function of enabling conditions and motivational forces.² Likewise, a farmer's actions in marketing wheat are a function of the existing markets for wheat and his preferences for these different firms. Just as income, assets, and credit available restrict the consumer's action, so do the available markets set limits within which the farmer's preferences operate. These limits are flexible and may be expanded or contracted with any significant

¹Compiled from the files of the Oklahoma Crop Reporting Service, Office of the State Statistician, K. D. Blood in charge. All storage figures given hereafter in this thesis are in direct reference to this source.

²George Katona, <u>Consumer Behavior</u>, <u>The Dynamics of Consumer</u> Reaction (New York, 1954), p. 30.

change in production or cost of transporting the wheat. Factors which may cause an expansion or contraction must be recognized if the limits are to be meaningful.

If production in an area increases to such an extent that existing firms are unable to take the wheat, then part of the wheat will be
hauled out of the area to other firms. A decrease in cost of transporting the wheat would tend to have the same effect if any price
differential existed. As production and cost of transportation become
fairly stable the market area becomes more clearly defined.

All of the farmers interviewed in this study except one, sold their wheat in Kingfisher, Dover, or Hennessey. This one farmer lived outside the area sampled but farmed part of a section included in the sample. Only those firms in these three communities shall be considered in this study. Those firms in Watonga, Okarche, Guthrie and Crescent could serve as alternatives if the firms now being used were unable to handle the wheat or if a significant price differential existed. Even those firms at Kingfisher, Dover, and Hennessey were not used throughout the area but rather the area was divided between these marketing points. Alternatives provided by the firms at these three points are for the purpose of this study considered equally available to all of the farmers.

There are no physical barriers to movement of grain within the area sampled. The Cimarron river crosses the middle township but there are bridges located at such points that it necessitates only two miles of additional hauling in either direction. Road conditions are good throughout the area so this factor is not important in the movement of wheat. The only hindrance to movement of wheat seems to be the cost of moving it from one point to another.

A large percentage of wheat grown around the various marketing points is sold at the nearest point. Of the 42 farmers interviewed, 34 sold at the point nearest their farm. In the other instances there was a maximum difference of three miles additional hauling. All of these farmers chose to transport their wheat to Hennessey or Kingfisher rather then sell to the one firm at Dover. This is pointed out to illustrate the tendency farmers have of hauling to the nearest point, yet if the services or facilities at one point are inadequate, the wheat will be hauled to firms at greater distances. Even though there was no significant price differential between the Dover firm and those in Hennessey or Kingfisher, other factors caused the farmers to prefer the firms outside the Dover area. These motivational forces are the objective of this study.

History of the Wheat Marketing Firms

All of the existing wheat marketing firms in Kingfisher, Dover, and Hennessey have been operating for a minimum of 20 years. Only two other firms operated during this period; Kingfisher Flour and Milling Company in Kingfisher, and the Burrus Elevator at Dover. The facilities owned and operated by the Kingfisher firm were replaced by the present cooperative facilities. The elevator operated by Burrus Mill in Dover is used for storage but has not merchandised wheat since 1952. Prior to 1952, the elevator operated during the harvest season.

The major changes which have occurred have been in facilities and not in number of firms. The greatest expansion has been in the cooperative elevator facilities. The other firms already had fairly adequate facilities and have not expanded during recent years. There was an increase in permanent bulk storage facilities in Kingfisher county

from 2,177,000 bushels in 1942 to 2,938,100 bushels in 1955. The two cooperatives at Kingfisher and Hennessey accounted for 605,000 bushels of this increase. The government storage program has no doubt been partly responsible for the increase in storage facilities. With storage space out of use due to the occupancy of wheat under government loan, more space was needed if there was to be space available during the harvest season. The rent from wheat stored by the government also aided in financing the construction of additional facilities.

Effects of Technological Changes

The arrival of an era of custom combining and custom hauling has had its effect on the firms which buy wheat. There have been numerous changes in the methods of handling and disposing of the wheat since World War II. In the area of this study, a farmer who combines his own wheat and hauls it to market is the exception now. Some of the farmers in the area still harvest their own wheat but the larger part of them hire it done on a custom basis. The combines start in the southern part of the wheat belt and as the wheat ripens they move on north, harvesting the wheat as they go. Trucks usually accompany the combines, hauling the wheat from the farm to the elevator.

The farmer who combines his own wheat, uses on-farm storage, and hauls the wheat himself is not the one who has caused the expansion of facilities at the local elevator points. Instead, it is the farmer who hires his wheat combined and hauled to the elevator, and placed in commercial storage, who has caused the change. All of these factors have combined to increase the need for greater facilities.

The length of the harvest season has also been affected by the changes which have occurred. It no longer takes two or three weeks to

harvest the wheat within the county but may now be completed in less than one week if the wheat ripens at the time expected. Weather conditions which disrupt the planting schedules may lengthen the harvest season but the actual time spent in harvesting is much less than it was 15 or 20 years ago.

Elevators handling wheat under the conditions which prevail now were forced to make adjustments in order to handle the same amount of wheat over a much shorter period. This factor has caused an emphasis of speed in handling the wheat at the local elevator points. The effect this change in the harvest season has had on the preferences of farmers shall be discussed in the section on factors related to preferences. The cooperative elevators have been forced to make adjustments in facilities to handle the sudden influx of wheat during the harvest season. Along with storage facilities, additional dumps and improved legs have been constructed.

Types and Locations of Elevators

The firms which buy wheat in Hennessey, Dover and Kingfisher might be classified as three different types. Included are cooperative elevators, elevators operated by grain companies, and mill and elevator companies. For the purpose of this study these firms shall be designated as types A, B, and C respectively. Firms within each classification shall be differentiated by a subscript such as A₁, A₂, and A₃.

The cooperative elevators are single unit organizations which operate independently of other organizations except for their affiliation with Union Equity Exchange in Enid. The cooperatives are called single unit elevators because there are facilities for handling grain and providing other services at one point only. 1 Both cooperatives handle feed and seed as sideline operations but their primary function is the handling and storing of wheat. The cooperatives buy wheat from the farmers, provide storage for wheat, and move the wheat out to the terminal elevator.

Hennessey, Kingfisher and Dover each have an elevator operated by a private grain company. These elevators buy and store wheat commercially. The companies involved operate on the margin received from the merchandising of wheat and from revenue received for storage of wheat. The wheat from several of these local elevators is usually concentrated at a central point similar to the terminal cooperative elevator. These firms do not perform any milling operations but sell most of the wheat to milling firms.

The other type of firm operating in this area is the mill and elevator company. These firms perform milling operations as well as the handling and storing of wheat. Much of the wheat purchased by these firms is used for milling purposes within the firm. Like the cooperatives and private grain companies, these firms also store wheat under government loan.

As far as the farmer is concerned there is very little difference in the number of services performed by the three types of elevators studied in this area. The difference exists not so much in number of services performed, but rather in the manner in which they are carried out. As an example, all of the firms weigh the wheat when it arrives at the elevator but different kinds of scales are used.

Addlowe L. Larson and Howard S. Whitney, <u>Relative Efficiencies of Single-unit and Multiple-unit Cooperative Elevator Organizations</u>, Oklahoma A & M College Agricultural Experiment Station Bulletin No. B-426 (Stillwater, 1954), p. 3.

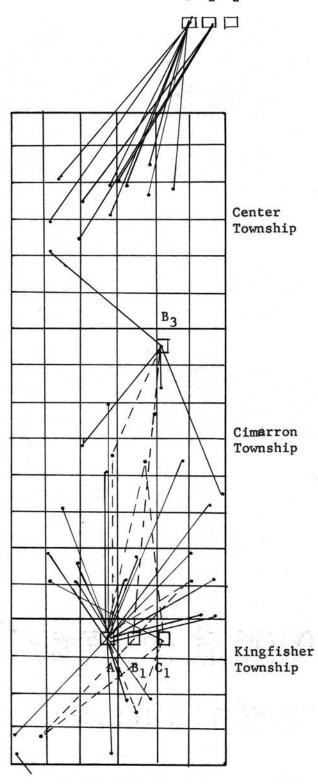
All of the elevators in this area handle other grain but are primarily concerned with wheat. Such services as weighing, grading, unloading from trucks, drying, mixing and storage of grain are performed by all of the elevators. However, the efficiency in performing these services and treatment afforded the farmer are not the same. Differences also exist in the method of ownership, management, and distribution of profits. Many of the preferences for a particular firm may be traced to one or more of these differences.

Hennessey and Kingfisher each have all three types of firms with Dover possessing a private grain company elevator. The Kingfisher firms shall be designated as A_1 , B_1 , and C_1 ; the Hennessey firms as A_2 , B_2 , and C_2 ; and the Dover firm as B_3 . Locations, with the designations used for the firms, are shown in the diagram on page 26.

The diagram consists of the three townships included in this study, with the sections composing the sample. Farm units from which schedules were obtained are also shown on the diagram. Lines have been drawn from the farm units to the points where the farmers preferred to take their wheat. In those instances in which the farmer had no preference between two or more firms, dotted lines are used. Even though the area was not completely covered, sufficient schedules were obtained to provide an indication of the movement of wheat within the area.

A lack of facilities for handling wheat in Dover has caused its market area to be much smaller and not as well defined as those of King-fisher and Hennessey. Much of the wheat produced near Dover must be taken to other points since the elevator there can not provide adequate storage and can not handle the wheat fast enough during the harvest season. This is an example of a firm's facilities serving as a restriction

Figure 1. Location of Farm Units Relative to the Firms Preferred $${\rm A_2}$ {\rm B_2}$ {\rm C}_2$



SOURCE: Schedules obtained from farmers in three townships of Kingfisher county in March, 1955.

on its activities. If no other firms were available, the preferences of farmers in the Dover area would be forced to operate within these narrow limits set by inadequate facilities. Because of the short distance to Kingfisher or Hennessey, the limits are expanded and give the motivational forces more room within which to operate.

Firms indicated on the diagram are the ones preferred by the farmers. In nearly every instance the farmers interviewed had sold wheat to more than one firm even though he had a preference for a specific firm. This necessitated a distinction between firms used and the firms preferred. The term "preferred" used here relates to the normal situation. Conditions may arise which cause the farmer to prefer another firm temporarily. These conditions may be brought about by forces other than those normally affecting the farmer in his decisions. In other instances the farmer may use another firm because of the inability of one firm to provide the services it had been providing in the past. Even though the situation is temporary, the farmer may be forced to patronize another firm if he is to obtain the services desired at the time his wheat leaves the farm.

Farmers' preferences for particular firms are associated with the services which the firm normally provides. On occasions the preference for a specific service may force the farmer to choose another firm.

This study is concerned with the services and not the firm preferred so these exceptions will not be considered. The firms are considered only where they may be related to the services provided or where characteristics peculiar to that firm exist. Firms must be considered if farmers show a preference for reasons other than differences in services provided.

The type A firms were preferred by 26 of the farmers interviewed. The type B firms were next in popularity with eight farmers expressing a preference for them. One of the farmers stated that he had no preference and another farmer preferred a firm outside the area studied. The remaining eight farmers preferred a combination of two firms. The proportion of farmers preferring the different type firms in this study is not necessarily significant since the sample was not designed to give this information. However, the results do indicate a difference among the farmers in the type of firm preferred. Reasons for the farmers' attitudes are reflected in their answers to the question on why they started selling to a particular firm.

CHAPTER V

FARMERS' PREFERENCES

Reasons for Starting to Patronize a Particular Firm

An attempt was made to determine the original reasons why farmers started selling to a particular firm. An open-ended type question was asked, "Why did you start selling to this firm?" The answers received from the farmers are recorded in Table 3. The question allowed the farmer to express the reasons in his own words with the response recorded verbatim.

Since this study was designed to aid in preparing questions for a relatively new and unexplored field of work the free-answer approach in wording questions is clearly indicated. There was no material or literature available to serve as a basis for wording two-way or multiple choice type questions.

Patronage Dividend. The receipt of patronage dividends was the reason most frequently given for starting to sell to the elevator preferred. In this instance the reason is associated with the type of firm preferred by a large number of the farmers interviewed. The difference emphasized here is not in services rendered but rather in the dollar returns from patronizing a particular type of firm. The savings cooperatives realize from the handling of wheat are returned to the farmer in the form of patronage dividends. The price paid for wheat is usually the same as that paid at elevators owned and operated by individuals or other corporations. Savings distributed in this form to the farmer are based on the amount of wheat he has sold to the cooperative, hence the term patronage dividends.

Table 3. Reasons Farmers Interviewed Started Selling to the Firm Preferred

Number 6	; ; ;	Number	:				Townships
6	: :		-	Number	:		Number
6	:		:		:		
	:	6	:	4	:		16
	:		:		:		
7	:	3	:	3	:		13
	:		:		:		
3	:	3	:	5	:		11
	:		:		:		
	:		:		:		
3	:	4	:	2	:		9
	:		:		:		
1	:	3	:	1	:		5
	:		:		:		
	:		:		:		
2	:	1	:	2	:		5
	:		:		:		
	:		:		:		
2	:	1	:	1	:		4
	:		:		:		
,	:		:		:		•
1	:	T	:	-	:		2
				1000			_
	1	1 : : : : : : : : : :	1 : 3 : 1 : 2 : 1 : : : : : : : : : : : : : :	1 : 3 : : : : : : : : : : : : : : : : :	1 : 3 : 1 : 2 : 2 : 1 : 1 : 1 : 1	1 : 3 : 1 : 2 : 2 : 2 : 1 : 1 : 1 : 1 : 1 : 1	1 : 3 : 1 : : : : : : : : : : : : : : :

SOURCE: Schedules obtained from farmers in three townships of Kingfisher county in March, 1955.

Sixteen of the 42 farmers interviewed mentioned the patronage dividend received as one reason for starting to market their wheat at a certain point. This benefit is derived only from the cooperative type firm. The reason appears to be very important, especially if only those farmers preferring this type of firm are considered. Of the 30 farmers preferring the cooperatives, either alone or with another firm, 16 mentioned the patronage dividend as one of the reasons for starting to do business there.

Patronage dividends were deemed important in all three of the townships studied, ranking first in one township and second in the other two. The percentage of farmers mentioning this factor ranged from 30 to 55 in the three townships studied.

Improvement of Market Price for Wheat. Another important factor mentioned by a large number of farmers was the effect a firm had on the market price for wheat. All of the farmers who gave this reason preferred, and were speaking of, the cooperative type firm. These farmers were interested, not only in receiving a higher price at the time, but also in creating a situation favorable to a fair price for wheat in the future.

It was the opinion of the 13 farmers who mentioned this factor, that by forming and maintaining a cooperative in the area, they would receive a better price for their wheat. Eleven of these farmers had been selling wheat to the firm 20 years or more. The larger portion of these farmers were among the first patrons of the two cooperatives. Since these farmers had been marketing wheat in this vicinity for a number of years, they could recall when a difference in price existed between the elevators in the area.

One farmer brought out the idea that much of the increase in price was caused by the farmers marketing their own wheat and thereby saving a few pennies. By assuming an obligation, and through group effort, it was possible to improve the price of wheat in the area.

Probing for explanations proved profitable with these farmers as it was possible to determine what was meant by "a better price." Not only were the farmers interested in a higher price, but also in creating more competition. The feeling was that by increasing the competition the margin would be decreased and the wheat would continue to bring what it was actually worth.

In one township, improvement in the market price for wheat was mentioned by the farmers interviewed more often than any other reason as the factor causing them to start selling to a specific firm. Although the number interviewed is not large enough to make a statement with any degree of certainty, there is an indication that a greater need for improvement in price existed in this township than in the other two. This is an example of variation in attitudes as caused by conditions in the area studied.

Ownership of Stock. Just as farmers use machinery which they own, so do some cooperative members believe in using the cooperative in which they own stock. This reason was given by eleven farmers as the factor causing them to start selling to a cooperative. When stock became available the farmer bought shares and became part owners in the organization.

The fact that the farmers were willing to buy stock is closely related to some of the other factors deemed important. The farmers believed a need existed for such an organization or they would not have

been willing to buy stock. The return on the stock alone was not enough to entice them to buy shares. Eight of these farmers mentioned other factors causing them to start selling to the cooperative.

The answers received from this group of farmers would seem to indicate that each one realized his responsibility in helping to create and maintain a better wheat market in the area. The situation which caused the farmer to buy stock may be forgotten and so he gives the ownership of stock as his reason for selling to the cooperative.

Benefits derived from the stock do not seem as salient in the farmer's mind as the element of being a part of the organization.

Less Time Required for Disposing of Wheat. Time has become a very important element to farmers when moving wheat from the farm to the elevator. Nine of the farmers interviewed mentioned this as one reason they started selling to the firm they now prefer. The importance of this factor is more strongly indicated in the answers to the question on whether or not any wheat is sold to other firms. Thirty-three of the farmers interviewed had sold wheat to other firms on occasions because the firm preferred could not handle the wheat fast enough.

Among the farmers who have started selling to a firm in recent years this reason seemed more important. As shown in answer to another question, five of the 11 farmers who had been selling to a firm less than 10 years, started selling there because of faster service.

A few minutes saved by being able to dump the wheat and get back to the farm can become very important if a combine is waiting to unload. Several farmers mentioned that trucks have at various times been lined up for six blocks during the harvest season waiting to unload at the elevator.

Closer to Farm. One reason given for starting to sell to a particular firm might be associated with a saving of both time and money in terms of a shorter distance to market. This saving of time would be possible only if the elevator could handle the wheat as it comes in, without any delay in unloading at the elevator. A reduction in transportation costs would also be possible by selling to the elevator nearest the farm. This would result in increased returns to the farmer if no difference existed in the prices paid at the marketing points throughout the area. If the price at a more distant market exceeds the price at the elevator nearest the farm by more than transportation costs, then no savings are to be had from selling to the elevator near the farm.

The distance to market becomes even more important if the farmer does all of his own hauling. With the rush of harvest, the time saved by hauling to an elevator closer to the farm permits the farmer to haul that much more wheat during the day. However, the speed of handling wheat at other elevators in the area may overshadow any time saved by shorter hauls so the relative importance of the two factors must be considered.

In areas around towns or rural places having only one elevator such as Dover, distance often seems to be the deciding factor. Farmers may choose to market their wheat at this one elevator rather than haul to the market more distant from the farm, even though other factors favor the firms farther from the farm. This was true in this pilot study with four of the five farmers mentioning this factor living near Dover and selling their wheat to the Dover firm. The other farmer lived in Okarche and gave distance as the reason for selling his wheat in Okarche.

The importance of distance to market may also be related to the fraction of a farmers income attributable to wheat. Two of the five farmers who mentioned this factor derive less than one-half their farm income from wheat. If other farm enterprises are more important than wheat, the farmer may be reluctant to use any extra time in transporting wheat to a more distant market.

Treatment Received from Elevator Personnel. Once a farmer comes in contact with the personnel operating an elevator, the treatment he receives may determine whether his attitude toward the firm is favorable or unfavorable. Customers and potential customers may be driven away by the manner in which the manager or an employee acts toward an individual. No one likes to be treated with indifference and the same holds true for the farmer in his dealings with elevator personnel.

Five farmers mentioned this factor as one reason for starting to sell to a specific firm. These farmers started selling to a firm because they liked the treatment afforded them at this elevator better than that received at the other elevators in the area. Two of these farmers started selling to the firm they now use because of an unfavorable attitude toward another firm. This attitude was a result of the indifference of employees and the questionable manner in which wheat was weighed and graded. One of these farmers believed the firm was "trying to get to him."

The attitudes of the other three farmers were of a positive nature. Their preferences were a result of being treated favorably in their dealings with elevator personnel. As long as farmers are receiving this kind of treatment they are reluctant to change to another firm. Farmers may also become regular patrons of a firm after being treated well by

elevator personnel. Temporary patrons may become regular patrons in instances such as this.

This pilot study indicated that farmers who had been selling to a firm for several years seemed to place more emphasis on the treatment received from the elevator personnel. Four of the five farmers who gave this as a reason for starting to sell to a particular firm had been selling to the firm 20 years or longer. This would seem to support the assumption that farmers are reluctant to change as long as they are satisfied with the treatment received at the elevator. There is also a possibility that a relationship exists between the age of the farmer and the importance he places on this factor, with the older operators placing a higher value on being treated favorably.

The importance of farmers' attitudes toward personnel employed by the elevator has not been fully realized during recent years. With the increased production and the government storage programs, elevators have not had to worry so much about obtaining the farmers' business. The farmer himself has tended to place more importance on other factors such as speed in getting rid of his wheat. As additional facilities are constructed and a competitive situation is reached once more, this factor will be emphasized by the farmer.

Personal Friend of Manager. If the manager of one of the elevators in the area is a personal friend, other factors may not be considered. Four of the farmers gave this reason for starting to sell wheat to a certain firm. This was not a case of one exceptionally strong personality as three different managers were referred to in the interviews.

Two of the farmers who mentioned the manager as a personal friend were only part-time farmers. The larger portion of their income was attributable to off-farm employment. This may suggest a possibility

that for such farmers social and psychological factors are of greater importance than the economic considerations.

A tendency exists for farmers who are close friends of elevator managers to feel obligated to take their wheat to that firm. This factor would probably become more important if elevator personnel were forced to get out and hunt for patrons. As conditions are now several farmers mentioned that one elevator manager was "really all right" but just doesn't have the facilities to handle the wheat.

Landlord Influence. Two of the farmers interviewed were influenced by their landlords into selling to a particular elevator. In neither of these cases did the landlord specify that all of the wheat was to be taken to a certain elevator but since he wanted the rent taken there the tenant sold his there also. These two farmers preferred to sell to the same firm the landlord liked rather than go to the trouble of dividing it at the farm.

In instances such as these, the landlords' preferences are the important ones. When the landlord decides where the wheat is to be taken, the tenant does not have much choice as to services and type of firm he will patronize.

Why Farmers Prefer One Particular Firm

The farmers interviewed were asked, "Why do you prefer the firm you use to others in the area?" This question was asked for the purpose of obtaining, in the farmers own words, reasons for preferring one of the firms in the area studied. An attempt was made to determine the difference, if any, in the respondent's reasons for starting to do business with the firm and currently doing his business there. Although the farmers were talking about the same firms, it was believed that

different reasons might be important now as compared with 15 to 20 years ago.

This question was also used to obtain additional reasons for attitudes from the same farmer, if he failed to mention some of the important factors in his first answer. Since the primary objective of this pilot study was the testing and improvement of the questionnaire, the asking of similar questions was done purposely in order to obtain more variation in attitudes. The questionnaire was designed to obtain as many reasons for different attitudes as could possibly be important in the limited area.

Table 4 contains the reasons expressed as to why a particular firm was preferred at the time of the interview. The broad groupings into which the answers have been fitted are very similar to those used for reasons for starting to patronize a particular firm. Only two groupings have different meanings, but the relative importance of some of the groupings were different for the two questions. A number of the farmers mentioned different reasons from their first answers which caused a general movement between the groupings.

Practically the same reasons were obtained from the group of farmers but there was some change among the farmers caused by one farmer mentioning in answer to this question what another farmer had mentioned in answer to the first question. If the reasons can be rated in importance according to the number of times they are stated, then a change in importance occurred between two of the factors. Speed in the handling of wheat was mentioned more often in answer to this question whereas the ownership of stock was not mentioned by as many farmers.

The receipt of patronage dividends was the factor mentioned most frequently as the reason for preferring a particular firm over others

Table 4. Reasons Why Farmers Interviewed
Preferred a Specific Firm

Reasons	: B	ingfisher: Township :					3	Total Townships
	:	Number :	Number	:	Number	:		Number
Patronage Dividend	:	9 :	4	:	3	: :		16
Maintain Price of Wheat in the Area	:	8 :	3	:	2	:		13
Less Time Required for Disposing of Wheat	:	4 :	5	:	4	:		13
Ownership of Stock	:	3 :	2	:	2	:		7
Treatment Received from Elevator Personnel	:	4 :	1	:	2	:		7
Closer to Farm	:	1 :	3	:	1	:		5
Personal Friend of Manager	:	2	1	:	1	:		4
Others*	:	2 :	3	:	3	:		8
	:	:		:		:		

SOURCE: Schedules obtained from farmers in three townships of Kingfisher county in March, 1955.

^{*} Others includes better scales, landlord influence, other business at the same firm, and desire to be regarded as regular customer.

in the area. The dollar savings which had enticed many farmers to start selling to the cooperative were important to the farmer at the time of the interview. The return of a dividend on wheat sold to the firm can become a rather large amount even though it is only a few cents per bushel. To the farmer, this patronage dividend is the same as a higher price for the wheat.

Thirteen of the farmers preferred the firm to which they sold their wheat because they believed it was helping to maintain a better price for wheat in the area. This group of respondents liked a firm because of its influence on the price paid for wheat in the community. As one farmer said, "We have the farmers' elevator there for protection--see that we get a fair price." The farmers in this group preferred to sell to the cooperative type firms because of their competitive influence on both price and services.

The elevators which were more conveniently located and could handle the wheat faster were preferred for these reasons. Farmers who gave this factor as a basis for their preference liked the firm because they "can usually get the wheat in faster." For each individual farmer, the firms referred to in this respect might vary with his own situation. The farmers near Dover could probably take their wheat to the elevator there and dispose of it faster than if they took it to Kingfisher even though the Kingfisher elevator might physically handle wheat faster. This factor is related to both location of farm and the speed and efficiency with which the elevator can handle wheat. Farmers who preferred a particular firm for this reason were referring to the firm which possessed the facilities for and was usually capable of faster service.

Although it was not mentioned as often in answer to this question as the one on reasons for starting to sell to a firm, owning stock

continued to be one of the main reasons farmers preferred a specific firm. The element of feeling like a part-owner and being indirectly responsible for the management of the firm was very important to some farmers. If the farmer feels there is very little difference in the elevators otherwise, he will take his wheat to the one in which he personally has an interest. Six of the eight farmers who mentioned this factor gave this in addition to other reasons for preferring a particular firm.

Effort put forth to please the farmer may decide whether or not he prefers a particular elevator. Seven of the farmers interviewed preferred a firm because of the treatment they had received from the elevator personnel. The farmer as a patron likes to feel that his business is appreciated and the only indicator he has is the treatment he receives from the elevator personnel. Once the farmer started doing business with the firm, actions of the people he came in contact with partially determined his attitude toward the firm. This factor is probably more important to some farmers than others as some people demand more attention and are more personality conscious.

Such reasons as distance from farm, personal friendship of the manager, and landlord influence were repeated by the farmers who had mentioned them in answer to the other question. Differences between prices at the different points now as compared with 10 to 20 years ago had decreased if any change at all had occurred so the distance to market remained an important factor to farmers near Dover. The managers of the elevators had not changed in recent years so the farmers who thought of a certain manager as a personal friend repeated this as a reason for their preference for continuing to patronize a particular firm. The situations of the two tenants who emphasized the influence

exerted by their landlords were the same for this question. The factors salient in the minds of these farmers were given both as reasons for starting to sell to a firm and as the factors causing them to prefer that firm at the present time.

Three of the farmers interviewed preferred a particular elevator because of the scales used for weighing the wheat. The elevators using scales which stamped the weight on a ticket were preferred by the farmers. This type of scales also let farmers see the weights at the same time they were being stamped. Even if no difference existed in weights with the various kinds of scales, the farmers liked the firm which used the scales in which they had more confidence. These farmers preferred those elevators which they believed were "more fair on weights."

The preferences of two farmers for a particular firm were a result of the other business transacted with that firm. In both instances the firm had purchased other farm products from them. The willingness of the firm to purchase cowpeas and alfalfa seed was important to these farmers. They preferred the firm because of this additional service it performed.

One of the farmers interviewed always sold part of his wheat to a particular firm so that he would be regarded as a regular customer. The farmer did this in order to have storage if it became scarce. He believed that by being a regular customer he would receive storage as long as any was available. This farmer's preference was a result of his desire for a form of insurance, in this case insurance against the elevators not being able to handle all of the wheat in the area.

The Change in Reasons for Preferences

Farmers prefer a particular firm today for slightly different reasons from those deemed important when they first started selling to the firm. The major change has been associated with the type of influence which a firm might have on the price paid for wheat in the area.

A large number of the farmers interviewed started selling to an elevator because they believed that firm would improve the price of wheat. An even larger number now prefer to sell to certain elevators because it is believed that these firms are helping to maintain the price paid for wheat.

The wheat marketing situation which existed at the time many of the farmers started selling wheat to the elevator preferred was quite different from the situation now. Large margins for the merchandising of wheat and price differentials between elevators were not uncommon at that time. The cooperative firms which developed were largely a result of farm groups organizing to sell their own wheat in order to receive a better price for their wheat. Today, most of the firms pay approximately the same price for wheat but many of the farmers believe this is a result of the competitive influence exerted by the various firms. The incentive several years ago was the improvement of price, whereas now it is the maintenance of what has been achieved.

Faster service at the elevator has become more important in recent years. This factor was given more frequently as a reason for preferring a specific firm at the time of the interview than it was for starting to sell to a particular firm. This might be expected with the improvements in technology and use of combines on a custom basis.

Scientific advances in production methods have paved the way for much shorter harvest seasons which in turn force the elevators to handle the same amount of wheat over a much shorter period.

As the difference in price between elevators decreases, other factors become more important. The farmer is more conscious of such

factors as the type of scales used and the treatment he receives from elevator personnel. Such changes were evident in the difference between the answers to these two questions.

Factors Related to Preferences

In the study of factors related to farmers' preferences, selected personal, social and economic characteristics of the farmers interviewed were reviewed to determine if any relationship existed. The objective here was to uncover any factors which might bear relationships to preferences for certain services. Are farmers' preferences related to the size of farm they operate? Indications as to the answers to such problems are the subject of this section of the study.

Since this pilot study was designed to facilitate the study of farmers' preferences in the wheat area, it was believed that such a study should point out some of the factors related to preferences in wheat marketing. The sample taken was not large enough to make statements with respect to these related factors, but rather to provide indications which could be tested in the major survey. The factors discussed briefly in this thesis are those which were indicated either in previous studies or in this pilot study as possibly being related to farmers' preferences.

Age of Operator. Certain factors might be more important to older operators than to ones who have just started farming. The difference here may be associated either with the operator's age or his experience in selling wheat. The preferences of older operators who have sold wheat in the vicinity for several years are likely to be more defined than those of the younger operators who have not had time to form definite opinions. Firms attempting to please a certain age group would benefit from

any information which would indicate the relationship, if any, between age and preferences. Previous studies have not agreed on this problem and this pilot study was not extensive enough to furnish any indication.

Size of Farm Operated. In previous studies the question had arisen as to whether or not a relationship existed between cooperative participation and the size of the farm operated. This pilot study did not reveal any answers to this problem. It is reasonable to assume that large operators would desire different marketing services from those wanted by small operators. For instance, in this study there was an indication that small operators were more likely to regard speed in handling as important since they performed more of their own farm operations and needed to get back to the farm.

The degree to which farmers' preferences vary with the size of farm they operate should be determined. Such information would be very helpful in the determination of those services needed in a market area. It must be realized however, that a large farm does not necessarily indicate a large wheat acreage.

Importance of Wheat Relative to Other Farm Enterprises. A farmer deriving the major portion of his income from wheat would be expected to have more definite attitudes regarding the marketing services desired than would the farmer who only had a few acres. On farms of relatively the same size, the farmer using wheat in a program of diversified farming would probably not be as deliberate as the wheat farmer in choosing a market for his wheat. As the farmer's wheat acreage decreases in importance relative to other enterprises, factors relating to his other enterprises are likely to be foremost in his mind.

George M. Beal, The Roots of Participation in Farmer Cooperatives (Ames, 1954), p. 57.

Those farmers having other enterprises which are more important may choose a firm because it is the market for their other products.

Two of the farmers included in this study preferred a particular firm because it purchased their other farm products. The livestock producer might prefer an elevator because it has facilities for grinding and mixing feed. Factors related to other enterprises should be considered in this type of study as they may affect farmers' preferences for marketing services.

Tehure Status. The number of tenants interviewed in this study was insufficient for any indication of a relationship between preferences and tenure status. In the studies of farmers' attitudes toward cooperatives there is conflicting evidence as to whether or not a relationship exists. The major survey should provide an adequate number of schedules for a study of the effect of tenure status on preferences for marketing services.

Number of Years Farmer Has Patronized a Firm. This pilot study provided a definite indication of a relationship between farmers' preferences and the number of years they had been selling to a particular firm. The farmers who started selling to a firm more than 20 years ago preferred that firm for reasons different from those given by the farmers who started selling to a firm recently. (Table 5). Changes in the local market situations have caused much of this difference. The farmer who has been selling to a firm for several years remembers conditions which are not prevalent today. On the other hand, the farmer who has just started selling to a firm thinks primarily of the advantages which are noticeable now and tends to forget the factors which have been important in the long run.

Table 5. Relationship of Reasons for Farmers' Preferences to the Number of Years They Had Sold to the Firm.

Reasons	:		Nu	mber of Ye	ears		
	- :	0-9	:	10-19	:	20 or	More
	:		:		:		
			:		:		
Patronage Dividend	:	3	:	7	:	6	
	:		:		:		
	:		:		:		
Maintain Price of Wheat		1	:	2	:	10	
in the area	:		:		:		
	:		:		:		
Less Time Required for	:	7	:	4	:	2	
Disposing of Wheat	:		:		:		
	:		:		:		
Ownership of Stock	:	2	:	2	:	4	
	:		:		:		
	:		:				
Treatment Received from	:	1	:	-	:	6	
Elevator Personnel	:		:		:		
Closer to Farm	•	•	:	45.	:		
Closer to Farm	•	2		1	:	2	
	•		•		•		
Personal Friend of		2	:	1	:	1	
Manager	:	2	:	1	:	1	
Others*	:	4	:	2	:	2	
	:	,		-	:	_	
			:				

SOURCE: Schedules obtained from farmers in three townships of Kingfisher county in March, 1955.

^{*} Others includes better scales, landlord influence, other business at the same firm, and desire to be regarded as regular customer.

An example of the difference in reasons stated is shown by the number of farmers preferring a firm because it "maintains the price of wheat in the area." Nine of the farmers who had sold to a firm 20 years or more gave this reason for preferring the firm whereas only one of the farmers who had been selling to an elevator less than 10 years mentioned this factor. Much of this difference is a result of the small price differentials between firms during recent years. Many farmers have tended to forget the effect one additional firm can have on the price of wheat and therefore do not regard this factor as a reason for preferring one firm over the others in the area.

The element of speed in handling wheat has become more important in recent years. Farmers who have started selling to a particular elevator during recent years mention this factor more often than do those who have been selling to a firm 20 years or more. Seven of the 11 farmers interviewed who had been patronizing a firm less than 10 years mentioned this as one of the reasons for selling where they did. This factor has caused some of these farmers to change firms and is salient in their minds as a reason for preferring the particular firm.

This pilot study also indicated that farmers who had been selling to one firm for several years deemed the treatment received from elevator personnel as very important. As shown in Table 5, this factor was mentioned more frequently by this group than either of the other two groups. Whether this is associated with the age of the respondent or is the result of being treated well for several years would require further study. With one exception, the farmers mentioning this were older farmers and had been selling wheat for more than 20 years in the area studied.

Sources of Market Information. The farmers who were interviewed in this study were asked what their source of market information was. This question was used not only to determine sources of information, but also as an indicator of the diliberation in choosing a market for wheat. Farmers who attempt to keep up with the various types of market news available should have preferences based more upon factual information. The type of information sought by this group of farmers was the current cash price. With a very few exceptions, this was the only information they desired. Television, newspapers and radios were consulted for the price of wheat at the different marketing points in the area. Forty of the farmers believed the information received was adequate, while the other two farmers were interested in something other than market information.

The evidence provided by the answer to this question would indicate the farmers do not deliberate each year in deciding what elevator to use. Similar indications were provided by the response to a question on whether or not they shopped around before selling. Only eight farmers stated they shopped around and these eight looked for the elevator which could handle the wheat most readily.

Method of Storage. Is the wheat in this area stored commercially or on-farm? No attempt was made in this pilot study to derive information as to where the farmer's grain was stored. However, a need was indicated for this information to assist in the study of those factors related to the handling of the wheat during harvest season. In those localities where a large part of the wheat is stored on farm, the problems of the elevators during harvest season are not nearly so great.

Wheat stored on-farm is usually brought to the elevators over a longer

period of time, giving the local elevator plenty of time to move wheat out to the terminal elevator. During recent years most of the wheat in the area studied was stored commercially, placing a much greater burden on the elevators at the time of harvest.

The use of custom combining has caused the harvest season to be much shorter. This factor along with increased use of commercial storage has forced the elevators to handle the wheat faster than they formerly did. Farmers' preferences have also been affected by these changes. Such factors as speed in handling the wheat have increased in importance. The farmers who had started selling to firms during the last 10 years mentioned the time factor more frequently than any other reason for preferring a particular firm. (Table 5.)

A measure of the amount of wheat produced in an area which is stored on-farm would aid in determining the difficulties in handling the wheat during the harvest season. Certain preferences could also be related to this information.

Membership in Farm Organizations. Farmers' preferences for certain types of firms may be related to the number of other farm organizations in which they are members. Farmers who are accustomed to doing things in groups are more inclined to prefer the cooperative type firm. In a study of member attitudes toward cooperatives, it was found that participation is higher among those farmers holding membership in other farm organizations. The possibility of a relationship between farmers' preferences and their membership in other farm organizations should be considered in the major survey.

¹A. W. McKay, <u>Members Knowledge and Attitudes--Calavo Growers of California</u>, U. S. Department of Agriculture, Farm Credit Administration Circulars C 137 (Washington, D. C., 1950), p. 11.

Firms and Services Available. The preferences of farmers must be considered in relation to what services are available and the different types of firms available. Most of the preferences derived in this type of study are directly related to firms in the area studied. Farmers tend to consider only those services available and it is very difficult to obtain their likes and dislikes about services with which they are not acquainted.

Farmers located in an area served by cooperative type firms may have different sets of preferences from those farmers located in an area served by private firms. In this study the reasons for the attitudes of those farmers preferring the cooperatives were associated with the type of firm. This is probably more prevalent where there are only minor differences in the services provided. In a question aimed at deriving those services wanted but unavailable, all of the farmers selling wheat to elevators in this area were satisfied with the services being provided.

The forces which motivate a farmer, causing him to select a particular market for his wheat, are a result of his contact with individuals, groups, situations, and institutions around him. Conditions affecting the farmer and the factors related to his preferences must be recognized in a study of his attitudes.

Farmers' Criticisms

The farmers interviewed in this study were asked for criticisms of the firms to which their wheat was sold. Difficulty was experienced in obtaining criticisms of the elevators in the area. This problem might be related to the number of farmers who owned stock in the cooperative elevators. As one farmer said, "If there was anything wrong we would get it changed."

Fifteen of the farmers who were interviewed had criticisms of the firm to which they had sold wheat. The factor mentioned by the largest number of farmers was the inability of the elevators to take the wheat fast enough during the harvest season. Of the four farmers mentioning this, two believed the situation had been corrected by recent construction of additional elevator facilities.

Three of the farmers criticized the cooperatives in the area for trying to become too large. These farmers believed that a need existed for the farmers' elevators but wanted the cooperatives to stay out of the retailing business.

Grading practices of certain firms were criticized by three farmers.

These farmers suspicioned unfairness in the grading of their wheat. Two

of these farmers directed their criticisms toward firms to which they

had sold wheat in the past.

One of the firms alloted storage space in 1954 on the basis of past patronage. This issue was controversial in nature with some farmers in favor of the practice and some against. Two of the farmers criticized the firm because of this allotment of storage.

Premiums for good baking wheat were not paid in this area unless the wheat was sold in carload lots. Two of the farmers believed this was in reality penalizing the grower of better baking wheat since some of the undesirable varieties tested higher and were priced the same.

A policy was desired which would encourage farmers to grow quality baking wheat by the use of premiums and discounts.

One wheat farmer criticized the railroad's present system of alloting cars to the elevators. The farmer thought a system should be developed
so that elevators could obtain cars when needed, especially those elevators with limited storage.

The failure to obtain more criticisms in this study may be traced to the tendency of people to refrain from censuring a company or industry. The criticisms which were obtained should be more meaningful since they represented very sharp criticisms from the farmers interviewed. The small number mentioning the various factors must not be overlooked as one might expect the number to grow with the size of the sample.

Improvements Suggested by the Farmers

Several questions in the pilot study interviews were directed toward additional services desired and general improvements needed in the firms buying wheat. Different questions were used in order to obtain as many of the elements of dissatisfaction as possible. Along with factors favoring particular firms, these criticisms and objections are considered by the farmer in his decision as to which elevator he should use.

The farmers selling wheat to firms in this area seemed to be well satisfied with the services provided. All of the farmers who were interviewed in this study said the firm they preferred provided all of the services they desired. The type of criticisms offered would seem to support this indication. The farmers who criticized the different firms were not concerned with the number of services but the manner in which they were performed. For instance, all of the elevators provided storage but a difference existed in the time required for unloading the wheat when it was brought to the elevator.

The major improvements were suggested when the farmer was asked to define the circumstances under which he would change to another firm.

¹Stanley L. Payne, <u>The Art of Asking Questions</u> (Princeton, 1951), p. 24.

Seventeen of the farmers said they would sell to another firm if it became necessary in order to obtain storage or if another firm could handle the wheat faster. These farmers were not interested in additional services but in improving the ones available.

Only six of the farmers interviewed in this study believed the available wheat markets unsatisfactory. The reasons given by these farmers were inadequate facilities and inability to handle the wheat fast enough. Consistency was apparent in the farmers' attitudes toward improvement of wheat marketing in this area with the farmers interested in an increase in storage facilities and faster service when unloading the wheat at the elevator. Several of the farmers indicated the situation had already been remedied by recent construction.

Areas of improvement as indicated in this study are not in additional services. The suggestions derived from the farmers who were interviewed are in terms of improving those services already available.

CHAPTER VI

PROJECTION OF TECHNIQUES

Questionnaire Development

The information obtained in the pilot study will facilitate the construction of a questionnaire for the major survey. Answers received in reply to the pilot study questions provide an indication of the type of answers to be expected and problems to be encountered in a study of farmers' marketing preferences.

The questionnaire used in the pilot study was constructed so as to record as much variation in expression of attitudes as possible in a limited area. (Appendix) An effort was made in the questions near the end of the questionnaire to draw the farmer out and get him to express those factors which were not as salient in his mind as those previously stated. The anticipation of such factors is important in wording questions for the major survey.

The type of question to use is a problem which has received a great deal of attention. There are many objections to either the open-ended-free answer, two-way choice such as the yes or no, or the multiple choice type questions. As is true in most research of this type, more than one type of question should be used in the major survey questionnaire. Wide-open questions are recommended for the determination of the relative importance of different factors with more specific questions used to indicate impressions of the single aspect.

Open-ended questions were used at the beginning of the pilot study interviews and more detailed and specific questions were used toward the end of the questionnaire. After the farmer had been asked the firm he preferred, then a reason-why question was asked. His reasons were obtained

for starting to sell to a particular firm and for preferring that firm at the time of the interview. Answers from these questions provided an indication of farmers' attitudes toward marketing firms.

One of the major objections to the open-ended question is the difficulty of coding or quantifying the free answers. Much of this difficulty was not present in this study since the answers were tied to services, differences in the performance of these services, or factors associated with the type of firms available.

Questions directed toward specific attitudes and related factors should be multiple choice type questions. It is believed each type of question has its place in a study of farmers' preferences, the openended question directed toward those factors salient in the mind of the respondent and the multiple choice or two-way question for those considerations not frequently recalled.

The information obtained in the pilot study makes it possible to use more specific wording in the questions directed toward factors related to preferences. These questions should be constructed so as to obtain the relationship, if any, which exists between the factors and the farmers' preferences. Since these factors might not be considered in answering the open-ended type questions, more direct inquiries are recommended.

The multiple choice type questions are the most formal type of question. 1 This is especially true if a large number of choices are presented from which the respondent must choose his answer. Card

Stanley L. Payne, <u>The Art of Asking Questions</u> (Princeton, 1951), p. 75.

lists are recommended if more than three choices are presented. Since informal interviews seem to obtain better results, the multiple choice questions used should probably contain no more than three choices.

The wording of questions used in the interviews is important in establishing and maintaining rapport. Questions which were less formal in their wording appeared to obtain better responses from the farmer. In this pilot study the respondent was more willing to express his opinion and reveal his attitudes when questions of a less formal nature were asked. The conditions under which interviews with farmers are conducted also suggest an informal question when feasible. As the farmer will probably be interviewed wherever he is found, the more formal questions such as those using card lists should be used only when absolutely necessary.

Besides providing an indication of the type answers to be expected, the pilot study results may be used for pre-coding open-ended questions in the major survey. Reasons expressed for preferring a particular firm such as those in Table 4 indicate that over 90 per cent of the farmers' reasons for preferences could be coded in check boxes designated as patronage dividends, influence on the market price, time required for disposing of wheat, ownership of stock, treatment received from elevator personnel, distance to farm, and personal friendship of manager. The answers may be recorded in such a form that the results are ready for machine tabulation. the efficiency and speed of the interviewer can also be increased by pre-coding these questions and the interviewer is usually more able to interpret the answers correctly at the time than is someone in an office miles away and hours or days removed from the time of the interview. The free-answer type questions were helpful in setting up

some of the issues for the major survey. These issues may now be studied from all sides by the use of more specific questions.

The major changes needed in the questionnaire are in the nature of addition and deletion of questions. Practically the same types of questions are recommended for the major survey as were used in the pilot study. Fixed question or free answer type questions should be used in part of the questionnaire, with the answers pre-coded when possible. The attitudes and reasons for attitudes are not crystallized and do not fall into definite patterns well enough to use all multiple choice or two-way questions. The dynamic aspects of marketing services are such that open-ended type questions are indicated for the first part of the questionnaire. The pilot study showed how preferences change as in Table 5 where a noticeable difference existed between the farmers who started selling to a firm recently and those who started several years ago.

The questions pertaining to market conditions prevailing in the area should be revised so that preferences can be studied in their relationship to each farmer's concept of market conditions. Information concerning conditions in the area should be obtained from all sources possible so that it can be determined whether or not the farmers' attitudes are a result of a lack of information.

Certain questions should be revised to eliminate use of wording which obtained answers with no knowledge or only vague notions of the terms used. Such terms as "services" must be explained if the farmers' true attitudes are to be discovered. An explanation would prevent answers based on faulty interpretations. Many of the farmers wanted to know what was meant when they were asked if the firm they sold their wheat to provided all the services they desired. Their failure to fully

understand the term may have prevented them from indicating additional services.

The questions pertaining to the general characteristics of the farm operated should be revised. The only general information needed in the major survey is that bearing a relationship to the farmer's preferences. The pilot study showed that a large amount of information about enterprises other than wheat is not necessary for a study of farmers' preferences in the wheat area. Such information as acreages of other crops and the fraction of farm income attributable to other enterprises is not needed to determine the importance of wheat to the farmer. The results of the pilot study indicated that these factors were not related to the farmer's preferences for marketing services. In order to cut down on the interview time and yet secure the information desired, questions must be to the point and limited to preferences, reasons for preferences, and factors related to preferences.

The results obtained in the pilot study should be useful in the development of a questionnaire. However, there are problems remaining which must be recognized in the final construction, testing, and use of the questionnaire. The changes which have been recommended are needed improvements, but even yet there are certain difficulties which must be recognized.

Care must be exercised in questioning the farmer about the reasons for preferring the firm to which his wheat is sold. Answers to the question on why the farmer preferred the firm he used, showed that he did not necessarily prefer the firm but was forced to sell there in order to obtain a particular service. Even though the farmer preferred a specific elevator, he was on occasions forced to patronize another firm because of some critical factor such as storage. This is an example

of a firm increasing its business because of its ability to provide a needed service.

As questions become more specific in nature, and as inquiries are made regarding particular services, the question should not force the respondent to form and express an opinion on a topic to which he has not previously given any thought. An example of this was the pilot study question involving circumstances under which the farmer would sell to another firm. The answers received seemed to indicate a lack of thought since 20 of the 42 farmers could think of no circumstances which would entice them to sell to another firm.

The words used in each question are another problem to be encountered. Simple words or phrases, which are not likely to be misinterpreted, should be used. Differences in interpretation would suggest
revision of the question asking if a satisfactory wheat market was
available at all times needed. Many of the farmers wanted to know
what was meant by "satisfactory wheat market."

The meaning and pronunciation of the potential problem words should be checked. An effort should be made to use only words which are readily understood. Words such as "criticisms" carry a strong implication and should be used sparingly, if ever. The word criticism implies censure of the firm and because of this many respondents were reluctant to indicate their dislikes and ideas for improvement. Answers to questions (20) and (21) indicated that several of the farmers had criticisms yet failed to mention them in the question asking for criticisms. In these questions the same farmers who said they had no criticisms gave circumstances under which they would sell to another firm such as increased speed in unloading the wheat and more favorable treatment from elevator personnel. Other farmers said the wheat market was unsatisfactory because

of inadequate facilities and inability to take the wheat fast enough yet these same farmers had failed to offer any criticisms.

These are a few of the problems to be encountered in construction and use of questionnaires. This pilot study has alleviated some of these problems but others are likely to appear in the major survey.

An awareness of the problems will aid in making corrections during the pre-test of the questionnaire.

Selection of a Sample of Farmers

Results of the pilot study provide indications which may be used as a basis for selection of a sample in the major survey. Patterns of variation which were present in the limited area of this study should be helpful in designing the sample for the wheat area of Oklahoma. Even though the study was designed primarily as an aid to the construction of a questionnaire, it does suggest certain factors to be considered in the selection of a sample.

In the pilot study an area was selected which contained a large amount of variation in market conditions. The Dover area has only one elevator with limited facilities, whereas the Kingfisher and Hennessey areas each have three elevators, with much greater facilities. This variation in market conditions provides useful indications for the construction of a sample as well as questionnaire development.

The data obtained in the pilot study indicated that preferences vary with the local situation. Some of the farmers living in the Dover area provided an example of farmers who regarded distance to market as important. These farmers preferred to haul to the one elevator at Dover rather than haul to a more distant market. Other farmers in the Dover area were willing to haul greater distances in order to obtain additional

services or because of differences in the type of firm. In the Hennessey and Kingfisher areas, the distance factor was not mentioned. One other indication of difference between areas was the number of farmers around Kingfisher who preferred a firm because of its influence on price. This difference in preferences between areas would indicate a need for including areas with variation in market conditions.

A pattern of preferences in the area of the pilot study seemed to develop before all of the schedules were taken. This indicates the sampling rate would not necessarily need to be as heavy as in the pilot study to determine the preferences within an area.

Five of the sections included in the pilot study sample contained no dwellings or farm units. A rule was made, to find the farmer and interview him if there was wheat being grown on the section. This was done without great difficulty. However, two of the farmers having wheat on these sections would have been interviewed since their farm units were located on other sections included in the sample. Since it is usually a rule that a sampling unit should have only one chance of inclusion, this would indicate that only sections containing farm units should be included.

The problem of call-backs was also emphasized in this study. Of
the 42 farms included, 21 required at least one call-back before the schedule was completed. An increase in interviewer travel from 198 miles to
455 miles was necessitated by the interview not being obtained during
the first call. A need was indicated for these call-backs however,
since the farmers requiring call-backs seemed to be operating different
type farms. The farmers interviewed during the first call tended to
have more livestock with wheat slightly less important as a source of

farm income. The number of schedules obtained was not large enough to determine whether or not a difference existed in preferences.

The type of firms available in the different counties of the wheat area should be considered in the selection of a sample. This pilot study showed that many of the attitudes and reasons for attitudes are associated with the type of firm preferred. For instance, factors considered important in an area served by a cooperative are not the same as those in an area where only private firms are present.

Instruction of Interviewers

The instruction of interviewers is an important phase of any successful study. Reliability of results is dependent upon the use of proper interviewing techniques. This is especially true in a study of preferences where open-ended questions are used and the interviewer records the answers verbatim or fits the answers into pre-determined groupings.

Establishing rapport at the beginning of the interview was one of the greatest difficulties experienced in the pilot study. In approaching the farmer and introducing the subject, the need was emphasized for a simple explanation of the study and the respondent's important contribution to the study. Once the farmer was convinced of the need for the information, the interview was completed with adequate cooperation from the farmer.

The interviewers taking part in the major survey should explain to the respondent the need marketing agencies have for farmers' preferences. Possible uses of these preferences should also be indicated to the farmer. The possibility of increased convenience or greater economic returns should also be stressed at the beginning of the interview. Once the

farmer realizes the need for the study it is not difficult to develop and maintain rapport between the interviewer and the respondent.

The interviewer must be careful not to express any of his own feelings or attitudes during or after the interview in order that the immediate interviewee as well as other farmers he may come in contact with will not modify their responses. The interviewer must also exercise care in asking the questions to prevent bias entering in because of the tone of his voice or words he uses in probing for answers. The interviewer can change the complete meaning of a question by stressing certain words or by using words with slightly different meanings.

Training of interviewers should include explanations of the questions composing the questionnaire in order to obtain correct interpretations. Interviewers should also do some practice interviewing and editing of the questionnaire. This kind of training is especially important if the questions require field coding as it will increase the uniformity of treatment both in asking the question and recording the answer.

Interviewers must be convinced of the necessity of call-backs. As in any area-sampling study, a large number of the farmers will not be available for interview during the first call. Since the farmers who are not available may be operating different type farms and have different preferences, call-backs should be made.

CHAPTER VII

SUMMARY AND CONCLUSIONS

Farmers marketing wheat prefer different firms. Much of this difference in preferences is caused by the services provided at the firms available to the farmer. Each farmer has an individual set of values which influence him in the decision as to where he should market his wheat. The motivational forces which affect the farmer are related to the individuals, groups, situations, and institutions with which he comes in contact.

The study of farmers' preferences for marketing services is a relatively new field of research endeavor. This study was designed as a pilot study, with development and improvement of techniques as the primary objectives. Results obtained in this study do not represent all wheat farmers' preferences, but provide an indication of the factors considered important in one county of the wheat area of Oklahoma. Forty-two farmers from three townships in Kingfisher county were interviewed.

The area selected for this study contained a large amount of variation in firms available and market conditions. Since this was primarily a study in methodology, variation in attitudes and reasons for attitudes was desired. This aided in recognizing many of the problems inherent in a study of farmers' preferences. The pilot study provided indications which should facilitate the major survey.

Results of this pilot study show that the preferences of farmers are associated with the firms available, marketing services being performed, and the manner in which these services are performed. Factors such as the receipt of patronage dividends, influence on market price, ownership

of stock, and time required for unloading wheat were important to the farmers interviewed in this study. Of the 42 farmers interviewed, 31 mentioned one or more of these factors as their reason for preferring a particular firm. This study indicated that factors related to the type of firm are more important where only slight differences exist in the services available. Thirty of the 42 farmers who were interviewed preferred the cooperative type firm with 19 of these farmers giving reasons associated with features peculiar to that type of firm.

Factors which may be related to farmers' preferences were discussed briefly in this study. Results from related studies and from this pilot study indicated a relationship between these factors and the firm preferred.

Technological advances in production have influenced farmers in their preferences for marketing firms with the elevators forced to handle the same amount of wheat during a much shorter period. Farmers who have changed firms, or have sold part of their wheat to firms other than the one preferred, mentioned the time required for disposing of the wheat at the elevator more frequently than any other factor.

Answers obtained in the pilot study interviews provide a basis for construction of a questionnaire for the major survey of farmers' preferences. Open-ended type questions are recommended for the first part of the questionnaire with multiple choice or two-way questions directed toward the specific attitudes and related factors. Results obtained in the pilot study should be used for pre-coding the open-ended questions.

The pilot study pointed out some of the factors to consider in drawing a sample for the major survey. Conditions prevailing in the different counties of the wheat area such as available storage and the type of firms operating should be studied before the sample is taken.

Experience gained in the pilot study provided material for instruction of interviewers. The difficulties involved in approaching the farmer and convincing him of the need for the information must be recognized and steps taken to aid in establishing and maintaining rapport between the interviewer and the respondent.

The preferences of farmers derived in this study show that a pattern is present in their attitudes toward the firms handling wheat and the services available in the area. Such factors as those found important in this study should prove helpful to those agencies attempting to serve the farmer in a marketing capacity.

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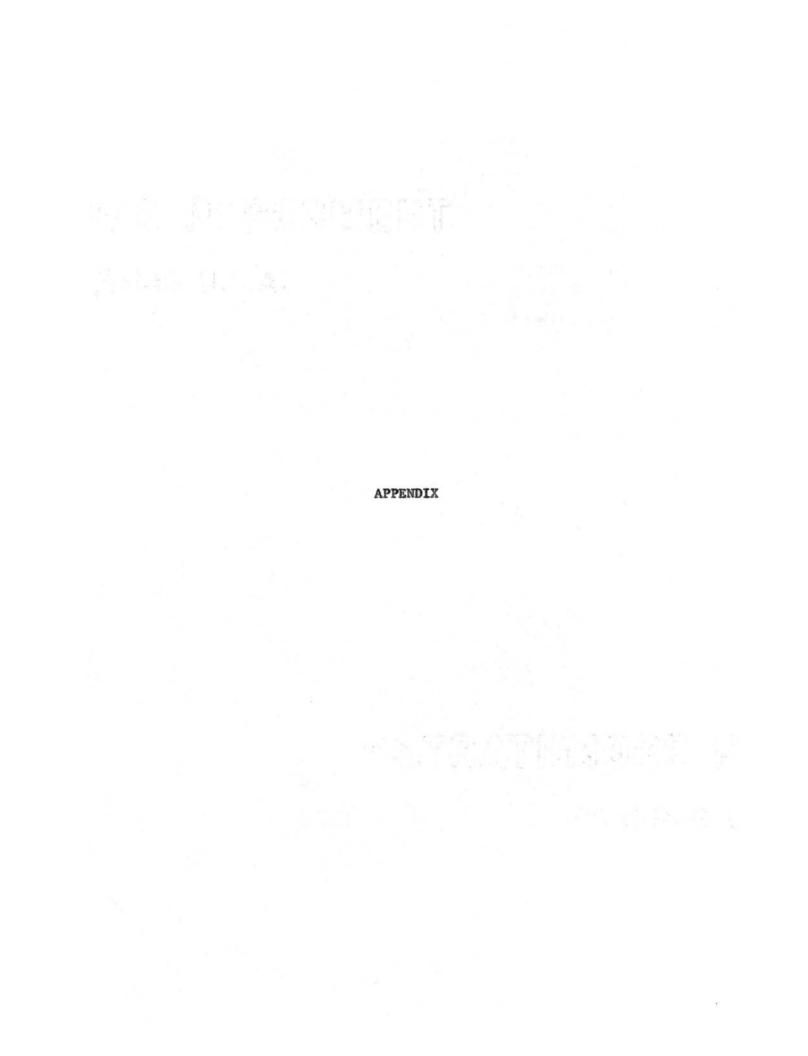
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Questionnaire for Pilot Study

	size farm do you o	perate?_				(Acre
What	is your tenure sta	tus? Ac	res Owned	()	Acres Rente	ed (
Acres	Leased () Ot	her				
	are your principal					
		£ 1				
Do you	u have any livesto					
	Cows					
III III (_ bileep	Grain			
			Sorghums	Oats	Livestock	Oth
	fraction of your		:	:	:	:
	income is usually	:	:	:		:
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What '	was your planted	:	:	:	<u>. </u>	\div
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last	-	•	:	:	:	:
		:	:	:	:	:
How 1	ong have you been	marketin	g wheat in			(Acr
what	firm do you sell y	our wites				
	ong have you been Have you used					
	The second second					
Why d	id you start selli	ng your	wheat to th	his fir	m?	

Managarawa	
Why d	o you prefer the one you use to others in this area?
	you personally acquainted with the dealer when you first s
	ou know any other dealers in this vicinity personally?
What	other facilities are available where you might market your
g rai n	?
_	ou shop around any before you sell? If so, what do you
Where	do you look?
	you ever sold part of your wheat crop to one firm and part er? If yes, what were your reasons?

	What are they?
18.	Are these also true of other dealers in this area?
19.	Does the firm you sell your wheat to at the present time provide
	all the services you desire? If not, what are they?
20.	Would you consider selling your wheat to another firm under any
	circumstances other than an increase in price? What are
	they?
21.	Is a satisfactory wheat market available to you at all times need
	ed? If not, why?
22.	What information relative to the wheat market situation do you re
	ceive?(Type, Source, and How Often)

8	and neighbors all use the same market you do?_
	ord market any wheat? Does he sell to the
same firm you d	o? Does he have any influence on where you
	?
	most of your other business?
Does any of thi	s other business have a bearing on where you se
your wheat?	
your wheat?	If so, what?
your wheat? How well does t Price?	If so, what?he market you use compare with competitors on:
your wheat? How well does t Price?	If so, what?he market you use compare with competitors on:
your wheat?	If so, what?he market you use compare with competitors on:
dow well does t	If so, what?he market you use compare with competitors on:

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