



# Precision Agriculture: A Retailer's Perspective

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## Key Points:

- **Local grain and farm supply retailers are all still struggling to keep abreast of the latest precision ag technology and to figure out how best to position their companies to gain a competitive edge.**
- **Many retailers are striving to help their customer-members manage the huge volumes of data being generated by the latest models of farm machinery and equipment.**
- **The retailers' highest value-added services are those where they assist growers in collecting all the available data from a crop year and then "scrubbing" the data so that they may be used to formulate prescription-based recommendations.**
- **As they look to strengthen and expand their menus of precision ag services, the two biggest issues for agribusiness retailers are what services to offer and how much to charge for them.**
- **Operating within the fast-changing technological environment surrounding precision ag, agribusiness retailers continually face difficult decisions about whether, and if so how, to adjust their investment and resource allocation strategies.**
- **Staying ahead of the new technological advancements is essential – but also a major challenge. This knowledge can be gleaned by attending industry trade shows, in-person meetings with manufacturers, or peer-to-peer roundtables.**
- **Precision agriculture programs can be difficult to benchmark as both tangible and intangible benefits are assessed.**
- **Among local retailers, the consensus view holds that, following a sharp fall in commodity prices, managing margins will become even more important. Precision agriculture will provide the data enabling growers to make profit maximizing resource allocation decisions.**
- **Going forward, data aggregation, data privacy and data sharing agreements will likely become critical to the success of precision agriculture programs.**

*This is the second of two reports covering precision agriculture. The first was entitled, "Precision Agriculture – Technological Alchemy," and was issued in January 2014. It focused on the innovations, services, products, and practices that define precision agriculture. This second report examines the role and efforts of grain and farm supply retailers to develop precision ag services designed to improve their competitive position within the agribusiness industry.*