



## EXECUTIVE INSIGHTS

# Agricultural Growers Turn to Manufacturers for Crop Inputs, Expect Essentials Spending To Stay Unchanged

Agricultural growers have a variety of ways to source their inputs, including from established retailers, co-ops and distributors, as well as directly from manufacturers. But according to a survey L.E.K. Consulting conducted in February 2025, they are increasingly buying select crop inputs directly from manufacturers as they look to find the best prices available for key inputs. Many also report that they expect to continue doing so going forward.

Those are just a few of the key findings of our survey, which comprised more than 200 U.S. growers across a broad range of demographics and farm characteristics.

### Survey respondent distribution

| Category  | Subcategory       | Percentage |
|-----------|-------------------|------------|
| Region    | Northeast         | 8%         |
|           | West              | 20%        |
|           | South             | 28%        |
|           | Midwest           | 48%        |
| Crop type | Specialty crops   | 20%        |
|           | Row crops*        | 80%        |
| Farm size | 1,000-2,000 acres | 34%        |
|           | 2,000-5,000 acres | 34%        |
|           | 5,000+ acres      | 32%        |

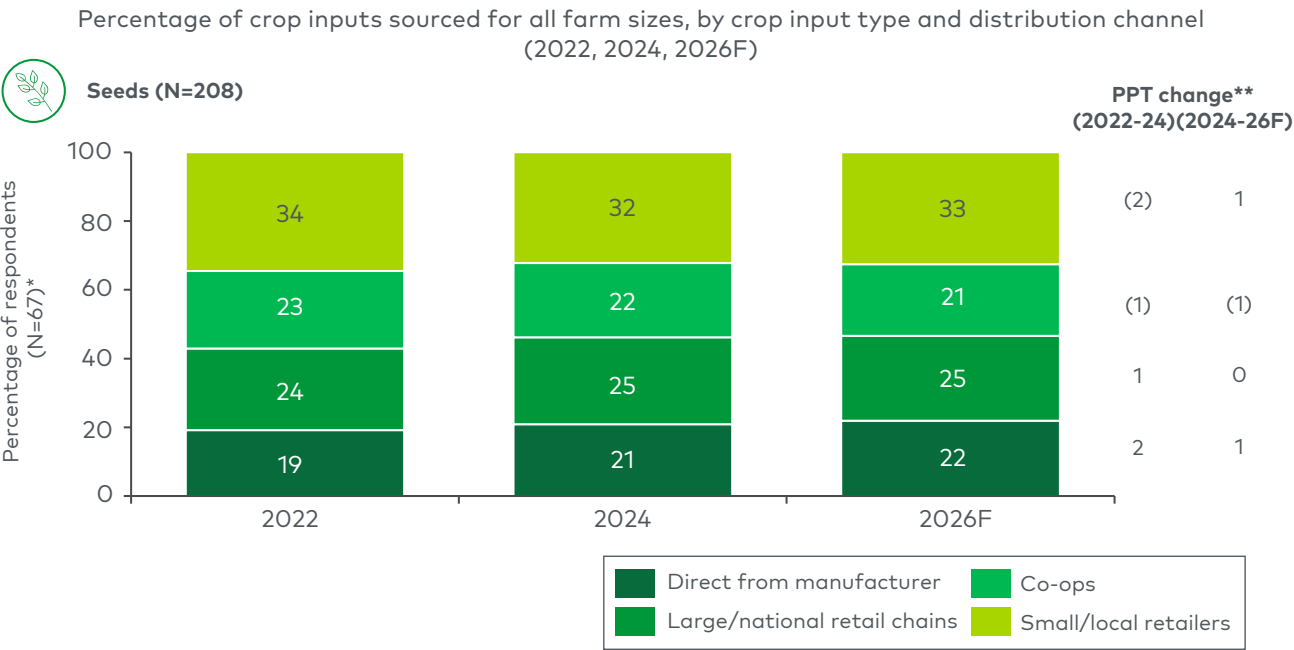
\*Larger farms tend to skew slightly more toward row crop production.

As our findings make clear, the market for crop inputs is changing, with repercussions for channel players on the one hand and input manufacturers on the other. In order to stay competitive, both should be evaluating how they go to market and making any necessary adjustments.

Growers are increasingly buying direct

A small but significant shift appears to be taking hold whereby an increasing share of growers are buying their seeds, fertilizers and crop chemicals directly from manufacturers. Grower responses suggest that number rose by approximately 2 percentage points from 2022 to 2024, to 21% from 19% for seeds and to 20% from 18% for fertilizers, and it’s expected to rise even further through 2026, to 22% for both (see Figure 1a and 1b).

Figure 1a



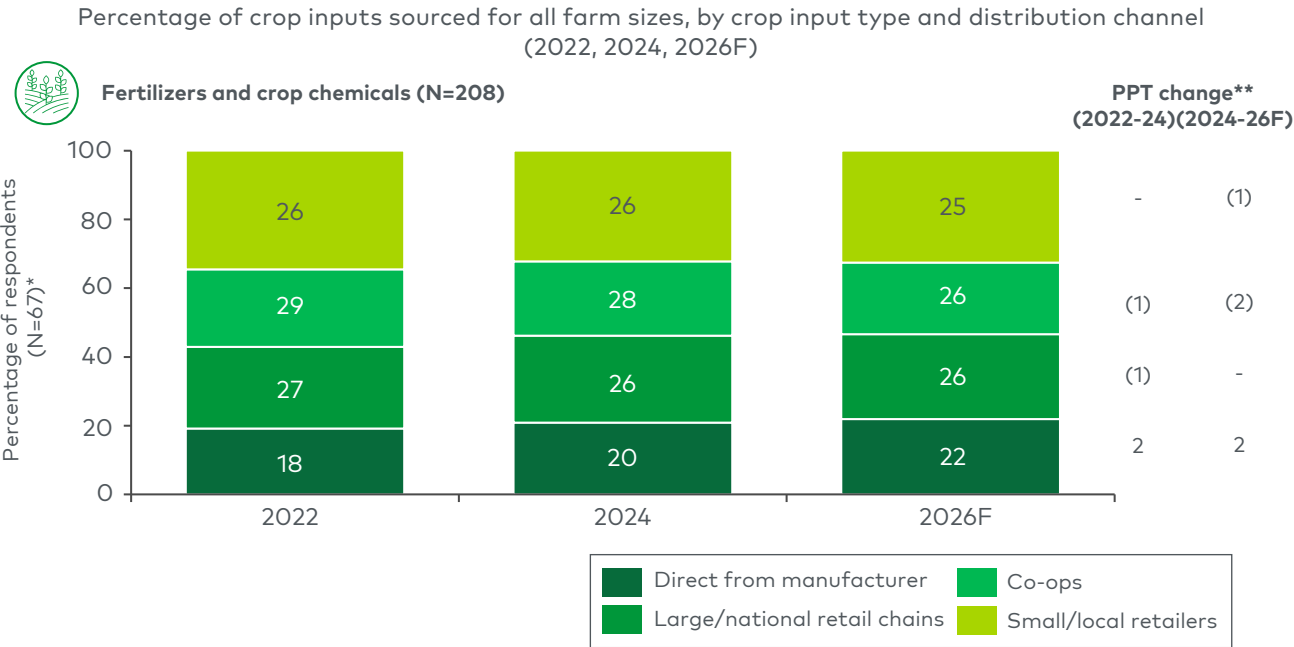
\*Survey questions: Approximately what percentage of your total spend on seeds/fertilizers/crop protection did you purchase from the channels below last year (2024)? What was the approximate percentage two years ago, and how do you expect it to change two years from now (2026)?

\*\*Indicates the change in the percentage of the total column allocated to this channel between the two time periods

Note: PPT=percentage point

Source: L.E.K. survey and analysis

Figure 1b



- Grower responses suggest a moderate **shift toward purchasing key crop inputs directly from manufacturers**
- **Co-ops and small/local retailers are expected to see the most pressure**, with large/national retail chains roughly holding share
- Channel trends were relatively **similar across grower age groups**

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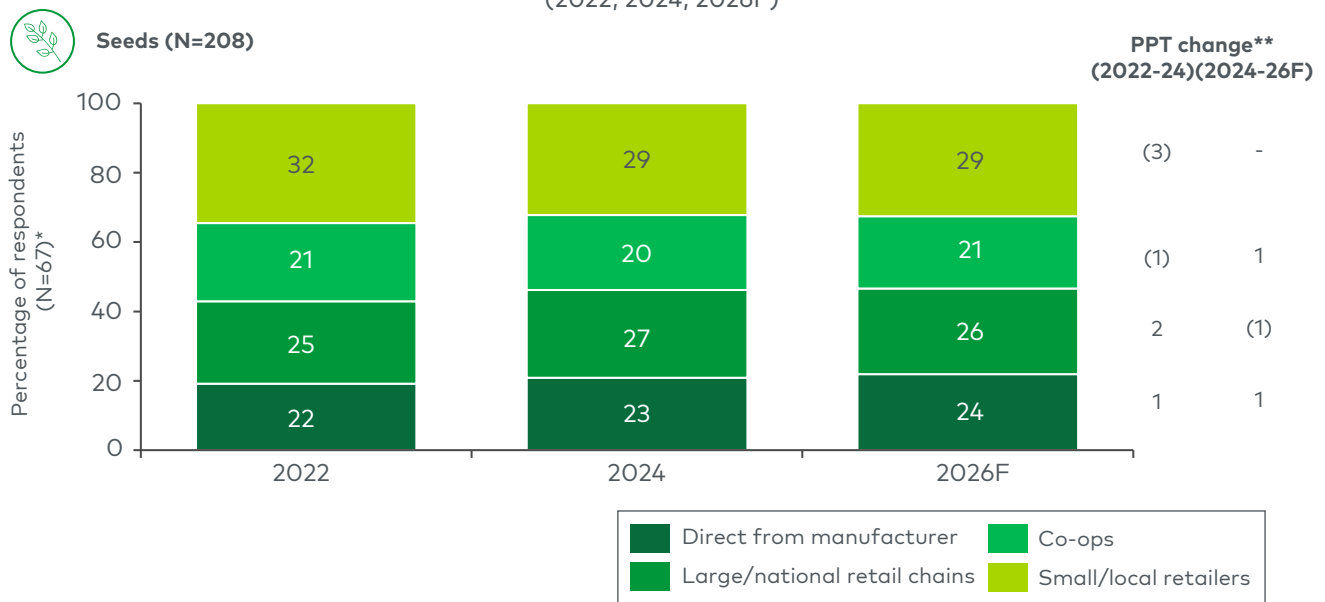
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This shift to buying directly is being led by specialty crop growers (at about 31% versus around 19% of row crop growers). And while for the most part large/national retail chains are expected to hold on to their market share, co-ops and small/local retailers are already on track to lose share, of roughly 2 and 1 percentage points, respectively, from 2024 to 2026.

It's also taking place across all grower age groups and at farms of all sizes, but predominantly larger ones (i.e., 5,000+ acres). Growers with more than 5,000 acres have seen a moderate uptick in direct-from-manufacturer sourcing for all products, but especially for fertilizers and crop protection chemicals and largely at the expense of local retailers/distributors and co-ops (see Figure 2).

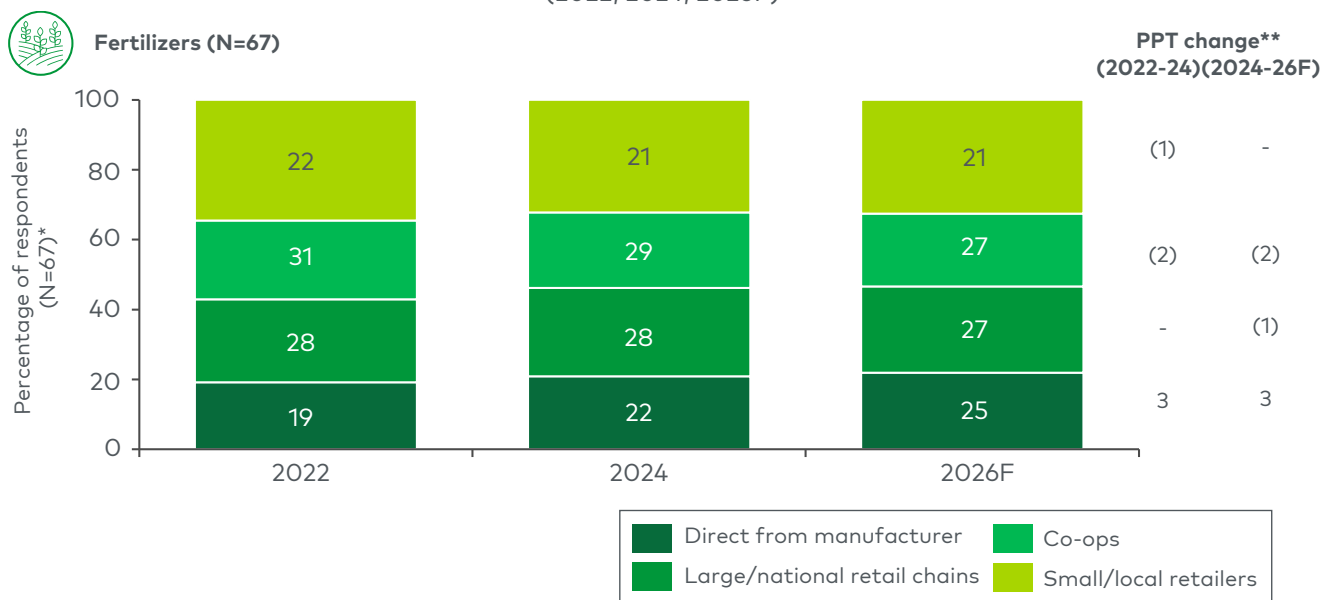
**Figure 2a**5,000+ acre farms' percentage of crop inputs sourced, by crop input type and distribution channel  
(2022, 2024, 2026F)

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Note: PPT=percentage point

Source: L.E.K. survey and analysis

**Figure 2b**5,000+ acre farms' percentage of crop inputs sourced, by crop input type and distribution channel  
(2022, 2024, 2026F)

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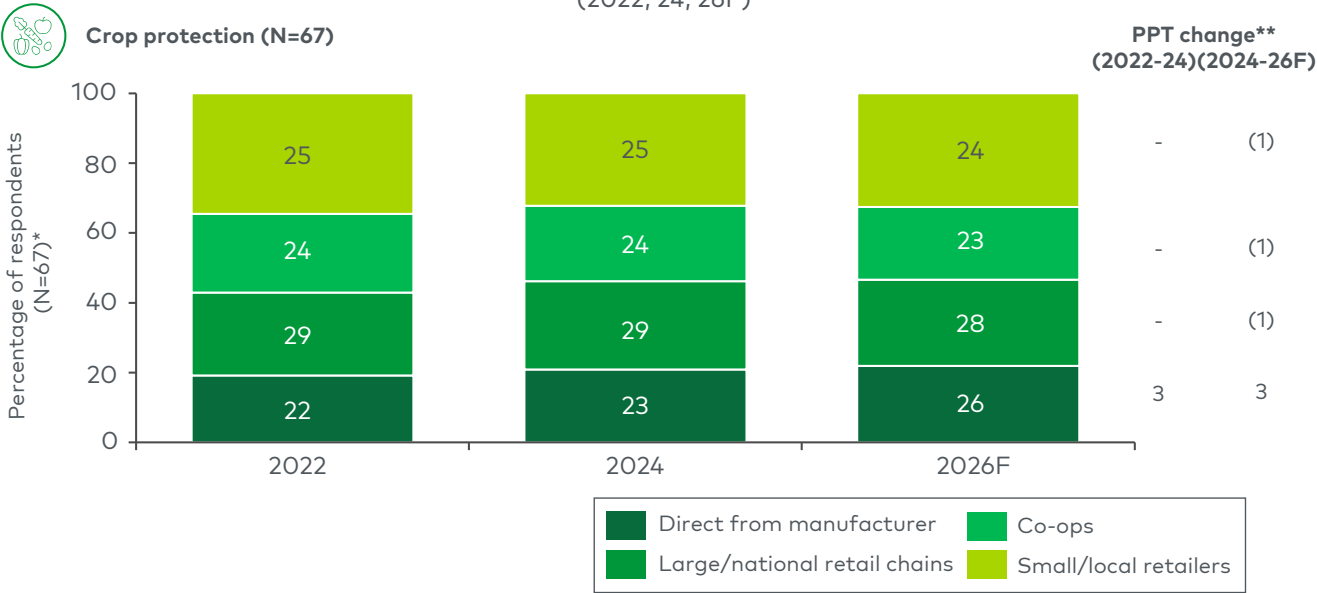
\*\*Indicates the change in the percentage of the total column allocated to this channel between the two time periods

Note: PPT=percentage point

Source: L.E.K. survey and analysis

Figure 2c

5,000+ acre farms' percentage of crop inputs sourced, by crop input type and distribution channel  
(2022, 24, 26F)



- Large growers have seen a shift toward purchasing direct for all products, though the trend is most pronounced for fertilizers and crop chemicals
- Share gains for direct purchasing of fertilizers and chemicals have mainly come at the expense of co-ops

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Note: PPT=percentage point  
Source: L.E.K. survey and analysis

Growers choose channels — and purchases — primarily based on price

When it comes to choosing among channels, according to our survey, growers choose the channel with the lowest price (approximately 28% of respondents), followed by the one with the best service quality (around 21%) and the one with which they have a better relationship (about 20%).

Among grower types, specialty and row crop growers place particular importance on price, putting it as their top consideration at roughly 29% and approximately 26%, respectively. And that's consistent across farm size; smaller growers (i.e., under 5,000 acres) place a similar emphasis on pricing as those with larger-acreage farms.

Indeed, all growers say they will most likely scale back on discretionary purchases if crop prices remain low. Topping that list of discretionary purchases are equipment upgrades and/or maintenance (about 22% of survey respondents), followed by soil enhancers (around 21%).

But while growers may moderately reduce spend on crop protection, labor and micronutrients, they are unlikely to change what they spend on essential, nondiscretionary inputs such as seeds and fertilizers.

### The grower landscape is shifting

As our survey reveals, smaller channel players or co-ops may be at greater risk of losing share with nonmember customers. For input manufacturers, these findings suggest the potential need to reevaluate go-to-market strategies to adapt to shifting grower preferences.

Meanwhile, in a bid to save money, agricultural growers continue to shift from branded to generic crop protection products, while lower costs plus the promise of better soil health have them increasingly choosing biopesticides, biostimulants and biofertilizers. Our companion survey piece breaks it all down.

For more information, please [contact us](#).

## About the Authors

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## About L.E.K. Consulting

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