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Chapter-1

Agricultural produce marketing



Agricultural produce marketing

Agriculture is the art and science for cultivating the land using minimum resource for maximum production.



Economics basis of marketing agricultural produce

Marketing means by which you dispose of the firm output of a farm of factories, mines, quarries, forests, fisheries, hunting, oil as well as everything imported.

- To encourage efficient allocation of resources
- To create wealth and promote economic growth
- To improve distribution of income between sectors of the economy
- To maintain some stability of supply and demand for market goods.

Characteristics of agricultural marketing

- Different pricing from others consumer product
- Product variety is size and quality
- Agricultural marketing being from nature
- Specialized production
- Channel members
- Bulkiness
- transportation cost
- Sales promotion needed
- Storage needed
- Collaboration with demand and supply

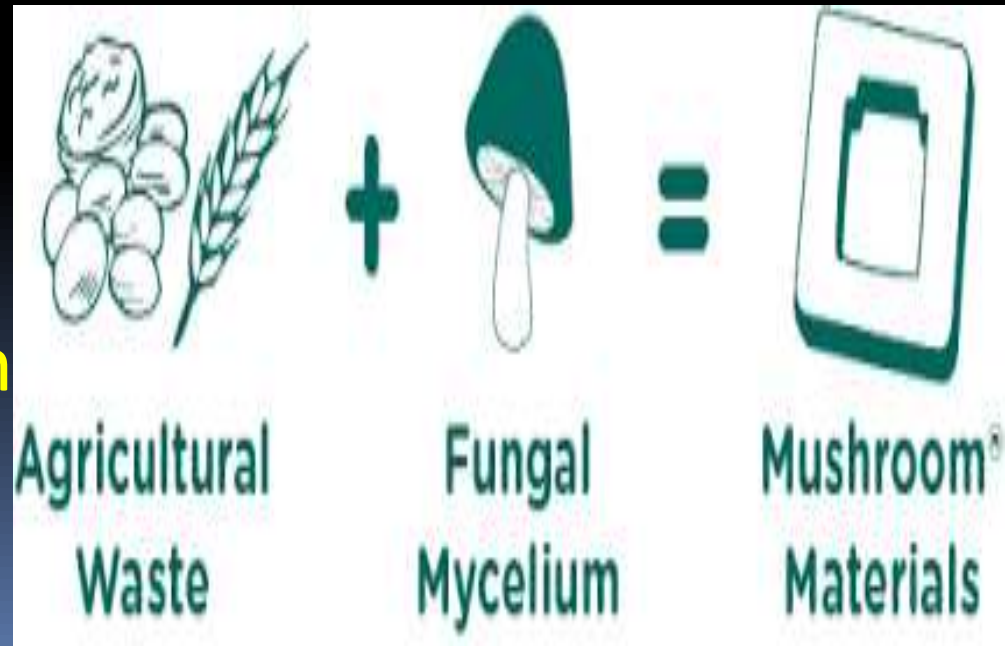


Structure of agricultural product market

The interconnected characteristics of a market such as the number and relative strength of buyers and sellers and degree of collusion among them, level and forms of competition, extent of product differentiation and ease of entry and exit from the market.

Four basic types of market structure

- Perfect competition
- Oligopoly competition
- Monopoly completion
- Monopolistic completion





Chapter -2

Assembling

Grading

Packaging

Processing

Transportation



Assembling

Assembling means component on end item compromising of a number of part or sub assembling put together to perform and capable of disassembling without destruction.



- To bring together on gather into one place, company body whole.

To put on fit together

- To put together the part of

- To assembling information for a report

To gather in the place for a common purpose



Grading

Grading is the process of sorting products according to their quality.

Grading refers to the sorting of on like lots of products into uniform categories according to quality standard.

Grading also provides Feedback to instruction on their students, learning information that can inform future learning decision.



Packaging

The activities of designing and producing the container or wrapper for a product.

The wrapping materials around a consumer item that serve to contain, identify, describe, protect, display, promote and otherwise make the product marketable and keep it clean.



Processing

A series of actions that produce something that leads to a particular result. A series of change that happen naturally.

The purpose objective processing is to increase and improve an individual ability to confront and to be there in the present time.



Transportation

Transportation involves the movement of product from point of origin to point of use or consumption and perhaps their return as well. By moving products from one place to another creates place utility.



Transportation

1. Road transportation



2. Rail transportation



3. Air transportation



4. Water transportation



5. Pipeline transportation



Chapter: 3

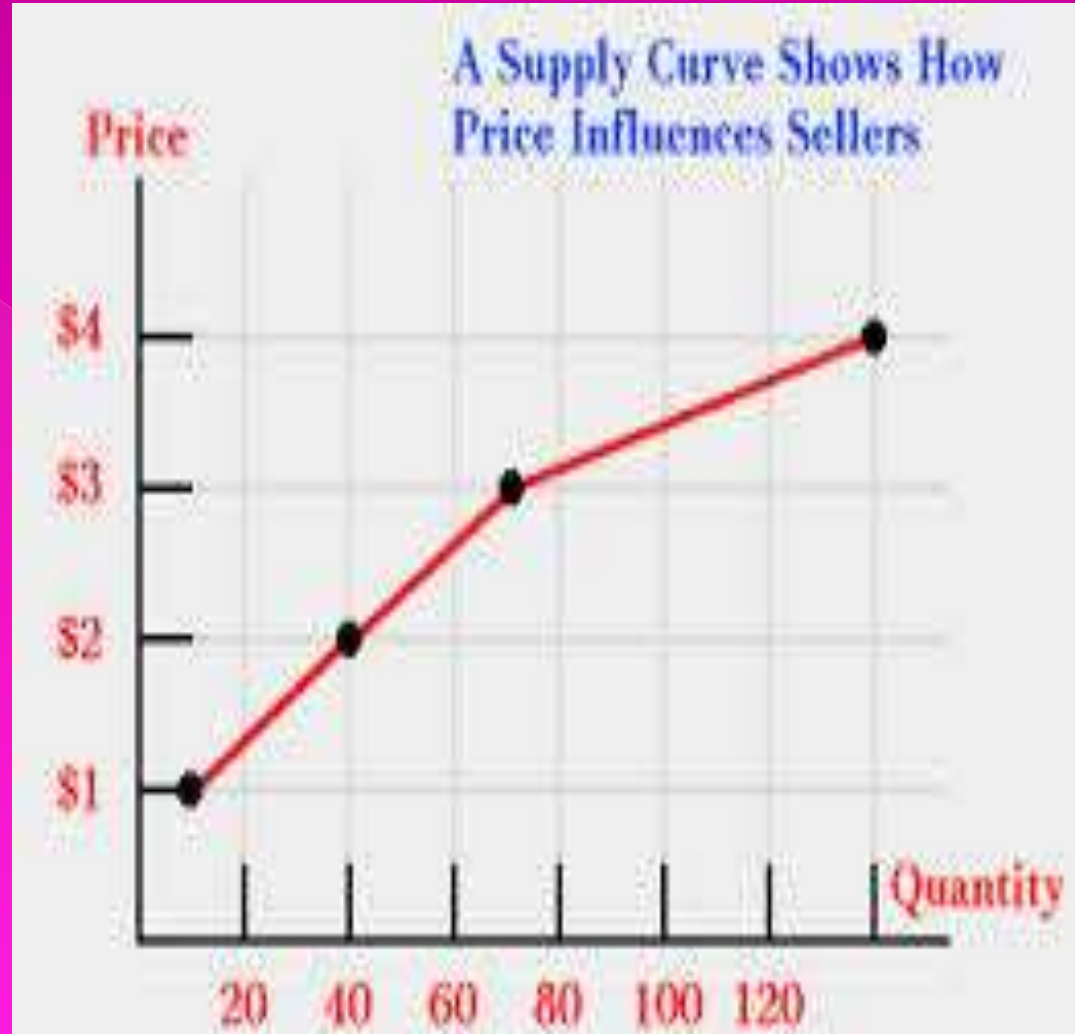
Pricing



Pricing of farm products

There are some strategies to select the price. Among them

- Market skimming pricing
- Market penetration pricing
- Competitive pricing
- Geographical pricing
- Cost-based pricing
- Others:
 - FOB pricing
 - Cost plus pricing
 - Value adding pricing.



Finance of farm product:

- Short term sourcing.
- Cash
- Relative or friends.
- Reseller.
- NGOs.
- Commercial; bank.
- Investment bank.
- Borrowing from relatives.
- Government.



Market of farm product:

Bangladesh is a agro-based country. Farm product grows all the year and all over Bangladesh.

Sources of farm product:

The supplier or broker may collect farm product all over Bangladesh basically mymensing, pabna, manikgong etc.

Chapter-4

Distribution system



Definition of Distribution system

Distribution system means to spread the product through out the marketplace so that a large number of people can buy it from different place where they are stay.



Types of markets for agricultural products

Agricultural product is normally channeled through the types of markets

- **Rural primary markets:** In rural markets, trade is characterized by direct sales of small quantities of product by the producers to village traders and by sales by retailers to rural consumers. Ex- Rice, vegetable, fruits etc.
- **Assembly markets:** Larger rural markets are found where greater quantities of products are traded either by the producers themselves or by the producers.
- **Wholesale markets:** Terminal wholesale are semi wholesale market are located within or near major cities, These markets may be supplier by purchasing or assembling centers in the rural areas or directly from farms.

• **Retail markets:** These are markets directly serving consumers and are found in main urban areas such as town and city centers.

• **Consumer market:** Where the product is collected for final consuming population. These are located generally in thickly populated areas, where population is adequate.

Cash market: Where the goods are exchanged for cash money immediately or of which reasonable short period of time



Marketing channels of agricultural products

A channel of distribution of a product is the route taken by the ownership of goods as they move from the producer to the final consumer.



Some of the typical marketing channels for agricultural products are given below-

Marketing channel of rice

Channel-1: Producer- Middlemen- consumer (village sale)

Channel-2: Producer- retailer- consumer (local sale)

Channel-3: Producer- wholesaler- Retailer-Consumer

Channel-4: Producer- govt procurement- wholesaler- consumer

Marketing channels of vegetables

Channel-1: Producer- consumer(village sale)

Channel-2: Producer -retailer—consumer(local sale)

Channel-3: Farmer-traders-commission agent-retailer-consumer

Channel-4: Producer-wholesaler- retailer-consumer

Definition of organized market

An organized market functions as per the rules, regulation and procedures which are led down by the government.

It has its own constitution and managing body for supervision, regulation, and control. Ex-stock exchange, the regulated markets etc.

An organized market is a highly organized market where especially tradable securities, commodities, foreign exchange, futures and options contracts are sale and bought.

Chapter: 5

Commercial marketing in Bangladesh



Commercial marketing

Scope of agricultural marketing:

- Crops
 1. cash crops
 2. non cash crops
- Fruits:
 1. Seasonal.
 2. All times of year.
- Vegetables
- Flowers nursery
- Dairy firm
- Paltry firm
- Others



Market of agricultural product

- **Consumer market:**

Is the market of agricultural product whole product sold to ultimate customer for consumption.

- **Industrial market:**

Market of agricultural product sold to those customer who further process product or raw.



Process of agricultural marketing:

Source

Producer or farmer

Assembling

Transportation

Processing

Storing

Selling



Objectives of agricultural produce marketing:

- To earn profit with the provide maximum satisfaction.
- To know how to make initiating or making effort for more income and standard of living.
- To the condition of farmer.
- To know how to make awareness.
- To know when marketing system of agricultural products become more and more complicated.
- To use the product or crops properly as raw.

Characteristics of agricultural product:

- Different pricing from other consumer product.
- Product variety in the size and quality.
- Market begins from native.
- Specialized product firm.
- Channel members needed more.



Necessity of intermediary in agricultural produce marketing:

- Products move with bulkiness.
- Transportation costs are high.
- Move sales promotion needed.
- Storage needed.
- Products are perishable.
- Changing of demand and supply.



Problems of agricultural product marketing

- Source of product is not easy to go.
- Maximum product produced on rural area.
- Transportation system is not good.
- Farmers are not conscious about market.
- More middlemen needed for collecting product.
- The firm products are very sensitive.
- Natural calamities destroy the system.
- Production fertilities are not equal in every place.

