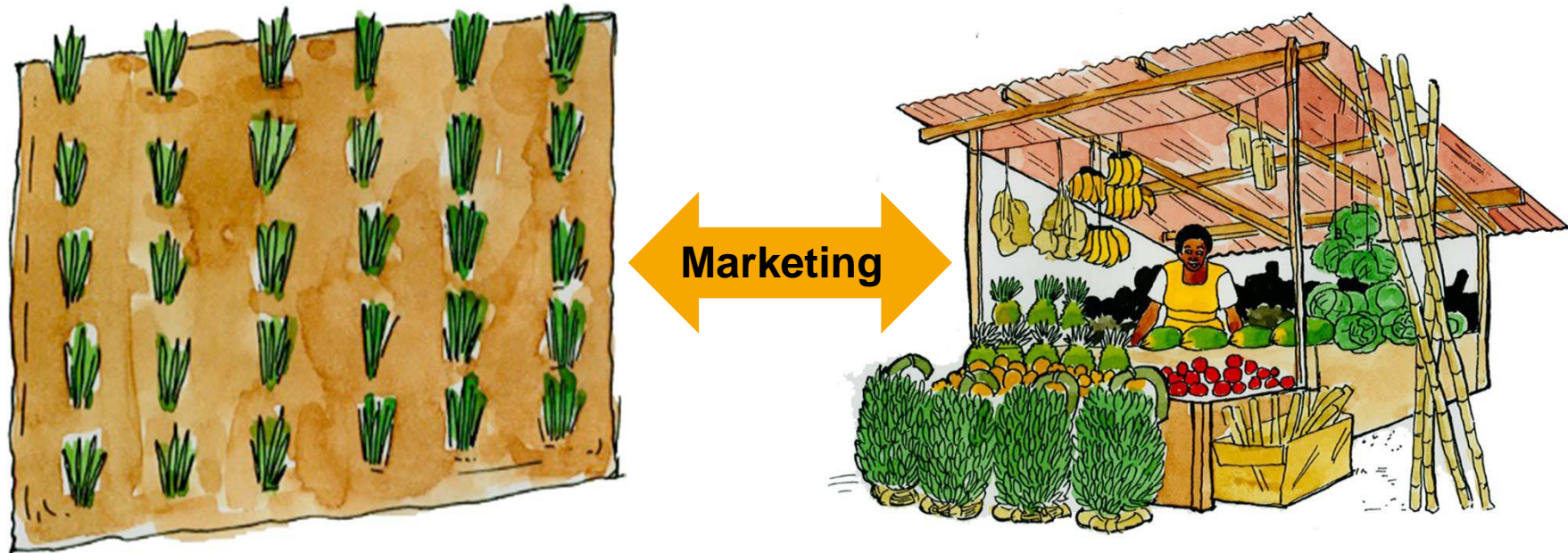


Self-sufficiency versus market-oriented farming



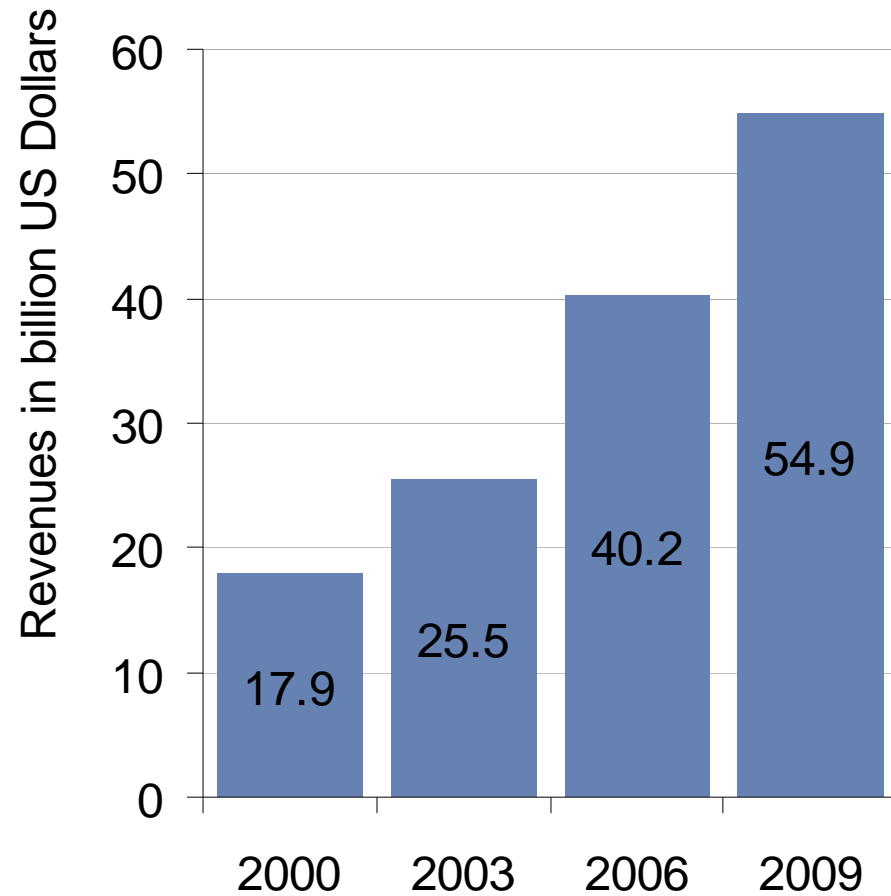
What is marketing?



- › **Promoting your products**
- › **Making your products available to customers**
- › **Includes market research, promotion and selling**



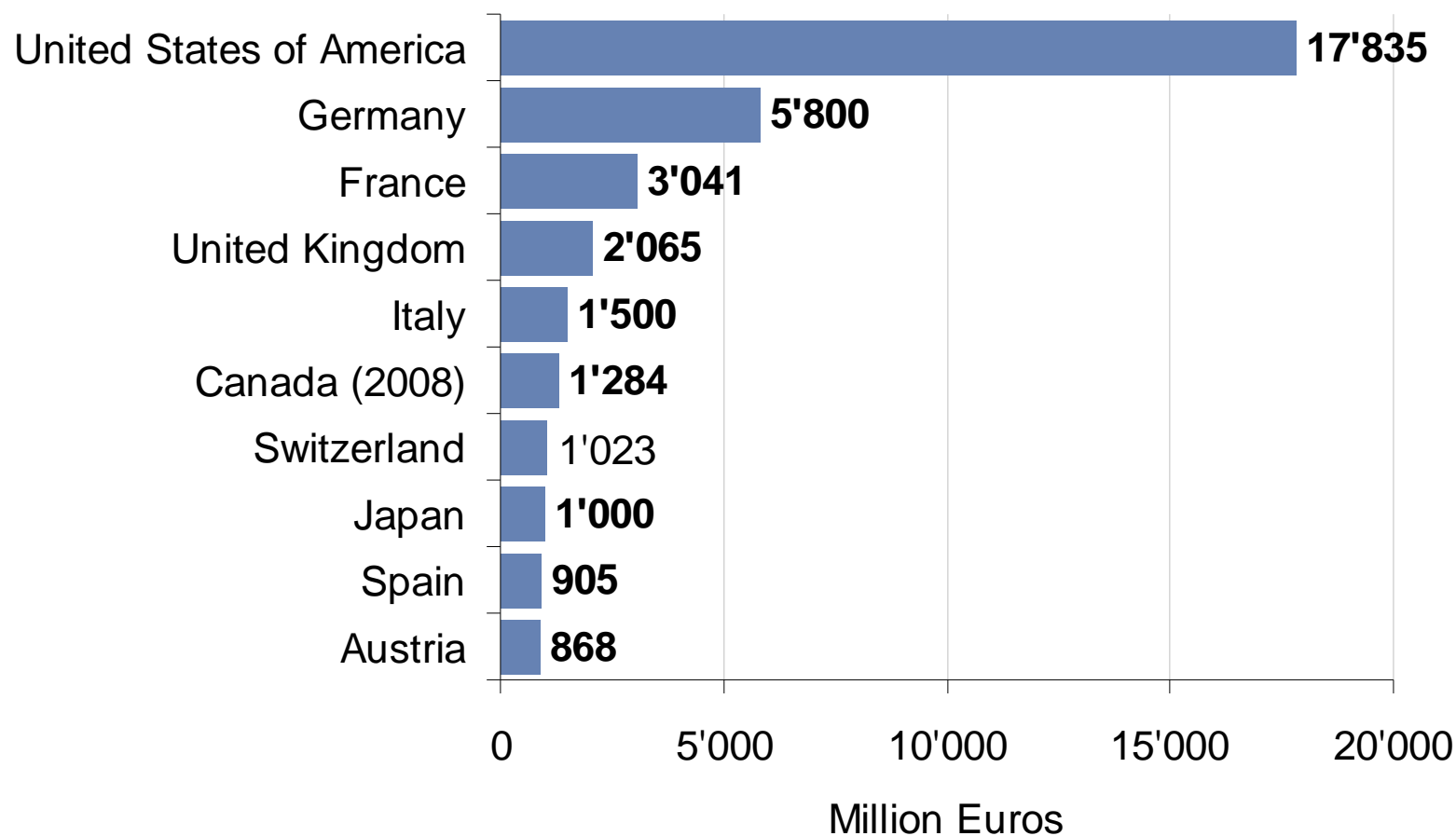
Development of the global market for organic food and beverages (2000-2009)



Source: Organic Monitor (Sahota 2011)



Top ten countries: domestic markets for organic food (2009)



Source: FiBL, AMI, ORC 2011, based on national sources



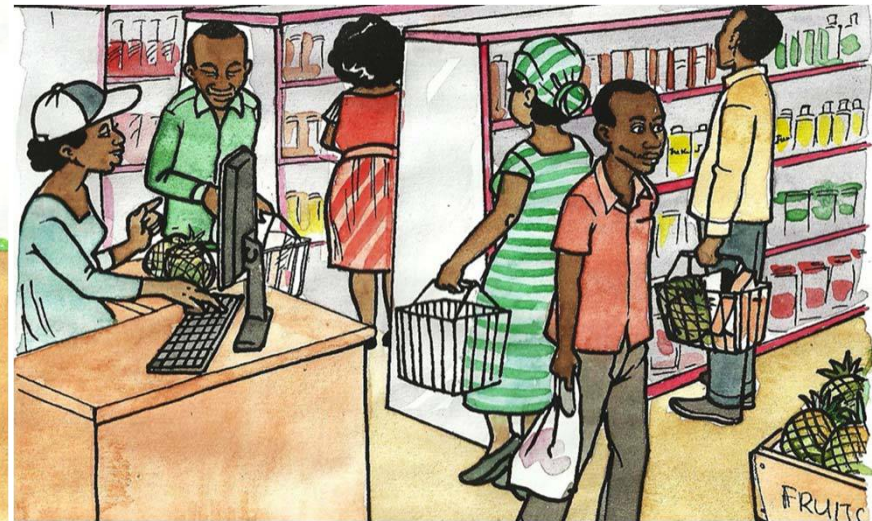
Driving factors of the domestic market

Farm shops and street markets



- › Targeting neighbours and customers from the area
- › Consumer close to the farm
- › Respond to consumers' interest for best quality

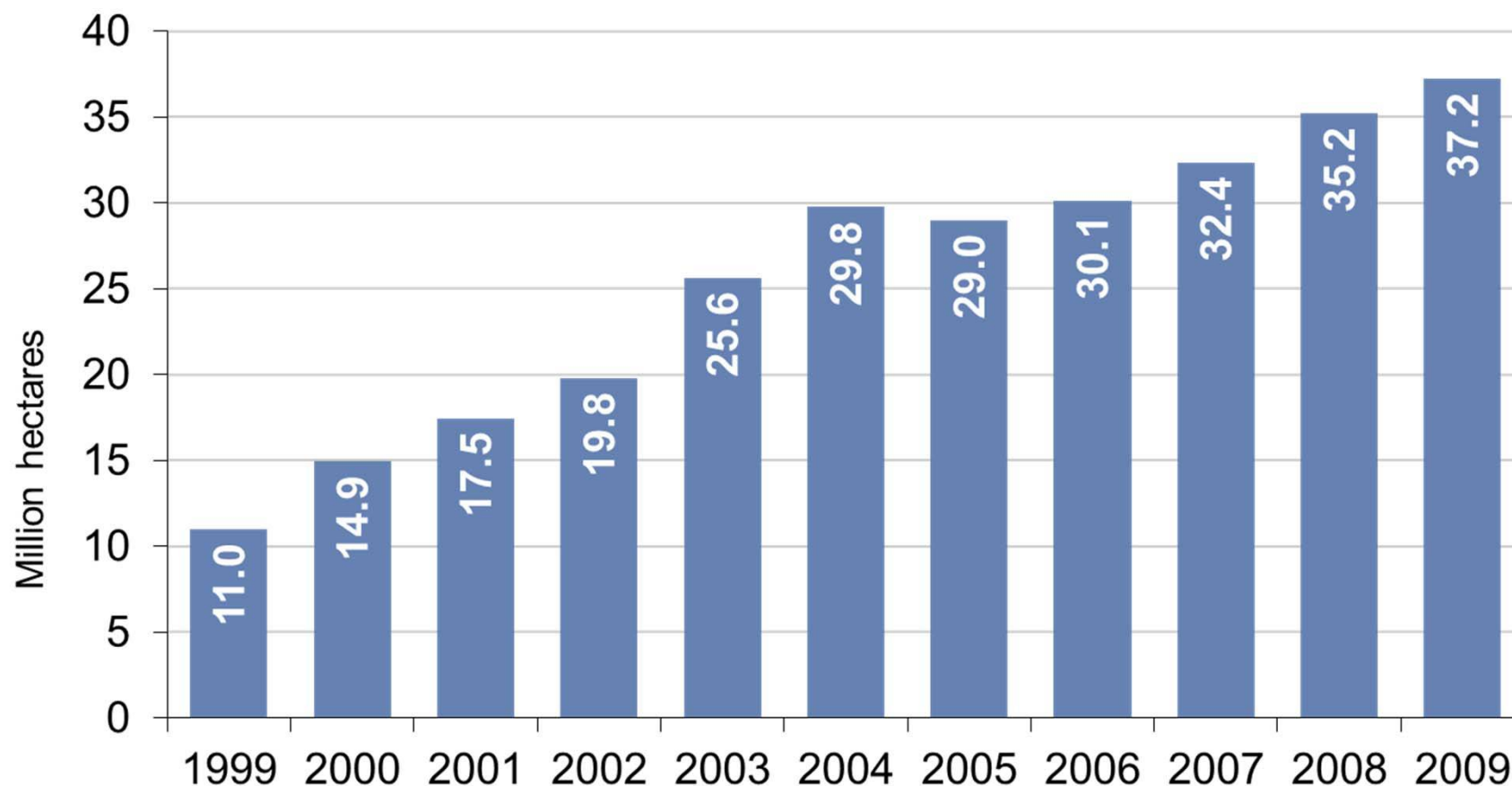
Retail chains



- › Targeting upper class consumers in urban areas
- › Consumer distance to the farm: consistent supply and logistics
- › Respond to consumers' interest for best quality



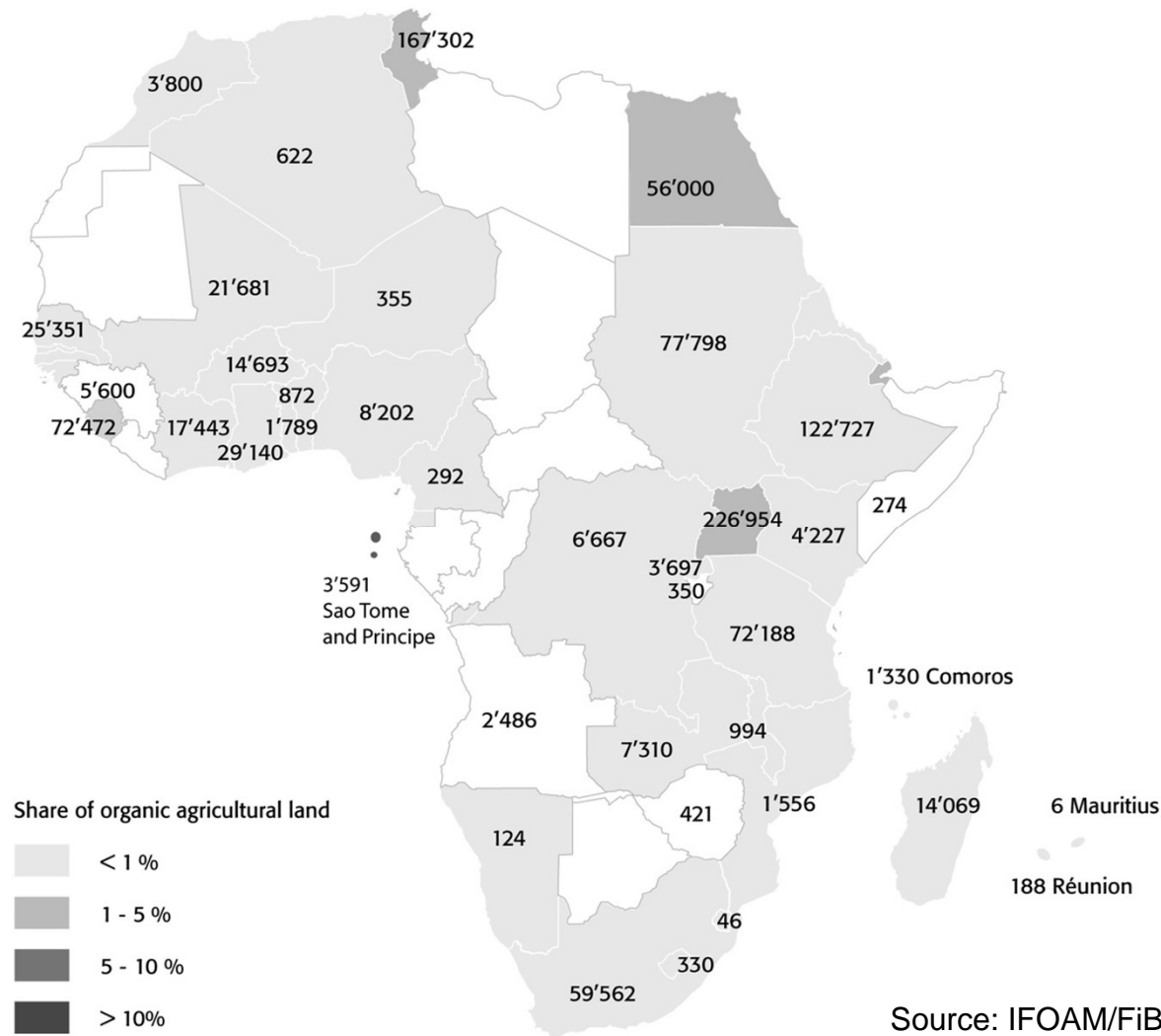
Development of organic agricultural land worldwide (1999-2009)



Source: FiBL, IFOAM and SOEL 2000-2011



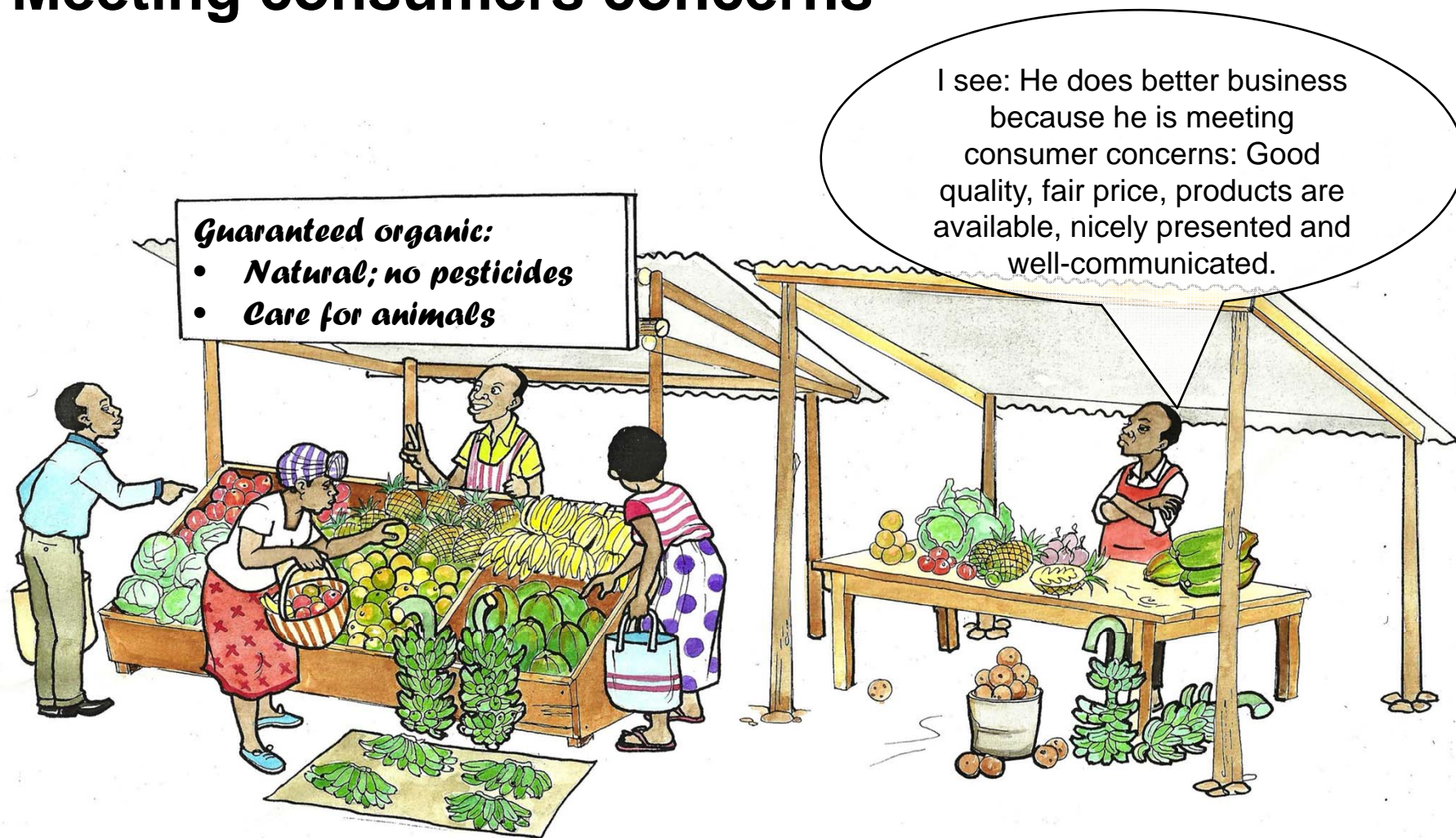
Organic agriculture in Africa (ha/country 2009)



Source: IFOAM/FiBL Survey 2011



Meeting consumers concerns



Quality requirements



I buy organic products because they:

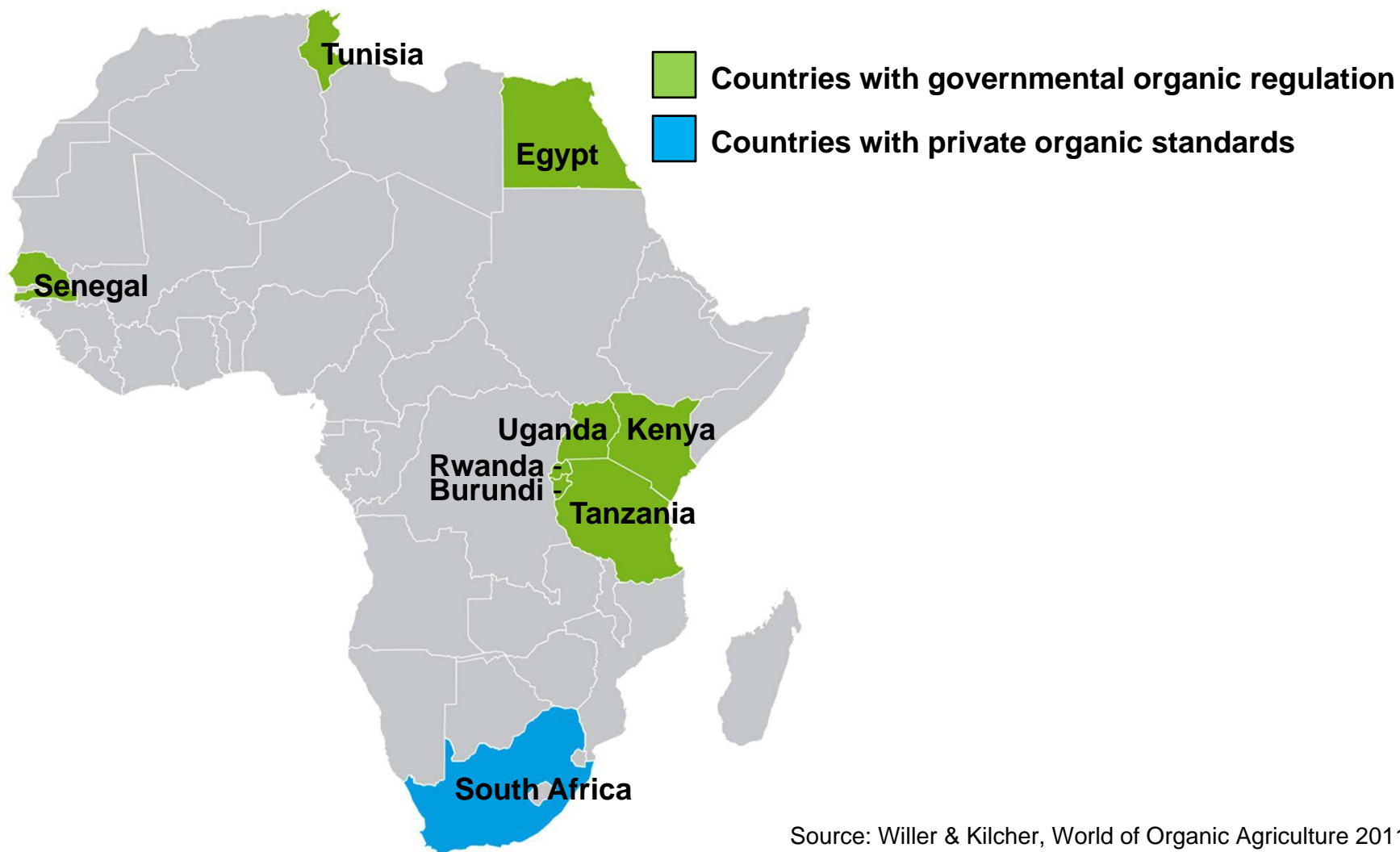
- Are free of contaminants
- Have a high nutritional value
- Taste good
- Are free from additives
- Look nice and are well-packaged
- Are clearly labelled



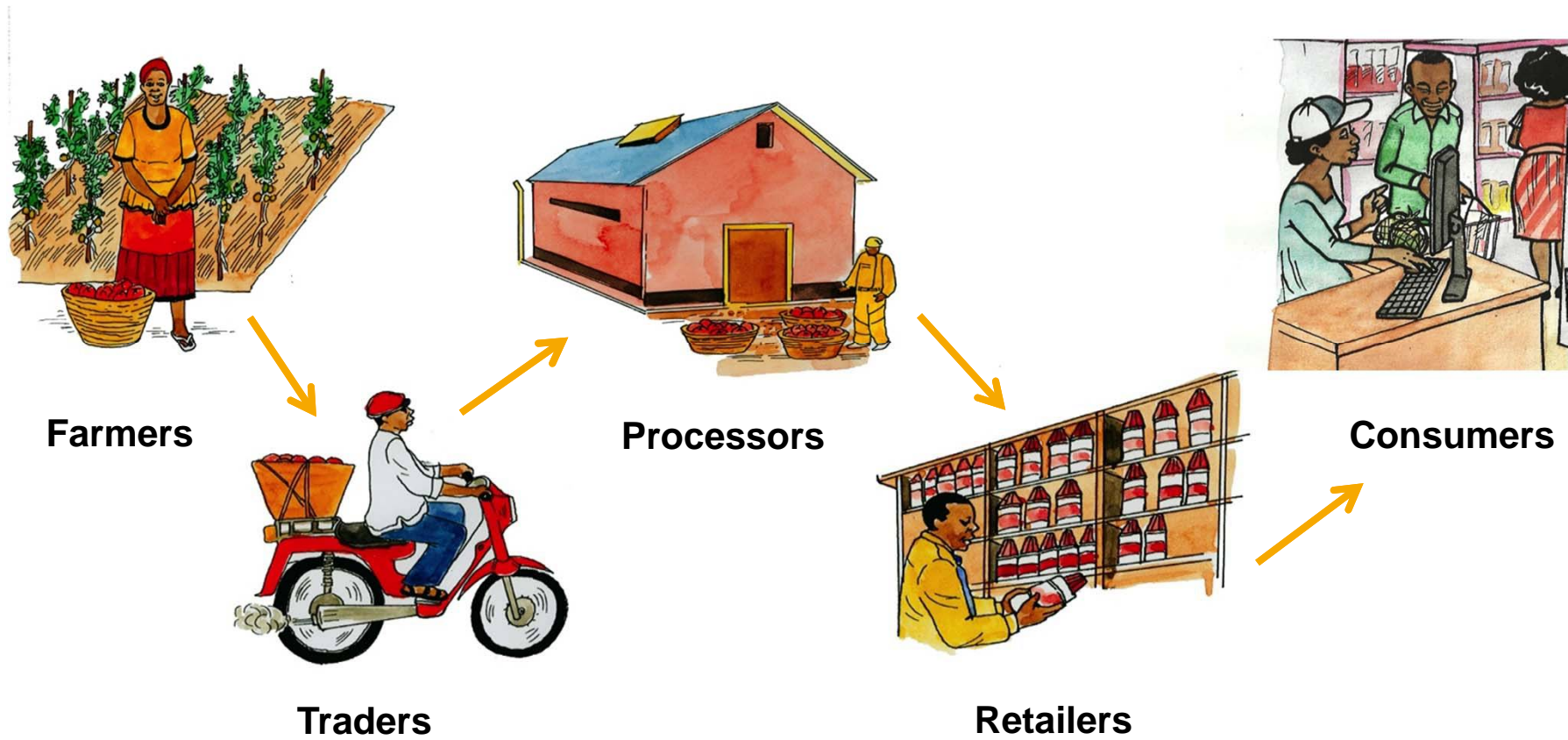
Quantity requirements



African organic standards and regulations



Market chain



Market primary and secondary actors

Secondary actors: supporting institutions

Rural Finance	Promotion & marketing	Product & label development
Agricultural inputs	Consumer research	
On-farm research	Processing support	

Primary actors



Farmers



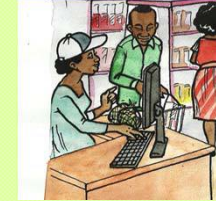
Traders



Processors



Retailers



Consumers

Subsidies	Public promotion
Laws & procedures	Support for rural areas
Consumer protection	

Secondary actors: policy makers



Farmers = Entrepreneurs



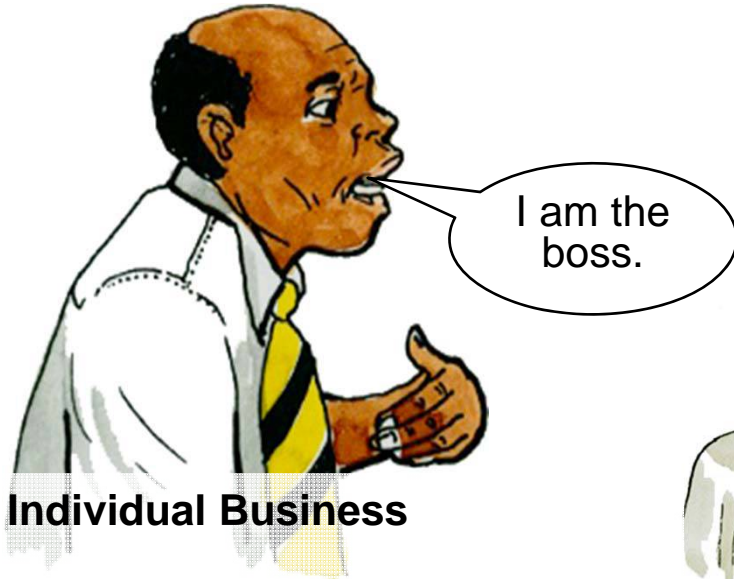
Farmers not only grow food...



...they need to think about how to sell their products successfully.



Forms of business ownership



Individual Business

- + Owner receives all profits
- + Business is easier to manage
- Alone responsible
- Depends on own resources

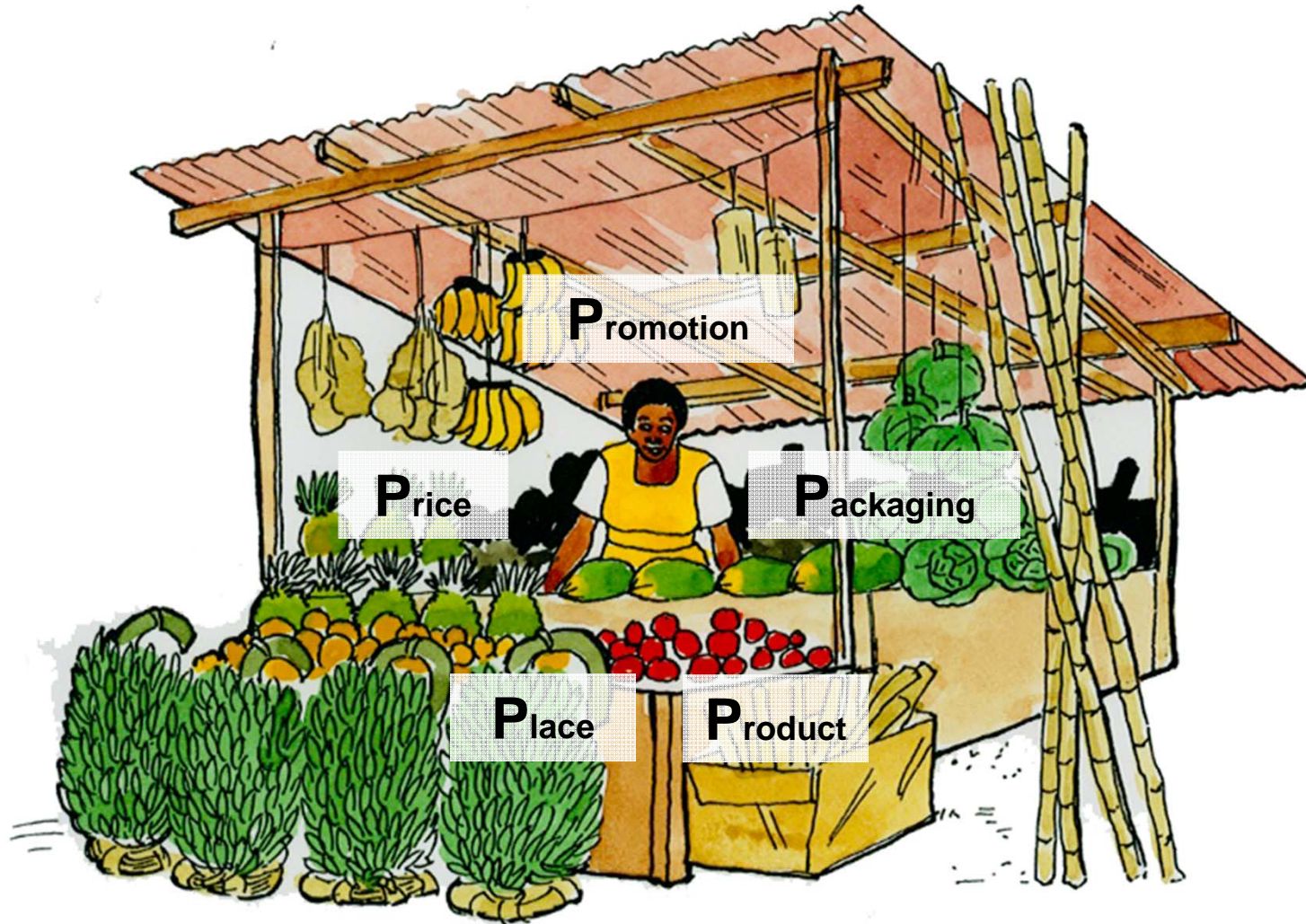


Group Business

- + Share resources
- + Share responsibilities and risks
- Share profits
- Need to find good partners



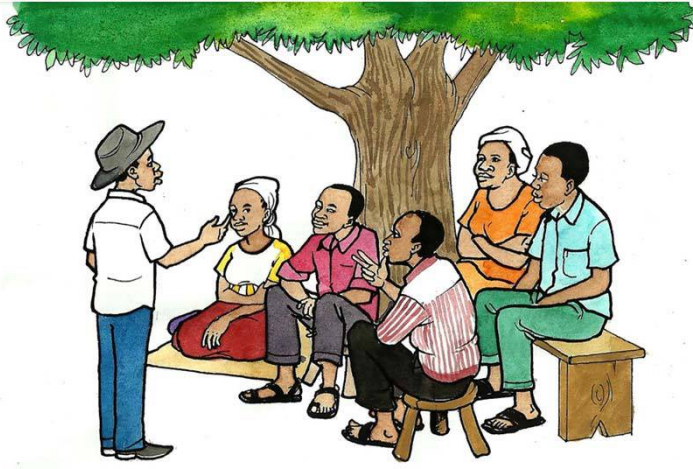
The five Ps of a marketing concept



Rapid Market Appraisal

1. Initial discussion

- Define objectives
- Build a team to lead the process



2. Market check

- Visit markets and outlets
- Obtain samples, test them
- Check websites and statistics
- Discuss with processors, traders, retailers and consumers



3. Final discussion

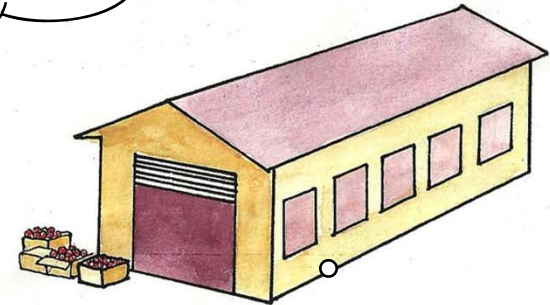
- Discuss the findings
- Build a team to lead the process



Common business idea



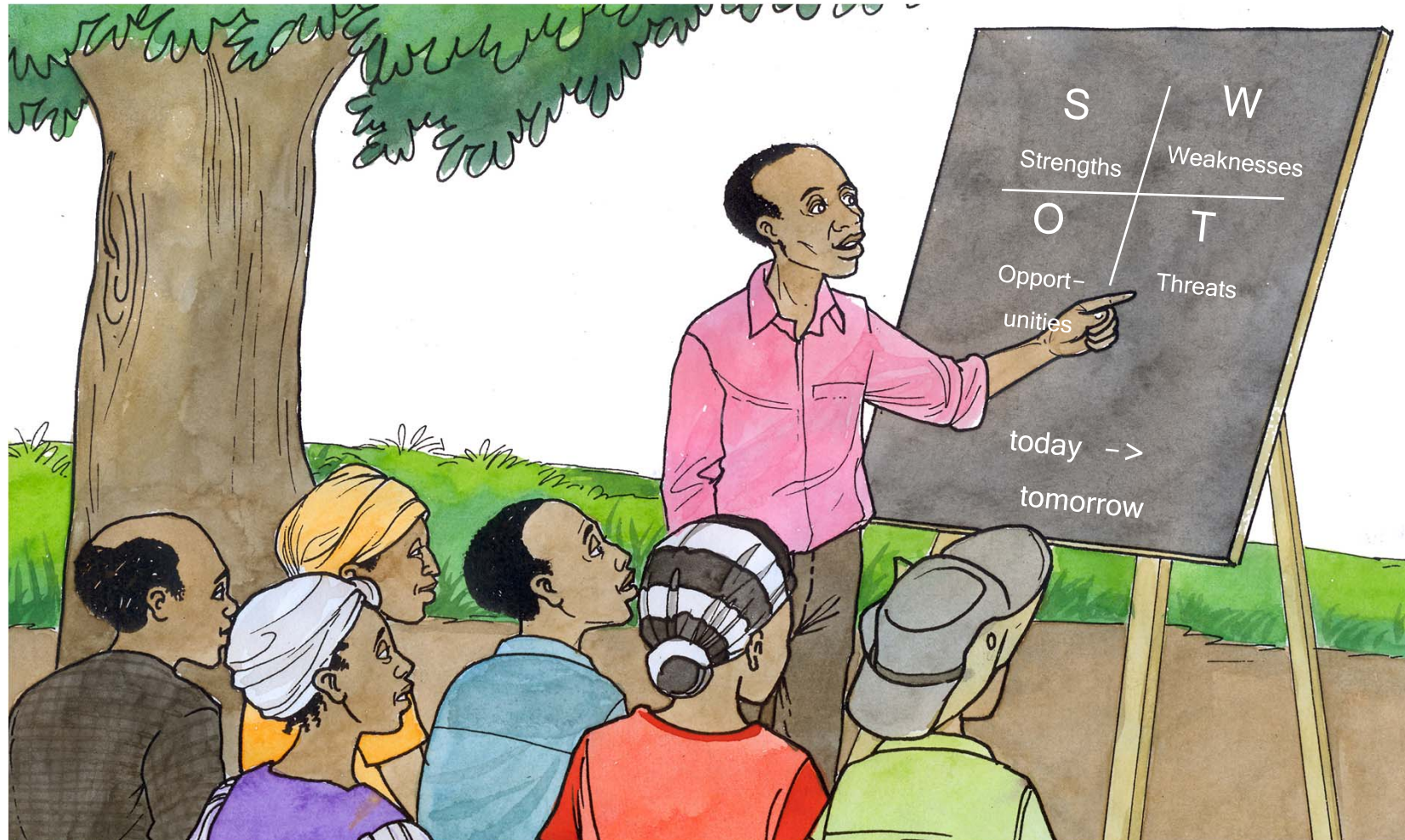
Discuss common ideas...



... that become common business ideas.



SWOT Analysis



Contents of a business plan

1. Executive summary
2. Name and description of the product
3. Commercial potential of the product
4. Production process and its advantages
5. Advantages created for society
6. Actors involved and of their roles
7. Evaluation of critical factors
8. Profitability estimates, different scenarios
9. Investment plan and promotion strategy



Contents of a marketing plan



Part 1: Strategic information

- › Type of customers
- › Competitors
- › Suppliers and key actors
- › Human and financial resources
- › Raw materials

Part 2: Operation information

- › Target markets
- › Sales target
- › Product specifications
- › Promotion, distribution, pricing



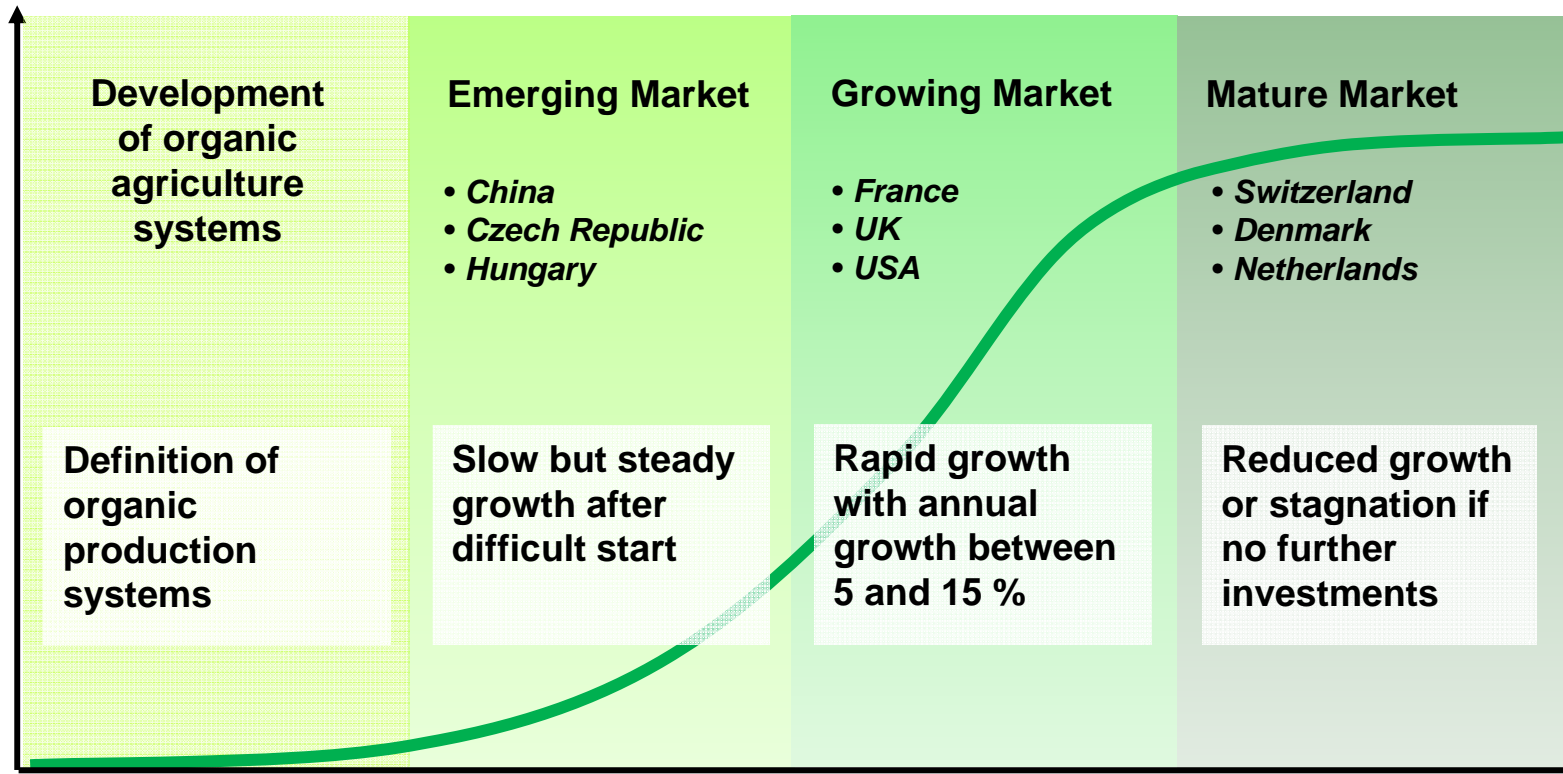
Export checklist

Check point	Rating (1-5) 1= not implemented 5= top implemented	Critical success factors	Foreseen action
Product available: Product available in quality and in sufficient volumes			
Consistent supply: Farmers are interested and committed to supplying			
Buyers identified: Buyers have been identified			
Certification: Certification for the target markets and buyers selected			
Logistics: Logistical arrangements have been made			
Strategic fit: Changes done in technology, monitoring, certification, supply-chain management and marketing			
Marketing fit: Market strategy fits with the business plan			
Pricing: Prices are competitive			
Promotion: A unique selling proposition has been developed and communicated			
Benefits for all stakeholders of the chain: Profits back invested back into to supplier groups			
Management: Risks are analysed, the export organisation is well-managed			
Communication: The export organisation can always be reached			
Total			



Phases of market development

Market Size



Time



Push and pull strategy

“Push-Strategy”

- › To improve productive capacities of farmers
- › To improve the sales situation of farmers
- › To boost added value of organic products



Farmers



Traders



Processors



Retailers



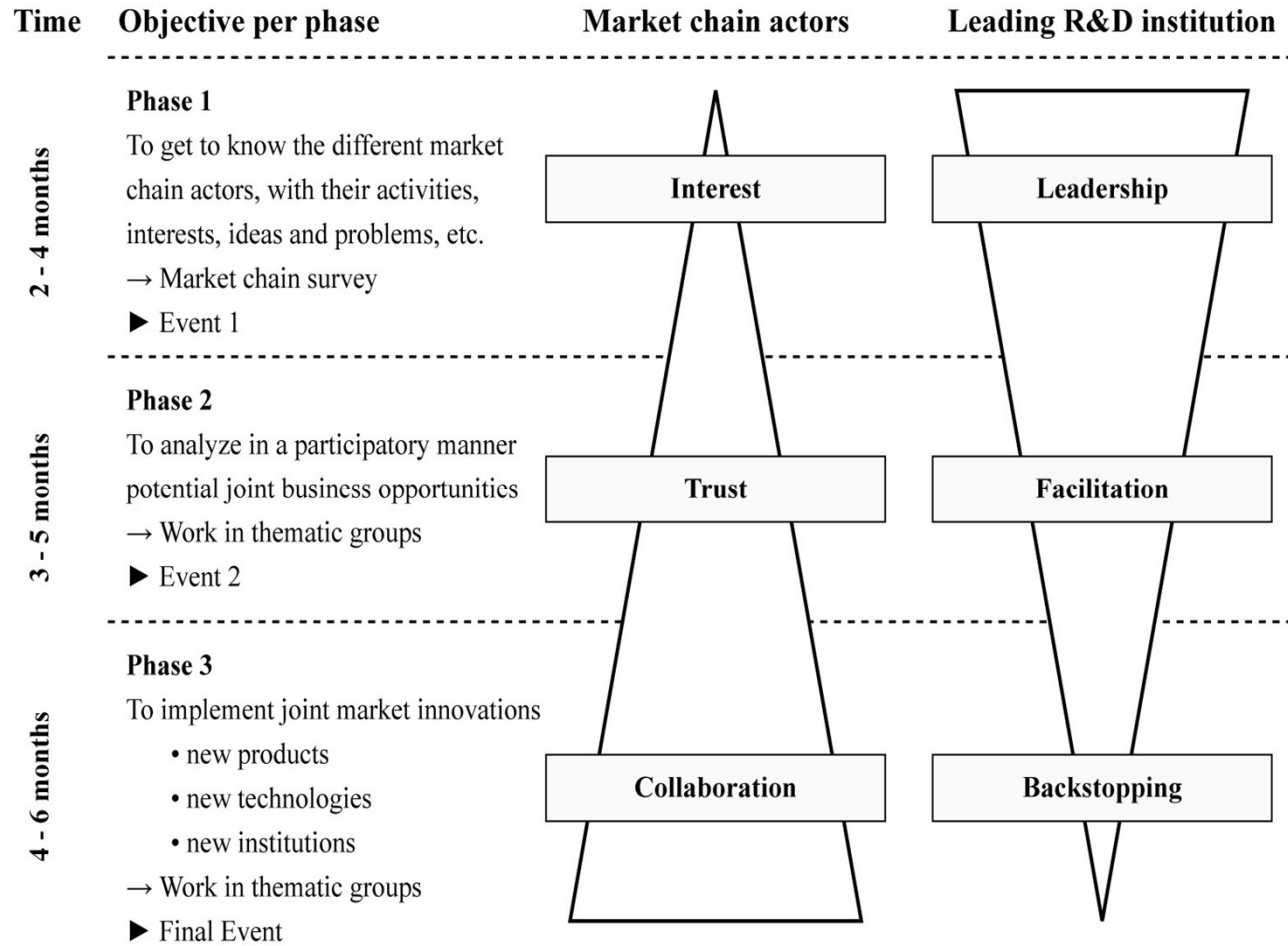
Consumers

“Pull-Strategy”

- › For established organic markets
- › Consumer awareness campaigns
- › Strong commitment of government needed



Participatory market chain approach (PMCA)



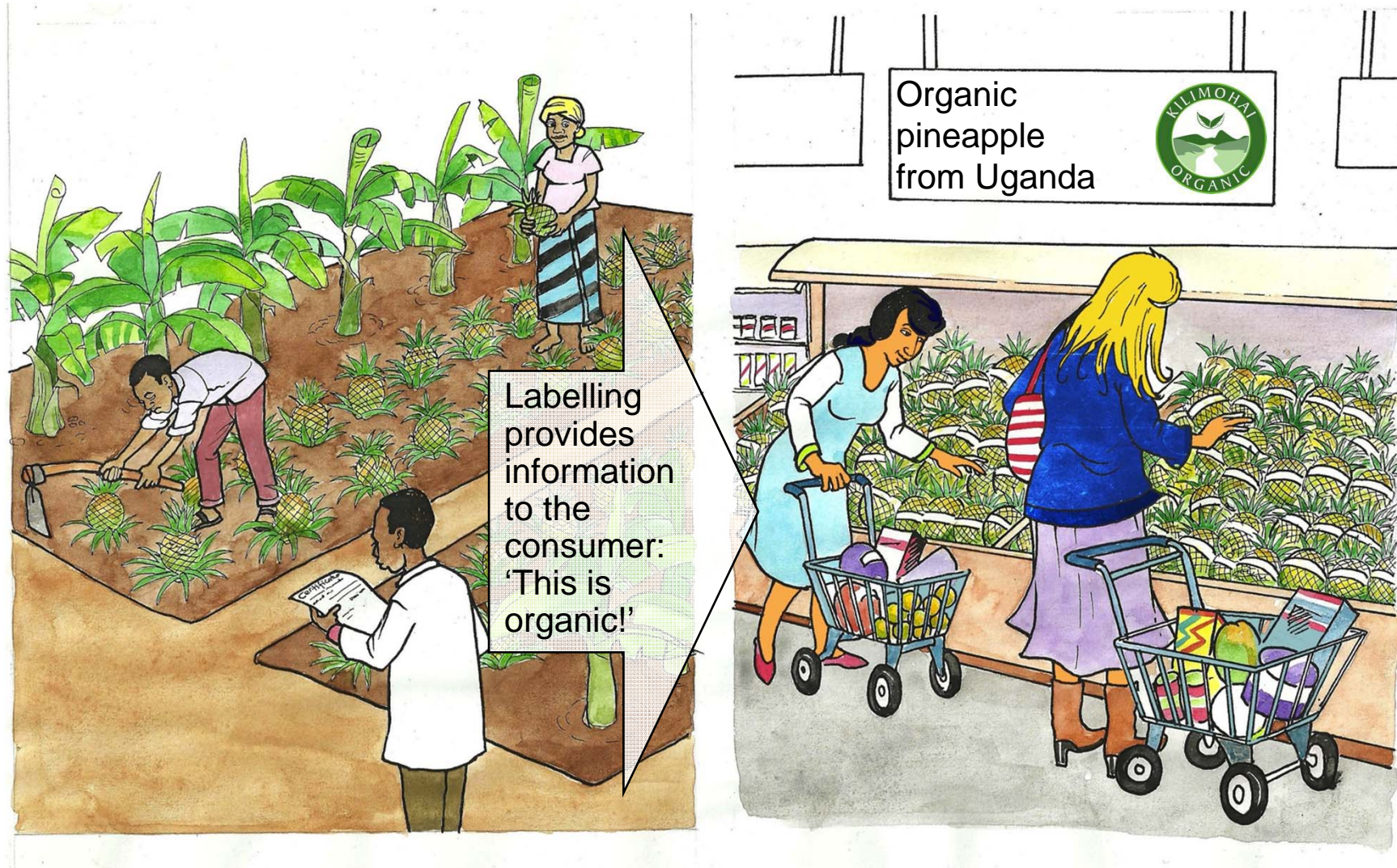
Why certification provides market access?



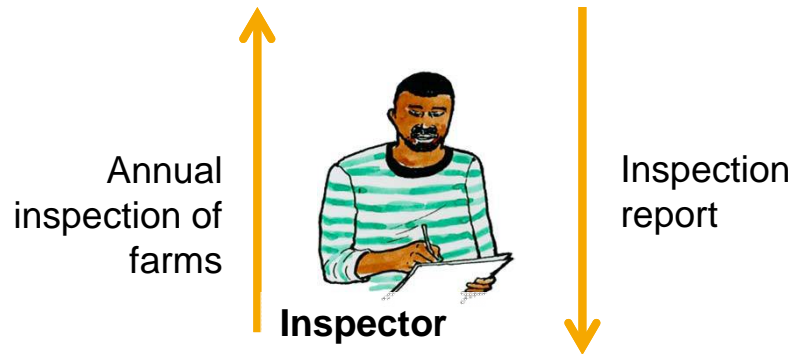
- › Ensures that everyone in the organic supply chain adheres to the organic regulations
- › Confirms that products can carry an organic label
- › Provides trust for consumers
- › A marketing tool
- › It is needed if the market demands it, especially exports
- › Provides market access



Declaration and labelling



Participatory guarantee systems



Committee representing:

Consumer/traders



Other stakeholders



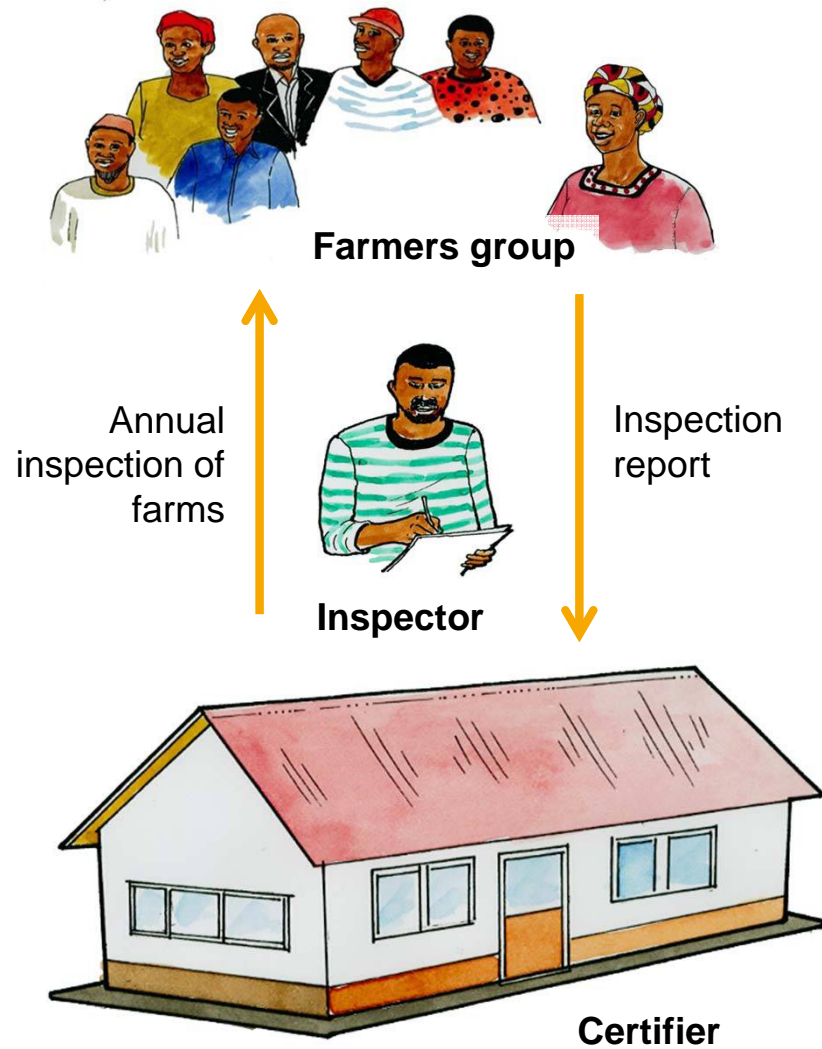
Farmers

Tasks of Committee

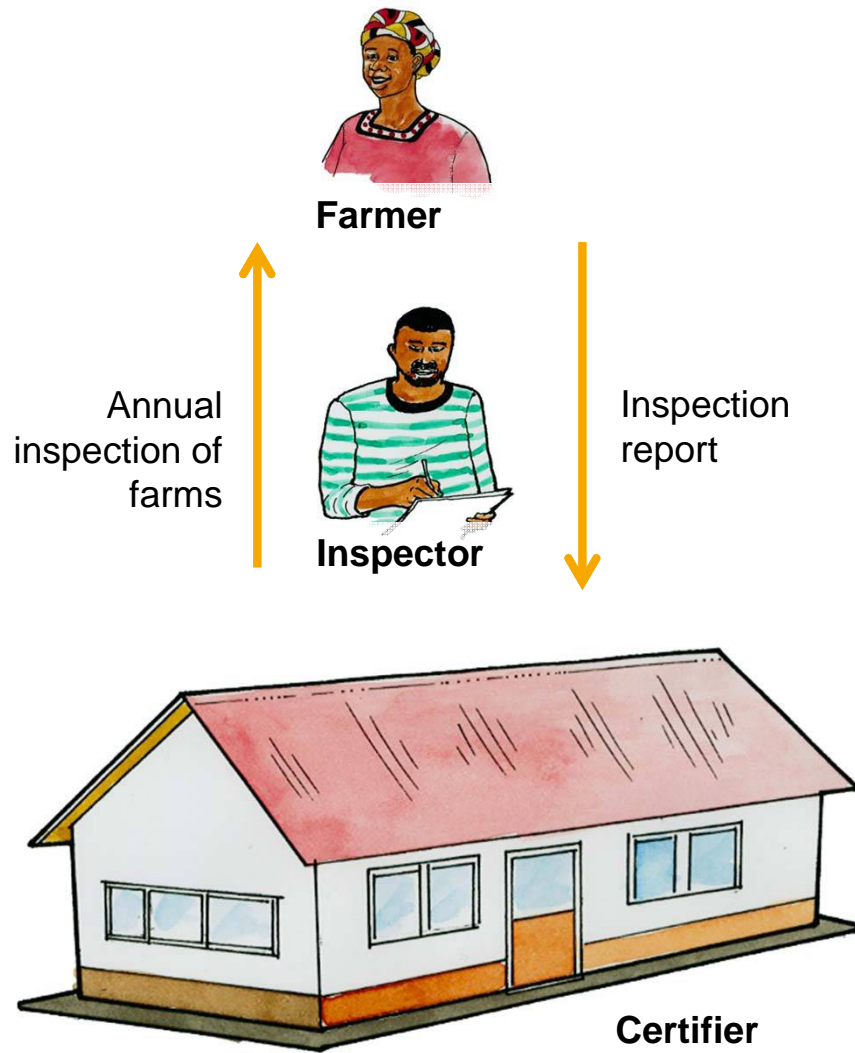
- Decision on standards
- Approval of farmers
- Communication & promotion



Third party certification



Individual 'third-party' certification



Group 'third-party' certification

