

Agribusiness and Marketing

Plant Protection Dept.

4th stage student

2022-2023

- Autumn semester, academic year 2022-2023
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Difference in Marketing of Agricultural and Manufactured Goods:

- The marketing of agricultural commodities is different from the marketing of manufactured commodities because of the special characteristics. **The special characteristics which the agricultural sector possesses**, and which are different from those of the manufactured sector, are:

1. Perish ability (فترة الهلاك) of the Product:

Most farm products are perishable in nature; but the period of their perishability varies from a few hours to a few months.

2. Seasonality of Production:

Farm products are produced in a particular season; they cannot be produced throughout the year. In the harvest season, prices fall. But the supply of manufactured products can be adjusted or made uniform throughout the year. Their prices therefore remain almost the same throughout the year.

3. Bulkiness(ضخامة) of Products:

The characteristic of bulkiness of most farm products makes their transportation and storage difficult and expensive. This fact also restricts the location of production to somewhere near the place of consumption or processing. The price spread in bulky products is higher because of the higher costs of transportation and storage.

4. Variation in Quality of Products:

There is a large variation in the quality of agricultural products, which makes their grading and standardization somewhat difficult. There is no such problem in manufactured goods البضائع المصنعة, for they are products of uniform quality.

5. Irregular Supply of Agricultural Products:

The supply of agricultural products is uncertain غير مؤكد and irregular because of the dependence of agricultural production on natural conditions. With the varying supply مع العرض المتفاوت, the demand remaining almost constant, the prices of agricultural products fluctuate الى حد كبير substantially تذبذب.

6. Small Size of Holdings (المقتنيات) and Scattered Production (الانتاج المبعثر):

Farm products are produced throughout the length and breadth of the country and most of the producers are of small size. This makes the estimation of supply difficult and creates problems in marketing.

7. Processing:

Most of the farm products have to be processed before their consumption by the ultimate consumers **المستهلكين النهائيين**. This processing function increases the price spread of agricultural commodities.

Importance Of Agricultural Marketing

- Agricultural marketing plays an important role not only in stimulating production and consumption, but in accelerating the pace of economic development تسريع وتيرة التنمية الاقتصادية. Its dynamic functions are of primary importance in promoting economic development.

Optimization of Resource use and Output Management: تعظيم الاستفادة من استخدام الموارد و ادارة المخرجات

- An efficient agricultural marketing system leads to the optimization of resource use and output management. An efficient marketing system can also contribute *المساهمة* to an increase in the marketable surplus *الفائض القابل* by scaling down *تقليص* the losses arising out of inefficient processing *المعالجة* *الناشئة عن*, storage and transportation. *غير الفعالة*

Increase in Farm Income

- An efficient marketing system ensures **يضمن** higher levels of income for the farmers by reducing the number of middlemen **الوسطاء** or by restricting the commission **تقييد العمولة** on marketing services and the malpractices adopted **الممارسات الخاطئة** by them in the marketing of farm products. An efficient system guarantees the farmers better prices for farm products and induces them to invest their surpluses **الفائض** in the purchase of modern inputs so that productivity and production may increase.

Widening of Markets (توسيع)

(الاسواق):

- A well-knit marketing system widens توسيع نظام التسويق المتناسك the market for the products by taking them to remote corners زوايا بعيدة both within and outside the country, i.e., to areas far away from the production points. The widening of the market helps in increasing the demand on a continuous basis, and thereby guarantees a higher income to the producer.

Growth of Agro-based Industries:

- An improved and efficient system of agricultural marketing helps in the growth of agro-based industries and stimulates the overall **شاملة** development process of the economy.

Employment:

The marketing system provides employment to millions of persons engaged **تشارك** in various activities, such as packaging, transportation, storage and processing, etc.

- **Addition to National Income:**

Marketing activities add value to the product thereby increasing the nation's gross national product **الناتج القومي الاجمالي** and net national product.

- **Better Living:**

The marketing system is essential for the success of the development programmes which are designed to uplift **رفع** the population as a whole.

Price Signals:

- An efficient marketing system helps the farmers in planning their production in accordance with the needs of the economy.

Adoption and Spread of New Technology

The marketing system helps the farmers in the adoption **تبني** of new scientific and technical knowledge. New technology requires higher investment and farmers would invest only if they are assured of market clearance **تأكد من تخليص السوق**.

- **Creation of Utility (خلق المنفعة):**
- Marketing adds cost to the product; but, at the same time, it adds utilities to the product. The following four types of utilities of the product are created by marketing:
- **A. Form Utility (شكل الفائدة):**
- The processing function adds form utility to the product by changing the raw material into a finished form. With this change, the product becomes more useful than it is in the form in which it is produced by the farmer.

- **B. Place Utility:** The transportation function adds place utility to products by shifting them to a place of need from the place of plenty. Products command higher prices at the place of need than at the place of production because of the increased utility of the product.

- **C. Time Utility:** The storage function adds time utility to the products by making them available at the time when they are needed.
- **D. Possession Utility (فائدة الحيازة):** The marketing function of buying and selling helps in the transfer of ownership from one person to another. Products are transferred through marketing to persons having a higher utility from persons having a low utility.