

<b>COURSE CODE:</b>	AEM 503
<b>COURSE TITLE:</b>	Agricultural Marketing
<b>NUMBER OF UNITS:</b>	2 Units
<b>COURSE DURATION:</b>	Two hours per week

---

### COURSE DETAILS:

<b>Course Coordinator:</b>	<b>Prof. Adewale O. Dipeolu, B.Sc., M.Sc., PhD</b>
<b>Email:</b>	<a href="mailto:waledipe@gmail.com">waledipe@gmail.com</a>
<b>Office Location:</b>	<b>Agric. Econs &amp; Farm Mgt, COLAMRUD</b>

### COURSE CONTENT:

Concepts and definitions; the Economics of Marketing; The role of Marketing in Agriculture; Approaches of Marketing studies, Marketing Research; Techniques for Evaluation; Marketing , Conduct, Efficiency and Structure; International Trade in Agricultural commodities.

### COURSE REQUIREMENTS:

This is a compulsory course for 500 level students in the university. In view of this, students are expected to participate in all the course activities and have minimum of 75% attendance to be able to write the final examination.

### READING LIST:

1. Kohls, R.L. and J. N. Uhl (1980) Marketing of Agricultural products, Macmillan Publishing Co, New York.

### LECTURE NOTES

1. Marketing Concept
  - Concept and definition of market
  - Types of product demand
2. Economics of marketing
  - Marketing as profitable-value addition products
  - Values of form, time, place and possession utilities
  - The role of marketing in Agriculture
  - Peculiarities of agricultural products marketing
4. Marketing Channels and Functions
5. Marketing Research
6. Pricing and price determination
7. The Structure, Conduct and Performance (SCP) paradigm
  - Perfectly competitive markets
  - Imperfect competition: monopoly, monopsony, oligopoly, oligopsony

- Profit-maximizing conditions and pricing strategies of firms acting in markets with different structures
  - Measures of market concentration- Gini coefficient/Lorenz curve, Herfindahl index, Herfindahl-rschmann Index
  - Marketing margin and marketing efficiency
7. Marketing strategy
- Offensive Strategy
  - Defensive strategy

### **What is marketing?**

- *Marketing can be defined as all activities involved in the production and flow of produce from point of production to consumers.*
- Customer value
- Opportunity costs
- Utility- form, place, time and possession
- Selling versus Marketing Concept
- getting consumers what they seek, *regardless of whether this entails coming up with entirely new products.*

### **Supply side**

**Demand side:** Consumers

### **Marketing Channels**

Farmers Consumer.

Farmers' retailers Consumer

Farmers' wholesalers' retailers

Consumer

### **Marketing Functions**

- a. Exchange function:
  - i. Buying (Assembling)
  - i. Selling
- b. Physical function:
  - i. Storage & Packaging
  - ii. Processing
  - iii. Transportation & Distribution
- c. Facilitating function:
  - i. Standardization (grading & quality)
  - ii. Risk Bearing
  - iii. Market Intelligence (Ads & promotion)
  - iv. Financing

### **Price Determination**

- Those that are based on the cost of production
- Those to which some margin is added
- A Mark-up or mark-on
- B Discriminatory pricing
- C Psychological pricing
- D Geographical pricing
- E Promotional pricing

### **Marketing Strategy**

- Basic strategies for influencing demand
- 1. Attract non-users 1. Increase willingness to buy
  - a. Demonstrate benefits of product form
  - b. Develop new product forms with desired benefits

- c. Devise more product complements
- d. Simplify use (easy to use products are more likely to be desired)

#### **Marketing Strategy Cont'd**

- 2. Increasing ability to buy
  - a. Offer lower prices or credit
  - b. Increase ability to sample
  - c. Provide greater availability
- 3. Increase rate of purchase among users
  - 1. Broaden usage occasions
    - Provide examples of additional uses of product
- 4. Increase consumption levels
  - a. Lower prices, special-volume packaging
  - b. Improve buyers' perceptions of product benefits

#### **Marketing Alternatives for Growers**

- . Some farmers are looking for more profit and decreased scale of production
- b. Consumers desiring direct market relationships in order to have –