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

COURSE DETAILS:

Course Coordinator: Prof. Adewale O. Dipeolu, B.Sc., M.Sc., PhD
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Office Location: Agric. Econs & Farm Mgt, COLAMRUD

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:


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
3. Marketing Channels and Functions
4. Marketing Research
5. Pricing and price determination
6. 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-Hirschmann 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
  • 2. 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

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