

# Unit F: Harvesting Fruits and Nuts

## Lesson 3: Market Fruits and Nuts

# Terms

- marketing mix
- marketing channel
- vertical integration

- I. Marketing fruit products is a very strategic action that will result in high profits if done correctly. Proper marketing does not take much experience, but will take some additional time to plan.
  - A. To achieve the highest price, not only does the quality of fruit have to be high, but the product has to supply the need of the consumers.
  - B. Growing fruits that are in high demand and low supply will gain a higher price. Following is a 2003 survey of the type fruit grown throughout Afghanistan.

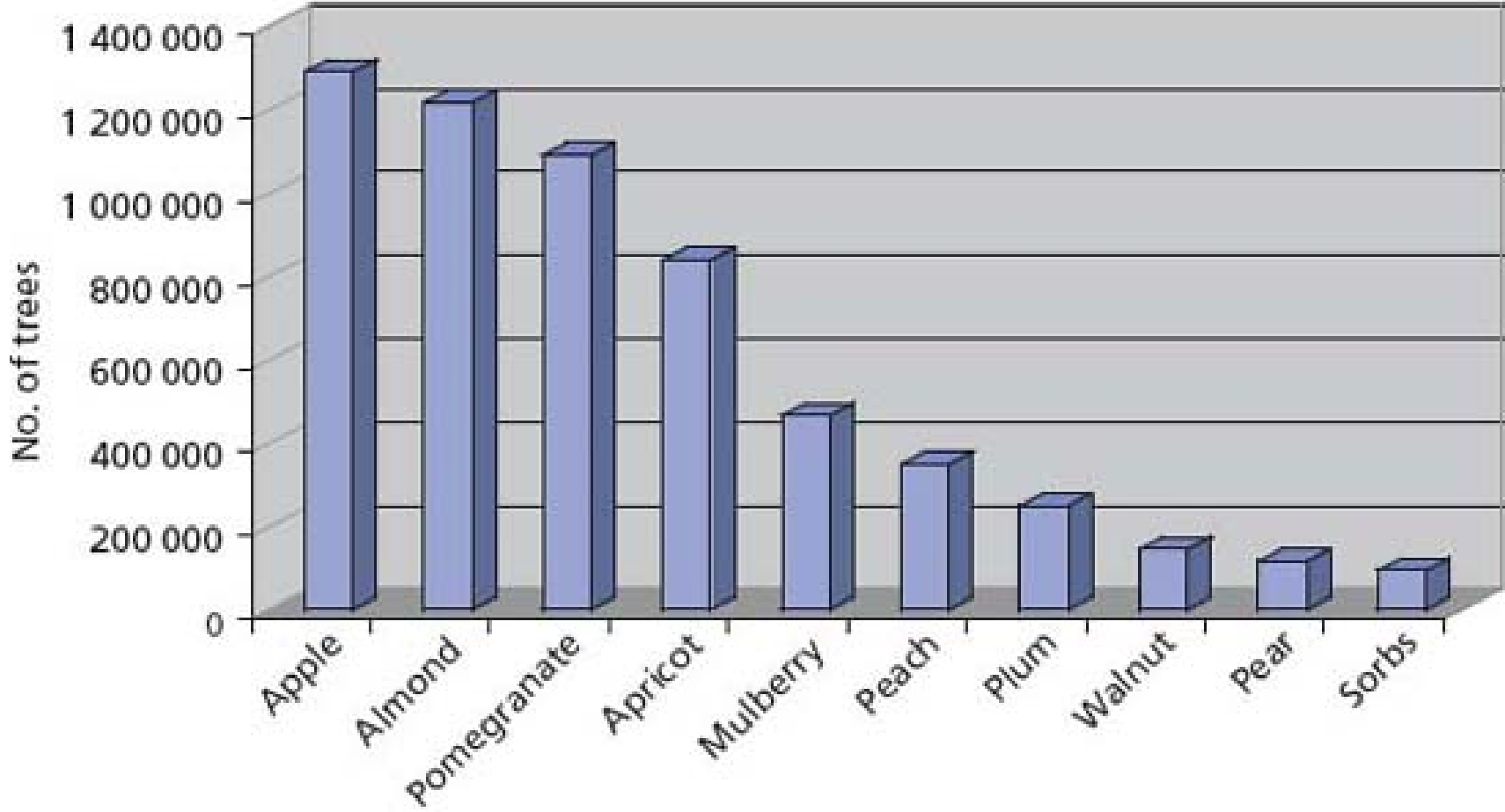
1. The country analysis showed that grapes, followed by apples and almonds, pomegranates and apricots represent the highest percentage of orchard area for fruit species.
2. Grapes are the major cultivated fruit species in more than 15 provinces, representing 48 percent of the country.
3. Apples are the most cultivated crop in Wardak as well as in four other provinces.
4. Almond is the fruit tree farmer's first choice in Uruzgan Province.

5. Pomegranates with their valuable native varieties are commonly grown in Balkh, Nimroz and Kapisa Provinces.
6. Mulberries are mainly grown in Badghis.
7. Nangarhar is the sole province where farmers grow subtropical trees due to the favorable climatic conditions and to its proximity to Pakistan.
8. Orange trees are the most common fruit crop in Nangarhar.

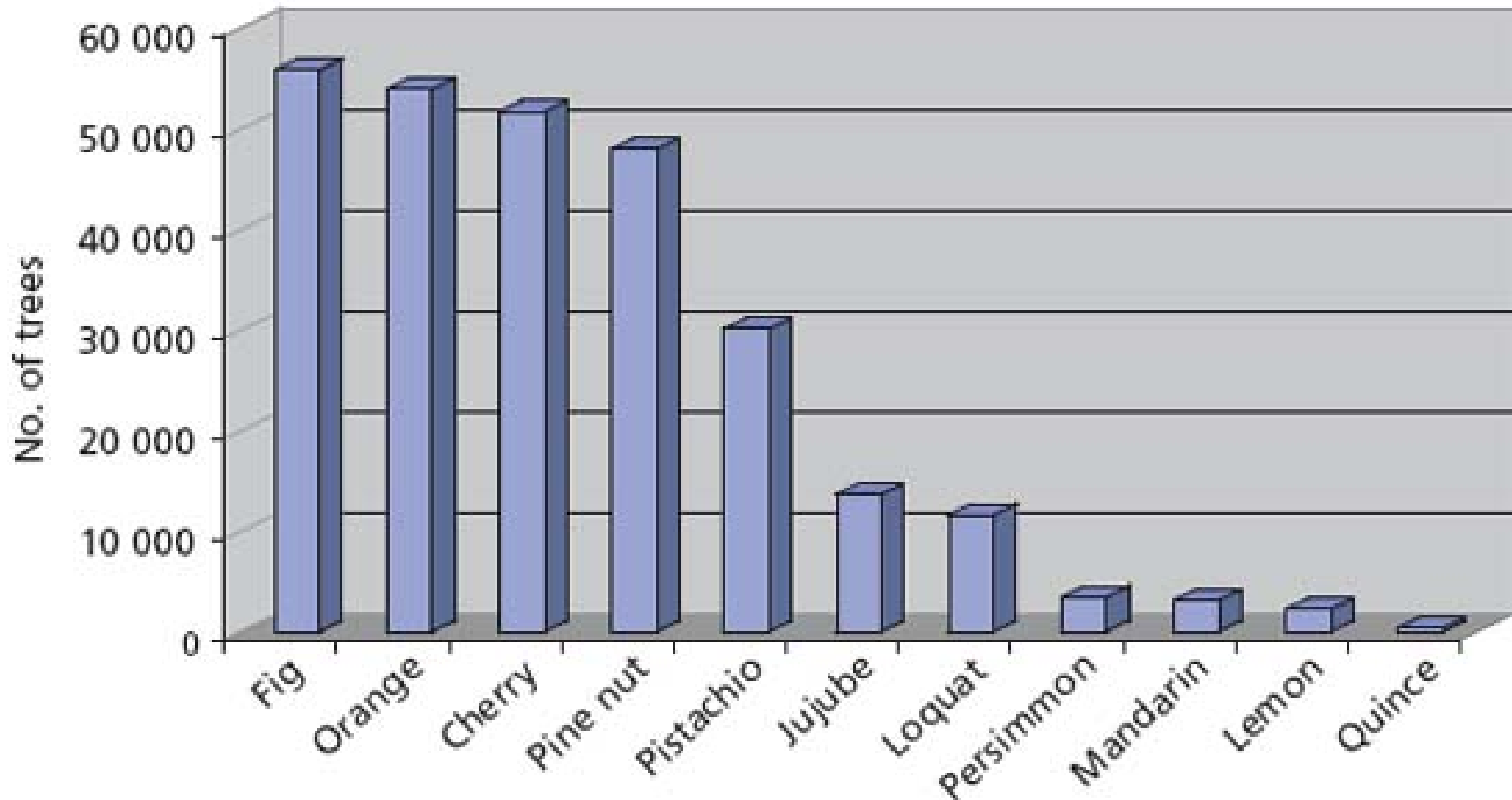
C. Since grapes are the major cultivated species, it might be harder to market and sell grapes.

1. If you can grow a fruit that is in low supply in an area, marketing and selling will be easier.

# Fruit species (excluding grape) with more than 1 000 jeribs (200 ha) in the monitored villages (spring 2003)



## Fruit species with less than 1 000 jeribs (200 ha) in the monitored villages (spring 2003)





II. Marketing strategies generally revolve around the 4 P's: product, price, place, promotion, and sometimes a fifth p: people.

A. These P's make up the **marketing mix** or a particular company's approach to marketing a particular product.

B. The goal is to offer the right product at the right place for the right price and to inform the customers with the right promotion.

- C. If any of the P's is out of balance, the marketing approach will not be as effective as it could be.
- D. If you are growing oranges, you probably won't be able to sell oranges to another grower.
  - 1. If you are growing apples, the orange producer may be interested in purchasing from you.

- III. Food is marketed through marketing channels. A ***marketing channel*** refers to how the product moves from the farm through the food processor and on to the consumer.
- A. These channels may be very complex or very simple depending on the type of food and the type of retail facility from which the consumer chooses to make his or her purchase.

1. Each stage of the marketing channel represents a specific type of customer.
2. For example, a flour mill buys wheat and grinds it into flour.
3. It then sells the flour to a bakery.
4. The bakery makes bread and sells it to a wholesaler.
5. The wholesaler distributes the bread to retail outlets, such as grocery stores and restaurants.
6. At each stage, there is a buyer and a seller.

B. In some instances, a company may own more than one stage of the process.

1. This is called ***vertical integration***.

2. For example, a company might grow grapes and also dry those grapes to make raisins and sell them.

C. Food marketing also can be classified by the stages the product must go through.

1. Commodity marketing—supplying undifferentiated raw material (farm commodities)
2. Industrial marketing—processing the commodities into a basic form, for example wheat into flour.
  - a. This is purchased by a food processing firm to make the foods we eat.

### 3. Reseller marketing—marketing to warehouses.

- a. The warehouse buys large shipments from multiple companies.
- b. It then breaks the shipments into smaller lots and sends a smaller number of a large variety of items to the retail outlets.

4. Consumer marketing—supplying customers with mostly branded products.

a. Products that are not branded are generally referred to as store brands or generics.

b. They are just as good nutritionally, although the taste and flavor of generics may not be as consistent as branded products.



D. Another way of classifying food marketing is from the consumer's perspective, according to where consumers purchase their food.

1. The most common is grocery stores or markets.

## IV. Marketing of your fruits and nuts should be done before they are harvested.

- A. Many factors should be considered in a marketing plan and answering the questions will help you determine your marketing strategy.
- B. Talk about the product you are trying to sell.
  1. Does your product have any special features such as size, quality, variety, taste, etc. that will benefit the buyer?

C. Find if there is a demand for your product and determine where the market, or highest demand, for your product is at.

1. Where are your potential customers located?
2. What are the demographic characteristics of potential consumers?
  - a. What is their age?
  - b. How much income do they have?
  - c. How big is their family?
3. What are the behavioral characteristics of potential consumers?
  - a. What is their lifestyle like?
  - b. What fruits and nuts will they eat?

D. The existing market demand must be determined.

1. How many potential buyers are there?
2. How many fruits and nuts do they currently consume?
3. How much do they usually buy in a year?

E. Some markets might demand specific grades, quality or sizes.

1. This can be determined through face to face conversations or surveys taken of the community.

- F. Will there be any cost for transportation to get your product to the market?
- G. Are there any current competitors in the market?
  - 1. What do you have to offer that is better than your competition?
- H. What price does the market offer and how volatile is the price?
  - 1. What is the highest price and the lowest price you are likely to receive, and what conditions create these price situations?
- I. What is your expected sales volume?
  - 1. What is the minimum and maximum volume of product you believe you could sell in one year?

# Review/Summary

- 1. What is the impact of supply on marketing?**
- 2. What are the 4 P's of marketing?**
- 3. What are the type of markets for food products.**
- 4. What factors determine a proper marketing strategy?**