Recognition of pomegranate in Neyriz city and finding marketing troubles and solutions

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Abstract

Marketing agricultural products while establishing a balance between supply and demand in various stages of production to final consumption stabilize farm income and satisfy consumer demand. Therefore, agricultural marketing study seems necessary. In this study, pomegranate marketing in Neyriz city of Fars province was investigated and its various marketing channels were also evaluated. The results showed that, the share of pomegranate growers and marketing margin are almost good. Lack of suitable storage and fridge was one of the major problems of pomegranate growers. For improvement of the current situation, the formation of a cooperative of pomegranate growers in the region is recommended, for decreasing production costs and making storages and fridges enough for regulation of demand and supply.

Keywords: Marketing, marketing margin, pomegranate, Neyriz city.

INTRODUCTION

Marketing refers to all attempts made by economical job creators for planning, producing, distributing, selling products and giving service to end-users and meeting their needs. Marketing agricultural products, in addition to forcing a balance between demand and supply in various stages from production to end consumption, makes stabilization of the agriculture income and meeting consumer needs possible (Karbasi, 2009).

Iran is birthplace of pomegranate and has the first rank of variability, quality, under cultivation area, production and export. Cultivation and culture of pomegranate has been common in Iran since the ancient era. Pomegranate fruit has been considered as a saint fruit by Muslims and the advantages of it are cited in 142 to 99th paradigm of Sura Anaam. Presently, 70 acre of farms are under cultivation in our country which is intended to add 15 more acres till the end of the 5th program (Karimi, 2007).

Fars has the first status in pomegranate cultivation among all provinces. The cities which have the most

production cultivation area are Neyriz, Arsenjan, Kazeroon, Estahban, Jahrom, Marvdasht, Firooz abad, and Mamasani. Known species of pomegranate in the province are, Robab, Farough, Beritt, acidulent, Atabaki, shirin Shahsavaar keder, and green opaque sour. Export species of pomegranate are the best with view to quality, taste and market attention. Red grain of acidulent Robab species has been favoured in many countries especially in middle Asia. So, pomegranate can play a significant role in the economy due to its alimentary needs, economical value and export possibility. Pomegranate is pre-eminent among all horticultural products due to its potential for producing various kinds of alimentary and industrial products (Behzadi, 2000).

Neyriz city has 10540 km^2 of which 90000 acres of it, is fallow. 20000 people of this city are farmers which account for 18.6% of its total population. Average lands for each beneficiary is 3 acres. Its gardens account for 53.3% of total lands of this city which is 48000 acres. The proportion of considered pomegranate gardens is 4000 acres which makes this city a center of pomegranate

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production in our country. This county is a resource of pistachio, pomegranate, fig, almond, corn, wheat and malt due to its high potential for farming. With regard to the statistics of the year 1387, pomegranate had the most production harvest with 44% productions which was equal to 6000 ton, and ranked first in the production of other specialties of pomegranate. The weather of this city is semi-arid whose maximum temperature for a 20-day period in June to July is 43°C and the minimum for a week in December to January is -10°C (Jehad Agriculture Office promotion, 2009).

The result obtained from evaluating the marketing margin of grape in Iran have indicated that during the considered period, average retailing margin of both products is more than the wholesale margin (Karbasi, 2009). In investigating and analyzing efficiency and barberry marketing in Khorasan, marketing margin, retailing, wholesale and marketing efficiency have been evaluated and determined. Findings have indicated that increasing technical efficiency of barberry producers is possible by reducing distance between them. Marketing margin of retailing came from more wholesale (Dehghanian et al., 2007). Findings obtained from this study have indicated that indices of production, export and transportation costs are the most factors effecting marketing margin of potato. The main obstacles of marketing this product are small size, potato spoiling, seasonality of this product, expanding active marketers with different monetary capacity, price instability and fluctuation, lack of quality standards, grading and packaging etc. (Beik Zadeh, 2008). Review of marketing margin investigations in Iran have shown lack of evaluating one of the most important products in the production inventory and exporting non-oil products.

Kizilaslan and Elmali (2012) investigated the effects of marketing structure of grapes on the consumers; the marketing margin was calculated based on the producer sale price and the market price (the consumer price) of grapes. The results show that the production of grape is a profitable activity, but it has been determined that the mediators between producers and consumers provide a higher income when compared to producers. The margin mediator is found to be 77.05%.

Preliminary data and information were obtained from gardeners and pomegranate producers and interview with the manager of herbaceous production institute of Neyriz, and were achieved in form of questionnaire from mentioned reference for the year 2010. This research is aimed at recognizing pomegranate of the city and finding marketing troubles and giving comments to solve those problems.

MATERIALS AND METHODS

Marketing margin

Information about each of these variables to complete the questionnaire and survey methods designed with the visiting farmers Neyriz city, were collected in 2009. The sample consisted of 248 farmers which were surveyed and the sampling method used is simple random sampling. Data processing and analysis were performed using Excel software. Marketing margin is described as divergence difference between purchase prices of a product in a competitive market which is determined by the producer. On the other hand, marketing margin include price of all activities and operations done by marketing institutes and dealers. So, the main scale for determining marketing margin is the difference between prices received by the end producers. Marketing margin is a function of distance, packaging and conversion, paid tax and duties, competition in market, volume mass of product, spoilage and calculated as follows:

$$Mr = Pr - Pw$$

$$Mw = Pw - Pf$$

$$Mm = Mr + Mw = Pr - Pf$$

Mr = retailing margin, Mw = wholesale margin, Mm = total market margin, Pr = retailing price, Pw = wholesale price, Pf = on farm price (Karbasi, 2009).

RESULTS AND DISCUSSION

In this study, pomegranate marketing in Neyriz city was investigated. Pomegranate production of this city has been 20 ton per acre on average for 4 successive years. Neyriz has achieved first place of pomegranate production in our country and the most harvest in this city was 116 ton per acre.

With regard to national pomegranate congress, pomegranate of this city is known for pomegranate traders. Irrigation methods used in pomegranate gardens are 80% flood irrigation with 15 days period irrigation on average and little percentage is drip irrigation. Average income of each pomegranate beneficiary has been 50 million Rials. Second and third grade pomegranate were delivered to concentrate factory for processing because price of first grade pomegranate is 800 and prices of second and third grades are 5000 and 2500 Rials, respectively. After processing, pomegranate sauce or juice is acquired per one kilogram, second and third grade pomegranate and will be sold 1000 Toman. The amount of export pomegranate in 1388 was 5000 ton whose canal is drawn formally and informally (Table 1). Pomegranate was exported to East Asia, Japan, Korea, Persian Gulf margin, Ukraine and some European countries at price of 15000 Rials. Farmer income per ton is summarized in Table 1. Harvest cost is 3000 thousands Rials per each acre in year. Retailer expenditure by considering transportation and packaging cost in markets and self-consumption in addition to being far from market is 1000000 Rials per ton on average. The price of first grade pomegranate for market consumption is 8000000 Rials per ton which is given in retailer expenditure table. Store rent, operation and other costs are not available because the amount of daily retailer

First grade pomegranate	Second grade pomegranate	Third grade pomegranate	Total (Rials)
20125000	1000000	875000	22000000

sales is not accessible. It is considered that the price of the retailer sale is 12000 Rials, and then its income is 12000000 Rials per each ton. If other expenditure is eliminated, its income will be 3900000 Rials.

The mentioned costs are true for all selling and buying canals. Packaging cost paid by wholesaler is 2000000 Rials per each ton which is for buying cartons and packaging cost is 1000000 Rials per ton. The most important expenditure is transportation cost which equals 2500000 Rials considering its delivery to importers in Bandar Abbas. 8000000 Rials per ton were paid to farmers by wholesalers in 1388, total costs were 11500000 Rials and product sales to exporters were 15000 Rials which is the only exporter income and equals to 15000000 Rials per ton. In this study, it is assumed that the buying is performed by a factory but practically it is done by native dealers and 100000 Rials paid for dealing, transportation cost is 90000 Rials and buying price is 3000000 Rials per ton; the other costs of concentrate factory are not available, therefore, explicit statistics cannot be reported in this stage. Processed pomegranate was 2000 ton which was shipped to concentrate factory for processing by native dealers with the price of 2500 than 5000 Rials.

Wholesale, retailing and all various sorts of pomegranate margins are cited for market delivery separately. Among the three sorts of pomegranate (first, second and third grades) 12500 kg of first grade pomegranate per ton are delivered for export marketing and 125 kg of the mentioned sort are kept for self-consumption in the city. 250 kg of second grade and 250 kg of third grade pomegranate are used for processing. Wholesale margin for the first path (export) is as follows:

Considering the equation below and export price of pomegranate (which is 13000 Rials) and price of buying first grade pomegranate (which is 8000 Rials), the marketing margin for export is 5000 Rials:

$$Mw = 13000 - 8000 = 5000$$

Total market margin is calculated from difference between retailing price and on-farm price considering obtained data, retailing price in export is 15000 Rials, on-farm price is 8000 Rials then total market margin is 7000 Rials which is estimated by the stated equation:

$$Mm = 15000 - 8000 = 7000$$

Retailing margin is calculated from the difference between

retailing price and wholesale price considering obtained data, retailing price in export is 15000 Rials, wholesale price is 13000 Rials then retailing margin is 2000 Rials which is estimated by the stated equation:

$$Mr = 15000 - 13000 = 2000$$

Wholesale margin for self-consumption path is calculated from difference between wholesale price and on-farm price considering obtained data, wholesale price is 13000 Rials, on-farm price is 8000 Rials then wholesale margin is 5000 Rials which is estimated by the mentioned equation:

$$Mw = 13000 - 8000 = 5000$$

Total market margin for self-consumption path is calculated from the difference between retailing price and on-farm price or sum of retailing and wholesale margins considering obtained data, retailing price in export is 15000 Rials, on-farm price is 8000 Rials then total market margin is 7000 Rials which is estimated by the mentioned equation:

$$Mm = 15000 - 8000 = 7000$$

Retailing margin in self-consumption path is calculated from the difference between retailing price and wholesale price considering obtained data, retailing price in export is 15000 Rials, wholesale price is 13000 Rials, then retailing margin is 2000 Rials which is estimated by the mentioned equation:

$$Mr = 15000 - 13000 = 2000$$

With regard to obtained statistics, marketing margins in both paths are identical; meanwhile the only privilege of the first market is its great volume.

CONCLUSION AND RECOMMENDATIONS

One of the features of agricultural products is that they are produced in a short period under natural conditions but consumed in a longer period. For example, wheat which is the main food in household basket of Iranian consumers is produced in a short period and consumed in the same period of that year. One of the problems related to seasonality is that when the need for transportation vehicles increased in the harvest season,

transportation cost increased as well. Additionally, if the product is not been delivered to store on time, more spoilage would occur. Storing problems and fridge loss result in severe spoil.

Presently, almost 20% of agriculture products are spoiled. From farm to consumption place with lack of marketing operation (transportation, storing and conversion), spoilage can be reduced. Spoilage reduction leads to supply increment. By increasing the capacity of concentrate factory and making fridge available, this problem can be resolved. As proposed by the manager of the Agriculture Institute and Pomegranate Producers Union with respect to the main problems of pomegranate in the year 2009 (storing problem and fridge loss to store product and sell it), government policies and decisions in the political-economical sector play an important role in every market.

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