**FIELD EXERCISE 1. AGRICULTURAL MARKETING**

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| *OBJECTIVE***After this exercise the participants will be able to:*** *Part A: Basic Activities and Terminology*
	+ Understand the basic activities for agricultural marketing
	+ Understand the basic terminology for agricultural marketing
	+ Understand the definitions of this terminology.
* *Part B: Effects of Supply and Demand on Price*
	+ Understand the definitions of supply and demand
	+ Understand the effects of changes in supply and demand on the price of crops or livestock.
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| *EQUIPMENT NEEDED*Images that represent the following:* The different actors in the crop value chain: the producer, the collector, the processor, the wholesaler, the retailer, and the consumer
* Different crops that are produced in the local community, with some showing very little production and others showing very high production.
* A 12-month calendar with just the month names and a blank space below (you can use 12 small papers with month names on them)
* A large arrow (at least 6), or a thumbs up (3) and a thumbs down (3)
 | *EXPECTED OUTPUT** Producers can describe four things they must do to successfully market their agricultural products.
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| *TIME*60 minutes (Part A: 30 minutes, Part B: 30 minutes) | *PREPARATION***Note:** The trainer should use more visuals (images or objects) than words. |

***PART A: BASIC ACTIVITIES AND TERMINOLOGY***

*SUGGESTED PROCEDURE:*

Greet the participants and tell them that we are going to start the training on marketing basics.

**Say:** Agriculture is not just production. It is also about marketing, or selling, what you produce. So, if you plan to sell at least some of what you grow or the animals you raise, then you first need to think about who will buy the crop or animals and where you will sell this product. Think about the period before you grow a crop.

**Ask:**

* Who buys what you grow?
* Do they buy everything you have to sell?
* Do you think you get a fair price?

Let the participants think about these questions for 2-3 minutes. After taking answers from about 5-6 participants,

**Say:** The key is to “Grow what you can sell!”

**Ask:** Can you explain what this means to you?

Give the participants about 2 minutes to think of answers and then ask 3-4 participants to provide their explanation.

**Say:** This is agricultural marketing. It is doing all the activities required to sell a crop or livestock to a buyer before you actually grow the crop or have the animal ready for sale.

**Ask:** (give the participant a minute or so for each question and get them to share their answers)

* Which crops do you sell?
* What factors are most important for you when choosing which crops to grow?
* What do you think about when choosing crops to grow?
* Why do you grow those crops?
* Explain an instance where you produced a crop and were not able to sell the amount you expected or get the price expected.

**Say:** Agricultural marketing is about finding out what consumers want, and “producing what you can sell, not selling what you can produce.” It is also about making a profit. You need to have the right product at the right time, in the right quantity and quality, and in the right place at a price that a customer is prepared to pay. You need to plan all the activities from production through to sale.

**Say:** It is easy to earn less income than you expected if you do not have a clear marketing plan.

**Ask:** Do you think about who will buy the crop (or livestock) product BEFORE you grow it?

Have 2-3 participants answer this question and explain why or why not.

**Ask:** Do you, farmers who grow crops to sell, talk to buyers before you grow your crops?
Have 2-3 participants answer this question and explain why or why not.

**Ask:** What are the growing season months?

On the ground in front of the participants, lay down the sheets with the names of those months or mark an X under each month if you have one image showing all 12 months. Make sure that they include all months from the initial land preparation through harvest.

**Ask:** In which month should you begin planning to grow your crop (or start to raise the animals)?

Ask one participant to respond. Then ask the others if they agree. If they do not agree ask what would be a better month and continue until you have agreement.

Once they agree, say: It is best for them to plan ahead so that the it should occur they plant the crop.

Have the participants point out the month they agreed is when they should make their plan.

Remind them:

**Say:**

* You should identify the potential buyer or buyers before planting.
* You need to make decisions about which crops to grow prior to the growing season.
* You need to have the right product at the right time, in the right quantity and quality, and in the right place at a price that a customer is prepared to pay.

***PART B: UNDERSTANDING THE EFFECT OF SUPPLY AND DEMAND ON PRICE***

**Say:** Now we are going to discuss factors that affect the price you receive for your crop (or animal).

**Ask:** What factors affect the price of the product that you sell?

Have the participants list all the factors. Take note so that you can isolate those related to supply and demand, then concentrate on them.

**Ask:** Can anyone tell us what market supply means?

Have someone provide their definition and ask one or two more participants to add in something that might be missing. Then summarize,

**Say**: Market supply is the amount of a crop or animal that producers take to the market to sell. This includes ALL producers and ALL their supply of crop (or animal).

**Ask:** Do you have any questions?

Have the participants ask their question and first ask the participants what they think the answer is. Then repeat the question and the answer. Continue with this until all questions are asked and answered.

**Ask:** Can anyone tell us what market demand means?

Have someone provide their definition and ask one or two more participants to add in something that might be missing. Then summarize,

**Say**: Market demand is the amount of a crop or animal that ALL buyers in a place (whether traders, retailers, individuals or others) want to buy at a certain period of time or on a certain day.

**Ask:** Do you have any questions?

Have the participants ask their question and first ask the participants what they think the answer is. Then repeat the question and the answer. Continue with this until all questions are asked and answered.

**Say:** Demand, as well as supply, changes nearly daily for a community. Each community has its own supply and demand which is why it is good to know surrounding communities and what the farmers have to buy and sell.

**Say:** Now let us look at the effects of low and high supply on price.

Provide an example of high supply.

**Say:** At harvest time, many farmers will bring their crop to the market, which makes the supply higher.

Show the image/picture of a lot of crops in the market.

**Ask:** Do you think the price for maize will be higher or lower at this time of year when the supply is high?

After getting 2-3 participants to respond,

**Say**: With a higher supply the price will be lower. The reason that the price will be lower is that buyers have more choices of who to buy from so that the sellers must compete with other sellers for the best prices. The buyers can benefit from having different sellers to choose from. And so, the price will go down.

Show the image/picture of very few crops in the market.

Provide an example of low supply:

**Say:** During the lean season, few producers will still have some crop to bring to the market. In this case, what do you think will happen to the price?

After getting 2-3 participants to respond:

**Say:** With a lower supply the prices will be higher. In this case, the buyers do not have as many choices of who to buy maize from and if they really want the maize they may pay more. The seller can increase the price of maize because there are less sellers and if the buyer REALLY wants to buy the maize the buyer will pay more just to get it when there are not as many sellers.

Ask the participants: In your opinion, what affects demand?

After getting 2-3 participants to respond say: Demand for a crop or product is affected by many factors; however, the most important is consumption. People need to eat, so they will often buy their staple foods (like maize, millet, etc.), onions, and tomatoes. As most people eat these crops, the demand for them is high. So, the more people eat of a crop, the greater the demand will be. Thus, there is usually a higher demand for fresh food, including fresh vegetables and fruits. All crops will have a supply and demand in markets and all crops or products will change prices according to the supply and demand.

*ACTIVITY:*On the ground or on a flip chart, draw a chart with 3 columns and 5 rows as follows. Have images of supply increase, supply decrease, demand increase, and demand decrease and put them in the first column.

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| --- | --- | --- |
| **When** | **Example** | **What happens to price?** |
| Supply increases |  |  |
|  |  |  |
| Supply decreases |  |  |
|  |  |  |
| Demand increases |  |  |
|  |  |  |
| Demand decreases |  |  |
|  |  |  |

Then read each of the examples and ask them to place the arrow or thumb up or down to indicate what happens to the price. Check that all participants are in agreement and then go to the next example.

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| --- | --- | --- |
| **When** | **Example** | **What happens to price?** |
| Supply increases | The rains are very good this season so the \_\_\_\_\_\_\_\_ crop is very good. |  |
|  | Since the price last year was very good for the \_\_\_\_\_\_\_\_\_\_\_ crop everyone planted more land with it this year and produced more. |  |
| Supply decreases | The rains ended very early this season so the \_\_\_\_\_\_\_\_\_\_\_\_\_ crop is very small. |  |
|  | Locust attacked the \_\_\_\_\_\_\_\_ crop this year so the harvest is poor. |  |
| Demand increases | The road to the village was recently paved so now travel to the weekly market is easy and many more people show up to buy \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
|  | The marketing agent has found a new buyer for our \_\_\_\_\_\_\_\_\_\_ crop and he wants to buy everything that is available right now. |  |
| Demand decreases | The bridge between our village and the main road was washed away during a major storm so it is very hard for people to come to our weekly market, so less people buy our \_\_\_\_\_\_\_\_\_\_\_\_\_ crop. |  |
|  | The local groundnut processing mill closed so there is no one to buy our groundnuts, other than a few traders who come to the weekly market. |  |

**At the end of the lesson:**

**Say:** Remember, agriculture is not just production. It is also about marketing, which is selling what you produce. So, you need to think about who will buy the crop or animals and where you will sell it first.

**Say:** Remember, with a higher supply the price will be lower and with a lower supply the price will be higher.

**Say:** What other questions do you have?

Answer any questions the group has and then close the session with the assignment.

*ASSIGNMENT:*

**Say:** In the future, think about who will buy your crops before you produce them and about the factors that could increase demand or decrease demand for what you produce.