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EXTENSION SERVICES FOR AGRICULTURAL MARKETING

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ABSTRACT

In the simplest form agricultural marketing can be defined as working with actual and potential buyers of a product to bring about exchanges to meet the requirements of the consumer. Marketing extension covers all marketing activities from production to the retail level and can be effective in putting the farmers in touch with the reality of the market. With growing globalization of markets and increasing reliance throughout the world on the open market, the role of marketing extension will become increasingly important. It has become increasingly accepted that for farmers to increase their production and income, adequate attention must be paid to marketing. The small farm sector needs to be commercialized by developing market-oriented production. Successful commercialization of this sector will depend on the orientation of production to meet market demands. This paper provides some information on the agricultural marketing systems that exists in Trinidad, farmers' decision as to the choice of crops grown and attempts to analyze how best marketing extension can be carried out within the present extension service.

INTRODUCTION

The extension services throughout the developing and developed world are now realizing the importance of teaching farmers how to market their agricultural produce. With increased composition and growing dependence on free markets, the health of the agricultural community and the farmer's well-being greatly depend on improved marketing capacity. The globalization of markets and increased competition are definitely a force for change and will continue to be a challenge for extension throughout the coming years.

Increased productivity has traditionally been the aim of agricultural extension. This emphasis is understandable given the limited resources and the high priority allocated to meeting the food, agro-industrial and foreign exchange needs of development. Extension and education related to markets and prices have had little preference, especially where production was for home use and sale, or for limited sale at local and nearby markets. Since the agricultural economy is changing and increased consideration is being paid to increased production, income distribution and improved rural standards of living, extension aimed at maximizing farm returns becomes essential.

Production oriented technology transfer activities provided by extension services must be complemented with activities that give farmers market information and the 'know-how' to interpret it. But, what is agricultural marketing?

Agricultural marketing

Khols (1968) defined agricultural marketing as “the performance of all business activities involved in the flow of goods and services from the point of initial production until they are in the hands of the ultimate consumer”. The entire marketing process involves the performance of a series of functions:

- Exchange functions: buying; selling; pricing.
- Functions of physical supply: transportation and handling; storage; processing and packaging.
- Facilitating function: grading and standardization; information; research and development; financing and risk acceptance; demand creation; supervision.

These functions, if carried out effectively, can result in an efficient marketing system. It is realized that farmers cannot perform all these functions themselves nor is it feasible for the extension officer to educate them on all these functions. The research hopes to determine which of these functions should be carried out by farmers, the extension officers and the marketing agencies.

Subject matter of marketing extension

Marketing extension must cover aspects of many processes and activities, ranging from production decision to consumer response to products. Activities to be covered in the execution of marketing extension are:

- Decision-making as to the choice of crops: marketing extension has to teach the farmers how to use all the information that is available in deciding what crops to produce. They must learn to determine what the market wants before deciding what to produce.
- Harvesting and post-harvesting practices: farmers must be taught how to employ proper harvesting and post-harvesting practices to ensure their produce has the desired form and quality as dictated by market. Farmers need to become expert in handling the produce in order to become efficient at marketing and maximizing farm returns.
- Markets and prices: farmers need to know how to access and interpret marketing and price information. Such information will tell the farmers which market will provide them with the best prices. Such information strengthens the bargaining position of farmers and puts them in touch with the realities of the market place.

Marketing extension is complementary to research and extension and other aspects of agricultural development. Marketing extension can help farmers change their views as to the type of crops to be grown, post-harvest practices, quality of goods produced and mode of sale of output.

This paper is part of an ongoing research project that hopes to answer certain important questions and achieve some very important objectives. These are given below.

Objectives	Research questions
1. To define the marketing problems faced by farmers in Trinidad and Tobago	1. How do farmers in Trinidad and Tobago market their agricultural produce?
2. To determine how effective frontline extension workers are in dealing with these problems given the current resources and knowledge levels.	2. How did they arrive at this method of marketing their produce?
3. To determine how effective are commodity organizations and marketing agencies on dealing with the marketing problems of the farmers at present.	3. How do they decide on what crops to produce?
4. To determine if the extension divisions are incorporating any aspects of agricultural marketing in any of their existing extension programmes.	4. How is the marketing system structured and what are the problems in the systems?
5. To make recommendations as to how marketing agencies and frontline extension workers can together solve the problems of farmers.	

Initially the research will look at the entire internal marketing system for green vegetables in Trinidad and Tobago. This information will serve as a foundation for further analysis and research that will hopefully achieve the objectives listed above. This paper therefore deals with the preliminary investigation that has been carried out.

METHODS

The method of investigation employed for this first leg of the research was interviews. Visits were made to four county extension offices in Trinidad, where frontline extension officers were interviewed. Tobago and the four other counties are still to be done. These visits consisted of a round table, formal discussion of the topic of agricultural marketing and extension's possible involvement in the agricultural marketing process. These interviews were taped. The interviewers prompted the discussion by raising key questions and were responsible for the overall management of the discussion by making sure that there was no deviation from the topic. The questions asked at these interviews are listed below.

Since the discussions were free and informal many key points and issues were raised.

- How do farmers market their produce?
- How do farmers decide on what crops to grow?
- Do farmers form marketing contracts with buyers?
- What level of marketing, if any, is addressed in extension programmes?
- What level of marketing, if any, do you as an extension officer do on a daily basis?
- If confronted with a marketing problem, can you deal with it?
- Do farmers source exporters?
- Are arrangements made beforehand with the exporters?
- Is the National Agricultural Marketing Corporation successful in solving the problems of the farmers?

The results of these interviews were also substantiated by surveying the available literature on the topic. However, the researcher hopes to conduct a formal survey of the vegetable producing areas of Trinidad. In this survey farmers will be interviewed using a formal questionnaire.

RESULTS

Marketing infrastructure

There exist two main wholesale markets in Trinidad, the Port of Spain wholesale market and the Debe market. There are also 18 retail markets located in major towns and villages. Produce can also be marketed through roadside vendors, greengrocers, supermarkets and at the farm-gate.

Initial investigations have revealed that most farmers, in the counties visited, wholesale their produce at the Port of Spain Central Market. A few farmers retail at the municipal market centres and even fewer sell directly from the farm gate to exporters and other buyers. Both wholesaling and retailing marketing systems are plagued by inefficiencies and as such are unable to meet the marketing needs of the farmer. Some of these inefficiencies are listed below:

Wholesaling marketing system	Retailing marketing system
* Inadequate infrastructure	* Inadequate infrastructure
* Poor security	* Poor security
* Poor management	* Selling on roadside is done in a disorganized way
* Absence of post-harvest handling facilities	* Poor management
* Lack of grades and standards	* Traffic congestion caused by roadside vendors
* Ineffective dissemination of market information	

The Central Market at Port of Spain is seen as the hub of the wholesaling activities. Farmers come from far and wide to sell their produce at this market. Space at the market is limited and farmers must pay an entrance fee of TT\$5.00 to enter the market, this fee however, does not guarantee them a space in the market. Since farmers are dealing with perishable commodities, they must dispose of them quickly, in most cases at a very low price. This price may barely cover the cost of production and in some instances does not.

The few farmers who sell their produce to exporters and supermarkets do so under no contractual agreements. Such buyers seek out the farmers and purchase the produce at the farm-gate usually bearing all transport and post-harvest handling cost themselves. Farmers are reluctant to form contracts, either oral or written, because they sell their produce according to the 'price of the day.' Contracts bind them to one established price, and prevent them from capturing that windfall gain that a sudden price increase in the market may bring.

Decision as to choice of crop

Farmers rely on their indigenous knowledge of prices in the market place to decide which crop to grow. This knowledge is based on years of experience in selling their produce in the market. This experience allows the farmer to determine when is the most economically feasible time to plant certain crops. No use is made of any sort of available market information. Extension officers need to build on this indigenous knowledge to enable farmers to forecast the market correctly.

Market information

The National Agricultural Development Corporation (NAMDEVCO) collects daily wholesale prices of most agricultural commodities. These are available, upon request, to anyone for a fee of \$48.00 per graph. Most farmers however, do not make use of this information in their market forecasting. The reason for this is yet to be ascertained.

Agricultural marketing and extension

The only level of marketing addressed in extension programmes is post-harvest handling. However, extension officers when confronted with marketing problems, try their best to assist the farmers in finding a solution to their problems. Even if these extension officers identify marketing problems of the farmer, their lack of expertise and knowledge of other sources of help makes them unable to assist the farmers.

Presently frontline extension workers are being made aware of the concept of marketing extension through seminars. These are conducted by the Specialist Services Subdivision of the Ministry of Agriculture, Land and Marine Resources. However, there is no formal training of officers yet. Extension workers however, feel that their role in the process of marketing extension should be purely advisory. A possible way of incorporating marketing extension within the existing extension system and feasible duties of an officer undertaking marketing extension must be determined. A possible organizational structure is given in Figure 1.

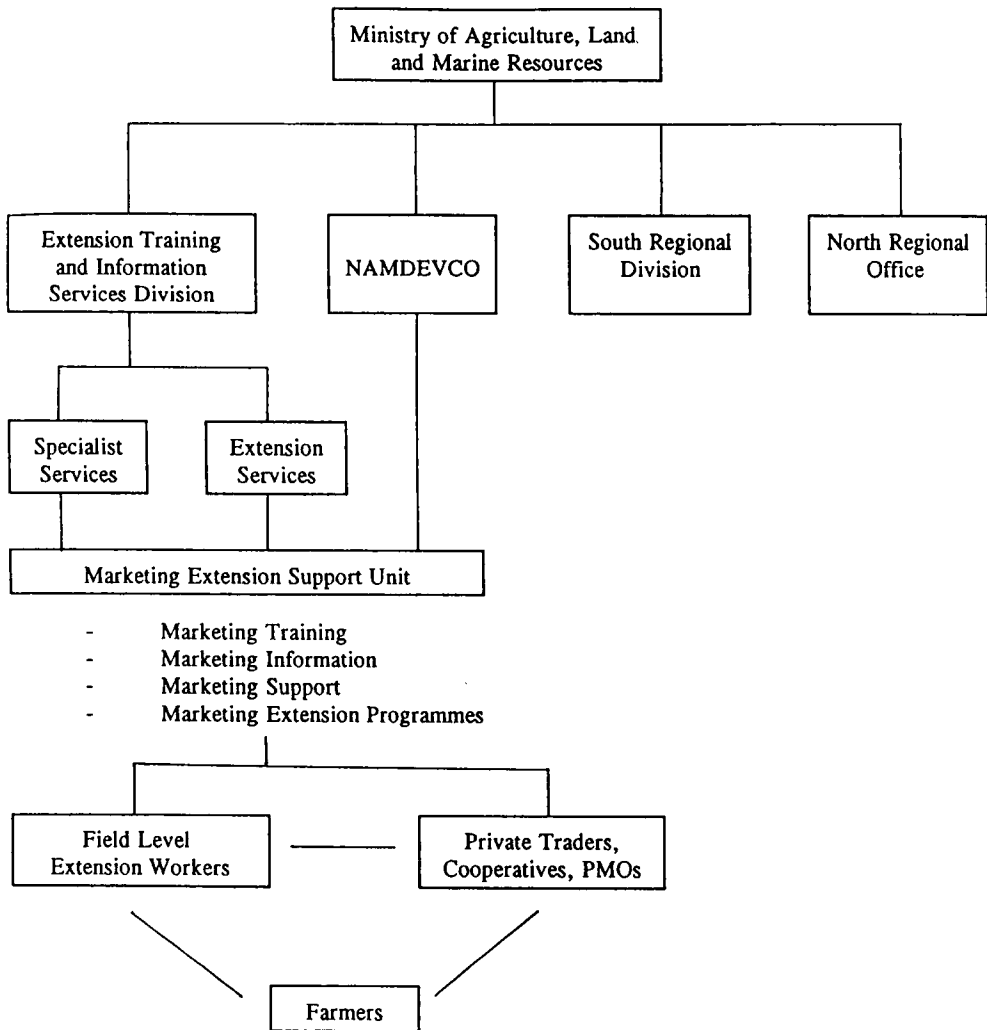


Figure 1 Possible organizational structure of incorporating marketing extension within the extension service

CONCLUSION

Agricultural marketing extension can effectively put farmers in touch with the realities of the market place and increase the efficiency with which they market their produce. Marketing extension, complemented by a proper marketing structure and information system and appropriate pricing policies, is necessary for agricultural development to take place. If farmers are taught how to produce their crops effectively, then they should be taught simultaneously how to market these crops effectively.

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