

# Principles of Agrimarketing

Agribusiness Management and Marketing

Mr. Price



# Objectives

- Explain Agribusiness marketing
- Explain the difference between selling and marketing
- Describe how marketing developed
- Explain supply and demand





# **Agribusiness Marketing**



# Agrimarketing

- The sum of the processes, functions and services performed in connection with food and fiber from the farms on which they are produced until their delivery into the hands of the consumer.
- Agrimarketing includes
  - Buying
  - Assembling
  - Storing
  - Packing
  - Warehousing
  - Communicating
  - Advertising
  - Etc.



# Agrimarketing Cont.

- The cost of marketing U.S. domestic food amounts to \$450 billion
- The cost of producing farm food products is \$125 billion
- Of the \$544 billion spent by consumers for food products
  - Less than  $\frac{1}{4}$  is returned to producers
  - $\frac{3}{4}$  went to marketing costs





# **Selling vs. Marketing**



# Selling vs. Marketing

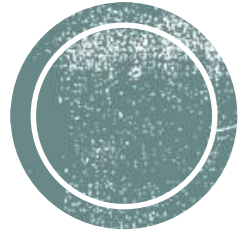
## Selling

- When the focus is on selling, the businessman thinks that after production has been completed the task of the sales force starts. It is also the task of the sales department to sell whatever the production department has manufactured. Aggressive sales methods are justified to meet this goal and customer's actual needs and satisfaction are taken for granted. Selling converts the product in to cash for the company in the short run.

## Marketing

- Marketing consists of all those activities that are associated with product planning, pricing, promoting and distributing the product or service. The task commences with identifying consumer needs and does not end till feedback on consumer satisfaction from the consumption of the product is received.





# How did marketing develop?





# Agriculture Industry

## Then

- People grew their own food

## Now

- People are removed from the farm





# Supply and Demand



# Supply and Demand

## Supply

- Supply is the different quantities of a resource, good or service that will be offered to consumers at various prices during a certain amount of time.

## Demand

- Is economic want backed up by purchasing power, expressing different amounts of product buyers are willing and able to buy at a possible time.

