

REVIEW ARTICLE

Organic Forming Products, Market challenges and its Marketing

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ABSTRACT

Today with increasing use of poisons and chemical fertilizer for increasing agricultural products, outbreak of dangerous illness for humans and animals one of the solutions for their prevention is using organic products developing organic products needs to use optimized products for decreasing agents to big unions and same small cooperation for selling products organic products should be enter to market according to market needs to using variables product with management of organic products we can determine other production poets and use it for production for programming and with agricultural transportation system to change this system thus study result shows that lack of storehouse in station specially store house for spoilable products and totally seasonal weather fluctuation on organic agricultural products, because of limited agricultural capability for keeping products are some of infrastructure's defects in organic agricultural products. On the other hand market defect, lack of producer Lack of information about market system, and proper technology and lack of cooperation of suppliers in marketing are most important problems in marketing system of organic forming.

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INTRODUCTION

Agricultural sector challenges complicated incrementally but with technology and science development, most effective approaches have been introduced, for example food necessity increase because of population increase, increasing number of hungered, decreasing fertility of agricultural soils and decreasing underground waters, also most of the researches shows that common agricultural system with irregular use of chemical elements, destroy environment and decrease natural environment. Uptill now different solutions introduced for agricultural problems such as organic agriculture [1]. Organic agriculture is a system that improves ecological cycle and soil activity and consider to the least chemical elements in forms [2]. In the other word, during 20th century great chemical material resources had been introduced for producing foods. Unproper effects and hurts from type of chemical fertilizers, poi sons and hormones in different countries in food production lead to speed up movement from inorganic agriculture to organic agriculture. Organic agriculture term introduced first time by Lord North at 1939 as a ecological balanced method for agriculture. In contrast with chemical agriculture for simplicity aim of organic agriculture is increasing production level for using chemical materials. In addition to environment and economic benefits organic agriculture isn't base on using chemical materials and is more base on human power and job creation. Also organic agriculture can reclaim traditional foods and improve social cohesion. And prevent artificial fertilizers, pesticides, growing regulators and food

additives, this system is based on soil fertility and enriching food elements and also vermic control, weeds and other pests control and one of its characteristic is keep in fertility of soil in long term and availability of nitrogen, producing needed food materials, enforcing comprehensive hook management methods, weeds and insects control with different methods of planting alternation and using natural enemies organic agricultural system Consider to current elements in farms as much as possible and try to decrease use of chemical materials.

Agricultural techniques can be implementing in production cycle from before plantation process and after harvesting products. This technology is available for improving soil test- level, soil preparing planting, fertilizing, poisoning, control of product and harvesting, for this purpose needed tools such as soil preparation decreasing tools, using some tools for attracting natural enemies for pest, trap plants had been introduced.

CONCEPTS AND TERMS

Market concept: market term has different meaning during years. First meaning of market is a special physical place that sellers and buyers of products collect with each other in the other hand is a relationship network of supplier and consumers that transacts goods and services.

Concept of market regulation:

Market regulation means complexes of rules and strategies for supporting of main agents in market between main variables of market. So, some changes enforce on supply and demand functions. According to this government can by giving subsidiary, encouraging production of special product or control it by tax. There for market regulation has develop meaning and done by different methods, but totally contains balancing, supply and demand control, pricing, stabilize farmer's income, customer support and intervention in business.

Marketing margin: marketing margin is paid differential prices with farmer price, on the other hand, marketing margin contain all of done activities by units, cooperates and agents.

Marketing process: this process is a activity is base on product in farm distance and home. This activity is related to type of production, current situation and consumer needs, like rice that should become final product but some of products like fruits and vegetables use fresh.

Marketing factors: marketing factors are related to some factors and are different in different sectors:

- A) Regional buyers
- B) Bulk sellers
- C) Packing units
- D) Factors
- E) Agents
- F) Off sellers

Marketing concept in organic agriculture

Aim of organic agriculture in addition to preservation of soil fertility is increasing production level with lowest dependency to chemical material use, and infact aim of this system is planting, preserving of resources, in other word organic agriculture is scientific and new scope of our ancestor's culture. In this planting method, chemical material application decrease to least level but current resources in form's without air pollution have been use. Reaching to this aim is multi dimension view and needs different production methods [3].

These products in special markets needs to creating proper condition, so according to this need special marketing is needed so food products should be dynamic that transfer information to market and customers that is not possible without information management system.

MARKETING NECESSITY OF ORGANIC PRODUCTS

With civilization development and more distance between home and farms and new demands for marketing services, presence of an effective marketing system is necessary, so we consider to some reasons:

1- Marketing system cause transferring of products from sectors that have excess to shortage places, for doing so presence of roads, proper ware houses and transporting tools and having market information is necessary because lack of facility cause starvation in exorbitance state and creating sever divergence between excess and shortage places in common state and wastage in places with extra resources. Sometimes regional planting for farmers encouraging called political but we should consider that necessary element for success is creating work marketing system.

2- Necessity for creating an effective marketing food supply is food supply is food security that is one of government responsibility and with regard to food security keeping for all member of society and give

them safe food, necessary factor of these is an effective marketing system. Such as increase in milk and meat demand in line with income increase and special transportation tools is needed for transporting products from farms so, civilization development and increasing distance between supplier and customer is a very important factor for creating an effective marketing system.

IMPORTANT CHARACTERISTIC OF ORGANIC AGRICULTURAL PRODUCTS

Being seasonal: one of agricultural products characteristic is production in short time but their usage is in long time for example wheat that is main food between families, produce in short term and all time during year being use. One of main issue regarding being seasonal is increasing transportation demand and transportation cost increase, in addition if this product doesn't transport to warehouse so amount of wastage become more. Therefore, if roads situation is improper and there is no enough vehicles so amount of wastage increase more. In addition to once production, using gradually and for balancing between production and ware housing it creates more cost for agricultural products marketing, because warehousing needs special methods for products preservation.

2- Spoil ability: agricultural products in contrast with industrial products harvest very fast and being marketing like milk, meat that tracks are needed for their transportation so, for their preservation cool environment is needed or should be used fast. On other groups like fruits and vegetables spoil slowly but if they don't enter to market they should keep in refrigerator or use in transitional industries. So lack of these facilities like refrigerator or transitional factories cause increasing wastage and cost for customers.

4- High volume: one of organic products characteristic is their high volume that increase transportation vehicles demand and it's cost with their marketing. On the other hand high volume of product effect on ware housing cost.

MARKETING INFORMATION AND INFORMATION ROLE IN MARKETING SYSTEM

Information as an important factor for marketing system and it said that marketing information speed up too and marketing research has vital role in effect of marketing system increase. Totally, market information system use by farmers and marketing agents and programmers as bellow:

1- At once decision about business and market agents;

2- Long- term decision of farmers and business men;

3- Programming and governmental servicing for improve and balancing of market base on two group of information, general and special information. General information use for improving effectiveness in market that collect by government and marketing agents, more researches had been done in general sectors and their results are available for peoples for improving their information. Special information collects for more success.

Information and documents for supplier:

Tables and charts, financial statements, and selling information of company are this kind that unfortunately in our country these information is very diverse because agriculture products produce in traditional from and families but we can use market management system and collecting these information use them in marketing documents and information of suppliers always produce for other purposes and are secondary information and for using in marketing decision marketing should be analyzed, so availability of information bank is necessary to save them that is one of necessity of marketing unit.

Intelligent marketing

In this method suppliers and managers should be informed from their competitor's behavior new demand of customers, distributors problem and choose the best method to answer them. Managers execute intelligent marketing by reading books, magazines, and business information; speak with customers and distributors and outer factors.

Marketing research

Marketing research is a process of determining and defining chances, threats and marketing problems and uses them for introducing, reforming and analysis of problem. Marketing research cause determining weakness points and improves them and creates proper condition to determine chances and threats for suppliers. Marketing research, in addition to inform managers for needs and asks of customers, try to response to information needs about companies, similar goods, distribution technology, seller of goods and services, new resources, to successes production companies in competitive market. Now, marketing research in agriculture sector in Iran doesn't perform in general form and for organic products and each activity is in traditional form and non- scientific that lead to wastage of agricultural products.

AGRICULTURAL PRODUCTS MARKETING RESEARCH

1- Warehousing, balancing of supply and demand of products that their production time is no compile with their use time, that can imply bellow reasons for them.

A) Answer to supplier needs

B) Balancing of production on production time and in special season and also their consumption in other seasons.

C) Balancing of production and needs in different centers

D) Price fluctuation decrease

E) Price increase and more profit

2- Transportation, transportation has an important role in agricultural products marketing because their characteristic enforces to use special tools, for example for hook transportation track is needed.

One of agricultural goods transportation characteristic, is considering to transportation goods in special season and this increase demand level for tracks and their price, so, proper managing of goods transportation is necessary and can prevent marketing development so, farmers try to transport their products to another places.

3- Transforming, this is a different model that has different shape for production and usage like rice for long term preservation and in this method, customers priorities should be consider because has direct relationship with income of peoples.

5- Product gradation

6- Packing

7- Standardization: is balancing of products according their quality and quantity for improving product that is done according different measures.

8- Credits: this subject is very important because market factors like suppliers, agents ... needs some financial credits to improve their work.

Today farmers because of weak financial status have to sell their products before or at harvesting time with low price also they can't afford for needed machinery and facilities.

EFFECTIVE FACTORS ON CUSTOMERS DECISION

Most of the user, buy organic products because they know these products are unique in compare with other products that produce in common way.

Product related factors:

Divided into observed characteristic from costumer for example these characteristic are quality or relational tools, otherwise customer cannot analysis conceptual traits and become depended to information, perceived characteristic of product effect on value of organic products by effect on customer information.

Customer related factors

In one hand social and demographic variables and on the other hand, customer priorities and values can influence on each other. Some exogenous factors like market legal standards or quality and safety standards affect on decision to buy. Organic products buy because customer compare them with common food so organic products has higher value.

ANALYSIS OF MARKET SITUATION AND AGRICULTURAL PRODUCTS MARKETING

Higher marketing margin for most of the products and lower it's effectiveness specially in fruits, vegetables cause that suppliers have low share in retaining and has negative effect on farmers income and capital. Lack of facilities and warehouse tools specially for spoilable products and totally sever seasonal fluctuation for price of goods and supply of some products like onion, potato, etc. shows defect on infrastructure of marketing. Insufficient flexibility of market system prevent from decision making and proper act in crisis. Today, market system is not proper and clear and is in lose line and lack of information between formers about goods in markets, create challenges for their programming and their economical value, so according their try it is necessary information system of market become prioritize. Development of infrastructures for increase of organizational output and decreasing prices of agricultural so, improving companies and marketing unit of agricultural products for improving their barging power is necessary. For removing these defects is necessary that enact some proper rules to balance competitive condition in market for agricultural products between buyers and sellers.

ANALYSIS OF MARKETING SYSTEM PROBLEMS FOR ORGANIC PRODUCTS IN IRAN [4]

Development of organic product needs to optimized marketing and help from agents and big companies or small units to balanced condition, needs for biofoods or organic products developed recently. In this

time, consumption of some countries like Canada, Northern America and Europe are in highest level. This development in addition to price fluctuation increase demand for consume so with proper management of organic products we can recognize production pots and according of it, produce goods and reform transportation of agricultural products in Iran. Today, marketing system problems of organic products in Iran are as bellow.

Defect system of market

Organic agricultural products market in most of the markets and as a result of small number of buyers and lack of information about price in other markets, market is defect competitive one, so, inform market has not many buyer and buyers abuse this situation and buy from them with low price. In some part farmers because of low income presell their products, buyer abuse from this condition and buy their products by lower price.

Lack of proctor

One of the main problem in agricultural product marketing is lack of system that has responsibility for control, from general- point of view, government has bellow role in marketing:

- 1- Intervention
- 2- Regulator
- 3- Facilitator

Weakness of government role in agricultural products consequences that lead to defect market development, increasing wastage, increasing marketing price and user final price that lead to availability decline specially low income people. And between different from of governmental intervention some regulatory activities like preserving small part in food of people for demand and supply regulation is interventionary role of government role of government in addition some facilities like crediting is recommended for warehouse making in production parts.

Lack of information in market system

One of current problem in marketing system in our country is that non of related organs is not responsible for information gathering, market information analysis, because lack of market information lead to products sell with lower price in forms than market and consequently production incentive has been weaken, information about prices in different market cause farmers choose the most important market for selling product to have more power for bargaining and sell product with higher price.

Lack of proper technology

For products marketing as observation of done activities in the marketing study in different countries show there is no proper technology for doing marketing from transportation stage to a stage that product become available in market specially for spoilable products and for warehousing of products some warehouse is needed that have refrigerator war4ehouse in centers they have to sell their products in time of harvesting and some of them use traditional warehouses for some products like potato, rice, onion ... that lead to pest invasion and increase amount of wastage.

Lack of supplier cooperation in marketing

With regard to civilization development and increasing supplier and consumer distance need to marketing services and transportation increase. In addition of income increase and women work out of home so they want new products incrementally and consumer wants higher quality products so in this situation supplier share from retailing price decrease and marketing share increase. Supplier cooperation share increase in marketing can lead to their income increase also can create incentive for more production as a means for confronting with shortages.

CONCLUSION

Non of industries albeit modern technology cannot act in ling term without having safe market agricultural products market in Iran has low effectiveness and low share of consumer, high risk, lack of clear information, control by government leak to inactiveness of market mechanism such as agricultural products market in Iran and keeping current structure lead to government intervention increase till government can't control the market and hurt to supplier so, it is necessary that government have some programs for this structure. One of the most important factors for reforming of structure is new market empowering with regard to some emotional parameters on depression and revivification are needed one of important point for government development role is having exact program to act government as a controller is future. On the other hand, marketing information system contain peoples, facilities, approaches, computer hard ware and software for determining, collecting analyzing and correct information distribution, help to decision- makers, and because a marketing information system is not only a center for saving all of related information but also is use for gathering, saving and analysis of

information related to competitors, macro- variables. With a marketing management system we can reach to exact information about market and predict prices in competitive market and use in production.

LIMITATION AND PROBLEM OF ORGANIC AGRICULTURAL PRODUCTS:

- 1- Low share of supplier from final price
- 2- Lack of clear information
- 3- Price list at market
- 4- Shortage of refrigerator in production units.
- 5- Packing problems, standard, graduation
- 6- Custom problems, excess process and complicated ways and non- proving of exporting and importing problems.
- 7- Insufficient bank credits in agriculture sector.
- 8- Lack of incentive to foreign investment in agriculture sector
- 9- Financial limitation in products selling and policing issues.
- 10- High price fluctuation in products so importing and distribution in improper time on the endogenous harvesting product.
- 11- Lack of membership in global business system and incapability in use of tariff exemption related to products business.
- 12- Lack of proper pattern in relation to exporting strategies of fruits and food industry.
- 13- Goods are not complying with foreign consumer.

MARKETING APPROACHES FOR ORGANIC AGRICULTURAL PRODUCTS

- 1- Forming marketing units from suppliers that their share increases.
- 2- Creating OTC for spoilable products like organic fruits and government support.
- 3- Government in controlling role of market not intervention role.
- 4- Profiting organic agriculture sector in compare with other parts.
- 5- Exemption of planting sector and organic industry from taxpaying as a agricultural unit.
- 6- Increasing price of products with production price and other competitors products.
- 7- Reforming of market structure for organic agriculture products.
- 8- Proper strategies in relation with agricultural products exporting with ECO members, OLC, Persian Gulf countries.

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