



African Organic Agriculture Manual Booklet Series

No. 12 | Marketing and trade

# **HOW DO I PROCEED TO SELL ORGANIC PRODUCTS?**

# Why is marketing important?

**Marketing aims** to enhance sales and income of a farm business while creating value for your products.

There are fundamental marketing questions you may apply to your farm, for example:

- › How can I produce what my customers need?
- › How can I create added value to my products?
- › Where should I sell my products?
- › What is the best way to stand out from my competitors?

For organic products, marketing is especially important, as you need to explain the higher value to your customers. Before starting it is important to understand market opportunities and requirements and on this basis decide what to produce and sell.

**You have an excellent product that nobody else has**

What do you need to do to make my products stand out from the competitors?





*I see: He does better business  
because he applies marketing*



*Marketing gives value to your  
unique products. Therefore,*

- > promote your products.*
- > make your products available to  
customers.*
- > understand the market oppor-  
tunities and requirements.*
- > learn how to deliver products to  
customers and at what price.*

# Food for my family and for the market

There is a difference whether you produce for your family or for the market:

- › Your family has specific preferences and needs.
- › For the market, you need to consider what consumers demand.

In many cases, it is beneficial to combine production for your family and for the market. A possible combination is:

- › To earn income for your family, selling for example organic fruits and vegetables on local street markets.
- › And: To produce healthy food for your children and other family members at the same time, for example maize, millet, vegetables and animal products.

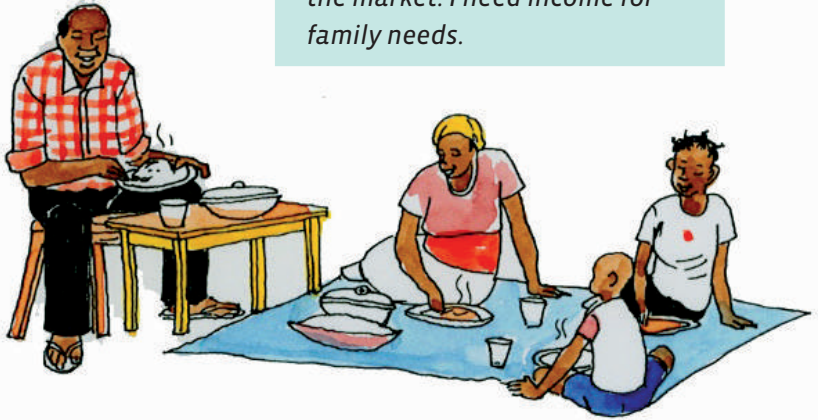


*The most important thing for me is to produce food for my family. I sell only what remains.*

## Needs of your family and of your customers

Which crops do you produce for your family? Which of these crops could be sold on a street market, for example?

*I produce for my family and for the market. I need income for family needs.*



*Farmers need to produce for their own needs and to care about what the market needs.*

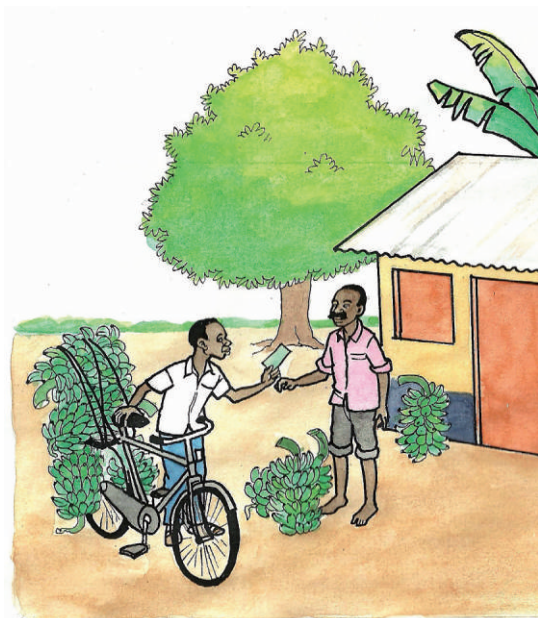


# Is there is a market for organic products?

**Domestic Market** – Many grass-roots initiatives in Africa start selling organic products in neighbourhood shops, street markets or in organic shops in a town. More and more retail chains start to sell organic products. Retailers require consistent supply. Therefore you might need to cooperate with other farmers to satisfy the demand.

**Export Market** – Many organic products from Africa are exported. There is a large distance to the consumer in Europe. Your customer, a processor or an exporter, helps to communicate the value of your products. Make sure that you meet the high quality and quantity requirements and keep pace with competitors on the international market.

## Direct selling and farm shop



### Where to get information about the market

Discuss with neighbouring farmers, potential customers and advisors what they think is the specific market opportunity for your farm. Do you have the possibility to sell on a street market? Are you ready to export?





- › Targeting neighbours and customers from the area
- › Consumers close to the farm
- › Consumers' interest for best quality



### Retail shop in town

- › Targets well-informed consumers in urban areas.
- › Consumers' distance to the farm requires good information, consistent supply and good logistics.
- › Respond to consumers' interest for best quality.



# Why do consumers buy organic?

## What is important for consumers?

- › They are interested in buying food that is produced without pesticides.
- › They care for food that is produced in a way that keeps the soils, plants and animals healthy.
- › They want to know the origin of the products.
- › They are interested in buying farm products that benefit producers and their family.

Not all consumers interested in organic are willing or able to pay adequate price premiums for these products. In such cases, it is all the more important to be able communicate the benefits of organic production to consumers and to be able to negotiate a fair price for all market partners.

## What consumers are interested

Ask some consumers in your village what is important for them and if they know the value of organic products. Ask them if they would be interested in buying organic products. What are their needs and preferences?







*I buy organic products because they:*

- › are free of contaminants.
- › have a high nutritional value.
- › taste good.
- › are free from additives.
- › look nice and are well-packaged.
- › are clearly labelled.



## Ensure quantity and consistency

If you produce for your neighbourhood street market, the quantity produced on your farm may be sufficient. You sell to the market, when you have an excess of products available.

Selling to wholesalers or exporters requires higher quantities and consistent delivery. For a single farmer, it may be difficult to fulfil such requirements. What are some solutions?

- › Farmers can cooperate amongst themselves in order to produce the minimum required volumes.
- › Farmers can cooperate with traders who source products and search for efficient trade routes.
- › Combine production for both export and for domestic markets.

### Manage quantity requirements

What would you do, if your customers are too small to purchase all your farm products? What would your strategy be, if you can't cope with the quantity demands of a big customer?

*I need 1000 kg of fresh and tasty avocados every week on Mondays, well-packaged and labelled.*





*How can we supply 1000 kg of organic, fresh and tasty avocados every week?*



# Cooperate with market partners

## Cooperation with other farmers and market partners is beneficial:

- › Together you produce enough quantity in requested quality.
- › Together you share risks and benefits in production and marketing.
- › In partnership you are more competitive.

## Actors of the market chain

- › **Farmers** – Farmers produce agricultural goods. However, a farmer's role is also as entrepreneur in the organic business.
- › **Processors** – A food processor adds value to a farm product by processing it. Examples include drying, milling, mixing or fermenting.
- › **Traders** – Matchmaking between farmers, processors, retailers and consumers is the main function of traders. Traders can promote farm products and provide access to customers.
- › **Retailers** – Shops or markets that sell to end consumers in many cases actively promote the products in the shops and in the media.



*Farmers*



*Traders*





*Processors*



*Consumers*



*Retailers*



# Develop your own marketing strategy

## The 5 P's to successful marketing

**Product** – You have an innovative and high quality product in response to consumer demand.

**Place** – You know who your customers are and where they prefer to shop.

**Price** – You know the value of your product and your production costs. You know the price of competitors and how much consumers can pay for your product. Now you can determine the price.

**Packaging** – You give value to your product by using appealing packaging.

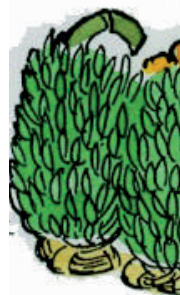
**Promotion** – You communicate the value of your product to your customers.

Marketing does not just happen! You must be proactive in gathering information and to think about your farm and how to sell your products. Make a plan for your business. You will be successful if you generate tangible benefits to your customers. Therefore, you need to think of demand or 'from fork to farm' and ask yourself:

- › What does the customer need and appreciate?
- › How can you give value to your products?
- › How can you become more competitive?

*Price*

*Place*





*Promotion*

*Packaging*



*Product*

# Develop your marketing plan

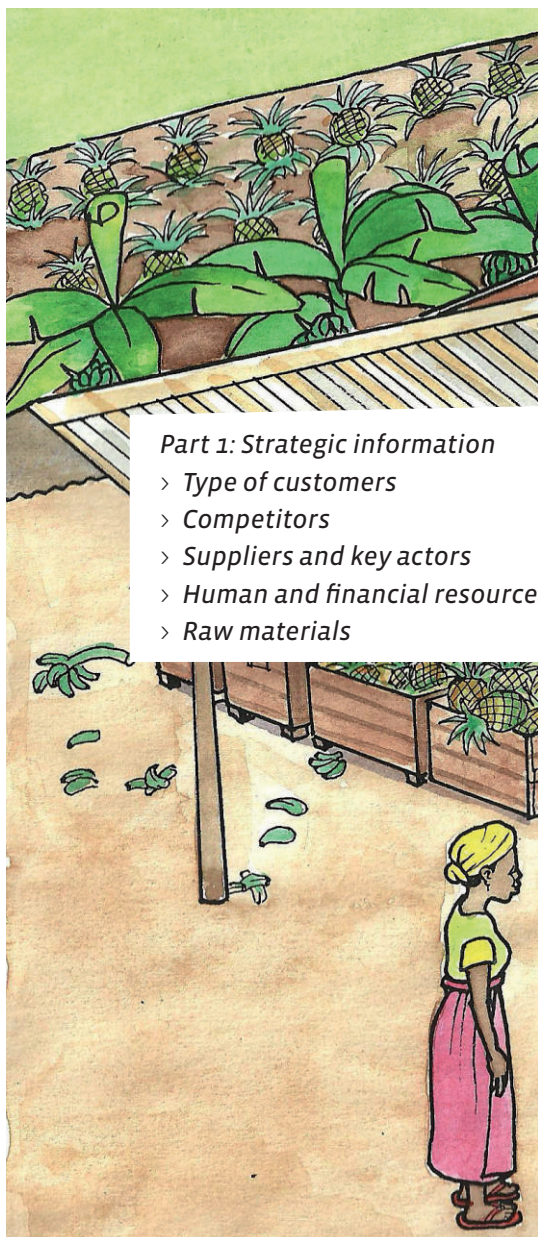
Once your marketing activities are implemented, you will regularly check that they are bringing success to your business. This will require you to occasionally revise and adapt your plan. Changes may also occur when prices go up or down, or when you sell to a new customer.

A marketing plan defines your marketing activities. It has two parts:

1. Information about the market situation
2. Planned marketing activities and the resources required for their implementation

## Marketing activities

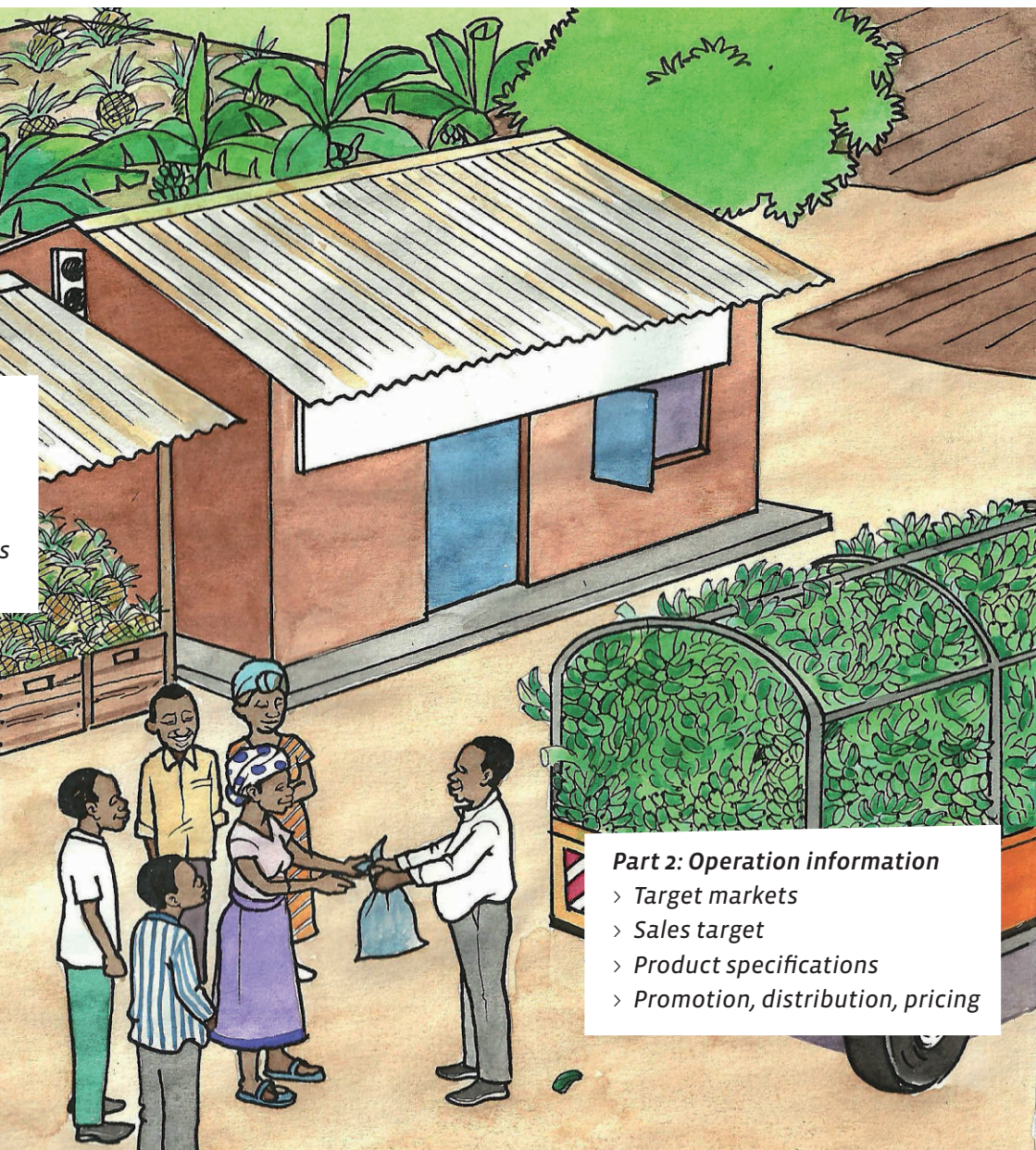
How could you promote your product? What is the cost of promotion activities and how much would you need to sell to cover these costs? Who could help you to plan marketing activities?



### Part 1: Strategic information

- › Type of customers
- › Competitors
- › Suppliers and key actors
- › Human and financial resource
- › Raw materials





**Part 2: Operation information**

- › Target markets
- › Sales target
- › Product specifications
- › Promotion, distribution, pricing

# How to become an entrepreneur

You have now learned what marketing is. It is time to become proactive, marketing-oriented and entrepreneurial:

- › By finding out what the market wants.
- › By finding out how you can sell your products successfully by adding value to them.
- › You may start with smaller quantities, for example, to sell on a street market. In a next step, you can scale-up production in order to sell to organic shops in a nearby town. Later on you may be able to sell to an exporter.
- › In order to supply the volumes and product range required by customers, you may need to cooperate with other farmers. You can share costs, risks and benefits.

**Are you an entrepreneur?** Think about possibilities how you can become an entrepreneur. How would you decide what to produce and where to sell? With whom would you cooperate to satisfy the needs of your customer and to give best value to your products?



*Farmers not only grow food...*

*...they also need to think about how to sell your products successfully.*





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