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THE CHALLENGES OF ORGANIC POMEGRANATE MARKETING FROM THE PERSPECTIVE OF PAVEH GROWERS

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ABSTRACT

One of the key factors that have highlighted the role of agriculture in economy is to make more efficient the marketing system of agricultural product. The main purpose of this study is to identify the challenges of marketing the organic pomegranate of Paveh, Kermanshah province, Iran, from the perspective of farmers. In order to recognize this factor, exploratory factor analysis was used. The population of this study consisted of pomegranate growers of Paveh. The statistical population was 2,000 pomegranate growers which 320 persons of them were selected by using Cochran formula and stratified proportional sampling method. The main research instrument was a questionnaire that was completed by interview. The data was analyzed by SPSS 18 software. The results showed that 9 challenges determine 86.66 % of organic pomegranate marketing variance. These challenges were in respectively: informing, technical, economic, social, educational and promotional, financial services, policy, production and sale services, legal, cooperation and technical challenge.

Keywords: *Challenges, Marketing, Organic Pomegranate, Paveh*

INTRODUCTION

Marketing of agricultural products is a topic which is associated with complexity and importance in agriculture field and it is one of the main factors which have highlighted the role of agriculture in economy. With increase the productions, especially supply over demand, and expansion of the markets, from early of this century, marketing has been considered as a major issue in economic management of countries and its importance is increasing day by day, so that some experts believe that marketing is more important than production and it has been a tool to respond to consumer preferences (Mohammadi, 2011). In recent years, global concerns about the effects of some modern farming activities on the environment of human beings has been increased and it has led researchers to look further and deeper to agricultural activities (Rokneddin and Heidari, 2006).

Irrational use of chemical fertilizers and pesticides and indiscriminate use of chemical pesticides are the most important causes of environmental pollution. Improper use of chemical substances causes the debris remains in the soil and pollutes surface and ground water resources (Ehtesham, In press). Therefore, the agriculture science is looking for a good alternative for protecting health and the environment. In this context, organic agriculture is proposed.

Achieving food security and agricultural needs demand ecological requirements. In this regard, some believe that to achieve these goals; organic farming, food production and its trade in the global market should be seriously considered (Rokneddin and Heydari, 2006).

Barabari (2011) believes that marketing of agricultural products is important for development of the other agriculture sectors as well as for related sectors such as industry, finance, economy, services ..., So that if agricultural products are not harvested, collected, transported or maintained timely and properly, or if grading and packing operations are not done timely and properly, and most importantly, if the supplying of such products is not on the basis of statistical criteria and market data, the impacts of other activities in effective parts such as production and marketing development will be decreased.

Ardestani and Moazeni (2012) stated that an active and effective system in the marketing of agricultural products increases the speed and amount of production.

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Moghadasi *et al.*, (2001) argued that one of the main challenges of agricultural income of growers is the way of supplying the products in the market and the fact that they receive a low share of the final price that consumers pay. Most farmers consider this problem due to defects in the structure of agricultural products. Market is referred to a network of relationships between producers and consumers in which goods and services are traded (Ehtesham *et al.*, 2013). Marketing refers to all activities of economic actors to plan, produce, distribute, sell the products and give services to final users based on their needs (Kohansal and Rahimi, 2013), and organic agriculture is a holistic management system which increases the agricultural ecosystem health including genetic diversity, biological cycles and soil biological activity (Kohansal and Rahimi, 2013). Organic production systems are based on the specific and precise standards of production which aim to achieve optimal and sustainable agricultural ecosystems in terms of social, economic and ecological fields (Olhan *et al.*, 2005).

According to study of Koujalgi *et al.*, (2013) problems facing farmers in the marketing of pomegranate in the priority order were stated as follows: Lack of information about product price, lack of maintenance and storage facilities, high transport costs for selling the products overseas, lack of processing facilities, the problems when the fruits are sold abroad, fruit losses due to damage during transportation, high fees of commission and the lack of guarantee for marketing. According to the research of Christie (2007) in Albania, the barriers to entry the pomegranate product into Europe markets have been divided into two categories: custom and non-custom barriers.

According to Singh study (2013), the main problem in the marketing of organic productions in the plains of Avtarakhand in India was high costs of production, lack of access to markets and stores dedicated to organic productions. The findings of the study of Kohansal and Rahimi (2013) showed that the ignorance of market position and lack of infrastructure are major problems in the production of pomegranate. According to the study of Salem and Tabatabaei (2011) the volatility and uncertainty of price at the harvest time are the most important problems in the field of pomegranate market. Farshid (2013), the provincial coordinator of IPM and FAO project Paveh is one of the centres of organic pomegranate productions in Kermanshah province and even in West of the Country. It also has the first rank of producing the pomegranate in province. This research had not been conducted in this city before and it appears to be necessary to do some researches in order to increase the value of this product. Inefficient marketing system leads manufacturers have only a small share in retail prices. This issue has negative impacts on the farmers' income and capital formation in agriculture. The main purpose of this research is to identify challenges in marketing the organic pomegranate of Paveh from the perspective of farmers.

MATERIALS AND METHODS

Since the main purpose of this research is to identify challenges of marketing the organic pomegranate from the growers' perspective, so the present research is a correlation one. The research included all growers who produce organic pomegranate. According to director of agriculture, the growers were estimated 2,000 persons, and sample size using Cochran formula was considered 320 persons, and proportional stratified sampling method was used for determining the sample size of farmers. The study period was 2013-2014. The questionnaire was used to collect data. First, the theoretical foundations of topic according to related resources and references were examined, then considering the results of the study, a preliminary questionnaire was prepared and after ensuring its validity and reliability, the final questionnaire was designed. In order to check the validity of the research instrument, the questionnaire was examined by the supervisor and after some necessary modifications and changes, its validity was confirmed. The 0.74% reliability through Cronbach's alpha was found. This value indicated that the reliability of the questionnaire was good. In the present study to analyze data, both descriptive and inferential statistics were used, and the statistics mean and coefficient of variation to prioritize were used. Finally, to analyze the collected data, SPSS 18 software was used.

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RESULTS AND DISSCUSSION

This section describes the variables and data obtained from individuals based on the variables of number of contacts with promoters in a month, the area of orchards, the knowledge of marketing and organic farming.

The majority of respondents, namely 217 persons (67/8%) of the farmers are not in any contact with the promoter, and 84 persons (26.3%) of the growers are in the contact with the promoter once a month and 19 persons (5.9%) of them are in contact with promoters 2 times a month.

Based on the gathered information, it was determined that the mean area under cultivation by Paveh gardeners is 1.50 hectares. The maximum and minimum areas under cultivation are 4 and 0.5 hectares respectively.

According to Table 1, the familiarity of majority of farmers with the concept of marketing is low, around 9.45 percent.

Table 1: The familiarity of growers with marketing (n=320)

Scale	Frequency	Percentage	Cumulative percentage
Very low	49	15/3	15/3
Low	147	45/9	62/2
Medium	99	30/9	92/1
High	25	7/8	100/0
Very high	0	0	100/0
Total	320	100/0	100/0

According to Table 2, the knowledge of the most farmers with organic farming is low (49/1 percent).

Table 2: The familiarity of farmers with organic farming (n=320)

Scale	Frequency	Percentage	Cumulative percentage
Very low	71	22/2	22/2
Low	157	49/1	71/3
Medium	74	23/1	94/4
High	18	5/6	100/0
Very high	0	0	100/0
Total	320	100/0	100/0

In order to identify the challenges of pomegranate marketing from the perspective of Paveh growers and determine the amount of variance by each variable in classified factors. Based on the results of factor analysis and considering the challenges of marketing for organic pomegranate from the

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perspective of growers, the amount of KMO is 0.68 (moderate) and its Bartlett amount is $4/18 \times 10^3$ (at a significant level of 0/99) which suggests the suitability of variables' correlation for factor analysis. In order to classify the factors, the criterion of eigenvalue has been used and factors, which their specific amount is greater than one, have been considered. Extracted factors with specific amount, percentage of variance and percentage of cumulative variance are shown in table 3.

Table 3: Extracted factors with eigenvalue and percentage of cumulative variance for challenges

Factors	Eigenvalue	Percentage of the variance of Eigenvalue	Percentage of cumulative variance
1	99/979	44/979	44/979
2	5/969	99/998	56/797
3	9/997	7/495	69/797
4	7/595	5/599	69/997
5	7/949	4/769	74/969
6	9/849	4/996	78/959
7	9/597	9/998	89/497
8	9/999	7/895	84/997
9	9/977	7/779	86/669

Table 4: The variables associated with each factor and the obtained coefficient of rotation matrix for challenges

Factor	Variable	Coefficients
	Lack of growers' awareness about different ways of accessing to market information	0/878
	Lack of growers' awareness about the price of organic fruit	0/818
	Lack of awareness of organic pomegranate growers about different ways of accessing to market information	0/803
	Lack of consumers' motivation to use organic pomegranate	0/787
	Lack of proper training content for organic pomegranate growers	0/783
	Lack of proper understanding of the tastes and consumption patterns in global markets	0/770

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Informing	
Lack of assessment of proper training needs in relation to training programs in marketing the organic pomegranate	0/755
Slippage in the price of organic pomegranate in the harvest season	0/712
Lack of standardization and grading	0/659
Lack of access to information on laws and regulations relating to the marketing of organic pomegranate	0/644
Failure to use a trademark for organic pomegranate	0/628
	0/617
Absence of organic fruit growers in production	
Lack of motivation of manufacturers to produce organic pomegranate	0/616
Lack of training courses for organic pomegranate growers in marketing via text messaging and multimedia messaging	0/559
Lack of consumers' information about the characteristics of organic pomegranate	0/535
Lack of short-term training courses for farmers on marketing channels	0/531

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	There are small and scattered lands	0/873
	The high cost of transport	0/849
	Instability in government policies regarding the marketing and sales of organic pomegranate	0/765
	Lack of appropriate marketing strategies of organic pomegranate	0/745
Economic-social	There are a lot of brokers and unnecessary intermediaries	0/738
	Inadequate transport facilities	0/702
	There is poor management in marketing of organic pomegranate	0/694
	Forced sales of organic pomegranate by manufacturers due to poverty	0/692
	The lack of specialists in different fields of marketing the organic pomegranate	0/676
	The lack of an integrated system of marketing the organic pomegranate	0/646
	Lack of processing facilities	0/585
	Lack of proper business structure in marketing of organic pomegranate	0/583
	Lack of maintenance and storage facilities	0/538

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Educational -Extension	Lack of consumer awareness of the benefits of organic pomegranate	0/882
	Farmers are unaware of the time and level of demand and supply of pomegranate	0/606
	Lack of communication between research and training centers in marketing the organic pomegranate	0/602
Financial services	Lack of economic incentives for the production of organic pomegranate	0/880
	Inadequate credit facilities for organic pomegranate producers	0/776
	Incorrect pricing in the retail and wholesale for organic pomegranate	0/764
	Cumbersome regulations in getting bank loans by organic pomegranate growers	0/564
Making Policy	Custom barriers	-0/689
Producing and selling services	Lack of sufficient advertising in local markets and global markets	0/584
	Limitations in organic pomegranate markets	0/720
	The high cost of transition to organic production	0/692
Legal	Lack of laws and regulations to improve the marketing of organic pomegranate	-0/657
	Lack of database of information in various areas of marketing (Inputs, weather conditions, equipment, etc.)	0/626

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	Lack of active and dynamic cooperation between different sectors of marketing chain of organic pomegranate	0/855
Cooperation		
	Improper packaging of organic pomegranate	0/541
Technical	Lesions at different stages of production of organic pomegranate	0/570

Based on the findings of Table 4, the first challenge with Eigenvalue of 19.97 explains 44.379% of the total variance. In general, 9 challenges explain 86.66% of the total variance that it shows the high percentage of determined variance by these factors. The position of variables (45 original variables) in factors, assuming the variables with a factorial loading greater than 5.0 and after rotating the factors by Varimax method, factors will be named according to Table 4. According to the constituent variables, 9 challenges are named as follow: the informing, socio-economic, educational-extension, financial services, making policy, producing and selling services, legal, participation, and technical challenge.

Based on the findings and considering the variables making up the challenging factors in marketing of the organic pomegranate, 9 challenges have been named as follow: informing, socio-economic, educational-extension, financial services, making policy, producing and selling services, legal, participation, and technical challenge. Given the facts that we faced during the study and the results obtained in the present research, the following suggestions for coping with the challenges of marketing the organic pomegranate in Paveh will be significant.

Informing factors based on the results of the research has been known as the most important challenges in marketing the organic pomegranate and it is recommended to find ways to improve them. Some of these items include training classes to increase the growers' knowledge about marketing and organic pomegranate, providing appropriate learning content for gardeners, motivate the consumers and increase their awareness, and create a database to access the information. It is recommended to find a solution in order to escape from the problems of small and scattered lands, high costs and inadequate transport facilities, instability in government policies, poor management and lack of proper strategies in organic marketing, lack of appropriate commercial structure in organic marketing, lack of processing and storage facilities, and forced sales of organic pomegranate. These challenges can be named as the socio-economic factors. Economic factors such as proper pricing for products, stabilization in policies with regard to the marketing and sales of pomegranate, and providing financial incentives for manufacturers by government could be important factors in development of pomegranate marketing. Paying attention to the interests and preferences of customers as requirements should be taken into account. Educational-promotional factor is another part of organic pomegranate marketing which includes holding the classes to raise customers' awareness on the benefits of organic pomegranate, growers' awareness on appropriate time of supplying and demanding, and strengthening the relationship between research and training in organic marketing.

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