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An Analysis of Olive Marketing in Economic (Case Study: Fars Province, Iran)

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Abstract

The agricultural department of Fars Province has played an important role in the production and occupancy areas of the food industry of the country, moreover a great part of the Gross National Product. This section could provide the raw materials for industry, thus stimulating the section. Agricultural and economic activities of the province are so pervasive that 23.7 percent of the working populations are engaged in agricultural activities. The aim of this study is to consider the economic marketing olive at fars province and present inherent techniques for steam lined market of this product. In the study were gathered enforceable data and statistics by interviewing to experts and the organization of agricultural Jahad at Fars province. Commend methods in economic texts were used for this aim, and retail, wholesale trade margin and the share of marketing agents with coefficient of costs market were calculated. The results of this study shows that 20 and 25 percent of price of canned and oily olive product sale are related marketing factors.

Keywords: Marketing, olives, factor market costs, margins and market Fars Province.

Introduction

Among the sectors that have always been a great influence on the country's exports is the agricultural sector. The horticultural crops production capabilities, has always played an important role in the country's non-oil exports and relative advantage in production. Fars Province has got a great deal of potentialities in this area of production, being one of the greatest producers of the horticultural products, form the total number of Fars Province gardens, 22 percent is fertile. The acreage totaled 63,391 acres and the rest being 283,623 acres fertile.

The studies carried out with regard to the marketing of agricultural products in national and international levels, which could be summarized as follows:

Traub and Jane (2008) investigated the changes in the values of pre retinue over marketing in the industry of Pop corns in southern Africa over the span of 1976-2004, coming to the conclusion that The margins of the real retail maize meal prices in Africa due to small disturbances has increased at least 20 percent of sales in 1991. The price of corn flour spread at least 179 million U.S. dollars per year, from the consumers through the marketing system.

Jagadysh and Martin (2006) in a study entitled chain issues, worked on agricultural marketing and agricultural activities in developing economies (case study of fresh produce in New Guinea).The results confirmed the overall flow of activities in marketing which means the improvement of Market in new Guinea in the present situation. Katryl (2001), examined problems of milk marketing in the UK. The results showed that the retail price of this product increased 5-fold due to higher gross profit. Shirvanian and Najafi (2007) scrutinized the marketing problems of tomatoes in Fasa in Fars province, coming to the conclusion that there are several problems regarding the marketing and prices. Groups have emerged in the market due to their knowledge of the market and the price of product marketing, dominating the marketing in their own turns.

In Torkamani (2005) study, production and marketing of Iranian saffron were analyzed. The results of this study showed that the wholesale margin, retail margin and marketing margins of one kilogram of saffron were 410, 483 and 893 thousand Rials. Marketing cost coefficient saffron flower heads 20.4% and saffron categories marketing cost coefficient is 30.2 percent.

Salem (2001) examined Pistachio marketing in Yazd province. The results show that there is inefficient marketing system product. The service on this product is made mainly by manufacturers and wholesalers and retailers have less service.

Falahi (2006) have studied the T the economic evaluation of marketing channels of tomatoes in MARVDASHT city. The results showed that the highest costs and marketing margins (respectively 1345 and 1870 Rials) due to the route which was to be converted. The producer's share of the final price in the minimum amount is only about one-fourth. The total for all routes in the amounts of FBS significantly the cost efficiency and technical efficiency is low, under the overall efficiency of the market at a low level.

Material and Method

Marketing is rather difficult to define, and any one has attempted to define it according to the place and time. Anyhow, generally marketing includes various stages of processing, package, transportation and store hold, which makes it a very significant flow. (Hosseiny and Ghalandari 2001) But due to particular characteristics of the marketing of agricultural products such as perishable goods, limited planting and harvesting of industrial products, it is different from marketing other products (Shepherd and Futrell 1996).

Thus research involves the marketing of agricultural products is relatively large agricultural science and economics. Agricultural marketing system not only distributes products manufactured within the country, but also leads to the development of a permanent international experience. Marketing of agricultural products are generally three categories of transaction activity, and physical facilities. Exchange activities include the operations of buying and selling products. Physical activity, storage, conversion and transport facilities and activities are to be included in the cover, Such as grading, standardization and certification of products and packaging (Shakeel et al 2012).

Investigation of general issues of marketing of agricultural products, particularly with the use of figures of different measures of price is done in this field. One of the most used standards in the field of agricultural marketing, marketing margins. Agricultural marketing margins are defined as the price that the consumer pays and the price the farmer receives. Therefore, the main criterion for determining the total marketing margin is the difference between the prices received by producers and paid the ultimate Marketing margins in equation (1) is obtained from the difference between farm-gate prices and retail prices.

$$M_t = P_r - P_f \quad (1)$$

In equation (1):

M_t : The total marketing margin

P_r : Retail price of the product

P_f : Farm-gate prices and prices of the manufacturer.

The total marketing margin includes the margin between wholesale and retail margins. Margin between the wholesale price and the wholesale price of the manufacturer or the farm-gate price and the relation is expressed in equation 2:

$$M_w = P_w - P_f \quad (2)$$

In equation (2)

M_w : Wholesale margins

P_w : Wholesale price

P_f : Farm-gate price of the product.

Margin marketing Encompasses the retail margin between wholesale and retail prices and we regard it as (3) shown:

$$M_r = P_r - P_w \quad (3)$$

In equation (3)

M_r : Retail margin

P_r : Retail price

P_w : Wholesale price of the product.

The total marketing margin can be defined as the market communicate margins of equation (4) is displayed.

$$M_t = M_r + M_w \quad (4)$$

Equation (4) shows that the total margin retail and wholesale marketing margins to create.

Among the criteria to be applied in the marketing of agricultural products are market cost factor Market price index shows the percentage of the retail price of every product on the market. The market cost coefficient can be obtained from (5) in which:

$$R = \left(P_r - P_f\right) / P_r \times 100 \quad (5)$$

R : Marketing cost coefficient

P_r : Retail prices

P_f : Farm-gate prices achieved.

One of the key points in the investigation of the marketing agents is the proportion of each manufacturer, wholesaler and retailer. Relationships needed to calculate the share of each market are as follows.

$$SH_f = P_f / P_r \times 100 \quad (6)$$

$$SH_w = \left(P_w - P_f\right) / P_r \times 100 \quad (7)$$

$$SH_r = \left(P_r - P_w\right) / P_r \times 100 \quad (8)$$

In the above equations:

SH_f : Share Manufacturers

SH_w : Share Wholesaler

SH_r : Share of retail sales.

Results and Discussion

Data required in this study were collected through interviewing the experts in by Agricultural Organization of Fars Province.

Table 1. The average sale price for wholesalers, retailers and producers

Type of product price			
Price (Rials unit)			Type of Product
Retailer	Wholesaler	Farm-gate	
8000	7000	6000	Olive Oil, Crude
1000	9000	8000	Canned Olives Raw

Source: Fars Agricultural Organization 2010

Table 2. Margins, market share and market factors, the market price index

Description	Canned Olives
Wholesaler Margins	1000 (Rials)
Retail Margin	1000
Margin Entire	2000
The Share of Manufactures	80 (Percent)
Stake Sale	10
Retailer Contribution	10
Marketing Cost Coefficient	20

Source: Findings

Table 3. Margins, market share and market factors, the market price index of olive oil

Description	Olive Oils
Wholesaler Margins	1000 (Rials)
Retail Margin	1000
Margin Entire	2000
The Share of Manufactures	75 (Percent)
Stake Sale	12.5
Retailer Contribution	12.5
Marketing Cost Coefficient	25

Source: Findings

Based on the results, the brokers and marketing agents have considerably benefited. The results in Table 2 Rim canned olives 1,000 rials wholesaler, retailer margins in 1000 and 2000 Rials IRR and total marginal contribution to the production of olive is presented. Share manufacturer, wholesaler and retailer of shares. Share of 80 percent, 10 percent, and the share of contribution is 10% of the retailer and the product was canned olives Marketing cost coefficient is 20, indicating that 20% of the sale price of the canned olives marketing. Table 3 shows that the results of marginal product, olive oil wholesaler for 1000 Rials. Retail margins and total margins for 1000 and 2000 Rials product to product, olive oil wholesaler and retailer share of the producer's share is more than 75 per cent.

Suggestions

The results of the study and data collection strategies were proposed as follows:

1. Secure investment in the agricultural sector
2. Correct legal issues
3. Increasing the share of agricultural credit facilities
4. Create gardens in low-yields sloping lands
5. Increased mechanization index

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