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## Research Article

### **Review of economic issues in marketing Mohammadi flower Fars Case Study: Darab city**

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### **Abstract**

Mohammadi flower, including crops that require processing after harvest is. Therefore, in addition to the product also plays an important role in agricultural industries is conversion. Considering that more than half Mohammadi flower produced in Fars province as the largest producer in the country damask rose, Darab is dedicated to the city, the study route in this city marketing Mohammadi flower two units in processing capacity and low capacity 87-1386 crop year were studied. For this purpose the methods commonly used in marketing and retail margins and wholesale agents and share marketing costs with the market index was calculated. Results showed that, despite the share of producers and retailers in both units is the same process, but the share of visitors in processing units and large stake in the sale of small units, is higher. Also the market cost factor for large and small units is 59/20 and 65/17 respectively. Based on study results, including funding proposals necessary for organic certification, restoration and development of rain fed orchards, construction of roads between orchards, set up and operate regional Industrial Tourism in the region were presented.

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**Keywords:** Mohammadi flower, marketing, Fars province, Darab city

## 1. Introduction

Agriculture, including economic sectors, which always exports the country, has had a significant impact. Between the facilities and garden products due to production capacity and also the relative superiority in producing consistently important role in non-oil exporting countries has had. Damask rose garden is one of the products after harvest processing of Golestan is required. Processing steps include damask rose essential oil and rose water making the order of dried flowers and more flowers are extracted. In addition to processing, other marketing activities such as transportation and advertising costs as part of marketing the product is raised. In planting and maintaining flower gardens is a thousand year old Mohammad. Including the areas of these crops can be provinces of Fars, Kerman, Esfahan and Azerbaijan mentioned. However, Fars province as the largest producer of Damask rose is a 4300 acre Golestan. Darab city below surface ships of over 3300 acres as the largest producer of flowers and even the world are in Iran Mohammadi. Total acreage of this product Darab city, over 2850 hectares and 450 hectares as dry as water is produced. Rain fed crop yield and water in the city Darab respectively in 1200 and 2000 kg ha. Accordingly, the annual 3000 tons and 900 tons of petals flower bud are produced in this city. All organic products of this city and therefore a suitable raw material for making rose water production of oil are VTR. 54 workshops in Fars province and 11 traditional industrial processes produce flowers with rose water and almost 10 million liters in 1000 liters of oil are working. Unit 14 Darab share traditional and four industrial units. Crop year Darab 2007-2008 yards with about 500 tons of processed flowers, rose nearly a million liters and 70 liters of oil have been produced, which approximately 30,000 tons of it to Italy, France and the Persian Gulf countries have been issued. Reviews in marketing agricultural products in and out of different countries has been done, for determining the profits of retail fruit and vegetables and some basic products, the relationship between retail and wholesale for 23 agricultural products received. Their results showed that between 90 to 96 percent of retail price changes in wholesale prices is taken from. Also, a percentage change in wholesale prices, retail prices between  $05 / 156 / 1$  gives the percentage change [7]. Tomato marketing issues in the city of Fasa, Fars Province functions studied and believed that the marketing function and the prices there are several problems. Groups in marketing organizations have emerged due to the awareness of market conditions and prices into the system of cross product marketing and market dominance in the Akhnyar and provide [6].

*1.1. Marketing studies have been conducted in the following refers to some of them being* Torkamani [8] in a study, Iran's saffron production and marketing analysis and examined. The results showed that wholesale margins, retail margins and marketing margins were one kilogram of saffron 410, 483 and 893 thousand Rials. Saffron marketing cost coefficient

sargol 4 / 20 percent and feed costs also handle marketing of saffron 2 / 30 patients. Salami [4], marketing of pistachio in the province of Yazd examined. The results of this study indicate that efficient marketing system is pistachio. The services performed on this product mainly are done by manufacturers and the lowest service by wholesalers and retailers have been done. Kattryl (2001), milk marketing issues in the UK has investigated. The results showed that retail prices due to high product gross profit has increased five times. High volume production, plant level, employment, exports and garden product need this study as the first study in Darab city entails. Accordingly the main objectives of this research are:

- Routes of production of damask rose marketing to domestic and foreign consumers
- Margins set wholesale, retail and marketing margins entire Mohammadi flower in Darab
- Review the structure and marketing operations Mohammadi flower Darab
- Review the existing challenges in the way producers and processors of this product

## **2. Methods**

Marketing concept is very vast, and when the place opened in Economic Sciences has been the various definitions that each of them represents the viewpoints of different people in different spatial and temporal conditions. However, a general definition of marketing includes various stages of processing, packaging, transportation and warehousing is a valuable product, and passing through each of the above steps and thus increase marketing process is a value stream [3]. But the marketing of agricultural products due to specific characteristics of these products including corruptible, planting and harvesting time limits are different from marketing other products including industrial products. Accordingly, all operations, including marketing of agricultural products and services that the product on the stage of decision making for production until the desired product to reach consumers, as is possible [5]. Thus, agricultural marketing research requires a relatively broad understanding of agricultural sciences and economic sciences are. Marketing system of agricultural products not only domestically manufactured products are distributed, but the constant expansion of international experience also leads [3]. Usually marketing activities of agricultural products into three categories: Transaction and physical facilities are divided. Exchange activities include operation of all buying and selling products. Storage, physical activity, conversion and transport are included, and activities include facilities. Issues such as grading, packaging and certification standards and has products [2]. A general problem of marketing agricultural products, using figures and calculating product prices, particularly of different criteria in this area occurs. One of the most used criteria in the field of marketing agricultural products is marketing margins. Marketing margins for different agricultural products that the consumer pays the price and the price farmers will receive, is defined. So the main criteria to determine the total marketing margin price difference received by producers and prices paid by final

users pay. Relationship marketing margins as (a) that the difference between retail price and the price champ is obtained.

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

In relation to (a):  $M_t$  total margin of marketing:  $P_r$  product retail price:  $P_f$  Price champ or price is Manufacturer. Total marketing margin includes margins of two parts wholesale and retail margins are. Margins included wholesale price difference between wholesale and producer price or prices as champ and relationship (2) are expressed.

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

In relation (2)  $M_w$  margin, wholesale:  $P_w$  wholesale prices and:  $P_f$  Price Champ product. Retail margins in the retail price difference between the receiver and is a wholesale basis and it can be related (3) displayed.

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

In relation (3):  $M_r$  marginal retail:  $P_r$  retail price:  $P_w$  Price is the wholesale product. Considering the total marketing margin can be defined relationship types margins as market relations (4) displayed.

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

Relationship (4) show that total retail and wholesale margins, marketing margins is ensured. Including the criteria applied in the field of marketing agricultural products market, the cost factor can be mentioned. Coefficient shows that the market cost a few percent of the retail price of each product is related to the marketing agents. For the cost coefficient can be related markets (5) be used.

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

Where:  $R$  cost ratio of marketing:  $P_r$  retail price:  $P_f$  Price Champ is achieved. One of the key points in marketing studies to determine the contribution of each marketing factors including producers, wholesalers and retailers is. Formula for calculating market share of each factor is as follows.

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

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

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

In the above relations:  $SH_f$  Manufacturer shares:  $SH_w$  stake sale:  $SH_r$  retail share sale.

### 3. Results and discussion

Darab study in the city located in Fars province was conducted. Required information and documents as either survey were collected. Information documents of the Organization of Agricultural Agronomy Jahad Darab city unions and the business sector industries cup Darab distiller Saghar Darab and information collected through the survey area to interview Vkargah traditional industrial factory and attend to the festival Flowers Direct and rosewater Darab city and interview presence with critics and flowers region were collected. Flower production in dry form is more Darab city and flower production in the heart of the mountain villages Nvaygan, Layzngan and Pearl is performed as organic produce and flowers at the Garden a little part of it produced by potting the plants and flowers are sold much of it by local intermediaries are purchased. The total daily production due to potting plants produce rose water and oil are delivered. Production rose in Darab by industrial factories and workshops producing traditional rose water and oil is done, the production rose by traditional workshops for various reasons, including traditional waste oil in pot, using direct fire burns and possible production rose, the possibility of microbial contamination term discharge and not pasteurized products in workshop traditionally has less quality. Industrial production units, the units rose to the top modern and technology than traditional units are paying to produce the final product. This product is pasteurized and units than the traditional units are free of germs and the cost of production by plants is lower than traditional units. Rosewater devices mostly traditional with a capacity of 30 kg made that including boiler parts, boiler cap, Nietzsche, Nietzsche and set thermal carafe. Collection as set rosewater, max 30 kg 45 liters of water mud mixture processing offers. Every set overnight 4 to 5 times the overall scored 120 to 150 kg overnight. Table 1 cost per kg of processed flowers in the rose water and oil industries and high-capacity has been brought down. Based on the table results with net income of industrial capacity than low-capacity units.

**Table 1. Cost per kg of oil industrial units**

Row	Variable	Units with low capacity	Units with up capacity	Considerations
1	Pear Flower conversion ratio (oil)	1- 1/3	1- 1/6	-
2	Amount needed to produce each unit rose	0/769	0/625	1/1
3	Cost per unit rose	1300	1300	
4	Purchase cost per kilogram Mohammadi flower	1000	1000	
5	Packaging the product cost per kg of flower	200	200	
6	Other costs per kg of the product Mohammadi flower	250	200	
7	Cost the equivalent of mud processing	1450	1400	5+6+4
8	Unit price per unit of product produced	1400	1400	
9	Gross income per kg of flowers are abundant	1820	2240	8*1
10	Market gross margin	820	1240	9-4
11	Net income	370	840	10 - 11

Source: Research findings

Table (2) Average price of sales marketing factors separately wholesalers, retailers and consumers are given.

**Table 2. Average sales price wholesalers, retailers and consumers**

Type of functionality	Purchase Price	Purchase Price
<b>Wholesaler</b>	1350	1450
<b>Retailer</b>	1450	1700
<b>Consumer</b>	1700	1700

Source: Research findings

Table (3) the marginal market share of the cost factors, marketing and market index rose in the industrial city for the separation of Darab Industrial capacity and has been brought down.

**Table 3. The marketing margin, the share of factor costs and marketing factors, the market rose in the industrial city Darab separation for Industrial capacity and has been brought down**

Description	Industrial Roses	
	Units with low capacity	Units with up capacity
<b>Wholesaler margins</b>	100	100
<b>Retail Margin</b>	200	250
<b>Margin converter</b>	100	150
<b>Margin due</b>	200	200
<b>Total margin</b>	300	300
<b>Producer share</b>	85.3	85.2
<b>Share converter</b>	5.8	8.8
<b>Major share of sales</b>	17.6	14.7
<b>Retail shares</b>	11.7	11.4
<b>Marketing cost index</b>	20.59	17.65

Source: Research findings

According to the results (Table 3) producing equal share of 85 percent. But converting shares in large and small units, respectively 8 / 5 and 8 / 8 is. Wholesalers and retailers share the units with low capacity equal to 6 / 17 and 7 / 11 is. While the share of wholesalers and

retailers in the high-capacity units, respectively 7 / 14 and 4 /11 is. Also the cost factor as the market for large and small units, respectively 59/20 and 65/17 respectively.

## **4. Conclusion**

based on study results and data collected can be presented the following proposals: Considering that production Mohammadi flower Darab city without using chemical fertilizers and pesticides are produced and sold with the price of conventional nozzle and are sold and also given that the value of organic products has high economic and export. Therefore Graduation organic cause regional economic boom is better. Accordingly it is recommended credits required for certification of organic principles is to ensure International. Due to problems in transportation and transfer of Damask rose in rural areas, construction of roads between Baghata can be somewhat less intermediaries and growers without their own product through direct marketing to other factors such as processors join. Considering the recent drought dry gardens that need to develop water supply is no problem can be somewhat of a regional job creation and reduce the water level underground cassette. Considering the beauty flower gardens and orchards Mohammadi Diem and villages such as building type and Layzngan Nvaygan if you can provide infrastructure facilities in these areas will become tourism to the region. This recognition led to important regional and investment is expanding. Despite producing more than four tons of damask rose only three factories and several workshops all traditional industries in the city are working Darab. Accordingly recommended an industrial town in rose water and essential oil production in the region to be launched. Considering that much of the damask rose production bought by intermediaries for Sale trunk, creating a buying cooperative Mohammadi flower Vadarh by flower growers can be added to the income and product manufacturers to eliminate intermediaries.

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