

*Full Length Research Paper*

# Agricultural Marketing Challenges and Barriers in Iran

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Agriculture plays a significant role in the economic development of a nation. There are many kinds of agricultural products produced in Iran and the marketing of all these farm products generally tends to be a complex process. Agricultural marketing involves many operations and processes through which the food and raw materials move from the cultivated farm to the final consumers. Therefore it is necessary to identify the barriers of agricultural products marketing. This study investigates agricultural experts' perception about the barriers of agricultural products marketing. Using coefficient of variation, inadequate market information has been ordered as the highest rank while low literacy of farmers has been reported as the lowest rank.

**Key words:** Agricultural products, marketing, barriers, challenges.

## INTRODUCTION

Agricultural marketing plays an important role not only in stimulating production and consumption, but in accelerating the pace of economic development. Its dynamic functions are of primary importance in promoting economic development. For this reason, it has been described as the most important multiplier of agricultural development.

There are currently several marketing and distribution channels for getting agricultural products to consumers in Iran. The most common marketing channels are through wholesalers, who buy the produce from farmers and bring it to the central wholesale markets in Tehran and the large cities. Some farmers who have been able to establish direct links with wholesalers and who have good quality products in high demand bring their produce directly to the wholesale market and try to bypass dealers and middlemen. There are very few producers who are able to sell directly to retailers or consumers.

Saboori et al (2006) in a study titled "evaluating and analyzing Garmsar's experts and farmers about role of extension in melon marketing" showed that the possibility of the products' quality improvement, market orientation, and familiarity with market have a positive and direct relationship with the possibility of extension performance. Taheri (2006) in his research studied role of marketing agricultural crops by insisting on citrus of Savadkooh area; in which, results of prioritizing effective factors on improving marketing of citrus showed that establishing

marketing associations is effective on improving status of marketing citrus, decreasing intervention of brokers and offering bank loan for promoting marketing citrus. Level of garden and record of activity in the field of gardening has positive significant relationship with consent of gardeners and also level of annual income has positive significant relationship with using informational resource in the field of citrus marketing. Yadavar (2009) in his thesis referred to explaining components of developing flower and ornamental flower marketing in Iran. This is descriptive-correlation research and with respect to methodology it is regarded as discovery-survey method. Variables as expectation of flower planters about marketing and developing access to communicational service obtained 0.502 and 0.134 as highest and lowest correlation coefficient. Flower planters believe that components of developing marketing are including: facilitating communication by and between components involved at marketing process, enabling flower planters, necessity of advertisement, and recognition of flower planters about basics and principles of marketing and management of marketing information. Walsh and Lipinski (2009) studied effective foreign factors marketing of small and medium institutes and approved 5 factors including: consumer market, discrimination strategy, attitude toward entrepreneurship, size of company and economic factors; in which, finally role of attitude toward entrepreneurship and consumer market was approved. Al-Rimawi (2004) in his study about educational requirements for developing marketing concluded that support of farmers for establishing marketing is a vital issue. Lack of interest to developing

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Table: Prioritizing experts' perception about agricultural marketing barriers

	Mean	Standard Deviation	Coefficient of Variation	Rank
Inadequate Market Information	4	1.05	0.262	1
Presence of a Large Number of Middlemen	4	1.06	0.265	2
Stability of price products	4	1.06	0.265	3
Prevention from fluctuation in price	4	1.14	0.285	4
Lack of proper storage facilities	4	1.15	0.287	5
Inadequate Transport Facilities	4	1.17	0.292	6
Inadequate Credit Facilities	3	0.9	0.3	7
Lack of Grading and Standardization	3	1	0.33	8
Low Literacy of farmers	3	1.10	0.36	9

Evaluation Range: very low= 1, low= 2, partial: 3, high= 4, very high= 5

marketing is as a result of this reality that some farm managers had high level of financial and economic management. The most important time for receiving training in relation to developing marketing was cultivation time until 3.09. He concluded that commercial farm management and marketing skills are very important for permanent and useful business. Agricultural marketing covers the services involved in moving an agricultural product from the farm to the consumer. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packing, transport, storage, agro and food processing, distribution advertising and sale. Therefore it is necessary to identify the barriers of agricultural products marketing.

#### Materials and methods

Questionnaire items were developed based on the previous literature. The questionnaire was revised with the help of experts to examine the validity of the research model. A five point likert scale ranging from 1 as strongly disagree to 5 as strongly agree was used for the measurement. A pretest for the reliability of the instrument was conducted with 15 experts randomly chosen from target population. The computed cronbach's alpha is 80%. Which indicated the high reliability of the questionnaire. The research population included agricultural experts in Tehran province. Using the random sampling technique and the results from the pilot test, 134 experts were surveyed.

#### Results and Discussion

The table shows that from experts' perception, Inadequate Market Information with minimum coefficient of variation is regarded as most effective factor on marketing barriers, and it is the first priority. In order to prioritize the ideas of the respondents about the barriers of agricultural marketing, the coefficient of variation statistic is used. Inadequate Market Information has been ordered as the highest rank while Low Literacy of farmers has been reported as the lowest rank. This study

investigates the problems associated with agricultural produce marketing in Iran.

Agriculture is an important sector in contributing more revenue to the Iranian Economy. Using Coefficient of Variation showed that inadequate market information has been ordered as the highest rank. Marketing information is the lifeblood of marketing process; marketing decision would not be taken in the absence of marketing information. Marketing decisions are affected by many internal and external environmental variables, so the marketing decision maker needs a great deal of information related to these variables, to predict the indirections and their expected effects on the internal activities of the organization and the market, in order to make the rational marketing decisions in an uncertainty environment facing the marketing administration. The marketing success in the organization depends basically on the availability and the accuracy of marketing information from its multiple sources (Kotler, 2006; Hashem,2007).

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