Agricultural Marketing Extension

What the extension officer can do

✓ Make market information available
✓ Assist farmers to get organized as a group
✓ Approach the private sector to assist with transport problems
✓ Help establish strategic partnerships between farmers, input suppliers, product processors and training institutions
✓ Interface with subject-matter specialists
✓ Investigate contract production
✓ Encourage communication between farmers and sellers (e.g. hawkers)
✓ Assist farmers to plan production to reduce transaction costs
✓ Understand the production and marketing possibilities and problems in his area
✓ Conduct a market research for produce that could be produced by small-scale farmers
✓ Liaise with the National Department of Agriculture and marketing companies, consumers and farmers to collate and analyze market information relevant to existing and potential agricultural commodities
✓ Facilitate the provision of market facilities, information, packaging, storage and transport services to meet the needs of small-scale farmers
✓ Subscribe to any written reports published by the different information services
✓ Identify local buyers for crops, find out what prices they are paying, their terms and conditions
✓ Keep records of prices and plot them on graphs
✓ Organize visits for farmers to auctions, urban markets and processors
✓ Monitor local market prices
✓ Assist farmers in understanding marketing costs and trader margins
✓ Identify traders for new crops
✓ Assist local communities to establish their own local market information services
✓ Organize visits from traders and wholesalers
Market Information

The types of information farmers need

✓ Who and where are the buyers; how can they be contacted; what are their conditions of business; what are their preferences for varieties; packaging and delivery; etc.
✓ Immediate or current prices (and supply)
✓ Longer-term or historical price data

Extension officers can help farmers to make use of market information to

✓ Reduce the risks associated with marketing
✓ Decide where to sell
✓ Check on the prices they are getting
✓ Decide whether or not to store
✓ Decide whether to grow “out-of-season” produce
✓ Decide whether to grow different crops

Possible sources of market information

The Government (e.g. publications)
• Crops and Markets
• Agricultural Digest of South Africa

Associations
• Cape Wools
  http://www.capewools.co.za/
• Mohair SA
  http://www.mohair.co.za/frbuyers.asp
• Red Meat Abattoir Association
  http://www.rnav.co.za/default.asp (A password is required.)
• Grain-SA
  Market information published monthly in the “Pula” and “Mvula” newsletters.
• South African Meat Industry Company
  SA Meat

Private organisations such as
• Agritel
  The best source of information about National Fresh Produce Markets is provided by Agritel. This is a subscription service available over the Internet at:
  http://www.agritel.co.za/agritel/home.asp
• SAFEX
  The South African Futures Exchange trades in grain and sunflower seed futures:
  http://www.safex.co.za/
• First National Bank
  Information which appears in Farmers Weekly is supplied by the First National Bank and is also available on that bank’s website in an expanded form. It can be found at:
  https://www.fnb.co.za
• Agrimark Trends
  Information on most commodities is provided, but for a fee, at:
  http://www.agrimark.co.za

Information available to farmers
• The Media (e.g. Beeld, Volksblad. Farmers Weekly, Citizen)
• Traders
• Processors
• Other farmers
• Extension officers

Activities which extension officers can carry out
✓ Charting price movements
✓ Controlling for inflation
✓ Advise farmers on production
✓ Helping farmers plan to grow new crops
✓ Helping farmers with off-season production
✓ Storing crops for higher prices

Horticultural Marketing Extension

What the extension officer needs to know
✓ Sources of market price information
✓ Different strategies of small-scale horticultural farms
✓ Contact transport companies, National Produce Markets, market agents, processors, bakkie traders
✓ Prices and price patterns
✓ National grading standards
✓ Sources and prices of packaging
✓ How to improve shelf life through the application of simple post harvest principles
✓ Competitive advantages of local crops
✓ Market channels and the products in demand
✓ Case studies of successful horticultural farms
**What the extension officer can do**

- Advise farmers on grouping together to transport produce to the market
- Training groups of farmers
- Advise farmers on the alternative grants schemes and sources of funds
- Explain to farmers the options for marketing their produce
- Act as a facilitator between growers and processors, agribusiness, partners, trainers
- Research the market
- Advise traders on the availability of produce by small-farmers
- Organize market visits for farmers
- Introduce hawkers/bakkie traders to farmers
- Advise farmers what crops to grow and when to target production
- Acting as a catalyst between producers and projects

**Field Crops**

**What the extension officer needs to know**

- Basic characteristics of the field crop industry in South Africa
- How is the price formed in the field crop industry
- Opportunities for small-scale field crop producers
- Where can market information be obtained with regard to field crops

**What the extension officer can do**

- Organize study groups to explore trading maize on Safex
- Organize trips to Safex
- Inform farmers about grain grading
- Provide a marketing strategy to obtain the best price for his produce
- Gather market information continuously and inform farmers of market indicators
- Identify trustworthy buyers in the region
- Bring small-scale farmers in touch with these buyers
- Identify storing facilities and the associated costs and the conditions
- Inform small-scale farmers on how to make use of storing facilities
- Motivate small-scale farmers to join producer organizations
- Identify the demand of the different types of grain before the planting season
- Help the farmer to organize transport for his produce
- Become constantly aware of the factors affecting prices in each region, as well as how the prices are derived
- Establish a network with potential grain buyers and sellers
- Get in touch with the Agricultural Development Office (ADO) at Grain South Africa
- Invite potential buyers to the production region
Dairy

*What the extension officer needs to know*

- Price trends
- Different marketing channels available for small-scale dairy farmers
- Requirements to enter marketing channels
- Contact numbers of milk producer organizations and other important role players
- Consumer preferences for milk
- Contact numbers of institutions that provide training in value adding techniques
- Different business models available to small-scale producers

*What the extension officer can do*

- Help to link the small dairy producer to one of the marketing channels, e.g. processors, dairy, retail shops, hawkers, etc.
- Organize a group action to help small producers participate in well-structured markets e.g. bulk collection of milk
- Help in organizing training days in value adding by e.g. ARC, CRIR and Rutec
- Guide farmers to identify market trends e.g. prices, supply and demand

Livestock: Red Meat Marketing (cattle, sheep and goats)

*What the extension officer needs to know*

- Problems of livestock marketing for emerging farmers
- Alternative marketing channels available to emerging farmers
- Typical prices for livestock and what factors influence these prices
- Grading and quality standards of livestock
- Names and addresses of abattoirs, owners of feedlots, agents, auctioneers, transport companies, major producers and organizations e.g. NERPO

*What the extension officer can do*

- Mobilize farmers into livestock commodity groups. They can be used to lobby local and provincial government to build auction pens, training and capacity building, group marketing and transport
- Guide a farmer when he grade his livestock
- Provide regular information regarding various markets and prices
- Link farmers with abattoirs, owners of feedlots, agents, auctioneers, transport companies, major producers commodity organizations and projects
Livestock: Pig Marketing

What extension officers needs to know

- Market potential of the region in regard to pig production
- What kind of transport is available to the market
- Market requirements in terms of quantity and quality?
- Price determination in the region, e.g. derived from prices paid by the nearest processing plant, live animal auctions or carcass auctions in/near the region
- Veterinarian issues with regard to production for processors
- Availability of yellow maize for feeding purposes
- Contact number of the nearest SAPPO agent in the region

What the extension officer can do

- Arrange a meeting with existing and prospective producers to assess the current situation
- Contact SAPPO (012) 322 6980 to find out about available agents
- Arrange meetings with processors to find out about contract specifications
- Get hold of statistics to determine the seasonal price trends in the region
- Arrange pig farmer meetings to discuss marketing on e.g. pension days when people gather in town
- Find out what are the prices in general paid for pigs in the region
- Contact SAPPO or other statistical department to verify the relevancy of the prices paid to farmers
- Find out about the possible markets for the marketing of pigs
- Contact marketing agents and other role players to establish links between the farmers and the industry
- Contact the Pig Veterinarian Association at SAPPO and arrange short courses on the production of pigs on small-scale level
- Contact the nearest grain producer or silo owner to find out about the availability of yellow maize for additional feeding to pigs
- Contact the extension officer of Grain SA in your region to help with the production of additional feed for pig production
- Get involved in training programmes for farmers by means of farmer days.
- Invite hawkers, marketers to address farmers and reveal their requirements in general
- Form farmer groups in a region to help with the transfer of knowledge
- Establish a good relationship with farmers in the region in order to secure trust and willingness to cooperate
Wool and Mohair

What the extension officer needs to know (wool)

✓ Basic characteristics of the wool industry
✓ Market requirements in order to sell wool at the best possible price
✓ Price formation
✓ Overcoming obstacles in the marketing of wool
✓ Opportunities to assist small-scale wool producers
✓ Access to market information
✓ Value adding opportunities for wool

What the extension officer can do

✓ Organize study groups of small-scale farmers to explore wool quality of small-scale farmers compare with that of the commercial farmer at the auctions?
✓ Provide small-scale farmers with a marketing strategy to obtain the best price for their product
✓ Gather market information on a continuous basis
✓ Identify trustworthy wool buyers in the region
✓ Bring small-scale farmers in touch with these wool buyers
✓ Organize wool shear and classing training days for small-scale farmers
✓ Use current shearing sheds as a basis to distribute important information to small-scale farmers
✓ Help small-scale farmers to get access to shearing sheds
✓ Explore ways of adding value to wool
✓ Motivate small-scale farmers to join producer organizations

What the extension officer needs to know (mohair)

In order to provide extension of value, the officer should have sufficient knowledge on the following aspects of Angora goat farming and mohair production:
✓ Knowledge on the common operations associated with goat farming and management
✓ The officer must know the shearing procedure step by step and the types of resources that are available
✓ The basic procedures, classing, packing and marking of the bales
✓ Marketing options available to the producer, including the transportation
✓ Price determination
✓ Different sources available for obtaining market information
What the extension officer can do
✓ Organize study groups
✓ Organize “mohair days”
✓ Take the group on a field trip to get hands on experience of different veld conditions

Broilers and Eggs

What extension officers can do
✓ Business plan preparation
✓ General guidelines.
✓ Conducting a market survey
✓ Rapid appraisal.
✓ List of poultry stakeholders
✓ Input suppliers:
  • Hatcheries (source of day old chicks)
  • Feed manufacturers (distributors and agents)
  • Equipment and machinery suppliers.
  • Pharmaceutical companies (vaccine, animal drugs, etc.)
  • Institutions, organizations and companies involved in poultry
  • Companies that are major players in the industry (e.g. Rainbow, Country Birds, etc.), research institutions (ARC)
  • Learning institutions (NPI)
  • Universities providing training in poultry
  • NGO’s and consultants engaged in poultry development
✓ Provide basic understanding of the contract requirements, expectation and rewards of the contract.
✓ Provide sources of price information
✓ Commodity group formation

What the extension officer as resource person and can assist in
✓ Business plan preparation
✓ Market survey
✓ Production scheduling and coordination in input supply
✓ Contracting arrangement
✓ Commodity group formation
✓ Link producers to hawkers, markets and processors
✓ Provide information on regulations of health and packaging requirements