FACILITATOR GUIDE

Marketing

Level 2

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Title:		**Apply Marketing Principles in Agriculture**					
Applied Title:		**Apply Marketing Principles in Citrus Farming**					
Field:		Agriculture and Nature Conservation					
Sub-Field:		Primary Agriculture					
SETA (SGB):		AgriSETA					
Skills Area:		Marketing					
Context:		Citrus Production					
US No:	116126	**Level:**	2	**Credits:**	2	**Notional Hours:**	20
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Based on the Production Guidelines of:

Supported by:

Unit standard alignment and assessment tool development:
Cabeton Training and Development

Project coordinator:
Jacomien de Klerk

Table of Contents

Directions

1. Learning Material

This guide has developed to assist the facilitator in presenting this unit standard. The guide contains all necessary material to ensure that the facilitator will be able to assist the learner to attain the competencies required by the unit standard.

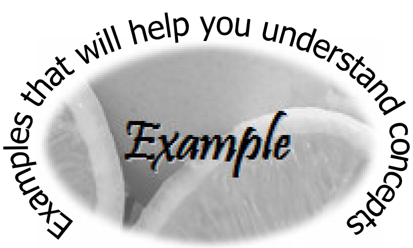
This set of learning material consists of the following guides:

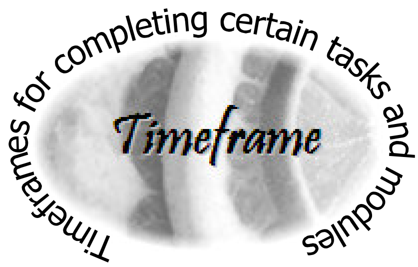
- ***Learner guide*** that contains all the information required by the learner to attain competency in this unit standard
- ***Facilitator guide*** that is a copy of the learner guide but contains additional instructions for the facilitator.
- ***Assessment Guide for Assessors and Facilitators*** that contains all the documentation needed by the assessor and facilitator to assess the competency of the learner against this unit standard.
- ***Assessment Guide for Learner and Learner Workbook*** that contains the documentation required by the learner to complete the assessment, along with the worksheets and practical exercises that the learner needs to complete as part of the formative assessment.

Please ensure that you are familiar with the contents of all of these guides before presenting this unit standard.

Although the learner and facilitator guide contains all the information required for attaining competency in this unit standard, references to additional resources (both printed and electronic) are provided for further study by the learner.

Information in boxes is indicated by tags that show:





2. Learning Program Timeframe

Timeframe

This is a summary of the timeframe for this learning program. You will be reminded of the time allowed for each module as you work through the guide.

Process	***Total Allocated Time***	***Theoretical Learning***	***Practical Learning***	***Activities***
Complete Program (Including summative assessment)	**20h**	**11h**	**9h**	
Learner Orientation and Ice Breaker	30min	15min	15min	n/a
Purpose, Introduction and Learner Directions	30min	15min	15min	n/a
Introduction to Citrus Production	45min	30min	15min	n/a
Session 1 (Chapter 1)	2h 30min	1h	1h 30min activities	3
Session 2 (Chapter 2)	4h 30min	2h	2h 30min activities	3
Session 3 (Chapter 3)	4h 45min	2h	2h 45min activities	3
Session 4 (Chapter 4)	3h 30min	2h	1h 30min activities	1
Preparation for Assessment and Revision	3h	3h		n/a

3. Technical Program Specifications

Format	Programmed instruction workshop, combined with structured internship format as prescribed for learnership, skills program or short course.
Target Learner Description	A typical level 2 learner has a minimal level of experience, and numeracy and literacy skills. **EE Ratios:** 1 Male:1 Female 8 PDI:2 W 1 Employed:1 Unemployed
Articulation Options	Nil formal in place
Delivery Mode	A combination of small group mode and individual mode

Training Method and Activities	**Program Instruction:** This program forms part of an apprenticeship where coaches provide practical training in the fields requiring functional competency. The theoretical study section of the training is conducted as a 4-day workshop in the Cohort group format. Additional training activities include buzz groups, rotating role plays, simulations, games and brainstorming sessions, and group discussions.
Learner Support Strategies	Learners are inducted by "explore strategies to learn program". Learners are supplied with all resources and aids as required by the program, including: • Objects and devices such as equipment • Manuals and guides • Visual aids

Facilitator Tip

This unit standard is aimed at level 2 learners.

- A typical level 2 learner might only have been exposed to the working world for a short time.
- Explain concepts and define words in a simple, clear and concise manner throughout the learning program to help the learner where possible.
- Take special care to facilitate for ALL learners. Allow them opportunities to share experiences, prior knowledge, translate into their mother tongue for each other, and enjoy the learning process.
- The examples given in this resource guide might be for a different geographical area or commodity to what the learner is exposed to. Please adapt your examples according to the learning context.

4. Facilitator's Checklist

Facilitator Tip

This checklist has been designed to assist you in delivering the best possible facilitation to the learners.

Please use it and supply whatever resources you might have in short supply at your venue of learning.

Preparation	***Yes***	***No***
Content Knowledge I have sufficient knowledge of the content to enable me to facilitate with ease.		
Application Knowledge I understand the program matrix and have prepared for program delivery accordingly.		
Ability to Respond to Learners Background and Experience I have studied the learner demographics, age group, experience and circumstances, and prepared for program delivery accordingly.		

Preparation	***Yes***	***No***
Enthusiasm and Commitment I am passionate about my subject and have prepared my program delivery to create a motivating environment with real commitment to success.		
Enterprise Knowledge I know and understand the values, ethics, vision and mission of the Citrus Academy and the service provider under whose auspices the program will be conducted, and have prepared my program delivery, reporting and administrative tasks accordingly.		
Equipment Checklist:		
Learner Guides: 1 per learner		
Learner Assessment Guides: 1 per learner		
Writing material and stationery for facilitator and learner		
White board and pens		
Flip chart paper		
Proxima projector and screen		
Notebook computer and program disk		
Documentation Checklist:		
Attendance register		
Course evaluation		
Learner course evaluation		
Portfolios of evidence		

5. Proposed Floor Plan

No floor plan is prescribed for this training module.

Introduction

1. Purpose

A learner achieving this unit standard will be able to apply knowledge of the marketing principles within agriculture for a specific product or service. Specific knowledge on the value of marketing research and the marketing mix will enable learners to understand the marketing process.

Learners will understand the importance of the application of business principles in agricultural production with specific reference to marketing.

They will be able to operate farming practices as businesses and will gain the knowledge and skills to move from a subsistence orientation to an economic orientation in agriculture. Knowledge and skills to access mainstream agriculture through a business-orientated approach to agriculture will be gained by farmers.

Competent learners will be fully conversant with agricultural business practices and aspects of financial analysis as to provide the environment for the application of quality practices and thus strengthen agricultural practices in general.

2. Learning Assumed to Be in Place

It is assumed that the learner has successfully completed the unit standards listed below:

NQF Level	***Unit Standard Number***	***Unit Standard Description***
1 (ABET 4)	Literacy and Numeracy	
1	116164	Demonstrate an understanding of the importance of marketing

Facilitator Tip

It is important to ensure that the learners who are undertaking this learning program has already completed the correct prior learning modules, to ensure that they are not unfairly disadvantaged by the learning process, and can be supported accordingly.

Do not forget to complete the Diagnostic Assessment (Step 3 in the Assessment Guide).

Introduction to Citrus Production

Timeframe

You have to complete this section as follows:

Total time	*Theory*	*Practical*
45min	30min	15min

Facilitator Tip

While this section does not form part of the unit standard as such, it is essential for the learner's orientation to the learning context. Please take time to ensure that the learners have a thorough understanding of this section.

1. Introduction

This learning material has been developed in the context of citrus production, which means that the skills area is dealt with in terms of and as applied to citrus production. To help the learner place the material in the right context, it is necessary for the learner to understand the background to citrus production, and the manner in which a citrus plant produces fruit.

2. Background

Citrus originates from the subtropical regions of south-east Asia. In the wild, citrus trees in these regions produce fruit all year round, and the fruit are small, poorly coloured and blemished. In the absence of effective production practices, citrus trees do not produce fruit suitable for the market.

Citrus production is largely concerned with management of the practices and processes that manipulate the tree to produce high yields of marketable fruit. Production management, together with the selection of superior varieties and plant improvement, can be seen as an on-going effort to influence the natural tendencies of the tree.

Consumers want the fruit of their choice to be available at all times. Fruit should look good, be unblemished, well-coloured (superior exterior quality), taste good (high interior quality) and be of the right size. At the same time, the citrus producer wants orchards that will provide high yields over an orchard lifespan of 18 to 30 years. On top of all this, the citrus orchard must be managed in such a way that production practices have the least possible impact on the natural environment. Commercial citrus production management is about achieving these objectives efficiently and cost effectively.

3. Citrus Planting

Citrus trees are planted in rows in orchards. The planting distance, also called tree spacing or espacement, between rows and between trees within rows, is determined by numerous factors including climate, variety, and soil type. A typical tree spacing is 6m between rows by 3m between trees, meaning that 555 trees per hectare (ha) are planted (1ha = 10,000 m^2).

Once planted, trees take three or more years before bearing fruit that can be marketed. Thereafter, per tree and per hectare yields steadily increase to 40 to 70 t/ha – depending on cultivar and variety – after a further 4 to 7 years. If the trees are well looked after, this level of production will remain fairly constant until trees start to decline naturally.

Definition

Yield

Yield refers to the amount of fruit produced, and can be expressed in terms of:

Tree yield	kg per tree	kg/tree
Orchard yield	tons per hectare	t/ha
Export yield	15kg carton equivalents per hectare (10kg carton equivalents for soft citrus)	cartons/ha

4. Lifespan

The average economic lifespan of a commercial citrus orchard varies between 18 and 30 years, and can be as high as 30 to 60 years in hot, dry areas. Citrus is therefore viewed as a long-term crop. For citrus production to be profitable, the orchard must produce high yields of quality fruit every year, and do this consistently over a long period of time.

In citrus production the challenge is therefore to make production decisions and take actions to ensure high annual production of marketable fruit, while ensuring that these decisions and actions contribute to the long-term sustainability of the orchard.

5. Citrus Plant Phenology

Facilitator Tip

This is a difficult concept for level 2 learners and should be handled with care and extra attention.

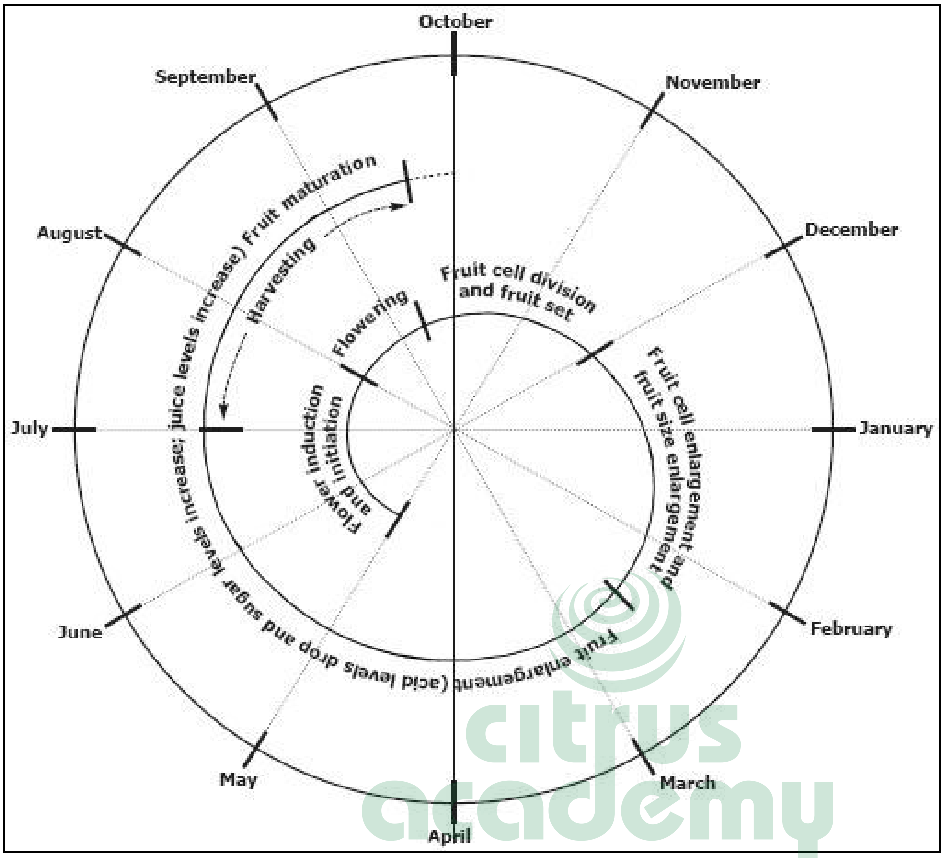
Definition

Phenology

Phenology refers to regularly recurring biological phenomena and the environmental and climatic factors that influence them. In citrus, phenology specifically refers to the annual cycle of the citrus tree.

Understanding the phenology of the citrus tree is essential to understanding the reasoning behind many of the practices and actions employed in citrus production. For example, the timing of fertiliser applications is linked to the phenology of the tree, with most fertilisers being applied at appropriate times to optimise flowering, fruiting, fruit development and fruit maturation.

The figure and table below set out the annual cycle of the citrus tree with regard to fruit production. Please note that this figure and table reflect the approximate flower and fruit development cycle of a valencia orange tree, and that the phenology of various cultivars differ.



Stage	*Description*	*Time Period*
Flower Induction and Initiation	Flower initiation is the induction and differentiation of vegetative buds into flower buds at a cellular level, and cannot be seen with the naked eye.	May to July
Flowering	Flowering or "bloom" is when blossoms appear on the tree.	August to Mid-September
Cell Division and Fruit Set	Cell division is the period when cells making up the fruit increase in number. Fruit set is the period from flowering or "bloom" until the end of fruitlet drop, after which the final fruit load is determined.	Mid-September to November
Cell Enlargement and Fruit Growth	Cell enlargement is the period during which cells making up the fruit increase in size. Fruit growth is the period during which the fruit grows and develops.	December to Mid-February
Fruit Maturation and further Fruit Growth	During this period fruit enlarges further and matures internally, meaning that the flavour, sugars and acids reach their optimum levels.	Mid-February to September
Harvest		July to September

It is important to note the term **citrus season** refers to the period from when flower initiation begins to the harvest. The season is generally from the beginning of August of one year to the end of July of the next year, although harvesting may extend to September and October for late cultivars.

6. Citrus Learning Material

The following citrus specific learning material is available from the Citrus Academy:

Skills Area	*Description*
Enterprise Selection, Planning and Establishment	Concerns itself with identifying the various components of an agricultural enterprise, and with the selection and planning processes for a new enterprise, and looks at the physical layout of a farm, with specific reference to infrastructure, orchard layout, etc.
Propagation	Concerns the various methods and requirements for the multiplication of plant material of specific varieties that possess desired qualities.
Crop Establishment	Concerns the establishment of a new citrus orchard, in terms of the physical planting of trees and the care for young trees.
Plant Structures and Functions	Considers the structure and function of various plant parts and the manner in which nutrients, water, air and sunlight is taken up and processed.
Plant Nutrition and Soil Management	Concerns itself with plant nutrients, in terms of the requirements of the citrus plant and the supplementation of nutrient elements through fertilisation, with specific reference to the timing and manner of application.
Water Quality	Considers the various factors that influence water quality and manners in which water quality can be measured and controlled. Considers furthermore the effect of water quality on tree and fruit growth and development, in combination with effective irrigation, fertilisation and pest control.
Plant Manipulation	Concerns various types of physical and chemical plant manipulation, with specific reference to pruning, girdling and the application of plant growth hormones, and tools and equipment used for this purpose.
Irrigation	Looks at the technical aspects of orchard irrigation, with reference to the types of irrigation systems, the installation of new irrigation systems, and the repair and maintenance of an irrigation system. Also concerns irrigation scheduling, and measures to ensure effective irrigation.
Pests, Diseases and Weeds	Concerns the identification of pests, diseases and weeds that threaten citrus production. Also considers various methods of effective control, and the planning required for this purpose.
Crop Protection	Looks at the practical application of crop protection agents through various methods, with specific reference to tools and equipment used, and health and safety requirements.
Food Safety	Concerns the requirements in terms of health and safety, and environmental control for ensuring food safety and hygiene.
Harvesting	Looks at the process of determining fruit maturity through maturity indexing, the harvesting of fruit, and the tools and equipment used for this purpose.
Conservation	Considers the impact of farming practices on the environment, with reference to the measures required to minimise this impact and protect the environment.

Skills Area	***Description***
Marketing	**Concerns the factors influencing citrus marketing, and the development of an effective marketing plan.**
Production Management	Concerns the actions and processes involved in effective production management, with specific reference to the coordination of the various production tasks and processes and the creation of a strategic plan for the enterprise.
Industry Overview	An overview of the citrus industry and the various institutions involved.
Packhouse Practices	Concerns the specific principles and practices that are employed in Packhouse environments, and specifically: • Receiving • Sorting • Grading • Fruit Sizing • Cold Chain Management • Packing • Palletising • Storage • Dispatch • Fruit Markets • Fruit Quality • Fruit Treatment • Health and Safety • Hygiene • Product Characteristics

Chapter 1

After completing this chapter, the learner will be able to:

Understand the value of marketing research

Timeframe

You have to complete this section as follows:

Total time	***Theory***	***Practical***
2h 30min	1h	1h 30min activities

Facilitator Tip

It is vital that learners understand market research as a concept, and that they are able to relate to it in their frame of reference. Please explain this concept in detail and use examples that learners might understand from their own context and then relate it to citrus marketing.

1. Introduction

Far too few fruit producers or companies give detailed scientific thought to exactly what they are trying to achieve through marketing. Clear marketing objectives are needed to aid operational decisions, and should be set with the following points in mind:

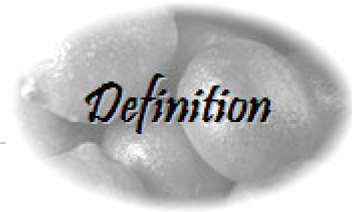
- They should fit in with broader company objectives.
- They should be realistic, taking into account internal resources and external opportunities, threats and constraints.
- Everyone in the company should be aware of them, so that everyone can relate them to his or her own work, and to the broader corporate objectives.
- They need to be flexible, since all business decisions have to be made in conditions of partial ignorance.
- They should be reviewed and adapted from time to time to take account of changing conditions.

Efficient marketing is essential to the success of a citrus farming unit. One can produce the best quality fruit, but if it is not what the market wants, and if one can therefore not sell the fruit at a good price, the farm will not be successful.

When considering the establishment of a citrus orchard, it is therefore critical to ask the following questions:

- What can I produce that the market will especially want?
- Is there a market opportunity for the range of citrus cultivars that I can produce here?

Very simply, when considering whether to embark on a new citrus project or establish new plantings on an existing farm, the very first step is to carry out **market research**.



Market Research

Market research is the process of gathering, analysing and interpreting information about a market, or about a product or service to be offered for sale in that market, and about the past, present and potential customers for the product or service.

The simple questions asked above are not that easy to answer and different people have different answers to those questions. On top of this, citrus produced in South Africa is marketed in over 60 countries around the globe and today's global fresh produce trade environment is one of over-supply and an extensive diversity of produce types.

The dismantling of tariffs, over-supply and product diversity have resulted in technical, sanitary, phytosanitary, environmental and social considerations becoming the primary trade regulatory issues. The grower’s ability to deal with these considerations determines his level of access to the world markets.

In South Africa, Citrus Research International has been commissioned by the Citrus Growers' Association of Southern Africa to research and develop the technical aspects of improving access for Southern African citrus to world markets. This includes requirements for opening new markets and retaining and improving access to existing markets.

It must also be borne in mind that each of the many export markets that are accessible to South Africa are further segmented into wholesale and retail sectors and the performance of these many different markets varies from year to year depending on such factors as the type and volume of competitive products.

Furthermore, a portion of the annual citrus crop – approximately 45% – is distributed on the South African market, with 70% of this portion going to the fresh fruit market and the balance being sent to processing plants. Although the income generated from these two market sectors is less than that earned from exports, it is important that these returns are also maximised.

The situation is further complicated by the fact that it is not always possible to produce high quality fruit of the kind the export market wants in the specific climatic area in which the farm happens to be located. Market opportunities are highly dependent on fruit quality and timing.

It is advisable for a grower to spread risk by operating in a range of markets and producing a variety of cultivars because:

- There is no citrus producing area which can produce the ideal quality fruit with the right timing for all cultivars; and

- Fresh citrus markets change over the course of a season and are not always accessible to all types of fruit.

Choosing cultivars that are suited to specific markets given the particular geographical and climatic constraints is the critical challenge. For this, **high quality market research** is vital.

2. The Process of Market Research

Facilitator Tip

Spend time to explain what market research is, how it conducted and why it is required. Make sure that learners can relate to it in their own context. If time allows, it is a good idea to allow learners an opportunity to do some market research in a local shop or in their community given a specific product and checklist.

The market research process involves a number of key steps:

- ***Consumer Analysis*** – Since all marketing plans should begin with a look at the all-important consumer, the first step is to conduct a consumer analysis. This is to identify segments or groups with similar needs so that marketing efforts can be directly targeted at them.

- ***Market Analysis*** – The second step is to carry out a marketing analysis, which takes a broader view of potential consumers to include market location, size and trends.

- ***Competition*** – Thereafter an analysis is conducted of your position as a supplier relative to that of your competition.

- ***Distribution Channels*** – This is followed by the analysis of the critical issue of available distribution channels, because this influences the price you can charge. This aspect is further discussed under **place** in the section on the ***Marketing Mix*** below and also in chapter 4 of this learning material.

- ***Marketing Mix*** – This is followed by the development of the marketing mix that includes the well-documented Ps of marketing, being:
    - Product
    - Place
    - Price
    - Promotion
    - People

- ***Financial Analysis*** – Lastly the financial analysis of the marketing plan is compiled.

These six steps have been developed by academics and marketing practitioners over time, and are summarised in Steven Silberger's ***The 10-Day MBA***. They form the basis of any really comprehensive marketing process.

3. Resources for Market Research

Facilitator Tip

It is vital that learners understand what a resource is in this context. Allow learners the opportunity to look up the word "resource" in a dictionary and to discuss its meaning. Then relate it to market research resources.

Market research is expensive because is requires the services of dedicated specialist. We have already established that it is however invaluable, so how does one balance the cost against the value it adds?

It is too expensive and impractical for every citrus grower to do their own market research. In the case of fresh citrus exports, the budget for carrying out such a full market analysis can run into hundreds of thousands of Rands. Growers therefore group together with exporters to jointly fund such analyses or decide to carry out only parts of the total process. This would depend on the specific objectives of the research program.

In most cases where an individual farmer is faced with planting decisions based on marketing prospects he will consult colleagues, technical experts, exporting companies and market agents. In this way he is able to build up enough general information to guide his decision without incurring the cost of hiring marketing professionals.

Where investment in the opening of new production areas or the launch of a new variety is contemplated, the market research process, whether it involves a group effort or even a relatively small-scale investigation, invariably requires the services of specialists.

4. Managing Market Research

Market research has to be managed, meaning that each stage has to be carefully planned, with appropriate target dates and milestones put in place. Out-sourced services can be costly and careful budgeting must be applied to every phase of the marketing plan. It must also be carefully decided which aspects to include and which to leave out.

Once market research has been completed and a marketing plan has been developed the recommendations of the plan must be implemented. Implementation does not only refer to basing decisions for new plantings on the results of the market research, but also implies the adjustment of ongoing production practices to agree with the requirements of the market.

For example, from market research the grower may very well determine that the export market requires fruit of a specific size and external quality. The production practices on the farm and decisions taken regarding fruit manipulation will be adjusted to ensure that the majority of fruit produced complies with these requirements.

Summary

This is an opportunity to check the progress that learners have made.

Allow time for the learners to read through the summary and to gauge their own progress. Make sure that each and every learner gets and opportunity to ask questions.

Chapter 1

- Marketing objectives that are in line with broader company objectives, realistic, and flexible should be in place and known to all company employees to assist with decision-making.
- Market research is about establishing what the market wants and whether there is a market for the products that can be produced on the farm.
- Market research involves consumer analysis, market analysis, and assessment of competition, an assessment of distribution channels, the development of a marketing mix (product, place, price, promotion and people), and the development of a financial analysis.
- Market research is expensive and is normally conducted together with export agents or is

conducted only in part.

- Managing market research requires careful planning, scheduling, budgeting and implementation.

Practical

Complete activities 1, 2 and 3 in the **Learner Workbook**.

Facilitator Tip

Activity 1 – Flowchart

Explain to learners how to draw up a flow chart and encourage learners to relate it to their specific understanding of the market research process.

Timeframe: 30min

Activity 2 – Worksheet

Explain the necessity for "own words" and that learners need to have an understanding of budgeting for market research. Allow learners time to discuss and explore the items that would add to the costs of market research, such as transportation, telephone calls and stationery.

Timeframe: 20min

Activity 3 – Action Plan

Explain the need to use the answer in Activity 1 to answer this question. Encourage learners to identify as many role players as possible in each stage and draft an action plan for each role player.

Timeframe: 40min

Chapter 2

After completing this chapter, the learner will be able to:

Apply the marketing mix (product, promotion, place, price and people) to the selected enterprise

Timeframe

You have to complete this section as follows:

Total time	*Theory*	*Practical*
4h 30min	2h	2h 30min activities

1. Introduction

Facilitator Tip

Ensure that learners understand the terminology and concepts in bold beneath. If possible allow learners an opportunity to look up, clarify and discuss each concept as a group.

A **marketing plan** attempts to understand and characterise the market, the customer and the environment in which the business is being conducted. The **marketing mix** can be viewed as the controllable part of the marketing plan. It is the grower's responsibility to control these factors.

Often referred to as the four principles of marketing, namely **product**, **place**, **price** and **promotion**, as proposed in the well known book by E. Jerome McCarthy entitled ***Basic Marketing***, these four principles can be expanded to include a fifth P, being **people**. These five principles are referred to as the marketing mix. This section explores the application of these principles to the marketing of fresh citrus products.

2. Product

Facilitator Tip

Encourage learners to understand the role of the commodity that they are studying in terms of "product" by asking each group to write down key concepts surrounding their own requirements for specific products, such as coffee, meat, vegetables or clothes. Relate each requirement stated by each group back to citrus and fresh produce.

The critical question that must be asked with regard to product is: **What is the product that my target market wants?**

In order for a citrus product to succeed, it must offer clear and distinct value to the buyer. Supply and demand are the ultimate judge and jury of success.

There may seem to be little opportunity in citrus for differentiating product: after all, an orange is an orange. But on closer examination it is evident that there is ample scope for product differentiation using knowledge of market opportunities as revealed by market research.

For example, there are many different cultivar selections in citrus. Even the humble orange comprises many different cultivars and cultivar selections, each with their own features and characteristics of size, maturity time, seediness, external colour, internal quality, general appearance, and shelf-life.

Markets differ in their preference for different citrus types and specifications, and these preferences change with time. For example, it has been noted that citrus is gaining market share in Africa. The major demand is for oranges with a long shelf-life, such as valencias, and for lemons. Over time, however, it is expected that the demand for dessert oranges (navels) and soft citrus will increase.

Differentiation can also be achieved by using such techniques as chemical-free production practices, distinctive packaging, and by establishing a recognisable brand for the product. A product can further differentiate itself through building up a good quality reputation. Consumers will then come to associate a particular brand-name with good quality and seek this in their purchases.

The way in which the product is presented is also critical. For example, where direct delivery to the retailer occurs, such as packing for Woolworths, the fruit and packaging specifications are prescribed in detail and have to be strictly adhered to.

If you are for example targeting the local processing industry, what is it that makes you an indispensable supplier to them? If it is the bakkie trader or roadside hawker who is important to you, why would they choose you rather than your neighbour up the road? Is your customer the impossibly difficult buyer at Pick 'n Pay or Woolworths, who in turn is trying to meet the needs of the buyers in his fresh produce section? Or is it the buyer in Tesco's or Sainsbury's in the UK, who is insisting on traceability, on meeting the needs of their own unique accreditation code, and in receiving product that meets the most stringent standard the world has ever known?

Each of these markets has such radically different needs and requirements, and each requires a completely different mix of product and marketing tools to successfully penetrate and maintain it.

You may be supplying all of these markets, but have you:

- Segmented them into the discrete entities?
- Established what comprises each one?
- Identified their individual special product needs?

3. Place

Facilitator Tip

Ensure that learners understand the concept of a target market and that the target market determines where to place the product. Explore the consequences of incorrect placement or not identifying the target market correctly. Allow learners to discuss and explore the link between market research, the product and the market that it is sold in.

The critical question that must be asked with regard to place is: **Where does my target market want this product?**, or more critically, **How am I going to get my product to the target market?**

Place therefore has to do with the distribution channels for getting the product to the customer. It is important to analyse the distribution channel options, because the choice of channel influences the price you can charge, and consequently the profit you can make. Two questions should be asked to provide a basis for a decision on distribution:

- How can and should my product reach the consumer?
- How much do the players in each distribution channel profit?

By working through the answers to these questions it will become clearer how your product should be directed to the market.

The commonly used channel intermediaries to the consumer are wholesalers, distributors, sales representatives, sales forces, and retailers. For export citrus, distribution channels are highly developed and the competitive environment enables the producer to select the appropriate inland transport provider and logistics service provider at the port terminals.

Very often decisions relating to transport and logistics are the result of negotiations with the company whom the grower has chosen to export and market his product. Joint decisions are taken for instance on whether product will be shipped in containers or in reefer vessels. Moving fresh citrus by air is expensive and seldom a financially viable option.

Road transport of citrus into Africa is exposed to pilferage and border delays that compromise fruit quality. This leaves sea freight as the most viable transport option into Africa. Shipping lines have increased their ports of call and improved transit times to African destinations. An important issue remains placing the maximum number of cartons per pallet (payload) in order to provide the importer with optimal economic benefit on freight costs.

Placing fruit in local market destinations involves a trade chain of transporters and local wholesale market agents. The choice of service providers and markets depends on the outcome of the market research.

4. Price

Facilitator Tip

Although most learners can relate to pricing of products and how it influences the success or failure of sales, it might be of use to relate concepts around sales items with which learners are more familiar. Use examples such as: How much would you be prepared to pay for a loaf of bread, and what would you be expecting in terms of quality for this price? Lead a group discussion around strategies in pricing and how price influences marketability. Allow learners to explore concepts from a consumer's point of view and from a producer / supplier's point of view.

The critical question that must be asked with regard to price is: **At what price can I sell my citrus product to the customer to ensure the optimum sales but also the best possible profit margin?**

The price at which the product is sold is critical. This is because a high proportion of the costs involved in producing and packing fresh citrus for a particular market are fixed. Distribution costs vary depending on who does it and where the market is located. Profit is highly dependant on price earned on the market.

It has been said that the market price is the market price – take it or leave it. This is indeed the case in well-supplied markets where large volumes of product are moved at discount prices. In this case the retailer is able to exercise pressure on the supplier. In other cases, where the supplier or grower, has a product that is generally in short supply or is particularly desired by the market, he has more bargaining power and is in a position to more easily influence the selling price in his favour.

When fruit of a particular variety or specification is in abundance, it is more difficult for the grower to negotiate any form of advanced payment or minimum guaranteed price with the buyer or his export agent. Under such circumstances, the grower may be forced to send his fruit to the market and hope for the best. This is called selling on consignment.

Before deciding what price to ask, the grower should have in mind some kind of pricing strategy. For example, he might decide to work on a cost-plus basis, whereby he simply calculates his costs and adds a desired profit margin. The grower might otherwise decide to try to penetrate a particular market by going in at a specifically low price. On the other hand, he may go in at a high price and skim the market for a short period while competitive product is absent.

Whatever pricing strategy is followed, price is a critical aspect of the marketing mix.

5. Promotion

Facilitator Tip

The word "sale" is often all that learners think of when considering promotion. Ensure that learners also explore and understand other factors of promotion. Sometimes it helps to relate examples to main stream brands, such as Coca Cola. Include examples of promotional material such as branded posters and merchandise.

The critical question that must be asked with regard to promotion is: **How can I promote my product so that my target market knows what a wonderful product I have available?**

Promotion refers in essence to communication with the customer. In its simplest form, it means **message sent, message received and message acted upon**. If the product has been produced with the needs and desires of the customers in mind, the communication necessary for getting customers to buy it is through the message used to reach them.

Promotion includes all the advertising and selling efforts of the marketing plan. Goal setting is important in developing a promotional campaign. The ultimate goal is to influence buyer behaviour, and therefore the desired behaviour must be well-defined. Different products require different promotional efforts to achieve different objectives.

For example, if the intention is merely to make the market aware of your product, the promotional mission will be to inform the market about the product and to communicate a 'need' message. If the intention is to generate interest in the product, a compelling message is required with the idea of solving a need. If the intention is to generate loyalty, the message should reinforce the brand or image with special promotions.

Whether the idea is to pull buyers to a sales outlet or to push a retailer to stock and sell, there are five general categories of promotional effort, being:

- Advertising;
- Personal selling;
- Sales promotion;
- Public relations;

- Publicity; and
- Direct selling

There are many techniques for implementing promotional efforts. In the case of promoting the sale of fresh citrus, much depends on the specific market and market segment, and on whether the promotional campaign is generic to a fruit type and grower community, or highly specific and applicable only to fruit of a particular cultivar from a particular grower at a particular time. Promotions may also take the form of general media messages, or so-called above-the-line promotions, or price discounts and in-store promotions, referred to as below-the-line.

Promotions are communication tools. Which, how and when these tools are used depend on specific circumstances.

6. People

Facilitator Tip

An interesting discussion point is "who is required to get the product marketed?" Encourage learners to identify as many role players as possible and not merely think of the marketing team.

The critical question that must be asked with regard to people is: **Who do I need and how do I need to manage my workforce to achieve the requirements of the market?**

Neither efficient production nor any of the above components of the marketing mix can be achieved without a productive and motivated workforce.

True motivation only comes from the job itself. What is important is the level of empowerment and responsibility delegated with the job, the challenge and recognition associated with the job, and the potential to grow and learn in the job.

These are the things that make employees go the extra mile, and the way in which these elements are managed is the key to unlocking the real potential of your people.

Facilitator Tip

Summary

This is an opportunity to check the progress that learners have made.

Allow time for the learners to read through the summary and to gauge their own progress. Make sure that each and every learner gets and opportunity to ask questions.

Summary

Chapter 2

- The marketing mix is the controllable part of a marketing plan.
- The marketing mix refers to the five Ps of marketing, being:
  - Product

- Place
- Price
- Promotion
- People

- **Product:** What is the product that my target market wants?
- Product is differentiated not only by the characteristics of the product itself, such as external and internal quality, shelf-life, seediness, size and maturity time, but also by factors such as production practices and packaging.
- **Place:** Where does my target market want this product? / How am I going to get my product to the target market?
- **Price:** At what price can I sell my citrus product to the customer to ensure the optimum sales but also the best possible profit margin?
- The price at which a product is sold is the most essential factor in profitability.
- Price is generally determined by the market, except where the specific product is in short supply and high demand.
- **Promotion:** How can I promote my product so that my target market knows what a wonderful product I have available?
- Promotion is in essence communication with the customer.
- There are five categories of promotional effort, being advertising, personal selling, sales promotion, public relations, publicity, and direct selling.
- **People:** Who do I need and how do I need to manage my workforce to achieve the requirements of the market?

Practical

Complete activities 4, 5 and 6 in the **Learner Workbook**.

Facilitator Tip

Activity 4 – Research and Discover

Allow time for learners to conduct research for completion of this activity via literature, internet or discussions with an expert. Encourage "own words" and "own interpretations".

Timeframe: 1h 30min

Activity 5 – Group Activity

Let groups break away and explore concepts around "marketing mix" and important considerations within the marketing mix.

Timeframe: 30min

Activity 6 – Worksheet

Encourage learners to answer this worksheet based on their own interpretation and experience.

Timeframe: 30min

Chapter 3

After completing this chapter, the learner will be able to:

Take limited and shared responsibility for the marketing budget

Timeframe

You have to complete this section as follows:

Total time	***Theory***	***Practical***
4h 45min	2h	2h 45min activities

1. Introduction

Effective marketing of a citrus product starts with identifying a marketing objective, such as to generate a specific targeted income from sales of fruit into certain markets, and a plan of how this will be achieved through, for example, promotion of the product, advertising and public relations.

Marketing objectives should not be set until all relevant information on the product, the market and the consumer is available. Consumer behaviour and motivation must be thoroughly assessed, particularly that of the company's target group of customers.

Once marketing objectives has been set, an **implementation plan** is developed. The marketing plan should have promotion of the product as an integral part. It must then be decided what basic message is to be delivered, to what audience and with what intended effects. Factors to be taken into account when determining how to go about implementing such a promotional action would include:

- The content and presentation of the media campaign
- The most appropriate media
- The frequency of display of promotional material
- The type and extent of in-store promotions
- The best methods of evaluating the effects of the promotion
- The estimated cost of the campaign

Once the decision has been taken on what needs to be done and how, the **marketing budget** can be developed. The marketing budget tells us what it will cost to finance the marketing plan and how and when the money will be spent. The marketing budget indicates the affordability of the plan and how its execution will impact on monthly cash-flow.

The marketing budget can therefore indicate how the marketing plan measures up to selected benchmarks and whether the plan can be carried out as designed, or whether is has to be modified or trimmed in some way.

The marketing budget provides vital information for decision-making regarding the wisdom of committing funds to such issues as promotion, advertising and public relations.

2. Components of the Marketing Budget

Facilitator Tip

Revise the concept of budgeting and why it is necessary. Ensure that learners understand the need for a marketing budget and how this is compiled and executed. Allow learners to discuss and make a list of items that should be budgeted for.

The marketing budget is a cost centre, meaning that it generates no income of its own and its costs are covered by the company as one of its overheads. It is common to talk about marketing costs as being either **above-the-line** or **below-the-line**. The marketing communications mix is made up of personal selling, a range of conventional advertising media, and a range of non-media communication tools. The conventional media tools, which include renting space on television, in newspapers, on posters, and on radio, are referred to as above-the-line promotional techniques.

Other marketing communications techniques, such as sales promotions, in-store discounts, promotional sponsorship, and exhibitions do not involve buying space or airtime in conventional media. These techniques are referred to as below-the-line techniques. Marketing communications, in the form of above- and below-the-line promotions, lies at the very heart of any marketing plan and budget.

We can now see that the components of the marketing budget are items such as:

- ***Above-the-Line Promotions*** – Outsourced media contracts, sub-divided into various components such as written media, radio and television

- ***Below-the-Line Promotions*** – The costs of in-store discounts, taste panels, display counters, barker cards, other in-store printed material, etc.

In addition, costs related to marketing include:

- Market research;
- Communication costs, subdivided into printing, telephone, fax, internet, etc.;
- Travel costs, including local and overseas travel, vehicle and flight costs;
- Personnel costs, for staff-time dedicated to marketing; and
- A host of smaller cost allocations if necessary

3. Short-, Medium- and Long-Term Budgets

Facilitator Tip

Alert learners to the difference between short-, medium- and long-term budgets and their application. Allow learners and opportunity to list and discuss examples from their own experience of each type of budget (short-, medium- and long-term), and then relate their examples back to the citrus producer's perspective.

Creating awareness of and loyalty to a brand or trade name takes time. Confidence in the product is normally built-up over a period of several years, and provision has to be made in the marketing campaign and budget for ongoing activities of various kinds.

When an investment has been made in establishing a product in the market, it is unwise not to continue bringing its attributes to the notice of potential buyers. The ongoing promotion of the Coca-Cola brand is a good example. It is necessary therefore to make provision in citrus market planning and thus budgeting for a portion of the activities and costs to be of a long-term nature.

Other costs and activities are of a medium- and short-term nature. Most often such plans and the resultant costs will be governed by the current state of the market and its perceived response to below-the-line promotional activities.

4. Monitoring the Budget

Facilitator Tip

To explain budget monitoring, allow learner groups an opportunity to discuss and draw conclusions surrounding the question "What is the use of a budget if no one checks up on it or uses it?". Summarise every group's conclusion and relate it back to citrus marketing and budget monitoring on commercial scale.

Budgets are only as good as the management support they are given. It is no use having a budget unless there is an ongoing comparison of actual expenditure against the budget.

It is common practice for budget reviews to be conducted quarterly, particularly for those items with recurring and relatively small-scale costs, such as communication and travelling expenses. The commissioning of activities that involve large-scale once-off costs, such as using out-sourced advertising contractors, usually requires special approval where it is confirmed that provision has in fact been made for that level of expenditure.

Monitoring of budget is usually the responsibility of the marketing manager or, in a smaller concern, that of the owner of the business.

5. Keeping Abreast of the Needs of the Market

Facilitator Tip

Explore the meaning of the work "flexibility" in terms of marketing and budgeting related to marketing. Ensure that learners understand the need for flexibility during marketing. Allow learners to conclude limitations and extent of flexibility by exploring different scenarios related to marketing and budgeting.

Consumer analysis is the first step of the marketing process. It needs to answer such questions as:

- Who needs us and our citrus product today?
- Who is buying and who is using the product?
- What is the buying process?

The market is constantly changing and adapting. Consumer preference and buying patterns change in synch with changes in disposable income, the introduction of new products, and so on. It is therefore important to regularly monitor consumer and general market preferences. This is done through desk research and, if necessary, through consumer surveys.

Facilitator Tip

Summary

This is an opportunity to check the progress that learners have made.

Allow time for the learners to read through the summary and to gauge their own progress. Make sure that each and every learner gets and opportunity to ask questions.

Summary

Chapter 3

- Once the marketing plan has been developed, the marketing budget for promotional activities can be developed.
- The marketing budget indicates the impact that promotional activities will have on the monthly cash-flow, and whether the promotional plan can be implemented as it is or whether it needs to be changed because it is too expensive.
- The marketing budget is a cost centre, meaning that it does not generate income.
- Above-the-line marketing techniques refer to the use of conventional mass-media tools.
- Below-the-line marketing techniques refer to more direct, personal marketing, such as in-store promotions and sponsorships.
- Above-the-line and below-the-line marketing forms the integral part of the marketing budget, which also includes the cost of market research, communication, travel, and personnel.
- The marketing budget includes short-, medium- and long-term costs that allow for the ongoing promotion of the product.
- Budgeted marketing expenditure must be compared to actual expenditure on an ongoing basis.
- Changes in the preferences and buying patterns of consumers must be monitored on an ongoing basis.

Practical

Complete activities 7, 8 and 9 in the **Learner Workbook**.

Facilitator Tip

Activity 7 – Group Discussion

Allow for group discussions about the necessity and composition of a marketing budget and then have groups give feedback regarding their conclusions as well as give feedback to other groups.

Timeframe: 1h

Activity 8 – Group Project Encourage learners to approach this activity with all the knowledge and skill that they have gained so far and to be alert to different group members' opinion and approach. **Timeframe:** 1h
Activity 9 – Worksheet Encourage learners to test their own progress through answering this worksheet individually and in their own words. **Timeframe:** 45min

Chapter 4

After completing this chapter, the learner will be able to:

Have an awareness and understanding of the importance of effective distribution channels for a specific agricultural commodity

Timeframe

You have to complete this section as follows:

Total time	***Theory***	***Practical***
3h 30min	2h	1h 30min activities

1. Selecting a Distribution Channel

Facilitator Tip

Explore the different distribution channels and their advantages and disadvantages with the learners. Look out for learners who struggle with identifying distribution channels. Learners can also do some research and deliver their findings as a presentation for the rest of the class. It might be of value to give different groups different markets to research for their presentation.

For fresh citrus specifically, the distribution channel refers to the way and means by which fruit is moved from the packhouse to the market, which depends on where the market is located in relation to the packhouse, and on the requirements of the market. Commonly used distribution channels include wholesalers, distributors, sales representatives, sales forces and retailers.

The requirement of the market for the manner in which fruit is packed plays an important role in the choice of distribution channel.

Fruit destined for the local wholesale market is usually packed either into jute or plastic pockets, usually in 10kg or 5kg units, or into 15kg cartons. Cartons are stacked onto wooden pallets, referred to as palletisation, and transported by road or rail. Pockets are either stacked directly into trucks or palletised for the journey to the market. Informal traders who fetch fruit directly from the packhouse in their own vehicles may load fruit loose into their vehicles or prefer the fruit to be in pockets or even in cartons.

Fruit for export is packed into cartons, most commonly 15kg, with dimensions that are configured for palletisation. Stacked pallets are either loaded onto vehicles or rail trucks, or into shipping containers at the packhouse.

We can now see that there are many different forms and ways in which fresh citrus products leave the packhouse for their journey to the market.

The grower or packhouse decide which markets to serve, ensure that the packaging form is aligned with market requirements and is cost effectively utilised. The grower or packhouse then decide, alone or in consultation with the market agent or exporting company, how the product will be transported to the market or port terminal.

In the case of exports, decisions also have to be taken about which logistics service provider and shipping company to use. The cost of transporting the product to the markets of choice in good condition depends on the efficiency and capability of the agencies used.

Deciding on which logistics service provider in the distribution channel to use depends on:

- The ability to provide the desired service
- The reputation of the service
- The cost of the service

2. Transport Modes

Facilitator Tip

An interesting method of facilitation is to allow learners to role play organising transport. Have some individuals role play being the transportation mode (i.e. "I am a truck"…) and to identify the advantages, disadvantages and difficulties posed by the transportation modes.

The choice of distribution mode has cost implications and therefore has an influence on the distribution budget.

The citrus producer or citrus packer has to decide which mode of transport to use to convey the packed product to the market. Cost is the main consideration in making this decision, but not the only one. Other factors include the practicality, reliability, reputation, and general standard of service delivery associated with the different modes of transport and transport contractors.

Export citrus fruit has to be transported from packhouse to a local depot or port, from there to an overseas port, and from the overseas port to an overseas depot or market. Different modes of transport are in most cases used for the different sectors of this journey.

The inland part of the transport leg can be completed by road or rail, or a combination of the two, depending largely on where the packhouse is located. Almost all cooperative packhouses and some independently run packhouses are located on rail sidings, in which case rail transport is the logical option. However, in many instances, poor rail services, as a result of unreliable capacity, time delays and uncompetitive tariffs, have resulted in road transport being more attractive. Ultimately, market forces will determine what mode of transport is used.

Before the 1980s, a high proportion of citrus was transported from the interior of the country by rail. Today the situation is very different, with a much higher proportion being transported by road, simply as a result of competitive rates and service delivery requirements driving producer decisions.

Sea freight accounts for virtually 100% of the transport mode used to convey citrus from South Africa to its various export markets. This is even the case with African markets other than those with borders close to South Africa.

On rare occasions air freight is used for exports, but this is usually early in the season of a popular cultivar, for example seedless mandarins, when a producer and his export agent decide to be the first on a poorly supplied market. Under such circumstances, market prices may for a short period of a few days justify the very high cost of air freight.

On arrival at overseas ports, the palletised citrus is conveyed most often by road transport to depots or directly to retailers in the case of supermarkets.

In the case of locally marketed fresh citrus, depending on the quantities of fruit involved, the proximity of rail stations, the location and nature of the market to which the fruit is being sent, and the price quoted, either road or rail is used. Since relatively small volumes of fruit are sent by any single producer to any specific market, road is the most commonly used transport mode.

3. Cooperative Marketing and Distribution

Facilitator Tip

All learners might not have heard of cooperative systems before. Ensure that you spend sufficient time in explaining the choice of such a system and also explore why the choice would be made in favour of this system or not.

A citrus cooperative is an organisation comprising a number of individual growers as its members. A cooperative is formed to benefit from the economies of scale that their collective supply and marketing of product can achieve. This benefit can take various forms, most of which relate to the increased bargaining power that large volumes of products can achieve over smaller, fragmented volumes.

In terms of the marketing and distribution of citrus, the cooperative has certain features that make it either attractive or unsuitable as a structure for individual growers to use.

The members of a citrus cooperative usually comprise a number of individual growers located within a radius of some 50 kilometres from a central packhouse. These growers will often have between them a spread of cultivars grown under different conditions in different microclimates. As a group the producers can offer the market sustained volumes of a range of cultivars over an extended period.

The cooperative bears the brand name of the fruit it packs and markets. To some individual producers, especially larger producers, this arrangement may not be ideal, as the individuality of the producer and the quality of his specific fruit can be lost in the larger volumes of the cooperative.

The management of the cooperative negotiates with distribution service providers and evaluates market segment options on behalf of its members. Armed with the supply volumes of its members, the cooperative is able to negotiate from a position of strength and is usually able to conclude favourable contracts with export agents and importers.

One factor that can weaken the cooperative's bargaining power is the potential variability of the quality of fruit emanating from its range of producers. All cooperatives have strict quality management systems in place, but quality variation is an inherent risk in a system where fruit is supplied from many individual producers.

4. Distribution Channel Budget

Facilitator Tip

By now learners should be comfortable with the concept of a budget. Alert learners to the need for budgets in terms of distribution channels.

Most costs associated with the production and packing of citrus are fixed. Variable costs that growers and packhouses do have some control over include agro-chemicals, communications, labour, and product distribution costs.

Since there are various distribution options and logistics service providers from which to choose, costs can be saved in this area. It is therefore important to compare prices for the various stages of the distribution chain and use this information to create a distribution channel budget.

The distribution budget serves as the financial expression of the distribution plan and in its formative stages is a useful tool for comparing different options.

5. Monitoring Distribution Channels

Facilitator Tip

Emphasise the monitoring of distribution channels by posing the question "What happens if we do not check up on the distribution channel?" or "What happens if we do not follow up with the distribution channel?".

It is important for the grower or packhouse to enter into a contract or service-level agreement with the chosen transport and logistics service provider. In this agreement, the required service delivery standards should be clearly described.

The actual service delivery is measured and monitored against this agreement, and payments are made accordingly.

To ensure ongoing compliance by the service provider, it is important to maintain short interval control so that service delivery problems can immediately be brought to the attention of the service provider and appropriate action taken.

6. Monitoring the Productivity of Transport Providers and Distributors

Facilitator Tip

Ensure that learners understand the concept of productivity and how it influences successful marketing of the product, especially in terms of productivity of the transportation and distribution of the product. Learners can easily relate to frustrations when encountering an out-of-stock product or when they cannot get to a specific store offering a specific product.

The most obvious way of measuring the efficiency of transport and distribution contactors involved in the citrus supply chain relates to the final condition and quality of the product they have been responsible for conveying.

Citrus is a perishable product with a limited shelf-life. Once the fruit has been produced, harvested and packed, time and temperature become the crucial parameters determining its quality and condition during and after the transport and distribution process.

In citrus, the retention of rind integrity and the development of fungal diseases that lead to waste are strongly influenced by postharvest time and temperature regimes. It therefore follows that the standard of service provided by transport contractors can have a significant effect on the quality and condition of fruit reaching the market. Their efficiency can as a result be measured by their ability to meet the prescribed time and temperature protocols for the consignments of fruit they convey.

The time it takes to transport fruit from the furthest production areas to their natural ports is usually not more than three days. Since most citrus is transported during the cooler autumn and winter months, and because of the high cost of refrigerated transport, citrus is generally not refrigerated while being transported from the interior of the country by rail or road. The key requirement for contractors is therefore to meet the time protocol. It is also important that the palletised load is properly positioned and secured, and that the rail truck or road vehicle be fit to be used for this purpose. The latter requirements are laid down in formal contract documents.

Once at the port or depot, the fruit is held under refrigeration until it is loaded on board a vessel for shipment by sea to the export market. Shipping service providers are required to meet the protocol requirements as stipulated in the contracts. Digital time and temperature monitors located in the port cold stores and vessel decks store all the relevant information required to determine adherence to protocols. These can be read at any time during the voyage and are used as a basis for claiming losses arising from protocol deviations.

Monitoring the efficiency of transport and distribution service providers is essential. There are costs associated with the monitoring process and there are costs involved in losses due to protocol deviations. The performance of the service providers impacts on the bottom line and therefore must be budgeted for. Typical budget items for this would be ***Losses Due To Protocol Deviation*** and ***Payments Received for Losses Claimed***.

Summary

This is an opportunity to check the progress that learners have made.

Allow time for the learners to read through the summary and to gauge their own progress. Make sure that each and every learner gets and opportunity to ask questions.

Chapter 4

- For citrus, distribution channels refer to how citrus is moved from packhouse to market.
- The choice of distribution channel depends on the market location and the requirements of the market, particularly with regard to packaging.
- Logistics service providers and shipping agents are used to distribute export fruit. The choice of service and service provider depends on the ability to deliver the desired service, the reputation of the service and provider, and the cost of the service.
- The choice of transport mode is made mainly on the grounds of cost, but also on the grounds of practicality, reliability, reputation, and the general standard of service delivery.
- Various modes of transport such as road transport, rail transport and shipping, are used for different legs of the distribution channel.
- A cooperative is an organisation that comprises a number of individual growers.
- The advantages of cooperative marketing and distribution include increased bargaining power because of larger volumes and the ability to supply the market with a wider range of cultivars over an extended period.
- A factor that makes cooperatives unattractive to certain growers is the loss of individual branding, while the variability in quality from different growers may weaken the cooperative's

quality image.

- Growers and packhouses can exercise control over distribution costs.
- A distribution budget is useful for comparing the costs of various distribution options.
- The performance of service providers is measured against service-level agreements.
- The efficiency of transport and distribution contractors can be measured against the condition of the product on arrival at its destination, and whether the product was delivered within the agreed timeframe.
- Losses that are incurred as a result of protocol deviations may be claimed back from the contractor.

Practical

Complete activity 10 in the **Learner Workbook**.

Facilitator Tip

Activity 10 – Group Activity

Encourage learners to be creative and use colour in their posters. Encourage learners to approach this activity from the perspective of someone who wishes to distribute a product as a business owner and who wishes to do it for maximum gain in terms of product image and profit.

Timeframe: 1h 30min

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