



## APPLICATION OF MARKETING APPROACHES TO THE SEED MARKETING IN BANGLADESH: A STUDY ON DINAJPUR DISTRICT

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### ABSTRACT

This paper is based on both primary and secondary data following the qualitative research technique. It analyzed the marketing approaches applied to the seed marketing in Dinajpur District of Bangladesh, especially the four p's of marketing like product, price, place and promotion as well as the important individual decisions such as product's attributes, branding, packaging and support service for the seed. The study was undertaken to investigate the marketing techniques of seed used in private sector as well as public sector in 13 Upozilas of Dinajpur District in Bangladesh. It was conducted on four crops like rice, maize, jute and vegetables growing villages in 13 Upozilas of Dinajpur district in Bangladesh. It was found that more than 80% seed supplied by the farmers themselves, 12% supplied by the private enterprise and rest supplied by the government organization like BADC. The price of farmer's seed is fixed up by the market forces through the condition of supply and demand and the very infrequent as well as unattractive advertising applied to inform the users of seed are observed in this study. People in the study area are less conscious to apply the modern cultivate system to plant as well as to preserve the seed.

**Key words:** Application, individual decision, marketing approaches, seed

### INTRODUCTION

Bangladesh is an agri base country has low land and most of the people involve in agricultural activities. Bangladesh is one of the less developed countries in the World, with a per capita income of about \$700 in 2010. Although the relative contribution of agriculture to GDP has fallen over time (currently 21%) the absolute contribution is still on the rise. In terms of employment, agriculture still remains to be the largest source. The economy of Bangladesh is primarily dependent on agriculture in terms of employment. About 85% of the populations are directly or indirectly attached with agriculture. It is evident that without an efficient agricultural marketing system no program for raising production can sustain. So institution of marketing reforms is necessary. Without efficient marketing no production can create much value. Agricultural marketing involves moving an agricultural product from the farm to the consumer. Large number inter-connected activities are: planning, production, growing and harvesting, grading, packaging, transport, storage distribution and sale (Sultana 2012). Agricultural

productivity depends to a great extent on the use of quality seeds. All other inputs like fertilizers, pesticides and improved implements will go for naught unless accompanied by improved quality seeds. Large yield depends on a large extent on suitable varieties of seeds which are capable of producing higher yields, provides other associated factors are available in proper combination. Improved varieties of seeds are one of the most important components of strategic inputs. A good marketing system is very important to ensure supply of seed to the farmers in time (Sultana, 2005). Of all the inputs, quality seed plays the most important role and other inputs such as fertilizer, pesticide, and irrigation water cannot contribute to increased productivity and production of crops unless farmers plant quality seed (Portal *et al.* 2013). The involvement of private companies in rice seed supply is quite low (<5%), which might be due to low profit margin and high fluctuation of rice seed demand in the market. Almekinders *et al.* (1994) and Lalet *et al.* (2009). The demands on the seed systems that link plant breeding with farmers are increasing dramatically, as farmers become more aware of the

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advantages of improved varieties and quality planting materials and turn to the market for seed (Lynamm2010). None can live without food while plants are the sources of food. Again seed is required to produce the plants for crops. In addition, production of crops is not enough unless it is made available to the customer. Perfect marketing approaches are required to accomplish the seed marketing system. As a result, it is very relevant and contemporary issue for the agricultural marketer in Bangladesh. This study is cooperated the marketer and farmer as well as the seed producer in our country. It provides the guidelines to do the marketing job for the seed accurately. It mentions the distribution channel through which seed can disburse among the farmers and the stakeholders of the seed marketing system. It Profs, how does the seed reach to the farmers in right time so that it is possible to produce the good crops in right time. That means it has huge impacts to the success of the seed business. Most of the people in our country still now involve with the agricultural activity. They cultivate the land with the traditional way and having low idea about the quality of seed for any particular crops. They also do not know about the supplier of quality seed. As a result, they played less interest to collect the quality seed and grow the plenty of crops. They are less conscious regarding the importance of collection of quality seed due to insufficient information regarding the sources and the distribution of seed. Originally the people of Bangladesh are traditional in nature to accomplish any job. That's why it is very critical to involve the farmers in the systematic marketing approach. Therefore, it is vital to apply the actual marketing approach to make involvement of the stake holders in seed marketing system. This study examine the real marketing approaches applied by the marketers of seed and provide some guidelines so that it is possible to undertake the important marketing decisions by considering any seed sequentially that ultimately brings the result of independence in food and keep the position of holding surplus food production. Fujita and Moazzem (2004) analyzed the marketing system of potato in Bangladesh, especially in economic relations among farmers, traders and cold storage owners and elucidate the structural changes in the rural economy trough a village study. Ray *et al.* (2000) worked on vegetable seed marketing system in some selected area of Bangladesh. It was undertaken to investigate the marketing of vegetable seed in private sector as well as public sector in five

selected areas in Mymensingh district of Bangladesh. Sultana (2012) conducted a study on rice marketing in Bangladesh. From the perspective of villages study at Cox's Bazar district. The paper analyzes the problems and prospects of rice marketing in Bangladesh by way of using secondary data as well as primary data. Both secondary and primary data are indicative of the fact that rice marketing in Bangladesh is marred by a wide range of problems including packaging, transporting, storage, distribution and pricing. Sharmin *et al.* (2011) studied on Economic study on production and marketing of shrimp and prawn seed in Bangladesh. They cited Successful shrimp culture depends mainly on the availability of healthy and quality shrimp seeds. The study was designed to analyze the production and marketing system of shrimp seed in Bangladesh. They considered a total sample of 80 stakeholders comprising each of 20 operators of *bagda* and *goldah* hatcheries, and each of 20 shrimp seed traders and *faria* (*bapari*) were selected purposively. Mou (2012) researched on profitability of flower production and marketing system of Bangladesh. This study examined the production and profitability of some selected flowers in comparison with their competing crops. The study also attempted to identify the value chains and channels of flower marketing in Bangladesh. Khanal and Maharjan (2014) analyzed the factors influencing farmers' behavior in rice seed selling in the market in the Tarai region of Nepal. They cited that the importance of rice in food security and livelihoods of Nepalese people is well recognized but the seed supply system of this crop in the rural areas is poorly developed. To increase farmers' access to a wide range of rice varieties choices in a cost effective way, some farmers, organized in groups or cooperatives, have started producing and marketing rice seed through development projects in recent years. Sharmin *et al.* (2005) did the research on fish seed marketing system in Bangladesh. The study attempted to examine the marketing system of fish seed aiming to determine the channel and marketing profit of market participants. For this study 20 hatchery operators, 80 nurseries, 20 fry traders and 90 pond fish farmers were selected from four districts of Bangladesh. The study revealed that government fish seed farms (GFSFs) produced good quality fish seed and accordingly their cost of production and sales price both were higher compared to private fish seed farms (PFSFs). The objectives of the study are as follows:

1. To assess the marketing approaches for seeds in Dinajpur region of Bangladesh.
2. To know the dealer's conditions to become a dealer of BADC in Bangladesh.
3. To provide the suggestions for improving the seed marketing practices in the context of real marketing approaches.

### MATERIALS AND METHODS

The nature of the study is qualitative. Most of the data collected from the BADC in Dinajpur Region. The study was conducted in four crops like rice, maize, jute and vegetables growing villages in 13 Upozila of Dinajpur district in Bangladesh. There are 255 authorized dealers available in this district. Among them 26 dealers (13X2) dealing all the selected seeds and 65 (13X5) farmers are interviewed to know about their marketing process and involvement. 5 farmers in each Upozila recommended by the dealer are taken as a sample of

the study. Besides, 5 private enterprises regularly supplied the various seeds such as ACI Limited, LalTeer, Syngenta, Gatco Seed Limited, and Advanta are taken as a sample to collect the relevant data in the stated region. Data were collected in April 2016. The following model was applied to justify the main marketing approach used by the seed marketers in Bangladesh.

The model contains five important decisions undertaken by the marketers of seed. Seed attributes indicate the specifications of particular seed that inspire the farmers to purchase the seed. Branding means the particular name, term, symbol or any graphic design, sign etc. that identify the seed of particular company. Packing means the rapping of seed that hold the seed for its safety and protection. Labeling means some relevant important information mentioned in the package about the seed or particular company and support service is valuable suggestions and recommendation or guidelines to cultivate and preserve the seed.

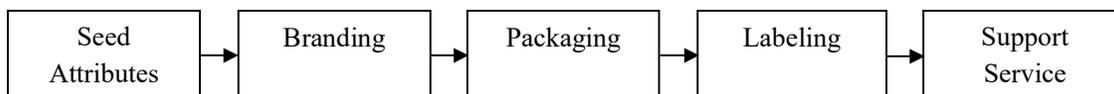


Figure 1. Model of Individual Seed Marketing Decisions

### RESULTS AND DISCUSSION

Seed as a Product: Seed itself is a product offers to market for satisfying the farmer's need. It is agricultural product and quality is controlled by the nature. It is also controlled by storing and packaging system Its shape, size, design, color as well as overall structure influence the farmers to purchase a particular seed. The main quality of the seed depends on the weather and climate as well as the quality of soil. Grading and standardization approaches are used to category the seed. Seed Processing Center (SPC) of BADC processed the quality of seed. The maximum use of seed technology is found in seed processing activities particularly in case of cereal seeds. With the progress of science and technology there has been a remarkable change in the backdated agricultural practices and seed processing activities. From modern to ultramodern technology, updated seed technological equipments and machineries are being used in the newly emerged seed industry. Different activities of seed processing like Seed receipt, Purity test, Seed moisture test, Germination test, Pre-cleaning, Cleaning, Grading, Drying, Fumigation, Seed treatment, Packaging, delivery etc. in the seed processing centre is done on a regular basis . All these activities collectively called seed processing.

Pricing of Seed: Price means cost of seed, farmers required to get the seed. The price of the seed is determined by the market forces as the condition of supply and demand. If the all the mechanism are positive and supporting, the supply of seed increase and it's over all price decrease. Price has different meanings for different groups of people: to the buyer price is a cost which is used as a measure of value; the buyer evaluates one variety or source of seed against the alternatives; to the seller price is revenue and therefore a key element in the marketing mix; setting the right price is an important tactical decision and is a key factor influencing revenue and profit. The importance of price varies from one market to another and between different segments in the same market. For example, non hybrid seed, which the farmer can save, will be more price sensitive than hybrid seed. Price will be a more critical factor in marginal farming areas, where spending power is low, but less important where high yields can be obtained and farm produce can be sold profitably. Providing the benefits of the seed are understood, it is other factors, such as the availability of fertilizer and confidence in the produce market, rather than price that dominate the farmer's decision to purchase. The manager responsible for pricing a product must know how much more will be sold if the price is lowered and, conversely how much less

will be sold if the price is increased. There is obviously a limit to what the farmer will pay as well as a limit to demand however low the price is set (unless seed is used for human consumption). As prices increase the point is reached where substitutes to bought seed, such as farm saved seed, may be used or the farmer may choose to plant a different crop. Price can be one of the most effective marketing tools available to a company. Pricing strategies for a product or product line should be established on the basis of reaching short and long-term marketing objectives such as selling a certain quantity, achieving a certain market share or making a given margin over costs. However, prices are often set without taking into account the actual cost of production and the effect which that may have on the competitive position of a product or product range. Cost is the major factor in any discussion about price. Thus the costs involved in putting a bag of seed on the farm must be recorded, analyzed and known to management. These costs will include the cost of the processed and packaged seed and the marketing costs associated with selling and distribution.

**Distribution System of Seed:** Marketing channel or intermediaries are involved to make the seed available from the producer of seed to farmer. Basically more than 80% seed is managed by the farmers own sources or production filed (BADC, 2016). Rest 20% is supplied the others suppliers. The following way seed is distributed to the farmers.

Seed supplied from the four sources like Government Organization, BADC or others, private initiatives, importer as well as farmer himself or herself. Farmers can collect the seed directly from these sources or from the dealers of those sources or from the retailers. Again dealers can sell the seed through the retailers. Moreover, one farmer collects seed from another farmer. In this way seed is distributed among the users of seed in Bangladesh.

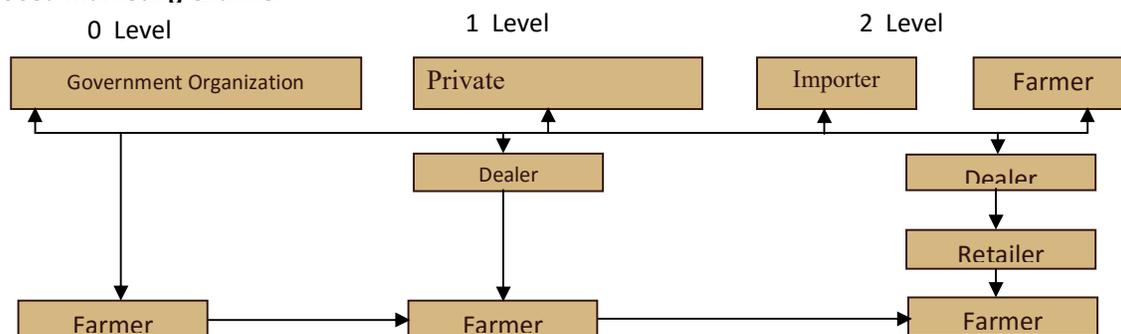
**Seed dealer conditions:** According to the seed rules-1998 the seed dealer is mandatory to maintain the following conditions during selling the seed.

1. Dealers can not distribute exchange, store or sell the seed after the expiring of date mentioned on the package of seed.
2. He/ she are not allowed to change the mark or level of any seed on the package.
3. It is needed to keep up the entire information about sold seed up to at least two years so that it is possible to easily investigate and identify the certified tag level and maintain the sample of the seed.
4. Seed dealer could not sell the seed of other registered dealer's trademark or level seed
5. If any seed investigator wants to collect sample or manage information for post control operation and suggestion through the power achieved by the certified agency the dealers have to cooperate to do this.

**Promotion of Seed:** All promotional activities involve sending messages to the distributors and consumers in order to inform them about a company's products and help them to make their decision to buy a particular variety or brand of seed. The farmers of Bangladesh have certain characteristics like they have low purchasing power coupled with a low rate of return from farming, they are generally conservative and therefore are slow to adapt new products. They are low informed about the variety of seeds and collection of new brand. They often lack mobility and means to transport seeds. There are very limited promotional campaigns arranged for promoting the seed. Bangladesh Radio arranged the program krishibarta to inform the overall information about the agriculture to the farmers. Private organizations did not prepare so attractive advertising for particular seed and broadcast any electronic medias. They emphasized on the preparation of packaging and on that designed attractive color and messages and picture of good crops as well as nice background.

Five important decisions should be undertaken sequentially for marketing the seed successfully. Firstly, it needs to focus the main attributes of seed then branding the seed for recognizing the particular company and gradually packaging, labeling and fix up the support service. The right side mentioned the main contents required to consider for taking these decisions. These decisions are crucial for marketing any seed but the contents of decisions depend on the nature of seed.

### Seed Marketing Channel



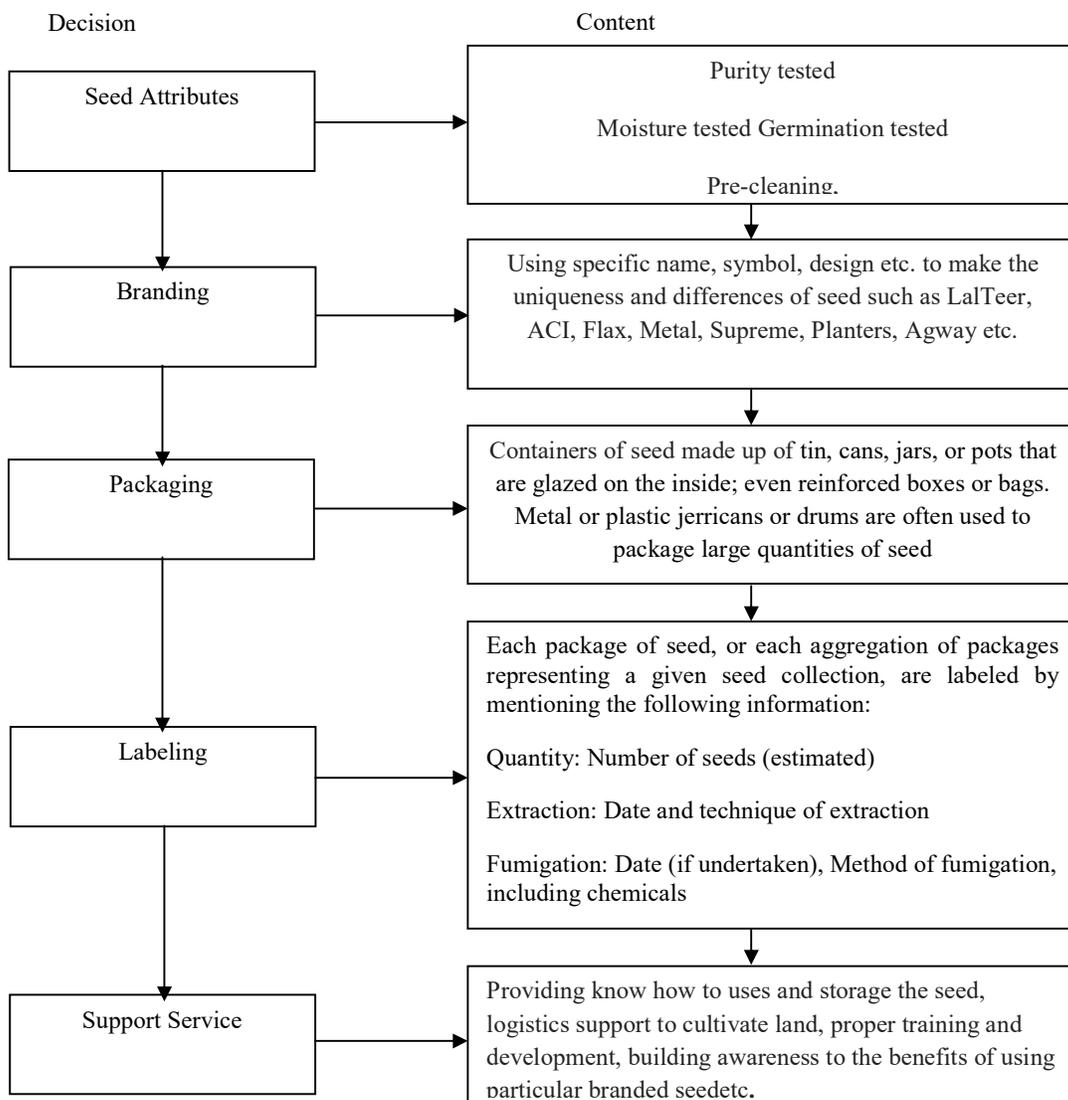


Figure 2. Major Decisions undertaken for Seed Marketing

## CONCLUSION

Generally traders are involved to the supply of seed to the farmers believed that the marketing is nothing but distributing the seed to the users in right time. They believe success of business depends on the proper allocation of seed from the producers to the users of seed. They perceived in this way due to the lack of right knowledge in marketing. Most of the seed supplied in the country by the farmers them self without applying any marketing approaches and only 15% to 20% seed supplied by the private enterprise following the proper marketing strategy. As a result, farmers are not show interest to use the right quality of seed for the growth of crops. Therefore, if it is possible to apply the proper marketing techniques and make the more involvement of the farmers then they will be awarded to use the quality seed and ultimately

opportunity to produce the quality crops. Some important marketing decisions are mentioned for the seed marketers such as selecting the main attributes of seed, branding the particular seed, packaging the seed, labeling for important information and the support service. Basically, marketing strategy consists of product, price, place and promotion applied to achieve the main goal of marketing. Improved marketing decisions related to the perfect decisions of selection and focus on relevant attributes of seed so that the users can easily differentiate than others. Pricing is the vital factor for marketing. Because all the items of marketing required investment and cost but all the costs covered by the price. As a result, pricing decision is the most urgent and important decision for the seed marketers. Again, price is the most controllable driver in business. Because, the people of Bangladesh is very much price sensitive and

they switched over due to the changing price. As a result, pricing decision should be satisfied to the marketer as well as to the user of seed. In addition, distribution system should be designed as like as the aspired location and time of the seed user. It needs more concentration on the preservation and maintenance of the seed to distribute it to the users. Attractive electronic and print advertising are required to make awareness of the farmers to use the perfect seed for the production of crops. Farmers should be more informed about the amenities of using scientific seed to produce the crops.

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