



1. Defining Market and Conservation Strategy

Hugo Lamers, Trade & Business Development Consultant at Mercadero
Associate Scientist Socio-economics and Marketing, Bioversity International

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Selected target crops



- Apricot
- Grapes
- Lentils
- Sea buckthorn
- Raspberries & blackberries





Objective and expected outputs

Workshop objective and outputs

Objective:

Bring together companies and farmer cooperatives to discuss joint strategy for value chain development of target crops; namely apricot, grapes, lentils, sea buckthorn and raspberry & blackberry

Outputs:

- Link farmers to companies for domestic and export markets
- Identify promising product & market combinations (PMCs)
- Discuss market readiness for the PMCs
- Develop action plans to improve sales and create added value
- Develop conservation plans for 5 target crop diversity



Practical targets for coming 2 days

1. **Make a deal with companies and cooperatives – we help you with trade and sales and you help us with conservation!**
2. Discuss best and immediate trade opportunities for domestic market and export market for 5 target crops
3. Discuss best plan and activities to promote conservation of rare varieties of 5 target crops in the field
4. Discuss market readiness and plan of action for coming months to facilitate trade and improve market linkages



Developing a Marketing Strategy

Cycle of activities to promote minor crops



Ref. Margret Will 2008

Identify market entry points

Four steps to develop market strategy:

1. Formulate promising Product Market Combinations
2. Classify your PMCs using the Ansoff Matrix
3. Identify product specifications and buyer requirements
4. Evaluate your market strategy using the Marketing Mix



Step 1. Identify products and markets

Formulate promising product market combinations (PMCs)

- Step 1: Identify which product format seem most interesting
- Step 2: Identify which market seem most interesting for that particular product format

Examples of product-market combinations (PMCs):

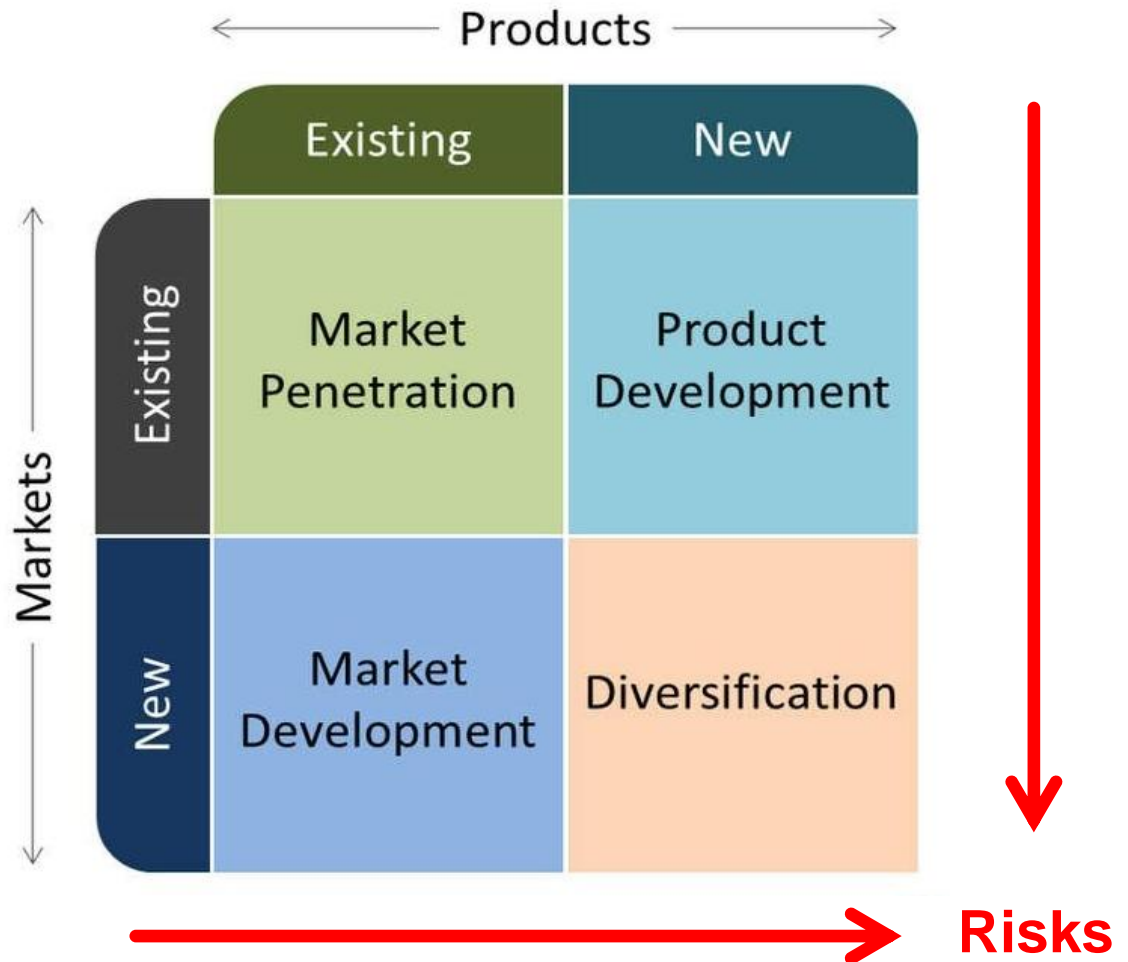
- Fresh apricot for export to Russia
- Raisins for export to EU countries
- Raspberries/blackberries for sales to supermarkets in Yerevan



Step 2. Ansoff matrix – Market strategies

The Market Strategy Grid or Ansoff Matrix is used:

- *When developing a market strategy*
- *When identifying growth opportunities*



Reference: Igor Ansoff 1957

Step 2. Ansoff Matrix - Market strategies

Market penetration

Sell more products to the same buyers and market (fruits are sold to more consumers or strive to increase consumption per head)

Product development

New products or modified products in existing market (improve quality or packaging, develop brand or introduce new fruit species or product for same consumers or existing buyers)

Market development

Sell products in new markets (sell fruits to new geographic region, city or country) or to new type of buyer (such as directly to hotels and supermarkets instead of traders or enter dried fruits sector)

Diversification (innovation)

New products in new markets (target new group of consumers or buyers with a new fruit, product, brand or type of packaging)

Step 3. Identify buyer requirements

Buyer requirements:

- *Certifications like HACCP, GlobalGAP, Food safety, Organic*
- *Packaging formats like 20 kg paper kraft bags (food grade), cartons of 4 kg or 500 grams styro-foam trays wrapped in foil*
- *Traceability of the product (administration and tracking codes)*
- *Palletization of cartons or boxes*
- *Type of transport to use such as reefer by truck or airfreight*
- *Minimum or maximum order quantity (kg or number of cartons)*
- *Seasonal schedule of delivery (daily, weekly, monthly supply)*

Step 3. Identify product specifications

Product specifications:

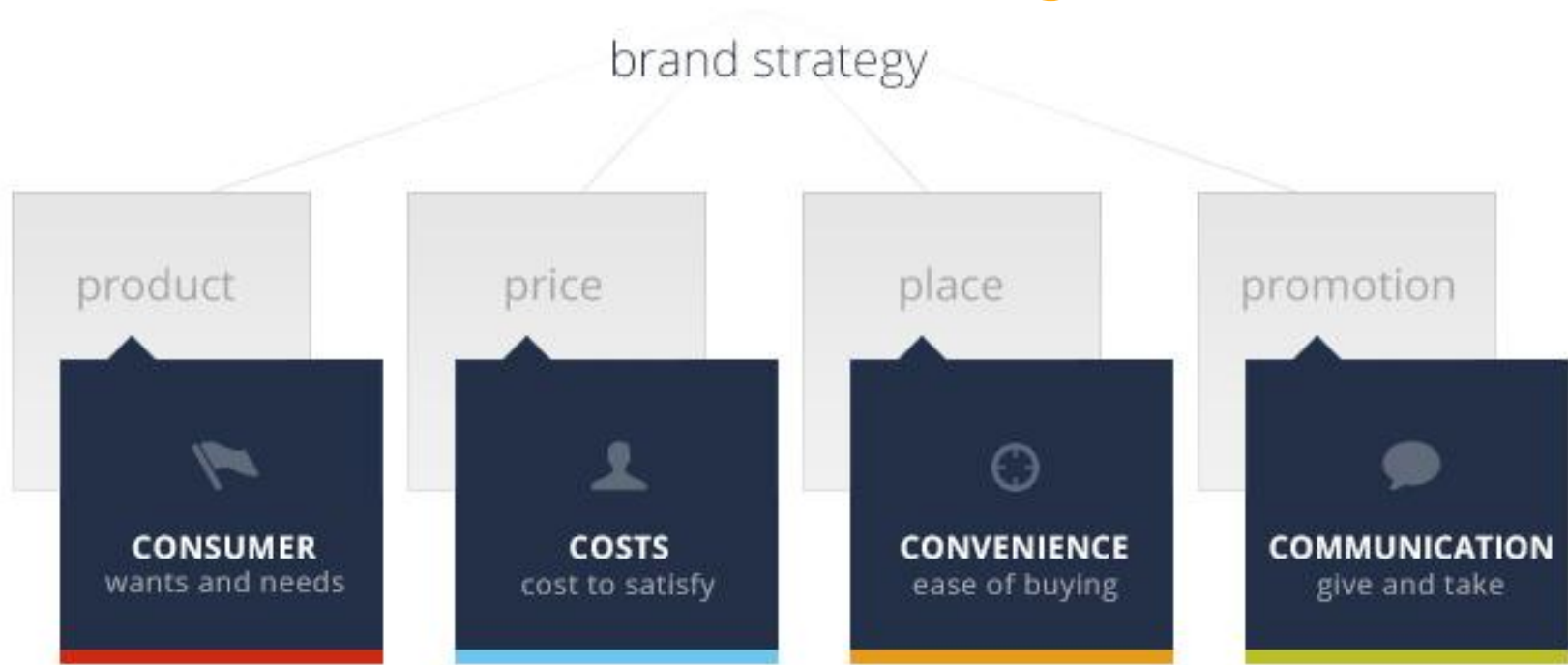
- *Minimum or maximum sugar level (brix)*
- *Size of the fruits, raisins, dried fruits, seeds or nuts*
- *Minimum guaranteed shelf life*
- *Retail label information*
- *Seedless grapes or use of preferred varieties*
- *No skin damages or bruises*
- *Colour or viscosity/thickness of the product*
- *No toxins or mould formation*

Step 4. Evaluate the Marketing Mix



1964 Neil Borden and E. Jerome McCarthy; The concept of the Marketing Mix

Step 4. Evaluate the Marketing Mix



Four Ps	Four Cs
Product	Customer Solution
Price	Customer Cost
Place	Customer Convenience
Promotion	Customer Communication

1990: Bob Lauterborn, professor of advertising at the University of North Carolina

Example of Fresh ginger from Nepal



Example of Ginger from Nepal

PMC: Fresh ginger for supermarkets in Europe

Type of strategy: Nepal only exports fresh ginger to India and recently also to Bangladesh. Thus is existing product for new market – market development strategy.

Buyer requirements & product specifications

- GlobalGAP certification and Phyto sanitation certificate
- Reefer transport by sea
- Maximum 3% fibre
- Packed in cartons of 13.6 kg or 2 kg cartons
- Oil content of minimum 1.5%
- No mould and no blue colour of flesh

Example of Ginger from Nepal

PMC: Fresh ginger for supermarkets in Europe

Product: Nepal ginger has higher oil content and more taste compared with Chinese ginger which is the dominant supplier to EU market. Major direct competitor is Peru who has also higher oil and fibre content and is mostly sold in organic sector.

Place: Send reefer by truck to Kolkata and per sea freight to Rotterdam and sell to wholesalers who supply to organic stores and supermarkets (transport of 30 days). Only problem is mould control during long transport, can explore to apply citric acid or ozone to avoid mould.

Example of Ginger from Nepal

PMC: Fresh ginger for supermarkets in Europe

Price: CIF Rotterdam (major entry in Europe):

- Conventional China origin Euro 1.50-2.20 per kg
- Organic China origin Euro 2.00-2.50 per kg
- Organic Peru origin Euro 2.15-3.00 per kg

Nepal is competitive with Peru prices and can be equal to slightly lower than China according Nepali exporters

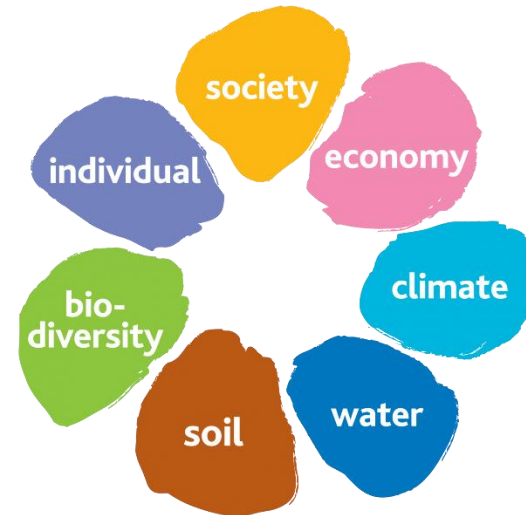
Promotion: Should emphasis that Nepal can supply from Dec-April when competitor Peru is out of supply (Sep-Dec). As most Nepali farmers are practically organic, should go for EUorganic besides GlobalGAP certification. Can promote as fresh product from Himalayan mountains.



where ecology meets economy

Buyer profile

- Headquarters in Waddinxveen, the Netherlands
- One of largest organic tropical fruit & vegetable importers in EU
- Buys ginger from China and Peru (sometimes India) and sells to organic grocery stores and the large supermarkets in Germany (Rewe, Aldi), Scandinavia, France, Netherlands (AH, Ecoplaza)
- Have own sustainability label developed and director is though leader in 'true cost accounting'
- www.eosta.com and www.natureandmore.com



Other fresh buyers in EU:

[ROVEG](#), [BUD Holland](#), [Nature's Pride](#), [ALDI](#), [SPAR](#),
[LIDL](#), [TESCO](#)



Designing crop conservation strategy and action plan

Crop conservation activities (cultivated)

- Reward **custodian farmers** (those who have most varietal or species diversity on their farm) by award, providing them with farm inputs, training, assist with registration of their varieties
- Develop a **crop register** or **catalogue** of all landraces with pictures of fruits, leaves, flowers, the owner and description of unique traits and characteristics and current population size
- Develop a local **diversity** or **conservation garden** where at least one or two plants of each landrace is maintained.
- Establish a farmer or **community seed bank**
- Organize annual **farmer fair** to display crop diversity, exchange seeds/saplings, share knowledge and sell products or promote recipes from unique crops and varieties

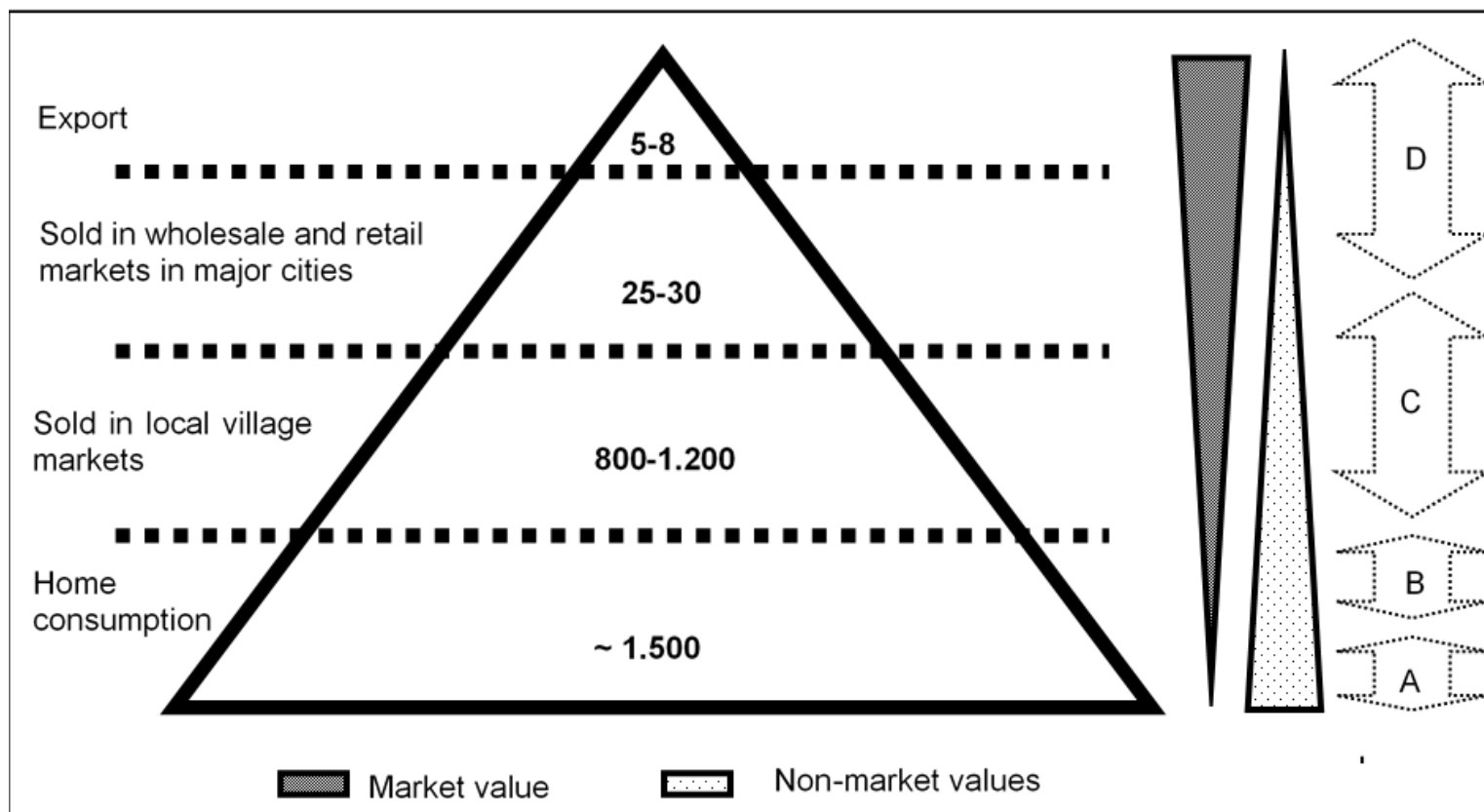


Crop conservation activities (wild collected)

- Promote and enforce sustainable harvesting practices
- Zoning of harvesting areas for (group of) households
- Explore suitability for cultivation and train farmers on cultivation practices
- Protect and maintain regeneration forests or zones where no harvesting is allowed
- Identify custodians, develop catalogue of wild species, establish seed bank for wild species



Value Chain Pyramid



- D High market value targeting distant consumers (sold in major cities and exports)
- C Medium market value targeting nearby consumers (sold in town and village markets)
- B Low market value, but high use value at home (home consumption, risk reduction, soil improvement)
- A Low market value and home use value, but high future (optional) value requiring conservation strategy

Define conservation needs

Levels in Pyramid	List of variety names
Category D	Variety 1
Category C	Variety 2, Variety 3
Category B	Variety 4 Variety 5, Variety 6
Category A	Variety 7, variety 8, Variety 9, Variety 10, Variety 11, Variety 12

List of varieties	Market options and safeguarding needs
Variety 9	Has very good taste and is very suitable for juice making
Variety 5	Is only grown by very few farmers, need to be multiplied in tree nursery
Variety 4	Only 2 trees left but very pest resistant, need to be conserved



Agro-biodiversity friendly certification strategy

When is certification a promising strategy?

- When consumers complain about lack of transparency and being afraid of being misled by products and companies
- When consumers want to be sure certain regulations or practices of their concern are followed (no chemicals)
- When consumers recognize and trust the logo and search for it
- When consumers are willing to pay a premium for this certainty



Results of a study on certification options

- Certification standards and sales of certified products are a new and just recent emerging market segment and requirement in Armenia and Russia and already well established in EU market
- Fairtrade, Fairwild, UTZ, Rainforest Alliance or Union for Ethical BioTrade are not present in Armenia
- Most common certification standard that gets increasing attention in Armenia is organic certification
- Geographic Indication is just emerging in Armenia



Four options for certification

1. Develop a **new label** for agricultural biodiversity-friendly products
2. Convince **existing labels** (ecoglobe, fairwild) to incorporate crop conservation activities into their label standards and protocol
3. **Participatory guarantee system:** Cooperatives and companies agree on set of conservation activities, develop internal monitoring system and finance conservation activities from share/percentage of the profit or turnover
4. **Self-declaration:** Farmers or companies implement crop conservation activities and promote this to buyers and consumers who buy their products. (CSR strategy)



Market information and trade fair participation

Sources of market information

- Centre for the Promotion of Import from developing countries in the Netherlands (www.cbi.eu)
 - Exporting dried lentils grains to Europe
 - Exporting stone fruit to Europe (apricot, peach, nectarines, cherries, plum)
 - Exporting fresh/frozen berries to Europe
 - Exporting fresh table grapes/dried grapes to Europe
 - Exporting superfruit juices to Europe
 - Exporting fruit juices to Europe
 - Exporting wine to UK, Germany, Poland and Netherlands
 - Exporting fruit seed oils to Europe
- International Trade Centre ITC (www.intracen.org)

Visit or participate in trade fairs

- find prospective buyers or meet existing buyers
 - test market receptivity of your products and company
 - gain market information about your competitors, what products and quality they offer, for what price, what certifications buyers need
 - get interesting market insights in congress programmes which take place next to the exhibition
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- Fruitlogistica Berlin – 6-8 Feb 2019 (fresh fruits & vegetables)
 - Biofach Nuremberg – 13-16 Feb 2019 (organic sector)
 - Food Ingredients & Natural Ingredients Paris – 3-5 Dec 2019

Thank you!

Hugo Lamers
Consultant Business Development & Trade

Mercaderero
Agro Business Park 78
6708 PW Wageningen
The Netherlands

Office: +31-(0)317-451616
Mobile: +31 (0)6 12214714

Email: h.lamers@mercaderero.nl
Website: www.mercaderero.nl
Chamber of Commerce Number: 09140675




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