

Some Notes on Agribusiness

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The first marketing course I ever did taught me the following:

Marketing is about getting the

1. **right product** to the
2. **right consumer** at the
3. **right place** in the
4. **right form** at the
5. **right time**

If any of these elements is missing then your whole production and marketing scheme falls down

We must start with the consumer. The concept of **the consumer as king** still holds and will always hold

Too often, our deliberations and our policies fail to acknowledge the primacy of the consumer and to be frank, we often regard the purchaser (at various stages of the value chain) as somewhat of a nuisance. The consumer is too fussy, they prefer foreign goods, they want to pay very little for our products etc.

These are all myths, I'm afraid – myths with very little factual foundation. Consumers want good quality, reasonable prices, convenience, among other things. If we look at those of our agri-based products that have been successful, we will see that they all meet the requirements of the consumer. As a rule, consumers don't automatically go for imported goods unless, due to their experiences, they have come to ascribe a certain reputation to those goods, a reputation based on the very factors that I mentioned above.

It may be interesting to count, among the many people gathered here this week, how many of them represent the consumer interest, how many are traders or retailers etc. My guess is that only a small percentage would fall into those categories.

In our economies, consumers may not be highly organized but they, nevertheless, quietly call the shots

One of the few studies done in recent years, which focuses on our food industry as a whole (i.e. including restaurants, fast food chains, supermarkets etc) was done a few years ago by Robert Best and others and revealed the extent to which the agricultural sector has to position itself within the modern urbanized distribution economy if it is to survive and prosper. It makes no sense (as I heard one high official complain some years ago) that a fast food chain will only accept potatoes of a certain size. That is

what the purchaser wants so that is what we have to provide. Our own individual purchasing habits will reveal the truth of that statement.

None of this is to say that consumer preferences cannot be influenced – this is, after all, what the advertising industry is all about. Consumer tastes are, of course, made up of many factors, including price, convenience, culture, perceptions of health benefits and status. Much more, for example, can be done in terms of promoting the nutritional benefits of our indigenous foods but there is very little evidence that we are taking this aspect of marketing seriously.

Agribusiness is about the entire set of businesses connected with agriculture, so it includes not just primary end of production but all the services provided at every stage of the value chain right from pre-production through to the end consumer. Recognizing the interrelatedness of all those businesses, and how they can affect the sector, is crucial to our understanding of how best to transform our sector.

At the CARICOM Secretariat, we have, hopefully, absorbed some of the lessons of past interventions and policies and are seeking to implement programmes that are comprehensive in scope and that seek to address the removal of deficiencies across the value chain. At a public-private sector consultation held last year, these were some of the key outcomes/recommendations:

- Need for a platform for on-going dialogue among stakeholders (stakeholders should be defined broadly)
- More focus needed on developing well integrated value chains, particularly at the regional level
- Integrated information systems needed as building blocks for integrated value chains
- Progress in agribusiness depends ultimately on the ability of the private sector to organize itself

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