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Factors Affecting the Marketing of Organic Farming Products (Case Study: Miandoab County)

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Abstract

Organic agriculture is rapidly growing while the lack of knowledge and skills to manage organic farms and the lack of market opportunities for the organic products are the most important reasons for the disinclination to the use of the organic agriculture practices. The main aim of this study was to determine the factors underpinning the marketing of organic agriculture products. The research was a descriptive survey in terms of purpose. The research instrument was a questionnaire whose validity was determined by the content validity and its reliability was estimated to be 89% by Cronbach's Alpha. The population of the study included all organic farmers who have supplied their products to a fruit and vegetable market in Miandoab. The sample size was determined as 148 by the Morgan-Kerjisy table and was selected by stratified sampling method and simple randomization. Finally, 150 questionnaires were collected. The results showed a significant relationship between the marketing of the organic agriculture products with educational factors, economic factors, intelligence agents, production factors and social factors at the 0.05 level. Also, the results of regression analysis showed that the variables of production factors, educational factors, and economic factors captured 53% of the variance of the dependent variable.

Keywords:
agriculture, Miandoab County, marketing, organic products

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INTRODUCTION

In recent years, organic trade has experienced an outstanding expansion, mainly driven by consumers' concerns regarding safe food and environmentally-friendly production. Organic farming is a form of agriculture which protects the environment, food quality, animal health, and natural resources on a sustainable basis, and is helpful for the social welfare purpose. These objectives support the market and compensate for the internalization of externalities (Lampkin, 2003). Currently, one of the main income challenges facing the farmers is the supply of products in the consumer markets. Also, farmers have a low share in the final price that consumers pay. It is known that this is due to the inefficiencies associated with the structure of the market for the agricultural products.

The lack of marketing for organic products is analogy to the drawbacks and inadequacy of these products. Nowadays, any product first covers the regional markets and local farmers attempt to first estimate their own and regional needs. Any attempt to specialize the areas without facilities of the marketing management will be destined to fail (Shafi'i, 1998). Different decisions with regard to organic food consumption will depend on internal and external factors affecting the decision process. Indeed, consumers might differ significantly with respect to the use of and trust in information cues on organic food, knowledge, and behavior towards organic food, and socio-demographic profile.

It has been shown that the lack of knowledge and skills to manage an organic farm and the lack of market opportunities for organic products are the most important reasons for the disinclination to the use of organic agricultural activities, and beliefs and attitudes of conventional farming are important factors in influencing their willingness to accept organic activities (Khaledi et al., 2010). However, it seems that the main problems encountered in the marketplace are price competition and logistic arrangements. Price was found to influence both purchase intentions and behaviors. This makes it an important variable for marketers to consider (Rahmati Ghofrani et al 2017). Certified organic products have to compete with self-claim and hygienic/safe products on price of various products and regularities. With high cost and smaller logistic infrastructure, it is difficult for many local marketing organizations to offer certified products competitively in marketplaces. Moreover, many organizations also fail to purchase all fresh produce from the producers. This creates a burden for the producers because they then have to find their own market channels. This sometimes implies competition on the supplier side as well. On the other hand, the main reasons discouraging the consumers from buying are expensiveness, limited availability, unsatisfactory quality, lack of trust, lack of perceived value, and misunderstanding of organic food (OF) production processes (Fotopoulos & Krystallis, 2002a, 2002b; Verdurme et al., 2002; Larue et al., 2004).

A study on the socio-economic profile of organic food consumers shows that organic purchasing grows as consumers reach their 30s and have no children. People who are among the highest spenders on OF are on average more affluent and younger (Padel & Foster, 2005). For many consumers, the support of local farmers is considered a socially responsible behavior and partially reflects the belief that OF is locally grown (Hughner et al., 2007). An increasing number of organic shoppers emphasize that local foods and sustainability are in direct relation to their motivation to buy organic food (Zepeda & Deal, 2008).

Kocheki et al. (2013) concluded that nutritional value is the main driving factor of consumer willingness to consume the organic products and the importance of enhancing consumers' awareness of nutritional value of the organic products is reflected in the changes in their consuming behavior and the development of safe food production and consumption (Kocheki & et al., 2013). Growing consumer demand for organic food (OF) has been attributed to consumers' concerns regarding nutrition, health, environment, and food quality (Fotopoulos & Kryskallis, 2002b; Larue et al., 2004). One of the factors that promote growth in organic markets worldwide is consumer awareness of health, environment issues (Kortbech, 2002, Yossefi & Willer, 2002) and food scandals. Other factors that influence further development of the organic market are the increasing promotions and

marketing strategies used by key players, such as retailers (Yossefi & Willer, 2002).

Brennan and Kuri (2002) found that consumer attitudes to foods are mainly influenced by quality attributes. Ethical factors are important in some cases, but they may be overstated. Raffaele and Ikolina (2005) argue that price is the principal variable influencing the decision on what food to purchase, and it is even more important for those who regard sale motives as a considerable decision. Noe and Alroe (2007) reflect on the link between the organic food supply chain and the quality of the food produced. They present a theoretical and analytical framework and tool to examine how the values of organic food are mediated between producers and consumers, and how this is linked to the way the food chain is constructed, who is involved, and the way the market is developed. They suggest that the quality of organic food is linked to the entire production and processing chain and analyze three different Danish organic supply chains.

The main objective of this study was to determine the factors influencing the marketing of organic products in the Miandoab County in the West Azarbaijan province of Iran. If Iran wants to take steps to establish and develop systems for the organic production, it should first deal with consumer attitudes to increase their awareness of organic products. Iran does not create an incentive for the development of organic products. Therefore, we need to know what factors have the greatest impact on the marketing of organic products and what solutions exist to solve the problems in this area.

MATERIALS AND METHODS

The research method was based on a descriptive-survey methodology, also based on the nature and methods this study due to find out and explore the relationship between the independent variables and the dependent variable is the kind of the causal relationship and based on the purpose is the kind of applied research. The main tool for gathering data was a questionnaire. The questionnaire included 42 closed-end items based on the five-point Likert type scale includeded; educational factors, economic factors, informational factors, productional factors and social factors (Table 2-6). For determining the validity of the questionnaire, the content validity was used that was obtained by an experts' panel consisting of specialists in agricultural and development and marketing. Cronbach's alpha was used to measure the reliability of the questionnaire. It was estimated to be 0.80, showing its high reliability.The study population included all the farmers who have supplied their organic products to the vegetable markets of Miandoabcounty in the West Azarbaijan province of Iran. The sample size was determined to be 148 using the Morgan-Kerjisy table. The stratified sampling method and simple randomization was uesed for sample selected. Finally, 150 questionnaires were collected. Statistical methods used in the present study were Pearson's correlation coefficient and stepwise regression. The data were analyzed using the SPSS (ver. 18) statistical software.

RESULTS AND CONCLUSIONS

The results showed that the average age of farmers was 31 years with a standard deviation of 24.19 and the majority of them were in the age group of under 30 years (66 people or 40%). The average of duration of the agriculture of farmers was found to be 18 years with a standard deviation 88.9. A total of 44 participants (29.3%) had higher than 21 years of work experience, showing the expertise of farmers in their own profession. With respect to the main occupation, most respondents 95.1 percent (135 people) were producer (farmer) while 9.4 percent (n = 7) were consumer.

In terms of the product type of the respondents, the highest frequency of 44.2% was related to agriculture and the lowest frequency of 14.3% was related to animal farming. Horticulture was found to have a share of 41.5%.

The results of prioritization of the characteristics of the organic agricultural products compared to the other agricultural products showed that among the factors for organic agricultural products, the statements "Have better appearance" and "Have better taste and color and smell" were given the highest importance and value as compared to the other items (Table 1). Respondents' views showed that the most important item among effective educational factors in marketing of agricultural

Table 1
Ranking of the Characteristics of the Organic Agricultural Products in Marketing of Agricultural Products

Characteristics of the Organic Agricultural	M	SD	R
Have better appearance	3.78	0.93	1
Have better taste and color and smell	3.70	1.02	2
Have higher nutritional value	3.65	1.01	3
Are safer than the products produced with the chemicals	3.63	1.02	4
Have more durability and higher resistance	3.62	0.93	5
Less hormone is used in the poultry production	3.55	0.99	7
Do not use the sustaining chemical in the production of the livestock products	3.48	0.96	4
Chemical fertilizers are not used for their production	3.48	1.06	8
Chemical pesticides are not used in their production	3.40	1.09	9

Likert -type scale: very low (1); low (2); moderate (3); high (4); very high (5)
M: Mean, SD: Standard deviation, R: Rank

Table 2
Ranking of the Effective Educational Factors in Marketing of Agricultural products

Effective educational factors	M	SD	R
Increasing the consumer awareness relative to the nutritional value of the organic products	3.84	1.21	1
Instructing the principles of producing quality product	3.75	1.01	2
The notification relative to the prices of products	3.54	1.12	3
Training to change the consumption behavior of consumers	3.51	1.03	4
Learning how to package the organic products	3.49	1.07	5
The notification about the benefits of organic products	3.47	1.08	6
Teching the method to supply the organic products	3.45	1.18	7
Providing the information about the quality of organic products to consumers	3.44	1.02	8
Learning how to provide a profile of the organic products	3.42	1.04	9
Explaining how to improve the supply of the organic products	3.36	1.08	10

Likert -type scale: very low (1); low (2); moderate (3); high (4); very high (5)
M: Mean, SD: Standard deviation, R: Rank

Table 3
Ranking of the Effective Economic Factors in Marketing of Agricultural Products

Effectively economic factors	M	SD	R
Price support policies for organic products	34/3	1.12	1
To accommodate the price of organic products with consumers' income	3.91	1.13	2
Controling the product prices and creating new demand by expanding the exports	3.78	0.65	3
Identifying the suitable markets to supply products that are produced organically	3.63	0.99	4
The elimination of middlemen selling the products of organic agriculture	3.52	1.12	5
The government support in the provision of insurance, loans and agricultural services	3.43	1.01	6
Allocation of subsidies for production inputs of the organic products	3.30	1.05	7

Likert -type scale: very low (1); low (2); moderate (3); high (4); very high (5)
M: Mean, SD: Standard deviation, R: Rank

products was "instructing the principles of producing high-quality product increasing the consumer awareness", and "Instructing the principles of producing quality product" was given the lowest value as compared to other items (Table 2). The results of the prioritization of the effective economic factors in explaining the marketing of agricultural products (Table 3) showed that among the factors mentioned for organic agricultural products, "Price support policies for organic products" was the most important.

Ranking of the other effective factors showed that the most important item of effective intelligence agents was "Enhance one's knowledge of the

Table 4
Ranking Effective Intelligence Agents to Explain The Marketing of Agricultural Products

Effective intelligence agent factors	M	SD	R
Enhance one's knowledge of the properties and the physical properties of the organic products	3.83	1.16	1
Raising the level of knowledge and information of consumers to health care of organic products	3.73	1.02	2
Difficult to detect the organic and inorganic products	3.44	0.96	3
Information about the relationship between the amount of pesticides and fertilizers in agriculture	3.43	1.06	4
Notification and the effective advertising in the consumption of the organic products	3.38	1.07	5
Sufficient informing of the harms of pesticides use on crop production to the consumer	3.38	1.09	6
Facilities accurate and timely information to the consumers	3.32	1.06	7
Information about the importance of eating healthy food without the use of chemicals	3.28	1.06	8
Establishment of the system of the organic products market information	3.23	0.95	9

Likert -type scale: very low (1); low (2); moderate (3); high (4); very high (5)
M: Mean, SD: Standard deviation, R: Rank

Table 5
Ranking of Effective Production Factors in Explaining the Marketing of Agricultural Products

Effective production factors	M	SD	R
Reducing the production costs by reducing the waste of inputs and production	3.85	1.12	1
Less use of seeds, seedlings and non-native species and genetically modified	3.57	1.03	2
Modifying the crop cultivation techniques	3.41	0.92	3
Improving the rating of the organic products	3.40	1.03	4
Observing the standard amount of insecticides used	3.24	1.05	5
Using organic inputs	3.23	1.01	6
Reducing the use of chemical fertilizers	3.17	0.94	7
The government organizations support	3.12	1.05	8

Likert -type scale: very low (1); low (2); moderate (3); high (4); very high (5)
M: Mean, SD: Standard deviation, R: Rank

Table 6
Ranking of Effective Social Factors in Explaining the Marketing of Agricultural Products

Effective social factors	M	SD	R
The notification about the benefits of organic products	3.69	1.01	1
Providing the information from the quality of organic products to consumers	3.58	0.97	2
Training to change the consumption behavior of consumers	3.51	0.92	3
Instructing the principles of producing quality product	3.48	0.91	4
Learning how to package the organic products	3.46	0.96	5
Learning how to provide a profile of the organic products	3.45	0.95	6
Increasing the consumer awareness relative to the nutritional value of the organic products	3.32	1.03	7
Explaining how to improve the supply of the organic products	3.31	1.09	8
The notification relative to the prices of products	3.26	0.98	9

Likert -type scale: very low (1); low (2); moderate (3); high (4); very high (5)
M: Mean, SD: Standard deviation, R: Rank

properties and the physical properties of the organic products" (Table 4). Also "Reducing the production costs by reducing the waste of inputs and production" was the most important effective production item in explaining the marketing of agricultural products (Table 5) and "The notification about the benefits of organic products" was the most important among all items of effective social factors (Table 6).

The results of correlation analysis showed that a significant relationship between the marketing of organic agriculture products with educational

Table 7
Correlation Between Influencing Factors and Modern Methods of Marketing

Description	r_s	p-value
Educational factors	0.001**	0.648
Economic factors (X2)	0.000**	0.639
informational factors (X3)	0.000**	0.615
Production factors(X4)	0.006**	0.604
Social factors(X5)	0.000**	0.555

** p<0.01 * p<0.05

Table 8
The Summary of the Regressions to Enter Model

Sig	F	Adjusted R^2	R^2	R
0.000	36.621	0.536	0.551	0.743

Table 9
The Coefficients of the Variables Included in the Multivariate Regression quation

Factors	B	Std Error	Beta	t	p-value
Fixed amount	9.306	2.492	-	3.734	0.000
Educational factors (X1)	0.180	0.88	0.183	2.051	0.042
Economic factors (X2)	0.284	0.139	0.202	2.037	0.043
informational factors (X3)	0.209	0.054	0.246	3.838	0.000
Production factors (X5)	0.400	0.95	0.343	4.201	0.000
Social factors (X6)	0.187	0.060	0.200	3.121	0.002

factors, economic factors, intelligence agents, production factors, and social factors at the 0.05 level (Table 7). The highest correlation coefficient was between the dependent variable of modern methods of marketing agricultural products with educational factors.

To investigate and determine the effects of each of the effective factors in the marketing of organic products was used regression analysis by ENTER method and the results showed that about 53% of the variance of the dependent variable (the marketing of the organic agriculture products) was accounted for by the mentioned variables (Table 8).

Also according to the coefficients in Table 9, final multivariable regression model in this study based on the coefficient B is as follows:

$$Y=9.306+0.180X1+0.284X2+0.209X3+0.400X4+0.187X5$$

DISCUSSION

According to the results, it can be assumed that in Iran the unconventional marketing methods of agricultural production is associated with high costs and it is incompatible with the objectives of sustainable development of the rural economy. Due to inadequate infrastructure, marketing facilities, the instability of prices, seasonal nature of agricultural production, inadequacy in the market information systems, the high cost of production and high losses during the different stages of production, the presence of numerous dealers and mediators, as well as inadequate government support of this field, and considering that the main objective of this study was to determine the effective factors of the marketing of the products of organic agriculture among the farmers of the mentioned city, the results identified the effective factors under the categories of educational, economic, informational, social and production factors. Increased production and expanded markets, especially excessive supply on demand, are the most important issues in the management of economy of countries, especially at the level rural communities. Appropriate marketing have a dy-

namic role in the mobilization to the production and consumption rate. In fact, marketing refers to the activities seeking to attract more consumers through reflecting on the new demands and improving and deforming the production. Also, guidance to farmers is through providing and introducing the new opportunities of production and increasing grades and levels of production. According to the results, a wide range of marketing activities are required for the marketing of goods and agricultural productions such as market research, suitable goods production, pricing, promotion, service before and after the sale, storage, packing and transport, while these activities are often out of the economic potential of rural exploiters. This result is consistent with), Kocheki et al. (2013) and Noe and Alroe (2007).

Therefore, it is imperative to have a marketing system and effective marketing in place for each region regardless of the condition and level of development. Therefore, the prerequisites of the present economic space of Iran can be listed as serious attention to rural cooperatives, reconstruction and upgrading of knowledge and skills of managers of cooperatives, suitable database creation, development of long-term strategies, the creation and expansion of marketing services, and a true understanding as to how to build a suitable structure for the marketing structure. The results of this research are in agreement with Ghorbani et al. (2011), Padel and Foster, (2005) and Yossefi and Willer (2002). Since the price is a decisive economic factor in the farmers' decisions and crop production, pricing policy in the past years has been one of the most controversial protectionist instruments in the agricultural economy of Iran and its nature and how to use it was gradually questioned with the change in the economic conditions of Iran and world. The policies that aimed at increasing the income of farmers and agricultural producers are adopting should increase farmers' income and reduce their costs. Interference in regulating the market of agricultural commodities can increase producers' earning and cut the costs of producing these commodities. Results of this study are consistent with Martin and Jagadish (2006), (Rahmati Ghofrani et al 2017) and Piramon and Hayati (2013).

Measures should be taken to increase the knowledge and create a positive attitude and high motivation and effective communication between farmers and experts to produce organic products and correct planting techniques for safe crops.

According to the result of the study, it can be recommended; It is imperative to have a marketing system and effective marketing in place for each region regardless of the condition and level of development. Guidance to farmers is providing and introducing the new opportunities of production and increasing grades and levels of production. The policies that aimed at increasing the income of farmers should increase farmers' income and reduce their costs. Pricing policy should be Pricing is consistent with the terms and costs of organic production

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