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| 2

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# **ASSESSMENT OF MARKETING CHALLENGES AND OPPORTUNITIES OF BRANDED AGRICULTURAL PRODUCTS: THE CASE OF NORTH SHOA ZONE**

Dereje Ajbie<sup>1</sup>, Matiws Abi<sup>2</sup>, Abdela Kossa<sup>3</sup> and Yohannes Teffera<sup>4</sup>

## **Abstract**

Agricultural commodities play an important role in development. But traditional commodity trading, based on exporting produce in bulk at low prices, limits the profits margin from these products flows to producers in developing countries. Thus, the objective of this study is to assess the marketing opportunities and challenges of branded agricultural products in selected districts of north Shoa Zone. Qualitative and quantitative approaches were used. Measures of central tendency such as mean, standard deviation are employed to interpret the data. The study result proved that, availability of information about market opportunity, inadequacy of benefits obtained from the brand, and packaging practice is highest in Minjar and Arerti, while adequacy of market size is better in Debre-Sina. Problems and challenges associated with market information, warehouse, finance, raw material, expert support, infrastructure, and production and selling space were highest in Mahal-Meda and Debre-Sina, Thus, creating more market linkage strengthening the cooperatives is crucial to help the farmer exploit the benefit of improved price and marketing.

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**Key words:** Agricultural, product, brand, challenge and opportunity.

## **Introduction**

Individual farmers face direct competition from other farmers producing near perfect substitutes, the production of any individual farm is not sufficiently large to satisfy retailers' demands for consistency of supply and quality, and costs of organization are high (Innes, et, al, 2007).

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Unregulated markets involve a long chain of intermediaries before the commodity reaches the final consumer, with the result that the cost of the commodity becomes exorbitant (Legese, 2013). That is the reason why primary producers of agricultural commodities have been capturing less and less of the total value of their products (Docherty, 2012). As a result, efficient and organized marketing is essential for the healthy growth of any community. Within agricultural products branding seems to include identifying a product with various types of labels to differentiate products. In considering this it becomes necessary to analyze the most general conditions in which branded products might be used as a part of a successful marketing strategy. This involves understanding both the reasons why consumers might value brands, and the conditions under which producers would find it profitable to invest in brand development (Pay, White & Zwart, 1996).

Agricultural products value chains in Africa are facing numerous challenges, namely: market failures, policy failures and more than often, massive capacity problems (Willis, 2010). All farmers have a sales and marketing challenge and could benefit from increasing their knowledge about marketing functions and how to engage in the marketplace (Carlos Ostertag, et al, al). Mostly in their dealings with the market, farmers find themselves at a major disadvantage. Many do not well understand the market, how it works and why prices fluctuate; they have little or no information on market conditions and prices; they are not organized collectively; and they have no experience of market negotiation (Heinemann, 2002, IFAD, 2003). Lack of a shift from subsistence to commercial farming in spite of such comparative advantage may have different reasons like high risks, high transaction costs, limited food markets, limited insurance options and limited access to credit or problem in the value chain (Tegegn, 2013). In terms of branding, Commodities are physically simple and easily transported, and with the recent expansion of outsourcing in sophisticated retail and industrial markets, complicated. Yet many institutions and farmer advocates assume that branding is too complex, expensive and risky to serve as a development strategy (Docherty, 2012).

In north Shoa zone farmers have limited skills, knowledge and information in marketing and branding to compete on markets, have limited access to financial capital for investment and are not organized to take advantage of opportunities in market chains. Specifically, producers in remote rural areas of north Shoa zone have lack of information about informal market, consumers demand and preferences, bargaining power and nature of price fluctuation, which hinders small scale farmers to compete in the market. They also follow poor marketing strategies

(Abdalla and Idris, 2016) and there is a poor backward and forward market linkage. In addition, there is no packaging and labeling activities undertaken for branded products in study area. These problems are even more acute for most of the farmers because they typically lack skills needed to compete with larger intermediaries. Farmers incur high cost and efforts but sell their agricultural branded products at low price. Farmers are not benefited from the agricultural branded products. Due to this fact, there is limited participation of farmers in the marketing chain. In addition, there is lack of organized and strong farmer groups which negotiate in the market and inefficient and costly rural market infrastructure development and inputs. As a result Farmers have not access to updated information of the agricultural product price and demand in the market. In addition there is lack of Cooperation between farmers and traders as part of a process of development of specific sub-sector value chains. By taking in to consideration the above problem, Therefore by using Qualitative and quantitative approaches the researchers aimed to assess market opportunities and entry strategy for branded agricultural products in selected districts of north Shoa zone.

Specifically the study tried to identify the marketing opportunities for farmers in accessing to the market and be competently branded products, the challenges that hinders farmer's market access and competitiveness, the internal weaknesses that limits the products from being competent and to suggest the measures to be taken in order to implement marketing strategies and linking farmers to the market. A successful completion of this study will have a significant role to play in shading light on how farmers access to the market and become competitive in marketing their branded products. Furthermore, this study also does have a paramount importance in providing a better ground for government, NGO's and other responsible bodies, which are keenly concerned with this issue, to take it as a basement rock in their further strive to implement appropriate basic components. Moreover, the researcher also believes that this study can potentially serve as a stepping stone for further research in the area.

### **Statement of the problem**

Individual farmers face direct competition from other farmers producing near perfect substitutes, the production of any individual farm is not sufficiently large to satisfy retailers' demands for consistency of supply and quality, and costs of organization are high (Innes, et, al, 2007). Unregulated markets involve a long chain of intermediaries before the commodity reaches the final consumer, with the result that the cost of the commodity becomes exorbitant (Legese, 2013). That is the reason why primary producers of agricultural commodities have been capturing less and less of the total value of their products (Docherty, 2012). As a result, efficient and organized marketing is essential for the healthy growth of any community. Within agricultural products branding seems to include identifying a product with various types of labels to differentiate products. In considering this it becomes necessary to analyze the most general conditions in which branded products might be used as a part of a successful marketing strategy. This involves understanding both the reasons why consumers might value brands, and the conditions under which producers would find it profitable to invest in brand development (Pay, White & Zwart, 1996).

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In north Shoa zone farmers have limited skills, knowledge and information in marketing and branding to compete on markets, have limited access to financial capital for investment and are not organized to

take advantage of opportunities in market chains. Specifically, producers in remote rural areas of north Shoa zone have lack of information about informal market, consumers demand and preferences, bargaining power and nature of price fluctuation, which hinders small scale farmers to compete in the market. They also follow poor marketing strategies (Abdalla and Idris, 2016) and there is a poor backward and forward market linkage. In addition, there is no packaging and labeling activities undertaken for branded products in study area. These problems are even more acute for most of the farmers because they typically lack skills needed to compete with larger intermediaries. Farmers incur high cost and efforts but sell their agricultural branded products at low price. Farmers are not benefited from the agricultural branded products. Due to this fact, there is limited participation of farmers in the marketing chain. In addition, there is lack of organized and strong farmer groups which negotiate in the market and inefficient and costly rural market infrastructure development and inputs. As a result Farmers have not access to updated information of the agricultural product price and demand in the market. In addition there is lack of Cooperation between farmers and traders as part of a process of development of specific sub-sector value chains. By taking in to consideration the above problem, Therefore the researchers aimed to assess market opportunities and entry strategy for branded agricultural products in selected districts of north Shoa zone.

### **Research questions**

Based on the above problems stated, the study trays to answer the following research questions:

- What are the existing market opportunities for farmers to fully access to the market and to be competent on the market by branded agricultural product?
- What are the challenges that hinder farmers in accessing and competing in the market in order to exchange branded agricultural product?
- What are the internal weaknesses that limit the brands from being competent?
- What measures should be taken to properly implement marketing mix and **linking farmers to the Market for branded agricultural products?**

### **Objectives of the study**

#### **General objectives**

The general objective of the study is to assess the marketing opportunities and challenges of branded agricultural products in selected districts of north Shoa Zone.

### Specific objectives

To conduct the study the followings are specific objectives

To identify the marketing opportunities for farmers in accessing to the market and be competently branded products.

To identify the challenges that hinders farmer's market access and competitiveness.

To identify internal weaknesses that limits the products from being competent.

To suggest the measures to be taken in order to implement marketing strategies and linking farmers to the market.

### **Review of related literatures**

One of the main problems of farmers' market access capability is how to improve their competitiveness. It proves necessary for maintaining production incentives, permitting household specialization and enabling movement to high-value products and to value-added activities. As a result, sustained agricultural growth typically occurs where productivity-enhancing agricultural technology and favorable market incentives converge (Haggblade, et. al, 2010). In spite of the fact that markets are crucial in the process of agricultural commercialization, transaction costs and other causes of market imperfections could limit the participation of farm households in different markets (Sadoulet and de Janvry, 1995 as cited in Moti, 2007). This implies that markets could be physically available but not accessible to some of the farm households (Tegegn, 2013). Recent studies have shown that improvement in market access increases agricultural productivity, firstly by facilitating specialization and exchange transactions in rural areas, and secondly through intensification of input use (Kamara, 2004). Participation in well-functioning commodity markets causes real food prices to drop, which increases smallholder farmers' purchasing power for food (as consumers) while enabling them to reallocate their scarce household incomes (as producers) to high-value non-food agribusiness sectors and non-farm enterprises (Kherallah et al., 2000). On the other hand, the theory of comparative cost advantage recognizes that with a divergence in natural production conditions & differences in market access, farmers will specialize in the production of crops for which they have higher comparative advantage & exchange them with those for which their comparative advantage is relatively lower (Kamara, 2004).

Improving market infrastructure by providing more and better markets and making it easier for farmers to access them is also deemed necessary for increasing the level of commercialization, especially in developing countries (Shilpi&Umali-Deininger, 2008, cited in Omiti, et al,

2009). Farmer organization and collective action are often seen as key factors in enhancing farmers' to enter new markets (Hellin et al, 2006). The provision of market and price information is also assist producers with farm-gate marketing decisions. However, such information must be location-specific, timely and accurate, dynamic, and locally available and in a language understood by all of the rural population (IFAD, 2003). In addition, the commitment to help small-scale farmers solve their most pressing problem of gaining market access is an enormous challenge that is best addressed through collaboration and partnerships (VECO, 2008). As a result, Marketing branded agribusiness products is important for several reasons. The benefits of branding include differentiating a product to increase consumer perception of its value. Consumer confidence in the quality and reliability of a brand can lead to increased loyalty and a premium price (ACS, 1990). A brand is the combination of a name, words, symbol, or design that identifies the product and a company and differentiates it from the competition (Giddens et al., 2002, cited in Pujara, 2016). A brand might be licensed to others for revenues and to expand recognition of the trademark if the quality of the product marketed can be guaranteed to meet certain quality requirements (ACS, 1990). A brand comprises all that distinguishes one product or service from similar competitors — from advertising and packaging to provenance and ethics. For basic commodity products, it may seem unlikely that consumers will recognize such distinctions, but the task is little different from branding many other consumer products (Docherty, 2012).

Branded items are generally able to earn a higher price for the producer and can lead to brand loyalty, which leads to a strong customer base and the ability of the producer to better serve the needs of the market (Pujara, 2016,). Companies use branding and the consumers' ability to identify brands to improve sales in four ways: to market new products, to protect market position, to broaden product offerings, and to enter new product categories (Cowee, n.d.). In an analysis of "farmer owned brands", the only way to prevent supernormal profits from being eroded by expansion and entry is to limit the number of products sold using the brand. (Hayes et al. cited in Innes et al. 2007).

## **Research design and methodology**

### **Research design**

The Researchers used descriptive type of research design. Qualitative and quantitative approaches were used. In order to discover the current situation as it exists and to draw valid general conclusion, descriptive research design was used. In addition, the study employs explanatory study to discover the relationship between variables with an aim of

estimating the integrated influence of the factors on accessing market. Materials concerning marketing opportunities and marketing entry strategy for branded agricultural products were critically examined.

### **Source of data**

The sources of data were both primary and secondary sources. Secondary data was extracted from relevant textbooks, internet, journals, agriculture report published documents. Primary data were collected from the respondents through personal and key informant Interview, Focus Group Discussion (FGD) and Questionnaires.

### **Sampling Design**

Whole populations are those farmers of north Shoa zone who are close to branded products were sampled for the study. Not only farmers but also district and zonal experts that their duties and positions are concerning marketing activities and agriculture was taken as sample respondents for the study in order to get concrete solutions for problems raised. The total samples of respondents are 225 respondents that are 200 farmers that responded to questionnaire, 20 experts that were participate on interview, and 5 zonal experts were participate on focus group discussion. The study focuses only on branded agricultural products. The branded products in this zone are kolo (Termaber woreda), sheep (MenziGera, MenziLalo, MenziQea, MenziGishe and MenziMama), Teff and Chickpeas (MinjarShonkora), Jirusengaand (MoretenaJirru). As a result, 5 of all were selected purposively. The main justification behind selection is the availability of agricultural branded products.

Using quota sampling from each woreda, 40 respondents were selected. Populations are not homogenous within each stratum (branded products) and between different strata (branded products). Since all respondents are not producing branded products, convenience sampling technique is applied to get those farmers producing branded products. From each stratum (branded products), 40 respondents was selected through convenience sampling technique. Woreda and zonal administrator who are their duties and positions are concerning marketing and agricultural activities are purposively selected based on the judgment of the researchers in order to collect relevant data and to be representative of target population. Four officials from each woreda (4 respondents \* 5 woreda=20) and 5 zonal officials from zonal marketing and agricultural offices was selected. In addition, a comparison has made between local markets and city markets such as Addis Ababa market.

### **Data collection methods**

In order to collect the primary data researchers used survey method. Because this method is suitable for gathering descriptive information, collect many kind of information, quick and low cost. The method of primary data collections are questionnaires, interview and focus group discussion. Questionnaire consists of set of questions presented to the respondents for answers (Kothari, 1985:37). Those respondents from whom data were collected through questionnaires are farmers only. Researchers translate questions in to Amharic and distribute to 40 farmers from each woreda. Through questionnaires data was collected from farmers and Totally 200 questionnaires was distributed. Interviews another means of collecting detail information. It has advantage of avoiding confusion and misunderstanding, helps to collect detail information. For the purpose of this study the researcher were conduct Personal Interview and key informant interview with total of 20 respondents. Those respondents are a woreda administrator who's their duties and positions are concerning marketing and agricultural activities. Four (4) respondents from each woreda and totally 20 respondents (4 respondents \*5 woreda =20 respondents). Focus Group Discussion (FGD) is another technique of collecting detail information. Those respondents who provide data through FGD are zonal officials who are working in marketing and agricultural bureau. Five respondents were purposefully selected in order to get relevant information.

### **Data processing and analysis**

Data analysis and processing such as editing, classification, tabulation and figures are applied. Both quantitative and qualitative data analysis were used to analyze the data. For interpretation of data measures of central tendency such as mean, and standard deviation are used. After data was analyzed, it was also be presented by using tables, figures and narrative form.

### **Validity and reliability**

Sound measurement must meet the tests of validity, reliability and practicality (Kothari, 2004), which are used in evaluating a measurement tools. Therefore, researchers focus on the relevant information's concerning these tests of sound measurement. In order to ensure validity, the questionnaire was sent to pilot study to ensure the questionnaire is understandable and acceptable. Also in analyzing quantitative data, SPSS windows has used. To measure the reliability Cronbach' alpha test of reliability were also used.



Total	12	10 0	25	100	20	10 0	42	100	99	100
Experience (in year)										
1-3	11	91. 7	9	36	1	5	38	90.5	59	59.6
4-6	1	8.3	8	32	3	15	3	7.1	15	15.1
6-10	0	0	7	28	9	45	1	2.4	17	17.2
>10 year	0	0	1	4	7	35	0	0	8	8.1
Total	12	10 0	25	100	20	10 0	42	100	99	100

Source: Survey 2017

### **Brand and market opportunity**

The following table indicates market opportunity in the study area.

Table 2 brand and market opportunity

Items	M/MEDA	D/SINA	MNIJAR	ARERTI	JIRU
	Mean	Mean	Mean	Mean	Mean
Information about new market opportunity	1.25	3.6	3.95	4.6	3.7
Enough market size	1.75	3.6	1.95	2.7	3.6
inadequacy of benefit obtained from the brand	3.58	3.8	4.1	4.9	1.8
Consumer perception for the product	3.33	1.92	2.05	2.2	3.3
Packaging practice	1.91	1.88	3.75	3.9	1.7
Information about the product on the package	3.08	2.0	3.45	2.9	3.2

In Mehall-Meda information about market opportunity, enough market size and packaging practices scores lower mean 1.25, 1.75 and 1.91 respectively. As the above table reveals, information that the farmers get about the availability of market is poor in Mahal-Meda and better in Arerti with a mean of 1.25 and 4.6 respectively. This indicates that poor government support in providing information about the market to the farmers by government sectors especially by trade and industry office in Mahal-Meda, while the opposite is true in Arerti. In Arerti the price of teff and Shinbera is sometimes posted by trade and industry office. This activity is moderately practiced in DebreSina, Jiru and Minjar officials.

The availability of adequate market size is better in Debre-Sina and Jiru while it is not sufficient in Mahal-Meda and Minjar. Even though, the members distribute their product by travelling to Tarma-Ber and Dessie to expand their market coverage, other merchants sell the same product in Mekelle and Addis Ababa. This shows there is good market

opportunity but the cooperative members that branded their product are not using the existing opportunity by involving themselves in the chain instead strive to make sales at their own out late found in D/sina. The lowest mean recorded is in Mahal-Meda showing the inadequacy of market size that is because of poor infrastructure to travel long distance to other markets.

The inadequacy of benefit obtained from the market for branded agricultural products is high in all areas. That is because the awareness and know how about the brand by the farmers is poor, also the actions taken by the government sectors and cooperatives management is insufficient. These sectors plays a minimum role is advertising the branded product and controlling the informal practice undertaken by other traders, especially not taking any action on traders that are using the brand name illegally. According to the researchers investigation the root cause for all this problems is the misperception of members about brand, which majority of them do not give meaning for brand more than the certificate they collect from IPO office for registration.

The low consumer's perception about their product is less than average for all products except for MinjarTeff, that is 1.92, 2.05, and 2.2 respectively for Debre-Sina, Minjar, and Arerti. The poor perception in Mahal-Medais occurred since any awareness creation was not made by government sectors and cooperative/union leaders.. Even if the awareness was not made, the farmer's perception about their product is better in the rest of locations.

The use of packaging is better in Minjar and Arerti, since their mean shows 3.75 and 3.9 respectively. Bollo-Sillassie cooperative started to use their own package for Teff, but it's not adequate. The packages used will be easily copied by other informal traders. That is why they faced difficult in controlling illegal trade in the name of branded product. The packaging practice for Menz sheep and Debre-SinaKolo is poor because Menz Sheep is marketed as cattle, not as a meet to use package.

While the package was used for Debre-Sina Kolo is the one that was used by anybody without having a quality that makes it different from others. As a result it is difficult to differentiate between branded and other products.

It's important to provide some important information about the product on the package but currently it's poorly practiced by the farmers and cooperative members. Regarding the challenges associated with writing

information about the product on the package, the highest mean is recorded in Minjar for teff which is 3.45 and the lowest is recorded in Debre-Sina for Kolo.

**Problems and challenges**

Table 3 shows the problems and challenges of branded products, respondents were asked to rate the statements related to the challenges and problems of branded products in the study area, in Mehall-Meda use of technology, Products having lower quality than as do have better sales, support from government and support from experts score lower mean 1.33, 2.4, 2.41 and 2.58 respectively.in Debre-Sina infrastructure (X = 2.08) is the main problem; in Minjar availability of a place for production and selling, supports from experts, infrastructure and support from experts score lower mean 1.8, 2, 2.1 and 2.2; in Areriti availability of warehouse, Availability of place for production and selling, Availability of raw material and infrastructure score lower mean 2.1, 2.35, 2.4 and 2.4 respectively.

Table 3 Problems and Challenges

Items	M/MEDA	D/SINA	MNIJAR	ARERITU	JIRU
	Mean	Mean	Mean	Mean	Mean
Information about the market	3.9	3.6	3.4	3.1	3.8
Availability of warehouse	3.67	4.24	3.2	2.1	2.5
Availability of finance	3.5	3.8	3.15	3	3
Availability of raw material	4	3.68	2.2	2.4	2.3
Support from experts	2.58	3.32	2	2.8	3
Support from government	2.41	3.76	3.45	3.7	3.5
Infrastructure	3.08	2.08	2.1	2.4	2.5
Availability of place for production and selling	3	4.2	1.8	2.35	2
Use of technology	1.33	3.76	3.75	3.54	2.4
Products lower in quality than ours do have better market	2.4	3.88	4.15	3.5	2.4

Source: Survey (2017)

The mean value of market information insufficiency is ranged from 3.1 in Arerti to 3.9 in Mahal-Meda. This reveals that the inadequacy is moderate in Arerti and there is inadequacy of information in Mahal-Meda and Jiru. This is because of the remoteness of the areas that makes difficult to get update information about the market.

The availability of warehouse is poor in Mahal-Meda and Debre-Sina while it's better in Minjar, Jiru and Arerti. The mean value 4.24 in Debre-Sina shows there is a high shortage of warehouse to store the inputs and their outputs. Conversely the mean value 1.7, 2.5 and 2.1 in Minjar and Jiru reveals the availability of ware house is good. There is a warehouse to store a Teff in Bollo-sillassiekebele and also Kasame union have warehouse that is used to store the branded ArertiShinbera and other products marketed by the union.

The shortage of finance to search new market occurred highly in Debre-Sina comparatively, its mean value is 3.8 while, its mean is moderate in Minjar, Jiru and Arerti. This is why there is a project called Bio-diversity, which supports the producers of Teff cooperative financially, but the fund is not adequate to search new market opportunities. As a result we concluded that there is moderate availability of funds to search new market opportunities.

The problem related with availability of raw material is high in Debre-Sina and Mahal-Meda with a mean value of 3.68 and 4.0 respectively. In Debre-Sina the barley used as an input travels long distance to reach the area through middlemen's that is why the availability of input is a problem. On the other hand, the problems associated with input availability is lower in Minjar, Jiru and Arerti, because the Union in the area reproduces Teff and Shinbera seeds and distribute to the producers. As a result the availability of inputs is not a big problem in these two locations.

Regarding the challenge related to support from expert, the highest mean is recorded in Debre-Sina that is 3.68, while it's less than moderate in the rest of three locations. Even if the participation of experts is poor in supporting farmer's market access, there is a participation of agricultural experts in improving the quality of farmer's products. In Debre-Sina, since the inputs are from the middlemen, the participation of agricultural experts is not necessary.

The challenge associated with government support is more than moderate except in Mahal-Meda. This indicates that the support from

government bodies is better in Maha-Meda. The main problem identified is that there is no coordination between government sectors rather than blaming each other. The responsible government sectors are not participated as expected from them.

The inadequacy of place to produce and to sell product is a problem in Debre-Sina ( $X = 4.2$ ), while it is not a concern in other areas. It needs a place in which Kolo is prepared for the market and also to sell this product. But, the availability of both production and selling space is not adequate.

The use of technology is poor in Mahal-Meda and more than moderate in the rest of four locations. This is because of the remoteness of the area.

The problem of differentiating products quality is highly available in most of the areas because, most of the customers buy products that are easily accessed and lower in price rather than comparing for quality.

### **Qualitative data presentation**

#### **Debre-Sina Kollo**

As the information obtained from Yifat Debre-Sina cooperative members their strength only on providing better quality product due to high quality input and creating link with Debre Berhan University. Even though the amount is not enough, they create a market link with Debre Berhan University. On the other hand, their marketing activity depends more on traditional marketing practice, There is poor market linkage that is only with DBU as a result they cannot sell more than  $\frac{1}{2}$  kg per day as a cooperative except the fragmented effort as a member. This poor marketing practice by cooperative members leads to lose their opportunity to other informal merchants. There is also a problem associated with inputs and equipment's, including lack of machinery which costs 30,000 birr. Even if the quality of barley is good, sometimes middlemen have provided the barley that has low quality. They also faced lack of capital that needed to expand their business and promote their product because they fear to borrow money from financial institutions. All this problems lead to very low profit they get a profit of about 500 birr from 400kg to 500 kg.

In addition to the above problems, there are challenges that need the cooperation of all stakeholders. Other informal traders are using their brand to sale their own product. That is why only individuals are benefited from the brand, not the cooperative. The cooperative members also tend to practice individually. In addition, the processing cost is also

high and increasing. Disagreement between members is also a main challenge. Finally, the support from woreda and zonal administration is very poor. They didn't try to give any solution for the problems faced by the cooperatives. The government body didn't take any action on informal traders who are using the brand given to the cooperatives. ME office provides license for anybody that wants to work individually.

### **Minjar-Teff**

Even though many challenges are identified there is a better practices in producing and marketing including the cooperative gives quality seed to reproduce that is seed is given to 16 cooperatives in credit, they established a market linkage with Kesem union. They are participated in different events like trade fairs. For example 128 quintals of teff is sold with highest price immediately in Addis Ababa trade fair since they produce quality product. Promotion is done (e.g. In Addis Ababa, Mekelle, etc.), but it is only about displaying sample. On the other hand, understanding about the product is improved after the cooperative is established and they get support from biodiversity project to strength their capital. They are also working to increase the geographical coverage under the cooperative from two to four kebeles. The presence of good infrastructure is also another opportunity for the cooperative.

Having the above strength, there are issues in which they performed weakly. There is lack of understanding in marketing and unable to get skilled human power. Poor follow up of top administrators and inadequate consideration by these administrators as their responsibility is the main problems identified. Because of poor follow up, sometimes teff is mixed with other teff, which reduces the credibility of their product. In general, the farmers are not benefited from the branded product because, the consideration given for the brand is very poor and there is poor performance in awareness creation. The government body didn't take any action on informal traders who are using the brand given to the cooperatives and also the union does not take any practical action after the product is branded including marketing.

### **Arerti -shinbura**

Kesame union is a union responsible and has full right on the branded Arertishinbera. In 2008 E.C they collected 1212 quintals from farmers. Promotion is also done on the seed. Relatively this brand is the list practiced in terms of branding as well as marketing activities. The main weakness is that no difference was made after the product is branded, because there is lack of awareness about brand. They are searching for the market after they collected the product from the market, they did not find market in advance. There is no established linkage because of poor

support from government offices and also poor usage of packaging the main challenges include it is difficult for buyers to differentiate our product from the other. Other merchants collect from the market by increasing the price.

### **Jirusenga**

Regarding Jiru oxen which is branded as 'Jirusenga', Good practice is there in advertising through national Medias. The main weaknesses are Cooperatives are poorly performing on practicing activities that help to find new market and diversifying the market, and also not performing well in identifying strategies that help to identify the market. This is because, lack of good environment and organized system to modernize the oxen fattening activity, till now they are using the traditional one. Poor follow up of top administrators and inadequate consideration by these administrators as their responsibility. Its known that strong cooperatives are perform better in identifying market opportunities and strategies, the leaders of cooperatives and government sector did not take any action to strength and bring solution for the stated problems. The other challenge is, even if it's tried to advertise through national Medias, it needs more activities to involve in investment and related practices.

The practice on marketing needs the involvement of various stakeholders including government sectors NGO's and cooperatives, in order to diversifying market opportunities, practicing different strategies, and strengthening cooperatives and unions that involve in these activities.

### **Menz sheep**

The main strength by this union is that Menz farmers union is taken the responsibility to expand the geographical area under the union to all Menz districts by cooperating with other stakeholders. The main problems associated with this product is, the union does not take any practical action after the product is branded including marketing activity. The marketing activity depends more on traditional marketing practice since the consideration given from stakeholders are very poor. Poor follow up of top administrators and inadequate consideration by these administrators as their responsibility is also another problem associated with the product. The government body didn't take any action on informal traders who are using the brand given to the cooperatives. The leaders of cooperatives and government sector also did not take any action to strength and bring solution for the stated problems. Even though a link is established with meat factories, the weights of the sheep become a main challenge. Therefore, conducting research that will

improve the quality and weight of the meat with other sheep meats is needed.

### **Opportunities for these branded products**

The emphasis given by the government for agricultural sector one of the biggest opportunity specially the focus given for agro processing.

Since the practice of branding agricultural product in our country is a new concept to get a better market access.

Based on the information we got from Ethiopian meat processing and exporter association jiru senga is highly demanded in the local market

### **Summary conclusion and recommendation**

#### **Summary**

By having the findings from the previous chapter, we summarized the major findings of the study as follows;

Majority of respondents are male in Mehal-medeta, Minijar and Arertithat is about 83.3%, 95%, 88.1% respectively, while the whole respondents are female in Debre-Sina and most of the respondents were in age between 31-35 years old equals. With regard to the educational level of the respondent's majority of them is grade 8, while about 59.6% of these respondents have 1-3 years' work experience in the job.

The mean value for availability of information about market opportunity, inadequacy of benefits obtained from the brand, and packaging practice is highest in Minjar and Arerti, while adequacy of market size is better in Debre-Sina.

The mean values for the problems and challenges associated with market information, warehouse, finance, raw material, expert support, infrastructure, and production and selling space were highest in Mahal-Meda and Debre-Sina, while the mean value of the problems such as government support, use of technology, and market benefits from product quality were lower in Mahal-Meda.

Regarding the current practice of Yifat Debre-Sina Kolo a market linkage is created with Debre Berhan University, but their market activity is depends more on traditional marketing practice and inadequate working space and selling shop is there. There is also a problem associated with inputs and equipment's and lack of capital that needed to expand their business and promote their product.

There is a better practice in producing and marketing products since the cooperative gives quality seed to reproduce, established a market linkage with Kesame union and Promotion is done, while there is lack of using packaging, poor performance in awareness creation and Poor follow up and low consideration by top administrators and cooperative management.

Among the practical activities undertaken for Arerti Shinbera promotions done, but there is no difference after the product is branded because there is lack of awareness about brand, markets were not searched in advance, market linkage was not established, and there is poor usage of packaging.

The Good practice from Jiru Senga is the advertising done through national Medias. On the other hand, cooperatives are poorly practicing in finding new market and diversifying the market, and also not performing well in identifying strategies that help to identify the market, this is because, lack of good environment and organized system to modernize the oxen fattening activity, and Poor follow up of top administrators and cooperatives.

Regarding the Menz Sheep, Menz farmers union is taken the responsibility to expand the geographical area under the union to all Menz districts but, the main problems is the union does not take any practical action after the product is branded, the marketing activity depends more on traditional marketing practice since the consideration given from stakeholders are very poor, Poor consideration from government bodies and cooperative management.

### **Conclusions**

Even though it's not sufficient, cooperatives are started to use their own package. There is a participation of agricultural experts in improving the quality of farmer's products and some of the Union in the area reproduce seeds and distribute to the producers. Promoting the products is somewhat practiced. Currently the unions are planned and taking the responsibility to expand the geographical area under the union by cooperating with other stakeholders. The main challenges identified are Poor government support in providing information about the market and creating market linkage, it is difficult for buyers to differentiate our product from the other, no coordination between government sectors, and cooperative members that branded their product were not used the available opportunity, as a result there is inadequacy of benefit obtained from the market for branded agricultural products. That is because the awareness and know how about the brand by the farmers is poor and

also the actions taken by the government sectors and cooperatives management is insufficient, especially not taking any action on traders that were using the brand name illegally. In addition there is a shortage of warehouse to store the inputs and their outputs, shortage of finance to search new market, lack of working space, and the technology usage is not sufficient. In addition to this the weakness of the string committee to perform its activities in a planned way is one challenge for their success.

### **Recommendations**

Based on the analysis and findings provided we have provided the following recommendations;

- There are challenges that need the cooperation of all stakeholders; therefore it will be better if the government sector and management of cooperative are worked in merging informal traders with the cooperative members and strengthening entrepreneurship training that is provided by TVET, saving and book keeping by MFI. In addition, backward integration to control the supplier's activity is also very important.
- The benefits obtained from the branded products is not sufficient, as a result creating more market linkage with the help of trade and industry office and strengthening the cooperative by expanding to other districts were helpful to increase the benefits.
- The practice on better marketing needs the involvement of various stakeholders including government sectors NGO's and cooperatives, in order to diversifying market opportunities, practicing different strategies. Therefore the collaboration of these sectors is important to alleviate the stated problems.
- Concerned government bodies must create market linkage for the cooperatives
- There should be strong support for cooperative to join in the export market to exploit the opportunities special for jiru senga.
- The string committee should contribute its part by performing its activities in a planned ways.

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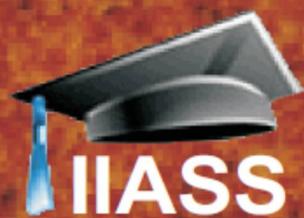
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