

Development of niche markets for agricultural products

Globalization and current reforms in the trade of agricultural and food products are resulting in stiffer competition among key market players. In the food retail sector, supermarkets are increasingly influencing how products are produced, processed, packaged, and even priced. Small and medium-scale entrepreneurs who are not part of chains are increasingly marginalized and their market share progressively dwindling. To survive, small and medium-scale entrepreneurs need to innovate and adopt niche marketing as a strategy, recommended the experts in the training course on Development of Niche Markets for Agriculture Products, organized by the APO in cooperation with the Development Academy of the Philippines and the Department of Agriculture in Manila, 5–12 September, and attended by 21 participants from 15 countries.

The experts pointed out that agricultural products have vast potential for niche marketing because they can be differentiated by the methods by which they are produced, processed, packaged, and labeled to suit the needs and requirements of specific segments of a broad market. They can also be marketed through various

channels including ICT. The participants studied the tools and techniques of market research, market segmentation, product positioning, market trend analysis, marketing strategy design, etc. Five experts from successful SMEs presented their experience in the niche marketing of high-quality rice, organic vegetables and fruit, tropical fruit, and cut flowers. Two experts made presentations on the use of the Internet in selling products domestically and internationally, two Philippine business school professors spoke on international marketing and business plan formulation, while a professor from the Asian Institute of Technology, Thailand, provided an overview of emerging markets for agricultural products in developing Asian countries and quality and safety standards.

The participants visited the farms and facilities of the Philippine Cut Flower Corporation and Basic Necessity, Inc., both pioneers in the Philippines in the production of cut flowers and salad vegetables, respectively, in computer-controlled greenhouses. These companies demonstrated that agricultural SMEs can be sustainable and profitable using appropriate technology complemented by a good marketing strategy.