

Ricebean: Demand Preferences and Marketing System

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Introduction

- ❖ Doreen Bürgelt, MSc
 - Supply chains
 - Food economics

- ❖ Prof. Dr. R.A.E. Müller
 - Major research area: Innovation & Information of agriculture in developed and developing countries
 - Research experience in India

- ❖ Prof. Dr. M. von Oppen, Ph.D
 - Major research area: agricultural marketing and hedonic price analysis
 - Research experience in India

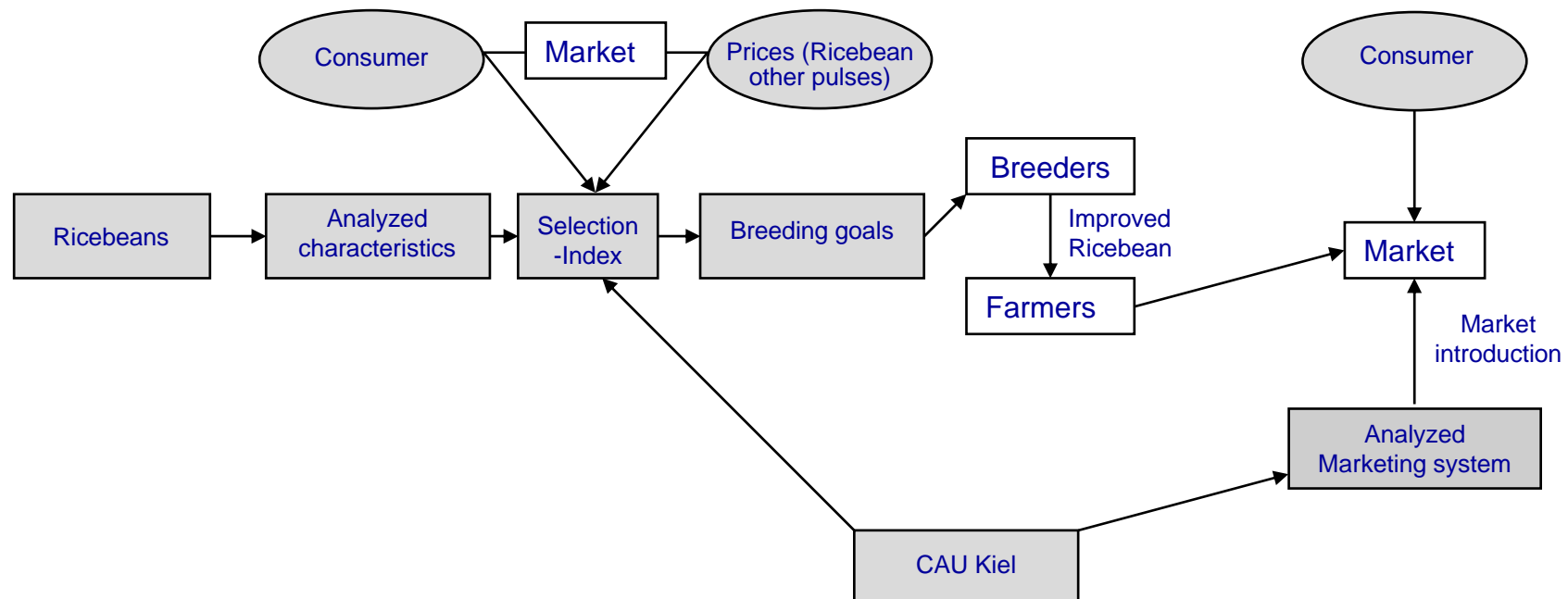
Content

- ❖ FOSRIN
- ❖ Network
- ❖ Demand Preferences
- ❖ Marketing System/ Supply Chain

FOSRIN

- ❖ Ricebean – *Vigna umbellata*
- ❖ Two central parts
 - Identify preferences = as part of breeding goals
 - Integrate ricebeans into legume market
- ❖ Hypothesis
 - * Variability of ricebeans
 - * Obstacles in supply chains or marketing systems
- ❖ Importance of improved ricebeans

Network and Information Flow



Demand preferences

- ❖ Develop a Market-based Legume Traits Value-Index (MLTVI)
- ❖ Link ricebean prices to willingness-to-pay for particular traits
- ❖ Identify relevant characteristics: visible (evident) and invisible (cryptic)
- ❖ Substitute: from the view of consumers
- ❖ Translate this information into an selection-index for breeders
- ❖ Hedonic Price Analysis

$$P_i = b_i + a_{i1} * q_{i1} + a_{i2} * q_{i2} + \dots + a_{in} * q_{in} + e_i$$

P_i = Price for one unit of a bean sample i

b_i = Constant

a_{ij} = Coefficient for the characteristic j in the sample i

q_{ij} = Amount of characteristic j in sample i

e_i = Random error

Demand preferences

$$\frac{\delta P_i}{\delta q_{ij}} = P_{ij}$$

- ❖ P_{ij} = marginal price change of i when the amount of j changes in one unit
- ❖ = relative preference for a characteristic

- ❖ Tasks:
 - Consumer and middlemen surveys
 - Collect i and P_i
 - Laboratory analysis to quantify j



Hedonic Price Analysis

Marketing System/ Supply Chain

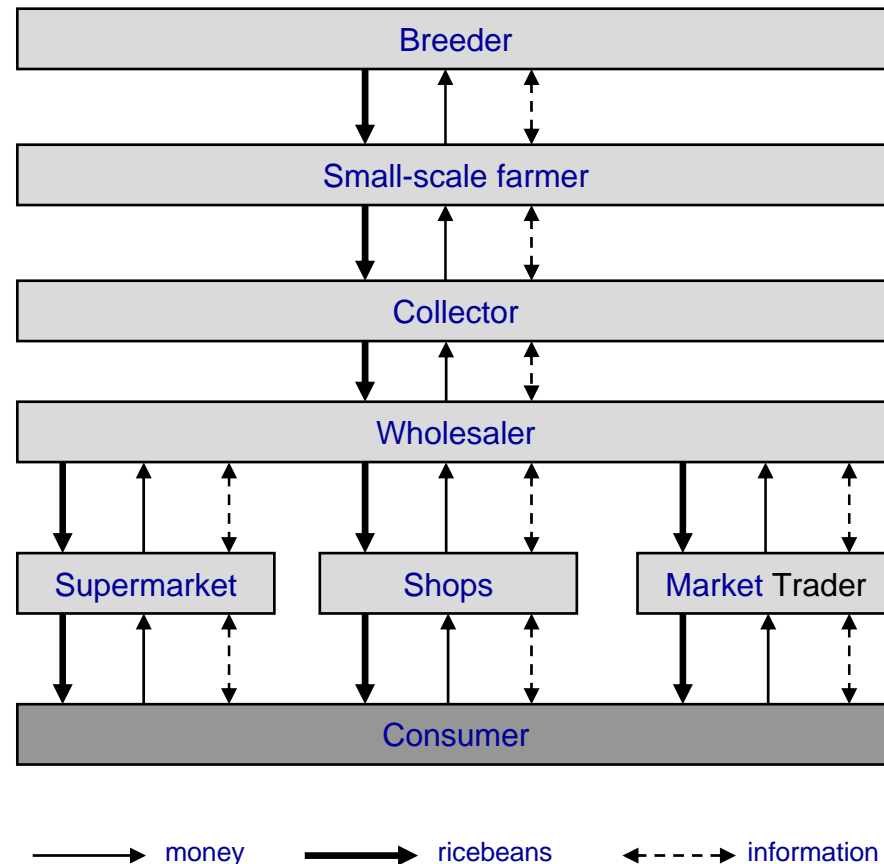
- ❖ Way of ricebeans from farmers to consumers
- ❖ Depict members (trader, wholesaler), their function, role and relationships
- ❖ Tasks:
 - Interviews and observations
 - Identify:
 - * Typical members and characterize key activities
 - * Volume and value of ricebeans in the supply chain
 - * Information linkages
 - * Informal and formal transaction relationships (clientelization, bargaining)
 - * Formal rules and regulations (grading systems etc.)
 - * Costs, prices, margins

Marketing System/ Supply Chain

- ❖ links in supply chains:
 - Flow of ricebeans
 - Flow of information about ricebeans
 - Specific exchange relationships which connect the members of the supply chain

- ❖ Connection to every stage of the supply chain (breeding, grow, marketing, sales)

- ❖ Influence the value of ricebeans at a early stage



Marketing System/ Supply Chain

- ❖ Ricebean launch:
 - Markets research
 - Product development
 - Product pricing
 - Product promotion
 - Supply chain management

Thank you for your attention!