

# Ricebean: Demand Preferences and Marketing System

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# Introduction

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- ❖ 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

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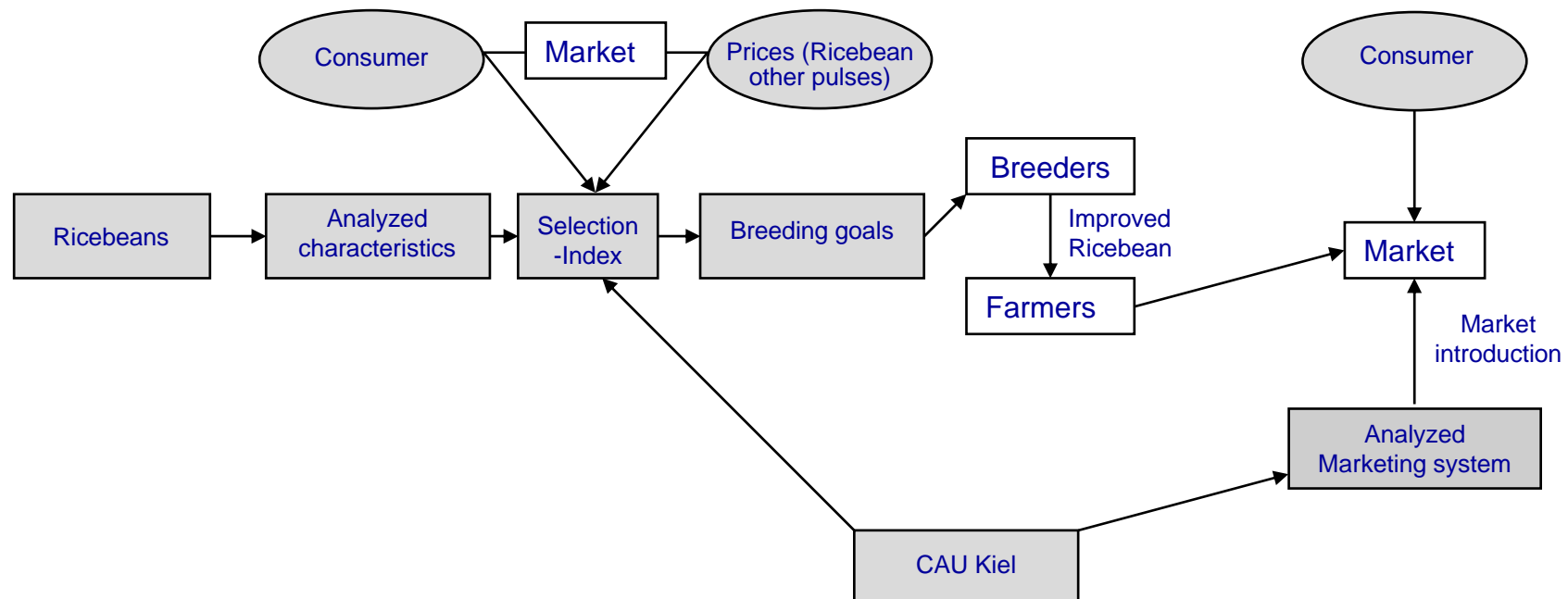
- ❖ FOSRIN
- ❖ Network
- ❖ Demand Preferences
- ❖ Marketing System/ Supply Chain

## FOSRIN

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- ❖ 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

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- ❖ 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

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

- ❖  $P_{ij}$  = 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

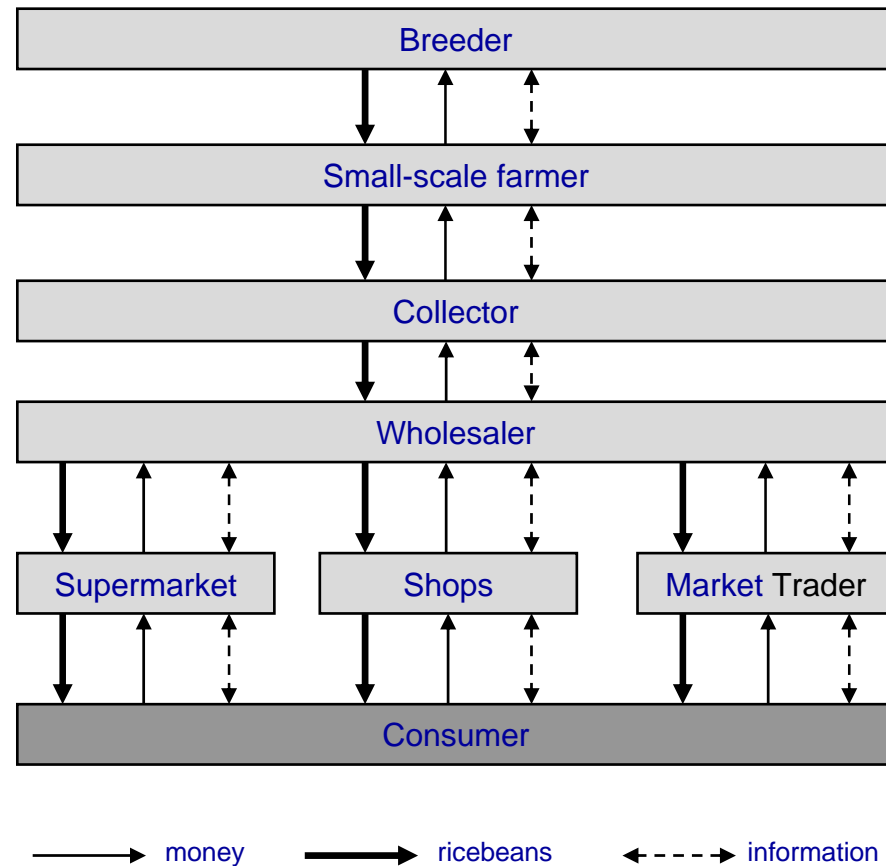
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- ❖ Way of ricebeans from farmers to consumers
- ❖ Depict members (trader, wholesaler), their function, role and relationships
- ❖ Tasks:
  - Interviews and observations
  - Identify:
    - \* Typical members and characterize key activities
    - \* 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

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

Thank you for your attention!