

# Agri-business - Planning and Strategies

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## Agri-business

Refers to the various

[businesses](#) involved in

[food](#) production, including

[farming](#) and [contract farming](#), [seed](#) supply, [Fertilisers](#),  
[agro-chemicals](#), [farm machinery](#),

[wholesale](#) and distribution,

[processing](#),

[marketing](#), and [retail](#) sales.

## Agri-inputs

- Fertilisers
- Soil amendments
- Irrigation
- Seeds
- Credit
- Agro-chemicals
- Farm implements / power

## Agri-inputs : Nature of products

- Felt-need products
- Factors of production – cost benefit ratios
- Shelf life / live
- Divisibility
- Substitution

## Agri-markets

- Dispersed / Diversity
- Demand – supply balance
  - Price sensitivity
- Low purchasing power – credit
- Seasonality
- Timeliness
- Dependence on weather
- Policy environment & regulations
- Distribution channels & their role
- Cultural beliefs & practices

Plans are Nothing, Planning is everything

Failing to plan is planning to fail

Planning is a **process** for accomplishing **purpose**.

It is blue print of **business growth** and a **road map of development**.

It helps in **deciding objectives** both in quantitative and qualitative terms.

It is setting of **goals** on the basis of objectives and keeping in view the resources.

**Planning gives:**

- Certainty
- Confidence
- Route map
- Evidence to others of our thoughts

## Planning

- Market scan / Situational Analysis
- SWOT analysis
- Objectives / Goals
- Strategy statement
- Budgets
- Structure and responsibilities (KRA)
- Monitoring and Evaluation

### SWOT Analysis

If you know the enemy and know yourself, you need not fear the result of a hundred battles.

If you know yourself but not the enemy, for every victory gained you will also suffer a defeat.

If you know neither the enemy nor yourself, you will succumb in every battle.

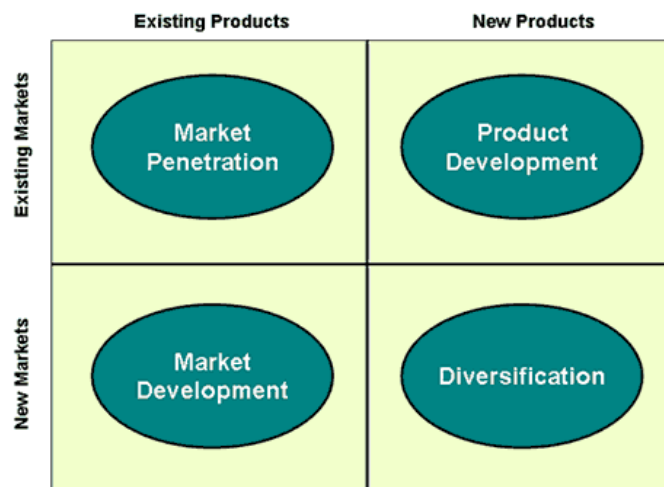
A **strategy** is a **plan of action** designed to achieve a particular **goal**.

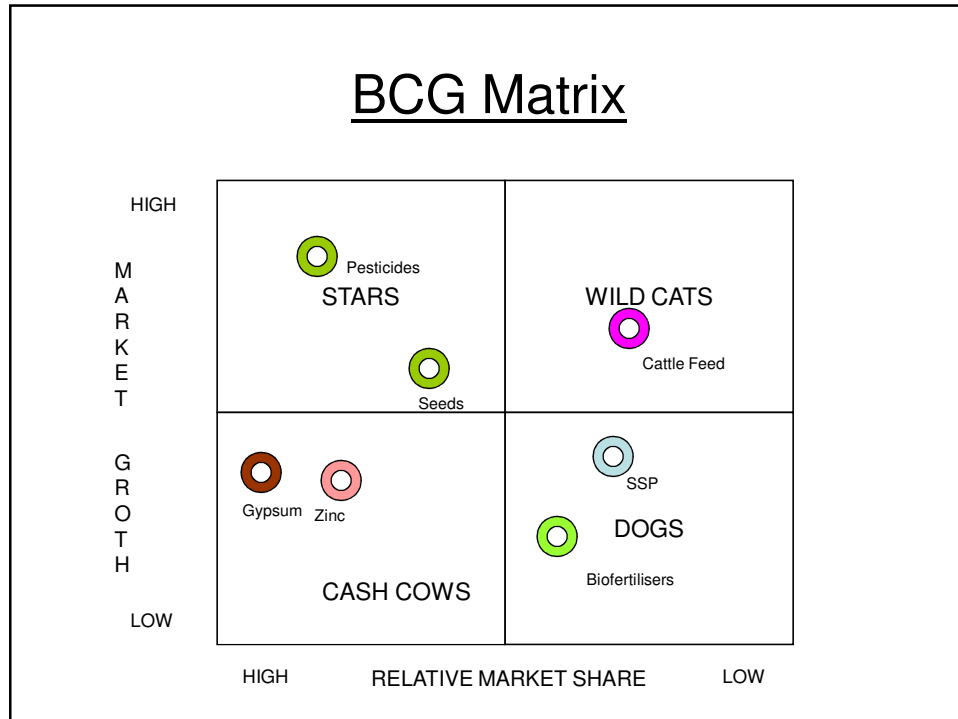
The word **strategy** has military connotations, because it derives from the Greek word for **army**.

**strategic management**  
**Historical development**

SWOT analysis  
Horizontal and vertical integration and  
 diversification strategies.  
Gap analysis.  
 management by objectives (MBO).  
Economies of scale.  
Learning curve advantages.  
Market dominance strategies  
 Low market share strategy -  
 niche players with very high returns.  
 Portfolio theory  
B.C.G. Analysis,  
G.E. multi factorial model  
 The marketing revolution  
production orientation  
sales orientation.  
marketing orientation,  
customer intimacy.

## Ansoff's product / market matrix





## Product-market mix

- Product
- Price
- Placement
- Promotion

## Seed Business

## Product

varietals , Certified  
branded – Uttam Kranti  
treated

## Price

premium pricing  
Credit sales  
ABS  
Incentive schemes

## Placement

Ex-plant basis  
despatch facilitation

## Promotion

POP publicity  
Newspaper ads.  
Extension workers

## Other strategic dimensions

0 Finance – Bali syndrome  
0 logistics  
Options – best of the deal  
delivered quality  
quick disposal of complaints / left overs  
Leveraged – market reach, discipline, trust  
incentive trips to suppliers

## Pesticides Business

## Product

All products – Full range  
Own brands / Known brands  
Distinctive formal products – Logo/ Panel

## Price

premium A - / B+ pricing  
Fair Negotiation – Bias for action ( *Mardana* work)  
ABS / Incentive schemes

## Placement

Multiple godowning  
swift despatches

## Promotion

Selective brand promotion - campaigns  
POP publicity  
Extension workers-incentives  
Incentives for trade

## Other strategic dimensions

0 Finance – Bali syndrome  
Quality – Tech Mfgs.  
Quick disposal of leakages / Expiry stocks  
Leveraged – market reach, discipline, trust  
Tech / Bulk Buying – advance payments

Marketing is a war out there

- Stakes are involved
- Contenders
- territory
- Both mental & Physical
- Technology & multipliers

It is the rule in war,

if our forces are ten to the enemy's one, to surround him;

if five to one, to attack him;

if twice as numerous, to divide our army into two.

If equally matched, we can offer battle;

if slightly inferior in numbers, we can avoid the enemy;

if quite unequal in every way, we can flee.

Think of :

Alexandar, the Great

Hanibal

Sher Shah Suri

Little Corporal

Iron Duke

Nelson

Lawrence

Mac Aurthur

Patton

Rommel

Thimaiyya

Gen. Jacob

- Victory is denying victory to others.

- Taste of victory
  - 
  - makes
- best warriors.

Courage is not the lack of fear.

It is acting in spite of it.

Nothing is taller than **commitment**.

Nothing is stronger than **determination**.

Nothing is greater than **intelligent perception**

Think **big**

- it makes you realize

- how small you are.

- Like the past, present and future,
- the possible and impossible too meet at a point.

**The mighty oak**

was

once

a little nut

that stood its ground.

To foster a corporate culture that embraces change,  
you have to hire the **right people**;

Heretics,

Heroes,

Outlaws, and

Visionaries

## Product

- Branding
- Packing & Packaging – material, sizes etc.
- Quality, specifications
- USP
- New products

## Price

- Skimming Vs. mkt. penetration
- Innovative pricing
  - Telescopic
  - Psychological
- Incentives – bottling up
  - FGOs
  - Cost vs. perceived value
- ABS
- Credit terms

## Placement

- Capturing space
- Pinch customers
- New markets
- Early mover
- Shifting seasonality
- Bundling / least count

## Competitive positioning strategies

### Price

		High	Medium	Low
Q U A L I T Y	High	Premium strategy	Penetration strategy	Super-bargain strategy
	Medium	Overpricing Strategy	Average quality strategy	Bargain strategy
	Low	Hit and run strategy	Shoddy goods strategy	Cheap goods Strategy

## Promotion

- Extensive Vs. intensive
- Selective Vs. Broadcasting
- Recall value
- Channel Development
- Leveraging equities of channel partners