

**MARKET RESEARCH
for agroprocessors**



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Marketing Extension Guide

MARKET RESEARCH for agroprocessors

by

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Preface

Before any agroprocessing venture is started, or before an existing venture decides to expand its product line, an understanding of the market for the planned products is essential. Companies and individual processors need to feel confident that people will accept and want to buy their products. They need to be sure that they can sell what they produce at prices that give them a good profit. They need to have a realistic idea of the quantities they can sell and be sure that the facilities they build and the equipment they buy are suitable for those quantities, being neither far too large nor too small. They need to know where they can sell their products and how best to distribute them to consumers. Last, but not least, they need to be certain that the raw materials, other ingredients and packaging they require will be available when needed, at a price that permits profitable processing and marketing.

This guide describes, in fairly simple terms, the market research that agroprocessors can carry out, and some of the ways of doing such research. Market research can never guarantee success but it can certainly increase the likelihood that the new business will turn out to be profitable. It can identify at an early stage those processing ideas that are unlikely to lead to profitable operations.

The guide is addressed to entrepreneurs and companies who are planning to develop or expand medium-sized agroprocessing businesses. It is also intended to be used by banks who need to understand the potential market before lending for agroprocessing; by consulting firms and individuals offering market research services in developing countries and by government agencies and policy-makers interested in developing the agroprocessing sector. Extension workers and non-governmental organizations (NGOs) who are supporting individuals and groups planning to set up small rural processing ventures could also use parts of this guide.

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