

Niche Markets in the Agricultural Sector, Case Study: Iran

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Abstract: The market of agricultural products has been considered as one of the main challenges in the national economy. So, knowing the structure of the various agricultural production markets as well as knowing the new markets is one way for overcoming these challenges. Iran has a high potential for meeting markets' requirements, groups and special consumers in the framework of niche markets, having climate diversity, natural sources, relative advantages in the production and exporting products especially pistachio, saffron, herbs, etc....Knowing these markets and its consumers will be a step to improve sales situation and consequently efficiency of marketing channels of these products. This paper is dealing with reviewing and introducing agricultural products to the niche markets after general recognition of agricultural situation and Niche products marketing in Iran.

Key words: Iran % Niche % Market

INTRODUCTION

Agricultural sector in Iran has strong advantages in several fields because of climate diversity, existence of rich natural sources, possibility for generative employment with fast efficiency, relative advantage in the production and exporting the products. This sector has allocated about 14.1% of domestic gross production, more than one fourth of the value for non-petroleum export, one fifth of employment and more than 93% of food supply in the country in 2003. Also, considering the production, employment, preservation and substantial exploiting of natural resources, research and development, and the expansion of people's participation, it can be said that agricultural sector in Iran has the important role in the economy and country's security [1].

World's agricultural production relies on 66 main agricultural products including 44 fruits and 22 domestic animals products, based on the FAO's reports. Although there are not only 66 agricultural products in the world, these products are the main products in the agricultural productions in the world. Based on this data, among 231 countries in the world, about 1/3 of them are pioneers in agricultural productions such that they allocate 1st to 10th ranking in producing one or several agricultural products. In this case, Islamic Republic of Iran has a suitable situation in agricultural products (Tables 1-3).

Situation of the Agricultural sector in Iran: Based on FAO's data, Iran has the 1st to 10th ranking in producing 1/3 of the main 66 products in the world, with 15 of fruits and 17 of arable products. Iran possesses a good place in the world, having 15 main fruits and has the 3rd ranking after China and US, collectively with Turkey, because of its various fruits. Also, Iran is in the 1st to 10th place in agricultural export of 10 products. Knowing that world trade of the agricultural products relies on the export and import of 35 main products and this fact that only 64 and 55 countries have arable products and fruits export, respectively, among the world, the role of Iranian agriculture will be clearer. Also, some valuable products are cultivated in Iran which is not listed in the 66 main agricultural products of FAO list such as saffron, barberry and caraway. While, Iran is one of the largest producers of these products in the world [2].

The market of a product, a section or an economic system is the same as a stage which all attempts and plans play their role on it. A vast and efficient market is able to increase the production motivation besides the dealing and distribution of wealth, while it can absorb the investment funding in the production sector of the economy. Any industry - even with modern technology - is not able to continue its activity in long - term, unless it access to a secure market. Pursuant to Islamic revolution, several attempts were done in order to obtaining the complete autarky in producing agricultural products such as wheat.

Table 1: Planted area production rate and yield of some products in agricultural years of 2004-2005

Product Name	Under Cultivated Ground			Yield (kg)	
	Irrigated Farming	Dry Farming	Total	Irrigated Farming	Dry Farming
Wheat	2634106	4316614	6950720	3785.98	1004.33
Barely	607485	1051685	1659170	3050	954.50
Pea	15460	522064	537524	1085.95	475.88
Bean	106059	5251	111310	1977.04	1228.00
Lentil	12043	213496	225539	1120.21	467.15
Other cereals	26154	7101	33255	1385.39	1010.69
Cotton	143233	16291	159524	2398.81	1219.76
Tobacco	10142	3657	13799	1581.09	1680.24
Sugar beet	152875	0	152875	32067.94	0.00
Sugar Cane	63385	12	63397	87250.37	5000.00
Other Oil Grains	77781	36421	114202	1107.69	883.42
Potato	186871	2774	189645	25762.56	5713.37
Onion	48758	1191	49949	34258.32	12664.10
Tomato	137971	820	138791	34550.74	7094.13
Other Vegetables	105168	17956	123124	23675.48	15447.19
Melon	92294	2911	95205	16958.32	6390.07

Source: [4]

Table 2: Production rate of Protein products of country during years of 1999-2003

		1999	2000	2001	2002	2003
Red Meat	Cow	269.0	274.0	341.5	314.0	336.8
	Buffalo	20.0	21.0	15.0	16.7	16.7
	Sheep and Goat	436.0	444.0	381.4	416.8	472.2
	Camel	4.0	4.0	3.7	4.0	4.2
White Meat	Hen	803.0	885.3	942.0	1104.0	1152.3
	Fish	424.5	399.0	395.6	434.3	465.6
	Shrimp	13.9	14.6	6.0	7.5	8.9
Egg		580.0	581.0	547.0	628.6	655.0
Honey		25.3	26.1	27.6	28.8	28.7
Milk		5623.0	5748.0	5877.0	6316.0	6720.0

Source: [4]

Table 3: Diagram of under cultivation ground of some of the most important fruits of country in years 2004-2005

Rate of Ground, production and yield in Hectare of permanent products of whole country year of 2002-2003										
Product Name	Cultivated ground of gardens regarding distributed trees(hectare)						Production (ton)		Yield (kg)	
	fruitless			fruitful			Irrigated farming	Dry farming	Irrigated farming	Dry farming
	Irrigated farming	Dry farming	Total	Irrigated farming	Dry farming	Total				
Grainy fruits										
Quince	1072	22	1094	3596	243	3839	34839	1164	9689.08	4782.16
Apple	27672	21	27693	152278	490	152768	2515453	3280	16518.86	6688.21
Pear	1442	41	1483	15032	917	15950	181125	4874	12048.91	5312.59
Nucleated fruits										
Sour Cherry	1751	2	1753	9164	59	9224	49780	174	5431.90	2935.24
Plum	2076	12	2088	11020	756	11775	99399	4809	9020.16	6364.88
Apricot	7745	0	7745	36330	53	36383	312791	204	8609.67	3870.97
Variety of Peach	274	0	274	1816	23	1840	18040	227	9932.77	9681.62
Nectarine	3481	77	3559	5551	48	5599	73563	655	13252.47	13702.93
Tomato	1148	83	1232	8248	1558	9807	61902	10629	7504.77	6820.33
Cherry	3518	46	3564	26711	571	27281	223190	1885	8355.87	3303.17
Peach	10150	47	10197	26385	167	26553	357953	2415	13566.46	14346.41
Fine grain fruits										
grape	14501	11951	26452	210222	69054	279267	2566223	304667	12207.20	4412.01
White mulberry	530	27	557	4922	517	5440	20706	1133	4206.50	2190.20
Strawberry	340	0	340	3083	662	3745	30341	4971	9840.66	7515.42
other fine grapes	7	0	7	103	9	112	531	32	5180.49	3500.00
Total	15378	11978	27357	218330	70242	288572	2617801	310803		
Dry Fruits										
Almond	23637	18849	42486	60811	53018	113829	101205	1664.25	353.93	

Table 3: Continued

Rate of Ground, production and yield in Hectare of permanent products of whole country year of 2002-2003										
Cultivated ground of gardens regarding distributed trees(hectare)										
Product Name	fruitless			fruitful			Production (ton)		Yield (kg)	
	Irrigated farming	Dry farming	Total	Irrigated farming	Dry farming	Total	Irrigated farming	Dry farming	Irrigated farming	Dry farming
Pistachio	107821	15	107837	312310	5	312315	235211	1	753.13	118.00
Oleaster	162	0	162	2574	3	2576	6331	2	2459.95	660.00
hazelnut	3800	951	4751	9858	3180	13037	11203	3244	1136.53	1020.14
walnut	54942	8446	63388	71831	3148	74979	197763	7120	2753.16	2262.08
Other dried nuts	28	7	35	79	32	111	65	78	818.99	2443.75
Total	190389	28268	218658	457463	59384	516847	551778	29209		
Fruits pertaining to a cold region										
Medlar	66	35	101	46	514	559	296	2970	6494.51	5783.84
Wild plum	4	14	18	160	157	317	736	261	4592.20	1660.19
Barberry	470	16	486	5968	18	5986	6848	26	1147.48	1416.67
Dogberry	155	1	156	926	4	929	6428	5	6945.76	1500.00
porphyry	11	79	90	407	795	1202	173	174	424.88	219.18
Total	706	144	850	7506	1487	8993	14480	3436		
Fruits pertaining to a semi warm region										
Pomegranate seeds	5943	17	5960	52980	993	53973	679263	6905	12821.20	6953.38
Fig	1225	3345	4570	4797	37809	42606	37336	38464	7783.19	1017.33
Orange	15666	1658	17324	88130	32509	120639	1469434	549182	16673.53	16893.34
Tea	92	543	635	2842	28644	31486	37214	174954	13096.53	6107.88
Date	37577	1240	38817	168556	22589	191145	926903	37780	5499.10	1672.48
Date plum	132	16	147	597	131	728	7336	1231	12286.00	9430.27
Olive tree	48944	3762	52706	14844	647	15491	45135	285	3040.59	440.93
Kivi	1084	0	1084	2836	0	2836	65991	0	23267.30	0.00
Grape fruit	177	0	177	2181	63	2244	44771	844	20527.54	13337.28
Citron	8123	1	8124	33229	83	33312	570462	857	17167.71	10319.28
Sweat lemon	1489	11	1500	21239	508	21747	502031	6687	23637.12	13162.60
Sour orange	499	13	513	2519	1153	3672	32183	15660	12776.41	13582.79
Rate of Ground, production and yield in Hectare of permanent products of whole country year of 2002-2003										
Cultivated ground of gardens regarding distributed trees(hectare)										
Product Name	fruitless			fruitful			Production (ton)		Yield (kg)	
	Irrigated farming	Dry farming	Total	Irrigated farming	Dry farming	Total	Irrigated farming	Dry farming	Irrigated farming	Dry farming
Tangerine	2893	402	3295	34228	6271	40498	577509	90762	16872.61	14473.97
Other citrus	1108	3	1110	1863	50	1913	20409	641	10954.27	12766.93
Fruits pertaining to warm regions										
Banana	973	0	973	1916	0	1916	56547	0	29505.60	0.00
Other fruits										
Japanese medlar	38	28	66	84	166	250	270	965	3218.79	5809.45
Mixed gardens	91	0	91	1452	0	1452	8128	0	5598.07	0.00
Noghan berry	371	723	1094	2116	12802	14917	12388	126087	5856.04	9849.41
Saffron	44	0	44	54437	0	54437	228	0	4.19	0.00
Fruitless	18019	4382	22401	63103	24841	87944	0	0	0.00	0.00
Golestan	2303	915	3218	3883	2340	6223	10621	2784	2734.91	1189.70
Herbs	12	0	12	22659	12471	35130	11863	3049	523.55	244.49
Total	415498	59871	475369	1567418	326837	1894255	12319360	1437130		

Source: [4]

But because of Iran-Iraq war, agricultural planners could not be success to plan it practically. During the war, all policy makers in the agricultural sector tried to protect and support the production of agricultural products by preparing the inputs for farmers. Considering the country's particular situation in the war period, agricultural sector could pass the critical period for another time, because this sector has the potential of self-sufficiency [3].

After finishing the war and critical circumstances, Iranian government attracted to prepare and apply development plans for all the economy, especially agricultural sector. Therefore, special methods for planning in the agricultural sector, especially in the marketing appeared, following this kind of thought that agricultural sector has particular conditions and also considering the needs for necessary of the existence of accurate data for making a correct decision.

Table 4: Examples of Niche Marketing

Section	Product	Niche
Agriculture	Timothy hay	grazing race horse
Agriculture	Kosher milk	Religious groups following dietary laws
Agriculture	organic vegetables	consumers willing to use of specific meals with no poison
Agriculture	Extra fat meat	Asian export market
Agriculture	Corn silage	Confined dairy operations and beef feedlots
Agriculture	agricultural prevalent services	other producers with no resources for these services
Agriculture	pasteurized goat milk	Consumers allergic to cow milk

Source: [9]

Marketing of agricultural products in Iran: With regard to the importance of the regulating the agricultural products, which is now considered as a fundamental challenge in national economy, government has recently decided to find new markets by various researches. A market research will become as an eye opener to see which opportunities are there and can assist in market positioning as well as product range enrichment or streamlining. These researches have done by research and scientific centers in order to knowing the structure of various Iranian agricultural markets, preparing marketing fields and finding proper alternatives. A marketing strategy that focuses on specific markets will be necessary in the long-run. Niche marketing has recently received a great deal of attention in the agri-food trade and academic researches as a legitimate strategy for small- and medium-sized agri-food firms [3,5].

Niche Marketing: Word "Niche" is from French originally. Niche marketing includes distinguishing goods or services for a small section of a market which is not prepared to service by goods' main stream or marketer service. Marketing is almost being implemented in any business such as fast food chains and facilities shops. Anyway, niche marketing states small, intermediate or a farm level marketing which a goods or service create for a limited section of the market [6]. Niche Markets could be included as geographical regions, a specific industry, a special race or group, or any special group of people. Sometimes, a niche product can be indicated as the differences in usual goods do not produced and supplied by the main marketing companies. However, with a little marketing survey, niche markets could be developed from which small producers could derive extra income. Niche strategies are defined as market-oriented. Such strategies begin with an idea of focusing on the target market and the particular conditions that make it special [7,8].

It could be perceived from Table 4 that niche marketing exist anywhere. Sometimes, niche marketing

becomes very limited and aiming to a small group in a market i.e. supplying kosher milk for a great population of Jewish in New York. The dairy producer hired a rabbi full time to observe the management and milking activities on the dairy. So, the milk produced can be sold in the kosher market. In this case, the dairy producer has a portion of the market for himself [6].

Traditional small-scale farming was the main structure of farming communities for centuries and this has caused a tremendous accumulation of indigenous knowledge in farming practices and food production. Therefore, natural farming used to be a widespread practice not more than half a century ago and is still appreciated to some extent by the farmers. According to IFOAM & FiBL [9] in the Islamic Republic of Iran there are 100 hectares of land under organic management and only one registered organic farm. Although the remains of traditional systems of food production, completely organic both in technical and social terms, are still in operation in remote areas, these systems have not been regarded as organic in the present context of organic production and in fact they could be considered as ignored organic farmers [9].

Opportunities of Niche Marketing: There is often difference between becoming familiar with a potential vacancy and niche marketing. Sometimes, people find themselves in the niche marketing without a pre-planned. You may be need a goods or service, but providing it is so difficult in your region; therefore, you must prepare it in a way; and promptly you will find out that others ask you to provide them that special product. Thus, one way to knowing the potential for having a niche market is thinking about those needed goods and services [6].

Niche markets have advantages and disadvantages. The main advantage of niche marketing is that producers become wholesalers, and, in some cases, retailers. Consequently, producers have more control over the prices they set for their products and they retain some

Table 5: Niche markets for Iran's agricultural products

Section	Sub Section	Product	Niche	Properties
Agriculture	Domestic Animals	Meat with Islamic slaughter	Import market of Muslim Countries	
Agriculture	Domestic Animals	Goat meat	Arabic countries located in Persian gulf margins	
Agriculture	Horticulture	Date	in Ramadan moon for people who fast	Preventive of most cancers such as colon, stomach, etc...
Agriculture	Horticulture	Date	Instead of sugar for diabetics	
Agriculture	Horticulture (Herbs)	Gum	in manufacturing gum with its alcoholic solution in the industry which made a non decaying patent leather	stomach strengthening, food digestive, using for export gum manufacturing
Agriculture	Fishery	Caviar	Europe and US export market	existing β3 in the caviar will prevent increased cholesterol in the blood with prevention of cardiovascular diseases and arthritis romatoid gut diseases and some of the cancers
Agriculture	Handicrafts	hand-woven carpet	Europe and US export market	Tourism
Agriculture	Handicrafts	Short-napped coarse carpet	Europe and US export market	
	Domestic Animals	Leather	In the industry	
Agriculture	Horticulture	pomegranate seeds	for specific consumptions	Blood maker, pomegranate seeds sauce, pomegranate seeds leaf in stomach weakness, anorexia, nausea, common weakness, blood refining, specially in young girls and in removing migraine
Agriculture	Horticulture	Flower	Asia And Europe export market	
Agriculture	Domestic Animals	Diary(dried when, dried black curds	for foods	because of organic acids in it, antiseptic of digestives(stomach, gut)it used as a swelling food
Agriculture	Horticulture	Raisins	for making chemicals	is used as strengthener and if it allow to draw like tea and then drink it, is useful for softening the chest and sore throat
Agriculture	Horticulture	Pistachio	Asia And Europe export market	is very strengthening, having B1,B2and PP,E vitamins with minerals effective in strengthening physical and sex forces
Agriculture	Horticulture	Saffron	Arabic countries specially Saudi Arabia	its juice is supplying as a product called Swedish Bitters manufactured by various factories
Agriculture		Caraway	Asia, US and Europe export market	It when allows to be strewed or when chewing will remove period sores as well as gut sores anorexia. black caraway or its oil will remove dyspepsia and stomachaches ...
Agriculture	Textiles	Black veil	Import market of Iran and Muslim countries	

portion of the profit that would otherwise have gone to middle-men. The main disadvantage is that considerable time must be spent for analyzing and developing niche markets [10].

Iran has a high potential to produce various agricultural products because of diversity in climate and specific geographical conditions. This variety in products, in turn, has produced potential for having niche markets in domestic markets and also niche export markets.

Followings indicate why agricultural products of Iran are accounted as products having niche markets:

- C Products which are unique: such as herbs
- C Harvesting in a period other than the top of market purchase: (because of climate diversity)

- C Existing races and ethnic groups in Iran:(because of various tastes)
- C Diversity in sections and sub sections related to agriculture sector (arable, domestic animals, fruits, fishery and handicrafts products)

Some of the most important products which specific markets could be found for them have been shown in Table 5.

A glance to Herbs in Iran as a product for particular markets: Herbs industry is one of the limited industries which have two digits growth rate. Scrip institution had anticipated the growth of herbs industry during years before entering to the third millennium by 1.3 Billion Dollar of financial circuit in 1996 and for the first years of

Table 6: Iran's Herbs

Scientific Name	English Name
<i>Aloe vera</i>	Aloe
<i>Cynara scolymus</i>	Artichoke
<i>Asparagus officinalis</i>	Asparagus
<i>Persea americana</i>	Avocado
<i>Berberis</i>	Barberry
<i>Ocimum basilicum</i>	Basil
<i>Valeriana officinalis</i>	Valerian
<i>Borago officinalis</i>	Borage
<i>Arctium lappa</i>	Burdock
<i>Elettaria cardamomum</i>	Cardamom
<i>Cassia fistula</i>	Cassia
<i>Chamaemomum nobile</i>	Chamomile
<i>Cinnamomum zelanicum</i>	Cinnamon
<i>Caryophyllium aromaticum</i>	Clove
<i>Coriandrum sativum</i>	Cumin Seed
<i>Taraxacum officinale</i>	Dandelion
<i>Aniethum graveolens</i>	Dill
<i>Sambucus nigra</i>	Elderberry
<i>Foeniculum vulgare</i>	Fennel
<i>Trigonella gracum</i>	Fenugreek
<i>Linum usitatissimum</i>	Flax seed
<i>Descurainia sophia</i>	Flixweld
<i>Allium sativum</i>	Garlic
<i>Gentiana lutea</i>	Gantian
<i>Zingibar officinale</i>	Ginger
<i>Chelidonium majus</i>	Greater celandine
<i>Equisetum arvense</i>	Horsetail
<i>Hyssopus officinalis</i>	Hyssop
<i>Zizyphus jujube mill</i>	Jujube Tree
<i>Polygonum aviculare</i>	Knotgrass
<i>Lavandula</i>	Lavander
<i>Glycyrrhiza globra</i>	Licorice
<i>Rubia tinctorum</i>	Madder
<i>Mangifera indica</i>	Mango
<i>Althaea officinalis</i>	Marshmallow
<i>Urtica dioica</i>	Nettle
<i>Quercus</i>	Oak
<i>Avena sativa</i>	Oat
<i>Petroselinum sativum</i>	Parsley
<i>Mentha piperita</i>	Peppermint
<i>Crocus sativus</i>	Saffron
<i>Hypericum perforatum</i>	St.johns Wort
<i>Tamarindus indica</i>	Tamarind
<i>Curcuma longa</i>	Tumeric
<i>Verbena officinalis</i>	Vervain
<i>Betula alba</i>	White birch
<i>Berberis</i>	Barberry

Source: [11]

third millennium, it is almost about 15 to 20 percent. Nowadays, most compounds of plants have been used as conservatives, flavors in food industry, protective and skin fresher in cosmetics and volatile oils in Aromatherapy.

Normal nature of herbs causes more compatibility with body and removes side effects. Herbs are more compatible with body because of their normal nature and having medicine homologues components together; and usually lack unwanted side effects; therefore they are most suitable especially in cases of long consumption and in chronic diseases.

For example, herbs in most mental disorders will be the best choice. Most of consuming medicines in 2001 were related to the mental disorders and also have had more side effects, while most of them can be replaced by herbs.

Advantages of herbs in Iran: Iran can have proper allocation of herbs in the world markets. Because of climate diversity, Iran possesses vast and unique biological diversity. This is obvious in plants specially herbs (Table 6).

Although Iran is newborn in developing the herbs industry, this country can achieve considerable share of the world market by properly planning. Perhaps Iran cannot compete with developed countries which have mass production, but because of species diversity and natural production of herbs, Iran has no more competitors in the world and even in some cases, Iran is the only producer without any competitor. But all these have a condition that is Iran should try to know this natural wealth and use them. In this way, it can be forecasted that herb industry can provide up to 5% of GDP.

Summary: A sincere commitment to the welfare of rural poor farmers is very important in the eventual success of linking farmers to markets. Sometimes a modest investment is all that is required to catalyze the process. Effective glance to the world makes this fact clear that "nowadays world is most different than past". Economic globalization, mass production and added value in the most markets and all indicate the integration of global markets, competition based on time, information sharing and knowledge efficiency with ever-increasing strength of customers indicate the integration of global markets and ever-increasing complexity of markets with dynamics of processing environment of companies, production and service institutions.

In such a space, an essential question is that: what is the mystery of survival and succeed of organizations in today's super competitive market? In today's market, filling more of big markets do not mean the isolation in the world.

Becoming familiar with this manner in today's competitive market, especially in agriculture as one of

the most economic sectors can influence the agricultural economy of a country greatly.

Iran can increase its sharing in particular markets day to day with accurate, compiled and coherent planning, having high potential in this field and having very special products.

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