

Problems of commercialization of agricultural products in the municipality of Angostura, Sinaloa

ZAYAS-BARRERAS, Imeda*† & FUENTES-URIARTE, Juan Jaime

Universidad Politécnica del Valle del Évora. Carretera 500 S/N, 81670 Leopoldo Sánchez Celis, Sin.

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Abstract

In the development of the investigation several problems of commercialization of agricultural products have been found in Angostura, Sinaloa; Are similar to those in the country, low prices per ton, no support to the field, lack of training in the marketing process and the behavior of product markets, excessive number of intermediaries in buying and selling, ignorance of The processes of export, null linking of producers with entrepreneurs, government and universities, among.

It requires a program of rural extension, where the producer is attended and trained in the production process, inputs to be applied and especially in the behavior of markets and marketing.

The situation of the field is very critical, the producers no longer believe in the government and every time they sow they consider that they do not have good results, it is for that reason that much has been given the rentismo of the plots and are a few producers who symbolize because Have the economic resources.

Automation, processes, competitiveness, MiPyMes

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* Correspondence to Author (email: melda.zayas@upve.edu.mx)

† Researcher contributing first author.

Introduction

The commercialization allows the organization and distribution of a merchandise to a certain place, with the purpose of its sale. Agricultural marketing is the process by which other regions, states and countries is distributed agricultural products from a producer, this by intermediaries who are responsible for the process of agricultural marketing.

For many years already he began to emerge marketing, giving first as a way to carry out the purchase and sale of agricultural products in the region to become a very important for the country's economy economic source through exports . The free trade agreement makes this process possible by eliminating or reducing most tariffs on agricultural products, allowing goods to be distributed more freely among the countries of the North.

The problem of commercialization lies in the disadvantages that producers have, because they are constantly paid per tonne an unfair price, receive scarcely government support and production costs are very high, which is why this is a factor that limits the commercialization, since sometimes the producers realize seedlings with the purpose of facing the commercializing companies of the region and they refuse to sell their agricultural products to these.

Sinaloa is now one of the largest agricultural producers in the country and also makes exports to the United States, Japan, China and Spain mostly, just as marketing and exporting agricultural products such as corn, beans, chickpeas and sorghum mainly.

Justification

The problems presented by the agricultural producers of the Municipality of Angostura, Sinaloa; in the sector, they are the prices per ton of the product, the high cost of production, the excessive number of intermediaries in the commercialization, the substitution of the workers for more efficient machinery and the importation of agricultural products from other countries; they affect more and more the producers and the economy of the region in general, these are only some limiting factors that damage the economic stability of the agricultural sector nowadays. It is thought interesting with this investigation to know those problems that limit the commercialization of agricultural products because it is the greatest source of economy and work of the people in the municipality.

The present investigation is made with the purpose of identifying the problematic that exists with respect to the commercialization of the agricultural products of the region, and in this way to make the farmers aware of the future facing the agricultural sector and thus be able to provide solutions to the problem in conjunction with the government. In the same way it is sought that with this information the farmers prepare better, and look for trained personnel to advise them in the commercialization process, especially when a foreign market is served that there are product specifications and export process before the customs. It is for this reason that this research is carried out, so that producers seek support of logistics and advice regarding marketing strategies by reducing intermediaries and transport costs.

Problem

The main problem of the commercialization of agricultural products is the number of intermediaries involved in this process, as well as the low prices per ton of the products, the high production costs caused by payments of water, insecticides, seeds, fertilizers, fuels, transport and harvest, among others, that make the final product have a high price and does not coincide with the low price offered per ton, even when the producers have increased the volume of production using improved seeds and quality.

The government indicates that it is supporting the field with the PROAGRO Productivo program, which has gradually reduced support, because there is a minimum of what is provided in some agricultural products and in others there is no support, this has allowed many of the ejidatarios they have decided to rent their plots because the sowing has not been profitable, since they have been left in debt because of the problems previously exposed.

Hypotesis

H1: There are limiting factors in the commercialization process of agricultural products that affect the economy of producers and their families in the municipality of Angostura, Sinaloa.

H2: The excessive number of intermediaries and the cost of transport in the commercialization process means that the price of a ton of agricultural products is very low.

Objectives**General objectives**

Determine the limiting factors of the commercialization process of agricultural products that affect the economy of families in the municipality of Angostura, Sinaloa.

Specific objectives

- Identify the distribution channels of agricultural products in the commercialization process.
- Present the real problems of the commercialization process of agricultural products in the municipality of Angostura, Sinaloa.
- Formulate strategies and / or recommendations to producers to reduce marketing problems.

Theoretical framework

Agricultural marketing has a process that starts from the harvest of the products, distribution, market, policies until reaching the final consumer who will pay a fair price for the product, this becomes a complex process due to the difficulties of moving in very distant regions. that producers are not organized and face difficulties, as indicated Rincón, Segovia, Aguilera, López, Zavarce and Leal (2004): "Agricultural marketing is a process that allows products to reach consumers located in areas urban areas distant from agricultural exploitation areas, in such a way that, the number of operations and functions that are carried out, determine the degree of complexity of the process. Thus, it can be said that commercialization is the set of processes or stages that the products must overcome in the transfer flow from the producer to the final consumer ... The participation of the peq ueños producers in the marketing of their products, is perhaps one of the most delayed, dispersed and disorganized, not only of the national economy but also of Latin America. It is for this reason that it is necessary to reduce the stages of commercialization, that is, to make delivery more direct and to organize agricultural producers for the process.

Small producers must stick to commercial globalization and information and communication technologies (ICTs) that are becoming stronger, and they become a constant problem for producers due to the process of adaptation and their resistance to change. The dilemma in such globalization is that producers, even if they have little experience, must take a more dynamic and flexible role in the marketing process. Therefore, it is necessary to generate competitive sectors in the market and an efficient business management, indicated by Barrantes (2006) "In the recent past, most of the efforts have been made for the development of agricultural activity, with capital intensity and with a view to a non-traditional market and in the hands of large and organized entrepreneurs. Today we have to face the new dilemma of commercial globalization where the producer must assume a more dynamic role in the process of linking production with commercialization. In this process of globalization the question arises about the participation of small producers and their way of facing the process. This additional problem for the farmer about the new process of globalization of economies and the emergence of economic blocs to secure markets and reduce trade risks, requires competitive sectors, efficient business management in the process". These problems are faced by small Mexican producers, who have not been trained to adapt to the changes and continue to work their land traditionally and want to sell their crops to the first marketing agent, who offers a low price and no guarantee of timely payment.

In relation to the problems presented in the commercialization of the products of the agricultural sector, it has established some forms of support for the trade of grains, one of them was presented in the year 2001 by proposal of the President in turn Lic. Vicente Fox Quezada, who presented an initiative to support the field, where he proposed agriculture by contract, where the farmer made his purchase contract with the buyer and sold the product before the harvest, as noted by Echánove Huacuja (2009) "In 2001, the The government announces its intention to support the commercialization of basic and oleaginous grains that is carried out under the contract farming scheme, which it defines as "the operation by which the producer sells to the buyer before harvesting his product, through the celebration of forward purchase agreements, under specific conditions of volume, quality, time, place of delivery, price (or formula for determining of this) and payment terms. The objective of this scheme was to reduce the uncertainty in the commercialization process, both for producers and for purchasing companies, as well as to promote the substitution of white corn for yellow ". This strategy that is presented to agricultural producers in Mexico, had much to be desired, because there are many older producers who work under the traditional scheme and could not achieve commercialization under contract and today continue with the same problem, because they are people who do not have studies and are unaware of the signing of contracts and forms of negotiation, and those who tried to do so, the trading companies, especially foreigners, abused the peasants in the negotiation, because they were not trained or advised by expert personnel who will support the process.

In Mexico there are some marketing problems, such as the link between companies, buyers and the Government, as well as the exchange rate of the Mexican peso in relation to the US dollar, which is where the price of products on the Chicago Stock Exchange is determined. There are also problems of technological innovation and the products to be sold in the market lack quality, according to the requirements established by the buyer, among other problems pointed out by the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) (2014) "High levels of risks in agricultural and fishing activity, derived from a low link between buyers and producers, costly transaction mechanism, little or no incentive for commercial promotion, an overvalued exchange rate, distorted international prices and the presence of an oligopolistic market of inputs.

Limited access to the market mainly due to the low quality of agri-food products due to limited technological innovation and low levels of public and private investment derived in part from the presence of a weak institutional framework; low quality standards market due to the low incorporation of good practices; weak integration of the productive chain and low development of technical-productive and business capabilities ". The situation of commercialization in Mexico is highly debated due to the problems presented by the almost null public and private investment, as well as the weak government structure that does not address the problems of the countryside and is followed by errors in the way of buying and selling crops.

In Mexico, policies and programs have been established to support the commercialization of agricultural products, which have had their advances such as the case of the National Company of Popular Subsistence (CONASUPO), which was responsible for serving the markets for basic products such as corn, wheat, beans and rice; the population of the rural sectors and the low-income population were burned, because they were selling products at low cost in each of the stores that were in the towns, this was a great progress for the inhabitants, but in the case of the peasants did not have good results because, as always, the guarantee prices that existed for these products were taken advantage of by those people who turned into renting agents and landowners for planting, among other problems pointed out by Maximiliano Martínez, Rivera Herrejón, Franco Malvaíz and Soria Ruiz (2011) who quotes De Ita, (2003: 43) "the fundamental objectives were regulation and protection. The regulation focused on the basic subsistence markets produced and consumed by the majority of the population in Mexico: corn, wheat, beans and rice. The protection was aimed at farmers belonging to the area of subsistence agriculture and low-income consumers. However, the real benefit that Conasupo provided to corn producers was questioned for several reasons:

1. The guarantee prices only benefited the producers with surpluses that sold corn, but not the poorest peasants who had to buy grain.
2. The excessive procedures and regulations for the purchase of corn by Conasupo caused many producers to be excluded from the program.
3. The dates of purchase were limited to certain months of the year, so that the rest was open to the operation of merchants, often unscrupulous speculators.
4. Corruption and inefficiency of the parastatal.

Despite its shortcomings, Conasupo had acquired considerable influence in rural corn markets.

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Thus, the disappearance of the state company in 1999, caused a disorder in the grain market that the Mexican government has not been able to resolve. Currently the distribution and marketing of basic food for the population, in the case of corn, is in the hands of large companies, which condition the supply and marketing to obtain state subsidies. The case of CONASUPO, came to support the distribution and commercialization of the products, but at the same time caused problems in the grain markets because in Mexico there was a subsidium to certain products considered as a guarantee price, which no longer exists, disappears and determine a new program called PROCAMPO, which came to support the registered ejidatarios with marketing support, which little by little has been reduced to the degree of being less registered producers and the resource has gone down a lot.

On the other hand, it is important to point out that there are other types of problems that influence marketing, such as low productivity, low or no support for those products that truly are a comparative advantage with the United States, among others noted by Sánchez Cano (2014) "The low productivity of the campomexicano is due to multiple reasons: the low productivity of the agricultural and rural activity; a weak investment; the fragmentation of production that prevents capture economies of scale; supports that are not linked to productivity; little economic orientation in agricultural production (inputs whose price does not reflect their true opportunity costs and guarantee prices that subsidize inefficient production).

Corporatist approach to channeling resources; communal properties in which there is no individual responsibility for efficient use, and uses and customs that are not oriented to the optimal economic development of individuals. In addition, the low growth of agricultural productivity is concentrated in the crops that have been the most "intervened" by agricultural public policies (for example, corn and beans), which contrasts with the little governmental support to other crops with which Mexico It has comparative advantages, and has attracted enough investment, reaching productivities that can dominate the US market. Mexico is a large producer of grains and vegetables that should be exploited considering that it has a great competitive advantage with other markets of ceran countries, but the Mexican government will have to pay close attention and establish public policies for the commercialization of these products, because there are two periods of government that have no interest in serving the agricultural sector, a situation that makes it vulnerable to any problem.

Research Methodology

The nature and scope of this research is qualitative in nature, as it interacts directly with the owners of companies in the agricultural sector and producers in the municipality of Angostura, Sinaloa; By means of a focus group (focus group) to 8 grain commercialization companies and interviews to 20 agricultural producers of the municipality, which allowed to describe the characteristics of the companies and the opinion of the producers of the municipality. Carrying out a typology of unilateral character, because it is done in a determined period of time that covers the time in which the data or real facts of the companies are taken, period of March of 2016 to March of the year 2017.

The qualitative investigation according to Mendoza Palacios (2006) says that: "the qualitative methodology, as indicated by its own name, has as its objective the description of the qualities of a phenomenon.

Look for a concept that can encompass a part of reality. It is not about testing or measuring to what degree a certain quality is found in a certain given event, but discovering as many qualities as possible. In qualitative research we should talk about understanding in depth instead of accuracy: it is about getting an understanding as deep as possible. "

It is for this reason that the qualitative method is used for this research, because one of the techniques that is the focus group and the interview is applied.

The materials used in the methodology to conduct the research are a focus group with entrepreneurs and agricultural producers and also used the interview as an instrument that was applied under a structured questions guide to entrepreneurs and producers in the agricultural sector of the municipality of Angostura, Sinaloa; which sought the opinion of the problems presented in the process of commercialization of agricultural products produced in the region.

Results

In the municipality of Angostura, Sinaloa, grain trading companies are established, such as Grains of Sinaloa S.A. de C.V., Jova Graneros S.A de C.V., Comercializadora de Granos Patrón S.A de C.V., Graco Granos S.A. and National and International Grains of Sinaloa, S.A. (GRANISSA), among others of equal importance, same that are responsible for making the collection of agricultural crops in the region and for distribution to the final consumer have their own transports of excellent quality and also provide financing and sale of inputs to the producer .

In the development of the Focus - Group that was carried out with entrepreneurs, it was pointed out that the companies approach the field, that is to say the producer so that he does not have problems in going to look for markets, that is why they are in the agricultural area of the municipality , also have trained personnel to offer the necessary products for the care and management of the plantings that the same company sells them, as well as financial credits for the producer; They also indicated that they are committed to the agricultural sector.

The problems of commercialization, indicate the entrepreneurs that are minimal because the producer is paid according to the volume or tons delivered, agreeing to make the payment once the company makes the sale of the product with other companies in Mexico or abroad, Because they export to the United States, Spain, Japan, China and Israel depending on the product.

The companies indicate that the agricultural producers do not have any problem in the commercialization of their products, because the company receives the grain, stores it, commercializes it and pays the producer, that is to say, they avoid the market negotiation process, reason why they consider that there are no problems.

On the other hand, interviews were conducted with agricultural producers who indicated that there are several problems in the commercialization of the products, starting with the price that is very low, starting with the price of corn that last year was paid to us \$ 4200.00 per ton and this year they want to pay us \$ 3600.00.

Where we are going to arrive, said the producer, if in addition the inputs for planting corn have increased their prices a lot like fertilizer, seed, insecticides, herbicides and not say the diesel that the price is sky high; the cost of production per hectare is very high and that is why it does not reach the price that they want to give us, we do not have profits and notice that Don Marcos did not have a yield in his harvest, he will remain indebted because will not reach to pay, that's the truth of everything, said a producer of corn in the region.

In the same way it was found that there are actually grain trading companies, and that they support the producer, but for their own benefit, because they offer financing at high interest rates and the payment of the harvest is very slow, sometimes they last for months in which they are pay the beans and of course the interests continue to run day by day increasing the amount that is owed to the company.

It was also found in information provided by the producers that the companies offer them the credit, but they also commit them to buy the inputs like seeds, insecticides and fertilizers in the same company, this causes the managers to sell the insecticides to the producer without occupying them, or well apply large amounts of fertilizer without the land occupying them, as one engineer said: "to apply a ton and a half of fertilizer to the corn when it is being born, it does not occupy as much, it must be dosed according to each stage and especially when in the third phenological stage so that it begins to glean and have strength so that of elotes ", this indicated that it does not occupy much fertilizer and the truth some producers if they paid attention to it and had a reduction of production costs and a very good harvest, so Both the trading company only wants to sell their products at a good price.

The main problem has been the price paid per ton and it has always been said that it is regulated by the Chicago Grain Exchange, but the case of corn, said bag defines the price of yellow corn that is used as livestock feed. , but in the case of Sinaloa only white corn is produced that is for human consumption and therefore should not be established the same price, should consider the price of the Kansas Stock Exchange who does define the price for white corn and is a fairer price for the producer.

Another problem that occurs in commercialization is the excessive number of intermediaries as is the case of the famous coyotes, who go to the plot to compromise the delivery of the product at a lower price, arguing that it will be paid immediately and the producer You do not have to wait up to three months for the trading company to pay for your harvest. It is a good opportunity, say the ejidatarios, but the price is not fair, because they will sell it at a better price to obtain profits.

In the case of vegetables there are also marketing problems, because the price is not adequate in the market, there are many products that are lost as is the case of the onion here in the region, which the producer wants to pay 50 cents per kilo and the price in the companies is up to \$ 30.00 per kilo, which is incongruous the payment, it is for this reason that the ejidatarios choose to trace their plots and incorporate them into the soil. As well as this product can be observed the case of tomato, tomato bag, chili and melon among others.

Conclusions

The existing problem in Mexico in relation to commercialization has been very specific in the State of Sinaloa, since it is considered one of the States with the highest grain production, where producers often express themselves by the low prices per ton of corn, beans, safflower and vegetables among other products of equal importance, reflected by the lack of support from the public administration.

A serious problem that was found is that the government is allowing the grain trading companies to become financial also, who are subject to the producers with high interest rates and sometimes last up to 3 to 6 months after having delivered their production. to pay for their products, time that the interests continue to run day by day.

There is no rural extension program, where the producer is attended to and trained in the production process, inputs to be applied and, above all, in the behavior of markets and commercialization, this is where the Ministry of Agriculture should put great interest in addressing the problems create training modules or assist the ejidos to offer extension services.

It is necessary that in the municipality of Angostura the producers organize themselves and ask for support from the public administration, the Ministry of Agriculture or from the Polytechnic University of Valle del Évora, which is the only university in the municipality, in terms of training processes marketing, market behavior and extension. This will allow producers to not sow their products blindly to see if they can sell their crop and if there will be a price, but go more safely according to the behavior of the markets. This will allow a marketing with fewer problems.

Regarding distribution and marketing channels, it is important that producers consider eliminating coyotaging and deliver directly to the marketer as the final consumer, as in the case of the company Graco Granos SA, who is in charge of buying the grains from the producers and they they pack them by kilos or 50 kilos sacks for direct sale to the consumer and it is a company that started in the municipality and that began in the State of Sinaloa since 1960, and nowadays it is offering its services of grain collection and considered as a good marketing alternative for the Angostura region.

The situation of the field is very critical, the producers no longer grow in the government and every time they sow they consider that they do not have good results, it is for this reason that there has been a lot of rent for the plots and they are a few producers that have the sufficient resources to plant those who are simply called "rentadores" or "ricos"; indicating the ejido owner of 11 hectares that is not profitable the sowing of his plot that is more what they spend than what they earn; However, the growers plant up to 100, 200 or 300 hectares and they buy the inputs wholesale and they are cheaper, thus reducing production costs.

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