

Developing Profitable Marketing of Afghan Saffron





The Marketing Concept

Find out what customers want, and (if its legal and ethical) provide it more efficiently than competitors.

- Emphasis is on effective production of what customer wants to buy, not what producer wants to sell.

Product

Saffron is an apparently simple product, but its characteristics are complex.

- High quality, cost effective production requires close attention to a lot of detail.
- Quality can be disguised and cheating is common.



Product: Conditions for Good Quality

- Picking flowers in early morning before they wilt
- Careful separation of stigmas from flowers and styles
- Careful drying (to 12% moisture)
 - (Too much moisture, spoil, mould)
 - (Too little moisture, brittle threads and lost weight)
- Proper packing (to preserve moisture level and attract consumers)

Product: Objective Quality Criteria

Examples from ISO, especially ISO 3632

- Moisture 12%
- Floral waste: 0.5%
- Extraneous matter (e.g. dust): 0.1%
- Solubility in cold water 65%
- Flavor (picrocrocine) 70*
- Aroma (safranal) 20-30*
- Color strength (crocin) 190*

*spectrophotometer reading in nm

The background of the slide features a close-up photograph of saffron flowers (Crocus sativus) in bloom. The flowers have six large, light purple petals and prominent, bright red stigmas. They are growing from dark, rich soil. The overall image is slightly faded to allow the text to be clearly visible.

Product: Conditions for high productivity

1. Good corms (bulbs). Most important.
Corm quality affects yield in kg of saffron/jerib through:

- numbers of flowers per corm
- size of stigmas

Product

A good corm can produce 5 flowers.



Product: Conditions for high productivity (continued)

2. Planting at proper depth and spacing (e.g. 15-20 cm deep and 15 x20 cm spacing).
3. Adequate irrigation (testing needed to find methods best adapted to Afghanistan.)
4. Ridges or raised beds for good drainage
5. Proper fertilizing & disease control (organic would be best)
6. Mulching to keep down weeds.

Product: Conditions for high productivity (continued)

6. Regular digging up and replanting corms in new ground (e.g. every 5 years) to:

- reduce threat of pests and disease
- replant the best corms at proper depth (new corms form above earlier ones, creeping toward surface)
- sell the good quality surplus corms. Use inferior (i.e. small) ones as animal feed.

Price

Prices of saffron

Prices taken, 16 May 2005. All prices are for filaments (not p

\$/€ = 1.2634

1oz = 28.35 1lb = 435.6g

a) Mainly US
Internet
spice
dealers.
Prices high
and highly
variable.

	\$/1g	Suppliers location	Source
www.saffron	\$ 1.27	San Francisco, CA, USA	Iran.
www.tienda	\$ 1.57	Williamsburg, VA, USA	Spain.
www.butcher	\$ 1.23	Detroit, MI, USA	Spain.
www.sfherb	\$ 2.05	San Francisco, CA, USA	Spain.
	\$ 1.01		
www.bulkfoc	\$ 1.30	Toledo, OH, USA	
	\$ 1.17		
www.amazon	\$ 1.57	Seattle, WA, USA	Spain
www.penzey	\$ 8.18	somewhere in the USA	Most from Spain.
	\$ 4.79		

Price

Saffron Retail Prices Dubai (negotiable) (Nov. 15, 2005)

DH/US\$ 3.65

		DH/1g	US\$/1g	Source
Shop 1	red, whole	3	0.82	Iran
Shop 2	crushed red	1	0.27	Iran
	mixed red, yellow	5	1.37	Iran
	red, whole (Khorasan)	3	0.82	Iran
	"Best" (with styles)	6	1.64	Iran
Shop 3	red, whole	3.5	0.96	Iran
	"Second quality"	2	0.55	Spain
Shop 4	SAFINTER (sealed)	4	1.10	Spain
	red, whole	1.9	0.52	Iran
Shop 5	red, whole (Badiee, Zal	1.4	0.38	Iran
Shop 6	red, whole	1.5	0.41	Iran
	mixed red, yellow	1.3	0.36	Iran

b) Dubai:
Saffron
dealers in
"Gold Souk".
Prices lower
but still
highly
variable.

Price

Implications of these tables:

- Variability in price due to variability in quality, but also in understanding of quality (adulteration common).
- The US and European markets are clearly better in terms of price.
- But to benefit from those prices good direct links with them and a good reputation are necessary.

Distribution: International

Two approaches (pursuable simultaneously):

1. Current: sell saffron as a commodity, no identity separate from Iran.

Advantages

- Ready market.
- Need links only with local traders.

Disadvantages

- Local traders rely on few contacts, limiting price.
- A single or very few traders can dominate locally, reducing competition for farmers' produce.

Distribution: International

2. Establish Afghan saffron as desirable brand in its own right.

Advantages

- More control over marketing program.
- Higher potential prices.

Disadvantages

- Need to establish direct links with buyers outside Afghanistan.
- Market for highest quality only.
- Takes time to build up a reputation.

Distribution

To establish Afghan saffron as a desirable brand:

Either

- Create a national producers' association that can establish relations with buyers in Dubai, Spain, US. etc.

Or

- Develop partnerships with foreign enterprises to come to Afghanistan and develop the industry (e.g. GSE).

Distribution: Domestic

International market ready to buy, but (from a preliminary survey result):

- Farmers complain of lack of market. Means links between them and urban traders need improvement.
- Producers' associations could organize transport

Promotion: Quality Control

Drying:

- Train and help equip local enterprises to dry saffron for all nearby farmers.

Quality testing:

- There is widespread adulteration (outside Afghanistan) and confusion in judging quality.
- Equip a laboratory Kabul or other main center for ISO testing. (Could be private, earning fees for testing.)

Promotion

To sell into the Iranian market, promotion not necessary.

- Maintain links with multiple buyers to ensure competition among them

Promotion

To establish a separate Afghan brand:

- Quality essential, with ISO certification.
- Get Organic and Fair Trade certifications.
- Show samples in international food fairs.
- Establish an Afghan saffron boutique in Dubai's "Gold Souq".

Summary of Conclusions and Practical Steps

- ❖ Saffron has a ready market. The question is how Afghanistan can make the most of it.
- ❖ Promote high productivity through good corms and other “best practices”
- ❖ Continue to sell through existing traders, spreading business among several to foster competition among them.
- ❖ Continue to facilitate local producers’ associations and links between them and local traders.

Summary (continued)

- ❖ Build up a separate, high quality Afghan brand to improve potential returns.
 - ✓ Develop links with the companies in the US and Europe (for production and marketing)
 - ✓ Encourage specialized local enterprises for drying
 - ✓ Establish a laboratory for ISO certification.
 - ✓ Obtain organic and fair trade certification
 - ✓ Set up an outlet in Dubai
 - ✓ Exhibit in international food fairs

The image features two flowers with six petals each, one purple and one white, with yellow centers. They are set against a dark, textured background. The text "Thank You!" is centered in a large, bold, black font.

Thank You!

Product

Aims:

- Provide the kind of saffron customers most want to buy
- In a cost effective manner

Summarize in two words:

- Quality
- Productivity

Luckily working toward one leads to progress in the other