

# Analysis on the Problems and Strategies of Marketing Channels of Agricultural Products: Taking Liujun Lotus Root as an Example

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**Abstract** Marketing channels are an important part of the circulation of agricultural products. With the development of China's agricultural industry, the marketing channels of agricultural products are continuously innovated and optimized. Taking Liujun Lotus Root as an example, on the basis of studying the existing model of marketing channels of agricultural products, this paper analyzes the problems in the existing marketing channels of Liujun Lotus Root, and puts forward relevant strategies.

**Key words** Agricultural products, Marketing channel, Liujun Lotus Root

## 1 Introduction

The marketing channel of agricultural products develops with the development of marketing theory of agricultural products. Especially under the background of the formation of buyer's market of agricultural products and the internationalization of agricultural products market in China, the marketing of agricultural products has developed rapidly, and the marketing concept of agricultural products market has changed from supply-oriented to demand management-oriented. Under the background of the rapid development of information technology, there are still some problems in the marketing of agricultural products at present, such as the lack of information circulation, the difficulty in promoting product brands, and the inconspicuous local characteristics of agricultural products. Therefore, how to optimize the marketing channels of agricultural products is a problem that needs to be studied. Taking Liujun Lotus Root as an example, this paper studies the present situation and problems of marketing channels of agricultural products, and puts forward corresponding strategies to promote the continuous optimization of marketing channels of agricultural products in China.

## 2 Necessity of optimizing marketing channels of agricultural products

**2.1 Necessity of optimizing marketing channels of agricultural products** First of all, optimizing product marketing channels can increase the potential value of agricultural products<sup>[1]</sup>. Secondly, optimizing the marketing channels of agricultural products can improve the agricultural supply side system, integrate various resources by improving logistics facilities, maximize the use of agricultural products resources, and retain local characteristics to meet the diversified needs of consumers. Thirdly, optimizing the marketing channels of agricultural products can improve the quality of agricultural products. Through scientific guidance and

technological innovation, the uniqueness of agricultural products can be guided to develop continuously and ensure their own characteristics. Finally, optimizing the marketing channels of agricultural products can promote local economic development. By breaking through traditional marketing channels of agricultural products, online and offline marketing channels can be introduced to create larger employment space and increase farmers' income, which can play a role in poverty alleviation to a certain extent<sup>[2]</sup>.

**2.2 Existing channel models of agricultural products** At present, there are four channels of agricultural products. The first is the direct selling mode of agricultural products, that is, farmers are in direct contact with terminal sellers to reduce the consumption of middlemen, thus saving costs. At the same time, they can be directly linked to the market to meet market demand and avoid the situation of bumper harvest but poor income<sup>[3]</sup>. The second is the multi-level model. The direct selling model is helpful to farmers and the market. However, China has vast territory and abundant resources, and the situation of different areas is different. This model is not suitable for some areas with inconvenient transportation. At this time, a multi-level agricultural product marketing model is needed to cope with different situations<sup>[4]</sup>. The third is the wide channel mode, which means that middlemen not only buy agricultural products, but also process them and finally sell them to the market. The fourth is a combination of online and offline mode, which combines the website with the sales of agricultural products, gives full play to the advantages of the network to promote the offline sales of agricultural products, and at the same time provides customers with agricultural products with higher cost performance. These four modes have their own advantages and disadvantages, and need to be continuously optimized according to local conditions in actual operation<sup>[5]</sup>.

## 3 Analysis on the present situation of marketing channels of Liujun Lotus Root

**3.1 General situation of agricultural production in Liujun Town** Liujun Town is located in the southeast of Huai'an Dis-

trict, with an area of 88.6 m<sup>2</sup> and a grain field area of 3 200 ha, and it is the city's "one ton grain field" base; the water area is 4 300 ha, of which 2 400 ha has been developed and utilized. Liujun Town is rich in natural resources and excellent living environment. It is a well-known "hometown of ecological wetlands" and "land of fish and rice". There are nine rivers flowing east in the region, and it has a unique regional style. At the same time, Liujun Town also maintains a good natural feature and ecological environment, and has rare eco-tourism resources. At present, there are 134 agricultural business entities in the town, including 93 professional cooperatives, 41 family farms, 1 provincial leading enterprise, 1 municipal leading enterprise and 1 fishery industrial park.

There are 2 000 ha of lotus root-lobster integrated farming area, 2 000 ha of grain planting area, 4 800 ha of rice-shrimp integrated farming area, 1 700 ha of aquaculture area and 130 ha of *Euryale ferox*, with an annual output of 25 000 t of lotus root, water chestnut, *Euryale ferox* and aquatic vegetables, 17 000 t of fish, crab and shrimp and 30 000 t of grain. "Lucaodang" brand cured fish, crab, cattail, free range egg, Huai'an rice and other agricultural and sideline products sell well in more than 30 large and medium-sized cities in China.

**3.2 Industry development status of Liujun Lotus Root** In recent years, the Party Committee and Government of Liujun Town have carefully understood the strategic deployment of policies at all levels, and focused on solving the problems of agriculture, rural areas and farmers to promote rural revitalization. After careful investigation and demonstration, combined with the local actual situation, this paper puts forward developing water resources, and regards the development and growth of lotus root industry with a long history, promoting the agglomeration effect of lotus root industry, generating ideal benefits and increasing agricultural economic income as important measures of rural revitalization strategy in this town.

At present, Liujun Town focuses on the leading industry of lotus root, introduces an "one-stop" industrial system of cultivation, planting and marketing, and builds the lotus root industry chain by relying on cooperatives such as Lucaodang Lotus Root Professional Cooperative in Huai'an District of Huai'an City, Xiwang Lotus Root Professional Cooperative in Huai'an District of Huai'an City and Youru Agricultural Machinery Professional Cooperative in Huai'an District of Huai'an City.

In order to promote the development of lotus root, the main mode of extending lotus root industry chain in Liujun Town is "leading enterprises + cooperatives + bases + farmers". Taking Jiangsu Oubao Food Co., Ltd. and Huai'an Kuailedi Food Co., Ltd. as examples, the model of "company + planting cooperatives + poor households" is adopted to truly realize mutual benefit and win-win between the company and farmers, drive farmers to jointly develop the whole industrial chain operation and promote the rapid development of local lotus root industry.

At present, 65 sluices and 65 drainage pumping stations have

been built in the town, 292.5 m<sup>2</sup> of dikes along the lake have been reinforced, the infrastructure has been greatly improved, the ability to resist major floods has been enhanced, and 413 ha of low-yield fields have been transformed, laying a solid foundation for developing lotus root industry and boosting the popularity of land of lotus root. The industrial structure is adjusted for speeding up land circulation, optimizing industrial structure layout, strengthening technical training, optimizing and integrating local "low, weak and scattered" lotus root industry, and promoting the large-scale development of lotus root characteristic industry. By vigorously developing the lotus root + lobster integrated farming mode in a point-to-area manner, the benefits of farmers are improved, the income of farmers is increased, and the enthusiasm of farmers for planting is improved. By 2020, a total of 2 000 ha of *Nelumbo nucifera* Gaertn + lobster intercropping mode has been developed, which has improved the comprehensive agricultural benefits. The products have been sold to more than 10 provinces and cities such as Shandong, Shanghai and Anhui, and achieved good economic benefits, creating the popularity of the land of lotus root and promoting the agglomeration effect of lotus root industry.

In order to promote the development and growth of the land of lotus root industry in Liujun Town, Liujun Town has carried out "in-depth promotion and contiguous development" for the development of lotus root industry, insisting on market-oriented concept, high-tech support and deep processing of lotus root products, creating a good environment, actively attracting investment around the advantages of lotus root industry and lotus root resources, deeply processing lotus root products through factories, lengthening the industrial chain, and adopting the business mode of "enterprise + base + farmers" to gradually form the industrial chain of lotus root products. At present, there are 2 municipal leading enterprises with strong driving ability, and their products include lotus root starch, lotus root slices, lotus root juice, pickled lotus root and other products, which are sold all over the country. The products of "Oubao" brand have been sold online, which has gradually enhanced the popularity of the land of lotus root, stabilized and developed the industrial base of lotus root, and promoted the agglomeration effect of lotus root industry.

## 4 Analysis on the problems in the marketing channels of Liujun Lotus Root

Through on-the-spot investigation and on-the-spot interview, it is learned that the sales channels of Liujun lotus root have two ways: traditional sales channel and online sales channel. These two sales channels give full play to their respective advantages, but there are also many problems.

**4.1 Single traditional marketing channels of agricultural products and too many middlemen** First of all, the traditional agricultural product marketing channel of Liujun Lotus Root is relatively simple, and its coping ability is poor. For example, in COVID-19 pandemic, the impact of epidemic control leads to the obstruction of lotus root sales. Secondly, there are too many sales

middlemen. Fig. 1 shows that there are multiple middlemen between farmers and consumers in traditional marketing channels, which will harm the interests of farmers and consumers<sup>[6]</sup>. And because of lotus root fresh-keeping requirements, the shorter the circulation time, the better. However, due to too many middlemen in the traditional marketing channel, the quality of lotus root is reduced to a certain extent. In addition, because there is no constraint on middlemen's pricing, it is prone to lead to vicious competition in price.

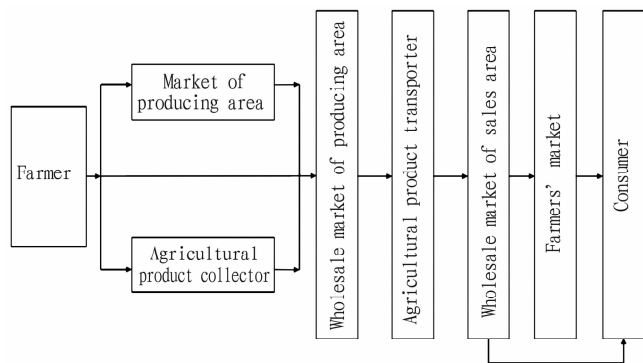


Fig.1 Traditional sales channels of agricultural products

**4.2 Insufficient marketing supervision of online sales channels of agricultural products** In addition to traditional marketing channels, the sales of Liujun Lotus Root are gradually shifting to online. Online marketing is an important channel and development trend of agricultural product marketing, but it has some hidden dangers while improving the shortcomings of traditional marketing channels. First of all, there is a phenomenon that the goods online are different from the confirmed sample, and there are often quality problems of agricultural products. At present, the relevant laws on the supervision of the quality of online agricultural products are not perfect, which leads to the frequent occurrence of some online chaos<sup>[7]</sup>. In recent years, the government's policy support for agricultural production has increased year by year, and the output and quality of lotus root itself have gradually improved. However, there are still some shortcomings in the construction of marketing channels of agricultural products, such as the problem of supervision of agricultural product quality and safety. Because the boundaries of agricultural product quality monitoring by many departments are vague, there is a problem of lack of supervision.

**4.3 Imperfect logistics system of agricultural products** An important guarantee of marketing channels of agricultural products is a complete logistics system. Reasonable allocation of various parts of marketing channels of agricultural products will make agricultural products marketing achieve maximum effect<sup>[8]</sup>. Admittedly, there are still many imperfections in the logistics of agricultural products in China at present. At the same time, because of the small-scale scattered agricultural production methods in China, the logistics distribution is relatively scattered, so the income will be small. Although the Internet communication has greatly shortened the distance between farmers and consumers, the upgrading of the sales channels of agricultural products needs more effective logistics as a guarantee, and effective logistics can improve the ef-

iciency of agricultural products sales and maximize the utilization rate of agricultural products. In addition, the improvement of the logistics system of agricultural products is not only reflected in improving the speed of logistics and expanding coverage, but also in improving technology. With the expansion of marketing channels of agricultural products, the fresh-keeping technology of agricultural products needs to be continuously improved. With good fresh-keeping technology of agricultural products, on the one hand, it can ensure the quality of agricultural products, on the other hand, it can also realize the efficient operation of marketing channels of agricultural products.

## 5 Strategies

**5.1 Implementing the combination of online and offline sales of agricultural products and broadening the marketing channels of agricultural products** In the era of vigorous development of Internet sales platforms, it is necessary to use new Internet marketing methods to market agricultural products on multiple online platforms<sup>[9]</sup>. It is necessary to combine online and offline sales to effectively broaden the sales channels of agricultural products.

**5.2 Strengthening the supervision of the marketing channels of agricultural products** For the omission in the supervision of marketing channels of agricultural products, the government should introduce relevant regulatory policies to ensure the healthy development of marketing channels of agricultural products. Relevant laws and regulations should be adopted to ensure the legitimate rights and interests of agricultural products marketing entities, and correct the improper behavior of each subject. At the same time, in order to avoid abnormal price changes in the agricultural product market, the government should establish a price guarantee system for agricultural products, which can make farmers feel at ease and protect their enthusiasm for production<sup>[10]</sup>.

**5.3 Improving the construction of agricultural products logistics system** The guarantee of logistics is the top priority of marketing channels of agricultural products, so the construction of logistics-related facilities also needs to be the focus of local government. In addition to expanding the coverage of logistics, it is necessary to improve the cold storage and preservation technology of agricultural products in the process of distribution<sup>[11]</sup>.

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## 5 Strategies for strengthening the science and technology propaganda work of agricultural research institutes in the new era

**5.1 Establishing a scientific and standardized evaluation system and improving incentive policies** A sound and comprehensive working mechanism is an important guarantee for doing a good job in science and technology propaganda. At the beginning of each year, Changli Institute clarifies and concretizes the propaganda work, improves the entire process operation mechanism of scientific and technological innovation from project initiation, research and development, publicity, and transformation, coordinates propaganda work and business work, and incorporates propaganda work into the target responsibility assessment system, which is deployed and assessed together with business work; "exemplary individual in propaganda" has been set up, and the reward amount is determined according to the amount of information released and the level of media. It has conducted excellent manuscript selection and strengthened the assessment and evaluation of the communication team to mobilize the work enthusiasm and initiative of science and technology propaganda workers.

**5.2 Deeply excavating propaganda content** For some major projects in the field of agricultural technology innovation, it is necessary to explore various links and processes, and use digital icons and other visual propaganda reports to enrich and complete the information dissemination. In addition to reporting the known quantitative indicators, the information reporting on the transfer and transformation of scientific and technological achievements should also deeply explore the technology service expert team behind the achievements, organically combining the advanced deeds of outstanding scientific and technological personnel with the new achievements they have developed, and fully reflecting their scientific spirit and style. For the information reporting of serving agriculture, rural areas, and farmers in a timely manner invited by science and technology service teams, newspaper reporters and others can be invited to jointly plan and work on the depth and breadth of information to form influential reports.

**5.3 Cultivating and training a team of science and technology propaganda information** At the National Conference on

Propaganda and Ideological Work, the General Secretary Xi Jinping emphasized that "it must continuously enhance physical, visual, intellectual, and writing abilities, and strive to build a propaganda and ideological work team that is politically proficient, highly skilled, pragmatic, innovative, and capable of winning battles. In response to the issue of low technological sensitivity among agricultural research institutes' scientific and technological propaganda workers, it is necessary to cultivate a group of agricultural scientific and technological propaganda teams and invite senior media personnel to strengthen training and improve their media literacy. They should not only master theoretical knowledge in scientific and technological propaganda, possess certain writing and shooting skills, but also delve into the frontline of scientific research and research groups to provide publicity services, continuously enrich scientific research knowledge and improve their own level.

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