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Prospectus
TVA International Training Course

FERTILIZER MARKETING

Tennessee Valley Authority
National Fertilizer Development Center
Muscle Shoals, Alabama 35660

PROSPECTUS--TVA INTERNATIONAL
TRAINING COURSE ON FERTILIZER MARKETING

TRAINING OBJECTIVES

This course is provided in support of the Agency for International Development through TVA'S International Fertilizer Development Staff at the National Fertilizer Development Center, Muscle Shoals, Alabama. The course provides an opportunity for the Participants to make an intensive study of the technology and economics of fertilizer marketing. More specifically, the training is designed to:

1. Study developments in fertilizer marketing in the United States and relate these developments to needs and resources of each country represented in the course.
2. Show how the basic management philosophy of "Managing by Objective" is applicable in every marketing situation.
3. Examine problems involved in establishing and operating a fertilizer marketing program in a developing country.
4. Show the interrelationship and interdependence between agronomic research on fertilizers and economics of their use, and educational programs for fertilizer introduction and use.
5. Examine problems in wholesale and retail sales management, emphasize retail sales as the "Moment of Truth," and illustrate the necessary and sufficient conditions for repeat sales.



Lewis B. Nelson
Manager of Agricultural
and Chemical Development

ABOUT THE TRAINING COURSE

Contents

We have tried to put into this course topics that will be of most use to you when you return to work with the fertilizer program of your country. Our judgment was based on four kinds of experience:

- (1) Nearly 40 years of experience by the Tennessee Valley Authority in developing and introducing new fertilizers to American farmers;
- (2) reports of technical teams from the National Fertilizer Development Center who have assessed fertilizer production and use potentials in various developing countries;
- (3) previous International Training Courses; and
- (4) contacts with technical visitors to the National Fertilizer Development Center.

Our goal is not to provide ready-made answers but rather to show how a problem is recognized, resources evaluated, and an action program designed. We believe no fertilizer program is adequate unless the chemical engineer, agronomist, economist, and educator-communicator all are involved in its development. Such teamwork has aided TVA greatly in its development programs. We recommend it for your consideration. This prospectus shows the proposed organization of the International Fertilizer Marketing Training Course. For any particular section, changes will be made to reflect the availability of speakers and interests of the Participants.

Field Trip and Library Time

A limited number of field trips supplement lectures and discussions by showing the practical application of ideas. The Technical Library is available for use at any time. Reprints of most TVA articles

are available on request. When reprints are not available, photocopies (Xerox) can be made.

It is expected that most Participants will have special problems or assignments about which they are seeking information. Many of these problems will be discussed during the training course. Additional information can be obtained in the Technical Library and by consultation with TVA staff members.

The training program allows time for consulting and the training committee will assist Participants in arranging appointments. Prior to each appointment, Participants should prepare a list of questions or topics to be discussed.

Location of Training

The TVA portion of the International Fertilizer Marketing Training Course generally is conducted at the National Fertilizer Development Center, Muscle Shoals, Alabama. Occasionally, either prior to or after the TVA course, Participants may take additional training with other institutions to become familiar with U.S. agriculture and the fertilizer industry.

Training Course Instructors

Instructors are authorities in the area assigned to them for discussion. Most of the instructors are TVA staff members. Others may be from commercial companies, land-grant universities, or various public agencies. Selection of instructors is based upon qualification of the individual, availability, and interest.

Medical Examination

TVA regulations provide that all non-U.S. citizens must take a medical examination if they are to spend two or more weeks studying with TVA. This examination is for the protection of both the Participant and TVA. All TVA employees take a similar examination when beginning employment and at regular intervals thereafter. The examination is provided by TVA doctors at the Medical Center adjacent to the National Fertilizer Development Center.

General Policy While at the NFDC

A special program has been prepared for the study group. This consists of a combination of lectures, organized discussions, workshops, individual consultation with specialists, library research and private study time. Experience with past study groups has shown that each individual has his own particular interest and set of priorities. Regardless of how well the study course was preplanned, some individuals have tended to feel that TVA's performance was less than adequate if their specific interests were not met. With this in mind, we have prepared a core of subjects to be covered in workshops and lectures that will be basic and which are to be taken by all Participants. However, we will not finalize all sections of the program until after we have determined the best way to meet the interests and priorities of the current group of trainees. Hopefully, this can be worked out during the first week at the NFDC.

To partially fulfill individual needs, each Participant will prepare a special report that will center around his particular interest. An outline of this work should be developed by the end of the second week with work initiated by the third week followed by a report to be presented to the entire study group during the Participants' last week at TVA.

The details of this report will be worked out by a member of the IFDS.

Our normal workday is from 7:30 a.m. to 4:15 p.m. Unless otherwise stated, all Participants will abide by this schedule. Formal instruction will be as follows: 8:30 a.m.-12:00 and 1:00 p.m.-2:30 p.m. Participants are to work independently on individual interests related to marketing from 7:45 a.m.-8:30 a.m. and 2:30 p.m.-4:15 p.m. and on specified days.

Participants are responsible for their transportation to and from the NFDC. A member of the IFDS will help you make arrangements with the local cab company if desired.

Well-staffed cafeterias are available at the NFDC as well as adjacent to the Motel 6. Both cafeterias offer a wide selection of food and employees are familiar with the food requirements and preferences of people from foreign countries.

Reservations have been made for the entire study group to stay at the Motel 6 the first week at the NFDC. Participants may stay at the Motel 6 the entire time they are at TVA or they may move to other facilities. The choice is left up to each Participant.

Social arrangements for the Participants can be worked out a number of ways. A representative of the International Hospitality Committee, a group of over 60 volunteer families from Florence, Sheffield, Muscle Shoals, Tuscumbia, and surrounding area will contact the group during the first week. Their purpose is to help make your stay here a pleasant one. In addition, a number of other individuals and groups may contact you and ask that one or more speak before various civic, church, or public groups.

All social activities are voluntary; however, certain courtesies should be observed. Whenever it is impossible to follow through on certain arrangements, the parties affected should be notified as soon as possible to avoid misunderstanding and minimize inconveniences.

The Training Committee

AGENDA FOR INTERNATIONAL FERTILIZER MARKETING COURSE

Week 1, Days 1-3

Field Trip--Bus trip through Virginia, Eastern Tennessee, and Northern Alabama. The purpose is to expose the study group to a cross section of agriculture in these three states. Stops will include exposure to tobacco, peanuts, livestock, cotton, fruit, vegetables, as well as local retail outlets for agriculture inputs including fertilizers and agricultural chemicals.

An 8:00 a.m. departure is planned from the Washington, D.C., bus terminal with overnight stops at Roanoke, Virginia, and Knoxville, Tennessee. Stops are planned to give an overview of U.S. agriculture and fertilizer production/distribution facilities.

Day 4

- 8:30 Welcome--L. B. Nelson, Manager of Agricultural and Chemical Development (OACD)
- 8:45 TVA's Activities in International Field--D. L. McCune, Director of International Fertilizer Development Staff (IFDS)
- 9:15 Orientation to TVA; Slide presentation of TVA--History and Growth, Purposes, Accomplishments
- 10:00 Break
- 10:20 Orientation to TVA (continued)
- 11:30 Administrative matters and personal services available from TVA (lodging, mailing services, leisure time, dining facilities--TVA and others, maps of vicinity, etc.)
- 12:00 Lunch
- 1:00-3:00 Tour of TVA NFDC facilities, including production units, labs, pilot plants, greenhouses, etc.

Day 5

8:30-
12:00 Medical exams--Medical Center

12:00 Lunch

1:00 Seminar Objectives

1:30 Individual conferences with Participants to determine their interests and how they can be met, either through individual conferences, with staff other than those to be used in the seminars, or through individual Participant's involvement in special projects. This special project may include: (a) a description of a specific component function or projection of the marketing system in the United States, (b) a marketing system program, projection, or component thereof that applies to the Participant's host country or organization, or (c) a combination of 'a' and 'b.'

Marketing Concepts, Systems, and Planning

Week 2, Day 6

Government and Private Industry in U.S. Fertilizer Marketing

Principles of Fertilizer Marketing

Basic Marketing Concepts and Introduction to Company and Independently Owned Retail Systems

Tour TVA Technical Library facilities and explanation on how they can be used effectively while the Participant is at the NFDC

Day 7

Brokerages and Franchising--A Specific Form of Marketing

Cooperatives in the United States, Their Origin, Structure, and Role in U.S. Agriculture--Farmland Industries

Above program continued and film "Plant to Plant"

Management by Objectives

Day 8

Basic Corporate Policy and its Expression through Management by Objectives

Programming to Meet Corporate Objectives

Insuring Coordination within the Division

Day 9

Subject: Organization Structure

Organization Structure as Related to:

Human Resources
Abilities of Subordinates
Width of Product Line
Complexity of Product
Customer Density
Geographic Sales Area

Introduction of major problem to be worked on by Participants during their stay at TVA--in workshop periods

Day 10

Subject: Market Planning

Steps in Market Analysis

Procedures in Market Planning

Workshop sessions

Product Management--Selection, Logistics, Storage, Application

This part of the course will: (1) Familiarize course Participants with the marketing systems which exist in the United States as well as specific systems in other countries, and (2) relate these systems to the needs in their own country. It will provide a complete overview of the fertilizer industry--from production to dealer levels.

Day 11

Moving Product to the Farmer

Economics of Water Transportation

Economics of Rail Transportation

Economics of Truck Transportation

Discussion--Transportation problems in Participant's home country

Day 12

Selecting the Product Mix

Anhydrous Ammonia--Its Use for Manufacture and Direct Application

Day 13

Granulation--Handling in Bag

Granulation--Bulk Handling

Workshop on day's subject

Day 14

Bulk Blending--Bag and Bulk Handling

Phosphoric Acid and Fluid Fertilizers, Clear Liquids, Suspensions -
Cold and Hot Mix Systems

Day 15

Potash Product--Mining, Storage, Logistics, Blending and Application

Workshop on day's subject

Week 4, Day 15A (Sunday)

P.M. Depart on tour--Purpose: Tour production, storage, transportation,
and retail fertilizer facilities commonly used in the United States.
Fly to Jackson, Mississippi, via TVA aircraft

Arrive Yazoo City, Mississippi, via bus

Day 16

A.M. Tour Mississippi Chemical facilities

P.M. En route to Pascagoula, Mississippi

Day 17

A.M. Tour Coastal Chemical facilities

P.M. En route to New Orleans

Day 18

A.M. En route to Loreauville and Lafayette, Louisiana, with retail dealer stops en route

Day 19

Travel to Crowley, Louisiana, to Occidental Chemical bulk blending and liquid operations and LSU Rice Experiment Station

En route to Monroe, Louisiana

Day 20

A.M. Visit Ouachita Fertilizer and Grain Co.

P.M. En route to Jackson, Mississippi, and fly to Muscle Shoals

Week 5, Day 21

Subject: Building a Marketing Organization

The Sales Manager--Key to Success (Sales Manager, his place in the organization, basic management responsibilities, and relationship to subordinates)

The Sales Manager's Responsibility for Planning, Organization, and Control

Developing and Using Standards of Sales Performance

Day 22

Planning and Organizing Territorial Coverage

Analyzing Selling-Expense Data

Day 23

Remainder of Market Management Program

Recruitment and Selection of Sales Force

Training and Development (Training of salesmen, developing sales supervisors, self development of sales managers)

Compensation and Motivation

Day 24

Basic Salesmanship Review and Practice

Basic Salesmanship--Role Playing Situations by Participants

Developing and Conducting Fertilizer Educational and Promotional Programs

This segment will familiarize Participants with effective techniques to make the user of fertilizers aware of the product. Much of the discussions and workshops will revolve around how advertising and sales promotion provide the motivation for a marketing strategy.

Day 25

Subject: Fertilizer Education

The Importance of Adequate Product Knowledge

Questions Customers Ask Salesmen and Where Salesmen Get the Answers

Organizing and Conducting Educational/Sales Meetings

Week 6, Day 26

Agronomic Research and Fertilizer Marketing

Utilizing Research and Agricultural Extension Programs in Fertilizer Marketing

Introduction of the Advertising Manual and Assignment of Individual Problems in Advertising and Promotion

Day 27

Communicating in Developing Countries

Preparing Visual Materials

Advertising and Publicity Media in Home Countries--Participants

Day 28

Advertising and Publicity Media in the United States

Visit advertising department of a newspaper and visit radio-TV station

Day 29

Advertising Guidelines for Fertilizer Companies--Gardner Advertising Agency

Advertising Budgets Workshop

Case studies of Advertising and Promotion Programs

Day 30

Workshop--Presentation of solutions to advertising problems by Participants

Week 7, Day 31

Sources of Credit for Farmers

Bank Financing of Fertilizers: Structure and Policy

Production Credit Association's Financing of Fertilizers: Structure and Policy

Sources of Credit and Credit Policies in Selected Developing Countries

Days 32, 33, 34

Subject: Managing the System (includes emphasis on problem solving plus lectures)

Participants will be organized into 4- to 6-man management teams. Each team will man an imaginary company with a given set of conditions. Decisions will be required regarding price, gross margins, credit, advertising expense, expansion and growth, manpower needs, equipment, etc. The business will be managed for 9 quarters (3 $\frac{1}{4}$ years), and graded according to net profit, net worth-fixed assets ratio, etc. The program will be on computer. Teams will compete for highest score. Some of the specific items in the exercise are:

Reading and using P&L statements, balance sheets, etc.
Coordinating inventory, manpower, facilities, equipment, advertising, sales margins with seasonal demands, and long-term objectives.

Establishing an efficient cash flow system. Determining through cost analysis points of excessive cost within the system.

Day 35

Seminar with Participants--Progress reports and problems connected with Participants' individual projects, and finalization of plans for their visits to industry locations.

Presentation for Results from Workshop series

Day 36

Depart TVA for industry locations

(A necessary part of the exposure in the United States will be for the Participants to spend 3-4 weeks in one or two of the major fertilizer companies. This exposure can be varied from the dealer-grower retail sales level to corporate planning. This portion of the program will be finalized after the Participants' individual needs and requirements have been communicated to the TVA staff who will make the industry contacts. *It cannot be overemphasized that the total amount of knowledge and experience a Participant can gain will depend in large part on the specific assignments his company or organization assigns him to be completed during his visit to the United States.*)