

Exploration of Retail Development Model of Feed Enterprises under African Swine Fever

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Abstract: From August 2018 to the present, the spread of African swine fever is becoming the largest dark cloud hanging above the feed enterprises mainly based on pig feed. This article analyzes the current market environment thoroughly by using pest model, and then puts forward a new development paradigm for feed enterprises.

1. Introduction

As a result of the African swine fever epidemic, the number of domestic pigs in the country continues to decline, and sows are particularly scarce. Farmers have suffered heavy losses and there is basically no willingness to rehabilitate. Among them, a large number of small and medium-sized retail investors lack the ability to prevent epidemic, and cannot bear the higher costs, so even want to recover is also difficult [1-2]. At the same time, due to the impact of national environmental protection requirements, the number of stocks across the country has dropped significantly, and a large number of retail investors have withdrawn from the market, which has led to a continued rise in pig prices. In the long run, improving the environmental health and safety of individual farmers is still an inevitable trend. Based on the above analysis, feed enterprises how to seize these new market into the individual farmers, to obtain their psychological identity, how to cultivate their growth period, stable major customers, so as to top the market restructuring, is the first issue.

2. Analysis of the Current Market Environment

2.1 Pest Analysis

Political aspects: Under the great environmental impact of African swine fever, some small and medium-sized farmers cannot withdraw from the market due to huge losses, and the country's introduction of the National Pig Production Development Plan (2016-2020) for the protection of the environment has led to some irregularities of small and medium-sized farmers have closed their farms. Recently, the government has liberalized pig farming policies for the purpose of stabilizing the pork market. At the same time, from another aspect, environmental protection is also forcing the transformation of feed enterprises, leading feed enterprises to green, modern, intensive direction development [3-4]. The promotion of clean energy policy has made many feed companies have to increase the input of production factors. Under the policy risk, feed companies optimize the combination of factors, promote technological innovation, and introduce high-end talents. The transformation is also the production company's Readjustment is beneficial to large enterprises or groups that already have a certain amount of technology, capital and manpower.

Economic aspects: The supply of pork has been reduced, the price of pigs has remained at a high level, the profit of the pig industry has been considerable, and capital has continuously poured into the pig industry, which has driven the rapid development of the feed industry, and the feed industry will inevitably undergo a new reorganization. Benefits will come from the upgrade and concentration of mass consumption. The degree of investment has increased, the investment pressure has eased, the growth rate has stabilized, and the necessary financing and investment environment has been created.

Under the dual role, pig feed production enterprises need to invest a certain amount of money in product quality in order to occupy a stable advantage in the market; Promotion, using the lag of price signals, to ensure a relatively sufficient supply to cope with the rise and fall of pork prices.

Social aspects: People's eating habits are relatively stable, it is subject to certain social and economic conditions. In the daily diet, pork occupies the main position of meat products. This also reflects the market demand quota of pig feed is relatively stable.

Technical aspects: The technology of prevention and control of swine fever in Africa is not yet mature, and there is no public, perfect and regular disease treatment technology on the market. However, the effect of isolation and prevention of swine fever is still good.

2.2 Market Response Measures

The vast majority of feed companies consider Africa's swine fever epidemic momentum is still relatively strong, to control losses, the willingness to fill the column is not high. While the government has encouraged retail investors to resume farming, the overall effect is not significant. Reducing the breeding density to minimize the loss is Mainstream ideas for farmers and businesses.

3. Innovation Breakthrough

3.1 Persist in Mainly Pig Feed, Supplemented by Poultry Feed (Strategy)

High pig prices will definitely promote farmers to enter the market, and at the same time promote the health and safety upgrade of pig farms. In addition, when there is calmness in major events, concentration is the most important factor for a company to give customers trust. Changing the company's own positioning is difficult to gather customers, which is very unfavorable to the company. Therefore, companies that originally focused on pig feed and supplemented with poultry feed should still maintain this strategy and grasp the next golden stage of the pig industry.

3.2 Deal with African Swine Fever and Breaking through the Dilemma with Customers (First Stage)

The main purpose of the first phase is to prevent and control the disease. The main form is to sign a risk control contract with retail customers. It provides a free 3-6 month swine fever prevention and control experience in advance, including isolation prevention and control, feeding management, health monitoring, special personnel dispatch, etc. If the prevention and control is successful, retail investors pay the company a certain amount of money; otherwise, if the prevention and control fails, resulting in the death of live pigs, the services provided in this phase are free of charge. If the loss is too large, the company will bear part of the loss.

Technicians live in pig farms. Let people with expertise in disease control and disease prevention in feed companies go to cooperative retail farms. After a comprehensive inspection of the farm's geographical location, management and other aspects, they will carry out specific plans and technical support.

Promote the pig farm isolation system. First, get the cooperation of the person in charge of the pig farm and related personnel, and then delimit the isolation area to limit the contact between the personnel and the pig farm, and control the entry and exit of personnel. Investigate the factors that may induce swine fever, such as pig feed, rain, etc., develop an isolation strategy for these possible factors.

Using formal disease prevention and control technology, technicians can apply their technology to control swine fever in pig farms, such as real-time detection (POCT) technology, time-resolved fluorescent immunoassay (TRFIA), etc.

3.3 Cooperation for a Win-win Situation (Second Stage)

The win-win cooperation is aimed at the farmers who have achieved more effective receipts in the first stage. In the first stage, the feed enterprises helped individual customers to survive the difficult

period of swine fever, so that they had the intention of further cooperation with us. For a group of retail customers, we will carry out deeper cooperation with them, from the perspective of purchase costs, two-way communication, sales services, etc., and at the same time promote the further improvement of the prevention and control system to form a "revenue + guarantee" model. We hope that in our interaction, mutual assistance, mutual benefit and win-win cooperation will promote development.

3.3.1 Direct Product Retail, Reduce Purchase Costs

Aiming at this group of retail investors under non-pesticidal conditions, feed companies can adopt a direct sales model, eliminating the intermediate spread of distributors to ease the pressure on their farmers to purchase funds.

3.3.2 Establish an "Enterprise Customer Communication Circle" and Strengthen Two-Way Communication with Retail Customers

For example, develop a pig breeding app, and add the retailer module to the app, or use existing platforms such as We Chat and QQ to allow retailers to communicate directly with the enterprise, including the effects of feed in reality and special requirements for feed.

3.3.3 Improve Sales Services, Special Person is Responsible for Return Visits

Drawing on the "first-question-responsibility system" to determine who sells and who visits work mechanisms to ensure that sales and customers are closely connected, so that retail customers can be satisfied before, during, and after sales. While further cooperation between farmers, we should also focus on Prevention and control of risks.

Disease risk: The coming of African swine fever is fierce and unpredictable, and it also induces a major risk of opportunism. While carrying out further cooperation, we must continue to strengthen disease prevention and control, and sum up experience to improve the ability and levels to respond to risks.

Competitive risk: In the initial development process, farmers gradually form their own competitive advantages, and make full use of their advantages to expand the scale and increase their market share. However, the advantages may be lost due to the homogenization of the market. Strengthen its competitiveness by expanding sales channels, optimizing the pig breeding process, strengthening exchanges and cooperation between peers, and actively absorbing advanced experience.

3.4 Diversified Extension Development (Third Stage)

Establish innovative mechanisms suitable for retail customers, including mutual circle, sharing, competition, and assessment.

3.4.1 Mutual Circle Mechanism

Each established individual retailer uses itself as a fulcrum, and can obtain price discounts by purchasing feeds with other new retail customers, and at the same time, the number of new retail enterprises of the enterprise has achieved rapid growth in a short period of time, saving its publicity costs.

Specifically, farmers can get some kind of large preference through grouping, thus expanding from the participation of one farming household to the participation of multiple farmers. Each retailer can be regarded as the entrance to the flow and use its own Social circles radiate to each other, save corporate promotional costs, gather a large number of customers in a short period of time, and achieve their number growth.

3.4.2 Sharing Mechanism

Data sharing: Share information on "Pig networking", share various information on the farm, compare data between retail customers, and find gaps.

Experience sharing: Regular experience sharing sessions will be held to discuss issues such as feed use and pig farm breeding.

Shared piggery: Feed enterprises gather individual pig farmers to form shared pig houses and guide these individual farmers to raise pigs scientifically, while also meeting the national environmental requirements.

3.4.3 Contest Mechanism

Holding a series of feed and breeding related competitions with the company's brand image, and providing certain competition rewards to stimulate participation, while building the brand, it also forms a unique corporate culture.

3.4.4 Screening Mechanism

Taking the scale and growth of retail development as comprehensive criteria, we screened for retail customers who could adapt during the cooperation process and developed in a step-like manner.

3.5 Cultural Propaganda

Cultural propaganda is an important way for enterprises to expand their influence, and for farmers, it is a direct basis for choosing feed. Enterprises can focus on attracting customers through three aspects: product quality and cultural leadership, consensus spirit leadership and regional cultural leadership.

Product leadership emphasizes the trust in product quality and can reduce the impact of inappropriate public opinion brought by market competition. Technical personnel can be used to inspect the growth and breeding of pigs on the spot; it can also take regular organization of farmers to experience feed production process, technical cognition.

The consensus guidance emphasizes the general recognition of the company and the enterprise as a whole. It is specifically reflected in the transfer of brand introduction, evaluation, and credit between farmers. Enterprises can cultivate a group of loyal customers to form stable cooperation through strategy, and expand customer groups through customer-led work.

Feed companies can integrate regional cultural elements into their products, such as holding special events at local unique festivals, and printing landscapes or texts that represent local characteristics on product packaging.

4. Conclusion

Feed companies and farmers establish cooperative relations in the case of Asian swine fever. First, they will work together to solve the dilemma caused by African swine fever, and do a good job of preventing and controlling swine fever through strict isolation, feed management, and health monitoring. In further cooperation, through in-depth communication in the "enterprise customer communication circle", tap into the potential of the Internet, database, cloud computing, AI intelligence and other technologies to maximize each other's interests through various methods and methods; adhere to diversified mechanisms in the realization of a win-win situation, and form unique enterprises Culture and build a long-term and stable "enterprise-household" development community.

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