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Marketing POLICY

MARKETING

A) INTRODUCTION / POLICY STATEMENT

Agritech Limited ("AGL"- "The Company") is in the business of manufacturing and marketing of crop inputs in the Agriculture Sector of the country. AGL operates in two major Fertilizer Nutrient Categories i.e. Nitrogen and Phosphates, which are marketed through production of Urea (Nitrogen Category) and Single Super Phosphate (Phosphates Category). The Company sells and markets these products under an umbrella brand name 'TARA' as TARA UREA & TARA SSP. End user of these products are Farmers. The Company has an old legacy of the both Urea and SSP plants in the country and its brand has strong acceptability in some of the key consumptions markets.

B) OBJECTIVE

The Company aims to provide the guidelines to put in place an effective Marketing Policy in terms of its Products, Pricing, Placement and Promotion to strengthen its brand in the market and sustainable brand recognition among the farming community.

C) SCOPE/APPLICABILITY

This Policy is applicable to Head of Sales & Marketing, Regional Managers, Deputy Regional Managers, Area Manager, Jr. Area Managers and Sales Executives.

D) POLICY STATEMENTS

a) Products

- The Company presently shall market Two Products namely TARA Urea and TARA SSP. Urea having higher installed Capacity shall be the main product of the company.
- Each Product will have its Unique Packaging, Colour, Design and Regulatory Compliances.
 - TARA Urea Chemical Composition and Packaging requirement shall be in compliance with Pakistan Standard Quality Control Authority (PSQCA) Standard No PS 217-2017 (or any amended version, in future)
 - TARA SSP Chemical Composition and Packaging requirement shall be in compliance with Pakistan Standard Quality Control Authority (PSQCA) Standard No PS: 67-1996 (or any amended version, in future).
- Additionally, in order to command a competitive advantage over its competition, the Company shall ensure it has a valid **License for use of Pakistan Standard Mark**, for SSP at all times.
 - The Packaging of TARA SSP shall mention the valid License number and PSQCA Certification trademark.
- The Company shall at all times ensure SICPA based Security Sticker seals on each SSP bag that it markets; batch coding on each bag and periodically review the Packaging Design for any changes for sustainable market recognition as a check to the packaging imitators.
 - The Company shall also endeavour to market other fertilizer products by setting up the import channels i.e. Ammonium Sulphate (Nitrogen Category), DAP & MAP (Phosphates Category), SOP, MOP & NPKs (Potash Category) and Zinc Sulphate & Boron (Micro Nutrient Category) subject to the improvement of the Financial Condition of the Company and availability of the required LC Lines.

b) Pricing

- Urea is a fully deregulated commodity and the manufacturers are free to set the Urea prices particularly the major Cost factors like Gas etc as pass through cost items in the

prices. AGL Urea plant, if operated at full capacity, has 6% of the production/market share, hence, AGL by no mean is the entity who can set Urea market prices.

- Urea being a commodity operating on the Demand Supply principle is sold at 'One Price' across the country, therefore, all manufacturers are forced by market forces to sell it one price in all markets. However, the Gas Price Disparity shall be reflected by the company in terms of separate price based on the Urea Demand Supply.
- The Company shall not have any Pricing related discussion with other peers individually or collectively or at the industry's FMPAC (Fertilizer Manufacturers of Pakistan Advisory Council) forum and shall at all times adhere to the Competition laws of the country.
- SSP prices unlike Urea varies from market to market and Zone based market prices are announced by all the Phosphate category manufacturers/importers.
- ✓ The Company will set SSP prices based on a parity with DAP Prices @ 24% of DAP price considering the SSP market competitive pricing prevailing in the market.
- Price setting by the Company shall be in compliance to the relevant prevailing Taxation laws – e.g. for Filers, Non-Filers, GST Registered and GST Non-Registered dealers.
- Discounts on Urea and SSP shall be governed by a separate policy of 'Determination of Terms of Credits & Discounts to Customer' in line with CCG requirements.

c) Placement/Channel Management

- The Company shall be directly operating in all three Provinces i.e. Punjab, Sindh, Khyber Pakhtunkhwa through presence of Sales Staff and indirectly through care-off facility in Baluchistan Province.
- Channel management will do through Company's Sales Team, led by Head of Sales and Marketing.
- All fertilizer products shall be sold in these markets predominantly through a network of Dealers; however, sales can also be made directly to Farmers, Industrial Consumers, Sugar Mills, Flour Mills, Federal/Provincial Agriculture Research Centre and FAO/UN tenders etc.
- Appointment of Dealers shall be governed through execution of an Agreement fulfilling all legal requirements. Necessary Security Deposits shall be ensured form all the dealers in line with the industry practices.
- The Company in addition to selling directly from plant with product placement to the dealers or dealers nominated sub-dealers through care-off facility shall also utilize the Field Warehousing channels to cater to the requirement of the dealers.
- The Company shall appoint Carriage/Haulage Contractors through formal contracts at the plant or at Filed Warehouses for Urea as and when required since the Distribution of Urea and Cost is responsibility of the Company. This shall be in compliance to the applicable laws of the land and adhere to the best practices in the industry. A similar structure for SSP shall also be put in pace for the Dealers who want to purchase the SSP through the Company Carriage, however, the Cost of SSP Carriage shall be recovered from the dealers through SSP Pricing.

d) Promotion/Advertising

- The Company shall allocate necessary annual budget for the Promotion and Advertising to ensure necessary awareness and image of the company.
- The Company shall employ the following Promotion Tools (for each segment/market) based on the availability or allocation of the annual budget: -

i) Farmers Meetings

Target Community shall be Small to Medium farmer.

ii) Farm Visit

Target Community shall be Progressive and opinion makers Medium to Large Farmer.

iii) Institution Visit

Target Community shall be Private and Public Institutions like Sugar Mills, Kinnow Waxing plants, Tobacco Companies etc.

iv) Crop Literature

Target Community shall be all Farmers, Dealers, Govt Institutes, Private Institutes.

v) Experimental Plots

Target shall be the Govt Research Institutes, Private Institutions, In-house Data Building

vi) Supervisory Plots

Target shall be Large Farmers.

vii) Demonstration Plots

Target shall be Small to Medium Farmer for Development of Brand/Product in a pocket.

viii) Field Days

Target shall be Small to Medium Farmer for Development of Brand/Product in a pocket.

ix) Seminars

Target shall be the Progressive Farmers, Govt Officials, and Research Institutes.

x) Testimonials

Target shall be Farmers, Dealers, Govt Institutes, and Private Institutes.

xi) Farmers Training Programs

Target shall be Farmers.

xii) Dealers Training Programs

Target shall be the Company's Authorized Fertilizer Dealers and their nominated Sub-Dealers

xiii) Dealers Tours Programs

Top Performing Company Fertilizer Dealers, who achieve/qualify against a defined target.

xiv) Sponsorships of Federal/Provincial Agriculture Functions

Brand/Product Promotion at Govt Platforms.

xv) Joint Farmers Awareness Programs with Government Agriculture Departments

Brand/Product Promo at Govt Platforms.



xvi) **Advertisements in Print Media**

Target – Corporate, Farmer, Dealer, Govt, Private Institutions.

xvii) **Advertisement in Electronic Media**

Target – Corporate, Farmer, Dealer, Govt, Private Institutions.

xviii) **Advertisement on Social Media Network**

Target – Farmer, Dealer.

xix) **Farmers Incentive Schemes**

Target: Farmer.

xx) **Dealer Incentive Schemes**

Broad Range of Marketing activities that pull in Dealers with an increase in volume.



(Head of Sales & Marketing)



(Chief Executive Officer)