Agribusiness Management, its meaning, nature and scope, types
Of management tasks and responsibilities

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Different authors have defined it differently. It is a concept easy to understand but difficult to define.

Literally speaking business means bushes. In simple words “business means the state of being busy”. Broadly, business involves activities connected with the production of wealth. It is an organized and systematized human activity involving and purchase of goods and service with the object of selling them at a profit. Business concerns with buying and selling goods, manufacturing goods or providing services in order to earn profit.

What is agribusiness:

The word agriculture indicate plowing a field, planting seed, harvesting a crop, milking cows, or feeding livestock. Until recently, this was a fairly accurate picture. But to days' agriculture is radically different.

Agriculture has evolved in to agribusiness and has become a vast and complex system that reaches for beyond the farm to include all those who are involved in bringing food and fiber to consumers. Agribusiness include not only those that farm the land but also the people and firms that provide the inputs (for ex. Seed, chemicals, credit etc.), process the output (for ex. Milk, grain, meat etc.), manufacture the food products (for ex. ice cream, bread, breakfast cereals etc.), and transport and sell the food products to consumers (for ex. restaurants, supermarkets).

Agribusiness system has undergone a rapid transformation as new industries have evolve and traditional farming operations have grown larger and more specialized. The transformation did not happen over night, but came slowly as a response to a variety of forces. Knowing something about how agribusiness came about makes it easier to understand how this system operates today and how it is likely to change in the future.

Initially agriculture being the major venture it was easy to become a farmer, but productivity was low. Average farmer produced enough food to feed just four people. As a consequence most farmers were nearly totally self-sufficient. They produced most of the inputs they needed for production, such as seed, draft animals, feed and simple farm equipment. Farm families processed the commodities they grew to make their own food and clothing. They consumed or used just about everything they produced. The small amount of output not consumed on the farm was sold for cash. These items were used to feed and cloth the minor portion of the country’s population that lived in villages and cities. A few agricultural products made their way into the export market and were sold to buyers is other countries.

Farmers found it increasingly profitable to concentrate on production and began to purchase inputs they formerly made themselves. This trend enabled others to build business that focused on meeting the need for inputs used in production agriculture such as seed,
fencing, machinery and so on. These farms involved into the industries that make up the "agricultural inputs sector". Input farms are major part of agribusiness and produce variety of technologically based products that account for approximately 75 per cent of all the inputs used in production agriculture.

At the same time the agriculture input sector was evolving, a similar evaluation was taking place a commodity processing and food manufacturing moved off the farm. The form of most commodities (wheat, rice, milk, livestock and so on) must be changed to make them more useful and convenient for consumers. For ex. consumers would rather buy flour than grind the wheat themselves before backing a cake. They are willing to pay extra for the convenience of buying the processed commodity (flour) instead of the raw agriculture commodity (wheat).

During the same period technological advance were being made in food preservation method. Up until this time the perishable nature of most agriculture commodities meant that they were available only at harvest. Advance in food processing have made it possible to get those commodities all throughout the year. Today even most farm families use purchased food and fiber products rather than doing the processing themselves. The farms that meet the consumers demand for greater processing and convenience also constitute a major part of agribusiness and are referred to as the processing manufacturing sector.

It is apparent that the definition of agriculture had to be expanded to include more than production. Farmers rely on the input industries to provide the products and service they need to produce agricultural commodities. They also rely on commodity processors, food manufactures, and ultimately food distributors and retailers to purchase their raw agricultural commodities and to process and deliver them to the consumer for final sale. The result is the food and fiber system.

The food and fiber system is increasingly being referred to as “agribusiness”. The term agribusiness was first introduced by Davis and Goldberg in 1957. it represents three part system made up of (1) the agricultural input sector (2) the production sector and (3) the processing-manufacturing sector. The capture the full meaning of the term “agribusiness” it is important to visualizes these there sectors as interrelated parts of a system in which the success of each part depends heavily on the proper functioning of the other two.

What is management:

There is no single definition of management. Henry Fayol who is considered as the father of principles of management, - “To manage is to forecast, to plan, to organize, to command coordinate and to control”.

Freederick Winslow Taylor, - “Management is knowing exactly what you want men to do and then seeing that they do it in the best and cheapest way”.

Mary parker, - “Management is the art of getting things done through people”.

Per Drucker, - “Management is a multi-purpose organ that manages a business, manages manager and manages worker and work”.

George Terry, - “Management is a distinct process consisting of planning, organizing actuating and controlling performance to determine and accomplish the objectives by the use of people and resources”.
Having gone through the above definitions of management, now it can be defines as getting things done through others/subordinates. In other words, it is a process of various functions like planning, organizing, leading and controlling the business operations in such a manner as to achieve the objectives set by the business firm. It consists of all activities beginning from business planning to its actual survival.

**Nature of successful agribusiness**:

Today the business has become very competitive and complex. This is mainly due to changing taste and fashion of the consumers on the one hand, and introduction of substitute and cheaper and better competitive goods, on the other. The old dictum “produce and sells has changed overtime into “produce only what customers want”. In fact, knowing what customers want in never simple. Nevertheless, a farmer operator/farmer manager has to give proper thought to this consideration in order to make his business a successful one. The important requisites for success in a modern business are:

1. **Clean objectives**: Determination of objectives is one of the most essential pre-requisite for the success of business. The objectives set forth should be realistic and clearly defined. Then, all the business efforts should be geared to achieve the set objectives. In a way, objectives are destination points for an agribusiness. As a traveler must know here he/she has to reach, i.e. destination similarly business also must know what objectives.

2. **Planning**: In simple words, planning is a pre-determined line of action. The accomplishment of objectives set, to a great extent, depends upon planning itself. It is said that it does not take time to do thing but it takes time to decide what and how to do. Planning is a proposal based on part experience and present trends for future actions. In other words, it is an analysis of a problem and finding out the solutions to solve them with reference to the objective of the farm.

3. **Sound organization**: An organization is the art or science of building up systematical whole by a number of but related parts. Just as human frame is build up by various parts like heart, lever, brain, legs etc. similarly, organization of business is a harmonies combination of men, machine material, money management etc. so that all these could work jointly as one unit, i.e. “business” “the agribusiness”. Organization is, thus such a systematic combination of various related parts for achieving a defined objective in an effective manner.

4. **Research**: As indicated earlier, today the agricultural production philosophy “produce what the consumer want”. “Consumers” behaviouir is influenced by variety of factors like cultural, social, personal and psychological factors. The business needs to know and appreciate these factors and then function accordingly. The knowledge of these factors is acquired through market research. Research is a systematic search for new knowledge. Market research enable a business in finding out new methods of production, improving the quality of product and developing new products as per the changing tastes and wants if the consumers.

5. **Finance**: Finance is said to be the life-blood of business enterprise. It brings together the land, labour, machine and raw materials into production. Agribusiness should estimate its financial requirements adequately so that it may keep the business wheel on moving. Therefore, proper arrangements should be made for securing the required finance for the enterprise.

6. **proper plant location, layout and size**: The success of agribusiness depends to a great extent on the location. Where it is set up. Location of the business should be convenient from various points of view such as availability of required infrastructure facilities, availability of inputs like raw materials, skill labour, nearer to the market etc.
Hence the business men must take sufficient care in the initial stages to selected suitable location for his business.

The sine of the business is also important because the requirement for infrastructural facilities and inputs varies as per the size of the business. The requirement for raw materials, for example, will be less in a smaller sized firm than a larger size firm.

7. **Efficient management**: One of the reasons for failure of business often attributed to as their poor management or inefficient management. The one man, i.e. the proprietor may not be equally good in all areas of the business. Efficient businessman can make proper use of available resources for achieving the objectives set for the business.

8. **Harmonious relations with the workers**: In an agribusiness organization, the farmer operator occupies a distinct place because he/she is the main living factor among all factors of production. In fact, it is the human factor who makes the use of other non-human factors like land, machine, money etc. Therefore, for successful operation of business, there should be cordial and harmonious relations maintained with the workers/labours to get their full cooperation in achieving business activities.

**Scope of agribusiness**:

It was already indicated that agribusiness is a complex, system of input sector, production sector, processing manufacturing sector and transport and marketing sector. Therefore, it is directly related to industry, commerce and trade. Industry is concerned with the production of commodities and materials while commerce and trade are concerned with their distribution.

**Industry**:

Industry refers to the processes of extraction and production of goods meant for final consumption or use by individual or buy another industry for its production. Thus goods used by the final or ultimate consumers are called “consumer goods” such as edible oils, fruit jams, papaya, pickles etc.

**Types of industries**:

According to nature, the industries are broadly classified into following types.

1) **Extractive industries**: These industries are concerned with the extraction and utilization of natural resources. Example – fishing, fruit gathering, agro-based industries, forestation.

2) **Genetic Industries**: These industries include breeding of plants, seeds, cattle breeding farm, fish hatcheries, poultry farms. Of course, factors like nature, climate and environment play a dominant role in these industries, yet human skill involved in their production cannot be ignored. For example intensive agriculture is possible with greater amount of capital and larger number of workers.

3) **Manufacturing Industries**: These industries are engaged in the conversion of raw material or semi finished goods produced in the extractive industries. Some prominent examples are – cotton textile industry, spinning and weaving mills etc. Manufacturing industries can further be classified into five types : (i) Analytical industry (ii) Processing industry (iii) Synthetic industry, (iv) Service industry (v) Assembly industry.
Commerce:

Commerce is the another major component of agribusiness. It includes all those activities which are necessary to bring goods and services from the place of their production to the place of their consumption. Thus, sit includes the buying and selling of goods and service and all those activities which facilitate trade such as storing, grading, packaging, financing, insurance and transportation. In simple words, commerce includes trade and aid to trade. The principal function of trade (commerce) are to remove the hindrance of person, place, time exchange, knowledge etc. and ensure a free and smooth flow of goods from the producers to the consumers.

Trade in fact is a branch of commerce itself. In a way, it is the final state of business activity involving sale and purchase of commodities or goods. It does not include and to trade like transportation, insurance, banking, finance etc. On the basis of its coverage and volume, trade is normally classified into the following types:

1. On the basis of volume:
   (i) Wholesale trade
   (ii) Retail trade

2. On the basis of coverage:
   (i) Regional trade
   (ii) National trade

Management – Nature, types, tasks and responsibilities:

Traditional concept of management restricted management to getting things done by others. According to modern view, management covers wide range of business related activities. It is considered as a process, an activity, a discipline and effort to coordinate control and direct individual and group effort towards attaining the cherished goal of the business. Management may also play the role as science, as an art, as a profession and as a social process.

As a participant in any management programme, one may either be a practicing manager or aspiring to be one. Responsibility and performance are really the key words in defining a manager’s role. Performance implies action, and action necessitates taking specific steps and doing the following tasks to produce desired results.

1. Providing purposeful direction to the firm.
3. Maintaining farm’s efficiency.
4. Meeting the challenge of increasing competition.
5. Managing for innovation
6. Coping with growing technological sophistication.
7. Maintaining relation with various society segments etc.

An agribusiness is a social institution. Its very existence is dependent upon its harmonious relationship with various segments of the society. This harmonies relationship originates from the farm’s positive responsiveness to the various segments and is closely associated with the tasks a manager is expected to perform. The process of evolving this mutual relationship between agribusiness farms and various interest groups begins by acknowledging the existence of the responsibilities of manager. These responsibilities are towards consumers, suppliers, distributors, workers, financiers, government and the society.

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