



# Table of Contents

<b>Part I Introduction</b>	<b>1</b>
<b>1. Everything about the Global Agri-Food System</b>	<b>3</b>
1.1. What is Agri-Food System?	4
1.2. Evolution of Agriculture and Food Distribution	4
1.3. Cultivation of Various Plants	8
1.3.1 Cereals (8000-2500 BC)	8
1.3.2 Vines and Olives (4000-3500 BC)	9
1.3.3 Cotton and Rice (2500-1700 BC)	9
1.3.4 Sugar (4 <sup>th</sup> Century BC)	9
1.3.5 Tea (4 <sup>th</sup> Century BC)	10
1.3.6 Potatoes (AD 200)	10
1.3.7 Tobacco (Before 15 <sup>th</sup> Century)	10
1.3.8 Chocolate (Before 15th Century)	10

1.3.9	Coffee (15 <sup>th</sup> Century)	11
1.3.10	Irish Potatoes (17 <sup>th</sup> Century)	11
1.4.	Revolution in Agriculture during Mid 17 <sup>th</sup> Century and 19 <sup>th</sup> Century	11
1.5.	The Changing Perception of Food with Agri-Food System with Technology	12
1.5.1	Flying Shuttle	12
1.5.2	The Seed Drill	13
1.5.3	Spinning Jenny	14
1.5.4	Cotton Gin	14
1.6.	Top Practices in Agricultural Filed During Industrial Revolution	16
1.6.1	Crop Rotation	16
1.6.2	Other Practices in Industrial and Agricultural Revolution	18
1.7	Significance of the Agricultural Revolution	19
1.8	Social Impact of Agricultural Revolution	19
1.9	The Future of the Agri-Food System	20
1.9.1	Food Demand Increases	20
1.9.2	New Generation Farmers	21
1.9.3	Evolution to High-Tech Solutions	21
1.9.4	Gene-Edited Crops	22
1.9.5	Plant Crop Management	22
1.10	References	22
<b>2.</b>	<b>The Agribusiness Manager</b>	<b>26</b>
2.1	Introduction	26
2.2	The Development of the Business Management Profession	27
2.2.1	Bachelor's degree in Agriculture	28
2.2.2	Associate of Applied Science in Farm Management	29
2.2.3	Certification in Farm Management	30
2.2.4	Master of Science in Agricultural Economics	30
2.2.5	Popular Career Options	30
2.3	The Role of Business Management in Agribusiness Success	31
2.3.1	Finance	31
2.3.2	Information Services	32
2.3.3	Transfer of Technology	32
2.3.4	Marketing	32

2.3.5	Management Personnel	33
2.4	Business Decision Making	33
2.4.1	Common challenges of Decision Making	34
2.5	The Four Functions of Management	35
2.5.1	Planning and Decision Making	36
2.5.2	Organizing	36
2.5.3	Leading	37
2.5.4	Controlling	38
2.6	Agribusiness Management Is a Dynamic, Continuous Process	38
2.7	References	40
<b>Part II The Planning Function</b>		<b>43</b>
<b>3. The Role of Marketing in Agribusiness</b>		<b>45</b>
3.1	Understanding the Mission of Marketing	46
3.1.1	Mission of Marketing	46
3.2	Role of Marketing in the development of Economy	47
3.2.1	Effect of Marketing at Different Levels of Economy	50
3.3	Role of Marketing for the growth of Agribusiness	50
3.3.1	Importance of Meeting Customer Needs	51
3.3.2	Effectiveness of Marketing System in Meeting Customer Needs	52
3.3.3	Pre-requisites for having an Effective Economic System	53
3.3.4	Approach of Marketing Individuals	55
3.4	Evaluation of the Performance of Marketing System	58
3.4.1	Effect of performance evaluation of Marketing System	60
3.5	Agricultural Marketing Infrastructure	62
3.6	References	63
<b>4. A Brief about Marketing Management</b>		<b>66</b>
4.1	Marketing Strategy	67
4.2	The changing role of Marketing within Agribusiness	68
4.3	Four functions of Management	69
4.3.1	Planning	70
4.3.2	Organizing	71

4.3.3	Directing	72
4.3.4	Controlling	72
4.4	Marketing Mix – 4 P's of Marketing	73
4.4.1	Product	73
4.4.2	Price	73
4.4.3	Place	74
4.4.4	Promotion	74
4.5	Business Plan	75
4.5.1	Research	76
4.5.2	Purpose	76
4.5.3	Profile	76
4.5.4	Business Aspects	76
4.5.5	Marketing Strategy	77
4.5.6	Readers Friendly	77
4.5.7	Dedication	78
4.5.8	Financial Planning	78
4.5.9	Budget	78
4.6	Marketing Plan	79
4.6.1	Executive Summary	79
4.6.2	Marketing Goals	81
4.6.3	Target Users	81
4.6.4	Learn about your Competitors	81
4.6.5	Set threshold values for your plan	82
4.6.6	Formulate Actions	82
4.6.7	Marketing Mix	83
4.6.8	Marketing Budget	83
4.6.9	Track your work	83
4.7	Analyzing Market Potential	84
4.7.1	Market Size	85
4.7.2	Market Growth	85
4.7.3	Profitability	85
4.7.4	Competition	86
4.7.5	Product and Consumer Type	86
4.8	Case study – How Heinz Foodservice boost its sales	88
4.9	References	89
<b>5.</b>	<b>How to Understand Consumer Demands</b>	<b>91</b>
5.1	The Demands of the Consumers	92
5.1.1	Fresh Food	92

5.1.2	Vegan/Vegetarian Products	93
5.1.3	Dine Out	94
5.1.4	Doorstep Delivery	94
5.1.5	Ready to Eat	95
5.2	Factors Influencing Consumer Demands	96
5.2.1	Biological Factors	96
5.2.2	Economic Factors	96
5.2.3	Social Factors	97
5.2.4	Taste and Preferences	97
5.2.5	Geographic Factors	98
5.2.6	Difference in the Price of Similar Products	98
5.3	Impact of Price Changes on sales	99
5.4	References	102
<b>6. How To Stay Competitive in Agribusiness Management</b>		<b>105</b>
6.1	Introduction	105
6.2	How Strategic Management Fits in	106
6.3	What is Strategic Management?	106
6.4	Porter's Five Forces Model	107
6.4.1	Threats to New Entrants	107
6.4.2	Threats of Substitutes	108
6.4.3	Bargaining Power of Customers	108
6.4.4	Bargaining Power of Suppliers	109
6.4.5	Rivalry Among Existing Competitors	109
6.5	References	109
<b>7. Forecasting in Agribusiness</b>		<b>112</b>
7.1	Introduction	112
7.1.1	Strategic Planning and Decision-making:	113
7.1.2	Finance and Accounting:	113
7.1.3	Marketing:	113
7.1.4	Operations and Supply Chain:	114
7.2	The Basics of Forecasting	114
7.2.1	Problem Definition:	114
7.2.2	Gathering Information:	114
7.2.3	Preliminary Analysis:	115
7.2.4	Deciding Forecasting Model:	115
7.2.5	Evaluation of Results:	116
7.3	Forecasting Procedures	116

7.3.1	Average Method:	116
7.3.2	Naïve Method:	116
7.3.3	Drift Method:	116
7.3.4	Delphi Method:	117
7.3.5	Forecasting by Analogy:	118
7.3.6	Forecasting by Scenario:	118
7.3.7	Time-Series Method:	119
7.3.8	Exponential Smoothing:	121
7.3.9	ARIMA Model:	123
7.3.10	Artificial Intelligence:	125
7.4	Using Forecasts	125
7.4.1	Inherent Assumptions:	125
7.4.2	Update Forecasts:	125
7.4.3	Alternative Outcomes:	125
7.4.4	Evaluate Forecast Accuracy:	126
7.4.5	Combining Forecasts:	126
7.5	Use of Futures Markets to Forecast Future Prices	126
7.6	References	127
<b>8.</b>	<b>Budgeting Related to Agribusiness</b>	<b>129</b>
8.1	The Purpose of the Budget	130
8.2	Types of farm budgeting	130
8.2.1	Partial Budgeting	130
8.2.2	Enterprise Budgeting	134
8.2.3	Cash Flow Budgeting	134
8.2.4	Complete or Whole-farm Budgeting	135
8.3	An application of Budgeting	136
8.4	Benefits of Budgeting	138
8.5	Limitations of Budgeting	139
8.6	Budget Time Frame	140
8.6.1	Monthly Budget Cycle:	141
8.6.2	Quarterly Budget Cycles:	141
8.6.3	Annual Budget Cycles:	141
8.7	Reference	141
<b>Part III</b>	<b>Organizing Function</b>	<b>145</b>
<b>9.</b>	<b>Organizing your success in Agribusiness</b>	<b>147</b>
9.1	Introduction	148

9.2	Need for critical task identification for any organization	149
9.3	Principles of Organizational Design	149
9.3.1	Organizing the firm by Various Parameters	150
9.3.2	Ways of Implementing the Restructuring in an Organization	153
9.3.3	Initial Process Before Undergoing Restructuring	156
9.4	Decision-Making Approaches	157
9.5	Place of taking the Decisions	158
9.6	Selection of the Right Organizational Structure	159
9.7	References	160
<b>10.</b>	<b>Choosing the Right Legal Structure</b>	<b>163</b>
10.1.	Sole Proprietorship	164
10.2.	Partnership	167
10.3.	Corporation	169
10.3.1	Formalities	170
10.3.2	Management	170
10.3.3	Transferability of Stock	170
10.3.4	Continuity	170
10.3.5	Liability	170
10.3.6	Tax Treatment	171
10.4.	Limited Liability Corporation	172
10.4.1	Formality	172
10.4.2	Management	172
10.4.3	Transferability of Interest	172
10.4.4	Continuity	172
10.4.5	Liability	173
10.4.6	Tax Treatment	173
10.5.	Comparing Legal Structures	173
10.5.1	Sole Proprietorship	173
10.5.2	Partnership	174
10.5.3	Corporations	175
10.5.4	Limited Liability Corporation	176
10.6.	Case Study: Capital City Farmers Market	177
10.6.1	Decision -1:- Becoming “ Capital City Farmers Market, Inc.”	178
10.6.2	Decision -2:- Getting an Insurance Cover	178
10.7	Reference	178

**Part IV Controlling Function 183****11. Economic Policies for Organizing Production 186**

11.1	Introduction	186
11.1.1	Planning	188
11.1.2	Scheduling	188
11.1.3	Organizing	188
11.1.4	Implementation	189
11.1.5	Monitoring	189
11.2	Production Process	189
11.3	Production Function	191
11.3.1	Increasing Production Function	192
11.3.2	Decreasing Product Function	194
11.4	References	194

**12. A Brief About Production and Inventory Management 198**

12.1	What is Production?	199
12.2	What is Inventory Management?	199
12.3	Management Information System (MIS)	200
12.3.1	Origins and Evolution	201
12.3.2	MIS and Small Business	202
12.3.3	Defining Cost	204
12.3.4	Contribution	209
12.3.5	Pricing Strategy	210
12.3.6	Long-Term v/s Short-Term Strategies of Pricing	211
12.4	Inventory Management	212
12.4.1	Significance of Inventory Management	213
12.4.2	Inventory Management Methods	214
12.5	References	215

**13. Brief About Basic Accounting Documents 217**

13.1	Introduction to basic accounting documents	217
13.2	Balance Sheet	219
13.2.1	Assets	219
13.2.2	Liabilities	219
13.2.3	Owner Equity	220
13.3	Income Statement	221
13.3.1	Preparation of the Statement	222



13.4	References	224
<b>14.</b>	<b>Using Accounting Information for Business Control and Planning</b>	<b>226</b>
14.1	Comparative Statement Analysis	227
14.1.1	Horizontal Analysis	227
14.1.2	Vertical Analysis	228
14.1.3	Net Working Capital Analysis	228
14.1.4	Ratio Analysis	230
14.2	Pro Forma Cash Flow Budgets	232
14.2.1	Developing Pro Cash Flow Budgets	232
14.3	References	233
<b>15.</b>	<b>Capital Budgeting I: Principles and Procedures</b>	<b>236</b>
15.1	Introduction	236
15.2	Importance of Time Value in The Capital Budgeting	237
15.3	Capital Budgeting With The Throughput Analysis	237
15.4	Capital Budgeting Through The Dcf Analysis	238
15.5	Accounting Rate Return Method Arr	238
15.6	Net Present Value Npv Method	238
15.7	Internal Rate of Return Irr	239
15.8	Profitability Index Pi	240
15.9	Total Cost Approach	240
15.10	Project Profitability Index Ppi	240
15.11	Simplest Capital Budgeting Form	240
15.12	Importance of The Capital Budgeting	242
15.12.1	Long term risks due to Investments:	242
15.12.2	Heavy Investments and Irreversible Ones:	242
15.12.3	Long run in the Business:	242
15.13	Significance of the Capital Budgeting	242
15.14	Principles of Capital Budgeting	243
15.14.1	Decisions based on the cash flow income:	243
15.14.2	Timing of Cash Flow:	243
15.14.3	Considering the Opportunity Cost:	243
15.14.4	Cash Flow Adjustment:	244
15.14.5	Financing Costs:	244
15.15	The Time Value of Money	244
15.15.1	Time value:	244

15.15.2 Discount rate:	244
15.15.3 Converting values:	245
15.15.4 Methods:	245
15.16 Payback Period	245
15.16.1 What is a Payback Period?	246
15.16.2 Capital Budgeting and the Payback Period	246
15.17 Importance of the Time Value of Money in the Capital Budgeting Decision	247
15.17.1 Basics:	247
15.17.2 Opportunity Cost:	247
15.17.3 Present and Future Value:	248
15.17.4 Capital Budgeting Uses:	248
15.18 Reference	248
<b>16. Capital Budgeting II: Applications</b>	<b>251</b>
16.1 The Discount Rate	252
16.2 Cost of the Capital	252
16.3 Creating a Capital Budget with the Project Funding Allocations	253
16.3.1 The Capital Basic Budget Creation:	253
16.3.2 Creating the Capital Budget with the project Funding Allocations, Scenarios, and Analysis:	254
16.3.3 Estimating Cash Flows:	255
16.3.4 Cash Flows and Not Accounting Income:	255
16.3.5 Incremental Cash Flows:	255
16.3.6 Timing of the Cash Flows:	256
16.3.7 Taxation:	256
16.4 Mutually Exclusive Investments	256
16.4.1 The Decision Rule:	257
16.4.2 Opportunity Cost and Mutually Exclusive Options:	257
16.5 Dealing with Uncertainty and Risk	258
16.5.1 Certainty Equivalent Approach:	258
16.5.2 Risk-adjusted Discount Rate:	259
<b>The Financial Feasibility Evaluation of Adding a Liquid Fertilizer Line to a Farm Supply Business:</b>	<b>260</b>
Deciding whether to lease, buy or Borrow:	261
Three types of leases:	261

Terminating the lease:	262
Expiration of the lease:	263
Reference	263
<b>Part V Directing Function</b>	<b>266</b>
<b>17. Brief About Human Resource Leadership</b>	<b>268</b>
17.1 Introduction	268
17.2 Directing Means Leading People, Not Managing Things	270
17.2.1 Meaning of Direction	270
17.3 Five Tips on Leading People	271
17.3.1 Establish Trust First	271
17.3.2 Know the Matters	271
17.3.3 Walk-in their shoes	272
17.3.4 Over-communicate	272
17.3.5 Growth for your People	272
17.4 Understanding Human Motivation	272
17.4.1 Self-actualization	273
17.4.2 Self-protection	273
17.4.3 Love and Belonging	273
17.4.4 Esteem/Status	274
17.4.5 Mate Acquisition	274
17.4.6 Mate Retention	274
17.4.7 Physiological Needs	275
17.5 Fulfilling Physiological Needs	275
17.5.1 Physiological Needs	277
17.5.2 Security and Safety Needs	277
17.5.3 Social Needs	277
17.5.4 Esteem Needs	277
17.5.5 Self-Actualization Needs	278
17.5.6 How to Apply Maslow's Theory to the Workplace	278
17.6 Developing a Work Environment Where Everyone Seeks to Excel	279
17.6.1 Understand Your Employer's Purposes	279
17.6.2 See Likes and Dislikes of Your Boss	280
17.6.3 Show Up for Your Team	280
17.6.4 Learn to Understand Your Coworkers	280
17.6.5 Enhance a Positive Approach	280

17.6.6	Get Feedback Quickly	281
17.6.7	Intend a Professional	281
17.6.8	Indicate a Problem Solver	281
17.6.9	Use Initiative	281
17.6.10	Improve Your Talent Attitude	282
17.6.11	Volunteer During New Projects	282
17.6.12	Perform a Design	282
17.7	Management Styles	282
17.7.1	Source of Management Styles	283
17.8	Communication and Feedback	285
17.8.1	Prime Features	286
17.8.2	Usefulness	286
17.8.3	Stages of Communication	286
17.8.4	Ready to Change Acceptance	286
17.8.5	Comments Receiving	287
17.9	Management by Objective	287
17.9.1	What is Management by Objectives?	287
17.9.2	Management by Objectives steps	288
17.10	Leadership and the Superior-Employee Relationship	290
17.10.1	Introduction	290
17.10.2	Fundamental Competencies of Leadership	290
17.10.3	Leadership Competencies Globally	290
17.11	References	291
<b>18. Detailed Overview of Human Resources Management</b>		<b>295</b>
18.1	History of HRM	295
18.1.1	The Commodity Concept	296
18.1.2	The Factor of Production Concept	296
18.1.3	The Paternalistic Concept	296
18.1.4	The Humanitarian Concept	296
18.1.5	The Behavioral Human Resource Concept	296
	The Emerging Concept	296
18.2	Human resource planning - Determining a Firm's Personnel Needs	297
18.2.1	Recruiting strategies	297
18.2.2	Recruitment Method	298
18.2.3	Develop a Staffing Plan	298
18.2.4	Determine Staffing Needs	299

18.2.5	The Importance of Strategic Staffing	300
18.3	Recruiting Personnel	300
18.3.1	The Process of Recruitment	301
18.3.2	Getting Human Resources	301
18.3.3	Sources of Manpower	302
18.3.4	Methods of Recruitment	303
18.4	What is Selection?	304
18.4.1	The Selection Process	304
18.4.2	Selection Tests	305
18.5	Interview	306
18.5.1	Meaning and Purpose	306
18.5.2	Types of Interview	307
18.6	Brief about Placement	308
18.6.1	Induction	309
18.6.2	Outsourcing	309
18.7	Retention of personnel	309
18.7.1	Employee Retention	309
18.7.2	Why do Employees Leave?	309
18.7.3	Why Employee Retention is Important?	310
18.7.4	Employee Retention Strategies	310
18.7.5	Employee Recognition	311
18.7.6	Performance Appraisals	311
18.7.7	Retention tools and Resources	312
18.8	Determining Pay Levels	313
18.8.1	Structured Employee Compensation	313
18.8.2	Salaries Primarily Based on	313
18.8.3	Basic of Pay Structure	314
18.8.4	Determine the form of your Employee Compensation Structure	314
18.8.5	Ways to set the pay grades	315
18.9	Training and education	316
18.9.1	Training	316
18.9.2	Definition of Education	317
18.9.3	Key Differences between Training and Education	317
18.10	References	318
<b>19.</b>	<b>Personal Selling: More than just Sales</b>	<b>322</b>
19.1	Different approaches in personal selling.	323

19.1.1	Internal Selling:	323
19.1.2	External Selling:	324
19.2	The important elements of Personal selling	325
19.3	The two faces of Personal selling	327
19.3.1	Advantages	328
19.3.2	Disadvantages	329
19.4	How to determine the right call for personal selling?	329
19.5	Big Businesses and direct selling- Does the combination fit?	330
19.6	Purpose of Personal selling	331
19.7	Objectives of Personal selling	331
19.8	Values	332
19.9	Sales as a career- Rewarding or Depressing?	332
19.9.1	Money: An Important Factor.	332
19.9.2	Job assurances until you are valuable.	332
19.9.3	Deciding your Daily Schedule.	333
19.9.4	Getting to know Different People.	333
19.9.5	Handling Objections.	333
19.10	References	334
<b>20. How to Develop a Workable Approach to Agribusiness Management</b>		<b>337</b>
20.1	Introduction	337
20.2	Revenues	338
20.2.1	Changing Customer Needs:	338
20.2.2	Expanding Market Area:	338
20.2.3	Degree of Competition:	339
20.2.4	Changing the Definition of Value:	339
20.2.5	Keeping Customers Aware of a firm's Products:	339
20.3	Costs	340
20.4	Information	341
20.4.1	Formal Communication	341
20.4.2	Informal Communication	342
20.5	People	342
20.5.1	Formal Monitoring	342
20.5.2	Informal Monitoring	343
20.6	References	344
<b>Abbreviations</b>		<b>345</b>
<b>Index</b>		<b>348</b>