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TRAINING IN AGRIBUSINESS

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Role of Agribusiness Manager

The agribusiness manager has largely a problem solving function and is required to function within the constraints inherent in the agribusiness due to its dependency on biological processes.

The agribusiness manager should be versed in goal setting and formulation, and in the development of strategies by which the firm may achieve these goals. The gathering and organisation of information is also needed if meaningful decisions are to be made. The manager should anticipate problems and develop contingency plans of action.

The agribusiness manager should also function as an entrepreneur. He should be able to seek out opportunities for investment which may enable the growth and expansion of the firm. Comprehensive evaluation of these investment opportunities must be undertaken and an analysis of all aspects of the investment prior to decision making. The ability to implement decisions made is also a necessary part of the role of the manager.

Finally, the agribusiness manager must be prepared to accept responsibility for decisions made, despite the outcome of those decisions.

Elements of an Agribusiness Training Program

Given the role of the agribusiness manager, training should be broad enough and flexible enough to give the student the necessary

tools for decision making.

An agribusiness program should cover the following areas:

1. personnel management
2. financial management
3. marketing management
4. accounting
5. basic grounding in the technical aspects of agriculture
6. basic economic principles.

As an example, the financial management area should include a study of the major types of financial decisions made by agriculturally-related firms, including investment in inventory receivables and cash, property, plant, and equipment.

There should also be information provided on sources and types of short-term, intermediate and long-term capital and legal patterns of the business organisation. Emphasis should be placed on the preparation and interpretation of financial statements as well as in the use of proforma analysis to project future requirements for funds. Capital budgeting techniques should also be emphasized as they are invaluable in investment decision making.

The marketing management area should include a study of the major types of marketing strategy decisions that must be made by agribusiness firms, including target market definition and selection, marketing research, sales forecasting, product policies, distribution channels, pricing, promotion and marketing control.

Training in the technical aspects of agriculture should not be downplayed. A good foundation in the

science of agriculture gives the student a better appreciation of the special characteristics and problems involved in any agriculturally related or dependent enterprise.

Institutional Issues

An inter-departmental approach to agribusiness training may be the most valid way of developing a program. Using this approach students could be allowed to select courses from areas of technical agriculture, agricultural economics as well as strictly management courses which would provide fundamental business skills. Of importance then would be a general course in agribusiness management which would pull together all previous course material and point out the managerial aspects relevant to agribusiness.

This approach would allow better use of the limited resources within the agricultural economics department as well as avoiding duplication of skills already taught in the department of management.

The inter-departmental approach is the one adopted at the postgraduate level of agribusiness training at Purdue University. The programme is administered by the Department of Agricultural Economics, and the student is required to take certain core courses in economic theory, quantitative methods, policy analysis and to have a working knowledge of computer operations. Elective courses can then be taken in the Management School in various areas such as financial, marketing, personnel management, accounting, management information systems, business law etc.

The programme also allows students to pursue a non-thesis option. Such student however do gain experience in information gathering and analysis through research papers, business plans, financial analyses required by individual courses.

At the undergraduate level the agribusiness management programme

at Purdue consists of specialized courses in management of agriculturally-related businesses as well as agricultural science courses offered by the School of Agriculture and courses in economics.

The size of the Agricultural Economics Department at Purdue allows many staff specialists in all areas of agricultural management and enables the undergraduate programme to be solely under the jurisdiction of the Agricultural Economics Department. This latter approach may therefore not be a suitable model to pattern an agribusiness programme at The University of the West Indies. ◦
