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TRAINING IN AGRIBUSINESS MANAGEMENT

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Introduction

The University of the West Indies (UWI), including its Department of Agricultural Economics and Farm Management (DAEFM), has, over the last 10 years made significant contributions towards the growth and development of the agricultural sector in the countries which it currently serves. These advances have taken place in the technical, economic and social fields, and have been achieved in its training programmes (formal and informal), research and extensive activities. However, the rate at which these contributions to the Region's developmental effort is made, is indeed inadequate in relation to the scope of the demand for them. Our major constraint in this regard is the lack of adequate financial resources from local sources. Frequently, the University has had to seek supplementary support from external sources in order to enable and/or expedite specific activities. Such support may be either through direct financial contributions or through collaborative efforts with regional and/or extra-regional institutions.

The attempt by the DAEFM to restructure its teaching and research programme to reflect the urgent needs in the region for agribusiness managerial training is yet another example where resource availability poses a major constraint. Accordingly, to overcome this problem the DAEFM is currently examining the possibilities for support through collaborative arrangement with

institutions from both within and outside the region. This is in addition to the internal arrangements being pursued within the University.

The preliminary conceptual work in restructuring the programme to reflect the concerns identified above is being pursued by the DAEFM. However, it is necessary to expose these to the wider community including institutions with well-established programmes in agribusiness management training. The authors consider this forum an appropriate one for exposing the ideas developed thus far.

Objective

The broad objective of this paper is to present to this forum for critical comment, the essential features of an agribusiness management training programme that have been developed by DAEFM thus far.

The paper therefore first attempts to clarify some of the conceptual issues regarding the scope and role of agribusiness in the region. It then presents the proposed structure of what might be considered an appropriate programme. The last part of the paper examines the justification for the development of such a programme, including the interim findings of a regional survey of agribusiness. It also explores possibilities for rationalizing existing programmes as part of the restructuring process.

Discussion of the resource requirements for such a programme has been omitted from this paper

since it is felt that such concerns could be more appropriately addressed after conceptualization of the programmes.

Conceptual Issues

Conceptually, agribusiness systems cover a wide spectrum of activities within the agricultural sector. Traditionally, such activities may be grouped into three categories:

- (a) input supply
- (b) primary production
- (c) agro-processing and distribution.

Each of the above categories constitutes a sub-system in its own right, having its own objectives, role and function. But ideally each sub-system should be seen either as part of a whole, or alternatively, intimately related as far as the agricultural sector is concerned.

In practice the suppliers of agricultural inputs, producers who transform these inputs into primary commodities and the agro-processor and distributor who transform and move the commodity to the final consumer should act in concert if the agribusiness chain is to function efficiently. The uniqueness of agricultural activities in terms of the high degree of interdependence and interrelationships among the sectors of the agribusiness chain emphasizes this need for entrepreneurs to be particularly mindful of the dynamics of the entire system.

The development of an appropriate agribusiness management training programme should therefore reflect the demands of the total agribusiness environment. The environment includes:

- (i) the nature, characteristics and structure of the agricultural production process
- (ii) the nature of the business climate
- (iii) the socio-economic characteristics of the environment as well as relevant public policies.

At the operational level, many agribusiness training programmes

normally emphasize managerial level training largely because it is felt that the agribusiness manager is the person in the firm who plays a pivotal role in terms of providing direction, coordination, production planning, finance and marketing functions of the firm, and provides for the effective use of its human resources.

To be successful, therefore, the agribusiness manager must be able to effectively mobilize the technical, economic, human and other resources available to him. He should be sensitive to the rapidly changing business environment since performance can be seriously affected by these external factors.

From the foregoing it should be recognized that the agribusiness manager, at the very least, must have commensurate training and competence as his counterpart in the non-agricultural sector. Further, because agribusiness operations are either directly or indirectly related to commodities with high production risks, many of which are also perishable, the demands on managerial skills in this sector may be more onerous.

Features of a Suitable Training Programme in Agribusiness Management

In order to meet the challenges outlined above, a sound training programme in agribusiness management should emphasize three major components, namely:

- (i) *Theory, principles and practice of agribusiness* - A strong foundation in the theory, principles and practices underlying agribusiness operations and management is essential. Provisions should be made for exposure to the following areas of study:
 - agricultural production
 - production planning and control
 - financial management and control

- product promotion, marketing and distribution
- investment appraisal
- organizational theory and behaviour
- strategy formulation and business policy
- human resource management
- management information support services e.g. computer technologies.

Such exposure should, among other things, emphasize the linkage and interdependence among these various disciplines as they impact on agribusiness activities.

(ii) *Research in agribusiness activities* - Exposure to research in the area of agribusiness is considered an integral part of the training programme since it will provide the opportunity to apply some of the theory and methodologies outlined in (i) above, to problems related to the management of agribusiness operations. While research is generally considered an expensive proposition, such investments will, in the long run, allow agribusiness firms/management to be better equipped to deal with future challenges as well as to face the risks in the environment that characterises the agricultural sector, not only at the local level, but also at the regional and international levels. Research activities including case studies have a crucial role to play in decision-making on the part of agribusiness firms.

(iii) *Internship* - As indicated in the preceding section of this paper, agribusiness operations span a wide cross section of activities, each having its own peculiarities and practices. While it is not possible to cover all these diverse activities in the pursuit of (i) and (ii) above in a formal classroom setting, it is

nonetheless important that the participants in such a training programme be given the opportunity to associate themselves with a firm, pursuing their activity of interest. This can best be formalized through an internship arrangement with the agribusiness firm.

The internship component of the programme is also necessary because it allows the participants to put into practice the concepts and theories provided in the classroom. Such practical exposure in operations and management of an actual agribusiness firm may be obtained ex-post or ex-ante to the inclass training.

Justification for New Developments

There is general agreement that there is a scarcity of good agribusiness managers in the region. This scarcity has, indeed been reflected in the performance of many agribusiness firms and consequently in the performance of the entire agricultural sector.

A recent survey on Agricultural Management Training Materials, funded by the Commonwealth Fund for Technical Cooperation, identified several critical areas of weaknesses in the delivery systems for management training currently available in the Region.* These include the absence of a single unit that specializes in the management training for the agricultural sector, inadequate supply of local material and hence extensive use of packaged training materials from external sources, and differential depth and duration of the training programme.

In addition to the above, the study found that the institutions that offered courses related to managerial

*Joseph, T. Report on Survey of Training Materials for Agricultural Management Training. Caricom, Georgetown, Guyana.

issues in agriculture, focussed on areas such as project management and administration, finance, personnel management and behavioural sciences. The study strongly argued the case for case writing using local material, as well as increased support for the upgrading of the various programmes currently available.

The scarcity of trained manpower in agricultural management in general, and agribusiness in particular, has also been stressed by various financial institutions. Such situations have often placed severe strain on their staff, not only to prepare projects, but also to monitor and evaluate projects during and after implementation. Similar views have been expressed by Ministry of Agriculture officials throughout the Region. In the same manner, the architects of the Regional Food and Nutrition Strategy have also expressed the need for this type of training to provide the buttressing support for the operationalization of the project components of the strategy.

In response to the above needs UWI through its DAEFM has, since 1976, been restructuring its programme to widen the scope and opportunity for training in agribusiness management. This development is additional to its supportive training available under the general agricultural economics programme within the Faculty of Agriculture, as well as that offered by the Department of Management Studies in the Faculty of Social Sciences (DMS).

The DAEFM activities in this regard include:

- (a) the introduction of courses in agribusiness and agricultural project appraisal/management
- (b) the development of case studies on agribusiness in the Region to provide teaching material at both the undergraduate and postgraduate levels (on-going)

(c) research on *A Profile of Agribusiness in the Region* (some results presented at the conference in an earlier paper).

With regard to (a) agribusiness management) above, the level of enrolment has varied between 4 and 19 students at the undergraduate level and significantly less at the postgraduate level. Despite the unsatisfactory arrangements for the conduct of the course in terms of having to rely almost exclusively on external assistance, interest remains high, as numerous requests and enquiries as to the availability of the programme continue to flow. Nonetheless, the course has suffered for some of the reasons identified in the survey referred to earlier. It is expected that both the case studies and the profile study when completed, will provide a wider base and more indigenous material on which to strengthen and build the programme. In addition, the Department has scheduled a series of special lectures and seminars in the field of agribusiness in order to add some breadth to the programme.

The DMS currently offers an Agricultural Management option as part of its degree programme. This activity is supported by the DAEFM which offers at least three courses as part of the programme. These are in the area of agricultural marketing, agricultural production, agricultural project appraisal, agricultural planning and development.

While a cursory examination of the above might appear adequate, the situation is far from satisfactory. In the first place the programme in the Faculty of Agriculture is primarily built around one course that could aptly be described as agribusiness. Secondly, it suffers from tremendous competition from what is generally regarded as a technological programme; and thirdly, there is a serious time constraint for adequate exposure to the theory and practice

of agribusiness along the mode suggested earlier. However, there appears to be ample opportunity to become acquainted with the uniqueness of the agricultural environment, an issue also identified above.

As it now stands the programme offered in the DMS appears to make adequate provisions for areas often described in the literature as functional management e.g. finance, accounts, personnel management etc. It remains insensitive to the peculiar nature of the agricultural environment in which agribusiness firms must function. In both cases there are at most, only modest provisions made for the three areas emphasised in Section IV of this paper.

The above situation therefore warrants some internal rationalization of programmes currently available within the University itself. This rationalization should also take place at other levels. There are several institutions in the Region that are concerned with agricultural management - however, very few have focussed their efforts on the agribusiness component. These institutions cannot remain insensitive to this area of activity. Information from the survey of agribusiness operations in the Region, particularly input sector and product sector firms, have identified availability of professional and managerial staff as a significant constraint to their operations. The quality of such staff was also an issue. It is expected that as the data are analysed specific training requirements will be better identified.

In addition to the above, a study of the management staffing structure for agribusiness operations from the profile study could provide a useful basis for planning the management training while is needed to satisfy the manpower requirements for the growth and development of the agribusiness sector.

As this rationalization process takes place, ways and means should

be identified to exploit a collective approach - businessmen, academicians, practitioners as well as technicians and policy-makers - to concerns of revitalization of the agricultural sector in many countries of the Caribbean region.

*Number of Managerial Staff of Agro
Input and Product Sector
Firms Surveyed*

	Input Sector	Output Sector	Total
Trinidad & Tobago	114	139	253
Jamaica	32	134	166
LDCs	7	42	47
	<u>153</u>	<u>315</u>	<u>468</u>

Total No. of Firms = 126

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