# FARM SUPPLY AND GRAIN ELEVATOR BUSINESSES IN A CHANGING ENVIRONMENT: A MIXED METHODS INVESTIGATION OF PAST AND FUTURE STRATEGIES

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## Abstract

Structural change in agriculture and competitive pressure transform the business environment of farm supply and grain elevator businesses. Strategies are an important tool for gaining or maintaining competitive advantages in this situation. Possible strategies include increasing diversification or the realization of economies of scale through growth. However, the analysis of strategies poses challenges as they often develop over time and contain both deliberate and nondeliberate elements. In a mixed methods approach, we combine a media analysis with a manager survey (n=62) to investigate past and future strategies of agricultural traders in Germany. We show that cooperation, diversification and autonomous growth were among the most popular strategic actions in the past 10 years and, according to the surveyed managers, will be in the future. The majority expect to offer more digital and consulting services in the future. This study provides new insights into agricultural traders' realized and intended strategies.

## Keywords

Agricultural trading, Strategic management, Farm supply

## Introduction

Farm supply and grain elevator businesses play an important role in mediating between agriculture and industry (GOLLISCH et al., 2018). They fulfil two basic functions: The supply business, in which agricultural inputs are sold to farmers, and the sales business, in which crop products are purchased from farmers.[1] The environment in which agricultural trading companies operate is currently undergoing major changes (see also BATTE and ERNST, 2007). This development is also true for Germany and becomes evident in different areas: Firstly, the number of companies decreases continuously while the traditional division into wholesale and retail level seems to dissolve (BUNDESKARTELLAMT, 2014). Secondly, structural change in agriculture leads to fewer and larger farms doing business with agricultural traders. In the course of these developments, agricultural trading companies need to find a strategic orientation. Growth, internationalization, diversification and differentiation are much discussed concepts for promising positioning (GOLLISCH et al., 2018; HITT et al., 2006). Besides that, service profiling of the companies is considered important to achieve high customer satisfaction and thus to remain a trading partner for farmers. Otherwise, farmers could start doing business directly with input producers or buyers of cereals (SCHULZE, 2012). Most recently, the increased online agricultural trade and its effects on the industry receive special attention (BATTE and ERNST, 2007; FECKE et al., 2018). A growing body of research recognizes the possible consequences of structural change within agriculture and the food processing industry for agricultural traders (GOLLISCH et al., 2018; HÖHLER and KÜHL, 2014; SCHULZE, 2012; SEXTON, 2013).

Studies on agricultural traders' strategies are rare. They also come to different results. HARLING and FUNK (1987) identify four attributes of strategies: focus, differentiation, cost leadership and company size. Based on data on 170 U.S. firms, they show that most companies pursue similar competitive strategies (HARLING and FUNK, 1987). HÖHLER and KÜHL (2014) analyze strategies of cooperatives in the cereal sector in the EU-27. Half of the companies pursue cost leadership, while 32% aim for differentiation, and 19% for focus. Growth is achieved primarily autonomously or through domestic merger and acquisition. GOLLISCH et al. (2018) argue that the structural changes in agriculture leave traders with a limited set of strategies, namely cost

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[1] We use the term 'agricultural trading companies' as a synonym.

reduction or differentiation. They use a discrete choice experiment to categorize strategies. According to their analysis, the majority of the traders would choose a service-oriented or hybrid strategy rather than cost or price leadership. A main challenge faced by many researchers is the dynamic nature of strategies. MINTZBERG'S (1987) interpretation of strategies as patterns implies that strategies are often only recognizable afterwards as patterns of actions. These actions are both part of the intended strategies of the management and partly emergent. As a result, a comprehensive investigation of strategies as a pattern requires the examination of both actions taken and intended actions.

This paper analyzes the development of strategies of agricultural trading companies. We are mainly interested in two questions. Firstly, how have the strategies of agricultural traders evolved over time? Secondly, how will strategies develop in the future? Based on the structural developments mentioned above, we assume that product and service differentiation have become more important and will continue to become more important for companies in the future. In response to the different results in the literature to date, we also want to contribute to the question of how agricultural trading companies position themselves in the market. The methodological approach taken in this study is a mixed methodology based on a media analysis and a survey. Our first goal is the analysis of the past strategic positioning of agricultural trading companies. Hence, we analyze 2,738 newspaper articles about strategic actions of nine of the largest German agricultural trading companies in our strategy analysis. Our second goal is to complement the identified implemented strategies with managers' assessments on the future. Therefore, managers were asked about their planned strategies. Following MINTZBERG (1987), we understand strategies as the sum of strategic actions taken by a company. To the best of our knowledge, this is the first study to undertake a longitudinal analysis of strategies of agricultural trading companies. A detailed examination of their strategies contributes to a better understanding of the sector dynamics and the companies' reactions to structural changes. The development of strategies is of interest not only to researchers in the fields of strategic management and agricultural economics, but also to competitors within the sector.

The paper proceeds as follows. The next chapter will examine the theoretical background. The third chapter is concerned with the data and methodology used for this study. Chapter four presents the results of the media analysis and the survey. The paper ends with a discussion and conclusion.

**Theoretical background**

The strategy term has various definitions. In game theory, the term strategy describes a complete plan specifying in advance the decisions to be taken for all possible situations (VON NEUMANN, MORGENSTERN and KUHN, 2007). According to CHANDLER (1990), strategies consist in the definition and pursuit of long-term corporate goals and the associated actions and allocation of resources. ANSOFF (1957) refers to product-market combinations of companies and names market penetration, market development, product development or diversification as possible growth alternatives ("product-market strategies"). In addition to these growth-oriented strategies, there is also the possibility of divestments if certain markets decline (HARRIGAN, 1980). PORTER (2008) distinguishes three generic strategies: Cost leadership, differentiation and focus. In the case of cost leadership, the competitive advantage originates from low costs. In the case of differentiation, the company offers unique products or services. Focus describes a situation in which a company focuses on individual customer segments. PORTER (2008) argues that a company can only pursue one strategy at a time because strategies require different strengths and resources. However, there is also evidence that a combination of different strategy types, a hybrid strategy, results in higher performance (CLAVER-CORTÉS et al., 2012).

While strategies aimed at achieving competitive advantages over competitors within individual business areas can be called 'Competitive Strategy', the term 'Corporate Strategy' refers to the

strategic orientation of the entire company. This includes questions about the business areas in which a company should operate and how the company is organized (PORTER, 1987). Common to all considered ideas of corporate strategies is their aim of maintaining or improving the success of the company. According to the "Resource-Based View", which was essentially coined by BARNEY (1991), companies can achieve sustainable competitive advantages by identifying and using internal strategic resources. This is possible by executing value-creating strategies that are not also implemented by competitors. The implementation of such strategies requires the deployment of the company's resources. In this model, strategic resources are the source of unique strategies and sustainable competitive advantages. In this way, each company can have its own strategies, which may also change over time.

SNOW and HAMBRICK (1980) propose various ways to identify corporate strategies. Possible methods include "Investigator Inference", "Self-Typing", "External Assessment" and "Objective Indicators". Whereas in "Investigator Inference" the researcher uses all the information available to him to assess corporate strategies himself, in "Self-Typing" it is left to the manager of the company to categorize the corporate strategy. In "external assessment" strategies are evaluated by external experts. "Objective indicators" should be based on objective, available data, such as published product market data, with which corporate strategies can be reconstructed. Each of the approaches has different advantages and disadvantages, so a combination of different methods is recommended (SNOW and HAMBRICK, 1980).

For the analysis of realized strategies, the systematic recording of actions taken using objective indicators is a suitable method. HÖHLER and KÜHL (2019) do this with a media analysis using the example of the dairy industry. Based on different theoretical approaches, they develop a category system to code strategic actions of companies. Advantages of their approach result from the reduction of response bias and the analysis of strategies over longer periods of time. A disadvantage is that no conclusion can be drawn about the intended strategies. Another disadvantage is that data is often only available for larger companies. Furthermore, the strategy can only be examined ex post. In contrast, the survey of managers provides insights into the strategy as a plan. With a survey, it is possible to query future planned actions and to cover companies of different sizes. Disadvantages are that managers are often biased and that there is no external validation. For these reasons, we want to combine both methods and conduct both a media analysis and a survey of strategic actions. Both methods are described in the following section.

**Data and method**

**Media analysis**

Data for this study were collected using a search portal for newspaper articles. The search was limited to articles published in the 'Agrarzeitung', a trade journal that is widely distributed in the industry and regularly reports on strategic actions of the companies. The sample contains articles reporting on the actions of a group of large companies. Large companies were chosen because of the expected difficulty in obtaining full information on the strategic actions of smaller companies. The names of the nine largest companies were entered as search terms (for a description of turnover, see appendix A1). 2,738 newspaper articles were found. All articles published between 01.01.2010 and 31.12.2019 were analyzed. The time span was chosen with regard to the subsequent survey of managers, which also covers a period of 10 years. The content of each article was screened for information on one or more strategic actions of one of the companies.

To classify the strategic actions, categories were formed to which the different actions were assigned. The selection of the relevant actions is based on existing work (GOLLISCH et al., 2018;

HARLING and FUNK, 1987; HÖHLER and KÜHL, 2014). Following Ansoff (1957), we distinguish between market-oriented and product-oriented actions (Table 1):

**Table 1: Coded actions by type and strategy**

| Strategic Orientation | Strategic Actions |
|---|---|
| Markets | Autonomous Growth |
| | Merger |
| | Acquisition |
| | Participation |
| | Cooperation |
| | Internationalization |
| | Divestment |
| Products | Diversification |

Source: Own illustration

Based on the identified strategic actions, texts were manually coded according to a previously developed manual (for a detailed description, see A2). Actions were assigned to the year in which they took place. Some actions were given multiple codes. If, for example, the joint distribution of a new product was started in cooperation with another company, this action was coded as "diversification" and as "cooperation". However, to avoid duplication, the same event was only coded once if it was mentioned several times. In total, 628 actions were coded (see also A1).

**Survey**

For the second part of the study, a questionnaire was developed on the basis of the background literature and an expert interview with a former manager of an agricultural trading company. The aim of the survey was to complement the results of the media analysis with managers' opinions on future strategies. To ensure that the questionnaire was understandable and given answers would be meaningful, the survey was tested with a representative of an agricultural trading company. The survey was conducted as an online survey, mainly due to its easy distribution. The link was distributed in 2020 via a newsletter of a training company for staff of agricultural traders and to a list of companies collected via a web search. A reminder was sent in both cases. As a result of the data collection, it is not possible to determine the number of companies reached and the response rate. As an incentive for participation, a report with the most important results was offered.

The questionnaire was divided into four parts:

1. **General information on the company.** Participants should provide information on the size and legal form of their company as well as their position within the company.
2. **Developments in the next 10 years.** Statements were developed both from the previous media analysis and from the expert interview. The statements should be evaluated by the participants for their company on a scale with the points "increases", "stays the same" and "decreases" (see also A3).
3. **Strategic actions of the respondents' companies.** Different strategic actions should be evaluated according to the time horizon (3, 5 or 10 years) in which they are relevant for the company. The different horizons should reflect a short, medium and long-term period. In addition, it was possible to indicate that strategic actions were not relevant (see A4).
4. **Possible future developments in the industry in general.** Participants were asked to express their agreement to previously developed statements on a six-point Likert scale (see A5).

A total of 83 persons took part in the survey, 62 of them completed the survey. Most of the participants (50 persons) claimed to be the managing director or to have management responsibility. Figure 1 provides an overview of the company sizes. The sample includes small enterprises (1-4 employees and 0-4.9 million euro turnover), medium, and large enterprises (over 250 employees and over 500 million euro turnover). Most of the companies operate under the legal form of a cooperative or a limited liability companies.

**Figure 1: Overview of the company sizes in the sample**
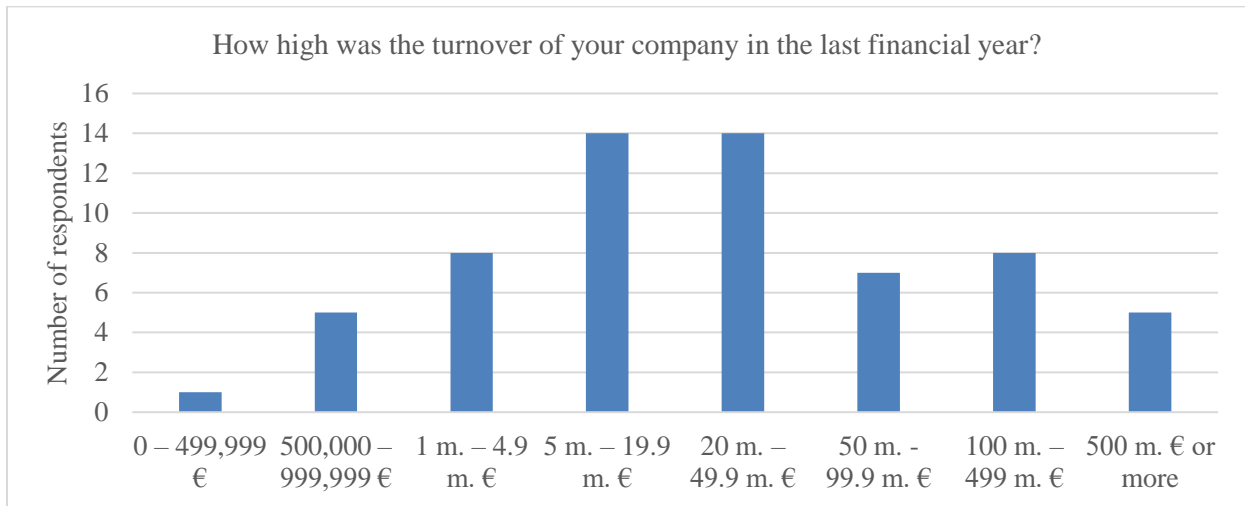


Source: Own illustration.

**Results**

**Media analysis**

First, the distribution over time of the total number of strategic actions is examined. The following figure (Figure 2) shows the number and share of the different strategy types over the years. Among market strategies, cooperation seems to dominate in most years, followed by autonomous growth. Diversification also occurs frequently in all years. Trends can be seen with regard to divestment and acquisition. While acquisitions tended to decline in the second half of the period under review, divestments increased during this period. No clear trends can be identified for the other strategic actions.

**Figure 2: Distribution of strategic actions per year and per category, percentage and count**
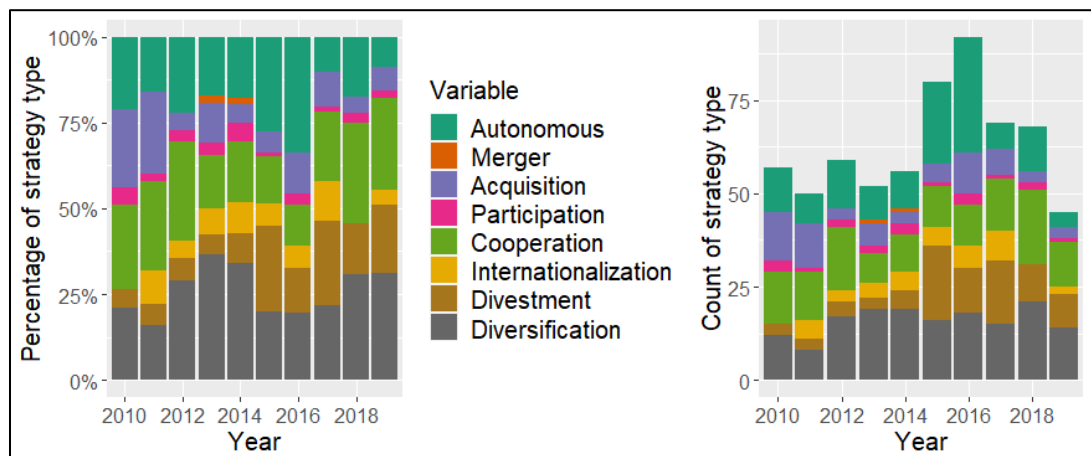


Source: Own illustration.

In addition, the distribution of the strategic actions for the individual companies is examined. The following figure (Figure 3) shows the distribution in percent of the actions in the respective year for each of the companies. The scaling already gives an indication of the different amounts of information available for each company. While Agravis and Baywa with 153 actions and 140 actions were mentioned most frequently, relatively little information is available for ATR (19) and Beiselen (20 actions). Fluctuations between the years and differences between the companies become evident. For example, Agravis seems to focus more on autonomous growth compared to BayWa, while BayWa focuses more on diversification. The third largest company, HaGe, shows no clear pattern. Compared to BayWa and Agravis, a smaller range of strategic actions seems to be used. In recent years, RWZ has been characterized above all by divestment. Internationalization and participation seem to be particularly relevant for the larger companies. For the remaining smaller companies there are also only a small number of hits, which makes meaningful comparisons difficult. Nevertheless, it becomes clear that all companies combine strategic actions and do not focus on just one action.

**Figure 3: Distribution of strategic actions per year, per category and per company, percentage**



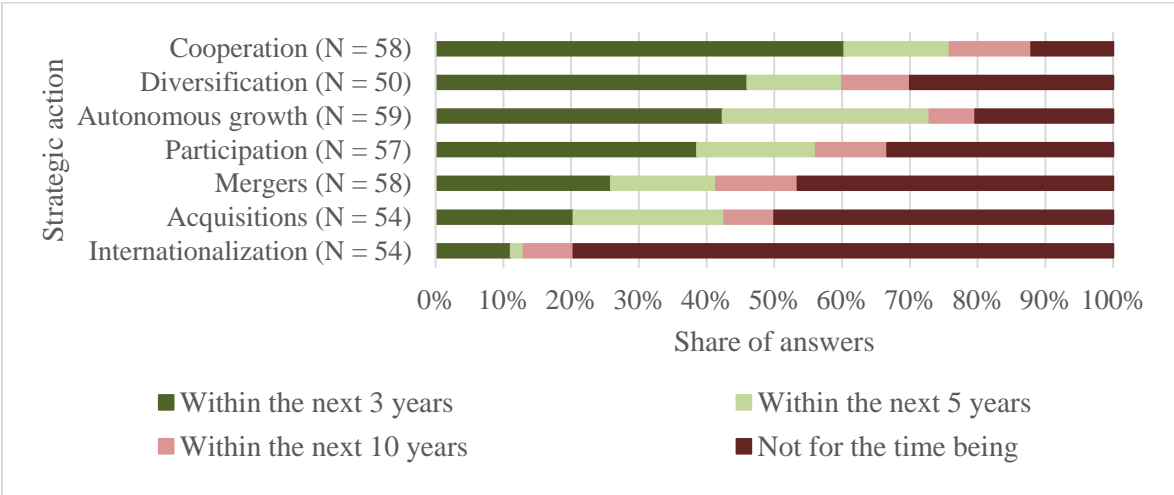Source: Own illustration.

**Survey**

In part 2 of the survey (developments in the next 10 years, see A3), most of the managers indicated that in the next 10 years personnel costs (40 out of 62), the provision of digital services (54 out of 59) and cooperation with non-cooperatives (32 out of 54) as well as with cooperatives (32 out of 52) will increase[2]. The majority plan to increase the number of business lines (27 respondents) or to keep it constant (22 respondents). The answers do not give a clear picture of the future development of traded volumes, sales, margins, and profits. While some respondents assume increasing figures, others anticipate stagnation or decline. The results are clearer in the case of planned strategic actions. 30 out of 55 managers expect to reduce the number of locations for grain collection in the future. Only four companies are planning to reduce their range of consulting or digital services.

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[2] Participants were not obliged to answer all questions, which explains why the sample size is sometimes smaller.

Asked about strategic actions for the next 10 years in part 3 of the survey, participants favored cooperation (see Figure 4 and A4). In contrast, internationalization was the least preferred strategic action. The majority of the companies represented are aiming for autonomous growth in the short and medium term. More diversification is expected to occur in the short term as well as in the medium and long term. Approximately 50% of the participants perceived mergers and acquisitions as promising for their company within the next 10 years, while a similar share stated that they have no such plans.

**Figure 4: Respondents' preferred strategic actions for the coming 10 years**



Source: Own illustration. Note: Sample sizes differ as a result of missing answers.

Regarding the general developments in the industry (see introduction), the statement that trading companies need to offer a higher level of service in the future received the most support (for the detailed results, see also A5). In addition, most participants agreed that there is a need for diversification and further company growth as well as a need for the expansion of digital services and the automation of processes. 55 respondents agreed that "*In order to remain competitive despite structural change, agricultural traders will have to offer a higher level of service in the future than they do today*". 34 respondents agreed that "*Only those traders with the best prices for farmers will have a chance in the future*". At the same time, a high level of service was considered more important than offering the best prices. It is also interesting to note that the majority of the respondents did not expect alternative financing concepts, the temporary renting of locations or entering the food processing industry in the future.

**Comparison**

The following figure (Figure 5) shows an aggregated ranking of the different strategic actions in the media analysis and in the survey (part 3). The results of both analyses were summarized in such a way that the category "next five years" ("next ten years") also includes the category "next three years" ("next five years" and "next three years"). For the media analysis, the ranking is based on frequency; for the survey, it is based on agreement ratings.

The comparison must be viewed with caution, as the media analysis only includes large companies, while the survey also includes many small and medium-sized companies. While diversification has emerged as the most important strategic action in the media analysis over the last ten years, the managers surveyed intend to focus on cooperation over the next ten years. Diversification is nevertheless, next to autonomous growth, among the TOP 3. While internationalization was fifth most common in the media analysis, it is last in the survey. Conversely, participation occurs more frequently in the survey than in the media analysis.

**Figure 5: Comparison of preferred strategic actions**
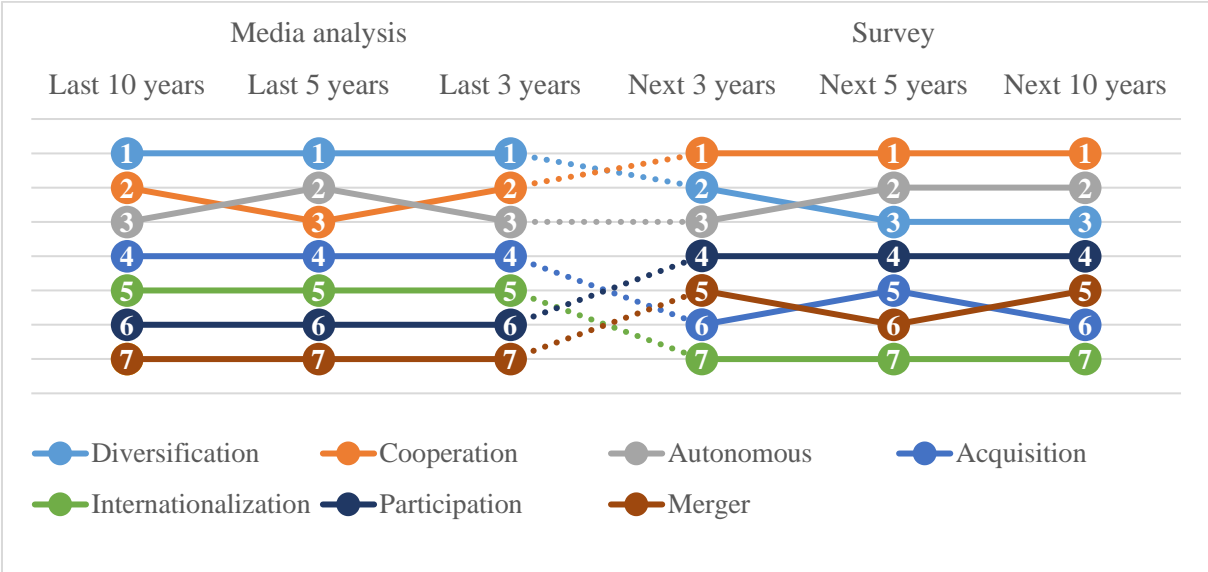


Source: Own illustration.

## Discussion and conclusion

Our main goal was assessing the development of agricultural trading companies' strategies. To account for the dynamics of strategies and also to consider both past and present strategies, two methods, media analysis and survey, were combined. Media analysis was used to examine strategies in the past. A major finding was that some strategic actions were applied more frequently than others over the observed period. Diversification, autonomous growth and cooperation were the most frequently used actions of large agricultural traders. While no clear trend was evident for most strategic actions, divestment seemed to increase over time. At first this seems to be a contradiction to the growth trends. However, it may also reflect increasing efforts for efficiency, growth at a few selected locations and cooperation between companies. Different patterns could be observed at company level. While one company seemed to focus more on autonomous growth, another company seemed to focus more on diversification. The finding of HARLING and FUNK (1987) that all companies pursue similar strategies cannot therefore be supported. The observed combination of different strategic actions supports the findings of GOLLISCH et al. (2018), who highlighted the importance of hybrid strategies. Further work needs to be done to establish whether and how a combination of strategic actions leads to a superior performance as suggested by CLAVER-CORTÉS et al. (2012).

We used a survey to learn about managers' perceptions regarding possible future strategies. The results indicate that some of the patterns identified in the media analysis could continue. First of all, the most popular strategic actions in the past – diversification, autonomous growth and cooperation – appear to remain relevant in the future. According to survey results, the trend towards divestment and fewer locations for grain collection in the past could also continue. Although most of the respondents stated that corporate growth was important, the majority plan to reduce the number of locations for grain collection within the next ten years. In both the media analysis and the survey, only few companies were in favor of internationalization. At the same time, the media analysis indicates that acquisitions have become less important over the last ten years. This finding is consistent with the survey results, which also indicate that acquisitions will not be among the most relevant strategic actions in the future. The consistent results suggest that there are stable trends in the development of both, realized and intended strategies.

Differences between media analysis and survey can be seen in the category of participation. While this strategic action was less popular in the past, it seems to become more likely in the

future. This difference may be due to changes in the business environment. The digitization of internal processes and the growing online trade are cited by many respondents as the main challenges for the future. Participation could be seen as an opportunity to meet these challenges. Another possible explanation is that the companies surveyed differ from the companies in the media analysis both in terms of size and legal form. A further difference between past and future exists in terms of diversification. While diversification was one of the most frequently documented strategic actions in the media analysis, the question regarding its future implementation shows mixed results. This discrepancy could be attributed to different understandings of diversification. While many participants stated that they want to keep the number of business lines constant in the next ten years; they also stated that the provision of digital services will increase. To develop a full picture of diversification as a strategy, additional studies will be needed that differentiate between different types of diversification. By identifying both consistencies and differences in past and future strategies, this study lays the foundation for further research in the area of strategy development. However, our data must be interpreted with caution because the media analysis is based on the strategic actions of a few large companies while small, medium and large companies participated in the survey.

Our results fit well with the results of previous studies on strategies in agricultural trade. In comparison to the growth strategies described by HÖHLER and KÜHL (2014) for cooperatives in the cereal sector, it is striking that autonomous growth was frequently chosen as a strategic action in our sample as well. In contrast to their study, which does not include cooperation as an option, it is clear that cooperation has been an almost equally important strategic action in recent years. Expansion through cooperation has so far been little studied among agricultural traders and also in agribusiness as a whole. Further work is needed to fully understand the implications of cooperation for the competition in this sector. Of further interest is how this cooperation takes place and how it affects the performance of the companies. Both the evaluation of the media analysis and that of the questionnaire indicate that growth and thus, by achieving economies of scale, cost leadership are aimed for in agricultural trade. At the same time, the companies seem to be pursuing a differentiation strategy by continuously improving their offer of products and services. GOLLISCH et al. (2018) found that a hybrid strategy is preferred by 39% of the respondents, while 57% prefer a strategy of service differentiation and only 4% would choose a pure cost leadership strategy. In all three strategies mentioned, the opportunity for cooperation is welcomed. This preference for cooperation with other companies is confirmed in this study.

While previous studies examined the strategies at one point in time, we present a long-term study of the strategies using two different methods. The combination of media analysis and survey carried out here represents a possibility to examine both intended and realized strategies. In addition, the two approaches mutually serve to contrast and validate the results. The method shown here can be transferred to other industries. In addition, it can be extended to other media and companies, so that statements on the population of agricultural trading companies as a whole would also be possible. The generalizability of these results is subject to certain limitations. For instance, the sample size of the companies in the media analysis is relatively small, although it covers a large part of the market in terms of market share. Small and medium-sized enterprises could not be included due to the lack of reporting on their activities. In contrast, companies of various sizes participated in the survey. A self-selection of the participants can be assumed, which has a distorting effect. Further work is also needed to fully understand the development of strategies over time.

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## Appendix

**A1. Table: Companies (Own illustration based on annual reports.)**

| Name | Turnover (Million EUR, 2018) | Number of strategic actions |
|---|---|---|
| BayWa | 16,625.7 | 140 |
| Agravis | 6,577.6 | 153 |
| HaGe | 2,089.0 | 75 |
| RWZ | 2,080.7 | 130 |
| Raiffeisen Waren GmbH | 1,418.4 | 34 |
| ZG Raiffeisen | 1,112.9 | 33 |
| Beiselen | 1,072.5 | 20 |
| ATR | 722.4 | 19 |
| Getreide AG | 638.7 | 24 |

**A2. Table: Categories of strategic actions**

| Code | Explanation | Example (Translation) |
|---|---|---|
| Autonomous growth | Expansion of locations or investments that increase production, storage or sales capacity within Germany | *"Agravis Raiffeisen AG, Münster and Hanover [...]. The Northeim plant protection warehouse has been significantly expanded."* |
| Merger | Integration with another company (only if it was explicitly referred to as merger and not as acquisition) | *"Last year the integration of Raiwa eG into the Kassel-based company was pushed ahead. 'The merger with Raiwa is the company's greatest strategic opportunity'."* |
| Acquisition | Takeover of a company within Germany by the company or an affiliated subsidiary, also partial takeovers. | *"Agravis Raiffeisen AG acquires the compound feed plant of Heidemark in Höltinghausen."* |
| Participation | Shareholding of the company or an affiliated subsidiary in another existing company within Germany | *"In addition, ATR Landhandel has - subject to the approval of the cartel authorities - acquired a stake in the Seehafensilo RGL in Rostock."* |
| Cooperation | All forms of cooperation with other companies, associations etc. within Germany, which go beyond the mere inclusion of a product in the product range; also the founding of joint companies within Germany | *"For smart farming solutions, RWZ has started a sales cooperation with 'Farmfacts'."* |
| Internationalization | Above-mentioned actions international | *"Baywa AG wants to take over the British trader for special cereals Premium Crops through its British subsidiary Cefetra."* |
| Divestment | Sales of company participations, locations, divisions and other forms of capacity reduction | *"Getreide AG, Rendsburg, is selling its subsidiary Landhandel GmbH Gransee in Brandenburg to ATR Landhandel GmbH, Ratzeburg."* |
| Diversification | Development of own brands of the company or a subsidiary; the launch of new products or brands, the distribution or development of new proprietary products; actions that serve the sales of the company or advertise the company or its products; customer loyalty measures | *"The private label Profi of Hauptgenossenschaft Nord AG, HaGe, and BSL GmbH & Co. KG will be available in agricultural trade nationwide from autumn."* *"The new B-wheat variety Orcas from Secobra breeding is part of the BayWa breeder sales program."* |

**A3. Table: How do you assess the development of your company within the next 10 years?**

|  | …increase | …stay the same | …decrease |
|---|---|---|---|
| The provision of digital services will… | 54 | 3 | 2 |
| The supply of consulting services will… | 45 | 13 | 3 |
| The personnel costs will… | 40 | 13 | 9 |
| Cooperation with private traders will… | 32 | 17 | 5 |
| Cooperation with cooperatives will… | 32 | 14 | 6 |
| Total sales will… | 28 | 17 | 14 |
| The number of business lines will… | 27 | 22 | 11 |
| Sales in agricultural business will… | 20 | 13 | 24 |
| The number of employees will… | 17 | 21 | 24 |
| The amount of grain traded will… | 15 | 19 | 21 |
| The total profit will… | 12 | 27 | 21 |
| The traded amount of agricultural inputs will… | 12 | 19 | 29 |
| The number of competitors in the region will… | 6 | 17 | 38 |
| The trading margin in the agricultural business will… | 5 | 21 | 33 |
| The number of locations for grain collection will… | 5 | 20 | 30 |

**A4. Table: Indicate the time horizon within which you consider the following growth strategies to be promising for your company**

|  | Within the next 3 years | Within the next 5 years | Within the next 10 years | Not for the time being |
|---|---|---|---|---|
| Cooperation | 35 | 9 | 7 | 7 |
| Autonomous growth | 25 | 18 | 4 | 12 |
| Diversification | 23 | 7 | 5 | 15 |
| Participation | 22 | 10 | 6 | 19 |
| Mergers | 15 | 9 | 7 | 27 |
| Acquisitions | 11 | 12 | 4 | 27 |
| Internationalization | 6 | 1 | 4 | 43 |

**A5. Table: What do you think about the following statements about German agricultural trade?**

|  | Totally agree | Mostly agree | Rather agree | Rather disagree | Mostly disagree | Don't agree at all |
|---|---|---|---|---|---|---|
| *"In order to remain competitive despite structural change, agricultural traders will have to offer a higher level of service in the future than today."* | 22 | 20 | 13 | 1 | - | - |
| *"In the future, investments in the automation of processes will be necessary in order to save personnel costs."* | 19 | 19 | 10 | 7 | - | - |
| *"Changes in agriculture are forcing agricultural trading companies to diversify in order to compensate for a weak agricultural business with other fields."* | 18 | 13 | 16 | 6 | 3 | - |
| *"In the future, agricultural traders must offer farmers digital services such as online grain marketing and an online overview of purchases made."* | 17 | 19 | 9 | 8 | 3 | - |
| *"In order to prevail in the structural change among agricultural traders, company growth is very important."* | 14 | 18 | 15 | 10 | - | - |
| *"The establishment of an online shop or the connection to an existing one is essential for the future survival in competition."* | 12 | 13 | 17 | 10 | 4 | 1 |
| *"Agricultural traders must increasingly adapt to the collection and trade of organic cereals."* | 5 | 17 | 19 | 10 | 3 | 1 |
| *"Only those traders offering the best prices to farmers will have opportunities in the future."* | 4 | 13 | 17 | 15 | 6 | 1 |
| *"Cost reduction through specialization or the concentration on a few business areas leads to success in the competition between agricultural traders."* | 3 | 21 | 14 | 13 | 4 | 1 |
| *"In addition to bank loans, the low margins make alternative financing concepts necessary."* | 3 | 11 | 13 | 11 | 11 | 7 |
| *"Due to low margins in the trade, it is economically reasonable for agricultural traders to get into food processing themselves."* | 2 | 5 | 7 | 24 | 12 | 6 |
| *"In order to save costs, agricultural traders should rent locations temporarily in the future instead of buying or owning them."* | 1 | 11 | 12 | 13 | 8 | 8 |