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## Changing Dimensions of Agriculture Business

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For their sustenance, humans require a variety of raw and processed food products. In order to make our daily requirements of food and fiber products available at the desired place, in the required form, and at the right time, the efficient functioning of many individuals and business organizations in farm and input production, food processing, and marketing and distribution systems is required. This entire system is referred to as Agribusiness. The concept of agribusiness has evolved significantly over time from being regarded only as a food and fiber production system to a more holistic market-oriented system delivering a wide range of farm produce and processed agricultural products to meet the changing consumer demands and preferences. A look at how the definitions of agribusiness have changed over time will make this clear. The term “agribusiness” was first used by John H. Davis in a speech he gave at a conference on ‘Business Responsibility and the Market for Farm Products’ in Boston, USA in 1955 (Fleet, 2016). His focus was on agricultural production and he referred to agribusiness as “the sum total of all operations involved in the production and distribution of farm commodities”. Subsequently, in 1957 John H. Davis along with Ray A. Goldberg published a book entitled “A Concept of Agribusiness”, in which they expanded the definition of agribusiness.

“In this book, they defined Agribusiness as “the sum total of all operations involved in the manufacture and distribution of farm supplies; production operations on the farm; and the storage, processing, and distribution of farm commodities and items made from them.

### Sectors of Agribusiness management

1. The agricultural input sector
2. The production sector
3. The processing-manufacturing sector



**1. The agricultural input sector:** The agricultural input sector is a major part of agribusiness. It provides farmers with the feed, seed, credit, machinery, fuel, chemicals, etc., that they need to operate. It is generally felt that the improvement in the quality of these purchased inputs has been a significant source of productivity gains for the entire system. Input suppliers provide producers with substantial quantities of purchased inputs.

**2. The agricultural production sector:** By specializing production efforts in one or two crops or types of livestock, producers have been able to increase the efficiency of their operations. This increase in efficiency shows the total level of inputs remaining nearly constant while output has expanded. As a result, the gross farm income, which is influenced by commodity prices, government payment to farmers, and the level of agricultural commodity exports, tends to vary more.

The production sector has been at the core of much of the change in agribusiness. Some individual producers have grown larger and more efficient by specializing in the production of agricultural commodities and letting others supply the inputs and process the outputs

**3. The agricultural processing-manufacturing sector:** The processing-manufacturing sector includes all the individuals and firms that process agricultural commodities (turn wheat into flour), manufacture food products (Turin flour, eggs, and other inputs into bread), and distribute the retail food products to the final consumers.

### Some aspects of Changing dimensions of agriculture business

**R&D and Technology:** Efficiency is driven by strong and vibrant R&D by public or private sector. Public sector R&D in the country is showing a fatigue and suffering from resource constraint, disciplinary fragmentations, and lack of drive and inspiration.

Application of biotechnology in agriculture through genetic breakthrough and genetic enhancement, is playing an important role in shaping future of agriculture.

**Employment Generation:** Traditional theories of economic transformation clearly established that share of agriculture in national income and total employment follows declining trend with the progress of economic development in a country.

The reasons for workers preferring to move from agriculture to non agriculture are low wages in agriculture, stress of manual work and irregular employment. These three problems can be addressed by innovative approaches in production and post-harvest activities.

**Food Security to Nutrition and Health :** India's nutrition indicators and child health indicators are low. According to FAO largest number of people who are hungry or undernourished live in India.

Indian diets are undergoing diversification in a significant manner. Per capita absorption of cereals has witnessed smallest increase despite increase in availability and heavy subsidy on cereals.

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