

# Agribusiness: A New Way to do Agriculture Not Really New

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## ABSTRACT

Agriculture is the means by which human beings are fed, cared for, clothed, even housed. Thus, agriculture should be the focal point of all economics system. Thenceforth, to maximize the benefits of this practice, scientists have introduced the concept of agribusiness, which consists in developing innovative technics to improve the way of doing agriculture. However, what we see is that agriculture doesn't have the same interest all around the world.

**Keywords:** Agriculture; Agribusiness; Human beings; Economics

## INTRODUCTION

The word agribusiness first appears in volume 155 of the Canadian Almanac and Directory published in 1847. However, the word became popular thanks to the book of Harvard Business School professors John Davis and Ray Goldberg published in 1957. In fact, according to these authors the word agribusiness is defined as: The sum 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 [1].

Throughout this definition, the authors not only put in light the fact that agribusiness includes common industrial steps such as input supply system, production system and marketing system, they also confer to the private sector the responsibility of agriculture, because the 20<sup>th</sup> century had been marked by the transition from traditional to commercial agriculture in the United States. Indeed, during the world war I, the United States has established federal agricultural policies which authorized to increase farming production, with a view to feed their allies. But, this resolution had resulted to an agricultural crisis, causing prices of products in the market to fall, migration of farms laborers to urban cities for jobs, abandonment of lands by several farms owners. In front of those problems, farmers introduced cooperatives, interest groups, political parties to express their frustrations and find solutions [2]. Thereby, thanks to the populist party, credit system had been financed to allow farmers to store their crop in a federal warehouse while waiting for favorable prices. Otherwise, the New Deal programs had

been established by President Franklin Roosevelt between 1933 and 1938 to ensure the ascension of the democratic party in the USA, due to series of initiatives such as farming security administration and civilian conservation corps. Though, having noted the inability of the state to provide viable solutions to the agricultural sector, John Davis and Ray Goldberg have explained in their book that the vertically integrated firms within the chain value could control prices depending to the distribution of the products, to join the philosophy of invisible hand express by Adam Smith years earlier. However, prices instability is not the only challenge faced by farmers, whither in the United States or in other parts of the world. Thus, our study consist into analyze the way that agribusiness has innovated agricultural practices, as well as put in light difficulties related to this activity in some part of the globe [3].

## LITERATURE REVIEW

According to some authors, agriculture is a dangerous activity which contributes to the pollution of water and air by the usage of pesticides, causes climate change and the degradation soil fertility. In fact, researches have shown that deforestation, intensive use of machines in farming methods, emissions of greenhouse gas, such as Carbon Dioxide (CO<sub>2</sub>), Nitrous Oxide (N<sub>2</sub>O) and Methane (CH<sub>4</sub>) emitted by the food system, generate climate change [4]. Beside this, leaning on the second United Nations Sustainable Development Goal stated zero hunger, agriculture is considered as nothing more than a food security tool. Although, all those arguers seem to forget the great role play by agribusiness to improve agricultural practices, to diversify the area of intervention in the agricultural sector.

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## DISCUSSION

### Agribusiness: Climate change fighter

First of all, it is important to remind that agribusiness' value chain is composed of the input sector, which include agricultural supplies, agricultural labor, irrigation, seeds, fertilizers; the production sector composed of farming, farm mechanization; the processing sector, such as primary processing and secondary processing; the marketing sector, like agricultural manufactured products' market and farmers' market; the support sector, composed of education, cooperatives, professionals and government [5]. All the professionals involving in these sectors work together to find solutions needed to protect our planet, while making farming more productive and profitable. Thus, one of the principal solution capable of fight climate change is the use of regenerative agriculture. Knowing that regenerative agriculture is an evolution of conventional agriculture, which aims to:

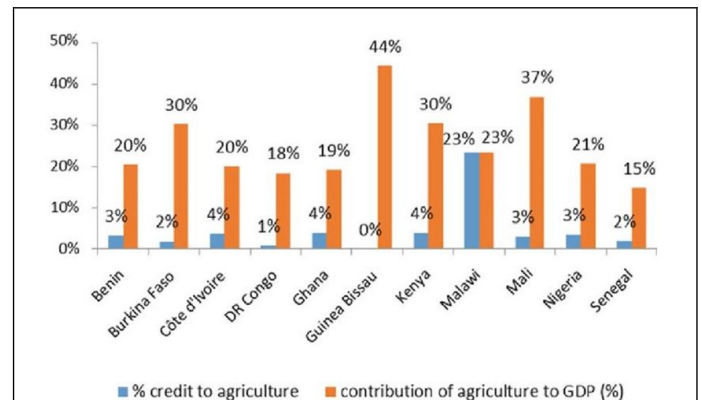
- Reduce the use of water, by increase water infiltration and storage capacity of soil.
- Prevent land degradation, by improving soil health.
- Protect and improve biodiversity, by practicing livestock and crops rotation.
- Reduce greenhouse gas emissions, by using livestock feed additives.

### Agribusiness: Agricultural business

The different agricultural sectors are crops, livestock, fisheries and aquaculture, forestry. The role of agribusiness in these sectors is to ensure that all agricultural practices satisfy the needs of our constant improving society [6]. Thereby, for instance, crops could be used as food crops, feed crops, fiber crops, oil crops, ornamental crops and industrial crops. The industrial used of crops results into the creation of nonfood products such as biofuel essential, industrial oils, pharmaceuticals, gums. Thenceforth, we understand that agriculture is not just about food security, it is about fill human being's expectations in several aspects.

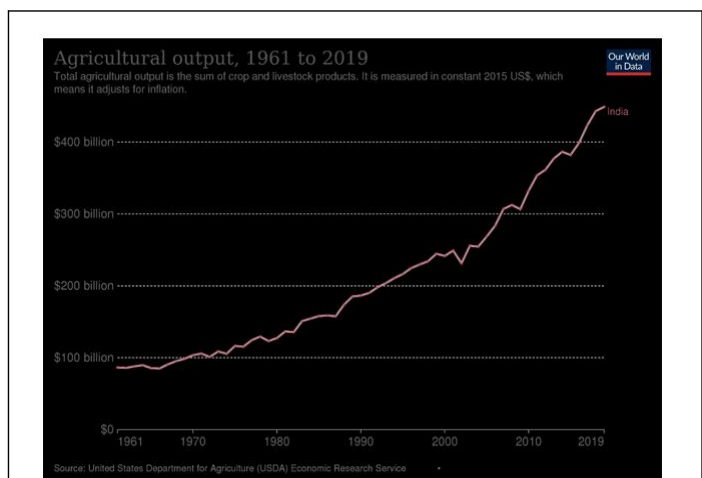
### Agribusiness in the world today

In Africa, agriculture is essentially for family or exportation, because the level of industrialization is very low or nonexistent [7]. Although the continent is endowed with impressive human and natural potential, it GDP allocated to agriculture digress constantly as presented in the figure made by the Food and Agriculture Organization of the United 2018 (Figure 1).



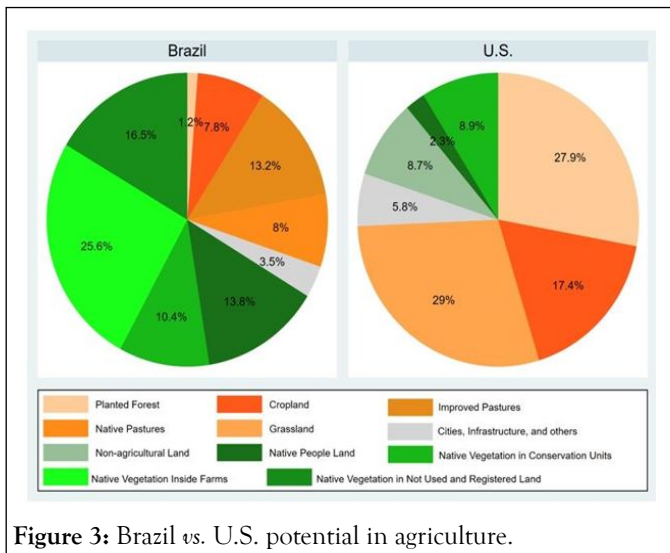
**Figure 1:** Selected African countries' percentage of GDP in agricultural sector.

Asia which is the actual most populous continent in the world has an agricultural' value added in frequent grow. Asia and must particularly India is considered as the world feeder, because of highest rate of his population; followed by China [8]. Beside the level of his population, Asia is also known as one of the continents with good industrial practices. To support this argument, the following survey made by the United State Department of Agriculture in 2019 shows the constant evolution of agricultural output selling in USD in India (Figure 2).

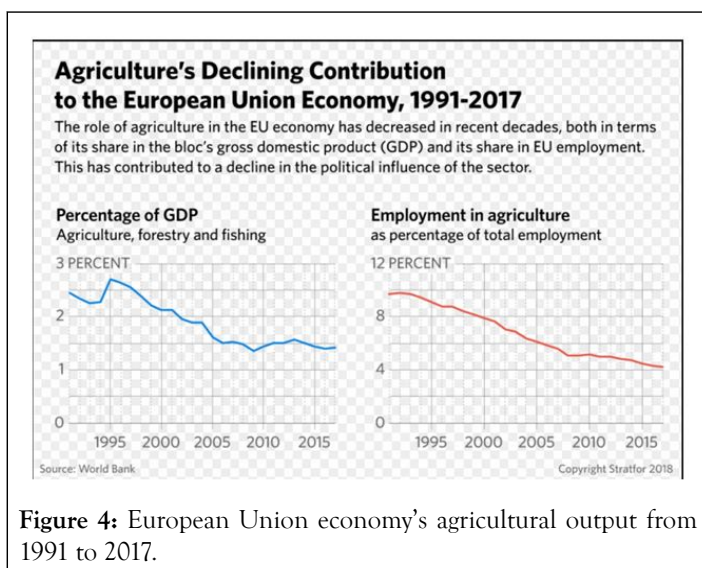


**Figure 2:** India's agricultural output from 1961 to 2019.

America, especially the USA, as we said, is the motherland of agribusiness. Nevertheless, a difference must be made between South America and North America. In fact, even if the USA is considered as the most industrialize country in the world, Brazil is the most populous and agriculturalist country of the continent, because of it biggest lands as the following figures, took from a study made by Elizabeth Canales and Marco Palma in 2019 under the title "The agricultural production potential of Latin America: Implication of global food supply and trade", present to us (Figure 3) [9].



Europe is the smallest continent fit to live, with the highest currency value. Even though Europe is one of the most industrialized continents, its agricultural GDP and employment rates are constantly decreasing, as we can see in the following prototype analyzed by the World Bank in 2017. This is because African lands are exploited for the benefit of Europe (Figure 4) [10].



## CONCLUSION

To summarize, agribusiness is a fructose sector of expertise that could help people make great benefits. But Agribusiness isn't

just about earning the most money; it's also about satisfaction and improvement of our communities. The reality is that we eat to be in good health. So, farmers have the responsibility for assuring our well-being. They must produce healthy food, ensure biodiversity's lifelong existence and reduce practices that contribute to climate change.

## ACKNOWLEDGEMENT

I would like to express my deepest gratitude to all researchers who, in their respective fields, work every day for the advancement of the science, with a view to make our world a better place to live for everyone.

## CONFLICT OF INTEREST

Not applicable.

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