# Agribusiness

## Definition

A [business](http://www.businessdictionary.com/definition/business.html) that [earns](http://www.businessdictionary.com/definition/earn.html) most or all of its [revenues](http://www.businessdictionary.com/definition/revenue.html) from [agriculture](http://www.businessdictionary.com/definition/agriculture.html). An agribusiness tends to be a large-scale [business operation](http://www.businessdictionary.com/definition/business-operation.html) and may dabble in [farming](http://www.businessdictionary.com/definition/farmer.html), [processing](http://www.businessdictionary.com/definition/processing.html) and [manufacturing](http://www.businessdictionary.com/definition/manufacturing.html) and/or the [packaging](http://www.businessdictionary.com/definition/packaging.html) and [distribution](http://www.businessdictionary.com/definition/distribution.html) of [products](http://www.businessdictionary.com/definition/product.html).

Definition of agribusiness includes three major sectors

1. **Producers,**
2. **Agricultural Input firms,**
3. **Agricultural Output firms**

## Agribusiness Producer

## Farmer

## Grower

## Rancher(bachelor’s degree in agriculture or a related field)

## Aquaculturist

## Forester

## Fisher

## Agribusiness Inputs

Inputs are the various resources and services producers use to produce agricultural products. Using our definition, agribusiness firms include

* Computer software developers,
* Financial services companies,
* Insurance providers,
* Traditional agricultural input companies such as seed, feed, fertilizer, farm equipment, irrigation, animal pharmaceuticals, livestock handling equipment, and horticultural supplies.

## Agribusiness Outputs

Finally, agribusiness includes the output side of agricultural production such as the

post-harvest processing of vegetables, fruit, fiber, poultry, and meats. Our definition of agribusiness output enterprises goes further to include the

* distributors,
* marketers,
* packagers,
* retailers of agricultural food and fiber.
* firms involved in the post-harvest logistics of shipping and handling agricultural production such as the railroads, truckers, ocean carriers, and airlines.

### 'Entrepreneurship, Management, & Small Business' Terms

# Stakeholder

## Definition

A [person](http://www.businessdictionary.com/definition/person.html), [group](http://www.businessdictionary.com/definition/group.html), or organization that has direct or indirect stake in an organization because it can affect or be affected by the [organization's](http://www.businessdictionary.com/definition/organization.html) [actions](http://www.businessdictionary.com/definition/action.html), [objectives](http://www.businessdictionary.com/definition/objective.html), and [policies](http://www.businessdictionary.com/definition/policy.html).

Key stakeholders in a [business](http://www.businessdictionary.com/definition/business.html) organization include

* [creditors](http://www.investorguide.com/definition/creditor.html),
* [customers](http://www.investorguide.com/definition/customer.html),
* [directors](http://www.businessdictionary.com/definition/director.html),
* [employees](http://www.businessdictionary.com/definition/employee.html),
* [government](http://www.businessdictionary.com/definition/government.html) (and its [agencies](http://www.businessdictionary.com/definition/agency.html)),
* [owners](http://www.businessdictionary.com/definition/owner.html) ([shareholders](http://www.investorguide.com/definition/shareholder.html)),
* [suppliers](http://www.businessdictionary.com/definition/supplier.html),
* [unions](http://www.businessdictionary.com/definition/union.html),
* and the [community](http://www.businessdictionary.com/definition/community.html) from which the business [draws](http://www.businessdictionary.com/definition/draw.html) its [resources](http://www.businessdictionary.com/definition/resource.html).

Although stakeholding is usually self-legitimizing (those who [judge](http://www.businessdictionary.com/definition/judge.html) themselves to be stakeholders are stakeholder ), all stakeholders are not equal and different stakeholders are [entitled](http://www.businessdictionary.com/definition/entitled.html) to different [considerations](http://www.businessdictionary.com/definition/consideration.html). For example, a company’s customers are entitled to fair [trading](http://www.businessdictionary.com/definition/trader.html) [practices](http://www.businessdictionary.com/definition/practice.html) but they are not entitled to the same consideration as the [company's](http://www.investorguide.com/definition/company.html) employees.

# Management

## Definitions

The organization and [coordination](http://www.businessdictionary.com/definition/coordination.html) of the [activities](http://www.businessdictionary.com/definition/activity.html) of an enterprise in accordance with certain [policies](http://www.businessdictionary.com/definition/policy.html) and achievement of defined [objectives](http://www.businessdictionary.com/definition/objective.html).

**Management is often included as a** [**factor**](http://www.businessdictionary.com/definition/factor.html) **of** [**production**](http://www.businessdictionary.com/definition/production.html) **along with** [**machines**](http://www.businessdictionary.com/definition/machine.html)**,** [**materials**](http://www.businessdictionary.com/definition/material.html)**, and** [**money**](http://www.investorguide.com/definition/money.html). As a [discipline](http://www.businessdictionary.com/definition/discipline.html), management consists of the formulating [corporate policy](http://www.businessdictionary.com/definition/corporate-policy.html) and [organizing](http://www.businessdictionary.com/definition/organizing.html), [planning](http://www.businessdictionary.com/definition/planning.html), [controlling](http://www.businessdictionary.com/definition/controller.html), and [directing](http://www.businessdictionary.com/definition/directing.html) an [organization's](http://www.businessdictionary.com/definition/organization.html) [resources](http://www.businessdictionary.com/definition/resource.html) to [achieve](http://www.businessdictionary.com/definition/achieve.html) the policy's objectives.

The [directors](http://www.businessdictionary.com/definition/director.html) and [managers](http://www.businessdictionary.com/definition/manager.html) who have the [power](http://www.businessdictionary.com/definition/power.html) and [responsibility](http://www.businessdictionary.com/definition/responsibility.html) to make [decisions](http://www.businessdictionary.com/definition/decision.html) to [manage](http://www.businessdictionary.com/definition/manage.html).

The [size](http://www.investorguide.com/definition/size.html) of management can [range](http://www.investorguide.com/definition/range.html) from one [person](http://www.businessdictionary.com/definition/person.html) in a small organization to hundreds or thousands of managers in multinational [companies](http://www.investorguide.com/definition/company.html).

In large organizations the [board of directors](http://www.investorguide.com/definition/board-of-directors-bod.html) formulates the policy which is then implemented by the [chief executive officer](http://www.investorguide.com/definition/chief-executive-officer-ceo.html).

# Macro environment

## Definitions

## The major external and [uncontrollable factors](http://www.businessdictionary.com/definition/uncontrollable-factors.html) that [influence](http://www.businessdictionary.com/definition/influence.html) an [organization's](http://www.businessdictionary.com/definition/organization.html) [decision making](http://www.businessdictionary.com/definition/decision-making.html), and affect its [performance](http://www.businessdictionary.com/definition/performance.html) and [strategies](http://www.investorguide.com/definition/strategy.html).

## These [factors](http://www.businessdictionary.com/definition/factor.html) include the [economic factors](http://www.businessdictionary.com/definition/economic-factors.html); [demographics](http://www.businessdictionary.com/definition/demographics.html); [legal](http://www.businessdictionary.com/definition/legal.html), political, and social [conditions](http://www.businessdictionary.com/definition/condition.html); technological [changes](http://www.businessdictionary.com/definition/changes.html); and [natural forces](http://www.businessdictionary.com/definition/natural-forces.html).

## [examples](http://www.businessdictionary.com/definition/examples.html) of macro environment influences include [competitors](http://www.businessdictionary.com/definition/competitor.html), changes in [interest rates](http://www.businessdictionary.com/definition/interest-rate.html), changes in cultural tastes, disastrous [weather](http://www.businessdictionary.com/definition/weather.html), or [government](http://www.businessdictionary.com/definition/government.html) [regulations](http://www.investorguide.com/definition/regulation.html).

# Organizational structure

   Definition

The [framework](http://www.businessdictionary.com/definition/framework.html), typically [hierarchical](http://www.businessdictionary.com/definition/hierarchical.html), within which an organization arranges its [lines](http://www.businessdictionary.com/definition/lines.html) of [authority](http://www.businessdictionary.com/definition/authority.html) and [communications](http://www.businessdictionary.com/definition/communications.html), and [allocates](http://www.businessdictionary.com/definition/allocate.html) [rights](http://www.businessdictionary.com/definition/right.html) and [duties](http://www.businessdictionary.com/definition/duty.html). [Organizational](http://www.businessdictionary.com/definition/organizational.html) [structure](http://www.businessdictionary.com/definition/structure.html) determines the manner and extent to which [roles](http://www.businessdictionary.com/definition/roles.html), [power](http://www.businessdictionary.com/definition/power.html), and [responsibilities](http://www.businessdictionary.com/definition/responsibility.html) are delegated, controlled, and coordinated, and how [information flows](http://www.businessdictionary.com/definition/information-flow.html) between [levels of management](http://www.businessdictionary.com/definition/levels-of-management.html).

* In a **centralized structure**, the [decision making](http://www.businessdictionary.com/definition/decision-making.html) power is concentrated in the [top](http://www.investorguide.com/definition/top.html) layer of the [management](http://www.businessdictionary.com/definition/management.html) and tight [control](http://www.businessdictionary.com/definition/control.html) is exercised over [departments](http://www.businessdictionary.com/definition/department.html) and [divisions](http://www.businessdictionary.com/definition/division.html).
* In a **decentralized structure**, the decision making power is distributed and the departments and divisions have varying [degrees](http://www.businessdictionary.com/definition/degree.html) of [autonomy](http://www.businessdictionary.com/definition/autonomy.html). An organizational [chart](http://www.investorguide.com/definition/chart.html) illustrates the organizational structure.

# Business;

**An** [**economic system**](http://www.businessdictionary.com/definition/economic-system.html) **in which** [**goods and services**](http://www.businessdictionary.com/definition/goods-and-services.html) **are exchanged for one another or** [**money**](http://www.businessdictionary.com/definition/money.html)**, on the** [**basis**](http://www.investorguide.com/definition/basis.html) **of their perceived** [**worth**](http://www.investorguide.com/definition/worth.html). Every business requires some [form](http://www.businessdictionary.com/definition/form.html) of [investment](http://www.investorguide.com/definition/investment.html) and a sufficient number of [customers](http://www.investorguide.com/definition/customer.html) to whom its [output](http://www.businessdictionary.com/definition/output.html) can be sold at [profit](http://www.businessdictionary.com/definition/profit.html) on a [consistent](http://www.businessdictionary.com/definition/consistent.html) basis.

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# Elasticity of demand

## Definition

**The** [**degree**](http://www.businessdictionary.com/definition/degree.html) **to which** [**demand**](http://www.investorguide.com/definition/demand.html) **for a** [**good**](http://www.investorguide.com/definition/good.html) **or** [**service**](http://www.investorguide.com/definition/service.html) **varies with its price. Normally,** [**sales**](http://www.businessdictionary.com/definition/sales.html) **increase with drop in** [**prices**](http://www.businessdictionary.com/definition/price.html) **and decrease with rise in prices**. As a [general](http://www.businessdictionary.com/definition/general.html) [rule](http://www.businessdictionary.com/definition/rule.html), appliances, cars, confectionary and other non-essentials show [elasticity](http://www.investorguide.com/definition/elasticity.html) of demand whereas most [necessities](http://www.businessdictionary.com/definition/necessities.html) ([food](http://www.businessdictionary.com/definition/food.html), medicine, basic clothing) show [inelasticity](http://www.investorguide.com/definition/inelasticity.html) of demand (do not [sell](http://www.businessdictionary.com/definition/sell.html) significantly more or less with [changes](http://www.businessdictionary.com/definition/changes.html) in price). Also called price [demand elasticity](http://www.investorguide.com/definition/demand-elasticity.html).

# Economic system

## Definition

An [organized](http://www.businessdictionary.com/definition/organized.html) way in which a state or [nation](http://www.businessdictionary.com/definition/nation.html) [allocates](http://www.businessdictionary.com/definition/allocate.html) its [resources](http://www.businessdictionary.com/definition/resource.html) [goods and services](http://www.businessdictionary.com/definition/goods-and-services.html) in the national [community](http://www.businessdictionary.com/definition/community.html).

# External environment

## Definition

[Conditions](http://www.businessdictionary.com/definition/condition.html), [entities](http://www.businessdictionary.com/definition/entity.html), [events](http://www.businessdictionary.com/definition/events.html), and [**factors**](http://www.businessdictionary.com/definition/factor.html) **surrounding an** [**organization**](http://www.businessdictionary.com/definition/organization.html) that [influence](http://www.businessdictionary.com/definition/influence.html) its [activities](http://www.businessdictionary.com/definition/activity.html) and [choices](http://www.businessdictionary.com/definition/choice.html), and determine its [opportunities](http://www.businessdictionary.com/definition/opportunity.html) and [risks](http://www.businessdictionary.com/definition/risk.html). Also called [operating environment](http://www.businessdictionary.com/definition/operating-environment.html).

# Economic environment

## Definition

The totality of [economic factors](http://www.businessdictionary.com/definition/economic-factors.html), such as [employment](http://www.businessdictionary.com/definition/employment.html), [income](http://www.businessdictionary.com/definition/income.html), [inflation](http://www.businessdictionary.com/definition/inflation.html), [interest rates](http://www.businessdictionary.com/definition/interest-rate.html), [productivity](http://www.businessdictionary.com/definition/productivity.html), and [wealth](http://www.businessdictionary.com/definition/wealth.html), that [influence](http://www.businessdictionary.com/definition/influence.html) the [buying behavior](http://www.businessdictionary.com/definition/buying-behavior.html) of [consumers](http://www.businessdictionary.com/definition/consumer.html) and [institutions](http://www.businessdictionary.com/definition/institution.html).

# Asset

Something valuable that an [entity](http://www.businessdictionary.com/definition/entity.html) owns, [benefits](http://www.businessdictionary.com/definition/benefit.html) from, or has use of, in generating [income](http://www.businessdictionary.com/definition/income.html).

An asset can be (1) something physical, such as [cash](http://www.businessdictionary.com/definition/cash.html), machinery, [inventory](http://www.businessdictionary.com/definition/inventory.html), [land](http://www.businessdictionary.com/definition/land.html) and [building](http://www.businessdictionary.com/definition/building.html), (2) an enforceable [claim](http://www.businessdictionary.com/definition/claim.html) against others, such as [accounts receivable](http://www.businessdictionary.com/definition/accounts-receivable-A-R.html), (3) [right](http://www.businessdictionary.com/definition/right.html), such as [copyright](http://www.businessdictionary.com/definition/copyright.html), [patent](http://www.businessdictionary.com/definition/patent.html), [trademark](http://www.businessdictionary.com/definition/trademark.html), or (4) an [assumption](http://www.businessdictionary.com/definition/assumption.html), such as [goodwill](http://www.businessdictionary.com/definition/goodwill.html).

Assets shown on their [owner's](http://www.businessdictionary.com/definition/owner.html) [balance sheet](http://www.businessdictionary.com/definition/balance-sheet.html) are usually [classified](http://www.businessdictionary.com/definition/classified.html) according to the ease with which they can be converted into cash. [intangible assets](http://www.businessdictionary.com/definition/intangible-asset.html)(no physical existence) and [tangible assets](http://www.businessdictionary.com/definition/tangible-asset.html).