

# Business report on agrium company

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Business Report: Evaluation of Agrium Company for Potential Investors in the Company

Company's Background information Although Agrium Company has come to be popular in the twenty first century, its establishment was in the 20th century, around 1906. Agrium did not initially hold its name. It was earlier called Cominco, which was a consolidated mining company, formed through unification of several mining industries in the United States of America. The company has grown and expanded its production activities beyond just the USA to Canada and Argentina. The company was formed as a unit of business within another company's corporate structure. This consolidated miner Cominco is what later in 1995 came to be known as Agrium Inc. the company's involvement in fertilizers started in 1931 when it still had its initial name, Cominco. In the year 1965, the company began its production of nitrogen fertilizers in Nebraska; and in the successive years, it expanded its nitrogen fertilizer production to Borger and Texas (1968). In 1969, a facility that mined Potash was established by the company in Saskatchewan and in 1977, the company began its nitrogen operations in Alberta and Carseland ([www. referenceforbusiness. com](http://www.referenceforbusiness.com) 1). The company's headquarters are located in Calgary, Alberta in United States of America where it has a dozen of plants. However, the company also possesses an investment of 50% in a fertilizer production facility in Argentina. The company has 206 retail shops located in the United States of America. It is through these retail outlets that the company sells its products ([www. referenceforbusiness. com](http://www.referenceforbusiness.com) 1). . The company's gross investment is worth \$10 billion. A major drive to the company's overwhelming success in its operations is its wide investment in its operations (exclusive) and in the operations of other companies dealing in fertilizer production as a major

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share holder. The company has invested in the production of Nitrogen, Potash, phosphate and sulfate fertilizers. Besides these range of fertilizers, the company has invested in seeds, products for crop protection and farmer services. The company has invested in retail outlets (206) which are spread through 22 states in the USA. In Argentina, the company has invested in 33 farm centers; in Chile, 4 stores and in Bolivia, two stores (www.referenceforbusiness.com 2). . Products and markets The company's biggest production lies in fertilizers. The company produces a range of fertilizers for both the domestic and foreign market. The fertilizer products for the company include nitrogen fertilizers, phosphate fertilizers, potash, and sulfate. On annual basis, the company produces 6. 1 million Nitrogen fertilizer tones; 2. 1 million tones of potassium fertilizer and 1. 3 million tones for phosphate fertilizer (www. icis. com 1). Besides fertilizers which form its biggest dealing, the company produces products that aid in crop protection and also offers services to farmers. To give farmer services, the company has centers all over the 22 states in which it operates. It is from these centers that farmers can access services such as education on the use of fertilizers and the other products. The products of the company need to be stored. For this purpose, Agrium has a storage capacity of 3 million tones. This capacity helps the company store its products to serve farmers during the peak as well as the fall seasons (www. referenceforbusiness. com 2). The company enjoys a very wide market in the United States of America. The market for the products of the company extends beyond the local US market to global market. The company has a very large global market, exporting its products to as far as Africa, middle and Far East, Europe, among other markets. The company is a major retailer of agricultural goods and services <https://assignbuster.com/business-report-on-agrium-company/>

in north and South American countries. It has a major market in Canada where it has stores and 12 branch companies; it also has retail outlets in its strategic market locations locally (206 in USA). These retail outlets are the company's marketing centers (www. icis. com 1). Current strategies This section of the business report gives an analysis of the current strategies used by Agrium Company. The major strategic areas that the company is currently emphasizing are Economic, expansion and social responsibility strategies. Economic strategies Agrium continues to invest more into its production. This is its current economic strategy with increased and overwhelming marketing of its products to boost sales. The company's investment has sharply increased to reach \$10 billion by 2010. This has increased its production capacity to ten million tones of fertilizers annually. Apart from making more investment into fertilizer production, the company has made optional investment in complimentary products and services. The company has invested in crop protection products and farmer based services. The company has continued to rely on its customers to promote the products by telling other potential customers about the products (www. agrium. com 1). Expansion strategies The company has continued to expand its operations by opening up more branches not only within the USA but also in other countries. The company has 12 industries in Canada as an expansion strategy. The company has also established stores in other countries. For instance in Chile, it has four stores and two in Bolivia. The company's current expansion strategy is to come up with more stores, retail outlets and company branches in more countries to become a global company (www. agrium. com 2). Social responsibility strategy The company not only sees the society which it serves with its products and services as a

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source market; but also a society to which it is liable. The company continues to show its corporate social responsibility awareness and strategy in offering free education to farmers at the centers which it has opened in its 22 states within America and in other countries as well. The company's social responsibility strategy targets to increase value awareness among its clients while minimizing the impacts of their products and services on the environment. The interest of the stakeholders or clients is at the heart of the company as it strives to realize their values and what they would like to be maintained so that there a cordial relationship between the company and its stakeholders (www. agrium. com 2). References Agrium Company. (2010 March 30th). Agrium: Company Information from ICIS. Retrieved on April 1st, 2012, from (<http://www. icis. com/v2/companies/9145025/agrium. html>) Agrium Company. (2008 April 21st). Reference for business. Retrieved on April 1st, 2012, from <http://www. referenceforbusiness. com/history/1-AI/Agrium-Inc. html> Agrium Company. (2011 December 30th). Agrium: annual report 2010/2011. Retrieved on April 1st, 2012 from <http://www. agrium. com> (pdf) file: annual report 2011, 2010