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## Risk of rising prices for fruits and vegetables

One of the most essential factors to note concerning the twenty first century include the fact that there has been a significantly high drop in the availability of organic foods and fruits, especially, in the developed and the developing countries. This is one of the factors that have led to an increased production of inorganic food in hotels and restaurants, which has consequently, led to various short term and long term impacts, such as illness and obesity, respectively. This is as a result of a decrease in the amount of organic foods and fruits; this has led to increased prices (Goldin, 2008).
An increase in the prices of fruits and vegetables will have a major disadvantage to our corporation, especially in the availability of our raw materials (which include of fruits and vegetables). This will affect the production cost for our products, and a consequent increase in the selling price for the same. Considering the fact that the American economy keeps on consistently fluctuating, this will lead to our customers shifting to our competitors, or alternative products.
Notably, an increase in the prices of fruits and vegetable prices has a major disadvantage to our corporation, since it might discourage suppliers in supplying us with the products. As a result, there might be an inconsistency in provision and supply of the products, which might severely affect our production for the cocktail product, leading to loss of customers, or insufficient provision of products and services to the customers (Kotler & Armstrong, 2008).
Lastly, considering the fact that our corporation is starting out, it is necessary to note the fact that it will be experiencing several challenges and setbacks, such as lack of essential and enough funds to finance each and every department and operations that come with establishing it. In this case, therefore, in order to cut the cost of production, we will be relying on bargaining purchase prices for the raw material with the suppliers. In this case, a rise in the price of the fruits and vegetables will imply that our company will not be in a position to sufficiently and effectively bargain with our raw material suppliers. As a result, our corporation might not have opportunities to save on the production cost of the products. With the increase in the fruits and vegetables’ prices, this will lead to limited production of our products (The Economist, 2012).

## Laws and legislations against unhealthy foods

As a result of the decrease in the amount of organic foods and an increase in organic foods, many corporations have focused on producing the inorganic foods, which have had detrimental impacts on their consumers.; this has led to governmental and legal intervention in the same, as the government through the Department of Health seek to ensure that the population is fed with quality foods. Several legislations have been put up to monitor foods and beverages sale. These include the U. S. FDA Food Facility Registration: 21 C. F. R. sections 1. 225 - 1. 243. This limits the amount of calories and fats to be added in the inorganic foods, especially, putting into consideration that the foods are produced to fit the corporations’ desires and reduce on production cost, as opposed to observing the customers’ health. Secondly, the U. S. FDA FCE/SID: 21 C. F. R. sections 108, 109, 113, 114, on the other hand, limit the amount of additives added to the foods and this ensures that the foods are free from contamination and poisoning (Bertrand, et. al, 2009). Section 114, on the other hand, enhances inspection of the foods and their preparation and production measures. These will keep us in check, especially, in making sure that we offer quality products to the clients.

## References

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