

# [The in 1957 goldberg and davis defined agribusiness](https://assignbuster.com/the-in-1957-goldberg-and-davis-defined-agribusiness/)

The Agribusiness Systems ConceptsErwin A. Leyva JrIntroductionIn1975, two man namely John Davis and Ray Goldberg  coined the term ‘ Agribusiness’, both manfinish as economist on the most well-known school Harvard University.  They believe that 150 years ago the concept ofagriculture as an industry already existed. When a classic family do not growcrops and livestock for consumption but grow it to earn money.

At that time agribusinesscomprises everything that is related to bring farm product to the consumer fromthe farms. According to them agribusiness doesn’t only stop on bringing farmproduct to the market but includes processes such as purchase of farm inputsand use of farm product for other purposes through processing in order to sellthe products in much higher price and faster time.          And thus in 1957 Goldberg and Davisdefined agribusiness as “ the sum total of all operations involved in themanufacture and distribution of farm supplies; production operations on thefarm; and the storage, processing and distribution of farm commodities anditems made from them.”         Agribusinessare also define and are related to other fields such as an art which it isdefines as using the skills of an individual/organization to create aproductive enterprise to be able to play along to the up and down economicenviroment. It also play a role on the risk taking ability of an indivual toengage in a enterprise.

As a science it is defined as risk taking backup with abusiness plan having the containing objective, data and information on markettrends, and management practices.     DiscussionShown on the figure above, agbribusiness comprises  3 sectors andthese are food production sector or where the food is being produce  or simply the source of food, second isconsumers or the people needing the food and in betweeen is marketing  when the exchange of food to a specific  corresponding value. Agriculture deals withproducts that are perishable this means that manufacturing and proccesingsector plays a vital role in marketing to extend the shelter life of theproduct. Proccesed product may be also use as farm inputs on other productioncommodities like corn being use as a feed for chickens.

Agribusiness is a system ofclosely related stages that are knit together, as stated by custodioagribusiness emvompasses all actions involving the procces of production frominput utilization to different procces that the product undergoes up to thereadily available product for consumers. For this system to be apply in a agricultural business,  a series of supporting services should be provided for organization of the differentworks that would result in syncing action for the succes of the business. Under the three main sector are 5subsystem these are as follows: Input subsystem: this is the first subsytem which all rawmaterial or farm inputs (seeds, feeds, fertilizer and etc.) are allocated Production subsytem: in this part inputs are beingmanufucture to be a product or as mention erlier to be use as inputs for othercommodities. Proccesing sub-system: this portion completely or notcompletely changes a product into a new form.

It is consider as proccesingeventhough an input stay on the same form since washing and grading the inputis considered proccessing. Marketing Subsystem: this portion focuses ontrnasportation of the product to the consumers. This involves any form ofmovement from the source of the product to one that will be using it. Support subsytem: this maybe optional for an enterprisebut it plays a vital role in the succes of an agribusiness venture ConclusionAgribusiness is helpful the philippines since the countryis already counted as an agriculturl country and this will help raise theeconomy of the country since according to the coutry stat (2015), agriculturecontributed about 16 billion on GNI (gross national income) and about 13billion on GDP(gross domestic product)