

## Introduction

The agriculture industry is responsible for fulfilling humans' need for energy, and to some extent, shelter. In addition to food crops and livestock, the industry includes field crops such as cotton or tobacco. Companies involved in support functions such as pest management, animal husbandry, or other management are also included in agriculture. This is a huge industry, which employs approximately 42 percent of the world's laborers, although it composes less than 5 percent of the combined GDPs of the world.



## Industry Composition

The agriculture industry is made up of companies and corporations that are involved in the production of food or crops for consumption purposes. This includes both firms that specialize in raising animals and enterprises in growing crops. The animal production segment is not limited to traditional beef, dairy, chicken, or pork farms, but also apiaries (bee farms) and aquacultures (fish and seafood farms). Similarly, plant production comprises not only food crops but also includes greenhouses, nurseries, and field crops such as tobacco and cotton. Agriculture is both an old and new industry; it has been in practice for thousands of years, but the forms of production have been under constant evolution. The agriculture industry also includes the agriculture support businesses that produce the seeds, farm equipment, and other goods and services that have helped the agriculture industry become more efficient and productive over the years.

## Industry Leaders and Fragmentation

\* All amounts are given in Billions USD

Company	Country	Sales	Profits	Market Value
Archer Daniels Midland	161	61.4	1.6	24.6
Bunge	161	45.3	0.092	10
Olam International	320	19	0.38	5.5
BayWa	203	18.1	0.044	1.2
Monsanto	161	14.6	2.5	55.1



## Profitability and Demand Drivers

### Primary Demand Drivers:

- Government agricultural policy programs
- Food consumption trends
- Labor demand

### Profitability Drivers:

- Efficient operations

## Trends

Many trends have developed in the industry as companies attempt to feed more people for a smaller cost. Genetic modification is becoming common as farmers seek to keep and enhance desired traits in their animals or crops, such as hardiness, high yields, and fast growth. Advancement is the development of biopharmaceuticals, or genetic altering of plants to grow certain drugs, and the practice of cloning animals to preserve the best genetic traits. Using technologies such as GPS positioning for planting and tracking animals or portable communications gear is also saving valuable time and money for various establishments. On the business side, consolidation is on the rise and food cooperatives such as Sunkist Growers, which share facilities and buy supplies together to reduce costs, have started expanding their capabilities to get into the processing stages involved in their product. Niche markets such as organic farming, naturally-raised meat, or locally-grown produce have also risen in importance.