



FULL LENGTH ARTICLE

Analysis of agro industries dissolution: The case of Fars Industrial Meat Complex in Iran



Ashkan Khatir *, Kurosh Rezaei-Moghaddam

Department of Agricultural Extension and Education, College of Agriculture, Shiraz University, Shiraz 7144165186, Iran

Received 10 October 2012; accepted 2 March 2013

Available online 20 March 2013

KEYWORDS

Agro-industry;
Dissolution;
Qualitative method;
Asia;
Iran

Abstract After the formation of various production and utilization systems in Iran, the most advanced utilization units entitled “Agro-Industry” were established in 1968 according to the constitutional law of sub-dam land utilization companies. After several years of the activity of these units, they were dissolved one after the another. Fars Industrial Meat Complex was one of the agro-industries dissolved several decades after its activity. Since agro-industries were one of the most important production and utilization systems, awareness of the reasons for their dissolution is vital. The purpose of the study is to analyze the reasons for dissolution of the Fars Industrial Meat Complex. Qualitative research using a case study was conducted by applying a semi-structured interview technique and archive documents. To this end, in addition to the production units of this agro-industry, management issues and the related balance sheet have been also analyzed. The findings indicated that the production rate in the units of this agro-industry has been remarkably low. Besides the presence of limitations and problems in agricultural, animal breeding, animal feed factory, slaughterhouse and food industries, ill-managerial system in Fars Industrial Meat Complex, have had a significant role in the dissolution of this agro-industry.

© 2013 Production and hosting by Elsevier B.V. on behalf of King Saud University.

1. Introduction

Having experienced different production and utilization systems such as Khanevar (peasant household unit), Buneh (cooperative unit of production), independent peasant unit,

* Corresponding author. Tel.: +98 7112350025; fax: +98 7116280913.

E-mail addresses: ashkankhatir@yahoo.com (A. Khatir), rezaei@shirazu.ac.ir (K. Rezaei-Moghaddam).

Peer review under responsibility of King Saud University.



Production and hosting by Elsevier

rural cooperatives and farming corporations in Iran, another form of utilization systems entitled “Agro-Industry” emerged in 1968 according to the constitutional law of sub-dam land utilization companies. Based on the law, the government was authorized to take sub-dam lands, it considers it proper for farming at the macro level, away from the related owners or peasants and rent them to internal and international agro-industry companies. The lands of such companies should not be less than 5000 hectares. In Iran, the form of agricultural capital production has been through introducing agro-industry companies (Lahsaeizadeh, 2002). Agro-industry is one sub-system of agribusiness that has a strategic position in the new paradigm because it has several important roles that help to improve income distribution while also still maintaining

Table 1 The activities of the cultivation section.

Authorized activities based on articles of association	Performed activities	Fulfilled objectives
Silage plant and cereal cultivation for feeding the livestock and poultry	Wheat, dry and irrigated barley, alfalfa and silage corn cultivation	Fig. 1
Farmland construction for livestock and poultry breeding	–	–
Industrial plants cultivation and provender production	Too little	–

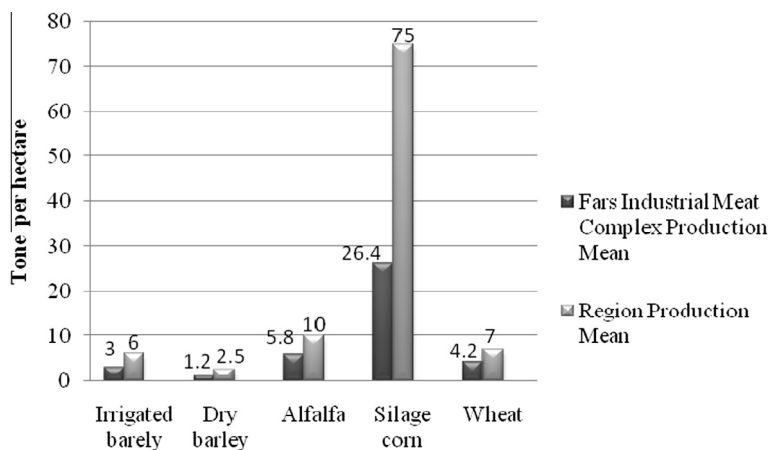


Figure 1 Production rate (tone per hectare) of silage and cereal products in the last twelve years of cultivation section.

growth (Fatah, 2007). Agro-industry companies are involved in mechanized cultivation in macro level with a capital intensive system. These companies include a wide range of agricultural products such as cereals, industrial crops, fruits, vegetables, meat and dairies.

In Iran, the purpose of establishing agro-industry units has been the modernization of rural regions through the increase of agricultural products in area unit, and the utilization of modernized agricultural techniques (Azkia and Ghaffary, 2007).

In general, agro-industries in Iran were not as successful as it was expected. Less than 10 years from their formation, foreign investors lost their enthusiasm in carrying on agro-industries activities. The research conducted in the second half of 1971 have shown that the production in the region which is under the coverage of the agro-industry is less than the production before the operation of agro-industries. The yield of the agro-industry in Iran is less than all other production systems. One of the reasons, that led to the failure of agro-industry activity, was the heavy debt these companies sustained (Lahsaeizadeh, 2002).

The comparison of the yield of peasant utilization and four agro-industry companies made in five different regions of Iran has shown that the net added value per hectare in the peasant farming section is much more than agro-industry companies, the activities of all farmers in the studied villages have been shown to be profitable, while agro-industry units incurred loss. The yield rate per cubic-meter of water resources used by farmers has been much more than the yield of agro-industry units, and the labor yield rate, that is the produced added value by a working day, has had a remarkable increase as compared to

agro-industries. Therefore, the study of all production indices such as land and labor yield and the total yield in peasant utilization units has been much more than agro-industry units (Azkia, 2008).

Rural development efforts have taken many forms including agricultural development, rural based industrialization, infrastructural development and integrated schemes combining all the elements of agriculture, industry and infrastructure (Oladipo, 2008). An agro-industry plays an especially important role in a developing economy since it improves the quality of agricultural produce, raises farmers' income and thereby enhances the overall level of social welfare (Hsu, 1997). Also, agro-industry plays a fundamental role in the creation of income and employment opportunities in developing countries (FAO and UNIDO, 2009). Therefore, research on the reasons for failure and dissolution of agro-industries provides the grounds for familiarity with their failures which could itself results in finding weak points, leading to their dissolution. So, the familiarity with the reasons for dissolution of agro-industries helps us in more proper management of agro-industries.

Fars Industrial Meat Complex, as one of the most important agro-industries of the Middle East in the areas of animal husbandry, food production, and specially cattle slaughtering, with a record of some decades, and having remarkable potential, was recently dissolved. The important point in this regard is the reason for dissolution of this valuable agro-industry unit. The general purpose of this research is "the investigation of the reasons for the dissolution of Fars Industrial Meat Complex" as an important agro industry in Iran. The following specialized questions have been considered to be answered:

Download English Version:

<https://daneshyari.com/en/article/4495609>

Download Persian Version:

<https://daneshyari.com/article/4495609>

[Daneshyari.com](https://daneshyari.com)