



REVISITING THE AGRIBUSINESS INDUSTRY IN MEXICO

Área de investigación: Entorno de las organizaciones

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Abstract

Mexico has a competitive advantage as a result of its available fertile land, where the possibility, of cultivation of diverse types of crops, in a large scale, exists. Nowadays, Mexico is already one of the main producers and leading exporters of various fruits and vegetables. For example, avocado, tomato, guava, mango, papaya, melon, watermelon, asparagus and frozen orange juice. But weaknesses and threats limit the effective functioning of the Agribusiness sector.

The purpose of this research is to two-fold. From the theoretical side, this research aims to identify main factors that limit the efficient operation of the Agribusiness sector in Mexico. From the practical side, this research aims to suggest alternative solutions to reduce the risk of volatility of future food production, in the country. After reviewing secondary sources and conducting an exploratory industry analysis of the Agribusiness sector, authors identify strengths, weaknesses, opportunities and threats (SWOT) affecting growth in this industry. Key theoretical factors comprise climate change, obsolete technology, limited foreign direct investment (FDI), as well as, inefficient infrastructure and excess in bureaucracy. Practical recommendations focus on the following. First, we suggest to bring more and better foreign direct investment in the Agribusiness industry in México. This should finance more research and development (R&D) of genetically modified organisms (GMO). One way to do so is through joint ventures. Second, the use of a decentralized system for the public bidding in Mexico. Authors recommend to revise the one, currently working in the United States and make the necessary adaptations for the Mexican context.

Keywords: Agribusiness, Industry analysis, Mexico.

