Comparison among various structures of agribusiness in Europe

European agribusiness has expanded since World War II regarding a demand pull and a technological push. This development has created similarities and peculiarities among the countries depending on the economic system, the consumers’ behaviors, and the international changes.

Consequently, as similarities of agricultural marketing it can be highlighted:

1. The food demand increased because of the growing population and the larger income. However, there was also a stagnating food demand in term of volume because of the slow population growth and the lower per capita consumption.
2. The changes in life style, values, and norms influenced the composition of the consumer’s food basket, which has shifted from carbohydrates to animal proteins and fresh fruit and vegetables.
3. Agribusiness companies and retail chains become bigger, often by internationalization. Moreover, large retail chains and alliances of retail companies have developed substantial bargaining power (vertical and horizontal concentration).
4. There were advances in the field of electronic communication, computer technology, and biotechnology and they are in progress.
5. Health concerns has been increasing (quality and environmental issues).
6. The support of the government has been decreasing regarding the GATT.
7. More market customer orientation has been conducted, and as result, more concern about product development has been remarkable.

To discuss the peculiarities of agricultural marketing, three European countries were chosen. They are Germany, France, and Hungary.

The existence of west and east (former GDR) Germany has been affected the structure of food marketing to a great extent. Thus, the German marketing system is characterized by:

1. The marketing environment: This includes the changes in food consumption of the population, the competitive position of the agriculture and food industry, and the impact of market and price policies of the government.
2. The trend in consumers’ behaviors. This includes the narrowing of the wide spread between the two parts of Germany.
3. The competitive structure of the agricultural and food business: Small family farms characterize Agriculture.
4. The type of agricultural marketing: It occurs at three levels: the individual farms (decreasing), the centralized sector by national and regional institutions, and cooperative groups.

The marketing system in France is affected by:

1. The features of French agriculture are the large areas and intensive production.
2. Cooperatives are dominant in collection system (3/4 cooperatives, ¼ private firms). They tend also to be more engaged in agro-industrial sector.
3. The firms tend to make more investment abroad.
4. The distribution system consists of more small non-organized structures.
5. The consumers’ choice and test differs from other European countries.

The structure of the marketing system in Hungary has been affected by the transitional period from central planning to free market economy as follows:

1. The government intervention is still strong. Its role changed from direct methods to indirect methods (subsidies, taxes).
2. Export and import policies has been playing a crucial role in influencing the marketing system (previously self-sufficiency).
3. Centralized state farms, agricultural cooperatives, and private small farms characterize agriculture.
4. The state market concentration is high in the food industry, the wholesaling, and the retailing sector.
5. There are fixed profit margins in the wholesaling and retailing activities; The number of marketing channels is low.