

# A Study on The Dilemma of Agribusiness Development from The Perspective of Agricultural Modernization

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## Abstract

**As the core force in the development of agricultural industry, the survival status and development prospect of agricultural enterprises are directly related to the rise and fall of agricultural industry. With the development of the economy, the pace of modernization of various industries has gradually accelerated, but the modernization of agricultural enterprises has been slow and has not been able to catch up with the development speed of other industries. Based on this background, the research on the development dilemma of agricultural enterprises is carried out, with specific analysis from the perspectives of scientific and technological innovation, management mode, talent demand, enterprise financing, market sales, transformation and upgrading, etc., and targeted countermeasure suggestions are put forward to get rid of the development dilemma of agricultural enterprises as soon as possible, solve the development problems, and provide more benefits to promote rural revitalization and realize agricultural modernization.**

## Keywords

**Agricultural modernization; agribusiness; development dilemma; countermeasure suggestions.**

## 1. THE SIGNIFICANCE OF AGRIBUSINESS DEVELOPMENT

First of all, the development of agricultural enterprises is conducive to accelerating the transformation and upgrading of agricultural enterprises and enhancing the competitiveness of the agricultural industry. The development of agricultural enterprises is related to the competitive position of the agricultural industry. By solving the problems of science and technology, talents, market and capital in the development of agricultural enterprises, it can effectively extend the industrial chain, increase the added value of agricultural products, promote the transformation and upgrading of agricultural enterprises, accelerate their development, and then make the agricultural industry obtain a continuous source of power, make the agricultural industry grow and enhance the competitiveness of the whole agricultural industry. Secondly, the development of agricultural enterprises can effectively promote employment and ease the current social employment pressure. Under the influence of the new crown epidemic, migrant workers are unable to go out to work and frequently lose their jobs, resulting in huge economic pressure. The development process and scale of agricultural enterprises are directly related to the employment of migrant workers because of the special nature of their production, the raw materials they produce come from agriculture, and most of their production and processing processes are operated by farmers, and their sales links are also mostly handled by migrant worker groups[1].

In addition, the development of agricultural enterprises brings stable economic sources for farmers and increases their income. The acquisition of agricultural raw materials and the processing of agricultural products have brought income to migrant workers and solved their livelihood problems. Finally, the development of agribusiness is also important for solving the "three rural issues" and promoting rural revitalization. Agribusiness development not only solves the problems of agricultural industry development and increases farmers' income, but also adds bricks to rural construction[2]. The development of agro-industry drives local economic progress, accelerates the pace of social development, makes the countryside more prosperous, promotes the solution of the "three rural problems", and promotes the pace of rural revitalization and agricultural modernization.

## **2. DIFFICULTIES FACED BY AGRIBUSINESS DEVELOPMENT**

### **2.1. Insufficient attention to scientific and technological innovation, low scientific and technological content of agricultural products, and low added value.**

Science and technology boost development, timely science and technology innovation can optimize enterprise production methods, create new product value, and provide new vitality for enterprise development. However, at present, China's agricultural enterprise development still lacks innovation consciousness, resting on the status quo and backward development concept, not recognizing the innovation and powerful vitality brought by science and technology[3]. Due to the special nature of agribusiness production, it is difficult to get rid of the traditional development model, which still carries out a single process of processing production and sales process, with low technological content of agricultural products. This traditional development model is not only unable to explore the added value of agricultural products, but also difficult to adapt to the pace of social and economic development, leading to the gradual elimination of many agricultural enterprises in the whirlpool of the times, or even extinction.

### **2.2. Agribusiness management is chaotic and lacks a systematic and scientific management model.**

As agricultural enterprises are generally characterized by small scale and decentralized operation, they tend to be mainly managed by enterprises on their own initiative, lacking modern enterprise management concepts and mature and professional management teams. This leads to deficiencies in major development decisions of agricultural enterprises, which are prone to production decision errors, loss of talents, confusion in sales, unreasonable distribution of benefits and unclear cognition of industry development prospects. The lack of a scientific and efficient management model has led to a departure from the modern enterprise development model, a significant lack of viability compared to other industries, and a long-term disadvantageous position in market competition.

### **2.3. Insufficient corporate talents and lack of corporate think tanks.**

At the present stage, the employees of agricultural enterprises in China are still mainly migrant workers, and more than half of them have received only high school education or below[4]. Due to the low cultural quality of employees and the lack of attention to attracting and cultivating talents, the development of agricultural enterprises lacks the support of talents and the wisdom to manage and guide the development direction of the enterprises, so the development of agricultural enterprises is seriously limited and cannot meet the requirements of the times. In addition, because the processing and production of agricultural enterprises are relatively decentralized, production and operation are mostly seasonal and time-sensitive, resulting in strong employee mobility and highly unstable employment, which directly affects the development of production and operation activities of enterprises.

#### **2.4. Faced with financing difficulties, agribusiness development lacks favorable economic support.**

Due to the special nature of agricultural enterprises, they rely more on the government for investment and policy support. However, in the market economy, the drawbacks of over-reliance on government investment have gradually emerged. Due to the narrow financing channels and insufficient supply of capital[5], the scale of their operations is limited and the mode of operation is single, making it difficult to open up new development paths and falling far short of market demand. In addition, as agricultural enterprises rely on agricultural production for survival, they have a certain degree of vulnerability, and there is a widespread perception of low returns and high risks of investment in the agricultural industry, which makes it difficult for agricultural enterprises to attract investment spontaneously or to invest in small-scale, volatile and other problems, and insufficient funds thus limit the expansion and reproduction of enterprises.

#### **2.5. Single sales channel and narrow market for agricultural products.**

At present, China's agricultural enterprises sales channels mainly include wholesale markets, commercial supermarkets, catering industry docking and other traditional methods. Under the influence of the new crown epidemic, the traditional sales methods have been greatly affected and even paralyzed. A large number of stagnant agricultural products not only hinder the recycling and reproduction of agricultural enterprises, but also pose a serious threat to the life of the general public. In the modern fast-paced market environment, agribusinesses still rely on traditional human resources for docking sales and operations, which is inefficient and has a much smaller audience, making it difficult for them to adapt to changes in market sales methods and to meet consumer demand[6]. The inability to effectively distribute leads to a reduction in the scale of production of agricultural enterprises and makes it difficult to sustain production.

#### **2.6. Slow pace of transformation and upgrading, over-reliance on the traditional development model.**

Influenced by economic globalization, the transformation and upgrading of various industries is imminent. China's agricultural enterprises are gradually eliminated by the market due to the production chain relying more on agriculture and farmers, with single production content and weak succession. The traditional development model is deeply rooted, resulting in a weak awareness of their transformation and a more difficult process of transformation and upgrading. Due to changes in the market environment and the upgrading of the consumption structure, a single agricultural product can no longer meet the needs of consumers. The demand for agricultural products is increasingly diversified, refined and green, which requires agricultural enterprises to do sufficient market research, change their production and operation methods in a timely manner, and take the initiative to keep pace with the upgrading of the consumption structure, so that agricultural enterprises can obtain the endogenous power for long-term development.

### **3. SUGGESTIONS FOR COUNTERMEASURES**

#### **3.1. Pay attention to the research and development of agro-industry science and technology, and promote technological innovation in agricultural enterprises.**

The importance of science and technology as the core driving force to promote the development of agricultural enterprises is self-evident. Agricultural enterprises should increase investment in science and technology research and development and set up special funds for science and technology research and development to provide strong financial guarantee for agricultural science and technology innovation[7]. In addition, in order to enhance the

contribution of scientific and technological progress to the growth of agricultural enterprises, enterprises are also required to dare to open up new modes of production and development, put the results of scientific and technological research and development into production practice activities in a timely manner, and truly exert the powerful vitality of science and technology to bring about innovative development of agricultural enterprises. From extending the industrial chain, developing new products, building new models, increasing the added value of agricultural products and other aspects to revitalize enterprises, fundamentally enhance the market competitiveness of agricultural enterprises, and truly play the core role of scientific and technological innovation in agricultural enterprises.

### **3.2. Create a professional management team to solve management problems.**

Agricultural enterprises should not only focus on production and sales, but also pay more attention to the internal management of enterprises. To this end, agricultural enterprises should take the initiative to learn and adapt to modern enterprise management mode, introduce management talents, build a professional and scientific management team, establish and build a leadership team with clear responsibilities and reasonable structure, and form a scientific and reasonable, efficient and orderly management mode. Really form an enterprise development mode with effective supervision, rational planning and orderly operation, prevent nepotism, abuse of authority, imbalance in distribution, unreasonable development planning and other drawbacks that seriously affect the production and development of enterprises, and really solve the management problems of agricultural enterprises.

### **3.3. Strengthen talent cultivation and do a good job of talent adsorption.**

As the backbone of enterprise development, talent directly determines the direction and success or failure of enterprise development. The serious lack of talents in agricultural enterprises has restricted the scale and speed of development of enterprises. Therefore, agricultural enterprises should pay full attention to the recruitment and training of enterprise talents to truly cultivate professional talents suitable for enterprise development. In addition, agricultural enterprises should also pay attention to talent attraction strategy, attract and retain talents by improving the welfare treatment of talents, developing the development space of talents, providing promotion channels for talents, creating a harmonious and beneficial working environment, etc., so that knowledgeable people can be used for me. Only in this way can we enhance the proportion of talents in agricultural enterprises, improve their personnel structure and let more professionals really participate in the development and construction of enterprises.

### **3.4. Expand financing channels and increase investment**

The current development model of agricultural enterprises relying mainly on government investment has seriously hindered their development scale and speed, according to which it is urgent to expand financing channels for agricultural enterprises[8]. The government should introduce policies to encourage social forces to invest in agricultural enterprises, such as tax and fee reductions and scientific and technological subsidies. Agribusinesses themselves can also attract investment through cooperative production, participation in operations, and profit sharing in order to expand the scale of their production. In addition, the production and development of agricultural enterprises are related to the people's food, clothing, housing and transportation, which directly affects the people's livelihood and social harmony and stability. Therefore, the government should also appropriately increase investment in agricultural enterprises to ensure that they can carry out normal production and operation activities and can survive in the fierce market competition.

### **3.5. Open up multiple sales channels and multiple sales models coexist.**

With the advancement of technology and the development of e-commerce, the traditional way of selling agricultural products is gradually eliminated by the market followed by the boom of online network sales. At the same time, due to the impact of the epidemic, offline market docking sales methods have been unprecedented impact, which requires agricultural enterprises to keep pace with the changes of the times, as soon as possible to open up new sales channels. For example, through "agricultural products + visual agriculture", the production process of agricultural products can be directly presented in front of consumers, so that consumers can be assured that they can buy high-quality products; also through "agricultural products + live webcast", to explain and introduce to consumers in detail Through the way of "agricultural products + webcast", we can explain and introduce agricultural products to consumers in detail, play a better marketing role, combine sales through online selling and offline logistics and transportation, fully open up the distribution channels of agricultural products and solve sales problems.

### **3.6. Recognize the positioning of enterprises and pay attention to transformation and upgrading.**

Due to the rapid development of economy and society and the improvement of people's living standard, the market now puts forward higher requirements for agricultural products. In this context, agricultural enterprises should recognize their own positioning and take the initiative to transform and upgrade their enterprises. Agricultural enterprises should give full play to the leading role of leading enterprises, guide the development of the industry with advantageous enterprises, and use the influence of leading enterprises to create a good development momentum. In addition, agricultural enterprises can also open up unique development positioning and form unique competitiveness, for example, integrated development of agriculture and tourism, developing tourism while carrying out production and processing of agricultural products, sharing out the production process of agricultural products in the form of tourism and personal experience; green production of agricultural products, creating a safe, green and purely natural mode of production of agricultural products, fully exploring the added value of agricultural products and enhancing the operation of agricultural enterprises The benefits.

## **4. SUMMARY**

Based on the background of agricultural modernization, the dilemmas and problems faced by the development of agricultural enterprises at the present stage are analyzed in detail, and policy suggestions are put forward one by one in terms of scientific and technological innovation, management mode, talent demand, enterprise financing, marketing and sales, transformation and upgrading, etc., which are conducive to solving the development problems of agricultural enterprises and thus promoting the sustainable development of agricultural enterprises.

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