

STRATEGIC AGENDA FOR BRAZILIAN AGRICULTURAL DEALERS

Eduardo Sandrini Simprini

Markestrat – Marketing & Strategy Project and Research Center
Rua Maestro Ignácio Stábile, 520
14.025-640 Ribeirão Preto - SP - Brazil
Phone: 0055-16-3456 5555
Email: esimprini@markestrat.org

Lucas Sciencia do Prado, MsC

Markestrat – Marketing & Strategy Project and Research Center
Rua Maestro Ignácio Stábile, 520
14.025-640 Ribeirão Preto - SP - Brazil
Phone: 0055-16-3456 5555
Email: lprado@markestrat.org

Rodrigo Alvim Afonso

Markestrat – Marketing & Strategy Project and Research Center
Rua Maestro Ignácio Stábile, 520
14.025-640 Ribeirão Preto - SP - Brazil
Phone: 0055-16-3456 5555
Email: ralvim@markestrat.org

Matheus Alberto Cõnsoli, PhD

Markestrat – Marketing & Strategy Project and Research Center
Rua Maestro Ignácio Stábile, 520
14.025-640 Ribeirão Preto - SP - Brazil
Phone: 0055-16-3456 5555
Email: consoli@markestrat.org

1. Introduction

In the last five decades, Brazil has established itself as a major player in agribusiness together with U.S., European Union, China, Canada and Australia, currently holding third position among the largest world food exporters (REUTERS, 2011).

Factors such as the abundance of natural resources (ie.: land, water, sun, etc), the increased demand from Asian countries, favorable exchange rates, increased productivity, new technologies, among others, ensured the development of the agriculture in the past few years. According to Embrapa researches, the increase in productivity played a key role in the growth of Brazilian agricultural production. Between the years 1990 and 2009, the planted area in Brazil rose 1.7% per year while production increased 4.7% (LANDIM, 2010).

The expansion of the soybean crop, together with the increase in meat productivity, was the main responsible for the recent progress of Brazil in agricultural exports (SINDAG, 2011). In the soybean complex (grain, meal and oil) exports in Brazil more than quadrupled from US\$ 4.2 billion in 2000 to US\$ 17.2 billion in 2009. Sales of beef rose from US\$ 813 million to US\$ 4.2 billion in the same period, and poultry sales rose from US\$ 735 million to US\$ 5.8 billion.

With the development of Brazilian agriculture, the market related to the protection of the crop (insecticides, acaricides, fungicides, herbicides, seed treatment) and Biotechnology (conventional and transgenic seeds) had grown significantly, increasing the interest of Brazil for multinationals in this sector.

This growth could be noticed in 2010, when the sector sales reached US\$ 7.24 billion, a growth of 9% compared to 2009. The year 2010 exceeded 2008 performance, which until then, was the best result recorded by the industry reaching US\$ 7.10 billion (SINDAG, 2011). Moreover, the estimate for 2011 calls for an increase of 5% YTD in terms of volume (790,000 tons) but can vary up to 10% depending on weather conditions, reaching sales of up to US\$ 8.5 billion (ANDEF, 2011).

In this scenario, the distributors of agrochemical, seed and fertilizers (AgDealers) has played an important role in marketing and distributing of products to final consumers (farmers). Besides selling the products, these companies are important service providers and also participate in the process of development of new technologies, market knowledge and especially credit supply (MARINO, NEVES, 2008).

Currently, in Brazil there are approximately 7,000 distributors (ANDAV, 2008), located in five Brazilian regions. Note, however, that they are more concentrated in the southern and southeastern Brazil. However, the dealers located in the south and southeast are usually small companies and very spread, however the ones in the mid-west of Brazil operate in more concentrated markets and generally have a larger format, given that they operate in the major grain and livestock markets the country (MAZOTINI et al, 2011).

In recent years the sector of agrochemical, seed and fertilizers distribution in Brazil is undergoing a major change (CONSOLI, PRADO, MARINO, 2011), and dealers and cooperatives are increasing demand for training and professionalization. However, some challenges must be overcome to allow a deeper development of the industry. Among them we

include internal business issues, political issues, infrastructure issues, training personnel and management, etc.

Therefore, it is important to study the dynamics of AgDealers management, evaluating the strategic issues for further development of these channels in the next years.

2. Methodology

For this study, it was conducted a qualitative exploratory survey, trying to find new insights (Hair et al., 2006) and enhancement ideas (Gil, 2006) about strategic issues for agdealers in Brazil. To reach that goal were carried out 20 case studies following the methodology of Yin (2005) and Eisenhardt (1989), with farmer's agricultural dealers.

Were selected for the study, Agdealers of different sizes covering all five regions of Brazil and nine states, as shown in Table 1. To maintain the anonymity of firms (as requested by participants) names not be revealed.

Region	Dealers	Major Product Lines
South	A	Pesticides, micronutrients, seeds, machinery and implements.
	B	Pesticides, micronutrients, seeds.
	C	Pesticides, micronutrients, seeds, fertilizer machinery and implements
	D	Pesticides, micronutrients, seeds, machinery and implements, nutrition and animal drugs.
	E	Pesticides, micronutrients, seeds.
Southeast	F	Pesticides, micronutrients, seeds, irrigation.
	G	Pesticides, micronutrients, fertilizers, seeds.
	H	Pesticides, micronutrients, seeds.
Midwest	I	Pesticides, micronutrients, seeds, farm.
	J	Pesticides, micronutrients, seeds.
	K	Pesticides, micronutrients, seed, fertilizer, farm, grain.
	L	Pesticides, micronutrients, fertilizers, seeds.
	M	Pesticides, micronutrients, fertilizers, seeds.
	N	Pesticides, micronutrients, seeds.
	O	Pesticides, micronutrients, seeds.
	P	Pesticides, micronutrients, seed, fertilizer, grain.
	Q	Pesticides, micronutrients, seed, fertilizer, grain.
R	Pesticides, micronutrients, seeds.	
Northeast	S	Pesticides, micronutrients, seed, fertilizer, grain.
North	T	Pesticides, seeds, grain.

Table 1: Characteristics of agricultural input distributors
Source: authors

To increase the credibility of data collection and the possibility of replication using case studies (Yin, 2007) were prepared a protocol that was applied similarly for all companies. In addition, the protocol contributed to the cross case comparison during the analyzing of the results.

The data collection was conducted through individual interviews with all employees of companies using a semi-structured script. In addition, a workshop was held for about 6-8 hours with each of the participating companies, trying to discuss the ideas presented in the interviews and analysis to build together. Moreover, to complete the data collection data were collected from secondary sources such as newspapers and trade journals.

The workshop was conducted using the methodologies of strategic planning process based on Neves (2007), Almeida (2003), Hax and Majluf (1996), Lambin (2000), Marino (2005) and Pearce and Robinson (2005). Among the main analysis performed for the presentation of the results are SWOT analysis (GLAISTER; FALSHAW, 1999), Critical Success Factors (GRANT, 2002), Resources (JOHNSON, SCHOLLES AND WHITTINGTON, 2005) and PEST (GLAISTER; FALSHAW, 1999).

As to the results obtained, were performed content analysis (Bardin, 2008), consolidating the ideas presented in 20 cases. From these results it was possible to establish the strategic agenda for agealers, considering the challenges and needs to be overcome for the competitive development of this sector in Brazil.

3. Theoretical Background

3.1. Strategy and Strategic Planning

Before we start the discussion about strategic planning models is important to point out the concept of strategy. According to Hax and Majluf (1996) it can be defined as a multidimensional concept built from all the main activities of the company, which aims to create a sense of direction and purpose to drive such organization.

The author shows that there are six critical dimensions that contribute to the definition of strategy:

- (1) Decision patterns based on the history of the organization;
- (2) Means of establishing objectives, targets and actions;
- (3) Definition of the business where the company is or intends to develop;
- (4) Responding to threats, opportunities, strengths, weaknesses, in order to achieve competitive advantage;
- (5) Form to get the commitment of various levels of the company, corporate, business, functional, around the same goal;
- (6) The way to determine the economic and not economic returns, which the organization wishes to offer its stakeholders.

Drucker (1999) completed the definitions of strategy by reinforce that the purpose of the strategy is to develop the organization, so that it can achieve the results determined within an unstable and unpredictable environment, for instance, considers that it allows companies take opportunistic actions intentionally.

Andrews (1987, cited in Moore, 1992), went further and separated the concept of strategy into corporate strategy and business strategy. In his point of view, Corporate Strategy can be defined as a pattern of decisions that defines the objectives and the ways that the organization should go to achieve them, and one of the main functions of the corporate strategy is to define the markets in which the company will compete.

Business strategy in turn, aims to determine how the company will compete in the markets defined by corporate strategy, so it is possible to realize the corporate strategy as a wider view of the business strategy. But the author also points out that both are part of an ongoing process, which he calls for strategic management.

In this way, strategic planning, can be considered as the process of analysis leading to the definition of strategy, Lambin (2000) points out several reasons why strategic planning is carried out:

- (1) Strategic planning helps everyone involved in the understanding of the business, showing the reasons of strategic options, pointing out historical aspects, compared to the present.
- (2) Strategic planning expresses the values and philosophies of the system and managers, giving all involved a direction in which the organization must follow, encouraging a sense of unity among the agents.
- (3) The plan facilitates the coordination between functions and facilitates the process of implementing the activities necessary for development.
- (4) Strategic planning is also a process of constant monitoring, which allows progress to be revised during the time. Who implements strategic planning can constantly adapt more easily to environmental changes.
- (5) And last but very important, to build a strategic plan allows the company to make more rational and accurate decisions on the application of financial resources, and ensures better decisions about scarce resources.

3.2.Strategic Planning Methods.

Several authors have advanced in researches related to strategic planning, proposing methods that companies should follow as a “How to do” guide, during the process of the development of their strategies. To conduct our case studies we develop a strategic planning method, based on four methods available in the literature (See table 2).

Stages	Nutt e Backoff (1987)	Hax e Majluf (1996)	Lambin (2000)	Pearce e Robinson (2005)
1	Historical Context	Business Strategy	Vision Statement	Mission and social responsibility
2	Situation Analysis	Corporate Strategy	External Analysis	External environment
3	Strategic issues	Functional Strategy	Internal Analysis	Internal Analysis
4	Strategic Options		Objectives and Programs	Analysis and strategic choices
5	Analysis of Viability		Choice of strategies	Long term objectives
6	Implementation		Definition of marketing projects	Generic strategies
7			Marketing Budget	Short term objectives
8			Contingency plans	Functional tactics
9				Policies
10				Restructuring the organization
11				Strategic control and continuous improvement.

Table 2: Consolidation of strategic planning methods

Source: authors based on Nutt e Backof (1987), Hax e Majluf (1996), Lambin (2000) and Pearce e Robinson (2005)

Based on these studies, presented in Table 2, and our practitioner experience we develop a sequence of steps showed in Figure 1, to build the study with Agdealers.

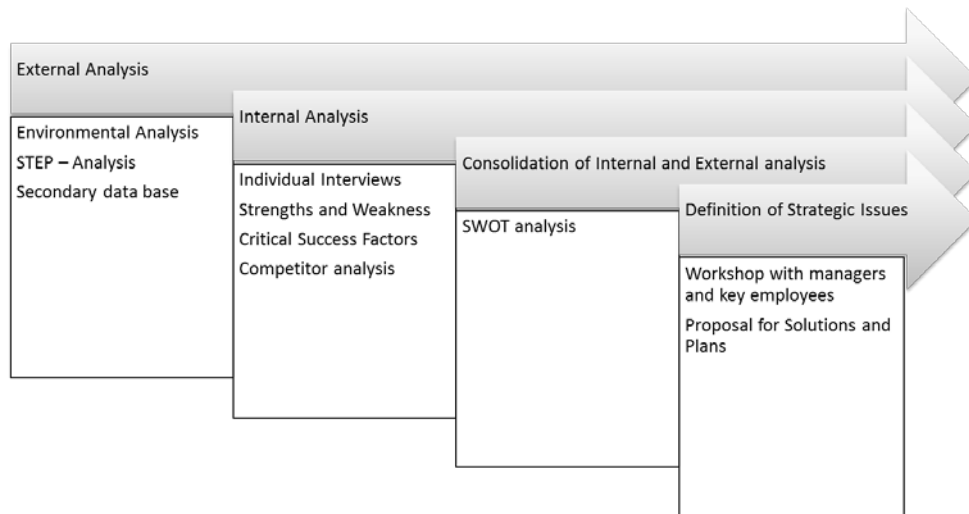


Figure 1: Steps for strategic planning
Source: authors

3.2.1. External Analysis

According to Almeida, Machado Neto and Giraldi (2006) the strategic planning of a company is directly related to its structure and the environment which the company develop its activities. Also, Moreira and Vergara (2010), pointed out that in the develop of a company's strategic planning is important to make an analysis of internal and external environment, because this allows identify what are the possible impacts these may have on future development of company

One of the main tools, that facilitate the analysis of the organization's external environment is the STEP analysis (GLAISTER; FALSHAW, 1999). According to Neves (2007), this analysis aims to identify the sociocultural (S), technological (T), economic and natural (E), and political and legal factors (P). The author also pointed out that these environmental dimensions are the basis for the elaboration of the strategic corporate planning.

3.2.2. Internal Analysis

It's important to note that the analysis of STEP dimensions allows companies to identifying the opportunities and threats on its external environment (GLAISTER; FALSHAW, 1999). Besides the external analysis, the authors also pointed out the importance of the internal environment analysis.

The internal analysis focus basic in the analysis of resources and competences (PRAHALAD; HAMEL, 1990; BARNEY, 1991). According to the authors the resources are related to what the company has (assets, employees, suppliers, good products), and competences are associated with what the company does (such as, logistic services, customer relations, assistance service, etc.).

It's also important to point out, that the definition of company's strengths and weaknesses is related to a comparison with competitors and company's internal factors, such as trade policy, prices, products, organization culture, cost management, human resources management, investment plans, communication, etc. This analysis may require a large use of resources during the data gathering and information analyze from the dealer and competitors (NEVES, 2009).

3.2.3. Consolidation of internal and external analysis

According the Glaister and Falshaw (1999), an analysis that allows the consolidation of the opportunities and threats, and to identify the strengths and weaknesses of the company, regarding to the internal environment is the SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis. After identifying these factors, companies need to focus on developing your strengths, eliminate weaknesses, exploit opportunities and minimize threats (Dyson, 2004).

According Coman and Ronem (2009) the application of SWOT analysis in strategic planning is related to its functionality, simplicity and clearness. The authors also show that the purpose of strengths analysis of the organization is leveraging the core competencies of the company and maximize its value, while the analysis of weaknesses allows the creation of corrective actions.

In its study, McDonald (2008) indicates the necessity of companies focus efforts during their strategic and marketing planning seeking to adding value. In this sense, the SWOT analysis facilitates the identification of possible issues that may harm or contribute to this aggregation of strategic value.

3.2.4. Definition of Strategic Issues

We can note that the SWOT analysis, as well as STEP analysis, has been used in the performance of several companies' strategic planning (GLAISTER; FALSHAW, 1999). However, based on these analysis, it is necessary that companies can define what are the actions will be carried out for a good strategy implementation.

The model proposed by Ruocco and Proctor (1994) is a model that goes beyond of the simple identification of strengths and weaknesses, opportunities and threats, because it focus on the cross-examination of this information. According to the authors, by combining the strengths with opportunities, weaknesses and with the threats it is possible that the company define its strategy in a better way.

Base on the results of the consolidation of SWOT analysis we can propose some strategic issues related to the management of agdealers' business, supporting these companies on developing and implementing better strategies.

4. Results and discussion

This topic of the paper will present the main results of the environmental analysis considering the political, legal, economic, natural, socio-cultural and technological aspects, as well as the consolidation of the SWOT analysis. The numbers in parenthesis indicate the frequency the issue was discussed in the cases.

Socio-cultural Issues
Lack of skilled labor (9)
Succession in family customers (7)
Migration of rural population to big cities (7)
Producers valuing relationships (6)
Professionalization of the sector and increase the cultural level of customers (5)
Inheritance customers (4)
Predominance of the market still focusing on price negotiations (4)
Producers valuing relationships (4)
Better income distribution increasing the demand for food (4)
New markets for organic products and differentiated (1)
Trend of consumption of foods with less use of agrochemicals (1)

Table 3. Analysis of the Socio-cultural Macroenvironment – STEP Analysis
Source: authors base on case studies

Regarding to the Social and Cultural (see Table 3) factors we can note that the main challenges presented by the dealers are first related to the lack of skilled labor and it's important to note that this is a problem faced not only by this industry in Brazil. Moreover, succession (in family) on farms was also highlighted as cultural change. This is relevant because the young generation are increasingly empowered, and also having more access to information. Furthermore, they are also presenting a new style of business management. The third top topic discussed by the companies was the migration of rural population to cities, which reinforces the changing of the style and characteristics of the new farmers.

The demand for services and the valorization of relationship was also identified as changes that can occur in the agricultural distribution industry in Brazil. This topic must be examined carefully by the distributors, once the lack of skilled labor (most reported factor by dealers) to serve customers can be a threat to the development of new tendencies of customer service and relationships. Moreover, the channels are facing the necessity of change their positioning, regarding the trade of products. It is important to learn how to present a better value proposition to customers, even if in some cases the negotiations focus on price, as highlighted on Table 3.

Technological Issues
New products incorporating biotechnology (9)
Breach of patents (8)
Advances in genetic improvement and more alternatives for producers (5)
Advances in precision agriculture (5)
Increased information Availability (3)
Software to help manage Farms (2)
Lack of raw materials to suppliers (2)
Improved mobile technologies (2)

Table 4. Analysis of the Technological Macroenvironment – STEP Analysis
Source: authors base on case studies

Regarding the technological factors highlighted on Table 4, the main point focus on the incorporation of biotechnology in new products, especially seeds. In recent years the seed industry has invested millions in the development of new varieties, resistant to pests and that also focus to increase productivity per hectare.

A second topic pointed in the research, was the breach of patents of agricultural pesticides. These products have turned increasingly important in the Brazilian market agrochemical. According to Sindag, an agrochemical industry association (SILVA; COSTA, 2012), the generic pesticides accounting for 48.5% of the financial volume and 80.2% of the quantities sold in 2009.

Finally a third topic discussed is the growing of technology, both in crop management, considering the use of precision agriculture, and on management of farm business, taking in account the control of crop production costs and results of the harvest.

Economic and Natural Issues
Exchange rate instability (9)
Risk to increase the overdue clients (8)
Increase in interest rates (7)
Salary Level - Cost of production, increased mechanization (9)
Climate change affecting crop managements, with periods of drought and frost especially during the off-season (6)
Farming concentration - areas (5)
Risk on the back of inflation in Brazil (8)
Entry of large groups in the market (4)
High fixed cost Structure (3).
Establishment of cooperatives (3)
Increase in the area in late summer season (3)
Concentration of Trading companies (2)
Capitalization of producers (2)
Increased production costs of some cultures (2)
Lack of Agricultural Insurance (2)
Emergence of new pests (1)
Possibility of entry of new international suppliers (1)
Opportunity to transfer guarantees to suppliers (1)

Table 5. Analysis of the Economic and Natural Macroenvironment – STEP Analysis
Source: authors base on case studies

The analysis of the Political-Legal (Table 5) macro environment shows a great concern with the economic instability, mainly due to the current moment, that since 2008 experienced periods of very unstable economy, directly influencing the exchange rate and the commodities prices.

Climate change also pointed out as one of the main topics presented by Brazilian distributors in this study. During the harvest 2011/12 the south region in Brazil faced a severe dry climate, which reduced soybean productivity. As a result, the producers will have incomes below the estimate for the year, which can contribute to cash flow problems for some agdealers.

Still related to the economic and natural changes, there are two factors that are changing the dynamic of crop protection market the country: (1) the entry of large producing groups in the Brazilian market and (2) the concentration of large production areas. Mainly in the new agricultural frontiers of the country, including the states of Maranhão, Piauí, Tocantins and Bahia - a region called MAPITIBA.

Political and Legal Issues

New Forest Code, and environmental regulations (11)
Environmental legislation (11)
World Crisis (6)
Commodity prices (6)
Licenses and permits (4)
Labor Legislation (4)
Changes in legislation requiring dealers who are close to urban areas (4)
Fiscal Policy (3)
Legalization impacting the launch of new products (6)
Monitoring of storage, return and transportation of packaging (3)
Areas of Indian Reservations (2)
Restriction in some states of molecules of specific pesticides (1)
Fear of distribution channels with the new government (1)
Stability of Government (1)

Table 6. Analysis of the Political and Legal Macroenvironment – STEP Analysis
Source: authors base on case studies

Finally we discuss the analysis of legal and political dimensions (Table 6). Here we can point out the discussions and possible vote on approval of the new forest code, which may impact in reducing some production areas of Brazil. However, some analyzes suggest that even with the approval of the new forest code some areas, that today are unproductive, such as areas of degraded pasture may be managed and developed for agricultural crop.

Another issues in this dimension is the increase of environmental enforcement. According to the data presented in the case studies, we can note that the dealers have to take care more about the local to build the companies, which result, in some Brazilian regions, a movement of distributors for the boundaries of the cities.

Thus, based on the results presented in the STEP Analysis we were able to classify all the macro-environmental changes in opportunities and threats for the Agdealers. All these topics were consolidated with the strengths and weaknesses founded in the business internal analysis and presented in the SWOT matrix (Table 7):

<p>Main Strengths of AgDealers Credibility (11), Good working environment and relationships between employees (10), Knowledge of areas of operation (8), Portfolio (product mix) (8), Partnering with Suppliers (6), Team Commitment (6), Good logistics and on-time delivery (6), Customer Service (5), Technical assistance (5), History on the market, reputation (4), Skilled technical team (4), Knowledge of activity and working regions (4), Customer Relationship (3), Good availability of resources (3), Internal communication (3), Openness to new knowledge (3)</p>	<p>Main Weaknesses of AgDealers Physical structure and storage capacity (10), Customer base (9), Policy of credit (8), Marketing Actions (8) Planning (harvest, Pre-Harvest, etc.) (7), CRM activities (7), Control of administrative and commercial areas (7), Technical assistance (7), Internal communication (7), Preparation of sales orders (6), Incomplete Portfolio (6) Trade controls (Targets, monitoring) (6), High fixed cost structure (5), Work overload (5), Governance (5), Information flow and internal communication (5), Centralization of processes (5), Structuring the “Barter” operations (4), Support training team (4), Strategic Products (4), Lack of structuring the transaction exchanges for customers (4), Hiring policy (3), Guarantees for suppliers (3), Description of activities (3) Inventory Control (3), Overlapping functions (3), Feedback from managers (3)</p>
--	---

Main Opportunities for AgDealers	Main Threats for AgDealers
<p>Economic moment of high demand for food (9), Increase in planted area (New agricultural frontiers) (7), Harnessing the release of biotechnology products that add more value (7), “Barter” Operations, financing the farmer (6), Family succession (New family managers) (6), Search complementary portfolio (4), Increase services (market failure) (4), Act in the sale of grain (4), Break patents of competitors (4), Work with pasture products (4), Emergence of new molecules in the market (3), Resale of inputs (3), Provide complete product packages to the producer (seeds Treatment, Technical assistance, product applications) (3), Investment in grain storage unit (3), Increase in the area in late summer (4), Wholesaling (3), Competitors with limited technical assistance (3)</p>	<p>Lack of skilled labor (9), Increased number of generic products (8), buying groups (7), Increases in production costs of most crops (7), Breach of patent (6), Instability of the dollar (6), Default and / or delay of payment (6), Increasing area of sugar cane (6), Influence and role of cooperatives (6), Possible increase in direct sales (5) Increased interest rate (5), Price wars (5), Possible inflationary surge (4), Unfavorable weather events happening more frequently (4), Entry of large groups in the market (4), Increased enforcement in distributors (4) Harassment of employees trained (4), Family succession process (3), Rich and diverse portfolio of competitors (3), Mergers and Acquisitions in the distribution sector (3), Increase in interest rates influence credit (5)</p>

Table 7. SWOT Analysis for AgDealers.
Source: authors.

Analyzing the model proposed by Ruocco and Proctor (1994), we present a list of strategic actions (Table 8) that could be implemented by agricultural distributors, in order to improve the main weaknesses and minimize the threats, as well as maximize their strengths, seeking to take better advantage of the opportunities showed up in the study. To make ease the case analysis, all actions were grouped into dimensions / strategic issues.

Marketing and Sales	Financial	Fundraising / Barter Operations	Human resources management
<ul style="list-style-type: none"> • Segmentation / Customer Management • Department of Marketing / Communication • Marketing Plan • Research and satisfaction • Trade Policy • Relationship Program - Family • Market Segment - Cultures • Technical Assistance and Customer Relationship management 	<ul style="list-style-type: none"> • Cost Control • Financial Planning / Budget • Credit Analysis 	<ul style="list-style-type: none"> • Barter Operation • Fundraising (banks, investors, investment) 	<ul style="list-style-type: none"> • Sales team evaluation • Training and Team Development • Variable remuneration – performance based • Job description and organizational chart

Process and management	Infrastructure and Logistic	Technology	Relationship with Suppliers
<ul style="list-style-type: none"> • Management processes organization • Process review and improvement • Internal communication 	<ul style="list-style-type: none"> • Physical infrastructure, Layout and inventory • Warehouse management and adaptation for legal issues • Internal and external logistics 	<ul style="list-style-type: none"> • Improvement on IT resources • Implement ERP tools • Data security procedures 	<ul style="list-style-type: none"> • Relationship programs with suppliers • Portfolio management

Table 8. Strategic Issue for Agdealers
Source: authors

5. Final Remarks

Based on the discussions presented in this paper, Agdealers can explore the features, strategies and critical factors of agricultural distribution industry management. We also considering that besides their strategically and economically importance, the industry of farm inputs distribution still needs some improvements.

There are many challenges that Brazilian Agdealers are going to face in coming years. We found that the professional development in this industry is recent, due mainly for the agribusiness growth in the last 15 years. Thus, the industry complexity and its exposure to operational challenges, financial and climate risks, brings a huge necessity for improvement and enhancement of retailers management.

These critical success factors are the basis for companies prosper in this industry. In this way the most relevant topics discussed and debated in our point of view include: employee training, infrastructure services, development and implementation of strategic planning, solutions development and services, and financial management.

From the analysis of the macro-environment and the consolidation of the SWOT analysis, and based on topic pointed on Table 8, we propose a strategic issue for the next 5 years for Brazilian agricultural dealers, containing 11 strategic actions.

1. Set the main partners and solution provided to complement the portfolio;
2. Investing in training for the management team;
3. Structure methodologies for risk analysis and underwriting;
4. Define the management structure of the various businesses (Agricultural Production *versus* Distribution);
5. Improve structure of swaps guaranteeing the hedge of the entire operation;
6. Diversification of business portfolio to contribute to higher margins and support the process of Barter;
7. Structure CRM programs to improve efficiency of customer service;
8. Defining the rules of corporate governance and succession, in order to ensure business continuity;

9. Organize accounting activities, including audit processes. Opportunities for mergers and acquisitions will appear, but require companies to be prepared;
10. Invest in grain storage structures to take advantage of the good times in oscillation of commodity prices;
11. Increase important of services in the composition of revenues for dealers, this is the most efficient way of differentiation and customer loyalty.

These actions tend to assist in the structuring of this sector, leaving them ready to face the environmental changes that have occurred. Importantly, the market already has some companies which are prepared and structured, probably these will be the agents responsible for the movement of market consolidation.

References

ALMEIDA, F. C. de; MACHADO NETO, A. J; GIRALDI, J. M. E.. Estrutura e estratégia: Evolução de paradigmas. **Revista de Gestão USP**, São Paulo, v. 13, n. 2, p. 15-26, abril/junho 2006.

ALMEIDA, M. I. R. **Manual de Planejamento Estratégico**: desenvolvimento de um Plano Estratégico com a utilização de Planilhas Excel. 2. ed. São Paulo: Atlas, 2003.

ANDAV, Associação Nacional dos Distribuidores de Insumos Agrícolas e Veterinários. Cenário do Setor de Distribuição – 2008. Disponível em <<http://www.andav.com.br/setor-cenario%202008.aspx>>. Acesso em 15 mai 2010.

ANDEF. Associação Nacional para Defesa Vegetal. **Venda de defensivos bate recorde no Brasil**.. Disponível em http://www.sindag.com.br/noticia.php?News_ID=2143. Acessado em 08 NOV 2011.

BARDIN, L. *Análise de conteúdo*. 5. ed. Lisboa: Edições 70, 2008.

BARNEY, J. *Firm resource and sustained competitive advantage*. **Journal of Management**, v 17, n. 1, p. 99-120, 1991.

COMAN, A.; RONEN, B. Focused SWOT: diagnosing critical strengths and weaknesses, *International Journal of Production Research*. 47: 20, p. 5677 – 5689, 2009.

CONSOLI, M. A.; PRADO, L. S., MARINO, M.K. **Agrodistribuidor**: o futuro da distribuição de insumos no Brasil. São Paulo : Atlas, 2011

EISENHARDT, K. M. *Building theories from case study research*. **The Academy Of Management Review**, v. 14, n. 4, p.532-550, Oct. 1989.

GIL, A.C., **Como elaborar projetos de pesquisa**. 4. ed. – 8 reimpr. São Paulo : Atlas, 2006

GLAISTER, K. W.; FALSHAW, J. R. Strategic planning: Still going strong? *Long Range Planning*, v.32, n.1, p.107-116. 1999.

GRANT, R. M. *Contemporary Strategy Analysis: concepts, techniques and applications*. 4th ed. Oxford: Blackwell Business, 2002

HAIR JUNIOR, J. F. *et al.* **Fundamentos de métodos de pesquisa em administração**. Porto Alegre: Bookman, 2006.

HAX, A. C., MAJLUF, N. S., **The Strategy Concept and Process: A Pragmatic Approach**, 2 ed., New Jersey, Prentice Hall, 1996.

JOHNSON, G. SCHOLLES, K. WHITTINGTON, R. **Explorando a Estratégia Corporativa: Textos e Casos**, 7a ed. São Paulo, Artmed, 2005.

LAMBIN, J. J. **Market Driven Management: Strategic and Operational Marketing**. 2. Ed., Palgrave Macmillan, 2000.

LANDIM, R. **Brasil já é o terceiro maior exportador agrícola do mundo.** Jornal O estado de São Paulo. Disponível em: <http://www.estadao.com.br/noticias/economia,brasil-ja-e-o-terceiro-maior-exportador-agricola-do-mundo,520500,0.htm> Acessado em 09 Nov 2011.

MARINO, M. K. **Implementação de estratégias e governança:** estudo de múltiplas firmas de distribuição de defensivos agrícolas no Brasil. 2005. P. 134, tese (doutorado em administração) – Faculdade de Economia Administração e Contabilidade, Universidade de São Paulo, São Paulo, 2005.

MARINO, M. K.; NEVES, M. F. (org). **A revenda competitiva:** como transformar seu negócio visando lucro. São Paulo: Atlas, 2008.

MAZOTINI, H.; MORAIS, L. A. B.; PRADO, L. S.; CONSOLI, M. A. Panorama do setor de distribuição de insumos no Brasil. In. CONSOLI, M. A.; PRADO, L. S., MARINO, M.K. **Agrodistribuidor:** o futuro da distribuição de insumos no Brasil. São Paulo : Atlas, 2011.

MCDONALD, M. **Planos de Marketing Planejamento e Gestão Estratégica.** Campus : Rio de Janeiro, 2008.

MOREIRA, I; VERGARA, S.C. (coord). **Fundamentos do gerenciamento de projetos.** 2. Ed. FGV, 2010.

NEVES, M. F. Strategic Marketing Plans and Collaborative Networks. **Marketing Intelligence & Planning**, v. 25, p. 175-192, 2007.

NEVES, M.F. Planejamento e Gestão Estratégica de Marketing. 1. ed. 5. reimpr. São Paulo : Editora Atlas, 2009.

NUTT, P.; BACKOFF, R.W. A Strategic Management Process for Public and Third Sector Organizations **APA Journal**, 53 (Winter), p. 44–57, 1987.

PEARCE, J. A. ROBINSON, R. B., **Strategic Management:** Formulation, Implementation, and Control. 9 ed., McGraw-Hill, 2005

PRAHALAD, C. K.; HAMEL, Gary. The core competence of the corporation. **Harvard Business Review**, Boston, v. 68, n. 3, p. 79-91, May 1990.

REUTERS. **Brasil supera EUA como maior exportador global de soja.** Jornal Gazeta do Povo. Available at: <http://www.gazetadopovo.com.br/economia/conteudo.phtml?tl=1&id=1190410&tit=Brasil-supera-EUA-como-maior-exportador-global-de-soja>. Accessed in Nov, 09, 2011.

RUOCCO, P.; PROCTOR, T. Strategic planning in practice: a creative approach. **Marketing Intelligence & Planning**, v. 12. n. 9, p. 24-29, 1994.

SILVA, M. F. O.; COSTA, L. M. 2012). A indústria de defensivos agrícolas. BNDES Setorial Química, 35, 233-276.

SINDAG. Sindicato Nacional da Indústria de Produtos para Defesa Agrícola. **Venda de defensivos bate recorde no Brasil.** Available at: http://www.sindag.com.br/noticia.php?News_ID=2143 Accessed in Nov 08 2011.

YIN, R. K. **Estudo de caso: planejamento e métodos**. 3. ed. Porto Alegre: Bookman, 2005.