MERGERS AND ACQUISITIONS IN THE FOOD AND AGRIBUSINESS SECTOR: NEW ASPECTS AND TRENDS

Michail Pazarskis *, Maria Gatziou *, Zoi Kaitozi **

* Department of Economics, International Hellenic University, Serres, Greece
** Department of Business Administration, International Hellenic University, Serres, Greece


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Abstract

The global agri-food industry is undergoing deep reorganizations, with a plethora of mergers, acquisitions and agreements unifying the sector. This paper examines the dynamics surrounding these large multinational agricultural mergers and addresses the broader implications of these agreements for global environmental and food policy. The study proposes that the current wave of mergers is in some way similar to previous waves of integration in the sector, but also significantly different. Past mergers in the field have been largely driven by technological innovation and integration along with enhanced copyright protection. Further technological innovation and integration remain important for today’s mergers, but it is not the only driving force.

Today’s mergers are also largely shaped by increased financialization in the agri-food sector, which has prioritized investor claims for profits in ways that encourage corporate integration. These waves of mergers and acquisitions have revolutionized and restructured these industries several times in recent decades and continue to bring about change and adjustment even today. The overall continuous integration of food businesses and agricultural enterprises in recent decades has not gone unnoticed. Past research and press releases covering the consolidation process may not focus strictly on mergers and acquisitions in terms of the consolidation phenomenon, but the overall
structural changes that have taken place in the sub-sectors involving the food and food industries have been highlighted. There is no doubt that mergers and acquisitions have served as a means of facilitating this change. One of the main reasons for the merger is to reduce costs because a combined company can operate more efficiently than two separate companies. However, the merger of two companies could potentially lead to a reduction in competition and an increase in the prices charged to the consumer or a reduction in the prices paid to the producer in the event of a monopoly position.

The purpose of the research is to draw useful conclusions regarding the examination of the case of company mergers in the agricultural sector. A satisfaction questionnaire was designed to conduct the survey, in order to collect information from employees or owners employed in the agricultural sector in Greece. According to the answers of the respondents, it is clear that they take for granted a new wave of mergers in the agricultural sector. There are concerns both about dealing with staff and even layoffs. Most are in favor of merging to avoid closing another business but with the priority of protecting workers’ rights. Finally, four solutions they proposed instead of mergers are taking a loan, implementing a new business plan and attracting new investors, having a strategy change and business reorganization.

REFERENCES


