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Analysis of agro industries dissolution: The case of Fars Industrial Meat Complex in Iran



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Abstract After the formation of various production and utilization systems in Iran, the most advanced utilization units entitled “Agro-Industry” were established in 1968 according to the constitutional law of sub-dam land utilization companies. After several years of the activity of these units, they were dissolved one after the another. Fars Industrial Meat Complex was one of the agro-industries dissolved several decades after its activity. Since agro-industries were one of the most important production and utilization systems, awareness of the reasons for their dissolution is vital. The purpose of the study is to analyze the reasons for dissolution of the Fars Industrial Meat Complex. Qualitative research using a case study was conducted by applying a semi-structured interview technique and archive documents. To this end, in addition to the production units of this agro-industry, management issues and the related balance sheet have been also analyzed. The findings indicated that the production rate in the units of this agro-industry has been remarkably low. Besides the presence of limitations and problems in agricultural, animal breeding, animal feed factory, slaughterhouse and food industries, ill-managerial system in Fars Industrial Meat Complex, have had a significant role in the dissolution of this agro-industry.

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1. Introduction

Having experienced different production and utilization systems such as Khanevar (peasant household unit), Buneh (cooperative unit of production), independent peasant unit,

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rural cooperatives and farming corporations in Iran, another form of utilization systems entitled “Agro-Industry” emerged in 1968 according to the constitutional law of sub-dam land utilization companies. Based on the law, the government was authorized to take sub-dam lands, it considers it proper for farming at the macro level, away from the related owners or peasants and rent them to internal and international agro-industry companies. The lands of such companies should not be less than 5000 hectares. In Iran, the form of agricultural capital production has been through introducing agro-industry companies (Lahsaiezadeh, 2002). Agro-industry is one sub-system of agribusiness that has a strategic position in the new paradigm because it has several important roles that help to improve income distribution while also still maintaining

Table 1 The activities of the cultivation section.

Authorized activities based on articles of association	Performed activities	Fulfilled objectives
Silage plant and cereal cultivation for feeding the livestock and poultry	Wheat, dry and irrigated barley, alfalfa and silage corn cultivation	Fig. 1
Farmland construction for livestock and poultry breeding	–	–
Industrial plants cultivation and provender production	Too little	–

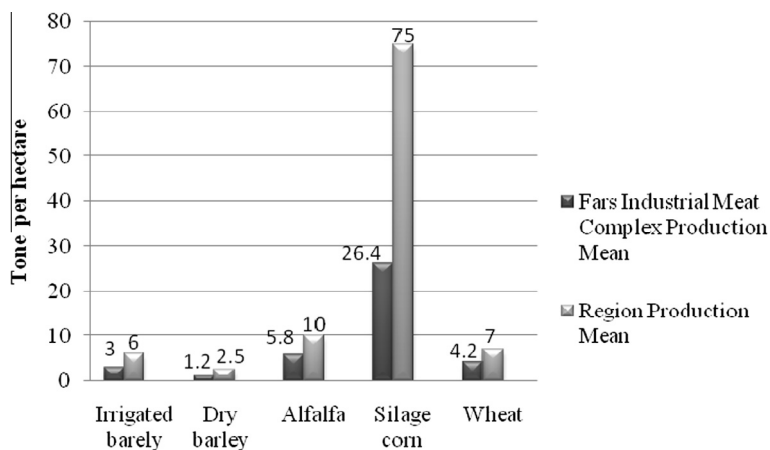


Figure 1 Production rate (tone per hectare) of silage and cereal products in the last twelve years of cultivation section.

growth (Fatah, 2007). Agro-industry companies are involved in mechanized cultivation in macro level with a capital intensive system. These companies include a wide range of agricultural products such as cereals, industrial crops, fruits, vegetables, meat and dairies.

In Iran, the purpose of establishing agro-industry units has been the modernization of rural regions through the increase of agricultural products in area unit, and the utilization of modernized agricultural techniques (Azkia and Ghaffary, 2007).

In general, agro-industries in Iran were not as successful as it was expected. Less than 10 years from their formation, foreign investors lost their enthusiasm in carrying on agro-industries activities. The research conducted in the second half of 1971 have shown that the production in the region which is under the coverage of the agro-industry is less than the production before the operation of agro-industries. The yield of the agro-industry in Iran is less than all other production systems. One of the reasons, that led to the failure of agro-industry activity, was the heavy debt these companies sustained (Lahsaeizadeh, 2002).

The comparison of the yield of peasant utilization and four agro-industry companies made in five different regions of Iran has shown that the net added value per hectare in the peasant farming section is much more than agro-industry companies, the activities of all farmers in the studied villages have been shown to be profitable, while agro-industry units incurred loss. The yield rate per cubic-meter of water resources used by farmers has been much more than the yield of agro-industry units, and the labor yield rate, that is the produced added value by a working day, has had a remarkable increase as compared to

agro-industries. Therefore, the study of all production indices such as land and labor yield and the total yield in peasant utilization units has been much more than agro-industry units (Azkia, 2008).

Rural development efforts have taken many forms including agricultural development, rural based industrialization, infrastructural development and integrated schemes combining all the elements of agriculture, industry and infrastructure (Oladipo, 2008). An agro-industry plays an especially important role in a developing economy since it improves the quality of agricultural produce, raises farmers' income and thereby enhances the overall level of social welfare (Hsu, 1997). Also, agro-industry plays a fundamental role in the creation of income and employment opportunities in developing countries (FAO and UNIDO, 2009). Therefore, research on the reasons for failure and dissolution of agro-industries provides the grounds for familiarity with their failures which could itself results in finding weak points, leading to their dissolution. So, the familiarity with the reasons for dissolution of agro-industries helps us in more proper management of agro-industries.

Fars Industrial Meat Complex, as one of the most important agro-industries of the Middle East in the areas of animal husbandry, food production, and specially cattle slaughtering, with a record of some decades, and having remarkable potential, was recently dissolved. The important point in this regard is the reason for dissolution of this valuable agro-industry unit. The general purpose of this research is “the investigation of the reasons for the dissolution of Fars Industrial Meat Complex” as an important agro industry in Iran. The following specialized questions have been considered to be answered:

Table 2 Sentence description, coding and categorizing concepts resulting from descriptive information about the limitations in the cultivation section.

Memos	Concepts	Coding and Categorizing
If employees were dependant on the land they would fully devote themselves to working	Lack of sense of dependence on farmland	Psychological
Employees did not consider themselves important in doing work	Feeling of having little impact	
Employees never thought that the fulfillment of their benefits depend on the fulfillment of the companies benefits	Considering the complex profits irrelevant to their own profits	
Because the employees did not own the lands they were felt to be irresponsible	No sense of responsibility	
If the employees had work conscious, the production would not have declined	Little conscious	Technological
Irrigation channels were soil type and caused the water loss	Inappropriate irrigation canals	
The applied machineries were not only exhausted but also not up to date	Not developed machinery	
Most of the times the regular, customary and agricultural production unit seeds were used	Little use of breeder seeds	
Irrigation system was always in a regular form and it did not change	Lack of advanced irrigation system	Preservation and restoration of the lands
Applied machineries exist from the beginning of the activity of the complex	Exhausted machinery	
Soil testing was rarely took place and sampling was not done from different parts of the land	Lack of soil testing	
After collecting the straw and stalk of the lands, the remain parts were burned	Burning plant residue	
Land soil should have been reinforced (e.g., but no green fertilizer, organic material, etc.) were used	Lack of land reinforcement	Managerial
The land soil texture was somewhat heavy but no one seeking for the remedy or cure of this problem	Lack of plan for the improvement of soil texture	
Sometimes the water which was reached the lands through channels, was stolen by the upstream	Failure of the right of watering	
If the employees were motivated by receiving specified sum of the total production, the production rate would definitely increase	Lack of motivation (specially economic)	
The experts and the supervisors of this section were not knowledgeable and did not have sufficient expertise in agricultural affairs	Insufficient experience of experts	Communication and consultation
There was a continuous shift in the center of the management system; while the manager wants to be familiar with the new situation he was replaced	Continuous shift of manager	
Since the lands were wide, controlling the farm operation processes was not properly implemented (e.g., improper plow, waste inputs, water waste, timely weed control, etc.)	Poor management of the farm operation	
There was a little communication with research centers and scientific databases	Limited communication with research centers	
There was no communication with agricultural extension organization	Lack of communication with agricultural extension	Communication and consultation
Because of having the other jobs most of the employees do not put their energy on activities	Multi-trade employees	

- What effects did the activities, done in food technology, slaughterhouse, animal husbandry, horticulture, and agronomy units, have on the dissolution of the complex?
- How was the trend of balance sheet of Fars Industrial Meat Complex in the last years?

- What managerial issues have led to the dissolution of Fars Industrial Meat Complex?
- What are the restrictions and problems of the different units?

Table 3 Activities of animal husbandry complex.

Authorized activities based on the articles of association	Performed activities	Fulfilled objectives	
Purchasing animal, poultry and semen from home and abroad	Purchase of livestock from abroad from the start of complex work till 1979 (Merino race from Australia and New Zealand)	From 1985 to 1993 in average Large animal: 60% nominal capacity Small animal: 42.5% nominal capacity	From 1993 to 2003 in average Large animal: 23.3% nominal capacity Small animal: 12% nominal capacity
Establishing industrial livestock	The limitation of livestock purchase to the country since 1979, and purchase of large animal since 1981 The limitation of cattle breeding just to a place for keeping small animal since its establishment Changing small animal winter place to large animal fattening unit since 1981 Transition of cattle breeding from traditional to semi-industrial unit (till mid 70s) and finally to an industrial unit Commissioning of animal feed plant in 1976	Gradual process of industrialization	
Establishing poultry and livestock feed manufacturing	Commissioning of animal feed plant in 1976	Average of produced poultry and animal feed from 1984 to 2002: 11% of nominal capacity	
Concluding purchase or partnership contract with domestic producers of provender and livestock feed	Concluding purchase agreement with provender producers	Complete fulfillment of the need to animal husbandry	
Importing animal and poultry feed from abroad if required	—	—	

2. Materials and methods

In the case of what factors are effective in determining research methodology, we could say that selecting the method depends on the nature of problem (Noor, 2008). The qualitative research with the purpose of drawing results based on the research findings (Kelsey and Sutphin, 2000), in different fields of applied and social sciences has been increasingly employed. The purpose of qualitative research, is a more, deep understanding of the object of the study (Paton, 1987).

Case study is variously defined as a method, methodology, or research design (Bassey, 1999; Merriam, 1988; Yin, 1994). Wynsberghe and Khan also propose a more precise and encompassing definition that reconciles various definitions of case study research: case study is a transparadigmatic and transdisciplinary heuristic that involves the careful delineation of the phenomena for which evidence is being collected (event, concept, program, process, etc.) (Wynsberghe and Khan, 2007). The case study as a dominant paradigm in the research and study, is the case of present phenomena and within the real life context (Ke, 2008) which deals with deep analysis, description and explanation of one or several special cases (Yin, 1984). Case study research, thus, allows for a richer knowledge of issues associated with the configuration decisions than would have been possible through a quantitative approach (Saccani et al., 2007).

In this study, we used qualitative and case (single-case) study to answer research questions. For data collection, semi-structured interview, as well as archive documents have been used. For interview, nine experts and managers from dif-

ferent agro-industry units of Fars Industrial Meat Complex were selected purposefully using snowball sampling. In order to analyze data, “coding and developing category systems”, “creating hierarchical category systems”, and “network diagram” (Miles and Huberman, 1994) were used.

3. Results and discussion

In this research, Fars Industrial Meat Complex has been analyzed as the case of study. This complex was situated in the capital of Fars province, 20km off Marvdasht county from its west. With regard to the activities done based on the article of association of this agro-industry, the performed activities in the mentioned units were reviewed separately and followed by representation of the results obtained from the performed interviews.

3.1. Activities, restrictions and problems of cultivation section

As seen in Table 1, much of the performed activities in cultivation section were allocated to the silage plants and cereal cultivation for feeding the livestock and poultry. Plants that were cultivated dominantly include wheat, dry and irrigated barley, alfalfa and silage corn. In Fig. 1, the mean production rates of these products in different years have been shown. Based on this chart, the fulfilled objectives were determined in this section.

During the last twelve years, the amount of farm products of this agro-industry had no acceptable performance and there has been a significant difference in comparison with the performance mean of the region. With regard to the review about the cultivation section of the Fars Industrial Meat Complex, the archive documents indicated that this section has no appropriate

Table 4 Concepts of descriptive information regarding limitations of animal husbandry complex.

Concepts	Memos
Cattle weight loss due to long distance	Due to long distance, the purchased cattle were losing their weight
Variability in animal purchase rate	The livestock purchase rate was often changed
Meat import	Meat import was affecting livestock rate change
Drought	Livestock rate change was influenced by drought
The rate of livestock export	Livestock export was a factor which caused change in livestock price rate
Cattlemen dealing	The presence of dealers and cattlemen caused a change in livestock price rate
Limitation in purchasing sufficient animal	The rate of livestock required for fattening was so low, because the required capital was low
Distance of nomadic areas to the complex	There was a long distance between nomadic regions and the complex
The possibility of purchasing nomad's livestock which were weighted after slaughtering was low	The complex could seldom purchase nomad's deleted livestock which were weighted after slaughtering
Purchasing deleted alive livestock	The complex often purchased depleted live livestock
Profit reduction	Purchasing live livestock was leading to profit reduction
High temperature of sheep place in summer	Small animal places had high temperature in summer and no action was taken for its improvement
Abnormal weight gain	High temperature in summer was affecting livestock nutrition and making problems in weight gain
Outbreak of animal diseases	Livestock entered cattle breeding from different regions and in some cases they were vectors of various diseases
Inappropriateness of purchased provender	The provender required by the livestock were purchased from different regions, and so they were not standardized
Lack of knowledge of cattle fatness capacity	Native animal has severe mixed genetics and there was not much knowledge about its fatness capacity
Lack of food standard	Due to native animal mixed genetics, we had no food standard for it
Using out-of-date tools	Shearing was done with old tools which was increasing the risk of animal injury
Labor abrasion	Old tools changed animal wool and its application was so difficult for the labor force
Dispersion in various livestock purchase regions	The complex had to purchase its required livestock from different regions (e.g., Fars, Esfahan, Khuzestan, Azarbayjan, etc.)
Limitation of livestock purchaser in some regions	There was a limitation for purchasing and transferring livestock in some regions, and no animal could be exited without permit
Prolongation of purchase duration	Purchase limitation was leading to the prolongation of purchase period, also there was administrative problems for solving this problem
Competition with other purchasers	The complex was competing with other purchasers in purchasing livestock
Lack of timely provision of liquidity	It was not always possible to do timely payment in cattle purchase, and the purchase likely declined
Lack of a place in the region for keeping livestock	In regions where moving groups settled for purchasing cattle, there was no place for keeping the purchased cattle
Fast transport and loading	Since there was no place for keeping cattle, they should be loaded and transferred soon
Lack of filling capacity of trailers	In some cases, the trailer's capacity was not filled
Paying mission cost	Livestock suppliers besides receiving fixed salary, were receiving mission allowance
Bearing additional costs for rented trucks	Due to the lack of the company's trailer, rented truck was used, while the complex's driver was paid

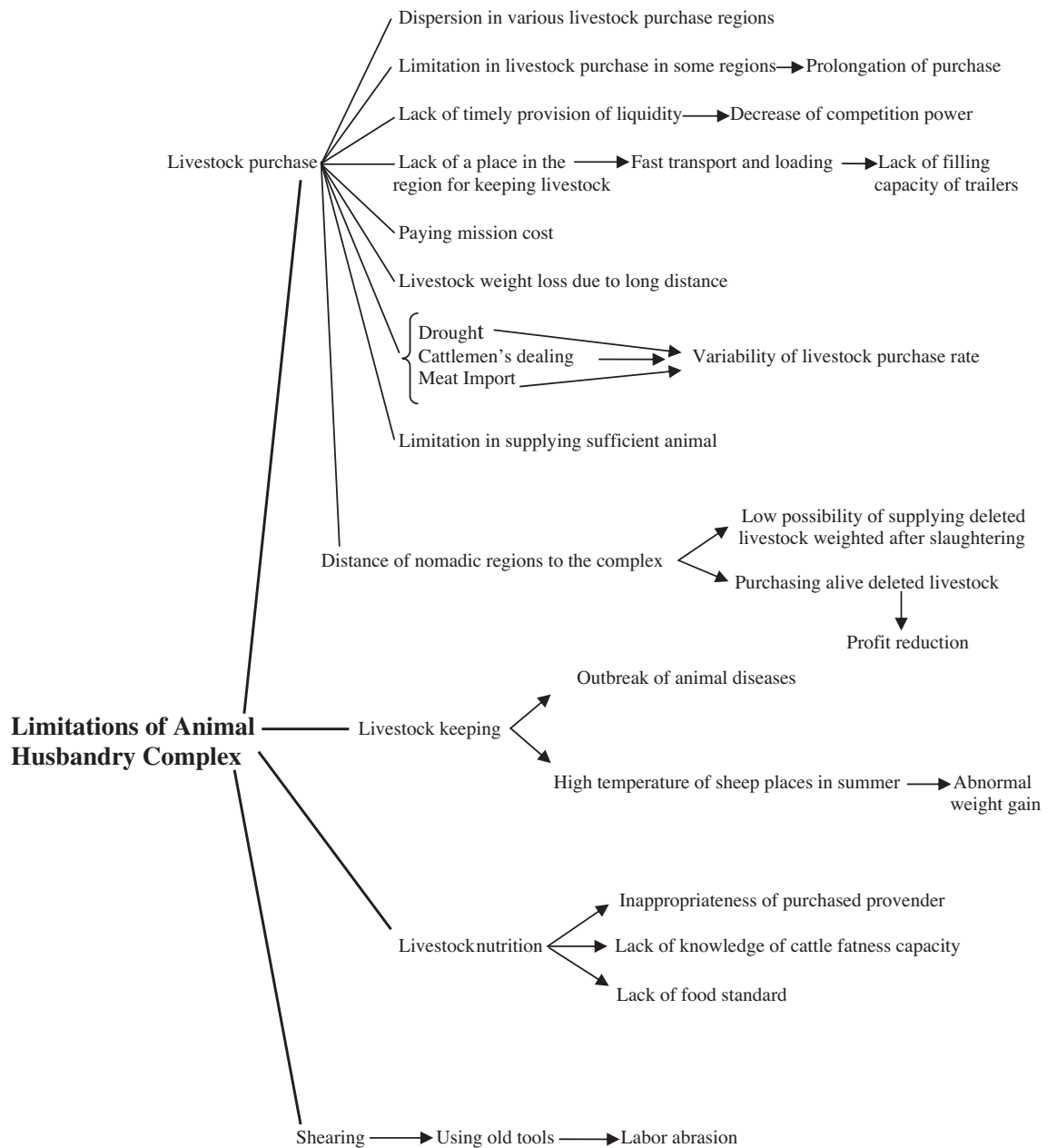


Figure 2 Limitations of animal husbandry complex in Fars Industrial Meat Complex.

performance. Thus, based on the interviews with the experts of this section, the reasons were clarified. Therefore, the “concepts” resulted from the descriptive information, were coded and classified, and aspects affecting the production of the cultivation section were presented in Table 2. The cultivation section performance has been affected by psychological and technological aspects, conservation and land development, managerial and communication aspects which led to the performance decline in this section. Factors such as lack of sense of dependence on farmland, feeling of having little impact, considering the complex profits irrelevant to their own profits, no sense of responsibility and a little consciousness, were the psychological aspects which affected the performance of this

section. The technological aspect has been affected by the factors such as inappropriate irrigation channels, non developed machinery, little use of breeder seeds, lack of advanced irrigation system and exhausted machinery, lack of soil testing, burning plant residue and lack of land reinforcement led to the failure of preservation and restoration of lands. Lack of plan for the improvement of soil texture, failure of the right of watering, lack of motivation, insufficient experience of experts, continuous shift of manager and poor management of the farm operations, were the elements of managerial aspect. Consultation and the communication aspect include limited communication with research centers and lack of communication with agricultural extension organization.

Table 5 Concepts of descriptive information regarding low performance of animal and poultry feed manufacturing.

Concepts	Memos
Vesting mill to poultry breeders	The unit vested the supply and distribution of provender to poultry breeders in a mill and mixer, and in this way it caused that poultry breeders' purchase from the complex to be decreased
Non-standard product	Due to selling non-standard poultry and animal food to a great number of poultry breeders and animal farmers, they were faced with loss of poultry and livestock
Purchaser's distrust to complex	For this reason, the poultry breeders and animal farmers' trust to the complex was decreased
Establishment of competitive units	In the neighboring cities and provinces, new livestock feed manufacturing was established (e.g., Marvdasht, Shahreza, Yasouj counties, etc.)
Being sold exclusively in cash	The complex sold its products in cash and there was no possibility of credit sales
Lack of employing incentive solutions	No proper solution for encouraging staff for the purpose of more production was employed (i.e., having a share in more production)
Improper packaging	Unit products were not packaged to be market-friendly
Limitation in attracting purchaser	Improper packaging caused many customers not to be attracted
Making no effort for marketing	No action was taken for marketing and finding new customers
Limited capital	Investment required for purchasing raw materials to be stored in air silos was low
Lack of capacitance to store raw materials	There was little capacitance for the storage of raw materials in air silos
Unable to make price reduction	The complex could not decrease the products price to attract more customers
Lack of expert	There was no expert in livestock food production

3.2. Activities, restrictions and animal husbandry problems

Along with the production chain, animal husbandry unit activities have been reviewed. Purchasing of the variety kinds of livestock for fattening was one of the most important operations which were conducted by the Fars Industrial Meat Complex. Therefore, the amount of livestock purchasing and its fattening during the various years, indicated the amount of fulfilled objectives of the animal husbandry complex of this agro-industry. Thus, accordingly the average amount of the large fattened animal (calf) has been estimated to be about 60% of the nominal capacity of the animal husbandry of this agro-industry between the years 1985 till 1993 and the average amount of the small fattened animal (sheep and goat) has been estimated to be about 42.5% of the nominal capacity between the years 1985 till 1993. Also with the changes that occurred in the amount of fattening capacity in the year 1993, the average amount of the large fattened animal is 23.3% of nominal capacity between the years 1993 and 2003. Also, the average of the small fattened animal is 12% of the nominal capacity during this period. Therefore, the amount of the fattened animal in this agro-industry had a significant difference to the amount of nominal capacity in animal fattening during this period.

Besides having limitations in supplying sufficient animal, due to lack of capital as its major problem, animal husbandry complex of this agro-industry had been faced with so many problems and limitations in the process of its activity. Based on the conducted interviews, the concepts of descriptive infor-

mation regarding the limitations of animal husbandry complex have been stated in [Table 4](#).

Concepts of descriptive information regarding limitations of animal husbandry complex are understood better with the help of hierarchical grouping ([Fig. 2](#)). Based on findings from [Table 4](#), and [Fig. 2](#), the limitations of animal husbandry complex were in livestock purchase, safe keeping, feeding and shearing. However, the findings indicate that there were more problems in the purchase of livestock. One of these cases was failure to supply timely liquidity which had been led to the decrease of competition power of Fars Industrial Meat Complex with other purchasers, so that in the time when the livestock was offered with reasonable price, the complex had not had the purchase power, and it had to purchase it later with higher price, which itself resulted in the decrease of profit. The distance of nomadic regions from Fars Industrial Meat Complex deprived this agro-industry from purchasing nomad's surplus animals. Also, drought, meat import, and cattlemen dealing were factors which caused oscillation and change in the rate of livestock purchase. Another factor which had faced livestock purchase in the Fars Industrial Meat Complex with challenge was dispersion in livestock purchase regions which led to mission cost payment as livestock purchase commission and livestock weight loss due to long distance.

3.3. Activities and problems of livestock feed manufacturing

The performance of livestock feed manufacturing of this agro-industry which was supplying livestock feed required by

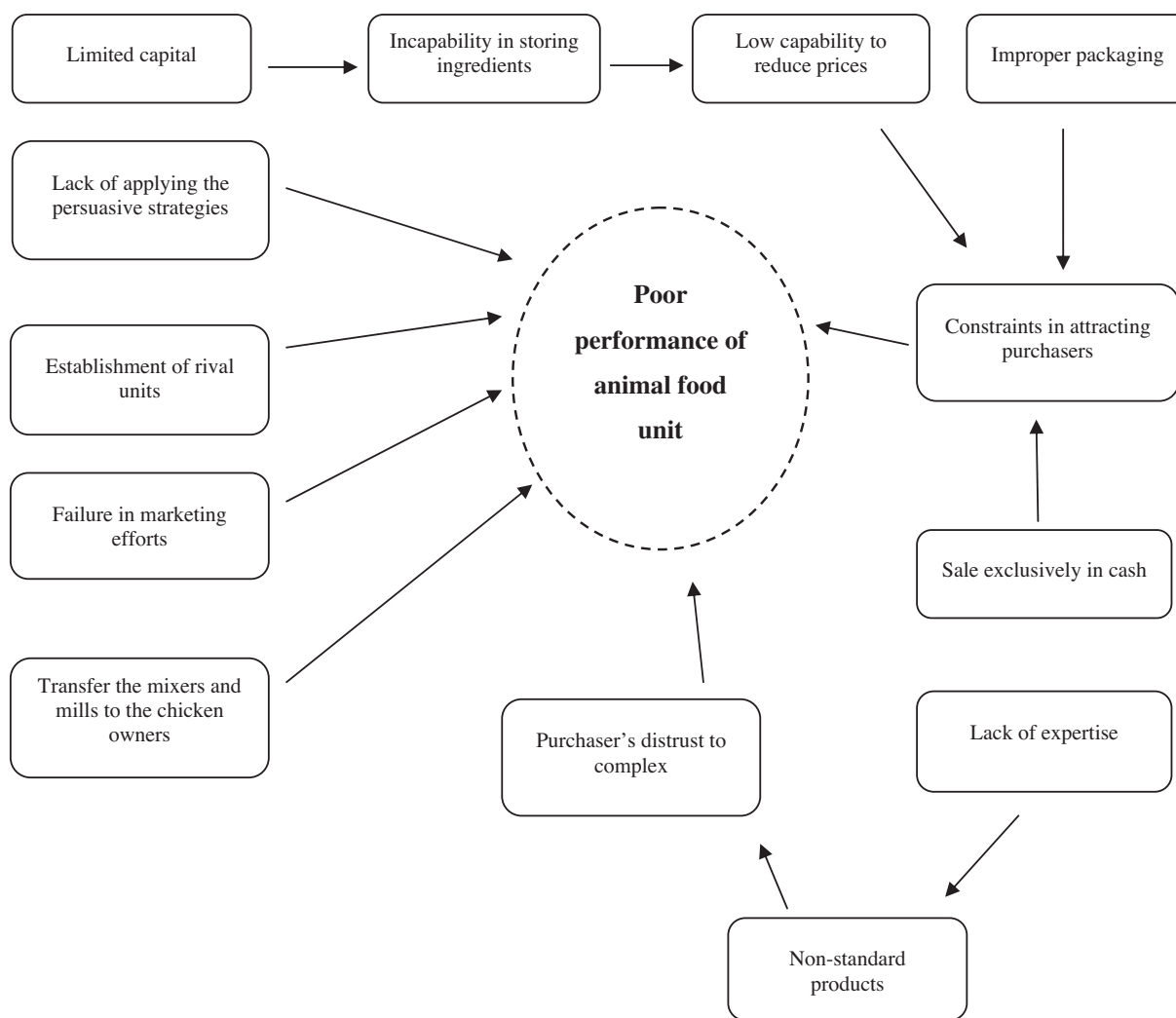


Figure 3 Factors affecting the poor performance of the animal food unit.

Table 6 Activities of slaughterhouse unit and food industries.

Authorized activities based on the statute	Implemented activities	Goal achievement
Establishing industries to transform and improve the ingredients to usable products	Establishing the equipment of industrial food production such as sausage, salami, hamburger and barbecued meat	Packaging of meat and visceral food from 1993 to 2007, average 45.3% of nominal capacity
Establishing slaughterhouse and equipments food packaging equipment	Establishing slaughterhouse: sheep slaughtering from 1976 to 1979 Sheep meat and visceral food packaging from 1977 and cow meat packaging from 1979	Food industries products: from 1983 to 2008, average 27.3% of nominal capacity

Table 7 Concepts resulted from the descriptive information on the problems of slaughterhouse unit and food industries.

Concepts	Memos
Lack of sufficient animal supply	Insufficient animal for slaughtering due to the low liquidity
Low animal husbandry	Insufficient fatten sheep in animal husbandry unit and restricted direct purchase of animals
Low production of food industries products	Low production of food industries and meat packaging due to the insufficient animal supply
Sale problems	Sale problems of the products
Lack of creativity in distribution	Routine distribution of products without considerable change
Advertisement restrictions	Restricted advertisement due to the affiliation of complex to the state
Low quality products	Low quality industrial products
Absence of market researchers	Incapability of business manager to appoint the market researchers to attract customers
Incapable business management	Low capability of complex authorities for marketing and attracting the customers
Lack of proficiency	Lack of proficiency of business manager in commercial affairs in most of the years
Insufficient experience	Appointment of inexperienced business managers by managing directors
Lack of modern machineries	Harmful negative effects of old machineries on food products
Absence of relation with scientific centers	Lack of consult with research and scientific centers to improve the quality of food products
Unskilled personnel in production line	Unskilled personnel in production line which have negative effect on food quality
Lack of education	Lack of educational courses to improve the production personnel skills
Negligence in controlling the production procedures	Lack of surveillance of production supervisor in production procedures
Lack of motivation in personnel	Lack of motivation for better implementation of affairs
Lack of attention of production line personnel	Lack of responsible performance by direct production line personnel
Low production in packaging	Low packaging of meat and visceral food due to the lack of sufficient animal supply
Limited capital	Insufficient financial resources to purchase modern machineries
Lack of investment	Lack of equipment improvement even in profitable years

animal husbandry and selling the surplus, was studied. The production rate in the last 17 years of livestock feed manufacturing of this agro-industry has been lower than the nominal capacity of manufacturing, in a way that the least production rate has been 4% of the nominal capacity, and the most has been 27% of the nominal capacity, and the average production rate during these years has been 11% of the nominal capacity (Table 3). In different management periods, this process has not had a remarkable change and shows a similar trend.

Poultry and livestock feed manufacturing of the Fars Industrial Meat Complex, like other manufacturing units has not had a good production performance. Concepts of descriptive information have been presented in Table 5. Accordingly, factors such as non-standard product, being sold exclusively in cash, limited capital, lack of expertise, and lack of capacitance to store raw materials were effective factors influencing low performance of livestock feed manufacturing.

For better understanding, the relationship of concepts of descriptive information and its influence on the livestock feed manufacturing operation has been presented in Fig. 3. As observed, low performance of animal and poultry feed manufac-

turing was influenced by different factors. Limited working capital of this agro-industry had decreased storage capacitance and the product price. Improper packaging and being sold exclusively in cash regarding the produced poultry and livestock feeding had led to the restriction in attracting the purchaser. Establishment of competitive units, failure to employ incentive solutions and making no effort for marketing were other factors which brought about the low performance of poultry and livestock feeding manufacturing.

3.4. Activities and problems of slaughterhouse unit and food industries

Having implemented the operation of animal slaughtering and its transformation into food products we come to the last stage of the production chain. In this part, activities done in this unit will be discussed. The final output of this agro industry includes different packaged meat, visceral food and various products of food industries. The amount of product, which is to be studied, defines the level of goals achievement of animal slaughterhouse unit and food industries. According to

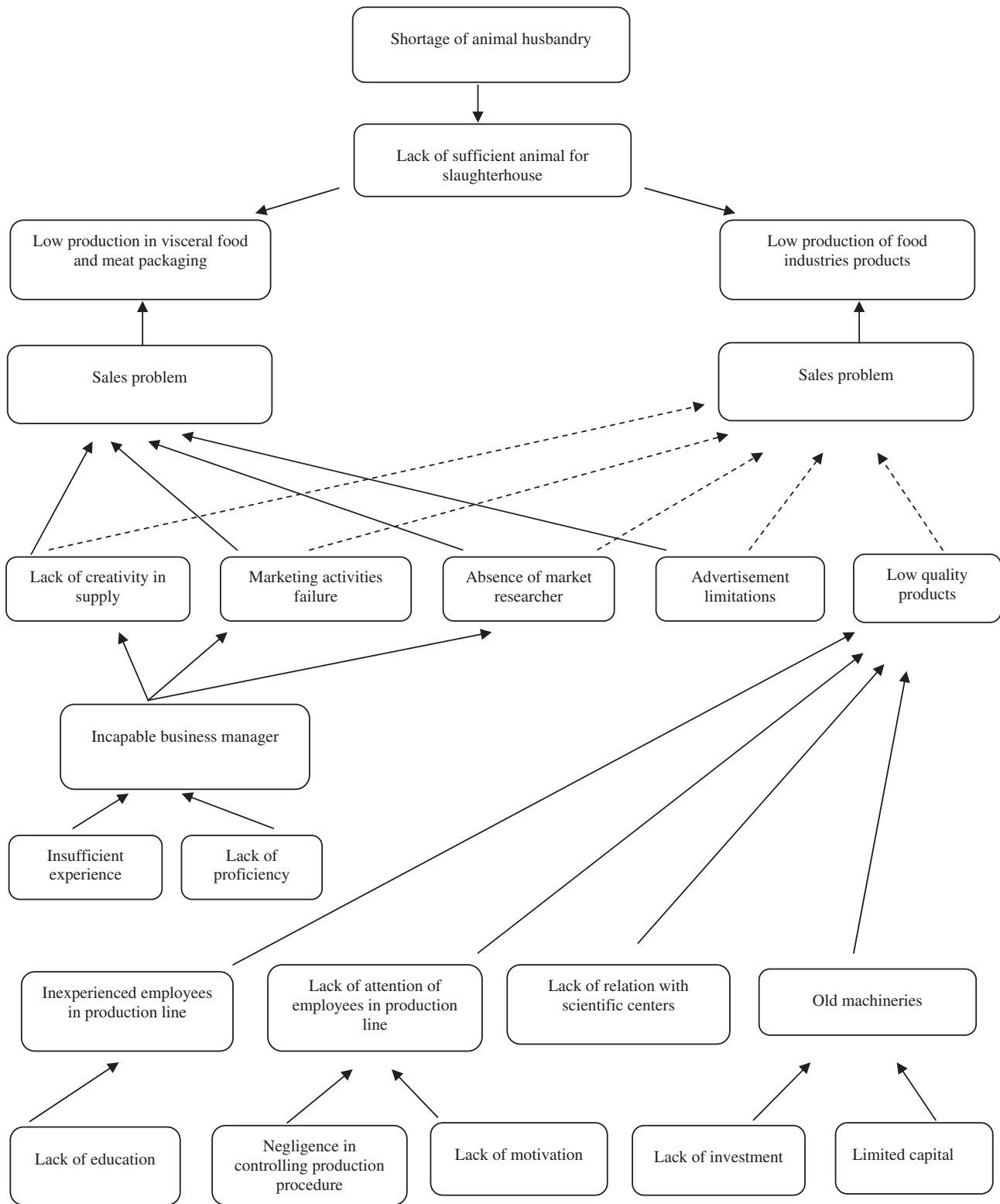


Figure 4 Factors affecting the problems appearing of slaughterhouse unit and food industries.

the Table 6, we come to the point that the level of final products of the agro industry in recent years is not in a desirable level, in a way that the average rate of meat packaging and visceral food is about 47.3% of the nominal capacity. In addition the average food product during the mentioned years is about

27.3% of the nominal capacity. The important point is that in a few years, despite the significant decrease in the personnel of this agro-industry, not only the level of production did not decline but it also increased in the constant status of technology. It shows surplus personnel in this agro-industry.

Table 8 Sentence description, coding and classification concepts resulting from descriptive information about managerial issues.

Coding and classification		Concepts	Memos	
Management of human resources	<i>Human resources development</i>	Assessment	Lack of production line assessment	Only the employees are assessed and the workers, as the major part of the organization, were ignored – (5)
			Prejudice in assessments	The assessments were mixed with prejudice – (4)
			Non-clarified assessment criterions	The employees did not know what exactly are their assessment criteria – (4)
		Education	Lack of attention to offer the expert's knowledge to the employees	The employees (expert especially) were not detached to the seminars and conferences – (4)
			Lack of education for major personnel	During the two years of educational programs, only the experts were the target employees – (3)
	Welfare Affairs	Lack of specialty educational courses	The educational programs were restricted to general courses (management, computer and english language) – (5)	
		Restricted educational programs	The educational courses for the improvement of employees' skill and knowledge were rarely held (for one or two years) – (7)	
		Offering limited services	Little attention was paid to the welfare and services affairs of employees and their families – (6)	
		Inappropriate investment	Due to the compulsion of the minister of the time, the complex was obliged to have an inappropriate investment in Orumiyeh County and because of the far distance, the employees did not welcome the project – (4)	
<i>Recruitment affairs</i>	Employees' inflation	Lack of supervision on the number of employees	If the board of managers had more serious consideration of employment affairs, the number of employees would not have decreased – (4)	
		Impose the employees from organizations	Many of the employees were compulsorily sent to the complex on behalf of the organizations – (2)	
		Uneconomical insight	At the beginning of the complex activities, due to ignoring the profit and loss, many people were recruited – (3)	
	Lack of discipline	Appointment based on private relations	Many of the people were employed based on the family relation – (8)	
		Deletion of employees admission	No public notice was made for the purpose of employing new staff – (8)	
Programming		Hesitation in decision making	The board of directors did not agree on decisions and sometimes conflicts were raised – (4)	
		Undetermined goals	In all the management years and periods the goals were not clear – (9)	
		Lack of constant policy	Since the board of directors constantly changed, the general policies naturally change – (2)	
		Lack of registered program	In all the years, the complex activities were implemented without prior registered programs (except one year which did not lead to the prospering) – (9)	
Organization	<i>Board of directors (by general assembly)</i>	Lack of familiarity with financial affairs	One of the weak points of the members of board of directors in all years was the lack of knowledge in financial affairs – (3)	
		Lack of meritocracy	The members of the board of directors had insufficient knowledge in farming issues (agronomy, animal husbandry and food industries) – (9)	
		Continuous changes in the board of directors	The members of the board of directors were always displaced (every 3 years almost) – (8)	
	<i>Middle managers (by managing directors)</i>	Irrational resignation of powers	Some of the young managers assigned much powers to the inexperienced employees – (2)	
		Seclusion of the Nobel people	The managing directors sometimes appointed specialist employees to the inappropriate position – (6)	

<p>Leadership</p>	<p>Lack of understanding the concept of leadership Non attention to motivation</p>	<p>Complex manager and middle managers did not have any understanding of the management system – (5) The members of the board of directors and middle managers did not consider motivation as an important factor – (7)</p>
<p>Control and supervision</p>	<p>Lack of relation between employees and authorities Lack of supervisors' activities Lack of constant supervision Absence of key features Irregular presence of authorities</p>	<p>Managing directors had no relation with the employees to persuade them to show better performance – (6) One of the basis of any complex was the presence of a supervisor, but it had no meaning in this complex and so there was the probability of any violation – (1) General assembly usually devoted time to investigate the complex affairs one at a time and only for a few hours – (7) In the meetings held by the general assembly, the related ministries were not present – (2) The members of the board of directors were alternatively out of the complex for a period of ten days – (5) Violations made by the middle managers were ignored by the managing directors – (4) Supervision of managing director on middle manager was limited to the verbal reminding and sometimes just visual supervision – (9) The manager did not persuade the middle managers to deliver monthly reports – (4)</p>
<p>Board of directors (by public assembly)</p>	<p>Lack of relation between employees and authorities Lack of supervisors' activities</p>	<p>Managing directors had no relation with the employees to persuade them to show better performance – (6) One of the basis of any complex was the presence of a supervisor, but it had no meaning in this complex and so there was the probability of any violation – (1) General assembly usually devoted time to investigate the complex affairs one at a time and only for a few hours – (7) In the meetings held by the general assembly, the related ministries were not present – (2) The members of the board of directors were alternatively out of the complex for a period of ten days – (5) Violations made by the middle managers were ignored by the managing directors – (4) Supervision of managing director on middle manager was limited to the verbal reminding and sometimes just visual supervision – (9) The manager did not persuade the middle managers to deliver monthly reports – (4)</p>
<p>Inter managers (managing director)</p>	<p>Ignoring the violations Surface supervision</p>	<p>Managing directors had no relation with the employees to persuade them to show better performance – (6) One of the basis of any complex was the presence of a supervisor, but it had no meaning in this complex and so there was the probability of any violation – (1) General assembly usually devoted time to investigate the complex affairs one at a time and only for a few hours – (7) In the meetings held by the general assembly, the related ministries were not present – (2) The members of the board of directors were alternatively out of the complex for a period of ten days – (5) Violations made by the middle managers were ignored by the managing directors – (4) Supervision of managing director on middle manager was limited to the verbal reminding and sometimes just visual supervision – (9) The manager did not persuade the middle managers to deliver monthly reports – (4)</p>
<p>Lack of obligation to the present work report</p>	<p>Lack of obligation to the present work report</p>	<p>Managing directors had no relation with the employees to persuade them to show better performance – (6) One of the basis of any complex was the presence of a supervisor, but it had no meaning in this complex and so there was the probability of any violation – (1) General assembly usually devoted time to investigate the complex affairs one at a time and only for a few hours – (7) In the meetings held by the general assembly, the related ministries were not present – (2) The members of the board of directors were alternatively out of the complex for a period of ten days – (5) Violations made by the middle managers were ignored by the managing directors – (4) Supervision of managing director on middle manager was limited to the verbal reminding and sometimes just visual supervision – (9) The manager did not persuade the middle managers to deliver monthly reports – (4)</p>

Numbers in parenthesis indicates number of repetitions in each concept.

The activities and problems of slaughterhouse and food industries, as the main part of this agro industry, are presented based on the concepts resulting from the descriptive information in Table 7. Among the problems of the unit we can point to: lack of sufficient animal supply, low production of food products, lack of creativity in supply products, low quality of products, absence of relation with scientific centers, lack of motivation in personnel, negligence in controlling the production stages and the presence of unskilled personnel in production procedures.

Fig. 4 shows the quality of relations and effects of the aforementioned concepts with each other and with the problems. According to this chart, low animal husbandry in this agro industry did not provide sufficient animals for slaughtering in this unit. So, the unit was faced with the issue of low production in meat and visceral foods packaging and insufficient supply of food industries product. On the other hand, the problems in selling the products had negatively affected the low production in the slaughterhouse and food unit. The problems of selling packaged meat and visceral foods were under the influence of various factors such as lack of creativity in product supply, incapability in marketing, absence of skilled market researcher and advertisement limitations. In addition to the mentioned problems, the low quality of industrial food products was the reason which raises the problems of selling them. It is evident that the lack of creativity in products supply, incapability in marketing and absence of skilled market researcher were under the influence of other factors. Also, low quality of industrial food products was affected by different factors such as old machineries, lack of relation with research and scientific centers, lack of attention of production line personnel, and unskilled production personnel and each of these factors were individually under the effect of other factors.

3.5. Reviewing the balance sheet of fars industrial meat complex

One of the most important factors determining the maintenance of a production complex is the status of its balance sheet. Fars Industrial Meat Complex, as a massive production unit, was not an exception. Reviewing the balance sheet of this agro industry clarifies the point of how much the financial status of this agro industry has been effective in its dissolution. Statistics and archive documents showed that during 1990–2008 the complex has suffered great loss. Even in few years with profitability (1993, 1995 and 1996) based on the expert's point of view, the profit has not been real. The noteworthy point is that the changes made in the center of management system of this agro industry have not been rationally applied. For example, the agro industry has been profitable during 1990–1992 which is coincident with the sixth management period. Despite the significant success of the management system in its sixth period, it underwent management changes, while it could continue with the same old structure; even the management evolutions made in the following years could not positively affect the situation of the complex.

3.6. Reviewing the managerial issues of fars industrial meat complex

Recognizing the managerial issues of Fars Industrial Meat Complex was one of the goals which were to be studied in this

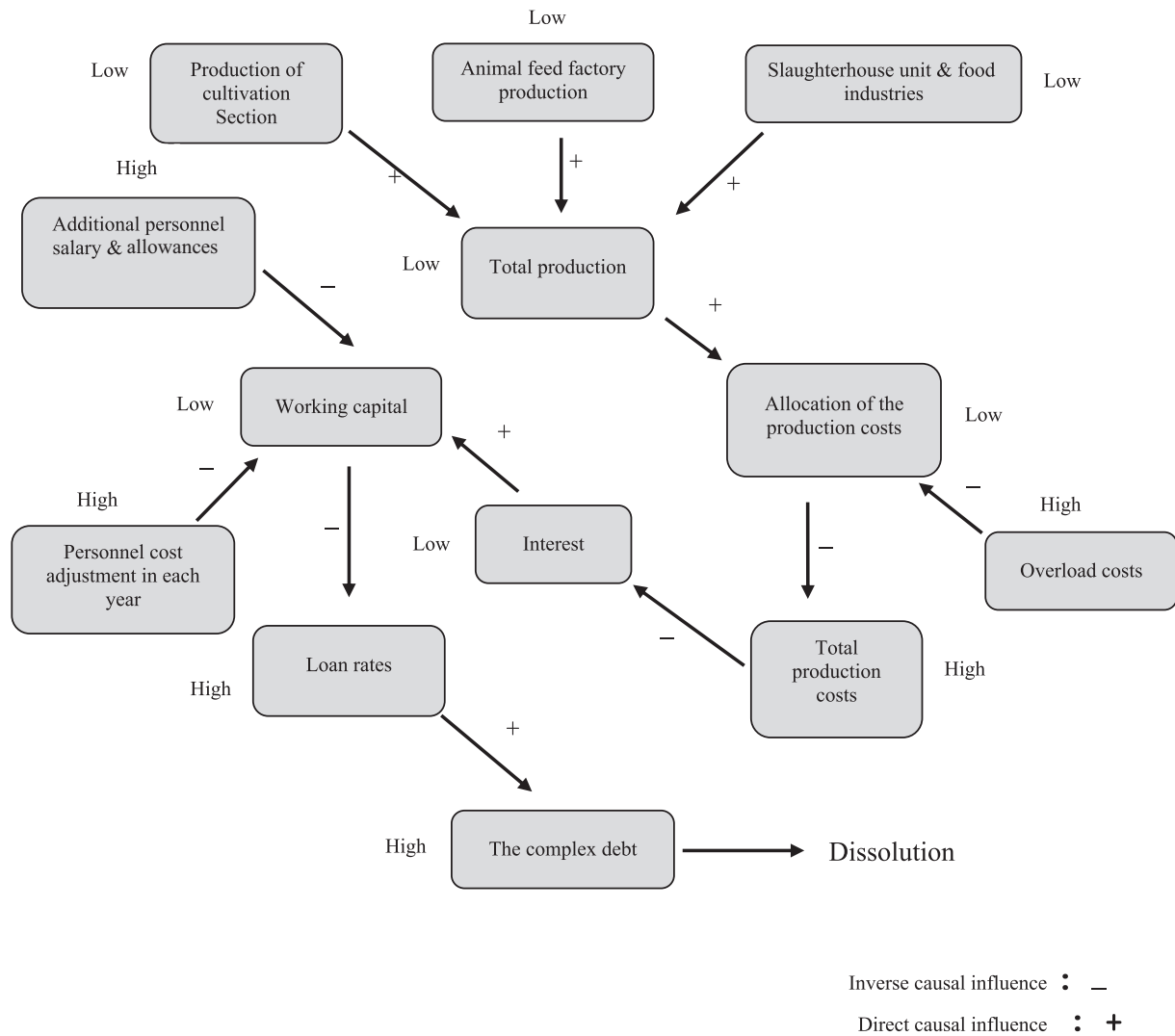


Figure 5 Factors affecting the Fars Industrial Meat Complex dissolution.

research. According to the interviews, the concepts obtained from the managerial issues are explained in Table 8. In order to reach a better understanding of the concepts resulting from the descriptive information; these concepts have been coded and classified (Table 8).

4. Conclusions

Based on the archive documents, the production level in the units of Fars Industrial Meat Complex was not at a desirable level. In other words, the total production in this agro industry is not at a desirable level. Based on the findings of interviews, poor management system was ruling in all aspects of human resources, management (human resources development and recruitment affairs), and programming, organizing and supervising in the Fars Industrial Meat Complex. Also the findings showed that poor performance in the farming unit was affected by the technological and psychological aspects, conservation and development of lands, management, relations and consultation. In the animal industry of the complex, besides the low

animal husbandry due to the insufficient liquidity as the main problem, other restrictions in the area of animal purchase, animal maintenance, feeding and wool cutting had been raised which affected the production and profitability of this unit.

Factors such as limitations in attracting the purchaser, distrust of the purchaser, establishment of rival units, failure in marketing affairs, assignment of mill and mixer to the chicken owners and not applying persuasive strategies led to the poor performance of the unit manufacturing animal and poultry food. Low performance of the slaughterhouse unit and food industries on one hand due to the insufficient animal supply and problems in selling the products on the other hand was making the situation worse. The surplus expenses such as number of services and support units, large expenses of civil services in the township of the complex, increasing expenses of maintaining light and heavy vehicles, agricultural and industrial instruments and exhausted machineries, etc. led to the situation that prorating the cost of production was at a low level and so we will have an increment in the production cost. The production cost increment causes the decrease of profit in the agro industry and it provided the ground for the loss of Fars Industrial Meat Complex in

most of the years. Low profit in many of the years, high expenses of salaries and benefits of surplus personnel and also the high expenses of personnel adjustment every year were among the most important reasons which continually decreased the working capital of this agro industry. Of course, we should not ignore the effects of nonpayment of the 50% of the initial capital to Fars Industrial Meat Complex in the shortage of working capital of the agro industry. The insufficient working capital forced the Fars Industrial Meat Complex (especially last ten years) to use large amounts of loan from financial institutions during these final years of activity. These loans increased the liabilities of the agro industry which was followed by the dissolution of this valuable industry. This process is shown in the network diagram in Fig. 5.

Of course the purpose of the government for privatization of state departments was the decision which accelerated the dissolution of the Fars Industrial Meat Complex. Despite its great loss during the last years, however the government made decisions on the continuation of the complex activities. We should consider the fact that since the government supported the agro industry, Fars Industrial Meat Complex was determined to supply products and services which could balance the market especially in Shiraz and Marvdasht counties and the public could take the advantage of meat products with appropriate prices. So, Fars Industrial Meat Complex was not just a production unit with the purpose of gaining profit, but it was a unit offering services. However the mentioned problems and limitations had definitely important effects on the dissolution of this agro industry.

Methodologically, case study research is inherently qualitative because it is bounded to understanding a specific case rather than seeking generalization beyond that case (Dupagne and Garrison, 2006). Although this research is a qualitative research, the results of which could not be generalized, the authors believe that the present research has presented a complete and clear image of a unique sample of the agro-industry complex. Under the shadow of such deep and qualitative information, and with thorough attention to the target, complexes like this could be assessed and analyzed. On the other hand, this research provides a basis and foundation for extensive quantitative research and in the clarification achieved based on the results of this research, through generalization, we shall be able to study and analyze agro-industry complexes.

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