

# Corporate Social Responsibility in Sustainable Agribusiness

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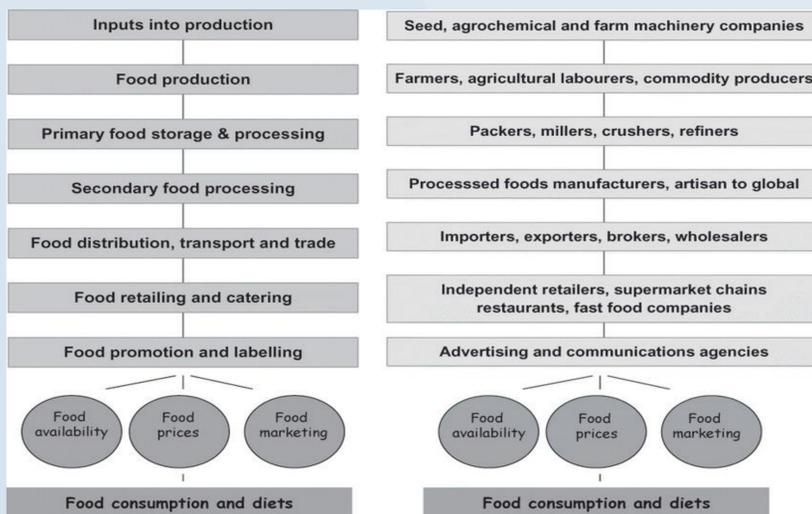
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## Abstract

The future of work is pointed towards the notion of circular economy where Kramer and Porter (2016) suggest linking sustainable public procurement and sustainable business models. Many businesses, however, are still in the process of learning and embracing sustainability. Typical sustainability literature suggests four models of sustainability: economic, philanthropic, social web, and integrative which involve different commitment levels to sustainability.

This is a teaching case written based on researching secondary data of a major agribusiness industry giant. It illustrates the challenges, processes, and strategies that executives may encounter and deploy to steer their organizations towards the integrative model of sustainability, involving all constituents to enhance the organizations' position in contributing beyond self-existence, but a global and circular community. Implications on different models of sustainability are discussed.

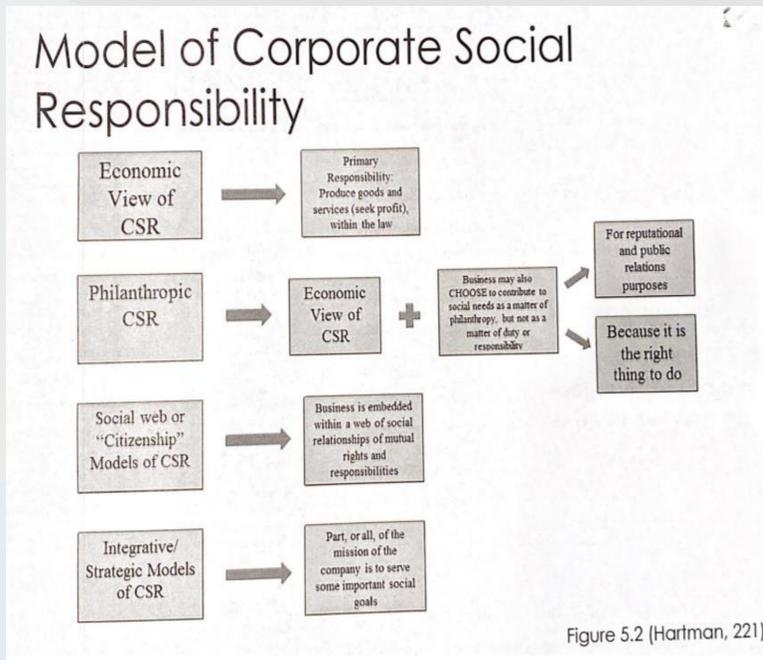
## Agri-Business Value Chain



This case is designed to be taught in a 75-minute class. Below is the suggested run-down.

15 Minutes	<p><b>Introduction</b></p> <p>Discuss students' experience with the agriculture industry i.e. friends and family employed in agriculture. Discuss key processes of the industry to develop understanding of the agribusiness value chain.</p>
10 Minutes	<p>Review ADM's company history and discuss the massive impact of the price fixing scandal on the company. Examine Company History figure.</p>
20 Minutes	<p>Discuss the definition and models of corporate social responsibility, highlighting the differences in company objective for each.</p>
5 Minutes	<p>Review current dilemma as a class.</p>
10 Minutes	<p>Break students into groups to discuss the current dilemma and which CSR model ADM should pursue. Each group should present their recommendation to the class.</p>
15 Minutes	<p>Discuss the long-term implications of ethical failures. Can companies 'undo' the effects of their poor behavior on society? Provide examples of circumstances in which pollution and other environmental factors have led to irreversible health defects on the local population. Consider the cost of both being ethically and environmentally conscious. Is it better to be proactive and invest in company programs to avoid scandal, or to be reactive and pay to clean up the company's mess? Discuss as a group.</p>

## Theoretical Framework



## Dilemma

- ADM has been presented with an opportunity to establish a new processing facility in a rural Ohio town.
- High revenue potential due to lowered production cost and simplified distribution processes.
- Board members have very different perspectives on the best direction forward.
- The CEO is faced with a major paradigm shift to convince the executive board members to be a seriously responsible corporate citizen.
- Goal: be a leader in advocating CSR while stockholder interest is upheld.

## Learning Objectives

1. Understand the functionality of social responsibility in business.

### Discussion questions:

- What role does social responsibility play in a successful business?
- Is it required for all business or only for some?
- What ethical framework should ADM pursue (Consider that ADM primarily sells B2B, rather than B2C; Consider how ethical responsibility affects ADM's inputs)?

2. Understand the long-term impact of businesses' ethical behavior on society.

### Discussion Questions:

- Impact on the environment: Can the good deeds/socially conscious initiatives ADM has executed cancel out their unethical instances, such as price fixing?
- Consumer perception: Can the reputation of ADM be restored after pollution of the environment?
- Describe the different models of Corporate Social Responsibility and discern the characteristics of each.

## Company Key Milestone

