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REQUIREMENTS FOR CONTRIBUTIONS

Articles in the field of agricultural economics, suitable for publication in the journal, will be welcomed.

Articles should have a maximum length of 10 folio pages (including tables, graphs, etc.) typed in double spacing. Contributions, in the language preferred by the writer, should be submitted in triplicate to the Editor, c/o Department of Agricultural Economics and Marketing, Pretoria, and should reach him at least one month prior to date of publication.

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OVERALL EVALUATION

by

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The question that involuntarily arises in a paper of this nature is why the agricultural economists should specifically devote a whole congress on the series of reports of the Commission of Enquiry into Agriculture. Here we have a series of reports that justifiably can be regarded as of the most comprehensive that has ever been released on South African agriculture. Because these reports contain deeply rooted policy implications, it is necessary for the agricultural economist to take note thereof and especially the recommendations regarding the overcoming of bottle-necks, the implementability of these recommendations and to what extent these bottle-necks can be overcome. It is for this reason that the different facets were analysed during the course of this congress.

Strikingly apparent from these reports is that decades old bottle-necks have been identified, which, despite comprehensive policy measures, are still with us today. This generates the question of why some of these measures were unsuccessful, why the required progress was not achieved and to what extent the present recommendations from these reports could bring about the necessary improvements. One might well speculate whether the nature of the theme of this congress during the past few days is not something that should be repeated more often and is something which should have received more attention in the past. In the papers the continued evaluation of measures is strongly advocated, and this we want to support wholeheartedly. Where in the past this evaluation was perhaps not done on a purposeful basis, we now recommend that policy evaluation be accepted for the future as a self-evident priority task by all institutions concerned. In policy formulation it is thus necessary that, apart from the goals which should be spelled out distinctly, attention should also be given to implementability as well as the measurability for purposes of evaluation. Already speakers have questioned the implementability of some of the recommendations and the word "cumbersome" has also been mentioned.

An important aspect with regard to certain recommendations, and thus policy formulation culminat-

ing from the papers, is co-ordination. Many of the recommended measures, for instance those regarding financing, involve institutions outside agriculture. Is it not necessary that these institutions should deliberately be drawn in so that they can take note of the goals of certain measures? Rightly one of the papers advocates a high level advisory board with a diversified composition. But it is also necessary that this flow of knowledge be brought to the lower levels in a co-ordinated manner. It is felt that the extension officer and also the agricultural economist should broaden their spheres of contact so as to include those persons and institutions in local communities which are generally considered to be outside agriculture as such, but in their activities are factually intimately concerned with the implementation of agricultural policy. At meetings such as farmers' days and where policy measures are explained, apart from the attendance of farmers, it is also necessary for representatives of those institutions serving agriculture, such as the manager of the co-operative, the bank manager, members of the chamber of commerce, etc., to be present. In this manner much can be done to achieve uniformity in policy implementation.

From the reports of the Commission and also from the speakers, the matter of conflict between certain measures in the past comes to the fore. Although this aspect is brought to light, it was however not sufficiently evaluated. With the completion of this comprehensive task and with the resulting reflection on supplementary measures, the deleting of existing ones and the retaining of others, an overall evaluation with the aim to prevent possible conflict in the future is now necessary.

The first and most important task of the proposed advisory board, or whatever comes in the place thereof, is the continuous consideration of the fundamental underlying goals, and accruing therefrom priorities as well as the norms underlying policy measures. Attention is focussed on the fact that the Minister of Agriculture has already given a ruling on most of the recommendations and steps have already been taken for the implementation of some of them. The

speedy reaction of the Minister on these reports can indeed be regarded as a very hopeful sign. On the other hand, some matters have been singled out for further investigation as for instance rural reform and the Marketing Act. Many of the recommendations were referred to specific departments for further investigation. At present the frame of reference of these recommendations for further investigation is spread over a wide spectrum of state departments like the Departments of Agricultural Technical Services, Agricultural Credit and Land Tenure, Agricultural Economics and Marketing, Water Affairs, Indian and Coloured Affairs as well as the Minister of Finance. Where all the findings and measures accruing from the above basically deal with the central idea of a sound agricultural policy, the question may rightly be posed as to whether all these different aspects will be fed back to one central point. Decisions on all these different facets on a co-ordinated and continued basis in order to unravel the economical, social and political implications for agriculture within the national framework, should be made at such a point. Or is the idea that each department is to come to agreement about its own measures independent of the other departments?

With these reports and the measures which have already followed, the opportunity has now been created for active contemplation about the future. The rate of population increase in the developed Western countries is decreasing and for some even a negative rate is expected. The rate of growth of the White South African population is also decreasing but this is not the case with the Non-White portion of the population, resulting in the fact that the total population is still showing a strong increase. From these population tendencies it can be concluded that the demand for agricultural products will increase. Apart from this, the real income of all population groups has risen, and in recent times that of the Non-Whites at a reasonably sharp rate. If this is coupled to the fact that we are here faced with a relatively high income elasticity of demand, even though perhaps only temporarily, the implications on demand shifts should be apparent. On the supply side the situation is somewhat different. High potential agricultural land, in other words land with a relatively high coefficient of elasticity of production that will show a good positive reaction on inputs, constitutes only 4 per cent of the total agricultural land area in South Africa. Furthermore, it is estimated that only 15 per cent of the total agricultural land will ultimately be under cultivation. South Africa thus finds herself in the unenviable position that 96 per cent of all agricultural land show a relatively poor reaction to inputs, and of the agricultural land the largest portion is natural grazing. Furthermore, taking into consideration that the land in general is in a badly depleted condition, it should be clear that the abilities of the agricultural planners and policy-makers will be heavily taxed. For the future, planning will most likely have to be based on different situations than the present ones, namely a

shift from situations where surpluses occurred in the case of important agricultural products to situations where domestic shortages could arise. The release of the reports of the Commission of Inquiry into Agriculture must be seen as a timely one, and, as was evident from the discussions during this conference, the correct and co-ordinated use of the information and recommendations can be regarded as a prerequisite that will determine whether the challenges of the future can be accepted with reassurance.

Fact is, that in this age of rapid developments, rapid adjustments at various levels are also required. This multi-level situation requires a multi-dimensional approach. Within the broader national framework these different dimensions of agricultural development should receive simultaneous attention, but also on a priority basis with cognisance of the cost of these priorities to the country. These aspects are quite evident from the reports, but at the same time indicate that the agricultural problem is indeed heavily based on structural changes. In a fitting manner Desai summarises the latter as follows:¹ "As agriculture advances, the inter-sectoral input-output flow grows larger. The most modern agriculture is a 'hybrid' agriculture which is a joint venture of agriculture and industry."

The agri-production sub-system (APS) deals with resource use, production, and disposal of farm produce at the farm level. The development of the agricultural supply sub-system (ASS), which supplies all non-farm inputs to the APS, is important for the development of the agricultural infrastructure. The agri-credit sub-system (ACS) makes it possible for APS to purchase inputs from ASS. The agri-extension sub-system (AES) disseminates knowledge to the APS about the use of inputs, which it acquires from agri-research (ARS) and agri-education sub-systems (AEEdS). The AEEdS creates researchers for ARS; executives for agri-supply (ASS), agri-processing (APS) and agri-distribution (ADS) sub-systems, and extension workers for AES. The AEEdS also imparts knowledge directly to farmers. The ARS is the real innovator and feeds extension, education, processing, and distribution sub-systems."

In collaboration with the above Simantov,² Director of Agriculture of the OECD, states as follows:

- 1) Desai, D.K. Planning a progressive agricultural infrastructure. Fifteenth International Congress of Agricultural Economists, São Paulo, 1973.
- 2) Simantov, A. Economic, social and political priorities in agricultural policy formulation in industrialised countries. Fifteenth International Congress of Agricultural Economists, São Paulo, 1973.

"It would seem therefore that the policy for the 1980's should have a broader base than at present and this broadening should follow two directions: on the one hand insert agriculture in a policy for the entire agribusiness complex and on the other hand insert agriculture in a policy for resource development and conservation."

"... The policy for the 1980's should aim, with even greater vigour than at present, at reducing the differences between agriculture and the rest of the economy."

We as agricultural economists are expected to broaden our vision with respect to agricultural deve-

lopment in South Africa. As seen against the background of the deepening into the so many divisions of our subject, the tendency often arises to lose the broader more balanced approach. On the other hand, if we fail to develop such a viewpoint, fragmentation with resulting *ad hoc* approaches necessarily follow. Would it not perhaps be appropriate that at least some of our corps should return to the basic definition of economics and here we quote most likely the shortest and most unorthodox one of all:

"Economics is applied history." (Edith Whet-
ham).