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## Marketing: Public and Private Style

**Agricultural Marketing Enterprises for the Developing World** By John C Abbott (ed), Cambridge, England Cambridge University Press, Aug 1987, 217 pp, \$44 50

### Reviewed by Leo V. Mayer

The importance of marketing in the food chain has long been an issue in agricultural economics. Not, however, in the mind of John Abbott. In his view, marketing is an active, not a passive, activity that can stimulate additional agricultural output, raise farm income, provide services consumers want, earn foreign exchange through exports, and contribute to overall development. The 26 case studies in this fascinating book show how marketing accomplishes all these activities. The studies range from the experiences of the Botswana Meat Commission to the Zimbabwe Cotton Marketing Board.

Although Abbott focuses on developing countries, economists in developed countries will find the book useful, too, especially in the United States, where the marketing of farm products has, until recently, been the forgotten "limiting factor" in agricultural profitability. Abbott shows that we have much to learn about marketing techniques, and much can be done to improve farm profits by dissecting and applying marketing principles. Such analysis is especially important for countries with a significant reliance on exports.

Abbott believes that governments often discourage producers from attending to the marketing end of the food chain. Governments intervene in the market chain to stabilize prices, but the next step is frequently to nationalize marketing enterprises or to set up state enterprises to carry out marketing activities. The result is nearly always the same, whether in the United States or elsewhere: a government takes over the marketing function to the detriment of farmers and consumers. US readers have only to recall the paucity of domestic cheese varieties until recently to see the stultifying

effects of government intervention on private initiative. In turn consumers demand imports to get variety, imports replace domestic supplies, and surpluses appear as markets are protected from the lower prices that would result from foreign competition.

Many of the various authors' recommendations for expanding the role of marketing in developing countries also apply to advanced economies. For example, Abbott credits E W Cundiff with a set of useful steps that improve the marketing process:

- 1 Change the negative attitudes of producers toward marketing,
- 2 Develop marketing curricula in educational institutions,
- 3 Promote specialized practical training for marketing managers,
- 4 Invest in marketing infrastructure, and
- 5 Maintain freedom of entry together with measures to restrict collusion.

The widespread applicability of these steps is obvious, but achieving them is no easy matter.

Other case studies show the initiative of individuals when allowed to carry out marketing activities without government interference. The role of government marketing boards in improving the market process is also described, although private enterprise would appear to demonstrate more success. The advantages cited for private enterprise include personal initiative, ability to make quick decisions, independence of spirit, and persistence.

The book offers a wealth of examples to readers interested in reviewing alternative marketing systems. It illustrates how local marketing conditions can be decisive in determining the most appropriate enterprise. This same message has arisen out of the recent burst of interest in small farmer marketing enterprises in the northeastern United States. Success stories in Massachusetts and neighboring States illustrate the opportunities available when marketing specialists look for new

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initiatives and opportunities Leadership for these State activities seems to have come more from State governments than from academic sources

The most important contribution the book can make to improving farm profitability may be its emphasis on practical experience rather than theory Alerting marketing specialists to various marketing opportunities

and techniques may lead them to rethink the appropriateness of current marketing curricula Assigning first- or second-year students to read the 26 case studies would introduce them to the variety of ways to market farm and food products In the process, we could perhaps begin to shift more of the responsibility for marketing from governments to individuals Both government and individual farmers would be better off

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### End of the P's and Q's

*Quesnay* The concept of net product characterizes Quesnay's entire economic analysis and not just the *Tableau* For instance in the 1957 article *Grains* he analyses the distribution of surplus between social classes, the Physiocratic theory of taxation is also built on the distinction between surplus and means of production The notion of net product was the main analytical tool used by Quesnay to examine all the other important economic features in society The idea of a single tax on rent is closely related to the determination of surplus Rent is landlords' revenue, the landlords receiving the highest share of the net product of cultivation

Agriculture is the only productive sector, and taxation of surplus is the only way of avoiding damage to future production The stock of productive capital must not be reduced by taxes, otherwise it would be impossible to maintain the same level of activity as the previous year Hence rent is the only taxable magnitude.

G Vaggi  
*The New Palgrave, Vol IV, p 27*

(See review on p 34)

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