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Agricultural Economics in Great Britain

By Sherman E. Johnson

Carrying out an assignment under the Technical Assistance Program of the Economic Cooperation Administration, Dr. Johnson recently made a survey of agricultural economics research and advisory work in Great Britain. He recognizes that he has seen British agricultural economics with American eyes and that his observations are influenced by his own background and experience in the United States.

INTEREST in economic problems of British agriculture has a long history. The classical economists writing during the Napoleonic era were much concerned with agriculture. They directed their interest toward the technical and economic limitations on increasing the food supply in a period when the population of Britain was largely dependent on home-produced food. Nearly a century later (1896), when British farmers had experienced the full impact of overseas competition, a lectureship in agricultural history and economics was established at the University of Cambridge. That position was filled by visiting lecturers until 1910 when arrangements were made for a permanent lectureship.¹

Teaching of agricultural economics was not undertaken at most universities until after World War I. It developed rather slowly and does not occupy a prominent place in the agricultural curriculum of most universities even now. Professor A. W. Ashby, appointed to a professorship in agricultural economics at University College, Aberystwyth, Wales, in 1927, developed courses leading to the honors degree in agricultural economics. More recently agricultural economics courses have received emphasis at the universities of Cambridge, Reading, and Leeds. At Oxford University, early attention centered on training of graduate students through participation in research projects, although some lectures were given at the School of Agriculture. Courses are now available at Oxford for both undergraduate and graduate training.

Early Research

Research in the subject had its beginning in the organization of the Agricultural Economics Re-

¹ The outline of early development is based largely on AGRICULTURAL ECONOMICS, 1913-38, the 25th Annual Report of the AGRICULTURAL ECONOMICS RESEARCH INSTITUTE, by C. S. ORWIN.

search Institute at Oxford University in 1913. But the work barely got under way before World War I broke up the organization and a complete reconstitution of the Institute was undertaken in 1919. Dr. C. S. Orwin, the first director, continued in that capacity until his retirement at the end of World War II. As a lecturer in estate management at Southeastern Agricultural College and agent for the Turnor Estates in Lincolnshire, he had been interested in applications of cost accounting to the problems of farm management. Much of the early work of the Institute was devoted to development of agricultural costing. In the later interwar years research was begun on prices and marketing, land reclamation and land tenure, farm labor and other social problems, agricultural policy, and agricultural history.

Research in agricultural economics at other universities was begun largely through establishment of advisory work (extension education) in agricultural economics on a provincial basis. Agricultural advisory specialists were attached to a university or agricultural college located within a particular province, and agricultural economists were appointed to serve as advisers at each provincial university center in the years 1923 to 1926.

The advisory economists found themselves without a background of research on which to build an advisory or educational program. Consequently, they engaged in research studies designed to provide a body of economic information that could be used for advisory work. Some provincial economists turned their attention to cost accounting; others conducted general farm surveys.

Research at the provincial university centers gradually broadened. Many other types of projects were undertaken. Little was done in the field of marketing and prices, however; such studies were carried on directly by the Ministry of Agriculture and Fisheries.

One can summarize the beginning of agricultural economics in Great Britain as an applied science field by saying that although it had early roots in general economics and even in some teaching of agricultural economics, the work got its real start in the years immediately following World War I. At the beginning of World War II a broader view of the field was emerging. But the long war not only prevented further development, it narrowed activities to those immediately useful in the war effort.

Administrative Organization

Financial support of research and advisory work in agricultural economics originates chiefly in the Ministry of Agriculture and Fisheries for England and Wales and the Department of Agriculture for Scotland. These national agencies carry on some research directly, but most of the research is carried out by cooperating universities under a program of grants-in-aid. The Ministry has cooperative agreements under which funds are granted to 9 universities which divide England and Wales into 10 provinces with provincial centers:

1. Department of Agriculture, University of Durham, Kings College, Newcastle-upon-Tyne.
2. Department of Agriculture, The University, Leeds.
3. University of Manchester at Manchester.
4. University of Nottingham, School of Agriculture, at Bonington, Loughborough.
5. University College of Wales at Aberystwyth.
6. University of Bristol, with one center at Bristol and another at Newton Abbott.
7. University of Reading at Reading.
8. University of Cambridge at Cambridge.
9. Wye College, University of London, at Wye.

The Department of Agriculture for Scotland has similar agreements with the North of Scotland College of Agriculture at Aberdeen, the West of Scotland Agricultural College at Glasgow, and the East of Scotland College of Agriculture at Edinburgh. They cover the counties of Scotland.

The agricultural economics staff at each center usually consists of a provincial agricultural

economist in charge of the work, a senior agricultural economist as his immediate assistant, 1 or 2 agricultural economists, and 5 to 7 assistant economists. This group is attached to the university. Frequently the senior members do university teaching in addition to research.

In Scotland, the provincial agricultural economists also have responsibility for advisory work (extension). But in England and Wales the National Advisory Service was organized in 1946 as an agency of the Ministry of Agriculture without formal connection with the provincial universities. The agricultural economists were not included in the National Advisory Service because it was believed that they could obtain and analyze economic information more effectively if they remained a part of the university staff. This decision seemed to recognize that the advisory economists had become research workers. Present arrangements do not provide an open channel for the flow of the results of economic research to farmers, but plans are under way to appoint an economic liaison representative to each of the provincial staffs. These men will work with Advisory Service personnel to facilitate getting economic information to farmers in a form they will find useful.

The institute at Oxford is one of several national institutes for research in specific fields of agriculture. It was organized as a research center of national scope to conduct research within the entire field of agricultural economics. Most of the funds for support of the Institute are grants to Oxford University from the Ministry of Agriculture. Several institutes working in other fields, although located at university towns, are organized independently and function separately.

Privately financed activities in agricultural economics include those conducted at the Dartington Hall Economics Department, the Institute of Agrarian Affairs at Oxford, and Nuffield Trust Study of Agricultural Policy at the University of Cambridge. Individual members of teaching staffs in different universities may undertake some research in agricultural economics, but such studies usually are not a part of the activities of the provincial university centers.

Research in Progress

All of the institutions involved in agricultural economics were badly disorganized by the war.

Most of the prewar staff became engaged in war activities and work in agricultural economics was confined to that which could be immediately and directly utilized in the war. The war was followed almost immediately by the trade-gap emergency and in this setting the work in agricultural economics has continued on a restricted basis. Personnel has not been available to fill vacancies and staff members have had to devote much time to request work.

Most of the research now under way at the 13 provincial university centers consists of collection, summarization, and analysis, of farm financial records and enterprise costs. This type of work was developed in cooperation with the Ministry of Agriculture and Fisheries for England and Wales and by the Department of Agriculture for Scotland in the middle 1930's to provide national summaries of changes in farm incomes and costs. It was continued during the war to provide a basis for pricing of farm products. Postwar agricultural legislation calls for an annual review of farm prices and for such revision of price guarantees to farmers as may be needed in view of changes in economic conditions. National summaries of farm financial records and enterprise costs are utilized in the hearings on these annual reviews. The data for these summaries are provided by the provincial university centers under agreements with the Ministry for England and Wales and the Department for Scotland that approximately 50 percent of the funds shall be devoted to collection and analysis of materials that can be used for price reviews and other administrative purposes. It is contemplated, however, that these materials will be utilized for research and advisory purposes within the respective provinces.

From 200 to 430 farm financial records are completed annually at each university center. The number requested from each center by the Ministry or the Department depends upon the estimated need for obtaining a balanced national sample of farms. It is not assumed that the sample gives a cross section of financial results within each province; some sizes and types of farms that are of minor importance will not be represented in a particular province. But the records obtained for the entire country are intended to represent farming returns from British agriculture. About 3,000 records are compiled

each year for England and Wales and about 800 for Scotland.

In the work on enterprise costs great emphasis is placed on obtaining detailed costs of producing milk. Cooperating farmers are furnished with forms made up in duplicate sheets, one copy to be returned to the university center. Summaries of the cost of milk production per cow and per gallon of milk are prepared separately for the winter and summer months, and then combined into an annual average. Other cost data are collected for enterprises that are important in a particular province. There is some rotation of requests for cost information by specific enterprises, but the rotation is arranged in such a way that costs for the previous year are available for price reviews from some centers for each of the leading products.

Copies of individual farm financial records and enterprise cost records are supplied to the Ministry by the centers in England and Wales and to the Department by the centers in Scotland. Each record is given a code number; the name of the cooperating farmer is not furnished. Most of the centers make annual summaries of farm financial returns and of enterprise costs which are sent to cooperating farmers, to advisory officers, and to workers at other research institutions.

Each provincial university center has one or more studies under way not directly connected with this record work. There is much current interest in studies of the utilization of labor; three centers have assigned personnel to specialize on such work. Others are planning similar studies. Some enterprise studies are not directly related to costs. Because of shortage of concentrated feedingstuffs there has been great interest in the harvesting of grass to preserve a maximum proportion of the nutrients. Six studies are devoted to grass drying, silage making, and improved methods of hay making. Three studies will provide fairly comprehensive analyses of the problems of an area and suggest needed adjustments in its agriculture. Four studies of hill farming have been organized to measure progress on farms that are taking advantage of special program provisions designed to improve farming in hill areas. Some complete farm-cost records are collected at five centers but only two devote much time to this work.

The Agricultural Economics Research Institute at Oxford has research under way in prices and

marketing, land economics, rural sociology, agricultural policy, and some special studies in farm management.

In addition to the national summaries and analyses in connection with financial records and costs, the economic and statistical staffs at the Ministry of Agriculture and Fisheries in England and Wales and the Department of Agriculture for Scotland make some aggregative estimates of agricultural output and income; prepare summaries and analyze data from the quarterly agricultural census; and carry out other special studies, including some research in marketing.

Research in Relation to Current Problems

If this brief inventory of work in progress is compared with current economic problems in British agriculture there appear to be many unfilled gaps, but it is necessary to view the situation in the light of war and postwar impacts on the British economy. In the United States research institutions have been able, since the war, to reorganize their work in line with peacetime needs. In Britain, however, the continuation of emergency conditions has precluded development of a peacetime research program. But the institutions are now more fully staffed and they can begin to develop a broader program, directed toward solution of problems that will be encountered in the transition to peacetime conditions. The need for closing the trade gap imposes different, and to some extent opposite, impacts on British agriculture than is true in the dollar countries, but it does not remove the necessity for transition adjustments.

These adjustments will be conditioned by the revolutionary changes that have taken place in British agriculture during the war and early postwar years. Plow-up of land formerly in permanent

pasture, reclamation of "derelict" land, rapid mechanization, and major shifts in crop and livestock production, are the principal factors of change. At the outbreak of the war, systems of farming probably were in the process of adjustment toward a "best fit" with respect to the land resources and the men and machines that were available, and within the international trade policy prevailing at that time. But many of the wartime and postwar changes are irreversible. Although it would not be possible, nor indeed desirable, to return to prewar systems of farming, guidance is badly needed in the direction of new adjustments. This is partly a question of determining the lines of national policy best suited to the peacetime economic environment and partly of determining the most desirable adjustments, area by area, in view of the changes that have occurred, and within the framework of a national policy for agriculture.

Perhaps the first and foremost question in British agriculture, as well as throughout the British economy, is the need for economizing on the use of resources in production. Economists at provincial centers are in a strategic position to work on problems of achieving a "best fit" of land, men, and machines, in systems of farming that are likely to be most profitable, by areas, within the national policy; and to develop research materials for advisory work on economic problems.

In analyzing their farm-management data for effective use with farmers they probably will utilize farm budgets and case farm analyses to a greater extent than in the past. With some revisions in procedure, the project dealing with farm financial records will furnish the basic information for this work as well as for the price reviews. The broader research program is likely to include studies of tenure and credit problems, and to revive both national and localized marketing studies.

