Book Reviews

Marketing Farm Products. By Geoffrey S. Shepherd. Iowa State College Press, Ames, Iowa. 497 pages. 1955. $6.50.

Marketing of Agricultural Products. By Richard L. Kohls. The Macmillan Co., New York. 399 pages. 1955. $5.25.

Marketing of Agricultural Products. By Max E. Brunk and L. B. Darrah. The Ronald Press Co., New York. 419 pages. 1955. $5.50.

Marketing: Text and Cases. By J. Thomas Cannon and Jack A. Wichert. McGraw-Hill Book Company, Inc., New York. 627 pages. 1953. $6.

THE FIRST THREE of these books are designed to meet the increasing need for textbooks in beginning courses devoted to the marketing of farm products. For the most part, they are well adapted to the purpose, and their similarities exceed their differences. The fourth publication is intended as a textbook for types of courses usually found in a school of business administration or a college of commerce.

This is the third edition of Professor Shepherd's textbook, and he has enlarged and improved on earlier editions. He emphasizes the importance of what he regards as a "clean break with the traditional functional approach," and states that the book represents his efforts to develop a framework of economic theory which will aid the student in analyzing marketing situations and problems.

The book is well-organized and integrated to stimulate student thinking toward solution of marketing problems as well as to provide a description of the marketing process. Starting with the concept of the perfect market in place, time, and form, Professor Shepherd proceeds to apply this concept to the three major areas in the marketing field—demand, prices, and costs.

Elementary theory of demand, factors responsible for the present position and trends in the demand for farm products in the United States, and factors influencing the supply of farm products are developed, together with the role of the marketing system in bringing demand and supply together and the crucial importance of economic information in enabling a marketing system to approach perfection. Then the author applies these concepts to broad problems that cut across commodity lines and he analyzes specific marketing problems for the major groups of agricultural products.

Dr. Kohls has an approach that is not unlike Professor Shepherd's. Part I—The Framework of the Marketing Problem—includes chapters dealing with the nature of marketing problems and methods for studying them, characteristics of the consumption and production of farm commodities, and the size and makeup of marketing costs. Part II—Some Functional Problems—deals with price discovery, competition, movements in agricultural prices, Government programs, standardization and grading, transportation, storage, and related aspects. Part III—Commodity and Institutional Problems—is devoted primarily to the analysis of specific commodities, plus chapters on cooperatives, the role of Government, food processing, and wholesaling and retailing.

Brunk and Darrah have the shortest of the three texts, but they follow somewhat the same sequence as the others, proceeding from a discussion of the nature and development of agricultural marketing through factors affecting demand, consumption, and supply, to an analysis of the marketing functions of pricing, storage, grading, transportation, and buying and selling as operations that bring consumption and supply together. The text concludes with a description of marketing agencies, channels, and costs. In this final section, some attention is given to specific commodities, and, of course, much illustrative material on commodities appears throughout. But the treatment of individual agricultural products is less detailed and analytical in this book than in the other two.

It is always possible to find specific statements

or particular analyses which a reader considers somewhat inadequate or with which he disagrees more or less, and these three books are no exception. For instance, the distinction between demand and consumption is not always made clear either by Shepherd or by Brunk and Darrah.

But the authors of all three of these textbooks for beginners in marketing are to be congratulated for including material designed to implant firmly in the mind of the student the important distinctions between such concepts as demand, consumption, price elasticity, and income elasticity, to mention but a few. Only a person who has had some teaching experience can fully appreciate the extent to which students can be exposed to several courses in economics, yet remain unclear or confused on some of the most elementary yet basic tools of understanding and analysis, with a resulting serious handicap to their later work.

Most of the criticism that might be leveled at these three books, either as to their discussion of concepts or their description of phenomena, probably can be laid to a striving for brevity. There is a conflict between the necessity of covering an extremely broad subject and of limiting the material to a single volume of reasonable size. The authors themselves recognize that many specific details are omitted, that additional illustrations and data are needed to supplement the text. Such supplementation is facilitated in that the books are well annotated.

All three of these textbooks are good. In choosing one over the others, a teacher would be influenced largely by personal preference as to aspects of the marketing field that should receive greatest emphasis, by the extent to which supplementary teaching materials are to be employed, and the background and probable future training and interests of prospective students.

The books by Shepherd and Kohls (particularly the former volume) present more of a framework in theory and give greater emphasis to pricing aspects of marketing. On the other hand, the simplicity and readability of the book by Brunk and Darrah make it well suited to students who have little or no training in economics and to those who plan to specialize in some technical phase of agriculture.

Outstanding chapters in Professor Shepherd's book are those dealing with the concept of the perfect market, decentralized markets, and the importance of production and marketing information to their efficient functioning, the operation of futures markets, and the marketing problems of livestock and meat.

Dr. Kohls provides excellent discussions of the process of price discovery, the collection and use of market information, and transportation. In a special section he discusses briefly the agencies and activities of the United States Department of Agriculture. All three books would benefit by fuller reference to the organization and operation of the Department and of the State agencies, particularly the experiment stations and the extension services, in assisting the agricultural industries through research and extension. Particular emphasis should be given to progress in dealing with problems of marketing research since the Research and Marketing Act of 1946 was enacted.

The book by Brunk and Darrah includes an excellent chapter on transportation, and the entire section on factors affecting consumption is particularly good.

Marketing: Text and Cases is an attempt to combine general explanatory and descriptive material in marketing with the use of cases which the authors say are designed to take students inside an organization, where they can actually come to grips with practical marketing problems. Throughout, the book is essentially the application of the case approach to the study of the marketing of industrial products.

Although it should be of definite interest to teachers of marketing in colleges of commerce and schools of business administration, this book would not have a place as a text in a college of agriculture. More and more agricultural products, however, reach ultimate consumers in forms which bear little resemblance to their state when they leave the farm. One of the real advances of recent years has been the acceptance of the viewpoint that agricultural marketing must be understood all the way from the producers to the ultimate consumers. Teachers of agricultural marketing would do well, therefore, to examine this book with a view to selecting certain cases that might contribute to a well-rounded understanding of some matters that bear on the efficiency of marketing businesses.

Bennett S. White, Jr.

The Nation Looks at Its Resources. Report of the Mid-Century Conference on Resources for the Future. Resources for the Future, Inc., Washington, D. C. 418 pages. 1954. $5.

PROCEEDINGS of this Mid-Century Conference are presented in the form of quotations from some 500 of the 1,600 people who attended the sessions. Each section of the report contains background material, quotations, and a brief summary. Major talks given at the general sessions and at two luncheon and two dinner meetings are given in full, or are summarized. Following are some highlights of discussion reported in chapters that correspond to the eight sections into which the conference was divided.

"Competing Demands for Use of Land" deals with ways of satisfying present and future demands. Ways of reconciling conflicts that arise from increasing demands for farmland and for space for cities, industrial plants, parks, wildlife, military, and other uses were discussed.

"Utilization and Development of Land Resources" is concerned with the fundamental problem of how to assure that in the long run our land base will provide the increased production of foods and fiber, timber, recreation, watersheds, and other things that we will need for higher living standards for our growing population. With more research, better application of known methods, and conservation, it was agreed that our production could be increased to meet future requirements.

"Water Resource Problems" examines major problems of water use and control, and discusses the controversial issues of public policy. The group thought it unfortunate that data about water resources are scarce at a time when programs for water development are under way. Methods of river basin planning and development were considered, and the need for innovations in administrative arrangements was cited. Economic evaluation, though as yet imperfect, can help in selecting the most fruitful undertakings in resource development.

In the section on "Domestic Problems of Nonfuel Minerals" discussion begins with the general assumption that available domestic resources must be enlarged to meet the needs of the expanding economy and to bolster the Nation's security. To create this expansion, stimulation of domestic mineral exploration and development is necessary. Ways of doing this, such as tax modifications, increased surveys and research, improvement in the claims-patent system, tariff, direct subsidies, quotas, and Government purchase, were discussed.

Fuel and water power, and the achievements of science and technology in developing these resources are considered under "Energy Resource Problems". Our energy resources will be abundant for many years, and those fuels that are exhausted first can be replaced by other types. Nuclear energy and other sources of energy (notably solar energy) lie ahead if we maintain a vigorous program of research.

Such issues as: What should the United States commercial policy be with respect to imports of raw materials? What are the most effective means by which development of resources abroad can be assured? Is it desirable to use special devices to stabilize raw material prices? are considered under "U. S. Concern With World Resources".

"Problems in Resources Research" discussed the part that technology will play in future conservation and use of resources. Concern was expressed with regard to the training of young research people, and whether a continuous flow of scientific personnel can be maintained. The research group expressed faith in the belief that technological progress would help solve resource problems in the next generation.

"Patterns of Cooperation" deals with relations between citizens, organizations, and government at all levels, through which programs of research, planning, education, and action affecting natural resources are carried on. Resource problems should be increasingly emphasized in both youth and adult education.

The greatest benefit of the conference will come from work growing out of ideas stimulated by discussion. The 1,600 participants included many leaders in the resource use and conservation field. The report will refresh the memory of those who attended. Those who did not attend will obtain from it a good idea of the scope and nature of the resources problem and of the discussion that took place.

Harry A. Steele

Food and Agriculture in Britain, 1939–45; Aspects of Wartime Control. By R. J. Hammond. Stanford University Press, Stanford, California. 246 pages. 1954. $5.

Wartime Agriculture in Australia and New Zealand, 1939–50. By J. G. Crawford, C. M. Donald, C. P. Dowsett, and D. B. Williams; and A. A. Ross. Stanford University Press, Stanford, California. 354 pages. 1954. $7.50.

THESE PUBLICATIONS are in a series of some 20 volumes scheduled to be published by the Food Research Institute on food, agriculture, and World War II.

R. J. Hammond substitles his book "aspects of wartime control" to disclaim any pretense of completeness. His study is based on extensive research into the official unpublished records of the Ministry of Food which he carried out as the historian on food policy for the United Kingdom Official War Histories. The result of this work, which is now being published, will contain more detailed description and appraisal than the present publication. It is in the United Kingdom series that the historian will find the documentation on which this summary account and analysis is based.

The author has not hesitated to discuss conflicting points of view within the British Cabinet or between Britain and the United States. In the fragment that follows, taken from the chapter on overseas supplies and stocks, Mr. Hammond appraises factors influencing Britain's relations with other countries:

"The United Kingdom's genuine desire that there should be fair shares all round was modified by a conviction that the United Kingdom share ought to be fairer (if one may so put it) than that of the other European Allies; the desire to cooperate with the United States constantly warred with a wish to reinsure, somehow or other, the British position against the unaccountable vagaries of American policy. . . . There were, of course, good solid reasons that could be urged to members of the Grand Alliance in support of this policy. But at bottom it was one of self-interest—enlightened, maybe, but impossible to disguise; and as such it had the character of a stubborn retreat covered by repeated rearguard actions."

Two of the 12 chapters are devoted to problems and accomplishments in home food production. The author stresses the problems encountered in forecasting home food production, using the potato, which "defied all planning," as an example. British food policy, the author concludes, was to draw much of its strength from its very dependence on overseas supplies. Control of milk, the welfare element in food policy, and communal feedings are discussed, and wartime controls over food marketing and distribution are covered on a chronological basis.

This book maintains the high standards for clear and entertaining writing, balanced treatment of events, and critical analysis established by the author in his 1951 volume on wartime food policy. As a philosophical appraisal of the problems of wartime control it will be of particular value to those who are responsible for planning emergency food policies.

Wartime Agriculture in Australia and New Zealand, 1939–50 is divided into two separate sections with the major part of the book, 237 pages, concerned with the experience of farming industries in Australia. This part was written jointly by four men who held responsible positions in the Government. The section on New Zealand, 117 pages, was written by the official historian of the New Zealand Department of Agriculture. The authors had access to official unpublished records of their governments.

Each section begins with a background description of agriculture and emphasizes that it was in a state of disequilibrium in relation to the rest of the economy at the outbreak of war. The authors also emphasize the surplus complex growing out of this disequilibrium and the depression experience of the thirties. Both parts of the book conclude with chapters on postwar problems and stress factors that hamper substantial increases in agricultural productive capacity. Appendixes on Australia and New Zealand include statistical tables on population, employment, land use, crop and livestock production, farm machinery, fertilizer, imports, and exports. The appendix on Aus-

tralia includes a selected bibliography, copies of some orders and regulations, and a chronology of major wartime events.

The Australian section gives a chronological account of agriculture as a war industry and includes chapters on specific commodities, problems arising from shortages of rural manpower and scarce materials, price policy, and the distribution of agricultural products. The authors criticize the Prices Commission, which was represented on the Production Goals Committee, for failing to take cognizance of production goals in the determination of price stabilization policy. The authors state: "At no time was there an effective acceptance of the principle that prices could and should be used as a purposeful instrument in stimulating production of particular commodities at the expense of others."

Mr. Ross concludes that the weaknesses in New Zealand during the war years "sprang mainly from absence of planning and control, not from misplanning." He is particularly critical of the failure of manpower authorities to designate farming as an essential industry but notes that farm organizations were opposed to such designation.

This book offers valuable information on agriculture in Australia and New Zealand and helpful material on wartime controls in surplus-producing countries.

Gladys L. Baker

Freedom in Agricultural Education. By Charles M. Hardin. University of Chicago Press. 275 pages. 1955. $4.50.

AT THIS TIME, when there are fears of domination if the Federal Government provides funds for education, it may surprise some to learn that the State Land Grant Colleges and Universities and their agricultural research and extension work which have been supported in a considerable part by Federal funds for many years are not pressured by the Federal Government.

Such is the conclusion of this author after an extensive survey of the influence of Federal funds on college education and research. The study, which is based largely upon interviews, was sponsored by the Commission on Financing Higher Education, established by the Association of American Universities.

The author finds that intrastate pressures "have by far the most significant influence on educational activities in the colleges." In fact, he concludes that Federal support of education and research has been one bulwark against intrastate pressures and politics. The main wielders of pressures are shown to be the State and local farm organizations and commodity associations and their leaders. Examples of such pressures are discussed in chapters devoted to "Low Nicotine Tobacco in Kentucky" and the "Iowa Margarine Incident."

Pressures on the part of the Federal Government, chiefly indirect, are discussed throughout the book. Detailed examination of this problem is found in chapters on "The Political Influence of Agricultural Action Agencies" and "The Pennsylvania Controversy Over Federal Grants for Agricultural Extension."

Pressures on Federal economic research are mentioned, with an extensive discussion of the former Bureau of Agricultural Economics as an example. Three chapters are devoted to this topic. Apparently more space than is needed is given to making the point that the research carried on in BAE was inherently controversial, but the author exercises his right to give such space to his special interest.

Emphasis is placed on the conservatism of the officials of the universities and colleges. The author does not define "conservatism" but attempts to illustrate with examples. He concludes that "the temper of most agricultural college personnel seems typically to range from moderately to rather markedly conservative. . . . America is fortunate in the temperance of its agricultural leadership; but, in the present and prospective social

tensions, temperance by itself will prove insufficient. Enlightened and vigorous statesmanship will be required."

Officials, faculties, research and extension workers in land-grant colleges and universities, farm organization and commodity association leaders, federal agricultural workers, and all who have any concern about political pressures on education will find this book interesting and useful reading.

T. Roy Reid

Contributions of Survey Methods to Economics. By George Katona, Lawrence R. Klein, John B. Lansing, and James N. Morgan; edited by Lawrence R. Klein. Columbia University Press, New York. 269 pages. 1954. $5.

ECONOMISTS have long sought to broaden the scope of economics by integrating aspects of the other social sciences. Through the use of the annual Surveys of Consumer Finances (SCF) conducted for the Federal Reserve System by the Survey Research Center of the University of Michigan's Institute of Social Research, the contributors to this volume have made such a move by treating economic problems in consumer behavior within the framework of sociological and psychological theory as well as economic. Happily, Lawrence Klein points out in the introduction, "it is the essence of survey research that several branches of social science can be combined in any particular application." Concerned as agricultural economists are with the effects of consumer behavior on demand, this book, although directed at a different audience, should help them in applying cross-sectional survey data to their work.

The initial chapter by John B. Lansing presents the definitions used in the SCF and compares the conceptual problems accompanying them with those used by the Department of Commerce in estimating national income. The major difference is that the Survey estimates income and saving directly; consumption is a residual. The National Income statistics measure income and consumption directly. While savings, as defined for the SCF, can be recalled more accurately than consumption, economists concerned with measuring demand at a less than aggregate level would welcome the opportunity which recurrent surveys could provide to obtain consumption expenditures by items or groups.

George Katona, who has been in the fore of those studying economic behavior from the aspect of peoples' motivations, attitudes, and expectations, may be described as the economist who places consumers on the analyst's couch. Distinguishing between genuine decision-making and habitual behavior, consumer money outlays are classified into a 2 x 2 matrix of spending or saving and of habitual outlays or outlays of choice (variable outlays). The latter are postulated as having a much greater "residual variance" (variance unexplained by a few such traditional variables as income and assets) than the habitual outlays. Katona's contribution to the fusion of the several social sciences comes when he analyzes economic trends in relation to attitudinal data from the SCF conducted in 1951 and 1952. Although much work remains to be done, opinions and expectations gleaned from survey data about future changes in prices and economic conditions do appear to be correlated with spending behavior.

Departing from the SCF concept of saving, and including purchases of durable goods as an asset accumulation, James N. Morgan presents an explanation of saving-income relationships. Ambitiously, residuals from regressions of saving on income, after adjustment for liquid assets, home ownership status, and several other factors, were studied for their relation to economic, psychological, and demographic variables. Two interesting—because unexpected—results were: First, other saving was not reduced proportionally when contractual saving was present, indicating imperfect substitutability of saving components; and second, there was no relation between saving be-

havior and rent level of the block or dwelling. As Morgan points out, the second result seemingly contradicts the hypothesis that saving behavior depends on the economic status and consumption pattern of those living near, or with whom the spending unit associates. Both results indicate the need to reconsider concepts relating to saving saturation and reference group expenditures.

The task that Klein undertakes is the construction of a model of savings behavior and a topical treatment of the applications of survey methods and data to business-cycle analysis. Through the use of multivariate regression analysis, savings are studied in relation to economic, attitudinal, demographic, and sociological variables. Although the greater part of this material is not new, it does afford a systematic presentation of savings-behavior analysis.

With increasing emphasis being placed on the use of survey data, it is fortunate that the concluding chapter points out the limitations of survey data in analyzing economic fluctuations as well as the limitations of survey data per se. For example, this reviewer has made a rough test of the predicting ability of one attitudinal category reported in the SCF—percentage of spending units planning to buy new cars. The percentage data for 1948 to 1954 were combined with Department of Commerce statistics on spending units to yield planned purchases. Those, compared with new car registrations for the same period, are as follows:

Year	Planned new car purchases	New car registrations
	Millions	*Millions*
1948	4. 9	3. 5
1949	6. 1	4. 8
1950	5. 6	6. 3
1951	3. 5	5. 1
1952	3. 6	4. 2
1953	4. 9	5. 7
1954	4. 3	5. 6

Certainly, Klein's remark is well taken that "having an income increase or getting at least as much income as expected is significant in leading one to fulfill purchase intentions." But, since 1950, have the automobile salesmen been as effective as the difference between intentions and registrations would indicate?

Martin J. Gerra

The Farm as a Business: A Handbook of Standards and Statistics for Use in Farm Management Advisory Work. Prepared by the Ministry of Agriculture and Fisheries. Her Majesty's Stationery Office, London. 107 pages. 1955. 4 shillings.

FARM MANAGEMENT advisory work (extension) in England and Wales has been expanded greatly during the last few years. Publication of this handbook, prepared for the British equivalent of our extension economists and county agents—Provincial Economists and District advisory officers—is evidence of increased interest in efficient farm management in Britain.

The writers suggest that the application of the principles of farm management, as developed in a well-thought-out farm plan, will aid the farmer to attain his objectives.

Certain principles of planning—the same ones with which our farm management specialists are familiar—are given; and two measures of evaluation of the present production program that are new to this reviewer. These are the "System Index" and the "Yield Index."

The System Index is based on the output, in terms of value, which the production program of the farm would be capable of producing under conditions of average yields. When the results are compared with the average for similar farms in the district, it is possible to tell whether this particular combination of enterprises is average, above, or below, in terms of a high profit combination and intensity of resource utilization.

The Yield Index is obtained by expressing actual output as a percentage of average output for the same farming system. This figure indicates the relative skill of operators and the adequacy of operating practices followed on individual farms.

These two indices together, according to the authors "indicate whether the major weaknesses lie in the choice and organization of the farm enterprises, in the technical efficiency of production as reflected by the level of yields, or both".

Customary factors used in measuring efficiency of farm operation and management are described and their use is illustrated. "In farm planning the process of studying past results is an essential preliminary," the handbook says, adding that preferably 3 or 4 years of statistical data should be considered. Moreover, such data must be compared with similar figures for a group of comparable farms in the vicinity.

Budgeting and partial budgeting are introduced briefly, with two elementary illustrations of partial budgeting. Basic data for use in budgeting occupy the remaining half of the handbook.

Apparently the British approach to farm management extension differs in several respects from that of the United States. The most striking difference, possibly, is the British comparison with regional averages. In this country we generally set the average of superior operators—frequently the top third or fourth of the group—as the goal toward which the individual aims. In the British view, individual farming accomplishments *must* be compared with similar figures for comparable farms. We know from experience that, although desirable, such comparison is not essential in planning farms in this country.

The handbook contains data—generally an average figure only—needed to measure the efficiencies of the existing farming system, but it does not appear to furnish information required in budgeting to correct weaknesses uncovered by analysis. Possibly this information is supplied elsewhere. One wonders whether in Britain, as in the United States, the most pressing present need is for more input-output data, particularly for variable levels of inputs.

In Britain, apparently Advisory Officers do the budgeting for farm families. In the United States extension workers teach the farm families to do their own budgeting. Then, too, we find the farm wife as much concerned as her husband with farm replanning—or the whole family pitches in and does it as a joint enterprise. This apparently is in decided contrast with British custom.

No reference is made in the handbook to the availability of prepared forms for use in developing farm plans. If the development of better farm management plans is an important objective of the British Advisory Service, availability of planning forms will certainly facilitate them.

The handbook, the writers emphasize, is still experimental and revisions may be expected as experience is gained. It is a good beginning and should do much to stimulate increased farm planning by Advisory Officers and farmers.

James E. Crosby, Jr.

Atlas of the World's Resources. Volume I: The Agricultural Resources of the World. By William Van Royen, in cooperation with the Bureau of Agricultural Economics, United States Department of Agriculture. 258 pages of maps, with accompanying text and selected references. Published for the University of Maryland by Prentiss-Hall, New York. 1954. $13.35.

AT FIRST THOUGHT, *The Agricultural Resources of the World* may seem too pretentious a title for an atlas that shows primarily the geographical distribution of agricultural production. But in view of the lack of distribution data, on a world basis, for some agricultural resources, perhaps we should not labor this slight strain on terminology. One can put on maps only that which has been enumerated by area or otherwise located. The atlas does show, principally by means of dot maps, acreage of the principal crops and numbers of livestock for most parts of the world.

What we have here is something that corresponds, on a world basis, to the crop and livestock parts of the "Graphic Summaries" of American agriculture, published by the Census in cooperation with the former Bureau of Agricultural Economics of the United States Department of Agriculture. The late O. E. Baker, to whose memory this atlas is dedicated, had much to do with the inception of both.

The value of this atlas is not merely in its graphic representation of the distribution of crop acreage and production and livestock numbers among countries, but in showing location of production within countries. Just as it is important for many reasons for us to comprehend the distribution of production within our own country and within our States, we need also to be aware of the geography of production within other countries, if we are to be intelligent in our greatly intensified activities in relation to those countries.

World maps show the general distribution of landforms, climatic types, precipitation, soil groups, and world population. There are also maps of some of the continents and subcontinental areas showing the general distribution of major land uses. Identification maps give the names of civil divisions shown on the base maps of different countries, other than the United States and Canada.

One is puzzled by the omission of the time period involved for most of the maps that show acreage or production, including those of the United States and Canada. Even if the period for most of the foreign countries is pre-World War II, as the text leads one to believe, it would seem better to tell the reader this rather than to let him guess.

One also wonders why an atlas that attempts to show distribution of agricultural resources devotes several pages to work animals but has no map of the distribution of tractors; data for such a map are available in the FAO Yearbook. That Yearbook includes data also on agricultural workers and on fertilizer production and consumption—subjects that would appear to warrant treatment in this atlas. However, a work of this kind takes a long time to prepare; new data that become available as compilation progresses cannot all be added, or the publication would never go to press.

For its information about the geography of agriculture within other countries, this atlas is a valuable reference. No other publication provides such information in equivalent completeness and detail. It should be in every general reference library.

Carleton P. Barnes