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In This Issue

In the Fall 1985 issue, this column discussed Lawrence J. Peter's tongue-in-cheek definition of an economist as "an expert who will know tomorrow why the things he predicted yesterday didn't happen today." Peter was needling the economics profession for its after-the-fact handling of economic problems. This column pointed out that, in spite of the apparent surface truth of his observation, economics is not a precise profession and its practitioners daily risk professional reputations by making economic analysis on less than complete information.

In this issue we have several examples of professional courage. In the research review section, Tweeten revisits a statement he made in this journal in July 1980: "I contend current land prices can be justified by prospective earnings." Time and economic events have not been kind to this statement. Land prices did continue to rise until 1982, but have since fallen 28 percent. In a reappraisal of his 1980 statement, Tweeten is, in a sense, carrying the ball for the agricultural economics profession because his assessment of the farmland market was not an uncommon view. So read "A Note on Explaining Farmland Price Changes in the Seventies and Eighties." Was our inability to foresee the significant drop in land prices due to faulty economic theory and analysis or due to events outside our control or ability to foresee?

In contrast to the economist with an established reputation exhibiting the courage to review a past statement that subsequent events did not support are economists Shoemaker and Somwaru, who are early in their careers. They exhibit the professional

courage to present results that may differ from conventional wisdom about the cost and productivity structure of U.S. dairy farms. They apply total factor productivity, a somewhat more comprehensive technique than often used in past productivity measurements, to analyze a recently available data series, the Census of Agriculture Standard Industrial Classification (SIC) type of farm data. They examine this series for the implications of regional differences in productivity levels and for changes in dairy farm productivity. Their article deserves thoughtful reflection as this technique and this data source are hard to ignore. Total factor productivity based on a national income and product accounting-type framework imposes an accounting discipline on the productivity analyst that may require answering questions that never occur to users of other approaches. The Census type of farm data is also hard to ignore. These data are summaries of the census of the actual dairy farms that make up our national dairy sector. If results based on these data run counter to intuition or conventional wisdom, one has to wonder why.

Finally, Smallwood and Blaylock assume the risk of communicating a very econometrically oriented discussion of modeling issues concerning short-term forecasting to the readership. The topic is more technical than the usual AER article, and they undertake the task of writing at a level that will encourage wider readership while maintaining technical content and professional quality.

Gerald Schluter

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