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# AGRICULTURAL POLICY RESEARCH—PAST CONTRIBUTIONS AND FUTURE POTENTIALS

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At the outset I am going to limit the discussion to research work at the land-grant colleges and narrow the objectives of this discussion to the following four: (1) to bring together information concerning the extent of policy research currently underway in the land-grant colleges; (2) to appraise in a general way the fruitfulness of such research; (3) to classify factors that limit improvement of such research; and (4) to indicate some of the major gaps in the current policy research program in the land-grant institutions.

Research in this subject matter area in the state agricultural experiment stations is relatively new. Among the factors responsible for expansion of research in this area are:

1. Observation of the continuing impacts of advancing technology upon agriculture and the problem of adjustment which such changes generate.

2. Growing recognition that agriculture's problems are not solved by achieving general economic prosperity.

3. Governmental recognition of the need for research in agricultural policy and action in the Research and Marketing Act of 1946 with increased fund availability through broad interpretation of "marketing" to include some areas of agricultural policy.

Several other developments have contributed to increasing interest in this area. Among these are: (1) the growth of agricultural extension activities in the policy area, (2) the American Farm Economic Association's essay contest on "A Price Policy for Agriculture," and (3) growing recognition in the land-grant colleges that policy is a legitimate area for research.

At the beginning it should be emphasized that policy research is complex and difficult. Disciplines other than economics are involved in the so-called policy issues confronting agriculture and the nation. The quality of data for analysis leaves much to be desired. The political consequences of interpretation of such work sometimes, unfortunately, dampen enthusiasm in this area of research. But whatever can be said of the limitations, they are indeed minor when measured against the obligation of colleges and universities to add to knowledge in this area.

## STATUS OF CURRENT RESEARCH

Thirty-five of the land-grant institutions<sup>1</sup> have one or more research projects in the policy area. Three regional projects and one interregional project are underway. Ninety-four state projects or contributing projects to regional or interregional projects are in progress. Of the 94 projects 29, or over one-fourth, are in the commodity program analyses classification (Table 1).<sup>2</sup> Factor policy studies—land and water; credit, finance, and taxation; labor use and mobility—account for over one-fifth. Likely, and this is only a guess based upon general knowledge, more funds and personnel are used for the commodity studies than for the remainder of the policy studies.

TABLE 1. CLASSIFICATION OF POLICY PROJECTS,  
STATE EXPERIMENT STATIONS, SEPTEMBER 1958<sup>1</sup>

Commodity program analyses	29
Agricultural adjustment studies <sup>2</sup>	11
Land and water	10
Impact of government programs (general)	8
Economic development <sup>3</sup>	8
Market expansion (demand and consumption)	8
Credit, finance, taxation	6
Improved program mechanics	4
Labor use and mobility	3
International trade	2
Miscellaneous	5
<hr style="width: 10%; margin-left: 0;"/> Total	<hr style="width: 10%; margin-left: 0;"/> 94

<sup>1</sup>Direct information from 45 stations; for remaining 5, from records of State Experiment Stations Division, U. S. Department of Agriculture.

<sup>2</sup>Within the agricultural economy.

<sup>3</sup>Involving agricultural to nonagricultural economic relationships.

On a commodity basis, cotton and wheat are receiving the most research attention. Six stations are working together on various facets of a cotton subproject of SM-14, "Effects of Price Supports, Acreage Adjustments, and Surplus Removal Upon the Marketing of Southern Agricultural Products." Policy research on wheat is being conducted by four stations under a subproject of NCM-11, "Measuring and Apprais-

<sup>1</sup>Hawaii and Puerto Rico included.

<sup>2</sup>The 11 groups shown in Table 1 were selected in an attempt to make some kind of classification of the 94 projects. Naturally the group classifications overlap some since some projects themselves include more than one objective. Where given, the main objective of each project determined the classification; otherwise an interpretation of the title was the basis.

ing the Impact of Agricultural Price and Income Policy Upon Producers, Marketing Agencies, and Consumers," and by two stations under WM-13, "Wheat Prices and Price Policies in the Western Region." Two other stations have independent projects on this commodity. Two commodity research projects are underway for hogs, tobacco, dairy products, and peanuts. Single projects concerning cattle, corn, poultry, sugar, grain sorghum, rice, and fruits and vegetables are underway. Nearly all of these commodity studies are contributing projects to regional projects.

Geographically, more of the policy research is concentrated in the Midwest than in any other region. Several of the largest departments of agricultural economics are giving little attention to this area of research, while some of the medium-size and smaller departments are quite active in policy research.

### RESEARCH CONTRIBUTIONS

Most of the commodity studies completed or underway have contributed to our knowledge of: (1) chronology of programs and resulting production shifts and responses and (2) a general description and appraisal of the programs' operation. Both of these contributions are historical and describe what has happened. Not many of the studies have reached the stage of evaluating alternative future policies and programs.

Four early analytical studies of burley tobacco, potatoes, and dried beans have received rather wide attention.<sup>3</sup> These studies have analyzed such factors and relationships as the effects of price supports upon overplanting and underplanting of allotments, estimated effects of changing the type of price support extended, the influence of allotments and price supports upon yields, effects of price supports and acreage allotments upon levels of consumption, and the attitudes of farmers toward the programs for these commodities, to name only a few.

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<sup>3</sup>Johnson, Glenn L., "Burley Tobacco Control Programs, Their Over-All Effect on Production and Prices, 1933-1950," Kentucky Agr. Expt. Sta. Bul. 580, February 1952; Thompson, James F., "Inter-Farm and Inter-Area Shifts in Burley Tobacco Acreages Under Government Control Programs, 1933-1950," Kentucky Agr. Expt. Sta. Bul. 590, June 1952; Gray, Roger W., Sorenson, Vernon L., and Cochrane, Willard W., "An Economic Analysis of the Impact of Government Programs on the Potato Industry of the United States," Minnesota Agr. Expt. Sta. Tech. Bul. 211, June 1954; Hathaway, Dale E., "The Effects of the Price Support Program on the Dry Bean Industry in Michigan," Michigan Agr. Expt. Sta. Tech. Bul. 250, April 1955.

## APPRAISAL OF RESEARCH

Department heads<sup>4</sup> were asked "From your general knowledge of policy research completed and underway, what is your evaluation of our total research effort?" The four listed classifications and the responses were:

Impressive	0
Good	9
(Fair to good)	2
Fair	24
Unimpressive	5
(No comment)	3
(Miscellaneous)	2

Several observations are in order concerning these replies: (1) most institutions having no policy research in progress replied either "good" or "unimpressive"; (2) quite likely the evaluation requested in a general sense was influenced by the quality of work at the particular institutions; and (3) in the comments section to the above question quite a scattering of replies mentioned the great variation in quality from "very good to very bad." In general, it seems as if the consensus appraisal of the average quality is "fair."

## LIMITING FACTORS TO RESEARCH IMPROVEMENT

If the consensus evaluation of our past and current research in the policy area is only "fair," what then is preventing improvement? While the replies varied greatly when department heads were asked "what do you consider the major limiting factors to the improvement of our research in the policy area," classification revealed four of about equal importance.<sup>5</sup> These are:

Acceptability (lack of support, politics, etc.)	20
Methodology and data	15
Trained personnel	14
Scope and complexity	13
Miscellaneous	3
Total	<hr/> 55

## NEGLECTED AREAS IN POLICY RESEARCH

Most of the neglected areas listed by the respondents are now being studied but the hope seems to be for a greater orientation to the future, with results based upon more analytical study within an improved conceptual framework (Table 2).

<sup>4</sup>In some cases the individual in charge of the direct research work replied to the questionnaire at the request of the department head.

<sup>5</sup>These were not easy to classify! Perhaps the results are oversimplified but they likely do indicate the key factors. Some respondents named more than one factor.

TABLE 2. NEGLECTED AREAS<sup>6</sup>

Program effects (future as well as historical)	15
Needed adjustments within agriculture	10
Foreign trade (particularly effectiveness of surplus disposal programs)	6
Methodology and clarification of objectives	3
Marketing policy of nonfarm firms	3
Income distribution and stability problem	2
No areas adequately covered	4
Miscellaneous	11

### ORIENTATION OF POLICY RESEARCH

Over two-thirds of the current policy research is oriented, at least in part, to extension (Table 3). Research designed for extension and for those responsible for administration<sup>7</sup> of programs, for administration and research workers, and for all three groups combined, extension, research, and administration, were indicated to be of about equal importance. The research designed for extension alone involved only local problem areas such as farm taxation.

TABLE 3. ORIENTATION OF POLICY RESEARCH

Extension program	3
Administration of programs	4
Other research workers	2
Extension and administration	9
Extension and research	4
Administration and research	7
Extension, administration, and research	8
No reply	8
	45
Total	45
Extension orientation included	24
Percent of replies	53

<sup>6</sup>Priorities assigned to needed analysis in the area of national governmental price and income policies by the Technical Committee for IRM-1, "National Policies for Agricultural Prices and Income," at its October 1957 meeting were:

1. "Determine changes taking place in incomes of farmers over time and the distribution of incomes and assets by regions and type of farming. (This may be descriptive in the initial stages but such data are necessary in order to proceed on the equity and similar problems.)
2. "Identify and measure the effects of policies to move resources out of agriculture: (a) labor out-migration, (b) capital (out and in), and (c) land removal.
3. "Determine the distribution of the benefits of government price and income programs.
4. "Analyze alternative programs to expand exports."

<sup>7</sup>An unfortunate use of words may have confused the reply. A more adequate term than "those who administer programs" would have been "designed for policy makers." Perhaps the term as given was generally so interpreted.

## FUTURE PLANS

Research work in agricultural policy will be expanded in the land-grant universities, according to replies. About the same number of departments planned expansion as those which planned continuation of policy programs at about the same level. Several departments planned to reduce this kind of research, and a few indicated no future plans.

## CONCLUDING REMARKS

As related to the number of projects underway, research in the policy area has not been very productive. But before we hasten to criticize the work too severely, let us remember this is a relatively new area of research in agricultural economics, and further, much of the research is just now reaching the publication stage. Undoubtedly, important benefits from this research have accrued to many of the state extension programs and have helped policy makers see more clearly the issues, the problems, and alternative solutions.

The commodity approach has received the most attention; yet only a few commodity studies have been completed and published. Four that we have mentioned, on burley tobacco, potatoes, and dried beans, have received considerable favorable attention.<sup>8</sup> These have been fairly well adapted to the types of analyses within our present state of methodology. Several reasons contribute to this adaptability. Available data, while never perfect, are better than average for the commodities mentioned. These products are normally marketed in the form of the raw product and not as a transformed product which makes identification of original product difficult as in the case of a commodity like corn. The commodities selected have or had during the period of study, relatively low demand elasticities, indicating that problems of substitute commodities were minimal and could be safely ignored. These commodities normally move mainly in domestic trade, so that the problems of the export market and its intereffects upon domestic markets and the operation of price-support programs could safely be ignored.

Why have more of these studies not reached completion? I do not know all the reasons but I can think of some. Just because a project is on the books does not mean it is receiving conscientious and intense attention. Many researchers assigned such projects also have other research work to do, classes to teach (at least a policy course), and the inevitable service work that crops up in the policy area. Can policy research be done at odd times or does the researcher in the area need the

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<sup>8</sup>Other more recent studies have been published; the four mentioned were the early ones.

time and necessary assistance to concentrate pretty fully on policy research?

Can any well trained agricultural economist do policy work or does competent research in the area require a broader knowledge of the social sciences than most agricultural economists have as well as the ability to use a large kit of technical tools? Perhaps the need for better qualified research workers is greater than the need for expansion of research in this subject matter area. And, of course, better data are always needed and certainly the policy area is no exception. Footnote 6 indicates that the IRM-1 Committee placed high priority on the need for improved income data "in order to proceed on the equity and similar problems."

Fortunately, some fine agricultural economists, well trained and intensely interested in this area, are giving much of their time to policy research.

Regional projects have received considerable criticism and the policy projects have not escaped. At the beginning, and I do not mean to be cynical nor can I speak for all projects, regional policy projects were activated, at least to some extent, in order for particular stations to get a share of 9b3 funds. In such competitive situations, sometimes progress of the research later is slow. Fortunately, I believe this scramble for funds is diminishing and more and more the attitude seems to be, does this station have, or can this station get, the man to do the job?

In this connection, one test of policy research studies is going to come when we try to put the commodity studies together on some kind of aggregate basis. This is now being commenced as an interregional subproject at one of the stations.

Can several stations cooperate on a study of the same commodity? Particularly is this approach being tried for wheat and cotton. After the conclusion of the work on chronology and general description, will this approach be amenable to real analysis? Time will tell.

A problem that warrants mentioning is how to meaningfully handle the export variable in our analyses where this is an important factor. This is certainly causing trouble in our dark tobacco study and perhaps this also applies to other commodity studies.

One other problem is that much of the new funds for policy research come from sources under the "marketing" classification. Unfortunately changing definitions of this term seem to be changing eligible research. In some instances the more rigid interpretation of "marketing" has required redirecting projects to conform.



While this discussion has dealt with research, I want to emphasize the tremendous importance of extension's contribution to this educational endeavor. Only through extension's objective interpretation can research findings be used to the fullest. Extension can also be of material help to researchers in interpreting points of view of farm people as observed in the field. With more and improved research in the policy field, extension work can have more meaning. We have found many indications that we are on the way to fulfilling our educational responsibility in the policy area.