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BOOK REVIEWS

Marketing Beef in Japan. By WILLIAM A. KERR, KURT K. KLEIN, JILL E. HOBBS and MASARU KAGATSUMO. (Food Products Press, the Haworth Press Inc, Binghamton, New York, 1994.)

This is a most comprehensive book, written by four experienced economists, which gives powerful and realistic insights into both the economic and non-economic aspects of the Japanese beef market.

Marketing in Japan and Asia depends on hard detailed work on the ground, the formation of business relationships and a knowledge of peoples, their histories and their cultures. Cultural aspects of isolation and insecurity which continue to this day and are clothed by publicists in various stereotypes ('Japan Inc', 'the Japanese Tribe' etc) are analysed and stripped away as are various aspects of, to what some observers see as, an economy which is both mercantilist and medieval in its operation.

I recall prolonged negotiations in 1984 as Australia fought to gain an additional 1000 tonnes of High Quality Beef Quota beyond the extra 1000 tonnes we had been kindly given. After two separate weeks, many official discussions, various indignities, having to listen to lectures on the small size and length of Japanese intestines and the possibilities on 'an outbreak of Imperialism' we finally gained the extra quota, increasing it in total to a bit over 8000 tonnes per annum.

Michael Duffy, then Minister for Trade, and I signed a counterpart Beef Market Access Agreement to that of the US with Japan in 1988 with Agricultural Minister Sato who said he felt like 'the pilot of a crashing aeroplane diving into a burning building'. He was sacked as Minister not long after (MAFF Ministers never last long in Japan) and he died of cancer only a couple of years later.

With the more effective liberalisation of the market commencing in 1991, Australia now supplies over 300,000 tonnes per annum of beef, increasingly 'high quality' and chilled, onto the Japanese market. This compares with our sales of about 100,000 tonnes in 1985-87. Australia now supplies over 50% of Japan's imports.

Some Japanese believe 10 kg per annum consumption per head will be the limit to Japanese consumption, regardless of price and quality — we shall see.

The book is so thorough that it will probably bring many insights to those closely associated with selling and marketing beef in Japan but for the most part will not inform the few foreign experts in the market. Time of publication and delay in the publication of statistics has meant that some aspects of the information is out of date or incorrect. This is why the most illuminating and potentially useful part of the book is that on the characteristics of the people, their culture, their business practices and the multi-layered nature of the distribution system. The

table that should concern all Australian exporters (even though a large proportion of our industry is owned by foreigners) is that showing the inexorable increase in U.S. sales to the market. In earlier years Australia and the U.S. could not meet in competition due to the quota systems administered by the Livestock Industry Promotion Committee. Now that we can do so, the fear is that the US will not only adopt our strategy, technology and systems but set out to buy or bully the market by their usual activities, despite their free trade rhetoric.

The economic theme in the book is demand analysis and the factors that affect demand — hence religion, history, culture, taste, eating patterns and diet are all analysed. Population dynamics, income and consumption, regulation, market organisation, health protection, inspection, food substitutes, Japanese beef production and promotion as well as government policy are also delved into.

The second half of the book goes more deeply into the costs and risks of exporting to Japan and analyses the distribution system at some length. It discusses the wide range of prices and concludes that the major area for growth of beef sales in the Japanese hotels, restaurants and institutions trade is likely to be western style restaurants. Two chapters are devoted to the future of the market and are analytical rather than speculative.

An Appendix, notes and references are also as comprehensive as the book.

All in all, a useful tool for practitioners in the trade or for students wishing to understand real markets not representing 'perfect competition'.

JOHN KERIN Australian Meat and Live-stock Corporation

The Future Eaters: an Ecological History of the Australasian Lands and People. By T. FLANNERY (Reed Books, Sydney, 1994). Pp. 384, ISBN 0730104222.

The Future Eaters is a socio-ecologic history of Australia and its near neighbours. Part One, 'An Infinity before Man' (no problems with de-gendered language here) describes the geological development of the 'New' Lands out of Gondwana. The impacts of climate and climatic change are superimposed to explain the combined impact on flora and fauna of New Caledonia, New Holland (subsequently Australia), New Guinea and New Zealand. Part Two, 'Arrival of the Future Eaters', describes habitation of the 'New' Lands by pre-European settlers. Flannery is particularly interested in two effects. The first was the disappearance of 'megafauna' in New Zealand (e.g. moa) and New Holland (e.g. giant marsupials such as Kangaroos, wallabies, diprotodons and a giant bird *Genyornis*) because of the effect of these extinction on flora and soils. Many of the remaining species also appear to have shrunk in size. The second effect of human habitation in Australia

was changing landscapes through the deliberate use of fire. In Part Three, Flannery considers the effects of 'The Law Wave: arrival of the Europeans' in terms of the new ecosystems (largely dating from the retreat of the last ice age about 8000 years ago) from which they came and parts of which accompanied them (e.g. the weeds they tamed as crops, pests such as rabbits) and their adaptations in the form of technologies (e.g. domesticated European megafauna such as sheep and cattle); and the imposition of technologies appropriate to these new ecosystems on the ancient Gondwana ecosystems.

Why would an agricultural/resource economist want to read *The Future Eaters*? The first generation of Australian agricultural economists were predominately agricultural scientists who had strayed from the straight and narrow. I think they understood better than many younger practitioners the importance of technical constraints. *The Future Eaters* provides younger and less-well-educated practitioners (including this reviewer) with a perspective on the ecological dimensions of the society their economics attempts to illuminate. It also may update those with better backgrounds in the agricultural sciences with contemporary interpretations of the role of those sciences in the broader ecology of agriculture. While I cannot verify the science of Flannery's sometimes idiosyncratic treatment, its 'big picture' approach and its pacey style is well-suited to interdisciplinary communication. It would be suitable as a background reader for resource economics undergraduates with little scientific background. Sometimes, however, I wished for a stronger editorial hand.

There are, however, several drawbacks. The principal problem is that Flannery views human societies through the blinkers of a mammalian scientist. The author writes best when considering long-dead organisms, rather than humans in a relatively modern society. Sometimes, problems are merely ones of interpretation — e.g. crediting the Keating Labor Government rather than the High Court with the native title innovation. Sweeping generalisations like 'Although America was settled by people from Europe, the subsequent flow of technologies and ideas, from mass production to fast food, has been almost entirely the other way — from America to Europe' (p. 162) do not exactly inspire confidence in the plausibility of the social analysis.

In the later social analysis in *The Future Eaters*, Flannery over-emphasises the constraints of the social problem, while essentially ignoring the *objectives* of individuals and societies and the role of relative 'prices' in mediating choices amongst these goals. Thus, for example, the validity of Flannery's assertion that it would 'surely' be economic to hunt the largest kangaroo when days would be spent tracking it (p. 215) might depend on the relative palatability or digestibility of meat from large versus small animals, or the relative value of pelts. It might also depend on the relative cost of hunting, especially in Aboriginal societies with relatively abundant leisure (cf. pp. 286-7). Other examples of problematic economics include: Australian fisheries have low

productivity because \$500m of seafood is imported annually (p. 104) irrespective of exports of \$1100m per annum; 'priceless stands of pine forest' (p. 82); approvingly quoting Charles Darwin that 'Agriculture, on account of the droughts, can never succeed on an extended scale. . . . From the habitable country extending along the coast, and from her English extraction, she is sure to be a maritime nation') p. 350); the rape of the Big Scrub on the north coast of New South Wales which 'today supports a dairy industry worth a fraction of the value of the now-vanished timbers' is a solution of perfect hindsight, and which also ignores that these timbers would probably be only worth a fraction of the real estate value of the area (p. 360ff). The econological dimensions of the Australian population debate dominate both any economic aspects and the effects of changes in technology on ecological constraints (chapter 31).

In his concluding chapter, Flannery argues that 'It is clear that Australia can never be like Asia in an ecological sense. Therefore, our economy and culture must always differ fundamentally from that of the Asian nations' (p. 395). This is crude ecological determinism. The ecological determinism that 'economy and culture' are determined by 'ecology' is flatly contradicted by Flannery's own argument that Aborigines' firestick farming substituted for the mega-marsupials that disappeared from Australia by 35,000 years ago (e.g. p. 184) — thus culture can affect ecosystem as such as ecosystem affects culture. And, similarly, the European use of the Australian ecosystem since 1788 has also dramatically altered that ecosystem (chapters 30-31). Conversely, Flannery's proposition implies that there is an 'Australian' ecosystem just as there is an 'Asian' ecosystem. But both Asian and Australian 'ecosystems' are highly diverse: 'Asian' ecosystems vary from Arctic tundra through deserts to tropical rainforest; 'Australian' ecosystems vary from mid-latitude alpine through desert to tropical rainforest. It is thus drawing a very long bow to imply homogeneity of either Asian or Australian ecosystems when each has a high degree of heterogeneity. *A fortiori*, there is enormous cultural diversity *within* Asia, from Russian North-West Asia, through Moslem West Asia and Indonesia, India, East Asia, and considerable regional diversity within each of these broad sub-continental areas.

Verdict? Well worth the read with a critical mind and some guidance for undergraduates.

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The Economics of Agriculture: Volume I, Selected Papers of D Gale Johnson; Volume II, Papers in Honor of D Gale Johnson. Edited by JOHN M. ANTLE and DANIEL A. SUMNER (The University of Chicago Press, Chicago, 1996.) Pp. xi + 364 and xvii + 455, ISBN 0-226-40172-3 and 0-226-40175-8, US\$49.95 and US\$59.95.

These two volumes record the proceedings of a 'marathon workshop' in 1991 attended by former students and colleagues to celebrate the 75th birthday of one of the world's foremost agricultural economists, D. Gale Johnson. Fifty years ago Gale Johnson along with Bill Nicholls followed their former head of department at Iowa State College, T. W. Schultz, to the University of Chicago (consequent upon the notorious margarine controversy) there to establish what subsequently has become known as the 'Chicago school of agricultural economics'. Johnson, a comparatively young man at the time, began to make an indelible mark on his profession, initially in the field of pricing policy and much later in the area of world agricultural policy.

These books were of particular interest to me as I was the writer of the first expository article in Australia on the subject of forward prices (see the October 1945 issue of the *Review of Marketing and Agricultural Economics*) following their advocacy by Schultz and Johnson. A year later I became a graduate student at the University of Chicago working under these two scholars.

Volume I reproduces a selection of eighteen of the principal papers written by Johnson between 1948 and 1994. These are grouped under five themes, viz. (1) The Organisation and Contribution of Labor Resources, (2) Research, Productivity, and Supply Response, (3) Agricultural Policy in High-Income Countries, (4) Agricultural Policy in China and the Soviet Union and (5) Developing Countries and World Agriculture. Interestingly, this volume includes the paper 'World Agriculture in Disarray Revisited' presented to the 1987 annual meeting of the Australian Agricultural Economics Society. It concludes with a complete bibliography of Johnson's publications between 1942 and 1994.

For the majority of readers, Volume II will be the more interesting and stimulating, if only because it contains the new and hitherto unpublished material. The first five chapters of this volume are given over to a review of Johnson's career as a professional economist, as a university administrator and in the wider intellectual community. Inevitably the assessment of Johnson's contribution is blended with an evaluation of the agricultural economics program at Chicago. In this regard recurrent emphasis is placed by successive authors on the conducting of the weekly workshops as a focus of teaching and research activities. In these workshops students and staff critically discussed the organisation and progress of the research of individual members. They also served as a means of transmitting what is repeatedly called the school's 'oral tradition'.

As regards Johnson's administrative prowess, Schultz describes him as an 'academic entrepreneur'. He served successively as department chairman, dean, vice-president, and provost of his university over a period of a quarter century. In a personal portrait of Gale Johnson, Ed Schuh describes him as 'an all-time nice guy' who 'does his analysis in a non-political way, using his economic tools to analyse policies, and then saying what needs to be said in a nonpolitical way'. Schuh poses the question 'How many people do you know who have taught in the same place for 50 years?' A paper by Sumner attempts to trace the influence of the Chicago school, and D. Gale Johnson in particular, on the development of the discipline of agricultural economics and proceeds to document the influence of Chicago-trained agricultural economists on the American land-grant system and other universities throughout the world.

The latter longer part of Volume II is a more traditional type of *festschrift* where some 20 scholars evaluate various aspects of Johnson's work over four decades. This section of the book is grouped into the same five categories delineated in Volume I.

In Volume II there are two papers which discuss different aspects of the role of research and development in agricultural growth. In the first, Evenson surveys the methods and data that have been used in assessing the contribution of agricultural research to productivity growth. In the second, Ruttan speculates on 'The Constraints on Sustainable Growth in Agricultural Production: Into the Twenty-First Century'.

In the light of the revolutionary changes in United States and Australian agricultural price policies over the past 50 years, the chapter by Bruce Gardner entitled 'Why Experts on the Economics of Agriculture Have Changed Their Policy Tune', in which he reviews policy changes from the 1940s to the 1990s, is of intriguing interest.

In Chapter 17, Delworth Gardner, following Gale Johnson's example examines some of the efficiency and equity impacts of subsidising irrigation, as well as the environmental problems associated therewith. He cites examples in the western region of the United States to illustrate various points.

In a study of recent developments in China, Justin Lin compares the relative efficiency of household and cooperative firms in that country and concludes that the family labor supply to and productivity of the household farms is considerably higher than on cooperative farms. In a parallel chapter, Karen Brooks builds on Johnson's studies of socialist and particularly Soviet agriculture to discuss critical issues which the countries of Eastern Europe and the former Soviet Union will face in the transition to a market economy.

In the final chapter, Antle addresses the question why world agriculture is still in disarray despite GATT and similar international discussions. His answer is that even though domestic politics may lead to more efficient policies from the domestic point of view, there are no

effective international institutions to mitigate the impacts of national agricultural policies on world markets.

The organisers of these memorial volumes are to be congratulated on putting together such an extraordinary fine tribute to one of their well-recognised pre-eminent colleagues.

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Salinisation of Land and Water Resources. By F. GHASSEMI, A.J. JAKEMAN and H.A. NIX (University of New South Wales Press Ltd, Sydney, 1995.) Pp. xviii + 526, ISBN 0-86840-198-6.

'Salinisation of Land and Water Resources' is essential reading for anyone with a professional interest in problems arising from salinisation of land and water. The book provides a broad overview of the problems arising from primary and secondary salinisation of agricultural land and water systems. It will be useful to agricultural and resource economists who are either specialists in agricultural land and water use or who are encountering references to, and discussion of, salinity in their work and need more background knowledge. For specialists, the book provides an overview of work undertaken by physical scientists on salinity in eleven countries and of the proposed solutions and policies for salinity. For generalists, it provides an excellent introduction to the scientific side of salinity and its amelioration. Technical terms, the nature of the problem, ways in which salinisation is measured and types of amelioration are described in detail from the perspective of physical scientists.

The book is divided into two Parts. In the first Part, entitled 'General aspects of salinisation', separate sections cover a global resource inventory, background on irrigation techniques and discussion of its efficiency, how salinisation of land and water occurs, engineering options for management of salinity, biological management and technical aspects of land and water reclamation. These topics are covered using simple language and a Glossary is provided at the end of the book to help readers understand the technical terms.

What becomes apparent from reading Part One, is the enormity of salinity as a physical problem on a global scale, particularly in irrigated areas. The reliance of the world population on food from irrigated land (one-third of world food production), highlights the importance of effective salinity management and control.

Part Two of the book, entitled 'Salinity problems in selected countries', proceeds on a country by country basis. It is divided into eleven chapters, one for each of the eleven countries covered. These are Argentina, Australia, China, Commonwealth of Independent States, Egypt, India, Iran, Pakistan, South Africa, Thailand and United States of America. The treatment of the countries follows a general formula in each chapter. Physiographical features, rainfall and climate and

water and land resources are described in detail. Then land use is described along with any associated problems with land or water salinity in the country. Solutions that have been implemented are then described and an indication given of their success.

In the majority of countries described, the major cause of human-induced salinity is excessive irrigation without adequate drainage facilities. Land clearing for agricultural development also features as a major cause in some countries. Management options include improvement of surface and sub-surface drainage facilities, conjunctive use of surface and groundwater resources, and improving farm management.

There are two short appendices. The first provides a summary of land use and salinity statistics for each country and the second lists institutions around the world that are investigating agricultural salinity.

Wherever possible, the authors take a historical view and information is provided on the origins of problems and on the success of any solutions that have been proposed or implemented. Because of this, the book has a broader perspective than might have been expected from an essentially scientific study. However, the breadth of coverage of this book does not allow for detailed assessment of specific cases.

The authors stress the need for consideration of economic, social and political factors when assessing management options for land and water salinisation. The authors are not economists and, as a result, the treatment of economic aspects of salinity is superficial. In their brief appraisal of economic and social damage due to salinity, the authors concentrate on the costs associated with losses in agricultural production, infrastructure, water quality and habitat loss. Section E outlines some of the market incentives such as transferable water entitlements and appropriate water pricing that are relevant to policy aspects of the problem. However, the important economic problems associated with specification of salt damage functions for integration into farm models and of welfare evaluation of different ameliorating strategies are ignored. Thus, the book is not for agricultural and resource economists looking for the latest modelling approaches. Rather, it is for individuals seeking breadth of knowledge in the area. In this regard, it would be particularly useful for anyone engaged in multi-disciplinary research on salinisation of land or water. Recent regional examples of economic assessments of salinity in Australia, are Greiner (1994), Webb and Price (1994), or Branson (1994).

Finally, the book is well written and easy to read. With over 700 references, it provides an excellent basis for understanding of both the specific issues and of the broader questions. We have no hesitation in recommending it to colleagues who are interested in the area.

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