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# SOME DEVELOPMENTS IN FARM MANAGEMENT EXTENSION IN AUSTRALIA

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Although farm management extension in this country is still very much in its infancy, significant developments are taking place and these developments are occurring at two distinct levels which are largely independent of one another. It seems appropriate that we, as agricultural economists, should critically examine the developing pattern of extension and advisory services in farm management, especially as from the national viewpoint, there appears to be some danger of a misallocation of professional resources if current developments in the farm advisory club movement continue without change.

Before discussing a desirable pattern of development for the future it may be worth reviewing developments to date, both in the Government extension services and in the farm advisory club movement.

## *Government Extension Services*

It would appear that little thought was given specifically to the provision of farm management extension services by State extension organizations until 1957 or 1958. However, at about that time Departments of Agriculture in the eastern States made some initial moves to investigate and subsequently implement limited farm management extension programmes. Apathy in some states and staffing difficulties in all have severely retarded plans for comprehensive farm management extension services but some real progress is now being made, particularly in New South Wales and Queensland.

Early in 1964, 40 agricultural economists were employed in State Government Service, although many of these were not directly concerned with farm management, *per se*. This number was made up as follows:

N.S.W.	18
Queensland	12
Victoria	5
South Australia	1
Western Australia	3
Tasmania	1
 Total	40

\* Based on a presidential address to the N.S.W. Branch of the Australian Agricultural Economics Society, Sydney, March, 1964.

I wish to express appreciation to Mr. E. O. Burns, Queensland Department of Primary Industries, Mr. D. R. Meadley, Victorian Department of Agriculture, Mr. Clark Catt, S.A. Department of Agriculture, Mr. P. M. Falconer, Australian Association of Farm Management Consultants, Mr. Eric Waring, University of New England and Mr. Huon Hassall for supplying information used in the preparation of this paper and to Dr. D. B. Williams for comments on an earlier draft of this paper. The views expressed are my own.

Despite a minimum of consultation and collaboration on the official plane, plans for developing farm management extension activities are basically very similar in each State, although more ambitious in some than in others. Because very little appears to have been published on State extension plans in this area it is probably worth outlining the current situation in those States where important developments are occurring or are planned.

#### *New South Wales*

In New South Wales, the Department of Agriculture is actively implementing a plan designed to provide a State-wide extension service in farm management and farm economics within the structure of the existing technical extension organization. This involves the appointment of agricultural economists to each of the nine regional extension headquarters and the training of extension officers in farm management principles and techniques.

The agricultural economists appointed to regions will be concerned primarily with research designed to provide basic input/output data for use in farm management; as a secondary duty they will be concerned with the training of extension officers in farm management techniques and in providing some group extension in farm management for the farm community.

The economic research programme is being further decentralized by the appointment of agricultural economists to country research stations. So far only two such appointments have been made and these are financed by the Australian Dairy Produce Board, but it is hoped further appointments will eventuate in the not too distant future. The result will be that shortly at least half of the Economics Staff of over 20 should be located in country regions.

Although I suggest that the "education" of the primary producer in farm economics and farm management techniques is a secondary function of the regional agricultural economist it is one of the prime functions of a true farm management *extension* service, furthermore it is a function which appears to have been somewhat neglected by most rural extension services. We have made a modest start in this direction in New South Wales and it is an area of work which I envisage will receive increasing attention in the future.

At this stage in the development of farm management extension activities, first priority in education in farm economics should be directed to the professional agriculturalist and before the end of this year virtually all the N.S.W. Department of Agriculture's extension officers and some research staff—about 250 officers in all—will have attended a short (one-week) in-service training school in farm management. These schools have two broad objectives (i) to stimulate an interest in farm economics generally and, in particular, in the application of farm management principles and (ii) to demonstrate and provide practical field experience in the use of the budgeting technique in decision making. It is hoped that this initial series of schools will be followed up by more detailed and advanced "workshop" discussions for regional extension workers.

It is not envisaged that the agricultural economist will engage, to any extent, in individual farm advisory work. This should continue to be carried out by existing extension staff; their extension activities being gradually modified so that economic considerations will always be taken

into account. It cannot be expected that this will be achieved quickly but there is already considerable evidence that the training courses so far provided and the increased emphasis on management generally have had a marked influence on the extension activities of a small but increasing number of Departmental extension officers, a few of whom are now devoting quite a significant part of their time to management work at the individual farm level. The ideal situation would be one where every extension worker is adequately equipped and trained to give management advice. However, for practical purposes, and even if the foregoing ideal is achieved there will be distinct limitations on the extent of the individual management work which the State extension services can handle, unless available staff resources can be greatly expanded.

#### *Queensland*

The change in official attitudes towards economics in the extension programme is well illustrated by a recent statement by the Queensland Minister for Primary Industries (the Hon. J. A. Row, M.L.A.) when he said:

"The job of the extension officer today is to show the farmer how this action or that will increase his profits . . .

"There are three prerequisites to progress along these lines: an ample fund of facts on the economics of farming; an extension staff well trained in interpreting and passing on these facts; and informed farmers well able to understand and use economic facts in making decisions."<sup>1</sup>

The basic plans of the Queensland Department of Primary Industries appear to be very similar to those which I have outlined for New South Wales.<sup>2</sup> The Economics Branch of the Queensland Department is divided into two sections—Economic Research and Economic Services. It is the Economic Services Section which is specifically concerned with farm management. This Branch is responsible for the collection and recording of basic standard data relating to specific farm operations and enterprises; with the provision of this data to Departmental officers and primary producers; with partial budgeting and assisting officers of other branches in assessing consequences of specific propositions and with training in management principles and practices (including the conduct of schools for Departmental officers and primary producers' organizations). It is also concerned with the encouragement and establishment of Farm Management Accounting Groups, including the provision of technical advice on record keeping and accounting.

There is thus a dual orientation: close collaboration with other Divisions in farm management work; and farm accounting work. Farm management extension is expected to develop through normal extension services, allied with the planned appointment of agricultural economists in major centres.

A basic "Farm Management Course" of 4½ days duration has been developed and between 80 and 90 Departmental officers have now attended this course. The course differs from the New South Wales

<sup>1</sup> J. A. Row, "Putting the Profit into Farming is No Pushover", *Queensland Agricultural Journal*, Vol. 90, No. 1, (January, 1964), p. 1.

<sup>2</sup> This description of the situation in Queensland is based on notes provided by Elton Burns, Director of Economic Services, Department of Primary Industries, Brisbane. Personal communication.

course in that it is concerned solely with budgeting and simple accounting. It is essentially a workshop course, with very little formal lecturing. The idea is to teach in some depth skills which can be used in extension, rather than create favourable attitudes, which it is assumed already exist.

The Queensland Department is also trying to develop attitudes towards farm management accounting in farmers and public accountants. The Farm Management Accounting Groups are record keeping projects for which the Department does all the analysis, and prepares annually for each participant a statement comparing his figures and efficiency ratios with those of his group average. The purpose is three-fold.

1. As a demonstration activity to prove the value of management accounting.
2. As a general source of management data.
3. To establish standards for comparative purposes.

A joint Committee of Management Accounting for Primary Producers, representative of the State Department, the University (Agricultural Economics and Accountancy) and the three Accountancy Institutes has also been set up to work out and recommend a standard basis for farm management accounting.

As in New South Wales agricultural economists are being appointed to country centres. The economists appointed to a country post will have some research responsibilities and will be "concerned with the development of farm management practices in his district. In the latter phase, we think he should be more a specialist officer available for consultation with Departmental advisers, rather than a farmers' adviser.

"We have found in practice that there is very little time in our Toowoomba office to carry out research, except small projects (largely of a costing nature) in collaboration with other officers. There is a big demand for this sort of work, and for partial budgeting at a fairly low technical level. Our officer is in constant demand to address farmers' meetings on farm management and in this way, and through use of press and radio, a strong management attitude has developed on the Downs."<sup>3</sup>

### *Victoria*

In Victoria,<sup>4</sup> where an Agricultural Economics Branch was established within the Department of Agricultural late in 1954, development has been much slower. However, it has been planned that the introduction of a farm management extension service should be a major function of the Branch. The Departmental view is that the Branch should act as one of the central branches providing services in much the same way as the Chemist's Branch and the Biology Branch do at present. In effect this means that the Agricultural Economics Branch will be more concerned with the provision of information, training and techniques to existing extension services than with direct extension activities. To be effective it will, of course, be necessary for it to become involved in some direct advisory situations, normally in co-operation with district officers.

The initial stage has been the training of extension officers and four formal residential in-service courses have been held over a week. They

<sup>3</sup> *Ibid.*

<sup>4</sup> Based on information supplied by D. R. Meadley.

cover basic economic principles, budgeting, business analysis, marketing and farm records, and include a number of exercises.

The Victorian Department is aiming to overcome the common difficulty of lack of information concerning the business side of farm management by organizing a systematic collection of data relating to various environments by using either supervised records or small scale surveys or a combination of both. To this end considerable time is being spent on the design of a farm record system and an associated technique of business analysis. The system is based on the gross margin concept.

#### *South Australia*

Although the South Australian Department took a positive interest in farm management work at a relatively early stage there has been very little development in that State which, at the moment, employs only one agricultural economist "The function of the agricultural economist . . . is officially viewed as being to improve the quality and effectiveness of technical advice by providing advisers with economic data and experience in a farm management approach. This objective is attempted at present by the economist working with advisers on the collection and use of farm records. Where sufficient records are available, a comparative analysis approach is used".

"The long term plan is to station an economist at each district office".<sup>5</sup> Already some schools for extension officers of similar general character to those in other states have been held.

#### *Other States*

There are no official plans for farm management advisory work in the Western Australian Department of Agriculture and in Tasmania the only agricultural economist does not appear to have much direct participation in that State's extension programme.

From the foregoing outline of developments in the Eastern mainland states it is apparent that, in general, plans for the development of farm management extension are basically similar in each state. The emphasis varies, with particular attention being paid to farm management accounting in Queensland and with specifically less emphasis on comparative analysis in New South Wales than in some other States. In each state though, it is envisaged that the agricultural economist will do research to provide basic data and will be an "adviser's adviser" rather than an extension worker in the traditional sense providing detailed advice to the individual farmer. In each State considerable in-service training in farm management and farm economics has already been provided for technical personnel and in some States this training programme is being extended, in necessarily modified form, to provide an educational service to the farming community.

#### *The Farm Management Club and the Private Consultant*

The genesis of the farm management club movement in Australia and the advent of official farm management extension services do not appear to be related directly. Starting as they did at almost the same time, one is tempted to look for some common factor responsible for this two-way development. Clearly there has, in the last decade, been an increasingly widespread recognition of the importance of management in farming.

<sup>5</sup> Clark Catt. personal communication.

This widespread recognition by technical agriculturalists, agricultural administrators and farm leaders of the importance and value of the relatively recently developed science of farm management in the decision making process is probably the most important development in recent years in agricultural extension and agricultural science generally in this country. It probably accounts both for the growth of the farm management club movement (and of the private consultant) in the past five years and for the beginnings of organized farm management extension services at the official level in the same period.

### *Growth of Groups*

Unlike the development of farm management extension within the official extension services the growth of farm management clubs has already been fairly well documented.<sup>6</sup> For this reason my remarks here will be confined to an up-to-date summary of the present position. The movement is developing so rapidly that it is impossible to be sure that the figures quoted at any particular point of time provide a completely accurate assessment of the situation, but it appears that as of June, 1964 there were about 50 farm advisory groups operating throughout Australia, with at least another 27 formed but not yet operating or in the process of formation. Of the 50 operative groups, 25 were in Western Australia, 17 in New South Wales, 6 in South Australia, 1 in Victoria and 1 in Queensland. Of the 27 newly formed or forming groups 23 were in Western Australia and 4 in New South Wales.

It would seem, therefore, that if sufficient advisers can be recruited there will be well over 70 groups actually operating in Australia by the end of 1964. This is quite a significant development when it is remembered that the first such group was formed in 1956 and the movement proper did not really start until 1958-59 in Western Australia and 1959 in New South Wales. It is interesting to note that, in New South Wales, the net addition to the number of clubs has been as follows:

1956	1
1959	1
1960	2
1961	—
1962	3
1963	5
1964	5 operating, 4 formed but not yet operating

The general framework of these clubs is well known; based on their New Zealand counterparts they aim to provide a wide range of technical and "whole-farm" advice to their members, with membership

<sup>6</sup> See, for instance: H. P. Schapper, "Farm Management Clubs" and H. Hassall, "Method of Development of Farm Improvement Programme as Applied to an Advisory Service in the Wagga area", published in *Reviews, Papers and Reports, Australian Agricultural Extension Conference 1962*, C.S.I.R.O., Melbourne, 1963; Department of Primary Industry, *Farm Management Clubs in Australia*, Canberra, 1963 (Processed); H. P. Schapper, "Farm Management Clubs for Australia" *Journal of the Australian Institute of Agricultural Science*, Vol. 25 (1959), p. 23-30; H. P. Schapper, C. I. A. Beale and J. A. Roberts, "Report on Farm Management Clubs and Private Consultants to the Council of Australian Institute of Agricultural Science", *Journal of the Australian Institute of Agricultural Science*, Vol. 27 (1961).

normally restricted to about 40 farmers. An important point to note is that, as far as I am aware, not one of the clubs operating in Eastern Australia employs as an adviser, anyone who has majored in agricultural economics, nevertheless there is obviously an increasing tendency for the advisers to concentrate on planning and on "whole-farm" management advice. This was not necessarily the case at the outset.

Hassall,<sup>7</sup> in a paper prepared for the Australian Agricultural Extension Conference in 1962, by inference at least, advocated that a farm club adviser should concentrate first on the agronomic programme, then, when this was agreed to, on stock management and husbandry and only after these had been attended to should he examine the management programme as a whole or attempt to make an economic appraisal of the farm organization. He claims that in the early stages of the adviser's contract with his farmer client "suggestions of economic analysis and discussion of availability of resources were regarded with some suspicion"<sup>8</sup> (by the farmer). But this possibly reflects the advisers' training and experience as much as the farmer's attitude.

There is some evidence that there has been a change in attitude in some, at least, of the more recently formed clubs with the initial emphasis being placed on an economic survey and a whole farm approach. There is some reason to believe that, as clubs become established, some club advisers at least, are concentrating more on organization and management than on purely technical advice, despite their lack of initial formal training in agricultural economics. Some clubs are tending to become, if they have not already become, genuine management groups rather than technical advisory groups. There is justification, therefore, in regarding the club movement as part of the overall development of farm management extension activities in Australia.

#### *Resources Used by Groups*

The advisers employed by these clubs throughout Australia advise about 1,800 (perhaps up to 2,000) farmers; 0·9 per cent of the commercial farms; in New South Wales the figures are 600 farms—or 0·9 per cent of the total and in Western Australia 800 to 1,000 farms or 4·5 per cent of the total. If my estimate of over 70 clubs by the end of 1964 proves correct, at that stage clubs will be employing approximately 6 per cent of the total personnel engaged in farm extension activities throughout Australia (1,100 advisers—full-time equivalent—in Government Services in 1962).<sup>9</sup>

All this raises the question as to whether the farm advisory club movement in its present form is likely to result in the most economic use of an important resource—professionally trained personnel. It is not the fact that the club movement is tying up quite a significant number of well trained agriculturalists to provide advice to such a small proportion of the farming community, rather it is the future implications of

<sup>7</sup> H. Hassall, "Method of Development of a Farm Improvement Programme as applied to an Advisory Service in the Wagga area", *Reviews, Papers and Reports, Australian Agricultural Extension Conference 1962*. C.S.I.R.O., Melbourne, 1963.

<sup>8</sup> *Ibid*, p. 175.

<sup>9</sup> My estimate, derived from information contained in papers presented to the Australian Agricultural Extension Conference, 1962. It does not include the small but growing number of personnel employed by commercial firms.

the continuance of the clubs in their present pattern over a protracted period which gives rise to some doubts.

The farm management club movement in New Zealand is some ten years older than it is in Australia. There is some evidence to suggest that in that country there is relatively little turnover in club membership. Once a farmer joins a group he tends to remain a member. This may reflect a high degree of satisfaction with the services provided but there may be other reasons. I suspect that in some areas of New South Wales at least, membership of a farm management group is a status symbol that may not lightly be discarded; but whatever the reasons for continued membership I think it pertinent to question whether protracted membership of such a group—as at present conducted—is not going to result in a serious misuse of a scarce resource—professionally trained personnel. One might go even further and question the value of protracted membership to the individual farmer and here I am thinking of the farmer who wants the adviser only to help him “clarify his (the farmer’s) goals, to select the best means, and to make better decisions than he would otherwise”.<sup>10</sup>

So far as I am aware no independent evaluation of the effectiveness of any farm advisory club in raising net farm income or return on capital investment has yet been made in Australia, although it has been stated that the University of Western Australia hopes to undertake such studies. Some evaluation work has been done elsewhere and has indicated significant increases in income as the result of similar group activities and I have no reason to doubt that when farm management groups are evaluated here significant gains in farm income and return on capital will be indicated. But I suspect that most of any such increase in net return which does accrue as the result of the club advisory service will occur within the first three to five years of membership, after which diminishing rates of gain will, I suspect, be very rapid.

#### *Future of the Groups*

Undoubtedly many farms are not organized to yield optimum profits and a competent farm management adviser will in many (probably most) cases be able to suggest a programme which will result in a substantial improvement in net farm income; but having for the time being determined an optimum or near-optimum programme, and if necessary, having helped the farmer make whatever adjustments are needed to implement this programme, the farmer is likely to need little further basic management advice unless there is a marked change either in his personal circumstances, in cost/price ratios or in technology. The emphasis here is on the word *marked*. Small changes in price and cost relationships and minor technological innovations are unlikely to alter optimum programmes except, perhaps, in minor respects. Several linear programming studies lend support to this view including one recently reported by Tyler.<sup>11</sup> In the conclusion of this study Tyler says “No change in the programme for the typical type of farm, viz. the two-man

<sup>10</sup> H. P. Schapper, “Farm Management Clubs”, *Reviews, Papers and Reports, Australian Agricultural Extension Conference 1962*, C.S.I.R.O., Melbourne, 1963, p. 168.

<sup>11</sup> G. J. Tyler, “Optimum Programmes for Wheat Farms in the North Western Slope”, *Review of Marketing and Agricultural Economics*, Vol. 32, No. 1, (March, 1964).

farm, is necessary until the price of wheat falls at least below 10s. 6d. per bushel and this is likely to apply equally to farms with other sizes of labour force. On the whole, the broad outlines of the programmes presented are likely to remain valid in the face of fairly substantial changes in the enterprise profits assumed".<sup>12</sup>

If my contention is correct, that is that after an initial programme has been drawn up and initiated a farmer will only need to make basic changes in his plan occasionally and as a result of *major* changes in circumstances, then, it can be argued, the logical course would be for him to dispense with membership of the farm advisory club at this point. When necessary he could then employ a consultant on a fee basis, (or, if available use the free services of official extension officers) to obtain necessary economic and management advice when a new planning decision is called for. Alternatively, the number of farmers in the club could be increased with lower fees payable and less service to older club members.

If the membership of farm advisory clubs were to turn over rapidly after three to five years, as farmers who no longer needed *continuous* advice resigned to make way for newcomers, the club movement would not result in the same misallocation of professional resources that is likely to occur if farmers continue to retain membership after they cease to benefit substantially from such membership. However, I know of no evidence to suggest that such turnover will occur.

This could be due in part to the comparative absence of reputable private consultants but I doubt whether this is an important factor. In any case there are indications that an increasing supply of reasonably well qualified private consultants will be available in the future. There are at present at least 13 graduate consultants (including those in partnership) operating in New South Wales and Victoria; all but two of these have commenced practice since the beginning of 1963; nine of them this year.

While I have been somewhat critical of the farm club movement in *its present form*, I am not suggesting that there is no place for the club movement or for the private farm management adviser. On the contrary I think that private advisory services are not merely a desirable but an essential development in our rural economy provided the form they take is such as to ensure a reasonably economic utilization of resources.

### *Plans at New England*

One development likely to result in better resource use would centre around what will be called, for want of a better term, Farm Accounting Groups. The drawing of the farm accountant into farm extension activities is being actively encouraged by the University of New England and, as indicated earlier in this paper, by the Queensland Department of Primary Industries; other State extension services will, I am sure, also actively participate in this process in the future. As every economist who has had any association with farm management work knows, the farmers' accountant, with a few rare exceptions, is satisfied to prepare the annual income tax return and if he provides the farmer with anything in addition to this service he provides nothing but an orthodox balance sheet and profit and loss statement based on taxation figures; this is,

<sup>12</sup> *Ibid*, p. 21.

of course, virtually useless for management purposes. Fortunately there are indications that a small but significant and expanding group of accountants are aware of the past deficiencies of their farm accounting services and are looking for ways to remedy the situation.

The University of New England, with a grant of £8,000 from the Rural Credits Development Fund, is establishing a Farm Management Service Centre and it is investigating an advisory service operating through farmers' accountants.

"Such a service is expected to economize the use of scarce resources of trained manpower, and avoid duplication of effort between the existing and future sources of professional advice to farmers. It may also be expected to add variety to employment opportunities for agricultural economics and agricultural science graduates."<sup>13</sup>

By standardizing accounts procedures a farm business analysis can be produced almost as a by-product of the tax accounts, and methods for doing this, including coding for analysis by computer, are being studied within the Department of Farm Management.

It is suggested that "given such techniques, an agricultural economist working through groups of accountants' clients could service 200-300 farmers per year, providing comparative performance schedules, such as those produced by C.P. Bird, C. A. Mallyon and Dr. A. A. Dawson, and provide individual management advice based on standards, programming and homogenous groups, and budgeting".

"Each client would receive about half-day on the farm with the adviser, as well as attending a group meeting and, if necessary, paying for additional interviews with his accountant, who could be expected to produce partial budgets for enterprise changes, referring the occasional out-of-the-ordinary enquiry to the farm management consultant".

"The estimated cost of such a service is less than £40 per annum, possibly as little as £25."<sup>14</sup>

While this approach appears to have considerable merit it too has its own limitations and it is essential that these be clearly recognized. Statements provided by the University of New England and planned and actual developments elsewhere suggest that "comparative analysis" would be used extensively. There can be no doubt that this approach has a definite value as a practical extension technique but it also has severe limitations, which do not always seem to be fully recognized by its protagonists. Provided it is recognized as a diagnostic technique it is a good starting point in the extension process but it is essential that its practitioners keep its limitations constantly in mind and do not, as some of them appear to do, regard it as the be all and end all of farm management extension.

Provided the comparative analysis technique is relegated to its proper place in the scheme of things, farm accounting groups, whose individual members can call on the services of either official government extension officers or private consultants for both technical and detailed economic planning advice, provide what should be a satisfactory farm management advisory service.

As agricultural economics research organizations provide more data of direct value for farm planning, and as State extension services develop effective educational programmes in farm management principles and

<sup>13</sup> E. J. Waring, personal communication.

<sup>14</sup> *Ibid.*

techniques, it is reasonable to expect that many of the more intelligent members of the farming community will become quite competent to do much of their own management planning, effectively using some of the recognized management techniques.

#### *Summary and Conclusions*

Almost everybody who has written or spoken at any length on the subject of farm management extension in Australia has suggested that there are complementary roles to be played by the Government extension services and the private advisory clubs and services. I agree. It must also be realized that while there is a reasonable chance that State extension services can provide a complete service at the traditional technical (physical) level (although they are probably not doing so at the moment) there is, in my view, no possibility that Governments can ever provide a complete farm management extension service which will meet the full needs of all members of the farming community; nor do I think they should be expected to do so. If such a service is to eventuate it is essential that the traditional Government extension services be supplemented, and supplemented substantially, by private advisory services.

The prime functions of the agricultural economist in the government extension services should be (i) to provide basic input/output and outlook data in forms suitable for use by farm managers and their consultants and (ii) to educate the farmer in the need for scientific management and to educate and *advise him* in the techniques of management so that he can apply those techniques himself, where this is feasible. If it is not, he should be able to recognize the need for professional management assistance. Having recognized that he has a problem which the science of farm management can help him solve he must, where it is a complex problem, employ a professional adviser and he must be prepared to pay a professional fee for this assistance. At the same time the farmer has the right to expect that the technical extension officer in government service has a reasonable basic training in farm management and in the application of economic principles to agriculture so that his (technical) advice will at least have regard to the economics of the whole farm situation and will not be divorced from business and economic realities. In many cases the technical extension officer should be able to go further and advise on alternative courses of action and it can be expected that he will be able to do this to an increasing extent in the future, but for the more complex management problems the private consultant will be required.

Whether or not this view of the functions of the official extension services is granted, it is still of considerable importance, in the interests of optimum resource use, to encourage the development of private advisory services along lines which will in fact make economic use of professionally trained personnel. I have suggested that this will mean a move away from the farm management club as it has developed in the past five years towards the private consultant who operates on a fee basis; this development should be allied with the development of farm management accounting services and groups, the latter possibly employing one agricultural economist to each 200 members.

Provided the professional status and integrity of the private consultant is maintained at a high level such a change will, in my view, be of great significance. It should result in a far more economic use of professional

resources than will be the case if there is unlimited development of farm management clubs as at present constituted; particularly if there is a marked rigidity in club membership, as I suspect there will be. Insofar as farm management clubs do continue in their present form it seems to me that any steps which can be taken to encourage a turnover of membership after an initial planning period, would be highly desirable.