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WORKSHOP DISCUSSIONS

In addition to the discussions at the general session of the Conference on the main theme, six workshops were organized in order to provide an opportunity for detailed and intensive discussions among the delegates on some specific problems. The subjects selected for these workshops were: (1) Agricultural Policy, (2) Extension, (3) Farm Management, (4) Marketing Research and (5) Teaching. There were three workshop groups on 'Agricultural Policy' and one each on the other four subjects. The following is a brief summary of the discussions at the workshops.

In the first workshop on 'Agricultural Policy' the following topics were discussed, *viz.*, Economic Development, Land Reform and Problems of International Trade.

Agricultural Policy (Workshop A)

In the discussion on Economic Development, relative role to be played by the agricultural and industrial sector in the economic advancement of under-developed countries came to be examined. Many of the participants held that increased productivity per worker in agriculture should take place *pari passu* with industrial development. Furthermore, mobility of labour to industry should be encouraged and promoted in all nations except where there is an exportable surplus of agricultural commodities.

Coming to the discussion on capital formation, it was stated that where agriculture is the mainstay of a country's economy, capital for investment in agriculture or industry should be sought from the agricultural sector itself. In order to encourage the capital accumulation in agriculture, right atmosphere should be created by changing institutional framework, like abolishing landlordism which hinder such accumulation. Village co-operatives, right type of taxation, State trading are some of the steps which may help to stimulate capital accumulation. The participants largely agreed that labour intensive methods should be used in production wherever it is possible. As regards the place of big river valley projects, minor irrigation works, adoption of better farm practices in the programme of agricultural development, the group held that each case has to be judged on its own merits.

While examining the question of land reforms, the group distinguished between two major objectives, *viz.*, increase in agricultural output and reducing inequality between landlords and tenants. Most of the members from under-developed countries agreed that the overall economy cannot progress without land reforms. They said that ownership of land will lead to better incentives to cultivators to increase output as the prevalence of landlordism leads to exploitation of the tenants. It was also emphasised that uncertainty in deciding the policy in this behalf and delay in implementing the policy adopted hinder economic progress. However, some members held that there were cases (e.g., Egypt) where landlords were the prime leaders of agricultural development. In more advanced countries, the landlord-tenant system has stimulated the economy. It was also thought desirable that land reforms should be accompanied with proper education.

An interesting problem was posed during the course of discussion on international trade. In the context of increasing surpluses of agricultural produce with the agricultural exporting nations, some of the underdeveloped countries which are attempting to obtain foreign capital by increasing export of agricultural produce are finding it difficult to forge ahead in this direction. The group emphasised the utility of the bilateral trade agreement under the situation mentioned above.

In the workshop B, the main topics discussed were—land reforms, price stabilisation policies and credit policies. In the discussion on agricultural price stabilisation policy, it was pointed out that the approach would vary according to (a) whether agriculture is based on peasant-proprietorship and is progressing in the direction of commercialisation, (b) whether demand for agricultural products is increasing and (c) whether agriculture is playing a relatively small part in the economy. In this respect, the nature of measures adopted and their outcome in Uganda, United Kingdom and Venezuela were examined. The main discussion was centred on problems of providing assured prices to producers, elasticity of supply of agricultural products and purpose of stabilisation funds. However, there was no unanimity of views on these problems.

**Agricultural
Policy (Workshop B)**

Regarding credit policies, the group discussed the problems of organising and extending the scope of credit institutions, administrative issues involved and integrating credit programmes with other reforms. The background for discussion on these issues was provided by the reports on rural credit system in India and Philippines. Though there was difference of opinion, the group generally agreed that capital which is scarce in many under-developed countries should be directed towards more productive purposes.

This group discussed the topic in three parts. In the first part, the participants concentrated their attention on the role of the agricultural economist in relation to land reforms. This part of the deliberations brought out issues relating to research methods for analysing and evaluating land reform measures. The task of evaluation of land reform would be easier if the goals of land reforms have been unambiguously defined. The subject of land reforms was divided into two main sub-topics—(1) sub-division and redistribution of land and (2) consolidation of holdings. The man-land ratio in backward countries was emphasised as the main dividing factor in bringing about institutional changes in agriculture. In respect of land redistribution the experience of Japan, Yugoslavia and India was discussed. In Japan, the objective of land reforms which were initiated after World War II, was to increase the operator-ownership. Land holdings were limited to 3 to 5 hectares and rent was decreased by 5 per cent of gross income. As a result of this it was mentioned that production increased from 1 to 1½ per cent per annum in the pre-war period to 2½ to 3 per cent per annum in the post-war period. In Yugoslavia, the major land reform of recent years is the fixation of ceiling on land holding at 10 hectares. However, this led to fall in production immediately after the introduction of this reform partly on account of the fact that this reform involved establishment of agricultural colonies in which inexperienced cultivators were settled. In India such a reform is characterised by

**Agricultural
Policy (Workshop C)**

land acquisition by State by paying compensation and distribution of the land acquired among small landholders.

During the discussion on consolidation of holdings, the example of Russia was cited where all large land holdings were socialised; but small plots of land were distributed among the peasants which led to the increase in small land holdings from 13.0 million to 25.0 million. The Soviet delegate opined that the large farms supported by the use of new techniques should improve farm products.

The basic objectives of land reforms also came up for examination. In India the abolition of intermediaries, the security of tenure and fixation of rent are as important as the problem of promotion of owner-cultivation. Secondly, some held that the objective of land reform must be to increase rural employment, (e.g., Yugoslavia) security of tenure, social and economic equality, etc. Thirdly, it should aim at the adoption of new techniques and larger marketable surplus. Fourthly, the imposition of ceiling on lands does not take into account new technology. Fifthly, the aim should not be simply of maximising production but should be of minimising losses. The group concentrated its discussion on two objectives, viz., maximisation of production and maximisation of farm income so as to have a basis to compare conditions in this regard in different countries. With special reference to India, it was stated that other objectives of the reforms should not be set aside in arriving at an optimum size of holding. Finally, it was said that land reforms may and in fact do give rise to more consumer surplus due to increased supply and lower prices as demand for food is more or less inelastic.

The main objective of the discussion on the problems of economic development and regional planning was to assess, both in developed and under-developed countries, how far political and governmental attention has focussed on agricultural problems; what are the remedial measures to mitigate maladjustments, and how far the measures adopted in one country are applicable to other areas.

The problem faced by the more developed countries such as the United Kingdom, United States and the Scandinavian countries, due to full employment, capital formation and equal distribution of income is to increase the migration of labour out of agriculture, increase the size of holdings and mitigate maladjustment arising out of price support policies so that the income level in farm business can be maintained. It was also pointed out that marginal farm lands should be diverted to forestry use. Regarding the measures to be taken to mitigate the maladjustments on account of price support policy, emphasis was laid in increasing efficiency of agriculture through research and extension services. Where the small farmers are not able to improve their lot by their own efforts, non-farm employment has to be provided as in the United States.

As against this, the situation that arises in underdeveloped countries is quite different. Unemployment, low income and low capital formation are some of the problems faced by these countries. After a thorough discussion, the group came to the following conclusions. First of all, the pressure of population on land should be reduced and the production should be increased by intensive cultivation. Secondly, literacy of the rural population should be increased.

Thirdly, subsidiary industries should be developed to increase the income of farmers accompanied by the adoption of social services to engage the labour overthrown from agriculture. By way of an overall conclusion, it was held that rural development should be a long term policy and the rural people should be encouraged to take interest and participate in such development.

The second workshop discussed the subject of extension work in Agriculture. The discussion was broadly divided under four heads, *viz.*, extension machinery or agency, extension methods, problems faced by extension workers and training in extension work.

II. Extension

The participants from United Kingdom, West Germany, Finland, United States, India, Brazil and U.S.S.R. described the existing extension machinery in their respective countries. In United Kingdom the extension machinery, known as advisory services, is provided by the Government and the universities. The country is divided into ten regions, each having a set of specialists who are civil servants except agricultural economists who are from the universities.

In West Germany, Government and semi-Government institutions known as Chambers of Agriculture provide extension services. In North-Western Germany where pattern of agriculture is fashioned by bigger cultivators, farmers sometimes appoint their own advisory agents for rendering extension services.

In Finland, there are two types of extension services. The first type is similar to one generally found in many countries, namely the extension workers approaching the cultivators and advising them on technical and other problems. The second type is a more specialised one. The cultivators have to approach this agency with their problems for advice and guidance. The State provides finance to meet the expenditure on these services to the extent of about 50 per cent.

In India, the National Extension Service was started in 1952 and is financed by the Central Government. The country is divided into C.D. and N.E.S. blocks of about 100 villages each for this purpose and a separate administrative machinery is constituted for this purpose which functions in co-ordination with other departments.

In U.S.A., extension service is carried out jointly by the Federal Government, State and local Governments and the land grant colleges. As in Finland, there are two types of extension services. The first type approaches farmers whereas the second is approached by the farmers whenever they have specific farm problems.

In Brazil, the extension service is provided by A.C.A.R. and other agencies. These agencies are at liberty to adopt their own methods for rendering the extension services. A special feature of these services is the supervised rural credit system operating alongside the extension services. In Russia, extension service is run by the State and demonstration farms and plots are set up for exhibiting the benefits of new technological advances.

For promotion of research and for education of farmers in technical improvements, etc., the group was of the view that in addition to financial help by States, it

is necessary to seek the help from institutions engaged in conducting research and training in this line.

The methods to be adopted for efficient working of the extension services can broadly be classified into (1) personal approach, (2) group approach and (3) mass approach. For personal approach, farm visits and telephone calls ; for group approach, group meetings, and for mass approach publication of new technical developments in the agricultural field, etc., were advocated. It was felt that personal approach is the best method and more so in under-developed countries despite its various limitations. However, these approaches should be co-ordinated with credit services in order that the farmer has necessary means to adopt practices recommended.

As regards the problems faced by extension workers, the group felt that the weakest farmers are very difficult to approach. The main difficulty an extension worker encounters is the utter lack of response by the farmers. Secondly, the extension worker is looked upon with suspicion and disrespect by the local people. He is also faced with the problem of untimely supply of seeds, fertilisers, etc., and the farmers are often times faced with the problem of inadequate means. Lastly, he is handicapped to convey his scientific knowledge to farmers owing to imperfection in the media used. The worker must adopt a means which will provide scope for exchange of ideas between specialists and enlightened farmers. It was also felt that the extension worker must be a man who can work with right spirit and zeal.

Regarding training of extension workers, it was felt necessary that the village level workers should be given both extensive and intensive training. They should be in touch with the latest developments in research in the field of agricultural science. However, it was felt that in under-developed countries the extension workers need not receive extensive training. The group was of the opinion that the worker should be capable of showing initiative in the work, understanding the needs of the villagers and he should, therefore, be trained to suit these requirements.

The third workshop devoted itself to the problems of farm management, and the discussion covered the following nine points : (1) Approach to farm management when, ample, some or no data are available, (2) Type of research work needed when there is underemployment or bad utilisation of resources, (3) Problems of diversification of production and of vertical integration, (4) Optimum size and type of farming, (5) Effects of industrial development on farm management, (6) Income effect on consumption in less developed countries, (7) Land reform and farm management, (8) Response of farmers on price fluctuations and (9) Problems of procurement of resources for farm management research.

**III. Farm
Management
(Workshop
Group A)**

The discussion began with reference to under-developed countries. Participants from five countries namely, India, Greece, Lebanon, the Philippines and Latin America reported their experience in this field of research.

In an underdeveloped country, the approach to farm management problem, it was felt, may be made in two ways. One way would be to carry out random sample surveys in different areas or regions so as to obtain a broad picture of the varying sizes of farms, labour inputs, outputs, etc. The second way is to start experimental farms and case studies.

Regarding the calculations of cost of production which would be helpful to farmers, three separate cases were examined, *viz.*, minimizing cost for one crop; choice between alternate crops for a farm and choice between farm and non-farm business. In respect of the first case, it was felt that the purpose would be served, if only the variable costs are calculated. In the case of choice between alternate crops, the question of complementarity, risk, etc., should be taken into account. In the third case opportunity cost also should be studied.

Finally the consensus of opinion was that for farm management research, Governments in underdeveloped countries should take the responsibility of providing funds.

The workshop group B on this subject discussed problems on farm management research in underdeveloped countries and principles of farm management applicable to all countries, new techniques in such research and relation of farm management research to extension and teaching.

III. Farm Management (Workshop group B)

The following problems were cited as likely to be faced by underdeveloped countries in farm management research : (1) size of the farm, (2) farm finance methods, (3) opportunities for farm workers and (4) input-output analysis. In research work, the difficulties that arise, *e.g.*, lack of proper records, wide variations in size of farms, illiteracy of farmers, etc., were also brought forth for examination.

Regarding the objectives of farm management research, it was felt that improvement of managerial ability and incomes of small farmers is important. In view of the national policy of increasing food production, more data on farm managerial matters have to be collected. It was generally agreed that the fundamental function of farm management research was to provide the basic information for decision making, either for the farm as an independent unit or as part of country's economy. Further, in early stages of farm management research, a country should not try to solve every problem at the same time. It is better to take up a few farms for study and use the data thus collected as a step for further research. Problems for study can be collected only by travelling and talking to the local people. The co-ordination of the research work of certain agencies and that of agricultural institutions is necessary in order to further the research work. The success of research on individual and institutional farms should be the object of analysis.

The discussion on marketing was divided into two parts. In the first part, the problems of underdeveloped countries, depending on export of agricultural products for earning foreign exchanges, were discussed. The discussion was grouped under three heads, *viz.*, (1) the effectiveness of international commodity agreements and their applicability to products of underdeveloped countries ; (2) the gains from grading for the export market and (3) the problems of market development.

IV. Marketing

In respect of commodity agreements, there was a difference of opinion. Some participants felt that price maintenance by leading exporters is a more important factor in maintaining price stability than the International Agreements. Others maintained that such agreements may lead to rigidities in or restrictions on production in respect of both producing centres and individual farms thereby resulting in some waste of available resources.

Regarding grading for export, some participants expressed a view that grading would bring about an increase in the quantity marketed and hence in the returns as well. Grading will augment market demand for different qualities of the product, provided there are different demands for graded goods and consumers are prepared to purchase at higher prices or increase their demand to cover the cost of grading. However, the problem of fixing the standards to meet the consumer's preference is to be solved. The experience of the United States in determining the grading standards to suit the consumers' preferences was explained by the participants belonging to that country. Many held that Government of a country should take the responsibility in the grading programme.

The participants did not discuss in detail the problem of market development as research work has not made sufficient headway to give a definite opinion. Test markets, where consumer responses to new products can be observed, is a useful field for investigation. The country which takes up marketing research work, should limit its enquiry to assess the determinants of demand for a product, its possible substitutes, transport problems, etc.

The objectives of internal marketing programmes which differ from country to country and from commodity to commodity within the same country, was then taken up for discussion. For instance in India, the main objective is to reduce the price spreads between what the consumer pays and what the producer receives. In some countries, gain to the consumers is also given equal importance. Bearing in mind the peculiarities of each commodity and country, it was agreed that the following are certain essential things for establishing marketing programmes: (1) Deciding the most suitable marketing programme within the limitations of resources, (2) Identifying the variables which determine the factor being maximised, (3) Establishing the administrative machinery necessary to permit these determinants to be controlled or manipulated and (4) Finding means to measure the input-output relationships involved with reference to which the performance in achieving objectives could be assessed.

Opportunity cost for the time and resources diverted from production activities can help the farmer to make decisions on the methods of marketing. In the course of the discussion, the emphasis was laid on the integrated scheme of marketing process which requires a simultaneous change in some aspects of marketing programme with a change in marketing structure, failure of which will result in slow adjustment for faster and fuller development.

Co-operative marketing which is highly developed in some countries has failed in others due to the following reasons : (1) Producers sell their produce to merchants in return for the credit facilities extended by them, (2) Inadequate financial help to co-operatives, (3) Non-co-operation among producers and (4)

Lack of managerial ability. The failure of a co-operative may be also due to its functioning dogmatically on old marketing lines without introducing a change. Co-operatives should encourage the farmers to adopt different methods of production. For success in co-operative marketing, it was suggested that producers must be compelled to transact their business through co-operatives only. It was also held that co-operatives should not try to solve the problems which are beyond their scope of activity.