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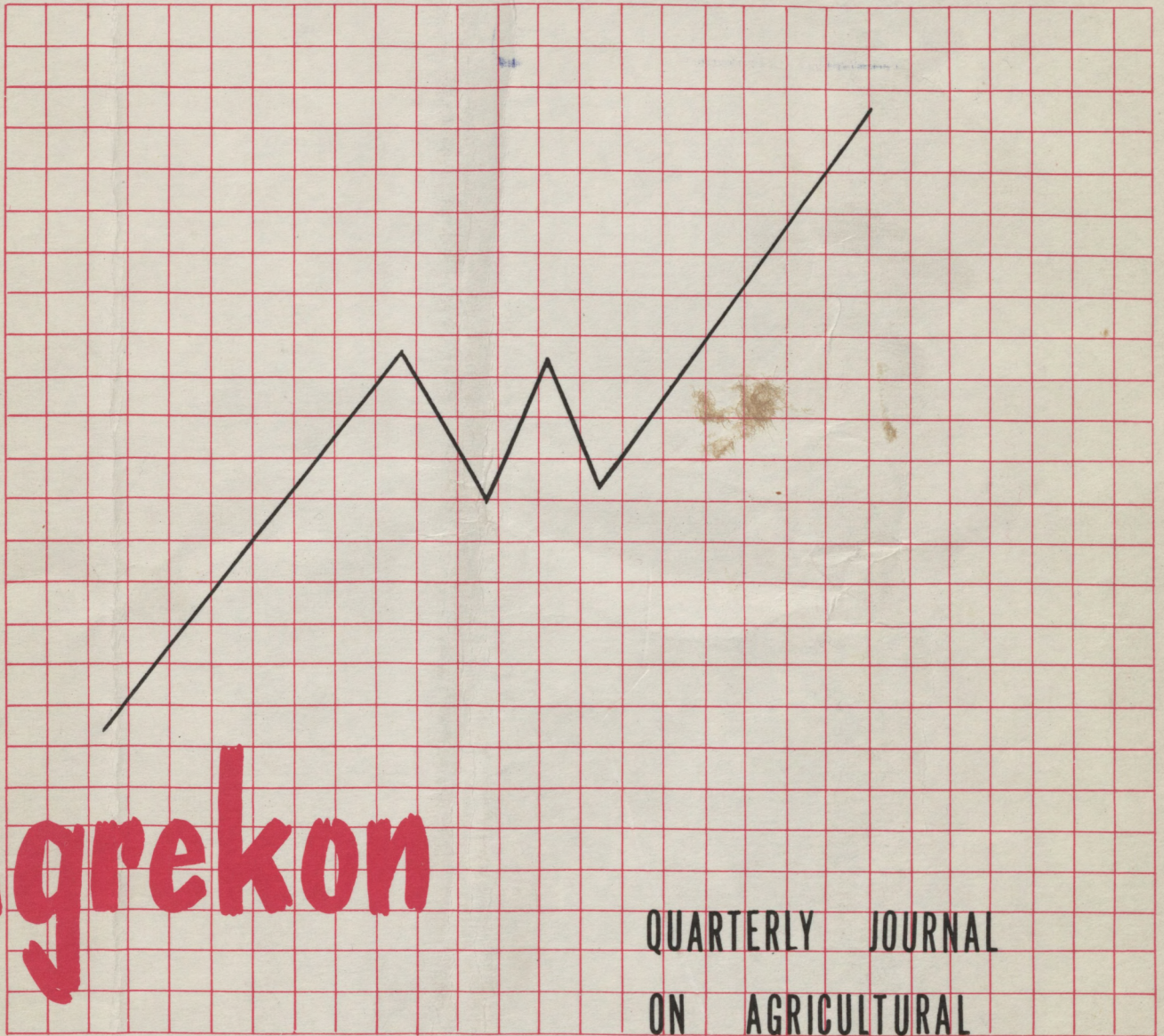
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# MARKETING

by

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Government departments, the various control boards, the private sector and agricultural co-operatives during the past two decades, independently of one another and to an increasing extent, have taken into service agricultural economists with a four-year degree. These economists were either appointed direct from university or were attracted away from one of these bodies by another and vacancies exist for others.

Farmers received advice from all quarters and as in the case of other fields of study, statements differed and were queried.

Despite higher yields the financial situation of agriculture has not improved and the blame for this has been laid inter alia at the door of the advisers. The contribution of the economists cannot have been too far off the mark because sufficient farming undertakings are operating on a sound basis and many agricultural economists have found access even to the boards of directors of large organisations.

This means that, firstly, a need does exist for agricultural economists; secondly, due to a lack of norms and standards which are generally acceptable, no co-ordinated advice is given and, thirdly, the prospects for agricultural economists to achieve high posts in big organisations are good.

## THE VIEWPOINT OF THE EMPLOYER WHO HAS TAKEN AGRICULTURAL ECONOMISTS INTO HIS SERVICE

### Agricultural economic extension

Reasons for appointment of agricultural economists as advisers are:

- (i) The economist will help the farmer to produce more profitably.
- (ii) The financially healthier farmer is a potential advantage to the industry, that is to the undertaking which employs the adviser.

It is the profit motive which induces the employer to appoint employees. For this purpose preference has been given to agricultural economists with postgraduate practical courses (fruit, tobacco, etc.) which the economic adviser will need for purposes of evaluation of the respective branches of industry.

Whether this aspect will be valid for the next two decades is a point for discussion on its own. The question arises whether the economist with a more specialised training is not better equipped for

the future than the man who has one or two supplementary agricultural subjects which are of little or no value for large areas of the Republic.

### Agricultural economic research

Agricultural economic research has made great strides in the preceding two decades and it is now possible to take stock earlier and more efficiently of what happened during preceding years. As in the case of other fields of activity, farmers have been criticised for everything which was done incorrectly, but few researchers have yet spelled out what the farmer must do on the farm scale, at present and for the future. Priorities, standards and proven relationships (for example of animal to crop, of machine to manual labour, of economically justified capital investment to income and cash flow) have not as yet been determined and cannot be generalised on a nation-wide basis. Knowledge of these aspects and deductions made from them are not yet being carried through on a sufficiently wide front and as far as farm level. One of the few exceptions is the mail-record system.

### NATIONAL OBJECTIVES AND CO-ORDINATED ADVICE

As yet we have no national objectives which are economically justified with regard to the envisaged contribution to the Republic's total by the four provinces. How then may one advise the farmer when agricultural economic research has not yet determined the norms?

National objectives involve advance planning and assume collaboration to this end between the various bodies. The agricultural economist can here play the decisive role by drawing up the most economical plan for the respective task of every branch of industry which affects agriculture.

Standards mean not only correct analysis of the nutritive value of fertiliser or the active ingredients of sprays, with favourable "on-the-farm prices", but will also have to include data on the efficient and economical performance of farm machinery, and this data must be made available for agricultural economic research. Because norms for these farm implements - by far the farmer's most capital-consuming expense which binds him for years into the future - are inadequate, we have the situation today where many industrial countries market implements in South Africa which were not

developed for local conditions. Truly a classic example of unco-ordinated and one-sided advice without consideration of the national economic situation! Minimum requirements, based on economic evaluation of a limited number of makes for purposes of the allocation of import permits, would easily lead to a reduction of 40 per cent in the present variety of farm machinery; it is this factor more than any other which, if only because of the problem of spare parts, has caused the production costs of bread, meat, sugar and fruit to rise out of all proportion.

This does not mean that the agricultural economist must now also receive training in engineering, but rather that the economist must be given greater authority than in the past as regards the determination of norms and research in this connection.

When mention was made of fewer additional subjects and more speciality subjects for the agricultural economist of the future, it was assumed that the faculties concerned with subjects such as agriculture, horticulture, engineering, ect., produce sufficient graduates up to the speciality level (M.Sc., D.Sc.). The question as to whether the number of post-graduate agricultural students having a four-year course in research as well as speciality extension, will be able to handle the big task is one that the faculties will be in a better position to answer.

If the profit motive of employers in the future is to move within the framework of national objectives and according to predetermined priorities and if inter-disciplinary co-operation is to be realised, I personally consider the activities of the agricultural economist in the service of the agricultural co-operative or private industry within the following decades to be of greater importance and higher priority than those of pedologists, agriculturalists or pasture experts, of whom the first-mentioned have meanwhile progressed the furthest.

If the services of agricultural economists become product-bound in the future and available only for a limited number of branches of industry, I see great prospects for an independent agricultural economics speciality adviser or industrial economist who handles larger farming units on a contractual basis.

#### **THE FARM MANAGER OF TOMORROW**

Three-year courses which are increasing in popularity are obviously the aim of the farming managers of tomorrow who have the great task of providing food for the country.

The majority of employers have once again agreed that decisions of an economic nature taken on farms can be expected to carry more weight than the agricultural knowledge of the manager. Breakthroughs in the agricultural field are expected on a different level, namely that of calculations in the sphere of genetics : new, improved and earlier cultivars which will make possible two harvests per year, as well as improved breeds of animals.

#### **THE FUTURE**

The opinion of the employer crops as regards the future need for economists is not at all unanimous : the employers are rather prepared to think in the short term and to quote the law of supply and demand which will also influence the future.

The managers of private companies would like to see the rise of a moneyed farmer who on the strength of his experience or acting on expert advice can arrive at economically correct decisions. If economic extension is offered within the framework of the national objective of Government departments no additional advice is necessary or justified. If no independent advice on the farm scale is available, it will in the future be possible to influence the farmer in such a way that he will overdo some or other capital investment.

What this amounts to is that the producer who is willing to use natural resources optimally and to work in accordance with the country's farming policy, must be protected by an adviser who is primarily an economist, who can evaluate research results and can adapt findings to local conditions and, finally, who knows whom to contact in connection with speciality problems. The man who possesses these qualifications, will in the following two decades have little difficulty in obtaining a post and to progress from that position.

#### **SUMMARY**

Marketing organisations as employers of agricultural economists aim for a financially stronger farmer through the help of the agricultural economist and thereby benefit also themselves.

Since economic advice is mostly offered with a view to improving one or other type of farming (dairy, red meat, cash crops) or for individual aspects of production (fertilisation, sprays, implements), the results are often not those of the original target.

Employers in the marketing field feel that in the absence of sufficient norms and standards, economic advice is bound to differ. National crop targets for the seasons ahead for the most important products such as grain, meat, dairy products, sugar, ect., if announced timeously could obviate overproduction of shortfalls as is the case at present. For this reason it is expected that the agricultural economist of the future will have to play a bigger role than has been the case in the past.

Since farming is becoming increasingly a business enterprise, it is expected that the more specialised agricultural economist or industrial economist will, during the next two decades, be better equipped for his task than the economist with a few agricultural subjects.

The majority of marketing firms in the private sector concur that agricultural economics at farm level should remain in the hands of departmental extension or agricultural co-operatives.