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# NATIONAL GOALS AND FOOD INDUSTRY PRODUCTIVITY: TOWARD 2000 A.D.

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Setting of goals for the food industry and their effect on productivity are evaluated.

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## Introduction

How do you develop a common goal set for a rapidly changing country of some 230 million people in our version of a democratic society? How can a common goal set be arrived at for a complex, evolving food production, processing, distribution and consumption system that sold nearly \$300 billion worth of products and services at retail in 1980? What do goal sets have to do with the productivity in the first place?

## Objectives

This paper will look at changes in goals in the nation and in the food industry and discuss various impacts of these changes upon productivity. Also, the process for development of 21st century goals will be discussed. In addition, the role of the 1980's in this process will be highlighted.

## The 1980's - A Crucial Decade

Every decade can lay claim to its share of problems and opportunities, each of which is intensified by current events and attitudes. The 1980's is unique because it is the decade when a majority of us will (1) begin to realize the long-range consequences of the many complex problems that we face, (2) realize that long-range problems need long-range solutions, (3) begin to get ourselves coordinated to do something about these problems, and (4) begin to set our goals, develop the structure and establish the criteria for evaluating programs toward achieving the goals established.

## National Values

As we built this country, the common belief that we all shared was a faith in the future. We expected to reap the harvest of the protestant work ethic (temperance, frugality, and industry). We were willing to "risk it all" for the promise of a "better life tomorrow."

Somewhere along the way to the "affluent society" we managed to lose the values that had driven us. Consumption, leisure, even hedonism drives our current search for the "good life." There is another element that has become deeply ingrained in our society. If hard work, talent and savings won't bring affluence, then the government will.

Risk taking and profit making go hand in hand in a capitalistic society. Today, we still want the profit, but are not willing to accept the risk necessary to earn it. A risk free society, where expectations become rights and mediocrity rules the day, has replaced the value sets of our forefathers.

From its beginning, our society has firmly held to the virtue of self-interest as the driving force. If we all did what was best for ourselves and minded our own business, everything would turn out fine for the group. However, with increasing population density, pressure on non-renewable resources, and increasing complexity of life, self-interest begins to bump up against group interest. What's good for the vested interest group, may not be good for society. In fact, it might very well be harmful to society.

#### National Goals

The United States of America was founded to foster religious freedom. We collectively developed a continent; fought a couple of world wars and selected police actions; sent men to the moon; and have developed one of the greatest assemblages of human capital (minds and skills) in the history of mankind. Yet, at this point in time, we find ourselves without a coherent set of long-range goals for our nation.

Please note, the author did not say we were a nation without goals!!

However, our current goal set is characterized by:

1. Short-range - now!
2. Narrow Scope - special interest
3. Inward Focus - me!
4. Minimum Performance - get by!

What we have is a large number of power centers, each with its own set of goals and resources. More importantly, each firmly committed to the idea - "Let the other guy sacrifice, not me."

With all this, we have a stagnant economy and are faced with a growing list of long-range problems to be surmounted.

#### Food Industry

If we are dealing with a nation and a food industry, both with a wide variety of goals, the results are predictable. Overall productivity of the total food industry system will be operating at something less than an optimum rate. In short, more resources are being used than is necessary to supply our people with food and fiber. Some impacts of this condition upon productivity are:

1. Resources moving with little central direction (less than optimum productivity).
2. Some activities are counter-productive.
3. Indecisiveness (especially in government, but industry is not immune).
4. Lack of innovation, creativity, entrepreneurial activity.
5. Disenchantment (with government

and selected other institutions).

6. Regression (especially in productivity).

As can be seen there are elements of the short-range productivity problems we have been experiencing in the past, as well as symptoms of longer range, more serious productivity problems that will be with us for some time to come.

A point needs to be made here. There are many reasons for declining or stagnant productivity within the food industry - technological, labor management, institutional, capital, and political reasons are only a few. However, the point of focus of national and food industry needs can provide a framework for beginning to define and eventually contribute to the solving of our many problems. But if we don't set clearly defined long-range goals for ourselves and our food industry, then a lot of resources will be wasted in the process. Also, we may not be able to improve the productivity significantly, and could place this nation at the mercy of our more productive competitors in the world market.

Related Comments

A number of related comments need to be made before moving on into a discussion of 21st century goal sets for the nation and the food industry.

A. Size of the "Economic Pie"

During the first six decades of the century, the great depression excluded, we enjoyed economic growth. There was "plenty for everyone" (with a few unfortunate and notable exceptions). With the decade of the 70's, economic growth has slowed. There has been more competition for a slower

growing pie. Without some significant increases in risk taking capacity, we face the remainder of the century with a stagnant or declining "economic pie." More competition over a smaller pie, or less competition because of fewer but larger firms dominating industries or markets.

Should this be true, there is a very real risk that the ensuing power struggle would crush the very imagination, creativity, innovation, "yankee ingenuity" and willingness to risk that could get us out of our dilemma.

B. Leadership

We are a nation of romantic, hero worshippers, although we each possess our individual skills, talents and resources, we tend to rally around the hero of the moment. This is one of the reasons that we have asked so much of our government and its leaders (many times more than it or they can deliver). We need someone to lead us!!

The unfortunate part of the 1980's is that real leadership\* in government, industry and citizens' groups is noticeable by its absence. Presidents ranged from weak to hard line. Congress has been characterized as only being effective at spending money it doesn't have. Nameless, faceless bureaucrats abound - to hamper efficiency in both public and private enterprise. Collective responsibility is taken when it

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\*President Eisenhower's definition of leadership was "knowing what needed to be done, doing it, and making people like it."

can't be avoided or there is some "glory" to grab.

Men and women of vision, courage, reason and willingness to act - WHERE ARE YOU??

#### C. Technology and Institutions

The point to be made here focuses upon relative rates of change. Technologies have changed at a lightning-like pace in the past and will move similarly in certain areas in the future. In many cases, slowness to change in institutions has created a situation where full benefit of a technological change has been denied and productivity has suffered. This is especially true of the giant firms in the industry, who are seldom the innovators. They believe that large capital investments in technological changes are not in their best interest.

#### D. National, Group and Individual Goals

History has demonstrated, time and time again, that the group (large or small, public or private) which aligns its goals most closely with its members - or vice versa - has the best chance for success. In our current state of disarray, the individual has great difficulty seeing goals clearly, partly because the institutions at all levels that he or she deals with have the same problem. The situation replicates and compounds itself. The individual becomes frustrated, "Why should I set my goals and plan my life when nobody else does?"

How can you plan anything when changes come so rapidly? Let's not plan and take things as they come. In the popular vernicu-

lar, that is a "cop-out." Rapid pace of change should be a very strong reason for setting goals and making plans in order to anticipate situations and take advantage of new conditions.

Should this goal-setting, planning process start with the individual or the nation - or somewhere in between? The process must start with the individual because he or she makes up the larger group and has his or her say in where the group is going. So, we can't shift the goal setting-planning process off on the "other guy or gal" or on some big mysterious bureau in some remote place. We must accept the responsibility for our own destiny. We can impact upon it if we use our talents and resources properly, especially in the voting booths.

#### E. Change Management

When making a change (especially one of the breadth and magnitude being discussed here) those affected must be thoroughly convinced of the need and urgency for the change. We can assume that this is not a problem. However, in reality, the preservers of the "status quo": the "don't knows, don't understands, and don't cares," make up a sizeable portion of the population. They also present a formidable challenge in terms of education - motivation.

The first step is to determine where we are and how we got there. The how is probably more important than the where, but both are necessary to help us determine where we are going. Once we have chosen the appropriate course, we measure progress with predetermined criteria.

All this sounds pretty mechan-

istic and the structure of it really is. What's the point? Change management is a formal process that can be used to help make something different (better?). The process is not new. The scale and depth of this project may be the largest ever attempted. The real key to any goals setting planning process is the quality and quantity of leadership that gets involved.

#### F. Problem Identification and Alternative Evaluation

The planning process is a continuous one and needs an appropriate mechanism to feed in information for analysis and decision-making. The time tested policy analysis framework of defining the issue (problem): alternative(s)-solutions: and consequences of making changes is a useful one. To say, oh yes, we should have a long range framework for problem identification and alternative assessment, is very easy. To build and operate such a framework is quite another matter.

To quote from the recent "Global 2000 Report to the President," "To meet the challenges described in this study, the United States must improve its ability to identify emerging problems and assess alternative responses. In using and evaluating the Government's present capability for long-range global analysis, the study found serious inconsistencies in the methods and assumptions employed by the various agencies in making their projections." Apparently, the government is trying to get its act together in the long-range planning business. Firms and other institutions are doing the same thing. At least the need is recognized,

and attempts are being made to fill it at both the government and private enterprise level.

#### 21st Century Planning System

What we are not going to do is write specific goals for the nation or the food industry in 2000 A.D. and beyond. We will identify the elements of the essential long-range planning system and discuss areas that need a great deal of attention.

We start the planning process in 1981 and work our way toward the time frame (2000 A.D.). We utilize parts of the past, present and future in building the system. The author cannot over-emphasize that we are building a system to meet a series of anticipated (nutrient) needs at a future time (2000 A.D. and beyond). We bring from the past and present those items that are usable and discard the rest. Those items, needed in the future but not available now, we make provisions to put in place.

Parts of the system are:

Values/needs

Goals

Alternatives

Systems (factors of production, functions, institutions and technologies)

Our challenges are:

- A. To keep the whole "Economic Pie" growing at a moderate rate (manageable to inflation).
- B. To make changes from a things-oriented economy to a service-oriented (human value) economy, and to coordinate national and individual goals.

While we need to continue specific emphasis on technological change (energy, medicine), we need a massive effort to redesign our institutions. They are the linkages through which we use our technologies and must be tailored to meet the needs of the 21st century, not the 19th.

Mankind in the 21st century United States will be living a less resource-consumptive, more group-oriented (less individualistic) life style, in greater harmony with his or her planetary neighbors.

### 21st Century Food Industry Goal

As a part of a coherent long-range set of national goals, the following general food industry objective (which we articulated a few years ago) should just about be in "full stride" by 2000 A.D.:

"To provide adequate supplies of safe, nutritious food and food products with desired service levels at prices that reflect true value to the United States consumer, at a minimum total resource cost."

### Incentives

What are the incentives that would spark the development and implementation of a 21st century common goal set for the nation and the food industry?

1. Survival - Internal pressures (lifestyle changes, better nutrition). External pressures (energy, changing world structure).
2. Profits - Improved productivity - system-wide.
3. Growth - Avoid stagnation.
4. Continuation of a modified version of the "Good Life."

5. National and personal prestige - fulfillment.

6. Environmental improvement or quality sustainment.

Are these great enough to force such dramatic changes? The optimist would say, "I hope so," the pessimist would say, "we have no choice."

### Implementation

One final question will be treated in this paper. Who can we look to as the person responsible to get this massive job done? Short of the "Almighty," we must say that part of the responsibility for this task rests on each and every one of us. In our democratic system, we must become informed, active participants in the change process. More specifically, we must hold public officials (Executive, Legislative, and Judicial) responsible in the governmental sector, food industry leaders in the private sector, university leaders in the research and educational sector, union leaders and consumer representatives in their area of expertise. What's new about this approach? Nothing. The point is, we (the general public) have to make the system work for all of us (not special interest groups).

### Summary

We looked at needs, values, goals, productivity and change. It all boils down to what we want to do to feed our bodies and minds and those of future generations from fewer resources during the 21st century. Now is the time to start! Not tomorrow ---- today!