AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
http://ageconsearch.umn.edu
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

DISCUSSION: THE AGRICULTURAL MARKETING AGENDA FOR THE EIGHTIES

Emmit L. Rawls

I have been asked to comment on marketing research needs for the 1980s. I bring a slightly different perspective to the subject than does Dr. Ward, because of my occupation as an extension specialist and because of the type of agriculture and markets found in the state of Tennessee where I work.

First, I find no flaws of consequence in the paper. The author has emphasized thoroughly those areas where marketing research is needed. My comments will be restricted to areas where a greater emphasis is needed, and to one omission.

I agree with Ward on the four areas that are likely to have a direct effect on marketing research in this decade. My comments concern two of them. Ward indicates that marketing research will be forthcoming where there is high academic payoff in terms of recognition and awards. We all know that publishability is of high concern to the academic researcher. While this view may be a fact of life, we may at times have "the cart before the horse." It is to be hoped that future problems needing research will have a higher priority than the concept of researching that which can be published with least difficulty.

Ward also indicates that future research will be forthcoming where there is financial support. While there may be changes in the support base, and concomitant changes in research orientation, one must not assume that state and federally supported research will continue to be there for whatever "turns the researcher on." The federal government and, particularly, state governments are likely to be more keenly interested in how research funds are being expended and the orientation of that research.

Ward directs his comments toward four subject areas. The first is the pricing process. We have developed good quantitative understanding of the relationships between supply and demand for many agricultural products. Future marketing research should continue to update and improve on previous work. This should be a priority at every research institution; however, it may not be at this time.

In the area of forward pricing, research is needed on the impact of contracted acreage or production on subsequent price movement as the growing and marketing season progresses. This research would require development of a better understanding of the pricing process itself.

Research is also needed on additional forward pricing strategies that can assist producers of food and fiber to recognize good pricing opportunities and improve average returns over time. What kind of pricing tools and marketing strategies will be needed for commercial agriculture to survive the impact of dealing in world markets? These tools and strategies need to be integrated with production and financial management of the firm.

In the area of transportation and distribution, it seems that much of the concern with deregulation has come about after the deregulation has occurred. It is likely to have an impact on agriculture and the food distribution system. If it results in more truck and less rail movement of goods and services, the higher costs will be passed on in lower prices to producers and higher prices to consumers. Research is needed to bring to light feasible means for those adversely affected by deregulation to deal with their problems.

In an area related to market research, a model is needed to evaluate the impact of various scenarios on agriculture. It would be used to estimate the impact of such things as policy changes and weather on agricultural production and prices. The USDA has such a system now, but it is more for internal use in making policy decisions. While it may be more cost effective to purchase these services from a private forecasting firm, the feasibility of getting timely answers might be greater at a university or regional center.

Another segment of marketing is sometimes easily forgotten. Humphries reported that the market structure developed in response to technological advance tends to restrict market access for the small isolated producer. Marketing alternatives are quite restricted for traditional and non-traditional products (Humphries, p. 879). The small producer with traditional products lacks bargaining strength and has a volume too small to gain access to some markets. The producer of non-traditional products often cannot attract a

Emmit L. Rawls is Associate Professor, Extension Agricultural Economics, University of Tennessee.

Discussion prepared for presentation at the annual meeting of the Southern Agricultural Economics Association, Orlando, Florida, February 7–10, 1982.

market because of low volume. The USDA has reported an increase of 8,000 farms in 1981. Many of these were undoubtedly small. Some alternative marketing systems are needed for small farmers that can be implemented with a minimum of public funds.

Ward mentions the need to be aware of the relevancy of marketing research to the agribusiness sector. The emphasis in marketing research toward agri-business (beyond the farm gate) in some states is much greater than others. Perhaps a better mix of marketing research is needed that includes producer-level marketing and marketing beyond the farm gate.

I agree with Ward that basic research or disciplinary research form the framework for applied research. Subject matter research needs to be more problem oriented and should result in new knowledge being transmitted to some interested audience. Ward's suggestion that publishable research be further prepared for trade journals or extension publications is a good one. If we strive to keep marketing research relevant, problems of funding may diminish.

It is easy to become excited about disseminating research findings when one has been in close contact with the researcher. Ideally, this can take place from the definition of the problem to the conclusion of the research. Communication is the key. I challenge both research and extension economists to communicate and work closer together to attack those marketing problems needing attention.

REFERENCES

Humphries, Fredericks, "U.S. Small Farm Policy Scenarios for the Eighties." *Amer. J. Agr. Econ.* Vol. 62 (1980): pp. 879–888.