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DEPARTMENT OF AGRICULTURE

THE ROLE OF OUTLOOK

Talk by Assistant Secretary of Agriculture J. Earl Coke before the 31st Annual Agricultural Outlook Conference, Washington, D. C., October 26, 1953.

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It is a distinct pleasure for me to join in this working conference with the agricultural and home economists of the State Extension Services and people here in the Department. We need occasions such as this to get together--to exchange ideas and to generally strengthen our research and educational program directed toward achieving economic balance in our farm plant.

This conference has become a tradition. I am sure the representatives of the State Extension Services look forward with pleasure to renewing acquaintances, exchanging ideas and getting stimulation from discussion with kindred workers. This is a select group of the favored few, who are permitted to enjoy the benefits and assume the responsibilities of this task.

I wonder, if after 30 years we are doing too many things from habit, just because that's the way we're accustomed to doing them. Have we drifted too far in the direction of an annual convention? It seems appropriate to raise the question at the start of this conference of just what outlook means to us today. Is it a sort of crystal ball gazing and forecasting? What is its role? Is it meeting today's needs? Have we brought our techniques up to date to meet today's conditions? Are we getting adequate returns for the time, effort and expenditure involved?

Perhaps I am in an unduly questioning mood. But recent assignments on budget review and on reorganization of the Department have left some impressions -- perhaps some scars.

(more)

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Let us first of all take a look at the agricultural situation and the setting out of which outlook work developed.

Beginning about 1921 the major agricultural conversation was regarding agricultural prices. This came about largely because of distortions of production brought on by World War I and the realization that our former export market would not be restored promptly. Major efforts were first centered in the extension of credit facilities and expansion of the cooperative system in an effort to secure more effective collective bargaining for agriculture. There followed the Agricultural Marketing Act of 1929 which set up a Federal Farm Board. This brought the Federal Government actively into the farm price field. Great interest developed for price analysis, marketing and the outlook work was designed to give farmers a basis for more intelligent decisions concerning their production and marketing plans. Agricultural economists in the Department and the State College and County agents thought the nation worked diligently on this program.

We have been carrying on outlook work for 30 years. These have been dynamic years for American agriculture and rural life. Mechanization and modernization of farm production have proceeded rapidly, with many finding it difficult and some impossible to keep pace with the changes. Productivity per man-hour was increased during the war years and since then has continued to grow as new labor saving devices and new methods were adopted. Farming today is a highly technical operation. The most significant development during the past 30 years is the increased dependence of agriculture on government. The effects of government assistance and controls have, in many respects, overshadowed the economic forces. The minds of men rather than economics became the controlling factor.

Is it possible to carry on effective outlook work under these conditions when program activities of the Federal Government are such a dominant force? Should outlook work be eliminated if the centralization of power which has taken place during recent years is to be continued? We certainly have many illustrations recently in which the group interest of farmers

is in conflict with the economic interest of a farmer acting purely as an individual. How do we deal with these conflicts in our outlook work?

In an economy in which the effect of government programs greatly influence economic forces the pattern of production may not add up to a nationally desirable one. Can we in our outlook programs help to achieve a proper balance of production and point up what is likely to be most profitable to individual farmers? It seems to me that research and extension workers have an opportunity and an obligation to suggest modifications in farm programs that will make the desirable adjustments most profitable to farmers.

You know of our efforts to get the widest possible expression of opinion on the kind of farm programs our people want and need. Past and present farm programs were developed to meet conditions that grew largely out of emergency situations -- drought or war or depressions. We must gear our programs to the needs of the '50's, building on the experience of the past. And we want farm people to understand and help to build a long-time farm policy for the Nation. We hope it will be unnecessary to concoct new plans every few years to meet new emergencies. We want a farm policy that will stand the test of time.

You folks from the Land-Grant Colleges and Universities with your tradition for objectivity can greatly assist in obtaining a better understanding of the issues facing farm people. Many of you have prepared background material giving the pro's and con's of alternative lines of action. This activity is making a distinct contribution, and

we are confident that when farm people understand the advantages and penalties resulting from alternative lines of action, decisions will be made in the best interest of the Nation's welfare.

With production adjustments occupying such a dominant place in agriculture today, we need, if possible, to anticipate their effects and to give serious consideration to necessary modifications of outlook work. In this situation, the major effort must be to develop information which will enable the farm family to have a profitable farm enterprise.

I'm not sure just what reorganization or reorientation in our thinking would be required to carry out outlook work along these lines. I do believe that the farm management approach should be given a greater emphasis in rounding out and finalizing the outlook. Certainly, we leave too wide a gap between outlook information and the background farmers need as a basis for their decisions if we do no more than point out the factors in the prospective supply and demand situation.

Production adjustment for the Nation begins on the individual unit. If this country is to have an efficient and profitable agriculture -- if we are to make the desirable adjustments -- farmers must know some of the things that are desirable. To make adjustments farm by farm we must make sure that outlook information is translated into production possibilities that farmers can use. The outlook and the price must go in the same direction and not be in conflict -- what is desirable must also be profitable for individual farmers.

We need much more information on what is profitable for the farmer. We need to know what kinds of research will help the individual farmer.

We need information developed out of a sound research background that the Extension Service workers and others can use to help farmers develop profitable farm and home plans -- plans which in the aggregate add up to desirable national adjustments and a balanced pattern of agriculture.

If possible, the outlook must be more than just a one-year proposition. With the necessity for making production adjustment, farmers need to look into the future as to market opportunities and production costs. Despite the current maladjustments in the demand and supply situation for some products, we look forward to a continued improved diet for a growing population. During the past 10 years, population has increased at the rate of over two million persons a year. Will there be 200 million by 1975?

I hope you will take some time in this crowded schedule of reviewing commodity situations to appraise our outlook work. Can it be made more meaningful, more useful, and a tool which "will make a difference" in meeting agricultural production and marketing problems before us?

Assuming we accomplish this job, I would like to raise some further questions about its use. Will it end up in a dead-end street or will it be put to use?

The final test of outlook work is whether it can be and is translated into information applicable to State and local areas and made available to farmers so that adjustments can be made in line with it. You have the responsibility and the opportunity. You hold the answer as to the future role of outlook.

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