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Centre for Agricultural Strategy

Crisis on the family farm: ethics or economics?

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Spare capacity

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A subsistence farmer approaching harvest derives a sense of security from having something left from the year before; those of us who live by the market approach one year's harvest in fear of what remains from the year before. There are well understood reasons for this. Total demand for food does not readily expand to take up a small surplus and provide a new equilibrium between supply and demand at a slightly different price - as might happen with bicycles or televisions. Equally, demand for food does not readily contract, whilst supply is unpredictable, because of the link with the weather. So any prudent politician must aim for a surplus of food to ensure a sufficiency. This is a situation not easily understood by urban populations, so we cannot give thanks for a small surplus and allow a little to spoil when we do not need it.

Of course during the 1970s technological developments, stable subsidised prices and the misuse of intervention buying to raise prices rather than to stabilise them, helped to make surpluses endemic in Europe. In farming, none of the producers is large enough to influence total supply, and so, as real prices fall, each must work the treadmill of spreading fixed costs by increasing yields thus worsening the overall situation. I recall an article in *Farmers Weekly*, entitled 'Efficiently going bust', that described this situation and the way in which politicians everywhere urge their particular farmers to ensure that it is another country's farmers who are broken, by, of course, working the treadmill even faster. This is moral nonsense in any case, but is made worse by the fact that economically powerful entities, like the EC or the US, seek to ease their problem by releasing their surpluses into the markets of hapless Third World farmers.

Table 1
Wheat production in the UK

Date	Actual price (£/ton)	Indexed price 1962=100	Yield (t/ac)	Indexed value of output	% of land used for wheat	
					Northants	W. Haddon
1885-9			0.8			
1925-9			0.9			
1940					4%	1%
1945	14.17		0.94		15%	12%
1950	25.39	41.04	1.04	42.69	16%	8%
1951						
1952						
1953						
1954						
1955	22.64	31.54	1.33	41.94	11%	2.5%
1956						
1957						
1958						
1959						
1960	27.20	28.77	1.43	41.14	13%	6%
1961	26.10	26.79				
1962	26.75	26.75				
1963	27.33	26.79				
1964	26.75	25.38				
1965	26	23.54	1.60	39.78	19%	19%
			1.69			
1966	24.6	21.43	1.62	34.71		
1967	25.4	21.60	1.53	33.04		
1968	25.8	20.95	1.66	34.77		
1969	27.4	21.10	1.41	29.75		
1970	29	21	1.64	34.44	17%	14%
1971	32.6	21.57	1.67	36.02		
1972	32.09	19.83	1.75	34.70		
1973	33.86	19.16	1.76	33.72		
1974	59.4	28.97	2.01	58.22		
1975	56	21.99	1.76	38.70	16%	15%
1976	72.24	24.33	1.55	37.71		
1977	83.34	24.23	1.98	47.97		
1978	85.69	23.01	2.08	47.86		
1979	95.82	25.73	2.11	54.29		
1980	99.43	19.96	2.38	47.50	28%	21%
1981	108.92	19.54	2.36	46.11		
1982	113.74	18.79	2.51	47.16		
1983	123.66	19.53	2.57	50.19		
1984	111.64	16.80	3.12	52.41		
1985	112.65	15.92	2.56	40.75		
1986	111.18	15.25	2.83	43.15	23%	
1987	112.35	14.79	2.42	35.79		
1988	104.83	13.16	2.48	32.63		

Source: Adapted from Jones (1991)

Table 1 illustrates this. I have set out wheat yields and prices in the UK with the price index-linked. This enables one to derive a value for an acre of produce, and most of the time the producers have been struggling to keep that figure the same. The constancy of this struggle brings up from the depths of the farming consciousness the painful truth that the most certain cure for the surplus problem is that great

disorganiser of farming - war. We also begin to reflect that surplus is a peacetime reality in other spheres as well as farming. What of the three million unemployed, are they not a surplus? Is recession not a sign of surplus? The truth seems to be that, in the sphere of material requirements, we have spare energy and spare capacity. What is more, it seems always to have been so - how else could medieval cathedrals have been built or how else do we send men to the Moon? When I first went to work in a poorer country, I expected people to spend more time working, as they tried to raise their living standards. Instead I found that they devoted no more time to their physical needs than anyone else - they just met fewer needs.

If this is right, then farmers do not have a special problem, easily amenable to economic management. Rather, they have a particularly acute manifestation of a general characteristic of human life - a manifestation with its own special quirks, it is true, but nonetheless a part of a wider phenomenon. Certainly more efficiency, more economic growth or more of any of our economic remedies will not change the situation. Indeed, if life were not like this, there would be no way for people to recover from wars and earthquakes; if physical comfort and survival, in peacetime, required all the effort and efficiency of which we are capable, there would be no surplus capacity to use in times of calamity.

It is hard to see how we adapt our present patterns of behaviour to harmonise with these realities, but it would help to accept the realities.

I have said that I suspect that these are long-lasting realities, and I am very struck by the Old Testament view of them. To consider the Sabbath, we are apt, if we consider the matter at all, to equate the idea of the Sabbath with religious observance on one day of the week. And indeed it has much to do with our relationship with God, but there is more. The first time the day of rest is laid down it is because of the way in which God created, and the nature of the Creation. Linked with this, in the Old Testament Law are provisions to make people stop cultivating once every seven years - what a bizarre idea! And yet, are not our environmental problems of all sorts (not just in farming), the result of extracting all we can as fast as we can, the result of 'maximising returns'? By the time we have been willing or able to study the consequences, it is nearly too late. The second time the day of rest is urged, it is because "you were a slave" (Deuteronomy 5: 12-15).

Further, as well as the day of rest for all, including the lowliest, the Law provided that no-one could be for ever chained by debt, and no family could be permanently alienated from the land which was the basis of their livelihood: any purchaser must ultimately return it to them. In other words, the inexorable progress of economic logic, in which the big grow bigger and the small become rootless and dependent, was restrained.

These provisions all amount to a demand for people to go a little easy on themselves, on other people and on Creation: enough is enough. It is a mental attitude we need to recover, both collectively and individually. There are people who do not want overtime, or who will not expand their business, or who will not maximise the returns on their assets, or who will not work on Sunday, or even who do not worship economic growth. We find them obstructive, but perhaps they are a blessing!

REFERENCE

Jones, C (1991) *Biblical signposts for agricultural policy*. Leicester: Universities and Colleges Christian Fellowship Professional Groups for the Agricultural Christian Fellowship.