

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.

Editorial.

LIME: THE SUPPLY AND DEMAND.

Although many soils in the eastern belt of the State respond favourably to application of lime, the practice of liming is not widely adopted for the reason that costs are excessive and supplies are not always readily available. One authority estimates that possibly 500,000 tons of agricultural lime could be utilised annually for treatment of crop and pasture areas in this State, though the total demand at present would be but a small fraction of this figure. The State's annual output of limestone for agricultural purposes, together with production of dolomite, would not exceed about 30,000 tons. The total lime production capacity is not known, but appears certain to be much below potential demand. Limestone deposits in New South Wales are extensive and would have to be further exploited to meet the full demand. If lime could be delivered at the farm for 25s, per ton or less and supplies were continuously available, there is little doubt that liming would be more widely practised.

Little is known of the economics of production and distribution of lime in New South Wales, and for that reason an investigation has been commenced to elucidate some of the problems involved. The main issue is: how can the farmer secure more lime at lower cost? So far it seems that most plants at present in operation concentrate on the output of limestone products for industrial purposes, the crushing of agricultural lime taking place only in slack periods. Hence the potential supply for farm use is determinable largely by the demand from industry. Costs of production, too, are variable, but at Wingham, for example, the price charged at the crusher for good limestone is £1 10s. per ton. In the matter of transport costs, lime is classified with fertilisers for freight rates and this amounts to 1.06d. per ton mile for 50 miles, diminishing progressively to 0.2d. for 700 miles. It is obvious that when applied at the usual rate of about I ton to the acre, the peracre rail cost for lime far exceeds the cost for, say, superphosphate applied at ½ or 1 cwt. per acre. Reduced freight rates have been suggested as necessary, but it is in the case of road transport that methods and costs are most in need of overhaul. In some districts the rate is 1s. per ton mile or more, and it would seem that if the whole transport problem could be organised on the basis of bulk handling by railways, bulk storage at railheads and systematic diesel truck transport through districts, it should be possible to build up lime reserves over the year, to rail them when convenient to the Railway Authorities, and to convey supplies by lorry to the farm when required for use. A similar system operates in New Zealand. It would necessitate careful organisation, but in the end the bogey of inadequate supplies at high cost might well be overcome.

K.J. Hyres.

Chief, Division of Marketing and Agricultural Economics.