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FOOD FROM THE EMPIRE.

(This article, which deals with the Empire's contribution to Britain's food supplies, is reprinted from "The Economist," published in London, 11th October, 1947.)

Britain's dependence on overseas food supplies, to cover even its basic requirements, is unique. It was willingness to accept this dependence which made Britain the world's greatest trading power until 1914, and the most vulnerable belligerent in the two world wars of this century. This dependence greatly helped, and was in turn assisted by, the economic development of the Dominions and colonies. But until the institution of the Ottawa agreements in 1932, Britain still bought more than half of its food supplies from foreign sources. It was not, however, until the later nineteen-thirties that the import pattern changed in favour of Empire countries, and the war accentuated this trend. Of the main foodstuffs listed in Table I, the Empire supplied 57 per cent. of British imports in 1938; by 1946 the proportion had risen to 67 per cent., a change which was due largely, but not entirely, to the reduced scale of imports.

At the outset, it can be laid down dogmatically that the British Commonwealth cannot be self-sufficient for food supplies. The first stage in examining the extent to which the Empire countries can supply Britain with food is to measure British requirements for the different items. In Table I these requirements are based on consumption, and alterations in stocks have been allowed for in the import figures. The wheat figures have been recalculated in terms of flour (using average extraction rates for the periods concerned) and consumption of wheat (and also of sugar) has been taken as total disposals less exports and re-exports. In 1946, the total consumption of all foods listed, except flour and cheese, was well below the pre-war level, although the population increased by 4 per cent. between 1939 and 1946. Home production of wheat for milling almost trebled during the seven-year period, and sugar output expanded by nearly 15 per cent.; but production of other foodstuffs generally showed a serious fall.

To assess the extent of the Empire's contribution to British food supplies in the long period, however, neither the 1938 nor 1946 patterns of consumption provide a satisfactory datum. The figures for 1946 show the effect of the increase in population, but the present scale of rations could hardly be continued for a further four or five years without affecting the health and productivity of the nation. Some idea of "normal" requirements can be obtained by taking the pre-war figures of consumption, and then allowing for the increase in population, and for the aggregate effect of the changed pattern of food consumption between income groups. At present the lower income groups, as a whole, are purchasing larger quantities of some rationed foods than they did before the war. This is due partly to their relatively low prices after they have been subsidised, and part to psychological compulsions that "the rations must be bought." Any attempt to estimate this aggregate effect can only be a guess because so many

unknown political and economic factors are involved. It is quite certain, however, that if consumption by the higher income groups were to regain its pre-war level, the burden of subsidising basic food prices, which is already too heavy, would become quite insupportable for the Exchequer. But if progressive steps are taken to remove the subsidies, will the present level of demand be maintained? For the purpose of this article, "normal" post-war requirements have been calculated on the basis of 1938 consumption, with a total increase of 10 per cent. for meat, bacon and hams, butter, cheese, eggs and sugar—equivalent to little more than a 5 per cent. increase in demand per head of population—and only 4 per cent. for preserved milk, flour and tea. These figures are more or less arbitrary, but under present conditions they are likely to err more on the low side than on the high; the potential increase in demand for certain foodstuffs, particularly meat and butter, may well be about 15 to 20 per cent.—increases of this order have occurred in Canada and the United States.

This potential expansion in requirements is considerable. Leaving wholly on one side the problem of paying for it, to what extent can it be provided by increased production at home and within the Empire? Under the £100 million scheme for the development of British agriculture, it is intended to expand wheat production to about 2,550,000 tons in 1951, compared with 1,967,000 tons in 1946; an expanded output of this order would give a flour supply of about 800,000 tons at the pre-war extraction rate of 70 per cent. The meat target as a whole would restore the total output of beef, veal, mutton, lamb and pork to the pre-war level. Although a higher milk yield is an essential part of the plan, the larger output will be mainly required for the liquid milk market; cheese production may regain the pre-war level, but butter output is likely to remain as low as in 1946. The home production of shell eggs is to be increased to 52 per cent. above the pre-war level, while sugarbeet will expand by 31 per cent. These targets form the basis of the estimates of post-war home food production included in Table I.

In the Dominions and colonies agricultural output can be expanded, but in many cases expansion might take longer than is assumed under the British plan. In Canada, for instance, the peak wheat acreage was attained in 1940; the pig population reached its highest figures in 1943 and has subsequently declined quite sharply; in poultry, on the other hand, the wartime expansion has been more or less maintained, and cheese production is still 50 per cent. above its pre-war level. New Zealand butter production is still some 20 per cent. below the pre-war average and cheese output has expanded by only 3 per cent.; the dairy population has steadily declined since 1936, even though total numbers of cattle and sheep have increased. Australian experience has been similar, except that the sheep population was seriously reduced in 1944-45 owing to the severe drought, while the wheat acreage which fell to a low level in 1943 has since recovered to its pre-war extent. Information relating to South Africa is incomplete, but output has evidently been barely maintained. Tea production in both India and

Ceylon was adversely affected by the war, whilst Empire sugar output has only been kept at pre-war levels in the colonies.

The level to which Empire production can be expanded within, say, the next five years is limited. Even during the war agricultural output was impeded by lack of labour. The response of Dominion volunteers to the armed services was beyond praise, but it had repercussions on agricultural expansion even during the war; and, as a result of wartime unsettlement, many demobilised agricultural workers have not returned to the land. Australia and New Zealand, in deference to British requests, expanded meat output rather than dairy produce and put cheese before butter. In all Dominions, consumption of food per head of population has increased during the war period, although in Australia and New Zealand it has latterly been restricted by rationing—a point which emerges clearly from Table II.

Agricultural expansion would have to be achieved by both intensive and extensive means. Labour efficiency in the Dominions was already at a very high level before the war and there is not much scope for improvement unless radically new methods can be developed, and these would be conditional on the supply of capital equipment. More intensive methods would yield greater returns in many of the colonial areas, but apart from sugar and vegetable oils, they are not likely to yield an important increase in the supply of basic foodstuffs. The opening up of new agricultural areas in the colonies is dependent on an adequate supply of machinery and skilled European supervisors; in the Dominions it would require, in addition, a larger agricultural labour force, presumably drawn from immigrants; but even so, the supply of suitable land and transport is limited.

Nor are these the only problems to be faced. For example, Canada has been included as a Commonwealth supplier; but if world trade becomes increasingly constricted into a bilateral pattern, and the trade balance between Britain and Canada cannot be brought into equilibrium, Canadian dollars will be no less scarce than American dollars, and the Canadian contribution to the British larder may be materially reduced through Britain's inability to pay in dollars. Again, serious political considerations arise in the Dominions of India and Pakistan, Burma and Malaya. These areas have normally played an important part in the British food economy directly by their supplies of wheat, tea and vegetable oils, and indirectly by their trade in rice. Political instability will undoubtedly reduce their agricultural output and, so long as the Western World undertakes moral responsibility for their welfare, food supplies which might otherwise come to Britain will continue to be diverted to them.

The development of production and exports of staple foodstuffs in certain Dominions is shown in Table III. The figures given are not strictly comparable but at least they show past trends and future possibilities. The estimate of the Empire supplies in the post-war period (shown in Table I) is based on the reversal of the current downward trend and on the resumption of the rate of advance in output which was achieved in the early years of the war. In the case of wheat, the estimates of exports assume that

a larger proportion of Empire supplies will come to Britain, but the calculations of potential exports of other foodstuffs follow the pre-war pattern fairly closely, so that any optimism in the estimates of potential expansion of output should, to that extent, be compensated.

The deficit in British food supplies when post-war "normality" returns, will, on the basis of Table I, amount to 2,600,000 tons compared with 3,500,000 tons pre-war. This quantity must be purchased from foreign sources, and it will be increased as home and Empire supplies fall short of the outputs estimated in that table. It is not suggested that Empire production should, or can, expand to this extent. But this analysis (which in many respects is cast in optimistic terms) does at least portray the size of the problem which would face Britain in the feeding of its peoples, in a bilateral trading world. "Normality" will depend on the world food situation as well as on the action taken in the Commonwealth, and it would be surprising if the objectives examined (though not proposed) in this article could be attained within ten years. The cost would be great, in financial and real terms. And the expansion of Empire agricultural production would involve, on Britain's part, the offer of a guaranteed market, based on long-term contracts which might only be justified on the assumption of a perpetual deficit of world food supplies.

TABLE I.

British Food Estimates.

POTENTIAL REQUIREMENTS AND SUPPLIES.

'000 tons.

	Wheat* and Flour.	Meat	Bacon and Hams.	Butter.	Cheese.	Pre- served Milk.	Eggs (Shell and Dried).	Sugar.	Tea.
Total requirements—									
Prewar	4,150	2,440	540	525	180	300	450	2,110	230
1946	5,100	2,020	300	240	220	230	320	1,660	200
Postwar	4,320	2,680	590	580	200	310	500	2,320	240
Home production—									
Prewar	500	1,180	160	55	40	200	270	410	...
1946	1,410	840	110	10	20	120	220	470	...
Postwar	800	1,180	150	10	40	200	410	540	...
Imports—									
Prewar	3,650	1,260	380	470	140	100	180	1,700	230
1946	3,690	1,180	190	230	200	110	100	1,190	200
Postwar	3,520	1,500	440	570	160	110	90	1,780	240
From Empire Sources—									
Prewar	2,335	680	110	245	125	25	30	870	210
1946	3,175	590	140	180	150	25	55	310	200
Postwar	3,520	800	250	275	125	35	70	500	220
From Foreign Sources—									
Prewar	1,315	580	270	225	15	75	150	830	20
1946	515	590	50	50	50	85	45	880	...
Postwar	...	700	190	295	35	75	20	1,280	20

* In terms of flour.

TABLE II.
DOMESTIC CONSUMPTION IN CERTAIN DOMINIONS.
lb. per head of population.

	New Zealand.			Australia.			Canada.		
	Prewar.	1943.	1946.	Prewar.	1943.	1945.	Prewar.	1943.	1945.
Butter	41.0	44.0	30.0	32.4	33.5	26.1	} 54.6	64.3	67.6
Cheese	4.5	4.3	5.9	4.2	4.1	6.0			
Meat	208.4	200.5	180.5	214.9	215.8	171.8	120.1	134.4	139.7
Wheat Products	191.5	196.9	195.0	345.6	501.6	515.4	206.9	215.4	200.0
Eggs	20.0	22.0	20.0	n.a.	n.a.	n.a.	30.5	37.8	39.0

N.B.—The figures are not strictly comparable as between the three Dominions.

TABLE III.
PRODUCTION AND EXPORTS OF FOOD IN THE DOMINIONS.
'000 tons.

	Production.			Exports.			
	Pre-War.	Peak War Year.	1946.	Pre-War.	1944.	1945.	1946.
Canada—							
Wheat	8,505	14,896	8,194	4,126	7,813	8,831	3,350
Cheese	56	93	83	43	66	68	55
Bacon and ham	197	501	244	89	348	225	140
Eggs	151	258	239	1	1	29	27
Australia—							
Meat	987	1,057	984	208	98	94	75
Butter	191	212	150	88	47	42	61
Cheese	25	36	41	11	15	15	15
Wheat	4,718	4,466	3,815	2,048	902	868	334
New Zealand—							
Butter	164	165	127	135	115	104	102
Cheese	89	158	94	82	78	87	77
Meat	385	340	332	281	313	352	348