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## EDITORIAL.

**PRODUCTION FOR AN INCREASING POPULATION.**

In recent months statements, emanating from various sources, have been made to the effect that in the not very distant future Australia may not only cease to be an exporter of some primary products such as meat, fruit, butter and perhaps sugar, but that, to meet the needs of her expanding population, she may even have to import some foodstuffs.

Such statements cannot but cause public interest in a country that is traditionally a producer of primary products for export. About 80% of Australia's export income in the decade preceding the war was derived from the sale of rural products, consequently any suggestion of a serious reduction in the capacity of our agricultural industries to produce for export is somewhat alarming. Even more serious, if it be true, is the suggestion that Australia may be compelled in the relatively near future to import basic foodstuffs to supplement home production.

Can these two interconnected contentions be supported by an impartial examination of the facts? They appear to be based on two alleged trends. Firstly, it is stated that Commonwealth immigration policy is likely to result in an overall Australian population of 10 million persons by about 1957—a probability which is not disputed. And, secondly, it is alleged that, due to loss of rural labour, shortages of materials and other causes, Australian agricultural production is falling.

This latter conclusion, however, is invalid. Despite some shortages of labour in rural areas and an unquestionable shortage of certain basic materials and equipment, Australian agricultural production has been rising during the past two to three years. Even though production of many rural products declined during the war years, the position has been largely retrieved, so that in 1948-49 the production of almost every important primary commodity was well above the pre-war level, while wheat and all other cereals (except maize), milk, potatoes, fruit of all descriptions, wine, eggs and beef, have exceeded the pre-war level of production for at least two years, and in most cases the increase in production continues. Certainly the present and past two seasons have been free from widespread drought whilst the war years, on the other hand, included two of the worst droughts on record. For this reason it may be argued that production in the past two years has been at exceptional and above average levels. Overall the position is rather that with continued improvements in production techniques and rapidly advancing mechanisation, output per man employed in Australian agriculture will continue to increase and there is every indication that, for most commodities, production will continue to expand during the next few years, although, of course, there may be temporary setbacks due to adverse seasonal conditions.

One factor of fundamental importance, is that in the longer term at least, production will, within certain limits, adjust itself to demand. If the effective demand for potatoes, vegetables, pork and bacon, eggs or fruit, for example, increases significantly, the consequent rise in prices will soon result in increased production of those commodities, granted that there is no undue interference with the movement of prices. It may be that several years will elapse before there is any significant increase, for instance, in the production of fruit—new trees cannot be brought into bearing over-night—but if the demand for fruit increases, whether due

to a greater population at home or to heavier demands from overseas markets, there is nothing more certain than that fruit production will adjust itself to the changed demand. There is no real shortage of land suitable for fruit, vegetable, poultry or pig production. Production in these industries in the past has been determined almost entirely by existing demand for their products. Their future extent will be determined in the same way.

Just over a year ago the Commonwealth Bureau of Agricultural Economics published a study of the probable food requirements of an Australian population of 10 million persons. This study showed that an increase in the production of several of our major foodstuffs will be necessary if future domestic demands are to be met. It was not suggested, however, that the apparent deficits in beef and veal, mutton and lamb, pork, potatoes and fruits would have to be met by imports. The purpose of the study was merely to ascertain which industries, pre-war, were producing less than would be required to feed a population of 10 million persons if pre-war consumption patterns were retained. The only commodity for which a major increase in production was shown to be required was potatoes—a not unexpected conclusion.

Certainly it is possible that Australia may in the future export less meat, butter, eggs and sugar than she did prior to World War II, and in fact exports of some comparatively unimportant primary products—that is unimportant from an export viewpoint—may, in the future, become negligible. However, even if this does happen it need hardly cause alarm. Although profitable now, most such exports were not particularly profitable between the two wars and in fact were frequently exported at a loss, producers being subsidised by artificial home consumption prices. It is true that this position is largely reversed at the moment but there is no knowing how long the present position will continue—if history is any guide, it may not last very long.

In any case an economy, once fundamentally agricultural but in which secondary industries are rapidly assuming a more important place, cannot expect primary exports to fill the same relative position in the future as they have done in the past. The Australian economy which not so long ago relied almost entirely upon imports for its machinery of all descriptions is now almost self sufficient in farm machinery, except tractors, and even exports significant quantities of farm implements, while it is now producing its own tractors and motor cars in ever increasing quantities. For good or ill the Australian economy is more self-sufficient than it was and as our secondary industries expand still further so will this trend towards self sufficiency continue. This may mean that Australia, as its population increases, will cease to export some primary products in significant quantities, but there is nothing to indicate that our exports of wool, by far our most important export, or even wheat, will fall significantly. Pre-war these two commodities accounted for about 50% of our total exports.

The position then is not alarming—provided Australian producers continue to strive for efficient and low cost production, it is not even serious—production can and will rise as permanent increases in demand become apparent. Even now the production of most primary products is increasing and on present production levels a population of 10 million persons could be fed with deficits only in four or five commodities and those only small deficits which could be readily overtaken.