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BOOK NOTES

Methods of Farm Management Investigations for Improving Farm Productivity, FAO Agricultural Development Paper No. 64; W. Y. Yang, Rome: Food and Agricultural Organization of the United Nations, 1958, Pp. ix, 228. 10s. 0d. (Stg.).

This publication, which is a sequel to the FAO Development Paper No. 20, entitled *Farm Management Investigations for Agricultural Improvement*, provides an excellent introduction to the methods of farm management investigation. It is intended for "extension workers, agriculture teachers and officials, rural leaders, officers of farmers' organizations and all who are concerned with improvement of farm efficiency and productivity in their countries and communities."

Interest in farm management has grown steadily in recent years with the changing economic background of the rural industries, and the rapid development of new innovations. The problem each farmer has to face is how best to organize the resources available to him so as to maximize profits. To do this he requires both guidance on the analytical techniques for measuring the present efficiency of his farm programme and also technical and economic data about the various possibilities for re-organization. Similar problems are encountered at the national planning level.

In an introductory chapter the author outlines the realm of farm management and the scope and approach of farm management research. For the purpose of his study he considers the best definition of Farm Management as "a science which deals with the proper combination and operation of production factors, including land, labour and capital, and the choice of crop and livestock enterprises to bring about a maximum and continuous return to the most elementary operation units of farming." He "contrasts" this with the field of agricultural economics, which he states "deals with problems of a country or community as a whole." The necessity of considering the farm as an "organic unit" is stressed.

The methods of undertaking a conventional farm management survey and setting up a farm bookkeeping system necessary to provide basic information required in farm management investigations and planning are presented in the first two chapters in a very thorough manner. Some of the basic topics discussed are Farm Business Surveys (problems associated with selection, sampling, design, interviewing, etc.), Farm Bookkeeping and Financial Accounting (kinds of records, preparation of financial statements, and the roles of research and extension institutions in farm bookkeeping and accounting). A most useful appendix to Chapter I is an actual example of a questionnaire—"A Farm Management Survey Schedule Form".

The section on Farm Business Analysis indicates the various ways of utilizing the data obtained by the methods outlined in the earlier chapters. Under this heading such things as factor affecting farm income and the efficiency of the various inputs are discussed. Some "Precautions in Relationship Analysis" are opportunely introduced towards the close of the chapter.

On the subject of Marginal Analysis of Input-Output Relationship the author states his opinion "that actual facts or primary data derived from surveys or experiments are always more reliable than those manipulated by preconceived assumptions. Thus input-output data derived from any of the assumed functions are biased by the selection of these assumptions." The presentation of this section is as non-mathematical as possible, thus making some "difficult" principles more readily available to readers. However, for those who seek the more mathematical approach numerous references for further reading are supplied.

The principles of farm planning and budgeting are clearly described and numerous comprehensive examples presented. Concerning linear programming the author states "this section is designed to introduce, in as clear a manner as possible, the assumptions involved and the method employed by the new technique of linear programming. The application of this technique depends on conditions and problems conforming to its basic assumptions." The presentation and logic are indeed clear and this should prove a most useful introduction to linear programming for many who have yet to master its complexities.

The chapters dealing with Farm Work Efficiency Studies, and Estimating Machinery Costs and Planning its Efficient Use bring out the usefulness and application of such topics. Once again the various methods of implementing and utilizing such studies are well described; with numerous examples.

The remaining two chapters introduce some policy considerations. That on Cost-Benefit Appraisal of Agriculture and Farm Projects presents the techniques and procedures which are directly concerned with these topics. Such techniques become increasingly important because of the general awareness of the necessity for economic evaluation in project planning. The considerations introduced should prove most useful for those concerned with agricultural and farm planning. The final chapter provides an interesting discussion of Land Tenure Problems.

This book is well presented and is recommended for the use of students, teachers, research workers and administrators in the field of agricultural economics. The author has compiled a most useful collection of the methods of farm management investigation. He has not only set out the various methodological procedures but also the uses, limitations and possible sources of error or misuse.

Throughout the book many references for further reading are supplied and at the end there is an alphabetical list of the Literature Cited. There is no alphabetical index, although the table of contents lists in detail the sub-headings followed in each chapter. The inclusion of an index would be welcomed in future editions.

Farm Management Handbook: An Outline of Principles and Methods with a Reference Section Containing Economic Data on Scottish Farming, Department of Agriculture for Scotland, Edinburgh: Her Majesty's Stationery Office, 1959, Pp. 124, 7s. 0d. (stg.).

"The aim of this handbook is to suggest some ways of carrying out an economic analysis of a farm business and at the same time to provide some of the basic statistical data necessary for farm planning under Scottish conditions." As such it is very similar in design and presentation to the

United Kingdom Ministry of Agriculture, Fisheries and Food publication, *The Farm as a Business, a Handbook of Standards and Statistics for use in Farm Management Advisory Work*, of which a Third Impression with Amendments appeared in December, 1958. Both handbooks stress the need for the consideration of the farm organization as a whole when investigating the cause for poor results or the introduction of new techniques.

An introductory chapter explains and emphasizes the need for the "Management Approach". The aims of farm management are summarized as follows: First, to consider the farm as a unit; second, to select the right enterprises for the farm and the farmer; third, to use the farm, and the farmers' skill up to capacity—but not beyond; and fourth, to use all resources in ways which will lead to the highest profit from the farm as a whole.

The second chapter deals with the "Economic Analysis of the Farm Business". The various adjustments needed to bring individual farm accounts (designed primarily for taxation purposes) to a level where meaningful inter-farm comparisons are possible is briefly discussed. The handling of labour expenditure, interest, rent and the incorporation of valuation changes are all considered. Various measures, or yardsticks, of performance are then introduced, e.g., output per acre; work performance per man; power costs per acre; livestock output per feed acre, *et al.* A guide table setting out the key efficiency factors and, alongside each, the most likely causes of poor performance in that sector is a most useful summary.

The method of analysis is demonstrated using the "essential statistics relating to a cropping farm with mixed stocking." The accounts are set out, the various efficiency measures calculated, step by step, and compared with those of "the corresponding type group" from the Reference Section of the Handbook. A diagnosis of the problems of this particular farm is then presented.

The next chapter is devoted to "Planning the Farm Business". "Budgeting, whether partial or complete, enables the farmer to see the probable results of changes in the existing organization, and thus helps him to decide whether in his particular circumstances change is desirable. It cannot be emphasized too strongly that it is of little value to grow three blades of grass where two grew before without making sure that the increased production can be profitably used. A farm organisation should never be altered without reference to the resulting profit." The three steps in farm planning are presented as (i) considering the alternatives in the light of the capabilities of the farm and farmer, and the farmer's desires, (ii) the fitting of physical input-output data—the physical budget, and (iii) the consideration of price levels and profitability—the financial budget. Various possible types of plans are dealt with, explaining the pertinent factors. Under Enterprise Planning—Crops a "change in method" and a "different crop" are considered. The various effects of livestock planning such as adding a new self-contained enterprise and changing an existing enterprise are covered. Several examples of cases where full farm planning is required are listed.

A detailed example, which sets out the management alternatives for a stock rearing farm in a marginal area, shows the steps to be taken in devising a plan for a complete unit. Several alternative plans are considered and presented in a clear manner.

These three chapters comprise the "Outline of Principles and Methods" which are of universal application to farm management analyses. The presentation of this section bears a strong resemblance to that of *The Farm as a Business* although the subject matter is more summarily dealt with, being directed towards the farm operator rather than the extension worker.

The Reference Section of the Handbook sets out a wide range of information which is of use in analysis and planning of the farm business. The information is from "ascertained performance, not theoretical standards". The figures relate to "average" and "best" performances for various classes of farm and/or enterprises. This reference section would have little application outside the regions specified, and much of the financial (price) data holds only for 1957-58 prices conditions. The cost of production figures and the labour and tractor costs refer to variable costs only and thus have limitations. The main value of these financial tables is thus merely to provide an historical record of the relative profit margins from each enterprise and to show the relative costs and returns from different methods of producing the same product.

Native and Adapted Cattle, R. B. Kelley. Sydney: Angus and Robertson Ltd., 1959, Pp. xi, 275. 50s. 0d.

Until recently, Dr. R. B. Kelley was Animal Geneticist, Commonwealth Scientific and Industrial Research Organization, where one of his major projects was an investigation of the possibilities of Zebu cross-breeding for northern Australia. In the course of this research Dr. Kelley assembled a wealth of material on native and adapted cattle, most of which he has incorporated in the book under review.

The book is divided into three parts: the first deals with native cattle, the second with problems of adaptation generally and the third with problems of adaptation in Australia. Although written with particular reference to Australian conditions, the book is designed to interest "the more thoughtful producers of beef cattle in any tropical country".

In his concluding chapter Dr. Kelley is quite outspoken about the need for improvements in husbandry and better fencing and other cattle facilities in northern Australia. He emphasizes, however, the over-riding importance of the immediate problem of evolving "a tropical cattle population adapted to its primary and secondary environments . . . For many years of the foreseeable future large numbers of grazing animals will be required to produce beef in the Australian tropics. These areas cannot be readily nor economically modified to meet the full requirements of such European-type cattle. If the country and the climate cannot be modified to suit the cattle, then the cattle must be adapted to the prevailing conditions."

By restricting his book to the problems of adapting cattle to an environment, Dr. Kelley has been able to cover his field of work very thoroughly. His book should be extremely useful to other research workers and to people directly concerned with cattle husbandry, especially in tropical areas. The numerous photographs are instructive in themselves.

Agricultural Marketing Policies, G. R. Allen. Oxford: Basil Blackwell, 1959, Pp. xii, 336. 42s. 0d. (Stg.).

This is an important book. Not only does it appear in a field where literature for the non-American reader is relatively scarce, but it succeeds to a greater degree than any other book known to the reviewer in bridging the gap between the market research worker on the one hand, and the policy adviser on the other, the latter being notoriously averse to mathematical formulae and statistical analysis.

Allen has attacked the marketing problem on two levels: firstly, as a study of fluctuations; secondly, as a study of the size of the national income. He ignores income distribution problems for the quite valid reason that a study of these would require at least another volume.

The study is concerned mainly with the marketing of meat, fruit and vegetables in Britain and some West European countries, but the writer does not hesitate to use examples from other areas and for other commodities when he thinks this necessary.

Although Australia is hardly mentioned, there is much of interest to Australian readers. Of course, some of the author's conclusions would have to be treated carefully in the Australian environment. In cases of spatial monopoly, for instance, it seems to the reviewer that "exploitation" does occur here, even if this is not the case in Britain. Also, the establishment of additional wholesale outlets for fruit and vegetables in country areas could not be advocated in Australia; even in Britain this issue is not as clear-cut as Allen would like us to believe.

These, however, are minor points. The book is full of refreshing ideas on practical and theoretical issues. Probably its greatest interest can be found, first in the fact that Allen has consciously attempted to apply welfare economics to the marketing problem and second in the fact that he recognizes contrasting objectives in marketing policy, namely of the optimum allocation of resources and the promotion of economic growth. As he points out, perhaps not unnecessarily for Australian readers:—

"assuming economic rent exists, intervention of this sort [forced saving through marketing schemes] can be judged only by ethical standards on which no two persons would agree. Yet, in principle at least, many of the apparently restrictive marketing schemes in under-developed countries must be considered in the light of the need to mobilize savings effectively and to promote economic growth" (p. 143).

Of course, Australia is an "under-developed" country, but, in view of our dependence on primary production, some thought in this direction might be profitable, even here.