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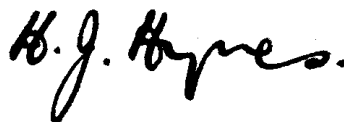
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Editorial.

ECONOMIC OUTLOOK FOR PRIMARY PRODUCTS.

ONE important decision of the Australian Agricultural Council at its meeting in Sydney last month was to the effect that the States should co-operate with the Commonwealth Bureau of Agricultural Economics in the collection and compilation of necessary data required for the issue of periodic economic outlook statements for the primary industries, such statements to be communicated to the States immediately on completion and to form the basis of discussion by the Council at one of its meetings each year. This decision arose from the consideration of an agenda item—"Production Goals"—a subject which was very much to the forefront in the war years, for then the requirements of most commodities exceeded likely production and it became necessary to attempt to steer production in the desired direction, taking into account demand, production potential, possible imports, reserves, manpower, and supply of materials. The setting of goals fulfilled a useful purpose, not only in indicating desirable levels of production but also—and this was very important—in assisting authorities in deciding upon the allocation of resources in short supply and in determining subsidies. Primary producers had previously had practically no guidance as to production levels necessary for essential requirements, and while in the transition from war to peace the emphasis will be not on production goals but on stable and profitable levels of production, the growers will at least not be unaccustomed to a system designed primarily to assist them and the national economy.

The issue of periodic economic outlook statements demands, in the first instance, close consultation between the Commonwealth and States if sound conclusions are to be drawn. Obviously the Commonwealth can best advise on matters of overseas production and prices, trade policies and export possibilities, but the picture would be incomplete without assistance from the States in matters of production trends and prospects, productive capacity and so forth. The reports will prove valuable in matters of land settlement and moulding of the agricultural pattern in the light of world trends, but of immediate value will be, it is hoped, the information on market outlook for various commodities that may be passed on by field extension officers, thus helping the producers to frame their production programmes in relation to total demand and safe levels of production. Guidance on market prospects is as important as advice on production methods, and this would assist the farmer in avoiding expensive mistakes in producing commodities that can be sold only at unprofitable prices.



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