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clover, perennial rye, and other good grasses were said to spring up "spontaneously" on the good soils.⁷⁷ In 1872 it was observed that prairie grass was thriving in the most unexpected places near Armidale "while it is but a few years since the first parcel of seed of this grass was brought to Armidale".⁷⁸ Four years later white clover was reported to be spreading.⁷⁹ More recently white clover and *paspalum dilatatum* have been described as naturalized on some fertile alluvial flats and along some creek banks in New England.⁸⁰ Thus what man attempts, nature achieves.

⁷⁷ *Agricultural Gazette of New South Wales*, 1894, p. 37.

⁷⁸ *A.E.*, November 2, 1872.

⁷⁹ G. H. Reid, *An Essay on New South Wales*, Sydney, 1876, p. 157.

⁸⁰ R. Roe, *Preliminary Survey of the Natural Pastures of New England*, *CSIRO Bulletin* No. 210, p. 19.

BOOK NOTES

The Economic Background to Agricultural Policy. Edith H. Whetham. Cambridge: The University Press, 1960, pp. xii, 147. 22s. 6d., paperback edition 13s. 6d. (Stg.).

This book provides a very concise yet thorough coverage of many economic principles of relevance to agriculture and one would expect it to be immediately adopted as a textbook. Miss Whetham has undoubtedly succeeded in her objective of providing "an analysis of agricultural policies in a form suitable for students of agriculture, for practitioners in farming and for other persons interested in agricultural planning". Although the book will probably be appreciated most by students, it is to be hoped that it will be studied by others associated with agriculture who have had little or no training in economics, especially if they are extension workers or persons concerned with agricultural policy.

By providing a clear analysis of the working of economic forces in a market economy Miss Whetham has made the economic implications of alternative agricultural policies seem almost self evident. A good example of this is a reference to milk prices in a small section on the pricing of products with variable supply.

"Milk is an interesting case of a perishable product with a variable supply, the markets for which have been brought increasingly under control, for a number of reasons. Governments have been concerned to ensure for consumers a regular supply of a food which has both a high nutritional value and a high risk of contamination with a variety of dangerous germs. The output must therefore come from producers with approved equipment and it has to be channelled through approved processes, pasteurisation and refrigerated transport, into bottles or waxed

cartons at the point of retail sale. In the short period, the final demand for milk is usually inelastic to a fall in price, so that a casual surplus may depress prices very considerably Hence in most industrialised countries, the prices of liquid milk have been controlled either by government regulation or by agreement between distributors, under Government sanction; the seasonal variability in output has been concentrated on to the output of milk products and hardly affects the price structure for liquid milk which only slowly reflects the changes in demand, in supply, or in distributive costs."

The treatment of the factors influencing the supply of agricultural produce is also very good. These factors are discussed within the broader framework of economic development and the author is able to show that "to a considerable extent the supply of agricultural produce, taken as a whole, does not in a modern society respond to price changes, whether up or down; over a period of years, it continues to expand by a momentum of its own, derived partly from technical progress and partly from the structure of farming, with a large number of family businesses each restricted to a certain area of land".

Apart from its main subject matter this work is useful for two other reasons; it provides succinct explanations of several important concepts in agricultural economics and it emphasises the relevance of long-term as well as short-term factors in the formulation of agricultural policy. In illustration of latter the author mentions the United States parity price formula which relates only to prices and ignores changes in efficiency which, over time, have resulted in higher output per unit of input.

National Dairy Policies in Advanced Countries. *FAO Commodity Policy Studies*, 12. Rome: Food and Agriculture Organization of the United Nations, 1960, pp. 68. 5s. 0d. (Stg.).

This report is based on a study of the national dairy policies of twenty-one countries with fairly well-developed dairy industries and deals mainly with the post-war period up to early 1959. Brief summaries of post-war dairy policies in each of these countries are included in an appendix.

The central problem discussed throughout the report is the pricing of dairy products and the national and international implications of price policies. In the first section it is pointed out that the nature of the lactation period of the cow and the seasonality of pasture growth mean that there is usually a seasonal cycle of milk production throughout the year. As is well known in Australia this seasonal pattern is a particular problem in areas producing primarily for the fresh milk market. Whether or not countries are interested in milk production beyond fresh milk requirements, the conditions of production make it necessary to have processing facilities to handle seasonal surpluses and this involves consideration of equitable pricing arrangements for the various products.

Since butter is "the end use to which supplies of milk surplus to domestic requirements tend to gravitate", the authors have given some attention to the relation between butter prices and milk prices. The main point, of

course, is that the butter market bears the brunt of fluctuations in milk production and is therefore noted for unstable prices. It is also shown that although a large number of countries are engaged in international trade in dairy products, in the majority of cases the quantities involved are relatively small. Among the commercial exporters, Denmark, the Netherlands, Australia and New Zealand are the only ones where dairy exports are large and represent a significant part of the country's export trade. As a result, most countries are not greatly affected by fluctuations in world prices of dairy products.

In pursuance of this point, the report contains an interesting section on price interrelationships. A graph covering the years 1950 to 1958 compares the weighted average unit value of butter imports into the United Kingdom with the average producer price of milk for all purposes in most of the countries included in the study. This reveals a wide range in prices paid to milk producers, the countries with the lowest prices being those exporting a substantial proportion of production in the form of butter (New Zealand, Australia, Denmark and Ireland). It appears that it is only in the latter countries that the world butter price has been allowed to influence at all decisively the long-term level of prices to milk producers. As further evidence on this point, the report indicates that the producer price of milk rose in all countries when the world price of butter was falling after 1955, except in the exporting countries mentioned above. Thus, in the majority of countries, producers were protected from the effects of price falls on the world market.

Another graph, comparing retail butter prices with United Kingdom import values of butter, also revealed little relationship between national prices and world prices. "The overall conclusion must therefore be that national producer and retail prices in countries other than most (but not all) of those where exports or imports are important are highly insensitive to world price movements. To a considerable extent different forces determine domestic as against world prices. The degree of international integration of market prices is very limited. An inevitable consequence is that price systems are allowed to perform only very imperfectly the function of guiding the international pattern of production".

The final chapter of the report contains a useful appraisal of national dairy policies. Although the authors suggest that, on balance, it is probable that the policies followed in the post-war years have made positive contributions to national welfare, they have some reservations. In particular, they consider (a) the policies have been less beneficial to consumers than producers, (b) the protection of dairy farmers' incomes has had the effect of keeping high-cost small-scale units in dairying and (c) there has been some undesirable effects on national economics as well as on international markets.

Those concerned with national dairy policies will undoubtedly be grateful to FAO for this analysis of policy matters. The report is not claimed to be exhaustive but it is a useful starting point and the authors promise it will be followed by annual reviews of changes in dairy policies in all countries and a separate report on post-war dairy policies and developments in less developed countries.

Marketing Livestock and Meat. R. F. Burdette and J. C. Abbott. Rome: Food and Agriculture Organization of the United Nations, 1960, pp. vii, 209, \$2.00 or 10s. 0d. (Stg.).

This volume has maintained the high standard set by its two predecessors. It contains a wealth of information ranging over a wide field from the construction of railway trucks and selling fens to the organization of trade channeds. The book must prove invaluable to workers in countries where the trade in livestock and meat is underdeveloped. Australian readers no doubt will also find many helpful and thought provoking points in it.