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BOOK NOTES

Fifty Years of Farm Management, H. C. M. Case and D. B. Williams. Urbana: University of Illinois Press, 1957. Pp. ix, 386, \$6.

Although this book is restricted to developments in the United States it will be useful in other countries for two reasons: it provides a background to the main types of farm management work in progress in the United States and it gives some insight into the advantages and disadvantages of different research and extension activities.

The main concern of the book is to trace the emergence of farm management as a separate discipline. The importance of provident land husbandry has been recognised through the centuries but Case and Williams argue that the science of farm management is a product of the twentieth century; changes in the last 50 years have created problems which are too widespread and complex for the individual farmer to solve satisfactorily without outside help. The authors have assembled evidence to show that farm management research since 1900 has turned more and more to the study of farms as business units and that specialists have been trained for this work.

The new science gained recognition with the formation of the American Farm Management Association in 1910. Until this stage the agriculturists were regarded as all-important in farm management but their work was soon to be supplemented by that of economists and sociologists. After the close of the first decade of the century agriculturists and economists interested in farm management gradually became more closely associated until the American Farm Management Association and the American Association of Agricultural Economists were combined into the American Farm Economics Association in 1919.

Farm management extension work started to gain ground in the 'twenties and farm budgeting was an outcome of this development. Another important advance at this time was the supervision and analysis of farm records by Farm Management Service Associations, partly financed by the co-operating farmers and partly by the Agricultural Experiment Stations and the Agricultural Extension Service. The objectives of the first Association, formed in Illinois in 1924, were:

"(1) to develop a method of rendering a detailed farm business or management service to co-operating farmers; and (2) to secure farm management research data". Several encouraging conclusions were reached after the first six years of this service:

"(a) Farmers wanted and were willing to pay a large part (about 80 per cent.) of the cost of the farm management service. The cost to the farmer averaged about \$30 per farm prior to 1940 and about \$50 in more recent years.

"(b) Farmers co-operating in the service were, in general, earning higher incomes than other farmers. Results on the farms in the service were not representative of all farms. This fact was manifest from surveys conducted in the early stages of this work.

“(c) Records from the co-operating farmers were, in fact, a means of establishing standards of performance which could be interpreted in the light of the superior income earning ability of these farms. The farms and the results they secured could be used as demonstrations of the product of successful farm practices and for other extension purposes.

“(d) The records provided research data which, while not planned to meet needs of specific research problems, provided a more detailed set of facts, and over a longer period, than had previously been available for so many farms.

“(e) The work concentrated on the whole farm as a unit, with a balancing of the different enterprises in the interest of maximum returns from the entire farm.

“(f) Country agricultural agents came to regard the service as one of their most valuable extension projects and soon began to have faith in the findings of those who studied the records.”

The development of professional farm management services by private firms also commenced in the twenties. For a fee these firms, which have continued to expand and increase in number, undertake various degrees of responsibility from consultation on particular points to complete management of properties. The first and best known of the private firms, Doane Agricultural Service, has been in operation since 1919 and now operates in seventeen states.

Case and Williams claim that by 1930 the main framework of the science of farm management, as it is now known, had been constructed and that for the next ten years “the main emphasis was to use methods previously available to record the impact on farms of the economic and political events of the last two decades, to attempt to solve the new farm management problems created by these changes and to help the individual farmer analyse his own farm operations”. It is conceded, however, that advances in economic theory, and the growth of interest in econometrics, during the thirties helped in providing new research methods which could be applied to research in farm management. Developments in research methodology in more recent years are discussed briefly in the last chapters of the book.

In addition to outlining the main stages in the development of farm management as a new field of research and extension work, the authors have given summaries of significant publications and have drawn attention to the importance of the contributions of individuals, mentioning particularly Andrew Boss (University of Minnesota), G. F. Warren (Cornell University) and W. J. Spillman (U.S. Department of Agriculture). Much of the credit for initiating interest in the teaching of farm management on a national scale is given to T. F. Hunt of Ohio State College.

Some reference to the relationship between the development of farm management in other countries with that in the United States would have enhanced the value of the book. It may also have enabled the authors to embark on a broader discussion in their final chapter on “Farm Management in Retrospect and Prospect”. Nevertheless, this work by Case and Williams should remain a standard textbook on the history of farm management in the United States for a considerable time.

Multiple Pricing of American Wheat, Helen C. Farnsworth. Stanford, California: Food Research Institute, 1958. Pp. 50, \$1.00

This pamphlet is mainly concerned with the role played by United States governmental control of the wheat industry in contributing to the current imbalance in the world wheat economy. The author makes a bitter attack on the effects of the present wheat pricing system in the United States, both on domestic consumption and overseas trade, and attempts to show that a proposed "two-price" system is an unsatisfactory solution to the problem situation that has emerged.

The steady accumulation of wheat surpluses in the United States since about 1953 forced the government to attempt to restrict production through wheat acreage allotments and the Soil Bank. Despite production control, the volume of United States wheat entering world trade increased from 28 per cent in 1953-54 to 50 per cent in 1956-57, mainly at the expense of Canada. During this period "virtually all American wheat was exported under some type of subsidy or concession associated with official efforts to keep domestic wheat prices at artificially high levels by reducing the associated domestic stocks". Because of this, it can be said that "American wheat growing has shifted from a commercial industry to a government-dependent industry with its prices, volume of production and exports all currently and heavily dependent on government decisions and Treasury aid".

The advocates of the new proposed "two-price" plan, one for domestically consumed wheat and a lower price for exportable surplus, claim that the weaknesses of the present system will be removed—unfortunately no detail of their claim is presented in the pamphlet. However, the author points out that the domestic price will still be artificially held too high compared with world prices and thus will continue to act as a stimulant to over-production. From this she makes a plea for a return to a more realistic domestic pricing system and a United States wheat industry independent of government assistance.

The feeling of the author is illustrated on the last page:

"Official price fixing at 'fair' level was tried, failed, and was discarded as early as the Middle Ages. To-day the Soviet Union and the United States stand out as the two most prominent sponsors of government price fixing for agricultural products on a 'welfare' basis. The difference between recent Russian pricing and our own has been that Soviet officials have tried to keep agricultural prices artificially low and to increase the output of agricultural products, whereas the United States Congress has tried to keep agricultural prices artificially high (to certain groups of commercial farmers) and simultaneously to reduce production. Both countries have failed because price fixing is not an appropriate tool for promoting welfare or political objectives. Particularly in a free-enterprise economy, agricultural and other prices need to be free (except in limited periods of distress) to guide the production and consumption decisions of millions of independent persons trying to further their own interests.

"This does not mean that long-term welfare objectives should be abandoned, but rather that different tools—not price tools—must be used if the objectives are to be attained. It does not imply that all farm subsidies are to be condemned, but rather that such subsidies can most usefully and effectively take the form of short-term adjustment grants, insurance against common hazards, disaster relief, disaster-prevention price guarantees, and, in some instances, special grants to promote increased efficiency."

The lessons to be learnt from governmental intervention in United States agriculture are not without application to Australia and this book should be of interest to all those concerned with agricultural policy in Australia.

Yearbook of International Trade Statistics, 1956, Vols. I and II, New York: Statistical Office of the United Nations, Department of Economic and Social Affairs, 1957. Pp. 629 (Vol. I), 155 (Vol. II). 5s. 6d. (Aust.) and 13s. 9d. (Aust.) respectively.

The seventh issue of the United Nations *Yearbook of International Trade Statistics* is divided into two volumes. The first volume contains detailed data for individual countries and basic summary tables showing the contribution of the trade of each country to the trade of its region and of the world. The summary tables are: world trade by regions and countries, world exports by provenance and destination, export quantum and price indices by regions and indices by commodity classes. This volume contains statistics for 115 countries (compared with 104 in the previous issue), thus covering about 98 per cent of world trade during 1956.

The second volume is designed primarily for those interested in the broader economic aspects of external trade and contains tables summarising in terms of United States dollars, the trade of the world and of regions selected for their economic importance.