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*EDITORIAL.***RESEARCH IN AGRICULTURAL ECONOMICS.**

In the United States, in Canada, in Great Britain and in several continental European countries, the necessity for painstaking and continuous research into the economic problems affecting agriculture and in the related fields of Farm Management and Marketing, has long been recognised, and, what is more, practised on an ever-increasing scale.

In Australia, perhaps because the history and experience of the rural industries was, with a few minor exceptions, one of rapid expansion and economic success until the major depression of the early thirties, the need for economic research in the earlier part of the century was neither so apparent nor so pressing as in some of the older countries where competition was more intense and costs were higher. Occasional *ad hoc* inquiries were undertaken to provide answers to problems as they arose, research and investigation being sporadic rather than continuous. However, during and since the Great Depression, the need for a detailed knowledge of our rural economy and the necessity for research into its behaviour under constantly-changing conditions, combined with the need for increased efficiency in the marketing of primary products, has become more and more apparent.

With the return to real competition in international trade in all primary products, which may reasonably be anticipated within the next few years, the need for increased efficiency in primary production accompanied by more efficient marketing practices, will be even more important than it has been in the past. And, as in the past, increased efficiency can be obtained only by research, and not only technical research, but economic research as well.

This country has not lagged in its technical research into agricultural problems, but it has, unfortunately, often happened in the past that techniques, plans and settlement projects have been recommended on insufficient data and with little regard to the possible economic consequences to farmers and land practices. It is not enough to show that a particular method or technique will result in increased production, and indeed it is extremely rash to assume that a particular price, production and marketing position will remain stable for any length of time. It must also be shown that the procedure advocated will be more profitable than that which was formerly adopted, and full account must at all times be taken of the variables in any plans that are made. It is here that admitted administrative blunders have been made in the past and that technical advice has been incomplete, and it is here that there is very great scope for joint economic and technical research.

It is fitting, therefore, that in this, the first quarterly issue of a journal which it is now intended should be devoted primarily to the publication of research work undertaken in the Division of Marketing and Agricultural Economics, the present position of agricultural economic research in Australia should be briefly reviewed.

Although several banks and other trading houses had for some years prior to World War II employed an economist or economists who

devoted part of their time to the study of the economics of the rural industries, very little of their work was ever published, and it was not until the establishment of the Division of Agricultural Economics in the New South Wales Department of Agriculture in 1941 that there existed in Australia any organisation specifically charged with the investigation of the "economics of agriculture" and which had a staff, although of necessity small, trained and equipped to carry out such work. In 1943, the Divisions of Agricultural Economics and Marketing were amalgamated to form the present Division of Marketing and Agricultural Economics, thus widening the scope of the Research Division's work by opening to it the important field of marketing.

Not very much later, the Federal Government, following the lead set by New South Wales, established a Bureau of Agricultural Economics, which organisation is now attached to the Department of Commerce and Agriculture. The responsibilities of the Commonwealth in regard to the promotion of overseas trade, controls over exports and imports, fiscal policy, internal financial commitments and post-war reconstruction and land settlement programmes have opened up big fields for the newly-established Bureau, which has been comprehensively organised to cope with its special tasks. It is clear that the work of the Commonwealth Bureau will be increasingly concerned with the broader aspects of agricultural economic policy and research, particularly as they relate to the overseas market outlook for Australian primary products, the ascertainment of production costs on an Australian-wide basis for use as a guide in arranging details of price stabilisation schemes, inter-governmental commodity contracts and other such agreements which must of necessity be concluded at the Commonwealth level. In these and other ways it will be assisted by the States, for the development of agricultural economic research in Australia envisages, and must be founded upon, a mutual Federal and State inter-dependence. There is no confusion in this relationship, State problems arising *sui generis* and being particularly concerned with detailed studies in the fields of Farm Management and Internal Marketing with a special role in extension being required of the State economic and marketing research and administrative units.

There can be no doubt but that, as in the United States of America, there are very definite fields in which the efforts of both Commonwealth and State bodies should be concentrated, and there is already a tendency for research work in the two organisations so far established in this country to be directed along such channels. The amount of research work which has yet been carried out is comparatively small, but it has been begun, and as more trained staff comes forward and time passes, it will no doubt increase in scope and refinement. It may be that before long other States will follow the lead set by New South Wales and establish organisations similar to the Division organised in this State, which will also work in the same close co-operation with the Commonwealth Bureau of Agricultural Economics as has always characterised this Division's relationship with the Commonwealth organisation. Indeed, it is hoped that such a development will take place if only to better the existing state of knowledge of this country's agriculture and its special problems.