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**BOOKS RECEIVED AND NOTES**

**Agricultural Market Analysis**, Vernon L. Sorenson (Editor). East Lansing, Michigan. Michigan State University, 1964. Pp. xi, 335.

Nineteen members of the Faculty of the Department of Agricultural Economics, Michigan State University contributed material to produce this book and the result is a valuable agricultural marketing text. Designed primarily for use by students but by no means an introductory text, ". . . The book is intended, as were the symposia out of which it emerged, to stimulate discussion and enquiry into a series of questions related to agricultural marketing." The book has a very wide coverage in that it does not define the boundaries of agricultural marketing or specialize in any specific area but rather aims at the "development of marketing analysis that has empirical relevance to the exchange of goods and services, whether this occurs in product or in factor markets."

Each chapter is contributed by a different author or group of authors but editor Sorenson combines these well into a cohesive volume.

The book falls naturally into four sections. The first, under the heading of "The Overall Role of Marketing" contains two chapters, the first of which analyses the relationship between social, physical and economic variables and the effect of this relationship on the determination of the form and outcome of marketing processes. Decisions on what products shall be produced and consumed and by whom, where, how, etc. must be made by every society through an exchange system which is the result of political and social processes. Thus marketing analysis must be cast within the overall political and social framework of human relations of which markets are a part. As the authors maintain, the question of what is a good marketing system cannot be separated from the more fundamental question of what is a good society, and the evaluation of a market organization has meaning only within the context of a broader view of the good society or the good life.

The second chapter of this section studies the relationship between marketing and economic development, firstly by examining the experiences of the advanced countries and some of the development theories, secondly by conceptualizing the linkage between the physical transformation variables and thirdly, in the light of these studies, by examining marketing experience in the United States.

This first section is fundamental to the rest of the book for the book attempts to provide a framework of analysis for handling real problem situations and as the marketing process is highly complex and dynamic, an understanding of the social and political basis of this and indeed of the whole market structure is essential.

The second section called "Firm Behaviour and Adjustment Processes in Agricultural Markets" is a study in dynamics of the marketing firm and group at the micro level and the effect of this behaviour on overall market results. It emphasizes the firm as a dynamic behavioural unit, whose actions will influence and in large part determine the outcomes or kind of market performance attained. To understand the behaviour of marketing

firms in a complex dynamic world most of the assumptions of static economics must be relaxed, for such concepts as that of equilibrium are inadequate to explain adjustments to continuous change, as in the real world. With this in view this section deals with price-output behaviour, promotion new product development and product competition, firm growth and integration and the nature of group activity in agricultural markets. Most of these chapters, especially the chapter on advertising, provide excellent discussions of their respective topics. Although not highly analytical, they are studies of real world dynamic behaviour.

"Aggregate Adjustment and Performance in Agricultural Markets" is the title of the third section which consists of two chapters directed at the macro level. The first chapter is a consideration of aggregate demand, aggregate supply, derived demand, the relationship between these three, and price fluctuations. The second discusses the causes of change in market organization with special reference to the U.S. This chapter emphasizes the interdependence of market organization and performance and leads directly to the last section: "Public Policy in Agricultural Markets".

This section includes an initial general chapter on the "role played by public policy to support and amplify market operations, regulate and guide market decisions by firms, and limit and control commercial organizations. This chapter also considers the process by which policy decisions are formulated and delineates the basis for emergence of public policy."

The next chapter discusses the policies for the regulation of competitive behaviour discussing mainly anti-trust legislation and its enforcement in the U.S. The last chapter considers a number of public policies which influence overall market adjustment. These include programmes to provide information, programmes to reduce cost and increase firm efficiency, programmes to promote orderly marketing and influence market supply.

This book is an unusual approach to marketing analysis. The analysis is dynamic, very general and covers a very wide field. Because of this it does not become involved in any comprehensive analysis of any particular aspect of marketing nor does it provide any comprehensive empirical data. "Conclusive answers and final positions on what is, what will be, or what ought to be are rarely stated." Its aim is to provide a framework of analysis "... for handling real problem situations involving quantitative variables. The marketing mechanism of a mature economy is highly complex and highly refined. To understand it completely defies human capacities. To understand it better and, hopefully, to provide a basis for its improvement, are the real purposes . . ." of this book. In this it surely succeeds.

B. J. STANDEN

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**Resource Demand and Structure of the Agricultural Industry**, Earl O. Heady and Luther Tweeten. Ames: Iowa State University Press, 1963. Pp. ix, 515, \$8.50.

The purpose of this work is "to identify, interpret, and explain the developing structure and organization of agriculture" (p. 11) in the United States. As such, and despite its painstaking analysis of many of the more general problems of resource adjustment in a changing economy,

it is unlikely to achieve wide appeal as a textbook. The first five chapters contain general background material, while the remainder of the book focuses attention on the behaviour of specific resources in the United States. It is intended that this review should comment upon the former chapters of the book only. Nevertheless, the latter sections, by virtue of their thoroughgoing nature, contain many specific lessons (if one can learn from the experience of others) for Australian agriculture, and thus must be commended to the patient reader.

The first chapter contains a great deal of "window dressing" designed, one suspects, to obtain a wider audience for the book. It begins by comparing the farm problem of developed nations with that of under-developed areas, concentrating upon the resource aspects of the problem, but traverses such subjects as the relationships between economic development of the farm and non-farm sectors; the role of education in increasing (and limiting) resource productivity; the relationship of elasticity of input supply and rate of technological change to the farm problem; and immobility of labour. Finally, the basic concepts of "structure" and "organization" of agriculture (on the resource side) are defined and discussed.

It should be stressed that the writers are not underrating the importance of factor supply nor of product demand, in the farm problem. However, they do consider that more emphasis should be placed upon resource adjustments, since these affect productivity, and "inversely" product "prices".

Chapter 2 sets out to describe some basic characteristics of agriculture in a growing economy—the substitution of capital for labour, productivity changes, and amongst other things, changes in factor returns. The chapter is liberally sprinkled with empirical observations on the U.S. scene, but otherwise appears to add little in the way of original explanation. The third, fourth and fifth chapters "set the stage" for the subsequent work on United States agriculture.

The theory of resource demand, in Chapter 3, is seen as a logical outgrowth from the conditions of profit maximization under perfect competition, both without and with the limiting capital restraint. Heady and Tweeten here develop the basic econometric models for use in later sections of the book. Later in the chapter one cannot help noticing the cursory nature of their discussion of the relative advantages of least squares, simultaneous equations, and recursive systems, for estimating economic variables. Nevertheless, the way is left open for use of any of the models, depending upon the empirical data available, which is probably superior under the circumstances to adherence to the one econometric method. Of more general interest are the simple dynamic models, where the assumptions of perfect competition are relaxed sufficiently to permit observation of some of the realistic response lags, which occur in agriculture in the face of changing factor prices and technical coefficients. Particularly noteworthy are the diagrams on p. 70, which show some alternative adjustment paths in resource use, under different price and input-output situations.

To the Australian agriculturalist, chapters 4 and 5 would probably make the most worthwhile reading, since they spell out a number of the important theoretical effects of economic development upon resource use.

An understanding of these factors is vital for enlightened discussion of any policy proposals aimed at the "cost" side of the problem of the cost-price squeeze, and thus at the problem itself.

*Sydney*

G. L. MILLER

**Science and Technology for Development.** Report on the United Nations conference on the application of science and technology for the benefit of the less developed areas. New York: United Nations, 1963. 8 volumes:

- I WORLD OF OPPORTUNITY, cloth \$U.S. 6.00, paper \$U.S. 2.90 ;
- II NATIONAL RESOURCES, \$7.50, \$5.25 ;
- III AGRICULTURE, \$8.00, \$5.50 ;
- IV INDUSTRY, \$7.50, \$5.25 ;
- V PEOPLE AND LIVING, \$7.00, \$5.00 ;
- VI EDUCATION AND TRAINING, \$7.50, \$5.25 ;
- VII SCIENCE AND PLANNING, \$7.00, \$5.00 ;
- VIII PLENARY PROCEEDINGS, LIST OF PAPERS AND INDEX, \$9.00, \$6.50.

These volumes are the official report of the conference held in Geneva, 1963, and summarize the nearly 2,000 conference papers and discussion during the 93 sessions that covered all phases of development.

The sheer dimensions and scope of the Conference are enough to make one suspect that the examination of each topic would be of a fairly cursory nature. This suspicion is confirmed by a study of the first three volumes, *World of Opportunity*, *Natural Resources*, and *Agriculture*, the only ones which this review attempts to cover. This could be partly accounted for by the fact that the report has been written with the expressed aim of providing a narrative account of the conference. The claim is also made that "In substance it is comprehensive, embodying both the oral discussions and the contributors' papers. In style it is non-technical: the aim has been to make this permanent record a readable one which will be widely studied and used."

The account may be comprehensive, but the process of converting the material to a non-technical style has had at least one serious effect. This is that much of the "meat" of the papers has been left out with the result that all but the layman are likely to be left unsatisfied after partaking of this lengthy report. The expressed aim that it will be widely studied and used is unlikely to be achieved, as there will be very few who will be prepared, or who will have the time to read through eight volumes, or any one of them for that matter, in order to absorb the limited information which they contain. It seems almost as if the reporters are "talking down" to their underdeveloped audience.

If one criticizes the style as being naive, it cannot be claimed to be lacking in enthusiasm. The opening words of Volume I sets the style which is maintained for the first three volumes at least: "This is a small world. By his ingenuity, his brains and his skills, *Homo sapiens*, Thinking Man, has diminished time and distance and has shrunk his planet to a neighbourhood, in which people and events are no longer remote from each other". Though the style does not flag, the reader is likely to become quite exhausted before consuming very many pages, unless he happens to be very enthusiastic.

It is understandable that the emphasis in the report is on administrative matters and methods, for an early need in developing countries is to plan, to organize and to get the research effort launched. In this respect however, the report does little more than pose the problems involved and does not go very far to suggest the practical methods of solving these problems.

Perhaps the most useful achievement of the report is the objective perspective which it brings to focus on human affairs and the freshness and freedom from prejudice of its approach. For this reason it might be salutary for the research worker, engrossed in his own narrow field, to keep one or two of these volumes on his shelf, to bring his sights back to the overall human problems from time to time.

G. MASON

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**Economic Planning in Peasant Agriculture**, Eric Clayton. Department of Agricultural Economics, Wye College near Ashford, Kent, 1963. Pp. ix + 69, 7s. 6d. Stg.

Dr. Clayton's book, *Economic Planning in Peasant Agriculture*, is interesting as one of the few examples of the application of modern management tools to farm planning in an under-developed country. More importantly, his conclusions question the validity of some assumptions that are currently important in Kenya's agricultural policy and in the planning activities of its farm advisory service.

The book is divided into four chapters with a separate summary and a conclusion. Chapter one discusses the aims and methods of study. The aims were to investigate resource and product combinations on consolidated farms in the Nyeri District of Kenya, and to consider the relevance of the investigations to policies directed at raising agricultural productivity. The method was to select six typical farms, and, by linear programming, compute optimum plans over a range of assumptions concerning the restrictions governing farm planning.

For the selected holdings, maximum profit farm plans were first computed ignoring all Departmental restrictions—such as a fixed arable/ley ratio. Succeeding steps introduced various restrictions into this initial situation:

"First, a three year ley carrying dairy stock is built into the programme to ensure adequate land resting and fertility maintenance; then a second cash crop is introduced where feasible; assumptions are changed regarding animal stocking rates and arable/ley ratios; and

finally, additional men are employed to study the effect of differing labour supplies. Each situation is further worked through on the basis of two different assumptions. First, that only manual labour is available and second, that tractor hire services are available for seed-bed cultivations."

In all, 120 optimum programmes were computed. Chapters II and III present summaries of the solutions. With reference to this section of the book, it is unfortunate that, despite its attempted simplicity, it may be too complicated for the majority of indigenous extension workers, yet is not detailed enough for the people who must provide these workers with appropriate rules of thumb. To have explained the first optimum plan by budgets setting out labour usage and the income contributions of the components of the plan, would have been more convincing than Clayton's presentation of the bare details of the optimum plan and the resulting net incomes.

In Chapter IV, Clayton discusses policies for lifting agricultural productivity. Some of his points are:—

- (a) When family labour alone is employed, labour, not land, is the limiting factor in production. (This is, of course, a conclusion that applies to the consolidated holdings considered and is not directly relevant to non-consolidated farming in Kenya or to the general problems of peasant agriculture in the developing countries. But, by indicating that fallow (non-use of land) can be economic, it casts doubt on the existing farm planning policies of the Kenya Department of Agriculture.)
- (b) When supply of labour and capital is relatively elastic, cash crop specialization is indicated. This applies over a wide range of prices for the major crops.
- (c) Despite the limitations on farm plans due to labour availability, purchase of a tractor and cultivating equipment is economic only in certain cases. This is because the operations that result in the seasonal peak labour demands would remain unmechanised. However, strategic hiring of a tractor would permit many farmers to adopt a farm plan that would substantially improve the diet of the family and it is concluded that Government policy should foster mechanization in all areas of Nyeri where there is a land/labour ratio of 2.5:1, or more, but excluding situations in which tea is the sole cash crop.

Chapter V reports an analysis of changes in the optimum plans for the coffee zone as coffee prices change. The conclusion is that the normative supply curve is completely inelastic over a wide range of prices (£125 to £325 per ton).

In the "Conclusions" section, Clayton claims that the study demonstrates that the productivity of Nyeri agriculture can be improved by encouraging wider adoption of maximum profit plans and by the use of hired labour on family farms. He restates his belief that linear programming of representative farms can contribute to both Government policy and extension effort for peasant agriculture. This claim is, perhaps, only rele-

vant in the limited areas of peasant agriculture where consolidation of holdings has occurred, together with provision of security of tenure, and where there is a reasonable degree of commercial motivation.

One wonders whether too much is claimed for the results of this work. Perhaps the analysis presents questions instead of answers?

However, as suggested in the first paragraph of this review, Dr Clayton's book is an important one for two reasons ; it puts some serious questions about agricultural policies in Kenya and it demonstrates one role of the techniques of modern management analysis in the under-developed countries.

In view of the great importance of a healthy agricultural economy in the development of these countries, and the generally falling prices for tropical products, it must be hoped that other research workers will attempt similar studies in other areas where land consolidation has occurred, or is about to occur.

P. T. MEARS

J. G. BIRD

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**An Introduction to Tropical Grassland Husbandry**, R. J. McIlroy. London: Oxford University Press, 1964, Pp. x, 128, 26s. 6d. (stg.).

*An Introduction to Tropical Grassland Husbandry* has been written for students and others who require a broad but, necessarily, highly compressed review of its subject. In addition to fulfilling this aim, the book highlights, by its frequency of reference to research on temperate grasslands, the urgency of continued emphasis on the need for research into tropical grassland problems.

The book is divided into fourteen chapters dealing with the economic value of grassland ; the nature of grasses ; the agricultural value of herbage species ; some grass and legume species of tropical regions ; some tropical grassland associations ; types of grazing pasture ; seed production ; seeds mixtures ; establishment of the sward ; management and manuring ; grassland utilization ; grassland improvement ; the nutritive value of tropical pasture grasses and legumes ; conservation and the measurement of grassland productivity. Appendices by G. Jackson, of the University of Ibadan, discuss the ecological basis of grassland husbandry and the grasslands of tropical Africa. There is a bibliography and index. But the bibliography is certainly not a complete list of Australian research in tropical pastures.

It is unfortunate that so little reference is made to Australian tropical pasture research particularly as some of the more detailed work in evolving new principles has been carried out by Australian workers.

Dr William Davies, in a foreword to the book, broadly accepts that temperate grassland principles can be applied with little modification. With expanded research activity in the tropics this assumption, and implicitly the value of Professor McIlroy's book, will be put to critical test.

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**Adjustments and Economic Planning in Canadian Agriculture**, Peter Harsany. Montreal Academic Publishing Co., 1964. Pp. 116, \$3.50 (Canadian).

The text of this book was originally presented as a discussion paper, and as such would have been very successful. A good outline of the economic situation existing in Canada today is presented by the author, and the text, together with the many tables would be useful to students seeking information relating to the economic position of Canadian agriculture up to 1963 with projections up to 2000 A.D.

With more than one third of the book devoted to tables, the author compares Canadian conditions with conditions elsewhere in the world and indicates the degree to which the economy is dependent upon outside influences. With overtones of an agricultural fundamentalist, Harsany sharply disagrees with much of the 1957 "Final Report" of the Royal Commission on Canadian Economic Prospects and states that "adjustment of the agricultural system, with methodical planning, under unchanged freedom of enterprise is the main factor of prosperity."

The aim of the paper is then stated as being to lay down a plan drawing up the possible desirable future of Canadian agriculture. Adopting a cheerfulness akin to that of Malthus, the author makes several subjective proclamations and points the way to Canadian prosperity as being to increase the use of fertilizer, rotate crops, diversify rural enterprises, increase agricultural productivity, and become dependent upon meat products rather than grain. If these aims are not accomplished "the country may be driven into a position of dependence upon the powers who are willing to purchase our surpluses." On the other hand, though it is difficult to follow his reasoning, the author concludes: "If these aims are accomplished Canada will be in an advantageous position to satisfy international needs with a flourishing and profitable agriculture and a booming manufacturing industry. She will be in a position to alleviate famine in many parts of the world."

The final section of the book is devoted to References and Literature containing sixty-six references which could be useful to anyone wishing to pursue the subject.

To an Australian reading this book the similarity of economic conditions in Canada with economic conditions in Australia is very striking, particularly with respect to the role played by agriculture in each economy.

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