

# THE OBSERVATION POST

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## Research and the New Farm Program

THE ADMINISTRATION IS ENDEAVORING to balance farm production with consumption. It seeks to discourage and prevent continued accumulation of costly surpluses. Its new farm program calls for flexible and modernized price supports which, in general, will result in lower prices per unit of commodity. It also calls for a reduction of about 25 million acres (about 13%) in the planting of crops (cotton, corn, wheat) which are now in surplus. These surpluses have accumulated even though our level of nutrition has risen appreciably and our larger population is spending more of its income for foods.

### Research Can Create and Correct Farm Problems

To a large extent research has been responsible for our ability to overproduce. Farm output is now about 44% greater than in 1940 with the same acreage. Moreover, only two thirds of the farm workers are needed. The application of research and the use of machines and chemicals have revolutionized agricultural production.

Research on all aspects of agricultural production, distribution, and use must continue. It is part of our national policy. It is a tradition that must be preserved to maintain parity of progress between agriculture and industry. There is no reason to assume that our farmers will ignore or abandon the findings of research which in the past have brought them a large measure of their prosperity. More likely, they will continue to use technological developments as a means of combatting adverse legislation. Our farmers can continue to produce surpluses notwithstanding any proposed reductions in planting acreage.

### Chemicals Contribute to More Efficient Production

Farmers will continue to use fertilizers in increasing quantities. Research has shown that yields of practically all crops can be substantially increased by the use of more and better plant foods and by improved application practices. To safeguard their investments in land, seed,

fertilizer, and labor, farmers will protect their crops with pesticides. They will endeavor to reduce their labor requirements through the use of herbicides, defoliants, and machines. Briefly, the job for research is to help farmers cut production costs.

### Market Research

The administration and commodity organizations are exploring the possibilities of broadening markets at home and abroad. It is doubtful that technological research can increase appreciably the home market for the surplus farm commodities now owned by government. The domestic per capita demand for grains and potatoes has diminished during the past decade. This trend will not be reversed. Neither will the shift from butter to margarine unless butter prices become more realistic. Realism can be achieved by permitting and arranging for the production of a 50-50 oleo-butter to compete with margarine. The railroads differentiate between Pullman and coach service. The airlines similarly adjust fares to increase their business. This is a regular practice to stimulate business. Here is an opportunity for market research to come up with some solutions that will benefit the consumer as well as farmer and Government.

It is hardly likely that market research will result in any substantial and permanent expansion of foreign markets for agricultural surpluses. We are encouraging and aiding many countries through FAO and FOA to increase their food production by improved agricultural practices. We have a moral obligation to continue such assistance. It would be surprising, therefore, if any appreciable foreign markets could be developed. It would be fortunate, however, if government agencies would simplify and expedite bartering operations which would enable us to obtain strategic materials for stockpiling or for industry in exchange for our food and fiber surpluses.

### Distribution Research

Transportation, distribution, and selling costs have risen appreciably in recent years. The farmer now gets

about 46% of the consumer's food dollar compared with 52% a few years ago.

The problem is to devise techniques to offset these higher distribution costs. How to do this without too much government intervention is a challenge to researchers in this field.

### Utilization Research

Utilization research has made major contributions in developing, broadening and stabilizing markets for agricultural products. The wholesale value of farm products (excluding fibers), used for nonfood purposes is about \$1.2 billion compared with a total net cash income from all agricultural pursuits of about \$12 billion.

Chemurgic research does not have the attractive economic environment that it had 20 years ago. Price support operations have raised the costs of some agricultural commodities to levels that have not only discouraged utilization research but have encouraged competition from synthetics. In some cases support prices have provided an economic umbrella to protect the development of such competition.

### Feed Research

Probably the most fruitful field for technological and economic research deals with feeds. High corn prices lead to high prices for competitive feeds. The cost of feeds determines the price of cattle, hogs, and poultry. Feed prices play an important role in establishing land values and hence parity price calculations. The small farmer who has to buy feeds is adversely affected.

Technological research on the establishment of richer pastures is needed. That alone is not enough. The economic structure of feed production needs to be reviewed and revised.

The cost of sunshine and moisture have not risen. This raises a question regarding the realism of farm land and feed prices.

The opportunities for technologic and economic research in agriculture are almost limitless. By using the findings of concerted research, the farmer can cut production costs, develop new markets, and reduce distribution charges.

Research will continue to play an important role in the solution of our farm problems.