

Marketing Research the Weakest Link

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DURING THE PAST SEVERAL YEARS, there have been many significant changes in the nation's agricultural pattern. Most of these changes have been for the better. There has been extensive mechanization of American agriculture. Abundant production of our vast farming area has reached record levels. And, perhaps most important of all, there has been a healthy increase in the output per worker engaged in agriculture. Today only about 15% of our working population is required to provide the food and fiber needed by themselves and the other 85% engaged in other production which goes into making America's standard of living the envy of the world.



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While these beneficial changes have been taking place, there have been some changes which are less desirable. To say our abundant production has created serious problems is a gross understatement.

Government Control

Perhaps the most serious problem resulting from the tremendous volume of agricultural output is the trend during recent years toward steady encroachment by Government into the field of agriculture. As new programs have been devised to handle abundant farm production, government agencies have assumed more and more control over the farmer's operations—both production and marketing. Unless this trend is halted, or at least slowed down, we could develop in this nation a philosophy and a pattern of administered production and pricing which is a far cry from the system of free enterprise and individual initiative which has made our agriculture the most productive in the world. This does not mean that all agricultural legislation or all administrative measures affecting agriculture are bad. Because of the very nature of American farming, sound and effective legislation and administrative measures are required in the interest of agriculture as a whole, but they should be designed to help farmers help themselves.

The capital investment in American

agriculture today stands at more than \$140 billion in land, buildings, machinery, and livestock—about \$14,000 per worker. Because of the competition in various segments of the domestic economy, which embraces the most highly mechanized industry and agriculture in the world, it is essential that agricultural production per worker be maintained at a high level to justify the capital investment and maintain the competitive wages and standard of living necessary to attract the manpower required in the national interest. In short, farm prosperity is dependent upon dividing a larger rather than a smaller economic pie.

Incentives to Participate

Any type of national farm program aimed at assisting farmers to maintain high level production per worker and competitive wages of necessity must permit normal changes and adjustments as may be needed to meet changing conditions of supply and demand. Another major objective of any farm program should be maximum participation in its formulation and administration by producers and producer organizations. Also, it is essential that farm programs must be activated by incentives to participate, rather than by penalties for nonparticipation.

Programs to aid farmers have been with us for decades in one form or another, and talk of means to assist agriculture dates back almost to the beginning of modern farming, particularly since the first threat of surplus production. We must never forget, however, that many of the ills of agriculture have been attacked and cured by farmers themselves. The development of farmer cooperatives as we know them today resulted from determined efforts on the part of farmers to correct abuses and develop their own machinery to deal with some of the growing economic troubles which faced them.

At the most recent meeting of the National Council of Farmer Cooperatives, our members adopted a forward-looking policy urging that all efforts to assist agriculture—both private and governmental—be directed toward a sounder balance within agriculture. This policy suggests efforts to bring production of individual commodities

and also total production more nearly in line with effective demand. And, perhaps even more important, it strongly recommends that major emphasis be placed on means of increasing total demand for the products of America's farms.

In the development of agriculture to its present highly productive state, maximum emphasis has been placed on steps to make it possible for farmers to increase production of food and fiber. But, during this same time, we have neglected to give equal attention to efforts to improve marketing. Perhaps this resulted because of virtually unlimited demands for food and fiber brought about by war. At any rate, the fact remains that more emphasis on marketing improvement is urgent now if agriculture is to divide a larger, rather than a smaller, economic pie.

In view of the present surplus problem farmers have a special interest in seeing that adequate and sound research programs are directed toward utilization and marketing of agricultural commodities. Difficulties stemming from marketing and utilization have multiplied as farmers passed from a seller's to a buyer's market. At present, marketing research stands out as the weakest link in the chain which reaches from the farm to the dinner table and clothes closet.

Through their own organizations, farmers have taken the leadership many times in development of handling and marketing techniques. As a result of these efforts, farmers' cooperatives have been able to return to producers both tangible and intangible benefits. These organizations will continue their efforts at improving the handling and marketing of farm commodities.

Increasing Demand

American agriculture has been faced with difficult adjustments in the past just as every other segment of the domestic economy. For the long pull, the adjustments we must make lie primarily in the field of increasing demand and utilization of abundant farm production. While we may have to resort to relatively firm methods to bring about needed production adjustments in the immediate future, I am confident that in the long run, we will expand old markets and develop new ones and that we will find new uses and create new products which will utilize agricultural commodities. This is the soundest and most effective means of bringing about the natural balance between production and effective demand for agricultural products.