

Elements of AGRICULTURAL ECONOMICS

BY

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AND

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To
FLORENCE POLLEY FORSTER
and
ELIZABETH L. LEAGER

Preface

IN PRESENTING this book, the authors make no claim to an exhaustive treatment of the subject matter usually considered as a part of agricultural economics. On the contrary, attention has been limited to those segments that current discussions indicate are of greatest immediate importance.

To introduce the student to the subject of agricultural economics, there is, first, a series of four chapters (Part I), which deals with the specific nature of economics, agricultural economics, economic problems of agriculture, our economic systems, and some elementary price concepts. These chapters are designed to provide the basic information and type of approach needed for appreciation of the discussions given in the remaining sections of the book.

The economics of agricultural production is treated in a group of eight chapters (Part II), which includes the characteristics of modern farming, the geographic distribution of production in the United States (types of farming), the organization and management of individual farms, farm records as aids to the farmer, the economics of soil conservation, and the economics of land tenure.

There are five chapters on the marketing of farm products (Part III). The treatment is largely conventional and covers the nature of marketing from a functional point of view, the part played by markets and market middlemen, and the ways in which specific farm products pass through the trade channels. Two of the five chapters of this section deal with cooperation, especially as it has been developed through marketing and purchasing cooperatives, and the extent and magnitude of the cooperative activity as indicated by ten outstanding farm cooperatives operating in the United States.

Agricultural finance and insurance are subjects that are treated in a group of four chapters (Part IV), the first three of which deal with the nature and use of farm credit, the structure and operation of Federal Farm Credit systems, and the private

sources of funds that are available to farmers. The nature of risks and the purpose of insurance, including the principal types of insurance used by farmers, the sources of insurance, and a brief description of Federal Crop Insurance, are considered in the last of these three chapters.

Over the past thirty years, the Congress of the United States has been deeply concerned with national price policies and programs. To some extent, at least, the Congress has enacted legislation in which the traditional policy of noninterference and non-participation in private businesses has been modified. Two of the five chapters (Part V) devoted to the subject of policies direct attention to the earlier efforts of the Congress to develop a price policy. The first of these chapters develops the story from the early 20's to the creation and final failure of the Federal Farm Board. The second chapter carries the account from the enactment of the first Agricultural Adjustment Administration legislation up to and including the Agricultural Act of 1949.

Our farm policies have been determined to no small extent by the farmer organizations. In recent years, the Grange, the Farmers Union, and the Farm Bureau have wielded great influence in the formulation and the enactment into law of these policies. For this reason, a chapter on farmer organizations is included in this section of the book, written from the point of view of their operation on the national level. Attention is given, however, to their origin, the farmer groups they represent, how they are organized, and how they operate on the state and community levels.

No discussion of policies could ignore trade barriers and how they affect economic activities and conditions of farmers. In this book, the subject is treated from the standpoint of international trade. Attention is directed to the fundamental bases upon which such trade rests, the types of barriers that have been devised and put into effect, and the prospects for a freer international trade.

The final chapter in the book describes and discusses the new price support proposal and production control program of the Secretary of Agriculture, the Honorable Charles F. Brannan.

The authors wish to acknowledge the assistance they have received from others in the preparation of the book. Gunnar Lange, while a colleague of the authors, taught this subject and

suggested the content of the course. For the collection of the data contained in the chapter on "Farmer Organizations," we are indebted to Francis E. McVay, a keen critic, who suggested many changes that, in the opinion of the authors, helped to clarify the subject. Professors R. E. L. Greene, H. Brooks James, Rudolf Freund, W. W. McPherson, and W. H. Pierce have been helpful in the improvement of the contents and in the arrangement of the subject matter.

It is in order also to express appreciation for the able assistance received from Miss Margaret K. Fleming, who has had general supervision of the text. Her help in assembling information and in editing the manuscript has been especially noteworthy. To Miss Clara L. Gilbert must go the authors' thanks for the patience and the work associated with the typing of the text. Florence P. Forster, the wife of the senior author, checked the references for accuracy.

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