

# **Outreach in Agricultural Economics: Historical Perspectives**

by

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## **Overview**

- **The importance of outreach in agricultural economics**
- **Historical perspectives**
- **Valuing outreach**
- **Current challenges**

## **The importance of outreach in agricultural economics**

- **Economic information is valuable.**
- **Three key target audiences for agricultural economists:**
  - Farmers
  - Agribusiness
  - Policy makers
- **Three focuses:**
  - Management (for both farmers and agribusiness)
  - Market intelligence
  - Policy analysis

## **Historical perspectives**

- **Early focus on farm management**
- **1900-1914:**
  - period of globalization
  - closing of the frontier:
    - land allocation (How H.C. Taylor convinced his Dean to let him teach a course in agricultural economics at the University of Wisconsin)
- **1914-1945: turbulent times**
  - Protectionism, Great Depression, unstable markets
  - Period of great policy innovations

## Historical perspectives (continued)

- **1945-present:**
  - **Labor migration out of agriculture**
    - Farm Mechanization
    - Rise in farm size, decrease in farm numbers
  - **Large increases in farm productivity**
  - **Trends toward globalization**
  - **Trends toward privatization of agricultural research**
  - **Rapid improvements in economic tools**

## Valuing Outreach in Agricultural Economics

- **Farm Management**
  - Economic analysis needs to be adapted to local agro-climatic conditions
  - Farm management versus production economics
  - Deterioration in farm-level panel data
  - Farm managers are doing “local environmental management”
- **Agribusiness Management**
  - Does Ag. Economics have a “comparative advantage” in the economics and management of agribusiness?
  - Role of Public Institutions under Privatized R&D?

## **Valuing Outreach (continued)**

- **Providing Market Intelligence**
  - Information and risk management in changing global markets
  - Significant growth in derivative markets
  - But agricultural markets remain unstable and difficult to predict (e.g., 2008)
  - Role of “market fundamentals” versus “animal spirits”?
- **Policy analysis**
  - The disappearing “farm income gap” in the US
  - The political economy of agricultural policy

## **Current challenges**

- **Re-invigorating the economics of farm management**
- **Refining our understanding of the dynamics of agricultural markets**
- **Keeping market information “public”**
- **Stimulating the development and use of derivative markets in agriculture**
- **Dealing with current conflicts between agricultural policy design and market globalization**
- **Better integrating agricultural economics and environmental management.**