

Outreach in Agricultural Economics: Historical Perspectives

by

Jean-Paul Chavas
University of Wisconsin-Madison

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.**