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.