

Agricultural Economics

Knowledge of Prices, Production Costs, Marketing Vital In Farming Business

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The Department of Agricultural Economics was organized in 1935. At that time the department included rural sociology. The department remained small until 1947, when additional funds designated for marketing, from the Research and Marketing Act of 1946, provided the means for a rapid expansion in research.

The progress in Agricultural Economics at the University of Arizona can be categorized into three areas of research: general agricultural economics, production economics, and marketing.

General Agricultural Economics

A valuable, continuing contribution to the agricultural economy of this state has resulted from the publication of the annual series of bulletins known as "Arizona Agriculture." This series began in 1931 and has continued without interruption to the present, "Arizona Agriculture 1960" being the 30th annual issue. Ten thousand copies of this general economic reference bulletin are published each year. It contains current data and comparisons of Arizona's agricultural income, prices, costs, acreage and production. Also included are reviews and outlook for each of the major crop and livestock enterprises of Arizona. Land development, water, credit, and agricultural programs are also discussed.

The bulletin has found wide use by farmers, farm organizations, financial institutions and other individuals and firms whose activities or interests are associated with Arizona's agriculture.

In addition to its current value, each year adds to the cumulative value of this series as it provides the only long-time, unbroken record of the development of Arizona's agriculture. Thus it provides a valuable historical analysis of Arizona's changing agricultural economy.

Production Economics

The general area of production economics includes farm and ranch management, agricultural credit, resource economics and certain aspects of agricultural policy. Contributions have been made by the Department of Agricultural Economics in each of these areas.

In the field of water economics this department has made many contributions. The staff assisted with the development of the original Central Arizona Project and is now assisting with the reappraisal

of this project. Studies have also been made of the economic feasibility of other irrigation projects in Arizona. A leading role was taken in the development of the Arizona Watershed Project and the head of this department served as director of that work. Work is continuing relative to the economics of watershed improvement.

Costs of production and farm enterprise adjustment have been studied over the life of the department. During the 1930's cooperative work was carried out with the Agricultural Adjustment Administration; during the 1940's the department participated in wartime production adjustment programs, and after World War II assisted in the analysis of postwar adjustments.

Recently this department developed the "Arizona Cotton Wheel," a circular computer designed to assist farmers in choosing between Plan "A" and Plan "B" acreage allotment programs.

Work in land economics led to the development of an improved leasing system for state-owned irrigated lands. This system has been adopted and will materially increase the state's income from rental of such land.

Marketing

Research in marketing in the Department of Agricultural Economics is of relatively recent origin. The first major project was undertaken in 1947 with funds from the Research and Marketing Act of 1946. This act requires that 20.6 per cent of the federal funds allocated must be spent on projects in marketing.

Accomplishments in this field have been made along both commodity and functional lines. Early work in citrus marketing led to the development of the paperboard citrus carton. These cartons have now entirely replaced the nailed wooden boxes formerly used by the Arizona-California citrus industry and permit savings in container cost, packing costs and freight.

In this same project a study was made

which demonstrated the savings possible from bulk handling in moving the fruit from the field to the packinghouse. A study of the package weight of grapefruit resulted in a freight adjustment which saved the industry about \$100,000 annually in freight. Other studies indicated the advisability of lengthening the marketing season for desert grapefruit.

Much Work On Cotton

A large amount of research has been devoted to cotton marketing. Accomplishments in this area include a leading role in the organization of the Arizona Cotton Planting Seed Distributors. A series of studies has indicated spinner opinions of Arizona's cottons. Early work was done in the economic appraisal of standard density gin presses.

Subsequent work has shown the economic effects of variations in cleaning and drying operations in gins. Work has also been done relative to the growing importance of objective fiber tests in the marketing of cotton. Another study demonstrated the relationships between prices in local and central markets and between different grades and lots of varying numbers of bales. The importance and causes of gin fires has been studied as well as the effectiveness of fire prevention devices. This may lead to a reappraisal of gin fire insurance rates at a saving to the industry.

Numerous marketing problems of the cattle industry have been studied. Work done was instrumental in demonstrating the practicability of reporting country sales of feeder and slaughter cattle, and assisted in the establishment of an experimental Federal Livestock Market News office in Phoenix. This station was one of the first to call attention to changing consumer demand for lighter and leaner beef. The changing competitive position of the Los Angeles Livestock Market indicated adjustments which were being made, and which are continuing. Work just completed demonstrates the importance of the Mexican cattle trade.

In the field of dairy marketing a new fortified low-fat milk has been tested and found highly acceptable to the consumer. This may expand consumer demand for milk and help dispose of the surplus of non-fat milk solids.

In A Wider Area

Along functional lines a comprehensive study was made of the economic effects of interstate trade barriers and work is now in progress appraising the impact of foreign agricultural programs.

Other useful research has been carried out for producers of grain, hay, lettuce, dates and other commodities.

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