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Productivity: A Renewed commitment to research in the 1980's

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For the past several decades, agriculture has been America's number one productivity success story. Research and development efforts in both the public and private sectors have been the envy of the world and a boon to our own economy. U.S. farmers have snapped up new technology, adapting it to their operations almost instantaneously. Notwithstanding all the recent commentary about corporate and foreign investor intrusion into American agriculture, it is worth noting that the family farm is alive and well in this country. It is larger than it was 10 or 20 years ago, but far better managed, and the family orientation is still there.

As a nation, we can justifiably take great pride in our agricultural accomplishments. Those accomplishments have permitted us to release nearly all of our manpower from agricultural production. A very small segment of our population is needed to feed not only the rest of us (at a cost lower than that of any other nation), but millions of other people as well through our export programs. The remainder of our population can thereby concentrate on manufacturing and service enterprises.

Nevertheless, there are some clouds on the horizon. We have not been making the kind of investment in research, especially basic research, that is essential to major production breakthroughs, and, as a result, the agricultural productivity curve has begun to flatten out. Research and development expenditures in the private sector are still impressive, but agribusiness firms, like industrial companies, are preoccupied these days with profit levels. In inflationary times, it is difficult to keep shareholders happy in the short run, while simultaneously making the capital investment necessary to achieve

PRODUCTIVITY: a renewed commitment to research in the 1980's.

financial success in the long run. When management gets in a bind of this nature, it usually—and understandably—opts for a short-run success. So R&D programs are either reduced or postponed.

The most serious agricultural research shortcomings have arisen in the public sector. Land grant universities, like all other public institutions, have had great difficulty in achieving a level of financial support commensurate with inflation increases. When unsuccessful in doing so, faculty salaries have taken precedence over research funds. A somewhat analogous situation has developed in the U.S. Department of Agriculture, where research programs have not been able to compete for funds with

food stamps, school lunches, meat and poultry inspection, and other activities that have built-in escalators.

We have been shorting our agricultural extension service, too, even though it is the best in the world. But there is not going to be much to "extend" unless farmers and their suppliers can justify the capital expenditures that are required to enhance productivity. And they can't do that if they continue to face double-digit inflation and uncertain economic leadership.

We had best reappraise our priorities. And promptly. We have been sitting on our agricultural research laurels, and our agricultural productivity advantage over the rest of the world has been withering away. We still have an edge in management, but that will not sustain us forever. The agricultural producers of other nations are learning to manage, too. If we are to maintain our momentum in the export arena, we must have the edge not only in management, but also in hybrid seeds, fertilizer practices, pesticides, cultivation, irrigation, processing, transportation, and every other factor involved in the agricultural production and marketing process.

Productivity is the challenge America faces in the 80's, in both agriculture and industry, and it is imperative that we maintain our leadership. Specifically, we should strengthen public support for agricultural research in both production and marketing, at both the state and federal levels. We also should provide additional incentives for R&D expenditures by the private sector. An economic environment in which private companies might make investments with some degree of confidence would help, too.

—Clayton Yeutler