

Conneman, George J.

Working Paper

What's Ahead for Agriculture Production in the Next 25 Years?

Staff Paper, No. SP 79-23

Provided in Cooperation with:

Charles H. Dyson School of Applied Economics and Management, Cornell University

Suggested Citation: Conneman, George J. (1979) : What's Ahead for Agriculture Production in the Next 25 Years?, Staff Paper, No. SP 79-23, Cornell University, Charles H. Dyson School of Applied Economics and Management, Ithaca, NY, <https://doi.org/10.22004/ag.econ.183714>

This Version is available at:

<https://hdl.handle.net/10419/276573>

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WHAT'S AHEAD FOR AGRICULTURAL PRODUCTION
IN THE NEXT 25 YEARS?

By

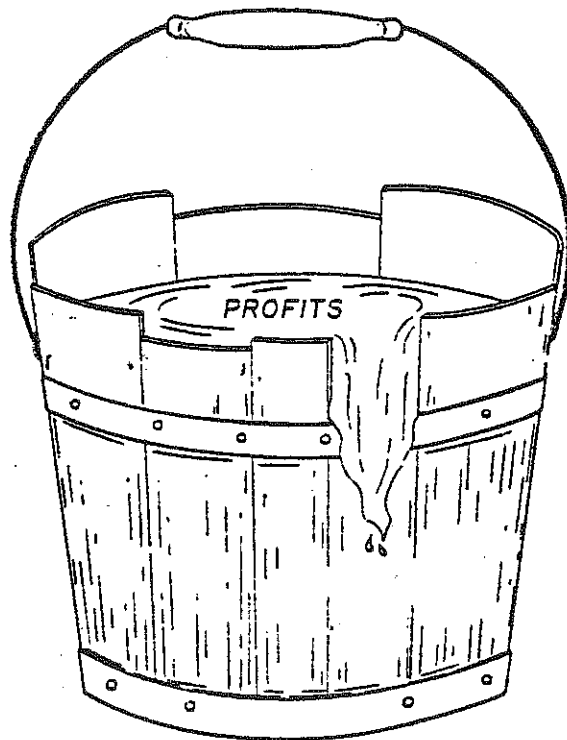
George J. Conneman

July 1979

No. 79-23

1904 + 75 = 1979 + 25 = 2004

**WHAT'S AHEAD FOR AGRICULTURAL PRODUCTION
IN THE NEXT 25 YEARS ?**



75th Anniversary Celebration
N.Y.S. College of Agriculture
May 12, 1979

George J. Conneman

Department of Agricultural Economics
New York State College of Agriculture and Life Sciences
A Statutory College of the State University
Cornell University, Ithaca, New York

THE FUTURE

Some things that will not happen:

1. Land that went out of production in the 1950's, 1960's, and 1970's will not come back into production in the 1980's and 1990's.
2. The family farm will not disappear. Many New York farms will be incorporated by the year 2004 but they will be family corporations, family operated units. The family farm will not be seriously challenged by corporate farming.
3. The momentum of new technology will not slow.
4. It will not be impossible for young men and women to get started in farming in the 1980's and 1990's.
5. Energy shortages, price changes, and inflation may moderate some trends. But the general agricultural trend toward increased size, higher yields, and more capital per farm of the last 25 years will not turn around in the next 25 years.

Then, what will happen in the next 25 years?

1. Buying and selling decisions (marketing) will be increasingly important.
2. Technological change will continue at a rapid pace with yield increases likely to average one to two percent annually. The challenge of an individual farming in the 1980's and 1990's is to choose the combination of technology that allows the best use of labor and invested capital.
3. The average size of farm will continue to increase, though slower than during the last 25 years. Size of business will be important but the issue is how to use land and capital resources effectively.
4. Land will receive more attention in the next 25 years. The public will express a continuing interest in scarce land resources.
5. Environmental issues related to pesticides, manure and other by-products will become more important. There will likely be more, not less, government interest in farmers' production activities.
6. The importance of management to business success in farming will increase:
 - a. Sharp, consistent, and relentless cost control will be an absolute necessity in order to survive the roller coaster in prices and costs.
 - b. Planning farm investments and evaluating the consequences of alternative actions and happenings will be absolutely necessary before making major decisions.
 - c. Financial management, important in the 1970's, will become the most critical farm management factor during the next 25 years.
 - d. Adjusting resources (land, labor, and capital) to obtain the highest return will be crucial to success in the 1980's and 1990's.
 - e. There will likely be more farms with "management teams" and fewer farms with the concentration of management all in hands of one person.
 - f. Computers will become more important as a management tool, as an aid in decision making.
 - g. The key to business success as we move toward 2004 will be MANAGEMENT.

"The only thing certain about the future is change."

"Business success is never achieved by ignoring change but by anticipating and adapting to it."

**CHANGES IN THE IMPORTANCE OF THE MAJOR FACTORS
AFFECTING PROFITS IN FARMING
1904 TO 2004**

1904	1929	1954	1979	2004
Crop yields	Crop yields	Crop yields	Crop yields	Crop yields
Production per animal	Production per animal	Production per animal	Production per animal	Production per animal
Prices	Prices	Prices	PRICES	PRICES
Marketing	Marketing	Marketing	MARKETING	MARKETING
Quality of land	Quality of land	QUALITY OF LAND	QUALITY OF LAND	QUALITY OF LAND
	Size of business	SIZE OF BUSINESS	SIZE OF BUSINESS	SIZE OF BUSINESS
	Choice of enterprises		Choice of technology	CHOICE OF TECHNOLOGY
		Cost control	COST CONTROL	COST CONTROL
	Labor efficiency	LABOR EFFICIENCY	LABOR EFFICIENCY	LABOR EFFICIENCY
			Financial management	FINANCIAL MANAGEMENT