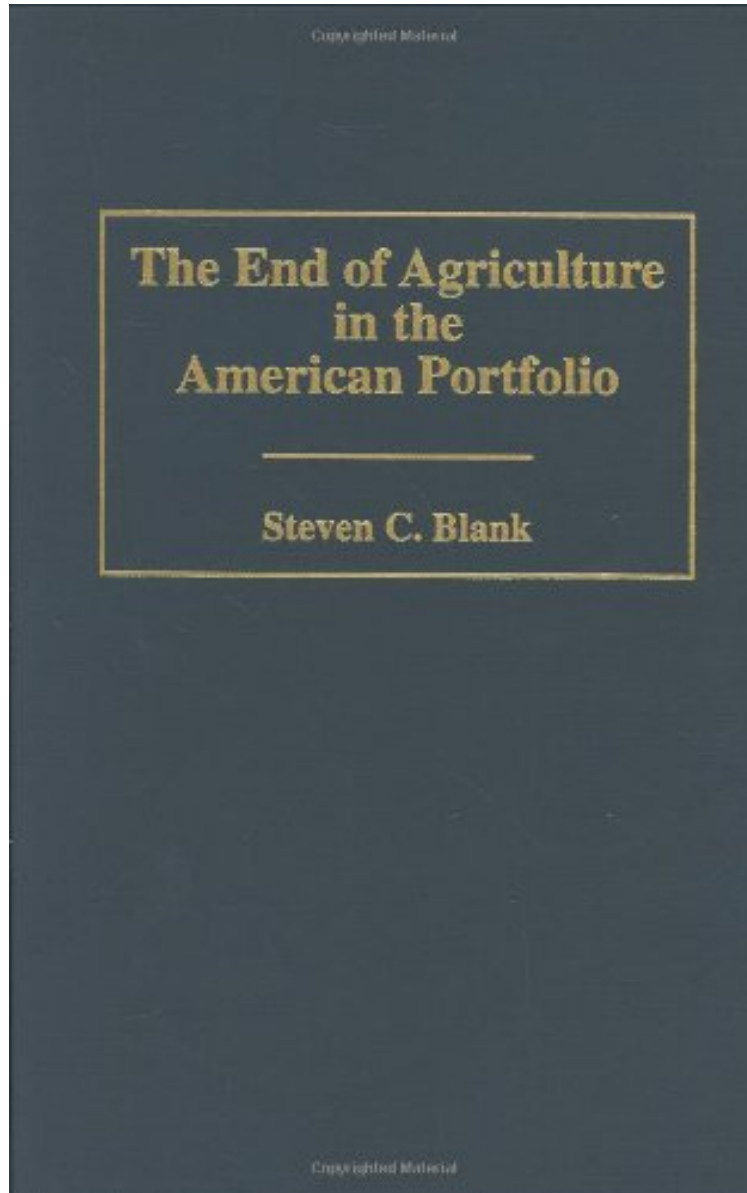


(Read free ebook) The End of Agriculture in the American Portfolio

# The End of Agriculture in the American Portfolio

*Steven C. Blank*

*\*Download PDF / ePub / DOC / audiobook / ebooks*



 Download

 Read Online

#4075519 in eBooks 1998-01-26 1998-01-30 File Name: B001GCUP5Q | File size: 76.Mb

**Steven C. Blank : The End of Agriculture in the American Portfolio** before purchasing it in order to gauge whether or not it would be worth my time, and all praised The End of Agriculture in the American Portfolio:

1 of 1 people found the following review helpful. Agriculture did not end! By AbacusReading this book 14 years after it was published is really interesting. Steven Blank advanced an iconoclastic vision that did not turn out. In his view, given that agriculture was not the most productive use of capital the US should have essentially pretty much shut it

down, import all its foods, and redeploy its capital to its highest and best use. Unsurprisingly, the future turned out differently than Blank envisioned. Blank wrote his book in 1998. Over the ten previous years, agriculture gross output measured in dollars had increased by 3.1% per year. However, from 1998 till 2010 agriculture output grew even faster by 3.4% per year. This was due to a continuous boost in productivity. Agriculture productivity in 2009 (most recent data available) is 18.1% higher than it was in 1998. In other words with unchanged land resources, the US now produces 18% more agricultural output than it did in 1998 when Blank wrote this book. Thus, to the contrary to what Blank is suggesting American agriculture has not gone away. Instead, it has thrived. Agriculture has become increasingly more productive. Of the main three economic inputs (land, labor, capital), land has remained pretty much constant. Labor has kept on declining as fewer and fewer people work in the agricultural sector. And, invested capital has rapidly increased as agriculture production is getting increasingly automated. Therefore, the capital input is the main contributor to the rise in agriculture productivity. That's not the sign of a dying economic sector starving for capital. There is another aspect to Blank's vision that did not make sense. The US is the World's top agricultural producer with some of the most fertile lands, a favorable climate, and the most productive agricultural sector. Consequently, the US is the largest agriculture exporter in the World. If the US converted all its agricultural land to golf courses as Blank suggested, it would have severe consequences. Those include food shortages, skyrocketing food prices, and ensuing famine in much of the World. And, Americans would be affected too, at least by the skyrocketing food prices. Those higher food prices would wipe out any speculative economic gains from redeploying capital towards other industries. Given America's land configuration, it is unclear if capital invested in agriculture would truly have an alternative best use. The US is a vast country with low density and abundant fertile land. The US can exploit this vast resource with an ever smaller labor force. There is no clear better alternative for the use of such land. Blank suggested as better alternatives: golf courses, nurseries, and turf farms. I am not sure if he was serious when he made those suggestions because it is really challenging to take them seriously. For one thing, those options are invariably a lot more water intensive than even agriculture already is. In view of all of the above, the end of US agriculture even 12 years after this book was written is not in the cards.

21 of 21 people found the following review helpful. Long on Conventional Wisdom, Short on Practical Utility  
By Gregory McMahan  
Blank has succeeded in delivering a witty take on the neo-classical economic argument in favor of international trade. Simply put, this argument says that there are gains to trade, and that nations, much like individuals, will focus on what they are good at or most productive at doing. As a result, all of the resources available to them will be funneled into those things that the individual/nation is good at so as to optimally maximize profit. However, in his exposition, Blank fails to take his arguments one step further- he only takes his arguments as far as the conventional neo-classical economic theory will allow him to go. For example, Blank argues that America will leave agriculture simply because it is more profitable, and much less of a headache, to do other things that would make for a better, if not wiser, use of our resources. This would imply that ultimately the decision to leave agriculture, albeit made with considerable hand-wringing, hesitation, and consternation, is in the end a voluntary one. In Blank's clear-cut, black-and-white neo-classical economic universe, eventually multinational corporations win, farmers lose, private lenders beat a hasty retreat, retailers walk away smiling, consumers remain happily ignorant of all things agricultural, and the government is left footing the bill (and looking pretty stupid to boot). As such, he does a pretty good job of introducing most of the players in US agriculture- the farmer (large and small), the agribusinesses, the lenders, retailers, government entities- and paints a compelling though conventional picture as to why America will abandon agriculture for more profitable and less problematic economic endeavors. However, there are several problems with his argument. Politics aside, it is unlikely that America will abandon agriculture entirely; pockets of resistance continue to form, and some profit-maximizing and optimally resource allocating types of modern, conventional agriculture will remain. Throwing the politics of agriculture in the mix, we must remind ourselves that literally billions of dollars chase American agriculture, and all participants, from multinational corporations to farmers and the government have a vested interest in keeping the money flowing. Furthermore, while Blank argues that jobs and income lost due to a shift out of agriculture will be offset by the introduction of high skill, high wage endeavors such as the internet and telecommunications (one can date this book and glean its utility by that last comment), the truth is that in many instances, once the Ag jobs and income leave, nothing comes along to fill the void created by the flight of agriculture from the region. Finally, Blank commits the unforgivable faux-pas of underestimating the increasingly aware and concerned consumer, a powerful and influential force/foe whom he stereotypically paints as being a motley of passive, uninterested couch potatoes whose only desire is for fast, cheap, and convenient agricultural products. In the end, Blank should be commended for his effort to introduce this economic problem child to the general public; however, astute readers must note that there is more to this story than Blank would care to present. In conclusion, although we can not safely say that American agriculture in general will go the way of the dinosaur in the foreseeable future (if ever), we can say that it will remain a problematic economic endeavor and a highly charged headache for all parties involved.

20 of 20 people found the following review helpful. Interesting, but an overgeneralization  
By A Customer  
This is a very interesting and thought-provoking book. For viticulturalists and stone fruit and citrus producers in the San Joaquin Valley, I have no doubt that the data presented in this book are very relevant. Those of us who make our livings in associated enterprises should be

looking for ways to hedge our bets and diversify. My biggest criticism is that data gathered primarily from California and, to a lesser degree, other states in the region, are used to predict the course of "American agriculture". One of the main premises was that agricultural production is labor-intensive and requires large capital investments in land. Compared to horticultural crops in California, Midwestern row crops and wheat production in the US Plains states are very different. The improvement required to plant wheat is very different than that required for an almond orchard, and of course most operations in the Midwest and Plains are much more automated compared to California agriculture.

American agricultural production is destined to end, argues Steven Blank, but this should be no cause for alarm. In this work, he shows that the changes leading to the end of American agricultural production are part of a natural process that is making us all better off. Beginning with broad observations from history and the current status of agriculture around the world, Blank explores how the decisions of individuals combine to make the end of American agricultural production predictable and rational. The inevitable creeping of international economic development is shown to be the sum of individual struggles facing producers across America and around the world. Also, decisions regarding operating an agricultural business derive from many interrelated peculiarities of the industry, both in America and elsewhere. The story is fascinating in its global scope and is relevant to everyone because the simple economic decision-making processes involved will be repeated in the story of other industries.

About the Author STEVEN C. BLANK is a financial and risk management specialist in the Agricultural and Resource Economics Department at the University of California, Davis. He is the author of numerous publications including two previous books.