

EDITORIAL.**THE SEASONAL PROBLEM IN AGRICULTURAL MARKETING.**

The ebb and flow of the seasons has an inevitable effect upon agricultural production. For crops, there is typically only one production cycle each year. Livestock production is characterised by greater continuity of supply throughout the year, but the volume is by no means constant. On the other hand, the dietary pattern of the consumer changes comparatively little with the seasons. Hence the perplexing marketing problem of maintaining a steady flow of goods to the consumer in spite of irregularities in the production pattern.

In this issue, attention has been focussed on this problem in the course of discussions of the marketing of two livestock products—eggs and fresh milk. Neither industry is faced with complete failure of supply at any period. Both industries have the advantage that surplus supplies in a period of flush production can be diverted to export channels in either fresh or processed form. Yet in both instances, difficulties are experienced in maintaining adequate supplies to local consumers throughout the year.

In an uncontrolled market, the function of evening out supplies to the consumer is typically discharged by private firms which specialise in taking the kind of risk involved. Firms, which undertake the cool storage of fruit in flush seasons for subsequent resale, illustrate this service. They bear the costs of cool storage, etc., in the hope of eventual profit, but simultaneously must bear the concurrent risk of loss. Their value in the fulfilment of public needs is sometimes under-estimated and their activities unfairly interpreted as speculation of an anti-social kind.

The ability of firms to do this is related to the willingness of consumers to pay higher prices for out-of-season commodities. With highly perishable commodities, such as milk, which cannot be stored any period, primary reliance must be placed on higher prices in off-seasons to induce producers to maintain supplies at such a time despite higher costs. Alternatively, new sources have to be tapped.

When the organisation of the market passes into the hands of statutory boards, as has occurred with the two commodities under study, the task of maintaining a steady flow of the particular commodity to the consumer and of bearing the risks involved falls primarily on the board concerned. As is pointed out in the discussions which follow, the complete acceptance of this responsibility would not always be consistent with the maximisation of producers' returns. It is nevertheless an important function which ought to be discharged for the welfare of the community.

While the seasonal demand for commodities is relatively easy to ascertain, forecasts of the rate of production at specific periods are exceedingly difficult to make. Production of most commodities in this country is profoundly influenced by the vicissitudes of the weather. The dairying industry is particularly vulnerable because of its heavy dependence upon natural pastures. Failing improvements in production methods to help reduce fluctuations, the marketing facilities have to be kept more flexible and hence more costly than otherwise.