

SUMMARY AND IMPLICATIONS

Jarvis Cain, Lewis Norwood and Carl Toensmeyer
Professor, Department of Agricultural and Resource Economics,
University of Maryland; Leader, Food Distribution and Business
Management Program, ES-USDA; Associate Professor, Department of
Agricultural Economics, University of Delaware, respectively.

Identifying food distribution research priorities to allow major improvements in total systems productivity by 1985, presents its first of many challenges in definition and measurement of "productivity." Traditional definition and measurement (basic physical input-output relationships) have been quite narrow and specific. Tomorrow's requirements in both areas will be much broader (to include trade offs within the system for maximizing satisfaction) and more complex. The bringing of these conditions to the food industry's attention may be the primary contribution of this work.

Clearly related to these issues is the "Total Systems Concept" now rapidly taking shape in the food industry. The ideas that functions, institutions, and factors of production will not be independent in tomorrow's food industry (if they ever truly were) is one that takes some getting used to. Cooperation within and "interface" between various institutional levels and functional activities requires a totally different perspective.

Technology (in terms of finished products and services; physical handling and distribution; and information systems) will be evaluated less in terms of the narrow physical productivity criteria and more in the total resource use and value satisfaction context. Technologies which benefit one institutional level or functional activity, but not the total system will be challenged by the new set of criteria.

Of the traditional factors of production (land, labor, capital, management), land will be effected least in the next ten years.

Labor will continue to be adamant as they seek a better life and a higher level of personal satisfaction. Yet they will continue to resist structural change and the resulting shift in location as well as job needs, requiring retraining that could make desired structural changes possible.

Capital will as always seek its highest rate of return. The money managers of tomorrow will not be satisfied with technologies or institutions that do not pay a competitive rate of return (such as U.S. railroads). Management, government, labor and consumers must work together or the necessary financing for a progressive and viable food industry will not be forthcoming.

Management must attract and effectively utilize the resources necessary to provide nutrition for the domestic and export market. This must be done with attitudes, knowledge and skills (some new, some old) and within a business environment made increasingly more challenging by a wide variety of forces. Principle among these forces are an ever growing government influence and an ever increasing number of outside groups such as consumerists, environmentalists, foreign cartels and labor groups seeking to control and/or influence a portion of the process.

Given the basic stimulation from this document and encouragement from his or her peers, it behooves the individual researcher or teams of researchers to define manageable tasks and get on with the research job.
