

CONSTRAINTS ON THE UTILISATION OF MARKET INFORMATION
IN AGRICULTURAL DECISION MAKING

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by

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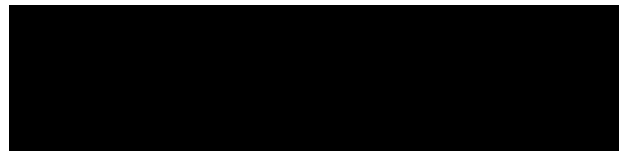
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DECLARATION

I certify that the substance of this dissertation has not already been submitted for any degree and is not being currently submitted for any other degree.

I certify, to the best of my knowledge, that any help received in preparing this dissertation, and all sources used, have been acknowledged in this dissertation.

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D. K. Campbell

"Man must cope with an environment about which
he has only fallible information."
(Peterson and Beach 1967, p.29)

ABSTRACT

Agricultural economists have been prolific in their production of decision structuring aids, however primary producers have been relatively retrograde in the adoption of these structures. Producers have also been vocal in their criticism of the quality and relevance of the market information that they receive. The basis theme developed in this thesis is that there is a causal link between these two observations.

Quality and relevance are subjective terms of little value in the absence of a description of the nature of the data set demanded. To gain a better understanding of the nature of producers' data/information demands a taxonomy of decision structures mirroring Humphreys' and Berkeley's 1983 decision taxonomy has been developed. Examination of the data demands of decision structures classified using this taxonomy allowed a description of the data sets required for analytical decision-making at the various level of decision conceptualisation.

Producers' ability to generate the required data set is held to be constrained by the environment in which they operate. The constraints encountered are related to a number of conceptual elements in the data/information/decision chain and ultimately influence the nature of the expectations formed. Further these constraints are held to influence producers' confidence in their own forecasts (expectations) of the economic variable important in their particular conception of their decision world.

The causal link between market information quality/adequacy and analytical decision behaviour is seen to be the rejection of the latter in the absence of parts of the required data set or as a result of excessive ambiguity caused by concerns relating to the quality (validity) of the data set.

The significance, to providers of market data/information, of this contingency approach to understanding decision behaviour is in the recognition of the following truism. This is that it is of little use to increase the volume, specificity and timeliness of market data if the major limiting factors in the generation of "rational" expectation by producers are associated with constraints associated with communication channels, the communication of risk descriptors, human inferencing and cognitive capacities, etc.

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GLOSSARY

ABARE	Australian Bureau of Agricultural and Resource Economics
AMLC	Australian Meat and Live-stock Corporation
ANOVA	analysis of variance
ASW	Australian Standard White (wheat)
AWB	Australian Wheat Board
AWC	Australian Wool Corporation (predecessor to AWRAP)
AWRAP	Australian Wool Research and Promotion Organisation
C-D Gap	competency - difficulty gap
CF	Cash flow budgets
Dec	Decision Theory
DW	Dressed Weight (carcass weight)
EBA	Elimination by Aspects
FS	Fat Score
GM	Gross Margins
LP	Linear Programming
R-LC	Theory of Real-Life Choice
SCAB	Stochastic computerised activity budgeting
SRO	stimulus-responce-outcome

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