POLICY PENNINGS By Daryll E. Ray

Wouldn't it be nice?

On a recent trip to California, I picked up a copy of the *San Francisco Chronicle*. The lead article in the business section was on Michael Dell and Dell computers. It caught my eye because I have often used the example of Dell Computers to explain the differences between the nature of the crop sector and other sectors in the economy. In that article *Chronicle* Staff Writer, Benjamin Pimentel, describes "The Dell Way," a five step process that allows Dell to "deliver an order within five days after it is placed."

Step One: Orders are sorted as they are received to identify the computers that need to be built. The orders are sent to the factory floor and supplies are ordered. Dell does not have a warehouse. They have no computer parts in the factory that are not a part of a computer that has been ordered.

Step Two: As the supplies arrive at the factory they are unpacked and kits are readied for each computer to be built.

Step Three: The kits are moved by conveyor belts to assembly stations where workers assemble the computers, often in less than three minutes.

Step Four: The computer is tested and loaded with software.

Step Five: The computer is cleaned, boxed and shipped.

Dell's use of just-in-time inventory management and production-on-demand is the ultimate in how supply management can work in other sectors of the economy.

Wouldn't it be nice if crop agriculture worked that way? No inventory to drive down the price! No storage bins and ventilation fans to worry about! No dusting in the crop in the spring and no mudding it out in the fall.

Farmers could sit at home in front of their computer screens and wait for the orders to come in from the local elevator and other grain buyers. Neither the farmers nor the grain purchasers would need storage capacity in excess of what would be used to hold one day's product.

Once the farmer had organized the orders, she could order in the appropriate amount of seed, fertilizer, sunshine, and rain to produce the exact amount that had been ordered.

The farmer could then go out to the barn and accept the shipments of inputs and assemble them into batches of corn, soybeans and wheat. No muss. No Fuss. No worry about insect infestations or early frost. No need to fret about rain delayed planting or hot droughty winds. Just assemble the product, summer or winter, and deliver it to the local elevator.

The local elevator would then clean the grain (I don't know how it would get weedy in this process) and test it for weight, moisture content and protein.

Before nightfall the grain would be packaged in tractor trailers and rail cars and sent on its way to arrive on the customer's doorstep within five days (well maybe a little longer if it went by rail).

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