

There seems to be little chance of stopping the trend to corporate ownership, however. It's already well-established in some segments of agriculture and it's rapidly spreading to others. About 40% of the estimated 2.7 billion broiler chickens to be produced in the U.S. this year, for instance, will come from highly automated, factory-like farms run by a dozen big corporations such as Ralston Purina Co., Pillsbury Co., Swift & Co. and Textron Inc. Similarly, big canners like Minute Maid Groves Corp., a subsidiary of Coca-Cola Co., and Libby, McNeill & Libby now own an estimated 20% of Florida's citrus groves, compared with less than 1% in 1960.

Many companies until recently limited their farm operations to such lines as egg, poultry and cattle production, which can be automated and systematically organized with relative ease. But new machines and chemicals that boost the yield of heretofore low-profit row crops like corn and soybeans have prompted companies to begin growing them as well.

9,000 ACRES OF POTATOES

Many companies have entered agricultural production as a supplement to their main operations. Food packers, for instance, increasingly are setting up their own farms to assure a constant supply of raw materials of reliable quality. H. J. Heinz Co., through a subsidiary of its Ore-Ida frozen potato products division, planted 9,000 acres of potatoes in western Oregon last spring.

Some grocery chains, similarly seeking a steady supply of meats, dairy products and eggs of consistent quality, are deciding they can produce these things best themselves. Godfrey Co., operator of a Wisconsin retail food chain, is building an "egg factory" 35 miles southwest of Milwaukee that will start out with 180,000 laying hens next spring. Godfrey also plans to grow 600 acres of corn to help feed the hens, and a spokesman says both operations will be expanded greatly in the next few years.

Increasingly, however, companies with no agricultural connections are going into farming strictly for profit. Textron, a widely diversified maker of products ranging from pencils to helicopters, bought into the broiler chicken industry by acquiring Caroline Poultry Farms Inc., in 1963.

Gates Rubber Co., a Denver-based tire maker, started a highly automated chicken farm to produce eggs seven years ago; its hens now produce 300,000 eggs a day. More recently, Gates has bought three Wyoming ranches that raise 18,000 head of cattle. The company says it's planning to start more egg factories elsewhere in the country and is "looking at other agricultural opportunities."

CBK Industries turned to farming because it was having trouble competing with bigger conglomerates in acquiring small companies with good earnings potential, according to J. R. Dominick II, president. The systematic fashion in which CBK is setting up its farm operation illustrates the consciousness of business-management techniques that companies are bringing to the farm.

CBK's changeover began this summer with an exchange of the stock of its film distribution division for 10,000 acres in southern Texas, some irrigated and already growing corn and milo. Mr. Dominick says CBK plans to own 20,000 acres by the end of the year, and to increase its total farm acreage to 80,000 within five years. The land will be scattered from Texas to Minnesota. Half will be owned outright and the rest leased on a long-term basis.

The changeover to farming has caused CBK to run at a deficit so far this year. Income from its manufacturing operations has dwindled as they are sold off, while its newly acquired farmland isn't yet in full production.

Though the company is confident its farming operations will prove profitable in future years, stock brokers and investment analysts for the most part regard the new venture as highly speculative. Farming continues to be subject to such variables as weather and widely fluctuating prices that can affect the size and profitability of crops.

The company expects to begin broad-scale agricultural operations next year. Mr. Dominick says. Its land will be divided into 10,000-acre units, each supervised by a resident manager paid \$6,000 to \$9,000 a year. Working for each manager will be four other men whose families also will live on CBK land. A superintendent, with a college degree or equivalent agricultural experience, will oversee two or three such units at a salary of up to \$18,000.

Mr. Dominick says several farmers have offered to exchange their land for CBK stock and work for the company as managers or superintendents.