

CBK workers will operate their field equipment 24 hours a day during crucial periods such as planting and harvesting. Machines will be moved from farm to farm, following the planting and harvesting seasons as they move from south to north. Mr. Dominick says. To ease the impact of price fluctuations, CBK plans to build storage facilities on and near its farms so that it can store grains during periods of low prices and sell them when prices improve.

TIME-MOTION STUDIES

For the present, CBK is running tests on 1,300 acres near Butler, Mo., to test varieties of seeds, fertilizers and pesticides. It also is making time-and-motion studies on farm operations. Data from the experimental plots will be used in planning the start of commercial farming next year.

Another company that specializes in farming is Midwest Farm Corp., formed by a group of farmers and businessmen to grow corn on eastern Iowa acreage. It is farming nearly 1,000 acres this year and plans to expand to 2,000 acres in the next year or two, produces a high-quality corn that brings a premium price from food processors. Economist Lester Kellogg, an adviser to the company, says a profitability study concluded that Midwest could earn after-tax profits of 12.1% on shareholders' equity the first year and 18% in the sixth and later years.

SOME PRICE DROP ALREADY

There's evidence that the entrance of corporations into agriculture already has caused some food prices to drop—though corporate farms probably will produce only about 5% of the \$43 billion worth of livestock and foodstuffs that will be marketed in the U.S. this year.

Fierce competition among companies that raise broiler chickens has helped reduce the price of ready-to-cook chicken to 29 cents a pound in some cities, compared with 47 cents 10 years ago. New corporation-owned orange groves in Florida helped produce a record orange crop last season that caused the price of a 6-ounce can of frozen orange juice to drop 7 cents below the average of 18 or 19 cents a decade ago.

Independent farmers and their trade organizations contend, however, than any price decreases will be only temporary. They argue that if the trend to corporate farming continues, eventually a few giants will control the farming industry, curtailing competition. "Whoever heard of reduced competition lowering prices?" asks a lobbyist for one farm group.

[From the Independent Banker, October 1967]

LETTER TO "WALL STREET JOURNAL"—CORPORATE FARMS—NO ANSWER TO AMERICA'S AGRICULTURAL CRISIS

Editor's note: A recent Wall Street Journal article extolling the virtues of corporation farming did not please the Agriculture-Rural America Committee of the Independent Bankers Association of America. The committee has worked for years to preserve the family farm by obtaining a fair income for farmers. The Journal article quoted "federal farm planners" to the effect that America needs only 500,000 farmers to produce all of its required food and fiber. This was too much for the committee, recognizing that the vast majority of IBAA member banks are in small, rural communities. Don F. Kirchner, a member of the committee and president and cashier, Peoples Trust and Savings Bank of Riverside, Iowa, volunteered to write a rebuttal to the Journal article. Mr. Kirchner's letter to Journal Editor Vermont Royster follows:

Your front page article, "Farmer Brown, Inc.," has drawn much attention. Your reporter, John A. Prestbo, obviously is not very familiar with the problems and the ways of the American farm. As a country banker and a member of the Agriculture-Rural America Committee of The Independent Bankers Association of America, I am in close daily contact with farmers and their problems. Neither the facts nor my direct experience substantiate Mr. Prestbo's conclusions.