

We hope this brief statement has raised some important points for your consideration, and has shown that agricultural development and associated problems are part of national economic growth, and that farm problems cannot be solved simply by passing State or Federal laws to prohibit large-scale farming.

That completes our statement.

Senator NELSON. Does your last statement indicate that you would be in disagreement with those who suggest that large, conglomerate corporate farm operations should be prohibited by law?

Professor PETERSON. What I tried to say was that, before we pass such legislation, we need considerably more research information than is now available to us.

Senator NELSON. Did you have anything to add, Professor Vollmar?

Professor VOLLMAR. I would say that the cost studies we have done with enterprises on some of the largest family farms in Nebraska have shown that these enterprises have as low cost of production as our medium-sized family farms. We haven't been able to get access to data from some of the large, conglomerate firms to see how they measure up as to comparative costs, but I would guess that their cost of production will, at least, be lower than on our very small family farms. We find that our very small family farms, with the problems they have in using present-day technology—the larger machines and so forth—have a relatively high cost of production.

Senator NELSON. The smaller ones?

Professor VOLLMAR. The real small ones; yes. Even though the average cost curve is flat for a considerable distance as size of farm increases, it turns up eventually. We have questioned how fast it will turn up and if it would go up as far as costs on the really small farms.

Senator NELSON. Did you find much difference in the comparative cost of production between a medium-sized farm operation and a large family operation?

Professor VOLLMAR. These were almost exactly the same. As soon as these economies are realized in the use of labor and equipment, the costs level out. We haven't been able to go far enough in size to determine whether some very large operations would have higher costs or lower costs.

Senator NELSON. Do you suspect they might be lower?

Professor VOLLMAR. If I would say anything, they would be possibly the same or higher. I wouldn't say they'd be lower. The field inefficiencies of labor supervision and so forth may be overbalanced with volume purchases of inputs and the marketing advantages that the very large firm can enjoy. I think that the medium-sized or larger family-sized farm can strengthen their bargaining position through cooperatives.

Senator NELSON. Do you have anything further at this time?

Professor PETERSON. I don't think so. This is all I had to present at this time.

Senator NELSON. We appreciate this very much. I think this was a very valuable contribution. I wasn't aware that no studies had been done on the cost of production on the corporate farm. This committee should undertake to explore the situation since the information may very well be made available to us and to other independent researchers.