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The Growth of Corporate Farming

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The structure of agriculture, its organization and control, is changing. Although the changes now perceived are not sudden developments, they will determine the nature of tomorrow's agribusiness. The focus of this article is on corporate farming, one of the institutional changes being observed in agriculture.

The approach is to look first at the resources in agriculture and to evaluate the significance of trends and changes in order to gain a clearer perspective of future developments. This discussion lays the groundwork for the remainder of the article, in which the following aspects of corporate farming are analyzed: (a) capital and credit use, (b) closely held (family) corporations contrasted to publicly held (investor) corporations, (c) factors influencing agricultural investment, and (d) the economic and social implications of corporate farming.

Small-unit agriculture has been a dominant feature of our agrarian past. The family farm has been cherished and protected because it represents the ideal of a democratic free-enterprise society. The farmer is laborer, manager, and, frequently, land-and-capital owner all in one. At his best, he is an entrepreneur in the truest sense. The atomistic structure of agriculture approaches the assumptions of a

competitive economy. The history of legislation gives ample testimony to the development and protection of family farming: the Homestead Act, Morrill Act, Hatch Act, Smith-Hughes and Smith-Lever Acts, Farm Credit Acts, Capper-Volstead Act, and numerous other agricultural acts.

Yet, almost from the day the first fence went up on the prairie, agriculture began changing. The extension services of land grant universities distributed information on research in animal husbandry, cultivation practices, farm management, production economics, and marketing. The use of purchased nonfarm inputs increased rapidly. An agricultural revolution was underway. It has never stopped!

AGRICULTURE IN THE UNITED STATES TODAY

Land, labor, and capital are still agriculture's principal resources, and the farmer is still the entrepreneur masterminding their productive combination. Yet, the mix of resources is ever changing and the entrepreneurial role of the farmer is much changed from the nearly self-sufficient status of pioneer farmers.

Land

Although our national land base has remained nearly stable at just under 1.4 billion acres for crop and livestock production during