

An agriculture made up mainly of family farms, in which considerable managerial independence would be retained by the farm family, probably can be saved. If society wants to strengthen the family farm, some policy alternatives are available which would contribute in this direction. Choices and actions at this time can play a key role in forming the organizational pattern in the agriculture of tomorrow.

Senator NELSON. There was some testimony yesterday about vertical integration in the farming field. One of the witnesses stated that in a 10-year period the integrated production of broilers went from a total of 3 percent of the total production to some 97 percent. Do you visualize, if farm food production becomes concentrated in large corporate enterprises, a vertical integration in all fields of agricultural products?

Professor FARRIS. I think the extent would vary among commodities. We now have considerable integration in all the poultry industry. Eggs and turkeys are moving rapidly somewhat along the lines that broilers have moved.

I think the hog industry presently is in a state of change and if some breakthroughs come in disease control and in management and feeding—and many people are working on this—that we could see a substantial portion of hog production becoming integrated and perhaps very rapidly. I think it's on the verge of great change and perhaps one of the great challenges that farmers and farm organizations have at this time is to help shape the direction of change in hog production and marketing.

In cattle feeding we know, from some studies done for the National Commission on Food Marketing, that in the Western States substantial numbers of cattle are packer fed, are custom fed for packers, and that a type of vertical integration is developing. It is not as widespread in the Midwestern States of Iowa and Indiana as it is in the far Western States. I think there is a general trend toward closer vertical coordination in fed cattle production.

For major field crops it seems that rapid vertical integration is a little further away. We are not sure. With purchased inputs, such as fertilizers and seed, becoming relatively more important, it could be that some of the input supply firms will become interested in owning land in order to have outlets for the products they sell.

Senator NELSON. Thank you very much, Professor, for your fine contribution to our hearings. We appreciate your taking the time to come here.

Professor FARRIS. Thank you, sir.

Senator NELSON. That will conclude the Monopoly Subcommittee hearings. They will be conducted at future dates in the Upper Midwest and Washington, D.C., and the east coast, west coast and the South.

Thank you very much.

(Whereupon, at 10:15 a.m. the above entitled hearings were concluded.)