

My first consideration is to make it clear what is meant here by corporation farming. We are talking about a large commercial farm unit whose capital is supplied by industry, investment firms, or other than normal farm finance. A unit that has hired management and a hired working force, one that may be involved in retailing as well as producing.

On the other hand, we have the family farm which has provided for this country an abundance of food at a reasonable cost to the consumer. By Grange interpretation the family farm places major reliance upon the farm family for labor and management, operates on capital provided at the risk of the operator, and provides the family with its major source of income, provides full-time productive employment for the family, and utilizes modern labor-saving devices and other practices which contribute to efficiency and should enable the family farm operator to earn and receive for his labor, management, and investment a return which is reasonably comparable to that received by other segments of the economy.

I would like to quote from the policy statement of the National Grange, 1968. "The continuing trend toward larger and fewer owners may be an economic necessity in order to create a viable agriculture. However, any acceleration of the trend toward the industrialized corporation type farm is viewed with grave concern by the Grange. This trend, if carried to its logical conclusion, will establish a capitalistic monopoly and enable a few to exercise almost complete economic control over all of agriculture, thereby weakening our democratic system and creating a threat to the economy of abundance which has blessed our Nation."

There are many family farms today that have incorporated, which will enable members of a family to share in ownership, management, and profit from this operation. The technical revolution in agriculture has made large farm operations inevitable, and the investment required in land, equipment, and livestock has made this advantageous in many instances.

I feel the following are some of the adverse effects of corporation farming:

First of all, unfair tax advantages to corporations investing in farming operations has contributed immeasurably to the existence of these operations. Funds from business and industry are funneled into the agricultural operations so as to qualify for tax deductions. Statistics show that the majority of these operations show a net loss for the year and thus hurts the community and the municipality both in the available tax revenue. It becomes unfair competition when a family farm must operate on profit from agriculture and corporation farms are permitted to operate at a loss as they are not dependent on the profit from the operation. The entrance of corporations into the farm scene has also tended to raise land values to the point where it becomes difficult for the individual farm operator to compete. It is difficult to compete with the vast resources of corporations when an individual is attempting to buy farmland.

The effect on local business. It has been said that for every 12 farms that cease to operate we lose one small business. Surely as these corporation farms develop they will bypass the local businessman in