

ment have already appeared. The growth in size of the commercial family farm is already generating all of these changes and consequences. In the past 10 years there have been many projections of farm size and organization that indicate that by 1980 or soon thereafter from a quarter to half a million farms will be able to meet our Nation's needs for food and fiber and will, in fact, produce a very large percentage of them. This indicates a continuation of the trend we have had in the past.

The real issue in this whole area, it seems to me, is not primarily what to do about the possible invasion of essential nonfarm corporations into farming. This is only a secondary or side issue which might accelerate what is already going on, not cause it.

The basic concern involves what to do about the undesirable social and economic consequences of the rapid adoption of technology in agriculture, even within the framework of the commercial family farm which will continue. The technological developments in agriculture have increased productivity and released labor faster than it can be effectively absorbed elsewhere. This has resulted in major underemployment on farms left behind and migration to urban areas. This urban migration has in no small way contributed to urban poverty and socially unacceptable living conditions in those places.

It must be recognized that low-income problems in both rural and urban areas are in significant part the product of our having enjoyed the economic benefits of the technological revolution without having faced up to the many social costs which have resulted. The technological revolution has dictated, in other words, an economic and social adjustment at a far more rapid rate than can be achieved. It has dictated a restraining of people and the redirection of their employment faster than could be achieved together with high rate of writeoff of economically obsolete capital which would still be substantial.

In this framework the basic questions turn primarily to how to help the commercial family farm meet its most pressing problems arising largely out of capital and financial requirements, and how to, in the broad total sense, meet the social costs of people and communities left behind by the rapid impact of technology.

Most of the rest of it has already been covered.

Senator NELSON. Thank you very much, Professor, for your very fine statement.

(The complete prepared statement submitted by Mr. Staniforth follows:)

STATEMENT OF SYDNEY D. STANIFORTH, PROFESSOR, DEPARTMENT OF AGRICULTURAL ECONOMICS, UNIVERSITY OF WISCONSIN

ECONOMIC CONSIDERATIONS IN THE PROBABLE FUTURE FORM OF BUSINESS ORGANIZATION IN FARM PRODUCTION

The economic viability of the family farm is dependent on its ability to achieve the major economies of size and, increasingly, on its ability to obtain adequate financing.

In the present situation the efficient family farm is very competitive. Several studies, for example, have shown that the commercial family farm with a high level of management can meet two important conditions: it can achieve competitive costs of production; and pay market rates of return on all the factors of production it employs (including capital and operator labor and management).