

**STATEMENT OF DR. PHILIP M. RAUP, PROFESSOR, DEPARTMENT
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Dr. RAUP. Thank you Mr. Senator. I do not propose to read the statement but I do propose to make some comments based on it.

May I first report some of the factual information that we have available from Minnesota? I serve in the department of agricultural economics at the University of Minnesota. We are presently conducting a survey of corporation farms in the State. This is a repetition in 1968 of the study that we made 10 years ago in 1958.

Senator NELSON. May I interrupt a moment? What kind of a study is this?

Dr. RAUP. An identification of the corporation farms, their location, and as much as we can find out about their corporate structure, their capital structure, and the nature of their business operations.

Senator NELSON. Do you also study the effect of corporate farming upon the business community or the towns where they are located, any kind of a study like that?

Dr. RAUP. We have not made this the principal focus of the study, but we, of course, yield information from the study that is relevant to the question of the impact of the corporation structure on the rural community.

Senator NELSON. Did I understand you to say that another study was made, of this kind was made in Minnesota 10 years ago?

Dr. RAUP. Yes, sir; we made a study in 1958 and now we are repeating it.

Senator NELSON. I assume you are comparing some statistics with the study made 10 years ago to the study you are now making?

Dr. RAUP. Yes, sir.

Senator NELSON. Please proceed.

Dr. RAUP. We found in 1958 approximately 90 farm corporations in Minnesota. We find today about 340. There has definitely been an increase and the rate of increase has accelerated in the last 3 or 4 years. One-fourth of all of these 340 corporations that we now can identify have been formed or appear on the record since 1965.

Senator NELSON. One-fourth of them?

Dr. RAUP. One-fourth in three and a half years, so the rate has accelerated. There has also been a major change in the operation of the land market in the State. Ten years ago, in 1958, half of all of the farm sales made during that year were to operating farmers, to individuals who bought the farm for their own individual operation and who owned no other land. At that time one-third, 33 percent, were purchased by farmers who already owned land and who were buying to expand their operations; 17 percent by investors. This past year, 10 years later, we find that the operating farmers who are individuals wanting to buy a single farm for operation as a unit were only 32 percent instead of 50 percent, and that the expansion buyers are 57 percent of all purchases instead of the 33 percent they were 10 years ago. Investor buyers fluctuate between 11 and 17 percent, and this has been a rather stable figure over 10 years.