

Senator NELSON. I want to thank you very much for your statement. When does the task force expect to complete its study?

Mr. ONSTAD. We hope to have it completed sometime this fall.

Senator NELSON. We would appreciate it if you would submit your full task force study so that we could print it in the hearing record as soon as it is ready.¹

Thank you very much.

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

STATEMENT OF ARNOLD ONSTAD, CHAIRMAN, FARMERS UNION TASK FORCE ON CORPORATION FARMING

My name is Arnold Onstad. I am a farmer in Houston county in the extreme southeastern tip of Minnesota.

I am a past president of the Minnesota Association of Soil and Water Conservation Districts and am currently a member of the state board of that organization. I have also served as a Minnesota State Councilman for the National Association. I am a member of the USDA Public Advisory Committee on Soil and Water Conservation.

I am here today as chairman of the Minnesota Task Force on Corporation Farming, which is a citizens' group appointed last December by President Christianson of the Minnesota Farmers Union. Our Task Force has seven members and includes farmers, co-operative officials, rural businessmen, legislators, and a rural clergyman.

We have working with us a staff of research consultants, including a legal counsel, a co-operative specialist, a marketing economist, and a noted land economist from the University of Minnesota, Dr. Philip M. Raup.

Our Task Force was directed to do more than just sound the alarm about corporation farming. We were urged to:

- (1) Review corporation farm restrictions in Minnesota and other states.
- (2) Make a realistic appraisal of the situation of Minnesota's family farmers and their possible vulnerability to displacement by corporation farms.
- (3) Recommend legislative drafts of such bills and outline such administrative actions as might be important in achieving a climate in which family farms can survive and prosper.

As our first activity, we have conducted a study of the extent of farm land ownership in Minnesota by corporations. We have made studies of the situation in our own respective counties, we have obtained reports from Farmers Union County and Local officers. We are in the process of cross-checking our information with the results of the surveys made by the U.S. Department of Agriculture Agricultural Stabilization and Conservation Service (ASCS) and in verifying some of the ownerships by inquiries to the county auditors of the counties involved.

It appears to us presently, although the study has not yet been completely tabulated, that there are about 230 corporate owners of farm land in Minnesota and that more than half are family-type corporations, which have adopted this type of legal organization for the sake of income or inheritance tax considerations. Some regard this as an advantage; many other farms feel that they can achieve the same objectives in a better manner with family partnerships.

The USDA ASCS survey, which has not yet been published, will apparently show about 173 total farm corporations of which 59 are described as non-family type. However, the USDA survey took into consideration only farms which were both owned and operated by corporations and therefore did not enumerate farms which were owned by corporations and operated by someone else.

Our report will, therefore, show an appreciably larger number of both family and investor corporations owning farm land.

Thus far, the acreage involved in the corporate ownerships is not huge. It appears to be in the neighborhood of about 337,000 acres—which would be only about 1% of the total farm land area in the state.

¹ This and other supplemental information will be included in an additional volume.