Two, the farm family is interested in the welfare of its community to the extent that it has a balanced shopping area and appropriate educational, religious and social activities, and facilities. The absentee owner corporation has little or no concern for the local community except possibly to keep taxes at the lowest possible level. Supplies may be bought at wholesale through the parent corporation, and stockholders are primarily interested in the communities in which they live rather than where the farm may be located.

Three, the farm family is interested in a favorable family income for farm management and workers. The corporation may be interested in keeping farm wages at the lowest possible level because farm wages are of concern only as an expense to the stockholders.

Four, the farm family is at a disadvantage to the extent that the family-operated farm must support its entire expense and return to the Government the taxes on the income of the operators. The corporation farm, on the other hand, may be a tax write-off on the profits of the parent corporation. Corporation expenses may be far less than for the family farm because much of the corporation operating cost may reflect a substantial tax saving to the owner.

In our area we believe there is more cause for concern as a result of contract farming than with outright corporate farm ownership. We would say you can have corporation farming without corporate ownership of the land. You can contract for the use of the land and corporations may gain many of the advantages over the family farm by contract farming without taking from the farmer the risk of ownership. When this approach is taken, the corporation offers a select group of farmers a modest income with reduced risk, but takes away from the farmer his managerial freedom and the possibility of a higher income in a competitive market. The production of those farms under contract to the corporation may be used in turn to force down prices to the remainder of agriculture.

In Wisconsin we have not had a large expansion of corporate ownership in agriculture. However, we have had a long history of contract farming of a number of types. Large corporations have long contracted for certain farmers to grow specific crops for their exclusive use. Varieties have been designated, and growing practices and schedules have been rigidly supervised. This type of operation has been generally characteristic of canning vegetables and poultry. Large scale corporate livestock operations have not been nearly as common as the cash crop contract operations.

The small extent of corporate owned operations is in our opinion a reflection of the preponderance of dairying in Wisconsin agriculture. Both milk price levels and the limited degree of mechanization, together with the extensive and confining labor requirements, have been such as to provide relatively unattractive corporate investment opportunities in Wisconsin dairy farming.

A 1964 USDA report showed a very small percentage of both farms and farm production from very large farms in the Great Lakes area. Table 1 illustrates the difference between the Great Lakes area and certain other parts of the Nation. I shall submit the table for the record.

(The table follows:)