

actually no policy prior to this time until problems began to present themselves and we had to have some way of restricting it and we have chosen this manner.

Senator NELSON. Was it a policy position of the bank respecting absentee corporation farming or was it purely a banking matter of an absentee owner?

Mr. PICKERIGN. I think, Senator, you can look at it from the standpoint it is probably a banking matter because in this particular area where we are dealing with dairying, it is felt by the bank and agricultural officer there we did not want to rely on absentee ownership because of the consequences which are quite eminent if the hired labor hand decides he is mad overnight and disappears the next day. These type of problems you are attempting to avoid.

One other statement I might make and just a projection what we expect to see in our own bank. We expect to see that our farm file will have a tendency to become smaller while the loans of course will become greater in size.

This completes my comments.

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

STATEMENT OF WILLIAM PICKERIGN, ASSISTANT CASHIER, THE FIRST NATIONAL BANK OF CHIPPEWA FALLS

I am William Pickerign, an assistant cashier, at The First National Bank of Chippewa Falls, Wisconsin. I am one of the two agricultural officers there whose duties are primarily handling and distributing agricultural loans. I am about to begin my fifth year in this business. Prior to this, I was an agricultural instructor for four years. It is in view of these years of experience in dealing with agriculture that I make the following statements.

First, I wish to clarify that any statements made by me today at this hearing are not necessarily the views of the bank but the views of its two agricultural officers, more explicitly Joseph Lucente and myself. In order that further comments are placed in proper perspective, may I make additional clarification relative to the following terms in that they are not one and the same despite the fact that they are misused and misconceived in our area by people in the so called agribusiness fields. The terms I wish to briefly describe are contract farming, company farming, family corporation farming, corporate farming and big farming. The reason I wish to clarify or describe each is that all of them exist in one form or another and all are somewhat successful in our area, and I choose not to misrepresent any of them.

*Contract farming.*—Is contracting for production and disposition of the end product through a single outlet firm. It alleviates the free market found often in field peas, green beans, poultry, et cetera.

*Company farming.*—The joining of several single operations housing all livestock and milking arrangements on one farm and distributing machinery cost over greater number of acres, all sharing in accordance with their contribution.

*Big farming.*—Large family farm operations privately owned and operated.

*Family corporation farming.*—A farm operation composed of family members only and operating as a corporation.

These four types of organizations are presently operating in our area and are not to be inclusive in my report of corporate farms. It is felt that each of the above are a form of bigness in agriculture and contributes fully to themselves and their community. It is further felt that they do not pose a threat to our economy nor our communities merely because they are large. It is a change we must accept with the revolution of both industry and technology. These trends are to be expected and should be viewed as a desirable and healthy situation, as it is felt their growth and development are in proportion to the growth and development of other industries and business.