

In view of our question at hand, "The effects of corporate farming", I see corporate farming present in our area in two forms. First, an operation owned by local corporations within the same community or secondly, an operation owned by a corporation far removed from the area. I believe the latter to be the most serious threat but will refer to them as one in the same. Though there are a few corporate arrangements prevailing in our area, may I inject that I do not expect that it will pose the same serious problems or threats in a specialized dairy area such as ours as compared to a large wheat or cotton plantation; however, we are not immune to corporate arrangements, and I will continue as if the threat were equal or as great.

We have to ask ourselves why corporations go into farming. First, it appears to me that with all our mechanization and automation, a small labor force is required. Second, competitive factors are not as great as in industrial or the commercial world. Third, they have a readily marketable product. Fourth, they recognize the increasing world food needs.

I feel most of us are familiar with the problems a corporation farm brings with it when it acquires an operation in our area.

First, it disrupts the community social environment for it removes a number of rural families depending on its magnitude, from its present environment into a social environment quite unfamiliar to them, which presents problems in itself.

Second, it hurts our community in that they have a tendency to purchase supplies, feed, fertilizer, equipment, et cetera, outside the service area of its community. They hurt us in our business of banking particularly in that any financing automatically comes from the bank of their head office and in turn, any excess deposits eventually drift back to the home office and circulates in its monetary system and not in the area of its origin. It is difficult to evaluate the amount of money generated by the farmer in any community, but it is known that in most cases of corporate farms, it is greatly reduced, affecting every downtown businessman.

Third, it has a tendency to create unrealistic land prices as local farmers find it difficult to compete with corporate capital.

Fourth, a corporation farm, with its headquarters far removed, has little to offer a community in its civic affairs as compared with the number of families it displaced.

Fifth, it is questionable with absentee owners as in a corporate farm operation, just what attempts are made in conserving of resources, perhaps not so much in our area where land ownership prevails but in areas where land leasing is predominant.

So far I have discussed corporation farms as it appears when a farm is taken over as a whole, but I sincerely believe our greatest threat here lies not in this type of operation, but where a large firm is just going for a piece of the business. This goes unnoticed, while the other is quite eminent.

The cases I now refer to are where large corporations are not actually engaged in the operation of livestock or crop production but are in the farm service and supply business. While they are attempting to assist the individual farmer, he is actually undermining the business located in the trade community of this particular farmer.

These firms have a product or products to sell. In most sales programs, service is a primary factor. Just as in our bank, we advertise "Full Bank Services", these firms offer a "Full Service Package" to its customers with trained fieldmen to see that its intents and purposes are carried out. For instance, the corn seed salesman of today not only sells the farmer his seed corn needs but also does his soil testing, sells the fertilizer, the herbicides and insecticides. After he has met all of the above needs, his firm is then ready or eager to finance a portion or all of it.

Many of our swine and poultry enterprises are handled very similar where the feed company not only furnishes the feed, equipment and the swine or poultry, but the building and financing as well. This is perhaps more correctly called integration, but it is still corporate oriented and to my own observation is our greatest threat to our many small communities as both inputs and outputs are from or go outside of the community except the small fraction of income left in the hands of the owner for his labor.

Statistics show that approximately ninety five percent of the nation's farms are family type operations. However, the move toward corporate operations exists and most of us are lost as to how it should be restricted or curtailed.