

The consumer is now using a smaller portion of budget for farm produce than ever before. Squeezing the independent farmer out of competition will surely increase prices.

Finally, we would encourage our Senators to support the Metcalf Senate bill S. 2613 which would prevent persons who are not qualified farmers to offset nonfarm income with farm losses.

Thank you, Senator. I will answer questions if you have any.

Senator NELSON. How many independent egg producers are there now compared with 10 years ago in the State?

Mr. PENNINGTON. I have some statistics here, sir. I will give you two or three figures. In 1930 there were 165,554 farms with chickens; in 1940 it dropped to 153,173; in 1950, 119,030; 1959, 69,047; in 1964, 41,611; and today, as of June, not today, but last month, 1968, we estimated 29,000 producers, that is farms with chickens.

Senator NELSON. How does the total egg production in the State compare now with those previous years?

Mr. PENNINGTON. Egg production, let's say hen numbers in 1940, 11,469,000; 1967, 6,818,000. Now I should be able to give you egg production, it doesn't run parallel because there has been an increase in hen productivity, but the egg production is lower today than it was in 1940.

Senator NELSON. Do you have average egg prices for that same period?

Mr. PENNINGTON. I have, sir.

In 1940 in the United States the national egg price was 18 cents per dozen. In Wisconsin, 17 cents per dozen. I will skip to 1950. The U.S. egg price was 36.3; in Wisconsin, 34.1. Dropping to 1960, 36 cents nationally, 31.8 in Wisconsin. In 1967, nationally 31 cents, in Wisconsin 26.8.

Senator NELSON. Thank you very much for coming.

Mr. PENNINGTON. You are entirely welcome, sir.

Senator NELSON. Mr. Erhardt Schultz wishes to make a statement.

Mr. Schultz is from Baraboo, Wis., and is Federal Land Bank Director, president of the Farmers Union Local, vice president of Sauk County National Farmers Organization.

STATEMENT OF ERHARDT SCHULTZ, VICE PRESIDENT, SAUK COUNTY NATIONAL FARMERS ORGANIZATION, BARABOO, WIS.

Mr. SCHULTZ. The subject today is financing in relation to family farms. The present financing today doesn't fit the modern farming picture. Too much emphasis is on net worth instead of ability to manage or the individual's ability to produce. This includes the education, training, and willingness to do the job. The unavailability of funds for expansion causes dropout of farmers and people from farming which brings about sale of small or smaller farms, even larger farms are brought about by mortgaging payments being too large or being paid off too fast. This causes a reduction in operating cash and income for living.

Also, there is nothing left for expansion. We need more long-term financing. For example, expansion should be on a long-term basis like 25 to 40 years or even longer. Production expenses can be short,