SELECTED FARM EXPENSES ON ACTUAL MINNESOTA FARMS (BASED ON 1966 FEDERAL INCOME TAX RETURNS

Acres farmed	Gas and fuel	Feed purchased	Fertilizer and chemicals	Real estate taxes	Interest payments
200	$111		$98	$672	$1,378
322	907	$1,798	3,508	1,795	2,304
148	540	3,500	1,150	600	1,100
320	1,000	1,100	1,800	2,425	2,050
350	2,500		1,647	2,127	1,609
400	825	1,350	950	1,250	3,400

We have also compiled figures of relative costs of farm implements. Farm machinery prices of 1967 are compared with farm machinery prices of 1947 (see Exhibit B attached).

In conclusion, we would hope that the Committee would find it possible to inaugurate a study of the corporate farm invasion and wealthy individual invasion of agriculture. We consider this one of the most inimical trends which farmers now face.

We would hope that the Committee would continue to emphasize the importance of a monetary policy which pays some attention to the wishes of this expert Committee and to other Members of Congress. We hope you will continue to advise the President in regard to the necessity for a healthy agriculture. What happens to agriculture will in a great measure be dependent on action taken by the Congress.

We also hope the Committee will use its great prestige and influence to bring about the enactment of the Metcalf bill which will discourage the trend toward non-farm control and ownership of agriculture, as well as bringing in additional taxes to the Treasury of the United States which heretofore have been avoided.

Exhibit A

The Family Farm Is the Most Efficient Unit of Agriculture Production

(Prepared by Angus McDonald, Feb. 5, 1968)

Over the years there has been a vast propaganda campaign designed to convince the American people that the gigantic factories-in-the-field which exist in California and several other states should be models for all farm units. This campaign to discredit the Farmers Union idea that the family-type farm is the most desirable unit of agricultural production has been aided and abetted by economists in land grant colleges and in agriculture departments of universities. Editors of magazines, newspapers and no doubt many millions of people have been brainwashed and have consequently accepted without question the idea that the family farm is inefficient and that super-farms, owned and operated by millionaires and conglomerate corporations, represent the wave of the future.

Swept under the rug, ignored and suppressed are many studies which have been made which prove without any reasonable doubt that the small or medium-sized unit is more efficient than the large corporate unit. A number of economists apparently have been quietly working, gathering information in many parts of the United States. A recent publication of the Department of Agriculture represents summaries of these studies made in various areas of different types of farming under a variety of conditions. The overwhelming conclusion of this study, a composite of 138 studies which have been made in the last few years, leads to the inescapable conclusion that big farming is inefficient.

These studies, based on solid facts, are not wishful thinking. They are the result of hundreds of analyses of the costs and the gross profits which go into many types of farming including fruit, grain, livestock, cotton, vegetables, alfalfa, and dairy. These studies put the finger on the point of diminishing returns which is soon reached when the farm is unduly expanded or too large for efficient operation. Here are a few examples:

1. FRUIT FARMS IN CALIFORNIA

On the non-mechanized peach farms in Yuba City in the Maryville area of California, average production cost per ton of peaches declined up to a productive unit of about 60 acres (average production was 715 tons of peaches). Beyond that size slight reductions in harvesting costs and machinery investment per acre were realized, but these were offset by increases in costs of hired supervision.

On the mechanized peach farm the average cost declined up to a farm size of