

Benson Says Contract Farming 'Most Potent Force In Agriculture Today'

CONTRACT farming is "one important type of adjustment by which individual farmers, as well as farmer groups, farm industries, and marketing firms are changing their methods of operation to make the most of rapidly advancing technology," USDA says in a new publication.

Entitled "Contract Farming and Vertical Integration in Agriculture" the publication points out that contract farming is a prominent feature of the vertical integration of agriculture and business. A farmer whose operations are vertically integrated shares some of his managerial decisions and risks in production and marketing with one or more related businesses—for instance, his supplier, processor or distributor.

In a foreword to the bulletin, Secretary of Agriculture Ezra Taft Benson says: "Contract farming and other forms of vertical integration are among the most potent forces in our agriculture today.

"Integration may vitally affect the role of farmers . . . by shifting to others their responsibilities as managers. Farmers have every right to decide how far they want to go in sharing risks or assigning managerial responsibilities, but they should carefully consider the benefits to be gained in exchange for the responsibilities transferred.

"The next decade will bring more integration to agriculture. I am concerned that farmers themselves reap the rewards of integration. When farmers pass on to others the responsibility of decision making, they frequently pass on the extra income that results from good decisions and management."

Benson cited sound farmer cooperatives as one of the ways by which farmers may enjoy the benefits of integrated operations. "Through cooperative organizations," he says, "farmers can share risk and management decisions and yet extend the range of decisions for which they have responsibility."

The bulletin was prepared under the direction of a special USDA committee. Its members were Orlin J. Scoville and Ronald L. Mighell, Agricultural Research Service; Martin A. Abrahamsen and Kelsey B. Gardner, Cooperative Service; and Winn

F. Finner and Gerald Engelman, Agricultural Marketing Service.

Farmer-businessman arrangements can extend from connections only a little closer than an open-market relationship to the complete ownership and operation of the farm by business, the new bulletin observes, but the area of contract farming lies between these limits.

For some commodities, the bulletin states, contract farming and integration have been long established. For others, including several kinds of livestock, vertical integration of various types seems to be developing rapidly.

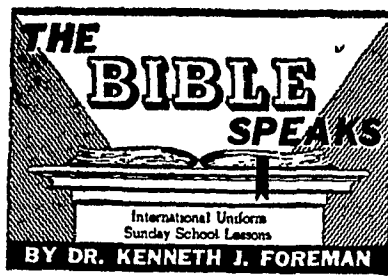
"To cope successfully with these new developments," the bulletin says, "farmers will need good research, good extension guidance, and dynamic cooperative organization"

It cites as one example of vertical integration the broiler industry on the Delmarva Peninsula. The broiler industry on the peninsula is an example of two vertically-integrated segments of an industry dealing with each other through an open market. In one segment, the contractor—usually a feed dealer—supplies a grower with chicks, feed, medicine, fuel, litter and supervision.

The grower provides the broiler house, equipment and labor. Processing and distribution form the second integrated segment. The two segments deal with each other through the open auction of the Eastern Shore Poultry Growers Exchange.

The bulletin surveys the extent and nature of integration for 15 commodity groups. Among them are vegetables for canning and freezing (90 per cent integrated), broilers (95 per cent integrated), hogs (integration slight but growing), market eggs (about five per cent integrated), cotton (some integration through credit arrangements), and milk production (partly integrated through marketing cooperatives).

Benson's foreword is the strongest policy statement he has made on the problem of integration. And it seems to point up what was said here last week: "Government is not going to allow business to control farming so extensively that possible voters will be lost."



Bible Material: Deuteronomy 16:18-20; 17:14-20; II Samuel 23:1-3; I Kings 2:1-4; 9:1-14; Amos 5:11-15; Romans 18:1-8.
Devotional Reading: Isaiah 9:2-7.

Government

Lesson for August 10, 1958

WHEN a preacher tells the truth about liquor from the pulpit, that isn't news. But when a preacher in a New Jersey church took out a bottle of liquor from the pulpit, and told his congregation where he got it, that was news. It was a college town and there were laws closely regulating the sale of liquor, only the police paid little attention to the laws and the public paid rather less. Preachers aren't supposed to know where illicit liquor can be had; but this one did. He made things so hot for the police department that finally he was offered the job of mayor—and he took it. His congregation gave him a leave of absence, and he went to work trying to get the laws enforced. His enemies made it hard for him. He himself was "tailed" (as the detective stories put it) day and night; if he drove one mile above the legal speed limit, some policeman was right there to give him a ticket. But he outlived the embarrassments and he outfought the underworld and he showed that you can have good government if you want it. And then he went back to his preaching again. People listened more than they used to, for now they knew this was a man.



Dr. Foreman

Politics and Religion

A vice president of the United States stepped off the train in a big city. Even a vice president rates at least one reporter, and so there was one there. He asked the V.P. his views on a matter in the public eye at the time, but the high official did not oblige. "I came here," he said, "to speak to a men's Bible class. Politics and religion don't mix." "Politics and religion don't mix" is what every shady character in or on the fringes of politics

would like us all to believe. Men who view public office as a chance to build up their private fortunes are only too glad if the church people will look the other way. Religion that is worth anything, religion that resembles and is drawn from the religion of the Bible, is interested in political questions. We cannot escape from government of some kind.

Eyes to See

Norman Thomas, a Presbyterian who was a sort of perpetual and never successful candidate for President, years ago, was talking to a room full of students for the ministry. "Don't use your pulpit for a political platform," he said. "If you feel called and impelled to go into politics, get out of the ministry at least for the time being, and do your fighting in the political arena." Mr. Thomas was warning against a real danger. It is true that what a minister is trying to do, and the way he tries to do it, are different from what (let us say) a good congressman is trying to do and the way he tries to do it. It is also true that most ministers are not trained in political science and still less fitted for the sort of scramble that most legislative bodies are. Nevertheless: the minister, and the church generally, ought to be able to see the moral issues involved in public affairs, problems and decisions. Most "political" questions, local or national, affect human beings; and whatever affects human beings is a concern for all Christians.

In There Fighting

The church, as an organization, should never turn itself into a political pressure group. A church no better than a political party need not be surprised if it receives no more respect than a political party. Nevertheless Christian people, helped by their ministers and their churches, ought to be, and are, in there fighting for better government, juster laws, better law enforcement. In our Congress and Senate there are many convinced and committed Christians. At a great Christian men's convention last year the most effective speaker (many believed) was none of the visiting spell-binding preachers, but the Christian governor of the state. Every branch of government can use, and sorely needs, Christian men and women who will try to apply in public affairs the sturdy faith that is in them.

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Davidson

THIS WEEK

—In Washington

With Clinton Davidson

The Balance of Power

Developments in the Middle East have caused Washington to look upon our \$8 billion stockpile of farm commodities as one of our strongest assets instead of the burdensome liability of only a few weeks ago.

In an area of the world where hunger is always present, and starvation is a constant threat, an abundance of food supplies gives the Free World an advantage that can, in the long run, be more decisive than nuclear weapons.

Last summer Nikita Khrushchev told an American television audience that Communism would win its contest with Capitalism when the Soviet's per capita production of meat, milk and butter surpassed that of the United States.

He was reminding us that a nation is as strong as its agriculture, and that he was acknowledging that the balance of power between Communism and the Free World is in the hands of the American farmer.

Communists Fear Hunger

More than the great destructive power of our A bombs, the communist leaders fear hunger. They have been unable to build a defense against the threat of starvation in almost 40 years of strenuous efforts.

Intelligence reports from behind the Iron Curtain reveal that Russia, China and their satellite nations have a food reserve of less than 90 days. Some estimates place the reserve as low as 60 days.

In contrast, the United States

has in storage or nearing harvest a supply of food sufficient to maintain an adequate diet for more than two years. We have a four-year supply of bread grains.

The Communist Bloc has a population of almost a billion people, nearly one half of whom are farmers. But, the thirty million American and Canadian farmers have the capacity to produce more than almost half a billion communists.

We Are Gaining

Farm experts tell us that we are operating our agricultural plant at only about 75% of capacity this year while producing an all-time record supply of farm products. Our capacity to produce is being expanded at a rate of more than 5% a year.

Nineteen years ago, when World War II broke out in Europe, American farmers produced 2½ billion bushels of corn on 88 million acres. This year they will produce 38% more corn on 18% fewer acres. In 1939 we harvested 740 million bushels of wheat from 53 million acres, but this year we are growing 13 billion bushels, almost twice as much, on 10 million fewer acres.

Cotton acreage has been cut by more than half since 1949, but total production is down only 5%. Milk production is up 25%, but cow numbers are down by 20%. Total farm production is up 40%, but the number of farmers is down by one-third. American production per acre is double that of Russia, and per farmer it is eight times the Russian average.

Lancaster Farming

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Alfred C. Alsopach, Publisher; Robert E. Best, Editor; Robert G. Campbell, Advertising Director; Robert J. Wiggins, Circulation Director.

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Voice of Lancaster Farms

Dear Sir: I want to mention that I am sorry that V. O. Reichard's column is missing. I looked forward to it each week. I had been cutting some out to save.

Phares Hurst,
R1 Denver, Pa.

WHAT RECESSION?

With the wailing politicians still crying "recession" and many citizens joining in the chorus, Leyden district residents must look at the local picture before swallowing the dismal reports and tightening up their purse strings.

Last Saturday members of the Whatcom County Dairy-men's Association, the major industry in the Lynden district, were told that dollar sales had jumped from about six million five years ago to 10½ million. And they are still going up.

Lynden (Wash.) Tribune



Max Smith

Now Is The Time . . .

By MAX SMITH

County Agricultural Agent

TO ENTER HAY SAMPLES — The southeast district hay show is to be held on Aug. 21 to 23rd at Hershey in connection with the Penna. Dutch Days. Lancaster County farmers are urged to secure an entry blank from our office and enter the competition. Quality hay should be cut young, be leafy, green in color, and free from weeds and other foreign material. There was a lot of good hay made this year, our county would benefit from extra interest in this event.

TO CONTROL WEEDS — This is a beneficial practice on any farm at any time and it should be the aim of all land owners to eradicate the weeds. This is especially true in recent years when some of our land has been put into the Soil

Bank and kept out of crop production. It is observed that some of these idle acres are permitted to produce a good crop of weeds. This practice is to be condemned and all owners are urged to control the weeds on their land. Under the Soil Bank program acreage reserve payments will not be made unless noxious weeds, or hard to control weeds, are controlled.

TO USE CERTIFIED SEED — In many cases bargain prices on uncertified seeds result in very costly experiences. The use of top quality seeds in summer seedings of alfalfa and clover will surely result in better stands of the desired kind of forage. In the case of winter grains certified seeds should give assurance of seeds free from disease, weeds, and of the high producing strains desired. Be sure you get what you want and what you pay for.

TO CLIP STUBBLE — In many cases this summer it will be necessary to clip and remove the growth from the new hay field. The frequent rains have resulted in fast growth of weeds and legume and it is advisable to clip the area in order to keep weeds from taking over. If the stubble was clipped soon after combining, it may be possible to mow the new growth later this month and remove for a hay crop. The important thing is not to permit the weeds to shade out the grass legume plant.