

Form of Business Organization

Contrary to common assertion that corporations are taking over farming today, the Census of Agriculture data clearly show that noncorporate farms continue to be the dominant form of business organization. Corporations were still relatively insignificant in farm production and control of the land. Moreover, more than 90 percent of the farm corporations were family-held or closely-held corporations (16 or fewer stockholders).

Corporate farms (including the family-held corporations) constituted 1 percent of the total number of farms in 1969 and 1.7 percent in 1974. These were, however, relatively large farms. The average size of corporate farms was about 3,400 acres in 1974, eight times larger than the average sole proprietorship farm. Corporate farms constituted 4 percent of the 493,000 farms which produced 80 percent of the total farm production in 1974. Overall, corporations produced 18 percent of the value of agricultural sales in 1974.

The amount of farmland controlled by corporations has never been significant and it is unlikely to become so in the near future. In 1969, corporate farms controlled about 8 percent of all farmland; that control rose to 10 percent in 1974. By comparison, the amount controlled by sole proprietorships increased from 74.5 to 76.9 percent over the same period. Farms organized as partnerships appeared to lose ground, both in terms of total farm numbers and control of farmland. During the 1969-74 period, the proportion of partnership farms declined from 11 to 7 percent; control of farmland by partnership farms declined from 17 to 13 percent.

Table 4--Concentration of production by type of farm

Type of farm	Percentage of value of products sold by class 1 farms 1/	
	1969	1974
	<u>Percent</u>	
Cotton and cottonseed	56.5	85.4
Dairy	42.2	74.5
Field seeds, hay, forage silage	41.5	64.5
Forest products	36.6	53.4
Fruit, nuts, and berries	68.9	82.8
Grain	38.9	75.0
Livestock	61.1	78.9
Nursery and greenhouse	85.5	90.2
Other field crops	73.5	94.1
Poultry	82.9	96.2
Tobacco	21.0	46.1
Vegetables, sweet corn, and melons	82.6	91.3

1/ "Value of products" refers to the total value of products sold by farms having \$2,500 or more of sales. Class 1 farms were defined by the census as those with sales of \$40,000 and over.