

Intermediate Credit Need of Farms Becoming More Pressing, USDA Says

A rapidly changing agriculture is increasing farmers' needs for credit that falls somewhere between the short-term annual production loan and the long-term mortgage loan, according to the U. S. Department of Agriculture. Intermediate-term credit is often needed to help farmers make adjustment required in farming—such as increases in the size of farms and shifts in production, as from crops to livestock.

Although farmers obtain and use a large amount of intermediate-term credit, much of it is extended to them on the basis of short-term notes. Economists of USDA's Agricultural Research Service believe that intermediate-term notes might be put to wider use to improve credit services to farmers.

Why do lenders so often extend intermediate-term credit to farmers on a short-term basis?

There is no single reason, but a contributing factor is found in credit practices of some farmers, Department economists say. These include splitting financing among lenders, financing a project "piecemeal," and failing to take lenders into their confidence.

But all the fault is not with farmers. Many lenders find it easier and safer to buy merchants' and dealers' contracts with farmers, rather than to finance farmers directly. This encourages or forces some borrowers into split

borrowing. Moreover, lenders find it easier to lend on security and to use notes at short maturity than to make the analyses necessary to adapt loans closely to farmers' needs and ability to repay.

A reason often given by country bankers for using short-term notes is that their deposits are payable on demand.

After analyzing the banks' need for liquidity the researchers concluded that if banks accumulate adequate secondary reserves, anticipate needs for funds with which to make new loans, and analyze the repayment ability of borrowers, they should be able to make wider use of intermediate-term notes.

The economists point out that if credit terms are to be shaped to individual needs, farmers should develop plans that lenders can analyze and appreciate. Lenders in turn should rely more on present and potential earning capacity of loan applicants to determine repayment ability as a basis for making loans.

Research Proves Value of Grass Preservatives

Five years of research data proves that the judicious use of certain preservatives is economically sound, says Assistant County

Law Requires Tank Agitation For 3 Minutes

Pennsylvania law requires haulers to agitate milk tanks for three minutes prior to taking collections for samples, and the farmer should see to it that the hauler performs his duties correctly. If milk tanks are not agitated before samples are taken samplers will get an incorrect and often low test, cautions County Agent Max Smith.

Experiments by dairy scientists show that the most uniform fat tests are obtained after two minutes of agitation.

The researchers noted that the average fat test after 10 seconds of agitation was 3.405 per cent at the center of the tank and 3.445 per cent at the end of the tank. After two minutes of agitation, the fat test was 3.510 per cent at the center, 3.505 per cent at the end of the tank.

Agent Victor Plastow.

Silage preservatives are sound on the basis of net energy alone, not to mention the great improvement in odor and texture of the silage in many cases, the preservatives improved palatability.

Chemical preservatives, sodium bisulfite and calcium formate-sodium nitrate mixtures, showed a definite increase in the feeding value of the silage.

63 Per Cent of All Farm Trucks Are Pickup Type, Survey Finds

As of Jan. 1, 1956, more than 63 per cent of the 2,819,000 motor trucks on farms of the county were of the pickup type, according to a report of the Bureau of Census and the AMS.

About 442,000, or one-sixth of all farm trucks had a stake-type body, 237,000 had a grain body type and some 173,000 were of the platform body type.

About half of all trucks had a

rated capacity of less than 6 tons and more than two-thirds of them were on farms with a value of farm products sold of less than \$1,200. The current report also shows that nearly two-thirds of all farm trucks were 1950 or earlier models, and that two-fifths of all trucks on farms with a value of farm products sold of \$10,000 or more were 1950 or later models.

Test Shows Stilbestrol Gives Greater Return on Young Stock

Recent permission granted by the Pure Food and Drug Administration to feed stilbestrol in supplements to beef animals weighing less than 600 pounds gives cattlemen, who have weaning calves to put in the feed lot, the opportunity to take full advantage of stilbestrol's gain stimulating qualities.

When stilbestrol was authorized for use in beef fattening rations more than two years ago, a stipulation was included that it was to be fed to cattle weighing 600 pounds or more. This was because the stilbestrol research up to that time had been done with yearling feeder cattle weighing 6,000 pounds or more at the beginning of the feeding period.

Exhaustive research carried on since that time by colleges and commercial stations shows that

stilbestrol produces equally good results with big or small feeder calves, so long as the supplement that carries it is of good quality and the feeding program is well balanced.

Typical of this research are tests conducted at the Ralston Purina research farm at Gray Summit, Mo. A number of feed lot tests were run with big steers weighing 600 pounds or more at the start. In these, the stilbestrol-fed cattle invariably finished with an average of \$5 to \$10 per head more return over animal and feed costs than the comparable non-stilbestrol fed cattle.

Cattlemen starting weaning calves in the feed lot may now take full advantage of good stilbestrol supplements, from the start of the feeding period to the finish.

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