

FROM WHERE WE STAND - Economy Is An Important Income

A quotation from Cicero says, "Men do not realize how great a revenue economy is."

Farm management specialists would say it a little differently. One from a state university said recently, "Do a little figuring before you buy."

Figure your opportunity costs before you buy a new piece of farm equipment. How much money will that new machine make for you? Could you make more money by investing your capital somewhere else? Could you hire a custom operator to do the job cheaper than buying the equipment yourself? Should you try to get by with used equipment or with equipment already owned?

These appear to be common sense rules, and, in the final analysis, they are, but all too often we are prone to buy a piece of equipment because we think we need it on the farm without really asking ourselves the basic questions above. Too many times we come upon a job that requires a piece of machinery we do not have, and we immediately think of acquiring that piece of equipment.

We do not believe it is good economy to purchase machinery, even though the farm account can afford it, unless that machinery will be used enough to pay for itself in a reasonable length of time. Machinery depreciates while it stands in the shed. Unless you can keep a particular machine in use a good portion of the season, it may be far wiser for you to hire the work done by a custom operator.

There is no simple formula for figuring out just what equipment you should buy. The answers will vary from farm to farm and from situation to situation.

Some farms have much more machinery than could be justified by the returns from each machine, while many others could profit by having bigger

or more efficient machinery to permit increases in the size of production or improved quality of products. Having too much invested in machinery can cut net returns just as surely as having too little equipment to get the job done efficiently.

One of the best ways to get reasonable answers to the questions you should ask yourself about new machinery is to make a partial budget. A partial budget simply means putting down on paper the actual cost of the machine and the expected returns from the addition of that machine.

It may take some work to arrive at these figures, but farmers with good records should have a sound basis for estimating such figures.

Of course the capital position of a farmer does have some bearing upon his need to be accurate in his determination of alternate costs. A young farmer just starting out has to be more careful in investing his limited capital than a farmer who owns his farm and equipment debt free.

Time or labor saved by the purchase of a machine may not be sufficient reason for buying that machine. Time or labor saved is not an economic saving unless that time and labor is used for other production. Adding the machinery may add to the cost of production rather than reduce it.

The cost of labor replaced would vary, too, depending upon whether most of the labor on the farm is family labor or hired labor, but if the replaced labor is used elsewhere the value in the new job should be checked with the cost of the machinery replacement.

Machinery can be one of the biggest money makers on your farm, but before you buy, the opportunity costs should be figured. Only then can you be reasonably sure your new purchase will add to your farm income.

At least that's how it looks from where we stand.



Davidson

THIS WEEK —In Washington With Clinton Davidson Some Farm Facts

Shortly after the end of World War I there was a popular song that asked "How are you going to keep 'em down on the farm after they've seen Paroo?"

The answer, 40 years later, is that you can't, but not because of any hankering for the gay city of Paris. There are many other reasons why farm population is decreasing at the rate of almost a million a year, but the main one is income.

The National Grange, oldest of the farm organizations, adds some other answers in a new publication it calls a "Farm Fact Kit," and subtitled "Everyone Should Know About Farmers."

The fact, though, is that the great majority of our 180 million people in this country don't know as much as

they should about the 21 million who provide the rest of us with an abundance of good food.

What the Figures Show
Comparisons seldom prove much, but the Grange has some interesting statistics to offer on farms vs. non-farm incomes.

In 1958, when net farm income amounted to \$1,066 per capita, the average family income of the rest of the population was \$2,066 per person. The total or net farm income in 1958 was \$14.2 billion. The 1959 net is estimated by the U. S. Department of Agriculture at \$11.8 billion.

The hourly income average for farm owner-operations for management and labor, the Grange reports, was 97c an hour in 1958, compared with \$2.13 an hour for workers in manufacturing industries. Estimated comparable figures for 1959 are 82c an hour for farmers and \$2.23 for industrial workers.

Approximately 30% of farmers' income in 1958 and 1959 came from work off the farm.

Price Supports Cause High Food Prices?

Many city consumers blame price support for high food prices. The Grange says that this isn't so, and offers figures to support that claim.

In 1951, when nearly all farm crops were supported at 90% of parity, farmers received a gross of \$20.2 billion, before deducting production costs for food that cost consumers \$46.4 billion

in the grocery stores.

In 1958, when price supports were an average of 20 per cent below 1951, farmers received \$20.8 billion for producing 15% more food that cost consumers \$57.7 billion. Thus, consumers paid \$11.3 billion more for 15 per cent more food while farmers received only \$600 million more.

Most of the added food cost was due to increases after the food left the farm. These included \$4.8 billion in increased labor charges, \$1.4 billion in higher transportation cost, and \$3.5 in business operating expenses, such as taxes, rents, etc.

Even with higher retail food costs, the average consumer this year can buy more food with income from an hour's work than at any time in the past 20 years. Percentagewise, wages have increased more rapidly than food prices.

For example, a quart of milk took 6.7 minutes' work (take-home pay of factory labor) last year. In 1947 a quart of milk required 9.1 minutes of workers' pay.

We believe that when consumers know the facts there will be less criticism of farmers.

Rural Rhythms

A FARMER'S WORK

By Carol Dean Huber

Man works from sun to sun, But women's work is never done.

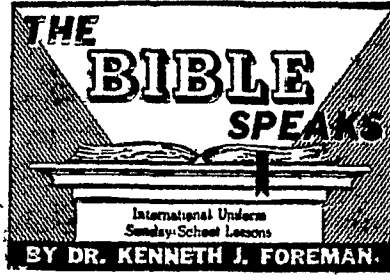
Thus begins an ancient rhyme

Handed down to modern time.

Farmers change it just a bit To make the situation fit.

"Some men work while some men play,

"But cows get milked twice every day."



International Uniform Sunday School Lessons
BY DR. KENNETH J. FOREMAN

Bible Material: Acts 28:16-31; Philip-
pians 1:12-13; Colossians 4:3-4.
Devotional Reading: Philippians 1:21-22.

Door For The World

Lesson for March 27, 1960

ADS ON billboards, in buses, in newspapers, tell us to Go to Church. A fleet of taxicabs will, if paid enough, carry posters telling the world that "The family that prays together, stays together." Some of this advice must be taken, to judge from the crowds one sees coming out of churches of all kinds. Our country may not be a maturely Christian country, but at least the church is respectable, and popular besides.



This is not true all over the world. There are more places where this is not true, than where it is true. In East Germany today a boy or girl comes near losing all chance of a job if he or she does not leave the church and join the youth organization sponsored by the Party. In Japan, India, and other countries, to be a Christian is to be thought of as unpatriotic.

We Have Always Had Rivals

America is one of the few places now where Christianity is both popular and respectable. These other places where it is not are more like the situation when the Christian faith was new. Many American Christians have the curious idea that if the going is rough we should not send missionaries; that if there are lots of religions in a country like India, for instance, we should not upset their theological apple-cart and confuse them with a new religion. The real New Testament Christians would have thought such notions—rather ridiculous. It cannot be said too often! The Christian religion did not get its start in a religious vacuum. Everybody had religion—of some kind. Only, most of the kinds were bad, and the good kinds were not good enough. Christians did not propose to merge with other

religions, they urged men from dead idols to the Living God." The "Gospel" has never tied in with

A Door for the Word

Christianity, in other exclusive. But it had access in that world so close to religions. And this was Christians like Paul never take advantage of any door that stood open for a prisoner at Rome, had modern preachers would be in a bad situation. He was a salary, he "had no church saying is, he could not ward to promotion, he could any organizing, his only was a jail and jails much in the way of a what a congregation and prison guards—not there. Yet Paul could friends at Colossae about for the word." He did not door for himself, but he for one for the Word of

His prayer was answered. One of the doors for the conversion of a runaway called Onesimus. Through the religion of Jesus spread Paul himself could not get the end of Paul's letter to Colossians, written from prison, he speaks of the "Caesar's household,"—Paulants no doubt. "Paul would have been invited to the palace; but these humble men and women, whom probably converted in prison he had no chance to go else—these would take where Paul could not hope

And if No Door?

There must have been when even for the Word no door that Paul could is in many parts of the day. Nobody is expecting outbreak of Christianity Germany or Japan or some places on the Amazon all doors are closed, as now in China, what do we Do we write off mission cause? Paul did not He his friends at Colossae that God would open to or the Word. You do not what you already have when doors are shutting and, we are poor Christians just accept this as final for Russia, Abvssinia—Suburbia, that often we must pray for the

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Now Is The Time . . .

BY MAX SMITH



MAX SMITH

TO VACCINATE HEIFER CALVES
Dairymen are urged to continue the practice of vaccinating heifer calves in order to build resistance against Brucellosis even though the county and the state being completely tested regularly, and percentage of reactors is being reduced. It is still safer to have the younger calves developing with some resistance to the disease. It may be dangerous to think that this practice is no longer necessary.

TO GET RID OF RATS AND MICE
Warm weather will soon be here which means that rats and mice will be working out into the fields and away from buildings. If the population is reduced at this time, there should be fewer rodents to come back to the buildings in the fall. A number of rat poisons may be used around buildings taking safe measures to protect livestock. A clean-up program including the destruction of harborage places for rodents is strongly advised.

TO WAIT FOR PROPER SOIL CONDITIONS
When warm weather arrives many farmers and gardeners get over anxious to get their early plantings made, in cases when the soil is worked too early and too wet in spring it may be hard and lumpy for the remainder of the season. Croppers are urged to apply the simple test of squeezing a handful of soil in the hand and then rolling it (as if bowling); if the ball crumbles, then it is not enough to work; but if it stays as a ball, the soil is ready.

TO PRUNE ROSES AND SHRUBBERY—After heavy pruning weather is over (usually by the middle of March) a good time to prune trees, shrubs, and rose bushes for this task. A pair of sharp shears should be used. The cut should be made close to the main stem and pruned with it. In most cases it is best to do this pruning when new growth starts in the spring.

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