

FROM WHERE WE STAND - Corporation Farming -- Good Or Bad?

Corporation Farming is almost a dirty word to some of the farmers in our part of the country. Until recently corporation farming was much misunderstood and mistrusted by most farmers throughout the United States.

Until recently most farmers looked on a corporation as a huge business with vast assets and holdings, a board of directors and thousands of shares of stock listed on the stock exchange.

Now Farm Management specialists report that this attitude seems to be changing. While very few farmers have actually made the move to incorporate their businesses, many are exploring the advantages, disadvantages and problems that go along with incorporation.

These farm management specialists believe three major points figure in the change of attitude among farmers. Increased capital requirements of modern farming, the need for a more flexible method of transferring property between generations and recent changes in the income tax law which provides for certain small businesses to file and pay their income tax as individuals rather than pay the corporate rate of tax, have caused many farmers to look again at the possibility of incorporation of the farm business.

W. T. McAllister, extension farm management specialist from the University of Delaware believes there are five main advantages and four major disadvantages of forming a corporation to run the farm business.

On the plus side, incorporation provides a simple way for the farm business to be operated continuously as a unit even after the death of one of the major stockholders. In many cases, the farm, under similar circumstances on a privately owned basis, would be broken into smaller inefficient units or sold out of the family.

Under a corporation, shares of stock in the farm could be divided among family members in any manner desired. Stock could be sold, given away or inherited. Ownership may be transferred when a child becomes of age or at the death of the owner without subdividing the farm.

Generally speaking, stockholders are not liable for the debts of the corporation. They risk only their investment; whereas, with single ownership or a partnership, the owner or owners are liable for all debts of the business.

Capital for a corporation can be secured through the sale of stock, bonds or debentures. The continuous opera-

tion of a corporation tends to make long-term loans more attractive to lending agencies.

In a corporation, stockholders who are employees or officers of the business are eligible for certain benefits such as health and accident insurance, workmen's compensation and Social Security coverage.

But there are some minus points to be considered. Corporations are required to keep more records than most farmers now keep. A farm chartered under state law must keep a stockbook minutes of meetings, statements of liabilities and assets, and financial records and accounts. Further, franchise tax and Income tax returns must be filed for the corporation.

In a single ownership business, farm profits are taxed only as income of the operator. Corporate profits, which are distributed as dividends may be subject to both corporate tax and personal income tax.

There are several small expenditures connected with the actual setting up a corporation. There are fees and taxes for filing and recording the articles of incorporation, fees for legal advice, Federal Stamp Tax in issuance of shares of stock, and other incidental costs.

On the average family farm, the owner-operator makes his own decisions about what, how much, and how to produce. Under a corporation, the operator is restricted by law, the articles of incorporation and the by-laws of the corporation.

We are by no means suggesting that all Lancaster County farms be incorporated. We do not believe that even a large portion of them should be so handled but we do believe incorporation of the business is one way of maintaining the family farm. We do not believe that incorporation of itself will destroy the family farm.

Farms need not be huge, unwieldy operations to function as a corporation. There need not be large numbers of interested persons or shareholders in the business. Incorporation is only one way of operating the farm—one way which has not been considered by many farmers because it is not generally understood by farmers.

If you are faced with a farm ownership problem within the family, there are good legal councils to guide you in making a wise decision. You should look into all possibilities before you decide.

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

4-H Achievement Recognized

By: Winthrop Merriam
Assistant County Agent

November 8 has been designated as National 4-H Achievement Day and as such is a fitting time to pay tribute to five 4-H members from our county who were state winners in the National 4-H Awards program.

The awards program is directed by the National 4-H Foundation with headquarters in Chicago. The purpose is to coordinate the support of many leading industries in our nation, who wish to honor outstanding 4-H members across the country. The members so honored take part in the National 4-H Club Congress held annually the last week of November, in Chicago, with approximately 1,500 4-H'ers from the United States and many foreign countries in attendance.

A number of industries and businesses of national importance contribute financial support to travel expenses for delegates as well as operating funds for the Congress itself.

Pennsylvania will send a delegation in excess of thirty young people with five representing Lancaster County.

The following young people were awarded this honor this year on the basis of their 4-H record and achievements:

Darvin Boyd, Ephrata R1, State Achievement Winner;
Donald Trimble, Quarryville R1, State Field Crops Winner;

Joyce Denlinger, 602 Enfield Drive, Lancaster, Home Economics,

Barbara Gamble, Columbia R2, and Lois Ann Overgaard, Lancaster R4, Bread Demonstration.

The above mentioned folks are but five of over 1400 club members in our county. It should always be remembered that many other members did a fine job in their projects during the year and as such not only bettered themselves, but their clubs and communities as well.

Participation in 4-H work can develop a person not only in skills and "know how", but in leadership, character, and personality. Although only a few members achieve honors in the form of an out of state trip, the many others continue to advance through their 4-H activities and move toward the time when their 4-H records will be complete and strong enough to enter the National Awards Program.

Patronize Lancaster Farming Advertisers.

Local Couple

(From page 1)

its latest Herd Improvement Registry testing year with a lactation average—calculated on a two milkings a day, 305 day mature equivalent basis—on 25 individual records of 13,787 lbs of milk and 526 lbs of butterfat.

A certificate of this award has been sent to the Royers by the Holstein-Friesian Association of America.

A bronze plaque signifying the award will be presented to them at a meeting of Holstein breeders from their area.

Lancaster Farming

Lancaster County's Own Farm Weekly

P. O. Box 1524
Lancaster, Penna.

Offices:
53 North Duke St.
Lancaster, Penna.

Phone - Lancaster
EXpress 4-3047

Jack Owen, Editor

Robert G. Campbell, Advertising
Director & Business Manager

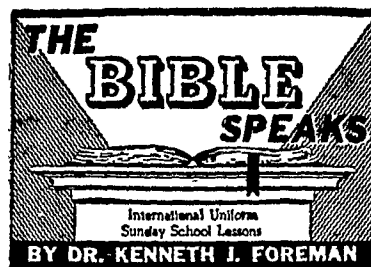
Established November 4, 1955

Published every Saturday by
Lancaster Farming, Lancaster, Pa.

Entered as 2nd class matter at
Lancaster, Pa. under Act of Mar.
3, 1879 additional entry at Mount
Joy, Pa.

Subscription Rates: \$2 per year
three years \$5. Single copy Price
5 cents.

Members Pa. Newspaper Publish-
ers Association; National Editorial
Association.



Bible Material: Matthew 25:31-46;
Galatians 6:1-6
Devotional Reading: Luke 10:25-37.

Grow In Concern

Lesson for November 5, 1961

THE noticing reader, or one who goes to Sunday school and looks over the topics of the whole-quarter's lessons, will have observed that the study this quarter (Oct. 1-Dec. 31) is all about Christians growing. First we had a study about how Jesus grew, then one about how Christians grow, in general; then a number of studies (this being the last) asking the same "question Growing—in what respect, in what



Dr. Foreman ways? In what may a Christian be expected to grow? We have seen that a Christian can grow in the knowledge of God, in his Christian relationships, in his life and activity in the church; and now we shall think how a Christian can grow in "Christian concern." If anybody prefers to substitute "love" for concern, all right; only remember that Christian love is concern, not emotion alone.

Christian Materialism

There is a bad materialism, or rather, bad materialisms, and there is a good one as well. With the bad materialism Christians should have nothing to do. With sacred obligation, laid on us by the Lord himself.

One bad kind of materialism is the theory that nothing is real except matter, stuff (whether visible like water or invisible like electrons or chemical energy) which can be weighed and measured. This is the kind of materialism preached and practiced in communism; Christians understand that it is false. Another bad kind is very common in America; it is the notion that material things are the most important things in the world. When you hear some one arguing that things, or property, are as important or more important than people, you may know you are listening to a materialist, not of the Christian kind. The Christian materialism declares

that things are important, though not the most important, still less the only kind of real things. But the Christian goes on to say the part of our "love"—that is, concern for our neighbor, must include his material welfare. This is to say, a Christian will be concerned about wages, housing, education, culture, in his community. He is not content to want a square deal himself, he wants it for all others. Jesus' parable of the sheep and the goats brings out this Christian concern in unforgettable fashion.

If we could get a world at last in which every one would have a job he enjoyed, everybody would receive a decent wage, nobody would go cold or hungry, everybody would have comfortable, safe and beautiful homes in which to live; a world in which there would be no more war but only peace and prosperity,—would that lovely world be one in which there would be no need for Christian concern? You know it wouldn't. To be sure, there would be no beggars, prisoners, sick or helpless people in that world. But alas! there would still be evil in the "brave new world." Paul covers a good deal of territory in his word of counsel: "If any man be overtaken in a fault, you who are 'spiritual' restore such a man..." If every one in the world were as rich or as "lucky" as some people are now, it would just open more people's eyes to a fact that should be well known as it is: the rich and the lucky have their troubles too.

How We Grow In Concern

Our Christian concern for the welfare of others must grow, if it is to be Christ-like, until we are distressed by spiritual need not less than by physical need. A man with a starving soul is an even more tragic sight than a man with a wasted body. But only quite mature Christians can see this. How does Christian concern grow in us? It grows in somewhat the same way as concern grows for pets, or livestock. If a farmer wants to encourage his boy to be a farmer too, he doesn't give him lectures on animal husbandry, he gives him a calf or a pig to look after and perhaps exhibit at the fair. You learn to take an interest in animals by taking responsibility for them. You learn to take interest in people, just by being a Christian friend.

(Based on outlines copyrighted by the Division of Christian Education, National Council of the Churches of Christ in the U. S. A. Released by Community Press Service.)

Now Is The Time . . .

BY MAX SMITH



MAX SMITH

TO FEED AMPLE ROUGHAGES — Most pastures are very short in this part of the state this fall; dairymen and all livestock producers might well keep up the health and condition of their animals by feeding liberal amounts of hay and silage daily. With quality roughages the feed costs may be reduced. Many successful dairymen feed silage two times daily and hay three and four times. This results in more efficient production.

TO PRACTICE TRENCH SILO CARE—Many trench silos are covered with the black plastic in order to seal out the air and reduce spoilage; this will work fine if the plastic is kept down tight on the surface of the silage; however, many feeders will keep rolling back the cover as the silage is removed and not make any effort to keep it pinned down tight; if the wind is allowed to get under the cover at the open end of the trench, then spoilage will occur over the entire top. Keep the plastic down tight at all places and at all times.

TO HAVE FORAGE TESTED—The winter feeding season is at hand and quality hay and silage is very important; at the same time it is good management to actually know the true feeding value of the hay and silage. Some livestock men might feel they can tell the real value by the appearance and the aroma of the roughage; this ability could be very misleading and be the reason for poor production or for too-high production costs. Local livestock producers, and especially dairymen, are urged to have their hay and silage tested this fall and request a free grain feeding program. Forage cartons and additional information available at the Extension Office.

TO USE CARE WITH NEW CORN—With the grinding of new corn at this time of the year it is important that special care be exercised to prevent heating and spoiling; with the moisture in the new corn, grinding should be frequent so that the corn chop will not heat. Depending upon the moisture content of the corn, it will often heat in 24 to 48 hours. The solution is to grind several times a week and to mix the corn chop with other feeds to prevent heating and molding.