

## To Thine Own Self Be True

When it comes to our personal finances, most of us are reluctant to discuss them with anyone.

Reasons are numerous: we feel it's nobody else's business; we don't want to boast, and so forth.

It gets carried to the point, we've found from experience, that successful farmers don't want it reported about them that they're making money or that they're doing something because it makes them money—even if figures aren't mentioned and even though it should be self-evident that a farmer can be successful only if he's making enough profits to keep operating.

We think the right to privacy in these matters is one of the most fundamental of rights and farmers should always fight hard to keep this right

But while the farmer should have the right to keep his business from others, he should be very careful that he doesn't also hide it from himself. That is, he should always know, from a financial standpoint, where he is, where he's been, and where he's going.

Such knowledge is possible only with considerable effort.

It is possible only when the farmer knows his operation from A to Z; this type of an awareness exists only when the farmer can literally tear his operation apart and put it back together again—on paper.

This knowledge must include, but not be limited to, the following: complete knowledge of total costs and how they compare to past accounting periods, an understanding of why some costs are higher and lower, a breakdown of costs per animal, per bushel, per hundred pounds of milk; further breakdown of costs to show proportions going into labor, new machinery, machinery maintenance, buildings, fertilizer, medicines and so forth, comparisons with past years on all these items; proportion of income going to repay debt, meet taxes, and left over for profits; a reasonable future cash flow projection for future years to make sure that enough money will be available to meet bills and debts as they come due.

The farmer who has these and other facts and who truly understands his operation knows at all times just where he stands financially. He knows what his business has done in the past, he knows how it stands now, and he has a pretty good idea of where it's going to be in the future

Of course, things change and changing conditions must always be taken into account, but the farmer who has kept up with his condition can readily adjust his figures to reflect changing conditions.

Why is it important to know all these things? Many farmers who are quite successful can no doubt claim that they never look at their finances, except to pay bills and figure taxes. But while it's true that many local farmers learn enough to be successful by watching their successful relatives and friends, it's also true that farming keeps changing and getting more

competitive. It's necessary to keep getting better just to stay even.

And one of the areas in which farmers across the country are getting better is in management, in pushing the pencil, in finding areas where they're losing money and eliminating them, in finding areas where costs are too high and can be cut, in finding areas where income is too low in relation to the amount of time spent, in finding areas where time can be spent more profitably.

It all boils down to making the operation a little more efficient.

Time doesn't stand still. Successful crops and practices are constantly changing. Often it's the changes which seem to be little ones that can make a big difference.

And it's usually the first farmers to discover successful new crops and practices who reap the biggest rewards. Once everybody else joins in, things get more competitive.

The farmer who pushes his pencil, who has a complete understanding of his operation and farming in general is prepared to make the right decisions. The farmer who is prepared can answer tough questions, based on facts from his own operation, questions such as the following:

Does it pay to hire custom operators who are increasingly available? Can I afford to buy the equipment which they will make unnecessary when I consider all the costs, including replacement? What is the time the custom operator saves worth to me and what alternative uses do I have for that time? Can the custom operator do a better or poorer job than I can do myself? As more custom operators become available and as equipment costs continue to rise, will the relative advantages of the custom operator increase?

What is the best use of my scarce land? Should I continue with all corn? Or should I have a few acres of alfalfa for a better cow diet? Now that the corn scarcity is over and corn prices relatively low again, should I consider another crop such as soybeans which have held their price? Should I try double cropping, such as barley and soybeans, to get the top return? Are some crops so cheap on the market relative to cost of production that I should quit growing them and devote my ground to more profitable crops? In order to take advantage of very low prices at harvest time, should I have more storage facilities; can these facilities actually pay for themselves in a short time?

Studies have shown that there are very high costs built into crop production, particularly for farmers who use costly equipment on limited acres. This equipment must be replaced and the cost of this replacement must be figured into the cost of production. With all costs considered, it is frequently quoted that it takes 70 to 80 bushels of corn per acre for the farmer to meet his costs. While most farmers locally grow far more corn, it is known that statewide many farmers do not. And it is believed that many of these farmers actually are losing money on their corn operations. Most of those losing on corn don't even know it, because their records are inadequate. Other crops or livestock must carry the load for corn, or else the farmer will eventually not be able to continue to operate.

The point, of course, is that an unprofitable corn operation is a drain on the financial strength of the entire operation. Farmers losing money on corn should either improve this phase of the operation or else they would be much better off to save the time spent on growing corn and devote that time to the portions of the operation which are profitable. But only farmers who know exactly where they stand are in position to make decisions of this type.

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## NOW IS THE TIME . . .

By Max Smith  
Lancaster County Agent



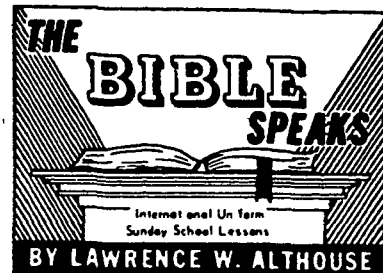
### To Make Farm Management Plans

Farming today is a business, which requires modern management techniques and substantial capital investment. To keep abreast of modern technology farmers have to make any adjustments in their operations. These adjustments have resulted in larger farm units as farmers try to keep up with climbing costs and increase their income. Farmers who have made these adjustments are very likely to be disappointed in their expectation unless they planned carefully before making them. Adjustments made just for the sake of "size" and without proper planning may end up increasing expenses, risk, and management problems without any commensurate increase in net income. The farm manager should develop a long-range plan of operation. By doing so he will be able to determine what adjustments must be made to achieve his long-run goals. Planning permits farm managers to determine how proposed adjustments will affect farm income before actually making the adjustments: it saves time, money, and often disappointment. The newest tool in the farm managers kit is "linear programming". It makes planning easier and more meaningful. It not only shows the manager how proposed adjustments will affect farm income, but also gives the combination of crops and livestock that should be used to produce the

highest net returns from the available supplies of land, labor and capital. The solutions also show the farm manager how much income will be sacrificed if he chooses a plan which differs from the one producing the highest income. The new tool is available to Pennsylvania farmers

### To Check Farm Pond Winter Safety

Even though we have had some very mild weather this winter we can be sure we have some cold days and nights ahead of us. Cold weather makes possible the winter recreation of ice skating. Frozen farm ponds are attractive for skating and recreation, especially during the holiday season. Thickness of ice is not always an accurate measure of its strength. Slush ice, for example, is about half as strong as clear, blue ice. New ice is stronger than old ice, and ice formed by direct freezing of pond water is stronger than that formed from melting snow. Generally two inches of ice supports one man on foot. Three inches will support a group of people single file, and at least 7½ inches are required to support a car or truck. Exercise caution with ice covering spring-fed bodies of water, or that on stream with fast moving current. Thickness of ice on these may vary considerably. Many farm ponds provide good ice skating, but always make a test of ice thickness and other safety factors. Keep a straight ladder or coil of rope handy for rescue purposes.



### IS LOVE "WEAK"?

Lesson for January, 1972

Background Scripture: Luke 6

Is Christian love indicative of moral weakness?

There are many today who think so, including some who are presumably members of the various churches. Mercy is equated with cowardice, benevolence with compassion with evil. Those who take seriously Jesus' teachings on love are regarded not only as being in error, but subversive and dangerous as well.

But Jesus says . . .

The teachings of Jesus seem no less acceptable today as they did when he first appeared to the world: Society advises us to hate our enemies . . .

. . . but Jesus says to "Love your enemies!"

Society suggests that we return hatred to those who hate us . . .

. . . but Jesus says "do good to those who hate you!"

Society demands that we return blow for blow . . .

. . . but Jesus says we are to "turn the other cheek!"

Nietzsche once said, "Distrust all in whom the impulse to punish is strong." In interpreting this remark, psychiatrist Karl Menninger has pointed out that those

who often call for the harshest measures against wrongdoers are those who feel uneasy because they have entertained the same ideas themselves. "No one is more bitter in condemning the 'loose' woman than the 'good' woman who have on occasion guiltily enjoyed some purple dreams themselves. The "first stone" is always "cast" by someone who himself is not "without sin."

### The courage to love

Thus, hatred and anger and the withholding of mercy and love are often means of coping with our own secret sense of sin. If we can find an obvious object of guilt — the town drunkard or adulteress — we can load all our own guilt upon this person, just as the ancient Hebrews practiced a rite of loading their sins upon a "scapegoat" and driving him into the wilderness.

It takes courage, however, to face the realities of sin and failure in our own lives. To project our hostilities upon others is the greatest weakness. It is the real cowardice to condemn another because we don't have the courage to face our own failures of morality. This doesn't mean the Christian ought never to punish, but that he ought never to punish either in self-righteousness or with the obvious pleasure that often is so evident in our society. Jesus never counseled us to enjoy the sins of others.

The problem, then, with developing "enemies" is that allows us a coward's way-out. The lack of love we show our enemies may be even more injurious to ourselves than it is to them.

Is love weak? Look at the cross of Christ and tell me what you see there!

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