

## Farm Trade Balance Highest in Five Years

Farm exports for the fiscal year ended June 30 were \$2.0 billion larger than agricultural imports, Secretary of Agriculture Earl L. Butz said last week. "This favorable agricultural trade balance, the highest in five years, is vitally important to the Nation's balance of payments," Butz said.

The favorable balance of trade in farm products helped offset a

large U.S. trade deficit in non-farm products. Imports of non-farm items ran \$7.1 billion higher than non-farm exports. The \$2.0 billion favorable balance in farm trade held the Nation's overall balance of trade to a \$5.1 billion deficit, the largest in history.

The favorable balance in U.S. farm trade came mainly from heavy export shipments of soybeans and soybean meal, cotton, dairy products, cattle hides, meats, fruits, nuts and vegetables.

The excess of farm exports over farm imports would likely have been greater had it not been for the trade crippling longshoremen's strikes at West and East Coasts and at Gulf ports, principally during the first half of the year; uncertainties in the international monetary situation; and some slowdown in economic growth in major foreign markets during the year.

The Farm Credit System established new records in loans to farmers and their cooperatives during the year ended June 30, 1972, it was announced last week by E.A. Jaenke, Governor of the Farm Credit Administration.

The total amount of loans made during the year was \$15.4 billion, an increase of 13.1 percent over the previous year. Loans outstanding on June 30, 1972, totaled \$17.6 billion, a 9-percent increase over the amount outstanding a year earlier. "Perhaps more important than the dollar amount outstanding," Jaenke said, "is the fact that it represents loans to more than 726,000 farmers and 3,000 of their cooperatives."

Speaking at a meeting of the American Institute of Cooperation at Ames, Iowa, Jaenke reported lending by Production Credit Associations at \$10 billion during the year, with

loans outstanding at year's end of \$6.8 billion. These figures, he said, were increases of 12.3 percent and 8.9 percent respectively. PCAs make short and intermediate term agricultural loans chiefly for operating purposes.

The Federal Land Banks posted increases of 38.2 percent in the amount of loans made and 20.4 percent in the number of loans made during the 12 months preceding June 30, 1972, compared with the previous year. Land Bank loans totaled \$1.7 billion in amount and 44,470 in number. At the end of the year, the Land Banks had 406,548 loans

outstanding for a total of \$8.4 billion, a dollar volume increase of 11.2 percent. Loans made by the Federal Land Banks are secured by first mortgages on rural real estate.

The Banks for Cooperatives, according to Jaenke, made loans totaling \$2.9 billion for the year, a 5.9 percent increase, while loans outstanding on June 30, 1972, were \$2.0 billion, a 1.0 percent increase over the amount outstanding a year earlier.

In addition to the direct loans made by the various units of the System, the Federal Intermediate Credit Banks — main source of loan funds for PCAs — discounted \$700 million in farmers' notes for other financing institutions, an increase of 5 percent for the year. On June 30, 1972, they had \$300 million in such notes outstanding, 3.1 percent more than 12 months earlier.

Jaenke said loan increases for Production Credit Associations and Banks for Cooperatives were in line with increased credit by farmers and their cooperatives. "They reflect the higher cost of doing business which results in the greater use of credit," he said.

The FCA Governor attributed the marked increase in lending activity by the Federal Land Banks to the fact that "farmers have concluded that interest rates are as low as they are apt to be for a while." He pointed out that only last year did farmers again begin to borrow for purposes that has been deferred. "This year's higher rate of loan activity is a continuation of that trend," he said.

The Farm Credit Administration, which Jaenke heads, is the independent Federal agency which supervises the borrower-owned Farm Credit System. The System is made up of 12 Federal Land Banks and 593 Federal Land Bank Associations, 12 Federal Intermediate Credit Banks and 439 Production Credit Associations, and 13 Banks for Cooperatives. It is owned by more than 900,000 farmers and 4,000 farmer cooperatives.

Instructions will be given on how to prepare a Federal 1040 form, taking full advantage of exemptions, deductions, and credits allowed. How to get taxes back if you paid too much.

Special instructions will be given on the preparation of the Pennsylvania personal income tax.

Supplies for the course will be furnished. A current tax manual and actual forms will be used.

The course will be limited to 50 people in order of registration received. The registration fee of \$20.00 will cover lunches and materials. The course is open to anyone, including tax practitioners, interested in gaining expertise with farm tax matters.

Send registrations to: Wayne Kelly, Farm Management and Tax Specialist, Penn State University, 202 Armsby Building, University Park, Pa 16802.

### Cotton

Cotton probably was first domesticated in the Indus Valley of India about 5,000 years ago, but it remained available only to the rich for centuries.

# Record Amounts Borrowed From Farm Credit System

## Farm Tax Workshop Slated

A workshop designed to provide basic instruction in income tax preparation will be held October 17, 18, and 19, 1972 in the Farm and Home Center, Lancaster, Pa.

The program will cover the who, how, when, and where of farm tax reporting.

Who has to file, how to prepare returns for farm, schedule T, business, schedule C, how to prepare and report depreciation and investment tax credit, how to report short and long term capital gains, special treatment of dividends, royalties, and social security, regular and optional method, and much more

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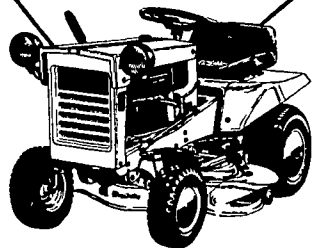
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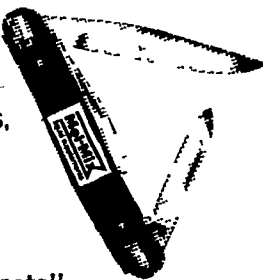
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