

## Farmers Use Credit System In Record Numbers, Amount

More farmers used more money from their Farm Credit System last year than at any other time in over a generation. In the process, the farmer-owned System set an all-time high in amount of credit extended—\$20 billion—according to figures released here by E. A. Jaenke, Governor of the Farm Credit Administration.

"This record use of the Farm Credit System by farmers and their co-ops results mainly from impact of the System's new charter—the Farm Credit Act of 1971," Jaenke explained. The FCA Governor praised highly the farmer-directors and employees of the System for their speedy implementation of the Act, terming it "a monumental service to agriculture at a time when food production is of such crucial importance to the entire Nation."

Nearly one million farmers and 4,000 farmer cooperatives own and borrow from the System. During the year ended June 30, the \$20 billion in loans made represents a 30 percent increase from a year earlier and double the amount borrowed four years ago. Loans outstanding through the System at June 30 totaled \$20.6 billion, a 17.3 percent increase from a year earlier and 60 percent greater than four years ago.

Governor Jaenke announced the year-end figures in an address to the annual meeting of the American Institute of Cooperation. FCA is the supervisory Federal agency for the System.

The largest lending increases within the System were in long term farm real estate loans through Federal Land Banks and in loans to farmer cooperatives through the Banks for Cooperatives. The amount of loans made last year by Land Banks increased 66.7 percent over a year earlier, while Banks for Cooperatives' lending jumped 68.1 percent. The dollar amounts were \$3.0 billion and \$4.9 billion respectively.

Jaenke said a substantial portion of the growth in Land Bank lending resulted from provisions in the Farm Credit Act of 1971, which allow the Banks to increase the proportion of a farm's value they can finance. "This enabled many existing borrowers to purchase additional acreage, to refinance for more working capital and for the entry into the System of young farmers as new borrowers," Jaenke said. Total number of farmers who obtained loans through the Land Banks last year was 59,000, a 32.1 percent increase from a year earlier, pushing the number of farmers having loans outstanding from the Banks to a new post World War II high of 414,000.

Other factors cited by Jaenke for the large increase in the amount farmers borrowed through Land Banks were the big jump in the value of farmland, the optimism throughout agriculture over rising farm prices and general inflationary factors. Total amount of Land Bank loans outstanding at June 30 stood at \$10.1 billion, a 20.1 percent increase from a year earlier.

The 68.1 percent increase in borrowings by farmer cooperatives through the Banks for Cooperatives is a direct result of the significant increase in the price of farm commodities, Jaenke said. A second reason cited by the FCA Governor was the crisis in transporting commodities to market, a situation which caused grain cooperatives to borrow more to hold grain which couldn't be moved. Jaenke

commended the Banks for Cooperatives for their efforts, saying the crisis "demonstrated the necessity for farmer cooperatives to have a dependable source of credit—a source that they own."

Banks for Cooperatives' loans outstanding at June 30 were \$2.7 billion, a 32.9 percent increase from a year earlier. The number of farmer cooperatives borrowing through the Banks last year was 3,112, a 3.0 percent increase, and an all-time high.

The third unit of the Farm Credit System—Production Credit Associations—made \$11.4 billion in loans, a 13.9 percent increase from the year before. The increase was in line with those of recent years for PCAs the short and intermediate term lenders of the System. Loans outstanding at June 30 through PCAs were \$7.5 billion, a 9.7 percent increase. The number of farmer-members of PCAs exceeds 500,000.

In addition to the direct loans made by the System, the Federal Intermediate Credit Banks—main source of loan funds for PCAs—also discounted \$746.6 million in farmers' notes for other financing institutions and had \$297.4 million in such notes outstanding at year end. Both figures are little changed from a year earlier.

The Farm Credit System obtains nearly all the funds it loans in rural America from the sale of bonds to private investors. During the past fiscal year the Banks sold \$15.3 billion of their

securities and had \$18.1 billion in securities outstanding at the end of the year. These are increases of 15.9 percent and 18.0 percent respectively.

In addition to its traditional loans to farmers and farmer cooperatives, several new categories of borrower-owners of the System were added last year as the result of provisions in the Farm Credit Act. These new borrowers include non-farm rural home owners, open seas fishermen, and rural electric and telephone cooperatives.

Last year, 2,059 non-farm rural residents received \$40 million in Land Bank loans for the purchase or construction of rural homes. PCAs made rural home loans of \$15 million to 215 rural residents and made an equal number of loans to open seas fishermen for a total of \$8.3 million. Most of the aquatic loans were for the purchase or refinancing of fishing vessels. Three rural electric and telephone cooperatives obtained loans through the Banks for Cooperatives for a total of \$1.2 million.

All the Banks and local lending Associations of the System are entirely owned and capitalized by their borrowers. They were initially capitalized by the Federal government but by 1968 these funds had been entirely repaid with interest.

## READ LANCASTER FARMING FOR FULL MARKET REPORTS

### DUROC SALE FRIDAY EVENING, AUG. 24, 1973

Show 4:30 P.M. Sale 7:30 P.M.

Location: Martin's Sale Barn 2 miles East of Intercourse, Pa. on Rte. 340

#### BOARS

#### OPEN GILTS BRED GILTS

SPONSORED BY

#### PENNA. DUROC BREEDERS ASSN.

Dr. Champion will be available for Out of State Sales.

For Catalog write:

George Zimmerman, Sec.

R.D. No. 1

Grantville, Pa. 17028

Auct. Paul Z. Martin

### MELVIN KOLB, INC.

at New Holland Sales Stables, Inc.

WEDNESDAY, AUGUST 22, 1973

## Dairy Sale

### 63 Head Holsteins from Tioga County

A real good herd of cows. Presently milking over a ton per day.

15 are just fresh, 25 due now until Fall, balance in all stages of lactation.

These cows are sure to improve your herd.

MELVIN KOLB and

MARVIN A. ESHLEMAN

621 Willow Road

Lancaster, Pa. 17601

Phone 393-7459

## KIDNEY'S Complete DISPERSAL

LOCATION—3 miles West of Gold, Pa. 12 miles East of Coudersport, Pa., Potter County, on Southside of Route 49.

WEDNESDAY EVENING, AUGUST 22, 1973

AT 7:30 P.M.

### 46 HEAD SIRE POWER

### HOLSTEIN DAIRY CATTLE 46

"One of Potter County's Choice Grade Herds"

25 young milking age cows—4 due Aug., 7 Sept., 2 Oct., balance early Winter; 7 Bred Heifers—4 due Sept., 3 Nov.; 13 Open Heifers, 7 of breeding age, others 8 to 12 months of age. One 8-months old Bull.

INTERSTATE TESTED—CHARTS SALE EVENING  
PREGNANCY CHECKED

### MACHINERY & EQUIPMENT SELLS

Two tractors—Ford 4000 Diesel, Massey Ferguson 65; Ford 3-bottom 3 pth plows, Ford 3 pth mowers, N.H. 67 baler, Int. 33-tooth harrow, J.D. rake, Int. semi-mounted 13-hoe disc drill, N.H. 611 forage harvester with corn and direct cut heads, N.H. blower, N.H. 30-ft. Skeleton elevator, land roller, N.H. 130 bu. spreader, 2 wagons, 1 Electric with flat bed, 1 Grove with forage box; field sprayer, Int. hay conditioner, Ford 3 pth cultivator, 2 farm trailers, 3 pth utility blade, 3 pth buzz saw, 1 steel wheeled wagon, tractor chains, milk cans, 40-ft. wood extension ladder, barn fan, feed cart, air compressor, 2 tractor pulleys, 1 Ford, 1 Massey Ferguson; many other items sell.

### MILK EQUIPMENT

300 gallon Mueller s.s. milk tank, 3 Surge milker units, double ss. wash vats, Surge SP-11 milker pump, 30-gal. electric hot water heater, s.s. pails and strainer, milk can rack.

### PRODUCE & CROPS

2800 bales Early Cut Hay; 200 bales Oat Straw; 10 acres Silage Cron

CASH OR GOOD CHECK SALE EVENING

### LELAND & HELEN KIDNEY, Owners

REASON FOR SALE: FARM SOLD

Rockwell's Livestock, Sale Mgrs.

D. O. Rockwell, Prop., Troy, Pa.

CARL DILLER & EVERETT KREIDER, Auctioneers

JEFF WARNER, Clerk

LUNCH AVAILABLE BY LITTLE LEAGUERS OF GOLD, PA.

## HOLSTEIN DAIRY SALE

MONDAY, AUGUST 27, 1973

AT 12:30 P.M.

Located in Cumberland County, just south of Newville, Pa., along Big Spring road. Use Newville Exit off Int. 81. Turn north on 233 to Newville, then left along Big Spring.

### 55 Registered & Grade HOLSTEINS

30 DAY HEALTH TESTS FOR INTERSTATE

Many fresh, some close, others in full production, bred back. Mostly young cows with good udders, showing a lot of dairy character. A good herd for late summer and fall production.

SOME OPEN HEIFERS AND HEIFER CALVES

SPECIAL MENTION! An Ivanhoe Star, milking in the 90's should be an easy V.G.

A couple True Type Models, with good udders producing real well. A Seaman bred to Magnet due 2nd calf from dam with 27,900 milk, 885 fat. A Citation M. with 13,910 milk, 571 fat, 4.1 percent at 2 yrs., 11 mos.

A very nice Performer; others by Kingpin, Gent, Kennedy, Wimpledale Marge Prince Rex, Design Lad, Hayssen Master Ringo, and others.

Service Sires - Glen-Lu-Knoll Astrogem, Havenlane Criss Tony and Romandale Shalimar Magnet

YOU'LL LIKE THESE COWS!

LUNCH + TENT + FOLDERS

WILLIAM AUKEMA Owner

RALPH HORST, Auct.

GOSSERT, Clerk

R.D.1, NEWVILLE, PA. 17241

FRED NAUGLE, Announcements