

Agricultural Finance Outlook

The financial condition of farm operators is expected to change little in 1975, but a modest increase in the number of those having debt repayment problems is likely. Actual developments will depend mainly on the extent of recovery in livestock prices, on the size of the feed crop harvest, and on the strength of foreign demand for farm products.

Demand for operating and real estate loans is expected to remain strong but demand for intermediate term financing (for machinery, equipment, and livestock) is expected to slacken.

Net flows of loan funds are forecast at \$14 to \$16 billion during 1975, a \$3 to \$5 billion increase from 1974. Total

debt outstanding January 1, 1976, is forecast to reach \$108 to \$111 billion.

Loan funds are expected to be available to meet these demands. Increases in funds from lenders with access to the national money markets, or individual land sellers, will offset any limitations on funds from lenders who draw from local sources.

Total assets are forecast at \$598 to \$608 billion at the beginning of 1976. And the debt to asset relationship will remain nearly unchanged at about 18 percent.

Although some decline in interest rates can be expected in the first half of 1975, it appears unlikely that rates will average more than ½ to 1 percentage point

below the level of 1974.

Although real estate prices are expected to continue upward in 1975, the increase is likely to be less rapid than in 1974, perhaps ranging from 13 to 17 percent, depending on farm income developments and interest rates.

Net worth and income positions of farm operators at the end of 1974 reflect the wide divergence this year between incomes of crop and livestock farmers, continuing strong export demand, the vagaries of weather, rising input prices and shortages of inputs, and the impact of tightening credit markets in the latter months of the year. In general, producers of crops are better off and producers of livestock and livestock products are worse off, although realized net farm income (after paying production costs) for all farmers is expected to be the second highest on record, near \$27 billion.

Because of the diverse income picture, the financial condition of farmers going into 1975 is also quite diverse. Farmers and lenders will have to face some tough financial decisions in the coming year. Major repayment problems will arise for some livestock ranchers who recently expended their operation or began ranching, because of their large debt commitments and relatively low income. Also, crop farmers who lost their crops because of 1974's weather reverses can be expected to carry over a large volume of short term debt and will also require large operating loans in 1975 to finance their planned production. However, the number of such farmers is relatively small and lenders are not expecting significant

repayment problems in 1975.

Demand for real estate loan funds remained strong throughout 1974 but eased for non-real estate lending. Real estate borrowing reflected the continuing advance in farm real estate prices which are expected to be up 15 percent during the March 1, 1974-March 1, 1975 period, trailing from the previous reporting year. Values increased 10 percent from March 1 to November 1, 1974. Demands for non-real estate funds have been fueled by increasing prices and large purchases of current operating items such as feed, seed, fertilizer, and other goods, and by the desires of farmers to delay crop marketings. However, the depressed state of cattle feeding operations and their reduced demand for loan funds slowed the overall rise in non-real estate debt.

Total real estate and non-real estate debt outstanding is up an estimated 13 percent from January 1, 1974, to January 1, 1975. However, the rate of increase has shown in recent months because substantial numbers of lenders (mostly bankers and insurance companies) reported in

Buying Clothes for Baby
When you buy clothes for a new baby, remember that infants have sensitive skin that's easily irritated. Mrs. Ruth Ann Wilson, Extension clothing and textiles specialist at The Pennsylvania State University, suggests buying clothing made of pliable fabrics. Make sure that the garment has no unfinished seams or fastenings that could cause skin irritation.

Your Choice
Perhaps as a child you were told what to eat. Now you must choose for yourself — choose wisely. You can achieve health and happiness through good nutrition.

Lancaster Farming, Saturday, Dec. 14, 1974—49

September that they were more selective in making loans. Most lenders were rationing funds among at least as large a volume of borrowers, or were being available for 1975 as for 1974.

CONSIGNMENT SALE SATURDAY, DECEMBER 21 9:30 A.M.

Location: ½ mile north of Route 23 on North Maple Ave. in Leola, Lancaster Co. Pa.

WATCH FOR SALE SIGNS.

TRACTORS—2010 John Deere Crawler with loader; Melroe Bobcat. FARM MACHINERY — John Deere 24T Baler; 6 bottom Int. plow automatic reset; 2-3 bottom plows, 3 pt. Hitch; Wagon with hydraulic dump; 10' cultimulcher; Easy-Flow lime drill; Int. pull type grass mower, like new; Int. 2-row corn planter; New Idea late model Hay Conditioner; Horse drawn implements; Nails 8-10-12-16; lots of lumber, plywood, red oak house flooring (new), lot of doors, nice pool tables with ¾" slate bottom, new hardware and tools, etc., etc.

Trailer Load of Citrus Fruit direct from Florida. We sell on commission.

DAVID H. GOOD
717-656-9024

F. Snyder, R. Martin, C. H. Wolgemuth, Auct.
Next Sale Wednesday, Jan. 15, 1975

NOT RESPONSIBLE FOR ACCIDENTS.

WORK HORSE & MULE



SALE

WED., JANUARY 8, 1975

PAUL Z. MARTIN'S
2 MILES EAST OF INTERCOURSE, PA.,
ALONG ROUTE 340.

2 Loads of Kentucky Draft Horses & Mules,
Single & Pairs

Assorted Colors, Weights and Sizes
Also Local Horses, and a few Drivers.

TACK & EQUIPMENT - 11:00 A.M. HORSES - 12:30 P.M.
NEW HARNESS HARDWARE AT 11:00 A.M.

I will try to get them
as good as possible

PAUL Z. MARTIN
BLUE BALL, PENNA. 17506
Residence - 717-354-6671
Business - 717-768-8108

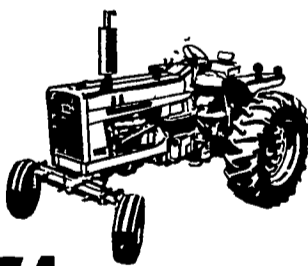
MARTIN
AUCTIONEERS

HAY, STRAW & CORN SALE EVERY WEDNESDAY AT 12 NOON
FARM EQUIPMENT SALE, WEDNESDAY, JANUARY 29, 1975
9:30 A.M.

Notice Change of Sale Date January 8, 1975

PUBLIC SALE

OF VALUABLE FARM MACHINERY



SATURDAY, DEC. 28, 1974

Located 9 Miles South of Quarryville at Fairmount on Jackson Drive.

Having sold my farm, will sell all equipment of well stocked 150 acre dairy farm consisting of the following:

70 H.P. 1974 Oliver 1456 Tractor with 265 hours; 55 H.P. 1365 Oliver used 1060 hours; Oliver 66 and Oliver 60 Tractors; 1956 Massey Harris No. 60 Self-Propelled combine in good condition; 3 bottom Oliver Raydex mounted plow; 10 ft. John Deere KBA Disc Harrow, used 2 years; Brillion 11 ft. Cultipacker, used 2 years; 4 Oliver wagons with flat beds; Oliver 13 disc grain drill; 2-row Oliver corn planter, 3 point hitch, used 2 years; New Holland 68 Hay Baler; New Holland Crimper; New Holland No. 33 crop chopper; Little Giant 30 ft. bale elevator; Doarr 7 wheel hay rake; McCormick 4 bar hay rake; Allis Chalmers No. 480 silage blower, used 2 years; New Idea 7 ft. semi mounted mower; Twentieth Century heavy duty 260 Amp. Welder; (3) New Idea 195 bushel No. 215 Manure Spreader; New Idea No. 19 Power Take Off Spreader; Power Take Off 15 KW Electric Generator 200 Amp., throw switch; Holland 3 pt. hitch tomato Transplanter; Mounted 110 gallon fiberglass crop sprayer; 3 used silo unloaders — VanDale 16 ft., Badger 16 ft., and Starline 20 ft. with 7 H.P. Motor; 2 silage carts; 3 Agway Milker Units, used 10 months; 1 Sputnik; Electric Water Heaters; Oil Burner.

1970 Chevrolet ¾ Ton Pickup Truck, 35,000 miles. 1956 unlicensed Truck.

Many Items too numerous to mention. Also some household goods including some Antiques.

SALE STARTS AT 11:30 A.M. SHARP

Food will be available.

Special Note — Hot Dogs for 10 cents up to 12 Noon

Terms — Cash.

Auctioneer **LLOYD H. KREIDER**

SALE BY
LLOYD WOLF

JENNING'S COMPLETE FARM DISPERSAL

LOCATION: 6 miles East of Troy, Pa., 14 miles West of Towanda, Pa.,
Bradford County [1 mile off Route 6]

FRIDAY, DEC. 20, 1974

(BLIZZARD DATE — DEC. 27)
AT 10 O'CLOCK

92 HEAD SIRE POWER HOLSTEIN DAIRY CATTLE 92

88 Grades 4 Registered

59 young outstanding milking age animals, many fresh and close springers, balance due January; 10 Bred Heifers due sale date to March, 10 Open Heifers of breeding age, 13 Started Heifer calves.

1974 R.H.A.; 58.2 Cows; 13,039M; 493F

Interstate Tested; Charts Sale Day

Inoculated For Colds

Pregnancy Checked; Catalogues

MACHINERY and EQUIPMENT

3 TRACTORS: J.D. 2520 gas, J.D. 2030 gas with roll-bar, Ford 800 with loader; Gehl 400 chopper with 1-row corn head and pickup, Gehl forage wagon with tandem axle, Lamco forage wagon, 4 wagons with throw boxes, N.H. baler, Model 67 with pto thrower; N.H. rake, New Idea mow-conditioner, N.H. 510 spreader, 2 harrows, 1 Ford with transport wheels, 13-section tractor harrow; Case 12-ft. disc with transport wheels, M.F. 4-row corn planter, J.D. 3 pth crop sprayer, J.D. 4-bottom plows, Gehl blower, N.H. 36-ft. blower, N.H. trailer mower, Kesco 3 pth spreader, 3 pth utility blade, barn fogger, ensilage cart, LPS tank, new drums oil, cultipacker, J.D. comfort cabs, McHammermill, Int. 13-hoe grain drill, electric fence posts. Numerous other items sell at this auction.

MILK EQUIPMENT

3 DeLaval milker units, Kasco dumping station with 100 ft. hose.

PRODUCE

Approx. 5000 bales good feeding hay, approx. 400 bales straw, 20x50 Harvestore full hay and corn, 16x55 Ribstone full corn silage, 15 acres standing husking corn.

FERTILIZER

1000 hd. 10-20-20, 1000 hd. 13-13-13

SALE MGR. NOTE: High producing, good sized dairy cows and nearly new line farm machinery sells at this auction.

Terms Cash or Good Check Sale Day

HERBERT D. & PHYLLIS J. JENNINGS,
Owners

VICTOR KENT & WILLIAM KENT, Auctioneers
JEFF WARNER, Clerk

ROCKWELL'S LIVESTOCK, Sale Mgrs.

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

Phone 717-297-3460

LUNCH AVAILABLE

FARM FOR SALE (contact owners)
152 acres, 100 tillable (highly productive); House with all modern conveniences with electric heat. 68 stanchion barn with 2 box stalls, bulk tank, 2 gutter cleaners. 2 silos, Ribstone, woodstave 14x30, Harvestore; 36x100 tool shed, real good water supply. This farm cannot be appreciated until seen.