

# Corn

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pay for a bin in a hurry," he said. He noted that prices in his area fell as low as \$1.90 per bushel and that commercial storage facilities are full or nearly full due to the bumper crop harvest which just came off the field. Furthermore, he pointed out that on-the-farm storage fits nicely into his feeding program.

As a result, the storage bin business has been going strong in recent years. More and more farmers are deciding to keep their crops on the farm in order to be more flexible, more independent, and take advantage of investment credit and depreciation. Some growers have even gone so far as to put in their own dryers. In either case, none of the individuals who were contacted by this writer expressed any reservations about their decision.

Extension agricultural economist H. Lewis Moore, University Park, told Lancaster Farming that the big turn-around in the corn business came in 1972 when exports were increased and corn became a profitable cash crop. Since then millions more acres of corn are being harvested and record crops are flowing into the bins. Corn farming is not what it used to be. "Prior to 1972 the bulk of the corn crop was fed to livestock, because that was the best way to make a profit," Moore explained, "but now that the price of corn is up, it's become customary to go out of the livestock business and into cash grain."

The storage situation is different from what it used to be too. Corn which goes to market has to be a little better taken care of than the stuff which stays on the farm for hogs, cattle or chickens. Hence farmers have had to put up better storage facilities, Moore indicated. The economist also noted that corn production in the state has increased dramatically in recent years, with this year being the biggest year of all.

A check with the Pennsylvania Crop Reporting Service revealed that 1,140,000 acres of corn were harvested in the state this year. The average yield across the state is estimated at 88 bushels per acre, giving us a total harvest of 100,320,000 bushels. That compares with 1,080,000 acres, 82 bushels per acre, and 88,560,000 bushels total for 1975. Obviously, there is an awful lot more corn around this year.

"We have a whale of a crop," the Harrisburg statistician commented, adding that many farmers are asking themselves how and where they're going to store it all. He expressed some concern about storage capacity, although no direct study has been made.

Moore felt that farmers had justification for updating or increasing their storage capacity since "a lot of people have suffered (with low prices) due to poor quality grain. Good grain storage is essential."

A spokesman for one of the area's dealers for storage bins and drying systems answered quickly with a "you bet" when he was asked whether or not storage

bins were in demand this year. Dealers might be expected to be the most enthusiastic when it comes to telling about the advantages involved with on-the-farm grain storage of corn, but a Manheim area farmer would give them a good run for that distinction.

Having already had several bins on his property, including drying facilities, this individual - who asked to have his name withheld - was convinced that building another bin and dryer this year would not be out of line because the crop is so big and he has to have a place to store it. Giving detailed information as to why he made the decision, the Manheim area farmer indicated:

"The 10,000 bushel bin, with a 27-foot diameter, cost \$4,000 itself. My drying floor cost me \$1000, foundation and erection costs - \$1500; fan - \$1500; stirring device - \$2000. So I have a grain storage-drying system which cost me \$10,000 total, or \$1 per bushel." Given average yields over 5-year periods, this particular farmer believed that a bin such as his new one would take care of 100 acres of corn if yields are around 100 bushels per acre.

"What does it cost to dry?" the Manheim area farmer asked, while beginning to answer his own question with the next breath. Noting that these expenses can vary, he felt a cost of 8-12 cents per bushel would be applicable in most circumstances. He felt justified in going all the way with his system in that it is cheaper for his operation and he's taking full advantage of investment credit, depreciation, and interest.

"What does it cost you to run your corn down the road and bring it back," he asked as a prelude to citing his advantages. "It could be as high as 25 to 30 cents per bushel," he said. He noted that corn is now up 40 cents per bushel from what it was just a few weeks ago, and those farmers who could not hold on to their crops lost a chunk of profit which could have been turned into an investment for storage bins. "With a Dec. 15 price of \$2.50 per bushel, that would pay for half a bin this year." He further estimated that it would cost a farmer 5½ to 6 cents per bushel for every .1 per cent of moisture removed, or possibly two per cent of the weight per point of moisture would be marked off as the drying bill.

A check with several feed handlers revealed that several drying programs are offered commercially. They are custom drying, drying cash grain, and grain banking. A widely used program for custom drying would cost 2 cents per bushel when the corn first comes in, and 3 cents per every point of moisture over 14 per cent. Attached to that is a final out-charge of 5 cents per bushel. With cash grain, it's common to deduct one per cent of the crop for every ½ point of moisture above receiving standards. These charges, it should be noted, may vary from one mill to the next.

Another source revealed that handlers aren't taking corn testing over 16 per cent moisture. A charge of one per cent for each point over 15½ per cent moisture is made. The spokesman also noted that most of the corn

coming in so far this year has been testing between 17 and 20 per cent moisture. Corn is dried there at a charge of 4½ cents for every point over 15½ per cent moisture. No custom drying is offered.

The Manheim area farmer continued to explain his situation by claiming that when time and hauling charges are considered, keeping and drying corn at home are most economical for him. "The way I look at it," he concluded, "you can't afford to be without it."

Sam Dum, farm management specialist at Penn State, has storage cost schedules in his office which would solidify a farmer's argument for going this route. The economics of storing grain right on the farm have apparently looked favorable to a good many growers since bins dot the countryside in greater concentrations than ever before. Noting that there are various types of grain storage systems, Dum recommended that each farmer look at his own operation and decide for himself which facility would best fit into his utilization program. While he had lots of figures on storage costs at his disposal, Dum had no

## Welding school offered to public

NEW HOLLAND, Pa. - An evening welding school for recent studies on grain drying costs.

The farm management specialist pointed out that one of the more important points to remember when making a decision on grain storage is to make sure that the capacity fits the over-all need. A dairymen, would not, for example, build a 12-stall milking parlor for a 30-cow herd. Similarly, large capacity dryers don't belong on farms if they're not going to be used to full advantage.

There did not seem to be any real cut-off point as to when on-the-farm drying and storage becomes feasible and when it doesn't. There seems to be a system to fit most every need, and the mushrooming of all the metal bins around the country appears to be justified as far as farmers and economists are concerned. It doesn't seem to matter either whether or not the individual sells his corn or feeds it to his own livestock.

farmers and other interested persons will begin January 20, at 7:00 p.m. at the Garden Spot High School Vocational Department. The school will be conducted one night a week for five consecutive Thursday nights. It is designed for beginners and others interested in improving their welding skills.

Robert Woods, vocational agriculture teacher at the high school, will teach welding in the various positions, on different kinds of metal, welding cast iron, hard surfacing, cutting, and brazing with an arc welder. Everyone who attends will receive a certified diploma if they attend all five sessions. A fee of \$7 will be charged for the course and all material needed will be provided free of charge.

The course is based on instruction developed by the Lincoln Electric Company who make arc welding equipment and have been conducting welding schools since 1917. The Farmersville Equipment Company will sponsor the course.



J. H. Chase

### Chase named

Jeremy H. Chase, 402 S Cedar St., has been named manager of the Lititz office of the Farmers First Bank.

The promotion was announced this week by the bank's board of directors. Chase began his banking career January 1973 as an adjuster-loan officer trainer with Farmers First. A year later he was promoted to Loan Officer. In June 1975 he was named assistant manager of the Lititz office.

The welding school will be limited to 20 persons. Anyone interested in the course should contact Robert Woods by calling 354-9911 between 6 and 8 p.m. by January 7, 1977.



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