

How to compete for loans against tight money markets

ROCKFORD, Ill. — Despite the prime rate's slipping back a bit in recent days, most farmers find themselves caught in a credit crunch as they go to the fields this spring.

And more and more of them are turning to professional agricultural financial counselors for help.

"Most country banks are loaned up to the limit," says Jack D. Smith, president, Credit-Pak Capital Resources Company, Rockford, Illinois, and a leading agricultural financial counselor. "Many farmers have been turned down by their local bank, Production Credit Association, Federal Land Bank...and they don't know where to turn."

Smith says money is still available at a price, but farmers have to compete for it with all the other segments of our economy.

"And they have to sharpen their skills at competing for that money," he says. "Long gone is the day when a farmer can walk into a bank with a financial statement and a profit and loss statement, to ask for and expect to get a \$100,000 to \$200,000 loan."

A former lender himself with more than 22 years of experience in agricultural banking, Smith is one of a handful of professional

agricultural financial counselors who are helping farmers to put their financial affairs in order and to make a good case for their credit needs.

So what should a farmer do if he's turned down for a loan?

"He should stay calm...and not panic," Smith says. "With the amount of assets that the average farmer has, chances are, a good financial counselor can help him restructure his debt in a way so that he can get a loan...he can even help him locate a source of financing as well."

Some people think that the credit crunch is something that is here today and will be gone tomorrow, Smith says.

"But that's not necessarily the case," he says. "The basic problem is that the capital needs of agriculture are growing faster than the lending ability of the institutions which service agriculture. This situation is not going to get better, it's going to get worse in the years ahead."

Smith has advised hundreds of farmers across the Midwest since his company was founded in 1976. He tells them to set goals, keep good records, and to develop a financial growth plan...and then stick to it.

One caveat, however, Smith points out that there

are a number of self-styled agricultural financial counselors today who are not fully qualified to help farmers solve their special

problems.

"Avoid those who promise exotic solutions to difficult financing problems at bargain basement fees,"

Smith says.

"I would advise farmers to meet a prospective financial analyst in person, see his

operation, get in writing exactly what he's going to do and for what fee. Then check out his references. It just makes good business sense."

Fourteen qualify in Bucks for sheep certificate

DOYLESTOWN — Fourteen 4-H members of Bucks County 4-H Clubs received certificates of accomplishment upon successful participation in a sheep clinic sponsored by the Pennsylvania Cooperative Extension Service and the Department of Agricultural Education at Penn State on Saturday, May 3 at Robin Meadows Farm in Forest Grove.

The sheep clinic was conducted as part of a statewide effort to expand sheep production in Pennsylvania. Basic technical sheep management skills were taught by William Rockafellow of the Bucks County Sheep Committee. The skills taught included catching sheep, making an instant sheep halter with baling twine, determining rectal temperature, giving an intramuscular injection, deworming sheep and determining a sheep's age by its teeth. Rockafellow thoroughly explained and demonstrated each skill followed by a laboratory

session allowing each participant to practice the technical skills. Under the watchful eye of Rockafellow and other members of the Bucks County Sheep Committee, all participants had the opportunity to become competent in performing each skill.

To qualify to receive the certificate of ac-

complishment, individuals had to earn a score of 85 or higher by performing their newly learned skills before an evaluator from Penn State.

Those receiving the certificate of accomplishment were: Dave Samkavitz, Betsy Nehoda, Kathy Moss, Elliott and Marshall

Franklin of the Danboro 4-H Club; Tracy Pentz, Joyce Paslo and Karl Bromm of the Wrightstown 4-H Club; Jack Eurich and Jenny Lawrence of the Unami 4-H Club; Raven and Wren Winston of the Hilltown 4-H Club and Tom Reichner and Donna Haccke of the Richboro 4-H Club.

How soil moisture determines corn, soybean yields

GEORGETOWN, Del. — Corn and soybeans are well established as the major crops on Delmarva, but are these crops really well suited to soil, temperature, and rainfall conditions there?

The question led University of Delaware soils specialist William C. Liebhardt into an intensive look at 33 years of weather and corn yield data for three Delmarva counties.

Several years ago Liebhardt teamed up with Lawrence S. Kalkstein of the University's Center for Climatic Research to evaluate yield and weather data for Sussex and New Castle counties in Delaware and Worcester county in Maryland.

They chose those particular counties because each has a weather station and each is representative of a soil type that is common on the Delmarva Peninsula. New Castle county soils are primarily silt loams, Sussex soils are loamy sands and sandy loams, while Worcester has a mixture of silt, loam, and sandy soils.

All three counties exhibit a similar warm, humid climate during the growing season, so differences in crop growth can be attributed to soil climate factors—particularly soil moisture.

Liebhardt, Kalkstein, and former graduate student Daniel Lawlor analyzed the

data from 1945 to 1977 using a water budget model.

By looking at the temperature and rainfall data and by knowing the moisture-holding capacity of each type of soil, the scientists could tell whether the growing crops had enough—or too much—water during each 15-day period of the 33-year study. They especially examined those years in which corn yields were significantly lower or higher than expected.

What was unique about the weather and soil conditions during those years?

As expected, dry soil consistently resulted in poor yields in all three counties. Corn is one of the most sensitive plants to lack of water. Depending on the county and its soil type, however, the timing of a drought made a difference.

Three to five short-term droughts per year are the rule in Sussex, the weather data shows, and the soil's water-holding capacity is so poor that the corn routinely suffers. Even in a good year Sussex corn farmers get a positive response to irrigation.

Sussex farmers without irrigation should hope for warm temperatures early in the year to get their corn started rapidly, Liebhardt says. That way the plants will be ready to pollinate before the weather turns terribly hot and dry.

During years with cooler springs, he explains, corn germinates more slowly and pollination may be delayed by a couple of weeks, thereby occurring during the hottest weather. This can be devastating, as even a short drought at pollination time can cut yields in half.

Surplus moisture, too, has a negative effect on corn yield, the researchers found. They saw evidence of this problem in Sussex and Worcester counties, but not, interestingly enough, in New Castle county, probably attributed to that soil's better water-holding capacity.

Liebhardt and Kalkstein said they plan to continue looking at the corn data in an attempt to build a predictive model which will let growers know what yields to expect, given various weather conditions.

The scientists also plan to evaluate soybean yield data. Liebhardt believes that data will show that soybean yield does not vary as much with the amount of available moisture, so soybeans may prove to be the more reliable choice for farmers without irrigation.

Eastern Berks 4-H holds dairy bowl

KUTZTOWN — Members of the Eastern Berks 4-H Dairy Club recently met here at the home of David Herbert.

The evening began with a judging demonstration given by Jim Shaw of Oley. The juniors reviewed parts of a cow, while the seniors judged groups of aged cows and four year olds.

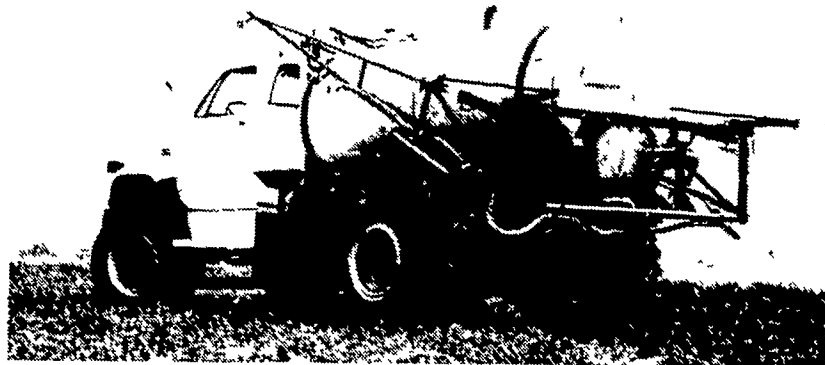
Following this was a contest on the parts of a cow. The winning team was: Christine Ketterer, Stacey Meyers, and Richard Weider, all of Kempton, and Mark Moser, of New Berlinville.

Dairy Bowl team members who placed second in a recent competition, were congratulated. Bill Zollers, of Mertztown, was awarded the trophy for being the team captain.



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