

Review those leasing options

LITTTZ—Wrong decisions which are made now on leasing deals can show up as losses on the profit sheet later.

Ira Dumont Gouge, President of Baldwin - United Leasing said that, "tight money and high interest rates are causing many farmers to consider leasing as an alternative to equipment purchase". The executive went on to point out that, "while leasing is a very good management tool for farmers, careful attention should be given to the conditions and terms which are written into contracts".

He said not all contracts are leases which will be allowed by IRS.

"Conditional Sales Contracts are often confused with leases because the terms of the contract, not the words 'lease agreement', determine what is (or is not) a 'true' lease in the opinion of the Internal Revenue Service", says Gouge.

"The result is that farmers can be denied the financial privileges which are allowed in true leasing if they unknowingly enter into an arrangement which constitutes a conditional sales contract."

Gouge and Paul F. Bachman, Vice President of the Ag Leasing Division made the announcement Monday following what they describe as "a mass consideration of leasing by the nation's farmers".

They noted inquiries directed to Baldwin-United have escalated at unprecedented rates, an indication that other sources in the industry are also receiving an upsurge of interest from farmers.

"We're concerned that many farmers are entering into equipment contracts which are not beneficial for them in the long run", says Bachman. He went on to point out that within the last 30 days stepped up programs

for leasing arrangements, conditional sales contracts and plain rental programs have been launched by equipment manufacturers, and other credit sources.

Gouge and Bachman further point out that, the majority of these programs are not 'true' leases because they offer minimum options which are substantially below fair market value. When IRS comes calling, these sources will say 'we made a mistake'.

"Knowing who you are dealing with is more important today than it has ever been in the past. Many leasing companies are curtailing their operations, selling off their leases or not taking any leases because they do not have sufficient funds. As a result of economic conditions, many of the fast buck operators have moved into financing and leasing, while promising the moon and stars with their foreign oil or German contract.

"You'll lose that deposit or the sale if the leasing company cannot perform at closing ... so when they start checking you out, you should be checking them out. Remember, it's your money," Gouge said.

He concluded that, while rate is an important factor in a lease, it is not the most important because it is not uncommon to have organizations to "low ball" the rate and then continue to return to re-negotiate.

"This is especially true in view of the current, volatile state of interest rates", concluded Gouge.

Bachman, who heads marketing operations for the firm confirmed that leasing activity through the company is currently higher than the amount which was projected year-to-date for 1980.

"We've established firm guidelines in our true leasing considerations which help to assure that our clients are

doing the right thing", said Bachman.

"While we certainly want leasing business", said Bachman, "we're not willing to take it at the expense of the farmer. We would have to live with that mistake later on when difficulties arose". Thus, he indicated that all lease applications are being reviewed in light of long-term soundness.

"Panic measures taken by a farmer now, might not be right for him in a few months", says Bachman. "We're doing all we can to serve farmer's equipment needs, but we want clients who will stay ... not clients who will suffer in the future if we misguide them in leasing decisions".

The executives concluded their leasing observations by

Feeder pig brochure available

DES MOINES, Ia. — The Starting of Feeder Pigs is the title of a newly published brochure being made available through cooperative efforts of National Pork Producer Council's Feeder Pig

saying that farmers should involve their CPA's, bankers and others as they consider leasing and/or conditional sales contracts. "Short range and long range implications of such decisions should be considered, regardless of current economic conditions", they say.

Committee, the National Feeder Pig Marketing Association and American Association of Swine Practitioners.

The brochure, prepared with assistance of veterinarians, feeder pig dealers, feed manufacturers, university extension personnel and others, offers recommendation for feeder pig buyers and those in positions to supervise starting of feeder pigs.

Copies of the brochure, available at 10 cents each, may be ordered from NPPC, P.O. Box 10383, Des Moines, IA 50306

COWTOWN RODEO

OPENS MAY 31st
EVERY SATURDAY NIGHT — 7:30 P.M.
Rain or Shine.



At Cowtown on Route 40 Woodstown, NJ
(8 mi. E. Del. Mem. Bridge)

Adults \$4.00 Children under 12 \$2.00
Group Rates Available - Call 609-769-3200

NEE-LEE Corporation

- FARM BUILDINGS
- COMMERCIAL BUILDINGS
- INDUSTRIAL BUILDINGS

The Steel Building Experts

Providing quality steel buildings at the lowest possible cost is our business. We have experienced people on staff who are well qualified to execute your building plans.

NEE-LEE BUILDINGS

- ★ For machinery storage
- ★ Farm shop
- ★ Livestock, crop storage
- ★ Combination uses

AUTHORIZED DEALER:

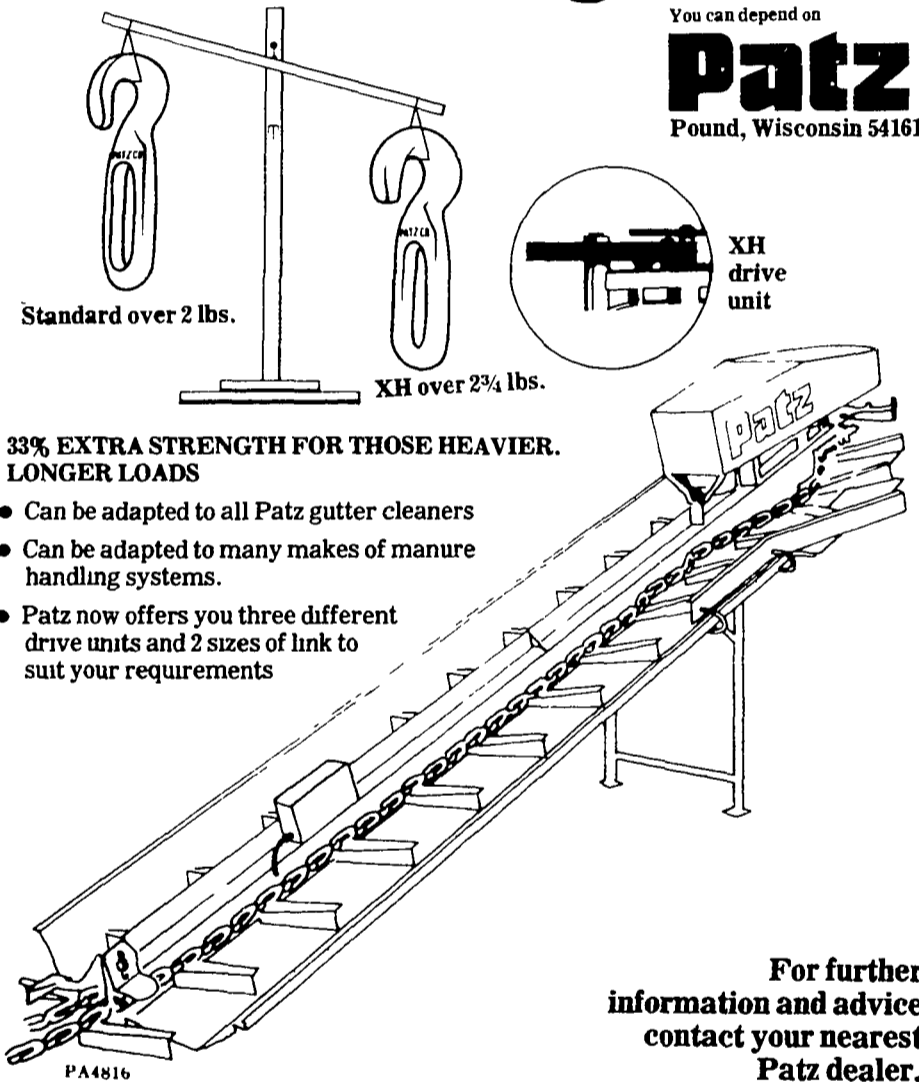
ZINN BUILDERS, INC.

1408 Marene Drive
Harrisburg, PA 17109
717-545-0231
Charles H. Zinn

The new Patz XH Link and drive unit gives you extra performance over the long haul

You can depend on

Patz
Pound, Wisconsin 54161



33% EXTRA STRENGTH FOR THOSE HEAVIER, LONGER LOADS

- Can be adapted to all Patz gutter cleaners
- Can be adapted to many makes of manure handling systems.
- Patz now offers you three different drive units and 2 sizes of link to suit your requirements

For further information and advice contact your nearest Patz dealer.

DISTRICT MANAGER

GEORGE HEATH 472 Woodcrest Dr. Mechanicsburg, PA 17055 717-737-0002

ALEXANDRIA
MAX ISENBERG
814-669-4027

HAMBURG
SHARTLESVILLE
FARM SERVICE
215-488-1025

QUARRYVILLE
UNICORN FARM SERVICE
JAMES E. LANDIS
717-786-4158

BALLY
LONGACRE
ELECTRIC
215-845-2261

LEBANON
MARVIN J. HORST
DAIRY EQUIPMENT
717-272-0871

TERRE HILL
TERRE HILL
SILO CO. INC.
215-445-6736

BELLEFONTE
LUCAS BARN
EQUIPMENT
814-383-2806

McALISTERVILLE
SANER FARM
SYSTEMS
717-463-2606

WILLIAMSBURG
LONGENECKERS, INC
814-793-3731

BELLEVILLE
MACLAY & SON
717-935-2101

MILLERSBURG
LANDIS
LABOR SAVERS
717-692-4647

MARYLAND DEALERS
HAGERSTOWN, MD
TRI-STATE
FARM AUTOMATION
301-790-3698

CAMP HILL
LLOYD SULTZBAUGH
717-737-4554

MILTON
LANDIS FARMSTEAD
AUTOMATION
717-437-2375

KENNEDYVILLE, MD
PINDER SERVICE CO.
301-348-5263

CHAMBERSBURG
CUMBERLAND FARM &
DAIRY INC
717-263-1965

PIPERSVILLE
MOYER
FARM SERVICE
215-766-8675

LINEBORO, MD
WERTZ GARAGE, INC
301-374-2672

ELLIOTTSBURG
CARL BAER
717-582-2648

STREET, MD
P & S EQUIPMENT, INC
301-452-8521