

New farmers learn how to get started

KENNETT SQUARE — Where would you go for information on farming if you were just getting into the profession? For starters, you might want to follow in the footsteps of close to 100 other individuals and participate in the Short Course for New Farmers.

Despite the rain that threatened to dampen the enthusiasm of the eager crowd, the auditorium was filled to over-flowing here at the New Bolton Center on Saturday.

Working as a team to get useful information out to people interested in starting to farm, the University of Pennsylvania's School of Veterinary Medicine and Penn State's Cooperative Extension Service staffers brought the new farmers up-to-date on how much money it takes to get into farming, the in's and out's of animal and plant production, and the services of local veterinarians.

Virgil Crowley, professor of farm management extension from Penn State, told the group of new farmers that current incomes and investments in farming in the U.S. based on 1979 figures reflect a net income of 31 billion. The 1980 estimates, however, have been projected to be between 23-25 billion, a reduction of 20 to 25 percent, he pointed out.

Not very encouraging news for the new farmers. Crowley went on to tell them the amount of disposable income from all sources for each farmer was below that of the nonfarm sector. In 1978, the per capita disposable farm income was 90.6 percent of the nonfarm income in the U.S.

Bringing his topic a bit closer home, Crowley told the group that the average net income per farm in Pennsylvania was \$9713 in

1978. However, he quickly pointed out the number of farms in the state has dropped by 45,000 in just eight years.

With all the statistics pointing against farming, how would someone just getting into the field ever get started — and why would they want to?

Crowley then took several farming enterprises and looked at the investment it would take in order to make \$10,000 a year.

He pointed out the preliminary 1979 Pa. Dairy Farm Business Summary indicated an average net farm income of \$9680 for dairy farms with 20 to 29 cows. The average total assets of these farms was \$183,616 per farm and total cash receipts per farm averaged \$48,092 and cash expenses were \$32,794.

These figures were based on situations where the average labor required 1.4 man equivalents and the return on investment was 2.8 percent. The labor and management income was .71 cents per hour and the operators had 80 percent equity in their farm — average interest paid was just over \$2500 each year.

If the new farmer wasn't quite ready to tackle the life of a dairy farmer, Crowley went over what it would take to get set up in a beef operation.

He cited a recent study that said an investment of over \$51,000 was needed to have 32 beef cows — and that doesn't include the land investment. These 32 cows could generate an income of \$3761, so in order to make \$10,000 a year, a beef cow herd of close to 100 cows would be needed.

Now, just in cows alone, the new farmer finds the investment required is around \$140,000, without the

land. Then adding the cost of land to run the cattle on would be an additional \$200,000 based on each cow needing 2-3 acres of land. Summing the costs, Crowley came up with a grand total that made most of the audience's heads spin.

For those who were chickening out of the dairy and beef business, Crowley pointed out the estimated investment needed to get full-swing into the poultry industry. The building alone, he said, would run around \$150,000 for 50,000 square foot of space for a broiler house. The necessary equipment to go along with the building would run another \$100,000.

Crowley analyzed the potential income from the poultry operation and came up with a wide range in potential income — from 0 to a high of \$15,000 depending on the owner's efficiency and equity.

"Thus, if one looks at this as an alternative for beginning farmers, it may

not be satisfactory unless the beginning farmer has a strong capital position," Crowley concluded.

For those daring new farmers who were thinking about swine production, Crowley did have an encouraging word. He said one advantage to raising swine is it is the type of enterprise that doesn't take as much land — but there should be enough to dispose of the manure.

In order to set up a farrowing and finishing operation where hogs would be raised to marketing weights of 210-240 pounds, Crowley said a new farmer would need anywhere from \$1500 to \$2500, excluding the cost of land.

Estimating a net farm income per sow each year based on current feed and market hog prices and hoping to raise 8 pigs per litter with each sow farrowing 2 litters per year, the swine producer might hope for an income of \$480 to

\$560. So, it would take 20 to 24 sows to net \$10,000.

"It is important to point out," said Crowley, "that in March this year, the net farm income per sow from this enterprise would have been 0. The income from a swine enterprise is often subject to wide fluctuations as feed and product prices change."

Some general rules for new farmers that Crowley shared with the group were:

—total farm sales is a factor of volume of product produced and sold multiplied by the price;

—net farm income will range from 19 to 35 percent of gross sales, influenced by the type of enterprise and prices;

—large net incomes require large sales;

—net income among farms that are similar in type and size is affected more by the management ability of the farm operator than any other single factor.

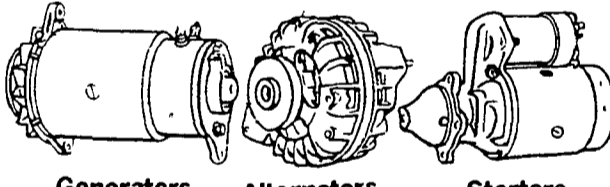
Crowley told the group it is still possible to start farming

with limited capital, however it is becoming increasingly difficult. He reviewed the various areas where loans could be obtained, such as commercial banks, Farm Credit system, FmHA, insurance companies, and individuals.

In conclusion Crowley stated, "Farming is, and will continue to be a dynamic business that offers opportunities for both success and failure. Success requires records, planning and seeking the best information. Hard work can compensate for many mistakes, but it by itself is not enough for success."

Raymond Shipp, associate professor of agronomy extension at Penn Sta informed the new farmers that 90 percent of the topsoil in the state is of the most desirable kind — silt loam or loam. He told them this type of soil has just the right mix of sand, silt and clay to provide the best textured soil for crop production.

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