

Co-op administrator talks on economic strategies

BY BETH HEMMINGER
Staff Correspondent

CARLISLE — "It is too early to gauge the impact national policies and the new economic developments will have on agriculture," stated Randall Torgerson in his opening remarks at the first session of the Pennsylvania Association of Farmers Cooperative annual meeting last week at the Embers Conference Center.

Torgerson is a noted agriculture economist, author, educator and the Administrator of the Agriculture Cooperative Service, U.S.D.A.

The keynote speaker revealed his philosophy on the new national policies for agriculture, however. He said the policies are directed toward the supply side of economics which means the farming industry will be hearing and feeling federal spending cut backs, monetary restraints and easing of regulatory burdens on business.

A new climate is facing cooperatives, said Torgerson who sees this new climate as being a self-help atmosphere.

"The best government governs the least. Consequently, if cooperatives want to prosper in today's economic policies, they must begin helping themselves and relying less on government," said Torgerson, echoing the beliefs of President Thomas Jefferson.

To begin the self-help strategies,

he said, cooperatives must close their ranks and look beyond the regular organization to expand in a broader sense. Torgerson explained that during the past years cooperatives have lost their market influence due to competition. Cooperatives in the same community with the same services are working against one another — trucks passing each other on the same roads, offering the same services and products, he said.

"There is too much inter-cooperative competition for any one cooperative or its patrons to gain and flourish," Torgerson emphasized.

He noted that for cooperatives to regain their market influence and strength they must merge and organize into multi-cooperative groups, special consulting and service businesses and foreign subsidiaries. He pointed out two of the best examples of these merged cooperatives today in Pennsylvania are: Farm Credit and Rural Electric, both national systems.

When cooperatives do merge, they can offer stable services and prices to buyers, use of national brands and nation-wide product use which increases market power. Torgerson remarked that merging systems are the answer to cooperative's prosperity, but it requires commitment and financial strength.

Over the past decade the

financial picture of cooperatives has looked grim, stated the economist. Two reasons for this grim portrait are high interest rates and inflation, but he noted that non-cooperatives with the same economic outlook have entered into the monetary-problem years with more fat to fall back on. Why?

One answer to the "why" is equity redemption said Torgerson. Equity redemption is a basic cooperative philosophy — namely, those who patronize their cooperative should bear the primary financing responsibility; those who have effectively terminated their patronage should be relieved of their financing responsibilities.

For the cooperative in the past years, said Torgerson, this inactive-member equity can represent between 10 and 48 percent of its allocations. How to retire the equity without jeopardizing the association's financial structure has been the cooperative's problem, he pointed out.

In 1954 the average equity capital of cooperatives was 57.1% and in 1976 the percentage dropped to 41.7%. Along with the drop in equity, cooperatives assets have taken a plunge causing major financial problems for cooperatives and their equity redemption programs.

In 1962, cooperatives' balance sheets showed 52.4% total assets



Keystone speaker Randall Torgerson, administrator of the Agricultural Cooperative Service, U.S.D.A., right, and dean of the College of Agriculture at Penn State, Samuel Smith discuss agriculture's economic climate at the annual meeting of the Pennsylvania Association of Farmer Cooperatives, held last week at the Embers Conference Center.

compared to 1980's low 28.6%. Torgerson stated the most relevant factor influencing the presence or absence of any sort of equity redemption program is sheer size of total assets. "The larger the size of the cooperative the greater the probability of its carrying out a redemption program," he noted. Consequently, cooperatives are playing catch-up, presently

building more equity to strengthen their balance sheets. Torgerson remarked that financial strength is at the local levels of cooperatives. "This is where responsibilities lie for the financially strong local cooperatives to explore new markets, develop growth strategies and plan for their future."

Pa. Farmer Co-ops honor Dillner, Duncan

BY SALLY BAIR
Staff Correspondent

CARLISLE — Rose Dillner and Donna Duncan were presented with the Pennsylvania Association of Farmer Cooperative's distinguished service award here at the group's annual meeting Wednesday night.

It was the first time two people were recognized and it was the first time two women received the award.

Rose, the wife of vocational agriculture instructor Fred Dillner, was recognized for her work with the annual "Co-op Couples" conference and other work with young adult farm programs over the years.

She is chairperson of the Elementary Physical Education Department of the Shippensburg Area Schools and serves as chairperson of the Shippensburg Historic Preservation Committee. She is active in the Historic Society and the Heritage and Recreation Planning Society.

She helped organize the first

annual "Shippensburg Corn Festival" and works as chairperson of the Shippensburg Fair Program Committee and co-director of the weekly farmers markets. She also serves actively in the Christ United Methodist Church.

The printed recognition said, in part, "Her caring and friendliness shines through and is a rich example to countless people."

Donna Duncan, the wife of Cumberland County Extension Agent Duane Duncan, has served as co-chairperson of the Co-Couples Conference and the PAFC Ladies Program. She has also hosted Cumberland-Perry Co-op Council youth activities.

Donna is secretary of the Cumberland County Dairy Princess program and works actively with the junior dairy show, state 4-H horse show and All-American Dairy Judging Forum.

She has served as coach for county flower, vegetable and horticultural 4-H judging teams, five of which placed first in state

competition.

She is active in the Cumberland County Society of Farm Women and in the Allison United Methodist Church. Donna also serves as secretary for the Cumberland Cooperative Sheep and Wool Growers Association.

PAFC gave her the title of "Honorary Extension Agent of Cumberland County" for the support she gives her husband and his programs and said, "her dedication and unselfish support has been an inspiration to cooperative people, young farm couples, scholars and others over the years."

Rose was presented with a handcrafted stool and Donna received two pewter oil lamps.

Samuel Smith, dean of Penn State's College of Agriculture, told the group that PAFC and Penn State enjoy a "very unique relationship." He pointed out that there will be challenges to face with the new types of cooperatives now emerging, including integrated pest management co-ops and crop improvement associations. "These are traditional in some respects but require some new twists."

Smith added, "I want the college to stress quality in all its programs and research." He said while they have often tried to do everything, this will no longer be possible.

Calling the United States the most food productive nation in the world, Smith told the group if it is to continue in that capacity it will take a cooperative effort. He said food needs will double in the next 40 years and told the cooperative leaders they can help shape the course of events over those years.

He added, "We want to see agriculture to be number one and we can only do it through groups like yours." He said a cooperative effort is needed by growers, producers, elected officials and the University.

Entertainment for the event was provided by the Chambersburg High School Steel Band — Trinidad style — under the direction of Lynn Lerew.



Samuel H. Smith, dean of the college of agriculture at Penn State, addressed the annual meeting of the Pennsylvania Association of Farmer Cooperatives in Carlisle, saying he is a strong supporter of cooperatives.

Latest Del. wheat, barley results available

NEWARK, Del. — Results of Delaware's 1981 small grain trials are now available. They're published in the "1981 Wheat and Barley Review," a bulletin prepared by the Delaware Cooperative Extension Service.

The review contains reports on results of both wheat and barley trials at two locations — Georgetown and Sandtown — including an evaluation of disease resistance among varieties grown.

The bulletin also contains reports on the results of several

studies involving continuous no-tillage double crop wheat and soybeans, wheat population and row spacing, no-tillage vs. conventional wheat and barley after corn, no-tillage vs. conventional wheat after soybeans, wheat and barley irrigation and nitrogen, and wheat over-top sprays with Surflan.

Copies of the bulletin are available free from Extension offices in Newark, Dover and Georgetown.



Donna Duncan, left, and Rose Dillner were presented with the PAFC Distinguished Service Award for their work with cooperatives. Harold Ely assisted in the presentation of the awards, which were pewter oil lamps for Donna and a handcrafted stool for Rose.