## Lycoming Co. DHIA

	(Continued from Page C8)								
	B67 <sup>r</sup>	4.2	19.221	678	305				
( 2 -	Regina	3.3	16.280	<b>682</b>	271				
	P35	3.4	17 392	856	281				
	65	2.8	12 444	653	246				
	Marun I Waltz	2-0	12,444	000					
		6-10	17 442	767	305				
	Faricy	5 10	22 196	000	305				
	Evanne	3.10	10,252	700	205				
	Maxine	4-11	19,200	- 696	305				
	BOOTS	1-11	17,170	000	305				
	Burton Y. Staman	67	10 742	·	205				
	95	5-7	19,742	000	305				
	Jack L. Hipple	~	10.170	601	205				
	113 ~	/-F1	19,179	081	305				
-	Dennis W. Eckert	•			201				
	Wilann	5-6	20,000	709	305				
	Merrill Holdren								
	47 <sup>·</sup>	3.2 .	20,153	760	305				
	Richard J. Daly								
	66	6-0	15,357	673	305				
	21	3-7	18,096	650	305				
	9	3-5	18,786	689	305				
	Harold & Anna Mae Be	ower							
	Cutie	5-1	17,410	809	305				
	Schon-Crest Farms		•						
	Honey	7-5	23,900	793	305				
	Virginia	6-2	16.617	726	305				
	Alice	3-7	17.932	774	305				
	1 17710	2.2	16 929	695	305				
	Date E Cooley		10,200						
	Michole	2.4	16 254	704	305				
	Pichard Schop	<b>L</b> 1	10,201						
		3.0	18 500	729	305				
		5-5	10,000	125	000				
~	Freu W. Lovesi	6.2	16 800	692	205				
	rtusy	0-3	10,090	002	505				
- ·	LOST BROOK Farm	0.6	20 622	915	205				
	41	9-0	20,023	760	205				
	63 .	5-7	19,700	759	305				
	/1	4-3	18,000	000	305				
	79	4-3	23,337	769	305				
	Kreidell Farms		15 005	663	205				
	93.	2-6	15,885	663	305				
	Aaron Ritter				005				
	Effie	4-4	17,560	/31	305				
	Jiffy	7-0	25,839	977	305				
	Edward C. Ulrich								
	3Freda	7-1	19,625	848	305				
	Franklin J. Finck				<b></b>				
	Irma	7-10	24,186	865	305				
	Patsy	7-2	18,227	769	305				
	Rose	6-2	19,974	678	305				
	Peggy	3-3	17.714	677	305				

		SEPTEME	BER 1981				payments might an	nount t	o an	available f	or servicing additiona	al		
	Herds averaging o	Ver 1.35 ID:	s. Dutteria	at. 070	66.2	222	additional \$3,800 per j	vear. It's	hard	debt loads	, etc. In other words	3,		
	Figene W Hall	- R&GrH	67.6	07.0	50.Z	1 06	to take that big a cut	in profit	when	only \$8.04 o	f the \$13.40 price for th	e		
	Samuel & Larry Fry	- RH	119.6	88.8	49.3	1.84	inflation is going	the opp	oosite	additional	milk is profit. Thes	e		
	Robert L. Tome	R&GrH	51.4	88.3	49.1	1 84	direction at 10 percer	t or mor	e per	figures wi	ll vary greatly from	n		
	John Snyder	R&GrH	39.2	92.7	49.6	1 81	voor		e Per	farm to fai	rm, and the profit rati	0		
	Marshall Bros. #1	RH	100 0	85.6	44.7	178	But lot's not use i	ntorest	rates	will be mud	h smaller, and in som	e		
	H & A Bower	R&GrH	23 3	83.6	49.3	1 /2	But, let's not use a	chodow	other	cases non-e	existant, at lower level	S		
~	Lost Brook Farm	R&GrH	65 1	82.4	44.4	·1.70	as an excuse to over	as all excuse to overshadow other			of production			
	Franklin J. Finck	RH	786	94.6	46.3	1.67	major concerns such	as debi	. 1080	or production	<i>.</i>			
<b>•</b>	- Harold R. Drick	GrH	210	96.3	, 42.4	164	per cow and type	ci inar	icing.			- •		
	Merrill Holdren	BLCM	200	89.8	40.4	1.63	Let's look at how mu	ich addi	lional	How ma	iny pounds of milk,	at		
	Willard Breistord	RECINIX	390	90.3	44.5	1 63	milk is needed per co	w per ye	ear to	\$8.04 profit	t per cwt., is required	to		
	Edward C. Ulrich	R&GrH	35.9	96.7	40.1	1 59	service an additional	\$1,000 of	i debt	carry a \$1,	,000 debt per cow and a	11		
	John C. Bower Jr	R&GrH	86.1	89.0	43.2	1.54	per cow, and compa	re this t	o the	percent in	crease in interest rates	s?		
	J. David Jarrett	R&GrH	118.5	81.9	41.8	1 50	impact of inter	est ra	ates.	Study the	tollowing figures. The	зy		
	Schon-Crest Farms	R&GrH	42 0	87.8	42 0	1.50	Remember, the cows	have to	carry	can be qui	te revealing.			
	Mary Katzmainer	R&GrH	49.0	93.1	45.8	1.50	•		•		U			
	Jesse Snyder	RH	336	99.8	39.1	1.49								
	Youngsway Farms In	c. RH	80.1	94.9	40.1	1.49	- <u></u>							
	L. Paulhamus	R&GrMix	15.4	98.1	38.8	1.47	Steppe Brothers							
	Steppe Brothers	RH	85.9	83.7	39.8	1.46	Ida	10-4	17,110	709	305			
	Mont Will Forms	Regin	20.1	80.1	38.1	1.40	Jean	6-6	21,377	796	305			
	Dale E Cooloy		30.0	74.5	40.0 201	1.43	Juicy	5-4	18,634	673	303			
	Fidon I • Metzger	GrH	40.9	75.5	30.1	1.45	Eugene W. Hall	<i></i>	00.000	005	205			
	David L.C. Albert	GrH	-21.3	87.1	37.1	1.39	Lady	6-8	23,028	995	305			
	Earl L. Hensler	R&GrH	40.7	84.4	37.5	1.37	Streakr	0-0	20,341	034 941	305			
	Thomas Dunlap	GrH	28.0	80.5	. 31.6	1.36	Eille Marshall Bros (oc. #)	4-1	22.000	041	365			
	Don & Scott Lepley	GrH	32.8	738	40.6	1.35	Susp	10-7	17.288	681	305			
	Cows Producing Over	r 650 Lbs. E	Butterfat:				B107	4.5	21.031	892	305			
	Harold R. Drick	•				<b></b>	R42	4-2	17,203	762	305			
	FIO	9.0	16,893	3	713	305	Rai	3-6	18,333	745	305			
	Cora Samuol 8 Loren Eru	6-0	18,056	<b>)</b>	680	305	Marshall Bros Inc #2		_					
	Nupper	A.1	17 400	,	744	205	196M	3-1	17,232	702	305			
	inev	3.1	10/035		678	305	-Miller & Rearick	- 0		074	205			
)	Earl L. Hensler	51	19,000	,	0/0	305	103	5-9	18,831	834	305			
· .	lvv	8-2	15.293	3	726	275	61	5.5	19,320	676	305			
	Roy Schultz	-					21 Don & David Bogart	0-0	17,344	0/0	305			
	Denice	7-8	18,775	<u>ن</u> ز	658	305	89	6-8	17.956	689	305			
	Lida	5-3	18,834	L T	707	305	. Merrill Holdren	00	17,000					
	Feggy	3-2	17,854	ļ	753	305	34	3-0	16,605	753	305			
	Jesse Snyder	0.0	00.000		000	200	Richard J. Daly							
	Fancy	0-2 7 3	20,933	)	892	305	16	3-6	25,090	926	305			
•	Bettio	7-3	10,/01		790	305	15	3-10	16,155	827	305			
	Carrie	2.8	17,869	,	692	305	Schon-Crest Farms	76	20 473	074	2(11)			
	Candy	2.7	18,125		744	305	Candy	7-10	20,473	8/4	305			
	J. David Jarrett	- •	,				JIII Dala 5. Contav	5-0	,21,339	02.0	303			
	Maid 12	7-0	17,208	5	656	297	15	1.8	18.958	745	305			
	197	4-10	14,828	i	662	305	Nicky	4-1	20.754	706	279			
	15	4-3	13,574	•	708	305	Warren Fenstermache	r						
	154	3-5	18,075		664	305	86	6-4	19,255	806	305			
	Robert Voneida	6.6	10 617		76.03	204	Fred W. Loveli							
	Lester M. Poust	0.0	19,513	i	/58	305	Ann	5.8	18,327	686	277	-		
	Melodee	6.4	24 460	1	0/8	305	Valerie	3-0	18,862	687	305			
	Mystic	4-4	22,400	. 1	026	305	Lost Brook Farm	2.11	20,002	721	203			
	Kathy	4-2	24.026	ĩ	037	305	83	3-11	20,002	564	305			
	John C. Bower Jr			_			32 Mary Katzmaier	2-3	15,105	504	000			
	Dot	4-11	20,890		898	305	837	10-8	19.654	788	305			
	Willard M. Breistord						R59	1.1	16.456	652	299			
	Donna	8-3	20,401		671	299	Eldon L Metzger							
	Prem	3.4	20,047	-	6/8	305	4	4-11	18,127	690	305			
	reachy Mont W/II Forme	<b>3</b> ∙1	16,526		001	305	2	1-11	15,739	662	305			
	Pater	<u>9.3</u>	10017		820	204	Benjamin E McCarty				204			
	linda	7.1	20 736		753	290	39	6-8	19,409	660	294			
,	Eve	7.2	20.195		760	248	20 Lucation I. Succh	0-0	18,213	0/0	300			
	Norwood Meisel	. ••				2.0	Franklin J FINCK	1.3	20 054	762	305			
	Mae	9-6	16,826		681	305	Shirley	5-2	15 882	705	305			
	Richard Barto					*	Barbara	3-10	17.090	756	305			
	Lucy	7-9	22,436		760	305	Bell	3-0	17,243	/19	305			
	Cheryl	2-1	18,864		/41	305		-						



the debt load and meet the

So, let's look at their carrying

capacity before we get ourselves

over-committed. And let's see how

vulnerable we are to production

To make this comparison, I'll

make several assumptions. First,

let's work with a net milk price of

\$13.40 per cwt. (This price is not

intended to be a prediction; it is

being used only to serve as an

that extra milk. The remaining 60

percent will be profit, profit that is

payments.

changes.

example).

**Easing the Financial Crunch** 

Cash flow — or the lack of 1t - 1sa problem that is becoming all too familiar to many farm families. When you are in this predictament, the big question is, how do you improve the situation?

Well, don't expect any magical solutions, simply from reading this article. It isn't that easy. Better market prices and lower production costs would help, but these are things over which you have little immediate control. So, let's focus on a few things you can control.

First, let's look at debt load, a figure that can be very astronomical on a dairy farm. A lot is said about interest rates, and they are a major problem. For example, if you took out a \$100,000 loan for 15 years at 8 percent interest and the rate jumped to 13 percent, the increase in interest

	, canganay , annan		00.1	J 1		•					
	L. Paulhamus	R&GrMix	15.4 9	98.1 38.8	1.47	Stoope Brothers					
	Steppe Brothers	RH	859	837 398	146	Steppe Drothers	10.4	17110	700	205	
	Benjamin McCarty	08.0-44	291		1 46	Ida	10-4	17,110	709	305	
	Mana Mult Course		20.1	30.1 30.1	1.40	Jean	6-6	21,377	/96	305	
	Mont-will Farms	Ragri	38.0	74.3 40.6	1.43	Juicy	5-4	18.634	673	303	
	Dale F. Cooley	R&GrH	31.0	75.3 38.1	1.43	Fugene W Hall		•			
	Eldon L: Metzger	GrH	40.9 8	31.8 39.4	1.41	Lugene W. Han	<u> </u>	22 (129	005	305	
	David L C Albert	GrH	-213 1	871 371	1 39	Lauy	0.0	23,020	990	205	
	Earl I Honstor	DRC-U	AC 7 0	DA A 376	1.37	Streakr	6-8	20,341	834	305	
	Lari L. Hensier	Nation	40.7 0	54.4 57.5	1.3/	Ellie	4-1	22.656	841	305	
	I nomas Duniap	GrH	28.0 8	30.5 31.6	1.36	Marshall Bros Inc. #1					
	Don & Scott Lepley	GrH	32.8	738 40.6	1.35	Susie	10-7	17.288	681	305	
	Cows Producing Ove	er 650 Lbs. E	Butterfat:			D107	4.6	21 031	802	305	
	Harold R. Drick					DI07	4-5	17,001	762	205	
	Flo	0.0	16 803	713	205	R42	4-2	17,205	702	305	
	Corre	50	10,055	715	305	Rai	3-6	18,333	/45	305	
	Cora	0-0	19,000	080	305	Marshall Bros Inc #2					
	Samuel & Larry Fry					196M	3-1	17.232	702	305	
	Nipper	4-1	17,400	744	305	Millor & Rearick					
	Inev	3-1	19.035	678	305	Numer & Rearies	<b>50</b>	10 001	934	305	
)	Farl I Hensler		,		•••	103	5.9	10,001	007	305	
	has	01	16 202	706	0 JL	61	5-3	19,328	907	305	
	ivy	0.5	10,293	/20	2/5	21	0-0	17,344	676	305	
	Roy Schultz	-				Don & David Bogart					
	Denice	7-8	18,775	658	305	20	6.8	17 956	689	305	
	Lida	5-3	18.834	707	305		00	17,000	000		
	Feggy	3.2	17 854	753	305	- Merrill Holdreil	2.0	10.000	760	. 206	
	losso Spydor	02	17,004	/00	000	34	3-0	10,605	/53	305	
	Jesse Snyder	0.0	00.000	000	200	Richard J. Daly					
	Fancy	8-2	20,935	892	305	16	3-6	25.090	926	305	
	Glady	7-3	16,761	795	305	15	3.10	16.155	827	305	
•	Bettie	3.4	18.488	769	305	Sahan Crost Forms	0.10	10,100	021		
	Carrie	2.8	17 869	692	305	Schon-Crest Farms	76	00 470	074	2(11)	
	Candy	2.7	19126	744	205	Candy	7-0	20,473	0/4	305	
		2-1	10,125	744	305	וונ	5-0	21,339	820	300	
	J. David Jarrett					Dale F. Cooley					
	Maid 12	7-0	17,208	656	297	15	7-8	18.958	745	305	
	197	4-10	14,828	662	305	Nicky	4-1	20 754	706	279	
	15	4-3	13.574	708	305	Marrian Enactormacho		20,707			
	154	3.5	18 075	664	305	warren renstermache		10.055	905	206	
	Pohert Vanouda	00	10,070	004	505	86	6-4	19,205	800	305	
	Abbert Vonetua	~ ~	10 (10	7/ /)	2/14	Fred W. Loveli					
	Chery	0.0	19,513	/58	305	Ann	5.8	18,327	686	277	
	Lester M. Poust					Valerie	3-0	18.862	687	305	
	Melodee	6-4	24,460	948	305	Lost Brook Farm					
	Mystic	4.4	22,954	1026	305		211	20,002	721	203	
	Kathy	4-2	24 026	1037	305	63	0.0	15 165	564	205	
	toba C Bower Ir	•	21,020	1007	000	32	2-3	10,100	504	202	
	Jointe, Dower Ji		00.000	000	201	Mary Katzmaier					
	DOL	4-11	20,890	898	305	R37	10-8	19,654	788	305	
	Willard M. Breisford					859	1-1	16.456	652	299	
	Donna	8-3	20,401	671	299	Fidon I Metzger	• •				
	Prem	3.4	20.047	678	305	EIUUII L Metzgei	4 1 1	10192	600	205	
	Peachy	3.1	16 626	661	305	4	4-11	10,127	660	205	
	Mont Mull Earma	0.1	10,520	001	305	2	1-11	15,739	002	305	
	WUNE-WIN FATILS	0.5	10 01 3			Benjamin E McCarty					
	Patsy	8-3	19,917	820 _	296	39	6-8	19,409	660	294	
L	Linda	7-1	20,736	753	297	20	6.8	18,213	678	305	
,	Eve	7-2	20,195	760	248	Lucaldia L Evalu	00	~~,~ 10	0.0		
	Norwood Meisel					Franklin J Fillek	17	20.04.0	76.0	205	
	Man Man	0.4	16 075	601	2015	Irene '	7-3	20,058	/02	305	
	Nate Dishawal Posts	3-0	10,020	001	300	Shirley	5-2	15,882	705	305	
	richard parto				*	Barbara	3-10	17,090	756	305	
	Lucy	7-9	22,436	760	305	Bell	3-0	17.243	/19	305	
	Chervl	2-1	18 864	741	305	000					

Lancaster Farming, Saturday, October 31, 1981-C9

Pounds of Extra Milk Length of Loan 5 yr Interest Rate 18% \$320 3977 17% 1% 14% 13" 2025 1925 15 yı \$163 155 1% 100

In the above example, your herd average would have to increase by about 4,000 pounds to support an additional \$1,000 debt load on a 5 year loan. With a 15 year loan, and lower interest rates, you can support the same debt load with about one half as much as milk. Note too, that a mere 100 pounds of milk will carry an increase in interest rates of 1 percentage unit for each \$1,000 debt load per cow. Now, you tell me, which is more crucial-interest rates or debt load per cow and type of financing?

Hopefully, this comparison puts things in a truer and clearer perspective, and emphasizes the importance of getting the right kind of financing (length of loan and interest rates) and of watching your debt load.

This example shows how much milk you need to carry the additional debt load. The converse is also true. For example, if you've borrowed to your limit, and suddenly production drops by several thousand pounds, look what this does to your debt carrying capacity. In other words, be sure to keep a margin of safety.

## What To Do

So, you are over-committeed. What can you do?

Look at your debt structure to see if refinancing will help. Would it be helpful to convert some highinterest short-term loans and notes to long term loans? What items can you return or sell in an effort to stop present payment obligations or to convert them into badly needed cash?

A word of caution at this point. In a desparation move to raise cash, be careful you do not sell away your income producing base. For example, you might sell two nonprofitable cows for cash and use that cash, not to make a debt payment, but to re-invest in one profitable cow, and use the profit from her to pay on the debt. Her profit is ongoing. The cash from the cull cows is useful once and done!

Another move might be to reduce your machinery and equipment line, and hire a custom operator to perform the work done by this equipment. This may have an added advantage of freeing you to spend more time with the herdwhere your time can really pay big dividends.

Remember, increased production makes it much easier to meet debt obligations. Pay attention to those details that get cows bred, that keep them milking, that reduce mastitis and keep calves alive and growing vigorously. Another word of caution. Be slow to give up equipment and machinery which are crucial to field operations that must be performed on a timely basis, such as harvesting haylage. True, forage harvesters are expensive to own and to operate, but it might be far more expensive to end up with a silo full of mediocre feed and a herd that does not produce as it should just because the custom operator was not there when he should have been. It's hard to make milk or a good profit on poor quality feed. Also pay attention to those little things that cut production costs and improve efficiency, such as feeding more frequently, weighing feeds and testing them for moisture to determine actual intake, balancing rations, least-cost formulation, good barn ventilation, preventative herd health programs, etc.

To increase average production per cow above your present level of production, about 40 percent of the income from the additional milk will be gobbled up by the additional costs associated with producing

> A common temptation is to get bigger in an effort to produce more

> > (Turn to Page C10)