

Can a small farming operation afford a corn picker?

BERNVILLE — Does it pay the small to medium-sized farmer to purchase a corn picker, or is it better to have someone come in and custom combine the corn?

Most farmers who put the pencil to this question will conclude it does indeed pay to own their pickers, even when the cost of owning one, cash flow, is considered. One Berks County farmer who attests to this cost analysis is Rodney Garrett of Bernville.

Garrett farms 60 acres of shale farmground which lies next to a small stream called Plum Creek. He grows 13 acres of sweet corn, 22 acres of wheat and 25 acres of field corn on his land.

This year, says Garrett, rather than hiring a custom machine to harvest his corn, he will be using his own one-row New Idea corn picker. "I sat down and figured the cost of having my corn custom combined versus buying my own corn picker, and I was surprised," he explains.

What convinced Garrett that his small operation could afford a new piece of equipment? Scratch papers covered with lines and columns of figures analyzing costs and savings — not only for one year, but for several.

Garrett determined that if he went back to hiring a custom machine to do the harvesting, it would cost him \$20.50 an acre. At that price, it would cost him \$512.50 to have the 25 acres of field corn picked.

Then, in order to dry the corn down to the point where spoilage would not be a factor, Garrett figured it would cost 25 cents a bushel. Anticipating a yield of 3,000 bushels, drying costs would be an additional \$750.

Garrett also estimated his losses for selling the corn directly out of the field as opposed to storing it on the farm at 15 cents a bushel, or \$450.

Altogether, the cost for custom picking his corn came to \$1,712.50, based on his calculations.

And, figuring the custom machinery may not arrive at the optimum time to harvest his corn, Garrett says he had to figure additional expenses for field losses.

How much loss is difficult to determine, according to Garrett. For his calculations, he referred to field studies from various universities that demonstrated how late harvesting losses amount to 4-17 bushels per acre. "I chose the low side of field losses so as not to kid myself on the economics of justifying my corn picker purchase," Garrett points out.

Using the 4 bushel loss factor, Garrett determined he would be losing an additional \$325 for the hazards of late harvest, bringing the total to \$2,037.50 for the 25 acres.

Garrett admits that no harvesting unit can harvest 100 percent of the corn in the field. However, he points out that the 4 bushel loss he used in his cost

analysis came from losses incurred during field shelling along with some downed corn due to late harvest.

When considering the alternative to custom hiring — the purchase of a corn picker — Garrett found that a new machine cost about \$5,000. Along with the picker, Garrett figured he'd need to buy a used wagon, a 25-foot elevator, and a sheller for a cost of \$1,000. Storage space for 5,000 bushels of corn already was available in the form of corn cribs, so no financial outlay was necessary for that aspect.

Anticipating that he could get the entire \$6,000 he needed for the picker and other equipment from Production Credit Association at an average interest rate of 16 percent over 5 years, Garrett pushed his pencil to determine the

financing cost would be \$1,832.46 per year, paid to PCA after each season's corn was sold.

Since he'd be operating the corn picker himself, the cost of fuel would now be his expense rather than the custom operator's, Garrett notes. To determine what his fuel expense would be, Garrett checked in with several of his neighbors and found that they claimed they could pick 8-10 acres of corn per day when conditions were right.

"I figured it would take me 30 tractor hours to pick my corn — and that figure was on the safe side," recalls Garrett. He determined his 50 HP tractor would use about 75 gallons of fuel. Based on a price of \$1.38 a gallon, fuel costs worked out to be \$102.

Figuring the cost of financing and operating the corn picker,

Garrett calculated the cost of owning his own equipment to be \$1,935.46 for the first year.

Looking at what might happen to the cost of custom picking during the length of his 5 year loan, the Berks County farmer said he could foresee at least a 5 percent jump in price each year. At the end of 5 years, his investment in someone else's time and equipment would come to \$11,258.51.

For both the custom and owner calculations, the net costs were determined after tax savings, including the investment credit for the purchase of the harvesting equipment, Garrett stresses.

His analysis showed that he would come out ahead of the game financially over 5 years if he opted for his own picker. Allowing for a \$50 increase in the cost of fuel each year, plus a total of \$200 in repairs

to the equipment over the period, the cost of owning his corn picker totalled \$10,477.30.

This gave Garrett slightly less than \$1,000 margin between customing or owning a corn picker. But his mind was made up when he figured the resale value of the corn picker at the end of 5 years would be \$3,000 for a net difference of \$3,781.21 in favor of owning the harvesting equipment.

What rights of ownership will be granted to Garrett with the purchase of a new corn picker?

For one, he will have more control of when his corn will be harvested. And, he can sell the corn either on the cob or shelled. Above all, he can sell the corn when he chooses. Garrett says he calls it his "market flexibility program."

Penn vet is first 'Allam' professor

PHILADELPHIA — Dr. William J. Donawick, a veterinary surgeon who developed a system for storing the heart of an animal in another species during transplantation, has been named to the newly created Mark Whittier and Lila Criswold Allam Professorship at the University of Pennsylvania School of Veterinary Medicine.

The chair, which was created with a gift from Mrs. J. Maxwell Moran of Paoli, honors another distinguished veterinary surgeon and the Veterinary School's former dean, Dr. Mark W. Allam, emeritus professor of surgery, and Mrs. Allam.

Dr. Donawick, who first came to the University of Pennsylvania as an instructor of veterinary medicine in 1964, trained at the University's School of Veterinary Medicine and its School of Medicine in surgery and transplantation biology. By 1970 he was developing techniques for storing an animal heart in another species, experiments which have implications for human as well as animal transplantation.

He discovered that the hearts of goats could survive in calves if the animals' natural tendency to reject foreign tissues was suppressed with drugs. By 1975 he had successfully transplanted goat hearts into calves for storage up to two weeks before returning them to other goats. Techniques that Dr.

Donawick pioneered may one day be used to store human hearts in other primate species until a human patient is identified and prepared to receive it.

Dr. Donawick has served as both chief of staff and chief of large animal surgery at New Bolton Center, the Veterinary School's large animal facility at Kennett square where he was a member of the team that produced the first "test-tube" calf born in June, 1981.

Currently, Dr. Donawick is doing research on "colic" which is one of the most common, feared and deadly diseases in horses. Colic is usually caused by a blockage in the intestine which may be surgically removed providing the horse is in condition to have the surgery performed. Dr. Donawick and his colleagues are studying the effects of blockage of the intestine on the movements of water, sodium and potassium across an intestine that has been temporarily obstructed. Their hope is to develop a method for regulating the water balance between the body and the intestine, which in turn would give the horse a better chance for survival.

Dr. Donawick received his B.S. from Cornell University and his D.V.M. from New York State Veterinary College at Cornell University in 1963. He is currently president-elect of the American College of Veterinary Surgeons (a specialty college founded by Dr.

Allam) and a member of the American Veterinary Medical Association and the Transplant Society. He lives with his wife, Bonnie, and their two children in West Chester, Pa.

The chair to which Dr. Donawick has been named honors Dr. Mark W. Allam, who was dean of the Veterinary School from 1952 to 1973 and is widely credited with developing the school into one of the finest in the nation.

"This chair permits me to express my long admiration for the work of Dr. Allam," said Mrs. J. Maxwell Moran. "It is through his efforts that the Veterinary School has grown to its current prominence and New Bolton Center has become a reality."

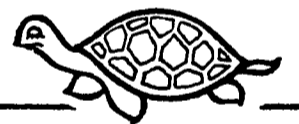
Under Dr. Allam's leadership, the University of Pennsylvania became the first veterinary medical school to move away from

the old agricultural and vocational mode of education to become a branch of the medical sciences. He made the school into a center for comparative medicine and fostered the development of specialties in veterinary medicine paralleling human medicine.

A distinguished veterinary surgeon, Dr. Allam was the first veterinarian to do graduate work in surgery in the School of Medicine. Also he pioneered in treating animal tumors with radiation and developed several diagnostic devices and surgical techniques. His many honors include the title Veterinarian of the Year by both the Pennsylvania Veterinary Medical Association and the American Animal Hospital Association.

Dr. Allam and his wife live in Media.

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HEAR THE REMAINDER
OF THIS SPEECH
NEXT MONDAY AT PFA

by David K. Sauder

You'll want to hear David K. Sauder, President, Trade Tech Management, Inc. and Lancaster Farming Columnist as the guest speaker at the Pennsylvania Farmer's Assn. Annual Meeting for their Marketing Conference.

Here's a quote:

"If time lasts, we are now at the end of a 510 year cycle for Western Civilization. We have some very critical choices which must be made. It's either radical change or revolution and poverty. It will be one or the other. And it will come within the next 20 years." You as a farmer will have something to say about that."

Hear the remainder of this speech next Monday at PFA Annual Meeting, Suites E-G, Hershey Lodge and Convention Center, Hershey, PA. Time is 3:00 to 4:00 p.m.

For more information about the convention or for additional printed quites from this speech, write to Trade Tech Management, Inc., 1020 Stony Battery Road, Lancaster, PA 17601. Or Phone: (717) 898-0139.

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