



Farm Talk

Jerry Webb

All eggs in one basket

The farm economy is in rough shape. There's no doubt about that. Just how bad seems to be the question. Attitudes among farmers range from hopeful optimism to downright depression. And among farm policymakers and administrators, confusion reigns.

A recent report from the Farm Credit System indicates that farmers aren't paying their debts quite as well as in the past, but they're not doing all that bad. It may be too soon for that particular indicator to judge how well farmers are doing. At least there is a hint that the farm economy is hurting.

The 1982 crops are in the ground, so there's not much farmers can do at this point except wait and hope for good weather and better prices. They've already decided that many of their crops aren't going to make money this year. It's more a matter of how much they're going to lose.

Western wheat growers are quoting a study just released that shows them losing \$3 a bushel on their entire crop this year. And a report out of Washington says that although 1982 crops will be smaller than last year, the total will still be larger than what is actually needed and will simply add to the buildup. Too much last year, a little more added this year, and you can see where crop prices are headed.

So what are the alternatives for the farmers who have the land and

the equipment and the crops already in the ground? There really aren't very many. Some belt-tightening can still be done, some deferred spending, some re-financing, perhaps even an early decision to sell out before foreclosure comes. And the other alternative — that one which most farmers will choose — simply wait and see what happens.

It's probably not a good time for any farmer, but it's a better time for those who have been at it a while and who have not been too ambitious in their efforts. It's also a better time for those farmers who are diversified. Maybe that flies in the face of modern thinking, but year in and year out those farmers with some diversification in their output have weathered a little better.

It's an unusual year when all of the major feed and food crops are down in price at the same time. Granted, we're in that situation now, but it shouldn't last too long and it shouldn't happen again soon. It's also unusual when the various livestock commodities are down in price at the same time.

So the farmer who grows some corn and soybeans and milks some cows and keeps a few pigs and has a broiler house, might be able to hang on. Whereas the corn and soybean farmer, unless he has something to fall back on, is going to be looking at a pretty thin paycheck this year. Perhaps it's old-fashioned to talk about

diversification - to caution farmers about putting all of their eggs in one or two baskets. But year in and year out it's proven to be good advice. Back in the old days, a farmer wouldn't dream of a one or two-crop enterprise. Today, it's rather common to see a grower with nothing but corn and soybeans, and with no thought of tending any livestock.

There was a concept back in the old days that said crops and livestock go together. That a farmer does best when he grows feed crops for his own livestock and markets the livestock rather than the crops. In those days, farmers milked a few cows, kept a few sows, even grazed some steers. They kept laying hens and sold eggs, and in some parts of the country even raised some sheep. A busy, productive, well-managed diversified farm in those days was something to see. There was work to be done year-round from dawn till dusk, and there were commodities to sell whenever money was needed.

Corn could be fed to the livestock and the excess stored for sale at the best time. The barn loft would

be full of baled hay that could be fed or marketed. A milk check came in every month, eggs went to town every week, wool could be sold once a year, and there was work for everybody. The kids tended the young stock, worked in the garden, helped out in the fields when needed, and learned about farming.

Farmers worked toward a balanced program of production. Enough feed for the livestock with something left over in case of a bad year, and something to sell for cash when it was needed. A large garden provided family food needs and beef, pork, poultry and mutton produced on the farm was standard table fare.

But a diversified farm is a complicated mechanism. It requires constant attention, a wide range of skills, and unquestioned devotion from the entire family. Besides that, much of it can't be mechanized. And that's why so many farmers throughout the country have sold off their livestock, plowed up their pastures, and are growing corn and soybeans, wheat and sorghum, and a few other crops that can be

tended from the air-conditioned comfort of a four-wheel drive tractor.

That seems to be the trend in agriculture these days — huge automated cropping units, pig factories, giant feedlots, and whole farms devoted to broiler or egg production. There are still some diversified farms in places where the ground is too rough for large equipment or the farmer is too stubborn to give up the old ways. For the most part, these folks are still doing pretty well in a time of agricultural adversity.

If there's a lesson anywhere in what can be seen in today's agricultural dilemma, it's the matter of farmers being too good at what they do. Their specialization and automation has rendered them more productive than they really need to be. As a result, many of them are paying the price.

Whether there will be more farm foreclosures next winter than we've seen over the past few winters remains to be seen. There are plenty of folks predicting just that. In the meantime, most farmers remain hopefully optimistic.



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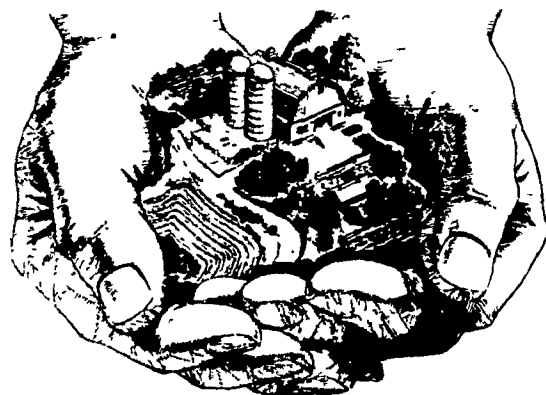
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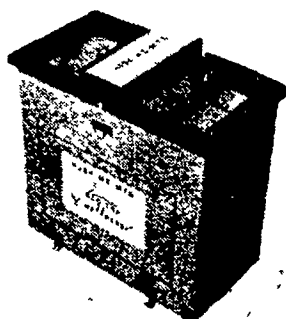
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