



The Dairy Business

By
Newton Bair

WHAT ARE THE FARM RECORDS FOR?

We are all furiously scurrying through our files, desk drawers, and shoe boxes, looking for all the evidence we need for IRS on the fifteenth of April. I don't know just why it is, but somehow the major goal for many farmers at this time of the year is to prove to Uncle Sam that we didn't make any money last year. No profit, no tax to pay! Boy, that's a relief!

There must be something wrong with that logic. Especially since we have survived another year, paid our bills, and even bought mother a new dishwasher. Then why be so happy about showing so little profit that we don't owe Uncle Sam any of it? Let's examine that thought for a moment.

Granted that operating your business is a real challenge these days. But, try to realize that it has always been hard work and lots of headaches to make a living on the farm. The only thing that is making the scene different today is that in addition to the usual sweat, you have to be an expert business manager to make a farm really pay.

I'd like to emphasize the expert. Now, no expert is going to operate

a business without PROFIT as a goal. So, along with the Good Life on the farm, making a profit should be our aim, and it certainly is no sin to achieve some profit, even if some of it must be shared with our Government. So, beware of some of those practices like investing in oversized machinery just to use up the farm profit to avoid taxes.

Of course, it's just good business to manage proper expenditures that have to be made anyway. Pre payment of Spring supplies and timely visits to your friendly Banker to minimize interest payments can save a bundle, and any money saved will feel so good in the Bank account. And if there is a real profit, Uncle Sam deserves an Honest share. Would you really like to farm anywhere else in the world than right here in the U.S.A.?

IS THERE A BETTER USE FOR THE SHOEBOX?

The shoebox is only symbolic of the limited use many of us make of our farm records. Maybe the record book you keep is quite adequate for an IRS audit. But is it adequate for management purposes? What do your records tell you about the strengths and

weaknesses in the business? Are they set up in such a way that a real business analysis can be made? Can you use them to find the most efficient crop program for your farm? Can you tell if it pays the most efficient crop program for your farm? Can you tell if it pays to raise heifers, or bulls?

Do you really know if it is cheaper to raise soybeans than to put that extra land into good forage for the herd? Are you making good use of the labor on the farm, both yours, the family and the hired labor? Above all, does your farm show a reasonable return for your capital investment, both yours and the Banks? The Shoebox records, as well as many minimal record books, can't begin to answer these and many other vital questions that you should be asking of them.

CONSIDER A COMPUTER FOR RECORDS AND ANALYSIS

A computer will not manage your farm or milk the cows for you. (Although you would be surprised at the things they can do.) If you are still timid about associating with those mini-monsters, don't get discouraged yet. Visit a friendly neighbor who is already using one to manage the farm affairs. I don't mean someone who is playing games on a bottom-of-the-line cheapie. Today's farm business requires a computer with a sizeable memory and must be able to use the really good software programs that were developed especially for that brand and model. Some of the highly advertised brands will probably fall by the wayside because they can't deliver on the promises they are making. The one that the successful manager is using is usually one that has been on the bigtime market for a long time, (five or more years). It will also be around a long time to come, and continue to increase in value and usefulness. My Apple IIe with 128K

of memory is a real workhorse for me.

If you are not ready for a computer (which by the way is depreciable as a farm tool), you should be using a complete farm accounting system. You may need a professional farm accountant to keep the books. And after you have them, by all means make use of a

good farm analysis program to answer the most vital questions about your farm business. Many Extension offices are now using the program developed by John Brockett. For a small fee, it is available to anyone who has adequate records for one or more years. John or I would be glad to talk to you about it.

Jersey scholarships available

COLUMBUS, Oh. — High school graduates and college and university students with Jersey backgrounds are eligible to apply for ten scholarships awarded annually by The American Jersey Cattle Club.

The basis for selecting the recipients will be need, character, scholastic excellence and other qualifications commonly used as criteria for the awarding of scholarships for study at an accredited college or university.

There are four Jack C. Nisbet Scholarships awarded annually, each in the amount of \$750. Entries for these scholarships are accepted from those Jersey youth who are entered in the previous year's National Jersey Youth Achievement Contest (announced during the current year).

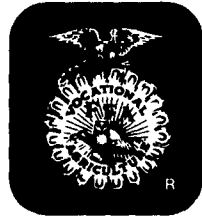
Students who are enrolled in college or those who have com-

pleted high school and are ready to enter a college or university are eligible to apply for one of three William A. Russell Scholarships awarded annually by the AJCC. Each scholarship is for \$650. and applicants must have an interest in or background with Jerseys.

Two V.L. Peterson Scholarships in the amount of \$650. each are awarded each year to students who have completed at least one year of college. Any Jersey junior meeting that qualification may apply for these scholarships.

The Paul Jackson Memorial Scholarship is awarded each to one Jersey junior who has completed at least one year of college. The 1984 scholarship is for \$750.

All applications for scholarships are due in the AJCC office by July 1. For further information, contact: The American Jersey Cattle Club, P.O. Box 27310, Columbus, Ohio 43227-9987.



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For More Information Call Ed Prosser.

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