Classroom moves to the farm for Lancaster City students

BY SUZANNE KEENE

CONESTOGA — Fourth graders from Lancaster City Schools left their classrooms, textbooks and chalkboards behind this week and escaped to the farm's barns, hay bales, and animals. State Rep. John Barley hosted 140 of the students at his dairy farm in Conestoga, where the children enjoyed a tour and a short presentation about dairying. Other Lancaster city students toured the Jay Landis farm in Lancaster.

The students had plenty of questions for the farmers who donated their time to give the tour "How does and cow have a baby? When cows have a calf, do they live with the mother? How do cows sleep?"

Patiently, the farmers answered all the questions and explained the daily operation of a dairy farm. They encouraged the children to help the dairy farmer by eating dairy products and keeping litter in its proper place — not in farmers' fields.

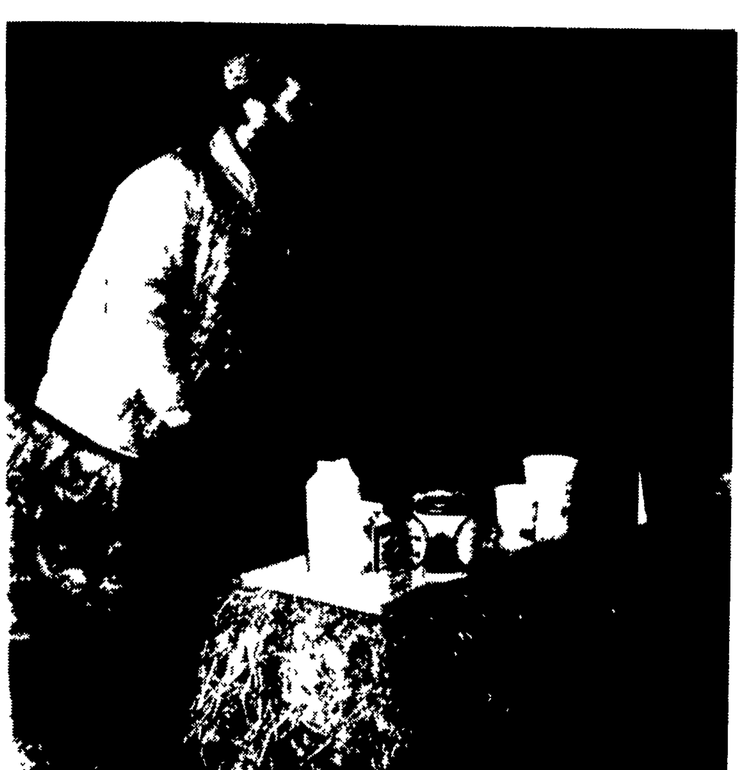
The farm tour was part of a larger program aimed at educating the students about agriculture. Earlier in the week, local farmers traveled to the city elementary schools to tell the fourth-graders about their farms and the products they produce.

Project coordinator Jane Eshleman said the program was based on a pilot project in the Penn Manor School District last October. Eshleman, a former Penn Manor school board member, is Lancaster's coordinator of the "Ag in the Classroom" project, which was developed through the combined efforts of the Department of Education, the Department of Agriculture and the Pennsylvania Farmers Association

Jose Rosario and Ronaldo Rivera are fascinated with this tiny calf.

Tanya Roark and Marisol Rivera would like to feed the cow, but are just a bit intimidated by her long neck.

At the end of an informative presentation about dairying, the students got to sample chocolate milk.



Dairy farmer Ray Reitz tells the students about the different products that come from dairy cows.

Local credit situation no 'crisis,' bankers say

(Continued from Page A1)

decade, when compared to land in other states. In Ohio, for instance, land prices climbed 37.5 percent from 1977 to 1981, then dropped 28 percent from 1981 to 1984, losing almost all the ground that had been gained in the earlier run.

Midwestern farmers who bought at the height of the land rush are now holding land worth 20 to 30 percent less than they paid for it. And many don't have enough capital invested to prevent themselves from technical insolvency, or owing more than their holdings are worth.

In Pennsylvania, however, prices increased at the more moderate clip of 30.6 percent in the end of the 70s, then dropped only about four percent in the first part of this decade, according to the USDA survey. And in the Northeast, as a whole, land prices increased 30 percent from 1977-81, and then increased again — although at a more moderate 13 percent rate — from 1981-4.

Part of the reason farmland here has not been subject to such tremendous variation is the pressure of non-farm uses, which, in many cases, has raised the value of farm property beyond the range justified by farming activities alone.

Alternatives like sale of hard-road frontage for housing lots, or outright sale to a tract or subdivision developer simply do not exist in the Midwest to the extent that they do here, bankers say.

And though farmers may grumble that those forces have pushed land prices upward (which, of course, they have), those same pressures have kept the land values from dropping suddenly, as they did in the Midwest. And thus, they create a safety net, of sorts, for the equity stake local farmers have in their property.

And even if they don't sell the farm to a housing or shopping center developer, eastern farmers still have the opportunity to work off the farm in industrial or service jobs that can produce income to supplement their farming efforts.

That outside income can well make the difference between success and failure, especially in hard times, local bankers told Lancaster Farming.

The farm income and credit squeeze of the past few years, both bankers and farmers insist, has made both lender and borrower much more careful about taking on additional credit.

"Farmers are much better educated now in farm financial management," explains Jerry Ogline of Lancaster Farm Credit.

And, adds Darvin Boyd, vice president and director of the Agri-Finance Department of Hamilton Bank, bankers are working much more closely with their farmer clients to make sure they aren't getting in over their heads.

"I'd like to think the worst is over," Boyd said, adding that the CoreStates-affiliated bank saw its problem loans peak in 1983 and 1984.

Pennsylvania Farmers Association financial analyst Dick Denison noted that the banking industry has taken a positive step in using a farm's cash flow — rather than its equity value — in determining whether to grant a loan.

"They're lending on the ability of the farm to produce income," he said, not assuming that constantly increasing land values will cover up any mistakes that are made in evaluating the farm's income-producing capacity.

As one analyst noted, when a bank begins to base its lending decisions on equity value rather than cash flow, it starts in motion the process that results in the bank eventually taking over the farm.

The USDA report, for instance, estimates that, in general, farms with debt-to-asset ratios of over 40 percent may well experience serious financial difficulty because of the heavy burden of servicing the debt at today's interest rates.

And farms with debt ratios above 70 percent, it said, face

(Turn to Page A37)