Waters marks 25th year at Penn State extension

UNIVERSITY PARK — "Small-scale, large-scale, part time, and full time — we serve them all," says William K. Waters, Penn State associate professor of agricultural economics extension and area farm mangement agent based in Armstrong County.

Recently recognized for his 25 years of service in extension work, Water's chief responsibility is in farm management. "I help farmers use cash flow projections, farm analysis and clear record keeping to make management decision. We use a number of partial budgeting programs to project the profitability of change — changes farmers are thinking about or ones I think they should be thinking about to survive."

Most of the farms in Water's seven southwest counties are family-sized dairy farms (40 to 60 cows) but there are also some hog operations, a good many beef cow-calf, and a few beef feeding operations. Lately, some farmers have started supplemental small-scale vegetable operations for direct market income.

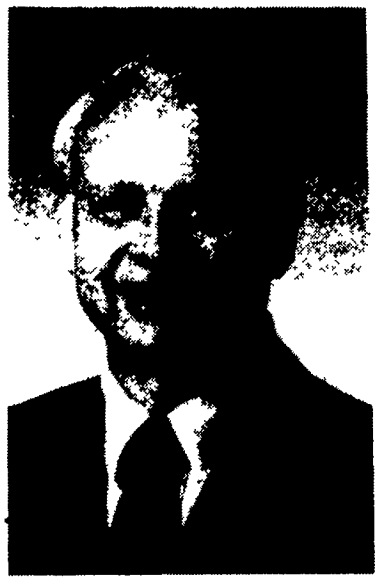
While some farmers in the region are changing the nature of their operations, others have left farming altogether. "Since I came in the 60s, I'd say we've lost about 40 percent of our farmers, most of whom were farming marginal land. But production is not really the issue in our counties. It's economic efficiency."

Scale back, is Water's message to most. "The price of major farm imputs — fuel and feed — are coming down, but so are market prices. Only producers who bring their operations in line with labor and land productivity are going to show a profit. In fact some that do may actually have a better margin next year even though their revenue is less."

Waters arrives at his projections by computer. "The whole issue of farmers having computers has been blown out of proportion. Really, its a tool for agents and financial counselors. Of all the work I've done, I'm proudest of my work in production cost analysis," says Waters.

In 1968 he teamed up with Joseph McGahen, professor of agronomy at Penn State, to design a program which computes the cost of corn production. They do about 160 to 180 individual budgets a year.

"Farmers give us the data and we calculate their costs. In 1977 I teamed up with John Baylor (recently retired Penn State professor of agronomy) to develop a similar program for alfalfa production. Farmers give us their



William K. Waters

production data, our county agents measure yields and then the program gives the cost of production. I think it's the only alfalfa cost program in the country."

He's now developing software on the Mac and has already published a program on calculating the ownership and operating costs of farm machinery. "When you've been hacking away for 25 years, it's sometimes hard to say what's your best work."

Waters spend his first five years as a county agent for the Penn State Cooperative Extension Service in Armstrong County. "I'm an area agent now but I have an academic appointment in the Department of Agricultural Economics and Rural Sociology. There are about five of us left under the old system.

Waters has also been a fieldman for the Inter-State Milk Producers and he received his bachelor's degree in general agriculture and master's degree in agricultural economics, both from Penn State.

Has he a life outside of extension? "You bettcha. Vegetable gardening has always been a favorite of mine and I have a special interest in railroads — not model railroads — I'm more interested in the history and operation of old railroads. I also like trout and bass fishing, although I'm not into tying my own flies yet."

Waters served on the Armstrong County Sewage Authority Board for about 10 years and was at one time, heavily involved in church work. "Right now, I'm kind of free of community work, it comes and goes. Now it's nice to have some time for my family.

He and his wife Carolyn live in Ford City with their 12 year old son, Bill. His older son, Tom, is a teacher of horticulture in a vo-tech school in Stubenville, Ohio and his daughter, Tricia, is a LPN in Columbus, Ohio.

Wheat farmers to receive $1.5 billion in payments

WASHINGTON — Eligible wheat farmers will receive approximately $1.5 billion in deficiency payments for the 1985 crop, a U.S. Department of Agriculture official said.

Everett Rank, administrator of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service, said deficiency payments of about $150 million and $10 million, respectively, will also be made to eligible barley and oat producers for this year's crops.

Rank said that about $700 million has already been received by wheat producers and $63 million by barley producers who requested advance payments.

Deficiency payments are required under the 1985 wheat, barley and oat programs because average market prices received by farmers during the first five months (June through October) of the marketing year were below established target price levels of $4.38 per bushel for wheat, $2.60 per bushel for barley, and $1.60 per bushel for oats.

The deficiency payment rate is based on the difference between the established target price and the higher of either the national weighted average market price for June through October or the national established loan rate.

National weighted average market prices for the first five months of the 1985 marketing year were $2.99 per bushel for wheat, $2.00 for barley, and $1.26 for oats.

Eligible wheat producers will be paid a deficiency payment rate of $1.08 per bushel for their 1985 crop, based on the difference between the $4.38 target price and the $3.30 loan rate. The eligible barley producers' deficiency payment rate will be $.52 per bushel, based on the difference between the $2.60 target price and the $2.08 loan rate. The eligible oat producers' deficiency payment rate will be $.29 per bushel, based on the difference between the $1.60 target price and the $1.31 loan rate. The deficiency payment rates for all three crops are the maximum permitted by law.

Deficiency payments of $.54 per bushel for wheat and $.22 per bushel for barley were paid to producers who requested an advance.

Rank said final wheat, barley and oat payments will be issued through local ASCS offices as soon as possible after Dec. 10.