

The Dairy Business

By
Newton Bair

Why is a Dairy Farmer?

I've titled this column "Why is a dairy Farmer?". The title does not make sense, gramatically. Any other objective pronoun like who, or where or when, would be gramatically correct, but of little interest. I'd like to know, "Why is a farmer in the Dairy Business?"

If you are in any way typical, you started out young, full of the vim and vinegar of youth, just married, and wanted to follow in Pop's footsteps. He probably started the same way, knowing full well that he could do even better than the old man did. So did you, and so will your son.

The real answer to "Why?" is often pretty vague, except for the imprecise reason that you were born to it. It's in your blood, or you like the fresh, country air. Or, if you can't do anything else, you can always milk cows.

Of course you have much more valid reasons for being a dairy farmer, but if one of them is not TO MAKE MONEY, they are all wrong. At least one reason for milking cows MUST be to make money. That one must be high on

the list, unless it is superseded by the urge to spend someone else's money.

Sure, you've got to love cows, love the soil, and don't mind the host of drudgery that goes along with it. But if you can't make any money at it, all the other good reasons are worthless. It's just another round-about way of saying that farming is a business, and if it is not run in a businesslike manner, it can't last very long.

So, the why? question is making more sense in the asking. If farming is a business, why don't we push the idea of making money a little higher on our list of reasons? Why is farming in general and dairying in particular hovering on the knife edge of poverty and bankruptcy? Could it be because we just like cows, love tractors and machines, thrive on hard work and lots of worry?

We have not integrated the idea of FINANCIAL PROFIT into our basic reasons for farming.

Every dairy farmer must ask two fundamental questions. First, what is it that pays the bills? The

answer is simple — milk sales. The second question is, what is needed to produce the milk to sell? The answer to that one is a lot more complex, and there lies the problem. We are so bound by tradition that we overlook some of the obvious economies of production.

We traditionally need lots of land, lots of machinery, lots of housing, big silos, and of course we need cows.

The cost of producing the milk soon outgrows the value of sales, especially when we need to borrow the MONEY to enable us to own all that stuff. None of it is free, or even cheap. It all costs lots of MONEY. In our traditional mode of

dairying, nothing is simple and nothing is free. MONEY is the name of the game.

We have even seen inherited property succumb to liquidation, because someone thought that they could farm for fun, with no business background or the necessity to learn good business principles. Not because someone did not work hard, or tend the store, or abide by the traditions set by their neighbors and family. The failed simply because they did not use sound business sense. In it's simplest form, that means getting a return for every dollar invested.

Developing good business skills is probably more important in modern farming than any other

qualification.

We put too much emphasis on learning how to choose a good cow, owning our own land, and impressing the banker with our high cost chattels. When and where do we learn the principles of good business, which includes managing our MONEY. Money only becomes a bad word when there isn't enough of it to pay the bills. Only when there is a surplus in the bank account can we afford to be generous.

Good management of the MONEY end of farming should be one of the highest reasons for being in the business. Make it the number one priority before encouraging your son to tackle the job.

Signup for '87 Conservation Reserve Scheduled

WASHINGTON — Secretary of Agriculture Richard E. Lyng has announced that signup for the 1987 Conservation Reserve Program will take place Aug. 4 to 15 at Agricultural Stabilization and Conservation Service county offices.

According to Lyng, farmers may volunteer highly erodible cropland for entry into the Conservation Reserve Program, under a provision of the Food Security Act of 1985.

"We are pleased with the response from farmers during the 1986 signup," said Lyng. "Now that producers are aware of the other provisions of the Act, such as sodbuster and conservation compliance, we expect even more interest by producers in the Conservation Reserve Program this year."

Producers wishing to put land into the program are eligible for

cost-share payments of up to 50 percent of the eligible costs to establish a cover crop. The annual rental payments are for 10 years.

The total amount of rental payments for any fiscal year may not exceed \$50,000, or its equivalent if in-kind payments are made.

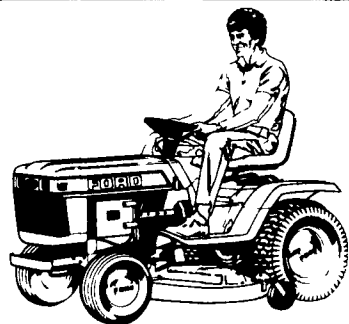
Lyng said producers will be allowed to harvest their 1986 crop before the contract becomes effective, if necessary.

Land that is designated may not be grazed after the Commodity Credit Corporation approves the contract.

Sour cream should be stored in the refrigerator at 40°F or below. Dairy sour cream will remain fresh for several days after purchase, and total keeping time is about four weeks.

Milk is one of mankind's oldest foods. Records show that cows were milked in 9000 B.C. The word "milk" comes from the Sanskrit "mrjati," which described the action of milking.

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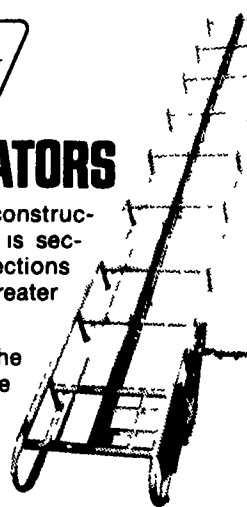
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