Survival Skills For Tomorrow's Farmer

THOMAS MILLER USDA Economist

Surviving and prospering. That's the name of the game in agriculture, as in any business. The farmers who intend to thrive in the challenging environment of the late 20th century may have to develop new strategies, skills, and priorities that weren't necessary in past generations.

In a recent issue of the Agriculture Department's FARMLINE magazine, Thomas Miller, Warren Trock, and Danny Smith describe the successful farmer of the future, and the demands that he, or she, is likely to face. Miller is an agricultural economist with USDA's Economic Research Service. He is stationed at Colorado State University, Fort Collins. Trock and Smith are professors there. Here are some of their thoughts and observations on what it will take to survive and prosper in the years ahead.

The successful farmers of the future will be better managers than today's farmers-production managers, marketing managers, and financial managers. In other words, they'll be highly skilled at obtaining both technical and economic efficiency.

On the technical side, they'll seek always to squeeze the "last drop" of benefit out of each unit of input, whether land, labor, chemicals, or machinery. New technologies, in both crops and livestock will enable them to monitor the production process and maintain peak efficiency.

Although the prices farmers receive for their products will probably continue to fall in relation to the prices they pay for their inputs, this ratio has been drifting downward for decades. Greater productivity from improved inputs made up the difference. There is no reason to think that future downward pressure on prices will prevent efficient farmers from maintaining net farm income at acceptable levels in most years.

Financial Managers, Too But focusing on technical efficiency alone will not get the job done. Farming is becoming more risky, and capital requirements are higher than they are in other industries. Thus, business expertise in general, and particularly financial management skills to operate in a high risk environment, will be every bit as important as production skills.

The ever-changing business environment will require proficient use of accounting, financial statements and analyses, budgeting and planning, and sophisticated office management procedures. The successful farmers will better understand the

risks of the economic and financial environment and utilize the best available marketing and financial management techniques to counter or control those risks.

On the business side, the emphasis will be on controlling costs and maximizing net income from each farm enterprise, rather than on maximizing volume and gross sales. For example, attention will shift to obtaining higher calving percentages and weaning weights rather than more cows, limiting applications of fertilizer to maximize net returns rather than yields, and producing crops with the most efficient machinery rather than the largest.

Increasing price variability in world markets will intensify the need for reliable marketing information and forecasts. While such information is provided by USDA and many other public and private institutions, the greater level of price uncertainty will strengthen the incentive for farmers to acquire their own information.

Furthermore, emerging technologies in telecommunications and microcomputer systems will offer farmers instant access to the best information available for making production, marketing, and financial decisions. The ability to accumulate accurate, detailed information and to form reliable expectations from this information will become crucial to survival in a farm business.

Opportunities Along with Risks Increased fluctuation in financial conditions and markets will present opportunities for gains as well as losses. Successful farmers will be those who maintain the resiliency to survive during the busts so they are in a position to take advantage of the booms. This resiliency will be reflected in the way farm investment is financed, in the organizational structure of the farm, and in the use of technologies so that production can respond to changing conditions.

Structurally, the adjustment seems to be away from the savings-financed sole proprietorships that have long been traditional to U.S. family farming. Partnerships and familyheld corporations are, to some extent, replacing the sole proprietorships for commercialsize farms. At the same time, debt financing is declining as the principal means of acquiring the resources necessary for farming. Leasing and various methods of outside equity financing are growing in importance.

Overall, these changes appear to represent the slow emergence of a more "Industrial" type of business

FEATURES:

Harman grate system for ultimate

Heavy steel plate construction Airtight cast-iron doors

wood/coal performance

Automatic draft system

* 3 speed --1000 cfm blower

* 5-yr. limited warranty (includes grates)

Log Length 19", 23", & 27

Types of fuel: wood/coal (pea, nut,

Option Available. Domestic Hot Water

* External shaker lever

stove sizes)

organization and financial way that it st

organization and financial structure in agriculture. Whatever drawbacks this may have—outside financing, for instance, may entail some loss of control over assets by farmers—it should improve the financial resiliency of the agricultural sector in the same way that it monfarm but farms will provide industry of ability to addenote the environment. Although the agricultural sector in the same

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

TANKS

way that it strengthens many nonfarm businesses. Resilient farms will provide the agricultural industry of tomorrow with the ability to adjust to an unstable

Although the future is impossible to predict, the present farm crisis

seems to be the painful part of a permanent shift to a new baseline environment for agriculture. If so, it should be noted that American farmers have successfully adapted to changes of this magnitude in the past. Moreover, many farmers—a majority, in fact—have already made adjustments to position themselves so they can survive, and prosper, in the challenging economic and financial environment of the next few decades.

NEW STEEL UNDERGROUND FUEL STORAGE TANKS

Capacity (Gallons)	Diameter	Length	Gauge (Thickness)	Weight (Pounds)	Price FOB Quarryville
285	3'0''	5'6''	12	277	1149.00
550	4'0''	6'0''	10	537	225.00
550	4'0''	6'0''	7	738	280.00
1,000	4'0"	10'8"	10	845	380.00
1,000	4'0"	10'8"	7	1,158	440.00
1,000	5'4''	6'0''	7	1,059	445.00

Tanks are fabricated in strict accordance with the specifications of Underwriters' Laboratories, Inc. Exteriors of underground tanks are coated with black asphaltum paint. Exteriors of above ground tanks are coated with red primer

NEW STEEL UNDERGROUND sti-P3 FUEL STORAGE TANKS

Capacity (Gallons)	Diameter	Length	Gauge (Thickness)	Weight (Pounds)	Price FOB Quarryville
550	4'0''	6'0''	7	831	555.00
1,000	4'0''	10'8''	7	1,266	820.00
1,000	5'4''	6'0''	7	1,164	820.00
1,500	5'4''	9'0''	7	1,577	1,100.00
2,000	5'4''	12'0''	7	1,914	1,248.00
3,000	5'4''	18'0''	7	2,657	1,670.00
4,000	5'4''	24'0''	7	3,403	2,080.00
5,000	8'0''	23'10''	1/4''	5,508	3,090.00
5,000		13'4''	1/4''	4,800	2,660.00
6,000	8'0''	28'10''	1/4''	6,239	3,535.00
6,000		16'2''	1/4''	5,500	3,000.00
8,000	8'0''	21'6''	1/4''	6,927	3,660.00
10,000 10,000 10,000	8'0'' 10'6''	26'10'' 17'0'' 15'9''	1/4" 1/4" 1/4"	8,357 7,446 7,412	4,310.00 4,020.00 4,070.00

The sti-P3 tanks bear Underwriters' Underground Label, sti-P3 Label, 30-year limited warranty. The sti-P3 tanks are equipped with sacrificial galvanic anodes, urethane paint and dielectric bushings. The sti-P3 are equipped with the Protection Prover II (to monitor anode voltage)

USED STEEL STORAGE TANKS

From 275 to 30,000 Gallons At .05° to .06° Per Gallon

USED UNDERGROUND FIBERGLAS STORAGE TANKS

6.000 Gallons At .12° Per Gallon

NEW GASBOY AND FILL-RITE FUEL PUMPS

Available At Below Factory List

LOW PRICE PROTECTION POLICY:

Within 30 days of purchase if someone advertises or offers at a lower price the same tank you have already purchased from us, let us know, because we'll pay you the difference!



An Additional 1% DISCOUNT is offered if paid by Cash Money or Certified Check

Wholesale To Heating & Plumbing Trade

WALTZ ENTERPRISES INC.

HARMAN WOOD - COAL - OIL

HOT AIR FURNACES

AND WOOD-COAL BOILERS

30 S. Hershey Ave. (Bareville) Leola, PA 17540 (717) 656-6898 RD 1 Pleasant Valley Rd. Cogan Station, PA 17728 (717) 998-2539

HOWARD E. GROFF CO.

Over Forty Years of Reliable Service
Fuel Oil, Gasoline, and Coal
State Street, Quarryville, PA 17566

Phone: 717-786-2166

Mon.-Fri.: 8 AM - 4 PM