

LCNC Says Farm Credit Bail-Out Must Not Penalize Northeast Farmers

WESTMINSTER, Vermont — In a letter to all northeastern Senators and Representatives, the Legislative Committee of Northeast Cooperatives (LCNC) this week asked Congress to assist the troubled Banks of the nation's Farm Credit System without diminishing the ability of the Banks which serve northeastern farmers to continue to provide affordable credit.

The Farm Credit System is the nation's largest farm lender, having approximately \$54 billion in loans outstanding. Several of its regional Banks are in serious trouble and are charging their farmer-borrowers interest rates that are excessive by normal credit market standards.

In the letter, Steve Kerr, the executive director of the LCNC stated "there is no question that the troubled Banks and their borrowers must be helped. The ability of many farmers to work through the current agricultural recession hinges on a credit source that understands them and their business problems. The ability of American agriculture to adapt and compete in the rapidly changing global economy depends on a strong farm credit delivery system in the years ahead."

The Farm Credit System and a number of national farm organizations have asked Congress to adopt a package of legislative proposals that includes a loan request for \$6 billion of federal funds.

The LCNC's letter notes that farmers recognize that "the federal budget deficit makes this a difficult request. Without federal financial assistance, however, several of the System's Banks are likely to fail. Many farmers will be left without a reliable source of credit; interest rates will most probably rise, across the board; and the financial problems of many farmers will be exacerbated. We urge you to support the system's request for financial assistance."

The LCNC asks, however, that northeastern members of Congress "not agree to any proposals that would diminish the ability of the Banks which serve

northeastern farmers (Springfield and Baltimore) to continue to provide affordable credit." These Banks are financially strong and therefore able to provide farmers credit at reasonable, competitive rates. "Our farm income is enhanced by their ability to offer us affordable credit. That they be able to continue to do so is very important."

The letter points out that "over \$150 million in Bank earnings that, under other circumstances, would have been paid out to farmer-borrowers in the Northeast over the past two years have been transferred to the troubled Banks through a voluntary loss-sharing program. Had they been returned as patronage dividends - as they had in the past - our effective interest rates would have been lower than they were and our net farm income would have been more than \$150 million greater than it was

"Were the Springfield and Baltimore Banks now to be asked

to shoulder more of the cost of providing financial assistance to the still struggling Banks, they would have to recover their outlays by raising the interest rates that they charge northeastern farmers. Net farm income can be hurt as much by increased interest costs as by reduced milk prices. Indeed, one of the surest ways to drive farmers out of business in the Northeast today would be to enact legislation that leads to higher interest rates and thereby reduces net farm income."

The LCNC's letter to Congress concludes by saying, "the resolution of the Farm Credit System's problems will have a tremendous bearing on the future profitability - and therefore survival - of dairying in this part of the country."

The LCNC is an association of 12,000 dairy farmers, who farm in the New England states, New York, New Jersey, Pennsylvania, Maryland and Delaware.

Hamilton Offers 'Home Banking' System

LANCASTER — At your fingertips, in the privacy of your home, you can now manage your financial affairs from just transferring money to even the most complex transaction.

Hamilton Bank is making available the first Home Banking system in southcentral Pennsylvania. All you need is a personal computer, a Hamilton checking account, a telephone modem and the Bank's special program.

Home Banking allows consumers to schedule bill payments, move funds, check balances, track and manage their finances, and ask about interest rates and services by electronic mail.

"Through Home Banking, we hope to attract customers who are comfortable with electronic delivery services and who put a premium on convenience," said William F. Fenimore, Jr., bank president.

Customers will not only have

access to their bank accounts, but also to information about current rates on savings accounts, certificates of deposit and various consumer loans. Rate information and an economic forecast from the economics department of CoreStates, the parent company of Hamilton, will be up-dated weekly.

Hamilton's Home Banking program also includes software for a broad array of financial planning, record keeping and analysis activities such as a budgeting spread sheet, tax record maintenance and net worth calculation.

"This is an integrated package that makes it unnecessary for the subscriber to purchase other financially oriented software," said Susan B. Carr, assistant vice president and manager of Home Banking.

The Home Banking system also provides a gateway for subscription to other electronic information services providing airline and hotel reservations, weather services, Ticketron, stock market quotations and news from around the world.

The program works with IBM and compatible personal computers, Apple II series or compatible and Commodore 64 and 128 computers. The on-line service is available 24 hours a day.

Maximum security and control is afforded since each customer maintains a personal diskette and selects a personal password.

Hamilton Home Banking is being offered through MAC and the Money Access System, a correspondent banking service of CoreStates Financial Corp.



BUSINESS NEWS..



Robert Porr's visit to the Pennsylvania Pork Producers Council's Pork Congress in February proved profitable when his name was drawn to receive a Large White boar from RPM Farms, Beavertown. Porr runs a feeder pig operation near Palmyra.

FMC Works To Solve Off-Target Problems With Herbicide

PRINCETON, N.J. — "The situation with Command herbicide has made one thing clear this year," says Rick Landrum, Command product manager with FMC Corporation, "and that is that farmers will apply chemicals correctly if some effort is taken to educate them on why they should and how they can do it right, and if they're willing to make the effort to use the chemical."

Landrum's comments come in the wake of a planting season that has seen virtually no problems with Command moving off fields due to spray drift or volatilization; last year, in a number of cases, movement of Command caused nearby vegetation to turn white or yellow.

After the off-target incidents occurred, FMC modified the label instructions for Command to require incorporation, listed drift-reduction guidelines, and undertook a comprehensive effort to ensure that label instructions and drift-reduction measures were followed by growers and custom

applicators who intended to use Command.

"We knew that the label changes would reduce off-target movement by more than 90 percent," Landrum says, "but we also knew that we were going to have to educate dealers and growers about those new instructions and the importance of following them, so we used several other methods to get our message across."

Those other methods included face-to-face meetings between more than 75,000 potential Command users and FMC personnel, a special training and testing program for dealers and customer applicators, and a series of educational publications.

Landrum says that one thing that must be kept in perspective is that soybean growers wanted to use Command again this year. "Just about everyone who used it last year planned to use it again this year, even those who had some off-target problems. They either figured out a way around the problem themselves or relied on the information they got from us."

New IMC Plant To Produce Hormone

TERRE HAUTE, Ind. — International Minerals & Chemical Corporation recently committed \$50 million to build a new facility to produce its newly developed porcine somatotropin product.

Speaking to an audience of several hundred civic leaders, guests and employees at groundbreaking ceremonies, on June 9, Donald E. Phillips, president of IMC's Animal Products Group, said the new plant is an important element in a long-term growth strategy to become a leader in the animal health biotechnology market.

"Today's groundbreaking marks a milestone in an ongoing effort begun in 1980 to build upon a solid position in the animal health and

nutrition business, coming on the heels of several important acquisitions and dramatic returns

from an expanded commitment to research and development of new products," Phillips explained.

Ford New Holland Names Director

John Ochs has been appointed director of Public Affairs for Ford New Holland, Inc., a subsidiary of Ford Motor Company. He succeeds Arnold S. Hirsch, who has been named stockholder relations manager for Ford.

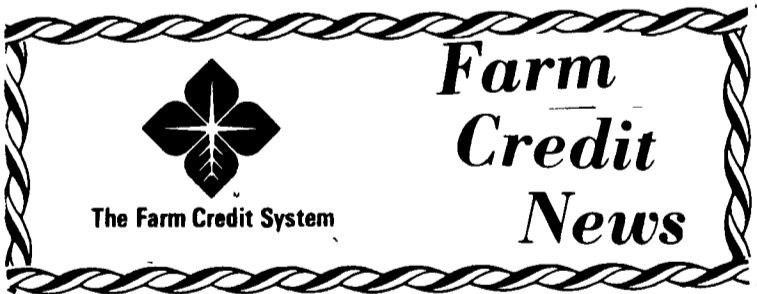
Ochs served as manager of Ford's Washington, D.C. Public Affairs office since joining the company in early 1986.

Before joining Ford, Ochs was press secretary and special assistant to former U.S. Secretary of Agriculture John Block. In that position, he served as the Reagan

Administration's chief agricultural spokesman for five years

Prior to that, Ochs was press secretary for the Illinois secretary of agriculture, publications editor for the Illinois Farm Bureau, and a reporter for the Daily Pantagraph in Bloomington, Illinois.

He is a graduate of the University of Illinois, with a degree in agricultural journalism. Ochs maintains an active interest in a family grain and livestock operation near Olney, Illinois.



James Elected Southeast Farm Credit Service President

WEST CHESTER — William H. James, Jr. of West Chester has been named president of Southeast Farm Credit Service by its boards of directors. Mr. James is a graduate of Downingtown High School, Brandywine College, and earned a degree in general agriculture from The Pennsylvania State University in 1974

Mr. James joined the Farm Credit System in 1975 and has worked in the five county Philadelphia area since 1979. He most recently held the position of vice president/operations, to which he was promoted in 1984.

Southeast Farm Credit, with offices in West Chester, Avondale, Silverdale, and Creamery serves the agricultural community with short, intermediate and long term loans for virtually any farm and farm-related purpose.



William H. James Jr.