

Farm Philosophy By Newton Bair

I CAN GET IT FOR YOU WHOLESALE-!!

"--I can get it for you wholesale-- save you a bundle--". Well, I like to save a few bucks when I can, so when someone mentions saving a "bundle", I listen. If it sounds TOO good, it probably is. But I listen anyway. Digest the facts before making a commitment. Maybe this will be the best deal I make today.

Feed ingredients like grain, Soybean Meal, Whole Cottonseed, Distillers or Brewers Grain, Whole soybeans, and ALFALFA CUBES, can be bought at wholesale prices, by-passing one or more handlers. The only intermediary needed is a broker with a Rail siding and a fleet of trucks to handle

the deal. If you have a truck, you can haul your own.

One of the pitfalls of farming is to buy supplies at retail prices, then sell what you produce at wholesale. It makes about as much sense as buying stock on a Bull market and selling when the market is Bearish. A real recipe for failure.

I like the story of the entrepreneur who boasted that he sold axe handles for fifty cents apiece. They sold like hotcakes. He had a business boom going. Never mind that they cost him ninety five cents each! Questioned about the loss margin, he replied:

"Oh, I'll make it up in volume!"

Too many farmers are doing business just like that. And they are not dealing in little axe handles

either. I've known farmers who lose money every day of their lives, but still have a little cash-flow to fool the Bank. Volume simply hastens the day when the equity is used up.

Every time a product is handled, someone must make a profit. How many of these "middle men" actually get a piece of the profit? Probably too many, in the farming business. After all, the more hands that touch your farm supplies before you get them, the higher your cost will be, and the less profit you will have when you sell produce.

Now most so called "middlemen" are already in the retail business. They perform some service, like manufacturing, processing, packaging, sales, or distribution. Everyone charges a mark-up, and if he's smart, the mark-up is based on actual cost, (with nothing overlooked), plus a substantial profit. And he BUYS WHOLESALE,

AND SELLS RETAIL, to you.

Wouldn't it be nice if some of these "middlemen" could be bypassed? Maybe some, but not all. Most of them are necessary and very useful. But there are many hands dipping in the batter between the wheatfield and the dining room table. That dipping star is long before the crop is planted, and includes the banker, machinery dealer, fertilizer supplier, and seed salesman. Not to mention the feed dealer.

Please note that I have nothing against feed suppliers. They perform a vital service. They should be happy to see farmer--feeders make more profit by buying cheaper supplies in wholesale quantities.

Dairy and livestock feeders buy grain, protein supplements, minerals, bedding, and forages. If bought in small quantities they are bought at retail, and CON-

SUMED. The farmer as CONSUMER buys at retail prices.

The trouble is, many materials purchased at retail markups are used in farm products that are then sold at WHOLESALE discounts. Thus we have the enigma of the farmer as a consumer, buying supplies at retail prices, and then offering his products on a WHOLESALE market.

Now, if someone says "I can get it for you wholesale", it's worth listening. Farm Economists like to call it the "Economics of Scale." The farmer can get a little closer to becoming a wholesale manufacturer if he can buy more supplies at wholesale prices.

Obviously, such Economy of Scale demands very efficient planning and management, as well as an operation big enough to take full advantage of buying feed and other supplies by the truckload.

Parsons Retires From Penn State

UNIVERSITY PARK (Centre) — Paul W. Parsons, manager of the Poultry Research Farm at Penn State, retired in April after 38 years of service. He was appointed manager in 1978 after serving as assistant manager since 1964.

As manager, Parsons was responsible for research conducted

by the faculty, as well as management and supervision of the farm. During his service he saw the poultry industry move from manual to completely automated systems and was instrumental in making many of those changes in the poultry operations at Penn State. He also helped design some of the early automated equipment.

The Poultry Research Farm and its Poultry Sales Room are located on Bigler Road next to the Natatorium. Dirk Wise, former assistant herdsman at the Sheep Center, is the new Poultry Research Farm manager.

Active in community activities, Parsons has been chairman of the board and member of the Ferguson Township Authority and past Master of the F. and A.M. Lodge #700. He is past commander of the Veteran of Foreign Wars Post 5825 and a member of the Altoona Consistory, Jaffa Shrine and of Tall Cedars of Lebanon.

Before joining the College of

Agriculture, Parsons was an apprentice electrician with Parsons' Radio and Electronic in Pine Grove Mills. He served as a communications chief with the U.S. Army from 1943 to 1946 and helped establish the military government in Germany after World War II.

He is a 1943 graduate of the Bellefonte High School and has certificates from Penn State in a variety of subjects including blueprint reading, electrical schematics and electrical theory. He also has certificates in supervisory management, pesticide and uses as well as first-aid, safety and CPR.

In retirement Parsons continues a busy life. He and his wife, Dolores, plan to garden, travel and enjoy their four grandchildren. He has continued his involvement in church and community activities and, as an accomplished woodworker, he is now restoring an old player piano.

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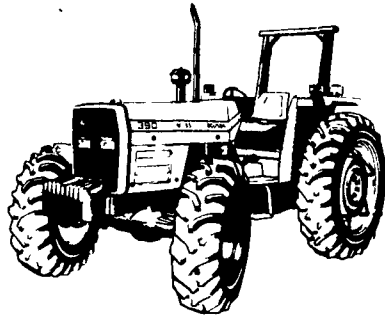
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