

Franklin County Helps Farmers Plan For The '90s

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CHAMBERSBURG — "There is a good future for the soundly managed family farm," Roland Freund, Penn State Extension farm-management agent said. "Farmers will have to explore dif-

ferent strategies and adopt the most profitable plans." Freund addressed farmers and their families at the Farm Planning for the '90s workshop held last week. The workshop, held at the Lighthouse Restaurant on Route 11, was co-sponsored by the

Franklin County Extension and several local financial institutions. To survive the '90s, farmers must maintain profitability, liquidity, and solvency, according to Freund. Profit must be high enough to meet the needs of the family, to cover debt obligations of

the business, and to provide a reserve to cover losses in a bad year. Symptoms of inadequate profit are feed and fertilizer bills not being paid on time, debt payments not being met, and normal family living needs not being satisfied.

Liquidity is the same as cash flow, according to Freund. "There must be a sufficient inflow of cash to meet the outflow, and unless the cash flow is generated from profit, the future of the business is very doubtful," he said.

Solvency is the same as equity. The more equity there is in the business, the greater the chance for survival. Progress may be measured annually by looking at the change in equity.

To help farmers plan their financial alternatives, FINPACK, a computer analysis system, has been developed and is available through local extension offices.

In predicting the financial climate of the '90s, Freund believes that interest rates are expected to rise again, that there will be some dry years, and that the farm crisis

will catch up with the East. "The farm crisis isn't over yet," he warned, "and it's moving east. It was created with too much investment with too little profit."

Freund also projected that prices will fluctuate and that the U.S. government, struggling with its own deficit reduction, will be less generous to farmers.

Competition in southeastern Pennsylvania will increase, Freund said. There will be more pressure from urbanization, labor will be more difficult to find and keep, and farm financing may be harder to find.

Keeping good labor

"Help is tough to come by," Fred Rice told attendees. "Hiring the right person is important."

Rice, a dairyman with about 400 head of cattle, participated on a panel of four Franklin County farmers who shared their strategies for keeping good farm labor. Rice provides employees with housing, utilities, beef, milk, and health insurance, and allows them to have a sideline such as raising their own animals. He has had employees for about 11 years.

Rice stressed the importance of allowing employees to work around their abilities. "Some of (mine) do certain jobs better than I do," he commented.

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A panel of local farmers talked about their experiences with hired help. They are, from left, Fred Rice, Lane Sollenberger, Joe Middour, and Dice Statler.

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