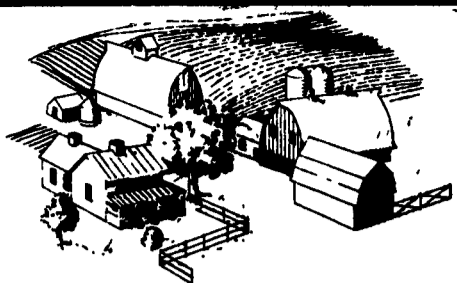


FARM MANAGEMENT



INVESTMENT CONSIDERATIONS

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In this column last May we discussed methods of expanding the dairy herd.

The options of rapid expansion and closed-herd expansion were analysed, and the conclusion was that in most cases the slower process with investments staggered over time will be far less risky. Once a modernization or an expansion program gets to the planning phase, a whole host of possibilities jump to mind.

In recent months I have been looking at construction plans which, if implemented, will result in new debt of more than \$6,000 per cow — just for cow housing and parlors. Such situations suggest that our dairy managers are in danger of allowing modern technology to lead them down the risky path of overcapitalization.

It was too much investment for too little profit that led to the "Farm Crisis" of the 1980s, and we don't want a repeat of that in Pennsylvania in this decade.

The profitable farms in this decade will be those which can achieve good production through cow comfort and health, with labor efficiency, capital efficiency, and economical waste handling. There are many ways of doing these things, and every dairy farm has to compromise on some of these parameters in order to maintain profits.

Waste handling

New legislation has brought this factor to the forefront of the planning process. It is important to develop a plan of how this resource will be managed, handled, and used in the total farming operation. Sticking to such a plan can reduce investment in the system, improve crop uptake of nutrients, reduce labor bottle-necks in the spreading process, and minimize storage overflow crises.

Cow comfort and health

The basic requirements for cows are a clean environment with shade in summer and wind protection in the winter.

New concepts are open and naturally ventilated buildings, rather than the old insulated and mechanically ventilated ones. Careful design can reduce construction costs and eliminate the need to add costly ventilation systems to correct problems which are almost inevitable in enclosed structures.

Labor efficiency and convenience

The design of facilities and systems will have a big impact on labor. Each component of the system and each task needs to be examined to avoid extravagant spending on one component or the other.

More capital does not always mean less labor. Bottom unloading silos may have some advantages, but labor inefficiency and operating costs have made them obsolete in some setups.

Milk in less than two hours?

The parlor seems to get the most attention when it comes to labor.

In the old days of single family operations, it might have been necessary to "quit work to come in and milk." So people had good reason to reduce time devoted to that "chore."

In any dairy with more than two operators, milking needs to be a specific assignment which should not interfere with field operations. Parlor sizing should be based not on the entire herd, but on each group that is to be milked.

In high-producing herds with three times a day milking, some suggest that it is prudent to get each cow back to feed in less than one hour. By careful design of parlor and grouping of cows in the housing, such a goal can be accomplished even with quite modest parlors.

A parlor which operates four or six hours per milking will be more capital efficient than a big-bucks model which gets the job done in two.

Capital or labor

In the planning process, it is important to keep capital and labor expenses in perspective. If capital for equipment and facilities can be obtained at 8 percent with repayment over 10 years, then a labor-saving investment of \$86,000 will break even only if it reduces total labor costs by \$1,000, or more per month.

This means that, all other considerations being equal, we are better off if we hire labor for \$1,000 per month than to pay out \$90,000 to eliminate it. But if we can save \$1,000 per month with an investment of \$80,000 or less, then that investment can be justified on the grounds of labor savings.

Communal efforts

Given the astronomical investments in new technology, the small single-family operation runs great risks when it attempts to

modernize.

But failure to modernize can also lead to poor profitability and eventual termination of the business.

To maintain total independence and rugged individualism may be ideals which will have to be suppressed for the sake of survival in the future.

Extended families and groups of farmers might have to return to business arrangements which foster pooling of capital and labor resources for greater efficiency.

This might include not only equipment and labor for field activities, but even animal housing and milking parlors.

Budgets are critical

For greater chance of success, every plan requires an open mind and the evaluation of many alternatives. Then careful cash-flow budgeting can avoid making mistakes in concrete.

Contact your equal opportunity extension office for technical information and assistance with financial projections.

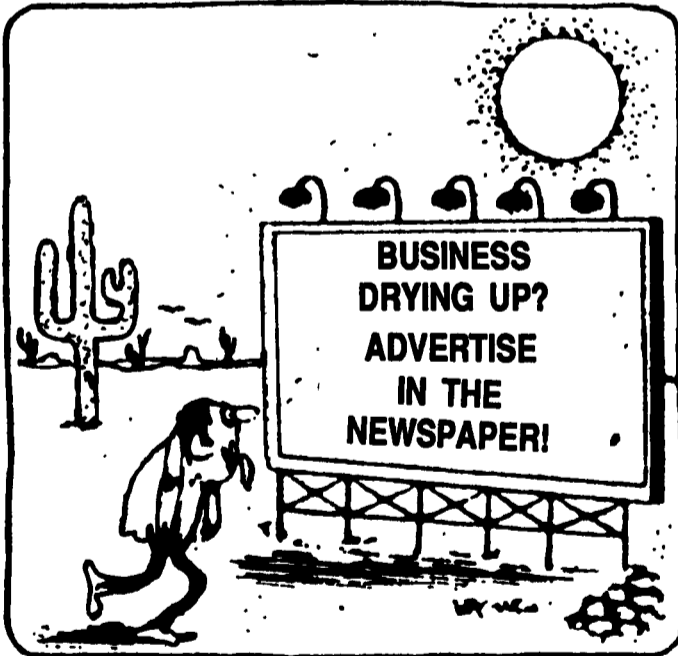
J-Star Honors Rovendale Ag & Barn Equipment



CARLISLE (Cumberland Co.) — Brenda and Donny Rovenolt of Rovendale Ag and Barn Equipment, Watsontown, Pa., accept their Bronze MVP Award from John Neill, right, president of J-Star Industries.

The elite MVP Award (major volume performer) recognizes the company's top dealers who have achieved gold, silver, or bronze levels of sales and performance objectives during 1992.

The presentation took place at J-Star's Regional Dealer Meeting held in Carlisle. The meeting gave North American dealers an opportunity to hear about new products, innovations, and programs which J-Star Industries will be featuring for the balance of 1993.



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Deere Introduces

(Continued from Page D7)

the front of the machine. A bolt-on shield protects the knife mounting hardware from wear, making removal easy.

Impeller conditioning in the rotary machines features a rotating shaft with a series of free-swinging tines that move the crop through the machine. Conditioning occurs as stems rub together and against the adjustable conditioning hood. As the stems' waxy layer is removed, moisture is allowed to escape.

A single lever permits lowering the hood for more thorough condi-

tioning or raising it for lighter conditioning. Also, the two drive gears for the impeller rotor can be easily interchanged to adjust rotor speed for more effective conditioning in certain crops.

Urethane-roll conditioning, like in the 820 sicklebar machine, is also available in the rotary models.

The John Deere factory in Ottumwa, Ia., is scheduled to begin shipments of the new 800 and 900 Series MoCos in February.

More information about the machines is available from John Deere farm equipment dealers.

1 FARM EQUIPMENT

100C IH crawler loader, excellent, \$7100. 315-536-2141 Yates Co.

10' Miller Offset Disc Leveling Cylinder, Disc Blades 80%. Real Good Condition. \$3300. 301-349-5432.

1163 MF Corn Head, good condition; running gear for corn head. 215/589-4706.

125 JD Chuck Wagon w/ roof, etc., very good shape, \$1450. Will deliver free. 215/256-9343.

13 ft. Krause no-till drill, model 5200, new condition. 717-758-1739.

13 ton steel feed bin. 717-685-4743.

1600 Bushel Corn Crib Behlen, less than 5 years old, \$500, you disassemble. 717/653-8579.

18' TUFFLINE HYD. FOLDING TANDEM AXLE DISC, ready to work, good heavy disc, \$3900. 717/666-5925.

1948 JD B cyclone w/ rollomatic engine & carb. rebuilt, good condition. JD rollbar w/canopy off 2640, fits smaller utility tractors. (717)776-6136.

375 Bushel McCurdy Gravity Bin Wagon w/Fertilizer Auger; Vicon 5 Wheel Hay Rake. Stump Acres. York County. (717)792-3216.