

Family Farm Business Helps Post-Coal Economy

(Continued from Page A1)

Now, the several-day shooting event not only receives support from pro-animal use people, and a new generation of sport shooters eager to engage in the now uncommon sport, but spectators have turned out in tremendous numbers just to see what kind of antics the "animal rights nuts" put on, and who gets arrested.

But, about 11 miles west of Hegin on Rt. 25 — a road that runs about 60 miles between I81 and the Susquehanna River — there is a fork in the road. The right road heads toward the village of Fearnot.

A red brick church with a high white steeple stands abruptly in the middle of the "Y." Off to the right is Serman Masser Potatoes Inc.

All told, Masser's potato operation supports at least 20 local families, something that Keith said gives him constant concern.

He said his concern is that he feels it is his responsibility, to himself and his employees, to ensure that the farm remains a profitable venture.

Profit margins determine how many people can share in the success of a business. Should Masser not remain aggressive and concerned, margins could slip, and he'd have to face the prospect of telling people the business can no longer afford to offer them the opportunity to work for a roof, clothes and food.

Perhaps if Masser hadn't been raised in the area, and his family hadn't been growing its own roots for so long, and perhaps if it were not that the region is so economically depressed, then maybe Masser wouldn't feel so compelled to bear responsibility to provide opportunity for others.

But as it is, there are many small towns in nearby valleys and hills where house trailers, or homes in need of maintenance sit among rust, rotten wood and rubble of what appear to have been formerly prosperous mining villages.

Junk cars, broken household items littering some roadsides and yards, falling roofs, and acid-tainted streams flowing down sterile beds are evidence of the former coal mining heydays.

But in the afterlife of the coal-mining frenzy, the town of Sacramento seems to have survived.

In addition to a hodgepodge of local service jobs, and home businesses, some people commute to jobs, such as the Fort Indian-

town Gap military installation, more than an hour's drive south.

Those jobs are tenuous. The profit in most service jobs depends on local people having adequate amounts of free-spending money.

Of course, in order to have free-spending money, a job has to pay well. Good-paying local jobs depend on businesses that are based in agriculture, processing, mining, manufacturing or the intellectual production of something, and all of these endeavors have to make something that can be sold outside of the community.

That is the economic foundation of any community: produce a unique, desirable commodity that other people, somewhere else need or want, and then conduct trade. The more money that comes into a community through the selling of a locally made product, the more prosperous it can be.

Service businesses can help support those businesses, but without them, service businesses can only sustain until local discretionary monies run out, or most people leave.

The military base, which had been seen as a stable job provider, has been under consideration for closing.

Only a stable business, based on selling a locally available commodity, can offer stable jobs.

So, instead of mining coal, some people work for Masser, helping to mine the soil for potatoes, which are then cleaned, graded, bagged, and shipped to supermarket chains.

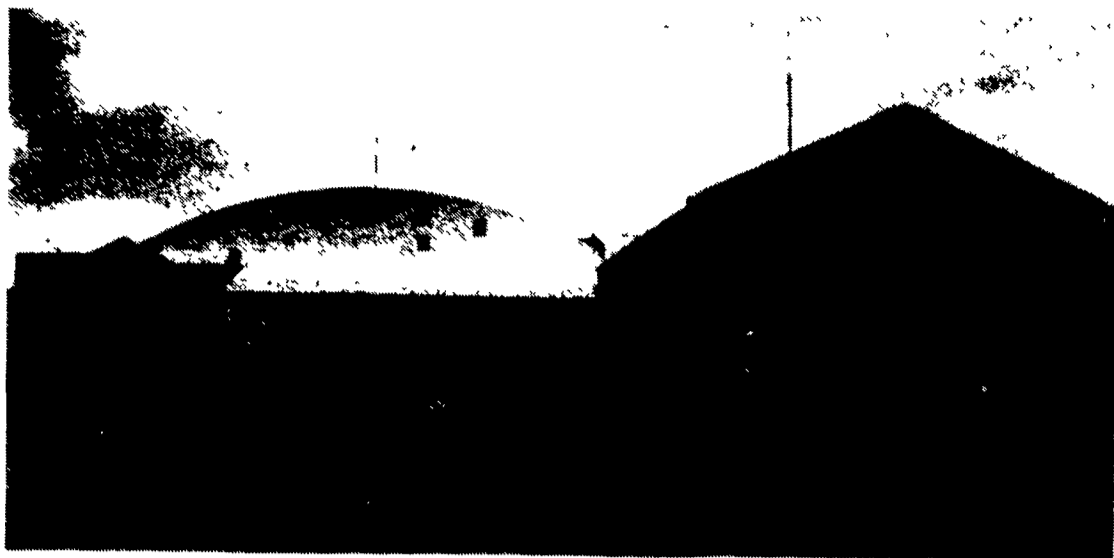
While the business has grown to provide for 20 families supplying potatoes for market, Masser said he has been keeping his growth realistic. "I don't intend to become the biggest, but I do want to remain viable."

Keith was born in the next valley to the north, the Leck Kill area, which is within the political boundaries of Northumberland County, where his great-grandfather, Charles Masser, based his potato business.

Keith's father, Serman Masser, moved to the Sacramento farm in 1959 and rented it from an uncle who farmed primarily in the Leck Kill area. The farm was purchased by the uncle during the early 1950s as a satellite farm.

In 1967, Serman purchased the farm and continued to grow potatoes.

In 1980, Keith took over. There are now four loading



From the left, the four loading docks and the business office of Serman Masser Potatoes Inc. front a complex of buildings for storing, grading and bagging potatoes for shipment to supermarket chains.

docks and a large paved and gravel parking area that some of the congregation of the neighboring church use when its own lot is overflowing.

Immediately behind the loading docks and the business office front is a complex of buildings. There are bays for receiving, large refrigerated bays for storing potatoes, and skid loader operators scurrying around moving 4-foot by 4-foot bins of potatoes to various locations, including a grading and computerized bagging operation where most employees are concentrated.

Also within the complex, there's a modern lunch room, modern restrooms (designed by regulations to accommodate a wheelchair, even though the need of having to get someone with a wheelchair up the stairs to the restroom is extremely remote), and a modern locker room.

The front of the business office area looks like a business. It has a cut-stone facade and interior, spacious carpeted front office, a long counter, and built-in glass showcases displaying the company's potato sacks and bags.

Behind the complex are a series of projects in progress. Two weeks ago, a number of grain elevators were being erected, a large refrigerated potato storage facility (with Masser designing part of the cooling system) was being finished, and underway were another building for equipment storage, and a machine shop.

In total, the business farms 2,500 acres, 400 of which are in potatoes and the others primarily in small grains.

The farming operation is not contiguous, but consists of the home farm and surrounding properties, and a series of properties stretching west, from Hegin down through the Lykens Valley to the Susquehanna River.

Applied Business

The success of Serman Masser Potatoes Inc. is apparently because of the strong business attitude and strategies that Keith applied to the family potato business. In order to be successful, he took over the middleman jobs of processing and packaging.

The traditional relationship between farm and processor and packager has been such that farm operators take most of the risk on margin, while processor and packager build in margins in the wholesale and retail prices.

Having control of operations up to wholesale level, and supplementing on-farm production with purchased potatoes, Serman Masser Inc. can fulfill orders and keep the margin and its reinvestment under control and in the long-range interest of the business.

Typically, processors and packagers of commodities, while supportive of independent processors as a whole, are not concerned with the woes of individual producers.

Common modern business practice is such that processors of raw products depend on competition between producers to keep down operating costs and to ensure adequate supplies.

Processors usually get their margins, regardless of strains on producers.

But with the roles of processor and packager under one roof with producer, indifference to producer problems is eliminated. As long as Masser can make the whole program work, there is hope for the local economy to continue to export goods and bring in cash.

According to Keith, he learned his work ethic from his parents and through growing up on the farm. He said he got his business acumen and training in goal-setting and planning while at Proctor & Gamble as a project engineer.

Masser said he never had any intention of returning to farming when he left for college to pursue an agricultural engineering degree at Pennsylvania State University.

He said he selected the agricultural curriculum because he felt most confident that he had a chance of succeeding in that area. Once his studies began, his interests turned toward the study of fluid dynamics.

After graduating, he went to work for Proctor & Gamble in 1972. That was also the year of Hurricane Agnes and the Flood of '72, and Masser had his first

encounter with the Susquehanna River while working at Mechoppany, in Wyoming County, where Proctor & Gamble used Susquehanna River water in part of its operations.

In 1976, he returned to the home farm and worked with his father, and a brother, who died in an accident in 1980. That is when Keith took over the farm, and Serman invested in a coal business.

In 1990, Masser took advantage of a low-interest loan program made available through the state's economic development program and purchased grading and bagging equipment. He has continued to expand. He said his goal is to double the size of the business every 10 years.

Of course that growth has its limits, but currently the business ships 18,000 tons of potatoes to supermarkets per year.

Masser is certified to apply pesticides, as are two other employees; and he has a fumigation license also. He and 10 other employees currently possess commercial driver licenses.

On the wall behind his office is a sign that states, "Stuffing is for turkeys. Eat potatoes."

On the desk is a monitor to track commodity market prices and a computer.

In 1984, Masser decided the business needed a better irrigation system for the potato fields and he wanted to build center-pivot irrigation systems. (He owns six and uses two per year.)

Seeking to comply with the law, he sought out information through the local USDA Soil Conservation Service. He was directed to the Susquehanna River Basin Commission (SRBC).

Created in 1970, the SRBC is a federal/multi-state agency charged with authority to oversee the management of the flows of the Susquehanna River, which means the entire river drainage basin.

The agency is considered necessary because chaotic use of the water within the river basin is seen as only leading to a great deal of unnecessary costs, fighting and suffering.

The amount of water within the basin is limited and the growth of the human population can be expected to continue until those limits are reached. Some fair and orderly management is needed to maintain a reasonable standard of living within the basin.

Since Masser's operation is within the basin, he contacted the then still-developing agency, told them what he'd like to do, and asked whether he needed a permit.

According to Masser, a representative from the SRBC came to the farm and Masser explained (Turn to Page A28)



The arrow in this aerial photograph of Serman Masser Potatoes Inc. shows the location of the main office, warehouse and production facilities. A grass airplane strip stretches from the facilities area down through cropped fields surrounding the area, a portion of the 2,500-acre farm property of the business.