

Agri-Educational Seminar Examines Globalization Effects

LANCASTER (Lancaster Co.) — After decades of broadcasting farm news, Orion Samuelson, said the biggest change he has seen in agriculture can be summed up in one word: globalization.

This worldwide concept applied to agriculture was touched on by numerous speakers at the annual agri-education seminar held by CoreStates Bank on Thursday.

Globalization is held up as the answer for expanding agricultural markets.

With explosive world populations in countries that cannot feed its own, the U.S. is considered a reliable supplier.

"If we decide to stop exporting, half of the farmers will be out of business," Samuelson said in response to those hesitant of shipping resources outside of the United States. "We have more resources than we can use and those resources are replenishable."

Echoing the message of global trade were speakers Dr. Barry Flinchbaugh, H. Louis Moore, and John Blanchfield.

Farmers cannot remain isolated from what is going on in the world. Flinchbaugh, economist from Kansas State University, said that the general economy affects farmers' bottom line and what is happening internationally and in world trade.

"Export demand looks extremely good," he said. He referred to the population explosions in countries such as China, Indonesia, and India. While these countries need food, trade remains a political market that may be cut off in situations such as China's perchance to fire missiles at Taiwan.

Economic indicators measure what is happening to the economy and according to Flinchbaugh indicate that interest rates will decline because it is an election year. This will unfortunately sow the seeds for another round of inflation, which has been held flat in the 1990s.

Flinchbaugh sees the federal deficit as the number one problem for the United States, with the biggest expenditures in Medicare and Medicaid and little chance for reducing it. "By the year 2002, the deficit will make up 22 percent of the budget and the economy cannot sustain that," he said.

While there is no finalization of the Farm Bill, Flinchbaugh said that farm programs continue to create controversy. Some analysts predict that exports can replace government programs 100 percent, but others believe trade will have zero effect in replacing the programs.

While land prices continue to rise in the East, percentage wise land values are going up faster in Kansas and the Midwest.

Moore, an economist from Penn State, reported that record exports in 1995 will continue to rise 1.5 percent this year.

The economists confer that there is not too much good ahead in the dairy and livestock outlooks for this year, but exports should help these industries eventually.

Blanchfield, director for the agricultural division of American Bankers Association, said that changing dynamics are affecting the Farm Bill debate in Washington. "In the past they came together with the thought of doing something good for agriculture."

Now a harsh review of the effectiveness of programs is resulting in others defining agriculture.

He referred to Dan Rather's recent CBS broadcast that falsely



Miss Pennsylvania Linette Mertz



Speakers at the CoreStates Bank Agri-Education Seminar include, seated from left, Kirsten Kauffman, Miss Pennsylvania Linette Mertz, and Joy Young. Standing from left, Gary Helm, John Blanchfield, Darvin Boyd, Orion Samuelson, David Kohl, Barry Flinchbaugh, Joseph Del Tito, and H. Louis Moore.



Orion Samuelson



John Blanchfield



Gary Helm



Dr. Barry Flinchbaugh



Dr. Louis Moore

accused dairy farmers for conspiring to develop legislation that would cost American consumers \$2.5 billion dollars and put additives in milk.

Blanchfield warned, "We must not let others define who we are."

David Kohl, ag professor from Virginia Tech Polytechnic Institute, challenged the audience to balance business and family life.

According to Kohl, those who spend 3,000 hours in farming and 500 hours in other commitments will lose either their family or farm within five years.

While involving family members in the farm operation, Kohl said that it is important to allow family members to work for someone else for 3 to 5 years. Studies show that when the member returns to the family farm, the transition is twice as likely to be successful and the business will be four times more profitable.

Another important rule is to allow that member to move into management within six years.

Bumpy roads are caused too often by parents trying to maintain control and an unwillingness to hand over the business.

Attorney Gary Heim explained farm transfer planning and tax laws. Significant tax savings are possible if the transfer is began while the farm owner is still living. While there is a \$10,000 annual gift exclusion, more than that amount may be given tax free annually but the amount must be subtracted from the one-time \$600,000 gift allowable in inheritance.

The timing of farm transfers show that the transation of cattle, equipment, and crops should be transferred by the time a child is 30 years old and the real estate should be transferred by the time the child is 40 years old.

It is important for parents to realize that the child taking over the farm cannot be treated equally with other children. Otherwise the child will not be able to raise the taxes necessary and keep the farm. It is more sensible to have a clause state that if the farm is sold within 10 years, a percentage of the money must be distributed among the other siblings.

Heim stressed the importance of selecting a professional you trust.

Miss Pennsylvania Linette Mertz, who grew up on a dairy farm in Kutztown, talked about her reign and her passion to promote literacy. She ended her presentation with a solo, "Proud to be an American."

Students Joy Young, county FFA president, and Kirsten Kauffman, 4-H superior achievement

winner, spoke on farmland preservation and how it affects others. This was the 15th year that the

bank sponsored the educational seminar held free for agricultural clients and FFA members.

Fun Auction To Support Maryland 4-H Judging Team

FREDERICK, Md.—Plans are underway to secure unique and exciting items for a fun auction that will be conducted as part of the Maryland Holstein Annual Meeting in late February. Funds from the auction will help to support the Maryland 4-H Dairy Cattle Judging Team that will be representing the United States in international competition in Edinburgh, Scotland during late June and early July.

To date, some of the items donated are:

- a beautiful afghan and quilt
- two prints from Jim Baird, artist who designed Hoard's Dairyman's covers
- a beautiful Barry Richards print
- old milk bottles and other dairy artifacts
- semen for many outstanding proven sires
- a dressed and packaged lamb

- two Maryland/Virginia basketball tickets
- 5 gallons of delicious University of Maryland ice cream
- a beautiful walnut McCune "Cow With Calf" woodcarving.

The items will be on display on Thursday, February 29th at the Frederick County Fairgrounds during the Maryland Holstein State Sale and during the annual meeting on Friday at the Holiday Inn. Some of the items will be sold by silent bid and the remainder will be sold at the live auction on Friday evening following the Annual Awards Banquet.

If you would be interested in donating some interesting crafts, dairy artifacts, or other items to help support this worthy cause, please contact one of the following: Marsha Remsburg, (301) 473-7959; Judy Iager, (301) 725-6751; Lee Majeski, (301) 405-1406.