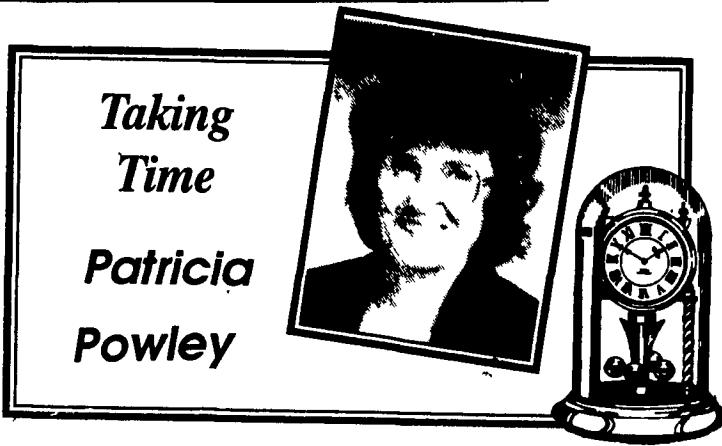


Extension Program Eases Leaving The Dairy Business



Taking Time
Patricia Powley

When Friends or Family Ask for Money

How do you respond to a friend or relative who asks to borrow money or asks you to co-sign a loan? Lending money is a business transaction with financial risks. Lending money to family and friends, in addition to being a business transaction, is a personal transaction and affects relationships that are very important to you. At its best, lending money to a friend or relative is a way to help someone you love. At its worst, lending money to a friend or relative destroys a meaningful relationship.

Before lending money to a friend or relative, consider the entire situation - your situation and the situation of the person asking for money. Will the money solve the problem of the person asking for help? How will giving financial assistance affect your present and future financial situation.

Is money the problem or the symptom?

When a person asks for a loan, he or she thinks money will solve his/her problem. And, sometimes it does. For example, when a person has had unexpected expenses or reductions in income, your loan helps that person through the temporary crisis. You may even prefer to make a gift rather than a loan.

However, money may not be the problem, but rather the symptom of the problem. Lack of money may be caused by chronically living beyond one's means.

When spending continually exceeds income, the only solutions are to increase income or

decrease expenses. Life changes are necessary to increase income and/or decrease expenses.

Money problems also may be caused by drug, alcohol, and/or gambling addictions. If the money problem is a symptom of one of these, your loan, rather than solving the problem, allows this person to continue to ignore or deny the real problem. Some clues that money is a symptom of other problems are:

- The person has borrowed from you or other friends and family members before and not repaid as promised.
- The person asking for money is vague as to why he/she needs the money.
- The person doesn't want you to tell other friends or family member he/she has asked for a loan.

Can you afford to make a loan?

Before lending money, look at your financial situation. What large expenses will you have in the future? What changes might you experience in income? Can you really afford this loan? Saying no may be difficult, but not saying no may be even more difficult.

If you do make a loan, what are your expectations for when and how the loan will be repaid? Be clear about the expectations of both the lender and the borrower. Put expectations in writing. Be sure the loan document includes the amount of money you are lending; the interest rate, if any; the date by which the loan must be repaid; and description of any collateral.

You may want to purchase a form called a "promissory note" at a stationery or business sup-

NEW BLOOMFIELD (Perry Co) - Retirement, health concerns, excess debt, a desire for more free time. All of these are reasons why dairy producers decide to leave the business.

Whether you are retiring and selling cows, machinery and real estate, or just moving from dairy to another agricultural enterprise, planning is the key.

Proper planning may help avoid needless legal problems, excess income and capital gains taxes. Planning will also help ensure the proper paperwork for Social Security and Medicare benefits.

"Exiting the Dairy Industry in an Orderly Manner" is a program designed to help plan. Everyone now in the dairy industry will leave at one time or another

ply store. If there is collateral and/or if the loan is large, you may want an attorney to prepare or review the lending agreement to protect you in the event of nonrepayment and/or bankruptcy, divorce, or death of the borrower.

It's your choice.

When a friend or relative asks you for financial assistance, it's your choice. Think through the situation - both the financial and the emotional aspects. What will the loan do for your own and the borrower's financial situations? How will giving or not giving financial help make you feel about yourself and about your relationship with the person seeking help? How might making or not making the loan affect your relationship with other family members or close friends? Remember, it's your money and your choice.

If you are thinking about leaving the dairy industry in the next five years, this program is for you.

The two day program will be held on Monday, March 9 and Monday March 16, at the Walker Grange Hall, Mexico (Juniata County), located 1.5 miles off the Port Royal exit of Rt. 322.

The program will feature a panel discussion by several dairymen who recently left the business. They will be discussing what advice you need to seek when making the transition from dairy production.

The program will also feature John Becker, a lawyer from Penn State's College of Agricultural Sciences, who will be reviewing the types of legal advice needed and where to get quality advice pertaining to agricultural and estate issues.

The second day, Larry Jenkins, professor with Penn State's College of Agricultural

Sciences' Farm Management department will review tax implications of selling the farm, and/or cows, and how to proceed to minimize the tax liabilities, saving as much of assets as possible.

The program will also feature a presentation by a Social Security field officer dealing with Social Security and Medicare benefits for those who are at or close to the age of retirement.

The registration fee for the program is \$20 for the first person from a farm, \$15 for each additional person. The fee covers lunch for both days of the workshop as well as educational materials. The program will run from 10:30 a.m. to 2:30 p.m. each day.

For further information and/or registration, call the Perry County Cooperative Extension Office at (717)582-2131, ext. 243. Registration deadline is March 3.

Foundry Day Arts And Crafts

BOILING SPRINGS (Cumberland Co) - The historic village of Boiling Springs, Cumberland County, will celebrate the 12th annual "Foundry Day" Arts and Crafts Festival on Saturday, June 6, from 9 a.m. to 4 p.m. The festival will feature many talented members of the Pennsylvania Guild of Craftsmen as well as some of the most creative professional artists and crafts people from throughout Pennsylvania and near-by states. Line up on Front Street, along picturesque Children's Lake and Third Street, 100 booths will be filled with the best crafts and fine arts their creators have to offer.

"Foundry Day" theme is "The Roaring 20's". There will be a walking tour of the village. Exhibitors and townspeople are encouraged to dress in period costume of the 1920s.

Special features include an antique car display, the Trout Unlimited Exhibit, and the Bird Rehabilitators of Dillsburg Children's activities, trout fishing, and fly fishing will be offered.

Boiling Springs is easily accessible between the main highways which includes I-81 and Route 15. The village is located on Route 174, 15 miles southwest of Harrisburg, 5 miles southeast of Carlisle and 15 miles northeast of Gettysburg.

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