

Wachovia To Drop Ag

(Continued from Page A1)

Some large agribusiness clients with yearly revenues of more than \$15 million will remain with Wachovia, Armfield said.

But what will happen with loans to farmer clients generating less than \$3 million in annual sales seems a lot less clear.

"We're really going to look at them on a case-by-case basis," said Barbara Nate, Wachovia communications director in Delaware.

To put \$3 million in perspective, a dairy farm with average production would need about 1,000 cows to generate milk sales of \$3 million in a year, at a milk price of \$13 per hundredweight.

According to Armfield, term loans may continue to be serviced by Wachovia until they are paid off, or the loans may undergo "ordinary refinancing." The smaller loans could also be sold to another lending institution.

At any rate, Wachovia "expects to do very little additional business with smaller agribusinesses," Armfield said.

Regarding farm producers with Wachovia loans, "we don't want to have any kind of a knee-jerk reaction," she said, adding that the company will not ask for "quick refinancing."

Armfield was not able to provide a dollar figure on the loans outstanding.

In Pennsylvania, the southeast area makes up the "heart" of Wachovia's ag dealings. A number of producers farther west, including those in Blair and Franklin counties as well as others scattered around the state, also have loans through Wachovia, which merged with First Union Bank in 2001.

The strong ag lending department at the bank was developed over the last quarter century.

Darvin Boyd retired this past

March from heading up the ag-finance department at the First Union/Wachovia branch in Lancaster.

Beginning in 1976, at what was then National Central Bank, Boyd built the ag lending department from \$13 million to \$500 million in outstanding loans by the time he retired this spring.

Throughout those years, the bank went through numerous mergers, finally becoming First Union in 1998 and then merging with Wachovia in 2001.

Boyd spoke Thursday with *Lancaster Farming* about the bank's divestment from ag lending.

"It is sobering that the fourth largest bank in the country, with over \$350 billion in assets, has decided it is not in their best interest to be committed to the ag community and ag industry in the Pennsylvania and Delaware marketplace," Boyd said.

Bank leaders tend to compare

returns from agriculture with other types of business, according to Boyd. But farming has certain features that make it different, he pointed out.

"Commodity price swings and the related risk are an inherent part of ag lending," he said.

Boyd acknowledged that the last several years have been more challenging than most because markets were depressed for the main commodities produced in the area.

But 2003 brought signs of recovery. For example, milk prices are beginning to climb and commercial egg producers made significant profits this year. Auction beef prices continue to soar to record levels.

Boyd said he is hopeful that the existing ag infrastructure will be able to step in and continue to back farmers and agribusinesses.

Bob Zook, ag lender at Ephrata National bank, agreed that there are a number of banks in the area still interested in funding agriculture.

"Obviously, there's one less lender to provide capital for agriculture," Zook said of Wachovia's decision. "I look at it first as an opportunity."

Zook said relatively small banks such as Ephrata National should continue to grow in the ag finance department. Even though the Wachovia portfolio will need to be purchased by a larger lending institution, he said, smaller lenders will be able to pick up some of Wachovia's individual loans.

Wachovia Corporation, based in Charlotte, N.C., offers financial services in 11 Eastern states and Washington, D.C. The company does additional business in 48 states and internationally. Total assets are \$364 billion.

Calls this week to the Lancaster First Union/Wachovia office on the subject of ag lending were directed to the Delaware communications office and Armfield.



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Arabian Horse Judging At KILE

HARRISBURG (Dauphin Co.) — More than 90 students from 20 area schools filled five sections of the Equine Arena on Monday, Oct. 6, during the 12th Annual Keystone Arabian Horse Judging Contest at the Pennsylvania Farm Show Complex in Harrisburg.

Youth were instructed to sit at least one seat and row apart from one another to insure the contest's validity. Prior to the contest, judging cards and test sheets were passed out to each student as they anxiously awaited their first class of horses.

KILE sponsors the judging contest, which offers area 4-H youth a unique opportunity in animal evaluation. Jeff Morse, an agriculture education teacher at Littlestown High School, has been overseeing the youth judging contest for five years.

"It's a great introduction to horse judging. For kids who have never judged before, no reasons are necessary, which makes it easier for them."

Students may enter the contest individually or as a team. Monetary prizes are awarded to the top ten individuals and ribbons are given to the top five teams. During the contest, students first complete a written exam, which consists of matching, multiple choice and essay questions. Horse anatomy and general knowledge topics are covered.

After the contest, points were added and tests were scored. The following winners were selected: first place, BJ Dabber, York 4-H; second, Brandy Lower, Dauphin 4-H; and third, Stacey Fague, Danville 4-H.

Schools represented included Littlestown, Biglerville, Line Mountain, Bermdia, York, Northern York, Dauphin, Northern Bedford, Perry, Gettysburg, Big Spring, Kennard-Dale, and Dover.

Slaughter Cattle Weekly Review

Oklahoma City, Okla.

October 3, 2003

Report Supplied by USDA

NATIONAL SLAUGHTER CATTLE SUMMARY - Week Ending Oct. 3 Slaughter steers and heifers traded steady to 1.00 higher. Packer demand moderate at higher levels but to fill orders were forced to give more money. Packers have slowed the chain speed in order for feedlots to build their inventories. The choice select spread remains at an all time high of 34.00 as cattle continue to be marketed with only minimal days on feed. Choice grading beef and higher now costing significantly more on the retail level as supplies of these are very short. Investors worry that this could slow the demand for beef, especially when we are only a few months away from the holidays when beef sales are usually not so prevalent. Boxed beef values Friday morning opened at an average of 140.73 down 2.21 from last Friday. Sales of slaughter cattle on a national basis for negotiated cash trades totaled 167,700 head through 10:00 a.m. Friday. Last week's full count totaled a moderate 188,800 head.

STEERS AND HEIFERS: MIDWEST DIRECT MARKETS: Live Basis: 35-80 percent Choice, 900-1400 lbs 91.00-95.00, wtd avg 93.40. Dressed Basis: 35-80 percent Choice, 550-950 lbs 142.00-149.00, wtd avg 145.66. HIGH PLAINS DIRECT MARKETS: Live Basis: 35-65 percent Choice, 900-1400 lbs 89.00-90.00, wtd avg 89.91.

SLAUGHTER COWS AND BULLS (Average Yielding): Slaughter cows 1.00-3.00 lower. Slaughter bulls 1.00-2.00 lower, except the southeast 3.00-5.00 lower. Demand continues light for cows. Large numbers of cows are headed to market as we are in the peak of culling season. The dairy buy-out and Canadian beef product moving into processed beef channels have added to the declining cow and bull markets. USDA's Cutter cow carcass cut-out value closed Thursday at 84.46 down 3.11 from last Thursday.

COWS: Breakers 75-80% lean 1000-1600 lbs. Colorado 42.00-45.50, Oklahoma 42.00-44.50; Alabama 36.00-39.00. Boners 80-85% lean 1000-1500 lbs: Colorado 41.50-44.75; Oklahoma 41.50-44.75; Alabama 35.50-38.50. Lean 85-90% lean 950-1400 lbs Colorado 38.50-41.25; Oklahoma 38.00-41.50; Alabama 31.00-34.00.

BULLS: 88-92% lean 1500-2200 lbs: Colorado 51.00-54.00; Oklahoma 46.50-49.50; Alabama 44.00-48.00.

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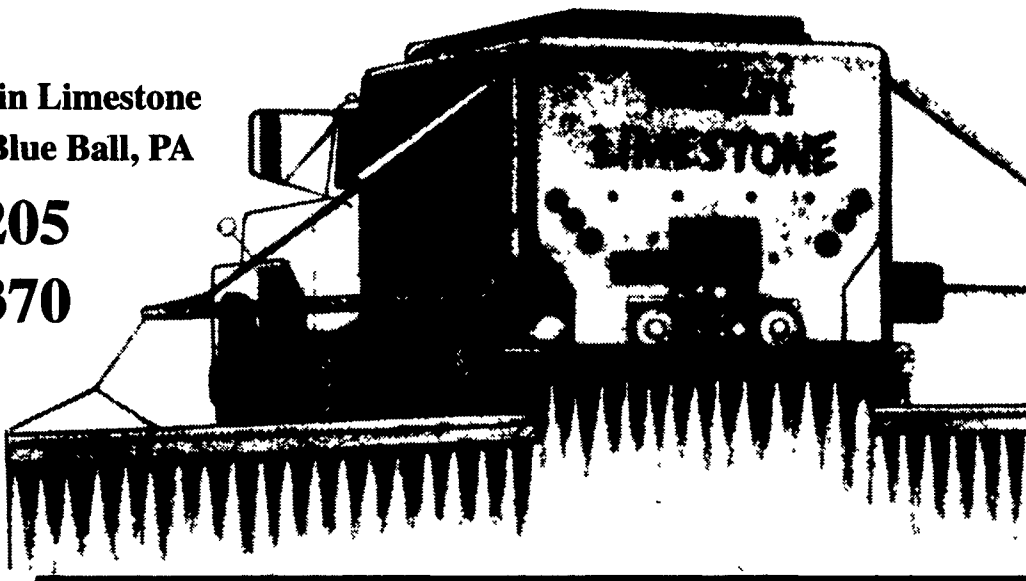
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RESCHEDULED HARVEST FESTIVAL ANTIQUE TRACTOR PULLS AT SCHUYLKILL CO. FAIRGROUNDS

The Schuylkill County Agricultural Museum will be having Antique Tractor Pulls at the Schuylkill County Fairgrounds on Sat., October 25th at 11 a.m. The Antique Tractor Pulls held in October have been a tradition for many years. The first Tractor Pulls at the Schuylkill County Fair were held this year with the possibility of expanding to include 4 wd pickup trucks, mini modified tractors, and some later model tractors in the future. The Ag. Museum will be open for tours all day. Featured in the museum will be many antique gas engines including a 1906 Bessemer gas engine weighing 14,000 lbs. that was donated to the museum by a local family that owned a feed mill in western PA. It has been totally restored and will be in operation periodically throughout the day. Also on display will be an original Conestoga Wagon along with other antique farm machinery.

Admission to pull and museum is Free.

Anyone interested in competing in the tractor pull may call Kevin Berger at (570) 739-4263 for details.

Tractors must be manufactured prior to 1960.

A fee of \$7 per hook will be charged to compete.

Registration starts at 9 a.m.