

Plain Dirt Financing

Financial Information for Amish Farmers
May 2007

Benefits of Conservation Plans

Submitted by Kevin Seibert

Lancaster County Conservation District

Spring is here (according to the groundhog), and with spring our attention turns to a new crop year, and what we can do to maximize our yields on the ground we farm.

Having a conservation plan for your farm offers many benefits beyond the obvious benefit of losing less topsoil (resulting in reduced yields) caused by water erosion. Did you know that depending upon the township in which you live; having a conservation plan may be a requirement if you are looking for any type of building permit? And, did you know that it will definitely be a requirement if you are considering applying for any commodity programs, price supports and disaster payments? Cost share monies to put in a manure storage system also requires a conservation plan

Having a conservation plan will also be a requirement for loans through the Farm Service Agency and may be required by private lending authorities. And it may very well be required to obtain certain agricultural preservation monies.

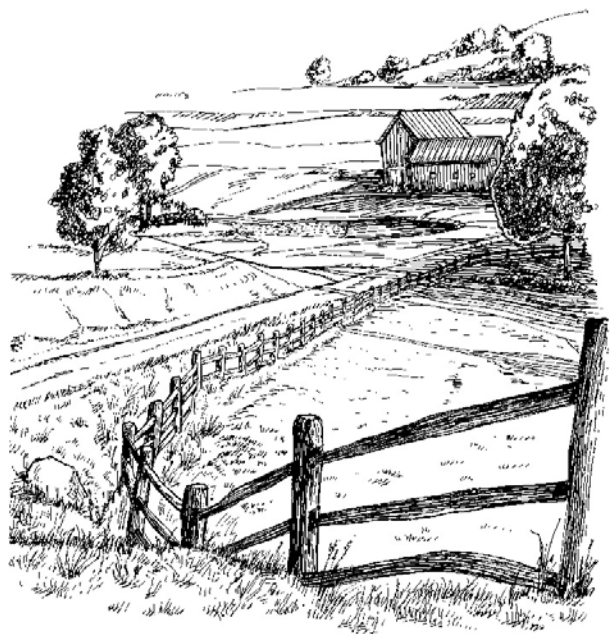
Most conservation plans can be developed by your county Conservation District (in Lancaster County call **717.299.5361, ext. 5**, in Chester County call **610.892.9484**). By using your Conservation District to help you develop your plan, there will not be any cost for you. There are private certified planners that can also do a conservation or nutrient management plan for you as well, but there will probably be a fee involved.

Most of the farming practices that you are currently doing will not be affected by having a plan. In fact, in many cases, having a plan will simply verify that what you are already doing is very acceptable; and it may offer some protection for you in the rare occasion that there would be a complaint lodged against you from a non-informed 'English' person.

Most conservation plans include the tillage practices and equipment being used, the crop rotations you are presently using, and how manure is being handled. Most of our farmers do a lot of fall plowing, and having an approved conservation plan in place helps to assure any neighbors that you are not doing anything to contribute to excess soil run-off.

Every farm owner is regulated under the Clean Stream laws that went into effect back in 1973, and every farmer has an obligation to assure everyone that everything is being done to meet certain standards for soil run-off and appropriate manure management.

If you have any questions, or want additional information, call your county Conservation District at the numbers listed above.



How Melvin and Mary helped their daughter

By Dale Peifer

Melvin and Mary moved off the farm six years ago when their son took over the dairy operation. They purchased a three-acre property close to the farm with some savings and a down payment that the son made on the farm. They took back a note for the balance. Melvin and Mary's daughter and son-in-law recently had the opportunity to purchase a farm in Indiana, but they needed an additional \$80,000 to make it happen. Melvin and Mary didn't want to put a hardship on the son by "calling" the note, so they did a "cash out" on their three-acre property.

How does a "cash out" work? Their three-acre property appraised for \$270,000. They did have a small loan of \$36,000 against the property, used for an addition a few years ago. We could make them a \$118,000 loan to "refinance/cash out." They refinanced the \$36,000, and cashed out \$80,000 to loan to the daughter.

Even though the property did not have electric, and the fire and storm coverage was Amish Aid, our loan program allowed us to do this loan at the favorable "conforming, residential" rates. The fixed rate for a 15-year loan was 5.875%.

Do you have a unique situation and not sure what to do? Give Farm Credit a call...with flexible programs and competitive rates – we'd be happy to meet and work with you to attain your goals.

Ten Tips for Keeping Children Safe in Planting and Hay Making Season

By Kay Moyer, Penn State University Extension

Warm weather means that schools will soon be over for another year and planting/hay making season is right around the corner. Children will be spending more time living, working, and visiting farms. Ten Tips that can help to prevent farm related injuries to children are:

1. Have a family safety meeting to discuss and create farm family safety rules such as:
 - Children should not be an extra rider on equipment
 - Children should not play with idle machinery
 - Children should not play in the machine shed
2. Walk around the farm and list and amend major hazards found
3. Store chemicals and pesticides out of children's reach in locked areas
4. Know where children are when working with machinery
5. Keep machinery in good repair—especially protective shields
6. Maintain reflectors for all equipment used on the roads
7. Make sure that children are old enough (physically and mentally) to
8. safely complete a job
9. Designate hazardous farm areas "off limits" to children
10. Do not let children play in grain bins or grain wagons
11. Provide a small fenced off play area away from machinery or hazardous

No-tilling Experiences on an Amish Farm

Submitted by Jeff Graybill and Axel Linde

John Stoltzfus and his father A.K. have been continually learning and using no-till farming for more than 18 years on their farm near Wakefield (Peach Bottom), Lancaster County. What initially began, as a way to fight the deep gullies in cornfields (the farm is located on the rolling river hills) has, today, become a strong goal to completely no-till all their crops including tobacco and alfalfa. John says, "The biggest benefit to no-till is no erosion," however, he also states, "no-till is easier on the horses and mules, no plowing, and at harvest the wagons pull much easier." He advises using the widest steel wheels as possible to reduce compaction, and follow the contour closely to avoid planting on a slope. Another rewarding benefit of no-till is less dust in the fall when harvesting. No-till is healthier for the horses or mules and the farmer and children on the harvesting equipment.

John has been using rye as a cover crop and then burning it down prior to planting (preferably two to three weeks ahead of planting). He has tried varying heights and likes 10-16" rye. If the rye gets too tall it can get away from you and will pull a lot of moisture and nitrogen out of the soil. If it is not tall enough you do not get the benefits of the residue. John finds that moderate amounts of dairy manure along with the rye residue provide most of the nitrogen his corn needs. A.K. feels that the benefits of no-till accumulate over the years and that their fields have become more forgiving and resistant to compaction. John has noticed a steady increase in the percent of organic matter in the soil tests on his farm.

Recently, they have begun no-tilling alfalfa with excellent success and last year even tried no-tilling their tobacco crop. When asked about the tobacco, John said, "We will definitely no-till again next year with a rye cover crop." His tips on no-till tobacco: "Kill the rye at about a foot of growth and then use the full rate of Command" with Prowl just before planting. Last year he made a slit four to five inches deep and then followed with his traditional transplanter. John and A.K. have burley, green river and PA types of tobacco; it is some of the healthiest looking tobacco in the county. Surprisingly, weed control was not a problem and after a slower start the tobacco is just as big and "burly" as tobacco that has been repeatedly cultivated.

This year the new no-till transplanter is mounted on a Pequea Planter frame and can be pulled with a forecart and a two-horse team. It is available for farmers at no cost. A \$100/acre incentive payment is available for those who are interested in working with the Conservation District and Penn State Extension to try the transplanter in their own fields. Contact Jeff Graybill, Lancaster Extension (717.394.6851), Axel Linde, Solanco Young Farmers (717.529.6963), or John or A.K. Stoltzfus (717.548.3527) for more information or how to get on the list of farms wanting to use the planter. The no-till transplanter will be available on a first-come basis.

No-till farming has become such a way of life for the Stoltzfus family that all of the crops in their home garden are also planted no-till. Both John and A.K. challenge farmers to try no-tilling and to ask questions.

Patronage Review

By John Mylin

Those of you who are Farm Credit customers should have again received a check in the mail by the time you are reading this newsletter. Our patronage program continues as a reliable way that Farm Credit is able to share profit with our members. For the last three years we have shared an average of \$27 million in profit with our customers. Of this total, an average of over \$8 million was distributed in cash each April for the last three years. This April we will again distribute \$8,023,038. If you were able to attend our annual meeting on April 10, you likely received your check at the meeting. If you were unable to attend the annual meeting, you should have received it by mail.

We often talk to customers about the impact patronage has on lowering the cost of borrowing. Over the last six years, patronage declared by MidAtlantic has had the effect of lowering interest rate on loans by at least 1%. In many cases it exceeds 1%, but 1% is a conservative amount to keep in mind.

Our goal at Farm Credit has always been to provide competitive rates and share profits with our customers who by choosing Farm Credit allowed us to make a profit. If you have questions about patronage or would like to better understand how it lowers cost of borrowing, please give us a call.

Reminder!

If you recently obtained a loan from us and are now receiving offers in the mail for a "better deal," (for life insurance, refinancing, etc.) they are not from us. All of our correspondence will contain our name and logo.

Companies can obtain information from a county courthouse since it is public record. Do not be fooled by these offers—be sure to read the fine print. If you still aren't sure if the correspondence is from us, give us a call. We'll be able to verify if we sent the information to you.





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This newsletter
is for you.

*If you have story ideas
or a financial topic
you'd like us to feature,
give us a call!*

John Mylin
Dale Peifer
Jerry Phillips

800.477.9947

Dates you'll want to know!

Farm Safety Events

June 16

Family Farm Safety Day
Bart Fire Hall
Georgetown

October 6

Family Farm Safety Day
Robert Fulton Fire Hall
Wakefield

Another event of interest!

August 14-16

Ag Progress Days
Rock Springs, PA