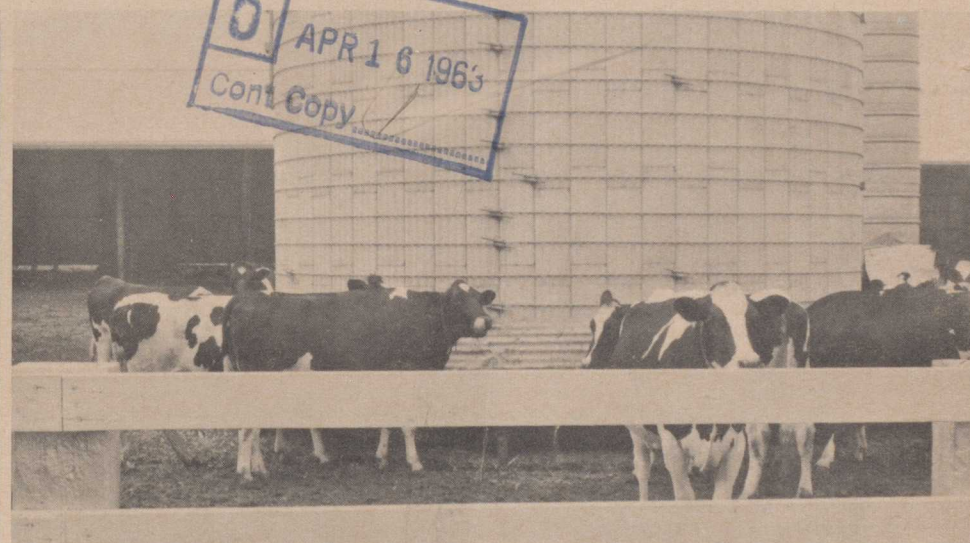




BAKER MAKES BETTER USE OF LABOR AND MANAGEMENT



Ralph Baker



Baker's cows eating silage from the lazy susan feeder.

"We make better use of our labor and management since we expanded our operations," said Ralph Baker, Jonesville, Mich.

"When we made our first land bank loan in 1955, we were operating a 160-acre farm and milking 25 cows averaging 8,000 pounds of milk annually. We soon began to see that our machinery and crop production were outrunning our dairy herd and labor supply," Baker commented.

In 1958, he decided to expand his operations with a milking parlor, milk house, silo, pole barns and a paved lot. To do so he used a new land bank loan and a PCA loan.

Baker now operates 210 acres of owned land and 200 acres of rented land. The 70-cow dairy herd averages about 11,000 pounds of milk annually.

He attributes the increased production to better quality cows from artificial breeding, better feeding and better qual-

ity roughage.

The expansion has tripled the Bakers' income. By mechanizing as much as possible they have kept the farm organization to a man and a half to 2-man operation.

"Credit for production is an important factor in our business," said Baker. "Much of a year's fertilizer expense, for example, is still in the corn pile and we have not cashed in on it yet when we need another year's supply of fertilizer," he explained.

Baker cautioned against using credit for expansion programs merely to increase gross income. The test of profitable use of credit is whether it will also increase net worth, he added. The problems of farm management and financial management multiply with the larger operation, but the larger operation can give the farmer a return on his management skills and make better use of his labor, he commented.

ON THE INSIDE

Borrowings Increased During 1962	page 2
Financial Management Important to Success	page 4
Credit Standing Is Important to Farmers	page 5
Credit Management: Key to Financial Progress	page 6
Agriculture Spurs Nation's Growth	page 8
Co-ops Key to Bargaining Power	page 9
Co-ops - A Force in Rural Progress	page 10
Ways You Can Use Credit Profitably	page 11

