

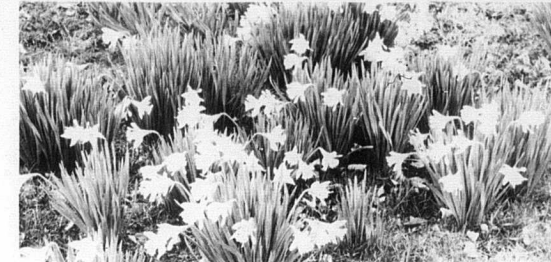
# The Carlisle Mercury

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## 1982



### Nicholas farmers lag in sowing beds

"We're not pushing the pace but yet," Nicholas County Agent Michael Phillips told the Mercury this week. "But we've still got about 60 percent of the county's tobacco farmers who don't have their beds in yet."

Phillips said appearances can be deceiving however, because of the new synthetic bed covers.

Using them, we can raise the tobacco plants about two and a half weeks faster than with the old cotton covers," Phillips explained. "Usually a person could wait as late as April to sow beds and still be OK."

"Phillips said the weather has held farmers back this year and the cold weather of the last few days will stunt the growth" of that seed that might have been in the ground.

"Some beds that might be in the low places, along creeks and the like could have sustained some injury. Those little plants just out of the ground will react to this cold by turning yellow a bit and stopping growth."

Phillips said that "mortal areas" on the farm was probably a whole lot worse than anything else right now. The tobacco farmer worries a lot right now about this whole process."

Nothing much has changed

### Reduce risks is name of game Cattle producers learn to hedge

It is easier for the hedger to estimate the basis than try to predict absolute cash prices many months away. Looking at the patterns of the basis in the past is the best way to estimate what the difference will be in the future, according to Meyer.

Historical information showing how the basis has varied in the past — from month to month and year to year — can help the hedger determine the chances that the basis will be above or below a certain level at a certain time in the future. With this information, the hedger can decide how much basis risk he would be comfortable with, Meyer said. "If the hedger is very conservative, he should use an unfavorable (negative) basis, then, in fact, he is apt to be favorable. If he is indifferent to risk-taking, he should use the average basis in deciding whether to hedge or not," said Meyer. "It is very important for a hedger to monitor closely the basis when the delivery month is approaching."

For producers who want to "fine tune" a basis position, statistical information from past years is available to assist in the hedging decision, Margie Calls said.

After the producer places the hedge, he must deposit "margin money" with his broker to guarantee the financial security of the futures contract. This deposit is required by all commodity exchanges and normally represents only a small percentage of the contract value.

The margin money is deposited in a segregated account and must remain above a certain maintenance level. If the margin balance falls below the maintenance level because of adverse market moves, the broker will call for additional funds to bring the account back to the initial margin level.

A typical margin account for one futures contract might require an initial deposit of \$600 with a maintenance margin of \$600.

While hedgers may dislike having to pay into margin accounts, this expense should be offset by the increased value of their livestock.

The hedger, in most cases, when a producer decides to forward price his production by hedging in the futures market, the funds for margin requirements must come from a bank or other lending institution. The lender must understand the mechanics and fundamentals of hedging to assist the producer adequately in choosing price risk as well as credit risk.

"The lender should understand hedging as well as — if not better than — the producer," he added.

Jonquils bloomed in many yards and along country fence rows, but on Friday were bombarded by heavy snow flurries that, at times, reduced visibility to less than a mile. Spring had spoken, but winter wasn't finished yet. Sixteen degrees was recorded in Nicholas County Saturday. — Mercury photo.

Producers who are "margin conscious" said Meyer. "Most producers look to their lender as a source of advice."

Meyer also said that the hedger should be willing and able to provide the life of credit for hedging. "Assuming the lender is willing to provide the funds, he also must be able to cover all margin calls," said the specialist. "If the total projected line of credit approaches or exceeds the bank's legal lending limit, an overnight loan commitment, from a correspondent bank should be obtained before a hedge is placed," he added.

There are definite financial advantages, according to Meyer, for both the producer and lender through hedging. "For the lender, a loan against hedged livestock is a safe loan," said Meyer. "The producer is assured several months in advance of a sale price for his production and the lender is assured that the loan will be repaid."

Developing the Marketing Plan

Before successful marketing can take place, either in the cash or futures market, the producer must have a plan. The hedger should know how much risk he can afford, both financially and emotionally, in order to stick to it, according to Preston, the producer can avoid panicking at the last minute when the market shifts. "The key is not to let your emotions interfere with your plan," he said.

### School open house is set

The annual Nicholas County schools open house will be held on Thursday, April 8 from 7:30 p.m. School officials have announced.

All parents and the general public is invited. Regional science fair projects and other displays and performances have been scheduled for those who visit the school that night.

School officials urge all parents to also attend this open house.

### Elementary pre-registration to be held

Pre-registration will be held at Nicholas County Elementary, Friday, April 9, from 8:30 a.m. to 1 p.m. Parents planning to register their child to Head Start, kindergarten or first grade for the 1982-83 school term should register on this date.

A child must be five (for kindergarten) or six (for first grade) by Oct. 1, 1981 to be eligible to enroll. To be eligible for Head Start a child should be four or five.

Parents will need to bring a copy of the child's birth verification. If your child was born in Kentucky you may obtain a birth verification card upon request from the Nicholas County Health Center.

Parents wishing to register children ages four and five for Head Start need to bring birth verification, income verification and parent social security number.

The Nicholas County Health Center will begin required immunization and physical examinations at this time. KHS 158 025 notices NO CHILD should be eligible to enroll as a student until required immunizations have been met. This means your child must have a physical examination and a certificate of immunization on the first day of school entry.

Further information may be obtained by contacting Betty Coates, Nicholas County Board of Education, 269-296, and the Nicholas County Head Start Center, 269-7172.

### Circuit Clerk closes

Nicholas Circuit Clerk Daily Watkins has announced that her office will close at noon on Good Friday, April 9.

### Good Friday service set

The Carlisle Presbyterian Church will be the location of the annual community Good Friday service this year, Rev. Philip Hastings has announced.

The service will be held at 2 p.m. on Friday, April 9 and will last about one hour.

Rev. Hastings said that Mrs. Bob Hastings of the Carlisle Baptist Church would be the organist and that Mrs. David Wilson would sing.

The public is cordially invited to attend, regardless of what church you attend.

### School calendar is changed

School will be in session on Friday, April 9, Nicholas County school officials have announced.

This is a change from the school calendar issued last fall, which had listed this day as an in-service day.

The superintendent's office also announced that annual spring break will be an in-service day the week of April 12-16. Nicholas County Schools will not be in session that week.

### School calendar is changed

Preston adopts a versatile plan and looks for pricing opportunities at different times. "I try to hedge about 25 percent of my bags conservatively by placing the hedge at an acceptable price and leaving it in until I'm ready to sell," he explained. "Another 25 percent of my bags aren't hedged at all." he said. "I speculate in the cash market with this part of my production."

Preston places a "selective hedge" on the rest of his bags. This move involves entering and leaving the futures market in anticipation of market funds to maximize profits. "I am just beginning to use this strategy," said Preston. "I think beginning hedgers should stick with the conservative plan."

— See Cattle Producers, page 11

### Emergency plan asked to save farm foreclosings

Federal agencies in of extreme importance to Kentucky: An ever-increasing number of families are on the verge of losing their farms through direct fault of their own, and under this legislation their payments could be deferred until the family's financial situation improved.

The Senators noted that housing starts in Kentucky fell to \$300 million last year, the lowest total since 1945. The Senators also pointed out that only an estimated five percent of Kentuckians can, under current conditions, afford a new home, underscoring the need for action to help spur recovery in the housing industry.

The program also would reject the President's proposed reduction of funds earmarked for new public housing starts.

The provisions relating to the ban on foreclosures on farm loans from

### Kentucky tornadoes are stronger, wider

Kentucky tornadoes are stronger and wider, travel longer distances, and prefer to damage over another terrain, according to research done by the director of Western Kentucky University's College Heights Weather Station.

Dr. Michael Tresson, assistant professor of geography and geology, assisted by Robert Mattingly, a senior from Lebanon, Ky., have compared tornadoes of Kentucky and the terrain over which they flow and found that "although terrain is not the strongest influence on a tornado's impact, they tend to break up more easily over rougher land," Tresson says.

As part of Severe Storms Awareness Week designated by the National Weather Service for March 22 through 28, WKU has checked its campus warning system and tornado spotters.

Tresson, who also serves as meteorologist for WKU's FM, the University's public radio service, has also visited local groups giving information on what to do for tornado safety.

"Tornado season is March, April and May because weather factors are right for them to occur most frequently, although they can happen in any month," says Tresson.

"The usual time of day is late afternoon or early evening, from 4 to 7 p.m.," he says, and a tornado will strike dominantly from the Southeast, he reports.



Twenty-two Nicholas County Elementary School students served one day as Pages before the General Assembly in Frankfort earlier this week. Unfortunately, only this picture survived. The photo of the other group is still missing in Frankfort. Shown above, from left, are Paula Hamon, Matthew Gutierrez, Janelle Hall, Lisa Clark, Viola Cleaver, John Sibert, Shirley Hammons, Rep. Adrian Arnold, Carol Goy, Kevin Lyons (seated), Rebecca Smith and Suzanne Smith. Students in the other group were Angie Buckner, Alison Knapp, Phillip Collins, Gary Deaton, Scott Ramsey, Keith Howard, Melody Hammons, Nikki Earlywine, Tamela Anderson, Steve Kelley and Tracy Hinkle. — Photo submitted.

Trip to Frankfort

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