Louisiana farmers battling hard times, bleak future

By MELINDA SHELTON

Agriculture

Farmer Louis Odom of John's Island Parish, La., said, "I think within three years we'll see better times in agriculture." Odom said he is optimistic the PIA program, approved by the House in August, will turn around his farm. "We've been turned down by three other lending institutions," he said. "This is the fourth one and I've been told we can get a loan."

The current PIA capital interest rate is 12.5 percent, Odom said. Short-term loans for production, cattle and commodities are granted, intermediate loans for equipment, and land loans for a maximum of 10 years.

Repayment of production loans matures to the advantage of the farmer, according to John Heffner, president of the Baton Rouge PCA. "Once a loan is repaid, the farmer can withdraw from the PCA, or seek additional help in the future," he said.

"We custom-fit a loan to suit the farmer as to when it can best be repaid," Heffner said. "If a farmer can't pay off the loan, or none at all, we review each situation and go as far as we can. We can go to the FHA to carry-over on a government guarantee, or transfer the loan to FHA. We have seen more refinancing and carrying-over," Heffner said.

The Baton Rouge PCA has some 1,000 members, Heffner said, and $70 million in loans. It averages 800 new loans a year. In the event of a possible foreclosure, Heffner said, the farmer's situation is closely reviewed. If the farmer agrees to cut back on production, he can recover, he said, by voluntarily liquidate his property. If the farmer declines, the result is a foreclosure in which legal steps are taken to seize and dispose of his property, usually through a sheriff's sale.

"Things usually build up four or five years before a farmer has to get out," Odom said. "I don't know if they hope at all, we try to stay with them. Without the farmers, we aren't in business either."

Even though more farmers are predicted to suffer continued financial losses as farmers are being taken to the economic blow, Odom said. He expects about 100,000 additional farmers in 1983 to stay in business. It is not easy, he said. "It is difficult making a living," Odom said. "A farmer's year is based on the previous year. We are down this year because the price of cotton is low." He expects the same for his sugar cane. "We've never been in a situation like this. We are losing money on sugar cane and have to plant corn again."

Odom said the farmer's biggest problem is getting the money to keep the farm going. "Farmers are under time pressure, they have a need to keep the farm going," Odom said.

Illustration: Shows investment required by Louisiana farmer raising soybeans and cotton.

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