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Baker, Raymond

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# WISCONSIN BANKERS' FARM BULLETIN

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## How to Borrow Money to Buy Cattle

By

**RAYMOND BAKER**

Assistant Secretary

Wisconsin Live Stock Breeders' Association



### PROFIT AND PROSPERITY PRODUCERS

This herd of cattle was purchased by the farmers of a northern Wisconsin county through the financial aid of business men who realized their prosperity depended upon the prosperity of the farmers in the surrounding country.

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Distributed by

**Wisconsin Bankers' Association**

**W. A. von Berg,**  
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**George D. Bartlett,**  
Association Secretary,  
Pabst Building, Milwaukee

# How to Borrow Money to Buy Cattle

"Most bankers are as willing to extend credit to the farmer as to the logger or manufacturer. Progressive banks are not now satisfied to be merely brokers. They have taken on the functions of development agencies and community builders. The live stock industry is growing in banking favor. Many bankers stimulate the industry, encourage better breeding and urge farmers to use their banks in order to get better live stock."

Few people doubt the wisdom of live stock farming. In the long run, no other branch of agriculture averages greater success. It wins because it is sound.

Money and credit are the biggest advantages some Wisconsin farmers lack to build up, in their communities, a still greater profit producing live stock industry.

"How can we get better stock?" "Where?" "What breed?" "How organize?" "How can we safeguard ourselves in the purchase of breeding animals?" When these questions are answered to their satisfaction, we can look for still greater development in the live stock industry of many Wisconsin communities.

With the sole object of creating more wealth in their communities, the business men of some of Wisconsin's many progressive cities have helped the farmers to build up their live stock industries by simple methods of furnishing "ready cash."

**THE "ASHLAND PLAN" POPULAR** Seeing the necessity of developing agriculture to take the place of a declining lumber industry, Ashland business men conceived of a plan which, because of its merit, has been adopted in many other sections.

The Ashland Commercial Club made a survey of the country tributary to Ashland, which showed the number of farmers who would buy cows if credit could be arranged. Each farmer was asked to sign an application showing the number of cows he then had, the number he wanted to buy, the breed preferred, whether pure bred or grade animals were desired, and the number of acres cleared. He agreed to raise all heifer calves, to accept the cows purchased, and to pay actual cost at Ashland, paying within three years for the cows bought from his monthly cream check and at the rate of not less than \$3.00 a month a cow. Payment was secured by chattel mortgage on the cows and their progeny, and if necessary, other personal property.

## HOW THE MONEY WAS FURNISHED.

Two banks agreed to furnish the money to buy cattle, with interest at six per cent, if the business men would guarantee them against loss; in other words, if the business men would lend their credit to the farmers. This was done. The bankers then appointed a committee to pass upon the applications. A competent committee was selected to buy the cows.

## THE RESULTS WERE GRATIFYING.

Banks don't loan money to everybody. A satisfactory arrangement depends somewhat upon the man asking for the loan.

In 1913, five carloads of grade cows, representing an investment of \$9,475, were purchased. By January 1, 1914, \$2,613.74 was repaid. No guarantor was called upon to make good. Worthy farmers got their cows on three year notes, interest at six per cent, secured by chattel mortgages and not by mortgages on their farms. There was a better understanding

between farmer and business man, better conditions in the country, improved homes, more silos, better barns, intelligent feeding, and a general educational campaign. Live stock raising has become the leading industry in this community. Creameries and cheese factories have been built. Community breeding has been made effective and testing associations are flourishing.

**AT IRON RIVER** A Bayfield county bank loans to a farmer owning or living upon a piece of land that he has bargained for, money with which to buy cows. This banker insists that the farmer be a man of good habits, industrious, and prepared to care for and feed the cows, and that he deliver his cream to the local creamery. The bank takes his notes for the number he buys, and secures them by a mortgage on the cows and all the increase. To provide a fund to meet the notes when due, he must agree to have the creamery issue to the bank its check for one-half of all the cream he delivers. When the bank receives an amount from this half sufficient to pay the notes with interest, the mortgage is discharged, the note delivered to the man, and the cows, as well as any increase, are his.

## GET PAY FROM INCREASE.

**ANOTHER IDEA** Some bankers think it is a good plan to pay for live stock from the increase rather than from the cream check. The Lumberman's Bank, Shell Lake, follows this scheme.

**A CREDIT ASSOCIATION** In Vilas County, Town of Phelps, the Finnish Farmers' Credit Exchange has been organized. Under this plan, a small group of farmers pool their personal credit after the methods of the European credit associations. As an association they borrow a sum of money on the joint credit of their organization. From this fund they purchase cattle which they pay for by monthly installments taken from the cream checks given by the creamery. Membership is limited and granted only to men of high standing in the community. The association borrows its own capital, makes its own loans, buys its own cattle, provides live stock insurance features, and furnishes bred-for-production sires.

In Marinette county, the Ashland Plan, with some modifications, has been operating very successfully. Nine carloads of dairy cattle have been purchased, five during the present season, with entire satisfaction to the farmers. The guarantors have never been called on to make good any losses. The details for the organization of the plan used at Marinette have been published in bulletin form and may be had for the asking.

## WORK WITH THE BOYS

A Macoupin county, Illinois, banker thinks it advisable to encourage the young people. He comes to Wisconsin, buys bred heifers and sells them to farmer boys and girls, taking their notes, which their fathers sign, for security. These notes run ten months and draw six per cent. He plans to hold a public sale at the end of a year, at which every boy can sell his heifer if he so desires. The bank will take out the amount it has coming and give the balance to the boy or girl for caring for the heifer, or the boy may keep the heifer as a start in the dairy business.

**BULL CLUBS** In some sections the problem of securing good sires is a serious one. Often bull clubs are formed by the farmers themselves, who combine their purchasing power to get the services of good sires co-operatively. In other communities, bankers, merchants and creamery owners furnish funds on long time notes, making very satisfactory arrangements for their payment at the end of a two year period. A system of leasing sires whereby a part of the money received from each farmer for service fees is used to pay the cost of bulls, is in use in several Wisconsin communities.

**GET TOGETHER** The plans described here have all worked out. They are practical. There are undoubtedly many other successful ones. If your community could be benefited by a similar plan, start it yourself. Don't wait for the business men to make the first step. Live stock raising is the biggest business in Wisconsin. Many country bankers realize it and they will meet you half way for they see the importance of profit producing farm animals in the proper development of their communities.

"A healthy condition of the live stock industry is of greater importance to this nation than the building of the Panama Canal; more valuable to the banking interests than all the gold mined in the western hemisphere; more intimately connected with the well-being of our people than any other industry in this broad land."—John C. Fletcher, Fort Dearborn National Bank, Chicago.

A few suggestions about buying:

1. In buying a bull, get as good a one as you can afford. The sire, if a good pure bred, is more than half the herd.
2. If possible, buy from a breeder whom you know.
3. Be sure you get stock from disease-free herds.
4. Do not expect to buy good cows cheap. The poorest cows are those that are for sale in most herds.
5. Your best investment is to get heifers which have not freshened but which have been bred to a registered sire of the same breed.
6. Buy as near home as possible. You save expenses, and if animals are not satisfactory your chances for redress are much better.