

## Editor's Notebook



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**Editor &  
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### B&B Worm Farms Bankrupt

After being sued by several state attorney generals for allegedly misleading worm farmers about how much money they can make, B&B Worm Farms of Meeker, Oklahoma, filed Chapter 7 bankruptcy at the end of April.

B&B reportedly owes money to about 1,750 growers in 20 states and has more than \$23 million in outstanding debts. Revenue in 2002 was \$18 million, however.

Some farmers reportedly invested as much as \$60,000 to obtain contracts with the company. Recently, however, the company stopped accepting shipments of worms and worm castings, according to published reports.

The company says it hopes to get out of bankruptcy and fulfill all standing contracts. They have hired a firm that specializes in reviving companies in financial trouble. (AP)

### Liberty Quotes

It is certain that the two World Wars in which I have participated would not have occurred had we been prepared. It is my belief that adequate preparation on our part would have prevented or materially shortened all our other wars beginning with that of 1812. Yet, after each of our wars, there has always been a great hue and cry to the effect that there will be no more wars, that disarmament is the true road to health, happiness, and peace; and that by removing the fire department, we will remove fires. These ideas spring from wishful thinking and from the erroneous belief that wars result from logical processes. There is no logic in wars. They are produced by madmen. No man can say when future madmen will reappear. I do not say that there will be no more wars. I devoutly hope that there will not, but I do say that the chances of avoiding future wars will be greatly enhanced if we are ready. *General George S. Patton, Jr.*

Men sleep peacefully in their beds at night because rough men stand ready to do violence on their behalf. *George Orwell*

When the people find they can vote themselves money, that will herald the end of the republic. *Benjamin Franklin*

Nearly all men can withstand adversity. If you want to test a man's character, give him power. *Abraham Lincoln*

The word "politics" is derived from the word "poly", meaning "many", and the word "ticks", meaning "blood sucking parasites". *Larry Hardiman*

### Letter To Dad

Dear Dad, \$chool i\$ really great. I am making lot\$ of friend\$ and \$tudyng very hard. With all my \$tuff, I \$imply can't think of anything I need. \$o if you would like, you can ju\$t \$end me a card, a\$ I would love to hear from you. Love, Your \$on.

Dear Son, I kNOW that astroNomy, ecoNomics, and oceanOgraphy are eNOugh to keep even an hoNOr student busy. Do NOt forget that the pursuit of kNOWLEDge is a NOble task, and you can never study eNOugh. Love, Dad.

### On-Line Parts

If you don't need it today, buying parts on-line can be a big time saver. You don't have to make a trip to town. You just have to sit down at your computer for a few minutes. And if you need it fast, you can usually get a shipment the next day.

There are a lot of on-line parts shops. Here's one we recently came across that's run by Curtis Wager, a farm equipment dealer in Florida (when you're dealing with cyberspace, it doesn't really matter where a company is located.)

Wager's site - [www.etractorparts.com](http://www.etractorparts.com) - features more than 5,000 filters of all kinds, 600,000 Case-IH parts, and parts for Deere, New Holland, and many other manufacturers.

There are hundreds of other parts suppliers on the internet. Just go to the search engine [www.google.com](http://www.google.com) and enter "farm equipment parts" in the search box. If you have a specific make or model, just enter that, too, and chances are you'll find what you need.

### Do Good And Reduce Taxes

Financial trusts have been a tax avoidance tool of the wealthy for generations. Many farmers in the U.S. today should also consider them.

A charitable remainder trust greatly reduces income taxes today and estate taxes after you're gone. It earns the donor an income tax deduction for the future gift to charity. The only negative is that upon death the assets in the trust go to charity, instead of to your family. That's where life insurance comes in, says Steve Sanborn with Morgan Ross, an endowment counseling firm in Overland Park, Kansas.

"A farmer with property worth \$500,000 that he bought 45 years ago faces capital gains taxes if he sells or estate tax issues if he leaves it for his family," he says. "The taxes can be avoided by deeding property to a charitable trust. The trust grows tax-free, and the donor can draw on it as long as he lives."

Let's look at the \$500,000 property example. If sold for cash, the money - minus about \$100,000 for taxes and commissions - could be invested for yearly income. At death, any remaining assets would pass on to heirs and be taxed again.

On the other hand, if the property was deeded to a charitable trust, the assets could be sold today for \$500,000 tax-free and the money put into the trust. It would earn a \$103,453 tax deduction for the future charitable gift. The trust would then invest the \$500,000, less the real estate sales commission, and it would grow tax-free. Earnings could be used to fund regular annuity payments to the beneficiary who set up the trust and also pay for an insurance policy payable to heirs with a value equal to the value of the property placed in trust. In Sanborn's example, an 8% return on investment over 24 years could return \$832,839 in income to the beneficiary, provide over \$628,582 in tax-free insurance to heirs, and put \$475,000 into the hands of a charity.

Of course, the example assumes that the beneficiary lives 24 years. In a worst-case scenario, the beneficiary dies a day after setting up the trust, the heirs inherit the life insurance policy and the charity receives the value of trust assets less expenses.

Morgan Ross works closely with Children's Community Foundation (CCF) to create and administer charitable trusts for an annual fee and service charges. The advantage Sanborn claims Morgan Ross offers over other trust administrators is that CCF will immediately fund the trust for the appraised value of any property deeded to the trust. If the property is first deeded to CCF, the final designee for the estate can be changed and the disbursements can be increased or decreased. Many of the same tax advantages and guaranteed annuity payments can be arranged through other charities.

Like any business decision, setting up a trust should be done carefully with the advice of trusted professionals. Legal, tax and financial advisers can provide information and advice. Payments and administrative costs should be compared when selecting a firm to administer the trust.

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**Torrin Polk, University of Houston** receiver, on his coach, John Jenkins: "He treats us like men. He lets us wear earrings."

**Shakespeare, Leonardo da Vinci, Benjamin Franklin, and Abraham Lincoln** never saw a movie, heard a radio, or looked at television. They had "loneliness" and knew what to do with it. They were not afraid of being lonely because they knew that was when the creative mood in them would work.

### Middle Ages Were Warmer Than Today

New research shows the earth was warmer during the Middle Ages than it is today, contrary to what environmentalists have been saying since the 1980's.

Harvard University recently conducted the most comprehensive study yet of global temperatures over the past 1,000 years. Results showed that today's temperatures are neither the warmest over the past millennium, nor are they producing the most extreme weather. The findings showed that the world experienced a Medieval warm period between the ninth and 14th centuries, with global temperatures significantly higher even than today. After that, the world cooled dramatically. Since 1900, the world has begun to warm up again but has still to reach the balmy temperatures of the Middle Ages.

According to researchers, the evidence confirms suspicions that today's "unprecedented" temperatures are simply the result of examining temperature change over too short a period of time. (Robert Matthews, *London Telegraph*)

### Deere's Continuing Legacy

Deere & Co. dominates the farm equipment business because it is the only original manufacturer still doing business as it always has. They've been in business since 1837, and they're still John Deere. Today, Deere is as strong among collectors as in new tractor sales. One reason is that Deere always made a big thing out of the notion that newer isn't always better, according to Pat Ertel, editor of *Antique Power* magazine. That means, for example, that Deere's basic two-cylinder tractor engine design lingered from 1923 through 1960. You can still buy parts for a 1924 John Deere Model D at a regular dealership.

The durability of those old tractors means that out of approximately 1.5 million of them built through 1960, 750,000 of them are still running. (Excerpted from an article by James Ewinger in the *Cleveland Plain-Dealer*)

**Heard on the radio.** An airline jet recently dumped a load of jet fuel over an urban area in Minnesota before making an emergency landing. Usually when that happens, the fuel dissipates before hitting the ground but, in this case, the plane was low enough that the fuel soaked some construction workers in the path of the plane. I heard the situation being discussed on the radio and an airline mechanic called in to say that the way to get fuel out of clothing is to put a can of Classic Coke in with the laundry when washing them. He said it takes the fumes right out of the clothing.

**A 3-year-old went with his dad** to see a litter of kittens. On returning home, he breathlessly informed his mother that there were two boy kittens and two girl kittens. "How did you know?" his mother asked.

"Daddy picked them up and looked underneath," he replied. "I think it's printed on the bottom."

**A young man who had just been** unexpectedly "released" from his job, asked his employer if he would write him a recommendation. After much doubtful consideration, the boss came up with this:

"To whom it may concern: John Jones worked for us one week, and we are satisfied."

**A farmer went into the doctor's office** for his annual checkup, and the doctor asked if there was anything unusual he should know about. The man told the doctor that he found it strange that his suit must have shrunk just sitting in his closet because it didn't fit when he put it on for a wedding recently.

The doctor said, "Suits don't shrink just sitting there. You probably just put on a few pounds."

"That's just it, Doc. I know I haven't gained a single pound since the last time I wore it."

"Well, then," said the doctor, "you must have a case of Furniture Disease."

"What in the world is Furniture Disease?"

"Furniture Disease is when you reach that stage in life when your chest starts sliding down into your drawers."