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Despite swiftly rising production costs, Colorado farmers have improved their situations the last several years and are in as good condition financially as at any point in the postwar period.

This was the consensus among nine rural bankers representing banks with deposits of more than $100 million contacted by The Denver Post. These banks are strategically located throughout the dryland and irrigated farming belt stretching from Julesburg in the northeast corner of the state to Springfield in the southeast corner back to Strasburg, Limon and Fowler on the western side.

But these farm-ranch finance experts made it clear there's a big difference between farming and the livestock business as far as the profit and loss statement is concerned. "The farmers have done fine and the ranchers have gone broke" was the way a Limon banker put it.

"Wheat men raised a heck of a crop and got a heck of a price but ranchers are in a bad way," said Harry J. Liggett, president of the First National Bank of Limon. Like bankers farther east, Liggett reported, "We have a few that are dependent on livestock only, but most of them are diversified on grain and livestock. Those fellas are coming out all right.

The concern of industry people around Limon, Eads, Springfield and other farming communities similarly situated is centered more on the weather than on prices although there is general feeling that commodity prices have peaked and won't approach the record 1974 levels this marketing year.

"We are very dry down here. We are more worried about the weather. We got wheat in in pretty good shape last fall but they need moisture badly," Liggett said. Even though "most of 'em are in pretty fair shape" around the dryland Eads area, according to Larry Wyatt, assistant vice president of the First National Bank of Eads, drought poses worries for 1975.

"I'd say really we're probably right now almost in as good a shape as we've been for quite awhile, but I don't expect it to stay that way," Wyatt said. He said, "I think in another year it's going to reverse itself," basing his pessimism on the lack of moisture that points to a poor crop in 1975.

"Right now we're very dry and the prospects for a crop of wheat are very poor" was the report from Baca County by Bowers Holt, president of the First National Bank of Springfield. He added, "If we take the official rainfall last year, it was the third driest recorded year. It means our submopprise isn't good.

Holt said that without unusually heavy spring moisture to make up for the fall and winter deficiency, "I've got to think our possibilities of a wheat crop are the lowest they've been in several years." He acknowledged 1974 was a good crop year income-wise for the county even though the average production was only about 15 bushels per acre.

The situation of most of the farmers around Burlington, near the Kansas border, favored by extensive irrigation development in the last decade is unusually strong according to Charles Boyles, assistant cashier of the Bank of Burlington, one of two banks in this town of 3,000 people.

**BETTER OFF**

"All of our farmers except those in cattle are in good shape. With sugar beets, beans and corn at a pretty good price right now I'd say the farmer is better off than he has been in years," Boyles said.

"I'd say here we're pretty much in a boom economy," he said. "Our auto dealers here had the biggest year they ever had last year. We don't know there's a depression or a recession." Boyles said there is a lot of home building both on farms and in Burlington with a number of houses recently built or under way in the $50,000 to $70,000 range.

Like the other areas with both irrigated and dryland farming, Julesburg has continued to fare well agriculturally, according to its bank president.

**AREA DIVERSIFIED**

Reporting an increase of about 20 per cent in its deposits over the last two years to about $11 million. C. B. (Chuck) McKinstry of the First National Bank of Julesburg attributed this gain to "very good crop yields with good prices." He said this area, with relatively plentiful rainfall for eastern Colorado, is highly diversified with wheat, corn, sugar beets, beans and livestock and that over-all crop revenue gains have more than offset the livestock losses.

"We've come through this thing pretty good," said McKinstry. He said there are a few ranchers in the area dependent almost completely on cattle who haven't fared well, but his conclusion is that most of the farmer feeders have been able to absorb their losses out of their farming operations.

About 60 miles south of Julesburg, the new farm prosperity is evident at the First National Bank of Wray whose deposits have shot up about $5 million in the last two years to $20.5 million at the end of 1974, according to Robert Hansen, president.

**VERY CONCERNED**

"Yes, pretty generally they are in good shape." Hansen said, but he pointed out that although prices are up, expenses are up also and that "they are all very concerned about operating expenses for the coming year." He said expenses are expected to be substantially higher.

"Feeders have taken terrific losses and it has funneled down to the producers," Hansen said. The wisdom of diversified farming and livestock operations seems to be proven again in this area. As Hansen said, "We have a good share of our cattlemen who are combination farmers and cattlemen."

The only really negative response came from Jerrie Rice, chairman of the board of the First National Bank of Strasburg, in a growing community that straddles the Adams-Arapahoe County line.

**HERD OF CATTLE**

This veteran rural banker said, "Farming is quite depressed at the present time," but his emphasis seemed to be on the livestock industry. Rice cited a herd of 60 cattle that would have brought $20,000 three years ago for which the owner is considering a $10,000 offer. 