Governor Milliken's "State of the State Message" was presented to the combined Legislature on Wednesday, January 10. He welcomed the 27 new members to the Michigan legislature and said that the coming session could be "...one of the most decisive periods in our history, for what we do in just one area alone -- education - could help shape our state for generations to come".

He said that he was committed to this tax reduction. He said that his forthcoming budget would meet the requirements of education, social services and other governmental expenses and still permit the reduction of taxes by $370 million over the next two years. He told the legislators that this was possible due to a "... rapidly expanding economy, the federal revenue sharing is having on Michigan -- that more than $200 million are being received by local governments and $75 million by state governments. He said that such resources should "... produce better governments, not simply bigger governments." He pointed out in his message that he would present a plan for government almost all have lost some faith in government." He also said that much can be accomplished through the improvement of probation and parole, and that imprisonment should be a last resort.

The Governor then suggested a broad program of tax reduction! Such tax relief, if approved, would amount to $370 million over the next two years. He told the legislators that this was possible due to a "... rapidly expanding economy, the federal revenue sharing is having on Michigan - that more than $200 million are being received by local governments and $75 million by state governments. He said that such resources should "... produce better governments, not simply bigger governments." He pointed out in his message that he would present a plan for governmental reorganization (see related article on Capitol Report page).

The Governor suggested a system of judicial reform and suggested that appellate judges should be appointed, with the safe-guard that voters would have an opportunity at the polls to determine whether the Judges remain in office. This will require a constitutional amendment.

He mentioned consumer protection and that there will be a governors' conference on consumer protection. He also called for accelerated efforts to prevent crime and at the same time make further improvements in the correctional system. He said that much can be accomplished through the improvement of probation and parole, and that imprisonment should be a last resort.

The Governor's remarks on agriculture centered around the need to continue to expand market areas for agricultural products. He pointed to the newly established foreign trade offices as effective tools in the endeavor, stating that we have just begun to tap this market. He also mentioned a $750,000 increase in livestock, meat products and fruit and vegetable sales, and that the total market promotion budget has been increased by $150,000 over the past two years, which has helped to gain increased sales of about $20 million.

Income. In the case of the elderly, blind, veterans, etc., any property tax in excess of 3- 1/2% of their income would be totally reimbursed. In the case of other property owners and renters (a renter's property tax is assumed to be 1% of his rent); any property tax exceeding 4% of income would be relieved by 60%. It is expected that such tax relief would apply to farms as well as to homes, however, the details of the legislation have not been totally worked out. Further tax relief would be given through a 20% reduction of corporate franchise tax and intangible taxes on bank deposits and savings and loan shares.

The Governor said that he is "... totally committed to this tax reduction." He said that his forthcoming budget would meet the requirements of education, social services and other governmental expenses and still permit the reduction of taxes by $370 million over the next two years. He stressed the fact that a responsible government should "... cut taxes when possible" as well as "... raise taxes when necessary." He pointed out the effect that federal revenue sharing is having on Michigan - that more than $200 million are being received by local governments and $75 million by state governments. He said that such resources should "... produce better governments, not simply bigger governments." He pointed out in his message that he would present a plan for governmental reorganization (see related article on Capitol Report page).

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**Criticism**

There is a continuing tide of criticism of food prices. Every time someone looks for a culprit, Fingers are being pointed at all sections of the food industry, from the producer to the retailer. From time to time, people ask: "Who is really to blame for food prices and what are the facts?"

The answer one gets depends on whose facts and figures one uses. The information put out by the Bureau of Labor Statistics may differ from those published by the United States Department of Agriculture.

Let's examine some of the facts. According to the USDA, today's farmers are receiving about 40 cents of the nation's food dollar. That figure has gone up modestly, around a penny from last year, but is still low in line with the average over a long period of time, and is ten cents less than farmers received 20 years ago. This is a clear indication that farmers are producing more food for more people more efficiently. In recent years, farmers' rate of output has increased two and a half times faster than productivity in manufacturing industries. Two decades ago, in 1950, one farmer produced enough on the average, to meet the need of 16 consumers. Today, a farmer produces enough food for 57 consumers. In 1950, farm production costs totaled $19.4 billion. That cost skyrocketed to $44 billion in 1971, and is expected to be $50 billion or more available. If farmers had passed on that production cost increase along and had been more efficient, consumers would have had to pay $41.50 per bushel of wheat, or 76.5 percent in increase, which was the average price in 1971. The same year, a pound of chicken would have cost $1.35 instead of 41 cents; and a quart of milk 44 cents instead of 30 cents.

Farm investments in land, buildings, equipment, etc. have more than doubled in the last 20 years to $355 billion on January 1, 1972. Farm debts were nearly five times larger during the same period. One of the most startling increases was the 7.6 percent increase in operating costs than any other major non-escalator clauses, nor the economic ability during the last year according to USDA figures, to force higher prices. They are forced to take ones used. The information put out by the United States Department of Agriculture.

In 1972, sixty-one million acres of cropland were diverted from production. The question now is to possible use of these sixty-one million acres can be returned to production without adjusting this nation's production and marketing system. This could be handled in several ways. One would be to overadjust and make former surpluses look like a molehill in comparison.

Congress will be under extreme pressure and has, as I see it, four alternatives. They can extend the present price support Act, amend it to pass an entirely different act or do nothing and let the present act expire. Under the present act, we recognize that in agriculture we can make better production decisions and respond to changing market demands quicker than vote-minded politicians and bureaucrats working with out-dated crop subsidy quotas.

Farm Bureau delegates in Los Angeles said, "Our objective is to create a climate which will enable agriculture to return to the market price system. Continuing use of direct commodity payments will not permit agriculture to reach this objective. Therefore, new programs should be designed and administered so that market opportunities will be enhanced and that farmers ultimately will not be dependent on government payments, but will earn a living from the market price system.

Quite obviously, we can and should take steps to return to our ultimate objective -- a free market. But to allow overadjustment, simply because of temporary situations which can change overnight, does not appear to be the path to follow."

Elton R. Smith
GOVERNOR MILLIKEN SIGNS S.1225 JANUARY 9. Present at the signing were, from left to right, Rep. Stanley Powell, Sen. Charles Zollar, Sen. William Ballenger, Rep. Dennis Cawthorne, Sen. Harvey Lodge, Rep. James Bradley and Robert Smith, Farm Bureau legislative counsel; Mrs. Rebecca Tompkins, chairman of the Commission of Agriculture; Noel Stockman, MACMA general manager, Kenneth Bull, vice president, MACMA and Al Almy, Farm Bureau legislative counsel. Senate Bill S.1225 is now Public Act 344, and becomes effective March 30. Implementation of the Act must now be accomplished by appointment of the board and administration within the Department of Agriculture. The legislation received strong support from many associations and individual producers. It is considered “landmark” legislation as it is the first of its kind in the U.S. and is generating a tremendous amount of interest in other states. Farm Bureau President Elton Smith recently was invited to speak on the legislation before the National Bargaining Conference.

GOVERNOR MILLIKEN SIGNS ENVIRONMENTAL BILL H.4948. Those present (left to right) included, Robert Smith, Farm Bureau legislative counsel; Walt Pomeroy, Sierra Club; Eric Vaughn, Michigan Student Environmental Conservation; Mrs. Grace Vincent, League of Women Voters; Ralph Pundy, executive secretary, Michigan Water Resources Commission; Al Almy, Farm Bureau legislative counsel and Marc Mason of the Executive Office. This was a highly controversial legislation and as originally introduced would have been burdensome to farmers. Many of those shown in the picture were on opposite sides of the issue. Farm Bureau was directly involved in changing the legislation to exempt from its provisions on farm drainage, inter-county drains, pollution control structures, farm ponds and small watershed projects (PL 566) as presently carried out by the Soil Conservation Districts.

Robert E. Smith

CAPITOL REPORT

February 1, 1973

GOVERNOR MILLIKEN SIGNED THE 1973 FARM BUREAU POLICIES. Seated, left to right, are Commission members H. Thomas DeWhirst, Joa Pen Almy and Noel Stuckman.

Robert E. Smith

State Government Reorganization

Governor Milliken, on the day following his “State of the State Message,” signed a special message on the reorganization of state government. The legislative proposal outlined steps designed to consolidate and coordinate governmental activities. The proposal was broad in scope and would be accomplished by Executive Order unless the Legislature rejects proposal by a two-thirds vote within 60 days. The long range proposal included cutting the size of the Executive Office, which presently numbers approximately 300 people, by one-third. The cut will be accomplished by reassigning responsibilities to various departments. Transfers from the Executive Office will be to the Departments of Administration, Corrections, Natural Resources, Social Services and State Government. The Reorganization Programs and Budget will be re-designated as the Bureau of Management and Budget. Environmental reorganization will be of most interest to Farm Bureau because the proposal would rename the present Department of Natural Resources as the Department of Environment and Natural Resources. This department would be responsible for environmental matters. It will be accomplished by transfers of responsibility from various other state departments.

Those agencies to be transferred from the Department of Agriculture would include inter-county drainage and watershed programs. The Department of Agriculture will continue to have under its jurisdiction the Soil Conservation Service, pesticide controls, fertilizer regulations, plant and animal disease controls, air and water pollution regulations and all other areas presently within that department.

Transfers to the new Department of Environment and Natural Resources from the Department of Public Health will include air monitoring regulations, solid waste control and sewage and septic tank regulations.

The Department of Treasury will contribute the State Bonding Corporation.

The Air Pollution and Water Resources Commissions will lose some of their independence by becoming what is known as “type II” transfers. These commissions will be renamed and their independence would be not more than 4% of income to be reimbursed. If incomewas $9,000 to $10,000, 100% of the excess would be reimbursed. If income was less than $9,000, 100% of the excess would be reimbursed. If income was $11,000, 70% would be reimbursed and so on until income reached $23,000 or more, under which there would be reimbursement.

With computerization of income tax returns, the administration of the “circuit-breaker” approach is entirely feasible.

MICHIGAN FARM NEWS
A re-scheduled for the
and touring many historical
monuments and places of
 regeneration to farmers, and par-
 ticipants on the "American
Heritage" tour will board a plane
destination;
by those from each rural district in this
county by February 9. He is also in charge of finding
 host farmer who will accompany the
students during the day.

Each County Extension Director has been asked to
submit names of up to three
high school juniors and seniors
from each rural district in this
county by February 1, 1973. This day
will include the opportu-

sightseeing tour will include visits to such places as the
Washington Cathedral,
Mount Vernon, and the Bureau of
Printing and Engraving.

MSU Young
Farmers Day
Michigan State University is conducting a very special
Young Farmers Day on Tuesday, February 27. This day
will be set aside to recognize
outstanding young people who have made a commitment
to farm.

Scheduled for 10 a.m. to 3 p.m. in the morning, the program will include the op-
portunity for young people to learn about their future in
farming. MSU’s two and four
year programs in production
agriculture, to tour the campus, to learn about MSU’s
special agricultural legacy and to become familiar with
current research and developments in agricultural
production.

Each County Extension Director has been asked to
submit names of up to three
high school juniors and seniors
from each rural district in this
county by February 9. He is also in charge of finding
host farmer who will accompany the
students during the day.

County Farm Bureaus are being asked to offer their assistance to the County
Extension Director in locating
host farmers. The farmers who accept this responsibility will play a key role in terms of
personal interest in the future of the individuals they host. Meals will be provided by
Michigan State University and
other interested groups, however, cost of trans-
portation must be borne by the
students or their hosts.

For more information, contact your County Extension
Director or Mr. James L.
Gibson, Coordinator of the Agricultural Production
Program, 120 Agriculture Hall,
Michigan State University,
East Lansing, Michigan 48823.

Local Call for Wash.
Legislative Seminar
February 8 is the deadline
for nominations for Legislative Leaders and for reservations
on the "American Heritage" tour.

On March 12, "Legislative Leaders" selected by Farm Bureau
officers, will be nominated by county Farm Bureau
Boards to talk with
congressmen about matters of concern to farmers, and par-
ticipants on the "American Heritage" tour will board a plane
at destination, Washington, D.C.

The American Heritage tour, which is open to all Farm
Bureau members, provides an opportunity for special-
ists to lead in part this activity. The joint
sightseeing tour will include visits to such places as the
Washington Cathedral,
Mount Vernon, and the Bureau of
Printing and Engraving.

Those wishing to participate in the American Heritage Tour
should send their reservations
and check for $140 per person
to: Asa’s Department, Michigan Farm Bureau, P.O.
Box 960, Lansing, Michigan
48904, by February 8. (County Farm Bureaus will be billed for
their elected Legislative Leaders.) The $140 cost
covers air transportation to
Washington, D.C. and return,
hotel accommodations at the Quality Motel on Capitol Hill,
the sightseeing tour and lunch
that day, and lunch on the plane.

NOTICE OF ANNUAL MEETING
COMMUNITY SERVICE ACCEPTANCE COMPANY
The annual meeting of the stockholders of Community Service Ac-
ceptance Company of Michigan, a corporation, will be held at its
Home Office, 7273 West Saginaw, Lansing, Michigan, on Monday,
February 26, 1973, beginning at 1:30 p.m., for the following purposes:
1. To receive reports from officers and management.
2. To elect directors.
3. To consider such other matters as may properly
come before the meeting.

Attest: W. S. WILKINSON
KENNETH BULL
Secretary
President

NOTICE OF ANNUAL MEETING
FARM BUREAU LIFE INSURANCE COMPANY OF MICHIGAN

The annual meeting of the stockholders of Farm Bureau Life Ins-
surance Company of Michigan, a corporation, will be held at its
Home Office, 7273 West Saginaw, Lansing, Michigan, on Tuesday,
February 27, 1973, beginning at 1:30 p.m., for the following purposes:
1. To receive reports from officers and management.
2. To elect directors.
3. To consider such other matters as may properly
come before the meeting.

Attest: W. S. WILKINSON
KENNETH BULL
Secretary
President

NOTICE OF ANNUAL MEETING
FARM BUREAU MUTUAL INSURANCE COMPANY

The annual meeting of the policyholders of Farm Bureau Mutual
Insurance Company of Michigan, a corporation, will be held at its
Home Office, 7273 West Saginaw, Lansing, Michigan, on Wednesday,
February 28, 1973, beginning at 1:30 p.m., for the following purposes:
1. To receive reports from officers and management.
2. To elect directors.
3. To consider such other matters as may properly
come before the meeting.

Attest: W. S. WILKINSON
KENNETH BULL
Secretary
President

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KENNETH BULL
Secretary
President

Policyholders may obtain a copy of the Annual Report from any
County Farm Bureau Office or from the Home Office at Lansing.
New Egg Marketing Venture

Michigan poultrymen are embarking on a new marketing venture which shows promise of developing broadened sales opportunities for state-produced eggs. The venture involves production of cooked, peeled eggs for commercial and institutional food handlers.

Developed by the Egg Marketing Division of Farm Bureau Services, the sale of hard-cooked eggs in quantity orders represents a precedent-making addition to the traditional method of marketing Michigan-grown eggs, only as fresh, in-the-shell products.

Production of the hard-cooked eggs is already underway at the Farm Bureau Services' egg processing plant at Jenison and market interest is growing. Principle customers of the hard-cooked eggs are institutional food services, such as universities, colleges and hospitals, as well as catering firms, hotels, restaurants, supermarkets, vending machine operators, airline food providers and even the school lunch program.

Clyde I. Springer, vice president of the Egg Marketing Division, reports market studies show significant promise to indicate the cooked eggs may prove to be an important step in restoring profitability for our producers.

The newly installed Jenison plant equipment has a capacity of processing 1,200 dozen cooked eggs a day, but the first year market goal will be 600 dozen sales per day, Springer said. The eggs are hard-cooked, peeled and cartonized in automated equipment under the strictest sanitary controls.

Customers using the eggs for sandwiches, salads, relish trays, and a host of food preparation uses. The pre-cooking saves time and expense by commercial users who previously had to buy fresh eggs and cook them in their own facilities. For users who consume many dozen eggs daily, the pre-cooked eggs available from Farm Bureau Services represents a major convenience.

Under USDA regulations, the cooked eggs remain usable for 21 days after the date stamped on the packaging cartons. Actually, laboratory tests show the cooked eggs processed at Jenison plant are perfectly usable well beyond the 21-day limit.

Thus far, Springer says Farm Bureau Services plans only to concentrate on sales of cooked eggs to big institutional users and commercial food supply firms, but someday the average housewife may be able to buy the pre-cooked, shelled eggs at her supermarket.

Supreme Court Ruling on Workmen's Compensation Act

(EDITOR'S NOTE: Michigan's Supreme Court has issued an order dealing with Workmen's Compensation Act cases. This article prepared by MASA, Michigan Agricultural Services Association, provides an explanation of the farm employer's new, increased exposure.)

The Supreme Court ruled December 21, 1972 that Michigan's Workmen's Compensation Act is discriminatory in exempting certain agricultural employers. As such, the exemptions have been removed.

Employers insured under the Farm Bureau Insurance Workmen's Compensation program, however, remain fully protected. In case of an accident, Farm Bureau's Workmen's Compensation insurance will cover all costs for which policyholders become liable under the Act, including payment of full statutory benefits - (Unlimited Medical, Wage Loss, Rehabilitation and Death benefits.)

Prior to this ruling, farm employers were subject to the Workmen's Compensation Act, and required to provide full statutory benefits, only if they employed three or more persons for at least 35 hours per week for 13 or more consecutive weeks.

Employers paid on a piecework basis were excluded from coverage. If they employed one or more persons for 35 or more hours per week for at least five consecutive weeks, they were required to provide Unlimited Medical coverage only under the Act.

Now, there is no distinction between agricultural and non-agricultural employers. All employers are now subject to the Act (and required to provide full statutory benefits) if they: (1) regularly employ three or more employees at one time, or (2) regularly employ three employees, if at least one of them has been regularly employed by the same employer for 35 or more hours per week for 13 weeks (not necessarily consecutive), or longer during the preceding 52 weeks (not calendar year).

If you employ one full-time hired hand, for example, you now need a Workmen's Compensation insurance policy which provides full statutory benefits. (If he works 35 or more hours per week for 13 or more weeks during the preceding 52 weeks.)

Furthermore, employees paid on a piecework basis are no longer excluded from the Workmen's Compensation Act.

Previously, Farm Bureau insurance has provided a special Workmen's Compensation program (Unlimited Medical Coverage only) to protect smaller farmers and employers at a reduced cost. Now, because all employers who are subject to the Act must provide full statutory Workmen's Compensation benefits, this special program can no longer be offered.

As a result, future renewal billings will reflect full Workmen's Compensation premium rates -- for those employers presently enrolled in this special program.

There are many unanswered questions regarding the law's new interpretation. It is probable, for example, that members of the employer's family who work on the farm now come under the Workmen's Compensation Act. And, it is important to note that if one employee becomes eligible to receive Workmen's Compensation benefits -- all other employees become eligible also, no matter how few hours they have worked.

If a discharged employee is replaced by a new employee without a work stoppage -- the Workmen's Compensation Commission will presume this is an attempt to evade provisions of the Act. The employer would then be held personally responsible for providing full statutory benefits -- and guilty of a misdemeanor.

Further information will be provided in subsequent issues of Michigan Farm News. In the meantime, you are urged to direct specific questions to your local Farm Bureau Insurance agent.

A free tape presentation designed to explain the Workmen's Compensation change will soon be available for presentation to farm groups throughout the state. It will be presented in conjunction with the OSHA information program developed by Michigan Agricultural Services Association. Contact your Michigan Farm Bureau Regional Representative or county office for further details or to schedule a program in your area.
The 93rd Congress convened in Washington on Wednesday, January 3. The U.S. House of Representatives consists of 435 members, including 19 from Michigan. Of the 435 House members, 77 have no farmers in their districts and only 65 members represent districts with a farm population of at least ten percent. The U.S. Senate consists of 100 members. Each state is represented in our nation's Capitol by two U.S. Senators. The 93rd Congress is expected to consider many bills of importance to agriculture. These include the federal farm program, marketing and financing, international food aid, farm credit, and more. 

Water Pollution Permit Program

Last October, the 92nd Congress passed the Federal Water Pollution Control Act over President Nixon's veto. The Act prohibits the discharge of pollutants into surface waters from a "point source" unless authorized by a permit. The permits will be issued by either the Federal Environmental Protection Agency (EPA) or the Michigan Water Resources Commission if it has an approved permit program.

On December 5, 1972, EPA published proposed rules to implement the permit program. Agriculture is definitely covered by the rules. Included in the definition of a pollutant is "agricultural waste discharged into water." This could be soil particles carried by rain from farmland, runoff from feedlot wastewater from milking facilities, etc.

The definition of a point source in the rules has an even greater impact upon agriculture. It includes a "pipe, ditch, channel and concentrated animal feeding operation from which pollutants are or may be discharged."

Under such broad definitions virtually every farmer would be required to submit a permit application. The definition of a point source does not establish how many animal units are necessary to constitute a concentrated animal feeding operation. Reference to a pipe, ditch and channel would include tile drains, open drainage ditches, irrigation systems and even establisned water courses under amended conservation practices.

The proposed rules would require a farmer to file a permit application indicating his annual production, amount and kind of wastes discharged, number of discharge points, type and quantity of pesticides and fertilizers used, etc. Few farmers would be able to accurately submit such information. The deadline for filing permit applications would be APRIL 16, 1973. Farm Bureau has reacted strongly to the proposed rules. A letter has been sent to EPA pointing out that if every farmer is required to file a permit application the administrative burden to agencies who must process them would be unbearable. The letter also asked for the exemption of installed and natural drainage systems, exemption of animal feeding operations of less than 1,000 animal units equivalent, simplification of the permit application and an extension of time to comment on the proposed rules.

EPA granted Farm Bureau's request for an extension to file comments. County Farm Bureau National Affairs Committees and Natural Resources Committees have been informed of the proposed rules and asked to file comments.

At this time it appears EPA has recognized the proposed rules must be modified for agriculture and will publish revised rules around mid-February. It is likely agriculture will be subject to permit requirements, but the scope of the final requirements is yet to be decided.

Rural Environmental Assistance Program

As part of President Nixon's broad effort to reduce a government expenditure, an announcement was made December 26 that funding of cost sharing activities under the Rural Environmental Assistance Program (REAP) was being terminated.

The REAP content was initiated in 1973 to provide cost-sharing to help farmers install soil and water conservation practices. Long-term soil and water conservation practices and pollution abatement structures were eligible.

Disaster Loans

For several years, the Farmers Home Administration (FHA) has administered disaster loans to farmers faced with natural disasters. Last summer Congress passed a new disaster loan program after Hurricane Agnes and other disasters had occurred. FHA was given administrative responsibility.

To be eligible for the disaster loan program, a farmer had to reside in a county or other geographic area declared a disaster area by the President or Secretary of Agriculture. Farmers and rural nonfarmers from a disaster were eligible for loans at 1% interest and the first $5,000 of the loan was exempted from repayment.

Due to adverse weather conditions throughout the country which prevented the harvest of 1972 corn and soybean crops, freeze damage to cotton and other disasters, the disaster loan program, a large number of applications were received in every area that was given disaster status.

On December 27, an administrative order was issued to terminate the disaster loan program. The decision is serious to farmers faced with present and future disaster situations. Although these farmers may apply for loans through the regular FHA operating loan program, many will not qualify. Regular FHA operating loans are not available to farmers who have closed or declared a disaster area.

While the provisions of the disaster loan program that was established may not have been responsible from a fiscal standpoint, farmers should have access to a disaster loan program.

Farm Bureau has urged the President, Secretary of Agriculture Butz and Michigan Congressmen to make disaster loans available to farmers. The program should require full repayment of the loan and charge a reasonable interest rate. It should permit processing of applications and payment of disaster loans to farmers who can prove they need for such loans. Farm Bureau believes these loans will provide needed assistance to farmers faced with disaster situations and not violate fiscal responsibility.

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*All products on sale
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*Plan ahead and save

MANAGERS and employees of cooperatives serving agriculture recently attended a two-day "Managing for Profit" workshop sponsored by the Michigan Association of Farmer Cooperatives.
Marketing and Supply Report
By Greg Sheffield, Manager Marketing Services Dept.

Feed Ingredients. Cash and future prices for the major feed ingredients continue to advance, but many traders feel prices have finally peaked and should stabilize during the month of February. However, many unstabilizing factors remain at this writing: late harvesting weather, foreign trade and a recent ruling to put a ceiling price on soybean trade and a recent ruling to keep the price of soybean meal.

The Commodity Credit Corporation announced loading orders amounting to 50 million bushels for all country and elevator corn. Country warehousemen had only until January 31 to purchase the corn, then the CCC offered the unpurchased balance to "interested third parties" on "a-to-arrive basis." Russia and Eastern Europe could use 75 million more tons of grain by 1980 according to an executive of a large Minneapolis grain company. He said this would represent about 40% of the total estimated U.S. feed grain production of 1972.

Secretary of Agriculture Butz noted that $9 billion in U.S. farm products were sold overseas in 1972, the third straight record-breaking year for farm exports. By the end of the present fiscal year, next June 30, farm exports are expected to reach ten billion dollars.

Farm Income. Farm income from Michigan farms, according to the U.S.D.A. Economic Research Service, has been on the increase since 1965, mainly due to increasing receipts from farm marketings. Farm production expense has also been on the rise, with 1971 expenses 34% above the 1965 level and six percent above 1970. Realized net income has generally been decreasing since 1965, but with some year-to-year rises.

Swine. Michigan Crop Reporting Service reports hogs and pigs on Michigan farms as of December 1, 1972 were estimated at 751,000 head, two percent less than a year earlier. Hogs and pigs kept for breeding are estimated at 90,000 head, a decrease of ten percent from last year. Market hogs and pigs number 661,000 head, down eight percent. The June-November pig crop in Michigan totaled 569,000 head, down seven percent from a year earlier. The 78,000 sows farrowed during this period is five percent fewer than a year earlier. Hog producers intend to farrow 78,000 during the coming December-May period, one percent fewer than a year earlier. The inventory value of all hogs and pigs totaled $31.5 million, up 42% from December 1, 1971. The value per head averaged $42, up $13 per head.

Milk. November milk production increased two percent from November 1971 to an estimated 391 million pounds. Production per cow rose by 40 lbs. from a year earlier, and was 70 lbs. above 1970. The number of cows on farms dropped during the year to 460,000 head. The average milk price rose $3.50 from November, 1971 to November, 1972.

Wheat. The winter wheat acreage seeded was 858,000 acres for 1973. This compares with 601,000 acres for 1972 and 513,000 acres seeded in 1971. Production of winter wheat is expected to be 20.5 thousand bushels in 1973, compared to 7.4 thousand in 1972 and 17.8 thousand bushels in 1971.

Harvest Progress. Corn and soybean harvest made little progress through the end of December and the first part of January. Probably only about 60% of the state's grain corn acreage was harvested, while central counties reported less than 50% harvested, and in the southeastern counties only 45% as of December 26. However, the east central counties reported 87% harvested. The high moisture content of corn has been well publicized with general high-cost for drying corn and a serious shortage of gas for drying. Mold and unharvested corn becomes more serious. Soybean acreage was also delayed in harvesting with about 60% being harvested through the first part of January. The east and central counties reported over 80% harvested by December 26.

Beans. Bean sales were heavy during the last part of December and the first part of January. There is some question as to whether current values can hold.

Eggs. Egg prices turned around after 30 months of low prices with sales at 44 cents per dozen for all eggs beginning in January. Feed prices were high, costing about six cents a dozen over a year ago.

Supplies. Equipment, fertilizer, feed booking, chemicals, hardware, etc. are still being readied for early spring and prepping activities. The FBS early lefertilizer booking program was well received by dealers and farmer patrons and hit an all-time sales record. Far-sighted farmers booked fertilizer to avoid price increases and delivery problems. Feed ingredients, concentrates and supplements remain in tight supply. Farm Bureau's feed booking prices for the new year have been in effect and are working out well for farmers who signed up. Liquid protein supplement (LPS) sales volume has been excellent with considerable interest by dairy and beef men.

MACMA MASA Annual Meetings Feb. 23 Grand Rapids
MACMA-MASA Annual Meetings

The Michigan Agricultural Cooperative Marketing Association (MACMA) and the Michigan Agricultural Services Association (MASA) annual meetings will be held Friday, February 23 at the Pantlind Hotel in Grand Rapids.

Activities of MACMA’s annual meeting will include the 1972 operational reports of the nine commodity divisions, a discussion on the possible use of Michigan’s new Agricultural Marketing and Bargaining Act — Public Act 344, and comments by Ralph J. Bunje, general manager, California Cannying Peach Association.

A native of California, Bunje is a well-known agricultural leader associated with the grower-owned and operated cooperative association in California.

Changes in Medicare Program

The Social Security Administration has announced a number of changes in the Medicare program, which became effective January 1, 1973.

Under Medicare Part B Hospital Insurance benefits, the hospital deductible amount, intended to approximate the current cost of a day of inpatient hospital care, has increased from $68 to $72. The amount the Medicare beneficiary must pay for each day of care beyond the initial 60 days of hospitalization has increased from $17 to $18.

If your illness is such that you require a post-hospital stay of more than 20 days in a skilled nursing facility, the co-insurance amount has approximated the current cost of a skilled nursing facility, the co-insurance amount has approximated the current cost of a skilled nursing facility, the co-insurance amount has approximated the current cost of a skilled nursing facility, the co-insurance amount has approximated the current cost of a skilled nursing facility.

Mr. Bunje is president of the executive committee of California Agricultural Marketing Associations, a member of the executive committee of the National Council of Farmer Cooperatives and is a member of a number of California industry boards and committees. Tickets for the noon luncheon may be obtained by MACMA and MASA members as well as others interested in attending by contacting the MACMA Lansing office prior to Monday, February 19.

SAFETY CORNER

"Dollar-Making"

Estate Planning Seminars Approved

In September, Farm Bureau Community Groups were reminded that estate planning seminars conducted in your locality are of interest to the Farm Bureau Insurance Group. A substantial number of groups replied in the affirmative. The need for estate planning seminars was indicated when 41% of the members who said they were making an unequal division of inheritance indicated when 41% of the members who said they were making an unequal division of inheritance. This year, colder weather will be expected to add to the oil situation was       .1973

Conservation and Energy Crisis

The United States is experiencing an energy crisis. Early in January, refiners nationwide began allocating heating fuels to insure households would stay warm this winter. A combination of situations contributed to the crisis. This year, colder weather came early causing heavy early sales. Refiners are supplementing heating fuels by adding to the oil situation was the switching of many interruptable gas customers to heating oils when an adequate supply was still available. These customers are large volume users and can absorb consumption considerably.

Many cities, pressured by environmental agencies, have enacted regulations regarding sulfur content of fuels used by industry. In order to comply with these regulations, large quantities of home type heating fuels were mixed with industrial fuels. Because of these city regulations, the oil situation was worsening. The oil situation was worsening so much that meetings are scheduled for February 19 at McGuire's Restaurant in Cadillac, February 20, Holiday Inn, Battle Creek; and February 21 at Zehnder's in Frankenmuth.

The "Open Line" sessions will provide a special opportunity for interested farmers, local cooperative managers and leaders and Farm Bureau Services and Farm Bureau personnel to discuss Michigan's agricultural outlook prior to the 1973 growing season.

E. F. St. John, president of Michigan Farm Bureau and Farm Bureau Services, will announce the evening of the morning program which will include a discussion on "Sound Farming Practices for Successful Farming" by Dr. John Brake of Michigan State University.

Carl Heisler, president of Farmers Petroleum, will chair the afternoon session, which will feature a panel discussion on "Who Will Speak for Agriculture?" The panel will include as members young farmers and be moderated by Larry Ewing of the MFB staff.

A "feed back" session will follow a discussion of "What Farmers Have Going for Them" by Don Armstrong, Farm Bureau Services, which will involve review of progress and new developments in FBS and FPC. Don R. Armstrong, Jr. will lead the "feed back" session, which will start at 10:00 with registration and coffee. The annual meeting will start at 10:30.
"Food Additives"

Discussion Topic

by Ken Wiles
DIRECTOR OF COMMUNICATIONS

Monosodium glutamate, lecithin, ascorbic acid, sodium benzoate, potassium citrate—these instances among many more, are found in food products. Even though these substances are consumed everyday, their names have little meaning to many people.

These are food additives, some from natural sources, and some manufactured. They are beneficial, according to some sources, and considered deadly by others. Scientific findings and speculations are so interwoven in articles and books that many consumers find it difficult to untangle fact from fiction.

To understand just how tangled the issue is, one needs only to ask the simple question: What is a food additive? The definition is complex and involves hormones in animal feed, stabilizers, thickeners and other substances included in the GRAS list which will be discussed later. The most controversial appears to center on the use of the array of modern laboratory-made chemical additives which have sprung into wide use in the last few decades as additions to parts of basic foods.

This trend of thought leads to the question: Where does basic foods end and additives start? For example, is salt a food additive? It can be made in the laboratory and salt can kill it too much is consumed. To look honestly at food additives, one must recognize the sharply different views from which conclusions are drawn by opposing sides to the question.

Those supporting the use of food additives point out that food is nothing more than a collection of chemicals. If other chemicals can be added to make food taste better, keep longer, and provide more nutrients, then for the benefit of mankind, they should be added.

Those opposed to food additives have serious thoughts about the way of life the scientific world has brought forth. Food may be made of chemicals, these critics say, but it has been tested for centuries as a part of human evolution.

A significant exception is the list of food additives "generally recognized as safe" (the GRAS list) compiled by the Federal Drug Administration (FDA). This list consists of hundreds of very common additives—from salt to baking powder—which could have been banned for years until tests could be run on them.

Under the provisions of the 1958 federal law, a firm wishing to market a new food additive must do an extensive study and a rat teratology study (a test for deformed rodents, plus a three-generation rat production study) based on common use in food, to be safe under the conditions of its intended use.

Preservatives do not constitute a large portion of the total amount of food additives used. They include the antioxidants like butylated hydroxytoluene and butylated hydroxyanisole (usually known as BHT and BHA) which combine readily with oxygen and so, delay the oxidative breakdown of fats and oils, thus preventing or delays them becoming rancid. Preservatives also include other substances such as calcium and sodium propionate, which inhibit mold in baked goods.

Propionic acid, the basis of the propionate preservers, while not a common household word, occurs naturally in swiss cheese, and is chemically a first cousin to acetic acid, the chief acid in vinegar. When bread was baked at home, many housewives knew that waving a loaf of fresh bread with a vinegar-soaked cloth would keep it from becoming moldy.

A number of additives are natural substances, in making mayonnaise, for example, the emulsifier lecithin from egg yolks is supplemented by extra lecithin extracted from soybeans.

Basic to current food safety practices in Michigan is the 1966 Food Law administered by the Michigan Department of Agriculture. Among other things, this law defines food additives as "any substance, the intended use of which results or 'may be reasonably expected to result, directly or indirectly in its becoming a component or otherwise affecting the characteristics of any food including any substance intended for use in transporting or holding food, and including any source of radiation intended for any such use, if such substance is not generally recognized among experts qualified by scientific training and experience to evaluate its safety, as having been adequately shown through scientific procedures, or in case of a substance used in a food before 1958 through scientific procedures or experience based on common use in food, to be safe under the conditions of its intended use."
Topic Summary
Replies to the December Discussion Topic on Line Fence

1. Do the members of your community group know their
township fence viewers? Yes: 78% No: 22%
2. Does the membership of your community group think that
problems concerning line fences are increasing? Yes: 62%
3. How many members of your group have had problems
with line fences within the last five years? Most groups had
at least one member and some had as many as five
who had experienced problems with line fences.
4. In the opinion of your group, are Michigan's line fences
adequate? Yes: 80% No: 20%
5. What changes, if any, would you recommend in the
present line fence laws? Rewrite and make it shorter; a
stabilized line fence law; clarify regulations for
lot owners and small land owners; more pay for fence
viewers.
6. Comments: Line fence laws should be made
known to the public; lay too vague; enforce the laws we
have.

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6 1/2% - 10 Year Maturity
7% - 15 Year Maturity

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7% - 15 Year Maturity

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OFFICE CALLS

QUESTION: What is the difference between the Blue Cross
Comprehensive contract and the $50 Deductible contract?

ANSWER: The $50 Deductible contract is exactly the
same as the Comprehensive contract, except that adults
over 19 must pay the first $50 worth of Blue Cross bed-
patient benefits directly to the hospital. In other words,
you share the cost of in-patient hospital care. The sub-
stantial rate that the Deductible contract is therefore
lower.

Under the $50 Deductible contract, the deductible
amount does not have to be paid for the hospitalization of
children under 19, or for hospital out-patient benefits
or Blue Shield doctor care benefits.

LIVESTOCK

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Farm Bureau Life Insurance Company has grown bigger. A new milestone was reached in January...

$½ billion dollars of life insurance in force. And we've only been in business a little over 21 years.

What's most important is that Farm Bureau Life protects some 59,400 Michigan people and their families. Each of those persons is part of us... each with different hopes, different ideas, different and individual needs. We plan to stay small in terms of personally helping each individual we meet. That's how Farm Bureau Life got where it is. The same holds true for Farm Bureau Mutual, Community Service Insurance, Community Service Acceptance... we'll never grow too big to see you.