

# The Contamination That What Happened?



Don Armstrong

A quantity of fire retardant used in plastics was mistakenly included in a shipment of magnesium oxide in 1973. It was mixed in Farm Bureau Services #402 dairy ration and sold as bagged magnesium oxide.

This has resulted in Michigan cattle being quarantined this May after discovery of the fire retardant in feed. Meat and milk from the quarantined herds has been rendered unmarketable.

Farm Bureau Services Executive Vice President Donald Armstrong was interviewed by the Farm News to answer questions concerning when and where the contamination was found and how Farm Bureau Services reacted.

**Farm News:** Mr. Armstrong, when did you have your first suspicions that something might be wrong with Farm Bureau Services feed?

**Armstrong:** It came to my attention through a phone call from Rick Halbert, a Battle Creek dairy farmer, on approximately the 21st of December. And at that time I checked over reports from other staff people and found out that in late September there was a problem on the Halbert farm. But when our people reviewed this with the Halberts, it was felt there might be some possibility of contamination from the 1972 corn crop which had shown some toxicity in other areas of the state and country.

So, at that time, the parties involved came to somewhat of a conclusion that the problem lay somewhere besides the concentrates.

**Farm News:** Do those parties include Mr. Halbert?

**Armstrong:** As far as I know, yes.

**Farm News:** What happened then?

**Armstrong:** Well, during the period between October and the phone call I received in December, Mr. Halbert tried to isolate the problem. Through some tests run by himself on his own farm, Halbert found there was a problem when he fed our pellets to 12 calves.

Also, during this time the Michigan Department of Agriculture initiated some tests on mice for him. They found there was some death resulting in the mice and so he felt he had traced back the problem to some pellets we had provided.

**Farm News:** What was done by Farm Bureau Services after the call from Halbert in mid-December?

**Armstrong:** We stopped manufacturing the feed in late December and then in January we asked all of our dealers to return all the #402 feed on farms. We had no idea what was wrong at that time, however, in an attempt to protect patrons from any unknown problems, we stopped distribution of this product. All the tests conducted at the WARF Institute in Madison Wisconsin showed no known harmful chemical levels in the feed during this time.

**Farm News:** Did you stop the sale of all magnesium oxide when you stopped the sale of feed #402?

**Armstrong:** At this point in time no one suspected magnesium oxide.

**Farm News:** When did Farm Bureau Services begin testing?

**Armstrong:** When we took feed samples in January from the Halbert farm. We took samples of the concentrate he was receiving and samples of concentrate being held at the Battle Creek Farm Bureau - not at the feed plant but at the Battle Creek Farm Bureau store. We then had tests run on them all.

Magnesium Oxide was questioned and tested and it did not show up as contaminated. What happened was that the samples didn't happen to be drawn from bags with fire retardant in them. So, the mag oxide showed up clean, leading us up another blind alley.

Mr. Halbert had some tests run for him by the USDA laboratory in Ames, Iowa that showed there was a palatability problem with animals backing away from feed #402.

At the same time, we took samples of the pellets and sent them to our research farm in Fabius, New York and after a period of two or three weeks, taking us into March, tests at this farm confirmed animals backing away from the feed.

**Farm News:** Well, what led you to the exact source of the problem?

**Armstrong:** When samples were checked in early March at the WARF Lab, it was found that the feed from Fremont, which was a locally mixed ration, and the feed #402 from our plant had a similar unknown element in it. This was our first concrete lead that indicated that magnesium oxide could be the culprit.

By looking at their formulation and our own, we found that the only common ingredient in both, besides corn (from two different areas), was the magnesium oxide. We knew that we had supplied the Fremont producers with the magnesium oxide we had received from Michigan Chemical Company.

So we ran some tests on our mag oxide and still didn't find the problem, because by that time our mag oxide was clean of the fire retardant.

And at this time nobody with us even knew that Michigan Chemical carried a fire retardant. Had we known, we probably wouldn't have tied it together because the normal make-up of the retardant is a light-pink crystalline form that bears no resemblance to mag oxide.

However, the batch we received had been crushed into a white powder.

So the testing continued through March and into April. The WARF lab then found evidence of a bromide compound.

Jim McKean, our staff veterinarian got word of this to Rick Halbert who told the people of the USDA lab in Beltsville, Maryland. By a matter of coincidence, the researcher at Beltsville had worked with the fire retardant from Michigan Chemical. He saw the information and put two and two together.

This happened on a Thursday and by Tuesday, April 23, we had oral confirmation into our offices from both the WARF and Beltsville labs positively identifying the contaminant as poly-brominated-biphenyl.

The MDA and FDA were notified almost immediately and we stopped the sale of magnesium oxide on Wednesday, April 24.

**Farm News:** What steps were taken by the government agencies and Farm Bureau Services then?

**Armstrong:** The MDA and FDA first made sure that there was a recall of all magnesium oxide from Farm Bureau Services. The next step was to find out where we sold #402 and magnesium oxide. We gave them lists of our dealers and customers using #402 plus the producers in the Fremont area that were adding magnesium oxide to their feed.

**Farm News:** Was it known at that time that the fire retardant would contaminate milk?

**Armstrong:** No, it was an unknown. This was so unique that when the USDA employee checked into the library to find out what the effects of the compound were, he found nothing.

**Farm News:** How were you able to trace the contaminant back to one particular supplier?

**Armstrong:** Because magnesium oxide is an item we don't get many shipments of and at that time we had only one supplier. We had only three or four shipments of the compound over the past year because it's an item that is new and has been used by progressive dairymen. It has been recommended by Michigan State University just since late 1972 or early 1973.

**Farm News:** How widely has this contaminant been spread?

**Armstrong:** We think we passed the critical point in finding contamination in herds and other animals. But we and the state are still checking.

We know that our feed plant has been checked thoroughly -- twice by the MDA and the FDA -- and we have removed any possibility of contamination in the plant. We have been given a clean bill of health from both agencies.

The MDA is checking local elevators for residual contamination. Most have shown clean but three elevators at Dexter, Mendon, and Yale must wait for further clearance.

**Farm News:** Have you put ration #402 back on the market?

**Armstrong:** No, we have not. But we still feel it is a good product, and plan to put it back on the market.

**Farm News:** Have you put magnesium oxide back on the market?

**Armstrong:** We have it supplied by another firm now and where it is necessary in formulating a good, sound feed, it is still being used. This contamination has no relationship which would discredit the use of magnesium oxide. Mag oxide still does what it's supposed to do, and should be used when needed.

**Farm News:** There has been talk of the state picking up some of the bill of the contamination through indemnity payments. What of this?

**Armstrong:** The state has been considering legislation that would assist them in situations like this in the future. They remember at least a couple of instances when they found themselves in this position in which they could not condemn cattle because there was no contagious disease involved. They are asking authority to come in and condemn cattle where it is in the best interest of the public. (Editor's Note: See Capitol Report for story on legislation).

**Farm News:** What has Farm Bureau Services done to reimburse farmers?

**Armstrong:** Clear back in January when we found that the problem in the Halbert herd was suspected to be our feed product, we notified our general liability and excess liability carriers, which is normal procedure. From that time forward, there was periodic contact with our carriers.

Affected producers have a certified letter from me and a letter with guidelines to follow for putting claims together from our FBS Risk Department.

We have received two preliminary claims from affected producers and they have been forwarded to the insurance companies concerned.



**LIVESTOCK NEWS**

President Smith addresses the livestock crisis.-page 2

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Livestock Marketing Outlook-page 8

# PRESIDENT'S COLUMN



## Reacting to Livestock Crises

It is little wonder that our livestock producing members watch their cattle in the feed lot, knowing that everything they eat represents a loss of income, and think to themselves, "What is Farm Bureau doing for me now?"

Producers have fumed, watching livestock prices plummet, while store prices fail to fall significantly enough to induce consumers to buy in larger amounts.

It was government price freezes last summer that now lead retailers to say it is necessary to keep margins higher in order to recover lost margins of a year ago. The consequence? Consumer prices are disproportionately higher than farm prices and the market system has not worked properly. Stocks of red meat in storage at the end of April this year are 46% higher than they were last year. The market system has been plugged by unsound economic actions!

Farm Bureau recognized it was unsafe to tamper with the pricing system, we protested and fought it from the beginning both publicly and with government officials.

On top of this, two important foreign consumers, Canada and Japan have cut off US exports of beef into their countries.

This appears to be in response to another bad government policy that has come back to haunt the livestock industry. I'm speaking of the embargo of soybeans to Japan. Farm Bureau insisted this is no way of doing business with good customers.

The sword has sliced the other way, now, as Japan under balance of payment pressures, has put a full stop on US beef imports.

Closer to home, the American Farm Bureau Federation is presently conferring with meat packers in Canada concerning the use of DES, which has been the stated reason for banning US meat.

Long before, we protested the 200 percent increase on import charges the Canadian government imposed on our cattle and beef which we felt was a violation of trade agreements.

We have continually worked for fair trade practices and stepped up export of red meat by working with meat exporters and the USDA. Our policy reflected what we thought

was the best method. Be a fair reliable trading partner and it may be less likely that some other customers will be unfair to us.

There are now indications that America is being used for a dumping ground for subsidized imports of meat. Just as we insist on fair trading practices from our shores, we insist on fair practices from abroad.

We have consistently condemned the permissiveness toward subsidized dairy products entering our country and have supported a countervailing duty to right this inequity.

We on the American Farm Bureau Federation Board have made ourselves similarly clear in regards to meat imports with the statement we released on June 12.

"Until trade restrictions are removed by foreign governments we recommend that AFBF request the Commissioner of Customs and the Treasury Department to investigate the dumping of foreign meat in America, and if found to be true, that immediate action be taken to correct the serious problem.

"We further recommend that AFBF request the President to re-evaluate the economic conditions of the domestic meat producers. Facts indicate that many livestock producers and feeders are sustaining severe financial losses and many will be forced out of business which will affect the future supply of meat for the American consumer. These facts should be considered by the President, and he should be encouraged to invoke the provisions of the law to relieve the financial burdens of livestock producers."

These aren't meaningless words that will dissolve unheard. These words were carried to the White House by AFBF President William J. Kuhfuss. Farm Bureau, by virtue of the fact that we have well over two million members, has access to political ears.

But another major battle must be waged by gaining access to the ear of the public. It is they who will buy the meat and they must be persuaded to buy more meat.

Many do not really realize that meat prices are one of the few prices coming down. The American Farm Bureau and Michigan Farm Bureau have both released such information and we in Michigan plan to begin a massive new action with retailers to promote sales of red meat.

underlines: TERRY CANUP

### Superman Syndrome

Long before Watergate a foreign newsman who had spent several years in America said, "By reading American newspapers, you'd think the US was run by a dictator."

Unfortunately, it was a very fair comment. We in America are careful to place all the blame and most of the credit for everything short of the weather in the lap of the President.

I wouldn't place the blame for this sort of kingly attention we give the Presidency on the press, though. The press has simply reacted to the way our simple minds like to simplify the success or failure of any effort on the shoulders of one person. Look at football and how we are so sure that the fortunes of a team can completely turn around with the coming of a new quarterback.

In basketball, the "big man" takes the quarterback's place and how many times have we heard about the big bat of a single player carrying a baseball team. Or to take matters to the extreme, a team becomes known as "and company" as in "Joe Superstar and company."

For some reason, our minds fight the logical, honest approach of spreading the glory and blame for performance in politics, economics, business or sport out evenly to all those responsible.

It is far easier to surround our super heroes and villains with cheers or jeers, flowers or rocks, love or hate.

But isn't this a giant cop-out to focus hopes and blame concerning the state of our country on a few

fallible men. To think that getting rid of Nixon will be all we need to purge the government of immorality, to think that the hopes of world peace are resting solely on Henry Kissinger's shoulders or to even think a new quarterback will make the Detroit Lions Super Bowl winners is self-deluding.

Long standing attitudes of those who play the game make winning football teams, peaceful nations and moral public servants. To hide from responsibilities and problems that rain upon our entire society by funneling all of our sins on scapegoats and channeling all of our hope onto prominent individuals is to make us ripe for a grandfather figure that will take care of all. We look down on the frenzied, ignorant mobs that rally around their new dictators, yet are left clapping on the sidelines as we unload all decisions, policy, and moral judgments on a few leaders.

These mobs haven't been confined to what we consider backward countries. One European country placed all of its dreams on one charismatic leader and used a race of people as scapegoats. They ended up rallying under the swastika.

If we are to act as a mature society, we must accept the collective blame for the moral ills that caused such fiascos as Watergate and accept the responsibility for making some headway.

One way to improve society is to get involved in the political system and Farm Bureau provides the vehicle for this involvement. Use it.

## MICHIGAN FARM NEWS

"EVERY ISSUE  
ON  
THE  
ISSUE"

The Michigan FARM NEWS is published monthly, on the first day, by the Michigan Farm Bureau Information Division. Editorial and general offices at 7373 West Saginaw Highway, Lansing, Michigan 48904. Post Office Box 960. Telephone, Lansing 485-8121, Extension 228. Publication office, 109 N. Lafayette St. Greenville, Michigan. Subscription price, 50 cents per year.

Established January 13, 1923. Second Class Postage paid at Greenville, Michigan.

EDITORIAL: Editors: Terry W Canup and Donna Wilber

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POSTMASTER: In using form 3579, mail to: Michigan Farm News, 7373 West Saginaw Highway, Lansing, Michigan 48904

Second class postage paid at Greenville, Michigan

Farm Bureau

## DONNA

### Fan Tidbits

One of my responsibilities here at Farm Bureau is to write the weekly editorial column, "Agriculture in Action," which is sent to 161 newspapers throughout the state. It's a challenging job because, to be an effective editorial, the author must have strong "get up on the soapbox" feelings about the topic, whatever it might be. Some weeks the words flow like a creek following a spring thaw; other times, there's what we in the profession call creative constipation.

The week that the vice president of Michigan Farm Bureau was named to the Natural Resources Commission, my job was easy. Having been a member of the unofficial Dean Pridgeon Fan Club for a number of years, my words tripped over each other in their haste to get recorded. The result, I thought, was a glowing dissertation of how fortunate the entire state, not just the agricultural community, was to have a man of this calibre on the commission.

Before my wrenched arm was healed (from patting myself on the back) came the discovery that I was a very poor second to another columnist, Gordon Charles, author of "Outdoors with Gordie." My greatest tribute to this writer is to quote from his column about Dean that captured, where the Governor's office and I had failed, the personality of the new NRC appointee.

"After observing Pridgeon for two days, I decided that he is a quiet man who knows that listening carefully is a good way to learn. The questions and decisions to be made by him as a member of the NRC will come later and I would

predict they will be the right ones which Michigan needs so badly.

"Because the meeting was a busy one, I didn't really get to do much visiting with the new commissioner but I did meet him and must say I was impressed at the comfortable way he slid into his seat on this very important state body. I didn't realize exactly how comfortable, though, until the second day when Pridgeon slid down in his chair and crossed his feet casually.

"There, in the bottom of his right shoe, was a hole!

"That, as far as I am concerned, did it. Here was a man who was truly comfortable sitting with the other five men and one woman who make so many crucial decisions for our state's natural resources and their future. A guy like that has to be okay.

"Lest Pridgeon's wife, Mary, and their family scold him for going to such an important meeting with those shoes on, I would beg to ask them not to. Far from being any attempt to embarrass him, I would also admit to having a couple pair of shoes just like that and they are so darned comfortable that I won't let Dorothy throw them away.

"The point is, Pridgeon is going to be the kind of commissioner who will be devoting more time to being the kind of representative he should be than in posing as a fashion plate. Somehow, I get the feeling that Gov. Bill Milliken has made another excellent appointment."

If Gordie had written his column first, I would have plagiarized it, or given him guest editorial billing and simply added "Amen."

## Possible Trend in World Talks?

# UN Food Diplomat Says It's Time for Reserves and Allocations

At no time has the urgency of effective distribution of world food supplies been so apparent as now. With several countries clamoring for new food reserves, a world food conference has been scheduled for November in Rome. Farm News talked to the number two official of the conference, John A. Hannah.

Upon retirement as president of Michigan State University in 1969, Hannah began a new career administering aid to underdeveloped countries. As director of the Agency for International Development, he met with a new disillusionment with foreign aid in the federal government.

Hannah retired in 1973, but at the age of 72 took the position of deputy general of the upcoming world food conference, to be held under the direction of the United Nations.

Hannah has been busy globetrotting in preparation for these conferences but still manages a livestock farm in Dansville, where he is a member of the Ingham County Farm Bureau, and another in Emmet County.

Hannah returned to his Dansville farm after a two week trip through Europe where preparatory meetings were held. While talking to the Farm News, Hannah expressed his disappointment that among affluent nations only the United States and Canada had arrived at positions they would take at the conference.

The Deputy General went on to reveal what he would like to see happen as a result of the conference as he answered questions from the Farm News.



John A. Hannah

**Farm News:** Is there really mass starvation in the world?

**Hannah:** Well, of course, there isn't any question about that. You see we've had some radical changes in the last couple of years with the disappearance of the North American food reserves. They have essentially completely disappeared in the last two years.

The problem of feeding hungry people in the world has taken a complete about face. For more than 40 years, the United States has always had food reserves and Canada has had food reserves and if there were hungry people for any reason - draught, flood, earthquake or some other disaster - the problem was not providing of food but just a matter of getting it and distributing it.

But in the last 18 months or so there hasn't been enough food. It's a matter of borrowing from Peter to pay Paul. You borrow wheat one place and ship it somewhere else and borrow rice and do all sorts of things in order to make food last.

Now you ask the question, are there hungry people? -- Well, you get all kinds of answers, the optimists say there are 500 million, the pessimists say there are 800 million. Certainly, there have been large numbers of people who have died in the last year or two not only in the sub-saharan countries but in Bangladesh and in other places like Ethiopia. The answer to the question, "how many hungry people are there in the world," is there are too many and there are too many that are dying and, of course, many of the poor countries have never been self-sufficient as far as food supply is concerned, even under the best of circumstances.

**Farm News:** Now, what do you think is going to be the approach to this problem, by the UN and by the United States?

**Hannah:** Well, I can't answer what the United States or any other country is going to do because these are political decisions. But I can tell you what I hope the Food Conference is going to come up with.

I hope first of all that this is not going to be just one more conference that's going to publish three or four books or reports that will fill up some library shelf. I think number one the decision has to be made that the number one priority is to encourage the increased production of food in the poor countries and I don't see anyone who disagrees with this one. If we're going to make a contribution, short range, zero range, long range, the number one priority must be to increase food production in the poor countries. Now, temporarily, we may have to increase food in the rich countries, too, because they're the people that can do it quickly.

Secondly, if we could agree that this is the objective, then there has to be some emphasis on the review of the inhibitions that make it difficult to increase food production in poor countries. One, of course, is fertilizer.

The shortage of fertilizer has been a problem in much of the world, some of the developed countries as well as the underdeveloped. This brings front and center, the whole energy problem. Fertilizer plants need petroleum products. Much of it natural gas or oil or coal or something of that sort. And there has been so little energy available that many of the fertilizer plants in developing

countries have been producing at 50% or 25% capacity. Some of the problem is poor management. Some of these countries don't know how to run fertilizer plants once they get a good fertilizer plant. They don't seem to have the management skill. This is a problem that requires a good deal of attention.

We need to get fertilizer distributed so they get the greatest possible food production from it. In short range that's going to mean some allocations and this, of course, is always ticklish. I don't think it really represents any great sacrifice, if the United States or other rich countries are asked to concentrate the use of their fertilizer either in their own countries or when it's sold for the production on food crops. I don't think it's asking too much to restrict use of fertilizer on golf courses and parks - not to eliminate it entirely but cut it down as much as you can for a year or two.

After the first two years, if we're lucky, we should substantially increase the production of fertilizer.

Of course, Arab countries the Middle East countries hold the answer to this problem. One quarter of the natural gas that's just being burned because they have no use for it would produce the whole gap between what we're now producing and what we could use for anhydrous fertilizer. It represents no cost at all - it's free to them.

First, they're going to have to decide that they want to supply it, that they will invest some of their own money, of which they have plenty to build fertilizer plants. Now, there is the fact that most of the potential in the world is pretty well tied up building fertilizer plants in Russia and the People's Republic (of China). The people that are in this business, are inclined to say well, we're busy for the next three or four years.

Well, you know when you're in a war, you do a lot of things that you don't want to do. Now, I think for the next couple of years the government of the United States is going to have to say to its people and the government of these Near East countries to its people, "let's see just what we can do - not conveniently, but no matter how inconvenient - and see how we can put emphasis on getting fertilizer plants built and in underdeveloped countries.

There are other questions that must be answered if we're going to increase food production in the poor countries. There are different questions in different countries. Sometimes there are soil problems, sometimes there are disease problems, sometimes there's a matter of resistance to pests and one thing and another, but this requires top level research and we have an international network of agricultural research centers that are pretty good but they're financed on a month to month, year to year basis and some of them are not as good as they ought to be.

Well, I hope the food conference will put emphasis on fertilizer and emphasis on not only the development of international agricultural research centers but the national and regional centers that are required to back them up.

**Farm News:** What about the grain reserve question?

**Hannah:** It is generally recognized that we need to have insight and at least a year's supply of non-perishable food at least a year's supply of non-perishable food in reserve. The question is who is going to store it. I think it's generally understood that the food reserves ought to be held pretty largely in the countries where the food is produced and managed there until it's actually turned over for the end use.

**Farm News:** Well, a lot of farmers feel like they've been burned by grain reserves. How do we know it won't happen this time?

**Hannah:** We certainly should have learned from our own experience - One of the requirements has to be that well-to-do countries that import food are going to have to be expected to acquire and store their own two years supply so they aren't problems when the short supply time comes. In the past, Japan, for instance, always thought she could get our grain on a month to month basis and getting the grain became the problem of United States or Canada wherever the food was coming from.

We should start with the notion that the developed countries will store their own grain if they have a storage in their own place. Or they can store it in Kansas or Alberta or wherever. But they own it and it's out of the available market. So there will be set aside a reasonable amount of food to take care of the disasters, the floods, the earthquakes and that sort of thing.

I'm satisfied that we're smart enough to figure out a way to validly relieve the fear that farmers have that makes them want to go back to the hand-to-mouth situation.

**Farm News:** What about creating some internal adjustments in these countries. Is there time for that?

**Hannah:** That's being done as far as can be done. Now, when we get to talking about the poor countries, there isn't much you can do. You can get them to growing gardens and you can get them producing more food in back yards and that sort of thing. But the very poor countries, the countries like Bangladesh for instance - we're going to have to provide food - somebody's going to have to provide food for them for a long time to come. Now, the question is how is it going to be provided? Is it going to be given, is it going to be on loans. Well, this will be a part of the difficult problems that the Food Conference is going to have to face. The problem isn't going to go away, we're just going to face up to it.

**Farm News:** Can American growers look forward to being paid competitive prices?

**Hannah:** Well, they certainly will get the world price. We just take it for granted the farmers are going to be paid the world price for whatever he produces. If he isn't, he isn't going to produce it.

**Farm News:** What about Senator Kennedy's proposal to lay aside 10% of American surpluses for concessional trade?

**Hannah:** Well, of course, if this is a political decision, then the government's going to pay the farmer for it at the world price. No one can object. I have seen the other side of it. It's just how he expects to handle this one. If it's a notion that you're to set aside 10% of the total production to be given away or sold at some reduced price to the original producer, of course, that won't work. There's no way to talk about it, it just won't work.

**Farm News:** How will the answers to this whole food problem affect the market for the Michigan grain producers?

**Hannah:** Well, in the short run they aren't going to affect us at all because there's no prospect that we're going to have great surpluses of wheat or rice or popular food items, and I suspect that's going to be true for quite awhile.

There are few places where there is undeveloped, cultivable land. There's not much land, unless you have a lot of irrigation that costs a lot of money. That kind of money takes a long time to borrow and it isn't in sight. Increased availability of fertilizer and research and so on are long time answers. What I'm saying in fewer words is nothing is going to materially reduce the demand for such as America can produce as far down the road as I see it.

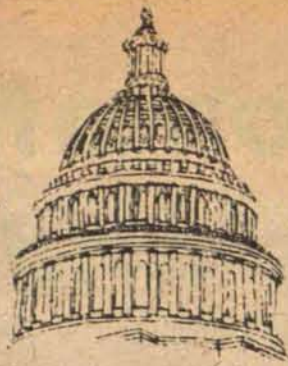
**Farm News:** You don't see a return to the 50's where we are having a large amount of concessional trade?

**Hannah:** Not for this year or next, or beyond that - no

# CAPITOL REPORT

Robert E. Smith

## Labor and Livestock Prevail as Issues



**LIVESTOCK LEGISLATION**  
A bill (S. 1380) introduced by Sen. Ballenger, will increase the payment to farmers who have herds infected with TB or Bangs disease. The state payment would be increased from the present \$100 to \$250 for grade animals and from the present \$150 to \$300 for registered purebred animals for TB. Payment for animals infected with Bangs would be increased from the present \$50 to \$100 for grade animals and from the present \$100 to \$150 for purebred animals.

In addition, there is federal indemnity which, along with the salvage value of the animals, should adequately reimburse the farmer for the total value of the animal.

Updating of this law results from a recent major outbreak of TB in one herd of dairy cattle.

A second bill, (H. 6115) is emergency legislation to give the Department of Agriculture the authority to condemn and order the disposal of any livestock that is contaminated from any cause including the present problem with feed caused by the accidental mixture of a fire retardant chemical in dairy feed. Other instances where the legislation would be needed might include contamination by insecticides or other types of chemicals.

The bill provides that any cost to the state would be recovered from whomever is determined to be responsible for the contamination.

**LABOR LEGISLATION**  
Legislation (S. 698) permitting Michigan agencies rather than federal agencies to implement safety regulations has been passed and signed by Gov. Milliken with support from Farm Bureau and most other segments of the economy. It will be known as the MI-OSHA legislation.

Experience has shown that implementation of federal statutes by federal agencies has been most oppressive, making it nearly impossible to reach those in authority.

The passage of S. 698 will make it possible for employers to have proper hearings and to be involved in the development of any necessary safety regulations. One provision provides that there must be advisory committees made up of agricultural people when safety regulations are determined that affect agriculture.

Another bill (H. 4823) which would have required toilet and handwashing facilities in farm fields for labor appears to be dead for this session of the Legislature.

The Field Sanitation Act would also have required that the facilities be "properly screened, ventilated, and kept clean." First aid equipment and "standby transportation" for medical assistance would also be required.

In the hearing held on the legislation, several farmers came to Lansing to testify and pointed out that such legislation made it appear that farmers do not provide such facilities. They said that in most cases such facilities are already available and that there is no need for such a law. It was also pointed out that the enforcement of such a law would be difficult.

A bill (S. 96) to increase the minimum wage in Michigan is presently before the Legislature for final action.

The minimum wage is presently \$1.60 per hour and would increase first to \$1.90 and then in stages to \$2.30 per hour by January, 1977. This would bring Michigan's minimum wage law in conformance and uniformity with the federal minimum wage law.

However, the bill contained a provision requiring "time and a half" for all overtime beginning at 48 hours per week and to be reduced to 40 hours per week by May, 1977.

Farm Bureau pointed out that agriculture is exempt from overtime requirements in the federal minimum wage law and asked for amendments to exempt agriculture from similar requirements in the state law. Senators Byker and Bouwsma prepared the necessary amendment, and it was adopted.

Farm Bureau county presidents and other county committees were notified, and many communications were sent to senators indicating the hardship that mandatory overtime could mean to agriculture.

### "DOUBLE" DAYLIGHT SAVING TIME

Legislation (S. 1253) introduced by Sen. Byker and others, will, if passed, put the issue of whether Michigan should be placed in the Central Standard Time Zone on the November ballot to be decided by a vote of the people once and for all. If the voters approve, it is likely that federal authorities would place Michigan in the Central Standard Time Zone. This would carry out Farm Bureau policy as passed by the voting delegates at our annual meeting.

Heavy support for the legislation also comes from many senators in the metropolitan Detroit area. However, in order to get it on the ballot, the legislation must be given immediate effect, which requires a two-thirds vote of both houses.

Many Farm Bureau members have been circulating petitions to try to force the issue on the ballot next fall.

Many allied groups such as religious organizations, parent-teacher groups, theaters, and other recreational organizations are also circulating the petition.

It is unlikely, however, that sufficient signatures will be obtained in order to force the issue on the ballot. Passage of S. 1253 would be the most logical way to accomplish that goal.

### OTHER AGRICULTURAL LEGISLATION

H. 5866, introduced by Rep. Hoffman, has now passed the House and is in the Senate.

This bill would exempt farmers from the provisions of the Sedimentation and Soil Erosion Act passed two years ago.

Originally, farmers were to come under the provisions of the act in 1979. There would be exemptions if the farmer was working with a soil conservation plan.

The exemption in H. 5866 would apply to normal agricultural practices.

H. 6009, introduced by Rep. Bela Kennedy and now before the House, amends the Marketing Act of 1965 under which the present promotion commissions and

boards for cherries and apples operate and which requires a checkoff for these two commodities for promotional work.

The legislation would provide a penalty for any buyer of these commodities making the deduction for promotional programs that does not promptly send the monies to either the cherry or apple board. S. 1024, introduced by Sen. McCauley, is a licensing bill for processors, packers, canners, freezers, stores, etc.

Farm Bureau has insisted on a section that will require that before a license can be issued, the applicant must have paid the producer of the agricultural products for the preceding year.

The bill also provides that the producer could complain to the Agriculture Department if he did not receive payment for his produce within 60 days after the purchase, unless there was another agreement provided by written contract.

The Canners and Freezers Association and the Michigan Food Dealers Association strongly oppose this provision.

Farm Bureau has pointed out that this is merely minimum protection to the producer of agricultural products, and it should be part of the law. Some producers now have some similar protection under other laws.



Mrs. Alton Wendzel challenges the need for roll bars on all tractors at a hearing concerning OSHA regulations in Chicago on June 13.

## OSHA Roll Bar Regulations Challenged

Insisting that every tractor have roll-over bars could cause more hazards than it would solve, M.J. Buschlen said at a June hearing in Chicago. Buschlen was answering new OSHA (Occupational Safety and Health Act) regulations requiring roll bars on all tractors.

Roll-over regulations are scheduled to take effect on Sept. 1. Buschlen asked that low profile tractors used in fruit production and tractors used in and around farm buildings be exempt from the regulations.

Buschlen said that trimming lower limbs of fruit trees to allow tractors with roll bars to pass under would render some trees practically useless and in other instances would increase hazards by forcing workers to climb taller ladders when working on trees.

"Low profile tractors are more stable and less subject to upset

because they are built lower to the ground," he said in his testimony.

Buschlen also said that conforming to roll-over bar standards would be prohibitive in cost for many farmers who have buildings with entrance ways too low for tractors with roll-over bars.

Testifying with Buschlen at the June 13 hearing were fruit grower Mrs. Alton Wendzel of Watervliet and grain and livestock farmer Arthur Bailey of Schoolcraft who gave personal examples of hardship that would occur on their farms if regulations were strictly enforced in their present form.

Buschlen went on to request that farmers not be liable under OSHA regulations for failure of employees to use seat belts but only be required to instruct the employee to use the seat belt on farm equipment.



## Tax Relief Supporters Gather

Senators and Representatives who supported the Farmland Open Space Preservation Act [H.4244] gathered for signing ceremonies with the Governor.

They included, [left to right, top picture] Senators Robert Davis, William Ballenger, Alvin DeGrow, [MFB Counsel R.E. Smith], L. Harvey Lodge, Harry DeMaso, Gary Byker and Office of Lance Use Director Karl Hosford.

Representatives [bottom picture, left to right] Stanley Powell, Don Van Single, Louis Cramton, Fred Stachable, Warren Armbruster, Bert Brennan, Robert Young, Bela Kennedy, Quincy Hoffman, [former Senate aide Joseph Sharkey, MFB President Elton Smith] and John Engler.



Robert E. Smith



Albert A. Almy

## What Happened to Property Tax Cuts?

**Q:** In a recent issue of the Michigan Farm News it stated that Senator Bursley has a new plan to cut property taxes for schools. What has happened to this proposal?

**A:** The new plan is really a modification of the new school aid "Bursley Act" that became effective this year.

Presently, the Bursley Act provides for a guaranteed yield per mill of property tax and thereby guarantees the low value district the same value per mill as any other district.

Under the Act in the 1973-74 year, school property tax increases were the smallest in recent years with schools receiving a higher proportion of their income from the state.

Many high tax school districts were able to reduce property taxes while some others had to increase millages to qualify for full state aid.

Guaranteed yield now stands at \$38 per mill of property taxation (up to 22 mills) regardless of the per child valuation. In 1975-76 the guarantee is to be raised to \$40 per pupil per mill (unlimited).

Senator Bursley, along with 15 Democrats and 15 Republicans, has introduced a bill calling for an increased guaranteed yield of \$60 per pupil per mill for districts that rollback their property taxes proportionately.

The effect would be for the state to pay a higher proportion of school costs.

A typical district now may receive \$436 per pupil in state aid (47%) and \$500 from local taxes (53%) with a 24 mill tax.

Under the proposed rollback plan, state aid would increase to \$600 (63%) and local tax revenue would be \$360 (37%) resulting in a total increase of \$24 per pupil while cutting the property tax millage from 24 to 16.

The state funds needed for increased state aid would have to come from a one percent increase in individual state income tax and similar increases in corporate and financial institution income taxes.

Though state funds increase in proportion under this plan, local control of schools is still fully maintained.

Senator Bursley intends to hold a series of public hearings on the proposal. The bill to make the plan effective will be reintroduced in 1975 for legislative action.

## Anything New from Pollution Hearing?

**Q -** Last fall, Congress held hearings on animal waste pollution. What are the results of the hearings?

**A -** The hearings were held last November 29-30 by the Conservation and Natural Resources Sub-committee of the House Government Operations Committee. The purpose of the hearings was to determine whether Federal pollution control laws are being effectively administered to control pollution from animal feedlots.

A broad range of interests including Farm Bureau spokesmen, feedlot operators, pollution agencies and environmental groups testified at the hearings. On April 25, the Government Operations Committee submitted its findings and recommendations to the 93rd Congress.

The recommendations of the Committee do not have the effect of law and will be implemented only if administrative action by the appropriate federal departments is taken. The recommendations are as follows:

1. The Environmental Protection Agency should promptly:
  - (a) Conduct, with the assistance of the Department of Agriculture, a comprehensive survey of the various animal categories of the feedlot industry for the purpose of establishing, consistent with pollution control needs, the animal densities appropriate for each category of animal feedlot and identifying those feedlots from which pollutants are or may be discharged;
  - (b) Propose and promulgate a new regulation repealing its regulation of July 5, 1973, that excluded feedlots with fewer than 1,000 animal units. The new regulation should, on the basis of the survey mentioned above, define the term "concentrated animal feeding operation" and require that all feedlots within the scope of such definition shall obtain a permit to discharge pollutants into a navigable waterway;
  - (c) Publish and promulgate effluent guidelines and standards of performance for all concentrated animal feeding operations, not just those with 1,000 or more animal units; and
  - (d) Include in every permit issued to a feedlot owner or operator adequate conditions to reduce discharges and abate pollution even before full compliance with the effluent guidelines and standards of performance.
2. The Department of Agriculture should promptly:
  - (a) Make available for feedlot waste control practices at least \$8 million from funds appropriated by the Congress and available for such purpose;
  - (b) Revise its regulation (7 CFR 701.13) - which permits cost sharing for chemical fertilizers but not for fertilizers derived from animal wastes - to allow cost sharing for fertilizer derived substantially from animal wastes;
  - (c) Publish guidelines, consistent with environmental needs, for disposal of feedlot animal wastes on land, including sale of such wastes to farmers who need them as fertilizer; and
  - (d) Conduct economic analysis of efficient and practical methods of assisting feedlot owners and operators in collecting and marketing animal wastes and sludge for agricultural purposes.
3. The Department of the Interior should support research and pilot plant development by the Bureau of Mines in fiscal year 1975 to convert animal wastes to oil and other fuels and request adequate appropriations for that purpose.

## NATIONAL NOTES

Albert A. Almy

### Land Use Bill Dead

On June 11, the House voted 211-204 to not consider HR 10294, the National Land Use Planning Act. This decision will undoubtedly result in no further action on federal land use legislation by the 93rd Congress.

Farm Bureau did not support the provisions of HR 10294. Farm Bureau policy opposes federal assistance to states for land use planning except under a grant-in-aid program.

HR 10294 would have provided financial assistance for state land use planning and established certain federal guidelines that would have to be met if states were to obtain the funds.

Farm Bureau did support a substitute bill, HR 13790, which provided federal grants without federal control features to help states establish land use plans.

#### RAILROAD REORGANIZATION

Rail service in rural America should benefit from the recent nomination by President Nixon of Cliff McIntire as a director of the new United States Railway Association (USRA).

McIntire is the former legislative director of the American Farm Bureau Federation. When confirmed by the Senate, he will represent "shippers" on the USRA.

The USRA was created last year when Congress enacted the Regional Railroad Reorganization Act. It provides for the restructuring of the railroad system in the Midwest and Northeast Regions of the nation.

The USRA is a nonprofit entity with responsibility to plan and finance the acquisition and modernization of bankrupt railroads into a new self-sustaining rail system.

Earlier this year, the Department of Transportation published a proposed rail reorganization plan that would eliminate 51 percent of the rail tracks in Michigan's lower peninsula. Most of the cutbacks were in rural areas.

Nearly 500 persons representing Farm Bureau and other interests testified in opposition to the plan at public hearings conducted by the Interstate Commerce Commission.

It is expected that the USRA will use the testimony given at the

public hearings to develop a preliminary railroad reorganization plan.

Public hearings will then be held this fall on the preliminary plan before it is further modified and submitted to Congress for final approval.

#### TRADE REFORM

Following a delay of several weeks, the Senate Finance Committee has resumed work on trade reform legislation. Passage of trade reform legislation to promote trade opportunities among nations is a priority item in the Farm Bureau legislative program.

Last December, the House passed the Trade Reform Act which would provide the President with authority for new trade negotiations, increased domestic relief from disruption caused by imports and action against foreign unfair trade practices.

The Senate Finance Committee concluded hearings on the Trade Reform Act on April 10. On May 22, Farm Bureau wrote the Finance Committee members urging them to report out a sound trade reform bill soon. The Committee resumed work on the legislation shortly thereafter.

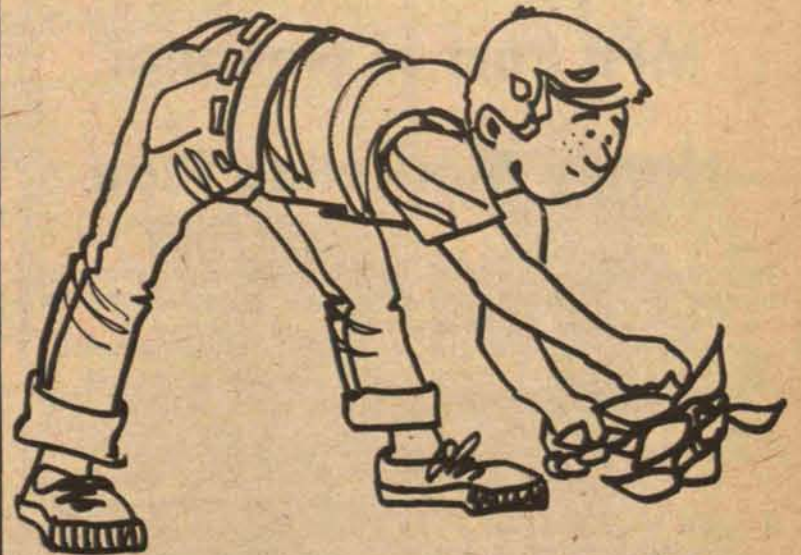
#### SUGAR ACT

The House, by a 175-209 vote, has rejected HR 14747, which would have extended the United States Sugar Act. The current Sugar Act will expire at the end of 1974.

If the current Sugar Act does expire, it will be the first time in over 40 years that a sugar program has not been in operation.

HR 14747 included some major changes in the sugar program. The changes included revisions in the formula for computing payments to sugar growers, annual limit of \$9,400 in federal payments to producers, repeal of the sugar excise tax and revisions in the labor provisions.

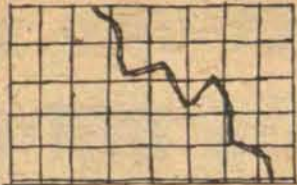
Further action on sugar legislation is not clear. Some observers expect a new bill will be developed and receive action by the 93rd Congress. Others believe an attempt will be made to attach certain sugar program provisions onto unrelated bills that are certain to receive Congressional consideration.



**Remember! Children under 12 are not allowed to work unless they are from the farm family.**

12 and 13 year-olds may work on neighboring farms with written parental consent or on the same farm where parents are employed.  
14 year-olds and above may work except as prohibited by the 1971 Child Labor Law.

# Marketing



# Picture

## Freight Rate Hike

A 10 percent rate hike for rail freight took effect June 20 after approval by the Interstate Commerce Commission (ICC), Michigan Elevator Exchange transportation specialist Gilbert Seely reports.

The rate hike was granted after a 15-day delay under the stipulation that extra revenues be applied to maintenance and equipment for rail transport.

This requirement resulted from suspicions that past rate increases were funneled into conglomerate arms unrelated to rail transport, Seely said.

The 10 percent increase will also be applied to the fuel surcharge which reached 3.3 percent on June 5.

Seely explained the effect of this would cause an even higher transport cost.

"If we have a rate of \$1.00 plus a 3.3 percent surcharge, then the 10 percent rate hike will be applied to \$1.03 1/4."

The fuel surcharge which has been increased monthly since it was instituted in January should stay at the same rate until at least August, since rate hike applications for July have been waved by the industry, Seely said.

# Accreditation Still Go Despite Law Suits

Bargaining agents will insist that provisions of the Agricultural Marketing and Bargaining Act be enforced until court action, if forthcoming, halts administration of the Act, said Noel Stuckman, Manager of the Michigan Agricultural Cooperative Marketing Association (MACMA) last week.

Stuckman was reacting to the progress of two lawsuits involving the legislation, and maintained that as of June 19 the law is still operative allowing the state to give accredited status to bargainers to represent commodity groupings of farmers.

One lawsuit charging that the legislation is unconstitutional, reached the doors of the Michigan Supreme Court during June in an attempt to hurry a move for an injunction. The Michigan Canners and Freezers Association and two farmers who originally filed the

suit in March against the accrediting board and MACMA, which has three accredited divisions under the Act, decided to go to the Supreme Court after the Michigan Court of Appeals failed to act on their request for emergency procedure.

The suit had been thrown out of a Lansing District court in April when it was ruled that the court had no jurisdiction in the case.

A second suit, filed by H.J. Heinz subsidiary Ore-Ida Inc., challenging the accreditation of the Potato Growers Division of MACMA, is still in process in the Michigan Court of Appeals. A decision on this suit which challenges procedures used in the accrediting process could be another eight to twelve months in coming.

Meanwhile, a fourth MACMA division, the Red Tart Cherry

Growers, is obtaining final accreditation on June 28, just four days before the official marketing period for the commodity.

A fifth division, Michigan Processing Apple Growers, which applied for accreditation on May 1, had its application reviewed by the board on May 28, but no further action is set.

## FBS Grants Cash

Farm Bureau Services, Inc. has awarded the Agricultural Engineering Department of Michigan State University a \$5,000 grant for diaphragm testing of steel and aluminum panels used in farm buildings. The ultimate goal of the research project is to determine the contribution to wind-resistance made by these large panel-type diaphragms.

# FBS Egg Center to be Replaced in Kent County

Farm Bureau Services' Board of Directors has approved purchase of land and construction monies for a \$325,000 egg distribution complex, announced Egg Marketing Division Vice President Clyde Springer on June 24.

The new Kent County facility will replace an egg processing center in Jenison which burned to the ground last Christmas Eve. The company suffered total loss in the fire and has since served egg demand through temporary rented facilities.

Unlike the Jenison plant, the new facility will not process eggs. Eggs will be sorted, processed and packaged at points of production, (farms) with the distribution center acting as an assembly and shipping point.

The facility is expected to be in operation by September and ground breaking ceremonies are scheduled for Friday, June 28th at 10 a.m.

Elton Smith, President of both Michigan Farm Bureau and Farm Bureau Services, himself a Kent County farmer, will officially break ground with a farm tractor and plow.

Springer strongly defended the idea of on-farm processing in his announcement.

"This unique set-up gives us the opportunity to do just what we should be doing," says Springer, "and that is getting the product to market. There are sound reasons for doing things this way; they center around improving rural economics and delivering better service to the consumer."

"Processing which takes place at the producer level means more jobs on egg-producing farms, more money going to the rural areas. And that is one of our goals as a farmer-owned and farmer-oriented cooperative. Producers' management skills and investments are also utilized to the

maximum, and distribution is moved closer to the point of production for the best and quickest service to the consuming public.

"This facility will serve to heighten West Michigan's already longstanding reputation as the egg basket of the state."

The area claims one third of the egg production in Michigan, which is totally worth some 40 million dollars a year to the state's farmers and farm employees.

"We expect to distribute about 15 million dozen eggs per year from the Cascade Township building," Springer said.

Springer also announced that a research facility would be built with the new building.

"The research center for egg products which will be developed with the distribution center will enable us to continue to offer institutions and the consuming public finer and more wholesome egg products."

## Members Can Join Wheat Pool

For those producers who haven't contracted portions of their 1974 wheat crop, there is still a way to avoid selling a crop at harvest prices without storing it on the farm.

During June, the 1974 Farm Bureau Wheat Marketing Program was given the green light amidst speculation that the orderly marketing approach might be suspended in the face of falling prices.

Last year's participants in the program pooled wheat which was marketed on the advice of a panel of marketing experts. The average return to participants was \$5.25 per bushel.

Before deciding to go ahead with the program, members of the MFB Soft Wheat Advisory Board met with economists from Michigan State University who forecasted wheat prices of between \$1.50 and \$3.00.

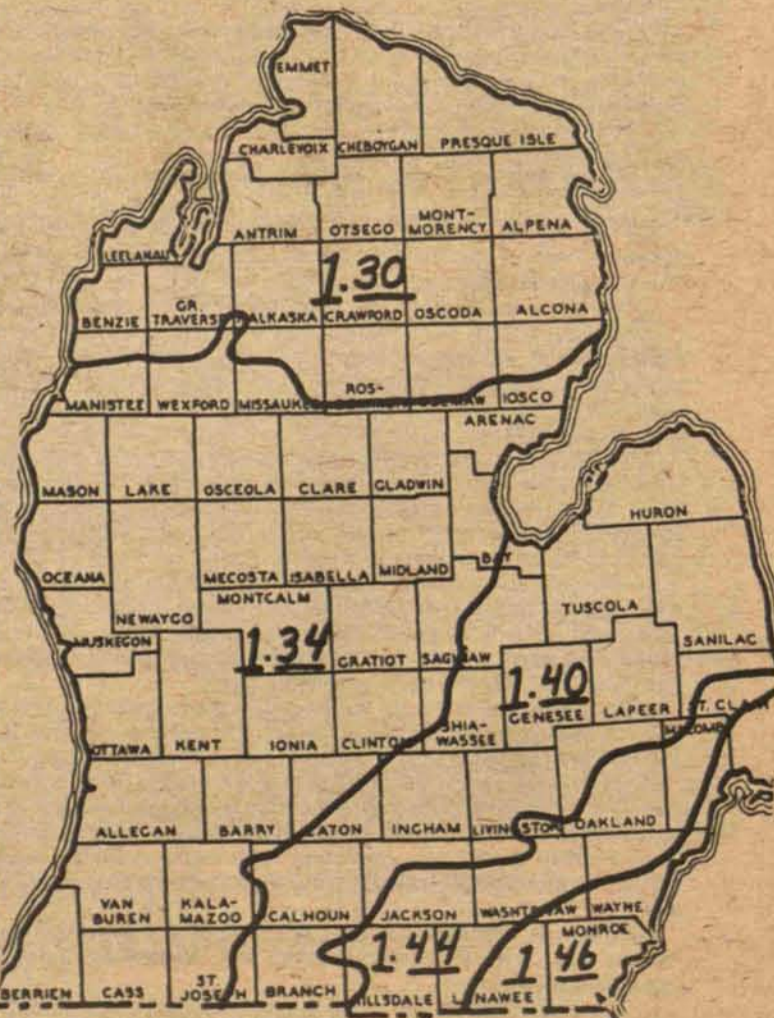
The Board voted to recommend renewal of the wheat program with payments of \$1.40 per bushel on delivery and the rest after the pooled wheat is marketed.

"It was renewed," said Board Secretary Dan Hall, "because farmers want it and those who missed out on contracting wheat may be better off by putting their wheat into the program than selling it at harvest."

Those who do wish to put wheat in the program must commit a specified amount upon delivery to a Farm Bureau Services affiliated elevator.

Wheat must be delivered into the program by Aug. 1 to be placed in either the red or white wheat pool.

Modification for the deadline may be made for later wheat harvest from northern areas.



Advance payments for wheat in the MFB Wheat Marketing Program will be about 35c below last year's. Advance prices for wheat from various transport areas are show above.

## MFB Part of National Honey Marketing Plan

The American Agricultural Marketing Association (AAMA) has established a honey Marketing Program in May of 1974. The AAMA is the affiliated company set up by the American Farm Bureau to market and bargain for its Farm Bureau members.

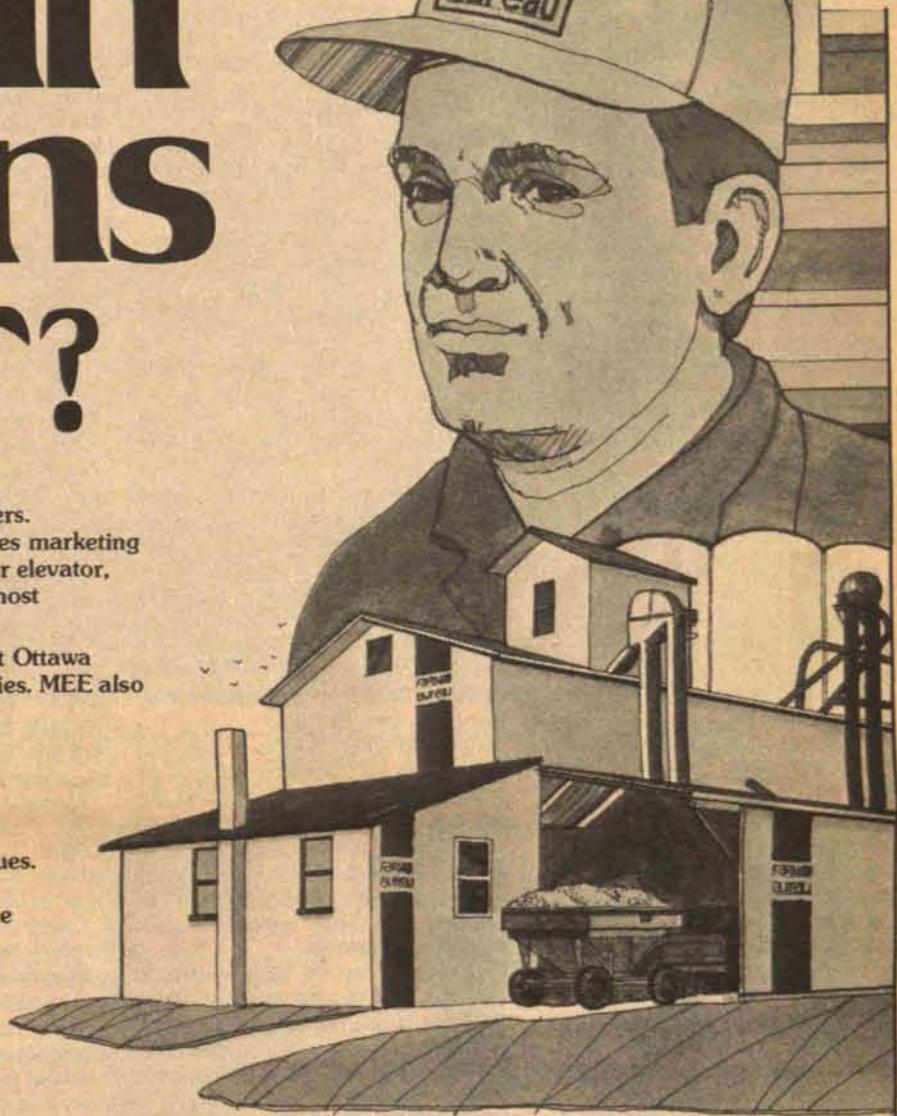
Michigan honey producers are now committing a portion of their 1974 "Honey Flow" to the National Program. The honey committed by beekeepers from Michigan, Wisconsin, Ohio, South Dakota, North Dakota, Minnesota, Florida, and Iowa is being sold through a "Central Sales Desk" located in Park Ridge, Ill. The marketing concept is modeled after the "spent fowl" marketing program

that has been extremely successful for the poultrymen across the country.

Beekeepers that are interested in joining the program can get information and contracts from David A. Wolfe, Market Specialist, Market Development Division, Farm Bureau, Box 960, Lansing, Michigan 48904. Honey producers are being contacted by meetings and individual contacts during June, July and August.

Ray Montague of Ovid, Michigan, has been instrumental in establishing the market program. His efforts in putting out the newsletter to the Great Lakes Honey Marketing Association formed the foundation on which to build the AAMA Marketing Program.

# Where will you market your grain and beans this year?



Fluctuations in today's market makes this question more important than ever to farmers. The Michigan Elevator Exchange (MEE), a division of Farm Bureau Services, provides marketing services to over 100 country elevators. When you market your crops at a MEE member elevator, you'll benefit from the resources that provide for marketing knowledge to locate the most advantageous price anywhere in the world.

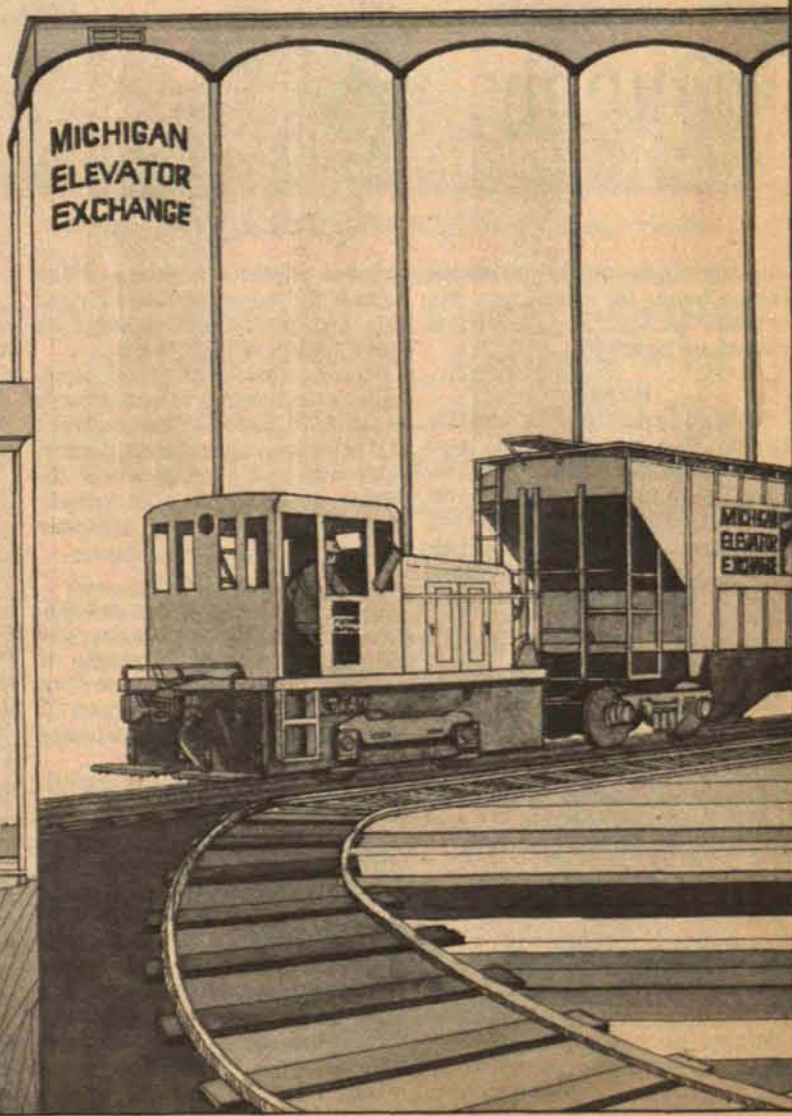
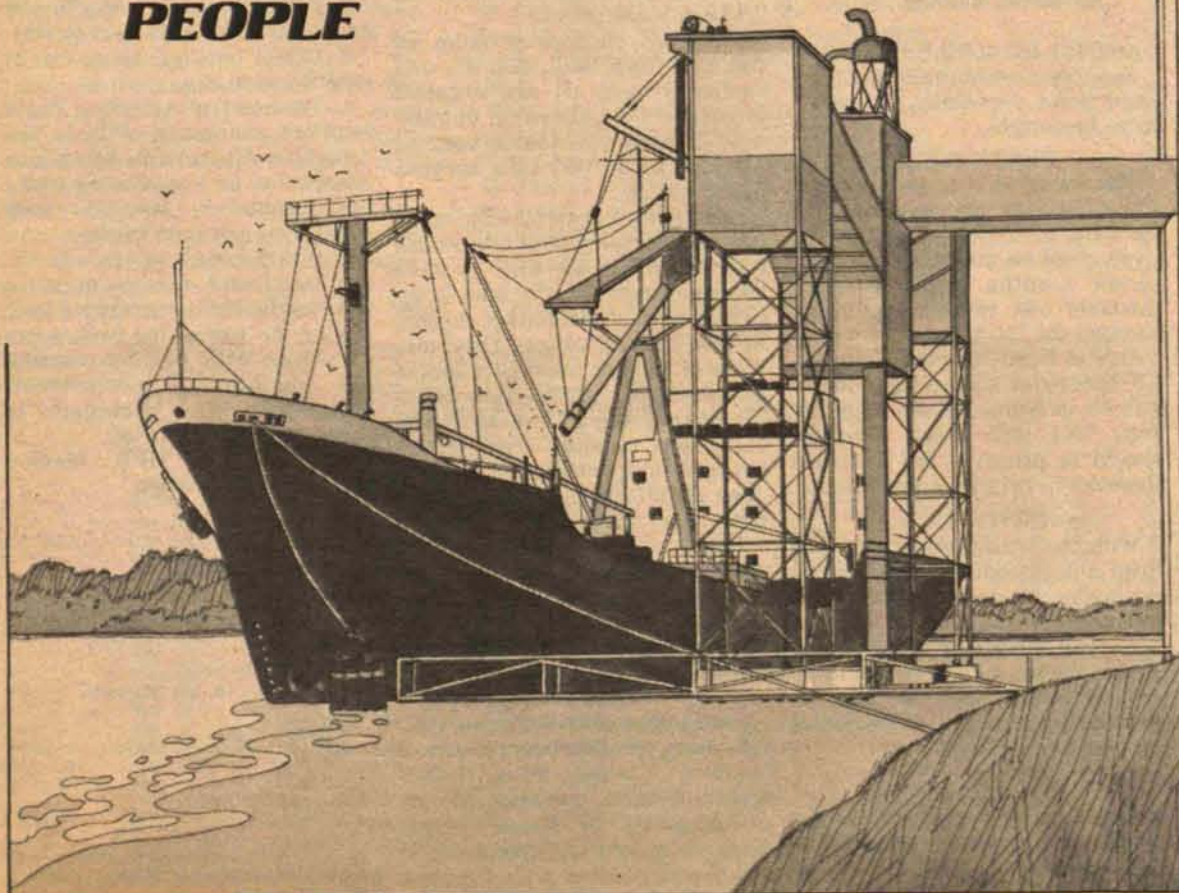
The MEE, owned by farmers and co-op elevators, operates grain and bean terminals at Ottawa Lake and Saginaw. The Saginaw Terminal is equipped with both water and rail facilities. MEE also operates Mid-States Terminal in Toledo, Ohio, in cooperation with regional grain cooperatives from other states.

In addition to these three terminals, Michigan Elevator Exchange operates Quincy Flour Mill which produces approximately 2,000 cwt. per day of soft wheat flour.

These farmer owned elevators are the only elevators in the state capable of handling 100-car train loads, and we are constantly working to further improve shipping techniques. We recently leased 60 new, covered-hopper cars to improve grain movement from Michigan country elevators to the east coast to enable elevators to provide better service to their farmer customers. MEE also contributed to the development of containerized shipping of beans and campaigned successfully for more favorable rates for these types of shipments. Presently, we are continuing to evaluate the use of bulk shipping of beans in containers to the export market.

The Farm Bureau people and the country elevators that we represent are in the best position to help the farmer gain fair market prices. MEE can reduce marketing cost, since we are owned by and for Michigan Farmers. The larger the percentage of production that farmer organizations control, the more respect the farmer will have, and therefore gain better prices in both the domestic and foreign markets. Stop in and see your local MEE member elevator today. He is working for you.

## ASK THE FARM BUREAU PEOPLE



## Milk Price Drops Sharply, Wheat Looking Up

## Michigan Marketing Outlook

## DAIRY

Michigan Dairymen have been "enjoying" a period of rising income and expense. The rising milk prices have generally kept pace with the rising expenses. Indications are that the expenses may continue to rise while the price received for milk appears to have reached its all time high and will begin to drop, possibly faster than they rose.

Why the sudden change? The simple answer is Supply and Demand. One fact must be kept in mind, a relatively mild 10¢ price reduction in cheese results in a drastic \$1.00 reduction in milk price received by producers.

When will the picture change? Because of recent rapid changes, it is difficult, if not impossible, to predict. Speculation is that it will be at least fall before the economic picture brightens for Michigan Dairymen.

Retail prices should reflect at least some of the lower prices. A drop in price at the retail level could help falling sales, if the retail price drops significantly.

But for now fluid consumption is down over 6% since the first of the year and cheese, which has been an increasingly popular item, is losing its attractiveness.

When red meat prices were at a high, cheese offered an excellent and economical source of protein. But cheese prices have increased, while red meat prices have leveled off and even lost some ground at the retail level.

Meanwhile milk production is on the increase as should be expected this time of year. And even though total production is down over a year ago, production per cow is up.

In response to all these factors the Minnesota-Wisconsin (M-W) series has started a down trend. With lagging Demand and Supply being padded with imports, a drop in price was inevitable. The

Michigan market is primarily a fluid market, but is directly controlled by the M-W series and Butter-Power prices. The fact that consumption of the fluid product is dropping simply hastens the price slide.

Ron Nelson - MFB Market Development Division

## WHEAT

Grain prices have taken a welcome turn for the better. For over three months the trend has been decidedly lower.

Wheat still reigns as the pacesetter. As the combines begin their march northward from Texas, the question of the farmer selling comes to the fore.

The early returns from Texas indicate that about 50 percent of harvest receipts are being sold, compared to about 90-95 percent in other years.

Many observers feel that when harvesting reaches the main wheat belt, farmer storing will reach over 80 percent of harvest deliveries.

The pipelines are nearly exhausted as we exit from a year when carry-over stocks are the lowest in many years. Obviously, brisk demand should accompany the early run grain.

Couple this with a strong reluctance of farmers to sell as prices rise. When you also add the spectre of lower than anticipated yields, due to an encroachment of streak mosaic disease and persistent unfavorable weather pattern, the trend towards higher values accelerates.

However, we do have a record wheat crop by far and pipelines will fill as the harvest progresses. Barring unexpected disasters, buyers' needs will be satisfied once the upward trend will falter.

Looking around the world, it's easy to find areas of severe need

such as India and sub-Saharan Africa.

The world seems to be rebuilding reserves but not to a comfortable position yet. Spring wheat seeding has been delayed both in Russia and in the US. A successful campaign in these areas could put a ceiling on wheat values.

## CORN

Corn followed gains registered in the wheat market. After an excellent start on planting in many states, unfavorable weather put the damper on further progress for many weeks. Severe flooding conditions in Iowa and Southern Illinois, our two most important producing states, caused extensive damage and forced replanting estimated up to 10 percent of the crop.

Uncle Sam's 6 billion bushel estimate was based on an average yield of 97 bu/acre, a figure which many experienced observers clucked their tongues at long before any planting began. With all the problems surrounding the planting period, 90 bushels an acre average is often mentioned.

If such a figure turned out to be accurate, a crop of 5¼ to 6 billion bushels would probably result. Such speculation adds considerable support to a December futures quote of \$2.40/bu, particularly when carryover reserves this fall still loom as a hurdle yet to be crossed successfully.

Exports continue at a very high pace with the total now at 924 million bushel compared to 772 million bushel to the same date a year earlier.

Uncle Sam is estimating season exports ending next Oct. 1 at 1.2 billion bushel.

The catastrophe of animal prices seems certain to lower the disappearance of corn into animals and the final three months of the year could bring about a resulting improvement in the carryover crisis ahead.

July 10 will be the release of the first production figures of corn and soybeans and if it shows a figure of 6.3 billion bushel or higher, the decline could set in again.

Don Kunz - Michigan Elevator Exchange

## BEANS

The marketing drought continues to plague the entire bean industry as the trade continues to operate on stocks purchased forward. While each passing day puts us one day closer to the time of need, it is simply impossible to predict how soon the canner will be required to make additional acquisitions.

The entire trade is indicating that consumer demand is off the expected rate with one special packer suggesting a 20% decline.

Foreign stocks from Ethiopia and Chile will in the final analysis make up approximately 200,000 plus cwt. At the time of import, they were being offered at \$6.00 to \$7.00 per cwt. less than Michigan's.

New crop plantings as of the 15th of June were about 40% completed with the east side much further along than the western sections of the growing area.

Dale Kuenzli - Michigan Elevator Exchange

## SOYBEANS

Michigan soybeans are 82% planted by June 17 versus 68% planted last year and an average of 87%. By comparison, the US Corn Belt soybean planted acreage was 69% complete by the same date versus 76% one year ago. However, even though planting is behind normal, this should not materially affect soybean production. Soybeans are less sensitive to a shorter growing season since maturity is a function of the number of daylight hours.

Soybean meal and fish meal values have generally been on the decline in recent weeks. Increased availability of Peruvian fish meal has had a negative effect on soybean meal prices.

Increased supplies of palm oil (up 17% from 1973), fish oil, and sunflower seed oil are negative factors in the soybean oil market. Yet, strength from the soybean oil market has helped hold soybean prices steady.

The soybean price trading range for Chicago, November futures has been mostly in the \$5.08 to \$5.60 trading range for the past sixty days. Analysts see market support in this trading range. They also warn of further price declines if the November futures falls below the current support base of around \$5.10 per bushel. (November soybean futures closed at \$5.38 on June 18, 1974. This was down over \$1.00 from prices in February.)

Trade sources were saying similar things by mid-June. Don Kunz of FBS's Michigan Elevator Exchange wrote, "Planting delays or some other expected news could drive prices up - but don't hold your breath while you're waiting."

Conti-Commodity Services, Inc., subsidiary of Continental Grain Company, stated, "Even though supply/demand statistics reveal an adequacy of beans, export demand coupled with good demand for oil could well provide firmness in beans. We advise trading from

the long side." Another source advised sales at the upper end of the May trading range (above \$5.40 Chicago, November futures).

The next major USDA report of particular significance to soybean prices will be the July 11, 1974, U.S. Planted Acreage Report. Watch for it!

Dan Hall - Michigan Soybean Producers

## LIVESTOCK

Both cattle and hogs suffered drastic price declines during May and early June. The price declines, high feed costs, and other increased inputs have put livestock producers in a severe loss situation.

Possibilities of opening export markets, reducing imports, feedlots becoming more current and the July corn crop report are all vital factors in determining the future price outlook.

Feeder cattle prices have plummeted to the high 20's and low 30's during the last 30 days. Light and heavy weight steers and heifers have been selling for virtually the same price per hundred. Feeder cattle prices are below the butcher prices, reflecting the high cost of feed. Feeder pig prices have followed suit and reached the \$15.00 mark for pigs in some locations.

Butcher hog prices should stabilize to some degree. We expect some \$30.00 - \$35.00 butcher hogs in July. Butcher cattle marketed during that period will probably be in the low 40's. Livestock producers would do well to keep their feedlots current and marketed in an orderly fashion.

Bill Byrum - MFB Market Development Division

## HONEY

Honey prices reached the high 40's in 1973 and these prices should continue high during 1974 with only minor dips. The factors favoring the high price would be:

1. The sugar price is very strong and rising. Presently it is 33.5¢/lb. wholesale.
2. Florida's crop of honey turned out poorly in both size and quality.
3. Carry over of honey is at record low levels.
4. The entry of American Farm Bureau's marketing affiliate the American Agricultural Marketing Association as a marketing agent for producers should help strengthen and hold prices.

The 1973 honey prices are the first significant increase in prices received by beekeepers since 1945. During the period the beekeepers costs rose with inflation causing the number of commercial beekeepers in Michigan to decrease from 539 to 263.

David Wolf - MFB Market Development Division

## EGGS

EGG MARKET QUOTATIONS—  
MATERIAL FURNISHED, F.O.B. FARM

FOR EGGS PICKED UP:  
JUNE 14, 17, 18, 19, 20, 1974

	Large	LARGE	MEDIUM	SMALL	UNDER GRADES
AA	.34	.21			
A	.33	.20	.12	.12	

Paying prices subject to market changes.  
Paying price based on today's Urner  
Barry quotations.

## Supply



## Report

By Greg Sheffield FBS  
Marketing Manager

In general, the supply situation is looking better for most items, but fertilizer is still in a state of precarious balance.

## FEEDS

Soybean meal prices steadily declined in June, reaching new lows for the year. Prices are expected to remain relatively stable but this depends on weather developments affecting the new crop. Cotton seed meal declined about \$40 a ton between March and June 15.

All protein feed, with the exception of feed grade urea, are at the lowest price of the year. However, feed grade phosphates prices are remaining strong. Feed grade urea and phosphates are expected to remain tight and higher in price through the last part of 1974 and well into 1975.

## HARDWARE

Adequate lumber, fencing and other building supplies have been made available for Farm Bureau patrons, although the outlook for these supplies is tight. Steel buildings are in tight balance and cost increases are expected.

All baler twine has been received and there are now some back-up

supplies in the warehouses. The outlook for twine remains tight for 1975 and prices are expected to move higher still by then.

Stock equipment, feed bins, auger and dryers will still need 90 to 120 days notice before delivery and price increases are continuing.

We are now placing orders for winter snow fencing expectations. Tarpaulin supplies seem adequate at present.

## PETROLEUM

There will be adequate gas and diesel supplies for farm use although some spot shortages of gasoline may arise at service stations through the summer. It appears prices will continue to rise on all liquid fuels.

Tires are in much better position of supply than before, especially for passenger tires. However, we are backordered on certain sizes of tractor tires and these sizes may remain tight for the coming months. We do have an adequate supply of batteries and other automotive accessories.

An antifreeze shortage is expected this fall and through the winter months. Patrons should talk to their Farmers Petroleum dealer early to line up their requirements.

## ANIMAL HEALTH PRODUCTS

Supplies have been adequate, but some items, especially antibiotics, have been tight.

## FERTILIZERS

The season is over and although Farm Bureau Services has not been able to furnish everything, we were about on target as predicted seven months ago. Nitrogen products will remain very tight through the '74-'75 year.

Due to Farm Bureau Services' CF Industries source, phosphates will be in better supply than last year, but still short. Farmers should be prepared for continued increase in prices on fertilizers.

## PESTICIDES

With the season over, there has been a tremendous movement in pesticides. Chemicals sold for the balance of '74-'75 year will be from allocation because of short supply. Due to the buying power and large volume of business, we hope to have adequate supply of pesticides for the coming year.

## SEEDS

Seeds have been supplied in adequate amounts and there are no problems expected for the balance of '74 and '75.



## So Says Shiawassee Farmer

# Michigan is a Soybean State

Other states don't have anything over Michigan when it comes to soybean production—or at least that's what one Michigan producer thinks. John Pajtas of Owosso, who has been growing soybeans for 15 years, met with producers from all the "big" soybean states the first week of June and felt very much an equal as a soybean producer.

"My impression was that their yields are no better than mine and their soybeans are no higher than mine are now," Pajtas said.

But few Michigan farmers could stand in front of their fields on June 6 and see green rows of soybeans and rightfully expect to harvest 42 bushels to the acre this fall.

Pajtas' well-browned skin was evidence that he had already spent long hours in the sun getting his crops in early, which he says, may be a clue to his success.

"I try to get my soybeans in the ground by May 10," Pajtas said, admitting he was about two weeks late this year.

"A lot of farmers are worried about getting their corn in, but I'd rather get my soybeans in earlier."

This is one of the tips Pajtas has learned from 15 years of trial and error as a cash crop farmer. To make sure he can learn from his successes and mistakes, he keeps a log on all of his crops, recording such things as rainfall and fertilizer applications.

Pajtas had to make his years of farming a learning experience since he grew up in town as the son of a man in the fuel business.

After a stint in the service, Pajtas joined his brother in a young dairy enterprise on some prime Shiawassee County farmland that his father had purchased.

"I never drove tractor till I was 26," Pajtas admits. But while this indicated his lack of experience, it also tells why he was never too set in his ways to take professional advice. And this seems to have worked in his favor over the years.

"The extension agent told my brother and I we were crazy to go on milking cows when we could make more money raising cash crops," recalls Pajtas.

Not too proud to consider the advice, Pajtas figured it out on paper and decided the agent was right. He was been careful to approach farming from a professionalized level ever since.

Pajtas insists in testing his soil every three years and knows the specific make up of his soil in scientific jargon.

"How can you know what to put on the soil if you don't know what's in it?" he says, but claims that is exactly what too many farmers do. Knowing what your soil already contains saves money, he says.

"I have to laugh," he said reflecting on a talk with a southern farmer at a national meeting of soybean producers. "This fella said 'you guys up in Michigan just sprinkle that fertilizer on. We load it on and really get the yields.' So I asked him what his yield was and he said 32 bushels."

Pajtas contributes much of his own soybean production success to strict weed control. And strict it is. A quick survey of his acreage shows that his soybeans give no quarter to weeds.

This along with well tilled fields has proven to give Pajtas a consistently good four-crop mix of soybeans, dry beans, wheat and corn.

"I still believe in crop rotation," the

farmer said explaining one reason why he didn't cut back on soybeans with a weak market in the cards. Besides the benefits to the soil, Pajtas says there are other practical reasons.

"It's easier to harvest this way because it spreads out my work load." Anyway, he reasons, there will be as much corn this year as last, making for good market compatibility.

Pajtas obviously has planned much of his future around the continued strength of the soybean market. He is presently the chairman of the Michigan Soybean Producer's Action Committee which advises the Michigan Farm Bureau Board of Directors. Michigan Soybean Producers (MSP) is a commodity division of the Michigan Farm Bureau with seventeen county Farm Bureau Soybean Divisions forming the association.

Pajtas sees, as one of the primary objectives of his group, the speeding up of lethargic progress of soybean research, which has lagged far behind the yield-increasing progress made in other crops. Pajtas personally is hoping for a big breakthrough in research such as a hybrid soybean that could someday lead to a doubling in yield.

"Some people say, what will you do with all the soybeans. Well, we'll do the same thing we did with corn when we doubled production. We'll sell it! There are a lot of hungry people in the world that have to be fed. With more and more land going out of production every day, we have to increase production."

The target of the Michigan-based soybean group that Pajtas heads is to increase research within the state. Soybeans are now considered relatively insignificant as a product in Michigan and therefore have attracted little research funds. In actual fact, Michigan grew 700,000 acres of soybeans in 1973 versus 600,000 acres of dry beans.

The Michigan Soybean Producers Action Committee, convinced that soybeans were bound to become a bigger part of Michigan production, recommended a check off fund be instituted to raise seed money for a Michigan research program.

The recommendation got the blessings of MFB delegates in December, putting the weight of the state's largest farm organization behind it.

"With our own researchers, we would have somebody who could adapt new breakthroughs in research to Michigan soils and climatic conditions," Pajtas says.

But the concerns of soybeans producers are wider in scope. The soybean Action Committee was instrumental in directing MFB policy concerning the continuance of railroad service in the northeast. With 98% of all soybeans grown in Michigan heading for export markets, producers wanted to be sure competition would be maintained along transportation routes to eastern ports.

Some problems need national attention among soybean producers, and Pajtas represented Michigan producers on the American Farm Bureau Federation Soybean Advisory Committee, which brought producers together from 17 states.

One of the major concerns confronting the group was what sort of a deal the middle man was giving the farmer.

Producers have often been asked to deliver flawless beans only to see elevators put foreign matter in the beans and include it in the selling weight.

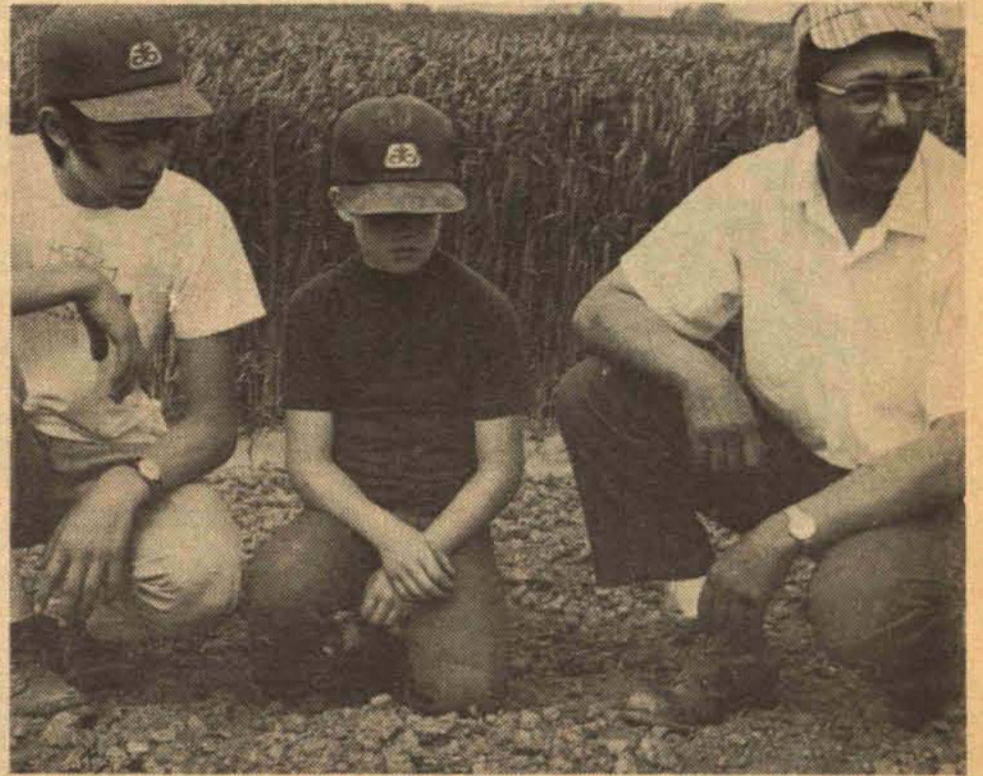
"We want stronger federal inspection of soybeans going overseas," Pajtas says. "What are people overseas going to think? They'll say we produce an inferior product and go and buy soybeans from somewhere else."

A more positive means of payment for

quality is another objective of producers.

"I'd like to see premiums paid for low moisture rather than penalties for high moisture in soybeans," Pajtas said, suggesting a 14% moisture basis for soybean sales.

With John Pajtas and the Michigan Soybean Producers speaking for Michigan growers, maybe the myth that Michigan isn't a soybean state will be permanently laid to rest.



John Pajtas [right] surveys the sprouting soybeans in his field with sons John Jr. [left] and Dennis. With his soybeans up in the first week of June, Pajtas feels no inferiority to southern soybean growers.

## DEBENTURES

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8½%	15 Year Maturity	\$5,000.00 Minimum Purchase

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## County Fair Time

FAIR	DATE	FAIR	DATE	FAIR	DATE	FAIR	DATE
Alger Co.	Aug. 8-10	Eaton Co.	July 22-27	Luce Co.	Sept. 12-14	Otsego Co.	Aug. 7-10
Allegan Co.	Sept. 6-14	Emmet Co.	Aug. 19-24	Mackinac Co.	Aug. 23-25	Ottawa Co.	July 22-27
Alpena Co.	Aug. 19-24	Fowlerville	July 15-20	Manchester	Aug. 20-24	Presque Isle Co.	Sept. 6-8
Arenac Co.	Aug. 1-4	Genesee Co.	Aug. 5-8	Manistee	Aug. 27-Sept. 2	Ravenna	Aug. 6-10
Armada	Aug. 13-18	Gogebic Co.	Aug. 7-11	Marion	July 3-6	Saginaw	Sept. 7-11
Baraga Co.	Aug. 8-10	Gratiot Co.	Aug. 5-10	Marquette	Sept. 26-28	Saline	Sept. 3-7
Barry Co.	July 15-20	Hesperia Free	July 30-Aug. 3	Mecosta Co.	July 8-13	Sanilac Co.	Aug. 12-17
Bay Co.	Aug. 5-10	Hillsdale Co.	Sept. 22-28	Menominee Dairy	July 27	Shiawassee Co.	Aug. 11-17
Berlin	July 15-20	Houghton	Aug. 24 & 25	Midland Co.	Aug. 11-17	Sparta High Sch	July 15-20
Berrien Co.	Aug. 9-17	Hudsonville	Aug. 19-24	Missaukee-Palmouth	Aug. 12-14	St. Clair Co.	Aug. 7-10
Branch Co.	Aug. 12-17	Huron Co.	Aug. 4-10	Monroe Co.	Aug. 5-10	St. Joseph Co.	Sept. 16-21
Calhoun Co.	Aug. 17-24	Ingham Co.	July 27-Aug. 3	Montcalm Co.	July 15-20	Tuscola Co.	July 29-Aug. 3
Cass Co.	Aug. 5-10	Ionia Free	July 26-Aug. 4	Montmorency Co.	Aug. 14-17	Van Buren	July 20-27
Chelsea	Aug. 27-31	Iosco Co.	July 24-27	Newaygo Co.	Aug. 13-17	Vassar	July 15-20
Chippewa Co.	Sept. 5-7	Iron Co.	Aug. 15-18	Northern District	Aug. 19-24	Washtenaw Co.	July 29-Aug. 2
Chippewa	Aug. 30-Sept. 2	Isabella Co.	Aug. 19-24	Northern Michigan	Aug. 12-17	Wayland	Aug. 16 & 17
Clare Co.	July 29-Aug. 3	Jackson Co.	Aug. 4-10	Northville	Aug. 1-4	Wayne Co.	Aug. 13-18
Clinton Co.	Aug. 12-14	Kalamazoo Co.	Aug. 19-21	Northwestern Mich	Aug. 26-31	Western Mich	Aug. 13-17
Crosswell	July 15-20	Kalkaska Co.	Aug. 16 & 17	Oakland Co.	July 29-Aug. 3	STATE FAIRS	
Dickinson Co.	Aug. 30-Sept. 2	Kent Co.	Aug. 5-10	Oceanac Co.	Aug. 29-Sept. 2	Michigan State	Aug. 23-Sept. 2
Eastern Michigan	Aug. 26-Sept. 2	Lake Odessa	July 3-7	Ontonagon Co.	Aug. 24 & 25	Upper Peninsula	Aug. 13-18
		Lenawee Co.	Aug. 11-17	Osceola	Aug. 6-10		

# Young Farmers

## Picking a Peach in VanBuren

The biggest Farm Bureau event of the year may have taken place in Van Buren County this spring. It drew 150 onlookers, but that's really not so incredible when you consider they were looking at 13 pretty young women who were vying for the crown of the Van Buren County Farm Bureau Queen.

A 17-year-old high school junior, Debra Cerny, took the honors but the county Farm Bureau was the real winner since few events have ever created so much interest in the course of the year.



Van Buren peach Debra Cerny

Success was largely due to some innovative thinking by the Queen contest committee, '73 queen Barbara Dowd, Shirley Howe and Gloria Krogel, who figured spring was the time everybody's fancy turned to queen contests and a springtime queen could plan on being in a number of festivals over the summer before heading to Grand Rapids to try for the state Farm Bureau crown.

Signs advertising for queen entrants told prospective contestants that the reign would not be an idle one. The itinerary for the next few months was already planned. The queen would be at the Van Buren County Fair, the blossom, blueberry, strawberry, grape and wine festivals, as well as the state Farm Bureau Queen contest.

Apparently, the girls liked the idea of an active role since 13 entries were made. The committee got the community to feel part of the event, too. Ten businesses supported the contest in various ways including making gift certificates available to the new queen.

The night of the ceremonies a State Representative Bela Kennedy, extension agent Jordan Tatter and fashion judge Mrs. David Madison sat as judges as the 150 in the audience kept track of their favorite contestants in the program sheets provided.

Between the dramatic appearances of the contestants in first, second and third elimination rounds, John McElduff entertained the crowd with a few songs and little Toni Jackson gave the crowd a taste of modern interpretive dancing.

But true happiness that night, as the program theme said, was a peach from Van Buren County. All those present at the crowning, no doubt, think the county members should be very happy with the one selected as queen that night.

# Homefront

While most of us are thinking summer and warm weather, the Seeders and Weeders, Lenawee county, have already made reservations for their Christmas party.

#####

In order that they can better understand the farming operations and problems encountered by fellow farmers, the Hy-Tys '71 in Livingston County, make a practice of touring the host's farm before their regular meeting. After a tour of a fruit farm, where they learned about grafting to form dwarf trees, one member reported "it was surprising to find out how often fruit trees have to be sprayed to control numerous insects and fungus diseases."

#####

Elba Rural Neighbors, Gratiot County, are gathering material to be used in compiling the history of their township.

#####

Ideas for a special project to make people aware of their group was one of the items discussed at a recent meeting of the Cloverland Community Group, Chippewa County. One suggestion was to spend a day cleaning up the old cemetery and to end the day activities with a family picnic.

#####

So that people wouldn't forget to vote in the school election, the ladies from the Real McCoy's in Saginaw county spent much of the day phoning their neighbors to remind them to vote.

#####

Micah Chinoda from Rhodesia, who is furthering his education here in the United States, was a guest at the meeting of the Lucky 50 in Huron county. He spoke briefly and contributed greatly to the discussion on "Imports and Exports."

#####

Two members from the Oversil Optimists, Allegan County, testified in Grand Rapids as to the effect eliminating railroads (as proposed by the US Department of Transportation) would have on their operations.

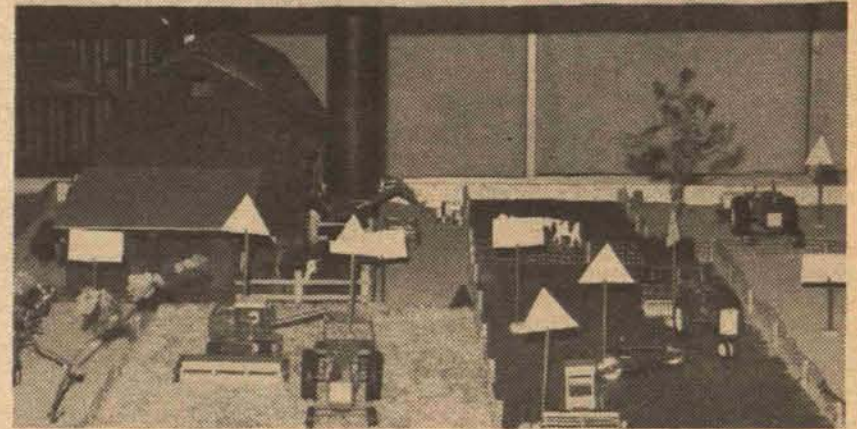
#####

Dr. Gannon from the University of Michigan's Biological Station on Douglas Lake spoke to the Crump Settlement Community Group in Cheboygan County. He showed pictures, explained the origin of the fresh water lakes and what over population by people and the resulting pollution will do to them in the future unless controlled.

# FB Women

Women Continue Great PR.

## ABUNDANCE of FOOD AMERIC A'S STRENGTH



Livingston County Farm Bureau Women gave urban shoppers at the Brighton Mall an opportunity to learn more about agriculture during Michigan Week. With the accent on the county's leading agricultural enterprises, dairy and beef, the display included a miniature farm, complete with price tags on the machinery needed to operate a modern farm.



A pen of "baby" animals and a talking cow proved big attractions to young and old alike. Drawings for beef and ice cream were also crowd-pleasers. Although the promotion was a project of the Livingston Women, husbands and children were recruited to make it a success.



Washtenaw County Farm Bureau Women brought the farm to the city May 16-18 at the Briarwood Mall near Ann Arbor. Talking animals roamed the mall telling urban shoppers about life on a farm and urging them to visit the various agricultural displays. Dairy, beef, sheep, pork, fruit, eggs, and farm equipment displays attracted thousands of people with product samples, demonstrations, recipes, and information presented by those "in the know." A sheep-shearing demonstration by Dale Weidmayer was a popular feature of the mall promotion. Well over 100 people donated their time and talents to the project.

# Cheboygan FB Wins Fight for New Bridge

For three years several farmers from Cheboygan County have had to make a 40-mile detour to get supplies to their farms and goods to market because of a closed bridge over the Black River between Cheboygan and Onaway.

Construction on a new bridge is finally nearing a start after a long battle by the Cheboygan County Farm Bureau which sent six members to Washington D.C. over the last two years to convince the federal government to supply half of the \$364,000 necessary for the project.

The federal government relented after a four-person contingent from the county Farm Bureau went to Washington to present evidence of need to Michigan Senators Hart and Griffin, as well as Rep. Philip Ruppe (R-Houghton).

The group, including county Farm Bureau President and county commissioner Gerald Brown, fellow commissioner Fred Bourdeau, and their wives went to Washington during the MFB Legislative Seminar in March.

Their appearance followed a year of correspondence with Representative Ruppe who met with Cheboygan FB representative John Brown during the 1973 Seminar. The federal funds were made available after the '73 visit

but were caught up in the presidential impoundment policy that soon followed.

Meanwhile, the county Farm Bureau kept busy assuring that the other 50 percent of the funds would be forthcoming. The county board of commissioners, with county Farm Bureau support, voted to supply 25 percent of needed appropriations and the county Farm Bureau contacted State Rep. Mark Thompson (R-Rogers City) and Sen. Robert Davis (R-Gaylord) about another 25 percent which was eventually pitched in by the state. The real problem, however, was maintaining high priority in Federal circles.

County members assembled materials for their representatives to take to Washington during the 1974 Seminar which would show the critical location of the bridge and demonstrate the impact on the six commercial farms, as well as the several small homesteads in the area.

A month after the Seminar, in April, funds flowed from Washington to the state and in May the state allocated the funds to the county to build the bridge.

With construction bids due in June, Gerald Brown says there is hope that the new steel and concrete bridge will be open in January.



A 40-mile detour faced area farmers for three years because of the closing of this bridge. Cheboygan Farm Bureau helped secure funds for a new bridge with two years of hard work.

## FB Members Showcased on Tour

You should have at least one thing in common with the successful farmers whose operations are on display on the 1974 state Farm Management Tour.

Seven of the eight farm business showplaces are run by Farm Bureau families. This year's tour set for August 13 in Tuscola County shows examples of successful management in all fields of agriculture as selected by Michigan State University specialists.

The Harry Burns and Sons poultry operation with 70,000 layers will be an example of an operation that grades and markets its own eggs.

The Wallace Koeppendoerfer swine operation which will have 2,500 market hogs this year is also on the tour.

All feeder pigs in this operation were purchased through the MACMA Feeder Pig Division.

A 2,600 acre cash crop family farm will also be on show. Zwerk Farms has 1,400 acres of corn, 700 dry beans, 250 acres wheat and 50 soybeans.

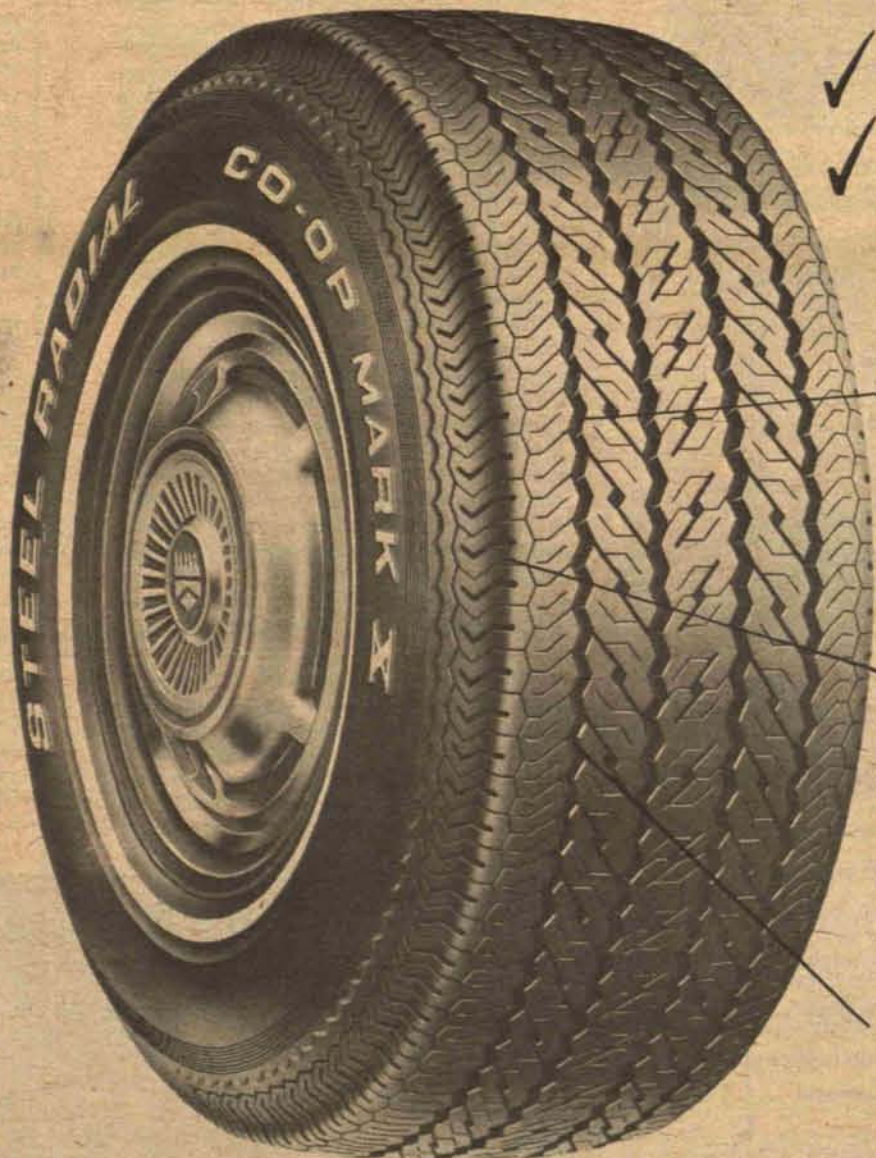
Tuscola County grows half of the state's certified seed, so it is only fitting that the Arnold Krumnauer and Son Farm be included on the tour. Besides seed processing facilities a remodeled home with a special business center will be open for inspection.

MSU specialists say the Paul Findlay cash crop farm offers a unique approach to management. The 1,426 acre farm, which is 98% tilled includes 400 acres of navy beans, 100 acres of barley and 160 acres of sugar beets. Special features of the remodeled home-business center will be open for viewing.

Two dairy operations will be on the agenda. The Graham Brothers operation has a 13-stall rotary herringbone parlor which is the only one of its kind in use in Michigan. The Donald Delong dairy operation will be open with its double-weight herringbone milking parlor.

Further details will be included in next month's Farm News.

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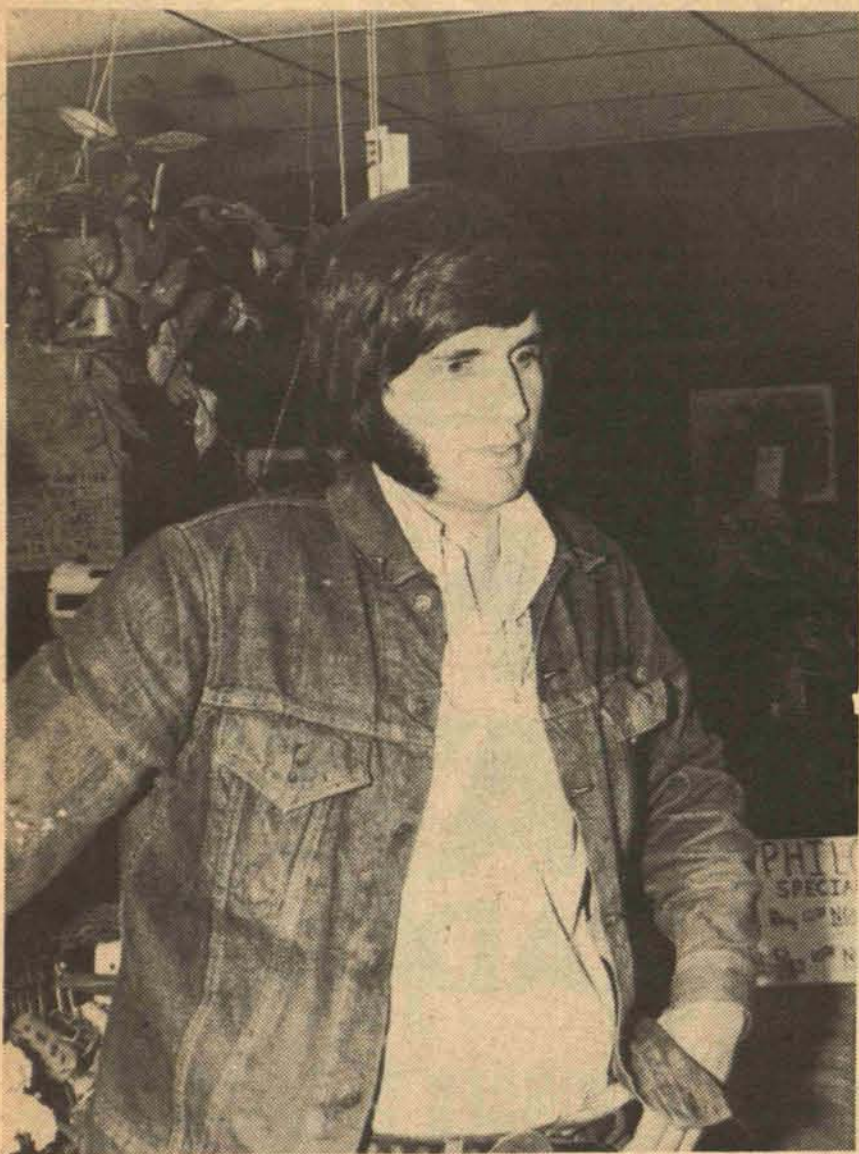


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# Jackson Farm Market Starts Big



A bold businessman, Jim Gumper, made his dream market come true with hard work and big investments. Now he's waiting to see if it pays off.

How does a family farm start a roadside market? Nail a few boards together to make a stand by the side of the road, then put up a sign and hope enough passing motorists stop to buy the three or four different items you grow.

The Gumper family apparently doesn't think this is the way to do business today. The operators of a 750-acre crop and livestock farm near Jackson broke into the roadside marketing business under the guidance of their son, Jim, who gave up his five-year teaching career to start Springbrook Farms Four Season Market. This enterprise, suited to the new era of the general merchandise store, offers a wide variety of products and curiosities to draw customers.

A visit to Springbrook Farms is more of an adventure than just a quick stop, for some fresh produce or garden supplies. Located on Springbrook Road outside of Jackson, the market grounds are bordered by a white fence which someday will be covered with roses. The market itself is a long, low, bright red building.

Neat plantings of various trees and shrubs, clearly identified and priced, flank one side of the parking area and the market's full-length "porch" is arranged with colorful displays on burlap-covered tables.

Inside, behind a turn-of-the-century country store counter is owner, James Gumper, the young ex-teacher and part-time landscaper. A massive antique pigeon-hole desk, an old wooden wall phone, and ancient cash register carry through the motif. Early American print wallpaper, fringed muslin curtains at the windows and hanging plants add to the yesteryear flavor.

It's a place that invites browsing—from the Nook & Cranny antiques and collectibles corner, arrangement of cuckoo clocks, pictures, ceramics, greenery and garden supplies—to the brilliant colors of the adjoining greenhouse.

In a setting like this, it's not surprising to find flower bulbs displayed in an old wooden truck, and an assortment of pickles, apple butter, preserves and salad dressings in an antique cupboard.

Just outside the farm market is a miniature barnyard, an attraction which has brought hundreds of urban children to visit the chickens, ducks, horses, deer, sheep, goats, rabbits and pigs who live in the little red barn.

Since the market opened in April, children have come from public schools, schools for the retarded, or just with their parents and grandparents who have stopped to shop.

According to Jim Gumper, Springbrook Farms is a family enterprise with each member contributing their own particular talents and interests. His parents, Mr. and Mrs. Herman Gumper, operate the 750-acre crop and livestock farm with brother Tom and his wife, Karen. Brother Mike and his wife, Cheryl, handle the antiques.

The Gumpers grow some of their own sweet corn, tomatoes, strawberries,

peppers, melons, cucumbers, cut and dried flowers for the market. To supplement their own production, Jim receives goods from Michigan Certified Farm Markets, an organization of markets, which is affiliated with Farm Bureau through MACMA.

Together the Gumpers built the greenhouse, finished the interior of the market and even did some of the plumbing. The family's dream is not yet fully realized and plans for the future include the addition of a meat and cheese department and an expanded greenhouse. Come October, Springbrook Farms will be transformed into a Christmas wonderland. The greenhouse will be decked with holly and poinsettia, a display will feature live deer, and a unique line of Christmas decorations will be offered.

Advertising has paid off in dividends of good business during the short time the market has been in operation. Jim has used both newspapers and radio ads to spread the word, but the best advertising, he maintains, comes from satisfied customers who tell others about Springbrook Farms.

With the broad array of curiosities offered, customers have plenty to talk about. But the Four Season market is a small fish in the retailing business and the Gumpers have to come up with some novel answers to meet competition.

They have largely conquered the problem of maintaining year around appeal by carrying greenhouse products, antiques and foods brought in from other states by the Michigan Certified Farm Markets organization and other sources.

Citrus fruits, pecans and processed cherry nuggets (a candied cherry product) keep a steady supply of food products that assures customers there will always be something to buy. Early peaches, for instance, are brought in from the south, to satisfy impatient customers who don't want to wait for Michigan's harvest.

The market organization ships many products from one part of Michigan to another to augment produce supplies of member markets.

Non-food items such as tote bags for produce, cider jugs and novelty items can be secured for the small businesses through the Certified Markets group. All purchases, since they are made on behalf of 47 markets, can pass on volume discounts to members like Springbrook Farms.

The success of the big business approach to roadside marketing at Springbrook Farms is yet to be proven. Business seems to be brisk in the early going for the market, but obviously, a large amount of capital has been laid out to draw people.

While Jim Gumper side-stepped questions about the size of his outlay, he admitted there was "one heck of an investment" to be made up. If attractiveness and professionalism of a business have anything to say about the outcome, the Four Seasons Market should look forward to success.

**DEBENTURES**

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7 3/4%	10 Year Maturity	\$1,000.00 Minimum Purchase
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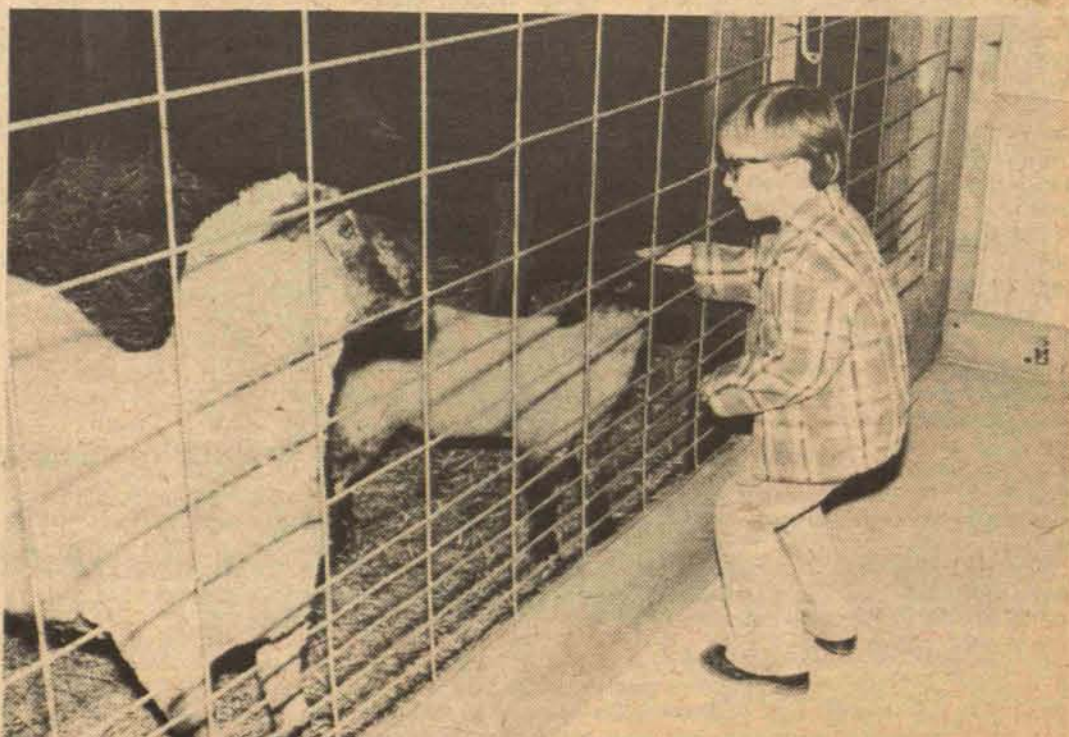
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A mini zoo is one of the attractions the Gumpers hope Jackson residents will find appealing. This fella sure likes it.

PR Presentation Defines Role to Public

# Co-ops Still on Farmers' Side

Cooperatives in the news are those involved in political payoffs. This sort of press concerning co-ops will, inevitably, reflect on the farmer members, fears L.A. Cheney Secretary of the Michigan Association of Farmer Cooperatives.

This may be one of the main reasons Cheney teamed up with the Michigan Farm Bureau Information Division in the making of a slide presentation called "Cooperatives — People with Purpose" which can give the public less "newsy" but still thought-worthy information about how the cooperative concept has been put to honest work in Michigan.

Cheney saw the need for convincing the public that the basic cooperative concept was still alive even within the large-business form that cooperatives often must take, when reading a report about cooperatives written by the people who brought you "Hard Tomatoes, Hard Times".

The report, called "Who's Minding the Co-op?" charged that co-ops had transformed themselves into corporate monsters that place efficiency above democracy making them "just another form of agri-business".

Yet the report does make one positive statement about cooperatives which Cheney can build his case for cooperatives around— "Without farmer cooperatives, the family farm system of agriculture is lost."

The "People with Purpose" slide presentation gives the cooperative question historical perspective, tracing cooperatives from the barn raising bees of colonial America to the towering Michigan Elevator Exchange facilities at Zilwaukee.

"Cooperatives were first organized to fill an economic need, and that still holds true today, it's stated in the presentation: "The primary goal of a cooperative is to meet members' needs in our economical, efficient manner."

Cheney thinks the public doesn't realize that cooperatives are often the means by which some jobs will get done, because co-ops will often go where private business will not.

"If it wasn't for the Rural Electric Cooperatives a lot of rural people wouldn't have had electricity this century," Cheney says, "Power companies have come along and taken over where it's economical for them."

In case anyone should think 20th Century cooperatives are too remote for their members Cheney points out in the presentation, "Although farmer-members may consider themselves outside the realm of management, in the final analysis, the responsibility for management is theirs."

"They formulate the policies of the association and elect the board of directors to execute these policies."

The presentation goes on to give examples of all types of cooperatives - from credit to marketing to supply - of all sizes - from the 50-member Celery Promotion Cooperative of Muskegon to the state-wide Farm Bureau Services organization.

In the final analysis for the consuming public, Cheney says, "Through cooperatives, individuals have been able to reduce their costs of production, improve quality of commodities they market, improve distribution and meet the demands of consumers."

"So, consumers are better off, too, because of farmer cooperatives and the job they do."

While consumers may be convinced by the presentation, Cheney says he sometimes thinks farmers can be reminded that cooperatives are on their side. He cites three recent examples of help given to members by three of the largest cooperatives that deal in the state.

Many farmers found it easier to get fertilizer this year because CF Industries, a cooperative made up of a number of regional co-ops including Farm Bureau Services, rejected the more lucrative foreign market for fertilizer to assure member co-ops supplies. Not exactly a sound business decision, but a good cooperative decision.

Farmers Petroleum Cooperative helped farmers weather through the energy crunch by closing stations to outside business and saving fuel for farmer patrons who needed fuel to run their businesses. The pumps have recently been re-opened to the public now that the farmers are in a safe position.

Another cooperative reaction to extreme need, was Michigan Milk Producers' offer of interest free loans to farmers who lost herds to contaminated feed.

Big cooperatives don't have to be numb to the needs of farmers, Cheney says. Their bigness was in fact a reaction to farmer needs.

"Farmers need an intermediary between the country market and the more sophisticated markets further down the marketing channel," is how Cheney explains it to the layman.

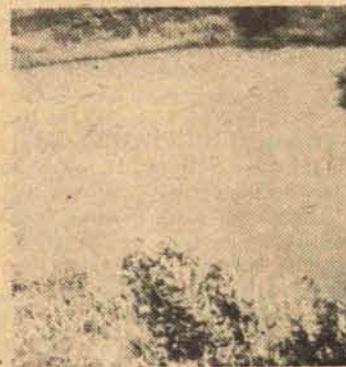
He just hopes farmers remember how they need cooperatives and how cooperatives need them. Because cooperatives are people.



Fifty years ago, few people questioned the roles of co-ops such as the Portland Elevator [top]. But today with large operations like the B&W Co-op in Breckenridge, [bottom] and larger federated co-ops, they are being called "just another form of agribusiness."



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Where Your Farm Comes First  
**Farm Bureau**  
FARM BUREAU SERVICES, INC.

## Clarence Reid and Wife Celebrate 50th

Former MFB President Clarence Reid and his wife Edith will be honored on their Golden Wedding Anniversary with an Open House on July 7, 3-5 p.m. at the First Presbyterian Church in Yale, Michigan.

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# Who Will Control US Ag ?

Before the scientific revolution in agriculture, farming was fairly simple. A corn grower didn't talk about plant populations, width of rows, fertilizers, herbicides and pesticides. He was concerned whether he had two or three plants in each hill of corn and whether it got cultivated three times.

Yes, yields were smaller but life was simpler. And people in the cities, having for the most part migrated from the farms, understood and recognized the role of agriculture in their lives.

Today, while the old values of farming as a way of life are still supported and defended by some, the average farmer views his farm first and foremost as a business to be operated for a profit.

But many are concerned that farming is becoming such a large-scale business that small producers are being squeezed out. Others point out that interests outside of agriculture, particularly large corporations, are in the process of taking over control of farming. Some people feel that outside investors are using tax shelters and other investment incentives to compete unfairly with family-size farmers. Or could it be, they wonder, that farm supply and marketing firms will reduce the decision-making of a farmer and consign him to the role of a hired worker through contracting practices.

The general public also has its worries and we are finding state and federal legislators are pressing the urban viewpoint of their constituency more and more partly because of the one man, one vote rule.

What the general public wants can generally be grouped into four broad issues:

- dependable supplies of low-cost and high-quality food;
- curtailment of agricultural practices which adversely affect environmental quality and the availability of open spaces;
- tax costs of any agricultural policy to be in line with the benefits realized;
- a fair share of the benefits of farm programs to accrue to smaller producers.

Today, we find the Department of Health, Education and Welfare, the Department of Labor, and the Office of Economic Opportunity, among others, having a greater impact on some facets of agriculture than does the USDA.

The political and economic trends of the day have led to a great deal of discussion about the possible alternative methods of controlling agriculture. Some of the possible alternatives suggested are briefly discussed in the following paragraphs.

## THE CURRENT SITUATION

Control of agriculture currently is largely vested in those who own or control the resources and make the key decisions for buying, selling, and producing. In reviewing the present situation and issues it should be emphasized that industrialization of the food and fiber system is a major force that is shifting future control away from the farm. Access to adequate capital is a key control instrument. Acquiring economic farm units is becoming costly and prohibitive to a majority of would-be farmers. The trend toward larger and fewer farms can be expected to continue as successful farmers expand. Those who have a stake in the control of agriculture also have a voice in public policy-making and the opportunity to influence policies which affect control.

## A DISPERSED AGRICULTURE

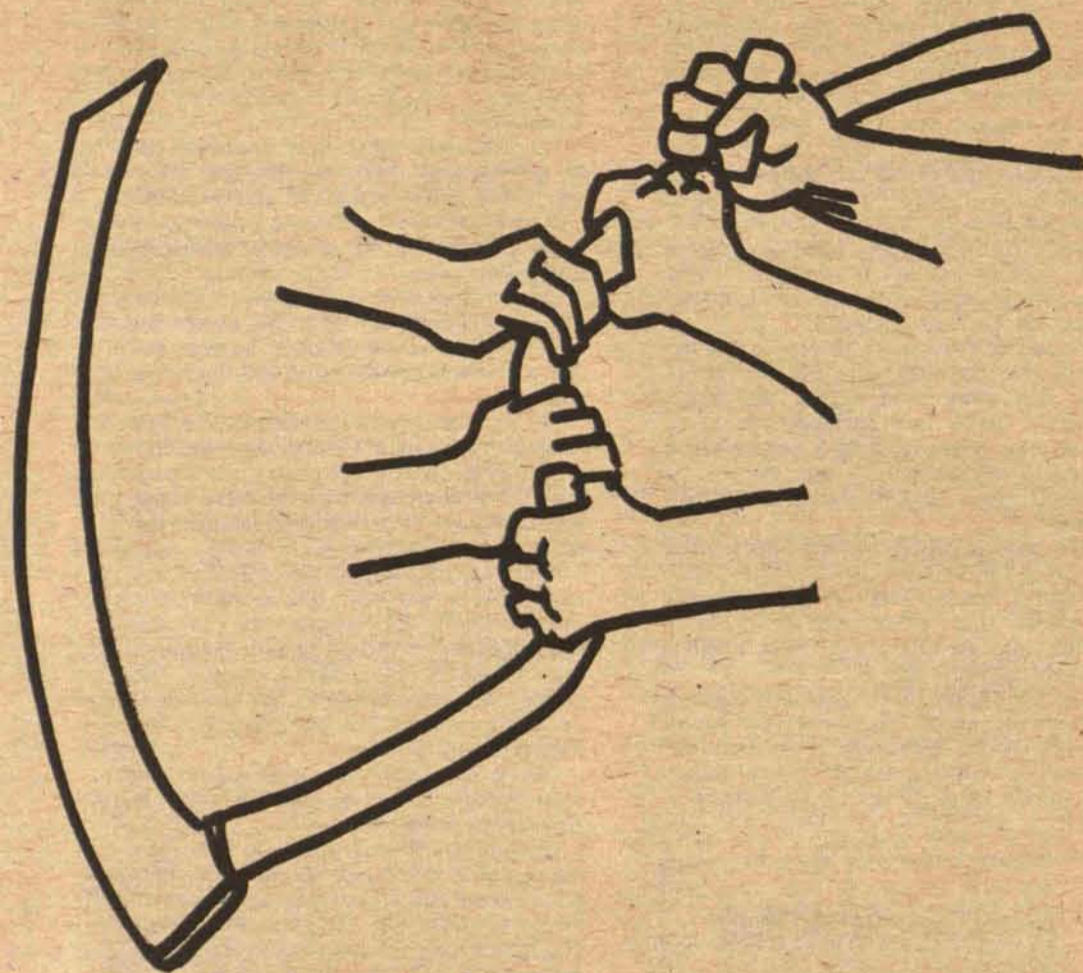
A dispersed, independent farmers, open market agriculture is a possibility of the future, but major changes in present policies will be necessary. The basic features are modest size farms, freedom of the operator to make decisions, and the existence of an open market to allow the farmers to freely buy supplies and sell their produce. The operating farmer in a dispersed agriculture would play a composite role of laborer, manager, financier, and landholder. Farmers could be somewhat better off, in terms of the distribution and absolute level of income, than if they were contractors or laborers. But they would lack enough power in the market place to gain substantially higher incomes.

## A CORPORATE AGRICULTURE

In a corporate system, most agricultural production would be controlled by a small member of very large industrial-type corporations. A corporate system of agriculture would have much in common with the giant industrial corporation in its organization, financing, and management.

Control of workers and assets would be in the hands of a group called management. The open market for agricultural production would virtually disappear. Land ownership could take several patterns—ownership of large tracts of land by corporations; corporate operation of level land; or corporate contractual control of production. Financing could be supplied as in any other large corporation.

Unionization of farm workers would be encouraged and higher labor costs could result. Production costs might be reduced, however, through large-scale production and improved coordination. Retail prices of food would be higher as more of the production costs would be paid in the market place instead of through farm programs.



# DISCUSSION TOPIC

by **KEN WILES**  
Manager Member Relations

## A COOPERATIVE AGRICULTURE

A pure cooperative system of agriculture would involve fewer and larger units than in the present system of voluntary farmer cooperatives. To maintain control all farmers would belong to tightly organized cooperatives that would handle procurement of supplies and all marketing of agricultural products. Marketing decisions by the cooperative would place direct restrictions on producers' production and marketing decisions. But farmers would control the cooperatives and they would approve restrictive decisions on themselves.

## GOVERNMENT ADMINISTERED AGRICULTURE

A pure government-administered agriculture would be a choice by society either to influence or replace private action in the control of the food production and marketing system. Markets, land, credit and technology appear the most likely means of government control.

Administrative decisions would be difficult. Should the public choose control to favor farmers, effects on farm income could be favorable; but farmers would give up some freedom in decision making. If the goal of a government administered agriculture would be to provide a plentiful low-cost food supply, then lower farm incomes could result.

## A COMBINATION AGRICULTURE

In a combination of agricultural systems, independent farm producers would have freedom to make management decisions, but cooperatives and corporations would be assured of continued operation. Government would support an active role for each. No single system would be allowed to dominate. An open market would be encouraged, but vertical coordination could exist. Management would be widely dispersed among independent farmers, corporations, and cooperatives.

## FUTURE OF AGRICULTURE

It appears that the future of agriculture would be much brighter if those in agriculture could be certain they would be in command of their own ships. Those engaged in agriculture are well aware of the problems they have faced over the years in attempting to receive a fair market price for their various commodities.

As mechanization of agricultural operations has grown, farm operators have found themselves needing to work more land. There has been a growing consolidation of farms and parts of farms in order to utilize more fully and effectively modern power and equipment, and to provide nearly full-time employment for farm operators and members of their families.

The trend toward fewer and larger farms appears likely to continue. Farmers who already own some land have been the largest single group buying farmland for many years. But the process of adjustment is slow as it involves many individual problems, only part of which are economic in nature.

While some people view the trend toward fewer and larger farms with alarm, it seems unlikely that there is a threat to the family farm as long as changes taking place are essentially an adjustment to improve farm technology. As long as the effective family units produce the bulk of our food and fiber they will be a tough competitor for large-scale corporate enterprises.

The nature of agriculture is such that the size of an efficient unit is still relatively small. Farm machines may get larger, but there are still some very definite limitations on how large they can get.

Furthermore, the individual farming unit needs only to be large enough to make full use of the largest production techniques. Farmers are not faced with the engineering, management and design problems which contribute to the growth of industrial giants. Consequently, agriculture does not present the opportunity which exists in some industries for the achievement of economics through the massing of large aggregations of capital and manpower.

In assessing the future it appears that the agriculture industry should be kept profit-orientated and away from its dependence upon government.

# FARM BUREAU MARKET PLACE

**SPECIAL RATE TO FARM BUREAU MEMBERS:** One free 25 word ad per month per membership, additional ads, 25 words for \$2.00 each edition. Additional words, 10 cents each. Figures such as 12 or \$12.50 count as one word. **NON-MEMBER advertisers:** 15 cents per word one edition, two or more editions, 10 cents per word. Copy deadline: 13th of month. Mail classified ads to: Michigan Farm News, P. O. Box 960, Lansing, MI. 48904. Publisher reserves right to reject any advertising copy submitted.

## FARM EQUIPMENT

**FOR SALE** — International M 1951, live power, live hydraulics and power steering with 4-row front mounted cultivators \$1500 or best offer. Phone (517) 765-2712 late evening. David Hasty, RR2, Tekonsha, Mich. 49092. (7-11-25p)

**FOR SALE** — Cultivator shoes, hoses, arms, hillers for Farm-All "H" tractor. Best offer. C. Seaman, Clarkston, Michigan 48016. Tel. (313) 625-1575. (7-11-18p)

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**WANTED** — Old automobiles, light trucks, motorcycles, any make or condition. Preferably previous to 1930. Harry Farris, 5563 Michael, Bay City, Mich. 48706 Phone: (517) 684-4904. (4-11-22p)

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**WANTED** — Old Toy trains, Lionel, Flyer, etc. Send details & address or phone Douglas Byam, 11200 Potter Rd., Lowell, Mich. 48331. (616) 897-8319. (3-11-21p)

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**MILKING SHORTHORNS:** Young Bulls, yearlings and calves for sale. Write for tabulated pedigrees or better yet, pay us a visit. Stanley M. Powell and Family, Ingleside Farm, Route No. 2, Box 238, Ionia, Michigan 48846. (7-11-25p-8b)

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## Windmills Aren't Energy Cure-all

BY Patrick Henck

The energy crunch stirred new interest in the forgotten windmill as an energy-saving way to supply electricity. Can wind-powered generators supply enough electricity for a farm?

According to Howard Doss, Michigan State University extension specialist, the question isn't that simple. Two things often overlooked are the cost of the whole system and speed of the wind. "You aren't getting something for nothing", Doss said, "especially in the wind." An electric generating windmill system includes more than just a windmill and generator.

Because of fluctuating wind speed you'll need some type of storage system, probably batteries. A converter is also needed to turn the DC current into AC, which is used in the home. Doss said the batteries and converter could double the cost of most systems. "More automation on a system", he continued, "raises the cost and also lowers the overall efficiency." The best windmill and generator can only make use of about 36 percent of the wind's energy. A converter for battery storage would lower this even more.

Doss added that in Michigan, speed of the wind is also a major consideration. It takes at least a seven mile per hour wind to activate some windmills, but the yearly average in Ingham County, for example, is only eight miles per hour. Summer presents the biggest problem. That's when farms use the most electricity. But Michigan's daylight winds average only a little above 5 miles per hour, and most nights have no wind at all.

According to Doss, most Michigan farm lands not near the Great Lakes have a low potential as far as wind is concerned. There are, however, a few good areas. Near large lakes or on top of hills are more ideal locations. But, still, this leaves the rest of the state in a dim light. "Right now, technology isn't advanced enough", Doss concluded, "to make the windmill competitive with other sources of electricity all over the state.

A twelve foot diameter windmill system could produce about 180

watts in a ten mile per hour wind. This is enough for only 60 watt lightbulbs. After six hours of steady wind, 1.08 kilowatt hours of electricity would be produced. In today's market, this is worth only about three cents.

So for now we will have to be content with our dreams of the future because electric generating windmills are not yet the answer for most of us.

Another boost in dividends for the founding policyholders of Farm Bureau Life will make dividends 60 percent of their original annual premiums starting Sept. 1.

Combined Charter and regular dividends now pay up to 101 percent of the Charter Life annual premium for policyholders.

The first Charter Life dividends of five percent were declared in 1954. The raise from the 1973 dividend level of 55 percent, marked the 14th Charter Life dividend increase.

"When Farm Bureau Life Insurance Company of Michigan was founded... on these Charter policies..." said Nile L. Vermillion, Farm Bureau Insurance Group, Executive Vice President, "we pledged strong investment returns. We will continue to fulfill that pledge. Providing maximum policyholder benefits and service has always been and will continue to be our prime objective," Vermillion said.

On May 21, the firm's Board of Directors voted to increase the special dividends from 55 to 60 percent.

Regular dividends are paid to most Farm Bureau Life policyholders. But the special dividend is paid only to individuals who purchased Charter Life Insurance policies.

These policies were issued to members their children and grandchildren... the founders of Farm Bureau Life. The Charter Life Insurance premiums were reduced five years after policy issue. The special dividends, however, are based on the larger, original premiums.

## Members Entitled to Free Ad

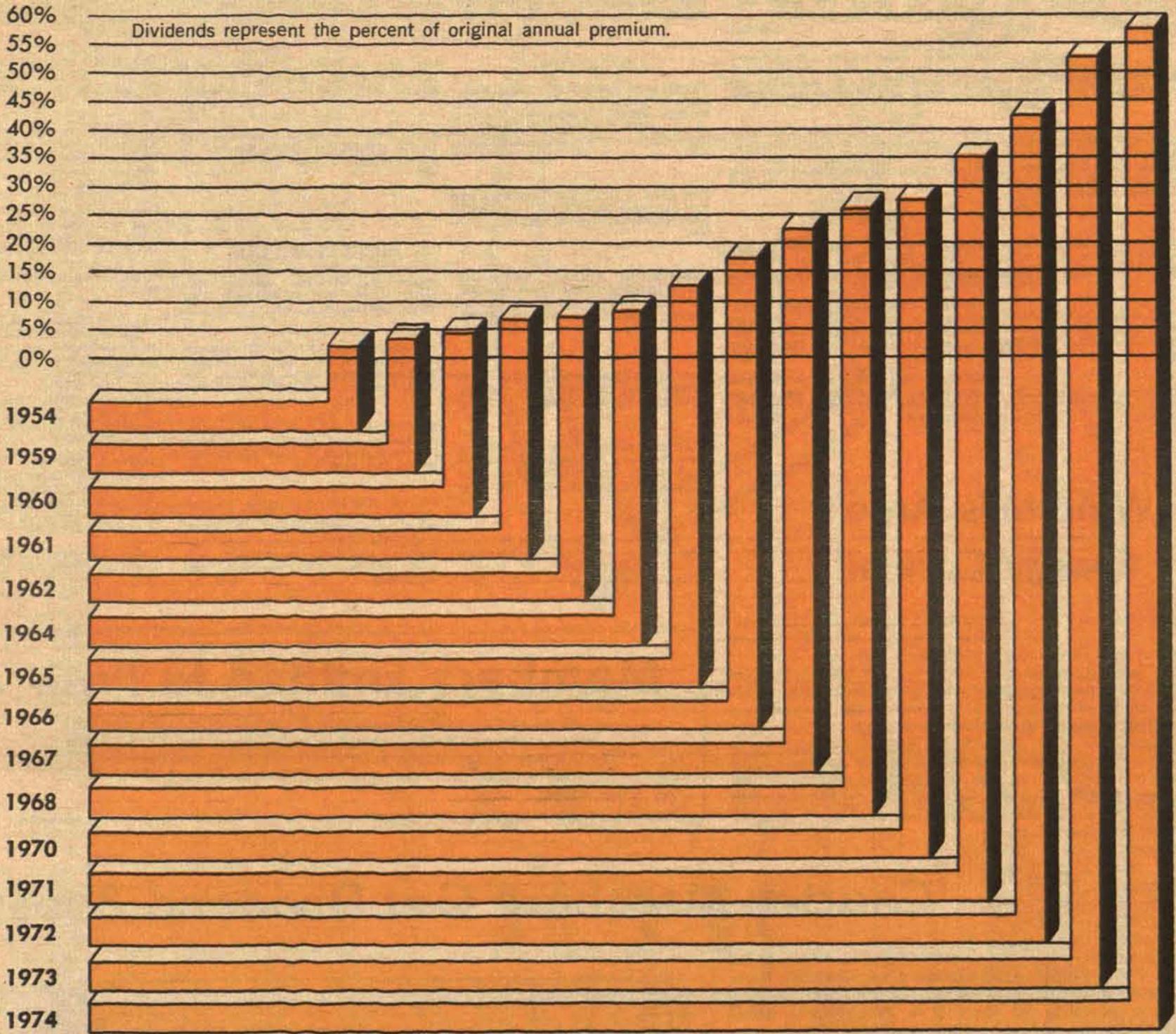
All members are entitled to one free 25-word classified advertisement per issue per membership. If an ad exceeds 25 words the excess amount will be billed to the member at the member rate of 10c per word. The Michigan Farm News is sent to the homes of over 60,000 member families.

## Charter Members Get Dividend Boost



A concurrent resolution in honor of the silver anniversary of the Farm Bureau Mutual Insurance Company of Michigan is presented by the bill's sponsors. From left to right: Stanley Powell, Representative, 88th District; Nile L. Vermillion, Executive Vice President, Farm Bureau Insurance Group; Gilbert E. Bursley, Senator, 18th District; Gordon Rockwell, Senator, 25th District; Gary Byker, Senator, 23rd District; Robert I. Richardson, Jr., Senator, 35th District. Sponsors not pictured, Dominic Jacobetti, Representative, 108th District; and Charles Varnum, Representative, 99th District.

# Charter Life Dividends



**A  
Promise  
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Fulfilled**

Back in 1951, a handshake and a promise created Farm Bureau Life Insurance Company of Michigan. The handshake sealed a pact between Farm Bureau members and the employees and agents of fledgling Farm Bureau Life. The pact itself was a Charter Life policy issued to members, their children and grand children.

The pledge was strong investment returns for Charter Life policyholders.

On May 21, Farm Bureau Life's Board of Directors approved another increased special dividend totaling 60% of the original annual premium . . . effective September 20. It's the 14th Charter Life dividend. Combined Charter and regular dividends now pay up to 101% of the Charter Life annual premium for policyholders.

The promise is being fulfilled.

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