

MFB Members Pledge Support to President

western union Mailgram



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PMS PRESIDENT GERALD FORD
WHITE HOUSE DC 20500

THE FARMERS OF MICHIGAN ARE THANKFUL TO HAVE A MAN WITH YOUR QUALIFICATIONS TO LEAD OUR COUNTRY IN THIS SOLEMN MOMENT OF OUR HISTORY. YOUR HIGH ETHICAL STANDARDS, YOUR DEVOTION TO OUR COUNTRY AND YOUR DESIRE TO SERVE YOUR FELLOW MAN HAVE EARNED THE HIGH ESTEEM OF AMERICANS EVERYWHERE

THANK YOU ON BEHALF OF THE MICHIGAN FARM BUREAU MEMBERS FOR YOUR PAST SERVICE TO AMERICA AND WE PLEDGE YOU OUR SUPPORT AND PRAYERS IN YOUR GREAT RESPONSIBILITY AS PRESIDENT OF THE UNITED STATES OF AMERICA

ELTON R SMITH PRESIDENT MICHIGAN FARM BUREAU



GOOD FRIENDS - Gerald R. Ford, President of the United States, and Elton R. Smith, President of the Michigan Farm Bureau.

"One of Their Own. . ."

News media representatives attributed much of the warmth President Gerald R. Ford received by both Republicans and Democrats in his August 12th appearance before a joint session of Congress, to the fact that he was "one of their own"—and had been for many years. Michigan Farm Bureau members can appreciate that analysis. They, too, feel that the new President is "one of their own"—and has been for many years.

In May of 1968, the Kent County Farm Bureau paid tribute to their Congressman: "The greatness of Jerry Ford begins with his feeling for all people, his conviction that every man, woman and child, is an individual who counts and bears his or her own individual importance."

Six year later, the man to whom they paid tribute, who has been a member of Kent County Farm Bureau since 1950, projected this "feeling for all people" to millions of Americans in his first message as President of the United States.

When Gerald R. Ford took the oath of office on August 9 and became the 38th President of the United States, a pledge of support and prayers were telegraphed to him by Elton R. Smith, on behalf of the over 61,000 family members of Michigan Farm Bureau. In a statement to the press following the inauguration, MFB president Smith said:

"President Gerald R. Ford has been a close friend for many years. I have found him to be a very honest, sincere and capable individual with a deep, strong love

for America and a burning desire to help solve her problems. His ideals will strengthen this country politically, agriculturally, and morally."

Michigan Farm Bureau members were proud when their native son addressed the AFBF national convention in Atlantic City last January, especially when Vice-President Ford walked on stage and put his arm around Elton Smith. This was not a "political gesture," but a sincere greeting to a long-time valued friend.

It is a friendship that goes back to 1948 when the young political hopeful visited the South Kent Community Group meeting. President Smith remembers him leaning on the fence at the host farm, talking to the group members about his decision to run for Representative of Michigan's Fifth Congressional District (then composed of Kent and Ottawa Counties, later changed to Kent Ionia). Jerry Ford won the primary election and went on to win his first term in Congress.

From then on, he kept in close communication with the farmers in his district and never forgot those members in the South Kent Community Group. He knew each member individually and at the AFBF convention in January, he recalled those names and some of the memories that went with them. Many Farm Bureau members are the proud possessors of annual Christmas cards from the Ford family — the most recent one from the Vice President of the United States.

Always willing to talk with



TRIBUTE TO JERRY FORD - The Kent County Farm Bureau honored the statesman in 1968. Mrs. Enoch Carlson presented him with a painting depicting Ford's leadership in urban renewal in Grand Rapids. Mrs. Carlson is the artist.

county Farm Bureau officers in his Congressional District, Ford met with the executive committees of Kent and Ionia Counties two years ago to discuss the marketing legislation issue. As a result of that meeting, he supported national marketing legislation and even introduced a marketing bill of his own. Elton Smith, as president of the state's largest farm organization, has often received early morning telephone calls from

Ford in his Washington office to discuss issues of concern to Michigan farmers.

As a Congressman, Ford consistently enjoyed an over 60 percent winning margin in every election since 1948. President Smith attributes this "magic" to Ford's policy of constant communication with his constituents. Every year during the months of August and September, he used a "mobile office," scheduling two

hours at each of three locations a day to talk with local people.

This effort to keep tuned into the needs of people was recognized in Kent County's 1968 tribute:

"Never, in Jerry Ford's years in the United States Congress, has a problem concerning the federal government and any individual been too small to receive all of the attention it requires for a fair and just solution."

PRESIDENTS' COLUMN



The Feed Situation - -

How Does It Affect the FB Family?

People are strange. If you tell a man that there are 285,490,753,648 stars in the heavens, he will believe you. However, if you tell the same man that a park bench has just been painted, he will make a personal inspection.

That's much the same way Farm Bureau members are reacting to the contaminated feed situation. You can tell them that Farm Bureau Services has worked and is continuing to work, diligently to solve all the problems involved and they will believe you. But it's really their own "park bench" they are personally inspecting -- their own county Farm Bureau, their own local co-op, their own insurance agency.

Will these organizations be able to withstand the punishment of such a damaging storm as they have experienced the past months? After wave upon wave of financial, public relations, and member relations problems pounded the foundations of the entire Farm Bureau family, will it still remain viable?

Is it worthy of my dues and support, some are asking. Is it trustworthy enough for my patronage? Is it financially strong enough to maintain my insurance policies in good faith?

These are some of the questions members are asking and they are questions which deserve answers.

Let's look first at the Michigan Farm Bureau and its county units. There were many members and leaders who were indignant and frustrated when the tragedy was tied to the parent organization by the public press, through such phrases as "Michigan Farm Bureau Services" or "Farm Bureau Services, the profit-making arm of Michigan Farm Bureau." Some thought we should protest this link, this spattering of mud on our innocence -- and divorce ourselves from a situation involving our "troubled child."

I believe it is a credit to our integrity that we did not do this. We have worked hard to establish the image of our total "Farm Bureau Family," which includes the parent organization and all of its affiliates. We have struggled through the birth of these "children" and shared in their triumphs as they grew to maturity. Does a parent abandon its child when it is in trouble? Not if it's a strong family, built on a foundation of common goals. The parent provides support, faith, and finally pride when the child uses honesty and integrity in solving the problem.

We can all be proud of the course pursued by Farm Bureau Services in solving the problem. Just suppose, for a moment, that some other company had been involved rather than a farmer-owned cooperative.

Would the amount of "caring" have gone into tracing and correcting the problem? Would another company have "laid its soul bare" for the Michigan Department of Agriculture and other agencies in an effort to pinpoint the contamination source? Or would their concern for protecting their own image be more prevalent than their concern for the farmers involved?

Bob Driscoll Joins Farm Radio Network

Robert T. Driscoll, former manager of news and press relations for Michigan Farm Bureau, joined the staff of the Michigan Farm Radio Network on August 1. He is a one-third partner in the network with Howard Heath, well-known radio personality, and John Stoneman, publisher of the Milan Booster-Leader. The network, headquartered near Milan in Washtenaw County, is in its fourth year of operation and involves 42 Michigan radio stations.

Driscoll came to Michigan Farm Bureau in 1967 as a field representative, and in 1970 was promoted to the position of director of broadcast services. He was named manager of news and press relations for the Information and Public Relations Division in 1973.

During his broadcast career in the public media and the Farm Bureau radio network, he became known as one of the state's top agricultural communicators. As head of the visual-aids department, Driscoll produced and narrated most of Farm Bureau's



ROBERT DRISCOLL

slide-tape presentations. He was also one of the producers of the movie, "Man and the Land," a joint project of the Michigan, Ohio and Indiana Farm Bureaus.

Would another company have the compassion and empathy for the affected farmers? Could they really share, as our people have, the trauma of the families whose animals must be destroyed? Would the personnel of another company work with such dedication and determination to find a burial site for the animals? And when that effort was blocked, attempt to set up common holding sites so the affected farmers could start their cleaning process and bring in new stock?

Some members have voiced a concern that Farm Bureau Services is now on the brink of financial disaster because of the damage claims and related expenses involved. There is no cause for such concern. As the state's largest farm supply cooperative, Farm Bureau Services netted sales of \$230 million for the year ending June 30, 1974. As a part of its good business practices, the cooperative is adequately covered by insurance.

It is also good business practice not to be insured by a sister company. Farm Bureau Services carries its liability coverage with two outside companies. Therefore, the concern of members regarding the effects upon the Farm Bureau Insurance Group and its financial status is unfounded.

It is necessary to keep in mind that the present feed contamination problem was caused when Michigan Chemical Company mistakenly commingled a fire retardant in a shipment of feed additive to Farm Bureau Services. The insurance companies for Michigan Chemical Company and Farm Bureau Services have begun paying damage claims to farmers. Farm Bureau Services personnel are assisting the farmers in the preparation and filing of claims in an attempt to expedite the process.

What of the future? Will the tragic mistake create mistrust on the part of FBS customers? I would predict just the opposite. Farm Bureau Services has always maintained strict quality control, and now will be even more aware of its importance at all levels. If there is anywhere a farmer can depend on the greatest care being taken with the quality of his farm supplies, it will be his local Farm Bureau Services outlet.

My heart aches for the farm families who have suffered such losses and must start over again. There is no way of minimizing this tragedy and I would not attempt to do so. But neither can we let this experience paralyze the common goals of the Farm Bureau Family. We need the active support of members to achieve these goals.

We have placed added emphasis in the past year on public relations. Now, I believe, we have a job to do in member relations--and this can best be accomplished by the member-to-member approach. One member telling another member that he is proud of the Farm Bureau Family, that it is strong and viable, honest and trustworthy, with the best interests of farmers at heart.

They do have "heart," you know, even though they are big and successful. They have heart because they're made up of people -- people in your own home communities. If there's one thing to be thankful for in this tragic experience, it's that a company was involved which is made up of people who care.

DONNA

Editors Have to be Born

When you received your August and September issues of the Michigan Farm News, you were probably not surprised. Why should you be? It's a part of your membership. You may not have been surprised--but your editors, were . . .

You see, the editors of the last two issues, Ken Wiles and Yours Truly, are "interims." Our former editor--ah! to be young and daring again!--left two months ago to work his way around the world. Our new editor, Jim Phillips (we'll introduce him to you next month), didn't arrive until this issue was put to bed.

Ken and I are not exactly novices in the newspaper business; our surprise at getting the job done came from the fact that we had to "do our own things" and edit the Farm News on-the-run. We sincerely hope that wasn't too obvious.

So, it's without regret that these two harried, tired people turn over the editor's reins to Jim. We don't plan to abandon him entirely. On the contrary, he will have the benefit of our profound wisdom whenever he so requires.

Our welcome (or warning) to him is something plagerized from an old newspaper clipping

reprinted from the "Montana Fourth Estate," which we thought you'd enjoy sharing with him:

"I don't know how newspapers got into the world, and I don't think God does, for He ain't got nothing to say about these in the Bible.

"I think the editor is the missing link we read of and that he stayed in the business until after the flood, came out and wrote the thing up, and has been kept busy every since.

"If the editor makes a mistake, folks say he ought to be hung; but if the doctor makes mistakes, he buries them and people don't say nothing because they can't read Latin. When the editor makes mistakes, there is a big lawsuit and swearing and a big fuss; but if the doctor makes one, there is a funeral with flowers and perfect silence.

"A doctor can use a word a yard long without him or anyone else knowing what it means, but if the editor uses one, he has to spell it. If the doctor goes to see another man's wife, he charges for the visit, but if the editor goes, he gets a charge of buckshot.

"Any university can make doctors to order, but editors have to be born."

Welcome, Jim!

MICHIGAN FARM NEWS

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Farm Bureau

MOVING?

Planning to move? Let us know 8 weeks in advance so you won't miss a single issue of the Michigan Farm News. Attach old label and

print new address in space provided. Mail to: Michigan Farm News, P.O. Box 960, Lansing, Michigan 48904.

Name _____
Address _____
City _____
State _____ Zip Code _____
County of Membership _____



The Feed Situation - -

There's Good News, Bad News

FIRST CLAIM PAID, . . . BURIAL HALTED

There's both good news and bad news in the latest developments of the contaminated feed situation, according to Farm Bureau Services officials.

The good news is that the first damage claim in the PBB case has been paid. On July 23, a Grant dairy farmer received full settlement for his contaminated cattle, loss of milk, loss of milk production and other damages. Representatives of Farm Bureau Services and their insurance carriers have been assisting farmers in the preparation and filing of claims, and it is reported that several others are close to settlement.

The bad news is the state Appellate Court decision to uphold an injunction against disposal of the contaminated livestock. Farm Bureau Services located a disposal site in Kalkaska County which was acceptable to the Department of Natural Resources. However, the Kalkaska County Board of Commissioners obtained an injunction to prevent burial.

"We were utterly dismayed at this turn of events," said Donald R. Armstrong, executive vice president of Farm Bureau Services.

"We worked in liaison with the State Department of Natural Resources in locating the disposal site in Kalkaska. The DNR was satisfied beyond doubt that there was no danger of secondary contamination from disposing of the animals at the approved location," he said.

A decision in the case, which has been transferred to the Manistee County Circuit Court, is expected to be handed down August 21, and FBS officials are hoping for a favorable outcome.

In the meantime, contaminated animals are being moved to common holding sites so that affected farmers can clean their facilities and return to normal operation.

LATE BULLETIN

On August 21, the Court released the injunction and granted permission for burial of the cattle.

The chemical poly-brominated-biphenyl (PBB) was introduced into Farm Bureau Services feed last fall, when Michigan Chemical Company, a supplier of magnesium oxide, mistakenly shipped the PBB fire retardant commingled in a shipment of magnesium oxide. Both substances are similar in appearance, and both were packed in plain brown bags due to the paper shortage at the time of shipment in the summer of 1973.

Farm Bureau Services, in trying to locate the cause for a drop in milk production, early in 1974 did extensive testing through four laboratories that finally identified the source of the problem in late April as being poly-brominated-biphenyl. Farm Bureau Services had removed the suspected feed from the market in early January 1974. Immediate action to locate all affected animals was taken by Farm Bureau Services, in close cooperation with the Michigan Department of Agriculture and the FDA as soon as the contaminant was identified.

"As a farmer-owned cooperative, it has been our intent, throughout this unfortunate incident, to protect the best interests of the farmer," Armstrong said. "Our entire staff has for months

devoted every effort toward solving the PBB problem. And, in spite of the setbacks, we will continue to pursue a course of

Governor Calls for Early Relief Action

Gov. William G. Milliken on August 15 directed the Department of Agriculture, Public Health and Natural Resources and the Insurance Bureau to take all possible steps to see that Michigan farmers affected by PBB contamination in livestock obtain relief.

"Many of our farmers have reached the end of their resources because they have been unable to dispose of their livestock and have not received settlements for damages. They have suffered the loss of their means of livelihood; for them, the situation amounts to an unqualified disaster," Milliken said.

"While the state did not create this problem, the state must take the leadership in finding effective solutions. Our agencies have devoted long hours and manpower to this problem over the last few months, but we must spare no reasonable effort to solve the problems which remain," he added.

The Governor directed that the following steps be taken by the various agencies:

ANIMAL DISPOSAL

Pending resolution of court proceedings in Kalkaska County, the Department of Agriculture will assist Farm Bureau Services in removing cattle to holding areas.

The Department of Natural Resources will assist farmers, Farm Bureau Services and local officials in implementing procedures for burying animals which die before a general disposal site is available.

FARM CLEAN-UP OPERATIONS

The Department of Agriculture will continue to distribute guidelines for cleaning quarantined farms after animals have been removed and provide technical inspection following clean-up operations. Guidelines may be obtained from the Department of Agriculture or the Michigan Extension Service.

PUBLIC HEALTH TESTING

The Michigan Department of Public Health will speed up collection of data from farm families to determine health effects from drinking contaminated milk or ingesting contaminated meat. The Governor stressed that no health effects have been shown in testing to date, but that all persons possibly affected should be fully tested to remove any doubts about PBB poisoning.

CASH SETTLEMENTS

The Insurance Commissioner will use every means at his disposal to bring about agreement among insurance companies for the Farm Bureau and the Michigan Chemical Co. on procedures for processing claims.

action that best protects farmers and consumers in this state, and try to get this situation corrected as quickly as possible."

Milliken also asked the Insurance Bureau for information on those companies which are reluctant to move forward with settlements; he further requested recommendations on the need for legislation regulating insurance and reinsurance agreements among companies doing business in Michigan.

The Governor created an ad hoc task force, headed by Special Assistant Mark Mason on his staff and including senior staff from all agencies involved, to coordinate continuing state action on the problem and to keep him closely informed of all developments.

"In meeting with several affected farmers last week, I was struck by their patience, and yet, by the sense of despair they expressed," the Governor said. "I want to assure them that the state will do all that is needed to bring about an effective solution at the earliest possible time."

Insurance Commissioner Daniel J. Demlow announced August 15 that he has issued a Preliminary Notice of Hearing to several insurance companies for allegedly refusing to pay claims under coverages provided by their policies; for compelling claimants to accept less than the amount due to them, and for compelling claimants to employ attorneys or bring legal action against an insurer to obtain full payment or settlement of claims.

Program Deadline Extended

The U.S. Department of Agriculture has further liberalized the requirements for enrolling in the 1974 Wheat and Feed Grain Programs.

The USDA has announced that the original enrollment deadline of July 15 has been extended.

This change in policy now provides for an open-end enrollment period. Farmers who haven't enrolled yet and who wish to qualify for a price support loan as their crops are harvested have the option of certifying crop acreages and enrolling at the time they apply for the loan.

Farmers who may qualify for low yield payments where natural weather conditions affect their production have 15 days after completion of harvest to certify crop acreage. If market prices for program crops indicate deficiency payments may be made, producers with wheat and feed grain allotments will have until Nov. 1 to certify crop acreage.

It appears some farmers are unaware of the 1974 regulations.

Despite attempts to inform farmers of the features of this new program, many producers still don't understand the significance of signing up and certifying their crop acreages this year.

New Membership Incentive Offered



Donald R. Armstrong, Executive Vice President of Farm Bureau Services and Farmers Petroleum giving Robert Braden, Administrative Director of Michigan Farm Bureau, the first of several thousand \$5 certificates for Farm Bureau members signing up in 1975.

\$5⁰⁰ Certificates Given

Who can give you a price break in these days of galloping inflation? As the advertising slogan goes, "Ask the Farm Bureau People." New members of Michigan Farm Bureau now have an extra reason for signing up; old members are still finding out how valuable their membership becomes with each passing year.

Members will receive a \$5 certificate along with their 1975 membership identification card. Each certificate will be good for a \$5 price reduction on a \$50 purchase

from either a Farm Bureau Services, Inc. or a Farmers Petroleum Cooperative, Inc. store.

"The program is implemented as a new membership incentive but also serves as a way of saying "Thank You" to present Farm Bureau members," states Donald R. Armstrong, Executive Vice President of Farm Bureau Services and Farmers Petroleum.

The program is being paid for entirely by Farm Bureau Services and Farmers Petroleum.

DEBENTURES

FARM BUREAU SERVICES, INC.

INTEREST ON DEBENTURES 5-10-15 year maturity		
7%	5 Year Maturity	\$100.00 Minimum Purchase
7 1/2%	10 Year Maturity	\$100.00 Minimum Purchase
8%	15 Year Maturity	\$100.00 Minimum Purchase
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8 1/2%	15 Year Maturity	\$5,000.00 Minimum Purchase

Interest paid annually on September 1st. The purchaser to be offered the option to receive their interest in quarterly payments on September 1st, December 1st, March 1st, and June 1st. Interest would start the date of purchase.

This is neither an offer to sell nor a solicitation to buy these securities. The offering is made only by the prospectus.

Clip and mail this coupon to:

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Lansing, Michigan 48904

Where Your Farm Comes From
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FARM BUREAU SERVICES, INC.

I would like a copy of the prospectus and a call by a registered sales agent.

Name _____
Road _____ RFD No. _____
City _____ County _____
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Plan for Hawaii and Spain

Hawaii Tour



Slip away from the winter snow, ice and cold winds to a tropical paradise where the warm surf, colorful flowers, and summer breezes greet all visitors. Tour dates are February 18 through 26, 1975.

Beginning with the traditional lei greeting, Michigan Farm Bureau members will thrill to the interesting and educational tours, go on shopping sprees, dine on exotic meals, and fill their minds and hearts with memories to last for many years.

DAILY ITINERARY

Tuesday Feb. 18 - Morning departure from Grand Rapids, on charter DC 8 jet. 3:25 p.m. arrive in Honolulu. The group will be met and given the traditional lei greeting before transferring to the Outrigger West Hotel. No plans for balance of day.

Wednesday Feb. 19 - Tour of the city of Honolulu, Mt. Tantalus, Punch Bowl Cemetery, etc. Afternoon at leisure.

Thursday Feb. 20 - All day circle island tour of Oahu.

Friday Feb. 21 - Morning for shopping or etc. Afternoon cruise to Pearl Harbor.

Saturday Feb. 22 - Transfer to the Honolulu airport for short flight to the island of Maui. Staying at the Royal Lahaina Hotel. In the afternoon there will be a trip up the slopes of Mt. Haleakala, one of the largest extinct volcanos in the islands.

Sunday Feb. 23 - No plans this morning so those interested can take local transportation into the old town of Lahaina attend church and etc. Afternoon flight to the big island and the second largest city in the islands. Hilo. Overnight at Waiakea Village.

Monday Feb. 24 - Leave by special bus for a trip through the Volcano National Park. Continuing on the Kona area. Arriving in the late afternoon. Overnight at the Kona Inn.

Tuesday Feb. 25 - Leave in mid-morning by special bus for the Parker Ranch where a stop will be made at the museum. Continuing on to Hilo and the airport for a 6:30 p.m. United Airlines Charter jet departure.

Wednesday Feb. 26 - 10:00 a.m. Arrive in Grand Rapids.

COST OF TOUR

Cost of tour will be \$498.00 per person from Grand Rapids, based on double occupancy. Cost is based on a prorata share of aircraft cost of \$356.78 per person. A fuel supplement, not to exceed, and hopefully, lower than \$51.97 per seat, may be charged. Should fewer than 149 people join the group, this aircraft cost must be prorated so that each tour member pays an equal share. This cost does include U.S. departure tax. Also included are tips, transfers from airport to your hotel and return, sightseeing as indicated in itinerary, and baggage handling.

WHO IS QUALIFIED TO GO

This charter tour is available only to Michigan Farm Bureau members who have been a member for at least 6 months prior to departure of the trip and their immediate families - namely spouse, children and/or parents living under the same roof. Friends or other relatives are not eligible to participate unless they meet the membership requirements.



RESERVATION REQUEST

Please enter my reservation for the 1975 Farm Bureau Hawaiian Tour. Enclosed is my check made out to Hoosier Travel Service, Inc., in the amount of \$75.00 deposit for each reservation. I understand I will be billed for the balance of the tour cost approximately six-weeks prior to departure.

Name _____

Address _____

Telephone _____

County of Membership _____

Mail reservation request, with your deposit check to: Kenneth Wiles, Manager, Member Relations, Michigan Farm Bureau, P.O. Box 960, Lansing, Michigan 48904.

See Sunny Spain

Enjoy the sights and sounds of Spain's La Costa del Sol (coast of sunshine) in March, 1975.

La Costa del Sol is the only part of Spain's coastline that faces south onto the Mediterranean, obtaining the highest benefit from the sun. The mountains to the north form protection from northern winds while southern winds bring warmth from across the Sahara desert.

Dozens of beaches are washed by the eternally blue Mediterranean water and beautiful valleys, backed by rugged mountains, form a natural setting for fishing villages and beautiful flowers, plants and gardens.

Visitors will stay at Malago, along the seacoast. Lots of restaurants, shops and special points of interest are within walking distance of the hotel.

SCHEDULED TRIP ACTIVITIES

Sunday, March 2 - Late afternoon departure on TWA charter jet flying non-stop from Detroit to Malaga, Spain.

Monday, March 3 - Arrive Malaga, transfer to hotel.

March 4-9 - Included in tour (based on two people sharing twin bedded room for seven nights): breakfast and dinner daily, transfers and tips for baggage handling. City sightseeing tour of Malaga. Full day of agricultural sightseeing tour.

Monday, March 10 - Depart Malaga approximately noon, arriving Detroit late afternoon.

One-day optional trips will be available at additional costs:

COST OF SPAIN TOUR

Cost of the tour package will be \$392.62 per person from Detroit. This is based on two people sharing twin bedded room for seven nights. Also included are breakfast and dinner daily. Transfers for baggage handling, a city sightseeing tour of Malaga, and an agricultural tour. Cost is based on prorata share of aircraft cost of \$286.02 per person from Indianapolis and \$260.81 per person from Detroit. Should less than 175 people join the group, this aircraft cost must be prorated so that each tour member pays an equal share. This cost does include U.S. departure tax and Spanish tax.

WHO IS QUALIFIED TO GO

This charter tour is available only to Michigan and Indiana Farm Bureau members who have been a member for at least 6 months prior to departure of the trip and their immediate families - namely spouse, children and/or parents living under the same roof. Friends or other relatives are not eligible to participate unless they meet the membership requirements.



RESERVATION REQUEST

Please enter my reservation for the 1975 Farm Bureau Spain tour. Enclosed is my check made out to Hoosier Travel Service, Inc., in the amount of \$100.00 deposit for each reservation. I understand I will be billed for the balance of the tour cost approximately six-weeks before departure.

Name (s) _____

Address _____

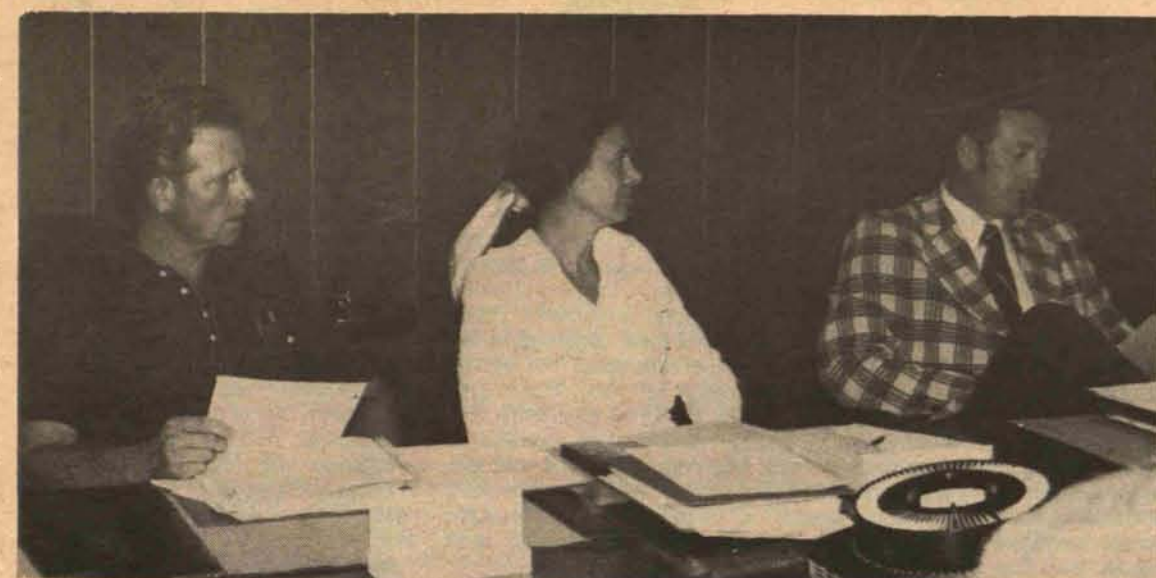
Telephone _____

County of Membership _____

Mail reservation request, with your deposit check to: Hoosier Travel Service, Inc., 130 E. Washington Street, Indianapolis, Indiana 46204.



STUDY COMMITTEE AT WORK



The State Study Committee took a look at existing programs within Michigan Farm Bureau and its affiliate companies. Chester Kudwa [left] vice-chairman Vivian Lott, and Larry DeVuyst listen intently to one of the many resource people who appeared before the committee August 8 and 9.



Getting the scoop from the experts is one of the jobs of the committee. Here Bruce Leipprandt quizzes MFB Legislative Counsel Bob Smith about what's going on at the state capitol.

What Do We Have Today? What Do We Need Tomorrow? --An In-Depth Look at FB

At the Michigan Farm Bureau annual meeting last December, voting delegates requested the board of directors to appoint a special study committee to look at the challenges facing agriculture in the next 10 to 15 years and chart a course of action for the organization to best meet those challenges.

Specifically, the committee was asked to review current programs and recommend adjustments, analyze the membership make-up of Farm Bureau and chart future membership goals, and develop a financial plan that would assure a strong, viable organization.

The study committee, representing a cross-section of Michigan's top farmers and agricultural leaders, was appointed and recently held its third meeting at Farm Bureau Center August 8 and 9. Committee members include representatives from each of the 11 Farm Bureau districts, a member of the Michigan Farm Bureau board of directors, and three at-large representatives.

Representing the 11 districts are: James Gleason, Three Rivers; Michael Pridgeon, Montgomery, chairman; Joseph Miesle, Jr., Howell; LeRoy Klein, Sparta; Vivian Lott, Mason, vice-chairman; Bruce Leipprandt, Pigeon; Charles Houghton, Blanchard; Richard Leach, Jr., Saginaw; Elaine Putney, Benzonia; Lawrence Karstens, Rogers City, and Chester Kudwa, Crystal Falls.

Members-at-large are Leslie Dowd, Lawrence; John Knorr, Sandusky, and Donald Hill, Montrose. Representing the Michigan Farm Bureau board of directors is Larry DeVuyst, Ithaca.

County Farm Bureaus will have an opportunity for input into the study, as study committee members visit county boards with a survey questionnaire.

Under the leadership of chairman Michael Pridgeon, the committee has studied the membership make-up of the American Farm Bureau Federation and other state Farm Bureaus, and reviewed existing programs of the Michigan Farm Bureau. Financing is on the agenda for the committee's September meeting, and in mid-November, members will visit neighboring state Farm Bureaus to study their programs.



Determined to accomplish their goals set for the two-day session, the committee had box lunches sent in to save time. Donald Hill [right] and Richard Leach, Jr. polish off their lunches, anxious to get back to the heavy task assigned to them by the voting delegates and board of directors.

Policy Development Committee Named

Twenty prominent farm leaders have been named to what has often been termed the state's most important agricultural group - the Policy Development Committee of the Michigan Farm Bureau.

The appointments, one from each of the 11 districts of the state, plus several representing the special interests of Young Farmers and Farm Bureau Women, were recently announced by Michigan Farm Bureau president, Elton Smith.

Heading the group as committee chairman is Dean Pridgeon of Montgomery, swine producer and vice president of Michigan Farm Bureau.

Others on the committee and the districts they represent include: Jan Vosburg, Kalamazoo, District 1; Paul Piepkow, Calhoun, District 2; Ed Erwin, Oakland, District 3; John Koster, Ottawa, District 4;

Mrs. Harold McMichael, Ingham, District 5; Henry Brodacki, Macomb, District 6; Myron Kokx, Jr., Fremont, District 7; William Brewer, Clare, District 8.

Also on the committee are Roy Howes, Manistee, District 9; Herbert Hemmes, Emmet, District 10; Robert Burie, Menominee, District 11.

Representing Young Farmers are Tom Atherton, Genesee; Mrs. Dale Weidmayer, Washtenaw, who serves as vice-chairman of the committee; and William Spike, Shiawassee. Farm Bureau Women are represented by Mrs. Karl Kimerer, Lenawee; Mrs. Joseph Miesle, Jr., Livingston; and Mrs. Robert Theummel, Jr., Huron.

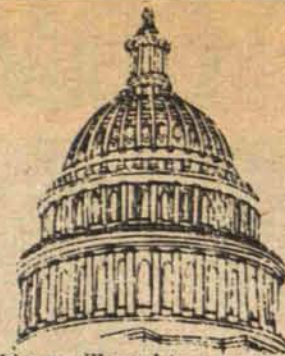
Serving in "At Large" positions are James Sayre, Jack Laurie and Dean Pridgeon, all members of the board of directors of Michigan Farm Bureau.



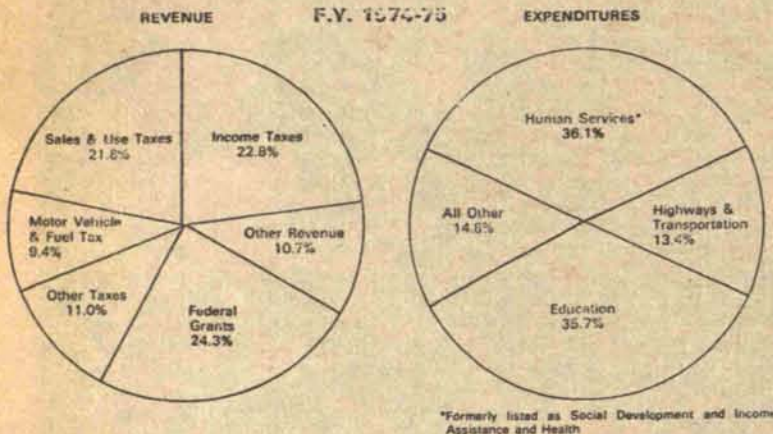
As soon as Joe finishes his chicken, we'll get back to work, says chairman Mike Pridgeon [center]. Joseph Miesle, Jr. takes one last bite as Charles Houghton [left] and James Gleason [standing] look on.

CAPITOL REPORT

Robert E. Smith



BUDGETS - - LAND USE



\$2,840,000,000 State General Fund Budget, where it comes from and where it goes.

Governor Milliken has now signed all of the budget bills containing the appropriations for the 1974-75 fiscal year to run the many departments of state government. The budget, as passed by the legislature, is somewhat higher than that recommended by the Governor. At the time it was passed it was expected that the budget would cause a \$10 million dollar deficit but due to new revenue information budget officials now believe that the budget will balance. This results from the fact that sales tax revenues are rising and are expected to add over \$21 million dollars to the state coffers. Previous to this, additional information, Governor Milliken made it clear that he would veto certain items in the budget in order to meet his constitutional mandate that the state budget be balanced. In signing the 18 or more budget bills the Governor cautioned department heads to exercise maximum restraint in spending. He said "I have asked them to continue careful reviews of all personnel actions, filling only those vacancies which are essential, continuing controls on all travel, delaying equipment purchases where this can be done and implementing other economies wherever possible."

As shown in the illustration the major items in the budget as always are education and the Department of Social Services now called Human Services. While the general fund budget is \$2.84 billion this is only about half of the total cost of running Michigan's government which is approximately \$5.5 billion. Additional revenues come from various sources such as federal grants, constitutionally earmarked taxed revenues, etc. For example, the appropriations for K through 12 schools in the general fund budget is nearly \$690 million. However, when other funds are added the total budget for this purpose is about \$1.29 billion. Another major example is the cost of the Department of Social Services. The general fund appropriation is nearly \$826 million but when other funds are added the total budget comes to more than \$1.6 billion. Still another example of one of the smaller items in the budget is the Department of Agriculture. Here the appropriation is nearly \$13.5 million with other funds bringing it to a total nearly \$20.5 million. In the case of the Department of Agriculture however, the consumer protection program requires a major share of the appropriation totalling more than \$9.3 million. Plant disease and pest control only cost \$1.9 million. Animal health including meat inspection only \$2.7 million and food and dairy regulations \$2.9 million and the scientific laboratory within the Department of Agriculture \$2.1 million. Soil conservation receives less than half a million.

Some of the other state appropriations include: \$428.6 million for four-year colleges. This includes funds for Extension, agricultural research, 4-H etc.; \$74.2 million for community colleges, \$54.2 million Department of Corrections; \$51.5 million Department of Education; \$65.6 million for capital outlay; \$258.2 million Department of Mental Health; \$31.2 million Department of Health; \$746 million highways and transportation; \$33.8 million Department of Natural Resources; \$71.5 million for state policy and military affairs; \$78 million grants and transfers; \$47.5 million regulatory agencies; \$109.5 million for general government.

Inflation has a major impact on increasing state spending however, by the same token, inflation also results in increasing returns from many state tax sources of revenue.

LAND USE REPORT

Land use will continue to be a major issue in Congress and also in the state legislature. In 1973 Governor Milliken, by executive order, created a land use agency in Michigan with the responsibility of developing a land use report on Michigan's problems and future needs. The report has now been completed and is entitled "Michigan's Future was Today." The report results from contributions by many people acting on advisory committees. Farm Bureau was represented on some of these committees.

In summary, the report points to Michigan's wealth of material resources. Fifty-two percent of Michigan's food needs are produced within the state. Michigan ranks 5th or higher in the production of over 20 foods. It has the 13th highest mineral value in the land and is 4th in industrial and metallic mineral production. There are 24 million acres of great lakes, 36 thousand miles of streams, 11 thousand inland lakes and the longest fresh water shoreline anywhere in the world. Eighteen million tourists come to Michigan each year and the population is expected to increase to 11 million by the year 2001, about 2 million more than today. Such a population will require land to live, work and recreate on, along with food, fibre and minerals for sustenance. This means there will need to be 1.2 million new jobs and over 1.4 million acres of additional harvested cropland. It is anticipated that 40 thousand acres will be needed for solid waste disposal and 150 thousand acres for local recreation use. There will be 3 million more automobiles along with new roadways which consume 69 acres of land per mile. Each person currently uses 40 thousand pounds of minerals each year. Six hundred thousand new houses will be needed. To meet these

minimum requirements means that Michigan will need to conserve the good lands and have a realistic land use policy. The report lists several basic principles which should be emphasized. The most important being that "private property rights must be recognized and respected." Other stated principles include leaving responsibility of local planning in the hands of local government. All regulatory functions should be by the government closest and responsive to the people affected. The report states that land use programs should provide for orderly growth and development but that local planning groups should have freedom in planning that will reflect local objectives. The report calls for uniform procedures at all levels of government and that all levels of government abide by the same rules to reach common objectives and that the state should be responsible to exercise land management to protect land resources.

The report points out that agricultural soils are the most threatened land resources because they lie mainly where metropolitan areas are located and where development is in greatest demand. In 1969 there were 12 million acres of farmland and at the current rate of conversion this would decrease to only 2.5 million acres by the year 2,000 if current trends continue.

The report is very comprehensive and touches on all land use and resources problems. It will no doubt serve as an outline for legislation to be introduced in the next session of the state legislature.

Homestead Credit

By concurrent resolution #402, the Michigan legislature re-defined the farm homestead taxes which are eligible for Homestead tax credit.

You are eligible for a rebate if--

1. The income from the sale of farm products exceeds household income, all of the property taxes on the farm land may be included in the homestead credit computation.
2. The claimant has lived on the farm 10 years or more, then the property taxes on the entire contiguous or adjacent land (such as land on both sides of a road passing through a farm) may be claimed even though there is no income from the land or the income from the sale of farm products does not exceed the household income.
3. The claimant has lived on the farm less than 10 years and there is no income from the land or the income from the sale of farm products does not exceed the household income, then, up to and including 5 acres of adjacent and contiguous land will be considered part of the homestead.

If you did not qualify for a credit under the original definition of a homestead, but now qualify, you have until September 30, 1974 to file your claim on form MI-104CR. However, do not file an amended claim if you received a refund or credit of \$500 on your original claim. The maximum remains at \$500.



Robert E. Smith

Q&A

Q: Is the slow moving vehicle sign still required on farm equipment when it is on the highway? Our community group members say they notice that some equipment does not have it on and that emblems already on are becoming so faded that they are not visible.

A: Your concern is certainly justified. The emblems are still required by law on all slow moving vehicles that travel less than 25 miles per hour. We are extremely concerned about a recent item in a widely distributed safety bulletin which suggests that farm tractors be licensed and only licensed drivers be permitted to operate them on the road. The slow moving vehicle sign (SMV) originally came about in Michigan due to Farm Bureau efforts to provide for greater safety to farmers using the road and at the same time provided alternatives to the strong effort which was being made at the time to require licensing of tractors and operators.

The article we noted said in part that the SMV "has been credited with a dramatic reduction in rear-end collisions between slow moving farm equipment and standard vehicles on the public roads." The article goes on to state that "It makes farmers mad to talk about it but there is growing concern due to many tractors being involved in accidents that have nothing to do with slow speeds, other vehicles or farm operations."

The article claims that there are increasing numbers of night-time crashes by tractors and that there is "a growing number of operations by juveniles" and that "tractors are being used for purely transportation purposes by young unlicensed operators," and that "alcohol may be involved more than farmers like to admit."

Such articles as this indicate to Farm Bureau that once again we can expect the issue of licensing farm tractors and operators to come up in the legislature. Farmers should make every effort to maintain SMV emblems on farm equipment used on the roads. It is true that when these were put into use, accidents involving farmers dropped by more than thirty percent. Farm Bureau women are credited with their efforts to spread the use of this important safety device.

Speedline Links AFBF and State Farm Bureaus

The American Farm Bureau Federation has completed negotiations with Honeywell Information Systems and the Bell Telephone Systems for installation and implementation of a national telecommunications network with full operation planned for early September, according to William J. Kuhfuss, AFBF president. Installation of equipment for Michigan's hookup at the Lansing office was completed in mid-August.

Informally called the "Farm Bureau Speedline," the system consists of a network of teletypewriters and magnetic tape devices in state Farm Bureau offices connected to a minicomputer located in the AFBF offices in Park Ridge, Illinois. Each state Farm Bureau participating in the network will have a terminal located in the state headquarters offices as will the AFBF office in Washington, D.C.

Terminals will be linked to the computer by long-distance or Wide Area Telephone Service (WATS) lines. Dial-up will be done automatically by the computer.

Messages entered into the network from any terminal will be electronically recorded in the computer and forwarded to the designated terminal or terminals in the network as instructed by the sender of the message.

"This is not a sudden decision by the AFBF Board of Directors," Kuhfuss noted. "The feasibility of such a system has been under intensive study for more than a year. We sought to determine if a system of collecting, processing, storing and distributing information and messages would indeed improve the overall effectiveness of the Farm Bureau in meeting the needs of its members."

"The network is a cooperative effort involving AFBF and each of the state Farm Bureaus to provide a high-speed, accurate, two-way method of communication connecting AFBF and the state Farm Bureau," he said. "Planning for the network has involved people from all over the nation - Farm Bureau leaders and also technical people in the area of data communications. Potential uses for the system are virtually unlimited."

Commenting on the need for such a network, Kuhfuss pointed to the increasing costs and deteriorating service of the nation's mail system, cost and unreliability of present telegraph services, and limitations of time and costs for long distance telephone contact with a large number of people.

The minicomputer selected for the network is the Honeywell 716 system which will be connected by regular voice-grade telephone lines to Teletype model 4210 magnetic tape terminals and model 33 ASR teletypewriters. Transmission of messages between the tape terminals and the computer will be at the rate of 1,200 words per minute.

NEW ORLEANS

Site of the
AFBF
National Convention
JANUARY 5-9, 1975

Make your reservations
before November 15, 1974



Albert A. Almy

NATIONAL NOTES

Farm Bureau Opposes Export Control Bills

EXPORT CONTROLS

In recent months, there has been much attention given to export controls as a result of rising farm prices and drought. American farmers do benefit greatly from trade with foreign nations. The export of agricultural products represents the production of one acre out of every four. For the year ending June 30, 21.3 billion dollars worth of agricultural products were purchased by foreign buyers. This represents a gain of 65 percent over the previous record established in fiscal year 1973. Agricultural trade contributed to an 11.8 billion dollar favorable balance of payments for the year ending June 30. Higher prices for agricultural commodities accounted for approximately 85 percent of the increased export total. Increased volume accounted for the remainder. However, both in volume and in price, agricultural exports were at record levels.

Authority for export controls has been provided by the Export Administration Act of 1969. The Act expired on July 30; however, the authority to impose export controls was continued by the President through an executive order.

The Export Administration Act of 1969 had been interpreted to authorize export controls when all of the following criteria have been met:

- a. A necessity to protect the domestic economy from the excessive drain of a scarce material;
- b. That controls will reduce a serious inflationary impact which is caused by,
- c. Abnormal foreign demand.

Last fall, the House of Representatives approved a bill revising the Export Control Act. Under the House version, export controls could be applied without the requirement of all the con-

ditions specified in the existing Export Control Act being met. On July 30, the Senate also passed legislation by a 79-7 margin that would make it easier to impose controls on agricultural commodities. Differences between the House and Senate bills will now have to be worked out before the legislation can be sent to the President for his signature.

Farm Bureau opposed both the House and Senate bills, stating that the Executive Branch of federal government should not be given additional authority to impose export controls on agricultural products.

LIVESTOCK LOANS

The tight cost-price squeeze facing livestock producers has resulted in congressional action authorizing government guaranteed loans to producers.

The law approved by Congress provides that producers unable to obtain credit could get 80 percent government-guaranteed loans at prevailing interest rates from private lenders. The guarantees would be limited to \$250,000 per producer; however, the actual amount of the loan cannot exceed an amount necessary to permit the continuation of the operation at a level equal to its highest level during the 18 months immediately preceding enactment of the legislation. Total loan guarantees extended to livestock producers are limited to not more than \$2 billion.

Producers of beef cattle, dairy cattle, swine, sheep, goats, chickens and turkeys are eligible to apply for the loans. Participation will depend on the borrower being unable to obtain credit without the government guarantee.

The legislation will expire one year after enactment; however, the Secretary of Agriculture may

extend the provisions for another six months if he deems it necessary for livestock producers to obtain adequate credit.

BUDGET REFORM

For many years, Farm Bureau has vigorously sought solutions to control federal spending. A step towards this goal was taken on July 12, when the President signed into law the Congressional Budget and Impoundment Control Act of 1974. The law lays out the new procedure for handling the federal budget. It is believed the law will allow Congress to recapture some of its lost power of the federal purse strings.

The law creates separate budget committees in both the House and Senate to review proposals for federal spending. A Congressional Budget Office with its own staff will provide technical expertise for the new budget committees. The budget committee in each chamber will establish target spending figures by April 15. These targets will then have to be passed in both Houses by May 15. The initial budget figures, as targeted by the Congress, will then be a guide for the passage of appropriation bills by the Congress. If Congress exceeds the target ceilings after all the appropriations measures are passed, it would have to make cutbacks or increase taxes to eliminate the discrepancy.

The law also includes provisions limiting powers of the President to impound funds. If the President wants to impound appropriated funds for policy reasons, he must obtain Congressional permission by means of a rescission bill. However, if he wants to delay an appropriation for technical reasons, he may simply notify Congress. The delay will stand unless one of the chambers vetoes the President's action.

Dates Set for County Annuals

County	Date	County	Date
Alcona	October 28	Kent	October 1
Allegan	October 17	Lapeer	October 17
Alpena	October 17	Lenawee	September 26
Antrim	October 9	Livingston	Unknown
Arenac	October 8	Mac-Luce	September 30
Barry	October 10	Macomb	October 16
Bay	October 29	Manistee	October 3
Benzie	October 7	Mason	October 8
Berrien	October 29	Mecosta	October 14
Branch	October 14	Menominee	October 2
Calhoun	October 8	Midland	October 21
Cass	October 12	Missaukee	October 1
Charlevoix	October 2	Monroe	September 24
Cheboygan	October 8	Montcalm	October 3
Chippewa	October 1	Montmorency	October 3
Clare	October 12	Muskegon	October 8
Clinton	Unknown	Newaygo	October 10
Copper Country	October 8	N.W. Michigan	October 10
Eaton	Unknown	Oakland	Unknown
Emmet	October 14	Oceana	Unknown
Genesee	Unknown	Ogemaw	October 10
Gladwin	October 1	Osceola	October 15
Gratiot	October 3	Otsego	October 22
Hillsdale	October 7	Ottawa	October 24
Hiawathaland	October 3	Presque Isle	October 9
Huron	October 24	Saginaw	October 17
Ingham	October 3	St. Clair	October 8
Ionia	October 7	St. Joseph	October 14
Iosco	October 21	Sanilac	October 9
Iron Range	October 9	Shiawassee	Unknown
Isabella	October 17	Tuscola	September 28
Jackson	October 12	Van Buren	October 26
Kalamazoo	October 15	Washtenaw	October 9
Kalkaska	October 8	Wayne	October 8
		Wexford	October 15

MFB Annual - - December 10-13

"Early Birds" at an action-packed, four-day event in Grand Rapids, December 10-13, will get something much better than the proverbial worm! What they will get has not yet been announced, but it's reported to be worth an early arrival at the Civic Auditorium Tuesday morning, December 10.

The event is the annual meetings of Michigan Farm Bureau, Farm Bureau Services and Farmers Petroleum Cooperative. Plans are currently underway for added attractions this year to make it a "Don't Miss It" affair on Farm Bureau members' calendars.

Included in these attractions are the increasingly popular Product Show which will provide fun, facts and prizes for convention-goers; a nationally known entertainment group, a renowned "newsmaker" speaker, and another Farm Bureau Dance.

Tuesday's activities will include the FBS-FPC annual meetings, beginning at 10 a.m. Tuesday, a complimentary luncheon and the Product Show. Wednesday's program highlights are the Farm Bureau Women's meeting, commodity sessions, President Smith's annual address, Young Farmer and Presidents' Banquet, and the Farm Bureau Dance.

Policy Development sessions are scheduled for Thursday and Friday, with the annual banquet and awards program on Thursday evening.

Watch the Michigan Farm News for further details, but mark the dates of December 10-13 on your calendar now.

AFBF Annual in New Orleans

"Michigan Farm Bureau Flight for Mexico and New Orleans now departing!" Michigan Farm Bureau members who respond to that call on December 28 will have thirteen exciting days and nights in store for them.

Departing Detroit on Saturday morning, members will be flown to Mexico City where they will transfer by bus to the Sheraton Maria Isabel Hotel.

Sunday, Monday and Tuesday (December 29, 30 & 31) will be spent in Mexico City touring the city, and visiting the ballet, floating gardens and pyramid. Those who desire will have the option to attend a bullfight on Sunday afternoon.

New Year's Day the group will depart for Taxco, stopping enroute to Cuernavaca. Thursday the group will travel to Acapulco staying at the Holiday Inn until Sunday morning (January 5).

Arriving in New Orleans on Sunday afternoon the group will be transferred to their headquarters in time to attend the Vesper Services of the American Farm Bureau Federation annual meeting. General sessions and special interest conferences will be held on January 6 and 7 and the

business session of the voting delegates on January 8 and 9.

The group will return to Detroit on Thursday, January 9.

Cost of this tour will be approximately \$612 per person (based on two persons sharing a double bedded room). Included are hotel rooms while in Mexico, tours in Mexico, three meals in Taxco, a breakfast and dinner in Acapulco, transportation, U.S. departure tax, transfers and tips. Not included is the cost of the hotel room in New Orleans or meals other than those shown. The cost of the tour may be increased should airline rates be increased prior to departure.

For those individuals not desiring to join the tour to Mexico arrangements are being made for them to depart Michigan on January 4 for New Orleans and return on January 9. The cost of the shorter tour will be approximately \$200.00 per person which does not include the cost of meals or the hotel room in New Orleans.

Firm reservations for both tours are due no later than November 15, 1974. For more information and details write: Kenneth Wiles, Manager, Member Relations, Michigan Farm Bureau, P.O. Box 960, Lansing, Mich. 48904.

County Secretaries Develop Efficient Office Systems



Secretaries' Advisory Committee members met at Farm Bureau Center in Lansing on August 8. The committee's role is to study office procedures and help Michigan Farm Bureau staff develop more efficient county office systems. They have met four times since March as a committee of the whole, and each member has also held meetings with other county secretaries in her area. Members of the Advisory Committee are (left to right): Marilyn Knight, Clinton County; Barbara Fleming, Otsego; Betty Bliss, Monroe; Lennie Luther, Wexford-Benzie; Loretta Kirkpatrick, Tuscola, and Mary Lou Poppel, Arenac. The secretaries represent three office county Farm Bureaus and three non-office counties.

Homefront

The Burns Valley Community Group, Sanilac County, cancelled their family picnic and attended a Detroit Tigers baseball game instead.

#

The Homesteaders in Macomb County had a double disappointment. After a delicious noon picnic dinner as everyone was ready to enjoy a relaxing afternoon, the rains came. Hurriedly gathering their belongings, they dashed for their cars and headed home hoping to find relief from the dry weather -- but that was where it didn't rain.

#

Community Groups are more than discussion groups--they are also action groups which carry out many worthwhile projects. An excellent example of this is the project recently undertaken by The Real McCoys, Saginaw County. They sponsored a dance which raised \$600 for the proposed Burn Unit at St. Mary's Hospital.

What do people do when they are too busy to travel to the sunny South for the winter? Perhaps they could follow the example of the West Side Community Group in Huron County. Five of their members are active bowlers and three are members of the USA Senior Citizens' Band.

#

The annual steak fry with a potluck supper proved to be double enjoyment for the children and one adult member of the Brush Creek Community Group in Gratiot County. They gave the host family's new pool a try-out, but the rest of the group declined as the weather was too cool.

#

In the early history of the Challengers, they worked to have an annual tractor pulling contest at the Alpena County Fair. This was accomplished and for the past three years has been a big event. Mr. Dubey was instrumental in this accomplishment and kept the contest going with his interest and enthusiasm. Since his death, the group feels a loss for this support. In recognition of his efforts, the group acquired a bronzed tractor with an appropriate inscription which was presented to Mrs. Dubey and her family at this year's tractor pull.

Master Award Goes to Top Counties

Charlevoix, Gratiot, Iron Range and Northwest Michigan were recently named recipients of the Masters Award.

The Masters Award is presented to those counties that do an outstanding job of increasing the percentage of their Farm Bureau members with the classification of regular. A weekend outing for two was awarded to the county in each of the four membership categories (1-300; 301; 800; 801-1300; 1301 and over) which had the largest increase in percentage of regular members.

The Award weekend was held August 17 and 18 at Shanty Creek Lodge in Bellaire, Michigan. Those chosen by their counties to attend

were Mr. and Mrs. Eric Bailey, Gratiot; Mr. and Mrs. Leon Brady, Charlevoix; Mr. and Mrs. Lauri Honkala, Iron Range; and Mr. and Mrs. Art Send, Northwest Michigan. Hosting the weekend was Rudy Reinbold, Regional Representative, Saginaw Valley, whose region had the largest increase in percentage of regular members.

Also included in the Masters Award is a plaque which will be presented to the goal county in each region which had the largest increase in percentage of regular members in 1974. The plaques will be presented during the Michigan Farm Bureau annual meeting in Grand Rapids in December.

Pesticides Banned

A ban on the manufacture of the pesticides containing Aldrin and Dieldrin is the intent of an August 2 order by the Environmental Protection Agency.

Although used for nearly two decades as a soil treatment to protect corn, EPA Administrator Russell E. Train, in taking action to suspend the registration of Aldrin and Dieldrin, said they are an "imminent hazard" to public health.

The EPA administrator, under the federal Environmental Pesticide Control Act of 1972, has authority to take action to suspend the registration of a pesticide if he decides the presence of such a hazard.

A hearing on the suspension action must be held if requested by a manufacturer of the affected pesticide within five days following the announcement by the EPA

administrator. Shell Chemical Company, the manufacturer, has made such a request.

According to announced regulations, the hearing can last for not more than 15 days.

Train's order does not stop the current hearing on the 1971 notice of EPA of its intent to cancel federal registrations of products containing the two chemicals. Farm Bureau has been involved in the hearings and other efforts in support of continued registration of Aldrin and Dieldrin.

This year Aldrin has been used on between 10 to 12 million acres of corn to protect it from cutworms, wireworms, and to some degree white grub. Costs for Aldrin range between \$2.50 to \$3.00 per acre compared to \$10 to \$15 for chemicals to be used in a control rather than a protective practice.

Macomb Queens Promote Agriculture



PRETTY MAIDS ALL IN A ROW--promoted Michigan agriculture at the Macomb Mall in Roseville recently. From left to right are: Karen Reif, Michigan Bean Queen; Coleen Downey, Macomb Mall Queen; Lauri Amari, Michigan Honey Queen, and Kathy Cryderman, Macomb County Farm Bureau Queen. Speakers' Bureau team Diane Wood and Faye Adam were also on hand during the promotion to tell the story of "Bread and Milk."

Discussion Meet Topics Announced

The spotlight will be on county Discussion Meet winners at a series of District Young Farmers meetings this fall. Four challenging questions will be discussed by contestants who will be vying for district honors:

1. How can Farm Bureau Policy Development Procedures be improved to meet the needs of young farmers?
2. Should Farm Bureau develop financial assistance programs for young farmers?
3. How could land use legislation influence agriculture?
4. What should be the role of government in agriculture in the future?
5. How can a telecommunications system benefit Farm Bureau and its members?

District Discussion Meet winners (two from each district) will compete in the state contest at the Michigan Farm Bureau annual

meeting in Grand Rapids in December. The state winner will be awarded a trip to the American Farm Bureau Federation convention in New Orleans, Louisiana, to represent Michigan in the national contest.

Dates of the fall District Young Farmer meetings are: District 1, October 9; District 2, 8:00 p.m. September 16, Hillsdale County Farm Bureau office; District 3, 7:30 p.m., September 23, Flaming Pit Restaurant, Ann Arbor; District 4, October 29; District 6, September 26, 7:30 p.m., Lakeview Hills Country Club; District 7, November 9, Tifts Restaurant, Newaygo; District 8, 7:30 p.m., Zehnder's in Frankenmuth; District 9, September 12. (Dates, time and places not given in this article may be obtained by contacting your county Farm Bureau secretary).



Ionia YF Promote Dairy

Michigan Farm Bureau Queen Judy Larson (left) and Ionia County Farm Bureau Queen Mary Gasper helped the Young Farmers promote dairy products at the recent Ionia Free Fair. Cherry Milk was a popular item with fairgoers -- 60 gallons were distributed by the Ionia Young Farmers!

Calf Loss Reductions Documented

New information has been developed that points to calf loss reductions.

Feeding newborn calves colostrum has been documented by Dr. J. W. Thomas and Theodore Ferris, Michigan State University dairy science department.

The newborn calf leaves a near perfect environment and has no natural immunity against disease-causing bacteria and virus in its new environment. The task is to provide as much immunity as possible immediately after birth, reduce exposure to disease-causing organisms and eliminate stress while the calf's immunity is low.

Feeding colostrum, the first drawn milk, is part of the solution. Colostrum is high in immunoglobulins and is absorbed by the calf from the gut into the bloodstream for 36 hours, after which the gut closes.

High levels of immunoglobulins reduce bacterial effects. Tests have proven higher rates among calves fed colostrum than those that were not.

There appears to be three general methods of feeding colostrum:

- Leave the calf with the dam 24-48 hours after birth.
- Remove the calf at birth and hand feed colostrum.
- Leave the calf with the dam 6-12 hours, then hand feed colostrum. Immunoglobulin level was highest in calves left with the dam 24-48 hours, next in calves removed at birth and lowest in calves left with the dam 6-12 hours, then hand fed.

The explanation is that although calves may not nurse the first 6-12 hours, they make up lost time when they start. There is a tendency to feed more colostrum if the calf is removed at birth (10 pounds) than when left with the dam 6-12 hours (7 pounds).

Another item important to increased survival rate is provision of adequate space with plenty of dry straw for bedding. Calves born in crowded, wet conditions, (mostly multiple calving facilities) had a lower survival rate than

those born in individual stalls with adequate bedding. Calves with high levels of immunoglobulins survived best under all conditions.

Low mortality herds used box stalls while high mortality herds in the study used calving areas with three to 60 cows. Further investigation indicated that a dry matter quantity decreased, mortality rates increased, even within low mortality herds in box stalls.

It appears that the best conditions for starting a new calf on its way is to provide large, dry bedded, individual maternity pens and leave the calf with the dam 24-28 hours.

If the calving area is wet, remove the calf at birth, feed 6-8 pounds colostrum within 4 hours, then feed more colostrum at 12, 24 and 36 hours.

Leaving the dam with the calf, even when hand feeding, appears to increase immunoglobulin levels regardless of whether the calf nurses.

You'll love New Orleans

NEW ORLEANS

Site of the AFBF National Convention January 5-9, 1975

(See Story Page 7)

New Orleans is one of the world's unique cities . . . a storied blend of proud tradition and elegant serenity, progressive bustle and joie de vivre. It has taken more than 250 years to mold her highly individualized personality, and the process continues today. New Orleans history is as fascinating as the city itself.

Founded in 1718 by Jean Baptiste Le Moyne, Sieur de Bienville, New Orleans became the capital of French Louisiana in 1723. The Spanish succeeded the French some forty years later, and New Orleans became an American city with the Louisiana Purchase in 1803. (You can still see the building where

the historic transfer took place—the Cabildo, erected in 1795, now a state museum.)

The city has not forgotten her European heritage, nor has she abandoned the flavor of the Old South. The French Quarter retains its old world charm, while ante bellum splendor lingers on in the Garden District. New Orleans' "international" atmosphere coexists in perfect harmony with boomtown excitement: horsedrawn carriages and fast-paced expressways, leafy courtyards and a soaring skyline. No matter what facet of the city you choose to explore, you'll love New Orleans. And she'll love you right back.



and she'll love you right back.

BONUS--Combine business with pleasure! Take a pre-convention tour to MEXICO! (See story Page 7). Then join the thousands of Farm Bureau people from throughout the United States who will be attending the American Farm Bureau Federation annual meeting in New Orleans. Reservations for both tours must be made by November 15, 1974. Use the handy coupon for further details. . .

DRIVING? TAKING A BUS? If you plan to provide your own transportation to the AFBF convention, and desire hotel reservations with the Michigan group, these reservations are also due by November 15.

Mail to: Ken Wiles, Manager
Member Relations
Michigan Farm Bureau
P. O. Box 960
Lansing, Michigan 48904

(CHECK ONE)

I am interested in the Mexico-New Orleans Tour _____

I am interested in the New Orleans Tour _____

I am providing my own transportation, but desire hotel reservations _____

Please send further details to:

Name: _____

Address: _____

_____ Phone No. _____

Michigan Marketing Outlook

SOYBEANS

After having hit a high, August 7, of \$8.45 per bushel, November soybean futures fell 71¢ before starting back up the limit following the release of the August 1, USDA Crop Report. The soybean market, according to one observer, had become a "trading affair". The most pessimistic factor among talk in the trade was the possible reimposition of export controls. Other talk centered on the establishment of "strategic grain reserves". Either or both of these actions could put the soybean market in a tailspin. Last year when a soybean export embargo was imposed, prices dropped about 50% overnight.

The USDA, August 1 crop condition report suggested total U.S. soybean production would be 1,314,232,000 bushels. Previously the USDA had estimated soybean usage for the 1974 soybean crop to be 1,374,000,000 to 1,424,000,000 bushels. The projected carry-over at the end of the 1973/74 season is 160,000,000 bushels. This would give total available '74/75 supply of approximately 1,474,232,000 bushels. With this extremely tight supply/demand situation, soybean prices should continue very strong. Michigan '74 crop, soybean production is projected at 14,030,000 bushels. This is from planted acreage of 620,000 acres, down from the 700,000 acres seeded last year. Michigan '73 crop, soybean production was 16,632,000 bushels.

BEANS

The August U.S.D.A. crop report indicated Michigan dry edible bean growers would harvest 1050 lbs. per acre on 630,000 acres. This would reflect a total production of

6,615,000 cwt. Most of the industry really feels that the crop is somewhat better by 100 to 150 lbs. per acre.

Demand is expected to be good, however, for the 1974 crop. 1973 crop Ethiopians, Chillians, Ontario and U.S. beans are still available. These supplies will unquestionably act as a deterrent to strong harvest values. High meat prices as a result of high feed costs could stir some increase in bean consumption in the U.S. but is not likely to play a role prior to late spring.

Producers who were unable to move their product this past late spring after the removal of the board price may be quicker to sell beans at a profitable level this year rather than waiting in an attempt to market at the top.

The first beans for harvest are expected in late August with the biggest run expected between Sept. 10 and 20. Many fields will require a frost free September in both Michigan and Ontario to successfully complete maturity.

DAIRY

The dairy picture continues with clouds of uncertainty in the horizon. The recent crop reports indicate the probability of relatively high prices of feed for the coming year. Early crop estimates projected a large acreage and yield, but these projections are being reduced considerably and harvest is still some time away.

Milk production has apparently started to increase, which will supply the already well supplied market with additional supplies to divert to manufacturing plants. Class I utilization during July increased to 58.95% up from 56.13%

in June but lagged behind the 62.27% of July of 1973. The base price dropped 47¢ from the previous month.

There is a real bright spot in the picture which can be summed up in one word—cooperation. Michigan dairymen have not lost as much economic ground as many of the dairymen in neighboring states. Through the Super Pool, which is made up of most of the major milk marketing co-ops in Michigan, prices which producers receive have been held constant since the first drop. The drop of \$1.00 was significant, but most producers in surrounding states have experienced a series of price drops which amount to more than \$1.00. Stated briefly, Michigan dairymen have benefited because their co-op's have cooperated in the Super Pool.

RED TART CHERRIES

The present harvest picture as of August 15 for tart cherries seems to indicate that the crop will wind up on the short side from what the USDA forecast. This tends to make the grower price remain strong in the face of some processor downward pressure. A rather important trend in the processors' sales has been noticed by Harry Foster, Manager of the Red Tart Cherry Division of MACMA. The trend shows cherries are going directly into pie fill rather than the 5-1 sugar pack. This means that the 5-1 sugar will again be in very short supply later in the year.

PURPLE PLUMS

There is very good news for plum producers this year. While plums are light on the trees generally, they are found in all districts of the state making a crop of 15,000 tons. This is down 17% from last year. Oregon, the other state with processing plums, is down 21%. Added to these factors, the carry-over inventory of canned plums is only 48% of the four-year average. Movement was very good last year. MACMA's sign-up of plum producers has reached an all-time high. All told, a rosy picture; these factors demand a better price to offset the higher grower production costs.

GRAPES

USDA grape crop estimates

were released August 12. They estimate the crop of American-type grapes to be slightly below last year's crop size. But the Michigan crop will almost double last year's small crop. This is still well below Michigan's five-year average.

The Taylor Wine Company of New York has come out with substantially increased prices for all grapes for 1974. The MACMA Marketing Committee of Jack Dukeshner, Chairman, Jack Austin, Vice-Chairman, and their committee of Arnold Klug, Henry Priebe, Ken Wendzel, Max Hood, Clyde Hunt, and Norbert Kellogg will be taking the Taylor price and other factors into consideration in setting the 1974 MACMA grower price.

HONEY MARKETING PROGRAM

During the past month, beekeepers have finished the early summer job of adding supers to hives and have attended the summer meetings at Chesaning and Traverse City. At both meetings, many honey producers assigned some honey to the AAMA market desk "Honey Marketing Program" for the 1974 season. Michigan Beekeepers are now putting themselves in a position through Farm Bureau, that they collectively can raise the price received for honey within Michigan. If you have not been contacted by Dave Wolfe and are interested in the program, call Farm Bureau (517) 485-8121, Ext. 221.

Troy Barton at AAMA has informed us that Ohio, Illinois, Wisconsin, Florida, and South Dakota Farm Bureaus have approved Honey Marketing Programs. These states are now beginning to actively sign beekeepers to meet the AAMA goal for 5,000,000 pounds of honey.

Dave Wolfe, MFB Market Development Division.

LIVESTOCK

Livestock prices have advanced sharply during the past 30 days. Butcher cattle have reached the high 40's and butcher hogs have held steady at \$36-\$40 in recent weeks. An apparent shortage of choice cattle has drastically

widened the spread of choice killing cattle versus the lower grades of beef. Based on feeder placements last fall, this trend will probably continue. Apparent marketing of lighter weights to avoid high feed costs has also kept potentially choice cattle from reaching the choice grade.

Questionable feed supplies and rising feed costs have continued to keep the demand for feeder cattle at a moderate level. Five-hundred-pound choice steer calves have been selling in the \$35 range and will probably continue to do so. Heavier weight yearling cattle are priced slightly higher than calves at the current time.

Butcher hog prices have not reached levels to maintain or stimulate additional production. Rising costs of production are causing cut-backs in sow herds.

Feeder pig prices have been in the \$15-\$20 range in recent weeks. Because of the feed costs and the butcher hog situation, we expect continued low prices in feeder pigs.

In summary, we expect choice cattle to remain in the high 40's and possibly reach the low 50's by October. Butcher hog prices will probably remain relatively steady in the next 30 days.

FALL OUTLOOK MEETINGS

MACMA has scheduled a "Fall Outlook" meeting in your area to discuss the feeder cattle market situation.

The meetings are scheduled as follows: Wednesday, September 4, 1974, 8:00 p.m. Adrian, Lenawee County F.B. Office; Thursday, September 5, 1974, 8:00 p.m., Hamilton, Hamilton F.B. Office.

MSU ag economists, George Dyke and Roy Black will be on hand to present their views on the feeder and slaughter cattle market situation.

Representatives from participating AAMA states will be available to give you firsthand information on feeder cattle supplies and prices in their state.

MACMA staff will present their views and answer questions.

Plan to attend this informative session and BRING A NEIGHBOR.

DEBENTURES

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INTEREST ON DEBENTURES 5-10-15 year maturity		
7%	5 Year Maturity	\$100.00 Minimum Purchase
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Where Your Farm Comes First

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FARMERS PETROLEUM

Supply

Farm Bureau Services, Inc. is entering its 1974-75 fiscal year with a strong financial outlook and prospects for continued increases in the agricultural production of its patrons. Sales are continuing at a high volume, reflecting the participation and confidence of farmers in their cooperative system. All divisions are running ahead of previous years and will be developing important programs of expansion in the new fiscal year.

FEEDS

We are still engaged in a 100 percent effort on the PBB contamination problem, and all feed fieldmen are on special assignments to help farmers. Feed sales are running at about the same level. The prices of feed ingredients are up due to volatile commodity market; feed prices are up. We'll be watching day-to-day price fluctuations for the best opportunities for our patrons.

A short crop of feed grain caused by the recent drought conditions is expected to keep feeding costs high. Steadier prices are looked for although high feed prices and low

Report

meat prices have made hard times for many livestock farmers.

HARDWARE

Items continue short in most tools and equipment dependent upon steel. The buildings program is progressing rapidly with a new Farm Bureau Services' building center now open at Mt. Pleasant which is being run locally by Harvey Bell, a building specialist. Other locations are also reporting much continued interest in all types of buildings. Twine remains short, and no increase in supplies is expected.

FERTILIZER

With the fertilizer rush over, plans are being made to have as much fertilizer on hand as possible for the fall season and next spring. Looking over the recent distribution of fertilizer, it appears most farmers who were regular customers received much of the fertilizer they needed. Numerous requests from new customers could not be filled. Substitutions were made in analysis for old customers; most Farm Bureau customers' needs were filled with

few exceptions, generally cases of large increases in plantings. Quantities of fall fertilizer for wheat have been scarce but are generally available through most Farm Bureau dealers.

PESTICIDES

Our excellent position with direct manufacturers of pesticides gave us access to supplies in a very tight spring and summer market. Farm Bureau customers usually had the pesticides they needed at reasonably stable prices with some substitutions.

MICHIGAN ELEVATOR EXCHANGE

Michigan crops suffered from drought circumstances in the southernmost counties, while the northernmost counties reported good conditions. August rains relieved some of the drought stress. MEE's express train is making routine return trips to the east coast from Saginaw terminal and Ottawa Lake terminal. Wheat yields are reported above average with excellent quality. The state was about 85 to 90 percent harvested before the rain pattern interrupted harvest.

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.

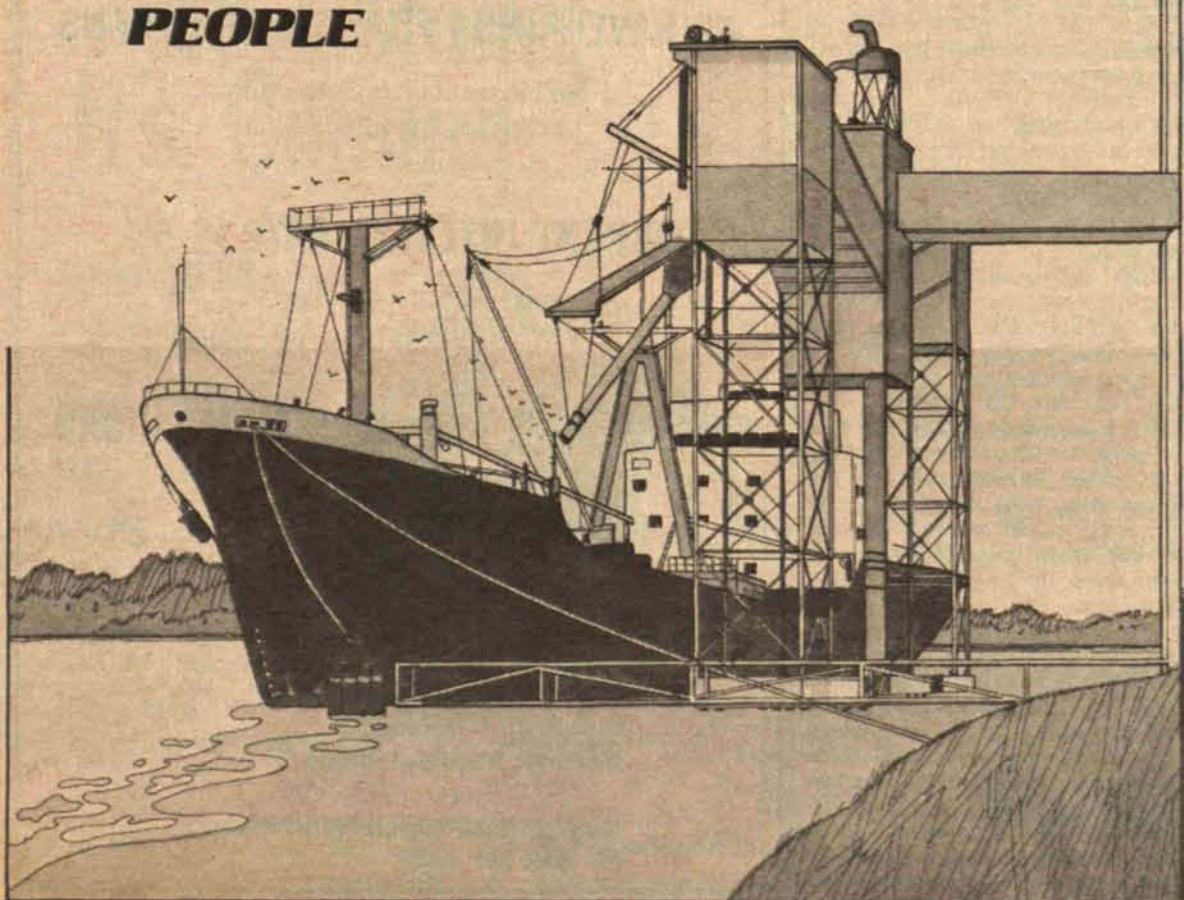
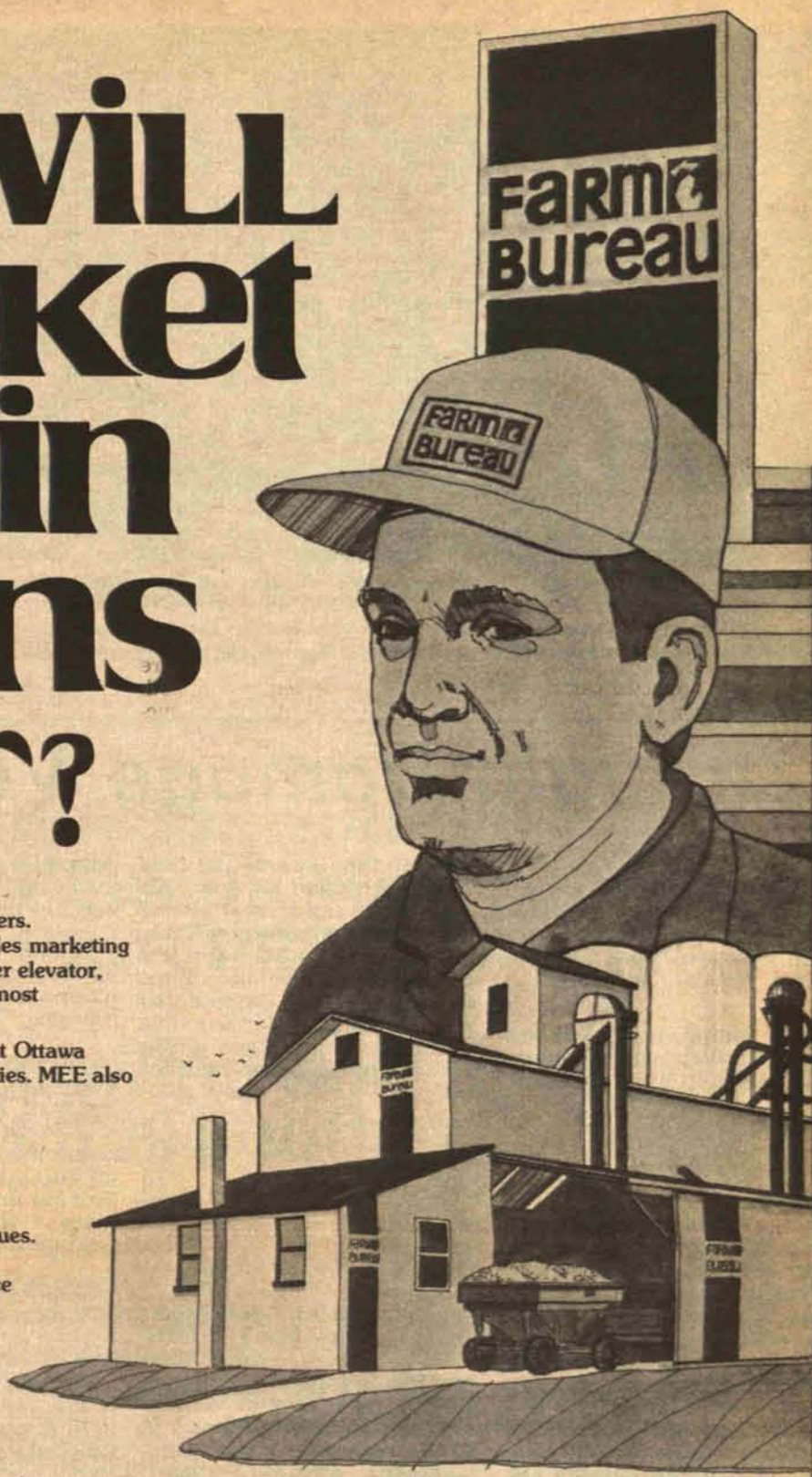
The MEE, owned by farmers and co-op elevators, operates grain and bean terminals at Ottawa Lake and Saginaw. The Saginaw Terminal is equipped with both water and rail facilities. MEE also operates Mid-States Terminal in Toledo, Ohio, in cooperation with regional grain cooperatives from other states.

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.

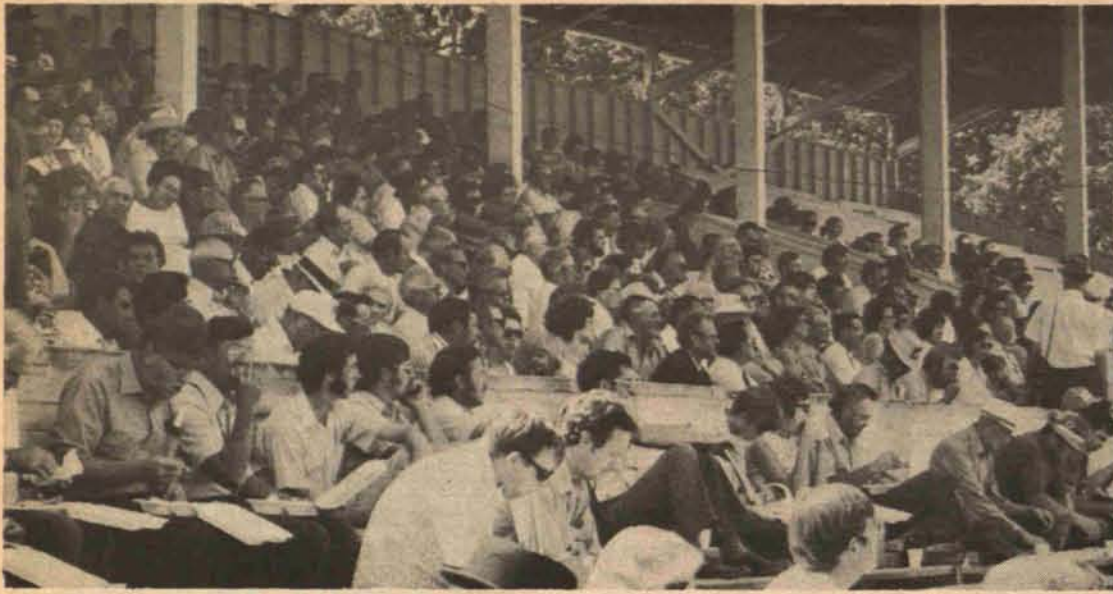
These farmer owned elevators are the only elevators in the state capable of handling 100-car train loads, and we are constantly working to further improve shipping techniques. We recently leased 60 new, covered-hopper cars to improve grain movement from Michigan country elevators to the east coast to 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



State Farm Tour Draws Large Crowds



The 26th annual Michigan State Farm Tour, held in Tuscola County August 13, attracted hundreds of people from throughout the state. Eight farming operations were on the tour agenda -- a horse farm, poultry operation, swine farm, three cash crop operations and two dairy farms. At noon, the crowd enjoyed box lunches at the Caro Fairgrounds and listened to Dr. John Hannah, Deputy Secretary-General of the United Nations World Food Conference.



Dr. Hannah told about the goals of the World Food Conference, scheduled in Rome next November, and how world food problems affect Michigan farmers through substantial demand for their exportable products. One "knotty problem" to be discussed at the Conference will be the establishment and maintenance of stable world-wide food reserves. "There is no question about the need," Dr. Hannah said. "Differences may develop over how the reserves are to be controlled."

Drought Damage Varies in Midwest State

A Farm Bureau survey shows that all Midwest states are suffering from drought conditions with yield predictions ranging from average in Wisconsin to a 50 percent reduction in Nebraska.

State Farm Bureau presidents from 12 Midwest states reported in Des Moines on Aug. 8 that conditions vary considerably within each state with some areas reporting near normal crops while in other areas there will be little or no crops.

The Farm Bureau leaders said there remains a reluctance by livestock producers to place cattle in the feedlot. Earlier the low prices for slaughter cattle were the primary causes for reduction but now the crop conditions and expected cost-price squeeze from higher feed costs are the major reasons for the reluctance of producers to feed cattle.

While the general attitude toward agriculture is good, the farm leaders said there is general concern and uneasiness, especially in the livestock area, about the crop and weather condition and the growing cost-price squeeze on livestock and dairy farmers. One state reported indications of sow herd liquidation in the past two weeks.

Several states reported serious financial problems for young farmers and others who suffered heavy livestock losses and are now experiencing dry conditions resulting in little or no crops.

The following is a capsule report on crop conditions from each of the 12 states: Illinois -- Corn varies from full dent in the South to not tasseled. The Central Illinois corn areas are very uneven. Expect 25 percent reduction in state yield. Soybeans are very short,

blossoming at knee high. Average yield down 30 percent. Early frost would be disastrous.

Indiana -- Condition serious for all crops with corn in poor condition and beans in fair to poor condition.

Iowa -- Corn production very spotty with little or no crop in Southwest but good to excellent crops in Northeast. Production per acre is down but additional acres will help some in total production. Corn has definitely been hurt but beans could recover some if moisture comes in time.

Kansas -- Estimating a 25 percent reduction in all row crops. Dryland corn is gone. Irrigated corn hurt. Pastures dry and short.

Michigan -- Expect production to be down 15 percent but still equal to 90 to 95 percent of normal crop. Corn and soybeans fair with wheat good.

Minnesota -- Crop production will range from nothing to best yields in history. Expect total corn and soybean production down 15 percent with wheat and barley about the same as in 1973.

Missouri -- Corn is drought damaged in most areas except Northwest Missouri where crop is in good shape. Soybeans fair to good at present but must have moderate rainfall in August or crop will be one-half or less. Pastures are generally poor in major grazing areas of South Central and Southwest Missouri.

Nebraska -- Corn production is cut 50 percent with corn being cut for silage in the Southeast part. Soybeans not setting. Milo could come back with rain soon. Irrigated areas (about half of corn acreage) good. Pasture-range conditions vary, poor over most of the state with the exception of the far west.

North Dakota -- Total production is expected to be near earlier projections due to higher acreage coupled with lower yields. Small grain yields about two-thirds of normal but acreage up 20 percent. Pastures drier than normal.

Ohio -- Extremely dry in Northwest grain area and very dry in other areas. Estimate a 10 to 20 percent reduction in yield with higher reduction if drought continues.

South Dakota -- Excessive drought over three-fourths of the state. Corn, poor; spring wheat, poor; winter wheat, good to excellent. Pastures and forage about one-half normal in west and central.

Wisconsin -- Crops will overall be average. Corn and oats good. Hay short in some areas but this may be because of increase in grain acreage.

Butz Visits Michigan



AGRICULTURAL LEADERS [left to right] Elton R. Smith, President, Michigan Farm Bureau; Dr. John A. Hannah, Deputy Secretary General, UN World Food Conference; Earl L. Butz, U.S. Secretary of Agriculture, and B. Dale Ball, Director, Michigan Department of Agriculture, visit during a recent political rally in Michigan.

The Congress of the United States could, this afternoon, pass a law that tomorrow morning, every American gets a free loaf of bread, Secretary of Agriculture Earl Butz said during a whirlwind tour of south central Michigan August 3. "That law wouldn't amount to a cuss unless, sometime between noon and 6 o'clock tomorrow morning, somebody baked 200 million loaves of bread," Butz said.

"And only men and women who work do that -- not those who sit on their fannies waiting for a nice federal hand-out."

In his own "tell it like it is" style, the Secretary used this example to encourage voters to send back to Congress only those men who subscribe to the philosophy of government that encourages the profit system. Appearing "unashamedly as a politician,"

Butz spoke in the Kalamazoo and Mt. Pleasant areas on behalf of Republican candidates just prior to the primary elections.

Butz told his audience that the system of government that should be preserved has built into it the "incentive to make men and women work, to make them dream, to make them dare, to make them venture and to make America grow."

"We're talking about a philosophy of government that wants the private sector kept healthy, recognizing that it is out of the private sector that we pay taxes, that we pay wages, that we make contributions to hospitals and churches and asylums."

It's a system of government that is being threatened by a Congress that votes appropriation on appropriation, piles tax on tax, until we are at a point where 34 percent of our gross national product is consumed by government today, Butz said.

"This means that those of you who are in private business work for the government from January 1 to May 1 before you start working for yourself, if you're an average American. And I, for one, think we've gone about far enough down that trail. I think it's time we blew the whistle on this business of more and more appropriations for more and more people," he concluded.

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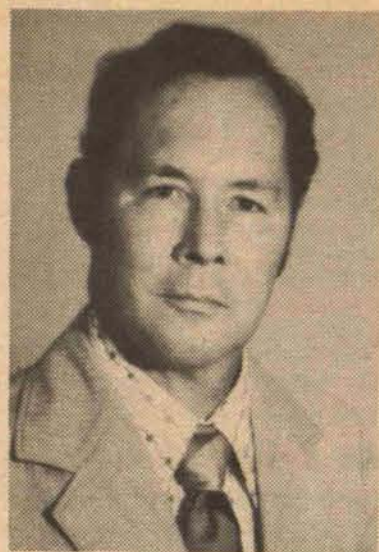
AVAILABLE TO MEMBERS OF MICHIGAN FARM FAMILIES ONLY

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Marshall, Michigan 49068

Nyle L. Katz, Executive Director
Ph 616-781-4646

Rawlins Named to AAMA Market Post



DON E. RAWLINS

The AAMA acts as a common agent for state Farm Bureau affiliated marketing associations. In his new assignment, effective August 1, Rawlins will work with state Farm Bureau affiliate marketing associations in the marketing of apples, grapes, cherries, processing vegetables, tomatoes, asparagus, popcorn, and potatoes.

A graduate of Iowa State University with training in botany, forestry and horticulture, Rawlins worked for several years with a national chemical manufacturer as a field representative and fruit production specialist. He has produced fruit on his southern Wisconsin farm since 1953. At one time, Rawlins had the largest pick-your-own apple orchard in Wisconsin, attracting buyers from a radius of 75 miles or more.

The appointment of Don E. Rawlins as manager, horticultural crops operations of the American Agricultural Marketing Association (AAMA) has been announced. Prior to accepting the new position, Rawlins was assistant director, commodity activities, American Farm Bureau Federation.

Rawlins has been active in the Wisconsin Farm Bureau for a number of years, has served on the University of Wisconsin Horticulture Advisory Board, and is a past president of the Wisconsin Farm Markets Association. He is also a past president of the Wisconsin Apple and Horticultural Council.

Dairy Committee Meets



On Wed. Aug. 7 the MFB State Dairy Advisory Committee met in special session to discuss the current milk-price situation. Pictured L to R are Chairman Dick Wieland, Jake Ferriss, MSU Ag. Econ., C. T. McCleery, Market Administrator, Federal Order 40, Lowell Allen, Membership Services, MMPA and Duane Ziegler Merchandizing Director, ADA of Mich. Other members of the Dairy Committee are: Francis Themm, Gordon Philibeck, Robert Bender, Leon Keinath, Robert Grams, Andrew Jackson, Frank Schwiderson and Wayne Wood.

Ag Engineers Tour Co-ops



Twenty-five agricultural engineers, representing 10 cooperative organizations throughout the country, recently visited Michigan Farm Bureau. Discussion centered mainly around planning and designing of such facilities as fertilizer blend plants, retail stores and gas stations. Shown here in the lobby of Farm Bureau Center in Lansing, Greg Sheffield of Farm Bureau Services Public Relations and Marketing Dept., reviews their agenda which included tours of several of Michigan's co-op facilities.

Knowing you have oil or gas on your land is one thing.

Knowing how to profit from it is another.

And that's where we can help.

We're the National Bank of Detroit. And we're the only bank in Michigan with petroleum engineers on staff.

Which means, when you establish a trust or property management relationship with NBD, we can give you the level of advice and management skill you need to profitably maintain your oil or gas properties. We can keep you abreast of Michigan's mineral laws and regulations. And help you invest the proceeds from your oil or gas properties through a trust account.

In short, because of experienced people like Ray George, our Trust Division Vice President and Petroleum Engineer, we can help you find out how much your oil or gas properties are worth, help you get your money's worth out of them, and help protect and invest your money once you have it.

And don't think the idea of you making money in oil is far-fetched.

The Michigan area is the 17th largest producer of oil and gas today. By 1980 this production is expected to triple—to some 150,000 barrels per day.

So if you have oil or gas on your property now, or if you're an oil operator now, doesn't it make sense to get the facts on the benefits of a trust or property management relationship at Michigan's biggest bank?

Just call (313) 225-2912.

Or write F. Parker Colby, NBD Trust Division, National Bank of Detroit, Detroit MI 48232.

**It's Coming
It's Coming**

**The 1974
CENSUS of
Agriculture
in January
1975**



Farmers and ranchers will be asked about their agricultural operations this year.

U.S. DEPARTMENT OF COMMERCE
Social and Economic Statistics Administration BUREAU OF THE CENSUS

NBD Trust Division
National Bank of Detroit

The Cost - Price Squeeze

Farmers are extremely concerned about spiraling costs of production and the general downward trend in farm prices. They are shocked at what they are having to pay for some production items and they are worried about prices they receive.

Consumers should be concerned about what's happening in agriculture now, because if a great many producers are forced out of business, it could result in future food shortages and higher prices to consumers.

The past year has been an unusual one for agriculture in many aspects. Most farmers harvested bumper crops last year, and those who didn't contract too early generally received the best prices in years.

Farm production costs were soaring, but many producers were still ahead of the game. Then farm prices started falling. Prices are still a little above a year ago, on the average, but production costs have shot up.

While farmers accept the challenge of producing more food and fiber for the American people and for earning dollars in the world markets, their rewards for doing this are less and less, and in some cases, below the cost of production.

The raising of food and fiber is complex and affected by an infinite number of variables -- any one of which can come out of left field at any time to destroy a farmer's most carefully constructed plans.

Good farm management is more important than ever, both from a production standpoint and from a marketing standpoint.

COST ON THE INCREASE

On the production side, the costs of inputs is soaring. Motor vehicles, including trucks and tractors, have gone up roughly 9½ percent in the last year. Feed now costs about 12 percent more than last year. The cost of baling wire and twine has risen from 4 to 6 times during the last two years. Farm machinery costs have increased about 54 percent in the last seven years. And fertilizer costs have jumped about 60 percent in the last 12 months.

Purchased inputs are all the more important now because they represent a much larger part of the farmer's total expenses than was the case a few years ago. Small changes in the price of the commodities farmers sell have a disproportionate effect on net income. It gets more and more difficult to come up with the equity needed to acquire operating capital -- which also has to be acquired at a higher price.

It used to be that a farmer owned most of his land and as such had a large capital base he could borrow against. That made it easier for him to obtain the relatively lower cost inputs he needed.

Those days are gone. Nearly two-fifths of the farmland is now rented instead of owned. For the young farmer, or the farmer expanding his operation, the figure is likely to be even higher. So the increase in production costs are far more significant than some people realize.

MARKETING CHANGES

Equally dramatic changes have taken place on the marketing side. Predictions of both supply and demand have gone wildly astray at times. Part of the reason may have been that not enough importance was attached to some major shifts that are occurring. Perhaps the ground rules have shifted more than many realize.

For years individual farm management decisions were dictated by restrictive government programs. Much of a farmer's management time was spent fitting his own plans within those of the government.

He would have to ask himself, "How much corn ground can I plant this year? What's the support price for wheat? What are the rules about planting soybeans on conserving base? What are the set-aside payments worth?"

All these things were considered before the real question of supply and demand ever came up. Very seldom did anyone ask first, "What does the market need and what are the chances of those needs being filled?"

MANAGEMENT IN FARMERS HANDS

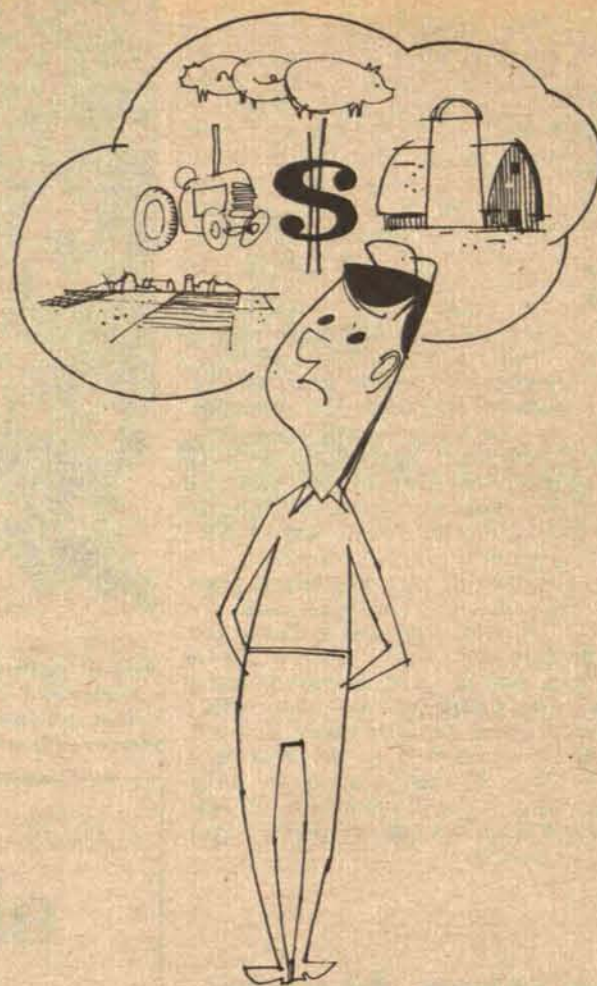
Today the management picture has changed. Now, for the first time in many years agricultural management has been turned back to the farmers. The planting decisions this year were his, not the government's. The world, not just the domestic market, is now his selling place if export restrictions are not imposed. This opens up new challenges and fresh opportunities, but it also brings some new responsibilities.

Grain farmers have been fortunate during the last two years. The world has wanted all they could produce and has been willing and able to pay it. For livestock producers, the picture has not been bright. The high cattle and hog prices of last summer started dropping at the same time production costs were rising. Recently, livestock prices have strengthened, but still, there may be some tight months ahead for livestock producers.

As this is being written grain prices have regained some of last season's strength, but if prices were to drop substantially during coming months the same sort of squeeze could hit crop farmers.

It's not enough for farmers to just keep up with the changes made in the rest of the world; they have to keep one step ahead. Sharp, forward thinking management is the only real safeguard against the ups and downs which will always be part of agriculture.

But adjusting to a world changing as rapidly as this one can be difficult. New trading channels open; old ones slam shut. Prices go up in one place and down in another. Italy and Japan close the door to beef imports, and Brazil tries to move into the world soybean market.



DISCUSSION TOPIC

by **KEN WILES**
Manager Member Relations

Right now many are concerned about food shortages and famine; three years ago people were worried about grain surpluses. There always seems to be a crisis of some sort in this country. Two years ago it was the environment, then it was the energy crisis, now it's food.

In each of these cases there is legitimate reason for concern, but in each case there has also been a large number of instant experts with quick answers to almost overwhelmingly complicated problems. And critical decisions made in haste often have reverse effects.

Farmers are reproducing a commodity which the world wants and needs. Agriculture is no longer at the fringes of economics and foreign policies; it is at the very heart. Like it or not, the business of farming is moving more and more onto center stage as the pressures increase.

INFLATION NOT NEW

As agriculture has been moving center stage, farmers are more and more asking what has happened to the purchasing power of their dollar. Consumer prices in the United States rose 10 percent in the 12 months ending in February 1974. Inflation is not a new problem for Americans. During the decade of the 1940's the purchasing power of the dollar was cut almost in half.

In the 25 years between 1948 and 1973, the American dollar lost 46 percent of its buying power. It would appear that government would stop inflation. Economist Henry Hazlitt, for one, says "The real problem is not that governments don't know how to stop inflation, but that they don't want to. If they stop printing money, they say, they will plunge their country into a recession or even a depression, and into an 'unacceptable' degree of unemployment."

A review of the economic situation of this country shows that unless restrained by surpluses, farm prices tend to run ahead of costs in the early stages of inflation. But costs always catch up if the inflation persists. The end result is a cost-price squeeze on farmers.

Prices received by farmers rose by 37 percent from June, 1972, to June 1973, but declined four percent from June, 1973 to June, 1974. Prices received have risen 319 percent since the 1910-14 era.

Prices paid by farmers for farm production items, interest, taxes, and farm wages rose 19 percent from June,

1972 to June, 1973 and 12 percent from June, 1973 to June, 1974. They have risen 70 percent since 1967 - and by over 500 percent since the years immediately before World War I.

ADVERSE EFFECTS OF INFLATION

Inflation has these other adverse effects on the net income of farmers:

(1) A farmer buys a new machine for \$5,000. He depreciates its cost on his books, but when the machine wears out in a few years he may find that a replacement costs \$10,000.

(2) Due to the progressive nature of federal income tax rates, the percentage of a taxpayer's income that goes to the federal government increases with the dollar value of his income. For example, suppose a farm family has a net income of \$10,000 at the beginning of a period. If the price level doubles, this family would need to increase its dollar income to \$20,000 just to maintain its original purchasing power. But the tax rate on \$20,000 is much higher than the tax rate on \$10,000.

(3) The heirs of a farmer who died in 1942 and whose estate was valued at \$60,000 would have been subject to no federal income tax. A comparable estate (in real value) would now be valued at around \$175,000, and would be subject to a federal estate tax of \$25,200.

(4) Farmers who sell land, farm machinery, and breeding livestock are subject to a federal income tax on their capital gains. In a period of inflation these gains may not represent any increase in real wealth, but the tax must be paid because of inflated prices.

(5) Farmers are always hurt when inflation leads to government price controls on farm products in either raw or processed form. In a market economy the function is seriously impaired whenever the government attempts to control either prices or wages. When the government tries to stop an upward trend in prices by imposing price ceilings, it discourages production at the very time when market conditions are indicating a need for more production. If prices are rolled back, controls not only discourage production but also compound the problem by encouraging increased consumption.

The farmer who learns about those factors affecting his business and then actually incorporates what he has learned into the management of his operation will be the farmer who survives and makes a profit.



You and Your Retirement...

PLANNING FOR TOMORROW CAN SAVE TAX DOLLARS TODAY

Corporate and government employees have long enjoyed the favorable tax structure of corporate retirement plans. They save more over many years, attaining retirement security without worrying about yearly tax bites eating away their retirement savings. Now the self employed person can also enjoy many of these benefits.

The revised Keogh Act allows you, as a self employed person, to set aside up to 10% of your net farm profit (maximum \$2,500) in a retirement plan. You can then deduct this 10% from your income tax return as a business expense. The funds that you add each year earn tax-free income until distributed to you at retirement. This "tax-shelter" enables you to build retirement funds faster at smaller tax cost.

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