Jerry Ford begins with his feeling attributed much of President Gerald R. Ford received of Congress, by both Republicans and became the 38th President of the appearance before a joint session of their own"—and has been for many years. 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 he was "one of their own"—and had been for many years.

In May of 1968, the Kent County Farm Bureau paid tribute to their President Smith remembers him for America and a burning desire to help solve her problems. His ideals will strengthen this country 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 statesman," 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 and 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 Vice President of the United States.

Always willing to talk with 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."
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 related to the contaminated feed feed diet. 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?

It is 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 the answers 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."

Yes, 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 births of these "children" and shared in their triumphs as they grew to prosperity. Does a parent abandon its child when it is in trouble? Not if it's a strong family, based on the foundation of common goals. The parent provides support, faith, and finally pride when the child uses honesty and integrity in solving the problem.

Michigan Farm Bureau is 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 communicating 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?

The Feed Situation - - How Does It Affect the FB Family?

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 5, 1973. Mr. Driscoll has been active in the Farm Bureau family for many years and has been associated with the network with Howard Heath, full-time announcer, and John Stonehouse, 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 Michigan Farm Bureau and Public Relations Division in 1972.

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, he created and narrated most of Farm Bureau's 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.

Robert Driscoll

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 new address.

Name, Address

City, State, Zip Code

Country of Membership
The Feed Situation

There's Good News, Bad News

FIRST CLAIM PAID, . . . BURIAL Halted

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

The good news is that the first damage claim in the PBB case has been paid. On July 23rd, a 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 who were affected 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 has no plans to dispose of the contaminated feed site in Kalkaska County which was acceptable to the Department of Natural Resources. In June, the Kalkaska County Board of Commissioners had ordered an injunction to prevent burial.

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

"In working with the State Department of Natural Resources, we had to dispose of the contaminated site in Kalkaska. The DNR was satisfied as to the actions which were under way. There was no danger of secondary contamination from disposing of the animals in open country," he said.

A decision in the case, which has been transferred to the Manistee County Court Circuit, is expected to be handed down August 17th. Farm Bureau officials are hoping for a favorable outcome.

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

LATE BULLETIN

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

The chemical polybrominated biphenyl (PBB) was introduced into Farm Bureau Services feed last fall. Michigan Chemical Company, a supplier of feed ingredients, provided飞船 the PBB fire retardant contaminated in the shipment of magnesium oxide. These situations are similar in appearance, and both were packed in large brown sacks 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, did an extensive testing through four laboratories that finally identified the source of the problem in late April as being polybrominated-biphenyl contaminated feed. The feed had removed the suspected feed from the market in early January 1974. So far, attempts to locate all affected animals was taken by Farm Bureau Services, in close cooperation with the Michigan Department of Agriculture and the PBB firm, as soon as the contaminant was identified.

"As a farmer-owned cooperative, it has been our intent, through direct assistance to farmers, to protect the best interests of the membership," 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 action that best protects farmers in this state, and try to get this situation corrected as quickly as possible."
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.** 3:30 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 and attend church.
- **Monday Feb. 24 - Leave by special bus for a trip through the Volcano Ranch where a stop will be made at the museum.** Continuing on to Hilo.
- **Tuesday Feb. 25 - Leave in midmorning 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 - 9:00 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 prorated share of aircraft cost of $156.78 per person. A fuel supplement, not to exceed, and hopefully, this cost does include U.S. departure tax and Spanish 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 $100.00 deposit for each reservation. I understand I will be billed for the balance of the tour cost approximately six-weeks prior to departure.

**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 on 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 Malaga, 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 - 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 19 - 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 $280.41 per person from Detroit. Should less than 175 people join the group, this aircraft cost must be reprogrammed 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 prior to departure.

**Name (s)**

**Address**

**Telephone**

**County of Membership**

Mail reservation request, with your deposit check to: Hoosier Travel Service, Inc., 139 E. Washington Street, Indianapolis, Indiana 46224.
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.

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 Peotry, Bennington; Lawrence Karsienski, 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.

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, board member and first vice president of Michigan Farm Bureau.

Others on the committee and the districts they represent include: Jan Voorhuis, Kalamazoo, District 1; Paul Pieslow, 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 Koox, 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 Albertson, Grandee; Mrs. Dale Weidmayer, Waukegan, who serves as vice-chairman of the committee; and William Spik, Shawano. Farm Bureau Women are represented by Mrs. Karl Kimmerer, Lenawee; Mrs. Joseph Miesle, Jr., Livingston; and Mrs. Robert Schummel, 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 chairmain Mike Pridgeon [center]. Joseph Miesle, Jr. takes one last bite as Charles Houghton [left] and James Gleason [standing] look on.
minimum requirements means that Michigan will need to give the

while 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

Governor Milliken has now signed all of the budget bills containing the

As shown in the illustration the major items in the budget are as

As the general fund budget is $2.84 billion this is only about

Another major example is the case of the smaller items in the budget is the

Land Use

Inflation has a major impact on increasing state spending however, by

The article goes on to state that "it makes farmers mad to talk about

The income from the sale of farm products exceeds household

Governor Milliken in his State of the State speech in January 1975 stated

Robert E. Smith

Q: Is the slow moving vehicle sign still required on farm equip

Robert E. Smith
Farm Bureau Opposes Export Control Bills

BUDGET REFORM

The law creates separate budget committees in 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 90 percent government-guaranteed loans at prevailing interest rates from private lenders. The guarantees 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 the production of livestock producers to obtain adequate credit.

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. This 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 also includes provisions limiting the powers of the President to impound funds. If the President does not spend appropriated funds for policy reasons, he must obtain Congressional permission by means of a succession bill. However, if he wants to delay an approved appropriation for policy reasons, he may simply notify Congress. The delay will stand and the Appropriation Committees veto the President's action.

MFB Annual - December 10-13

"Early Bird" at an action-packed, four-day event in Grand Rapids, December 10-13, will get something much better than the proverbial "chicken," for 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.

Included in these attractions are the increasingly popular Product Show which includes the Farm Bureau Federation's annual address, a renowned "newsmaker" speaker, and another Farm Bureau Dance.

Tuesday, December 10 from 9-3, the FBF-FPC annual meetings, beginning at 10 a.m. Tuesday, a complimentary luncheon and the Product Show will be held. Tuesday afternoon, 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.

AFBF Annual in New Orleans

"Michigan Farm Bureau Flight for Mexico City". The group will depart on December 29 and return on January 9. Cost of this tour will be approximately $612 per person based on two persons sharing a double bedroom. Included are airfare, tax, ground transportation, meals and entertainment. Additional costs to consider are tips for tour directors.

For reservations contact the AFBF Administrative Office at (313) 524-3001, ext. 224.

The group will return to Detroit on Saturday, January 10.

Cost of this tour will be approximately $612 per person based on two persons sharing a double bedroom. Included are airfare, tax, ground transportation, meals and entertainment. Additional costs to consider are tips for tour directors.

For reservations contact the AFBF Administrative Office at (313) 524-3001, ext. 224.

The group will return to Detroit on Saturday, January 10.
Pesticides Banned

A ban on the manufacture of the pesticides containing Aldrin and Dieldrin is the latest in a series ordered by the Environmental Protection Agency.

Although used for nearly two decades as a soil treatment to control white grubs, scientists have found that pesticides containing the two chemicals are highly toxic. Tests have proven higher rates among the larvae that are fed colostrum fed calves than those that were not.

There appears to be three general methods of feeding colostrum:

- Leave the calf with the dam 6-12 hours after birth.
- Keep the calf with the dam for 24-48 hours after birth.
- Keep the calf with the dam for 24-48 hours after birth and feed hand feed colostrum.

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.

Feeding newborn calves colostrum has been shown to protect it from cutworms, wireworms, and to some degree white grubs. Costs for Aldrin range between $2.20 to $3.00 per acre compared to $1.00 to $1.50 for chemicals that can be used in a controlled environment rather than a protective practice.

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 Federal effects, 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?

The Masters Award is presented to the county in each of the four membership categories (1-300, 301-800, 800-1300, 1301 and over) which had the largest increase in percentage of regular members.

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. Mrs. Dubey and her family at Remus, in memory of Mr. Dubey, recently named recipients of the Masters Award.

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 Charlevoix, Charlevoix County. The group's new pool a try-out, but the rest of the group declined as the weather was too cool.

The Challenge meets are scheduled for the first Saturdays in September and October this year. The Brush Creek Community Group in Charlevoix, Charlevoix County; Mr. and Mrs. Leon Brady, Gratiot; Mr. and Mrs. Lauri Thompson, Iron Range, Iron County; Mrs. Art Send, Northwest Michigan were active bowlers and three are members of the USA Senior Citizens' Band.

The annual tractor pulling contest at the Alpena County Fair was the first event. For the past three years and 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. Mrs. Dubey and her family at Remus, in memory of Mr. Dubey, recently named recipients of the Masters Award.

There appears to be three general methods of feeding colostrum:

- Leave the calf with the dam 6-12 hours after birth.
- Keep the calf with the dam for 24-48 hours after birth.
- Keep the calf with the dam for 24-48 hours after birth and feed hand feed colostrum.

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.

Feeding newborn calves colostrum has been shown to protect it from cutworms, wireworms, and to some degree white grubs. Costs for Aldrin range between $2.20 to $3.00 per acre compared to $1.00 to $1.50 for chemicals that can be used in a controlled environment rather than a protective practice.

There appears to be three general methods of feeding colostrum:

- Leave the calf with the dam 6-12 hours after birth.
- Keep the calf with the dam for 24-48 hours after birth.
- Keep the calf with the dam for 24-48 hours after birth and feed hand feed colostrum.

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.

Feeding newborn calves colostrum has been shown to protect it from cutworms, wireworms, and to some degree white grubs. Costs for Aldrin range between $2.20 to $3.00 per acre compared to $1.00 to $1.50 for chemicals that can be used in a controlled environment rather than a protective practice.
You’ll love 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 280 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.

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.
SOYBEANS
After having hit a high, August 7, of $6.45 per bushel, November soybean futures fell 77/8 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 repositioning of export controls. Other talk centered on the establishment of “strategic grain reserves.” Either the USDA or the secretary of agriculture 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 1,314,321,000 bushels. Previously the USDA had estimated soybean usage for the 1974 soybean crop to be 1,274,000,000 to 1,244,000,000 bushels. The projected carry-over at the end of the 1973/74 season is 168,000,000 bushels. This would give the total available 74/5 supply of approximately 1,474,232,000 bushels.

Michigan ‘73 crop, soybean production is projected at 142,000,000 bushels. The acreage estimate for Michigan ‘74 crop, soybean production is projected at 340,000 acres. The投影 acreage of 260,000 acres down from the 700,000 acres seeded last year. Michigan ‘73 crop, soybean production was 1,622,000 bushels.

BEANS
The August U.S.D.A. crop report indicated that if the last frost is significantly past, growers would harvest 1905 bushels per acre on 430,000 acres. This would reflect a total production of 616,000,000 bushels. Most of the industry feels that the crop should be somewhat better by 100 to 150 bushels per acre.

Demand is expected to be good, however, for the 1974 crop, 1973 crop, horse and mule feeders and livestock producers. Michigan dairy farmers have not lost as much economic ground as many of the neighboring states. Through the Super Pool, which is composed of the major milk marketing co-ops in Michigan, prices which producers receive have been held constant since the first crop. 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-ops have cooperated in the Super Pool.

RED AND TART CHERRIES
The present harvest prospects of Michigan tart cherries appear to indicate that the crop will wind up on the short side from what the USDA forecast. This tends to make the current cherry market remain strong in the face of some downward pressure. A rather large acreage of cherries has been sold by Harry Foster, Manager of the Red Tart Pool. The Pool covers 13,000 acres of cherries. Michigan cherry growers are going into the next harvest season with about 85% of the crop sold.

PURPLE PLUMS
There is very good news for plum growers. The plum crop estimates in the state are 90% higher than estimated one month ago. There are light on the trees generally, they are found in all districts of the state and indications are that yields are double. This is down 15% from last year. Oregon and Washington, the state with processing plans, is down 31%. Added to these factors, the carry-over of canned plums, 1973 crop, is only 4% of the four-year average. Movement was very good last year. The present pool of plum producers has reached an all-time high level. All told, a very picture; these factors demand a better price to offset the higher production costs. 15% of Michigan’s acreage is devoted to processing plums, is down 21%. The prices of feed grain for 5,000,000 pounds of honey.

FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERATIVE, INC.
FARMERS PETROLEUM COOPERA
Fluctuations in today's market make 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 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**
Butz Visits Michigan

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. On 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 frosts could be a factor.

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 crop yields. 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 poor.

Butz spoke in the Kalamazoo and Mt. Piasa area 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 venture and to make America grow."

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

It's a system of government that is being threatened by a Congress that votes appropriation, approval of taxes, 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 not in business are going to have to 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.

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

"The law wouldn't amount to a cent unless, sometime between noon and 6 o'clock tomorrow morning, somebody baked 200 million loaves of bread," Butz said.
Rawlins Named to AAMA Market Post

The appointment of Don E. Rawlins as manager, agricultural 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.

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.

It's Coming

The 1974 CENSUS of Agriculture in January 1975

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

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.
Farmers are increasingly concerned over 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 the 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. For this reason costs were low, 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, the American people and foreign 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. Perhaps the ground could hit crop farmers. The world has wanted all they could produce and has always been part of agriculture. There is now his selling place within those of the government.

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.

It used to be that a farmer owned most of his land and as much land as he could. He could borrow against. That made it easier for him to obtain the relatively lower cost inputs he needed. These 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 been wildly astray at times. Part of the reason may have been that not enough attention was placed to some major shifts that are occurring. Perhaps the ground rules for the government's marketing may be changing.

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 the government.

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

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, the selection of the government's marketing policies, the choice of how and when to market the crops, the domestic market, is now his selling place if export restrictions are not imposed. This opens up new challenges and 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 been so low that some farmers may be more than eight months ahead for livestock producers.

As this is being written grain prices have regained some of their recent gains. Corn prices were up substantially during coming months the same sort of squeeze could hit 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 pace with those changes. The best way to do this is to keep closely informed and to develop 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 are soaring. Most costs, including trucks and tractors, have gone up roughly 9 percent in the last year. Feed costs have shot up about 12 percent more than last year. The cost of baling wire and twine has doubled during the two years. Farm machinery costs have increased about 54 percent in the last seven years. And fertilizer costs have jumped about 40 percent in the last 12 months.

Purchased inputs are all the more important now because they are a 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 directly larger impact. Inflation has made it more difficult to come up with the equity needed to acquire operating capital — which also has to be acquired at a higher price.

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 that not 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 31 percent since the 1910-14 era.

Prices paid by farmers for farm production items, interest, taxes, and farm wages rose 18 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 farm 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 these 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.
Pest from the West

A pest from the west may soon be a tough insect enemy of Michigan corn growers. Called the western corn rootworm, the type of insect appearing in Michigan has run the gauntlet of insecticide treatment from the eastern slopes of the Rockies across the Midwest. "These were our worst problems, and our fields are resistant to chlorinated hydrocarbons, dieldrin, chlordane and heptachlor. They build much higher populations in the field than our western varieties," says Dr. Robert Ruppel, Michigan State University Extension Insect Physiologist.

Field inspections should begin now. The insect has black striped yellow wings, and is about a quarter inch long with antennae as long as the body. If more than one insect is found per plant, the field should be treated or rotated next year. Rotation may save insecticide cost and will improve soil structure. Extensive spread of the pest is through planting corn on corn in the Midwest, which provides a source of resistant insects. Most damage is caused by larvae feeding on roots. Reduced root area results in lodging, making it impossible to pick corn machinery. The pest feeds on tassels and silks, interfering with seed set. Specimens found should be given to local Extension Agents.

Discussion Topic Report Sheet

The Discussion Topic and Report Sheet for the discussion topic on the opposite page is furnished for use of community group members who may wish to review it prior to their group meeting. If used by a Community Group, in lieu of report sheet furnished the Discussion Leader should forward answers to the Reports Division, Michigan Farm Bureau, P.O. Box 960, Lansing, Michigan 48904 on or before October 1, 1974.

COMMUNITY FARM BUREAU Discussion Topic and Report Sheet

September 1974

Community Farm Bureau members in Alcona County. Please indicate the number of people taking part in this discussion.

1. What changes in income, estate, and capital gains tax laws should be made to reduce the impact of inflation on the income of farmers? Yes 87% No 9% Undecided 4%

2. Are you prepared to accept the possible adverse short-term consequences of government action to control inflation? Yes No Undecided

3. What changes in income, estate, and capital gains tax laws should be made to reduce the impact of inflation on the income of farmers? Yes 87% No 9% Undecided 4%

4. Present tax laws encouraging high-income investors to invest in agriculture? Yes 65% No 22% Undecided 13%

5. Is land available in your state to rent or purchase? Yes 51% No 39% Undecided 10%

6. Conclusions: Foreign interests should not be allowed to purchase land. Yes 10% No 10% Undecided 80%

7. Could government programs be structured so as to effectively limit the total benefits paid to single farms or producers? Yes 8% No 9% Undecided 83%

8. Should government action be directed toward maintaining a competitive economy generally? Yes 76% No 14% Undecided 10%

9. Are present tax laws encouraging high-income investors to invest in agriculture? Yes 65% No 22% Undecided 13%

10. Conclusions: Foreign interests should not be allowed to purchase land. Yes 10% No 10% Undecided 80%

11. Could government programs be structured so as to effectively limit the total benefits paid to single farms or producers? Yes 8% No 9% Undecided 83%

12. Should government action be directed toward maintaining a competitive economy generally? Yes 76% No 14% Undecided 10%

13. Are present tax laws encouraging high-income investors to invest in agriculture? Yes 65% No 22% Undecided 13%
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.

Check the facts with Charlie Foster or your local Farm Bureau Insurance agent today. You and your retirement... one of the reasons we're in business.