

At P. D. Conference

Major issues for 1976 aired

Fair display a success



MFB's display at the 1975 State Fair is attracting the interest of thousands of fairgoers. During the 11 day run of the fair over 200 Farm Bureau members are manning the display, explaining to city folks what is involved in modern farming. Calhoun County volunteers [from left] Carol Peck, Gloria Crandall and Sandy Smith get ready to meet the crowds. F.B. women organized the volunteers.

Nearly 200 Farm Bureau policy development leaders gathering in Lansing Aug. 25 heard President Elton Smith praise the P.D. process because of its grass roots nature.

"Farm Bureau policy development is unique because it begins at the local level with the members," Smith said.

Major resource speaker at the all-day conference was AFBF Legislative Director, John Datt. Calling policy development the most important part of Farm Bureau, Datt outlined several possible issues for 1976 policy consideration.

"Inflation," said Datt, "is still the number one issue facing the stability of a future America. Are we prepared to take steps to deal with it?"

Other national issues Datt discussed were government's role in agriculture, energy, international trade, the food stamp program, land use and environmental legislation and transportation.

Attending the conference were county presidents, county women's committee chairmen, county P.D. committee chairmen and county young farmer committee chairmen, as well as the 1975 state policy development committee.

The 1975 policy development committee consists of Richard Reynnells, district 1; Paul Piepkow, district 2; Diane Horning, district 3; John Koster, district 4; Kennard Dysinger, district 5; Henry Brodacki, district 6; Allen Anderson, district 7; William Brewer, district 8; Roy Howes, district 9; Herbert Hennes, district 10; John Kronmeyer, district 11.

Also on the committee are Tom Atherton, Don Gilmer and John Spero representing FB Young Farmers; Faye Adams, Janet Miesle and JoAnne Thome representing FB Women; and Jim Sayre, Jack Laurie and Dean Pridgeon, Chairman, representing the MFB Board of Directors.

VanBuren growers start legal fund

Over 50 fruit and vegetable growers and other farmers from Van Buren County were advised of their rights and responsibilities as agricultural employers at a special meeting held in Paw Paw Aug. 22.

MASA's M.J. Buschlen explained several of the major laws affecting farmer-worker relationships while MFB attorney Jerry LaFave explained the farmer's legal rights. MFB legislative counsel Al Almy also attended the meeting and discussed what laws and rules may be coming in the future based on pending legislation.

Concerned by reports of certain groups and individuals harassing

growers and workers, the farmers explained they want to obey the law but don't want to be unreasonably bothered by people who have no legal right to interfere in their employer - employee relationship.

At the close of the meeting, the farmers agreed to establish a fund to help pay the legal fees of growers faced by any nuisance suits. The Van Buren County Farm Bureau Board of Directors was asked to carry on a pledge drive to raise a fund of \$30 thousand to be used for test cases.

Several thousand dollars was pledged by the growers in attendance at the meeting.



Farmers from Van Buren County met with Farm Bureau staff to discuss critical issues on grower's rights.

Farmers win H. B. 4921 victory

By Bob Smith

This is a brief report of the very narrow victory on H.B. 4921. You will recall that this bill was introduced by all metropolitan and labor-oriented legislators and was strongly supported by such groups as AFL-CIO, the Catholic Conference, UAW, Council of Churches, and others claiming to be spokesmen for migrant workers. (see June issue, MICHIGAN FARM NEWS)

The bill was introduced on April 10. It came out of the House Labor Committee in mid-June. It has been delayed from week to week. On August 5, a legislator friend alerted us that it would be considered that day. We immediately put the Farm Bureau telephone grid into action statewide. In addition, we alerted numerous other organizations and associations and urging a deluge of telephone calls to legislators and city sponsors of the bill.

Action on the bill turned out to be a major floor fight with big labor. Printed below are the key votes that were taken that day . . . you might check to see whether your legislator voted on your side on all three crucial votes. You will note that it was not possible to vote the bill down and that the effort was to send it to the Agriculture Committee. The first vote was 53 to 41 in our favor, and then the opposition made an effort to reconsider. The second vote was 48 to 48, a tie. The third vote, which was final, was 50 to 49 which meant victory for our side by a single vote!!

As you review the voting records below, you may want to drop a line to your legislator and others thanking them for their courage in supporting our position on this crucial labor legislation. You may note that some legislator's names are not shown as voting. Some were present and did not choose to vote - others may have happened to be absent.

Outstate legislators did an excellent job on the floor and deserve commendation for their effort. The debate was long and the maneuvering was complicated. You might be interested to know that one Detroit area legislator said in debate on his effort to pass the bill. He said, ". . . this bill has been endorsed by organized labor in this state, it should have the endorsement of democrats in this Legislature. . ."

The bill, H.B. 4921, is now in the Agriculture Committee. It is likely that hearings will be held around the state later this fall. This means that we must continue to be alert and that we let the committee know at the proper time how we feel as farmers on such legislation that is highly discriminatory and puts a burden, such as mandatory overtime, on Michigan farmers. No other state has this requirement and the U.S. Congress

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The grain boycott - See

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Price-later

agreements . . . page 8

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policy issues. . . page 10

The grain boycott

F. B. is fighting it

Not since the meat boycott and food price rollback attempt has an issue raised more farmer concern than the public reaction to the Soviet grain sale. With our freedom to market at stake, we must be concerned.

Sadly, once again, we find ourselves pitted against the most powerful of groups—the American consumer. And once again, we hear a chorus from the membership: "What is Farm Bureau doing about it?"

In this "battle", which basically boils down to our proven market system versus government control, the consumer has many powerful allies—mainly, organized labor, politicians, and the public press. We could learn a valuable lesson from all three. They have established an empathy with the consumer because they recognize what he cares about—himself—and then aim for that target. They aim their communications to the consumer's emotions rather than his intellect. In other words, how does an issue affect him—right "where he lives"—not the impersonal general economy.

How the Russian grain sale will affect his food bill is what he is interested in—not the balance of trade or how restrictions on exports will affect farmers.

This is not downgrading the consumer in any way. We'd be less than honest if we didn't admit that farmers have this same human characteristic.

We are concerned because we need foreign markets for our economic well-being. We need them to recover the record costs we encountered in producing this year's record crops.

So rather than criticize the consumer for looking at this issue from a selfish viewpoint, we should accept it and work harder to communicate in terms of how it affects him, not us. We need to make him aware that government storing of our surplus grain will cost him tax dollars, that agricultural exports are important to him because they help bring into this country those things which can be produced cheaper elsewhere. And probably, most important, we need to make him aware that in order to continue to feed him and his family the quality and quantity of food they need and want, farmers must have the freedom to market. How would it affect him if we were on the other end of the grain sales—if he had to depend upon other countries for his food supply because American farmers were not allowed the vital incentive to keep on producing?

Back to the question—What is Farm Bureau doing? And, because You are Farm Bureau, what are you doing?

Michigan Farm Bureau—On July 24, in response to the International Longshoremen's Association announcement of their refusal to load ships with grain bound for the Soviet Union, we presented our views to Channel 6, Lansing. Following this televised interview, a news release was issued to the wire services, indicating that the boycott would result in lower incomes, not only for thousands of farm families, but also for many other American workers dependent upon a healthy movement of farm exports. This statement was used by many radio stations and newspapers throughout the state.

Another statement was issued to all Michigan newspaper, radio and television stations on August 12 warning the public that U. S. farmers will not continue to produce without the freedom to market. We pointed out that we produced 2.1 billion bushel of wheat this year, and that our customers here at home would use only about 800 million—leaving 1.4 billion bushels for export.

News regarding the issue was fed to 22 radio stations through the daily program, "Farm News Today" and to 45 stations on the "Farm News in Depth" radio show. An in-depth interview, telling farmers' side of the issue, was used on the "Accent Agriculture" radio program on 44 stations.

An editorial called "The 'Protected' Public Will Lose," was distributed to 161 Michigan newspapers which use Michigan Farm Bureau's Agriculture in Action Column. The column stated that the very people the union professes to protect will be the losers if organized labor is allowed to dictate our country's economic and foreign policies.

Another Agriculture in Action editorial dealing with the price of bread was offered to all Michigan news media to use as their own or as opposing viewpoint. A letter was sent with the editorial offering to answer any questions regarding the issue.

American Farm Bureau asked for a complete removal of USDA's approval system for grain exports (a partial removal was granted by USDA).

AFBF emphasized at a house hearing (Feb. 20) that a pledge that there would be no export controls is essential if farmers are to produce to the fullest.

AFBF supported legislation to ban monitoring of export sales.

AFBF participated in USDA's agricultural trade advisory committee meetings and AFBF defended sales to the Soviet Union in a series of press releases and speeches during July and August.

What Can You Do? Leroy Schluckebier, president of the Tuscola County Farm Bureau, gave an on-the-farm television interview for Channel 12 in Flint. Assisted by some background material furnished by the Michigan Farm Bureau and drawing on his own experiences and convictions, Leroy did an excellent job of telling the farmers' side of the story to an important audience.

Nothing is more effective than eyeball-to-eyeball communications and since the grain sale is a common topic of discussion today, you have many opportunities to share important facts with friends, neighbors and relatives. In these conversations, the 1972 Soviet grain sale is almost certain to be brought up. There are some important differences to remember:

As a nation we will have a greater supply of both corn and wheat this year after expected domestic use than we had in 1972. In that year, most of the supply came from stocks held over from previous years. The 1975 sale will come from this year's harvest. But keep in mind that part of the wheat sold to the Russians can come from the 1976 crop.

In 1972, the Federal Government paid export subsidies of about 160 million dollars to American farmers. In the 1975 sales, there will be no export subsidies paid to farmers.

In 1972, the Soviet Union was given Commodity Credit Corporation credit to make the purchases. There is no government credit involved this time. The only government subsidies involved in the sales this year will be from the maritime administration to American Flag vessels.

The current agreement calls for one third of the grain to be moved in U. S. ships. That will put more seamen back to work.

If the bumper crops develop as expected, the United States can handle the Soviet Union sales, meet other export requirements, cover Food for Peace shipments to hungry nations and still add to the grain carry-over stocks.

Another thing you can do is contact your Congressmen. Now is a good time to do so—before they go back to Washington after their summer recess. Some of them have set up schedules in their districts to meet with their constituents. Tell them, as a farmer and as a U. S. citizen, exactly what is at stake in this important issue.

By working together, through our state, national and county organizations, and as individual members, we can once again prove the value of a strong Farm Bureau.

PRESIDENT'S COLUMN



MICHIGAN FARM NEWS

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DONNA

Extra, Extra

"Extra! Extra! Read all about it! The price of bread is going up because of increased labor, transportation and packaging costs!"

You're not likely to read that kind of story in your local newspaper; it simply isn't palatable to the American public. When the price of our bread goes up, we need someone to vent our anger upon and labor, transportation and packaging are far too impersonal to zero in on.

The Russian wheat sales, on the other hand, and the implications that this would raise the price of bread, are "acceptable" as headline material for eager consumption by U.S. readers, listeners and viewers. It provides them with a specific target for their anger. They can be mad at the Russians for buying the wheat and at the American farmers for selling it.

It's emotion, rather than facts, that dictate public sentiment and that's what is so frustrating to farmers. While wheat prices fell a total of around \$3.00 from February, 1974 to June of this year, the price of bread and cereal continued to rise. Now, the Russian grain sale will provide "justification" for continuing price increases. The gullible public's reaction provides a great vehicle for processors who are looking for something to which to attribute already planned increases and politicians who are looking for

something on which to ride into the next election.

Politicians know it's easy to "con" voters—just promise to "protect" them from high food prices by placing restrictions on farm exports. Then sock-it-to-'em in the form of taxes to pay for storing our huge surpluses. At the same time, weaken the value of their dollar by damaging the country's reputation as a reliable supplier in the world market. By the time that happens, they're elected, and most people don't know what balance of trade means to them anyway.

It's not so easy to con farmers. They were urged this year to aim for all-out production. They responded to that encouragement with the result of record crops—enough for domestic needs, plus plenty for foreign customers. In producing these record crops, they also faced record production costs. Now, they're being told that their markets—which they need to realize a return for their investment and efforts—will be curtailed.

If our government does succumb to the pressures for farm export restrictions, we won't have to worry about surpluses in the future. Farmers simply won't produce without the freedom to market. If that happens, we'll be on the other end of the grain sales—if there's any to buy, that is . . .

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.

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 City _____
 State _____ Zip Code _____
 County of Membership _____



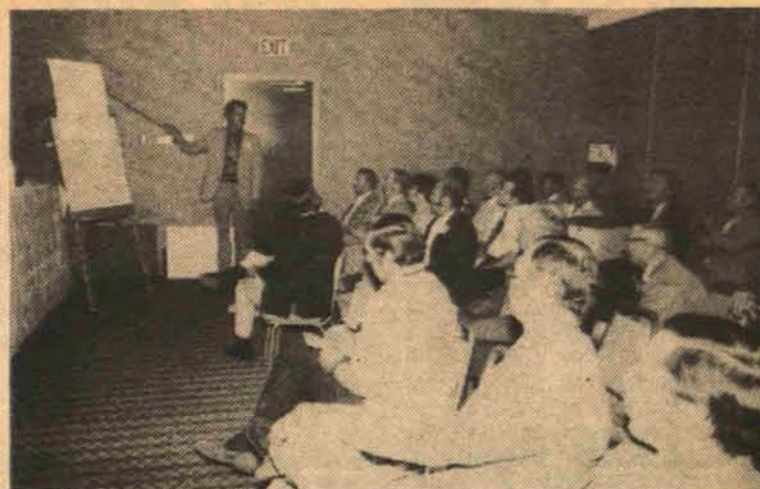
At 50th A.I.C.

State well represented



Michigan 4-H and FFA youth attended the American Institute of Cooperation held in late July at the MSU campus. The Michigan youth were sponsored by local cooperatives and County Farm Bureaus. Attending the national conference were 2460 youth, young farmer couples and adults from 42 states.

Grain meeting held



A grain marketing seminar, under the direction of MFB's Market Development Division, was held in August. Michigan Elevator Exchange's Ed Powell, Donn Kunz and Ralph Showerman were on a panel which discussed moisture-shrink, forward contracts vs. hedging opportunities and price-later agreements. AFBF's director of government relations Seeley Lodwick was on hand to discuss the current Washington climate.

Essay Contest

Michigan Farm Bureau is pleased to sponsor a "Bicentennial" essay contest in cooperation with Future Farmers of America in Michigan.

To enter the contest FFA members should submit a 250 to 500 word essay on the subject "Building Horizons on Our Heritage" to: Farm News essay contest, P.O. Box 960, Lansing, Mich. 48904 no later than November 15, 1975.

The winner will be announced during the Michigan Farm Bureau annual meeting in Grand Rapids, December 9-12, with the winning essay being published in the January 1976 Farm News.

First prize will be an all expense paid trip for two to the American Farm Bureau Federation annual meeting in St. Louis, January 3-8, 1976. The trip will be by Amtrak Turbo-train and will include a half day sightseeing tour of Chicago and a full day tour of St. Louis plus the convention activities.

Second prize will be \$100 and third prize will be \$50.

F.B.S. engineer presents research

Farm Bureau Services Agricultural Engineer Charles Hausmann recently presented the results of his research in diaphragm construction for farm buildings to the summer conference of the American Society of Agricultural Engineers meeting at the University of California at Davis.

The bi-annual engineering conferences bring together leading agricultural engineers from cooperatives, industry and universities throughout the country, and also include many foreign visitors.

Hausmann presented a paper to the conference entitled "Pole Barn Wind Resistance Design Using

Diaphragm Action," co-authored by Michigan State University Agricultural Engineering Professor Dr. Merle Esmay.

"We see the application of diaphragm panel construction as a major stride for farm buildings" said Hausmann, "and we were pleased to share with our colleagues the results of the cooperative research that led to its development."

Hausmann and Dr. Esmay conducted a series of experiments in 1974 that showed buildings utilizing special construction in the roof and side covering are from 20-60% stronger against wind loading than most conventional buildings. Diaphragm construction eliminates the need for knee braces, allowing more inside room, while at the same time creating a stronger building. The engineering principle had been applied previously in the aircraft industry and commercial buildings, but this was the first time it had been applied extensively for farm buildings. Farm Bureau Services presently employs diaphragm panel construction in the building of farm structures.

Full details of the experimentation are available from the agricultural engineering department of Michigan State University, in a pamphlet numbered AEIS-326.

farmers of the week

QUALITY FARMING OPERATIONS • AGRICULTURAL/COMMUNITY INVOLVEMENT



Marvin Fike

122 cow Lenawee County dairy farm * Active in local Farm Bureau group * Active in Lenawee County Foster Parents Group * Foster parents to 18 children in past 8 years.



Harold Gremel

850 acre Huron County dairy farm * Past member of local school board * Has been on the board of the Farmers & Merchants Bank of Sebawaing for past 25 years.



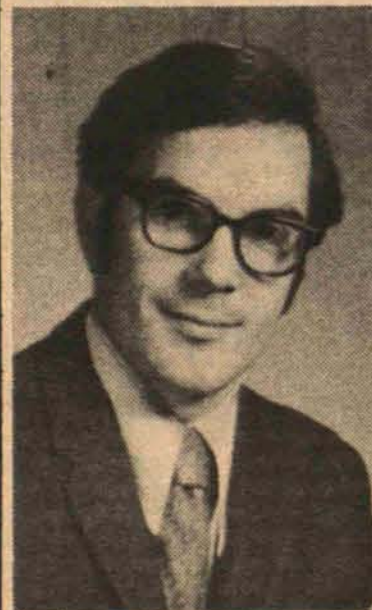
David & Clinton Ivory

620 acre Lapeer County dairy & cash crop operation * David is Lapeer County Farm Bureau president, member of Hadley Fire Department * Clinton is member of Michigan Milk Producers, Hadley volunteer fire dept.



Donald Swanson

1800 acre Muskegon County pickle operation * Past president Ravenna Chamber of Commerce * Ravenna Lions Club * Advisory Board of Planning Committee of Ravenna Twp.



CHARLES HAUSMANN

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CAPITOL REPORT

Legislature adjourns

Robert E. Smith



The Legislature finally adjourned for a summer recess on August 14. It has been the longest pre-summer recess session in 16 years. Some legislators, and others who have been on the Lansing scene for a long time, called it "the longest, most difficult session in the history of the Michigan Legislature."

There are still numerous issues left on the calendar for the return of the Legislature on October 13 for the fall session.

At the beginning of the session last January, the Legislature was faced with a most serious fiscal situation. The voter decision at the last election to repeal the sales tax on food meant that some \$200 million of revenues would be lost. In addition to that, the economic recession meant that other revenues from industry and other types of taxes would be severely cut. This left a very serious imbalance in the state's budget and caused the Governor, by executive order, to cut spending across the board.

The budget approved for the coming year totals some \$3.04 billion in the General Fund budget. Last year's spending was about \$2.84 billion. The sum this year being some \$200 million higher. However, the budget contains a provision that there must be a 1.5 percent reduction of the amounts authorized in the budget bills. This will bring, hopefully, the budget for the coming year barely into balance. If not, additional cuts may be required during the year.

The Michigan constitution requires that the budget be balanced and that if it shows it will be out-of-balance, the Governor is required to make cuts as necessary.

The largest portion of the budget is Social Services or Welfare. This totals, along with federal moneys, \$1.79 billion. \$954.1 million of which comes from the State General Fund. Some legislators make a valiant attempt to remove some of the welfare loopholes that make it possible for some persons to qualify for welfare that should not be eligible.

The second largest portion of the budget is \$1.37 billion for school aid. \$705.4 million of this total comes from the General Fund and \$665 million comes from other funds which are ear-marked for school aid such as sales tax and certain other revenues. The new school aid formula is a two-part system guaranteeing to local K-12 districts \$42.40 per mill for each pupil up to 20 mills of local effort, and \$38.25 per mill for each pupil from 20 mills through 27 mills of local tax effort. The bill also contains a sixth-tenths of one percent cut-back on the combined state aid in order to help balance the budget. In those wealthier districts who do not qualify for state aid, the cut-back will be based on their local tax revenues and deducted from certain categorical moneys that they qualify for from the State. This is expected to save some \$14 or more million.

Some of the larger items in the total school aid appropriation include:

\$840 million for the formula portion.

\$92.7 million for special education.

\$21.2 million for vocational education.

\$62.8 million for transportation. \$22.5 million for compensatory education.

\$27 million for municipal overburden.

\$256.8 million for retirement funding.

Retirement costs alone take nearly 20 percent of the entire school aid appropriation.

On the average, about 50 percent of school costs come from state aid. The remaining costs are made up of local tax revenues and federal aid.

TAXATION

Balancing the budget requires essential tax revenues. The Legislature, this year, made several major changes in the Michigan tax structure. In fact, the whole system of taxation of business was completely changed.

H.B. 4640, originally known as the Business Privilege Tax, is now called the "single business tax". It was designed to simplify the taxation of all business through a more equitable system, hopefully to change Michigan's image as a high business tax state and to encourage job-producing businesses to come to Michigan. In addition to H.B. 4640, eight other bills were part of the package repealing most of the existing business taxes including the Corporate Franchise Fee, Corporate Income tax, personal property tax on inventory, and others including certain intangibles, financial institutions, insurers, etc.

"The single business tax" applies to all types of businesses from the largest corporation on down to doctors, lawyers, stores on Main Street, realtors, farmers, etc. etc. There was a unsuccessful effort to exempt agriculture from the legislation. However, through various exemptions and other provisions, most farmers and other small businesses will be totally exempt.

The major provisions of the bill as passed are: the tax base is made up of adding together wages paid, 72 percent of the depreciation (declines to 40 percent in later years), interest paid out and profits. From this amount can be deducted 100 percent of any new investment. Also, a small business exemption of \$34,000, meaning that a taxpayer with income from his business of less than \$34,000 can qualify for the entire exemption. Those with profit income of between \$34-51,000 receive a partial deduction. Businesses with wage costs in excess of 65 percent of the base also can make certain deductions. The rate of tax is 2.35 percent. It is possible to deduct any tax from the federal income tax liability. There is also another provision permitting individuals to be eligible for a tax credit against their individual income tax, for a portion of their single business tax liability. It is a sliding scale beginning with a credit of 20 percent of the tax down to 10 percent.

Another provision, especially helpful to farmers, is a Farm Bureau amendment which would allow income averaging. Some of the amendments result from Farm Bureau involvement as a member of an advisory committee that was created by the Legislature.

There are, of course, numerous other provisions but these are the highlights.

PROPERTY TAX RELIEF--

Another important tax bill that will provide major property tax relief to agriculture was passed along with the single business tax legislation. This bill (H.B. 5085) among other things, amended the Homestead Exemption Act of a couple of years ago. Under that Act which applies to farms, 60 percent of the property tax in excess of 3 1/2 percent of the household income is refunded from the state. The limit has been increased from \$500 to \$1200. This is a major additional property tax relief to farmers and in those few cases where some farmers might be liable to the single business tax, the additional property tax refund is very likely to eliminate the tax.

INCOME TAX--

Another tax change by the Legislature increased the personal income tax by 0.7 percent, raising it from 3.9 percent to 4.6 percent. The revenues from this increase will offset the revenues lost by repealing the sales tax on food.

PROPERTY TAX--

A couple of bills that could be significant in individual cases were passed. One was a bill to permit the taxpayer to appeal directly to the State Tax Tribunal if the final equalization results in his property being assessed at more than 50 percent. Taxpayers normally are required to appeal first to the local board of review, but a change in state equalization can cause a rise in assessment after the normal appeal deadline has passed.

Another new law will require units of government to reduce millage rates when assessments have been increased because of state ordered equalization. Schools are exempt from the provisions of the bill.

REVENUE SHARING--

Another area that has been changed by the Legislature is setting a different formula for dividing some \$319 million among local units of government. Changes include the guarantee that counties will receive a net gain of 30¢ per capita during the state take-over of county general assistance welfare programs. This increase in revenue sharing will be permitted even though there may be a declining of state funds to the counties. Cities, villages and townships will receive \$262.1 million as allocated by formula. Guarantees are decided by the local tax rate. Units that levy less than one mill will be guaranteed \$17 per capita the same as before, but those levying higher taxes will receive at least one dollar more per capita to raise the minimum to \$20.50, and as high as \$25.00 when at least 5 1/2 milles are levied. The top figure is \$4.50 more than the present guarantee.

AGRICULTURE--

The most recent bill signed into law by the Governor is an updating of Michigan's fertilizer law. It can be called a truth and labeling regulation for fertilizers and soil conditioners. The Agriculture Department has the authority to regulate the manufacturing, distribution, sale, labeling and advertising of fertilizer and soil conditioners. Similar legislation was passed earlier in the year updating Michigan's feed law and bringing it into conformity with the

uniform feed law recommended for state government.

Michigan's Fluid Milk Act was also updated, changing the butterfat requirements, requiring consumer protection by way of dating cartons and other new provisions which brings Michigan into a position to maintain its competitive situation with other states.

Michigan Weights and Measures Act was also given a more modern look.

Another important piece of legislation, of a special importance to livestock and dairy farmers permits the certification of "animal technicians." These are trained persons who will be permitted to work under the guidance of veterinarian practitioners.

The new Public Act 153 was a major piece of legislation for Cooperative Marketing Associations requiring processors to make deductions of marketing fees when requested to do so by the grower and his marketing association.

Several other important agricultural bills remain in committee and will be considered when the Legislature reconvenes in October.

TRANSPORTATION--Legislation has been signed authorizing the sale of \$150 million dollars in bonds for transit construction and permitting railroad subsidization. This is expected to be the first step in a massive state program to assist in the construction of transportation facilities. It is further expected that a measure will be placed on the 1976 ballot for a one billion dollar bond proposal. A similar proposal was defeated at the last election. Thirty million dollars borrowed from the state trunkline fund will be added to the \$150 million dollars resulting from the new legislation and \$80 million in locally raised funds, which together will qualify the state to receive some \$700 in federal aid. The bonds will be repaid by 75 percent of the revenues from the 1/4¢ per gallon gas tax that was authorized to be used to aid transportation systems. The legislation also permits the State Highway Commission to assist in railroad reorganization and also is designed to help prevent abandonment of 1200 miles of railroad lines.

Future Michigan Farm News articles will go into more detail on the more complicated legislation.

County annual dates set

Alcona	Nov. 3	Kent	Sept. 30
Allegan	Oct. 30	Lapeer	Oct. 16
Alpena	Oct. 16	Lenawee	Sept. 25
Antrim	Oct. 9	Livingston	?
Arenac	?	Mac-Luce	Oct. 6
Barry	Oct. 22	Macomb	Oct. 22
Bay	Oct. 28	Manistee	Nov. 6
Benzie	Oct. 13	Mason	Oct. 7
Berrien	Oct. 23	Mecosta	Oct. 6
Branch	Oct. 13	Menominee	Oct. 9
Calhoun	Oct. 7	Midland	Oct. 20
Cass	Oct. 18	Missaukee	Oct. 7
Charlevoix	Oct. 1	Monroe	Sept. 23
Cheboygan	Oct. 20	Montcalm	Oct. 21
Chippewa	Oct. 7	Montmorency	Oct. 2
Clare	Oct. 4	Muskegon	Oct. 9
Clinton	Oct. 14	Newaygo	Oct. 14
Copper Country	Oct. 1	N.W. Michigan	Oct. 8
Eaton	?	Oakland	Oct. 23
Emmet	Oct. 13	Oceana	Oct. 20
Genesee	Oct. 16	Oshtemo	Oct. 30
Gladwin	Oct. 7	Osceola	Oct. 21
Gratiot	Oct. 8	Otsego	Oct. 21
Hillsdale	Oct. 6	Ottawa	Oct. 23
Hiawathaland	Oct. 4	Presque Isle	Oct. 8
Huron	Oct. 23	Saginaw	Oct. 16
Ingham	Oct. 2	St. Clair	Oct. 7
Ionia	Oct. 6	St. Joseph	Oct. 13
Iosco	Oct. 29	Sanilac	Oct. 8
Iron Range	Oct. 2	Shiawassee	Oct. 20
Isabella	Oct. 16	Tuscola	Sept. 30
Jackson	Oct. 7	Van Buren	Nov. 1
Kalamazoo	Oct. 14	Washtenaw	Oct. 9
Kalkaska	Oct. 14	Wayne	Oct. 7
		Wexford	Oct. 21

For ag. alumni

Autumnfest planned

MSU's College of Agriculture and Natural Resources Alumni Association will hold its first annual Alumni AutumnFest, Sept. 12-13, on the MSU campus.

The two-day event includes overnight accommodations at Shaw Hall, site of the AutumnFest.

The AutumnFest is the first activity of the Ag. Alumni Association, which was chartered during Farmer's Week, 1975.

Departmental open houses are scheduled for Friday afternoon

and Saturday morning with faculty on hand to greet alumni and friends.

Additionally, a bus tour of the College's research and experimental facilities is scheduled for Saturday morning, as well as walking tours of the Beal Botanic Gardens and Horticulture Gardens.

For information and reservations contact:

MSU Alumni Association
East Lansing, Mich.

NATIONAL NOTES

Albert A. Almy

After recess issues



Throughout the month of August, the 94th Congress has been in recess. When the Congress returns in early September, several issues will receive attention. These issues include railroad reorganization, consumer protection agency and deregulation of natural gas.

Railroad Reorganization

With submission of the Final System Plan (FSP) to Congress on July 26, the United States Railway Association (USRA) met its responsibility under the Regional Rail Reorganization Act of 1973. Congress will now have 60 days to consider the FSP. The 60-day period will expire on November 2. Unless neither House of Congress passes a resolution rejecting the FSP, it will become effective as proposed by USRA.

Under the Regional Rail Reorganization Act of 1973, a private for-profit corporation known as ConRail will be created to operate the reorganized Midwest-Northeast Region rail system. Under the FSP, the Midwest-Northeast Region rail system would be built around three major operations: ConRail, with the bankrupt Penn Central as its core and including elements of the smaller bankrupt railroads such as the Ann Arbor; an expanded Chessie system that would expand major parts of some of the bankrupt carriers; and Norfolk and Western and smaller solvent carriers operating over existing tracks but with some new trackage rights and services. According to USRA, The ConRail system would account for about 37% of the Region's total net ton miles yearly; the Chessie system 32%; Norfolk and Western, 21%; and the smaller solvent lines, 10%.

Throughout the reorganization process, Michigan Farm Bureau has been deeply involved in the controversy surrounding light density or branch lines. These are the lines that extend into rural communities and service much of agriculture's needs. Despite voluminous data supplied by many rail user groups supporting inclusion of branch lines in the FSP, the USRA has been generally unresponsive.

Therefore, if Congress approves the FSP as presented by USRA, the continuation of service on many branch lines serving Michigan's rural areas will depend upon designation by the Michigan Department of State Highways and Transportation. Those branch lines that are designated will be eligible for 70% federal and 30% state subsidies to continue operations for a period of two years.

In terms of Michigan alone, the FSP proposes to abandon rail service on slightly more than 1,100 miles of track. Virtually all of this is branch line trackage. The area north of a line from roughly Saginaw to Muskegon would be especially affected.

Michigan Farm Bureau is now working with other allied groups in an effort to measure the full impact of the FSP upon agriculture and the rural economy. Members of the Michigan Congressional delegation will be informed of the findings of this group and asked to react accordingly when the FSP is considered by Congress.

Consumer Protection Agency

The House Government Operations Committee reported H.R. 7575 just before its August recess. H.R. 7575 would create an independent Consumer Protection Agency (CPA) to serve as a

consumer advocate in the proceedings of nearly all government agencies.

A similar bill -- S. 200 -- passed the Senate earlier, but contained an exemption for USDA activities related to the initial sale by producers of agricultural commodities. However, all USDA programs affecting commodities after sale by producers would be subject to intervention by the CPA. H.R. 7575 contains no such exemption.

Evidence that agriculture would be a prime candidate for CPA intervention was provided in remarks to the Senate by Senator Charles Percy (R-Illinois). Reprinted in the Congressional Record, his remarks cited milk marketing orders, meat grade standards, fruit and vegetable marketing orders, CCC activities, and use of cattle growth stimulants as activities with clear-cut consumer interests.

Both the Senate-passed bill and H.R. 7575 exempt labor disputes from CPA intervention. Opponents of legislation to create a CPA have pointed out that labor disputes do constitute a consumer interest. However, amendments to remove the labor exemption have been defeated.

The Senate bill was passed on a 61 to 28 vote and the House Government Operations Committee reported H.R. 7575 by a 29-9 vote. Many Washington observers expect the House to pass H.R. 7575 and that the best chance to defeat creation of an independent CPA will be a possible veto by the President.

Natural Gas

Pessimistic reports during the past month about supplies of natural gas have served to emphasize the immediate and long range impacts of this problem upon farmers and consumers.

Natural gas is critical to the production of nitrogen fertilizer, which is credited with providing one-third of the productive capacity of crops. Therefore, the ability of farmers to produce and the assurance of adequate food to consumers are at stake.

A basic cause of natural gas shortages is price controls imposed at the wellhead. As a result of a 1954 Supreme Court decision, the Federal Power Commission has regulated the wellhead price at which natural gas may be sold in the interstate market. The wellhead price of natural gas has been granted only token price increases since 1954.

This artificially low pricing of natural gas has discouraged exploration for new sources and encouraged the use of natural gas because of its low cost in comparison with other fuels. It is ironic to note that in 1946, 1953 and 1973 Congress decided price controls were unsound and rejected them. Yet, Congress has not allowed control of wellhead pricing for natural gas to end.

Earlier this year, the Senate Commerce Committee reported S. 692, which would extend price controls on natural gas rather than move in the direction of deregulation. Farm Bureau has been a leading opponent of natural gas regulation at the wellhead. Accordingly, a bill has been introduced by several Senators, including Senator Griffin (R-Traverse City), that would move toward deregulation of natural gas. This bill will be offered as a substitute for S. 692 when it is considered by the Senate.

The substitute bill would immediately decontrol new on-shore natural gas, increase prices but delay decontrol of prices on off-shore natural gas, provide a priority for agricultural production and processing and limit the use of natural gas by low priority users. Currently, about 17% of the cost

of natural gas is attributed to the wellhead price. Pipeline transportation and local distribution charges comprise the remaining cost. It has been estimated that a 400% increase in the wellhead natural gas price would result in a 35% consumer cost increase. With 95% of the natural gas used in

Michigan being piped from other states, the issue of deregulation of wellhead pricing becomes very important.

Corps of Engineers

In the August issue of Michigan Farm News, this column reported (Please turn to page 6)

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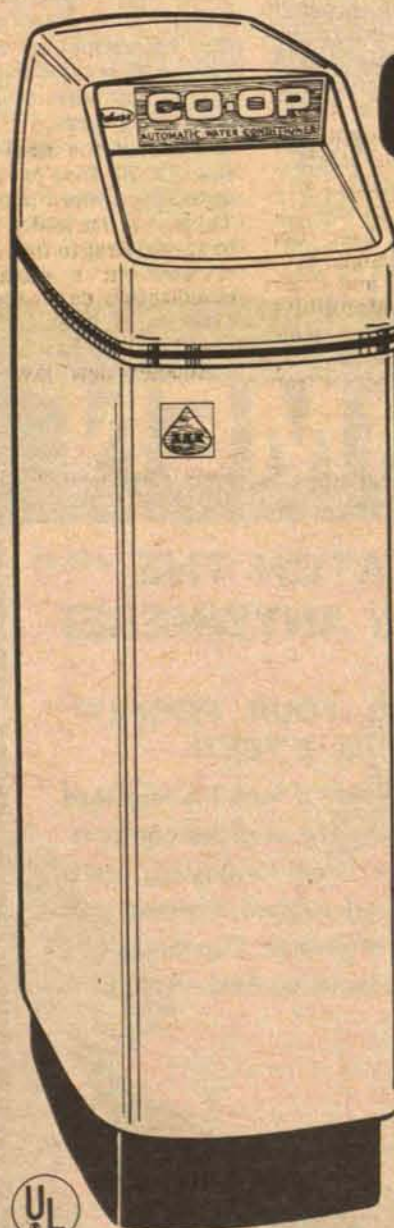
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- Dependable service and consultation on water problems by factory-trained water conditioning experts.



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Pick own grapes



Grape stomping at the Grape and Wine Festival in Paw Paw.

Fall is harvest time in southwest Michigan. This means the Concord Grape. The Michigan Concord Grape is a unique quality grape for all uses—jams, jellies, juice, and wine. This year's crop is outstanding in quality and size. The crop is the largest in recent years, with the current prospect of it containing the highest sugar and flavor levels ever. The vineyard operators are gearing up to market this excellent crop now.

One group of five grape growers, who call themselves "Les Cinq Vineyards", has joined together to sell U-pick fresh grapes right from the vine. There has been U-pick on many other crops, but very few grape growers allowed customers to pick their own. The growers composing "Les Cinq Vineyards" felt that with more people canning and freezing fruit and vegetables, grape processing would be a natural. The whole family would really enjoy the beautiful picturesque countryside with its lush

vineyards nestled in the rolling hills of Paw Paw, Lawton, and Hartford in Van Buren County.

During this beautiful time of year "The Grape and Wine Country" of southwest Michigan puts on "The Grape and Wine Festival". The festival takes place in Paw Paw, Michigan from September 18 through September 21.

A weekend outing could be enjoyed by combining the activities of the Grape and Wine Festival and the U-pick adventure. The activities of the festival include grape stomping contests, wine tasting, parades, balloon rides, displays, tours, a midway, grape farming equipment, bands, music, dancing, and the crowning of the Festival Queen.

For more information on U-pick and a brochure, write Don Thornton, "Les Cinq Vineyards", care of the Van Buren County Farm Bureau, Route #4, Paw, Paw, MI 49079 or telephone (616) 657-5561.

H.B. 4921 victory a close one

(Continued from page 1)

has always seen fit to exempt agriculture, along with 27 other occupations.

National

(Continued from page 5)

on the status of proposed regulations issued by the Corps of Engineers to expand its permit program over activities affecting navigable waters of the United States. At that time, the proposal would have required many farmers to obtain a Corps permit to conduct normal tillage operations and construct or enlarge a farm pond.

Farm Bureau at all levels vigorously opposed the inclusion of agriculture under the Corps permit program and any expansion of the permit program. Nearly 4,500 replies were received by the Corps during the period allowed for comments on the proposed regulation.

On July 25, the Corps issued an interim regulation which is most favorable to agriculture. The definition of "navigable waters" has been revised to exclude drainage and irrigation ditches. It would also exclude farm ponds unless created by impounding a navigable waterway. The definitions of "dredged material" and "fill material" have been revised to exclude materials from normal farming activities such as plowing, cultivating, seeding and harvesting for the production of food and fibre. Farm conservation practices such as terracing, check dams and landleveling are also exempt unless occurring in navigable waters.

The interim regulation will be open for 90 days to public comments. The Corps of Engineers will also be holding public hearings on the interim regulation at locations and dates to be announced soon.

VOTING LIST

A YES vote is for farmers

Roll Call No. 1033

Yeas—53

- | | | | |
|--------------|-----------|----------|-------------------|
| Albosta | Fredricks | Kok | Smith, J.F. |
| Anderson | Gast | Larsen | Smith, R. |
| Angel | Geake | Maynard | Spaniola |
| Armbruster | Geerlings | McNamee | Spencer |
| Binsfield | Gerals | Mittan | Stevens |
| Brotherton | Griffin | Mowat | Stopczynski, S. |
| Brown | Hasper | Nash | Stopczynski, T.C. |
| Busch | Hayward | Ostling | Strang |
| Cawthorne | Hoffman | Porter | Trim |
| Conlin | Holmes | Powell | Van Singel |
| Cramton | Jacobetti | Prescott | Varnum |
| Defebaugh | Jowett | Sackett | Welborn |
| Engler, C.H. | Kennedy | Sharpe | Young, J.F. |

Nays—41

- | | | | |
|---------------|------------|------------|-------------|
| Bennett | Goemaere | Markes | Rocca |
| Bonior | Hertel | Mastin | Rosenbaum |
| Bullard | Holcomb | Mathieu | Ryan |
| Clodfelter | Hollister | McCollough | Scott |
| DiNello | Hood, M.W. | Monsma | Sheridan |
| Dutko | Hood, R.W. | Novak | Symons |
| Edwards, G.H. | Hunsinger | Ogonowski | Vaughn |
| Elliott | Jondahl | O'Neill | Wolpe |
| Fessler | Keith | Owen | Young, R.A. |
| Forbes | Legel | Padden | McNeely |
| Gingrass | | | |

A NO Vote is for Farmers

Roll Call No. 1034

Yeas—48

- | | | | |
|---------------|------------|------------|-------------------|
| Anderson | Gingrass | Legel | Rocca |
| Bennett | Goemaere | Markes | Ryan |
| Bonior | Harrison | Mastin | Scott |
| Bullard | Hertel | Mathieu | Sheridan |
| Clodfelter | Holcomb | McCollough | Stopczynski, S. |
| Collins | Hollister | Monsma | Stopczynski, T.C. |
| Cushingberry | Hood, M.W. | Montgomery | Symons |
| DiNello | Hood, R.W. | Novak | Vaughn |
| Dutko | Hunsinger | Ogonowski | Wolpe |
| Edwards, G.H. | Jacobetti | O'Neill | Young, J.F. |
| Elliott | Jondahl | Owen | Young, R.A. |
| Forbes | Keith | Padden | McNeely |

Nays—48

- | | | | |
|--------------|--------------|----------|-------------|
| Albosta | Engler, J.M. | Kennedy | Sackett |
| Angel | Fessler | Kok | Sharpe |
| Armbruster | Fredricks | Larsen | Smith, J.F. |
| Binsfield | Gast | Maynard | Smith, R. |
| Brotherton | Geake | McNamee | Spaniola |
| Brown | Geerlings | Mittan | Spencer |
| Busch | Griffin | Mowat | Stevens |
| Cawthorne | Hasper | Nash | Strang |
| Conlin | Hayward | Ostling | Trim |
| Cramton | Hoffman | Porter | Van Singel |
| Defebaugh | Holmes | Powell | Varnum |
| Engler, C.H. | Jowett | Prescott | Welborn |

A NO Vote is for Farmers

Roll Call No. 1035

Yeas—49

- | | | | |
|---------------|------------|------------|-------------|
| Anderson | Gingrass | Keith | Rocca |
| Bennett | Goemaere | Legel | Rosenbaum |
| Bonior | Harrison | Mastin | Ryan |
| Bullard | Hertel | Mathieu | Scott |
| Clodfelter | Holcomb | McCollough | Sheridan |
| Collins | Hollister | Monsma | Sietsema |
| Crim | Hood, M.W. | Montgomery | Symons |
| DiNello | Hood, R.W. | Novak | Vaughn |
| Dutko | Hunsinger | Ogonowski | Wolpe |
| Edwards, G.H. | Jacobetti | O'Neill | Young, J.F. |
| Elliott | Jondahl | Owen | Young, R.A. |
| Fessler | Kehres | Padden | McNeely |
| Forbes | | | |

Nays—50

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|--------------|-------------------|
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| Angel | Markes |
| Armbruster | Maynard |
| Binsfield | McNamee |
| Brotherton | Mittan |
| Brown | Mowat |
| Busch | Nash |
| Cawthorne | Ostling |
| Cramton | Porter |
| Defebaugh | Powell |
| Engler, C.H. | Prescott |
| Engler, J.M. | Sackett |
| Fredricks | Sharpe |
| Gast | Smith, J.F. |
| Geake | Smith, R. |
| Geerlings | Spaniola |
| Gerals | Spencer |
| Griffin | Stevens |
| Hasper | Stopczynski, S. |
| Hayward | Stopczynski, T.C. |
| Hoffman | Strang |
| Holmes | Trim |
| Jowett | Van Singel |
| Kennedy | Varnum |
| Kok | Welborn |

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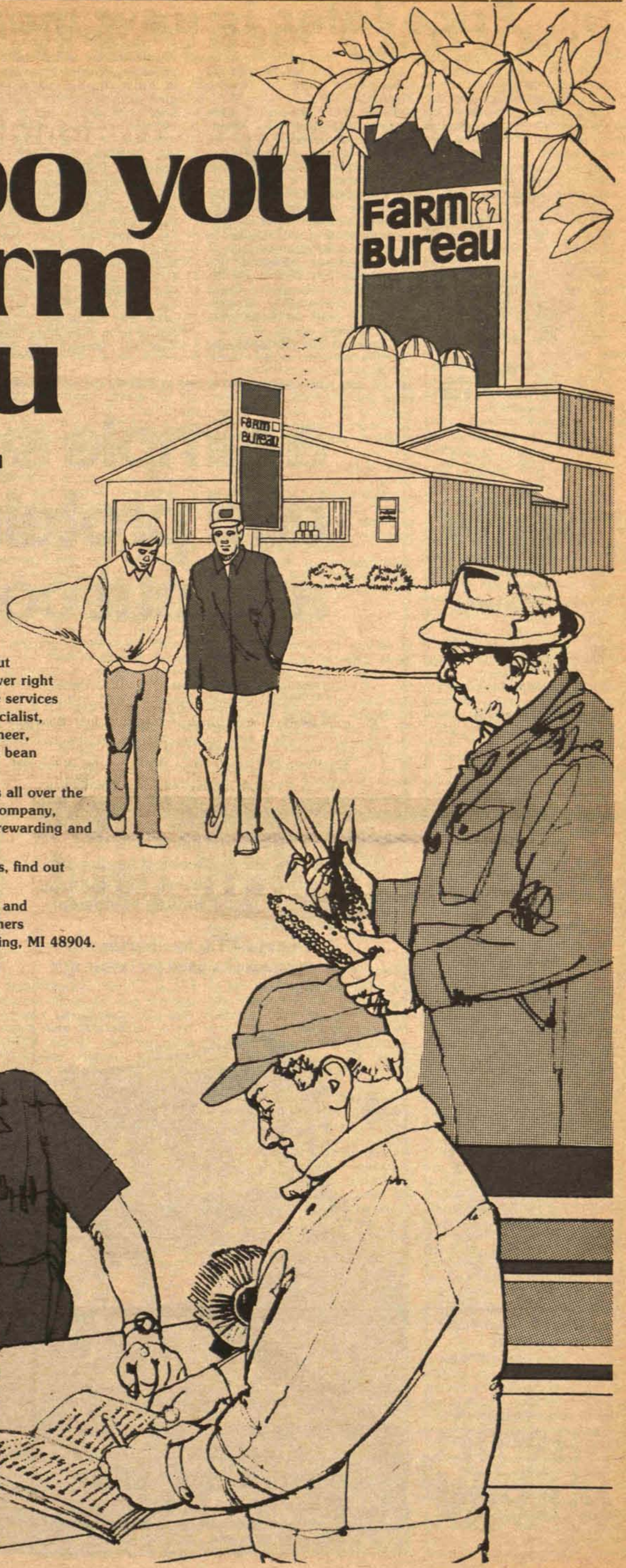
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**ASK THE
FARM BUREAU
PEOPLE**



Price-later is new marketing option

Historically, farmers producing cash grain have had two marketing options -- sell the grain at harvest for harvest prices or store the grain for sale at a later date when prices may be better. As a result of increased grain production and greater worldwide demand for U.S. grain, a growing number of producers have chosen to store their grain rather than sell at harvest time.

In recent years, a new marketing tool has emerged for farmers who choose not to sell grain at harvest. This relatively new marketing tool is the price later agreement. The price later agreement allows a farmer to deliver grain at harvest to his local elevator; but, instead of receiving that day's price or a

warehouse receipt, he signs an agreement that allows him to choose some future date to price the grain.

Price later agreements have both advantages and disadvantages. In addition to the obvious producer advantage cited above, other advantages include the following:

1. Elevators can give better service to farmers through more efficient use of storage. Title of the grain transfers to the elevator upon execution of the price later agreement. The elevator can then move the grain and continue to accept grain delivered by farmers when it could not accept grain for straight storage.
2. Elevators can realize freight

savings which means better prices to producers. In the case of Farm Bureau Services, grain delivered under a price later agreement is kept at the elevator if storage space is available. If storage space is not available, the grain is shipped to a terminal under a price later agreement. However, because rail rates offer large freight advantages for shipments direct to final destination, the grain goes direct to the buyer in cases of rail shipments. In this case, Farm Bureau Services buys an equal amount of grain in other positions to offset the sale of the price later rail shipment. This results in no more grain being sold than farmers had sold

collectively but does result in large freight savings, which nets the farmer a higher price because he pays the freight on whatever he sells.

3. Charges are less than straight storage charges because of the flexibility of using storage any place in the state without actually paying the shipping cost to make maximum use of total storage space. In a multi-elevator company like Farm Bureau Services, where both large and small elevators are operated, price later agreements make it easier to move grain and give farmers equal service whether their local elevator happens to be large or small.

The primary disadvantages of

price later agreements are the following:

1. Elevators could sell the grain direct and not buy an equal amount in another position, which may affect the market.
2. Elevators which do not buy grain in another position may sell price later agreement grain at the wrong time. This could result in a loss and difficulty paying the farmer for the grain when he chooses to sell.

A price later agreement does not constitute a warehouse receipt and, therefore, offers the producer no protection if the elevator does not hedge the grain or buy back grain to offset sales of price later agreement grain.

Ask the Farm Bureau People at:

Albion. Albion Elevator Company
Battle Creek. Battle Creek Farm Bureau

Bauer. Farmers Co-op Elevator
Blissfield. Blissfield Co-op Co.
Buchanan. Buchanan Co-op, Inc.
Caro. Caro Farmers Co-op
Carrollton. Farm Bureau Supply Center

Chesaning. Chesaning Farmers Co-op

Climax. Battle Creek Farm Bureau
Coldwater. Coldwater Farm Bureau Services

Dexter. Washtenaw Farm & Garden Center

Durand. Durand Milling Co., Inc.
Elkton. Elkton Co-operative Farm Produce Co.

Falmouth. Falmouth Co-op
Fowlerville. Fowlerville Co-operative Co.

Hastings. Hastings Farm Bureau
Hemlock. Hemlock Farmer Cooperative, Inc.

Holland. Holland Co-op Company
Howell. Howell Co-op Co.

Hudsonville. Farmers Co-op Elevator

Huron. Wolf Creek Farm Bureau
Ida. Ida Farmers Co-op

Jeddo. St. Clair County Farm Bureau Services

Kalamazoo. Farm Bureau Services
Leslie. Leslie Co-op

Marcellus. Farm Bureau Services
McBain. Falmouth Co-op

Mendon. St. Joseph County Farm Bureau Services

Merritt. Falmouth Co-op

Mt. Pleasant. Farm Bureau Services

Pinconning. Farm Bureau Services

Remus. Farm Bureau Services

Ruth. Ruth Farmers Elevator Inc.

St. Johns. St. Johns Co-op Co.

Sebewaing. Sebewaing Farmers Co-op, Inc.

Stanwood. Farm Bureau Services

Sterling. Farm Bureau Services

Tecumseh. Hayden Mills Inc.

Traverse City. Farm Bureau Services

Vriesland. Farmers Co-op Elevator

West Branch. West Branch Farmers Co-op, Inc.

Yale. St. Clair County Farm Bureau Services

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Farm Bureau

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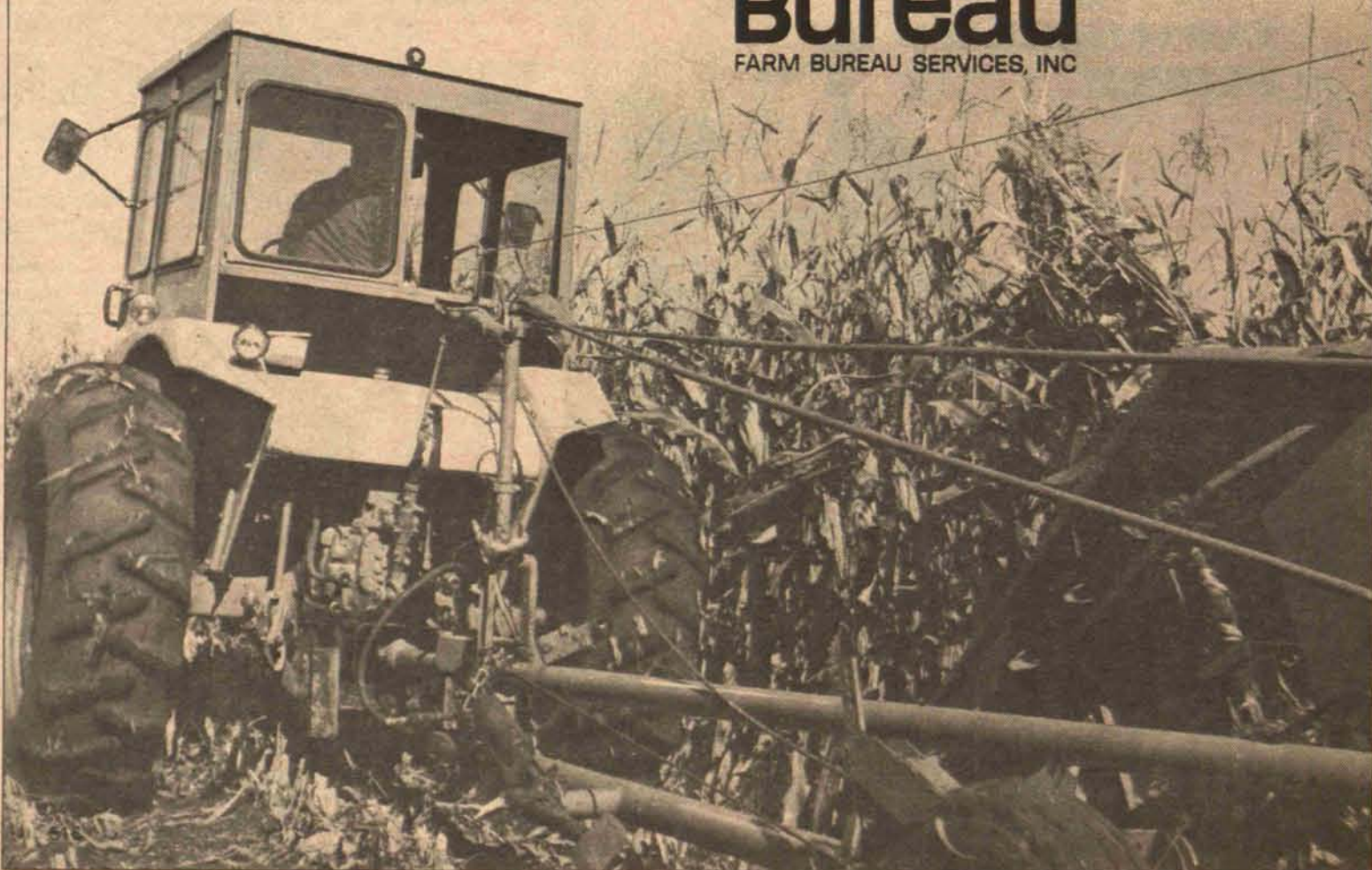
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Where Your Farm Comes First

Farm Bureau
FARM BUREAU SERVICES, INC



Michigan Marketing Outlook

APPLES

The MACMA apple committee has met and decided on the apple prices and, at present, will commence bargaining for final apple prices to be finalized under PA 344. Thursday, August 21, the processors in Michigan will need to decide whether they are going to buy apples in Michigan or not. They have the opportunity of "opting out" of the bargaining picture, or if they do not "opt out", they then will bargain for the product with the apple committee. These prices that we will be bargaining from are Spys — \$5.00 per hundred, hard sauce and preferred slicing varieties — \$4.00 per hundred; Mac's and other Class C varieties — \$3.50 per hundred. These prices are F.O.B. the farm and should be considered cash prices. Juice apples and undersized apples — \$2.00 per hundred pounds. We feel that this is a cash price. Any storage should be carried or figured into the price over and above these prices. Quantity of apples is not to be a negotiated point. Thus far, processor reaction to the price recommendation has been generally favorable.

Dave Wolfe, Marketing Specialist
Market Development Division

CHERRIES

As reported last month, there was an indication that the pack of red tart cherries might be smaller due to hail and wind damage in the cherry crop this year. It has come to pass, the crop is a lot smaller. These are the figures: the Aug. 1 crop pack estimate indicated there would be approximately 200 to 215 million pounds of cherries in the Great Lake States. Taking out the 15% reserve pool, we now have 180 million pounds for market, not 256 million pounds which was originally estimated in June. The figures for the United States as a whole indicates that this crop of 180 million pounds would be similar or comparable to the crop of 1973 at 175 million pounds or 1967 at 178 million pounds. It is obvious that taking these actual pack figures into consideration of the actual

crop, that there will be a scarcity of cherries this year, and these No. 1 cherries will bring a premium. The reserve pool should be very valuable.

When the final figures are published in October, a final decision on what to do with the reserve pool will be made then.

Dave Wolfe, Marketing Specialist
Market Development Division

PEACHES, PEARS, AND PLUMS

These crops have been progressing nicely, and the quality and condition looks to be excellent. The grower bargaining committees met, and the following prices have been established. The Michigan suggested peach price was established at \$132.50 for machine harvested peaches and \$138.75 for hand picked cling peaches. This is based on a two-inch minimum size. The Michigan plum price was suggested at 6½¢ a pound or \$130 per ton. The pear price—\$122.75 for the two-inch size.

Dave Wolfe, Marketing Specialist
Market Development Division

DAIRY

The dairy picture in Michigan is tending toward the brighter side for two major reasons. The crops, including corn for silage, grain, and hay, all look real good at this point in time. In addition to this good news, there appears to be some strengthening in the cheese and butter market, which should exert up-pressure on the MW Series—with a final result of more dollars in the pocket of Michigan dairymen.

The dairy picture should be regarded with guarded optimism as we have seen situations similar to this in the past turn around just as rapidly. At this writing, things are looking good. Hopefully the results will be enjoyed in the near future.

Ron Nelson, Marketing Specialist
Market Development Division

GRAPES

As reported last month by Harry Foster, Manager - MACMA Grape

Growers Division, the grape crop is large in Michigan as well as worldwide and nationwide. A group of growers in southwest Michigan have gathered together to push the fresh marketing of grapes this year. This was done in three ways. A group of growers to fresh market grapes to the retail market was organized with Myron Dowd doing the handling. A U-Pick organization was formed—calling themselves Les Cinq Vineyards. They are promoting a cooperative pick-your-own organization. A third organization, a new processing grape co-op, is also being formed to put the grapes, that do not have a home, into a saleable form to be stored if necessary.

Murch, Inc. has decided to buy some additional grapes on the market this year. The Grape Growers Marketing Committee has decided on \$145 cash price for grapes this year. This looks to be a realistic price for the large quantities of grapes available this year; and, hopefully, the price will allow the wineries to compete with California wine products.

GRAIN

The grain market has been strong lately with the Russian grain purchases in the market. In addition to that, there has been indication that other countries are buying more strongly also. The main cloud over the grain marketing picture at the moment is the refusal to load by the LIA longshoremen. George Meeney and Thomas Gleason have called a strike of the longshoremen's loading of new Russian grain purchases. Farm Bureau has repeatedly made the farmer's position, in the longshoremen's refusal to load, very apparent through AFBF President Kuhfuss's statements. The effect of the

longshoremen's strike is far more complicated than what the consumer wants to know. An action is needed to bring our points across strongly.

For the fiscal year just ending June 30, it was farm products (mainly grain) that put the United States two billion in the black. Farm products represented twelve billion positive balance; exports over imports. Industrial products were ten billion in the red. THIS IS VERY IMPORTANT—a strongly positive, anti-inflation factor in the economy. This needs to be emphasized when there is talk of embargo (sales monitoring of grain exports) of U.S. grain. This would be an entirely different situation if we were coming up with a short grain crop. But on the contrary—the grain crop will, as all indications show, be at or above any previous years on record. We need these grain sales. President Ford has indicated that the U.S. will definitely sell Russia more wheat than feed grains. The administration is presently trying to work out the situation with the LIA in convincing them that there is no shortage and that this is in the best interest of the country.

The market in soybeans, corn, and wheat, while it has advanced in the last six weeks, is well below last year's levels.

SOYBEANS

Generally favorable weather is making the crop potential large and is increasing steadily. Movement of old beans has not increased sharply. The meal and oil markets have been sluggish in terms of volume. Soybean futures have continued to be buoyed up by the Russian and other foreign purchase interest. It would seem logical to lock in favorable profit margins at this time and forward

contract at least enough soybeans to meet anticipated obligations. Speculation with the rest of the crop seems to rest on your evaluation of foreign sales potential and worldwide recover from the recession.

CATTLE

The feeder cattle market has been under pressure in July and most of August. The plain, low-quality beef type cattle and holsteins are being discriminated against—ranging from \$10-\$12 per CWT below Choice price.

Feeder Cattle prices are anticipated by many experts to weaken in the next couple of months. This is due to large numbers of feeder cattle, weaker slaughter prices, and high feed costs.

Some analysts see a better feed price situation developing as the feed grain crop is harvested and binned.

Again this year, yearlings are selling for more than calves.

POTATOES

As reported earlier, the acreage on potatoes is down in Michigan as well as in the U.S. The Red River flood damage is far worse than earlier anticipated. The price of potatoes has moved steadily upward, and prospects for higher winter prices on potatoes are good.

HOGS

Hog prices have steadily inched upward during August to the \$60 range. Indications are they will remain high as slaughter numbers continue to decline from previous weeks and year-ago figures.

Expansion in feeder pigs continues to be slow as feed costs remain uncertain.

David Wolfe, Marketing Specialist
Market Development Division 30

Supply



Report

By Greg Sheffield, Marketing Manager FBS

GENERAL — The record forecast of grain and soybean harvests announced this past August were followed by an immediate sell-off and then quick commercial support, and these continued ups and downs indicate much interest in the market. We should keep in mind that the United States has an agreement with Japan to keep our grain on stream for three more years. Also, much lower Russian harvests were predicted in the news as well as moderate U.S. carryover stocks and good domestic demand. While grains are in for much free-market price trading, farmer input supplies for growing crops will continue in strong demand. Now is the time for planning your next year's planting season.

FERTILIZER — Fertilizer for fall is now readily available at almost all dealer locations for winding up fall plantings. Predictions for the availability of fertilizer for next spring tend to look like it will be difficult to keep up with demand. This is true even though capacities of fertilizer plants and new facilities have been increased throughout the country. The threat to our natural gas supplies includes a presumption that the production of agricultural ammonia could be seriously reduced. Due to these predicted gas shortages, prices may go up toward spring. Last year's trend

toward minor price declines going into spring may not be repeated. Farmers planning large crops would be advised to take fertilizers. Currently more grades of fertilizers are expected to be restored in availability.

PESTICIDES — Farmers bought much more of their pesticides through Farm Bureau Services' dealers in a surge of activity this past season. The increased services local co-operatives have been able to render their farmers in proving valuable to farmers. Information from manufacturers on availability and prices of pesticides for spring will come at a later date.

FEES — The new Liquid Silage Additive, LSA, containing 100% crude protein and important minerals is gaining in popularity very fast wherever it's introduced. Farmers should be sure to ask their dealers about this new, money-saving milk and beef-producing booster. LSA creates no disagreeable odors and will not irritate eyes or skin as do some other silage additives. LSA also supplies nutrients not raised on the farm, needs no special equipment, and has numerous other money making advantages.

The demand for Farm Bureau feeds continues strong with the Battle Creek Feed Plant producing more feed than in comparable periods last year.

HARDWARE — A report that one supplier would reduce prices on steel posts was not followed up by price reductions from other steel manufacturers. In fact, it now looks as though steel prices will be raised further.

Farmers will fall fencing chores on the list of things to do should get their fencing needs taken care of now. The outlook is not for lower prices on most steel products.

High quality Behlen corn cribs are still available through Farm Bureau dealers looking to storage of their current harvest.

Building supplies are now in good supply and now is definitely the time to order buildings from the Farm Bureau Building Centers. There is a good chance that the economy might heat up along with higher interest rates and increased interest in buildings for commercial purposes.

FUELS & TIRES — While the amount of liquid fuel for farmers is now adequate, predictions are for an increasingly tight supply. Liquid fuel sales through Farmers Petroleum outlets have exceeded last year's sales to date by over 6%. Custom diesel, however, showed an even higher increase over last year at 10.5%.

Tire sales have been picking up and sales are equal to last year. Shortages of a few large tractor tire sizes have persisted.



Clinton County soybean division members [from left] Leonard Puetz, Don Tolles, Lester Becker, Earl Barks and Alden Knight observe soybean plots managed by FFA students of Fulton-Middleton High School.

FFA soybean plots viewed in Clinton

About 30 soybean division members enjoyed the tour of the plots of the Fulton-Middleton High School and the Ovid-Elsie High School. The tour included a picnic potluck at the Duplain Park. Both schools had done a good job in getting their beans in. A total of seven varieties were seen and evaluated.

This project by the Clinton County Soybean Division was unique and very valuable in encouraging FFA students—besides

showing various varieties and weed controls to the Clinton Division members.

The Clinton County Soybean Division offered to FFA classes in various schools in the area the opportunity to plan and execute some soybean demonstration plots. The Soybean Division would help finance the best school project. Both the Fulton-Middleton and the Ovid-Elsie schools had excellent plans; it was decided to help both schools with \$50 each.

Farm income & food stamps

Two policy issues

Because Farm Bureau is a farm family organization, Farm Bureau's basic strength comes from the involvement of a substantial portion of the membership in local and state organizational activities.

Policy decisions are made by members through a development process which gives individual members numerous opportunities to influence policy.

County resolutions on local issues become county policies after adoption at county annual meeting and others become recommendations to Michigan Farm Bureau on state or national issues. State resolutions adopted by the voting delegates at Michigan Farm Bureau annual meeting become policies on state issues and those dealing with national or international issues become recommendations to the American Farm Bureau. National resolutions adopted by voting delegates from member state Farm Bureaus become policies for Farm Bureau everywhere. At every point it's a meeting of minds of the majority.

As Farm Bureau members develop policies in the months ahead many areas will be discussed. The two subject areas covered in this column will, hopefully, provide some "food for thought" in developing policies.

I-HIGHER INCOMES IN THE MARKETPLACE

How can farm families—individually and through their Farm Bureau organization—enhance market opportunities and earn higher incomes in the marketplace? How should farmers and ranchers determine the use of their land? What crops should they plant? Who should determine what acreage should be devoted to various crops?

At the present time the producer matches his anticipated returns against his anticipated costs to determine his most profitable crop or combination of crops. If he grows feed grains, wheat, cotton, or soybeans, he is not required to comply with government acreage allotment or base acreages. The acreages planted to wheat, feed grains, and cotton for harvest in 1974 differ substantially from government acreage allotments for these groups.

The producer also considers local climatic conditions and such natural characteristics of his farmland as topography, waterholding capacity, drainage, and topsoil depth. The tenure under which he holds his land is another important factor.

But the market is a major determinant of land use. And farmers now have access to a wealth of market information.

More worldwide crop production information—including timely and accurate information made possible by the use of earth satellites—is being gathered now than ever before.

Worldwide information on demand for, and consumption of, farm commodities is more extensive and timely than ever before. More reliable data from the Soviet Union and The People's Republic of China are adding to his store of knowledge.

Worldwide market information is now distributed rapidly and accurately over telecommunications and electronic systems.

A farmer's planting decisions are affected by his appraisal of prospective prices for the crops he plans to grow. And farmers now have greater opportunities than ever before to price their commodities for future delivery by selling on futures markets. Trading opportunities are available for more commodities and with a greater choice of delivery dates and places. There are also opportunities to sell farm commodities through forward contracts with handlers as distinguished from the sale of futures on an organized exchange. The opportunity for farmers to form marketing associations is increasing. More grain elevators are posting prices for future deliveries.

Another factor which affects a farmer's planting decisions is the prospective cost of producing his crop. Accurate farm records and cost accounting can indicate a producer's exact past costs on a per bushel, or per bale, basis and will help him to estimate current costs.

Purchasing farm inputs in quantity and accepting advance delivery at the convenience of the supplier can save money. So can participation in group purchasing programs carried on by Farm Bureau Services Companies and cooperatives.

Most farmers borrow money to finance their crop production. Collateral for production loans may be the purchaser's physical assets, his personal credit rating, and contracts for the advance sale of his anticipated production, fortified by contracts to reduce production risks.

The latter may be multi-risk crop insurance policies, which, when written in an atmosphere of competition among private carriers, can be adapted to the specific needs and circumstances of the individual producer.

A farmer who has contracted for the sale of all or part of his crop in advance of planting time—and who carried insurance against the loss of his crop—is in a strong position to seek favorable terms from his credit cooperative or bank.

If the producer requires additional capital after his crop is harvested, he can offer either a warehouse receipt or the actual crop stored on his own farm as collateral.

Producer-controlled storage facilities have become more numerous in recent years. During the past four years, farmers have acquired an additional 300 million bushels of

storage capacity in the form of bins formerly owned by the government.

Most commercial lenders will advance a corn producer up to \$1.50 per bushel on farm-stored grain. Thus a farmer holding 1000 bushels of corn could borrow as much as \$1500 from a bank or credit cooperative. This is over 50 percent more than he can now borrow from the government's Commodity Credit Corporation (which will loan \$1.10 per bushel on 90 percent of the shelled corn in storage).

Opportunities for farmers to increase their net incomes by wise and prudent use of marketing mechanisms have always existed and probably will be greater in the future.

II-CASH AS AN ALTERNATIVE TO FOOD STAMP PROGRAM BENEFITS?

The Food Stamp Program has become a major public welfare program. The number of people participating in this program rose from 13.7 million persons in May 1974 to 19.5 million in May 1975 and is expected to reach 20 million by the end of 1975. The total cost of the Food Stamp Program was around \$4 billion in fiscal 1975 and is likely to be substantially higher in fiscal 1976 unless significant changes are made in the program.

Rapid increases in the cost of the Food Stamp Program and the number of participants in the program have produced a number of recommendation proposals that food stamp benefits be "cashed-out"—that is, that program participants be given cash payments in lieu of food stamps. At its June meeting the AFBF Board asked that the question of "cashing-out" food stamp benefits be submitted to State Farm Bureaus for consideration in the Policy Development Program.

How The Food Stamp Program Works

One of the basic objectives of the Food Stamp Program is to enable low income people to have an adequate diet while using only a certain percentage of their income for food.

Participants are entitled to a monthly allotment of food stamps which varies in value from \$48 for one person to \$278 for a household of eight people. Food stamps are free for one and two-person households with an "adjusted net income" of less than \$20 per month and for all other households with "adjusted income" of less than \$30 per month.

Participants who are not entitled to free stamps may buy food stamps at rates which are based on their monthly net income and the number of persons in a household. For example, a two-person household would pay \$7 for \$90 worth of food stamps if it had a net income of \$40.00 to \$49.99 per month, and \$70 for \$90 worth of stamps if it had a monthly net income of \$290.00 to \$309.99. The corresponding figures for a household of four are \$7 for stamps worth \$162 if net income is \$40.00 to \$49.99 per month and \$138 for stamps worth \$162 if net income is \$540.00 to \$569.99 per month.

The difference between the face value of the stamps and the amount paid for them is sometimes referred to as a "bonus." The effect of the "bonus" in some cases is to permit program participants to use money from other sources for the purchase of nonfood items they would not otherwise buy.

"Adjusted net income" for the purposes of the Food Stamp Program is determined by deducting certain expenses from the household's total income. "These are:

-Ten percent of earned income or training allowance not to exceed \$30 a month.

-Mandatory income deductions including income taxes, social security taxes, retirement payments, union dues, and some types of garnishments.

-Medical cost if more than \$10 a month.
-Costs of child or invalid care that enables a household member to work or train.

-Tuition and required fees for education.
-Financial losses due to fire, hurricane, flood or theft, and costs of funerals.

-Court-ordered alimony and support payments.
-Shelter costs which are more than 30 percent of household income, calculated after all other deductions."

The effect of these deductions is to permit some people who have rather substantial cash incomes to qualify for food stamps.

The percentage of "adjusted net income" participants must pay for food stamps—if they are not entitled to free stamps—ranges from 3.3 percent for a one or two-person household with a monthly income of \$780.00. An Administration effort to require that all participants—other than those entitled to free stamps—pay a uniform 30 percent of their adjusted net income for stamps was overridden by Congress earlier this year.

THE "CASH-OUT ISSUE"

Some people think that the Food Stamp Program is an inefficient method of improving the welfare of low income people. This view is summarized in the following extract from the foreword to "Food Stamps and Nutrition," and "evaluative study" published by The American Enterprise Institute for Public Policy Research:

"Professor Clarkson finds that our government spends in excess of \$1.09 to provide \$1.00 in bonus food stamps that have a value to their recipients of only 82 cents. (This is an average value to recipients as indicated by those surveyed.) In other words, the average recipient would trade his bonus food stamps worth \$1.00 in food products for 83 cents (one cent above 82 cents value) in cash or other goods and think he was better off. Indeed, some recipients would think they were better off if they received only 50 cents in cash instead of \$1.00's worth of additional food, judging by the fact that they sell their bonus stamps, illegally, for less than 50 cents on the dollar."

If this argument is correct, both administrative and operating costs, which are borne by taxpayers, could be reduced by cashing out food stamps. (Administrative costs could be reduced by eliminating the duplication that now exists when people qualify for both food stamps and other welfare benefits; and operating costs could be reduced if participants actually would be willing to trade Food Stamp Program benefits for a smaller amount of cash.)

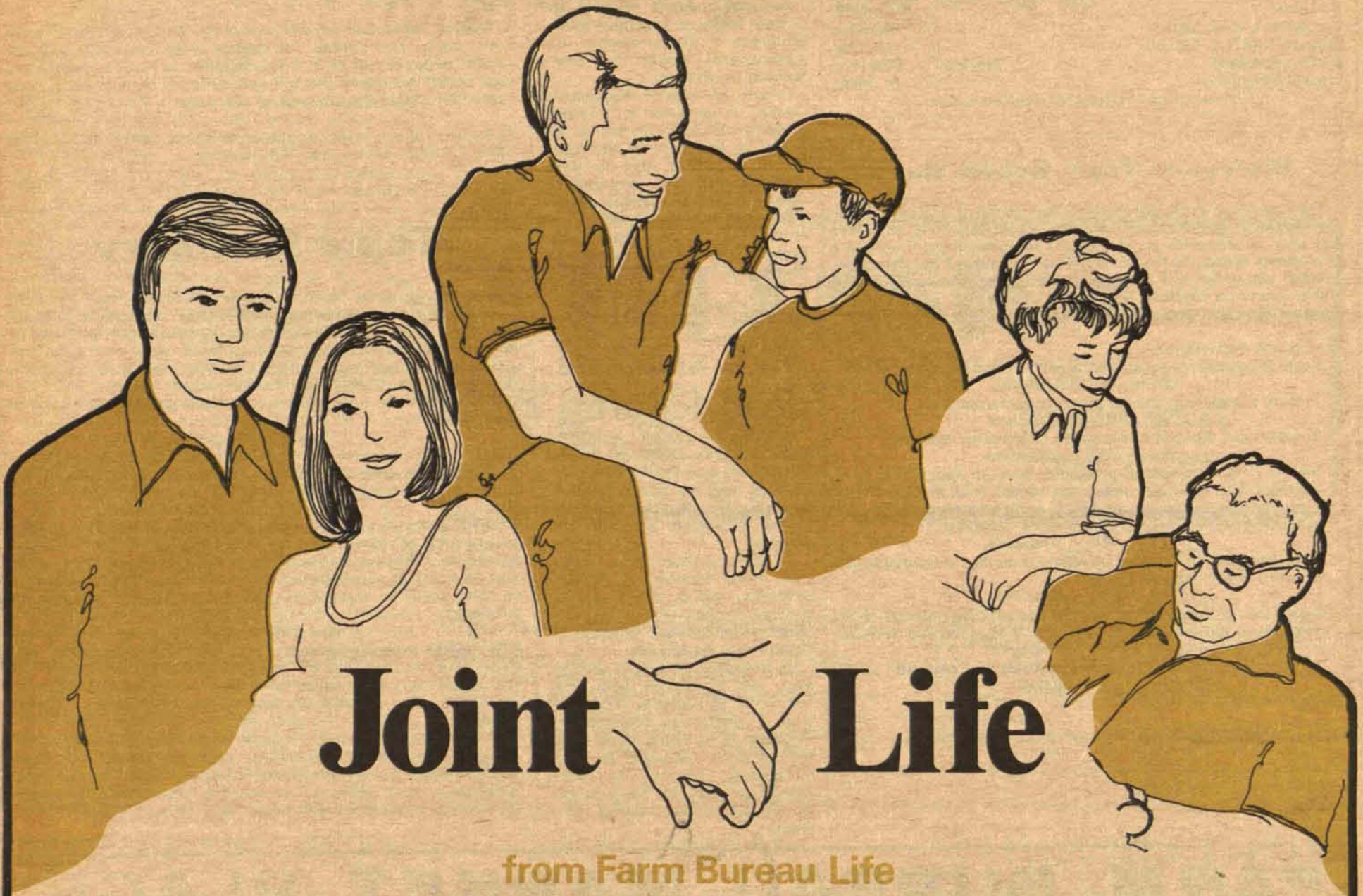
It can be argued that farmers should support continuation of the Food Stamp Program as a means of increasing the domestic retail market for food. Counter-arguments are that (1) the increase in food consumption that actually results from the distribution of food stamps probably is considerably less than the cost of the "bonus" stamps, and (2) around 60 percent of the consumer's retail food dollar goes to people who provide nonfarm services.

One final point needs to be considered. A major objective of the Food Stamp Program is to improve the nutrition of low income people. Regardless of whether or not the program is accomplishing this objective, the idea of earmarking a certain amount of government assistance for food has political appeal to some people. It is argued by some that if food stamp participants were given cash in lieu of stamps some of them would spend it for nonfood purposes. As a result some children would go hungry. This would create political pressure for a return to the current program of providing low income people with government assistance which is earmarked for the purchase of food.

DISCUSSION TOPIC

by **KEN WILES**
Manager Member Relations

Now! Protect the two of you with just one policy!



Farm Bureau Joint Life . . . a unique life insurance plan which insures two lives for just one premium. You get sound life insurance protection of at least \$10,000 apiece . . . for you and another person . . . your wife or husband, your child, a grandchild, even a business partner! Equal coverage for each of you with just one policy. Here are just some of the ways Joint Life can work for you . . .

Husband and Wife

Joint Life means now you and your spouse can enjoy exactly the same coverage . . . equal protection for both . . . at only a few dollars more than standard premiums for just one of you. For example, if you are 31 and your wife is 25, the single premium covering both of you would be based on your combined adjusted age of 28.

Grandparent/Parent and Child

With Joint Life you can provide guaranteed protection for your child's future. And the cost of the premium is less than what it would be to insure you alone! Joint Life also may be exactly what you've been looking for to insure a bright start for that new grandchild.

Business Protection

Joint Life is excellent protection for many businesses . . . you and your business partner protect each other with a Joint Life plan.

Joint Life. It makes sense doesn't it? Protection for both of you with just one policy, one premium. To find out more about Joint Life and the many available options, call your Farm Bureau agent today . . . listed in the Yellow Pages.

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