

**Tolerance Levels Not Needed, FDA Says
President Smith Says**

PBB Politics Threaten All of Agriculture



Is runoff from agricultural lands enough of a problem to warrant tough control standards to prevent it? What part does it play in the heavy sedimentation of rivers as shown here? These questions are coming quickly to a head as the Michigan Water Resources Commission considers what to include in implementing Section 208 of the Federal Water Pollution Control Act of 1972. See this month's DISCUSSION TOPIC for more information on how farmers can make their voices heard on such plans.

MFB Young Farmers Tell Press They're Healthy In Spite of PBB

A poultry farmer, two dairy farmers, and a fruit farmer — all under the age of 30 — called a press conference in Lansing to express their concerns for the future of Michigan agriculture in view of recent PBB-related legislative proposals.

Gary Nye, Hillsdale County dairy farmer; Don Gregory, Leelanau County fruit producer; Bob Rottier, Newaygo County dairyman, and Jerry Heck, Monroe County farmer with a 14,000 bird egg-laying operation, spoke to members of the news

media at the Hilton Inn, where they were participating in a Michigan Farm Bureau sponsored "Leadership Conference." The Nye, Rottier and Heck farms had all been affected by PBB, received settlements for the livestock destroyed, and are back in business. Accompanying Gregory was his wife, Ann, and their 3-month-old breast-fed daughter. With Rottier was his wife, Nancy, seven months pregnant. They also have a 13-month-old son, described as "healthy and active" by his parents despite the fact that the mother had consumed quantities of milk with high PBB levels during her pregnancy.

Rottier said that "We've had no personal health problems in our family and we can't foresee any in the future." When tested a year ago, Rottier had levels of .039 parts per million in his

Michigan Farm Bureau IS involved in the PBB controversy, but only to speak out to protect Michigan agriculture. This message summed up MFB philosophy during a statewide PBB information program held in Lansing March 16. More than 400 County Farm Bureau leaders attended the meeting, designed to consolidate the best current information on the PBB contamination issue.

"When the PBB problem was first discovered, Michigan Farm Bureau decided to take a low profile so that the organization did not sound as if it was only speaking in defense of one of its family corporations," MFB president Elton Smith told participants at the PBB meeting. "We're not going to take such a position now because the future of all of agriculture depends on how tolerance levels on PBB are set. We have to help decide whether these levels will be set on the basis of scientific research or by political manipulation that ignores such research, as well as common sense."

Alan Hoeting, district

director of the Federal Food and Drug Administration, Detroit office, said that his agency announced two years ago that Michigan-produced beef was safe for human consumption. Since then, his office has made several contacts with news media to get this message across.

"People in the media just don't seem to understand this fact," Hoeting emphasized.

During a hearing of the House Public Health Committee held earlier in the month, Dr. Albert Kolbye, associate director of sciences for the FDA's Bureau of Foods, said that his agency is convinced that there is no scientific evidence to prove that PBB tolerance levels should be lowered.

"The present Michigan food supply does not represent a danger to public health," Kolbye emphasized. "There probably is not more than a combined seven or eight tablespoons of PBB in the bodies of the estimated 40,000 cattle that could possibly still have some PBB residue."

Kolbye also explained that

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Milliken's PBB Stand Causes Consumers Undue Concern, Smith Says

The president of the Michigan Farm Bureau said that Governor Milliken's action in the PBB issue causes consumers "unnecessary concern" for the current safety of their food supply.

Elton R. Smith, Caledonia dairy farmer and MFB president, said: "I am disappointed that Governor Milliken, who has a long and admirable record of support for Michigan agriculture, disregarded the scientific testimony presented at the PBB tolerance level hearing on Monday."

Smith was referring to the testimony of Dr. Albert Kolbye of the Federal Food and Drug Administration who told the House of Representatives Committee on Public Health that

evidence shows that the present Michigan food supply does not represent a risk to public health.

"For many decades," Smith said, "the FDA has earned the trust of American consumers to assure the safety of their food. Dr. Kolbye once again testified that the current .3 parts per million PBB tolerance level was safe. This scientific testimony could have given Governor Milliken the opportunity to restore consumer confidence in Michigan farm products."

The farm leader said that Milliken chose, instead, to urge Senator Donald Riegle to convince the FDA to lower tolerance levels. In a letter to Riegle, Milliken said he had directed state agencies to

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MFB Young Farmers Bob and Nancy Rottier, tell reporters that they have had no ill effects from their exposure to PBB. They were interviewed after a press conference held by the Young Farmer organization to tell their story about how proposed PBB legislation would affect Michigan Agriculture.

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From the Desk of



The President

We Must Help Tell PBB's Other Side

Words like "betrayal," "distortion," "slanted," "sensationalism" have become a common part of farmers' and agricultural leaders' vocabularies throughout Michigan in recent months. They are words used in frustration caused by the daily onslaught of "information" on the PBB tragedy.

Attempts to explain the "farmers' side of the story" on PBB are being made in several arenas -- the Legislature, where no fewer than three bills have been introduced relating to PBB tolerance levels; the courtroom, where the first claims case involving Farm Bureau Services is in progress, and the public media, where PBB news stories get front page attention.

Needless to say, many of the attempts are either failing or going unnoticed. To many members of the Michigan Farm Bureau, it would appear that the struggle to get the "other side" told is futile. I would say, at worst, it is an uphill battle.

Many of Michigan Farm Bureau's usual allies have seen fit to oppose our positions. The governor supports lower PBB tolerance levels for what I believe are political reasons. The news media, because of its very nature, dwells on the emotional and sensational rather than the scientific and logical. The Legislature also fails to utilize available data to make its decisions, bending instead to the pressure of emotion and politics.

As you can see, it's very easy to find fault with everyone else. But we in agriculture must shoulder some of the blame. In all honesty, we have not used our united voice to inform the media, the lawmakers, and the public on how we feel about the PBB issue, why we feel that way, and what we think should be done. After all, we are more directly affected than anyone.

In recent weeks, however, farmers throughout the state have been stepping up the communications pace through a series of "News Backgrounders." Meetings between farmers and news people in Saline, Kalamazoo, Big Rapids, and Bay City have all resulted in better understanding on both sides. . . news people understanding agricultural problems better. . . and farmers realizing the difficulty reporters face in getting and telling both sides of a story.

Similar success was seen at a news conference on March 3 in Lansing, involving members of our Young Farmer Committee. As if they had been appearing before the news media for years, four Michigan young farmers logically explained all the ramifications of the PBB issue from agriculture's viewpoint. Throughout that week, participants in the Young Farmers Leadership Conference met with legislators with a similar purpose in mind.

So far, we have barely scratched the surface. We must continue to contact our local news media, legislators and consumer friends in an all-out effort to retain current Federal Food and Drug Administration levels for PBB. We have the scientific information that will support our position. We now need the active participation and leadership to disperse that information.

Elton R. Smith

County FB Leaders Urged to Tell Their PBB Views

(Continued from page 1)

it would be virtually impossible to eliminate all traces of PBB from the Michigan environment. The remaining levels are so insignificant that they present no health hazard, he concluded.

Jerry Burke, analytical chemist for the FDA, told the House Public Health Committee that it would be extremely difficult to test for PBB in concentrations of .02 parts per million, with any degree of accuracy. He estimated that there would be a 70 percent margin for error at this level.

The FDA, Michigan Department of Agriculture and the representatives of several independent analytical testing laboratories have said that if the tolerance level for PBB were to be reduced, it should be no lower than .05 parts per million. Even at this level, there is a 30 percent chance of the contaminating element found to be improperly identified, the FDA has pointed out.

Dr. B. Dale Ball, director of the Michigan Department of Agriculture, made an unscheduled appearance at the Farm Bureau PBB meeting to explain his department's stand on the PBB tolerance level issue.

"There is significant evidence that there is no need to go below the established federal guideline of .3 parts per million," Ball said. "Even then, there was some question about this level back when it was changed from 1.0 parts per million. We were killing a lot of healthy

YF's (Continued from page 1)

system and his wife had .1 ppm.

Heck expressed concern that proposed labeling of all Michigan produced meat, dairy products and eggs would destroy markets for the state's farmers. "We are concerned that consumers are becoming emotional and are not calm enough to think clearly and review the facts. We produce very high quality products and we do not want our markets taken away from us. Farming is our future. If we lose our markets, we will not be able to farm and therefore, we will have no future," he said.

Nye, as well as the other young farmers, gave strong support to the Porter Bill (H.B. 4115) which would require the Michigan Department of Agriculture to test animals suspected of being contaminated by PBB. Animals with PBB levels over .3 ppm would be destroyed, buried and the owner indemnified at fair market value by the state. Animals with PBB levels between .02

animals because a few head from each herd destroyed tested at the .3 parts per million level."

Dr. George Whitehead, deputy director of the MDA, explained the process in which the animals suspected of contamination were detected and destroyed for the MFB meeting attendees.

"The has totally exaggerated the facts when they have reported that thousands of animals died from PBB exposure," the state regulatory head pointed out. "Out of the 1,050 Michigan herds that were investigated for PBB contamination, we found records showing that only 282 animals were sent to rendering plants from these herds before they could be tested for PBB. There is no evidence that these animals died from PBB contamination, either."

Whitehead also pointed out that of 30,000 routine random meat sample analyses and 4,045 meat samples taken especially to check for PBB by the MDA, the low number of samples found to be over .3 parts per million became even fewer during two-and-a-half years' time.

"In 1975, 88.3 per cent of the samples showed no PBB contamination," Whitehead explained. "So 11.7 per cent of the samples had some PBB contamination, but only 1.1 per cent of these were over the .3 parts per million federal tolerance level. In 1976, 5.7 per cent of the samples had some PBB, of these, only .02 per cent were above the .3 parts per million level."

Whitehead also noted that

ppm and .3 ppm would be destroyed, upon request of the owner, buried and indemnities paid. The young farmers felt this would help restore consumer confidence in Michigan agricultural products. Nye said lowering the current tolerance level of .3 ppm set by the Food and Drug Administration with a 100 percent safety factor, would put many "back in business" farming operations, such as his own, under quarantine again.

Fruit farmer Don Gregory said he was worried about the precedent that would be set if tolerance levels were lowered. "As a farmer, it is my desire to produce quality products that will be utilized to help fill the food baskets of Michigan, the nation and the world," he said. "I see it is very dangerous and discouraging when political motivation becomes more important than scientific evidence in determining the health and safety of my family and the rest of American consumers."

the MDA has not found any PBB contamination in eggs, poultry, dairy products, pork and animal feeds for some months now. He said that he had been dismayed to see this PBB food testing data severely twisted by the media.

To counteract some of the misinformation that has been spread by the media, Robert Braden, MFB Administrative Director, proposed several courses of action for county Farm Bureau leaders.

Braden said that a first move towards better public understanding of the PBB incident is to send letters to the editors of local newspapers. These letters will get published and will provide a means for

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Smith

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cooperate with the Senate Commerce Subcommittee on Science and Space as it conducts hearings on the PBB problem later this month.

"This action causes consumers unnecessary concern for the current safety of their food supply," Smith said.

"If decisions regarding this issue continue to be based on emotion and political pressure -- rather than scientific facts -- Michigan agriculture will suffer. And when Michigan agriculture suffers, Michigan's entire economy suffers," he concluded.

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Farm Bureau

Impressive List of Speakers Expected

MASA To Sponsor Ag Labor Conference

The Michigan Agricultural Services Association (MASA) will sponsor its first annual Agricultural Labor Conference on April 14 at the Hilton Inn, Lansing.

According to Donald Shepard, Operations Manager of MASA, the objective of the conference is to present the agricultural labor issues confronting Michigan agricultural employers in 1977. A topic of major concern to farmers and an impressive slate of speakers is expected to attract hundreds of Farm Bureau members to the conference. Participants will be given the opportunity to question each of the labor experts on the program. Speakers will include:

Dr. Daniel Kruger, professor of Industrial Relations and associate director of Manpower Program Service, School of Labor and Industrial Relations, Michigan State University, whose topic will be "The State of the Ark."

Perry Ellsworth, executive vice president of the National Council of Agricultural Employers, Washington, D.C., will give "A Sneak Preview on Federal Agricultural Labor Legislative Front."

George Daniels, manager of Farm Employers Labor

Service, an affiliate of the California Farm Bureau, will present "A Post Mortum on California's Proposition 14."

Senator John Welborn of Kalamazoo will speak on "Reforming Michigan's Workmen's Compensation Program."

Dr. Allen Shapley, Extension labor specialist for MSU's Department of Agricultural Economics, will talk about "Unemployment for Michigan Agriculture."

Allan Grant, president of the American Farm Bureau Federation, will speak on "American Agriculture and Labor Regulations."

The conference will begin with 9:00 a.m. registration, a buffet luncheon will be served around the Hilton Inn's swimming pool, and adjournment is scheduled for 3:15 p.m. Registration fee for MASA members is \$6.00. A \$16.00 fee will be charged to non-members and will cover MASA 1977 membership dues.

Shepard urges interested farmers to make their reservations early. Those who plan to attend the conference should contact MASA by phone or mail: MASA, 7373 W. Saginaw Highway, Lansing, Michigan 48909; telephone (517) 485-8121, Ext. 226.



Senator John Welborn
Kalamazoo



George Daniels
Manager, Farm Employers
Labor Service
California Farm Bureau
Federation



Allan Grant
President, American Farm
Bureau Federation



Allen Shapley
Associate Professor
Department of Agricultural
Economics, MSU



Perry Ellsworth
Executive Vice President
National Council of Agricultural
Employers



Daniel Kruger
Professor, Industrial Relations
School of Labor & Industrial
Relations, MSU

At MASA Annual

Molin Explains New Compensation Philosophy

Michigan has failed to address the unique problems of farm employers who must pay workers' compensation, Keith Molin, director of the Michigan Department of Labor, told attendees of the Michigan Agricultural Services (MASA) Annual meeting held in Grand Rapids February 24.

"However, a new reform proposal sponsored by Governor William Milliken will insure adequate compensation and equal treatment of injured workers, but it would also relieve the hardships that our present system is imposing on Michigan employers," Molin pointed out.

Among other provisions, the governor's reform bill would eliminate the practice of insurance carriers' charging minimum premiums which bear no relationship to the size of the payroll covered. It would restructure the employer coverage provisions to recognize the unique problems of covering casual and occasional employees.

"It will also eliminate the obvious inequities of the minimum benefit situation that the present law contains," Molin pointed out. Under the present

disability benefit system, there is an obvious financial incentive for the employee not to work, Molin said. He gave one example of where, under the present law, an employee could receive about \$20 more during his disability than when he would be working.

"What is more, his compensation benefits are tax-free," the labor director added.

The reform act will also be designed to keep the cost of workers' compensation down.

"Even if we stand still, the costs of compensation will not," Molin pointed out.

Molin said the present law is unfair to farmers because they must absorb the cost when workers' compensation benefits go up.

To help make compensation more reasonable, Molin said that the governor's reform bill would be aimed at legislating employer coverage standards which meet equal protection requirements, but which do not require workers' compensation for employers of casual or only occasional labor. The law would also eliminate the ability of insurance companies to charge arbitrary premiums to small employers.



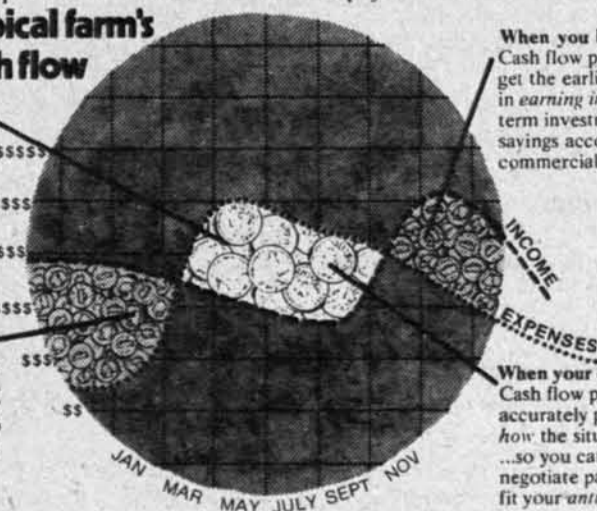
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You probably have times when you need a lot of cash...and times when you have lots of cash coming in. But the two just never seem to come together at the right time! □ But when you know your farm's cash flow, you have a better idea of when you'll need a loan and how much you'll need to borrow. And you'll get the money in hand when you can do the most with it...which might even include taking some discounts that'll help cover the interest. □ Cash flow planning is important. See us...and we'll help you start.

Typical farm's cash flow

When your cash is short: Cash flow planning lets you precisely time your borrowing...not too early and not too late...so you can get volume purchase prices and take prompt payment discounts—sometimes more than enough to pay the interest on your loan.

When you have extra cash: Cash flow planning lets you pay up loans at earliest possible date to help keep interest to a minimum.



When you have extra cash: Cash flow planning lets you get the earliest possible start in earning interest from short-term investments such as savings accounts, bonds, or commercial paper.

When your cash is short: Cash flow planning lets you accurately predict when and how the situation will change...so you can confidently negotiate payment terms to fit your anticipated cash flow.

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CAPITOL REPORT

S. 108

Several bills have been introduced relative to the PBB problem; however, only three have received any action or publicity. The first bill to receive action was S. 108 introduced by John Hertel (D-Harper Woods). This bill was introduced on one day and reported out of the Senate Agriculture and Consumers Committee on the next day. It amends present legislation to provide the Director of the Department of Agriculture to order the disposal of livestock or livestock products containing "contaminating toxic material." The old law related to "noxious" material.

The Director is given authority to test any livestock which he believes has any type of contamination. He must notify the owner at least 24 hours in advance and must publish the results of the testing. The owner is required to assist by having the animals available for testing.

The Department has had such authority for many

years in the case of outbreaks of livestock diseases; however, believe it or not, the Department has not had a similar authority in the case of PBB or other toxic contaminations. This bill has passed the Senate and is now in the House Committee on Agriculture.

H. 4115

The next bill to receive action is H. 4115 introduced by Representatives Paul Porter (D-Quincy) and Quincy Hoffman (R-Applegate). Mr. Porter is a dairy farmer and Mr. Hoffman raises beef and has a strong agricultural background. Both understand farmers' problems.

H. 4115 provides an effective means of dealing with any herd that may have some PBB contamination and would remove all contaminated animals from the market. The Department of Agriculture is given the authority to test any herd suspected of being contaminated with at least 24 hours notice to the owner.

Animals with any con-

tamination with less than 0.3 ppm would be destroyed. Animals with levels below 0.3 ppm would be destroyed with the permission or upon the request of the owner. In each case, indemnity would be paid on the fair appraised value of the animals before their contamination. This program would assure that no animal with any contamination would be put on the market as each one would be branded or otherwise identified. However, farmers that have no problems because of PBB would be able to keep any animal with low levels for breeding and production purposes and still be assured of full value in the event they needed to be disposed of. Owners of low-level animals could maintain normal operations. They would preserve their right to any legal action against responsible parties and would be spared the possibility of again losing their herds.

H. 4115 would be the least disruptive to farmers and at the same time would assure

consumers that no animal containing PBB would ever reach the market. This bill was voted out of the House Agriculture Committee by a vote of 8 to 0 and sent to the Appropriations Committee.

H. 4109

H. 4109 introduced by Francis Spaniola (D-Corunna) has received a great deal of publicity. This bill would arbitrarily lower the present 0.3 ppm tolerance to .02 ppm in spite of the fact that the FDA, USDA, and other experts have pointed out that the present tolerance has a safety factor of a hundredfold or more. This bill also gives the Department of Agriculture authority to test animals for PBB and to destroy animals having levels of .02 or more. Expert testimony, however, has indicated that it is not technically possible to accurately prove the amount of the contaminate at such low tolerances. Testimony has indicated that in order to provide accuracy under regulatory conditions, the level would have to be at least .05 ppm. A 24-hour notice to the owner would also be required and the owner would be indemnified for the appraised value of the livestock that would be destroyed.

This bill was sent to the Public Health Committee and recently was reported out with some amendments and sent directly to the Appropriations Committee. The Spaniola bill could very well cause major problems for those farmers who are now back in business with good



herds that are producing well with no problems. (More than 625 farmers have received full settlement for their PBB losses.)

First estimates of the Spaniola bill were that it could cost nearly \$25 million set at .05 ppm and nearly \$40 million at .02 ppm. However due to an amendment that would compensate farmers for losses in production resulting from the testing procedure, the cost would be more.

First estimates on the Porter bill indicate that the cost could be as low as approximately \$12 million and as high as nearly \$25 million. This would depend upon whether farmers with low levels of contamination would want to retain their low level animals or dispose of them.

Both bills are now before the Appropriations Committee. The Committee will study the features of both and may make changes in either one or the other. At the Committee's first meeting on this issue, it was again pointed out by knowledgeable people that the PBB problem as far as public health is concerned is gone and that the food chain is safe.

For further information, see other articles in this issue.

Phosphate Bills Exempt Agriculture, Food Industry

H4015 and H4023 would ban phosphates for use in detergents used for home laundry. Legislation was blocked last year that would have banned phosphate detergents for most uses including dairy farms, processing plants, restaurants, etc. Farm Bureau opposed the bill proving that there are no efficient cleaning substitutes to make it possible to meet health regulations.

The bill was amended to exempt agriculture and certain other uses. This year's bills, as introduced

exempt agriculture, processors and other commercial users applying only to home use unless there is a further banning by D.N.R. rules. It is estimated that banning phosphate detergents for home use could cost the average family \$5 to \$20 more per year for substitute cleaners depending on water hardness. Substitutes also are less efficient and, it is claimed, shorten the life of clothing and washing machines by as much as 20 percent or more. The State of Indiana has a ban and the Indiana Farm Bureau

adopted a resolution to work for its repeal.

The purpose of a ban is to prevent phosphates from getting into lakes and streams through sewage systems. The most practical way of solving the problem is through a low-cost chemical treatment at sewage treatment plants. Ninety-percent of Michigan's sewer population is served by 80 plants that remove phosphorus, 50 meet all present standards. Detroit is the major polluter. However, that plant can meet the standards for an estimated \$500,000 plant investment.

Accident Insurance Payments Can Be Exempted in 1977

Michigan's property tax relief program, known as the "circuit breaker" which is available to all householders and applies to farmland, is based on household income. For most people, property tax relief is 60 percent of the difference between 3.5 percent of household income and the amount of the property tax. The limit is now \$1200. The elderly, certain disabled and certain veterans, blind, etc., have a more liberal program.

"Household income" is generally considered as all types of income including such things as unemployment insurance, workmans

compensation, welfare payments, etc. This year the Treasury Department ruled that health and accident insurance plans paid for by the employer must be included in household income. Senate Bill 4 was introduced by Senator Snyder and 17 others to exempt such employee-paid benefits. Before the bill was finally passed into law, a provision was also added to permit those who pay their own accident or health insurance premiums to deduct them from the household income. This provision will be effective for the 1977 tax year.

The actual words in the new

law are: "Beginning with the 1977 tax year and thereafter, a person who is enrolled in an accident or health insurance plan may deduct from income the amount the person has paid in premiums in the tax year for that insurance plan for the person's family."

This provision in P.A. 1 is fully in line with Farm Bureau policy. Farmers and other self-employed people, in order to provide their families with health and accident protection, must pay the full premiums. Beginning in 1977, this provision will mean a larger property tax rebate.

Clarification of Farm Assessment Sought

Representative Dennis Cawthorne, (R-Manistee), recently requested an Attorney General's opinion on assessment of farm land, an attempt to clarify a provision in the law. The provision provides that local assessors shall consider -- "soil, zoning, existing use, present economic income of structures, including farm structures and present economic income of land when the land is being farmed."

Representative Cawthorne pointed out that the State Tax Commission takes the position that only sales prices of comparable property should determine tax assessments on farm land. This has resulted in sharply rising tax assessments in the face of declining farm income. Net cash farm income in Michigan declined 50 percent from 1973 to 1975, while the tax assessment on farm land increased 24 percent.

The Attorney General's opinion received by Rep. Cawthorne is not conclusive, however, it is favorable. It

states that "a knowledgeable assessor would consider not only the sales of farm land but also would be aware of the income earned on income-producing farms. In short, no single factor is controlling in assessing the property."

Proper assessment of taxable property requires consideration of all relative elements and factors". Representative Cawthorne is presently reviewing possible legislative proposals designed to slow the rising tax burden on farmers. It is recognized, however, that the circuit breaker tying property taxes to a percentage of income with a rebate of assessment up to \$1,200 has been most helpful to most farmers. Also, those farmers who have taken advantage of Public Act 116 have received tremendous property tax relief.

The question, however, is whether assessment practices are proper and follow the provisions in the law which require consideration of factors other than selling prices.

NATIONAL NOTES Testimony Given On Farm Program

Albert A. Almy

Legislative activity in the 95th Congress is gaining momentum. Numerous bills are pending and hearings have been held, or are scheduled to be held on a broad range of agricultural issues.

As reported in the March issue of the Michigan Farm News, hearings began on new farm program legislation in mid-February and were expected to end in mid-March. A total of 136 groups were scheduled to give testimony before the Senate Agriculture Committee. These included the Inter Religious Task Force on U.S. Food Policy, U.S. Chamber of Commerce, American Baker's Association, American Association of Retired Persons, Georgia Citizens Coalition Against Hunger, Planter's Peanuts and many agricultural organizations. These are only a few of the groups scheduled to testify and clearly indicates that extensive input from nonfarm interests will help shape any new farm program legislation.

The 1973 farm program replaced the old farm subsidy program with a new "target price" approach for wheat, corn, cotton and other feed grains. Under this system the government set a target price

for each crop. If the market price drops below the target price for the first five months of the marketing year, the government will pay the farmer the difference between the two prices. Farmers can still receive loans on their crops at rates below the target prices, with the option of keeping the money and the giving the crop to the government if market prices do not increase within the term of the loan. With the exception of rice, target prices have not been paid on any of the eligible crops.

The current farm program contains an escalator clause to adjust target prices to reflect production costs based upon the index of prices paid by farmers for production items, interest, taxes, wage rates and changes in the three-year moving average of crop yields. Farm Bureau has recommended that no change be made in this escalator clause under new farm program legislation. The reason for this position is that the escalator clause is insulated from the effects of government farm programs while cost of production figures are not. The cost of production approach includes allowances for land and management while the escalator clause does not. The

value of farmland is affected by the returns that can be earned by using it to produce farm products. Higher target prices and loan rates tend to increase land prices and rents, with the result that every increase in target prices and loan rates under a cost of production formula would tend to increase the cost of production and thus lay the basis for further increases in target prices and loan rates.

The House and Senate Agriculture Committees must now review the public hearing records and determine what changes, if any, should be made in the federal farm program for final consideration by the Congress.

In 1976 the 94th Congress enacted substantial changes to the Federal Estate Tax Law. Among the changes was a revision in the basis for taxing inherited property.

Under the old law, property inherited was taxed at the capital gains rate on the difference between its value when inherited and a date sometime in the future when the property is sold by the heir. For example, if the property was worth \$25,000 when inherited and was sold ten years later by the heir for \$50,000 - one-half of the \$25,000

gain would be taxed against the heir.

However, the new law will tax inherited property on the difference between the value on December 31, 1976 and the value when subsequently sold by the heir. For example, assume the value of the property was \$10,000 on December 31, 1976 in the hands of the owner. Ten years later the owner passes the property to an heir with an appraised value of \$25,000. Another ten years passes and the heir sells the property for \$50,000 realizing a gain of \$25,000 while in his hands. The new law requires the heir to pay taxes on one-half of the \$40,000 gain realized between December 31, 1976 and the time of sale by the heir 20 years later.

Legislation in the form of H.R. 2674 has been introduced by Congressman Omar Burleson (D-Texas) and several others to repeal the capital gains tax on the appreciated value of property transferred by reason of the owner's death. Farm Bureau supports this legislation. No hearings have been scheduled by the House Ways and Means Committee.

Last year the Continental Illinois National Bank and Trust Company of Chicago announced a plan to offer \$50 million in shares to an Ag-Land Trust Fund. Funds obtained from the sale of shares would be invested in working farms in up to 15 Midwest and Southern states. The farms would be managed by the bank and leased to farm operators in five year segments. Shares in the fund would be marketed by the Merrill Lynch brokerage firm to employee pension or profit-sharing trusts. The major

goal of the fund is stated to be capital appreciation. The secondary goal of the fund is an annual net return of three to five percent.

The House Agricultural Committee has held hearings on the proposed Ag-Land Trust Fund. The AFBF testified and expressed many concerns including the following:

1. The fund would change the pattern of farmland ownership in this country from local ownership by private individuals or small groups of individuals to absentee ownership by financial institutions or large corporations.
2. The fund would adversely increase land values which have escalated rapidly in recent years. It would also tend to raise the level of property taxes which are based on land values.
3. The fund would require farmers who are taxed on annual income to compete with tax exempt organizations.
4. The fund would establish a dangerous precedent to the question of who will control U.S. agriculture.

The ag-land trust proposal was subsequently withdrawn by the Continental Illinois Bank. AFBF had urged Congress to take whatever action might be necessary to prevent implementation of the fund or similar plans. A recent study of the fund by the Economic Research Service, U.S.D.A., concluded that the potential negative aspects of such funds in terms of their impact on land values and the opportunity for individuals to acquire land appear to out-weigh any conceivable gains in stability of earnings to pension funds.

Armstrong Outlines FBS Action on PBB Problem

Don Armstrong, executive vice president of Farm Bureau Services, brought out some telling points on FBS' involvement in the PBB issue at the March 16 MFB meeting on that topic. Here's a summary of his comments:

There has been no cover-up. From the discovery of PBB in late April, 1974, the Michigan Department of Agriculture and other state and federal agencies have been advised of all activities as they happened; provided freely and voluntarily records and reports. Farm Bureau Services has welcomed and requested inspections of all kinds at the feed plant, retail operations and the testing of feeds produced. This is being done continuously.

- Even before it was legally established who was at fault, Farm Bureau Services negotiated with insurance companies to pay claims so that affected farmers could get back into business. This philosophy is not common in insurance circles.

- Farm Bureau Services in January of 1976 agreed to an "out of court settlement" of its damage suit against Michigan Chemical Company for 9.8 million dollars and publicly pledged the entire

proceeds to the settlement of legitimate claims. This action was prompted by pressure from the state insurance commission and the Governor's office.

- Approximately 900 claims have been received. There are approximately 170 claims that are not settled (these include 4 offers outstanding, 9 set for settlement, 59 rejected, and 58 low-level suits); about 100 have been listed insufficient cause for action. Six hundred twenty-five have been settled.

- \$38,200,000 has been paid out in claims by Michigan Chemical Company, Farm Bureau Services, Inc. and their insurance carriers. Many of the affected farmers took advantage of Farm Bureau Services' offer of technical assistance in preparing documentation of their claims.

- Farm Bureau Services has offered binding arbitration on all pending property damage suits involving P.B.B. All claimants and their attorneys have turned this offer down thus far.

- While the state was unwinding legal problems in securing a disposal site, Farm Bureau Services, at its own expense, set up animal holding areas so that

quarantined animals could be removed from affected farms in order that these farms could more quickly reestablish their dairy herds and return to normal operations. Cost was in excess of \$160,000.

- While over \$200,000 worth of feed was recalled, it was not recycled. It was destroyed under the guidance of and approval with the Michigan Department of Agriculture and Federal Food and Drug Administration, in a Department of Natural Resources approved disposal site.

- Farm Bureau Services has paid out of its own funds nearly six million dollars. Included in these expenses are early animal testing, burial cost, transportation, clean-up, etc.

- Contrary to the press, politicians, and others, the Federal Food and Drug Administration remains firm in its decision that the current tolerance level of .3 ppm is a safe level and contains a 100 times safety factor.

- In spite of the press reporting thousands of animals having died of P.B.B., very few died on farms; but were transported and humanely disposed of and buried.

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Critical Issues '77 Series

Proposed Land Use Legislation Calls for Land Inventory, Commission

Attempts to enact land use legislation are nothing new in Michigan. However, one brand-new and one revised House bill were introduced in February that reflect differing approaches to a statewide land use policy.

The new bill, H.B. 4107, provides an alternative to any past land use legislation, says Albert Almy, Director of the Michigan Farm Bureau Public Affairs Division. This bill introduced by Representatives Anderson, Monsma, Larsen, Geake, Ryan, Clodfelter, Cushingberry, Padden, Bennane and Bullard is known as the "land resources policy act" and calls for a system of setting up and requiring land use impact statements, much the same as environmental impact statements.

"This bill mandates that the Michigan Department of Natural Resources make an inventory of all land in the state in two years' time after the legislation has been enacted," Almy says. "The

inventory must include the identification of all essential lands. The guidelines for identification of each essential land use type must be established by the DNR."

An "essential land area" as related to agriculture, means any "land particularly suitable for agricultural, horticultural, or forestry uses determined on the basis of soil, topography, climate, location, and other factors and which is reasonably necessary to provide for the continued long range needs for the production of food and fiber."

Also included as "essential land" areas are any of the following categories or classes of land: undeveloped land for mineral use; fragile land areas such as submerged lands, wetlands, rare or valuable natural systems, wildlife habitat and lands surrounding them, irreplaceable natural areas, land subject to flooding or high-risk erosion, and historic lands.

Once the inventory is

completed, a public agency must prepare an impact statement for a project that the agency proposes to carry out, license, permit or otherwise approve. A public agency means a state agency, county, township, regional agency, public district or other political subdivision.

When a land use impact statement is required, a copy must be sent to the local planning agency, the county planning commission, the designated regional planning commission, and the DNR. The county or regional planning commissions may approve, disapprove or approve with modification the land use impact statement.

The DNR must review the final land use impact statement and give approval, denial or require that it be rewritten.

The "public agency" will also be able to charge and collect a reasonable fee from a person proposing a project for the costs the agency might incur in preparing a land use impact statement for the

project.

"This bill will be controversial for a number of reasons," Almy says. "The way the legislation is worded, the DNR would have veto power over projects an agency proposes to carry out, license, permit or otherwise approve. The major question is whether the state should have this kind of authority."

Another potential problem area is found in Section 13 of the bill. It deals with the information that an agency can require for a land use impact statement.

"This wording could result in the agency asking a person for information far beyond his capabilities to provide," Almy says. "The implications are rather far reaching because theoretically any project could be killed by simply demanding too much information."

The "reasonable fee" clause could also be used to discourage a person from ever proceeding in a project," Almy adds.

Presently H.B. 4107 is in the

House Committee on Urban Affairs awaiting consideration. If reported to the House floor, it will likely go to the House Appropriations Committee for approval before it comes to a full vote.

"The whole process could take two weeks or forever," Almy says. "It all depends on the input from the public and how the legislature views H.B. 4107 as a solution to land use problems."

The second land use bill, H.B. 4189, is essentially the same as substitute H.B. 4234, introduced by Representative Mastin in early 1976. Almy says this bill was allowed to die in the House Appropriations Committee.

According to representative Monsma, who introduced H.B. 4189, this bill is more simplified, clearer and shorter than the Mastin bill. He also says that it mandates only the development of a land use plan, whereas substitute H.B. 4234 made reference to land use plans,

(Continued on page 7)

Critical Issues '77 Series

Rural Hospitals Need Aid, Input for Better Service From Local Communities

It's one of those middle-of-the-night emergencies that families sometimes experience. Your daughter cuts her hand on a broken glass and you can't stop the bleeding. You rush her down to the hospital, only to find that no one will answer the bell at the emergency room door.

This scene has not taken place much in rural Michigan, but there is a real potential for its increase. Rural hospitals are in a money and manpower crunch that sometimes limits the hours that the emergency rooms can be left open.

These hospitals need help, and it's really only their community that provide this assistance.

"Rural hospitals are almost obligated to have an emergency room service for the protection of the community," says J. Henry Irvin, administrator of Reed City Hospital. He is also chairman of the Smaller Hospital Committee of the Michigan Hospital Association. "This is especially true where there are many farmers. With the infinite hazards on the farm, the potential for serious injury prevails. However, there are hardly any hospitals that can operate an emergency room on a cost-effective

basis."

Because of the high cost of keeping the emergency room open, the hospital administrator must look for ways to reduce these expenses, Irvin says. If there are not enough emergency cases to justify a 24-hour emergency room, staff or hours must sometimes be reduced.

Grants and contributions almost always go to urban hospitals, so rural hospitals must depend on the amount of revenue they can generate. With four or five bad years together, a hospital could go under.

Higher operating costs, including the expense of keeping up with increasing governmental regulations often force the hospital to turn to the community for assistance.

"There really has to be some sort of trade-off," Greenawalt says. "The community really has to decide between increased expenses and the quality of health care they can receive from the hospital."

Health manpower shortages in rural areas are an even more serious problem. The shortage of physicians not only limits the amount of routine medical care available, but affects the

hospital's handling of emergency cases.

"A small hospital can't afford to keep many physicians on duty and is limited to the community's health resources to call in doctors to handle emergency cases," Greenawalt explains. "Often times, such a hospital must wait until there are enough patients waiting for emergency room care before it can justify calling a physician in."

The Michigan Hospital Association is also concerned by a precedent-setting court case where a doctor sued to keep his right not to have to answer emergency calls and won. Many physicians in rural areas are also older and tired of working in emergency rooms, Greenawalt says.

The community uses the emergency room for general health care once doctors' offices are closed for the day.

Because of nursing shortages, or the lack of funds that prohibits having enough nurses on hand, many small hospitals do not have a full-time nurse in the emergency room, Irvin says. Instead, nurses are "borrowed" from nursing floors.

"This could lead to a

(Continued on page 8)



Lynn Harvey, Jackson County District Extension agent, discusses the importance of the farmer's interaction with the public as a part of the MFB Young Farmers Leadership Conference held March 1-3 in Lansing. More than 160 YFers attended the three day conference.

Young Farmer Conference Highlights Groups 1977 Goals

Designed to acquaint young farm leaders with Farm Bureau, its goals and objectives and to encourage involvement in county and state activities, 161 young farmers from throughout the state attended the young farmers 1977 Leaders Conference at the Lansing Hilton Inn, March 1-3.

Representatives of Michigan Farm Bureau, Michigan State University and the Michigan Legislature joined the young farmers during the three days of meetings and workshops. Aimed at increasing the skills of the conference participants, workshop topics included commodity futures, farm management practices, consumerism, legislative

activities and communications techniques.

Representative Dennis Cawthorne (R-98th District) told the participants during the March 2 luncheon with legislative leaders that, "It is extremely important for the agricultural community, small or big, to convey its views and ideas on issues to the legislature."

The young farmers clearly illustrated their acceptance of leadership responsibility during a morning press conference which highlighted the March 3 sessions. Concerned about recent developments in the PBB issue, representatives of the Young Farmer Committee met with members of the press, radio and television.

MACMA Annual Cites Turnaround, Membership, Progress With P.A. 344 Suits

1976 was a "turnaround" year for the Michigan Agricultural Cooperative Marketing Association, MACMA President Elton Smith and General Manager Noel Stuckman announced at the association's 16th annual meeting held February 24 in Grand Rapids.

"The record membership of 2,707 and the increase of financial support in 1976 counteracted the decline that occurred during 1975", Smith pointed out. "Since MACMA's purpose is to provide the maximum amount of member services with the funds available through memberships, this turnaround has strengthened the entire organization."

Stuckman feels that the upward trend will continue, since the market prospects for the 1977 crop are excellent. He credited the improved fruit and vegetable market conditions during 1976 as the major element for putting MACMA in a much more advantageous financial position.

"Our goals for 1977 are to increase membership, improve communications between the members, committees, and the MACMA

Board of Directors, and to improve upon the organization's sound financial base," Stuckman said.

More than 200 members and guests attended the meeting. Highlights included an update on the progress of litigation concerning P.A. 344 and a viewpoint of how consumers are now looking at the farmer. Also, Elton Smith, Don Nugent, Walter Frahm, Bob Rider, George Stover, Tom Greiner, George Portice, P.C. Morrison Jr., Larry DeVuyst, Arthur Bailey and Ken Bull were elected to the 1977 MACMA Board of Directors.

Jim White, attorney for the Lansing legal firm of Foster, Swift and Collins, told the annual meeting attendees that he feels MACMA is standing on extremely sound legal ground in the legal contest disputing the constitutionality of P.A. 344, while the Michigan Canners and Freezers Association (MCFA) is not. His firm has been providing MACMA with legal counsel on P.A. 344 matters.

"The recent Michigan Supreme Court ruling in the asparagus suit, which called

for the Michigan Canners and Freezers Association to prove the unconstitutionality of the Act, places a tremendous burden on that organization," White pointed out. "Essentially MCFA has to prove that P.A. 344 will do no good at all."

Should their case be lost at the state Supreme Court level, White expects MCFA to take the matter to the U.S. Supreme Court. He does not expect any action to be taken on the Appeals Court litigation against the accreditations of MACMA potato and cherry divisions until the asparagus suit has been settled.

"It is vital that MACMA continue its unflinching support of P.A. 344," White concluded. "If there's to be any hope for equity in the marketplace, it will be through the enforcement of this act."

MACMA President Smith also expressed this sentiment.

"We really expected P.A. 344 to be contested even before the act went into effect," Smith said. "This is landmark bargaining legislation that is the most feasible approach to



Les Dowd, president of the Van Buren County Farm Bureau, backs up Michigan Farm Bureau president Elton Smith on a point about the PBB incident at the Kalamazoo MFB background seminar for media personnel. The backgrounders are held so that members of the media and County Farm Bureau leaders can discuss issues important to Michigan Agriculture. At this session, there were 20 newsmen representing 15 newspapers and radio stations. Thirty-one County Farm Bureau members also attended.

providing farmers with some equity in marketing."

He credited MACMA and its members with playing a vital role in P.A. 344 being enacted into law in 1973 and in getting the Michigan Legislature to repeal the September 1, 1976 expiration date that year.

"We hope that the P.A. 344 litigation will be ended at the earliest possible date so that effective marketing agreements can be made through it for their com-

modities marketed in Michigan," Smith said. "The P.A. 344 concept has to be expanded. Minority agricultural marketing groups have to become more united and more aggressive in the face of big business and big government."

Expressing concern about food prices agreements for the consumer's point of view was Mrs. Esther Shapiro, Director of the Consumer Affairs Department for the City of Detroit.

Land Use Bills Call for Land Inventory Mandate

(Continued from page 6)

land use policies, and land use programs.

According to Monsma, H.B. 4189 has four objectives or goals which would be achieved by the establishment of a Land Use Commission. This commission would be an independent body of the Michigan Department of Natural Resources. The goals would be to make an inventory of existing land uses and resources and a study of future land issues and problems. It would also study the development of land use goals, better coordination of governmental decisions and existing laws affecting land use, and the designation of essential land areas where certain types of development would be controlled. As in H.B. 4107, essential lands include those best suited for agriculture, forestry, mining and fragile land areas.

"The Land Use Commission would have the responsibility for the development of guidelines to identify essential lands for use by local governments," Almy explains. "The local governments would have two years to develop their own land use plans. These plans

would have to include designation of essential land areas."

All the way through the procedure of developing a land use plan, the local governmental units could decide whether they should conduct the planning themselves or have another agency, such as a regional planning commission, do it. Also, townships could submit land use programs for their own boundaries. If the

guidelines set up by the Land Use Commission were followed, that body would have to accept these land use plans prepared by the local units.

During the two years that the local governments have to prepare their land use plans, the Commission would have interim controls over utility construction projects and projects undertaken by an agency or public corporation involving state or federal

(Continued on page 8)



Keith Molin, director of the Michigan Department of Labor, told MASA Annual Meeting attendees that Governor Milliken's new policy on Workman's Compensation rules features a better break for the small businessman and particularly the farmer.

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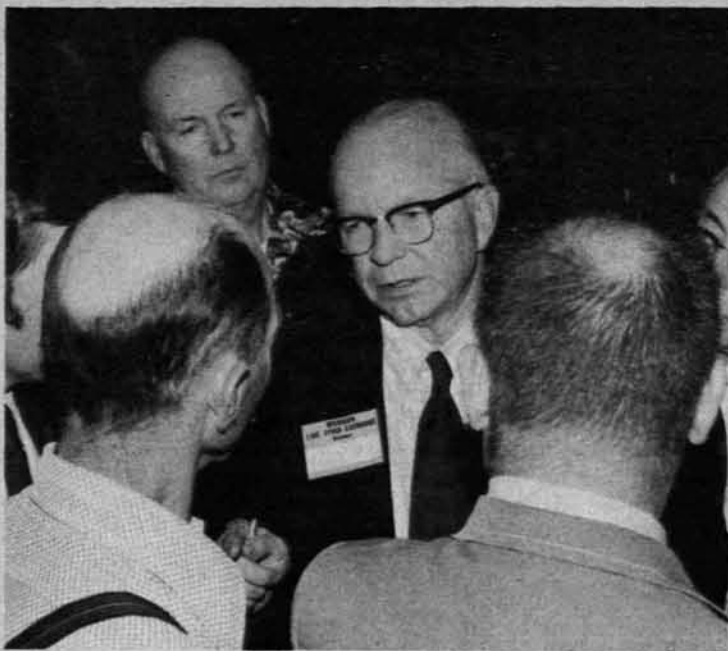
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B. DALE BALL, Director of the Michigan Department of Agriculture, is surrounded by delegates after his surprise appearance at the noon luncheon. The delegates later passed a resolution commending him and the MDA.

Membership Near 10th Year of Continued Growth

Since February 16, seven counties and two regions have joined the honor roll of membership quota, bringing the statewide tally to 35 counties and five regions over goal. The state is near reaching its 10th consecutive year of membership growth.

Those counties reporting goal since February 16 and their chairmen are:

In the 1-350 member category: Clare County - Dan Bay and Don Davis co-chairmen; 351-650 members: Mason County - Daryl Peterson, chairman;

Newaygo County - John Patin, chairman, and Iosco County - Betty Robinson, chairman.

Reporting goal in the 1201-1500 category is Ottawa County - Eleanor Busman, chairman and in the 1501-over group: Washtenaw County - Barb Trolz, chairman; and Lenawee County - Larry Gould, chairman.

Joining the Saginaw Valley, Central and Southeast Regions in regional goal is the Thumb Region, making goal on March 3 and the Upper Peninsula reporting on March 17.

Land Use Bills Controversial, May Not Pass

(Continued from page 7)

monies. The local units could request the Commission to designate an area within its boundaries as essential before the local plan was finished. The Commission would have authority over no other lands during both the interim and final plan except those designated as essential and only when projects utilizing public monies are involved. It would have no such control over privately funded projects, even if such projects involved essential lands.

After the two year period was up, the Commission would ensure that the local plans were prepared according to the guidelines. If the guidelines had been followed, the Commission would be required to include these plans in the state land use plan. The proposed plan would then be examined at public hearings and then sent to the governor for approval or rejection. If approved by the governor, the plan would be forwarded to the state legislature for a full vote. If accepted, it would become Michigan's official land use plan.

"Essentially, land could be

developed with private funds without any restrictions as far as the Land Use Commission would be concerned," Almy explains. "This body could not stop a private project, but local governmental bodies could if a local zoning ordinance were in effect."

This bill will again be viewed as controversial, Almy points out. Legislators feel that the legislation would give the state control over every acre of land. This is not true, Almy emphasizes.

"The concept of H.B. 4189 is generally consistent with Michigan Farm Bureau policy on land use," he says. "However, as the bill itself has some faults, we feel that it needs to be substantially revised."

One of the bill's biggest faults is that the guidelines to be set up for identification of essential lands by the Land Use Commission are open to broad interpretation, Almy says. The Commission would have to decide whether a local governmental unit had followed the guidelines and reject the land use program if the commission felt that the guidelines had not been

Director Ball Says at Livestock Annual

MDA Says that Michigan Meat Safe At Present PBB Tolerance Level

In an unannounced appearance at the Michigan Live Stock Exchange annual meeting March 12 at Long's Convention Center, Lansing, Michigan Department of Agriculture Director B. Dale Ball told delegates that MDA's position on the PBB tolerance level remains, "Our food is safe at .3 ppm."

Ball expressed doubt that the courts would uphold "a test through which you condemn and take people's property unless you have more accuracy than 50 per cent." The director said there would be a 50 per cent chance of error at the .02 ppm level and 30 percent at the .05 ppm tolerance level.

"The law says we cannot use a different level than the federal guidelines - unless after a public hearing, CLEARLY ESTABLISHING A NECESSITY - and those

are key words, we can establish a different guideline," Ball said. "We've had two such hearings, and if anyone reads the records from those hearings, there's no way you can interpret that there was established a necessity because the scientific testimony simply did not do that."

Ball said he believed that the PBB problem was behind us as far as any hazard to the public is concerned. He reported on MDA tests which found no detectable levels of PBB in various food supplies.

Ball also reported on PCP, which he described as a "much more serious problem than PBB" because it has been used throughout the United States in wood preservatives for over 35 years. Some brands of the preservative contain higher levels of highly-toxic dioxin

than others. The positive side of this problem, Ball said, is that it is not Michigan's problem alone, and this should bring assistance from the FDA, EPA and USDA. "They can't turn their backs on us with this one," Ball said.

The agriculture director assured the 600 farmers who attended the MLE annual meeting that he will not resign despite pressures to do so from the UAW, some legislators and consumer groups. He explained, however, that he could be fired... "so if I'm not around one of these days, you'll know what happened to me."

Following Ball's appearance at the noon luncheon, Michigan Live Stock Exchange delegates went back into general session and expressed their support of the Department of Agriculture Director through an official commendation.

In his annual report to delegates, MLE President David Morris said the Spaniola Bill, with appropriate amendments, is PBB legislation "we could live with, if we have to" and expressed hope that the tolerance level would be more realistically set at .05 rather than .02 ppm. He listed land use legislation, the national farm program, inflation, and preservation of the private enterprise system as some of farmers' major concerns in the days ahead.

hospital that has a need for more doctors. Also, some hospitals are working with community leaders to offer incentives for doctors.

"Here is where the community could really help the hospitals and themselves," Irvin says. "By pooling resources, a community could offer a physician free rent for a year, provide a new office with easy access to the technical equipment located in the hospital, or guarantee the physician a minimum gross income. Some communities have already used these techniques successfully. The doctors gained not only provide routine medical help through their offices but work in the hospitals as well."

However, the influx of new doctors into rural communities has been slow. With few doctors, rural families literally must trust their lives to these men. Sometimes this trust goes too far.

Fred Traill of the Michigan Department of Public Health Care Administration, says that already there are too many cases of physicians going beyond their capabilities.

"Members of rural communities should recognize the

(Continued on page 10)

Hospital Manpower Shortages Growing Problem

(Continued from page 6)

dangerous situation when you have the emergency room busy and the floors busy at the same time," Irvin points out. "Potentially there could be shortages in both places. This is a real possibility, because more and more people are looking to hospitals for even routine care."

Irvin considers shortages in the rural emergency room a "growing and serious problem for many hospitals."

Greenawalt feels that physician's assistants are one answer to helping keep the hospital emergency room open 24 hours a day.

"There are people who are fully trained to recognize emergency situations," he points out. "Unfortunately, newly passed state legislation allows each physician to supervise only two such assistants. The Michigan Hospital Association is currently trying to have this number increased. Such personnel would help alleviate the rural manpower shortage problem by a significant amount."

Along with the shortage of doctors, goes the limited number of other experienced medical personnel, such as nurses, emergency technicians, nurses aides and others. Many small rural hospitals have problems finding such qualified people and enough of them. They, like physicians, prefer the urban communities. These shortages are putting a severe burden on some hospitals' financial stability.

"Some hospitals aren't in trouble because of lack of business, but because of their lack of a professional staff to generate this business," Irvin points out.

To help alleviate these shortages, the administrative staffs of many rural hospitals are working with the Michigan Health Council to encourage physicians to move to their communities. The Health Council operates a physician placement service for any community or

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Fifth Annual Soybean Day Highlights Production, Marketing Techniques

About 215 members of the Michigan Farm Bureau Soybean Producers Association and their guests were treated to a well-balanced program ranging from soybean production techniques to marketing at the organization's Fifth Annual Soybean Day held March 1 in Flint.

"We felt that the overall effort was entirely successful," said Paul Kindinger, director of the MFB Market Development Division. "In particular, we want to thank the chemical, seed and irrigation equipment personnel who offered display booths to provide information about their

products."

Fourteen of these companies had representatives on hand at the meeting. Others had requested space, but were unable to obtain it, due to the lack of room.

During the general meeting, Bill Lasher, of the Clinton County Cooperative Extension Service, outlined

progress in the MFB Soybean Association test plot that was set up in Clinton County during the 1976 growing season. He told which varieties of soybeans provided the best yields and advocated that each county soybean association set up their own test plots during the 1977 growing season.

Mitzi and Company. He said that there will be increased world demand for soybean meal and oil, but that this demand would drop if prices became too high.

Robert Thompson, assistant professor of agricultural economics for Purdue University, provided an analysis of how Brazilian exports could influence the United States' soybean export market. He said that Brazil will continue to increase their exports and remain a major competitor for Japanese and European Community markets.

Jeff Gain, manager of the Illinois Agricultural Association's Commodity Division, told soybean producers present that growers should spend at least one dollar an acre to obtain top market information.

Producers Should Include Market Analyses in Production Costs

Producers should be willing to pay at least one dollar per acre for a good market intelligence program, a marketing expert for the Illinois Agricultural Association said at the Fifth Annual MFB Soybean Day in Flint.

Jeff Gain, manager of the Commodity Division for that state organization, explained that most producers do not realize how important such market information is. While they carefully figure all production cost factors on a per acre basis, they are forgetting one almost as important as fertilizer or herbicides.

"During the 1976 crop year, two-thirds of the Illinois corn crop was sold in the lower one-third of the price range," Gain pointed out. "Had these producers been more aware of market conditions, they could have improved this

poor performance considerably."

To keep attuned to the markets, the producer must not only get daily quotations, but understand what influences the market on a long range basis.

"Prices that are set at the Chicago Board of Trade are influenced by weather forecasts, rumors in the marketplace, foreign production and exports, domestic consumption patterns and the whole economy of the country," Gain pointed out. "Producers should keep in touch with this information so that they will not be surprised when a market turns bullish or bearish."

Traders particularly watch weather patterns and base their decisions on them to a certain extent, Gain said. To help anticipate any price fluctuations, producers should know the correlation

between weather patterns and crop production. Weather also influences consumer buying habits.

Gathering all the market information available in print form is a start towards designing a personal market analysis system, Gain said. He feels that all producers should take the time to establish such a system. University information, USDA reports, agricultural marketing association reports, the Wall Street Journal and the major farm publications should be the backbone of such a system.

"It's just not enough to get the daily market quotations," Gain emphasized. "By the time you get these prices, it's past history," the marketing specialist said. "Unless you can move immediately, these quotations are not all that helpful."

Japan, Brazil Experts Say Countries Soybean Influence Will Increase

How do Japanese soybean imports and Brazilian soybean exports affect the market price of that crop in the United States? Experts on each of the countries' soybean trade policies spoke to attendees of the Fifth Annual MFB Soybean Day to help explain current Japanese and Brazilian supply and demand trends and how they could influence this country's soybean production.

Shigeru Endo, manager of the Soybean Trade Division of Mitzi and Company, Inc., told the group that he foresees an ample opportunity to expand soybean trade with Japan. That country currently has an agreement to purchase 3 million tons annually from the United States. About 92 percent of Japan's soybean imports come from this country.

"We expect that there will be about a 4 percent increase

of soybean imports in 1977," Endo pointed out. "By 1985, Japan should be importing about 5 million tons of U.S. soybeans."

Expansion of the Japanese cattle industry and increased consumption of fats and protein in Japan has head to the increased demand for soybeans, Endo noted. He expects the same trend in Asian countries as well.

In spite of the increased demand, consumption could drop off drastically if soybean prices become too high, Endo cautioned.

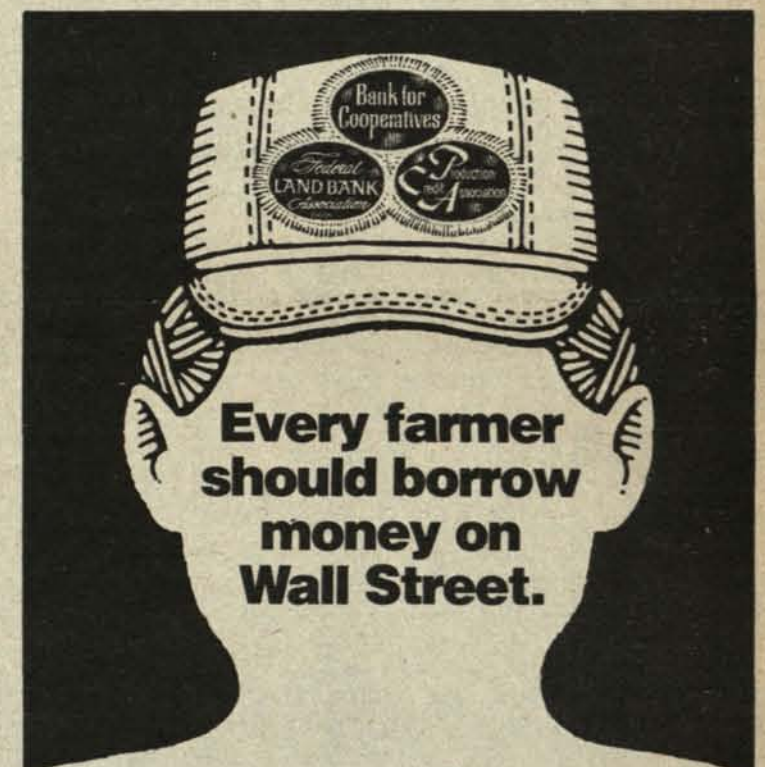
Dr. Bob Thompson, assistant professor of agricultural economics at Purdue University, pointed out that high U.S. prices would allow competitive soybean exporters, like Brazil, to increase their market. Brazil now has the same market areas, Japan and the European Community, as does the United States.

"Brazil has increased its soybean production and exportation dramatically during the last six years," Thompson said. "In 1970, their production was about 55 million tons. We expect their production to rise to 450 million tons in 1977 and export about two-thirds of this crop. The production figure is one-third as large as U.S. production in 1976."

"Brazil will continue to be an important factor in the world soybean market, and its percentage share of that market is not likely to revert to its earlier level," the marketing expert emphasized. "On the other hand, the expected long run growth in world market demand for soybeans could result in expanded exports from both Brazil and the U.S. The complex interaction of the forces of supply and demand will ultimately determine the participation of each country in the world market."

John Datt, director of congressional relations for the American Farm Bureau Federation's Washington office, gave a run-down of current sentiment on the 1977 Farm Bill and predicted that the Carter administration would extend the 1973 Act for one year. Then the administration would announce its new version in 1978, Datt said.

Other speakers were Shigeru Endo, manager of the Soybean Trade Division of



Every kind of farmer and rancher shares in the ownership of the cooperative Farm Credit Banks of St. Paul. So when your co-op borrows from the Bank for Cooperatives or when you do business with a Federal Land Bank Association or Production Credit Association, you're actually borrowing capital raised in the money markets of America...like Wall Street.

A lot of people think agriculture is a good investment. Individuals, banks, insurance companies, state and local governments. All kinds of people and businesses purchase farm credit bonds. Funds raised in capital markets are loaned to full- and part-time farmers and ranchers and their cooperatives...\$3.5 billion of loans in Michigan, Minnesota, North Dakota and Wisconsin as of early 1976.

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Co-op Strives to Keep Members Informed, Helps Promote Their Products

Keeping members informed and helping to promote their crops have been two key elements of the Co-Operative Elevator Company of Pigeon's 60-year-long success story.

"We consider communications one of the most vital functions that a cooperative can provide for its members," says Ted Leipprandt, Co-op's general manager. "Our major tools to provide the most up-to-date market information are the Reuters commodity news service and classes open to customers."

The Reuters teleprinter is located in a customer lounge at the elevator, so that that members can find out what the latest market quotations are before selling their crops to the co-op.

"This service has been a real asset," Leipprandt continues. "At \$180 a month, we feel that its the best way to provide what we feel is a necessary service at the most reasonable cost."

Even though the markets are more steady now, any number of factors could affect the current prices against the producer if he did not keep up with the market on a daily basis, the co-op manager says.

"Newspaper and radio market news will show the trends, but to make sure that the producer can sell at the best price he should be tied directly to the Chicago Board of Trade, as he can be through the Reuters unit."

Many members have felt that this up-to-date information has helped them make better market decisions, Leipprandt says.

John Kohn, the co-op's marketing manager, offers a series of classes on hedging and forward contracting programs that ties in the Reuters Service with his own marketing knowledge.

"We try to teach the customer to pick out a price where he can make a profit and then go from there," Kohn says. "It's better to sell at a price that is reasonable, rather than waiting and gambling on higher prices that just may not materialize."

The classes also feature brokers from various firms to explain the markets and how grain marketing should be handled.

"Since the co-op started offering forward contracting programs, participation in them has increased fivefold," the marketing specialist says. "Better education about

the markets has helped patrons realize that this is a sound method towards better profits."

Wes Edington is Co-op Elevator's full-time agronomist. In addition to his field work, the agronomist has held a series of grower meetings in cooperation with the Huron County Cooperative Extension Service. More than 40 co-op members have signed up for these classes, which deal with every aspect of production.

"Setting up a series of classes takes about three to four weeks of my time," Edington says, "but I feel that it's a necessary service to help keep customers informed."

Along with the full line of agronomic services offered by the cooperative, Edington leads classes on soil compaction and fertility, chemical reactions in soils, and seminars on plant breeding and alternate crops.

"We also feel that classes on pesticide handler certification will be necessary in 1977," Edington says. "We want to provide the most relevant information we can for our customers."

Concern about future demand for their patrons' crops has provided the motivation for Co-op to take



Ted Leipprandt and an assistant "show off" the promotional display for navy beans in the Co-op Elevator Company of Pigeon's retail store. The co-op is also promoting navy bean products through a sampler package that can be shipped by mail.

an active part in promoting navy bean products. Pigeon is in Huron County, the state's number one navy bean producer. More than 60 per cent of the co-op's members grow navy beans and sell them to that organization. In turn, Co-op markets the beans through the Michigan Elevator Exchange. Some of the beans reach the export market through this channel, but most are used in domestic canned and dry bean sales. Cooperative Elevator Company also operates one of the largest and most advanced navy bean processing plants in the state, Leipprandt says.

"We felt that a campaign to

help promote navy bean products was one of the most useful things we could do for our members," Co-op's manager says.

The first means was to put up a display showing all the processed navy bean products, along with the raw commodity in the co-op's retail store. This gave the producers a first-hand look at how their crops were utilized.

Then the co-op began distributing a mailing sample box containing six, one-pound cans of canned beans and two, one-pound bags of dry beans during the 1976 Christmas season. The box, which can be purchased and

(Continued on page 11)

Don't Shrug Off Pesticide Warning Signs, Says Health Expert

If you've been handling chemicals in the field and start feeling dizzy, weak, nauseous, or "different" in any way, chances are that you are experiencing pesticide poisoning.

"Farmers have a tendency to downplay illnesses, so many times they disregard these poisoning warning signals," says Art Bloomer, chief of the Michigan Department of Public Health's Environmental Epidemiology Division. "We strongly urge that anyone with questionable symptoms after they have handled pesticides to seek medical advice. No question is too dumb when your health is concerned."

In spite of repeated warnings, farmers are still mishandling chemicals and becoming poisoned, Bloomer points out.

"We keep repeating our messages because each generation has to become educated on pesticide safety," The pesticide safety expert points out. "Even the most experienced farmer can still make basic pesticide handling mistakes."

If the symptoms are extreme the farmer should

contact his physician immediately. Organophosphate and carbamate compounds are the most toxic, so the potential for a life-threatening situation is high, Bloomer says.

"In acute poisoning cases, every minute counts," Bloomer emphasizes. "If the symptoms are acute, the affected person should be driven to the hospital emergency room. It would take too much time to call an ambulance and wait for that vehicle to arrive at the scene. If there is some time, the helping person should contact the hospital so that they can prepare for the emergency."

It's also essential to bring along a container of the compound that the poisoned person has been using, Michigan State University pesticide safety experts say. Some rural hospitals do not have enough knowledge of how to handle such a poisoning, the pesticide label must now list first aid treatment for poisonings. Some pesticide companies also have additional labels that can be posted in easily reached places. This label should be brought instead of the container for safety of the

helper.

If the symptoms are less severe, the physician should still be called. This type of poisoning is the kind that is usually not reported, Bloomer says. While the victim may think that he "will feel better in a few days" without medical advice, repeated incidences can lead up to a life-threatening situation.

To prevent such situations from occurring, The Michigan Department of Public Health advocates several preventive measures. Besides the safe handling of farm chemicals.

"We feel that it's important for pesticide handlers to carry health history information cards," Bloomer says. "All health disorders, including allergies, should be listed on that card. All the chemicals that the person routinely handles should also be listed."

Should the card carrier become poisoned to the point where he passes out or is incoherent, information that is essential to his treatment is readily accessible.

Regular health checkups are also a sound preventative measure, Bloomer says. Many times, the physician

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Members Can Help Hospitals

(Continued from page 8)

limitations of their physicians and maintain a watchful eye on what they do practice," Traill says. "This is a basic problem when there are not enough doctors in a community."

Another danger bred by the lack of rural physicians is the delivering of babies in the hospital emergency rooms.

"With fewer physicians, some hospitals have had to discontinue their maternity services and perform deliveries in the emergency room," Irvin says. "This practice is dangerous because you wind up with emergency room personnel doing things they are not trained to handle, so the chances of problems developing is greater."

Communications between members of rural communities and the administrative staffs of hospitals should help prevent problems like doctors working beyond their capabilities and the termination of maternity services in hospitals.

"We can judge what services are most important as far as we are concerned, but we need to hear from members of the community to find what their priorities are," Irvin says.

Some of the ways members of the community can let

themselves be heard are to contact the local hospital administrator in his office, talk with any of the hospital board members or attend any of the annual or monthly board meetings of city or county hospitals.

"The law now requires these board meetings to be open to the public," Irvin points out.

"Another avenue is to have the hospital administrator come and speak to community groups."

Irving says that he has spoken at his county Farm Bureau meetings and that several Farm Bureau Women have become active in working with the hospital committees.

"Administrators really are looking for constructive input," Irvin emphasizes. "In all the time I have been here, not one member of the community has approached directly with a constructive suggestion. These ideas are important to the health of the community."

Even if the hospital cannot provide a new inpatient service that is suggested immediately, at least the need for that service has been registered and be budgeted for.

Hospitals can also service the community by becoming more of a health information center, Irvin says.

CO-OP (Continued from page 10)

sent anywhere in the country, has been used by local firms as gifts to best customers and in many other ways as good will packages.

There's a wealth of information, enclosed with the products as well. Brochures identify the beans as Michigan - grown, list a

number of bean recipes, and list the protein content and total nutritional value of navy beans. So far, over 350 "navy bean product" sampler packages have been distributed.

Leipprandt, who is also a member of the Michigan Association of Farmer

The following list shows some of the common classes of insecticides, fungicides, etc. and general symptoms of each group for an acute exposure. Should any of the symptoms appear after exposure to any of the chemicals, contact your physician or nearby Poison Control Center.

ORGANIC PHOSPHORUS INSECTICIDES

Chlorthion Parathion
Co-Ral Phorate
DDVP Phosdrin
Demeton Schradan
Diazinon TEPP
Guthion Trichlorofon
Malathion Others
Methyl parathion

SYMPTOMATOLOGY

Abdominal pain, loss of appetite, blurred vision, convulsions, diarrhea, shortness of breath, headache, tearing, muscle cramps, sweating, nausea, paralysis, weakness, urination, vomiting, tightness in chest.

CARBAMATE INSECTICIDES

Carbaryl
Others

Same as above.

CHLORINATED HYDROCARBON INSECTICIDES

Dilan
BHC Endrin
Chlordane Heptachlor
DDT Toxaphene
Dieldrin Others

Vomiting, nausea, poor coordination, convulsions, coma.

BOTANICAL INSECTICIDES

Pyrethrum
Allethrin
Others

Contact dermatitis (skin eruptions) sneezing, nasal stuffiness, allergic reactions.

RODENTICIDES

Phosphorus
Sodium fluoroacetate
Thallium
Warfarin
Others

Gastrointestinal upset, nausea, vomiting, diarrhea, loss of appetite, abdominal pains, bleeding (from Warfarin).

FUNGICIDES

Dithiocarbamates
Organic mercury compounds
Pentachlorophenol
Others

Sore mouth, digestive disorders, headache, numbness of tongue-lips-fingers & toes, small tremors.

HERBICIDES

Arsenic
Chlorophenoxy herbicides
Dinitrophenols
Others

Acute: abdominal pain, vomiting, diarrhea, convulsions.
Chronic: constipation alternated with diarrhea, hair loss, giddiness, headache, skin lesions, ataxia, weakness.

SOLVENTS

Kerosene
Xylene
Others

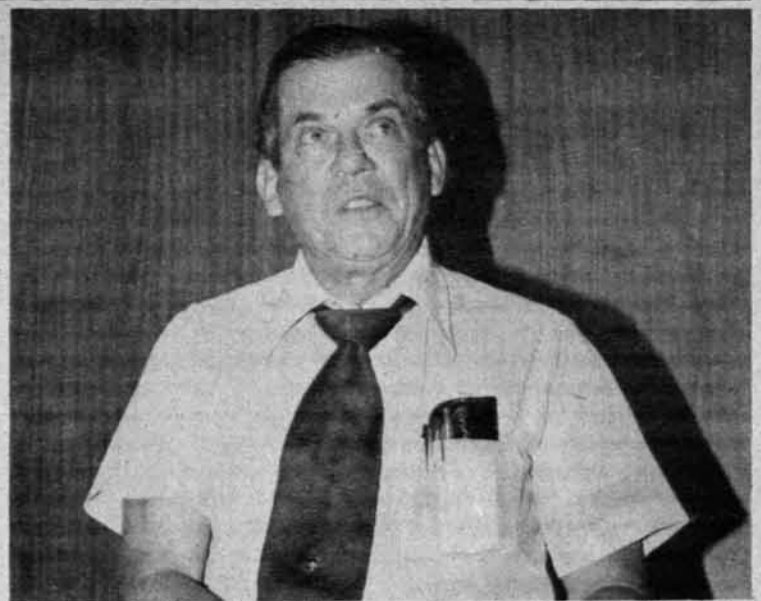
Headache, blurred vision, dizziness, unsteady gait, nausea.

Cooperative's Administrative Council representing Thumb Area cooperatives, feels that there are real possibilities for distributing the sample packages throughout the state.

"Our purpose is to enhance the sale and use of navy bean products throughout the state", Leipprandt says.

The Pigeon cooperative also works closely with its members in helping increase production of navy beans and the many other crops, such as corn, sugar beets and wheat grown in the 15-mile radius the cooperative serves.

"We encourage our patrons to get involved with their cooperative," Leipprandt sums up. "They not only have a voice in the decisions we make but share in the profits as well."



Owen Hallberg, president of the American Institute of Cooperation, Washington, D.C., was a keynote speaker at the Michigan Association of Farmer Cooperatives member relations conference held March 2 at Farm Bureau Center in Lansing. Hallberg provided some pointers on the development of member relations activities for Michigan Cooperatives.

Pesticide Poisoning

(Continued from page 10)

can determine if a developing minor health disorder is related to pesticide handling.

"The pesticide handler should also make sure that the physician tests his level of blood cholinesterase," Bloomer emphasizes. "This test determines whether the level of this enzyme has been depressed. Organophosphate and carbamate pesticides will reduce the enzyme level if some of these compounds have gotten into the bloodstream. If such repeated, low level poisonings continue unnoticed, the enzyme can be depressed to a level where the handler can go into toxic shock without warning."

Bloomer feels that widespread use of the cholinesterase test will help reduce the number of on-farm pesticide poisonings. Even minimal routine health surveillance habits will also

help to reduce the number of such cases.

Sometimes another person will notice the effects of low-level poisonings before the victim will admit them. If the victim will not see a doctor, the co-worker or family member should still seek medical advice from the physician. And if the other person is reluctant to check with a physician, he or she

should call the closest poison control information center. There are 22 of these centers set up in hospitals throughout Michigan. They are geared to provide symptomatic and first-aid information on any kind of poisoning.

"Poison control centers are encouraging all persons suspecting any kind of poisoning to call them," Bloomer says. "However, we suggest that you call a physician in an immediate emergency."

Here's A List of Poison Control Centers

ADRIAN	Poison Control Center Emma L. Bixby Hospital 818 Riverside Ave. 49221	(517) 263-2412
ANN ARBOR	Poison Control Center Univ. of Michigan Medical Center 1405 E. Ann St. 48109	(313) 764-5102
BATTLE CREEK	Poison Control Center Community Hospital 183 West 49016	(616) 963-5521
BAY CITY	Poison Control Center Bay Medical Center 100 15th St. 48706	(517) 892-6589
BERRIEN CENTER	Poison Control Center Berrien General Hospital 1250 Dean's Hill Rd. 49102	(616) 471-7761
COLDWATER	Poison Control Center Com. Health Center of Branch County 274 E. Chicago St. 49036	(517) 278-7361
DETROIT	Poison Control Center Children's Hospital 3901 Beaubien Blvd. 48201	(313) 494-5711
	Poison Control Center Mount Carmel Mercy Hospital 6071 W. Outer Dr. 48235	(313) 864-5536
ELOISE	Poison Control Center Wayne County General Hospital 30712 Michigan Ave. 48132	(313) 722-3748
GRAND RAPIDS and WESTERN MICHIGAN	West Michigan Poison Center Bodgett Memorial Medical Center 1840 Wealthy, S.E. 49506	(800) 442-4571 (within 616 area code) (800-632-2727) (rest of state) (906) 482-1122
HANCOCK	Poison Control Center St. Joseph's Hospital 200 Michigan Ave. 49930	(616) 396-4661
HOLLAND	Poison Control Center Holland City Hospital 602 Michigan Ave. 49423	(517) 783-2771
JACKSON	Poison Control Center W.A. Foote Memorial Hospital 295 East Ave. 49201	(616) 383-6409
KALAMAZOO	Poison Control Center Bronson Methodist Hospital 252 E. Lovell St. 49006	(517) 372-5112
LANSING	Poison Control Center St. Lawrence Hospital 1210 W. Saginaw St. 48914	(906) 228-9440
MARQUETTE	Poison Control Center Marquette General Hospital 420 W. Magnetic St. 49855	(517) 631-7700
MIDLAND	Poison Control Center Midland Hospital 4005 Orchard Dr. 48640	(313) 241-6509
MONROE	Poison Control Center Mercy-Memorial Hospital 700 Stewart Rd. 48161	(616) 347-7373
PETOSKEY	Poison Control Center Little Traverse Hospital 415 Connable Ave. 49770	(313) 858-3000
PONTIAC	Poison Control Center St. Joseph Mercy Hospital 900 Woodward Ave. 48053	(313) 985-9531
PORT HURON	Poison Control Center Mercy Hospital 2601 Electric Ave. 48060	(313) 987-555
	Poison Control Center Port Huron Hospital 1001 Kearney St. 48060	(517) 755-1111
SAGINAW	Poison Control Center Saginaw General Hospital 1447 N. Harrison Rd. 48602	

MFB Women Plan Spring Rallies April and May

Plans for the Michigan Farm Bureau Women's 1977 Spring District Rallies, scheduled for April through early May show a striking similarity. In each of the ten districts, the programs for the one-day rallies reflect the involvement of the Farm Bureau Women in community, agricultural and legislative activities.

Ron Nelson, Michigan Farm Bureau Public Affairs Division, has been scheduled in Districts 2, 3, 4, 5, 8 and 9. In his presentation, Ron will outline the growing problem of rural crime. He has been working closely with the Michigan State Police in developing a program of action to respond to law enforcement and crime prevention needs for rural communities.

From Resource Management to needlecraft?

"Shifting gears" is not new to District 10 Farm Bureau Women and they should be able to make the transition easily. The morning session will host Dr. Sylvan Wittwer, Director of the Agricultural Experiment Station and Assistant Dean of the College of Agriculture and Natural Resources, MSU. Dr. Wittwer who was presented the 1976 Distinguished Service to Agriculture Award by Michigan Farm Bureau will discuss "Resource Management and Food Production". The afternoon session will include needlecraft demonstrations.

The District 8 planning committee took an important first step toward "Communicating Effectively with Your Legislator", the topic of afternoon speaker Michigan Senator Robert Young.

"Food Prices Too High? - Compared to What?" will be part of the District V program.

District 6 plans a program on the light side ultimately designed to challenge the Rally-goers. Morning speaker Larry Ewing, Michigan Farm Bureau, Information Division, will be joined on the program by Sister Thomas More Bertels, a popular guest speaker at Farm Bureau meetings.

Also speaking woman to woman, Dr. Barbara Johnson, Probate Judge, Saginaw, will address the District 7 Farm Bureau Spring Rally.

Reservations are required for the day-long programs and luncheon. For further information and reservations, contact the Michigan Farm Bureau Women's District Chairman in your area.

Michigan Marketing Outlook

New Column Introduced

Market Intelligence--Q & A

Q: What is the advantage of the futures market versus forward contracting with my local elevator?

A: This question pops up frequently at marketing seminars and sessions where we discuss the futures market. My answer usually stresses the word -- flexibility. The futures markets can provide a great deal more flexibility as compared to forward contracting.

Forward contract locks the producer into a definite commitment for delivery of a given commodity at some given date in the future at a guaranteed price. The producer promises to deliver

a certain amount of his production at that price.

The futures market may also be used to make a similar commitment. When a producer sells short in the futures market he in fact commits himself to make delivery of a given commodity, at a given time and place at some specified price. Sound familiar? The difference however, is that the producer can at anytime between now and the delivery date change his mind or terminate this agreement by merely calling his broker and buying a futures contract for the same month, etc. as the original one. This cancels the original commitment. Thus,

the producer has the flexibility to change his market position at any time up to the maturity date specified in the futures contract. The futures market also provides the producer with the opportunity to profit from "basis" movements. An option not available when tied only to a forward contract. Of course there's nothing that says you as a producer can't forward contract and use the futures market at the same time!

Send your marketing questions to: Market Intelligence, C/O Market Development Division, 7373 W. Saginaw Hy., Box 30960, Lansing, MI 48909.

Corn, Soybeans, Wheat

Weather is still a factor in the grain markets but its importance may have been diminished somewhat by recent winter storms and rainfalls in previously drought stricken areas of the U.S. California remains as the main drought stricken area. While this is not meant to imply that all is ship-shape, it is meant to convey the idea that some moisture relief has spread through Washington, Oregon, Iowa, Minnesota, etc. Areas all hard hit by drought last year. Certainly, subsoil moisture conditions in many of these areas are still poor. But some weathermen are now predicting a more normal growing season for 1977.

Also, worldwide, weather

conditions have been quite favorable since last fall. Again, many areas like Western Europe which were severely affected by dry conditions last year, have recovered and are looking at substantial yield improvements over a year ago. The same kind of story can be told for the U.S.S.R., India, etc.

Thus, when we look at the big picture, 1977 is shaping up as a good year from the standpoint of yields. The U.S., with rather large carryovers of wheat and corn, should be in good shape supply wise even if we have bad weather this summer and crops that are slightly below average. Soybeans are the maverick. Tight supply conditions and

favorable export demand continue to provide a bright future for this crop. Export demand for corn and wheat is not as favorable and has continued to be rather sluggish. Combine this with lower than expected feeding rates and we can see continued poor price prospects for corn and wheat.

It is doubtful that Secretary of Agriculture Bergland will be able to reach terms on an export price fixing arrangement with Canada. Too many details to be worked out and both countries are "blessed" with large wheat stocks already. Paul E. Kindinger, Director Market Development Division

Target Prices Set

On February 23rd,	Corn	1.57	1.70
Secretary of Agriculture Bob Bergland announced the 1977 target prices for wheat, feed grains and cotton. Under the 1973 Agriculture and Consumer Protection Act the Secretary of Agriculture is required to make adjustments in the target prices to reflect the increase in the index of prices paid by farmers. The increases also take into account a three year moving average of yields for each crop.	Sorghum	1.49	1.62
	Barley	1.28	1.39

The 1977 target prices are as follows:

Crop 1976 (\$-bu.)	1977 (\$-bu.)
Wheat	2.29
	2.47

These target prices provide a floor price for producers. They become, when market prices fall below the target, a mechanism for determining how much deficiency payment a producer may be eligible for and are also used as a base to determine disaster payments. The disaster payment rate is generally one-third of the target price for each commodity.

Paul E. Kindinger, Director Market Development Division

Sugar in the News

The sugar industry is back in the news again. On the one hand Senator McGovern's select committee on Nutrition and Human Needs is suggesting a U.S. dietary goal of reducing sugar consumption by about 40 percent. On the other hand, the International Trade Commission recently ruled that sugar imports are injuring domestic producers. It is therefore likely that the commission will recommend a reduction in sugar import quotas from the current 7 million metric tons to the 4.2 to 4.3 million metric ton level.

Domestic sugar producers have been after U.S.D.A. officials for some time to curb imports and remove sugar from its duty free status under the Generalized System of Preferences

(E.S.P.). Nearly 20 percent of the sugar entering the U.S. currently comes duty free from "developing nations" under the G.S.P.

At the same time a U.S.D.A. Task Force has recommended that policies be implemented which would bring the market price for raw sugar to between 13c and 14c per pound. They also called for a price support at the 12c to 13c per pound level. This action is being openly opposed by the U.S. Treasury Department.

Thus, as the battle front widens it will be interesting to watch the compromises and action that result. The actions concerning sugar may give us some indication of what to expect in the future. Paul E. Kindinger, Director Market Development

HB. 4189 Consistant with MFB Policy, But Needs to be Revised

(Continued from page 8)

It is only equitable that these major uses be proportionately represented on the Commission, Almy says.

MFB also feels that by rights the decisions of the Land Use Commission should be appealed at a lower court level than the state Court of Appeals, as H.B. 4189 calls for.

"It would be quite expensive and time consuming for an appeal to be entered in the second highest court in the state," Almy says. "It would also be easier to appeal such decisions at a lower court level, although there would still be the risk of a subsequent appeal to the Court of Appeals."

One part of the bill that MFB particularly favors is Section 14, which recognizes that taxes play an important part in land use policy, Almy says. In this section, the bill calls for a study and

recommendations or proposals to provide tax and other forms of relief in areas where development is restricted, and to provide tax and other incentives to encourage orderly and rational development in areas where development is to be encouraged.

"Such incentive plans are a key part of the land use policy that the Michigan Farm Bureau supports," Almy declares.

In spite of each bill's pros and cons, Almy does not expect any statewide land use legislation to be put into effect this year.

In its 1977 resolutions, the Michigan Farm Bureau advocates that any state land use planning guidelines and land use implementation must include the following:

a. That private property rights and the right of individual appeal must be preserved.

b. Planning for land

resources which are essentially local in character must be a responsibility of local government.

c. Enforcement of land use regulations and the settlement of conflicts must be a function of the level of government closest to the people involved.

d. Planning for local land resources must be permitted some flexibility to allow local planning bodies to adopt plans that reflect local goals.

e. A partnership approach in implementing sound land use programs should be developed between all levels of government and the private sector.

"We urge all Farm Bureau members to take an active part in land use planning at all levels of government," Almy emphasizes. "If local land use control is to be maintained, it is imperative that local people accept the responsibility to plan the use of their local resources."

Blue Cross-Blue Shield Office Calls

There have been a number of inquiries from Farm Bureau members recently, regarding the process by which Blue Cross - Blue Shield pays physicians. Some members are concerned also because they have been experiencing excess charges by their doctor above the payment made by Blue Shield.

In response to these inquiries, Blue Cross - Blue Shield has provided the following information. THE VARIABLE FEE PAYMENT PLAN

Michigan Blue Shield pays in full its determination of a reasonable fee for professional services covered by your contract. In determining what constitutes a "reasonable charge", Blue Shield will take into consideration:

The customary fee which the individual physician most frequently charges to the majority of his patients for a similar service or medical procedure.

The prevailing range of

fees charged in a locality by physicians of similar training and experience for a similar service or medical procedure. Unusual circumstances or medical complications requiring additional time, skill and experience in connection with a particular service or medical procedure.

PARTICIPATING PHYSICIANS

A participating physician is one who has agreed to accept the payment made by Michigan Blue Shield has payment in full for covered services and to make no additional charge to you. These physicians bill Blue Shield directly and receive their payments directly in return.

NON-PARTICIPATING PHYSICIANS

A non-participating physician is one who has not entered into a formal agreement with Blue Shield. He does not always agree to accept the Blue Shield payment as full reim-

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Supply Report



By Greg Sheffield

GENERAL -- Farm supply buying by farmers started to pick up fast about the middle of March. This is putting a strain on dealers and facilities as predicted. Due to the heavy winter, uncertainties of pricing, and farmers looking to the new Secretary of Agriculture for commodity direction, many farmers delayed their usual winter purchases. Now there's a scramble for supplies. Fortunately, Farm Bureau dealers are well supplied and have been working with their farmer patrons on "Spring Ahead Sales." Patrons, who committed themselves early for supplies, are not experiencing "outs" as frequently as others.

FERTILIZER -- As early as February, it was announced fertilizer supplies would be short. Severe winter, and ensuing transportation problems, caused large reductions in natural gas supplies, and this in turn reduced nitrogen available to farmers. A great deal of catching up at the manufacturing level has assisted our patrons, even with the large predicted demand and spring breaking.

There was a sharp reduction in supplies of urea, 28 percent solution and ammonia nitrate. Farmers placing firm orders for dry fertilizer with their Farm Bureau dealers have been faring well, however. Contact your Farm Bureau dealer at once if you still need fertilizer. Again, it's evident farmers who plan ahead with their Farm Bureau cooperative do better.

PESTICIDES -- Pesticides on hand are being bought up quickly. Farm Bureau still has a wide variety of insecticides and herbicides at attractive prices. These adequate stocks are not expected to last. Regular patron purchases will deplete dealer stocks on hand and its doubtful that dealers will want to restock their inventories late in the season. There simply is no time left to reorder once stocks are out.

The new Unico brand Atrazine herbicide, a cooperative product, is very high in quality, very low in price, and was delivered to dealers in both 80W (wettable) and 4L (liquid) formulations. Much of this superior product has been bought up. Ask your dealer, however, if he still has some. It's your best buy.

FEEDS -- NU PRO Dairy Feed seminars being held by Farm Bureau dealers across the state have been converting top dairy farmers to Nu Pro Dairy Feed. This new feed, a product of your cooperative research system,

an outstanding breakthrough. High producing cows are producing much more milk. Dealers have details.

Farm Bureau feeds have been in demand because of continued extra-high quality, competitive pricing and superior, money-making livestock programs. The demand for Farm Bureau dog

foods is up sharply across the state.

A new Farm Bureau Complete Minerals Program is a first for Michigan. It covers virtually all common livestock mineral requirements.

HARDWARE -- A big demand for lumber has accompanied spring. The building instincts of farmers seem to have come out in full force. Carload lumber supplies, steel and aluminum walls and roofing, in fact, practically everything for building can be purchased through Farm Bureau outlets. Building crews, too,

are busy filling orders for buildings engineered by Farm Bureau. Better order your building supplies and Farm Bureau building before prices move up.

Fencing, livestock hardware, power equipment for gardening and garden seeds and bulbs are all in stock. There's a great variety of excellent buys.

With warmer weather now, it's a good idea to have the Farm Bureau water softener man come and show you how to eliminate costly, hard-water problems with a CO-OP Water Conditioner.

LIQUID FUEL -- The past winter months gave Farmers Petroleum the biggest year ever in supplying liquid fuel to Michigan farmers. We've been able to supply farmers through the cooperative system on many occasions when others could not. It's wise to sign up with a local Farmers Petroleum dealer. Along with your immediate planting needs, look ahead to next fall and winter heating requirements. Our Energy Cooperative, Inc. refinery has stood us in good stead on supplies. New patrons are coming in fast.

(Continued on page 15)



Who Is The Petroleum Products Leader In Michigan?

Farmers Petroleum Co-operative sells more products and has more services for Michigan farmers than any other petroleum supplier or auto accessory store. A recent independent survey proved this.

Farmers know they can depend on their Farmers Petroleum dealer for anything from anti-freeze to on-farm tire service. The service is fast and friendly, the Co-op products

are top quality and prices are fair.

If you're not a Farmers Petroleum patron right now, ask your neighbor about the good things we've done for him. We can do them for you, too. Ask the Farm Bureau people.



DISCUSSION

TOPIC

by KEN WILES

Manager Member Relations

Section 208 Warrants Action By Farm Leaders

"Lost, yesterday, somewhere between sunrise and sunset, two golden hours, each set with 60 diamond minutes. No reward is offered for they are gone forever."

Most of us at one time or another have read or heard the above quotation by Horace Mann. Yet we are all prone, at times, to forget that time and tide waits for no man. Particularly if we think "good old George" will do it or if we are inclined to think that it won't affect our pocketbook.

While the above may not be an accurate analogy of farmer's attitude toward the Federal Water Pollution Control Act of 1972, it does appear that many have failed to give it the serious consideration it should have received. Thus on the eve of the implementation of policies which will certainly affect all of us, in varying degrees, many have paid little attention to the Water Pollution Act.

AREAWIDE TREATMENT MANAGEMENT

Basically, Section 208 of the Federal Water Pollution Control Act requires each state to designate appropriate agencies to study area water quality problems and prepare and implement plans to control pollution sources.

Governor Milliken has designated the Water Resources Commission as the state agency responsible for the conduct and coordination of water quality management planning for the state in accordance with

existing regulations.

Also, the state has been divided into 14 planning and developing regions. These regions, their name, and the counties involved are:

-Region I (SEMOG), Livingston, Oakland, Macomb, Washtenaw, Wayne and Monroe Counties.

-Region II (Jackson Area), Jackson, Hillsdale, Lenawee Counties.

-Region III (South Central), Barry, Kalamazoo, Calhoun, St. Joseph and Branch Counties.

-Region IV (Southwest), Van Buren, Berrien and Cass Counties.

-Region V (GLS-Flint Area), Shiawassee, Genesee and Lapeer Counties.

-Region VI (Tri-County), Clinton, Eaton and Ingham Counties.

-Region VII (East Central), Roscommon, Ogemaw, Iosco, Clare, Gladwin, Arenac, Isabella, Midland, Bay, Gratiot and Saginaw Counties.

-Region VIII (West Michigan), Mason, Lake, Osceola, Newaygo, Mecosta, Montcalm, Kent, Ionia and Allegan Counties.

-Region IX (Northeast), Cheboygan, Presque Isle, Otsego, Montmorency, Alpena, Crawford, Oscoda and Alcona Counties.

-Region X (Northwest), Emmet, Charlevoix, Antrim, Leelanau, Benzie, Grand Traverse, Kalkaska, Manistee, Wexford, Missaukee Counties.

Safemark Dealers Established by Trade Areas

Safemark Dealers are intended to be established by trade areas. It has been interesting to note that some community groups purchase tires anywhere from the Sault St. Marie area to Florida. These people should also be interested in knowing that if they have Safemark tires, they can be purchased or adjusted in any Safemark state. When they are traveling south after they pass through Indiana, they are available in Kentucky, and excluding Tennessee, the balance of the south are participating Safemark states. The policy in Safemark states is that dealers can honor membership cards in other Farm Bureau Safemark states.

Safemark Dealers are usually only 10 to 15 miles apart, since the customer practice is to purchase tires, especially automobile tires, in this kind of a geographical area. It is also interesting to note that at the present time there are 16 counties without signed Safemark

Agreements. From these counties community groups have indicated that there has been a need for a Group Purchasing Program of the Safemark variety in Farm

Braden On PBB (Continued from Page 2)

producers to tell how the adverse publicity is hurting their markets.

He also called upon Farm Bureau leaders to call up radio stations when their open-telephone-line discussion programs are on the air. They should also invite the local press out to show reporters the problems of food production and tell the media that Michigan produced food is free from contamination.

"News backgrounders are an excellent way to get the word out to the media," Braden pointed out. "However, if one is not scheduled in your area, don't be afraid to hold your own."

Braden cited the action taken by concerned farmers in the Big Rapids area. Selected leaders from Mason,

Bureau for a long time, since it is an economic service which is available to Farm Bureau members only.

As of March 1, there are 29 authorized dealers scattered throughout the State of Michigan.

Mecosta, Muskegon, Newaygo, Oceana and Osceola County Farm Bureaus held their own "backgrounders" and told their story to two television stations, one radio station and two newspapers. The outcome was very positive, the leaders reported.

"Farm Bureau members should also get involved with mall displays to tell shoppers how Michigan food is kept safe," Braden added. "You should also get out and talk with grocery store managers and tell them about the problems of beef production and why you know that Michigan beef is safe."

Above all, members should contact their legislators and let them know how farmers feel about the impending PBB legislation," Braden concluded.

-Region XI (Eastern UP), Luce, Mackinaw, Chippewa Counties.

-Region XII (Central UP), Marquette, Alger, Schoolcraft, Delta, Dickinson and Menominee Counties.

-Region XIII (Western UP), Keweenaw, Houghton, Baraga, Iron, Ontonagon, Gogebic Counties.

-Region XIII (West Michigan Shoreline), Oceana, Muskegon and Ottawa Counties.

PLANS

Because of the diversity of their areas and different approaches to areawide water planning and management, the specific plans for implementation of Section 208 will vary from region to region. However, any plan shall include but not be limited to the following:

-Provide a framework for long-term planning.

-Encourage total comprehensive planning, including economic development.

-Get into structuring between housing, and water and land and social programs.

-The full affect of Section 208 planning will be comprehensive land use planning for each state and the development of regulatory mechanisms to insure that land use does not harmfully affect water quality.

In some ways, communities will no longer be able to give zoning variances at will. The land use in every community in a Section 208 area will be measured in terms of its impact on water quality.

The act further notes that each Section 208 plan should also take care of for the next two decades:

-Identifying what kind of treatment plants will be needed to meet anticipated municipal and industrial treatment.

-Establishing construction priorities for those plants.

-Carrying out the regulatory program.

-Measures necessary to built, operate and maintain all facilities required by the plan.

-Identify what's necessary to carry out the plan (including financing), time needed and cost.

-A process to (1) identify, if appropriate, agriculturally and silviculturally related nonpoint sources of pollution, including runoff from manure disposal areas, and from land use for livestock and crop production, and (2) set forth procedures and methods (including land use requirements) to control to the extent feasible such sources. (Author's note: silviculture is defined as the cultivation and care of trees in a forest)

-A process to identify mine related sources of pollution; and procedures to control them.

-A process to identify construction related sources and procedures to control.

-A process to control residual waters from the area that might affect water quality any process to control disposal of pollutants on land or sub-surface excavations within an area to protect water quality.

-Urban runoff.

-Septic tanks.

Planners in some areas are looking more closely at nonpoint source pollution because they feel it will be less expensive to control than more sophisticated plumbing or municipal or industrial facilities. Some planners have suggested a tax on fertilizers as a means to reduce its use, thereby eliminating pollution of streams when runoff occurs.

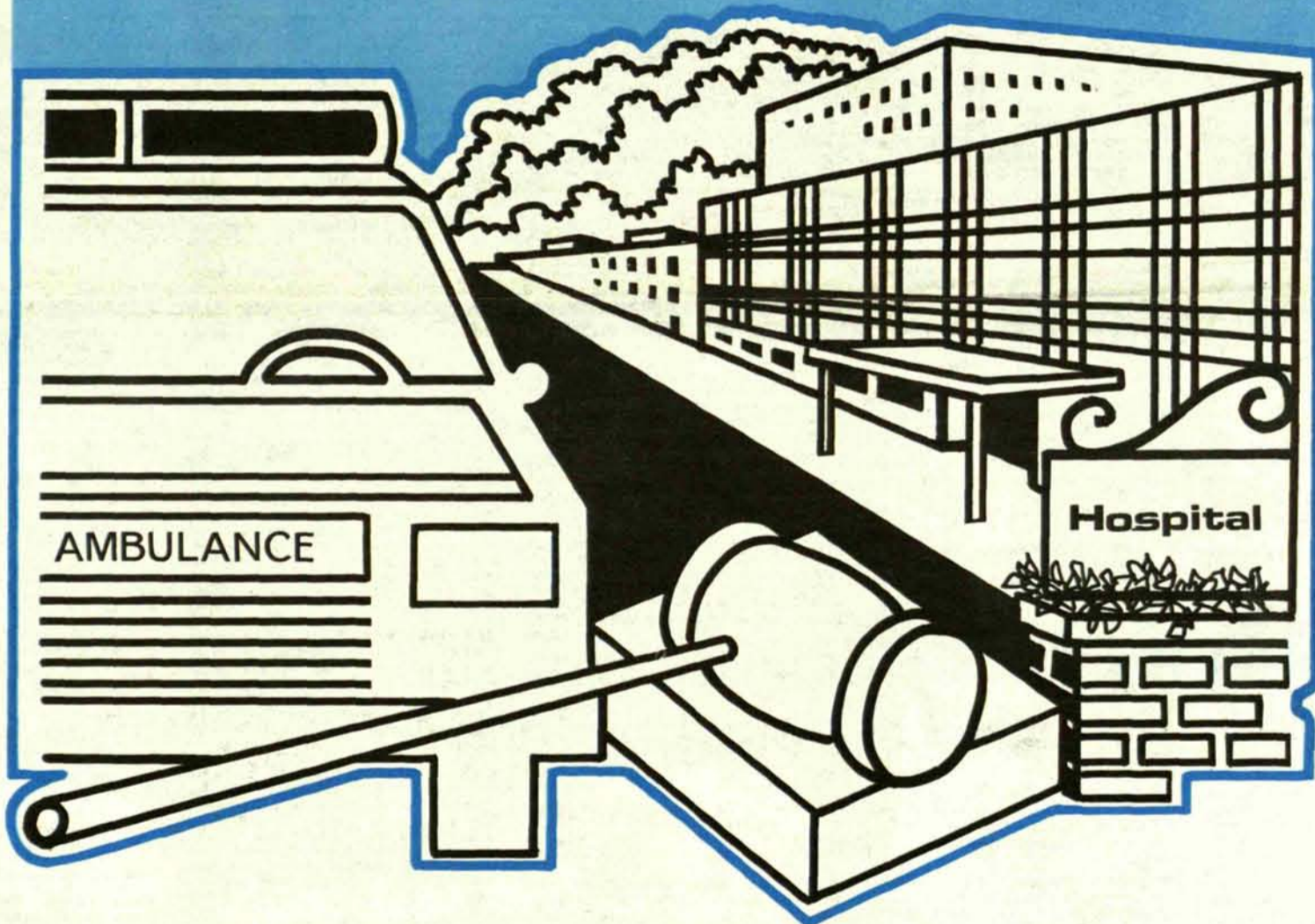
PARTICIPATION NEEDED

Public participation is now required. Farm Bureau members should participate, at every opportunity, in discussions and public hearings and exert influence to whatever extent possible regarding the planning process.

Once plans are adopted it may be too late to make meaningful changes. Therefore, before the golden minutes slip away, let your local Regional Planning Committee know your views.

uninsured farm workers?

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Agricultural employers must provide the same worker's disability compensation coverage for their employees as do non-agricultural employers. It's the law.

Farm Bureau Mutual can help. Our agricultural worker's disability compensation insurance programs are proven to work right for all types of Michigan farmers. In fact, a special program is designed just for Farm Bureau Members. "Safety

Group" Worker's Disability Compensation offers possible dividends ranging from 5% to 45% of annual premium. Last year alone "Safety Group" Worker's Disability Compensation insurance returned \$162,000, 15% of annual premiums, to policyholders.

If you employ any agricultural labor, remember the law. Your Farm Bureau Insurance agent can help.

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ANOTHER INSURANCE PROGRAM
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