

Members Give Direction Changing Agriculture

Bureau members reaffirmed their support of a market-oriented agriculture during the policy development session of the Michigan Farm Bureau annual meeting in Kalamazoo Dec. 10 through 12. Voting delegates considered nearly 150 policy recommendations, with debate and discussion on the government farm programs resolution the most active.

Realizing that it would be politically unrealistic to assume that Congress would not pass some type of farm program, the delegates' liveliest debate centered around the degree of government involvement that would be acceptable.

It was only after a strengthening of a phrase submitted to the delegates by the policy development committee deal-

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GOVERNMENT FARM PROGRAMS

Government programs with respect to agriculture should be designed to create conditions which will permit farmers to operate under the market system. We favor a market-oriented agriculture because we believe farmers will fare better under the market system than under any type of government-managed system. The essential ingredients of a sound national farm program include measures to assure and improve farmers access to domestic and foreign markets without government intervention.

A continuing effort should be made to achieve a prosperous, productive and income support programs with a minimum use of price and income support measures. If improved net incomes are to be long-lasting they must be achieved through market prices obtained in the marketplace and must not be dictated by government.

Should it become necessary for the secretary of agriculture to invoke set-aside programs, to avoid burdensome surpluses, it is essential that this program be voluntary.

The details of any set-aside program should be announced at least 6 months in advance of the planting season for crops covered to allow producers to make decisions and attract enough participation to make it effective. Whenever a set-aside program is necessary to deal with burdensome supplies, it should be accompanied by adequate diversification to no more than 5% of annual use for feed crops. Diversification should be accompanied by adequate diversification if it is to be achieved. Diversification should be accompanied by adequate diversification if it is to be achieved. Diversification should be accompanied by adequate diversification if it is to be achieved.



From the Desk of the President

'Right Face - Forward March'

(Editor's Note: The following are excerpts from the president's annual address, delivered Dec. 10 at the MFB annual meeting.)

On election day, 1980, the citizens of this great nation demonstrated their frustration with the ultraliberal philosophy, programs and politicians. Voters elected people who are more conservative in their views, who believe in minimizing government programs, rather than being managed by government. The voters gave a signal that they want individuals and business to make decisions rather than have government make decisions for them.

Domestically, we suffered from high unemployment, penalizing inflation, sagging productivity, inconsistent energy messages, over zealous regulations and disastrous taxation, and voters said "This is enough. Let's try a difference philosophy."

Americans, by and large, are not lazy people. While each of us wants our work to be easier, we want to be effective and productive. In the first 60 years of this 20th century, we had moved in that direction. Our productivity per person had been increasing. During the 60s, however, that gain slowed. Industrial productivity in

this nation was actually negative this past year.

That means it took more hours of work to produce the same amount of goods than in the year before. And while a working person's income may have been higher than the previous year, he had less purchasing power. It meant higher prices charged by business, in order to recoup the increased costs of production.

But the drop in productivity is not really the fault of the worker. The fault has been in the liberal philosophy that considers profit to be bad and therefore should be taxed away for government decided and controlled programs.

While the industrial productivity of the U.S. has been declining, agricultural productivity continues to increase. American agriculture is the envy of the world. It is the one segment of the U.S. economy of which other nations are jealous. When you realize that agricultural exports from this country are estimated at \$40 billion this year, you can understand why other countries marvel at the industry you and I represent.

All Americans reap the financial harvest of agricultural exports. Farmers benefit from the sale of their products.

Workers who perform services in transportation, marketing, shipping, financing, packaging and energy, all share by being gainfully employed. All Americans benefit because they are able to buy goods from other countries - often at less cost, and of greater variety.

But Americans should be concerned that our nation does not lose its competitive advantage in agricultural production. We are seeing, in real terms, less money spent on agricultural research each year. At the same time, the Soviet Union and the People's Republic of China are increasing their spending for research.

The Soviets have 210,000 people involved in agricultural research. The Chinese have 200,000. In the United States we have only 25,000 persons involved in agricultural research and teaching.

Recognizing that food production may one day carry clout equal to that of armament, Dr. Sylvan Wittwer, a recognized agricultural scientist, said, "The free world has fallen behind in the arms race, and now the Russians are exceeding the U.S. in research investments relating to the production and stability of our food supplies."

America cannot afford to



lose the one area in which we have absolute advantage over other nations - agricultural production.

I am convinced the average citizen does not understand the importance of foreign trade.

We hear much about the damage being done to our economy by importing foreign goods, but I believe that foreign trade is vital to world peace and prosperity. Isolationism and protectionism lead only to lower standards of living throughout the world.

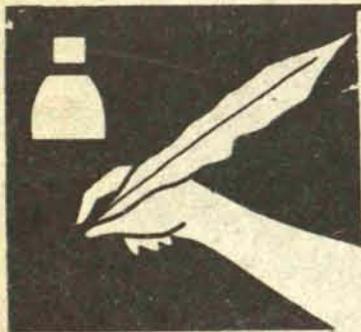
The importation of a particular product may be unpleasant to a segment of our society. The rest of society, however, benefits through greater selection of products and lower prices, brought about by competition. The total economy benefits because more product is sold and the general welfare of the consumer is raised.

For many years, people have been encouraged by liberal politicians to think that government is the answer to all problems. Some people are now asking government to protect us from competition.

I believe that the American people have learned that government protection is a mirage. They know that government created inflation, with increasing minimum wage rates, gives only an illusion that wage earners are better off because they earn more money. In reality, workers lose due to inflation, higher taxes, erosion of savings and loss of purchasing power. They lose jobs because our industries are priced out of markets. Our inflated dollars have weakened compared to foreign currency. Inflation has "done them in."

Politicians have done a masterful public relations job in ex-

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DONNA

For those of us in the state office, annual meeting is a bit like Christmas. You spend months planning and wrapping each program segment into neat little packages and within a matter of minutes, it seems, all that remains is the debris under the Christmas tree.

If you don't get the glee you expected when a particular package is opened, you wonder if perhaps you could have made a better selection - and start right in planning for next year. But when the contents of a package are well-received, you get a special glow that makes you feel rewarded for the hard work you invested in preparing it.

My major responsibility at the annual meeting is information services - assisting the

press people who attend, filling requests for those who can't be there, writing news releases and the daily Delegate News. So, the first package I wrapped was a press conference with former Secretary of Agriculture Earl Butz. The news people who packed our press room to unwrap this package didn't find Dr. Butz inside. He'd been iced in back in Indiana. . . .

The realization that I'd put an empty package under the Christmas tree gave me a headache, one that worsened when I remembered that Wednesday's Delegate News (which had already been printed) had Dr. Butz's photo on the front page!

It takes a concerted team effort to fool Mother Nature, who each year conspires to put the hex on at least one of our annual meeting packages. While President Elton R. Smith and Vice President Newton Allen filled in at the press conference, others behind the scenes worked to get a telephone hook-up between the convention center and Purdue University so Dr. Butz could talk to the farmers

who attended the FBS/FPC annuals.

The press didn't seem too disappointed. With President Smith reported to be one of the frontrunners for the position of secretary of agriculture, they were anxious to talk with him anyway.

We had a red telephone in our press room that we told everyone was a hotline set up so President-elect Reagan could call us with the announcement. While it didn't come (the phone wasn't hooked up), I'm sure you share our pride in the fact that our president was being considered. That shows the high regard in which Elton Smith is held as a national farm leader.

Added to that: did you know that Michigan is the only state to have two representatives on the agricultural transition team? our president and Glenn Lake, MMPA president. That sure says something for our leadership!

And . . . speaking of agricultural leadership in Michigan . . . as president of the Dean Prid-

geon fan club - a position I've held for several years now - I was especially thrilled with this year's selection for the "Distinguished Service to Agriculture" award. One of the proudest people in the crowd (which gave Dean a standing ovation) must have been his 88-year-old dad, who just happened to be celebrating his birthday that night. What a neat present!

I try, very hard, not to let any feminism slip in when I report the news. But, honestly, I couldn't suppress the surge of pride when we chalked up three "firsts" for women in

Farm Bureau at this year's annual meeting: Discussion Meet winner, Young Farmer chairman (whoops! chairperson), and district director. All three have so much class; they believe their achievements were based, not because of or in spite of the fact they were women, but on their own individual qualifications and proven leadership abilities.

Forgive me, fellows, for the extra-loud cheer from these quarters. I've been around long enough to say, emphatically, "We've come a long way, baby!"

Backstage and On-Stage at the Annual

MICHIGAN FARM NEWS

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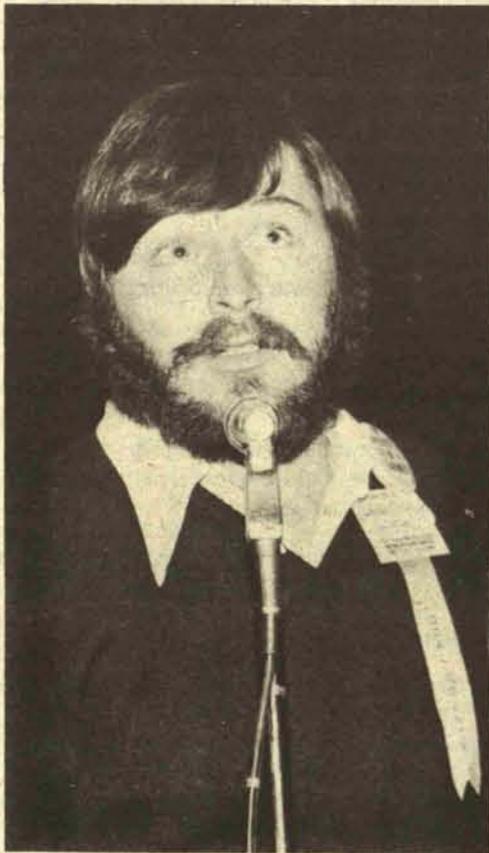
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KALAMAZOO, DEC. 9-12, 1980

THE ANNUAL MEETING

Work, recognition, information and fun — all part of the 61st Annual Meeting of the Michigan Farm Bureau



KALAMAZOO, DEC. 9

FBS/FPC Annuals Open Four-Day Convention

The chief executive officer and executive vice president of Farm Bureau Services, Inc. and Farmers Petroleum Cooperative brought a positive report to stockholders of the two cooperatives during their annual meeting Dec. 9.

Newton Allen, who assumed management responsibilities of the two MFB affiliates on Sept. 1, 1980, reported "another successful year" for FPC and "notable gains" for FBS.

The report was especially good news for FBS stockholders with the co-op recording before-tax profits of \$2,172,914 for the 1979-80 fiscal year, compared with a \$3,784,980 loss during the preceding year.

The Michigan Elevator Exchange, a division of FBS, recorded a profit of \$991,924 on fiscal year operations, Allen re-

ported, with new records set in the number of bushels of grain handled. MEE's grain department marketed a total of 48,209,000 bushels, an increase of 10 million bushels over the preceding year.

"The bean department handled sales of nearly 900,000 cwt. of beans during the year and actively participated with other shippers and government officials in the negotiation of an export agreement which will open new markets for the sale of colored beans to Mexico," Allen told stockholders. In anticipation of this growing market for pinto and red kidney varieties, MEE undertook improvements to its Saginaw terminal to provide for processing of colored beans and add to drying capacity, he said.

According to Allen, until the U.S. embargo on grain ship-

ments to the Soviet Union, the cooperative operated four trains, three of 65 cars each and one of 100 cars, moving grain continuously from Michigan terminals to the East coast. To avoid the traditional shortage of hopper cars, MEE leased an additional 40 rail cars, bringing its available total to 161.

FPC achieved its 16th consecutive year of gross sales gains, Allegan reported, concluding the 1979-80 fiscal year with gross sales of \$80.8 million. This represented an increase of \$22.8 million over the previous year.

"In addition, net profits before taxes rose to \$1.537 million - up \$1.235 million from the preceding fiscal year," Allen said. "A total of \$204,000 in dividend and in-

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NEWTON ALLEN
EXECUTIVE VICE PRESIDENT AND CHIEF EXECUTIVE OFFICER
FARM BUREAU SERVICES AND FARMERS PETROLEUM CO-OP

KALAMAZOO, DEC. 9

Chippewa Tops Again

For the seventh consecutive year, Chippewa County Farm Bureau took top honors in Michigan Farm Bureau's annual awards program. During ceremonies at the Kalamazoo Convention Center on Dec. 9, Robert Hesselink, Chippewa president, was called to stage seven times to collect No. 1's for winning programs.

Chippewa County's award-winning committees were Membership, Commodity, Young Farmers, Community Groups, Women, Policy Execution and Political Action. The county also received Silver Stars for

Local Affairs and Policy Development.



The "Ultimate One" assisted MFB President Elton Smith during the annual awards program, which recognizes counties for their 1980 program achievements.



Close on the heels of the "County Farm Bureau of the Year" was Ingham, Al Cook, president. Cook collected six Gold Stars for Membership, Information, Political Action, Policy Execution, Women and Young Farmers. The county also earned Silver Stars for Local Affairs, Policy Development and Commodity, plus a Certificate of Merit for Community Groups.



Sanilac County, Wayne Wood, president, continued their winning tradition with five Gold Stars (Membership, Local Affairs, Policy Development, Safemark and Women), four Silver Stars (Commodity, Information, Political Action and Policy Execution), plus a Certificate of Merit for Community Groups.



Clinton County, Don Witt, president, was next with four Gold Stars and five Silver Stars, plus a Certificate of Merit. Gold Star programs were Membership, Commodity, Information and Policy Execution; Silver Stars were won for Local Affairs, Political Action, Policy Development, Young Farmers and Community Groups; the Certificate of Merit was for Women.

Also a four Gold Star winner was Newaygo, Fred Folkema, president. The county earned Gold Stars for Membership, Information, Political Action and Policy Execution. Silver Stars were earned for Policy Development and Young Farmers, plus a Certificate of Merit for Women.



Tuscola County's three Gold Stars, two Silver Stars and one Certificate of Merit were a tribute to Margaret Boyne, who served as president until her death on July 15. LeRoy Schluckebier, a former Tuscola County Farm Bureau president, served as acting president for the remainder of the year. Tuscola earned Gold Stars for Membership, Community Groups and Political Action; Silver Stars for Policy Development and Women; and a Certificate of Merit for Commodity.

Also a three Gold Star county was Macomb, Joe Malburg, president. Macomb had Gold Star winning committees in Membership, Community Groups and Local Affairs; a Silver Star for Policy Development; and a Certificate of Merit for Policy Execution.

President's Golden Award

President's Golden Award Trophies are earned by counties that have made membership and target goals and have the highest percentage of their members participating in these member-only programs: Mutual Auto, Workers Compensation, Farm Recordkeeping, Member Life, Blue Cross-Blue Shield, Farm Bureau Services/Farmers Petroleum Cooperative Rebate Card, Wheat Pool and Safemark group purchasing.

The 1980 winners were: Alfred M. Turnipseed, Kalkaska; Robert Kartes, Ogemaw; Elmer Gowell, Oceana; Albert Cook, Ingham; and Elgin Darling, Monroe.

Ag Communicators Honored

During a special press reception Dec. 9, three news people were honored as MFB's 1980 "Agricultural Communicators of the Year." Those honored were Ben Leonard, *Farmers Advance*; Karl Guenther, WKZO radio and TV, and David Fortin, WPBN-TV, Traverse City.

In presenting the awards, MFB President Elton R. Smith said the three top communicators were honored for individual outstanding effort and achievement in serving agriculture. But they were also symbolic, he said, of many others throughout the state "who have recognized that what farmers do, the challenges they face and must overcome to feed the people of this country, also effects the 97 percent of our population who are not involved in the agricultural industry.

"When we honor these top communicators for their individual efforts, we are also expressing our appreciation to all the other news people who have helped us tell our story," Smith said.

MFB has conducted the recognition program for several years to honor news people for their service to agriculture. Top communicators must first be nominated by county Farm Bureaus to be considered for the state award. Leonard was nominated by the Washtenaw

'Greatness in each...'



"There is a greatness in you," said Art Fetting, a humorist-motivator who spoke at the Presidents and Campaign Managers Banquet. The renowned speaker said, "I don't make people great. People are born with greatness in them. My job is to help them realize that greatness and help them to do something with it."

County FB; Guenther by Van Buren and Newaygo counties; and Fortin by Northwest Michigan.

"We believe this local nomination strengthens the prestige

of these awards because it means the information the communicator is sharing has a positive impact on the lives of those farmers in his own home community," Smith said.

'Fabulous Fifteen'

Members of the prestigious "Fabulous Fifteen," the first three counties in each membership category to reach goal, were honored at the County Presidents' and Membership Campaign Managers' Banquet last night. Held just prior to the annual Awards Program, the event kicked off activities of the Michigan Farm Bureau's 61st annual meeting. Following a banquet, courtesy of Farm Bureau Insurance Group's Marketing Corporation, these members of the exclusive "Fabulous Fifteen" were honored:

In the 1 to 350 membership category - Lyle and Betty Robinson, Iosco; Foster McCool, Kalkaska; and Clarence Davis, Benzie.

In the 351 to 650 membership category - Stan Stemsky, Cheboygan; Richard and Roberta Beck, Ogemaw; and Irene Parker, Gladwin.

In the 651 to 1,200 category - Lola Weber, Martin Thomsen and Doris Rader, Montcalm; Shirley Tolles, Barry; and Jim Shull, Oceana.

In the 1,201 to 1,500 category - Darl Evers, Allegan; Katherine Goodfellow and Dale Shade, Kent; and Duane Wagner, Lapeer.

In the 1,501 and over membership category - Alvin Gaertner, Monroe; William Sill, Genesee; and Clare Brown and Ken Fierke, Sanilac.

FBS/FPC Annuals Held Dec. 9

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terest payments were made to stockholders and investors during the year. Most noteworthy, however, is the fact that FPC was able to disburse some \$245,000 in cash to patrons, retiring deferred patronage credits on business done with the cooperative in the years of 1963-64."

Allen reported that the sale of Agrihol, a gasoline and alcohol mixture first introduced into the Michigan market by FPC, has been expanded to 21 bulk plants operated by the co-op.

Directors Re-elected

Farmer delegates reaffirmed confidence in the leadership of Farmers Petroleum Cooperative, Inc. and Farm Bureau Services, Inc. with the re-election of all incumbent board members at the co-ops' annual meetings Dec. 9.

FPC voting delegates re-elected Wesley Prillwitz, Berrien County, and William Brewer, Clare County. Elton R. Smith, Kent County, and Walter Frahm, Saginaw County, were re-elected to represent MFB on the board of the co-op.

Incumbents re-elected to serve on the FBS board were Loren Black, Grand Traverse County; Frank Crandall, Calhoun County; and Bruce Leiprandt, Huron County. Arthur

Bailey, Kalamazoo County; Robert Rottier, Newaygo County; and James Sayre, Wayne County, were re-elected to represent MFB on the FBS board.

Butz Grounded

Farmers from throughout the state packed Kalamazoo Convention Center's grand ballroom Dec. 9 to see Dr. Earl Butz, former U.S. secretary of agriculture and now dean emeritus at Purdue University. They didn't get to see him, but they did hear him via a telephone hook-up between Butz's Purdue University office and the convention center.

"Ma Bell" came to the rescue when inclement weather grounded Butz's private plane, preventing him from his scheduled appearance at the FBS-FPC annual meetings.

Butz told his audience, "If we want to build a peaceful world - and that's mankind's number one challenge in the next decade or two, we must eliminate hunger from the world. We can't build a peaceful world on a base of hungry people," he said.

Reaching that goal of a peaceful world, Butz said, rests largely with the agricultural industry, and gaining public awareness of that fact is a challenge farmers must meet.

KALAMAZOO, DEC. 10

American Farmers 'New Kid on Block' in International Marketing Skills



DR. CLAYTON YEUTTER

Dr. Clayton Yeutter, president of the Chicago Mercantile Exchange and chairman of President-elect Reagan's agricultural transition team, told farmers attending the Dec. 10 commodity session during MFB's annual meeting that although they were the most efficient producers in the world, they were "new kids on the block" when it comes to international marketing.

Rumored to be one of the leading contenders for the post of U.S. secretary of agriculture, Yeutter addressed the issue of "Marketing Challenges and Opportunities in the 1980s."

"We are the most efficient producers in the world - we understand production very well - and then we fall flat on our faces when it comes to marketing," Yeutter said. "We simply have to give a lot more emphasis to marketing. The pendulum has been over on

the production side with nothing balancing over on the marketing side. We can't forget the production side, but we've got to learn how to sell the stuff!

"We're simply not pros when it comes to selling things in the international markets. We're the new kids on the block and we're very amateurish compared to Germany, Japan and a number of other countries which have to export to survive," Yeutter said.

"Our exports have expanded tremendously in recent years, but that's been because we are in a seller's market. It's easy when someone is leaning on your door and saying 'will you please sell us some grain?' It's not so easy when you get into a surplus supply situation and you have to begin competing with the Canadians, the Australians and others in marketing that grain," he said.

Yeutter told the farmers that they should urge their children to learn languages in order to compete more effectively in the world market.

"We'll sell a lot more in the international market in the next 20 to 30 years if we speak more than one language. The rest of the world appreciates someone who can speak their language. They'll speak English if they HAVE to because it's becoming the international language, but they don't WANT to, and if one can go to Mexico, Spain, Greece, the Soviet Union, Japan or China, or any other nation, with a command of that language, they'll strike a whole lot more deals."

He urged farmers to learn marketing techniques such as forward contracting and futures trading. "In the next 20 years, he who can handle these kinds of marketing tools is going to have a net worth a whole lot higher than he who does not know how to handle them," he concluded.

Yeutter said that one thing farmers do not need in the 1980s are embargoes. "There's no way any embargo is ever going to be effective," he said. "All the armies of the Western world are not going to be able to enforce a grain embargo and it's appropriate to lift the (Soviet) embargo and move away from that kind of artificial constraint. It's not going to be simple because the embargo is caught up in the whole U.S.-Soviet relationship and obviously will have to be looked at by the new administration in that context."

Inflation, Price Volatility Predicted for 1980s

A leading educator and consultant in agricultural economics told Michigan agricultural producers at the MFB annual meeting that his economic scenario for the 1980s presumes continued inflation, expanded international trade and increased production costs for farm operators.

Dr. John Brake, who was recently selected for the M. I. Myers Endowed Chair in Agricultural Finance at Cornell University, advised farmers attending the commodity session on Dec. 10 to upgrade their skills in capital budgeting and investment analysis to meet this decade's management challenges and opportunities.

Brake expects many of the economic trends of the 1970s will continue into the 1980s.

"Farm numbers will continue to decrease. The amount of debt per farm will continue to increase and the total amount of debt outstanding to agriculture will also continue to increase at the rate of inflation or perhaps slightly faster than the rate of inflation," he said.

"Most of the costs farmers face for items such as fuel, pesticides, fertilizers and labor will continue to increase and returns to farmers will be highly variable.

"It will be important to be able to push a pencil or access a computer to analyze investment alternatives in your farm operation - whether these are new machinery, expansion or new enterprises."

But, Brake warned, sources for acquiring these skills and management information are

likely to change.

"In the past, such information was available through Extension, newspapers, farm magazines and other sources. In the 80s... your farm lender may be a source of more information.

"He is an important element of your farm business. You need to find a responsible and helpful lender, one who will offer sound advice on major decisions and who will meet your financial needs.

"In the 80s, a slight difference in interest rate between one lender and another is not going to be nearly as important as having a good working relationship year after year."

Successful farm financial managers in the 80s will be experts in managing the risks of inflation, price volatility and investment. Brake suggests the use of commodity hedging or futures contracts as a way to deal with commodity price risks.

"Hedging or contracting does not eliminate the risk," Brake said. "It only changes the risks. One can hedge or contract at too low a price and one will seldom if ever hit the top price paid in any season. But, if my guess of the 80s price volatility is approximately correct, then there will be numerous opportunities to hedge... at a higher price than one would get by waiting for the price at harvest time."

Brake also urged farmers to make better income tax decisions to use today's higher value dollar more efficiently.

Farm Bureau Women Elect 1981 Executive Committee



Elected to the 1981 Farm Bureau Women's Executive Committee were, left to right, Faye Adam, Sanilac County, first vice chairman; Vivian Lott, Ingham County, chairman; and Nancy Rottier, Newaygo County, second vice chairman.

Women Urged, 'Go as far as Your Ticket Will Take You'

Michigan Farm Bureau Women were taken on an imaginary journey by Kenneth Cheatham, of the American Farm Bureau Federation, during their annual meeting, Dec. 10, at the Kalamazoo Civic Auditorium.

In an address titled, "Moving on in Century III," Cheatham told the women there are basically four kinds of people traveling through life today.

"There are those who don't want to go anywhere, who are bogged down in complacency, satisfied to remain there.

"Then there are those who only want to take just a little trip, who flit from mediocrity to mediocrity with enthusiasm. They were born of inertia and have had several relapses. They don't even burn a candle at ONE end," he said.

"There are those who don't want to make the trip but pose as experts on the travel of others. They are the ones who spend time criticizing the journey of others, questioning their choice of destination and asking - is this trip necessary? They don't want to go and they don't want anyone else to go either.

"Then, there are those who want to go as far as their tickets will take them," Cheatham stated, hoping that the Farm Bureau Women in Michigan were in this group. "They have the gift of dissatisfaction and divine discontent. They have hitched their hearts to a task or a goal they love, and with souls ablaze with purpose, reach for the stars.

"They would rather shoot at something and miss than to



KEN CHEATHAM

shoot at nothing and hit," he concluded, as he urged the women to begin believing in their beliefs - and then living them.

KALAMAZOO, DEC. 10

Young Farmers Build a Future in Today's Agriculture



Grand Traverse County fruit grower David Amon (left), and his wife Judith, accept the recognition plaque for the "Distinguished Young Farmer" award from L. C. Scramlin, 1980 Young Farmer Committee chairman.



Marsha Brook, representing District V in Discussion Meet competition, is awarded a first place certificate by L. C. Scramlin. Brook will represent Michigan in Farm Bureau's national discussion meet in New Orleans on Jan. 11, 1981.



Music teacher turned full-time farm wife, Andrea Hofmeister (right) of Tuscola County, is Michigan Farm Bureau's "Outstanding Young Farm Woman." She receives a gift and congratulations from L. C. Scramlin and runner-up Dana Sue Kirk of Clinton County.

Distinguished Young Farmer Named

David Amon, Grand Traverse County fruit grower, was selected MFB's "Distinguished Young Farmer" during young farmer activities on Dec. 10 at the MFB annual meeting.

Amon, a graduate in agricultural economics from Michigan State University, has been general manager of the family farming operation since 1979. At present, 270 acres are under cultivation producing red tart cherries, sweet cherries, plums and landscape quality spruce trees. In addition, the family business includes a fresh fruit farm market and wholesale fresh fruit sales.

In order to increase efficiency and to achieve a goal of energy independence by 1984, Amon is in the process of designing and building an on-farm electrical distribution system which will be powered by a wind turbine. The wind energy project has been funded by a Department of Energy grant as a demonstration project for Northern Michigan fruit farm operations.

Improvement goals established by Amon and family partners include improvement in orchard quality and tree strength, increased productivity, reduction in application frequency and costs of sprays and fertilizers through use of integrated pest management, preservation of prime agricultural farmland and increasing public awareness of the need for Michigan farmland in operation.

Careful attention to an estate plan assures all members of the partnership an orderly transition of properties, liabilities and other related holdings. "Loss of a major experienced partner through an unexpected death

creates many problems... We plan to keep the farm operation family owned and operated," Amon said.

Amon and his wife, Judith, live in Williamsburg where they are involved in many community service, educational and business organizations.

Young Farm Wife Wins Discussion Meet

A 30-year-old Clinton County farm wife won the young farmer Discussion Meet held Dec. 10 during young farmer activities at the MFB annual meeting.

Speaking on the topic, "Why is a free enterprise system essential to a highly productive agriculture," Marsha Brook of Ovid talked her way to the state title and will represent Michigan in the national meet during the American Farm Bureau Federation annual meeting in New Orleans in January.

Her husband, Douglas, is part of a father-son partnership dairy operation with 120 cows and replacements, 450 tillable acres of corn, alfalfa and soybeans. The Brooks have three children, twins Jeffery and Jeremy, 3½, and Jonathan, 15 months.

Brook, whose plans for the future include "raising my family, being a spokesperson for agriculture, and possibly finishing my master's and going back to teaching," is a member of the Clinton County Farm Bureau Young Farmer and Women's Committees, Capitol Area Mother of Twins Club, and is active in the Grove Bible Church.

In her presentation, Brook said, "Free enterprise is essential for people to be highly motivated; they need a sense of self-worth to be productive. They need to be able to fail as

well as to succeed, and this can only happen in a free enterprise system.

Outstanding Young Farm Woman

Andrea Hofmeister of Gagetown has been named MFB's 1981 Outstanding Young Farm Woman following a final series of personal interviews held during the MFB annual meeting.

Hofmeister and her husband began farming four years ago. Together they operate a 350-acre farm in Tuscola County, where they produce wheat, navy beans and field corn.

Before the couple made the decision to farm full time, they were suburbanites. "Our jobs were challenging and lucrative, but in both cases an essential ingredient was missing. The opportunity to begin a task and see it through to a conclusion is a rare thing," she said.

"As family farmers, we plant the seed, cultivate and harvest the results of our labor. We bear our children and guide them to maturity by allowing them to work and learn at our side. Farming is the last great refuge for those who seek occupational satisfaction and family unity."

Hofmeister admits that learning to run a farm has been a big change from her former occupation as an elementary school teacher. "I am trying to learn what I need to know to carry the load by myself in times of emergency. This requires patience and time because I don't have a farming background."

The Hofmeisters share equally in the family farm operation. "Whether we are charging through sunny weather or sloshing through the mud, we pull together," she said.

Hofmeister holds a master's degree in music education.

MACMA President Pledges Commitment to Producer Interests

Elton R. Smith, president of the Michigan Agricultural Cooperative Marketing Association told members at the Dec. 10 annual meeting in Kalamazoo that despite changes in the market system, MACMA would remain a producers' association representing producers' interests.

"Many changes are taking place in the organizational structures of a significant number of firms which process fruits and vegetables in Michigan," Smith said. "Proprietary processors which paid cash upon delivery were, in the past, our

major market outlets. Now we have more processing cooperatives, grower-processors, joint ventures, and a variety of participation plans between growers and processors.

"I firmly believe we should continue to represent our members in the determination of prices, grades, and other terms of trade in this new market system which is developing. We are a producers' association, and we must represent producers' interests," Smith told members attending the association's 20th annual meeting.

"Most certainly we must take into consideration the needs and problems of our firms which process, store, and market finished products; those firms are our market outlets. They are between us and the final market outlet - the consumers. But we must resist the temptation to push processing, retailing, and marketing costs and problems on to the producers of raw products," he concluded.

Smith said that farm bargaining legislation continues to be needed and that MACMA

(continued on page 7)

KALAMAZOO, DEC. 10

**Must be Aggressive
MACMA President Says**

(continued from page 6)

would continue its strong support of enactment of a national law. "Our seven years of experience operating under the provisions of our state farm bargaining law has served as the basis for support of national farm bargaining legislation," he said.

He challenged members to remember that they were a minority group in an era of big government, big business and big labor. "As a minority group,



Speaking at the Marketing Conference during the MACMA annual meeting, Jack Morris reviewed the Perishable Agricultural Commodities Act requirement that buyers of fresh and frozen fruits and vegetables must pay growers promptly when it is delivered according to the contract or agreement.

we must become more united and aggressive. It is imperative that we be unified within our organization and with others in agriculture," Smith said.

In his operations report to MACMA members, General Manager Noel Stuckman said that general economic conditions and consumer demand set the stage for the association's activities.

"Our skills are tested in working with the supply and demand situation for each commodity as we work to get the highest returns possible and sell all of the commodity produced," Stuckman said.

"The slowdown of the economy, inflation, and high interest rates are causing the current cost-price squeeze which is affecting all MACMA members. The role of your association in resisting the downward pressure on commodity prices is now more important than it ever has been."

MACMA operations are conducted through 11 operating divisions. The seven fruit and vegetable divisions are involved in the marketing of crops to processors through bargaining, price leadership, marketing information and other services to growers. Two livestock divisions are involved in marketing feeder livestock from farmers to farmers, and the Direct Marketing Division and Michigan Certified Farm Markets Division are involved in the marketing of food products from farmers to consumers.

**Government Protection 'Mirage'
Smith Tells FB Delegates**

The American people gave a command in the Nov. 4 election to "right face, forward march" away from ultraliberal philosophies and government programs and toward reliance on the private economic sector, Michigan Farm Bureau President Elton R. Smith told delegates in his annual address.

Speaking at the Dec. 10 kick-off luncheon, Smith said, "We have suffered from high unemployment, penalizing inflation, sagging productivity, inconsistent energy messages, over-zealous regulations and disastrous taxation - and voters said, 'this is enough - let's try a different philosophy.'"

"I believe the American people have learned that government protection is a mirage. Government-created inflation, with increasing minimum wage rates, gives the illusion that wage earners are better off because they earn more money. The facts are that workers lose due to inflation, higher taxes, erosion of savings and loss of purchasing power. They lose jobs because our industries are priced out of the markets.

"I believe we are at the point where citizens of this country want to return to the private competitive economic system. They are calling for a strengthening of the market system. They are saying that instead of taxing the private sector to do things by government, let's use tax incentives to encourage growth, employment and wealth within the economy," he said.

"Americans, by and large, are not lazy people. While each

of us wants our work to be easier, we do want to be effective and productive. For the first 60 years of this 20th century, we had moved in the direction of increased productivity. During the 60s, however, that gain slowed and the alarming fact is that the trend has worsened. Industrial productivity in this nation was actually negative this past year.

"That means it took more hours of work to produce the same amount of goods than it did the year before, and while a working person's income may have been higher, he had less purchasing power. This meant higher prices charged by business in order to recoup the increased costs of production.

"This drop in productivity is not really the fault of the worker," Smith said. "The fault has been in the liberal philosophy that considers profit to be bad and, therefore, should be taxed away for government-decided and government-managed programs. If business and industry are granted the incentive to spend money for research and to modernize equipment, there is no question that productivity will increase. This will

improve our competitive position and lead to greater sales and increased employment."

While the industrial productivity of the U.S. has been declining, agricultural productivity continues to increase, Smith said, but warned that Americans need to be concerned that the nation does not lose its competitive advantage in agricultural production.

"We are seeing less money, in real terms, spent on agricultural research each year," he said. "At the same time, the Soviet Union and the People's Republic of China are increasing their spending for research. Americans cannot afford to lose the one area in which we have absolute advantage over other nations - agricultural production."

In conclusion, Smith said that while it will take some time to "stop the slide" and get momentum in the direction of less government involvement and dependency, he is confident about the future of the U.S. "I think America has the opportunity to redevelop itself into the uncontested leader in the world, as it well should be," he said.

KALAMAZOO, DEC. 11

**Senator John Hertel Pledges
'Common Sense' Approach to Ag**

Sen. John Hertel, chairman of the Senate Environmental and Agriculture Affairs Committee, spoke Dec. 11 at the MFB annual meeting and pledged his support of "common-sense" agriculture-related legislation.

"Part of this common sense approach to agriculture needs to be reflected in the state budget," Hertel said. "Although deep cuts are being made in every aspect of state spending, I'm hopeful the Legislature will not 'cut off its nose to spite its face' with agricultural funding.

"Many important agricultural research projects underway at Michigan State University and other state-funded institutions provide vital information and guidance to Michigan farmers.

If budget cutbacks are too severe, it will be many years before they can be built up to their current nationally-renowned status."

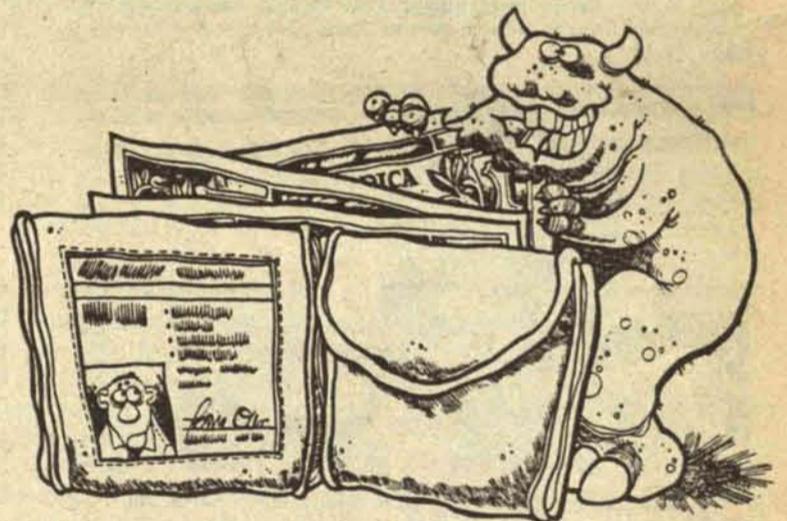
Hertel said another common sense approach to help Michigan farmers help themselves would be by simplifying the often confusing maze of bureaucratic rules and regulations.

"In many instances, Michigan regulations are more stringent than federal regulations. This, in itself, is not the problem," Hertel said. "However, when a farmer invests upwards of \$30,000 to modify a grain elevator to conform with federal standards, only to be told by a state inspector a year later that further modifications are

necessary to meet state standards - then something is drastically wrong.

"At one point a few years ago, this type of state-federal contradiction became so ludicrous that following Michigan's housing rules to the letter placed you in violation of the federal housing rules, and vice versa. Some folks suggested - only half in jest - that the decision on which set of rules to follow might be based on your particular preference of the state or federal penitentiary.

"With rising inflation and uncertain weather, Michigan farmers certainly don't need this type of aggravation. In many cases, what we need is simply a good dose of common sense," he concluded.



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KALAMAZOO, DEC. 11

AgriPac Breakfast Raises Funds for '82



Rep. Mark Siljander (R-Three Rivers), center, received recognition from the MFB AgriPac for having what AgriPac considered a "perfect" voting record on major issues effecting agriculture. Making the presentation were AgriPac chairman Larry DeVuyst, left, and MFB President Elton Smith, right.

Legislators, Coordinators Honored

MFB's political action arm, AgriPac, kicked off its fundraising activities with a breakfast Dec. 11. Many of the farmers who served as voting delegates to the MFB annual meeting paid \$15 for breakfast, with proceeds earmarked to help elect "Friends of Agriculture" in the 1982 election.

AgriPac first endorsed and supported candidates for political office in the 1978 elections when 66 of their 73 "Friends of Agriculture" were successful. In the 1980 election, AgriPac endorsed 81 candidates, 75 of whom were elected.

Awards received by three urban legislators at the AgriPac breakfast illustrated that being a "country boy" is not part of the criteria for receiving the "Friend of Agriculture" designation.

Four state representatives were honored for having what AgriPac considered "perfect" voting records on major issues affecting agriculture, and three were from urban areas.

Those who received plaques for their "consistent support of agriculture" were Rep. James Defebaugh (R-Birmingham), Rep. Stanley Stopczynski (D-Detroit), Rep. Thaddeus Stopczynski (D-Detroit), and Rep. Mark Siljander (R-Three Rivers).

A former prisoner of war who spent nearly six years in a Communist prison camp in North Vietnam, Charlie Plumb, was speaker at the AgriPac breakfast. Plumb, author of the book, "I'm No Hero," suggested that techniques used by the POWs to survive prison conditions can be applied to meet the stresses of daily living.



Twelve political action coordinators were honored at the AgriPac breakfast for heading successful drives to reach AgriPac county goals. Above, Betty Laurie received a plaque and congratulations for her success from AgriPac chairman Larry DeVuyst and President Elton Smith.



Keynote speaker at the AgriPac Breakfast was Charlie Plumb, a former prisoner of war in Vietnam.

Pridgeon Presented MFB's Top Honor



Michigan Department of Agriculture Director Dean Pridgeon was presented MFB's Distinguished Service to Agriculture award by President Elton Smith at the annual banquet Dec. 11 during the MFB annual meeting. Pictured with Pridgeon is his wife, Mary.

Dean Pridgeon, director of the Michigan Department of Agriculture, was presented with MFB's highest honor during ceremonies at the organization's annual banquet on Dec. 11. Pridgeon received the "Distinguished Service to Agriculture" award for his contributions "for the betterment of Michigan agriculture."

In presenting the award, MFB President Elton R. Smith said Pridgeon's "outstanding ability to look at issues in relation to total agriculture" has won him statewide respect.

"When he was selected by the Michigan Agriculture Commission as the director of the Michigan Department of Agriculture, that action received praise from all segments of agriculture, which is a real tribute to the respect held for Dean by the entire Michigan agricultural industry," Smith said.

Pridgeon is a member of a farm partnership near Montgomery in Branch County with his father, Glen, and two sons, Michael and Bill. The sixth generation farming operation now markets 8,000 hogs a year.

"While Dean's farm opera-

tion grew, so did his involvement in activities off the farm," Smith said. "Dean has always believed that things which happen off the farm can be just as important to a farmer as his own production and marketing decisions, and he chose the area of politics to serve his industry."

Pridgeon served as a township supervisor for 12 years and also on the Branch County Planning Commission. Active in church, 4-H, Farm Bureau and school activities in his home community, he was recognized by the Michigan State Junior Chamber of Commerce as Michigan's "Outstanding Young Farmer" in 1957. In 1970, Michigan State University honored him with its distinguished service to agriculture award.

Pridgeon served as vice president of the Michigan Farm Bureau for nine years and in 1974 was appointed to the Michigan Natural Resources Commission by Gov. Milliken. He was elected to serve as chairman of that commission in January 1978.

He has been director of the Michigan Department of Agriculture since December 1978.

State Chamber President Tells FB Members:

Political Action Critical to Associations

The president of the Michigan State Chamber of Commerce told Farm Bureau members that although "volunteerism is good for America," involvement in associations has been taken too much for granted.

James Barrett, in an address at MFB's annual banquet, said perhaps volunteerism isn't fully appreciated "until we compare our way of life to that in countries where everything is of the state, by the state and for the state - even citizens and their rights."

Barrett said that only about 20 percent of the world's population lives under some form of

free, democratic government that allows the freedom to be involved in associations.

"In America, you and I are free to speak our minds and follow any activity or industry that we want to. This certainly isn't true for an overwhelming majority of the world's people," he said. "But too many people today have lost sight of the fact that government can give to people only what it takes from people - and it is the individual taxpayer who pays for the rising social handouts and subsidies."

The State Chamber president told Farm Bureau members that the political atmos-

phere of the 1980s is dominated by single interest groups and a trend toward political specialization. This trend, he said, signals the need for greater involvement of association members in the political action arena.

"The major expansion of the scope of political responsibility which began to develop in the mid to late 70s is sure to be in full bloom in the 80s," Barrett said.

"This gives us a clear message for our organizations that we've got to have our memberships involved, participating in political action efforts. We've

got to be participating in communicating with our legislators... saying 'these are my interests and concerns and I want you to consider them as you deliberate on important issues.'"

Barrett compared the political contributions of organized labor in the 1978 elections to those of business political action groups. "Organized labor spent about \$3.5 million to elect candidates to statewide office. If you take all the business political action groups, including the Farm Bureau and the Michigan State Chamber of Commerce PACs, you'll see

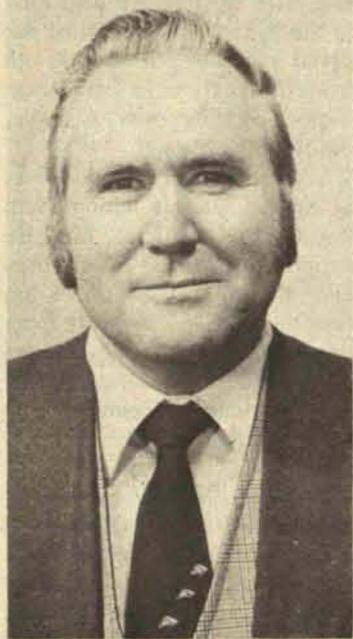
(continued on page 9)



JAMES BARRETT
STATE CHAMBER PRESIDENT

KALAMAZOO, DEC. 12

Board has Four New Members; Smith Re-elected



LYLE LECRONIER
DISTRICT 8



MARGARET KARTES
DISTRICT 10



DAVID CONKLIN
AT-LARGE



JANIS SANFORD
YOUNG FARMERS



ELTON R. SMITH
PRESIDENT

Elton R. Smith of Caledonia, Kent County dairy farmer who has headed the state's largest farm organization since 1964, was re-elected president of the Michigan Farm Bureau on Friday, Dec. 12.

The action took place during the reorganizational meeting of the 16-member board of directors in Kalamazoo, following the close of MFB's annual meeting. Earlier that afternoon, Smith had been unanimously nominated as president by the delegate body.

Also re-elected were Jack Laurie of Cass City, Tuscola County dairy farmer, as vice president; and Donald Nugent of Frankfort, Benzie County fruit grower, as third member of the board's executive committee.

Newly-elected to the board were Lyle LeCronier, Bay County; Margaret Kartes, Ogemaw County; David Conklin, Shiawassee County; and Janis Sanford, Jackson County.

LeCronier, owner-operator of a 1,200-acre farm near Freeland, specializing in corn, soybeans, alfalfa and edible beans, was elected from District 8. He'll represent Clare, Gladwin, Arenac, Isabella, Midland, Bay, Gratiot and Saginaw counties on the board.

LeCronier was president of the Bay County Farm Bureau in 1974-75, served on the MFB policy development committee, was chairman of the MFB feed grains committee and also served on the American Farm Bureau Federation feed grains committee. He has also been nominated to serve on the AFBF soybean advisory committee. He is a trustee of the United Methodist Church of Freeland and is past president of the school board.

LeCronier replaces Larry DeVuyst of Ithaca in Gratiot

County, who did not seek re-election.

Kartes, of West Branch, became the first woman in MFB history to win a seat as a district director. She and her husband, Robert, operate an 840-acre dairy and livestock farm.

A member of this year's MFB policy development committee, she has served for over 20 years in all phases of the Farm Bureau Women's program at the county, district and state level. She is also active in the American Cancer Society and is a promoter of the bloodmobile.

Kartes will represent District 10, which includes Emmet, Charlevoix, Antrim, Cheboygan, Presque Isle, Otsego, Montmorency, Alpena, Alcona, and Ogemaw counties, on the board.

Kartes replaces Richard Wieland of Ellsworth in Antrim County, who did not seek re-election.

Conklin of Corunna returns to the MFB board for his first term as director-at-large. He previously served on the board as young farmer representative. The dairyman has also served as vice president and executive committee member of the Shiawassee County Farm Bureau.

Conklin replaces Walter Frahm of Frankenmuth in Saginaw County.

Sanford was elected to represent the young farmers on the board. She and her husband, Neal, are in partnership with his parents in a dairy operation near Parma.

Sanford, who became the first woman to serve as the young farmer representative, was the Michigan Farm Bureau Queen in 1974 and has been active in the young farmer program at both the county and state levels.

Re-elected to the board were Lowell Eisenmann, Blissfield, District 2 (Calhoun, Jackson, Branch, Hillsdale and Lenawee counties); Elton R. Smith, Caledonia, District 4 (Ottawa, Kent, Ionia, Allegan and

Barry); Jack Laurie, Cass City, District 6 (Huron, Tuscola, Lapeer, Sanilac, St. Clair and Macomb); and Vivian Lott, Mason, elected to represent the Farm Bureau Women.

Other officers re-elected

were William Wilkinson, East Lansing, secretary; Max D. Dean, treasurer and chief financial officer; and Robert E. Braden, Byron, reappointed administrative director and assistant secretary.

Farmer Members Take Stand

(continued from page 1)

ing with set-asides that the body adopted the policy. That phrase was: "Should it become necessary for the secretary of agriculture to invoke a set-aside program to avoid burdensome surpluses, it is essential that the program be voluntary."

The details of any set-aside program should be announced at least six months in advance of the planting season for crops covered to allow producers to make planting decisions and attract enough participation to make it effective, the delegates said.

They also stated that diversion payments should be made to producers to offset overhead costs on set-aside acres, such as taxes and interest and provide a margin of return on land investment.

The adopted policy reads, in part: "Government programs with respect to agriculture should be designed to create conditions which will permit farmers to operate under the market system. We favor a market-oriented agriculture because we believe farmers will fare better under the market system than under any type of government-managed system. The essential ingredients of a sound national farm program include measures to assure and improve farmers' access to domestic and foreign markets without government intervention.

"A continuing effort should be made to achieve a prosperous, productive agriculture through economically sound programs with a minimum use of price and income support measures. If improved net incomes are to be long-lasting, they must be achieved through market prices obtained in the marketplace and must not be dictated by government."

Among the policies adopted dealing with state issues were support for "Right to Farm" legislation, protection for producers when agricultural handlers file for bankruptcy, and continuing support for P.A. 116, the state's Farmland and Open Space Preservation Act.

The delegates also addressed the issue of water rights, charging that settlement of disputes through court action is "slow, tedious and uncertain," and asking for enabling legislation that would include identifying critical water management areas on a watershed basis.

In the area of state budget, the delegates said that although they support fiscal responsibility, they believe any necessary budget cuts must be equitable between governmental departments with emphasis on elimination of any program that is no longer necessary.

"... Appropriations for the Department of Agriculture, agricultural research and Cooper-

ative Extension Service and some other services to Michigan's agriculture, have not kept pace with inflationary costs. Care must be taken that such programs are not weakened to the point of being ineffective," they said.

Barrett Speaks

(continued from page 8)

that business spent only about \$2.1 million.

"I'm not saying that money buys politicians because I don't believe that. What I am saying is that those who often have a different philosophy on the issues from those you and I may share, are doing a heck of a lot better job of supporting candidates for public office who share their attitudes.

"We in the business community have a tremendous challenge in the political decisions made by elected officials which have an impact on us. Political action is critical to any association.

"Given the direction our government is taking in our state and nation, you can't afford not to be involved, because those decisions that are made at the local, state and national levels can more than offset any economies that you might effect in your day-to-day business operations," Barrett said.

'Right Face — Forward March'

(continued from page 2)

plaining increases in the cost of living. Each month we hear what is happening to food prices, transportation, housing, and other expenses included in the government calculated cost of living. But politicians never mention the largest single expense the average person will pay over a lifetime - taxes.

According to research done in 1977, it is estimated that the average couple would earn somewhere in excess of \$1 million over a 48-year work span. Here's how the money is spent. Taxes will consume \$244,000. Housing was second at \$238,000, and food - \$169,000. Putting this another way, every individual in the United States has a share of the federal budget. If it were allocated equally among all households, the budget this year would cost each family \$7,559. Compare this to the average family expenditures of \$4,438 for food and \$2,700 for housing.

Two groups create money - counterfeiters and government. Government has done very well. But while government can create money, it cannot create wealth. Wealth comes from investment in productive, creative enterprises. Furthermore, bureaucratic gov-

ernment is inefficient. Too often, government programs fail to help those who are truly in need of assistance. We hear of needy persons who can't get assistance due to some rule or regulation. At the same time, we hear of millions of welfare dollars obtained through cheating and fraud.

These factors, inflation, decreasing productivity, perceived weakness on a worldwide basis and unemployment, were bothering voters. In view of these problems, voters said let's try a new approach. Let's be more conservative.

I believe the citizens of this country want to return to the private, competitive, economic system. Americans are calling for a strengthening of the market system. They are saying that instead of taxing the private sector to create government programs, let's use tax incentives to encourage growth, employment and wealth within the economy.

When business and industry are granted this incentive to spend money for research and to modernize equipment, there is no question that productivity will increase. This will improve our competitive position and lead to greater sales and increased employment.

Some people say that conservatives do not care about people. This simply is not true. Conservatives believe that there is dignity in every human being. I am convinced that nearly every person wants to contribute to society. One of the ways this is done is to assure that meaningful jobs are available. Where is the dignity to a person who wants to work in receiving an unemployment check?

Our present welfare system goes against the grain of human dignity. That is the reason for fraud and cheating. People try to beat any system which is degrading.

I am convinced that our country will always have some needy citizens who deserve help. We must have a complete reform of our welfare system to meet these needs. The new system should provide help based on financial need rather than on an arbitrary set on conditions. The system should be easily administered, minimize the possibility of fraud and provide an incentive to get back into the stream of employment.

Government should encourage the private sector to develop meaningful, practical job training programs for the un-

employed. Our educational system is not doing so and perhaps it can't. But job training and employment can be accomplished by business and industry. This would require cooperation by government through tax incentives and the elimination of regulations which currently make training nearly impossible.

As I look ahead to the direction voters set, I am pleased. That statement is not to reflect political partisanship. I am pleased because the American people have pointed us in the direction in line with traditional Farm Bureau philosophy.

Winning carries with it tremendous responsibilities. I am certain our philosophy is good and will strengthen this nation. But it will not happen overnight. Since the 1930s, America has increasingly relied on government programs and services. It will take time to stop that slide and gain momentum in the direction of less government involvement and dependency.

We have seen many people elected who share our philosophy. I hope we recognize, however, that they will not always do everything, act on every issue, or fill every position as we would like them to

do. Sometimes we are inclined to say, if you are not with us completely, you are against us. We must be tolerant and look at the big picture. We must not act in a way to pull the rug out from under them in just a short period of time over a single, emotional issue.

We must work with our newly elected leaders letting them know when they err, but also supporting them when they take the proper action. I am sure there will be pressure from those who do not believe as we do. We must help and encourage our elected officials to have the strength to act according to their convictions and in line with their campaign promises.

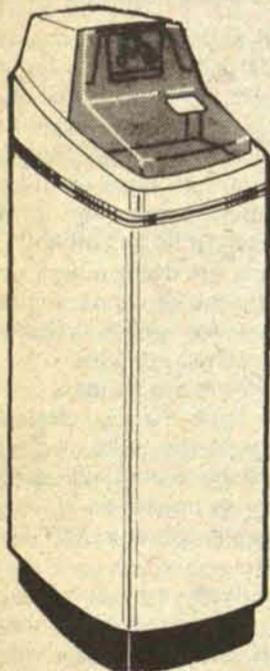
I am more confident about the future of the United States than I have been for many years. I think America has the opportunity to redevelop itself into the uncontested leader in the world as it should be. We will do so by strengthening our country, by revitalizing our economic system, by rekindling the spark of individual initiative and by keeping our commitments to our allies.

Yes, I am confident in America. I ask you to join with me in the parade of progress to the voters' command, right face, forward march!

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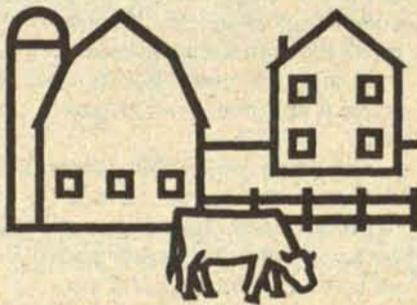
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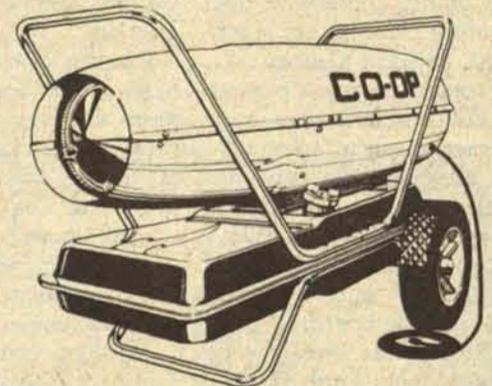
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1981 Michigan Farm Bureau Policies

PURPOSE OF FARM BUREAU

Farm Bureau is a free, independent, nongovernmental, voluntary organization of farm and ranch families united for the purpose of analyzing their problems and formulating action to achieve education improvement, economic opportunity, and social advancement and, thereby, to promote the national well-being. Farm Bureau is local, state-wide, national, and international in its scope and influence and is nonpartisan, nonsectarian, and non-secret in character.

Resolutions Adopted by the Michigan Farm Bureau Board of Delegates, 61st Annual Meeting, Kalamazoo - December 9-12, 1980

FOREWORD

As we assemble in this our 61st Annual Meeting, we are appreciative of the past and confident of the future.

In general, we in Farm Bureau have fared well this past year. Our organization has achieved legislative victories, broadened its political support, and successfully served membership in this our thirteenth year of consecutive membership growth.

As we prepare to adopt these policies for 1981, we remember experiences gained in the past, and are enthusiastic about what lies ahead. We realize that there is a new political environment created in the elections of 1980. Major philosophies of this environment are a renewed belief in the market system, sound fiscal policies, decreased dependency on government and a reduction of government regulation.

It is in this political climate that much new legislation will be developed. Of foremost importance to agriculture is a new farm program, marketing and bargaining legislation, and taxation. Our organization has an obligation and opportunity to be influential in shaping these legislative programs.

For this reason, we approach our policy development process solemnly, knowing our responsibility to agriculture and the rural community. We are proud of member involvement in this policy development process at community, county and state levels. This member input has resulted in policies which prepare our organization to meet the challenges ahead.

But development of policies is only one step. We as Farm Bureau members must pledge ourselves anew to the enactment of these policies. We must continue to participate in the work of Farm Bureau for the betterment of our industry. With this commitment, we can truly be number one in service, leadership and opportunity.

John Laurie, Chairman
MFB Policy Development Committee

RECOMMENDATIONS ON NATIONAL AND INTERNATIONAL AFFAIRS

The recommendations on national and international affairs adopted by the voting delegates have been forwarded to the American Farm Bureau Federation for use by the national Resolutions Committee, which is made up of representatives of every state Farm Bureau. Michigan's recommendations will also serve as a guide for our voting delegates to the forthcoming annual convention of the American Farm Bureau Federation.

The national and international policies adopted at our national convention will serve as the policy for all state Farm Bureaus.

This is essential in order that there may be effective



harmony and unanimity among Farm Bureau organizations throughout the nation.

Michigan's recommendations on national and international affairs are available to county Farm Bureaus and others upon request.

Appreciation

During the 80th Legislative Session much legislation consistent with Farm Bureau policies was passed, implemented or in progress, including:

- Implementation of the 1978 Constitutional Amendment limiting state spending, procedures for property tax rate rollbacks and maintenance of state aid to local governments.
- Equalization of property by class and implementation of a "developmental" classification.
- Gasohol promotion, research and tax legislation.
- Wetlands legislation amendments exempting land used for agricultural production.
- State-wide land inventory legislation.
- Legislation to control pseudorabies in swine.
- Major amendments to the Commercial Forest Act and permit Farm Licenses for wood harvestors.
- Land Sales Act amendments to permit sales and leases by utilities for agriculture.
- Progress on Water Surveillance Fee rule amendments.
- Various amendments to dairy laws.
- Hunting and fishing law amendments.
- Suspension of drivers license and mandatory restitution for malicious property destruction with a motor vehicle.
- P.A. 116 amendments including payment of interest on late refunds.
- Bean and Potato Commissions amendments.
- Appropriations for the Extension Service, Agriculture Experiment Station, FFA and 4-H.
- Uniform Commercial Code amendment to solve farm loan problems.
- Amendments to the Grain Dealers Act.
- Exemptions for farmers from Drivers License Endorsement requirements.
- Amendments to the Solid Waste Act.
- Amendments to the Probate Code.
- Workers' Compensation and Unemployment Compensation reforms.
- Essential Insurance amendments.

We commend the Governor, Legislature and various Departments on introduction, enactment and implementation of these and other measures which we have supported or are consistent with our policies and are important to agriculture and the economy of the State of Michigan. We also appreciate that much proposed legislation not in the best interest of agriculture has not been adopted or has been amended.

AGRICULTURE

Michigan Agriculture

Michigan citizens and their leaders can be extremely proud of Michigan's agriculture. It is the second largest industry, but number one as far as stability and continued growth is concerned.

It is truly a "growing" industry, 20% a year. Michigan farmers produce about 50 commercial food crops a year making Michigan the second most diversified state in the nation. Products include a wide variety of fruits, vegetables, grains, forest products, and livestock products.

Michigan leads the nation in the production of five crops and ranks 5th or higher in 24 products.

Over 20% of Michigan's agricultural production is exported. Feed grains, soybeans, dry beans and wheat lead the list of commodities in international trade. Agriculture is our nations only hope to reverse the unfavorable balance of trade.

Unlike most industries, farmer productivity continues to rise. Each farmer now produces enough food to feed himself and 64 other people, an all time high! This is accomplished on less land today than ever before!

Agriculture creates jobs, not only in the production of food and fiber, but also in the processing, transportation, and marketing services. It has been estimated that 35-40% of Michigan's people receive some portion of their income from agriculture.

Michigan agriculture is leading in the promotion of alcohol energy from farm and forest products, thus helping to solve the energy crisis as well as providing valuable food byproducts.

Agriculture - our basis industry - still has enormous potential to produce more of our citizen's food, fiber, and energy needs close to the market with greatest possible efficiency. It is perhaps our greatest hope for the future.

We will continue to bring these facts and other information to the attention of elected leaders, governmental agencies, and the public.

Right to Farm

As people move from urban to rural areas they frequently select a home in close proximity to agricultural operations and later object to practices associated with normal farming operations.

We support legislation that will recognize the "Right to Farm" within the state without fear of undue harassment and include the right to carry out generally accepted agricultural practices necessary for the production of food and fiber.

The "Right to Farm" specifically includes but is not limited to the use of large irrigation pumps and equipment, aerial and ground seeding and spraying, large tractors, numerous farm laborers and the application of chemical fertilizers, insecticides and herbicides; all for the purpose of producing from the land agricultural products such as vegetables, grains, hay, fruits, fibers, wood, trees, plants, shrubs, flowers and seeds. The "Right to Farm" shall also include the right to use land for grazing by animals, subject to the restrictions for intensive fowl or livestock farms. The foregoing uses and activities included in the "Right to Farm," when reasonable and necessary for the particular farming, livestock or fowl production, and when conducted in accordance with generally accepted agricultural practices, may occur on holidays, Sundays and weekdays, at night and in the day, and the noise, odors, dust and fumes that are caused by them are also specifically permitted as part of the exercise of this right.

The farmer, as a good neighbor, has an obligation to follow good agricultural practices. Such a

Policies Become:

Solutions to Farm Problems

law would also give persons moving into an agricultural area notice of what may take place around them.

Bankruptcy of Agricultural Handlers

Agricultural producers are often severely affected when handlers of agricultural products file for bankruptcy, as agricultural producers are regarded as unsecured creditors. Therefore, we demand that all claims for ag products delivered within two years prior to the filing of the federal bankruptcy or state insolvency petition by the handler should be given the same priority as labor in the distribution of the net assets of the agricultural handler.

Prompt Payment

We deplore the practice of some processors and handlers of farm commodities of operating on producers money due to delayed payment for commodities delivered. Sometimes this period extends for as long as a year or more.

We therefore, urge producers to develop firm business policies concerning contracts on overdue accounts including an appropriate interest charge to any account not paid in full after 30 days.

We support legislation that would require processors and handlers purchasing farm commodities from producers to make full payment within 30 days of date of purchase unless other provisions are made by written contract.

Marketing and Bargaining Legislation

The Michigan Agricultural Marketing and Bargaining Act (P.A. 344 as amended) has proven to be a fair and equitable procedure through which marketing and bargaining associations and processors negotiate fruit and vegetable prices and other terms of trade. We support:

1. Amendments to P.A. 344, which would clarify where necessary the provisions and procedures to make it more workable.
2. Action to assist farmers in other states in the development and the enactment of state marketing and bargaining legislation.
3. Enactment of proposed national farm bargaining legislation.
4. Aggressive action to defend marketing and bargaining majority rule concept legislation. We will oppose any efforts by opponents of P.A. 344 and national farm bargaining legislation to weaken or cripple its operations and effectiveness.
5. Modification of the act so that other agricultural commodities can come under this legislation if producers comply with its provisions.

We urge that Farm Bureau at all levels give the highest priority to marketing and bargaining legislation.

Grain and Bean Marketing

Farmers should be in a position to control their own bean and grain marketing. Producers delivering grain to elevators should be offered both a warehouse storage receipt and a price later agreement and be able to select the one of their choice.

Passage of the Grain Dealers Act of 1976 as amended in 1980 relieved several concerns expressed by farmers in Michigan concerning price later agreements. The Act must be strictly enforced by the Michigan Department of Agriculture. However, further improvements are needed to strengthen the Act. We support amendments to require the filing of certified audits by grain dealers to the MDA. In addition, we will organize a Grain Dealers Act Task Force to recommend further changes to the Act which will further protect producers, but yet allow efficient elevator operations. The Task Force should include farmers, grain handlers, grain industry groups, Michigan Department of Agriculture staff and others.

Red Tart Cherry Federal Marketing Order

The Federal Marketing Order for red tart cherries has been a valuable marketing management tool for the industry.

The Order employs the set-aside concept which allows the processing of surplus cherries in a large crop year and the storage of such cherries to years when these supplies are needed in the market to maintain a steady flow of products to consumers.

The Cherry Administrative Board which operates the Federal Marketing Order should be reminded that the language and spirit of the Order is to sell set-aside cherries "to handlers at prices and in a manner intended to maximize returns to equity holders (mostly growers) and achieve complete disposition of such cherries." Nearly all growers have participated in the set-aside of surplus cherries.

Since the inception of the Federal Marketing Order for red tart cherries in 1971, the production and marketing patterns have changed somewhat. Utah and other western states were not included in the original program. We believe that an assessment of grower understanding of the present order operation in the western states should be taken. If positive support is generated, we will work for the necessary action to assist in the extension of the market order activities to include Utah and other areas. This support and action is intended so that the present Order will not be jeopardized.

Soft White Wheat Delivery Point

Soft white wheat is the major class of wheat produced in Michigan. It is the only class of wheat for which there is no provision for delivery against a future contract. We urge continued work by Farm Bureau and the Michigan Elevator Exchange to establish delivery points for soft white wheat. The delivery points should be the same as for soft red wheat, namely Toledo and/or Chicago.



Soybean Research and Market Development

The production of soybeans in Michigan continues to increase. Soybeans are an important income source to cash grain farmers.

Soybean producers recognized the importance of this industry five years ago by establishing the Michigan Soybean Research and Market Development Program, under P.A. 232 of 1965. This grower sponsored program has contributed greatly to maintaining and developing a healthy soybean industry. We support the resubmittal of this program to a grower referendum, as required by the provisions in the program.

Inspection of Moisture Testing Equipment

Farmers who wish to sell crops at elevators must rely on the accuracy of moisture testing equipment. There are no state regulations requiring inspection of the moisture testing equipment of grain dealers.

We support the enactment of a program to require spot inspection and annual certification of moisture testing equipment by the Michigan Department of Agriculture.

Animal Health

We continue to support the current strong program for tuberculosis and brucellosis control and eradication in Michigan and commend the Michigan Department of Agriculture for its effective administration.

Livestock Testing

The import-export tests required on livestock by Michigan differ from those required by Canada. We believe reciprocal testing programs should be implemented and that all requirements be strictly enforced.

Swine Pseudorabies Control

We support the present state law (P.A. 203 of 1980) enacted to effectively control the spread of pseudorabies in Michigan swine. If a national program of pseudorabies eradication is implemented in the future, we will support the payment of federal indemnities to quarantined pork producers.

Milk Temperature Requirements

The quality of milk is directly affected by the temperature both on the farm and throughout the handling. Consumption of milk is directly affected by quality, thus milk must be kept cool at all handling points.

Current law requires that raw milk be cooled below 45 degrees within 2 hours of milking and not to exceed 50 degrees Fahrenheit and processed milk not to exceed 45 degrees Fahrenheit. We recommend that the laws regarding temperature requirements be strictly enforced.

We urge that special attention be given to milk quality utilized in the school milk program or any other mass milk distribution program.

Abandoned Orchards and Vineyards

Abandoned and severely neglected fruit orchards, vineyards, blueberry and bramble plantations harbor diseases and insects. We support the removal of such orchards and vineyards through the Department of Agriculture removal program upon the request of a commercial grower.

In order to accomplish this and enable farmers to utilize integrated pest control we support necessary funding for MDA to remove trees and vines from abandoned sites and recommend that the cost of removal be placed as a lien against the property if the owner refuses to comply.

We support an amendment to the present law to include brambles and blueberries.

Fruit Juices

Fruit juices have great marketing potential and consumer demand for these products is very evident. Michigan is one of the major producers of fruit crops such as cherries.

Frequently, adverse weather conditions cause considerable quantities of cherries to be unacceptable for No. 1 Grade product, however, the raw product would be very acceptable for juice stock.

Recent rigid interpretations and inspection and grade specifications by government agencies have caused serious hardship on many growers because they are not able to market their crop. The inflexible rules have been unreasonable and inequitable to growers and consumers since considerable product is lost from the market.

We continue to support research and extension activities to develop the best handling procedures,

Policies Provide:

Direction for Action

reasonable testing methods and definitions which will allow for maximum utilization of fruit crops and market expansion of these products.

Quarantine of Agricultural Products

In trying to meet the growing need for food, farmers are doing all they can to increase food production. This often calls for new methods, production techniques and often the use of chemicals.

While great care must be taken to use precaution in handling these chemicals, we recognize that sometimes accidents occur. This may lead to quarantine of farm products and possible disposal of products.

We believe that for all products the quarantine period should not exceed 30 days. By the end of that period, the governmental agency imposing the quarantine must take one or more of four actions:

1. Revoke the quarantine.
2. Continue the quarantine for an additional 30 days. If the quarantine is extended for an additional 30 days, loan arrangements should be made available to producers whose products are quarantined for conditions beyond their control. Total quarantine should not exceed 60 days.
3. Condemn the product and dispose of it within 10 days.

Agricultural Reporting Service

The agricultural industry has developed many mechanisms for reporting the size and progress of crops and other agricultural commodities. The system that has been most widely adopted by the industry is the Agricultural Reporting Service. To insure the accuracy of their reports, farmers should give the Agricultural Reporting Service full cooperation. Farm Bureau should work with the Agricultural Reporting Service to find ways to improve and simplify the gathering of information, reporting and other aspects presently criticized by farmers. We recommend that the Legislature and the Michigan Department of Agriculture adequately fund their full portion of this cost-share service.

Forest Product Price Report

Current prices for forest products are not readily available. This lack of market information is a disadvantage to private landowners who do not sell forest products frequently.

We will cooperate with landowners and the forestry industry to implement a public or private forest product price report. This report should use uniform scales and measures.

Noxious Weed List

Due to the speed with which they are spreading throughout the state, we believe the Noxious Weed Law should be amended to include Velvetleaf, Nightshade, Yellow Nutsedge and Jimson weeds.

Michigan Bean Commission

We support the efforts of the Michigan Bean Commission. The Commission should be the instrument for fostering, surfacing and developing new bean products and expanding the uses of dry beans. Efforts by the Commission to establish local advisory committees should be continued to develop better communications with dry bean growers.

Entry into Agriculture

Young people entering farming as a career are the hope for the future of agriculture. It is increasingly difficult for young farmers to obtain financing by traditional means for purposes of gaining an equity in farming operations. We favor efforts by MFB to gather and make available information about alternative financial and contractual arrangements as an aid in this effort.



Michigan Department of Agriculture

The Michigan Department of Agriculture administers a number of programs which are crucial to the public health and safety, preservation of valuable natural resources and the economic well-being of the agricultural industry.

We commend the Director and the employees on their efforts to maintain these essential programs during this year's budget crisis. They have voluntarily signed up for pay reductions of over 1/2 million dollars. They have gone beyond their normal responsibilities in their dedication to agriculture. While there are other dedicated state employees, it is especially important in this department. Agriculture is our basic industry and the most stable. Its potential is great. Besides essential food, it creates jobs, raw materials, and is becoming a major future source of energy.

We will continue to work to maintain those services and programs essential to the expansion of agriculture.

Appointment of Michigan Department of Agriculture Director

We believe the present method of selecting the Director of the Department of Agriculture is the most effective system to avoid compromising the Director's position through the use of political pressure. A strong Agriculture Commission consisting of individuals with a farm background has and continues to serve all Michigan residents.

Agricultural Representation on Boards and Commissions

The increasing involvement of government in agriculture has significantly increased food production costs. Many producers have discontinued or substantially altered their farming operations as a result of increased government regulations. This problem is magnified by the fact that most appointees to various boards and commissions do not understand agriculture. We recommend and will continue to vigorously support the appointment of qualified persons familiar with agriculture to all

boards and commissions involved in areas affecting agriculture.

Agriculture should continue to be a voting member of the Air Pollution Control Commission and Water Resources Commission. We will oppose repeal of the laws establishing these commissions.

Local Fairs

Michigan fairs are an important part of our state's heritage, and they are more popular today than ever before. The number of exhibits and the number of exhibitors have increased steadily in the last decade. The important impact of the youth programs which culminate in competition of fairs and of adult agricultural exhibits has been felt throughout the agricultural industry.

The current tight budget problem may result in cutbacks in premiums offered and entries accepted. We feel that youth programs should receive the highest priority.

We support the Michigan Department of Agriculture's leadership in the Michigan Fair Industry. We also encourage the Michigan Legislature to continue to create and make possible the funding of these endeavors.

Michigan State Fair

We believe the Michigan State Fair helps to create a better understanding and appreciation between the agricultural and industrial producer and the user or consumer. Because of its location, the Michigan State Fair is within relatively easy access to the majority of Michigan residents and offers the unique opportunity to bring the producers and processors of food and consumers together. The Fair has performed this function for over a century.

We urge that agriculture be the priority attraction at the State Fair with additional emphasis on youth, and urge that Farm Bureau members attend and participate in the State Fair.

Agricultural Education and Exhibition Center

The development of an Agricultural Education and Exhibition Center in Michigan will improve the knowledge and management skills of farmers. We encourage continued aggressive action by the Steering Committee to develop the planned Center at Michigan State University.

NATURAL RESOURCES

Agricultural Land Preservation

Agricultural land is essential to the well-being of all Michigan citizens. The Farmland and Open Space Preservation Act (P.A. 116) provides a voluntary method of preserving farmland through a contractual arrangement with the state and thereby limits property tax to a percentage of household income. It is proving to be an effective program to preserve agricultural lands for future food needs and open space. Farmers throughout the state have enrolled nearly 2 million acres of agricultural land in the program of which over 40 percent is located within urban areas.

The administrators of P.A. 116 are to be complimented for the efficient manner in which the program has been handled. We support retention of administrative responsibility for the program in the Department of Natural Resources.

We urge the Department of Natural Resources, Michigan Farm Bureau, Cooperative Extension Service personnel and local government officials to aggressively consider the program and its potential benefits to their farming operation.

We continue to support P.A. 116 and will work to maintain and improve this major agricultural land

Policies Reflect:

The Voice of the Membership

preservation program. We oppose enactment by the Legislature of additional agricultural land preservation programs which would confuse farmers and diminish the effectiveness of P.A. 116.

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

We encourage the inclusion of managed forest lands under the local option Open Space section of P.A. 116.

We oppose federal assistance to states for land use planning except under a grant-in-aid program. Funds available to a state should not be withheld as a weapon to enforce compliance. We oppose federal legislation and agency policy which would impose land use regulations as a qualification for obtaining federal grants and loans.

Subdivision Control

The present Subdivision Control Act permits a tract of land to be divided into not more than four parcels of ten acres or less without platting. However, many instances of circumventing the platting of land has been observed through the selling of land in parcels of 10.1 acres or greater. This practice has led to several areas of unplanned developments which can be costly to the community.

We will support legislation to eliminate the inadequacies of the present Act and require the platting of all subdivisions.

Local zoning laws should continue to control strip building along highways or on agricultural land as authorized under present zoning laws.

Private Forest Reserve Act

The Private Forest Reserve Act has not been updated since 1960. We believe it should be studied to determine its effect on local communities, and its effect on encouraging forest production and management. Changes should be made to improve the Act's effectiveness, but the original intent of the Act should be maintained.

Public Utilities

Activities of public utility companies take them across much of Michigan's farmland. They often damage underground tile in farmlands when installing new facilities. Farm owners should be notified a minimum of 30 days prior to installation of such new facilities so the farmer can identify the location of tile and prevent damages.

Electric and telephone utility transmission lines, gas lines and oil rights-of-way for these purposes should be standardized as nearly as possible with contracts or other legal instruments including as many protections to the owner as possible. Utility companies should physically expose underground wires and pipes when requested by the landowner. We further believe that consideration should be given to the leasing rather than sale of rights-of-way.

We support legislation that would return abandoned utility routes (routes unused for two years) to the land tracts originally yielding these lands for the utility purposes.

We support legislation to require licensing of land acquisition agents for oil, gas and utility companies. The legislation should require that landowners be informed of their legal rights, the proposed use of the land, the amount of royalty if any and the state agency that can provide further information.

Wilderness Areas

Experience has shown that the "no management" concept applied to certain areas under the

Wilderness Act has resulted in the serious degradation of the resource. It has been demonstrated that the removal of all manmade facilities has resulted in sanitation and health problems that threaten the values the Act was designed to preserve.

Established wilderness criteria further threaten such areas by prohibiting the employment of power tools and vehicles in watershed management, trail maintenance, soil treatment, noxious weed control, waste management, and fire protection. For these reasons, and the fact that wilderness management is inconsistent with sound multiple use principles, we oppose further expansion of wilderness areas proposed under RARE II and urge reevaluation of all existing wildernesses under the Wilderness Act. Any future wilderness proposals should be subject to environmental, social, agricultural and economic impact analysis in addition to heavily weighted consideration of the views and land use plans of the residents of the locality and state concerned.

Environment

Public concern for the environment continues to be a powerful force. This concern poses serious implications to agriculture. The future of agriculture is dependent on air, water and land as natural tools of production. Agriculture has an important responsibility to improve the quality of our environment.

All persons engaged in agriculture should continue to become informed of pollution sources and discipline themselves so as not to add to the problem. We urge that agricultural representatives be consulted during the development of pollution regulations and that such regulations, when implemented, be realistic and consistent with good production practices.

Continued research is necessary to find adequate answers to agricultural waste disposal problems. Continued emphasis should be placed on developing recycling systems for agricultural waste.

In an agricultural area whenever a proposal requires an environmental impact statement we recommend an economic statement and an Agricultural Impact Statement also be prepared.



Mineral Rights

Public Act 42 of 1963 permits oil, gas and coal mineral rights to revert to the owner of the property unless they are re-registered by the owner of the mineral rights. We believe this principle should be extended to other kinds of mineral rights. However, we believe that the present 20-year claim period should be reduced to ten years.

We oppose attempts to ban exploration for mineral deposits. We support legislation requiring owners of mineral rights to notify landowners of their attempt to explore for or develop minerals. Every attempt should be made to mutually negotiate easements and damage.

Water Rights

Agriculture is highly dependent on water. Michigan is well known for its abundant water resources. However, the demands for water and the rights to it, are an increasing area of conflict both in and out of court.

Because the demand for water from the three largest sectors of Michigan's economy - industry, agriculture, and tourism is expected to increase in the 1980's and because settlement of disputes via court action is slow, expensive, tedious and uncertain, we recommend that Michigan Farm Bureau work for enabling legislation that would:

1. Identify critical water management areas on a watershed basis.
2. Implement a water-use permit program for surface and groundwater on a critical water area basis.
3. Allow establishment of minimum in-stream flow standards and/or maximum groundwater withdrawal rates to protect the natural resources of the state from pollution, impairment and destruction.
4. Clarify that commercial agricultural irrigation for food and fiber production is in the public interest and is a reasonable use of water.
5. Allow interbasin transfer of irrigation water and modify the severance rule by permitting irrigation water on land which is immediately contiguous and adjacent to lands which touch lakes, streams or other watercourses so long as such land is held in the ownership of a single individual or other legal person and is held for the purpose of agricultural production of food and fiber.
6. Clarify that the riparian rights doctrine is applicable to groundwater.

Drainage

Much of Michigan's nearly 12 million acres of farmland require drainage to produce food. Certain types of agriculture such as muck farming cannot continue or expand without adequate drainage systems. We support retention of authority for administration of the Drain Code in the Department of Agriculture. We support amendments recommended by the MDA Drain Code Task Force to update the present antiquated Drain Code. The amendments would recognize and protect the need for adequate agricultural drainage and update procedures of the Code to better serve public interests.

Water Surveillance Fee

Public Act 293 of 1972 requires persons discharging wastes into surface and underground waters to file an annual report with the state and pay a surveillance fee for monitoring of the discharges. The total annual surveillance fees charged must be equal to the appropriation made by the Legislature to fund the surveillance activities. The law establishes a \$9,000 maximum fee that can be charged per location to any one discharger. Due to rising costs and the maximum fee that can be charged a factor similar to that used in property tax equalization is applied to the fees levied against small dischargers including many agricultural operations. We support legislation to remove the \$9,000 ceiling so that large dischargers will carry their full share of the surveillance fee. We also support replacement of the current formula used to compute fees with a formula that will provide incentives for dischargers to prevent environmental damage. The new formula should result in a fee that accurately reflects the amount of surveillance actually necessary to monitor discharges.

Land Disposal of Wastewater and Sludge

The use of land to dispose of industrial and municipal wastewater or sludge is expected to increase due to national water pollution abatement

Policies Reflect:

Strength Through United Action

goals established by the Federal Water Pollution Control Act. The supply of nutrients and the water in these wastes could be beneficial to agriculture. We urge farmers to consider the possibilities of utilizing wastewater and sludge from municipalities contemplating land application. Government agencies responsible for approving land application systems should allow private agriculture to utilize municipal wastewater and sludge whenever possible and we will continue our efforts to seek approval of such a policy. We believe the use of farmland for disposal of such wastes should:

1. Permit private enterprise agriculture with voluntary participation.
2. Provide flexibility in amount and timing of application of the wastes according to agricultural needs.
3. Provide indemnity payments for unsaleable crops due to Food and Drug Administration regulations or crop losses caused by components in the wastes.
4. Provide indemnity for land should it be contaminated because of components in the wastes.

Section 208 Cost Sharing

The Federal Water Pollution Control Act of 1972 establishes a goal of zero water pollution by 1985. We believe the zero water pollution goal is impractical and unattainable. This unrealistic goal provides direction for implementation of Section 208 of the Act.

Section 208 of the Federal Water Pollution Act requires each state to designate appropriate agencies to study area water quality problems and prepare and implement plans to control non-point sources of pollution. Plans prepared under Section 208 must identify, if appropriate, agriculturally related non-point sources of pollution, including run-off from manure disposal areas and from land used for livestock and crop production. The plan must also set forth procedures and methods, including land-use requirements, to control to the extent feasible such sources. Since Section 208 plans are intended to achieve public goals, any limit on cost-sharing of approved conservation practices under the Agricultural Conservation Program for measures required by Section 208 plans should be removed. We believe Soil Conservation Districts or the ASCS should be responsible for administering any Section 208 plans for agriculture. On-site monitoring is the only acceptable method of identifying suspected agricultural operations.

We request that agriculture be represented on any bodies responsible for administering Section 208 programs for agriculture.

We urge Farm Bureau members to take an active role in monitoring the Regional 208 plan in their area.

We suggest that all funding of Section 208 be terminated.

Agricultural Chemicals and Drugs

Modern agriculture cannot continue to provide sufficient quantities of high quality food and fiber to meet the nation's needs without the use of agricultural chemicals and drugs. Any undue curtailment of the safe and appropriate usage of these products will result in lower quality food and fiber at higher costs to the consumers.

We believe governmental agencies, research organizations and manufacturers of chemical products must continue comprehensive research studies about the toxicity to humans, adverse effects, and the life duration of the chemical.

We urge that responsible agencies not issue scare warnings without complete and conclusive evidence to justify warnings. Scare warnings have been released on numerous occasions in the past



and in every instance have harmed the market for some products of American agriculture.

In any evaluation of chemicals and drugs, the possible detrimental effects must be considered in relation to the benefits derived. Only through a complete evaluation can a balance between environmental control and chemical control be effectively attained. Unless there is conclusive evidence to prove that a threat to public health exists, government agencies should not impose a zero tolerance or issue an RPAR for any chemical or drug.

We recommend that the Delaney Amendment be amended to permit the establishment of safe tolerance levels.

We encourage all farmers to participate in educational programs on the use of pesticides and take the required tests for the purchase and application of restricted pesticides. All persons using chemicals and drugs should read and follow precisely the label instructions. Such adherence to label instructions can help avoid government actions to cancel the use of essential chemicals and drugs. We recommend that pesticide dealers carry safety equipment for purchase by applicators as required on pesticide labels or be able to suggest a source where the equipment can be obtained on a timely basis.

Farmers are concerned about proper disposal of pesticide containers. We recommend that pesticide manufacturers develop a program for disposal or recycling of these containers.

Biological Pest Control

The increasing restrictions on pesticide use pose many uncertainties as to their future availability. While considerable progress has been made to develop biological controls against pests, much remains to be done. We support expanded research to further develop effective biological pest control programs.

Solid Waste Disposal

Several years ago the Legislature passed legislation requiring the burying of solid wastes and that the wastes be covered daily.

Michigan counties have been attempting to comply with the law. However, the state regulatory agencies are continually changing the rules and requirements for solid waste site operations. We recommend that before any new rules or regulations concerning the establishment or operation of solid waste disposal sites are implemented, agricultural, environmental and economic impact statements on the affected local areas must be prepared and considered.

Michigan is fast running out of suitable land for waste disposal. This is a wasteful practice and should be stopped.

Energy is costing more every day and this trend will likely continue. The energy we are now burying should be saved and utilized. We will support the passage of legislation providing incentives for the recycling of rubbish, the burning of all burnable materials, the recycling of metals suitable for recycling and the burying of the ash. The energy derived from the burning process should be harnessed to produce steam for the generation of electricity.

We recommend that agriculture be represented on all Solid Waste Advisory Committees required under Public Act 641 of 1978.

Trapping

We support continuation of all established wildlife control practices, using any type of traps, including steel traps, and the use of chemical toxicants under Federal or State supervision.

Deer Herd

We support the special Landowner Permit Program which recognizes the contribution of farmers in providing feed and habitat to the deer herd. The program allows most landowners in designated areas to receive a permit to harvest a deer of either sex on their property during the regular firearm deer season. We support its continuation and expansion where appropriate.

We support legislation to prohibit state-wide the shining of deer except under a permit issued by the Department of Natural Resources for crop damage control.

Destructive Wildlife and Pests

Many species of wildlife are causing serious damage to crops and property in agricultural areas. We recommend that intensive research and management efforts be continued by state and federal agencies to find effective methods of minimizing these dangers. We recommend that landowners contact United States Bureau of Fisheries and Wildlife personnel stationed in the Michigan Department of Agriculture, the Department of Natural Resources and Cooperative Extension Service for assistance in dealing with wildlife crop damage.

Public Access Program

Current law requires that any licensed hunter who hunts in Zone 3 must purchase a Public Access Stamp at a cost of one dollar. Revenue from the sale of the stamps is used to lease land from landowners who agree to allow controlled public hunting on their land. We support legislation to exempt landowners, who must purchase a license to hunt on land they own or rent, from purchasing a Public Access Stamp.

Trespass

The present law requiring hunters, fishermen, snowmobilers and ORV operators to obtain written permission before entering upon farmland and connected farm woodlots has reduced the number of trespass complaints. We urge owners of farmland to fully utilize this law to protect their property rights against trespass. We will oppose all efforts to repeal or weaken this law.

We are concerned about the growing problem of crop destruction by ORV's. We recommend that Michigan Farm Bureau arrange and conduct a meeting with landowners, law enforcement agencies and ORV operators to discuss ways to minimize this problem.

**Policies
Include:**

Direction for the Organization

LABOR

Worker's Compensation

Agricultural employers are concerned with the excessively high cost of Worker's Compensation and the misuse and abuses which have crept into the program.

During 1980 a reduction in the minimum Worker's Compensation insurance premium has made it considerably less costly for some employers with small payrolls to protect employees.

However, during the progress of this 1980 delegate assembly the Legislature has agreed to a Worker's Compensation reform bill. We are pleased that it contains many of the recommendations contained in our previous years policies. Some of these include:

- Benefit reforms will take effect January 1982, procedural reform January 1981.
- Benefits based on 80% of after tax wages (90% of state average weekly wage maximum).
- Elimination of minimum benefits which will prevent a worker from drawing more aid than he made while working.
- Two year statute of limitations (except for certain occupational diseases) and elimination of written notice to the Bureau.
- Banning collection of Worker's Compensation benefits and unemployment benefits at the same time.
- Banning benefits for injuries from social or recreational activities.
- Limitation on heart and mental conditions and conditions resulting from the aging process. Proof of a "significant aggravation" is required if work related.
- Benefit adjustments to previously injured workers to be paid from the general fund.
- Permits the exemption of children and other members of an employer's family. Also a similar exemption for corporate officers if less than 10 stockholders.
- Expands a special fund to cover injuries in lumbering and logging.
- Several changes in administrative procedures including reduction of attorney fees in some cases.

The new legislation appears to be a long step forward which benefits both employers and injured employees. We will work toward rules and procedures that will reflect the intent to reform the system.

We further urge insurance companies to continue to update a computerized list of statistics related to Worker's Compensation injuries and claims. Reporting techniques should continue to be improved so as to separate actual production agriculture injuries and claims from all other worker classifications.

We recognize that farmer employers are responsible for the protection of their employees while they are on the job.

Michigan Farm Bureau and Michigan Agricultural Services Association will continue to work with other groups to review the new legislation and find solutions to any problem areas.

Unemployment Insurance

The Legislature has reached agreement on an Unemployment Insurance bill (HB 5606) during our delegate session. While benefits for the unemployed have been adjusted certain reforms have also been included. Some of these are:

- New qualifications for benefits. A person must work 18 weeks (up from 14) and earn at least \$67 a week (up from \$25).
- Prohibition of jobless benefits to persons who

voluntarily quit or are fired for sabotage, minor theft or misconduct.

We are encouraged by the inclusion of these and other reforms as we understand them at this time. However, we continue to support the following:

Unemployment insurance should not be paid to persons on strike, who retire, who refuse to work when it is available, who knowingly and willingly work in seasonal employment, or to school personnel during semester and vacation breaks.

We believe the National Study Commission on Unemployment Compensation should identify and recommend ways to reduce abuses and fraud in the program.

The minimum level qualifying an employer for the Federal Unemployment Tax (FUTA) should increase at same percentage as the minimum wage.

Michigan farmers must compete in the United States and world markets. Therefore, we continue to oppose any attempt by the State of Michigan to require more extensive coverage for agriculture than that provided by the Federal Unemployment Act.

Farm employers who will not qualify under the current guidelines should continue to be allowed to voluntarily provide unemployment insurance for their employees.

Since under federal law full time students are not eligible to receive unemployment benefits, their wages should not be included in the Federal Unemployment Insurance base.



Youth Employment Standards for Michigan Agriculture

In ever increasing numbers, Michigan's young people are seeking to enter the work force. Young people desire a chance to gain experience and self respect, establish work habits and earn money from gainful employment. Farm work has traditionally offered opportunities for young people to fulfill their desires and develop skills and maturity while working in a safe environment.

The job opportunities on Michigan farms could be severely restricted if the Michigan Department of Labor is successful in implementing proposed rules identified as Part 3. - Hazardous Occupations in Farm Work. These proposed rules would regulate the farm work activity of "minors" (except family members). A minor is defined as a person under 18 years of age. These proposed state standards are more restrictive than federal regulations since the federal regulations apply to persons under 16 years of age.

At five public hearings hundreds of pages of testimony and hundreds of letters were submitted by parents, young people, youth advocate organizations, farm safety experts, as well as the Department's own Agricultural Labor Commission and Michigan Youth Employment Council urging the Department to drop its restrictive pointless standards and adopt instead the federal standards.

The Department has arrogantly elected to disregard all testimony, all advice from available experts, and to disregard the will and the welfare of the people of Michigan. In a gross betrayal of the public trust, the Department re-introduced its Youth Employment Standards again in December, scheduling new hearings.

This is an insult to the principles of the American democratic process. It is an insult to the public which has taken the time to participate in this process at public hearings. It is an insult to the taxpayers of Michigan who have been forced by arrogant bureaucrats to finance thirteen drafts of a set of restrictions which no one wants and which cannot be justified.

We urge the Governor and the Legislature to reprimand the Department's leadership. Since it is obvious the Department has excess funds and staff to waste in this way, we urge that the appropriations for the Department of Labor be reduced accordingly.

Agricultural Housing

Agricultural employers continue to experience problems with agricultural workers who refuse to leave on-farm housing after the work on the farm is completed or who refuse to work after moving into agricultural housing provided by the employer. We support development of laws or regulations which would require workers to leave employer provided housing within a reasonable time (one week) after the work is completed or notice is given by the employer for good reason. We recommend that a swift eviction procedure be adopted so that employer-provided housing can become available for other employees.

We encourage agricultural employers to destroy unused and abandoned farm labor housing.

MI-OSHA

We encourage all farmers to become aware of any occupational hazards on their farms and voluntarily adopt safety programs. We also support the concept of appropriate safety regulation. We oppose state (MI-OSHA) regulations that are more strict than federal (OSHA) standards. The disbanding of MI-OSHA would help in alleviating the state budget situation while the federal standards would remain in effect. We favor educational programs and no penalty for first-time inspections.

Health Department Regulations

The Michigan Department of Health promulgates many rules and regulations affecting agriculture including some under the MI-OSHA Act. We believe an Agricultural Advisory Committee to the department should be established to provide producer input on any regulation affecting agriculture.

Elevator Regulations

The current MI-OSHA interpretation of electrical codes relative to grain handling facilities and feed mills is causing extremely severe economic hardship to the owners of these facilities, many of which are farmer cooperatives. Producers are also being seriously effected economically. Agricultural employment is being lost and food costs will be unnecessarily increased.

MI-OSHA regulations are far more stringent than federal OSHA requirements. Many elevators invested heavily to update facilities and comply with the regulations only to find the regulations changed with additional requirements. Such bureaucratic tactics have placed Michigan in an even greater non-competitive position with other states.

Since MI-OSHA regulations do not provide any greater safety conditions than OSHA regulations, we urge that state requirements be consistent with federal rules.

Policies Include:

Suggestions to Members

•The Constitutional Amendment (Headlee) passed in 1978 is limiting property taxes. It has resulted in tax rate rollbacks in some 57 counties and approximately 70% of the township and school districts.

TAXATION

Agricultural Land Taxation

Michigan has one of the most progressive systems of property tax as it refers to taxation of agricultural land.

•The Farmland and Open Space Preservation Act, P.A. 116, has proven to be an effective method of preserving essential farmland while giving farmers needed property tax relief. We will continue to support and promote P.A. 116 and work to improve it. We will also vigorously oppose measures which will dilute its effectiveness.

•The "circuit breaker" program also provides property tax relief for homesteads and agricultural land. We favor increasing the benefits under this program by increasing the \$1,200 limit to at least reflect the inflation factor.

•The Constitutional Amendment (Headlee) passed in 1978 is limiting property taxes. It has resulted in tax rate rollbacks in some 57 counties and approximately 70% of the township and school districts.

•We believe the "developmental real property" classification can be helpful if properly interpreted and administered. The intent is that other property such as farmland, would not be subject to increased valuation because of nearby property being sold for development purposes.

•Higher valuation should not be placed on land as a result of a zoning change until such time as that land undergoes a change of use.

Assessing Practices

We believe that in many parts of the state farmers are being over assessed under present law. A portion of the law defining "cash value" states:

"In determining the value the assessor shall also consider the advantages and disadvantages of location, quality of soil, zoning, existing use, present economic income of structures, including farm structures and present economic income of land when the land is being farmed or otherwise put to income producing use..."

We urge property owners to become aware of the several tax laws affecting their property and vigorously challenge any over assessment to their local Board of Review and, if necessary, use their right of appeal to the State Tax Tribunal.

We will continue to increase our efforts to make such property tax information available to members through the Farm Bureau Public Affairs Division and County Farm Bureau Boards.

Inheritance Tax

Michigan's amended Inheritance Tax Act (P.A. 628 of 1978) provides significant inheritance tax relief for Michigan farmowners. Heirs who enroll estates in P.A. 116 for 10 years receive a 50% exemption and a deferment of the remaining inheritance taxes on real property for 10 years. Exemptions have also raised from \$30,000 to \$65,000 for a surviving spouse and from \$5,000 to \$10,000 for other Class I heirs.

We urge farmers to become familiar with all the many provisions of the Act and to use careful estate planning to minimize detrimental aspects of estate settlement.

While progress has been made we believe the Inheritance Tax Law, like the Federal Estate Tax Law, does not adequately recognize the contribu-

tion of a spouse to the building and accumulation of an "estate" particularly in agriculture. We believe that surviving spouses should not have to pay inheritance tax on what they have helped to pay for. There is also a need to adjust the exemptions and/or tax credits for dependents by an inflation index.

Taxation of Forestry Equipment

The growing and harvesting of logs, pulp and other forest products is an agricultural enterprise. Therefore, equipment used for these purposes should not be subject to sales tax or personal property taxes. We support legislation to clarify that such equipment is not taxable.



Taxation of Mobile Homes

Presently, mobile homes in trailer parks pay, in lieu of property taxes, a fee of \$3 per month. Two dollars of this amount goes to the school, 50 cents to the township, and 50 cents to the county. This fee system, enacted in 1959, is no longer realistic. The increased value of the trailer homes is not reflected, nor do they contribute a proper share of the cost of schools and local government. Mobile homes should be assessed on the same basis as other homes or dwellings.

Tax Credits

We encourage the use of state and federal tax credits to promote the conservation of energy, development of synthetic fuels and expansion of business to create jobs.

EDUCATION

Educational Finance

Major changes in the financing of education have been made resulting in a "new equity in Michigan school finance." Reforms include the initiation of the "equal yield" concept guaranteeing a specific dollar yield for each mill of taxation, a new formula for funding intermediate districts, and a formula for assistance for bonded millage.

While these and other changes are highly commendable, the property tax remains the major source of local school finance. However, the "circuit breaker" concept and other reforms have aided in relieving the property tax burden. P.A. 116 has also proved to be an alternative for farmland. We support:

- An increase in the "circuit breaker" benefits to provide a more balanced tax system.
- Permission to use the income tax by a local school district or intermediate district if voted.
- Sufficient funds appropriate to pay in full all state aid formulas.

- Funding for K-12 schools on a multi-year basis.
- Full funding by the state for all state mandated educational programs as required by the Tax Limitation Amendment.

We believe it is possible to achieve further educational finance reform within the present constitutional framework and without eroding the fundamental right of the local community to determine educational goals within broad general guidelines provided by law.

Educational Reforms

We believe that additional reforms should be made in our education system. We recommend:

- The present State Board of Education should be replaced by a bipartisan, odd-numbered Education Commission appointed by the Governor with the advice and consent of the Senate. The commission should employ the Director of Education.
- State-wide testing and assessment of student progress and total evaluation of education should be continued and expanded. School systems should emphasize the "basics" and require students to meet minimum academic standards for graduation.
- Reorganization of K-12 districts, intermediate districts, and community college districts should continue to be voluntary. However, if reorganized, the policy-making board should be representative of all local boards of education and/or all areas of the districts.
- Cooperative programs among small K-12 school districts to help provide a broader curriculum.
- The use of program budgeting should be encountered at the local level as a means to equate program costs to student needs.
- Guaranteed local control of schools including curricula, personnel, etc., in order to meet the particular needs of the community.
- In-service training including C.P.R. and first-aid for teachers and students be encouraged.
- Local school facilities be used to their fullest potential for educational purposes for both youths and adults.
- Vocational-technical programs for both youths and adults be made available to all areas of the state. Existing educational facilities should be used wherever possible. The "World of Work" demands saleable skills.
- Building accountability into the educational system. School boards, administrators, teachers, students and parents must work together to set goals and objectives to improve student learning and performance.
- Evaluation of teacher education programs in the colleges.
- An evaluation program on human development for the experienced teacher. The emphasis is on the individual, his or her inter-relationship and interactions with students, subject matter, and teaching techniques. We support a feasibility study on merit pay.
- The inflexibility of the present Teacher Tenure Law makes it unreasonably difficult for school boards to discharge incompetent personnel. We believe that consideration should be given to an initiatory petition procedure for the purpose of correcting the deficiencies created by the present tenure law.
- Full implementation and funding of special education programs for handicapped children. It has been proven beyond a doubt that these children can be educated to lead productive lives with dignity and contribute to society.
- Programs for gifted children should be fully funded.
- New and innovative instructional methods be researched and used after proven beneficial.
- Full state funding of all special programs mandated by the Legislature or the courts. Such legislative actions should not have the effect of

Policies Become: Programs of Action

mandating the raising of property taxes above the 15 mill constitutional limit.

•The common goals of the Michigan Department of Education should be a helpful guideline for local school boards.

•We are opposed to the Department of Education's interpretation of bilingual education such as identification of students, etc.

•Educational programs be constantly reevaluated to determine the priorities and needs of our economy and work force. Education at all levels must meet the constantly changing needs of society.

We support the preservation of neighborhood schools, to enable a student to attend the school of his choice, and to maintain the right of parents to participate in school affairs, and the elimination of cross-district busing of regular K-12 students.

Teacher Tenure and Licensing

The inflexibility of the present Tenure Act makes it unreasonably difficult for school boards to discharge incompetent personnel.

School boards are often forced to sit in hearings for unreasonable periods of time. We believe the Tenure Act should be streamlined to:

- Include the use of outside hearing officers.
- Remove administrators from the Act unless specifically included by board action.
- Require a single approach to removal procedure either through the employee contract, Tenure Act or court system.

We strongly support the present system of teacher certification with periodic review and evaluation. We oppose a licensing system.

Extension Service

The Cooperative Extension Service has played a vital and successful role in the development of our nation's agriculture. With the help of Extension Service information and education programs, American farmers have developed their operations into the most efficient industry in the world. This development has definitely been a financial benefit to individual farmers, but also has helped make it possible for the American consumer to spend a lower percent of his net income for food than any other consumer in the world.

We believe that every effort should be made to use successful Extension Service methods for education programs for all people in our society who desire them. However, at the same time we are concerned that this will be at the expense of the Agricultural Extension Service and Research programs.

In light of these considerations, we recommend:

- Special reports required by the Extension Service be financed by the necessary appropriations, not by siphoning off a part of the already overtaxed budget.
- Development of Extension type programs for urban people where they are needed under the jurisdiction of the Extension Service with special appropriations for these programs.
- Extension continue its traditional education role in supplying unbiased factual information, but avoid taking positions pro and con on public issues.
- County Farm Bureaus develop and maintain a stronger and closer working relationship with their County Cooperative Extension Office.

Michigan State University Agricultural Experiment Station

The Agricultural Experiment Stations have and continue to play a valuable role in our society. Historically, research done in these facilities has helped to increase efficiency in food production. Both farmers and consumers have benefited from

developments by this system.

As we look to future world needs, new techniques must be applied to farming to aid in solving environmental concerns, conservation of energy and natural resources, and to meet future production needs.

The Agricultural Experiment Station at Michigan State University has been one of the finest in the country. It serves eight colleges, including Agriculture and Natural Resources, Engineering, Human Ecology, Human Medicine, Osteopathic Medicine, Social Sciences, Natural Science and Veterinary Medicine. There are 30 departments and more than 600 research projects with over 300 scientists.

We are proud of the work done by the Experiment Station. However, we are concerned that in recent years appropriations have not kept pace with rising costs. The station has no other source of income. We are shocked to learn that numerous faculty and research personnel have resigned; such talent cannot be readily replaced. Good research is a continuing process and cannot be turned on or off. Agricultural research has proven to be a sound investment that has returned great dividends to all citizens for over a century. We urge the Legislature to recognize the need to appropriate sufficient funds to carry on research projects, such as:

- Optimizing energy, land and water.
- Improving crop production.
- Dairy systems.
- Development of new Horticultural Experiment Stations.
- Livestock and poultry.
- Improving food quality.
- Control of insect transmitted diseases.
- Housing for non-urban communities.
- Integrated control of pests.
- Environmental monitoring network for agricultural production.
- Utilization of forage and grain by cattle in the Upper Peninsula.
- Dry edible bean and beet production research.
- Fruit and vegetable trials and production research.

Michigan is in direct competition with not only other states but also other countries; and to remain competitive, we must have up-to-date research from the various Michigan Experiment Stations. We stress the need for appropriate funds for the outlying MSU experiment stations with special consideration to the Upper Peninsula.



4-H

We commend the Michigan Cooperative Extension Service for its role in the development of the 4-H Program. This program provides valuable educational opportunities to both rural and urban youth.

We also commend the 4-H leadership and the 25,000 volunteer leaders for the new and exciting projects developed to gain interest and participation

of Michigan youth. We encourage adults to actively participate as project leaders. We will continue to support adequate appropriations for this worthwhile youth program.

Management of the Homer Nowlin Farm Gift

The Homer Nowlin Farm has been willed to Michigan State University. We believe it is in the best interest of all the people of the State of Michigan that the Homer Nowlin farm be kept in the ownership of Michigan State University. We further believe that because of Mr. Nowlin's close association with the Cooperative Extension Service and the College of Agriculture and Natural Resources, all economic resources from this property should be allocated to the College of Agriculture and Natural Resources to promote agricultural research and education.

We further believe that appropriate memorial recognition should be given to Homer Nowlin for his generous gift in behalf of Michigan agriculture.

Agricultural Education

The demand for more teachers of vocational and technical agriculture continues with the advent of "career education" and specialized programs on both secondary and post-secondary levels in vocational centers and community colleges.

The Institute of Agricultural Technology, MSU, now offers seven areas of training including agricultural production; ornamental horticulture; agricultural mechanics; natural resources; agricultural supplies, service and products; soil, chemicals and electrical technology.

We strongly urge that teachers of vocational agriculture continue to be employed on a 12-month basis. Summer months provide the opportunity for students to put into practice much of the vocational agricultural instruction provided during the school year. Providing this on-the-farm instruction to students is an important part of the vocational agriculture teachers' responsibility. Vocational agriculture and FFA are unmatched in teaching "individual enterprise" through practical application of classroom training. We feel modern agriculture and related fields demand highly trained people.

We urge County Farm Bureaus to:

- Become involved in their vocational agriculture programs and assist local school boards in evaluation and planning through participation on local advisory committees.
- Determine whether vo-ag should be part of the curriculum in area vo-tech centers.

MSU Board of Trustees

We urge Michigan Farm Bureau to provide leadership in a continuing process of selecting and promoting party nominees for the Michigan State University Board of Trustees. Michigan Farm Bureau and AgriPac should evaluate prospective candidates for this important position and make an assessment of their qualifications as early as possible.

TRANSPORTATION

Highways and Transportation

An adequate system of rural roads and bridges is essential for farm to market transportation.

Inflation has resulted in a multitude of detrimental effects on net revenues to build and maintain these roads. These include:

1. The higher price of fuel has resulted in more fuel efficient automobiles and a decrease in the number of miles driven and the number of gallons of fuel used. Since the gas tax is a flat rate per gallon the net revenue from this source is decreasing.

Policies Reflect:

Farmer Concerns, Thoughts

2. License plate fees are based on vehicle weight. New cars are much lighter.
3. Costs of building and repairing roads continue to escalate.

County Road Commissions must dedicate themselves to using the most economical means possible including the receiving of private bids on all road construction to reconstruct and maintain quality roads and to make tax revenues cover as many of the pressing needs as possible.

Presently townships that are financially able have the right to contract for their own road building program especially when county matching funds are not available. County Road Commission permission is required. However, there are serious liability problems. In order to expand this program, we urge that the legal questions on liability be clarified.

When increased revenues are again needed only "user taxes" based on volume should be used for road purposes. We must not revert to the property tax, special assessments, or money from the general fund as a means of building roads.

Highway Safety

Highway accidents take many lives each year. Many people are injured and much property damage results. We have and will continue to support legislation which will promote highway safety. Efforts need to be continued. We recommend the following to further reduce highway accidents:

- We urge that information and education be provided so that farmers become aware of the law involving movement of farm equipment on the highways.
- Minimum lighting is required by law on all farm equipment traveling on the road. One headlight and one taillight are required in addition to the slow moving vehicle (SMV) sign. We urge all farmers to maintain this required equipment and replace when faded or worn.
- We urge legislation which would allow specialized agricultural trailers to be treated as farm machinery where licensing, lighting, permit and width regulations are concerned, whether pulled by a farm pickup or a tractor, when moving from field to field.
- We urge farmers to use care in preventing and keeping field and animal residues off roads as these create highway safety hazards.
- Roads should not be used as headlands. It is dangerous to the farmer and hazardous to traffic.
- Present laws which deal with stopping for school buses are not uniform in all areas and often lead to confusion. Uniform state laws should be adopted for the safety of both children and motorists.
- All school buses should be equipped with two-way communications for emergency purposes.
- Hardtop roads should be marked with center lines and sidelines as an aid to safer nighttime driving.
- County Road Commissions and landowners should be encouraged to clear roadsides and intersections of hazards within the road right-of-way that obstruct the view of motorists.
- Renewed emphasis should be directed toward the placing of crossroad, yield or stop signs at unmarked rural intersections.
- Reflectorized license plates are a major safety factor making disabled vehicles abandoned on roadways more visible.
- All rural roads should be marked with a name or number. Houses should be numbered by the homeowner and coordinated in each county. A number clearly visible from the road is essential during emergencies.
- Mail and newspaper boxes should be placed on the same side of the road to make travel with large machinery safer and easier.
- Red and amber reflectors and SMV emblems should not be used as mailbox and driveway markers. Only appropriate blue and green markers should be used.

- The check lane system should be continued instead of using the proposed mandatory annual vehicle inspection.
- Reflectorized glass which cannot be seen through should be banned from use in licensed motorized vehicles. This presents a hazard for police officers when they stop such a vehicle.
- New or replaced highway guardrails should be constructed to eliminate the chance that a vehicle could be pierced by the guardrail.
- We commend the 4-H, Boy Scouts and others on their bicycle safety programs. We urge the present laws pertaining to bicycles be amended so as to insure that bicycles yield to motor vehicles in the lane of traffic and that safety flags be made mandatory on bicycles used on public roads and that all laws pertaining to bicycles be more readily enforced.
- We urge stronger sentences for liquor and drug related accidents.



Railroad/Highway Crossing Safety

We support legislation to require railroads to use reflectors or reflectorized paint on the sides of rail cars and distinctive moving headlights on railroad engines which would improve their visibility.

We urge MFB support of "Operation Lifesaver," a four part program to promote railroad/highway crossing safety. The four parts are educating the driving public to appreciate and respect the risk of ignoring rail crossing warning signs, enforcement, engineering of the crossing grade, and evaluation of the overall project.

Rural Mail & Paper Delivery Vehicle Lighting

Because of increased traffic in rural Michigan, we feel that rural mail and paper delivery vehicles which make frequent stops should display auxiliary warning lights as permitted in Section 698 of the Michigan Motor Vehicle Code.

Motor Vehicle Emissions Inspection

The Federal Environmental Protection Agency (EPA) is mandating Michigan and other states to establish a program of motor vehicle emissions inspections by 1982. It is required that such inspections be made in those areas that do not attain the required air quality standards. In Michigan at the present time this means in general the Detroit urban areas and perhaps other urban areas throughout southern Michigan. While we question the need for such mandatory emissions inspections we believe that if they are required any legislation should apply only to those areas of the state that have not attained the air quality standards and that certain vehicles such as agricultural implements should be exempt from such inspections. We believe that this will be a most costly undertaking for the state as well as for the motorist required to pay the inspection fees. Every effort should be made to reach air quality standards without having to take this drastic step.

Railroads

Railroads provide an essential mode of transporting agricultural commodities. The transportation of agricultural inputs and commodities produced is dependent upon efficient and continued railroad service. Without adequate railroad service, it would be impossible for trucks to meet the total need for transportation at peak harvest time. Many rural areas are served by roads subject to weight restrictions making trucking costs uneconomical.

We support the continued efforts of the Michigan Department of Transportation to meet the many aspects of rail planning required by Federal laws. The Department should continue to utilize citizen advisory groups in this important planning process. At least one person familiar with agriculture and its transportation needs should be named to serve on each group.

We support appropriations by the Legislature to fund Michigan's share of subsidies necessary to retain essential rail and cross-lake ferry service. The state should not purchase railroad cars or water transportation equipment.

Subsidies to retain essential rail service should be considered a temporary solution. We believe privately operated rail companies should be encouraged and allowed to operate the railroad system on a for-profit basis whenever possible and in the best interest of shippers.

We commend the individuals who have stepped forward to execute contracts with the State for private operation of important rail lines serving rural Michigan. Shippers are urged to utilize services offered by these carriers whenever possible.

Abandoned right-of-way should be left intact until such time as it is assured that they will not be used for rail transportation. In the event of disposal, adjacent property owners should have first option.

LAW

Law Enforcement

A lack of respect for law and law enforcement agencies exists in our society. We urge citizens to carry out their responsibility to help law enforcement officers by offering pertinent information and assistance. We also urge support and expression of confidence to our law enforcement officers and urge that they be given protection from liability when performing their duties.

We support adequate funding for remodeling and construction of penal institutions to retain public offenders.

Adequate police service in rural areas can be an important deterrent to rural crime. We urge both state and local officials to develop long range crime prevention programs to better assist citizens in the rural areas to reduce crime.

Michigan State Police is a highly professional police department providing all types of service to citizens and support to other departments. We strongly urge the Michigan State Police be maintained and funded as a total agency providing service to all of rural Michigan.

Health Cost Deductions

Persons employed by others usually receive many fringe benefits including prescription drugs and health, dental, optical care and even life insurance. While such benefits are a part of their total income they are not taxable.

Self-employed people and others who do not receive employer paid health programs must pay such costs out of their taxable income.

To correct this growing inequity, we support legislation to permit persons who pay their own

Policies Include: Direction of Issues Affecting Farmers

health care costs to deduct them from state income taxes.

Removing present inequities will encourage the use of private health care plans.

State Juvenile Code Reform

We believe the time for reform of the State Juvenile Code is long overdue.

We support reforms that would:

1. Preserve the present language of the law that a minor shall be obedient "to the reasonable demands of his parents."
2. Establish clear guidelines for the courts, parents rights, juvenile rights, the protection of all citizens and cost effectiveness to county government.
3. Simplify procedural requirements.
4. Allow for detention if no facility is established and space available within 25 miles from the court, providing minors are kept separate and apart from adults.
5. Make provisions for a young offender to pay restitution to the victim of his crime and to give voluntary services to society.

Restitution by Juveniles

Michigan's prisons are overcrowded and the cost of new facilities is substantial. We support the increased use of restitution as a deterrent especially for juveniles and first offenders convicted of non-violent crimes. We believe that restitution should be paid in full with the monetary amount of damages determined by the courts. This will help in reducing the prison population, result in payment to the victim and provide a more meaningful form of punishment than incarceration.

No-Fault Automobile Insurance

We support the general principles inherent in Michigan's No-Fault Insurance law in that persons injured in automobile accidents now receive economic compensation more quickly and equitably.

There remains, however, aspects of the law which: (1) restrict rights and responsibilities of the individual and (2) unnecessarily increase claims costs of No-Fault and ultimately the insurance premiums paid by motorists.

1. We urge the Legislature to redefine parts of the law which, because of ambiguity, are in danger of being interpreted by the courts far more liberally than the law's original intent.
2. Presently, the law provides that unlimited medical and rehabilitation benefits be paid to accident victims by their insurance company. We support one of the following alternatives for the purpose of controlling high claim costs:

a. Establishment of a maximum benefit amount per victim, such as \$100,000 which would be increased annually to reflect inflation, or,

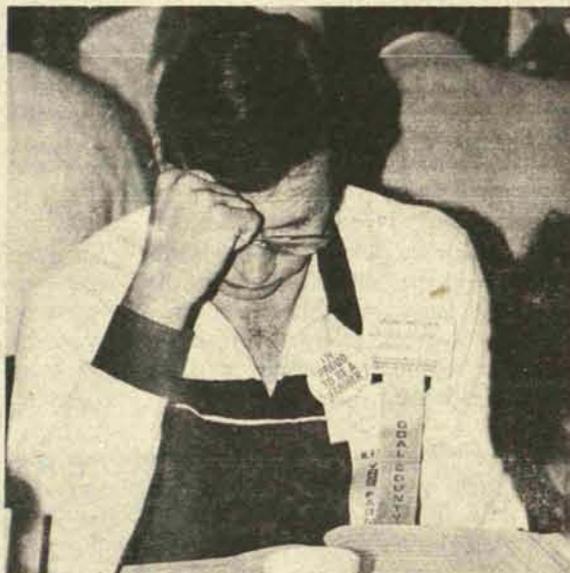
b. Establishment of a maximum benefit period per victim, such as three years. Then, medical and rehabilitation expenses incurred by individual accident victims in excess of the maximum benefit amount or period would be assigned to a state-wide underwriting association and shared equitably by all insurance companies.

3. We believe that farm equipment built from a motor vehicle chassis and used primarily off the road in the production of agricultural commodities should be exempt from the No-Fault law.

Insurance Reform

"Mini-Tort" is a partial attempt to reinstate Tort Liability for damage done to vehicles. Not only will it add to the very frustration it was intended to eliminate, but it will also increase the cost of in-

surance to the consumer by creating an additional liability exposure. Due to this confusion, higher costs and consumer concerns we support legislation to remove "Mini-Tort" from the law.



Tractor Safety

From a safety standpoint we request MASA and Farm Bureau Mutual Insurance Company to work with the American Society of Agricultural Engineers and other safety groups, in cooperation with the tractor manufacturers, to develop not only a PTO or engine kill switch at the rear of tractors but also more uniform design, location and identification standards for PTO levers and handles.

We urge all members to be more safety conscious when operating any farm equipment.

Employment Opportunities

Recognizing the contributions of minority groups in our society, we believe that equal protection and opportunity under the law should be fully extended to all. Social and economic inequalities continue to exist which preclude some from the full exercise of their constitutional rights.

We believe that equal opportunities must be available to all and oppose quotas requiring hiring or selection based on minority group or sex rather than qualifications of the individual.

Doctrine of Governmental Immunity

Statutory and case law has eroded the once strong Doctrine of Governmental Immunity from tort liability. We, therefore, find our local government agencies such as county road commissions, school boards, township boards, boards of county commissioners and hospitals as well as the individuals serving thereon, faced with suits for damages where the boards or commissions were performing or intending to perform a governmental function. This has had the effect of depleting local tax revenues, taking the time of public officials and public funds in defending such actions and requiring high cost insurance coverage to protect against unfavorable settlements and judgments.

We believe that the Doctrine of Governmental Immunity should not have been weakened and we support legislation that will have the effect of strengthening this Doctrine.

State Budget

Michigan's Constitution requires the state to operate on a balanced budget. This provision has been effective and necessary. Cuts in spending have been made from time to time.

We support fiscal responsibility. However, we believe that any necessary cuts must be equitable

between governmental departments with emphasis on elimination of any program that is no longer necessary.

We point out that appropriations for the Department of Agriculture, agricultural research, Cooperative Extension and some other services essential to Michigan's agriculture have not kept pace with inflationary costs. Care must be taken that such programs are not weakened to the point of being ineffective.

We are also extremely concerned that some budget cuts will create undue hardship on veterans care facilities (e.g. Grand Rapids) that are dedicated to the proper care of disabled veterans who have given so much to us. We have a moral obligation to adequately fund such facilities and also maintain the federal share of these costs.

Public Employment Relations Act

We oppose the legalization of the right to strike for public employees. However, any legislation containing this concept must contain: strike deterrents to provide economic loss to the striking parties from the first day, realistic penalties as strike deterrents and maintenance of local school board policy making authority.

We oppose any effort to mandate "regionalized bargaining" and/or compulsory binding arbitration.

Annexation

The State Boundary Commission was established under Public Act 691 of 1968. The Commission is composed of three state members appointed by the Governor for three-year terms. After annexation petitions have been presented to the Boundary Commission the Probate Judge in the affected county appoints two county members to help decide the specific issue thus bringing the commission to five members.

Petitions requesting annexation must be signed by a specified number of voters in the affected territory and presented to the Boundary Commission. This procedure was developed to provide a third party to decide the issue. We are concerned that township residents may not have an effective voice even though they are directly affected. We urge that affected township residents be given a vote in the annexation question.

Voting

A person should not be permitted to vote in any election in any community where he has not established a permanent residence for a least 30 days. We favor college students not being allowed to vote on millage proposals in the district where they attend college unless they are a permanent resident of the district. Convicted felons should not be permitted to vote while imprisoned. Voters should be required to register in person a minimum of 30 days prior to the election. Voter registration should be computerized as rapidly as possible to reduce duplication of voter registration.

We recommend that national election projections on Election Day not be released to the public until all polls are closed in the continental 48 states.

We favor retention of the Electoral College for Presidential elections.

We urge that clear, concise and simple language be used on all ballot issues.

A common language is essential to the United States of America, and an understanding of our language is a requirement for naturalization. Therefore, we urge elimination of any requirement of bilingual ballots in any public election.

Michigan Presidential Primary

The Michigan Presidential Primary Election is very costly to local and state government. We do not believe it provides a cost effective

**Policies
Include:**

Programs to Serve Members

method or improves the process of selecting nominees for President of the United States. We support legislation to repeal the Michigan Presidential Primary Election.

Uniform Commercial Code

We believe the Uniform Commercial Code should be amended to exclude livestock. This Code currently applies to anything that is bought or sold and has an implied warranty section that guarantees to the buyer that the animals will remain healthy for an indefinite length of time and thus make the seller liable for damages completely unrelated to conditions at time of sale.

Financial Disclosure

We are opposed to financial disclosure requirements of public officials that would be imposed in pending legislation known as the Financial Disclosure Act. We believe such requirements will discourage well qualified candidates and would not update the standards and abilities of those serving the office.

Narcotics and Harmful Drugs

The rapidly growing misuse of narcotics and harmful drugs must be stopped. We encourage massive, direct and realistic education efforts to inform youths, parents and others concerning the harmful effects of drug abuse. We oppose the legalization of marijuana.

Courts should continue to strengthen penalties imposed on drug pushers.

Rehabilitation centers and drug information programs are now available to drug users in most parts of Michigan.

We support enforcement of laws to tighten the importation, manufacture, and distribution of narcotics and harmful drugs.

Pornography

American youths and adults continue to be exposed to a heavy volume of pornographic publications and programs from movie theaters, newsstands, bookstores and, to some degree, television.

We urge Farm Bureau members and the general public to seek the support of theater owners, movie production companies, publishers, newsstand operators, television stations and networks, and program sponsors for efforts to control this menace to the moral fiber of our nation.

Our pornography laws should be enforced; and stiffer penalties should be provided by law where children are used in the production of pornography.

Welfare

The many agencies now responsible for public welfare and a myriad of other social programs have made governments role in welfare policy and administration unmanageable. The cost of administration has gotten out of hand. The basic causes of rising welfare costs should be identified and systematically addressed.

We favor the adoption of a new approach to public welfare to achieve the basic goals of eliminating all misuse of these programs and moving toward greater state and local control and supervision.

We will support public aid based on individual needs but will not support public aid programs so lucrative that there is an economic advantage in becoming a recipient. We oppose further proliferation of welfare programs through the extension of the "food stamp" concept to other costs of living.

FARM BUREAU

Our Farm Bureau

Our Farm Bureau is a farm organization. It must be an aggressive organization geared to serving commercial farmers with bold and imaginative programs. The building and maintenance of a bold and aggressive farm organization depends heavily on attracting the best in farmer leadership. This leadership must be active in all levels of the organization, from Community Groups through state officers. The organization must maintain the best type of employees to carry out the wishes of the members.

The primary purpose of Farm Bureau should be to serve the needs of active, producing farmers. However, in serving these needs, we will undoubtedly develop policies and establish many programs and services which will attract some non-farm people to our organization.

We should welcome the support of non-farm people who wish to join our farm organization and support the policies which are set forth by our farmer members.

The authority and responsibility for determining who shall be a member and the classification of membership should remain with the County Farm Bureau Boards.

The right to vote in Farm Bureau should continue to be limited to regular members. We further endorse the policy of determining the number of voting delegates to the State Annual Meeting based on regular member count, and urge that this policy be extended to the American Farm Bureau Federation.



Member Responsibility

We are proud of our organization. As members, it is our responsibility to uphold and promote a positive attitude toward the programs and policies we adopt.

Farm Bureau is a democratic organization with every member having the right to participate in making recommendations and decisions. The opportunity to participate is available to members by attending Community Group Meetings, County Annual Meetings, the State Annual Meeting, and serving on county and state committees. We are pleased that our members take this responsibility seriously.

However, the right to participate carries with it the responsibility to support the decisions of the majority. This requires a sense of organizational discipline which can only be self-imposed by the member.

We encourage our members to study, discuss and recommend changes in policy when appropriate.

Membership Growth

Hard work and dedication on the part of hundreds of Farm Bureau members, Insurance Agents,

and employees of Michigan Farm Bureau and Affiliated Companies has enabled Michigan Farm Bureau to realize 13 consecutive years of membership growth. The 4,276 member gain last year was the largest increase in 27 years - exceeding the targeted growth necessary for financial stability for the year. In addition, Farm Bureau experienced a net gain of 1,060 regular members adding to the basic strength of the organization, that of representing the farmers of Michigan.

We approve the formula which allocates equitably a 5.4% increase or 3,724 members in 1981 among the 69 County Farm Bureau units. The actual county increase of 9.66% will be based on last year's goal or last year's final membership which-ever is less.

With continued cooperation between the members of the Farm Bureau family, plus expanded member-only economic services provided by Farm Bureau and its Affiliates, this membership growth can be achieved.

County Farm Bureaus and Affiliate Companies must continue to strive for regular member growth, recognizing full well that much of the future growth must come from the vast potential of rural non-farm residents, residents who, in many cases, have similar needs and concerns as their farmer neighbors.

Farm Bureau Women

The goal of the Farm Bureau Women's Program is to promote opportunities for the women of our member families to participate in Farm Bureau. We commend the women for making progress toward this goal. We urge County Farm Bureau Boards of Directors to promote and support active Women's Committees in all counties in Michigan. We reiterate the need for Women's Committees and Boards of Directors to involve women in all phases of Farm Bureau, including committees, boards, special projects, etc.

We encourage Farm Bureau Women to direct their efforts to leader development, legislation, political action and agriculture understanding activities. We also support Farm Bureau Women putting special emphasis on member involvement, especially young farm women.

Farm Bureau Young Farmers

The major goal of the Young Farmer program is to surface and develop new Farm Bureau leadership. The State Young Farmer Committee has been successful in initiating County Farm Bureau programs that promote and develop Young Farmers into strong leaders and active Farm Bureau members. They accomplish this through various activities such as discussion meets, leadership conferences and district meetings.

Young Farmers are eager for meaningful involvement in vital issues concerning agriculture as evident by their planned activities in marketing programs, legislative programs, AgriPac, and additional cooperation and communication between the State Young Farmer Committee and the State Women's Committee.

The success of the Young Farmer Program depends on the strong and active support of County Farm Bureau leaders. We encourage County Farm Bureau Boards to challenge the leadership talents of their Young Farmers by giving them leadership responsibilities at the county level. More influence should be given in 1981 to increasing the involvement of Young Farmers at the county level through service on County Farm Bureau Boards and committees. We encourage County Farm Bureau Boards to give regular counsel and advice to their County Young Farmer Committee.

Michigan Farm Bureau

Community Groups

For decades the Community Group program has been recognized as the "backbone" of the organization, providing Farm Bureau with a two-way communications system between the members, county, state leaders and staff.

Community Groups are a main source of policy recommendations for many counties and are vital contributors to policy execution. They offer an opportunity for leadership development of our members and for active involvement of members in their organization and in their communities.

We believe that the strength of this organization still lives at the grass roots level and that the Community Group system is the best means of determining members' interests and needs.

We recommend that the Community Group program be given emphasis in the years ahead by all County Boards. To assist in this endeavor, all County Farm Bureaus should appoint an aggressive Community Group Committee with the responsibility to get more members actively involved in Community Groups.

MFB Group Purchasing, Inc.

The MFB Group Purchasing, Inc., administers a Group Purchasing program for Farm Bureau members-only in conjunction with the American Farm Bureau Services Company. Safemark tires and batteries and Weise and Kondex steel products are distributed through this program.

This is a County Farm Bureau program! County Farm Bureaus decide if they wish to participate in the program. County Group Purchasing Committees appointed by County Farm Bureau Boards play a key role in selecting and supervising Safemark dealers and steel product vendors.

We commend the MFB Group Purchasing, Inc. Board for developing a new plan for selling steel products through vendors. A vendor working in each community will make it convenient for Farm Bureau members to participate in this money-saving program.

We challenge all County Farm Bureaus to participate in this Group Purchasing Program and to make their members aware of these quality Safemark and steel products. We further challenge every Farm Bureau member to take advantage of these economic savings.

Michigan Agricultural Services Association

MASA has established itself as the primary source of information on farm labor issues for its MASA members. It plays an important role in interpreting the complex rules and regulations which dictate the employment requirements on the farm. All agricultural employers of one or more persons are encouraged to take advantage of MASA's three membership programs: Farm Labor Information; Agricultural Legal Services; and Legal Defense Fund.

All Farm Bureau members are urged to consider MASA's expanded Legal Services program which now provides personalized farm legal services including partnership agreements or incorporation services, wills, estate planning and tax-related matters.

The Legal Defense Fund Program developed by MASA allows farmers to pool their resources in defending their rights in court. The fund offers financial assistance to help offset legal expenses incurred by members involved in agricultural litigation.

We appreciate the fact that MASA programs are for Farm Bureau members only. We urge Farm Bureau members to utilize these MASA programs.

Political Action Program

Michigan Farm Bureau's "AgriPac" Committee carried out an effective 1980 Political Action Program. We commend the six farmer-members of this

bipartisan Committee for their dedicated service. The AgriPac Committee thoroughly studied voting records and asked each County Farm Bureau to evaluate their incumbent legislators on several criteria in the process of selecting their eighty-one "Friends of Agriculture." We are most gratified that seventy-five of these "Friends of Agriculture" were elected on November 4.

We salute the AgriPac Committee for their aggressive campaign to solicit AgriPac contributions through the *Michigan Farm News*, personal letters and fund-raisers. Their innovative idea to have each County Farm Bureau designate an "AgriPac Coordinator" who would be responsible for the county's AgriPac goal worked well. Ten Coordinators achieved their county contributions goal. We believe that the Committee's state goal for contributions was conservative and realistic; we regret that only 50% of this goal was achieved. In order to increase AgriPac contributions in the future, we urge that the MFB Board consider including a voluntary AgriPac contribution request with the MFB Annual Dues Notice.

We encourage every Farm Bureau member to become familiar with their elected officers at the local, state and national levels and assist them in every way possible to understand the importance of Michigan's agriculture and its problems. Special effort should be made to become acquainted with those elected officials who were not designated as "Friends of Agriculture." Their support of our policies should be sought so that they may be designated as "Friends of Agriculture" in future election years.

Our Michigan Farm Bureau "AgriPac" Program has functioned through two General Elections. We are pleased that the MFB Board will be making a thorough review of our Political Action Program early next year with special emphasis on the selection process of "Friends of Agriculture."



Local Affairs

Members are proud to be associated with an organization that takes a strong stand on local issues, and follows through with effective action on problems which affect them locally. A strong effective Local Affairs Program builds County Farm Bureaus.

We commend the numerous County Farm Bureaus which have worked on local issues, thus, providing a valuable service to their members. We urge all County Farm Bureaus to actively pursue local issues, thus, building a strong, more viable organization to serve members.

Legislative Study

We recommend that the MFB Board initiate a study to compare the Michigan Legislature and its procedures with other states to determine whether there are more efficient procedures and systems. Such a study should include size of Legislature, length of session, term limitation, multi-year budgeting, salary and benefit structure, staff organization and sunset legislation.

Health Care

Our Farm Bureau health care program through Blue Cross Blue Shield of Michigan continues to provide Farm Bureau families with the best group health care coverage available today. Our comprehensive and econo plans offer Farm Bureau members a choice of plans and premiums enabling all members to obtain adequate health care coverage.

We urge the Michigan Farm Bureau Board of Directors to continue their effort in seeking the best health care coverage at the lowest possible cost for the Farm Bureau member.

We urge the Michigan Farm Bureau Board of Directors to seek revision of the Blue Cross Blue Shield agreement so that all members have an opportunity to enroll, through a continuous enrollment clause, subject to the appropriate waiting period as stipulated by the member status.

Service-to-Member

Valuable economic services are a prerequisite to continued membership growth. We are pleased Michigan Farm Bureau has added a Money Market Fund to its growing list of Service-to-Member Programs. The Fund is a valuable cash management tool that all Farm Bureau members should examine.

Additional economic service programs will be needed if Michigan Farm Bureau is to achieve significant membership growth in future years. We direct the Michigan Farm Bureau Board of Directors to coordinate efforts with all Affiliate Companies in developing and implementing new Service-to-Member Programs. We recommend that these programs be for members only.

Public Relations for Agriculture

We are proud of the public relations activities of the Michigan Farm Bureau and our members in presenting the story of agriculture to the non-farm population.

As farmers become a smaller minority of the population, the need for more public awareness of the contributions of agriculture to our economy becomes increasingly important.

All farmers benefit by these public relations activities. We urge Farm Bureau members to work through their organization at the state and county level to build a greater understanding of agriculture's importance to farm and non-farm people.

Reaching the urban population with agricultural news and information is the goal of the Michigan Farm Bureau Public Relations Program. The real "voice of agriculture," however, is farmers themselves. We congratulate our members who have spoken on behalf of agriculture and Farm Bureau in newspaper articles, news programs, documentaries and to outside groups to give a firsthand account of how current issues affect farmers.

We have seen a strong development in information activities at the County Farm Bureau level to improve media relations and keep membership informed about issues, activities and services of interest to farmers. Information and public relations activities at the county level have resulted in better news coverage of special events sponsored by Farm Bureau such as Agriculture Understanding Day, shopping mall displays, rural-urban meetings, farm visits and educational and county fair promotions.

We thank the Farm Bureau members who participated in the Michigan State Fair project. By volunteering their time and effort many farmers were able to meet with consumers and discuss agriculture on a one-to-one basis.

Member-to-Member Marketing

We appreciate the efforts of MACMA to expand the direct sale of top quality products to Farm Bureau members through its Direct Marketing Division.

'Agriculture's Action Organization'

We commend the Division for expanding its inter-state program. It now supplies Farm Bureau members in ten other states with quality Michigan products. Three of these states were added in 1980.

We urge MACMA to continue its efforts to direct market food products through food cooperatives in our Michigan cities and communities.

Member-to-member marketing holds a great future potential as a market for our products and as a service to Farm Bureau members, but we must never forget that strict quality control at the state and county level is vital to success.

Farm Bureau Marketing Programs

We continue to recognize agricultural marketing as a major concern of farmers. Many farmers are interested in learning more about marketing their commodities in the most advantageous way. Farm Bureau should continue to develop educational programs along with the Cooperative Extension Service and other agencies to provide farmers with this information.

We urge Farm Bureau at the county, state and national levels to actively support sound marketing programs and marketing legislation which will improve members' incomes. We request strong, aggressive management from our Affiliates to be competitive which will encourage all Farm Bureau members to support programs of their Affiliate Companies. Farm Bureau stands ready to assist members in meeting their marketing needs. The American Agricultural Marketing Association has proven to be an important and beneficial Affiliate of AFBF and we urge that the American Agricultural Marketing Association be continued.

Rural Crime Prevention Programs

Crime continues to be a serious and increasing problem in rural Michigan. Michigan Farm Bureau

is proud of its Rural Crime Prevention Program. We appreciate the excellent relationships established with the Michigan State Police, the Michigan Prosecuting Attorneys Association, the Michigan Sheriffs Association and other organizations.

We believe citizen participation is a most effective ingredient in law enforcement and crime prevention. Therefore, we encourage all County Farm Bureaus to make rural crime prevention an active part of their Local Affairs Program and we urge all Farm Bureau members to participate in the Rural Crime Prevention Programs available through their County Farm Bureaus.

We also believe that the Operation Eyes Program can be an effective tool in the prevention of rural crime. We urge all County Farm Bureaus to consider and offer this program to members.

Orientation of Employees and Agents

The employees of Michigan Farm Bureau and all its Affiliated Companies represent our overall Farm Bureau organization when contacting members around the state and the public at large. Uninformed or misinformed employees or agents may contribute to a poor or weak image of Farm Bureau.

We commend the efforts being made to inform employees about the objectives, philosophies and programs of Farm Bureau and its Affiliates through a regular liaison program. We encourage expansion of this program on a priority basis.

Coordination of Affiliate Companies

Michigan Farm Bureau and Affiliate Companies share a common goal - to serve farmers. We continually strive to have all patrons of Affiliate Companies become members of Michigan Farm Bureau, and to have all Michigan Farm Bureau members patronize their Affiliate Companies. We must continue this effort.

In the meantime, we have many Farm Bureau members who are excellent potential customers or policyholders for Affiliates. We also have Affiliate patrons and policyholders who are excellent prospects for Michigan Farm Bureau membership.

We urge County Farm Bureau Membership Committees and local Affiliate Company personnel to work closely together in sharing prospect lists.

Agreements signed between County Farm Bureau and Farm Bureau Affiliate Companies have been used effectively to clearly define the responsibilities of the parties involved. It is of utmost importance that every County Farm Bureau Board review their Affiliate Company agreements annually. This review will help to create a better understanding of the duties of both parties and lessen the chance of misunderstanding.

Cooperation With Other Farm Organizations

We urge Michigan Farm Bureau and the American Farm Bureau Federation to continue to work in coordination with other farm organizations in executing the policy positions adopted by this convention.

We believe that continued active participation in meetings with other general farm and commodity organizations has resulted in improved communication and understanding between organizations. We urge Michigan Farm Bureau to continue active participation in this type meeting.

Status of Previous Resolutions

The policies adopted at the four previous Annual Meetings are hereby reaffirmed except insofar as they have been modified or supplemented by later policies, including those adopted at this Annual Meeting. All other policies shall be deemed to have lapsed except insofar as the Board of Directors may specifically find that such a prior policy provides the only basis for action on a current problem.



AT EASE: During breaks in the action at the Farm Bureau annuals, delegates viewed the various displays or visited the popular Koffee Klatcheteria, sponsored by Farm Bureau Insurance Group.



Reagan Chooses Block

MFB President Elton R. Smith expressed the hope that President-elect Reagan's selection for secretary of agriculture will signal a return of the USDA "back to its original intent of serving the farmers of this nation."

In response to the announcement Dec. 23 of Reagan's choice of John R. Block, Illinois agriculture director and owner-operator of a 3,000-acre family farm, Smith said he was pleased with the selection.

"We are confident that we will see a reversal of the trend of USDA being a consumer-oriented agency back to its original direction of serving the farmers of this nation. Block has proven his administrative abilities as director of the Illinois Department of Agriculture, and we are pleased that he has displayed strong support for expanded foreign trade of our agricultural products.

"We believe his experience as a producing farmer, and his previous involvement in Farm Bureau leadership positions, will move us toward a market-oriented agriculture and away from a government-managed agriculture. He will have our strong support as he moves toward that goal," Smith concluded.

Block, 45, raises 6,000 farrow-to-finish hogs on his corn and soybean farm. He has been Illinois director of agriculture since February 1977. His Farm Bureau involvement has included serving as chairman of the Illinois Young Farmer Committee and the American Farm Bureau Federation Young Farmers and Ranchers Committee, president of the Knox County Farm Bureau, and member of the Illinois Farm Bureau board of directors.

He supervises the Illinois Department of Agriculture's export offices in Brussels, Belgium and Hong Kong.

Workers', Unemployment Compensation Receive Legislative Attention

During the last days of the legislative session, agreement was reached on both the workers' compensation issue and unemployment compensation. This did not happen through the usual legislative procedures with committee hearings, etc., but instead by extraordinary and exclusive negotiations between Gov. Milliken and the "Quadrant."

The "Quadrant" consists of the governor and Democratic and Republican leadership of the House and Senate. The negotiators were well aware of the positions held on these issues by labor, business interests, Farm Bureau and others.

In each case, benefits are increased. At the same time several reforms are included to eliminate abuses. There are no cost estimates on either program at this time. The following is an outline of the main provisions in each proposal.

Workers' Compensation

S.B. 1044 passed the House 95-0 and the Senate 32-3. The benefits and reforms become effective January 1982. Administrative changes become effective Jan. 1, 1981. The reforms in the bill are fully in line with Farm Bureau policy. Some of these include:

- Benefits are changed from the present 2/3 of gross wage to 80 percent of "after tax wage." The maximum weekly benefit is raised to 90 percent of the state average weekly wage.
- Elimination of minimum benefits which will prevent a worker from drawing more aid than he made while working. This is very important to farmers.
- Two year statute of limitations (except for certain occupational diseases) and elimination of written notice to the bureau.
- Banning collection of Workers' Compensation benefits and unemployment benefits at the same time.

- Banning benefits for injuries from social or recreational activities.

- Limitation on heart and mental conditions and/or conditions resulting from the aging process. Proof of a "significant aggravation" is required if work related.

- Benefit adjustments to previously injured workers will be paid from the general fund.

- Permits exemptions for children and other members of an employer's family. A similar exemption for corporate officers, if less than 10 stockholders, is allowed.

- Expands a special fund to cover injuries in lumbering and logging.

- Several changes in administrative procedures including reduction of attorney fees in some cases and a new Appeals Board (five employers, five employees and five public representatives).

The new legislation appears to be a long step forward which benefits both employers and injured employees. It is most complex and will take time to analyze its effectiveness. Workers' Compensation has been a major controversial issue for about 12 years. The present economic squeeze brought about action.

Unemployment Compensation

H.B. 5606 passed the House 103-0 and the Senate 35-3. Many claim this to be reform, others claim it will cost employers more in the long run. However, many changes will help farmers and other small businesses.

In order to qualify for benefits a person must work 18 weeks (up from 14) and earn at least \$67 a week (up from \$25).

Benefits would be increased to a maximum of \$182 in 1981, present maximum bene-

fits range from \$97 to \$136. Idled workers would collect 70 percent of their after tax income but not more than 58 percent of the state average weekly wage.

The bill prohibits jobless benefits to persons who voluntarily quit or are fired for sabotage, minor theft or misconduct. In order to qualify after quitting, such a person would have to earn \$868 and then be laid off. This is a major reform.

One interesting change is that a single worker will receive the same dollar benefit as a worker with a family.

By early January, Michigan will be in debt to the federal government for \$1 billion. This

will have to be repaid within three years or millions of dollars in penalties will be added. This means that unemployment taxes will rise and/or the wage base increased in spite of any reform.

There are several provisions in both the Workers' Compensation and unemployment legislation that will be helpful to agriculture and other small businesses. They both are in line with Farm Bureau policies.

CAPITOL REPORT

By
Robert E. Smith

Department of Labor Accused of 'Bureaucratic Arrogance'

Representatives of the Michigan Farm Bureau and the Michigan Agricultural Services Association called for the total abolition of the Michigan Occupational Safety and Health Act of 1974 at a Department of Labor public hearing in Lansing Dec. 4.

Robert Craig, manager of the MFB Commodity Activities and Research Department, told members of the DOL hearings panel that "total abolition of MIOSHA... would save the state of Michigan approximately \$3.8 million in the current fiscal year.

"In addition to a substantial cost savings to state government, Michigan farmers and other private employers would have a potential savings of almost \$1.7 million in private safety education and training money. The total potential public and private cost savings would be over \$5.5 million."

Craig emphasized that the farmer organization was not calling for the elimination of occupational health and safety protection for employees.

"We stand by our strong commitment to providing safe working conditions for all employees, but let's let the federal government do it through the enforcement of federal regulations," he said.

According to Craig, a precedent for eliminating the federally approved state OSHA program has been set in California. He said California's auditor general recommended that the state Legislature consider abandoning its program due to the high cost in comparison to the benefits received.

Earlier Hearings Testimony Ignored

In other testimony on Dec. 4, Harold Scharp, operations manager of the Michigan Agricultural Services Association, spoke in opposition to the pro-

posed MIOSHA standards regulating farm work activity for Michigan youth under 18 years of age which are more restrictive than current federal standards. He also challenged the hearings panel to explain why the testimony presented at five previous hearings, held in May 1980, had been ignored by the department.

"Over 100 people took advantage of the opportunity to speak at these hearings in person. Over 500 more responded in writing to the Labor Department," Scharp said. "Every comment told the department that the federal standards which apply to persons under 16 were reasonable and effective regulation. Every comment was against the proposed state standards in favor of adopting the federal standards."

Scharp said several questions raised in previous testimony had not been addressed by the department after five months of reviewing the hearing record.

He said those questions were: What has been done to identify so-called hazardous farm work? Why were farmer-employers of youth not part of the advisory committee? Who has determined that more restrictive state standards are needed and what evidence led to that decision?

Another question that needs to be addressed, Scharp said, was what plans does the Labor Department have for dealing with the "massive unemployment of youth which will surely result if these proposed standards are implemented.

"Over and over again, I hear the same question - why more restrictive state regulations? I think an answer is that some employees within the department feel compelled to promulgate standards," Scharp said. "In my opinion, the department's reasoning here is un-

sound at best, irresponsible perhaps, and bordering on bureaucratic arrogance in the extreme."

DOL Gets 'Spirited' Approval

The testimony of one witness likely will not appear on the DOL hearing record. The most outspoken witness on behalf of the DOL/MIOSHA regulations was the "spirit" of King George III. The royal witness applauded the efforts of the department and urged them to continue acting in the spirit of his historical reign of England and the colonies.

"I, King George, could have taken lessons from you. Pretend to listen to their prattle. After all, what do the common people know?"

"In my day, I didn't have to have standards and hearings and deviations to keep them in line. I like your improvements... You keep them in check with regulations and mountains of paperwork and more bureaucracy to tangle with."



The spirit of King George III "materialized" at the DOL hearings to applaud the department's new methods of "tyranny."

Tompkins Reappointed to Ag Commission

Rebecca J. Tompkins of Traverse City has been reappointed to the state Agriculture Commission for a term effective Jan. 1, 1981 and expiring Dec. 31, 1984.

Tompkins, a homemaker and former teacher, has served as a Republican on the five-member bipartisan commission since 1966. She currently chairs the commission, and has served as chair during her

tenure three previous times, the first woman to serve in that capacity.

She is the recipient of the Distinguished Service to Agriculture Award from Michigan State University, Michigan Farm Bureau, Michigan Association of Soil Conservation Districts and Michigan Horticultural Society. She was also recognized in a joint resolution from the Michigan House and Senate.

Programs Offer Learning Opportunities

Marketing & Pricing

Michigan State University's Department of Agricultural Economics, in cooperation with the Cooperative Extension Service, will sponsor a series of marketing and pricing workshops during January, February and March in various locations throughout the state.

The workshops will include one, two and three-day introductory or advanced courses.

Topics to be covered will be *alternatives for pricing*: cash sales, price later agreements, forward contracts, futures contracts, basic pricing and government programs.

Terms, definitions, rules and operational procedures relative to cash sales: transportation, drying and commercial storage will be clarified during a session on *cash sales*.

A session on *futures* will help participants increase their understanding of what futures markets are, the terminology, speculation versus hedging, and economic rationale. During a session on hedging, instructors will demonstrate how producers might use hedging and the procedures involved.

Other sessions will include *fundamental analysis* to alert participants about the major forces effecting their prices and provide them with some tools for doing their own analysis;

government programs and public policy to provide background on the current political situation and review current and prospective farm programs; *technical analysis* of futures markets, its rationale and how this information can be useful for hedgers.

Cost of production to review procedures used in figuring enterprise costs and establish representative figures for current and future periods, and *risk management*, showing how it applies to decision-making in view of uncertain prices and yields, will also be covered.

Interested producers should contact their county Extension agent for future program details and location of workshops.

Tentative dates for the workshops are:

- Jan. 13, 20, 27 - Calhoun, Branch, Jackson, Hillsdale
- Jan. 15 - Menominee
- Jan. 19 - Iron
- Jan. 14, 21, 28 - Calhoun, Branch, Jackson, Hillsdale
- Jan. 20, 27 - Clinton
- Feb. 3, 10 - Clinton
- Feb. 4 - Branch, Calhoun, Jackson, Hillsdale
- Feb. 5, 12 - S.E. Michigan
- Feb. 16, 17 - Presque Isle
- Feb. 19, 24, 26 - Saginaw
- Mar. 3, 5, 10 - Sanilac
- Mar. 5, 12 - Ionia
- Mar. 4, 11, 18 - Van Buren
- Mar. 18 - Kent

Michigan Agricultural Leadership

The Michigan Agricultural Leadership Program (MALP) has selected 30 of the state's most promising potential leaders for special training that begins in early January.

Sponsored by the MSU Cooperative Extension Service, MALP is the sequel to the Kellogg Farmers Study Program, which operated from 1965 through 1973.

The enrollees, confirmed in mid-December include: Robert L. Beck, Morenci; Roger W. Bloss, Swartz Creek; James E. Byrum, Onondaga; Connee K. Canfield, Decatur; Gary R. Carmichael, Ewart; Wayne E. Cook, Mason; Charles R. Cork, Peck; Robert G. Craig, St. Johns; David L. Eichler, Pigeon; Wanda L. Gale, Lawrence; Kent A. Gettle, Bad Axe; Albert A. Hass, Bad Axe; Patricia L. Hillard, Kaleva; Larry A. Leach, Climax; Paul M. Lubbers, Hamilton; David J. Ludwick, Lapeer; and Kathryn R. Middleton, Ortonville.

Others selected were Marvin B. Oesterle, Mason; William E. Penn, Hope; Glenn R. Preston, Quincy; William G. Pridgen, Montgomery; Frederick C. Richow, Albion; Wayne E. Rodgers, Caledonia; Robert A. Rottier, Fremont; Mark D. Smuts, Charlotte; Keith R. Talladay, Milan; Dean R. Veli-

quette, Elk Rapids; William M. White, Jones; Ronald M. Wood, Scottville; and Joshua S. Wunsch, Traverse City.

Nominees (male or female) are successful farm operators committed to farming as a chief means of livelihood, or are agribusiness persons committed to continued involvement in Michigan agriculture. Participants are from about 25 to 35 years old who have demonstrated some leadership potential.

The program will provide 28 days of formal instruction in political science, economics, sociology, communications, philosophy, history and education. The program includes a two-week U.S. travel seminar the first year and a two- to three-week international travel seminar the second year.

MALP will assist each student toward becoming a greater local community asset, said Dr. Gene Trotter, MSU Extension agricultural economist and one of the

MALP coordinators.

He said documentation following each of the Kellogg Program classes shows that many of the participants moved into community leadership roles and in some cases contributed substantially to the improvement of Michigan's agricultural industry.

Ralph Hepp, Extension agricultural economist, said that about half the private funding needed for MALP has been raised to date.

"The cost to put an individual through MALP is \$8,000," he said. "Each participant is to contribute \$3,000, with the remaining to be underwritten through private contributions from organizations, businesses and individuals interested in Michigan agriculture."

To make contributions, contact Larry Connor, MALP, MSU Department of Agricultural Economics, 202 Agriculture Hall, East Lansing, Mich. 48824.

Milk Marketing for Women

Before a gallon of milk reaches the check-out counter, it must go through a maze of marketing and inspection procedures which are not always fully understood.

Clarification of the milk marketing process is the purpose of a one-day seminar being offered in 17 locations throughout Michigan. "Spotlight on Dairy, Producer to Consumer," is designed to educate farm women and non-farm women about dairy marketing. The seminars are being sponsored by the Michigan State University Department of Dairy Science and the MSU Cooperative Extension Service.

The sessions run from 9:30 a.m. to 3 p.m. The date and location of each meeting is as follows:

- Jan. 13, Tietz Family Restaurant, Imlay City, Lapeer County
- Jan. 14, Black Forest Restaurant, Frankenmuth, Saginaw County
- Jan. 15, Uby Country Club, Uby, Huron County
- Jan. 16, Holiday Inn, Jackson, Jackson County
- Jan. 20, MSU Cooperative Extension Office, Adrian, Lenawee County
- Jan. 21, Holiday Inn, Mt. Pleasant, Isabella County
- Jan. 22, Pines Restaurant, Owosso, Shiawassee County
- Jan. 23, Dutch House of Beef, St. Johns, Clinton County
- Jan. 30, Winter Inn, Greenville, Montcalm County
- Feb. 2, Carriage Stop Restaurant, Martin, Allegan County
- Feb. 3, Cadillac State Bank, Falmouth, Missaukee County
- Feb. 4, Forwards Logmark Restaurant, West Branch, Ogemaw County

- Feb. 5, Episcopal Parish Hall, Hillman, Montmorency County
- Feb. 6, Ironworks Restaurant, Elk Rapids, Antrim County
- Feb. 10, Bank of Stephenson, Stephenson, Menominee County
- Feb. 11, Chippewa Restaurant, Chassell, Houghton County
- Feb. 12, Kinross 4-H Center, Kinross, Chippewa County

The morning segment of the program features discussion on the manner in which milk is currently marketed and the relationship of the consumer to the dairy industry.

Speakers for this segment of the program are Glynn Mc Bride, MSU Extension agricultural economist, and Necia Sharkey and Bonnie Lynch, Michigan division of the American Dairy Association.

The afternoon program has concurrent sessions on new and traditional dairy products, and farm management.

The segment on dairy products is being conducted by Mary Zehner, MSU Extension consumer marketing specialist, and Gale Baumgardner, MSU dairy specialist.

The session on farm management, which will outline how to develop and understand balance sheet and cash flow to determine the dairy operation's net worth, is being conducted by Sherrill Nott, MSU Extension agricultural economist and MSU Agricultural Experiment Station researcher.

Roadside Marketing

John and Carolyn Beck, owners of Uncle John's Cider Mill, St. Johns, will tell participants in the 21st annual Ohio Roadside Marketing Conference, Jan. 11 through 13, how they turned their farm into a booming cider operation.

Their success story and others will be told during the conference which is scheduled for the Dayton Convention Center, Dayton, Ohio.

The Becks, who are members of the Clinton County Farm Bureau, turned their small orchard and large barn into a retail operation where cider sales in two months now surpass total annual market sales of five years ago. They will discuss quality, production methods, pricing, advertising and promotion and how each contributed to their success.

Participants from about 25 states, plus provinces in Canada, are expected to attend the conference. More information is available from M. E. Cravens, 2120 Fyffe Road, Columbus, Ohio, 43210, phone 614-422-2701.

Hog Producer Shortcourse

The possibility of \$4 per bushel corn - coupled with a more than \$45 price needed per pig just to break even - does not promise lucrative profits for Michigan pork producers in 1981.

Yet the shortcourse planned by Michigan State University's Cooperative Extension Service may help state hog producers make the most of profit potentials during the coming year.

The sessions are geared toward growers who produce for the commercial hog markets on a continual basis.

The shortcourses will be held in the following locations:

- Jan. 13, 20, Van Buren Skills Center, Lawrence
- Feb. 12, 19, 26, Zehnder's Restaurant, Frankenmuth
- Feb. 11, 18, 25, B. E. Henry Building, Marshall
- Feb. 17, 24, Mar. 1, Second Reformed Church, Zeeland

"The program will cover three areas: production and marketing, energy conservation, and herd health maintenance," said Maynard Hogberg, Extension swine specialist and Agricultural Experiment

Station researcher.

"Being able to manage effectively, in the face of what may be, at best, an uncertain market, is going to be extremely important during the coming year," Hogberg said.

The team of speakers from MSU includes Howard Person and William Bickert, agricultural engineers; Gerald Schwab and John Ferris, agricultural economists; David Eillis, swine veterinarian; and Hogberg.

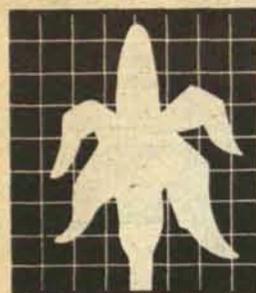
For more information contact a county Extension office.

Commodity Conference

The MFB Spring Commodity Advisory Conference has been set for Feb. 16 and 17 at the Harley Hotel in Lansing.

There will be general sessions on both days with individual commodity committee meetings on Tuesday morning.

Watch the February issue of the *Michigan Farm News* for program details.



AGRINOMIC UPDATE '80

Report of the Commodity
Activities & Research Department

Agriculture no longer exists, if it ever did, in an "economic vacuum." Problems in the overall economy are quickly transferred to the farm economy.

Continued high inflation rates and declining productivity in the general economy will continue to put pressure on the farm economy. Pressure will be on many farmers who will need to generate additional cash flow. Pressure also will come from those who perceive food as a cause of inflation and will, therefore, push for policies that keep food from out-pacing the overall inflation rate.

Most of these pressures will, of course, come at a time when prices for most farm commodities are favorable from the producer's standpoint. Food prices may increase even further due to the relative tightness of the supply and demand situation for most farm commodities. Farmers need price relief to make up for the past several years of little or no growth in real farm income, but price strength is likely to come in the midst of higher inflation.

Food prices likely will remain an issue in the coming months. In turn, this could cause renewed pressure on political leaders and the federal government "to do something." Price controls or export constraints, or a combination of the two, could get another round of discussion in the farm policy debate. Any such measures would work against the long-term best interests of producers, consumers and the nation. One only

needs to remember the beef price controls in 1973 and subsequent grain embargoes and the recent pressure for international trade agreements for a refresher of the negative long-term implications of these short-run political decisions.

As inflation persists and productivity continues to falter in the overall economy, pressure will continue on the agricultural sector to offset the impact. This is especially true for farm exports. Given the state of the economy, the United States certainly needs to increase farm exports. Recent research has shown that every one dollar of farm exports generates another dollar's worth of economic activity in the non-farm economy. U.S. farm exports are not only important to farmers - they are of strategic importance to the economy in total. However, increasing farm exports surely will be met with alternative policies by some who believe that we are headed into a period of food production shortfalls and that ever-expanding farm exports cannot be sustained.

It will be against this backdrop that a future farm program will be discussed in 1981. A fair question to ask is: "What does all this mean?"

One thing it means is that, given the serious underlying problems in the economy, it will be very difficult to keep policy discussions focused on problems unique to agriculture, such as the decline in traditional agricultural research. For example, the impact of infla-

tion on farm production costs is sure to be part of any discussion of loan rates and target prices. Provisions to adjust these farm program features to "keep up with inflation" or to "offset the impact of inflation" are sure to take up a substantial part of any farm program discussion. Experience and research have clearly illustrated the risk of losing market share which producers must face when price and income supports are out of line with world market prices over the long term.

Further, those who believe that prices cause inflation are likely to argue for expanding the reserve program and other policy measures to moderate food price increases.

The most important aspect of the situation currently confronted by the producers of major farm commodities is that they are now competing on the world market. Thus, the fundamental things producers of these commodities need are: (1) access to markets and (2) flexibility in farm programs to keep production, or at least marketings, in line with world demand in order to avoid the accumulation of grain stocks by the government.

Access to markets is obviously reduced by domestic embargoes or foreign trade barriers, but access to markets also can be reduced by the provisions of domestic farm programs which permit loan rates to rise above world market prices, as under earlier programs, and in recent times when market prices dropped at, or very near, loan levels for wheat and feed grains with the risk of governmental stock

Agriculture Does Not Exist in an 'Economic Vacuum'

accumulation and supply and price management.

Future policy options must recognize three important factors:

(1) Production of major commodities overlaps various regions of the country. Therefore, it is important that loan rates, target prices and other program benefits do not encourage or discourage the production and utilization of one crop at the expense of others.

(2) Policy options for major commodities must address the importance of the loan rate as a factor that can affect U.S. access to international markets. In addition, policy options should recognize the relationship of the loan rate to the operation of farmer-held reserve release and call prices and the danger of moving back toward

supply management and production controls should an excessive quantity of grain be accumulated in the reserve and not released in an orderly way back into the market.

(3) Government efforts to bring about short-run stability in a particular commodity are certain to bring about greater instability and more government involvement in that commodity, and others, over time.

Unless the problems of increasing inflation and declining productivity in the overall economy are met soon with decisive monetary and fiscal measures, efforts to maintain a market orientation for major farm commodities will not succeed. In short, the farm economy is no longer insulated from the economic problems in the general economy.

Buckwheat Bound for Japan

The first shipment of buckwheat from a new grain elevator complex in the U.P.'s Chippewa County is on its way to Japan.

The \$800,000 complex, located on the former Kincheloe Air Force Base, opened in mid-September. Owned by D'Arcy Foods, Inc., of Minneapolis, it is thought to be the world's largest exporter of buckwheat and other specialty grains.

The buckwheat is being hauled by rail to Vancouver, British Columbia, and then by ship across the Pacific.

D'Arcy was attracted to the Kincheloe site by a package of incentives put together by the state of Michigan and the Chippewa County Economic Development Corporation (EDC) after the Pentagon turned over the \$750 million base for civilian use in 1978.

The Chippewa County Farm Bureau was a strong supporter of locating the facility at the Kincheloe base. Official county board support plus letters to the editor from county Farm Bureau President Robert Heselink informed the public that the facility would be a beneficial and welcome addition to the county's agricultural community.

The 40-acre complex is capable of receiving, drying, cleaning, storing and out-loading up to half a million bushels of buckwheat per month. Field peas, oil seeds, pelleted products and hay cubes will be added as market conditions warrant.

D'Arcy has contracted with some 500 farmers in the eastern U.P. and northern lower Michigan for the purchase of crops from some 15,000 acres.

"The central location of Kincheloe, right in the middle of Michigan's fertile buckwheat region, was an important inducement for D'Arcy," said R. Michael McCarty, president of EDC. "So was the availability of well-maintained rail facilities on the former base."

The return to participating farmers on this year's crops was originally projected at \$1.5 million. It probably will be far less, McCarthy said, because severe windstorms did heavy damage, not only in northern Michigan but all across the United States and most of Canada.

"The important thing is that the D'Arcy facility is operating and proving feasible, if not yet fully profitable. We expect it to be a great success in 1981," he said.

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Farm Bureau Insurance Group, Michigan Farm Radio Network Honor 'Farmers of the Week'

The Farmer of the Week Award, sponsored by the Michigan Farm Radio Network and Farm Bureau Insurance Group, recognizes Michigan farmers for their contributions to the agriculture industry and the community.

In addition to recognition from the local news media, award winners receive a plaque and award buckle and belt from the local FBIG agent.

The Farmer of the Week Award recipients for November 1980 were:



CLARICE VASOLD

Week of Nov. 3 - Clarice Vasold, a sheep and cash crop farmer from Freeland who farms 140 acres. Besides a large commercial sheep flock, Vasold also raises corn and soybeans. She is a member of the Freeland Women's Study Club, the Saginaw County Farm Bureau, and serves on the Tittabawassee Township election board. She is a past member of the Citizen's Dialog Committee of Freeland Schools and past statewide president of the Michigan Jaycees Auxiliary. She and her husband, Duane, an electrician, have two children.



WILLIAM BOLDT

Week of Nov. 17 - William Boldt, 31, a dairy farmer who farms 500 acres and milks 170 registered Holsteins near Deckerville. He serves on the Deckerville Schools Board of Education; serves as a deacon and Sunday School teacher at the East Marion Baptist Church; is vice chairman of the Sanilac County Dairy Herd Improvement Association; is a member of the Michigan Milk Producers Association, the Michigan Animal Breeders Co-op, and the Sanilac County Farm Bureau; is a past chairman of the Young Farmers Committee; was involved in statewide young farmer discussion meets in 1975, 1976 and 1978 and was selected as state runner-up in 1975. Boldt is also past president of the Sanilac Camp of the Gideons. He and his wife, Diane, have four children.



STANLEY GILL

Week of Nov. 10 - Stanley Gill, 47, who farms 2,000 acres and manages a herd of 900 Holsteins in partnership with his brother, Donald. Their operation, known as Gill Farms, is located near Canton. Gill serves as a trustee of the Cherry Hill United Methodist Church and is a former finance committee member for the church; treasurer of the Cherry Hill Cemetery Association; a member of the Washtenaw County Farm Bureau, the Michigan Milk Producers Association, and the Dairy Herd Improvement Association; a past member of the county Farm Bureau board, the board of the Artificial Breeders Association of Washtenaw County; and a past committeeman of the ASCS. He also served on the Farm Land Preservation Committee for Superior and Canton townships. Gill and his wife, Sara, have two children.



PAUL DIRKSE

Week of Nov. 24 - Paul Dirkse, a blueberry grower from Fruitport who farms 100 acres. Dirkse, 42, is a member of the school board of Muskegon Christian Schools; a member of the Fruitport Christian Reformed Church; a cadet leader for the church youth program; a past deacon and elder of the church; serves as chairman of the Fruitport panel of the Michigan Blueberry Association; and is a member of the Muskegon County Farm Bureau. He and his wife, Judith, have four children.

REMINDER:
Farm Bureau members get one free 25-word ad each month in the Michigan Farm News.

Farm Bureau President Expresses Concerns on Ag Budget Cuts

"Michigan seems to have a mania for discouraging industry, business and agriculture," MFB President Elton R. Smith told Gov. Milliken in a recent letter. "Unfortunately, farms cannot be moved to states that welcome business activity and jobs."

The letter, written at the direction of the MFB board, outlined the "extreme concern" Farm Bureau leaders have regarding the consequences of the budget cuts effecting agriculture. While farmers understand the problems the governor faces, Smith said, "We believe those programs essential to agriculture have taken a disproportionate share of the burden, not only during the present recession, but also in previous years."

While programs essential to agriculture, such as animal

health, insect control, gasohol research, foreign trade promotion, cooperative extension service and ag research at Michigan State University, have been cut, Smith said, there are other costly programs that have created havoc in the agricultural community.

"For example, the outrageous demands of MI-OSHA on the elevator industry. For some reason we fail to understand, Michigan seems to think its requirements and regulations must far exceed federal regulations," Smith told the governor.

Another example, he said, are the rules just released by the Department of Labor regarding youth employment standards that go beyond federal requirements. "It seems that governmental departments and bureaucracies have not

been told of Michigan's economic problems - many of which they have helped to create," Smith said.

"Agriculture is the number two industry in the state, but it is number one as far as stability is concerned. Michigan is not likely to regain its previous automotive industrial strength, but it's agricultural and forestry potential is enormous if we are willing to make a modest investment - modest in comparison to the multi-millions of dollars spent in other departments," Smith said.

"Our plea is that even though this is a period of fiscal distress, your budget recommendations provide for those programs essential to agriculture - our basic industry and perhaps our greatest hope for the future."

Ralph Baker Re-elected to Farm Credit Board of St. Paul

Ralph Baker, a Jonesville dairy farmer and member of the Hillsdale County Farm Bureau, has been re-elected to a three-year term on the Farm Credit Board of St. Paul, effective Jan. 1, 1981.

Baker, a member of the board since 1975, represents Federal Land Bank Associations (FLBAs). He operates an 850-acre dairy farm with 120 milk cows and 150 young stock. He grows 550 acres of

corn and 150 acres of alfalfa, with the balance in small grain and pasture.

Baker served eight years as president of the former Federal Land Bank Association (FLBA) of Hillsdale, which is now part of the FLBA on Concord-Hills; and is presently a director of the FLBA of Concord-Hills. He has served as president and vice president of the National Federation of FLBAs, as vice

president of the Michigan Federation of FLBAs and has been a member of the FLBA Advisory Committee.

Baker served as director of the Michigan Artificial Breeders Association and Milk Marketing, Inc. and is a member of Michigan Professional Dairy Farmer's Association, the Hillsdale County Redevelopment and Resources Committee and many other organizations.

Member to Member Winter Sale

ORDER DEADLINE:
January 16, 1981

DELIVERY DATE:
Week of February 2

To place your order, contact your county Farm Bureau.

Temple Oranges, 4/5 bushel	\$9.25
Pink Grapefruit, 4/5 bushel	\$8.50
Hi-D Orange Concentrate, 24/12 oz. cans/case	\$24.80
Hi-D Grapefruit Concentrate, 24/12 oz. cans/case	\$22.70
Red Tart Pitted Cherries, 30 lbs.	\$18.95
Blueberries, No Sugar, 30 lbs.	\$20.25
Apple Slices, 7 + 1 Vitamin C Preserved, 12 lbs.	\$6.60
IQF Whole Strawberries, 30 lbs.	\$22.95
Frozen Asparagus, 12/2 1/2 lb. boxes/case	\$29.65
Frozen Broccoli, 12/2 lb. boxes/case	\$18.00
Frozen Cauliflower, 12/2 lb. boxes/case	\$17.60

Health is Wealth — and Vice Versa?

By Syd Turner
Blue Cross-Blue Shield

Who are the healthiest people as a group in America?

According to the National Center for Health Statistics, for ages 17 through 44, farmers are the healthiest!

The center sampled Americans in the survey through three basic questions: (1) How few days they suffered restricted activities because of illness; (2) How few days in bed; (3) How few work days lost. Out of all American groups, farmers placed on top in the age group identified above.

According to the survey, if you must choose a part of the country for maximum health, it would be the corn belt and points north of it. People living in farm areas are substantially better off, healthwise, than their urban and suburban counterparts.

But no matter how good

your prognosis is for health, protection against that possible time when care is needed is vital in these important days ahead.

Your best bet for health care insurance is still Blue Cross and

Blue Shield of Michigan. The broad coverage, the instantly recognizable ID card (no matter where you go), and the administrative services cannot be beaten.

To keep your benefits, you

must renew your Farm Bureau membership now! The absolute deadline for this renewal is Jan. 31, 1981. If you fail to renew, you will lose your group health care benefits from Blue Cross-Blue Shield!

New Farm Bureau members or continuing members who wish to enroll in Blue Cross for the first time, or change coverage, will be able to during open enrollment - March 1 through 15, 1981.

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Let us know we can count on you to make the word *agri-business* a major force in Michigan's economy today. It is our future . . . together.

Newton Allen
Executive Vice President and Chief Executive Officer

Farm Bureau Services, Inc.

7373 West Saginaw Highway Lansing, MI 48917

MSU Reviews Department Consolidation

The state's dairy industry is viewing a possible combining of Michigan State University's Dairy Department with the Animal Science Department with some concern, according to Robert Craig, manager of MFB's Commodity Activities and Research Department.

"Last year MSU lost over a dozen top agricultural professors to better offers elsewhere. Other states have made an ongoing commitment to quality agricultural research - in good financial times and bad, something that the Michigan Legislature and governor have not done during the current budget crunch," Craig said.

"If the proposal to combine the Dairy Department into a super Animal Science Department will save costs, maintain or improve quality and provide needed research, extension and teaching services to Michigan farmers and citizens, then we're for it," Craig said.

"But if it will further weaken the dairy science professionals at Michigan State University, then we are opposed to it."

New Manager at Carson City

Madelyn Jacobs has been promoted to manager of the Carson City Farm Bureau.

She started at the FBS branch in 1975 as a secretary and was promoted to assistant manager in July 1980.

OPEN LETTERS

Andrea Hofmeister
Michigan Farm Bureau
1980 Outstanding
Young Farm Woman



Dear Brother,

How is life in the big city? I hope all is well with you. You'll never guess what has happened to me recently. I was given an award by the Michigan Farm Bureau and asked to write a column for their monthly publication. Life sure does change in a hurry.

I remember as a child of three or four having only one aspiration. I wanted a cute, blue-eyed, blond, little boy to kiss me. We lived in Mt. Clemens then and he was the policeman's son. He lived on the next block, but at that age it seemed like miles away. We moved to Birmingham before I could get my kiss.

Then in grade school, all I wanted to be was a horse. Do you remember? I wanted to be a stallion (whatever that was), and I could whinny and snort better than Trigger himself. We had a couple of acres of woods across the road and I would thunder through them on imaginary hooves until suppertime.

In those difficult high school years, I just wanted to be a part of the crowd. I couldn't manage to do that and I found that playing the piano eased the lonely afternoons. Good thing. My piano playing provided me with a good income later on.

When I went off to college I thought that being a singer would be exciting. After all, singers wear lovely gowns and get roses and cheers from the audience. They travel to exotic places and meet interesting people. I got a chance to do a few of those things, but I was longer on dreams than talent. I curtailed those dreams and came thudding back to earth. I decided to teach public school music and I wanted very much to be a good teacher.

Then suddenly, there was Ken. "Marry me and my future farm," he said. From then on there was only one goal - buy a farm. It took five years of work but in 1977 we finally made it. We bought 110 acres of partially tiled, partially cleared land. It wasn't much of a farm by some standards, but I thought it was beautiful. Then the overriding passion was to be a great farmer.

Two kids and three years later, I haven't even made it to mediocre farmer. There is so much to know: mechanics, chemistry, politics, marketing, biology, ecology, systems management and accounting. I have found my education severely lacking. Meanwhile, I have discovered another important ambition. I need to be a good mother. That may be the most challenging and rewarding aspiration of all.

So brother, I've come full circle. When I returned from the state annual meeting in Kalamazoo, I only had one ambition. I wanted this cute, blue-eyed, blond, little boy to kiss me. But this time he was my little boy and he did - again and again and again.

Love,
Andi

Marketing and Taxation Studies Available

MFB's Commodity Activities and Research Department has just completed two reports which are available to Farm Bureau members upon request.

"Michigan's Taxation of Farm Inheritances" is designed to inform farm property owners, their heirs-in-prospect, the heirs of the deceased property owners, and farm managers and rural appraisers about key portions of the Michigan Inheritance Tax Law so they may work more effectively together.

"A Study of Price Later Agreements" combines a review of existing research and

information on this controversial issue, together with the opinions and ideas of farmers, Michigan Elevator Exchange and other grain handlers, grain

Pesticide Users Must Renew Credentials

Farmers who have been certified to use restricted use pesticides for more than two years are being advised by the Michigan Department of Agriculture that they will have to renew their certification credentials next year.

Dean M. Pridgeon, MDA director, said renewal notices and information manuals are scheduled to be mailed directly to growers approximately 90 to 120 days prior to expiration of their present certificates.

"All growers must bring their renewal notices with them to one of 18 examination sites and complete a written exam to renew their certification to use pesticides which are restricted," said Dean Lovitt, plant industry division chief.

Even though commercial pesticide applicator firms are licensed annually, such firms must also have a valid restricted pesticide use certificate. These expire every three years, Lovitt said.

"Exams will be graded while applicants wait. A \$10 fee is assessed after the exam is passed. A temporary certificate which is valid for 90 days will be issued until a certification card is processed and mailed," Lovitt said.

Amendments to Regulation No. 633, Restricted Use Pesticides, of the Michigan Pesticide Control Act became effective April 10, 1978, restricting 51 chemicals in various formulations. A restricted product may be sold only by licensed dealers and only to persons who have qualified through the certification process for using this type of pesticide product.

For more information contact the MDA plant industry division in Lansing at 517-373-1087 or one of MDA's regional offices.

industry groups and marketing experts from Michigan State University.

To order copies of these reports, fill out the form below.

Commodity Activities & Research Department
Michigan Farm Bureau
P.O. Box 30960
Lansing, Michigan 48909

Please send:

- "Michigan's Taxation of Farm Inheritances"
- "A Study of Price Later Agreements"

Name _____

Address _____

Zip Code _____

Sowa Heads Beef Commission

Jeanne M. Sowa has been named executive vice president of the Michigan Beef Industry Commission. Sowa will join MBIC Jan. 1 in the position previously held by Retha M. Hankey.

Hankey stepped down after serving four years as both director of food service and home economics and executive vice president.

Sowa comes to the commission from Michigan State University's Department of Food Science and Human Nutrition.

Sowa has a bachelor's degree in family studies and home economics from Pennsylvania State University and a master of science degree in nutrition from MSU. She is working toward her registered dietitian certificate.

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Carson City	Farm Bureau Services, Inc.	517-584-6631
Cassopolis	Farmers Petroleum Cooperative, Inc.	616-445-2311
Chesaning	Chesaning Farmers Co-op, Inc.	517-845-3040
Coldwater	Farm Bureau Services, Inc.	517-279-8491
Comstock Park	Farmers Petroleum Cooperative, Inc.	616-784-1071
Ellsworth	Ellsworth Farmers Exchange	616-588-2300
Emmett	Farmers Petroleum Cooperative, Inc.	313-384-1350
Gagetown	Farm Bureau Services, Inc.	517-665-9975
Hart	Farm Bureau Services, Inc.	616-873-2158
Highland	Farmers Petroleum Cooperative, Inc.	313-887-4109
Jonesville	Farmers Petroleum Cooperative, Inc.	517-849-9502
Kalamazoo	Farm Bureau Services, Inc.	616-381-0596
Leslie	Leslie Co-op, Inc.	517-589-8248
Linwood	Farmers Petroleum Cooperative, Inc.	517-697-5761
Marcellus	Farm Bureau Services, Inc.	616-646-5115
Marion	Marion ITCO	616-743-2831
Mendon	St. Joseph County Farm Bureau Services	616-496-2485
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Government Farm Programs

The Problem

Current government farm programs authorized by the Food and Agriculture Act of 1977 are scheduled to expire in 1981. Commodities affected include wheat, feed grains, upland cotton, rice, soybeans, dairy products, wool and peanuts.

The legislative setting for farm program discussion will follow the 1980 crop year in which net farm income is projected to decline to \$23.4 billion, 25 percent less than the 1979 level of \$33.1 billion. Inflation is expected to average 14 percent for the year and agriculture, in general, will be a most difficult economic climate during 1981.

These circumstances will provide a stronger basis for arguments by critics of the "market-oriented" agriculture to move forward toward a restricted supply-management type farm program based on acreage restrictions and marketing quotas.

Basic Information

The decade of the 1970s provided an important change in the philosophy of government farm programs. That change resulted in programs with significantly less direct government interference in individual producer production and marketing decisions, but with a continuation of "supply management" objectives established by the government. Protecting consumers from higher grain and livestock prices became an integral part of the government farm program management process.

Programs were designed to provide producers with the freedom to choose to participate, or not, based upon individual economic circumstances and to provide the Secretary of Agriculture with broad administrative tools to manage grain supplies and prices within ranges established by the USDA. The farm program has been operated in order to give farmers some protection from low prices and consumers from high farm prices.

The major elements of the present farm program include: target prices, price support loans, farmer-held reserves, and substantial discretionary authority to the Secretary of Agriculture for implementing programs for wheat and feed grains. The basic objective is to use these elements to manage supply in order to hold prices within a price corridor established by the USDA. Price support loans are used to provide a floor under commodity prices and the farmer-held reserve is used to put an upper limit on prices. The farmer-held reserve, set-aside and diversion programs are used by the USDA to manage supply and force grain prices to average, for the year, close to the target price established by the USDA.

Economic Problems

Agriculture no longer exists, if it ever did, in an economic vacuum. Problems in the overall economy are quickly transferred to the farm economy. Until the problems in the overall economy are solved, we can continue to expect to spend a disproportionate amount of policy discussion on many problems in agriculture whose roots are found elsewhere.

Continued high inflation rates and declining productivity in the general economy will continue to put pressure on the farm economy. Pressure will be on many farmers who need to generate additional cash flow to offset the impact of inflation and purchase inputs on the purchasing power of farm income. Pressure will also come from those who perceive food as a cause for inflation and will, therefore, push for policies and stabilization measures to keep food from out-pacing the overall inflation rate.

Most of these pressures will, of course, come at a time when the overall agricultural supply/demand and price relationships for most farm commodities are favorable from the producer's standpoint. In short, we are in a difficult time. Food prices are expected to increase simply because of the impact of

inflation on marketing costs. Now we can expect food prices to increase even further due to the relative tightness of the supply and demand situation for most farm commodities.

Food prices likely will remain an issue in coming months. In turn, this could cause renewed pressure on political leaders and the federal government to do something. Price controls or export constraints, or a combination of the two, could result in another round of discussion in the farm policy debate. Any such measures would work against the long term best interests of producers, consumers and the nation. One only needs to remember the beef price controls of 1973 and subsequent grain embargoes and the recent pressure for international trade agreements for a refresher in the negative long-term implications of these short run political decisions.

As inflation persists and productivity continues to falter in the overall economy, pressure will continue on the agricultural sector to offset the impact. This is especially true for farm exports. Given the state of the economy, the United States certainly needs to increase farm exports. Recent research has shown that every one dollar of farm exports generates another dollar's worth of economic activity in the non-farm economy. However, increasing farm exports surely will be met with alternative policies by some who believe that we are headed into a period of food production shortfalls and that ever-expanding farm exports cannot be sustained.

It will be against this backdrop that a future farm program will be discussed. It means that it will be very difficult to keep policy decisions focused on problems unique to agriculture, such as the decline in agricultural research. For example, the impact of inflation on farm production costs is sure to be part of any discussion of loan rates and target prices. Provisions to adjust these farm program features to keep up with inflation, or to offset the impact of inflation, are sure to take up a substantial part of any farm program discussion.

Further, those who believe that prices cause inflation are likely to argue for expanding the reserve program and other policy measures to moderate food price increases.

The most important aspect of the situation currently confronted by the producers of major farm commodities is that they are now competing on the world market. Thus, the fundamental things producers of these commodities need are: (1) access to markets and (2) flexibility in farm programs to keep production, or at least marketings in line with world demand in order to avoid the culmination of grain stocks by the government.

Access to markets is obviously reduced by domestic embargoes or foreign trade barriers, but access to markets also can be reduced by the provisions of domestic farm programs which permit loan rates to rise above rural market prices.

Future policy options must recognize three important factors:

a. Production of major commodities overlaps various regions of the country. Therefore, it is important that loan rates, target prices and other program benefits do not encourage or discourage the

production and utilization of one crop at the expense of others. If there is to be government interference in the market in response to periodic economic and political pressure, the intervention should recognize the economic relationship among these commodities.

b. Policy options for major commodities must address the importance of the loan rate as a factor that can affect U.S. access to international markets. In addition, policy options should recognize the relationship of the loan rate to the operation of the farmer-held reserve release and call prices.

c. Government actions to bring about short run stability in a particular commodity are certain to bring about greater instability and more government involvement in that commodity and others, over time.

Unless the problems of increasing inflation and declining productivity in the overall economy are met with decisive monetary and fiscal policy measures, efforts to maintain a market orientation for major farm commodities will not succeed.

Agricultural Arena

What will be the direction of agriculture under the Reagan administration? What are viewed as key agricultural concerns and issues?

The President-elect's agricultural policy transition team has this overall view: farm policy will be market oriented, there will be greater foreign market development and the Secretary of Agriculture will play more of an advocacy role for the nation's farmers and ranchers, with less emphasis on so-called consumer interests.

"No rocking of the boat" on farm program policy appears to be the general view of the transition team. Those on the team see a review of some areas, especially the dairy program because of the over-production problems and the grain reserve program, which is seen as a centerpiece of the Carter farm policy.

Writing a new Farm Bill next year when the current one expires, depends on the person selected as Secretary of Agriculture. If that person as "Washington experience," action is expected; otherwise the present farm program probably will be extended through 1982.

Here are some specific issues directly or indirectly related to agriculture that the team expects will receive top attention by the Reagan administration:

- Food Assistance programs - an exploding area with "an incredible tab" of nearly \$15 billion for 1981 or over 60 percent of the USDA budget.
- Food prices - short 1980 crops coupled with a cyclical livestock situation will put upward pressure on food prices and possible consumer political pressure for relief from higher prices.
- Farmers Home Administration - scrutinize loan policies and requirements.
- Grain embargo - any decision will consider foreign policy and international events; it cannot be

(continued on page 31)

DISCUSSION TOPIC

by **KEN WILES**
Manager, Member Relations

Government Farm Programs,

continued from page 30

isolated as only an agricultural matter.

- Food production research - greater emphasis will be stressed but gains will result only by concerted efforts of concerned groups because of federal budget pressures.
- Soil conservation - new, imaginative approaches are needed to improve efforts to save the nation's productive soil.
- Transportation - attention to long-term solutions for transport problems; success is vital to expanding farm markets, especially overseas, and for pro-

viding efficient movement of supplies and materials within the nation.

- Water - action programs need to be developed to insure adequate supplies for agriculture and the rest of the nation.

Questions for Discussion

1. What kind of government programs, if any, should Farm Bureau support for the 1980s?
2. How much government management of farm

commodities do farmers desire in order to ensure federal support of prices or income for production agriculture?

3. If present programs are continued, how should Farm Bureau suggest implementation of the provision for target prices, price support loans, and farmer-held reserves?

4. What changes, if any, are required in the dairy and wool provisions of the current farm program?

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