

# RURAL LIVING



## **The Winter of Discontent** **Will It Pass With the Season?**

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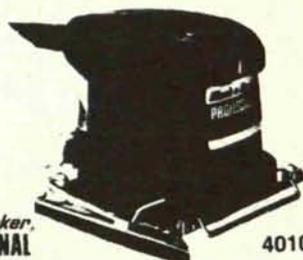


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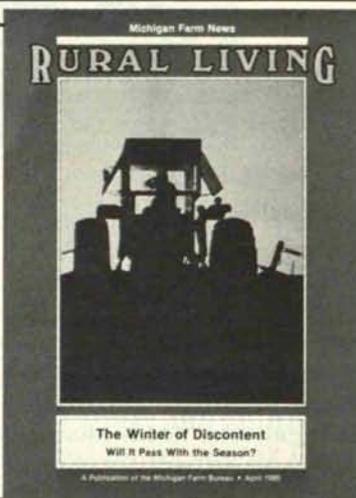


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# RURAL LIVING

FARM NEWS

A publication  
of the  
Michigan  
Farm Bureau



APRIL 1985  
VOL. 64 NO. 4

THE COVER  
Delays in farm credit  
relief darkened many  
farmers' plans for spring  
planting.

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## Farm Unity Ideal Doesn't Match Reality



MFBF President and AFBF Vice President Smith is often asked why there are policy differences among ag groups.

"Why can't all farm organizations unite and work together toward a common goal?" That question has been asked for years, especially during times of stress such as we are experiencing now.

Those who propose united action by all farm organizations say that if only agriculture spoke with "one voice," all of its problems could be solved so much easier.

Sounds reasonable in theory, but there are reasons why it remains only theory.

In Michigan, with its diverse agriculture, achieving complete unity in the farming community would be particularly difficult. Our state has a multitude of organizations with goals of promoting the interests of producers of a specific commodity. What's good for one commodity may not be good for another, so there's little chance of complete unity there.

Farm Bureau is a general farm organization with the economic well-being of total agriculture as its top priority and that creates special challenges that don't always "match" with those of single commodity organizations.

Assuming that the policies of the various farm organizations reflect the personal philosophies of their farmer-members, it's easy to understand why unity in agriculture is an illusive, unrealistic objective. Farm neighbors may be poles apart in their beliefs on one issue, but close together on another. The same holds true for their organizations.

No other farm organization spends as much time, effort and resources as Farm Bureau does to assure that its policies reflect the thinking of a majority of its members. Yet, total member support for every policy is idealistic, not realistic. So, how can we expect total unity between all farm organizations when there is, by virtue of the independent thinkers who make up the memberships, disagreement among some members of an organization on certain policies?

More often than not, farm organizations are united in what they want to achieve. The lack of unity comes in how to achieve that common goal. Solving the farm credit crisis is certainly one example of that unity of purpose and differences in methods to solve it.

Even though Farm Bureau has a proud record of defending its farmer-member developed policies, it also has never been limited to hearing only from those who agree with those policies. Both the American and Michigan Farm Bureaus meet regularly with representatives of other farm organizations to share viewpoints on issues and discuss how we can work together if policies permit.

Last year, at both the state and national levels, Farm Bureau met with other farm organizations to discuss our mutual concerns for Farm Bill '85. In recent months, we have joined forces with other farm groups on the Balanced Budget Brigade and appeared with other ag

organizations at Congressman Wolpe's budget hearing and state Sen. Nick Smith's committee hearings on the farm credit crisis. Every year, the boards of Michigan Farm Bureau and Michigan Milk Producers Association meet to discuss areas of common concern and to cement our long-standing working relationship.

In mid-March, an agricultural summit meeting at FB Center in Lansing brought representatives of all the state's recognized general farm organizations together to discuss Farm Bill '85, an issue of crucial concern to all of us.

There will be more meetings between Farm Bureau and other farm organizations this year as the new farm bill is developed. While it is unlikely that there will be a concensus of opinion on all the complex components of Farm Bill '85, hopefully the shared desire to work together for the best farm legislation possible will make us as "united" as it's feasible to be.

This continuing dialogue between farm groups belies exaggerated reports of a "split" in the agricultural community. It is only when dialogue ceases that common goals are forfeited for the sake of jealously guarded identity. I think we're all united in assuring that won't happen.

*Elton R. Smith*

Elton R. Smith, President  
Michigan Farm Bureau

# Looking Ahead With Hope

By Connie Turbin

Controversy, uncertainty and even despair have marked the early months of 1985. Yet amid the seriousness of a farm financial situation and the first rumblings of Farm Bill '85 debate, a group of over 100 young farmers met in Lansing to plan, to learn and to prepare for their future.

The young farmers who attended the 1985 Young Farmer Leader Conference, March 6-8, have a clear understanding of the challenges their businesses and their families face in the future. They came to the conference because they know that they must have access to and apply the very best tools offered in agriculture and their Farm Bureau organization to strengthen their hold on a secure future.

Some of the participants were returning for their third or fourth conference to get their

annual "skills and leadership charge up." There were also those attending the conference for the first time. They were not disappointed. The workshops ranged from a look at new methods in livestock and crop production to computer-aided financial planning and estate planning.

In sessions focusing on Young Farmer and FB Women's programs in the county Farm Bureau, the participants were encouraged to do their best through participation in leadership development and educational programs such as the Discussion Meet, Outstanding Young Farm Woman and Distinguished Young Farmer contests.

Throughout the conference the mood was serious, but the attitudes were hopeful. MFB Young Farmer Committee Chairperson David Lott of Ingham County talks about hopes for the future of the family farm and the influence of the Young Farmer program in planning for that future in a *Rural Living* interview on page 19 of this issue.

## The Winter of Discontent

*Rural Living* readers visit the halls of Congress, the Michigan Farm Bureau board room, a press conference and a demonstration on the steps of the state capitol in an article on the winter of discontent in the farm sector. It begins on page 10.

And while the legislative debate goes on over credit relief measures, teams of management analysis experts are offering practical, one-to-one advice to farm families that will get them ready to apply for spring planting loans. A report on how MSU Extension management assistance teams (EMAT) operate begins on page 14.

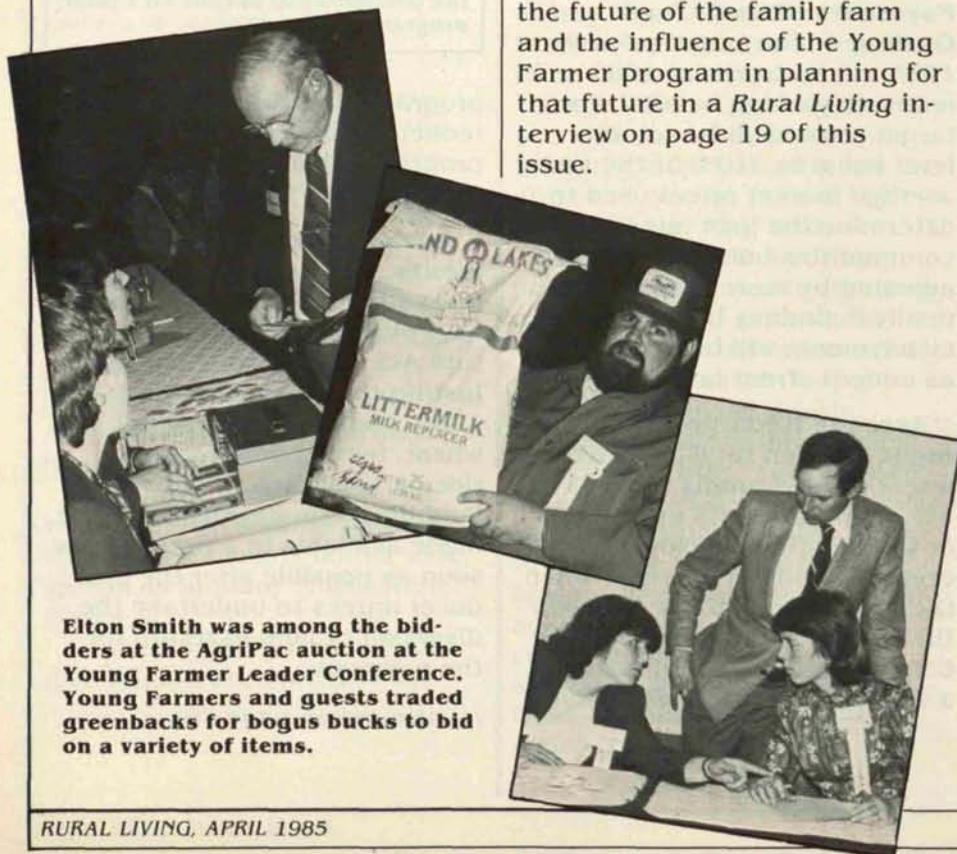
## Marketing Advice

Turn to page 20 to learn more about Farm Bureau's program of computerized information and marketing advice available with the MFB AgriCom and Agri-Visor service. The article on this valuable service-to-member program includes information on how you can improve your marketing skills and boost profits by subscribing to one of the AgriCom options.

## Keeping the Faith

Our mood in this month's issue of *Rural Living* is serious, but we are hopeful, too.

Over three million farm families like yours, members of the American Farm Bureau Federation, share your concerns. They are working together with you through the Farm Bureau structure to urge needed relief for farming families who are struggling in the current credit crisis, and to pursue a farm bill policy that will allow farmers in this generation and future generations to farm for profit, not for government payments.



Elton Smith was among the bidders at the AgriPac auction at the Young Farmer Leader Conference. Young Farmers and guests traded greenbacks for bogus bucks to bid on a variety of items.

# AFBF Prepares Farm Bill '85 Legislation

## WASHINGTON

**Farm Bureau's Farm Bill '85** — New farm legislation should emphasize exports as it helps farmers make the adjustment from government pricing to the market system, AFBF President Robert Delano told the Senate Agriculture Committee March 7 in outlining FB's farm program philosophy.

Delano also said the 1985 farm program should provide loan rates for the basic export commodities — wheat, feed grains, cotton, rice and soybeans. He said target prices and deficiency payments should help farmers through the transition to a more market-oriented system.

The dairy purchase program should be continued under new farm legislation, Delano said, and should be tied to an average of previous years' milk price.

The AFBF board, at its March 4-6 meeting, adopted provisions to be included in FB's version of the 1985 farm bill. A summary of that bill follows.

**Dairy** — Milk shall be supported at such level equal to 90% of the simple average "all milk" price received by farmers for each of the preceding three years. This price level shall be automatically revised effective Oct. 1 of each of the years 1985 through 1989, except in the case of 1985 when the price level revision shall occur on the first day of the month following enactment of the Agriculture Act of 1985. If the USDA secre-

tary estimates that net government price support purchases of milk or the products of milk will be less than 5 billion pounds or in excess of 5.99 billion pounds, he or she shall adjust the support price as determined in this subsection according to the scale shown on the next page.

**Loan Levels for Wheat and Feed Grains** — The USDA secretary shall make available to producers non-recourse loans and purchases for each of the 1986 through 1989 crops at a level equal to 75% of the simple average domestic price received by farmers for each of the preceding five marketing years, excluding the high and low valued years, provided that the level of loans and purchases shall not be adjusted by more than 10% in any year, including the first year of such program.

**Target Prices/Deficiency Payments (Wheat/Feed Grains)** — The target price in 1986 will be frozen at 1985 levels. Beginning in 1987, the target price shall be set at a level equal to 110% of the same average market prices used to determine the loan rates for the commodities but shall not be adjusted by more than 5% annually including 1987. Deficiency payments will be computed as under current law.

**Acreage Reduction Requirement** — When total carryover of wheat or feed grains exceeds 4% of annual world utilization, or when cotton carryover exceeds 3.5 million bales, or when the total supply of rice exceeds the normal supply by 15%, the USDA secretary shall implement a voluntary acreage reduction



AFBF President Robert Delano told the Senate Agriculture Committee that new farm legislation should emphasize exports as it helps farmers make the adjustment from government pricing to the market system. Delano appeared before the committee to outline FB's farm program proposals.

program. Authority for acreage reduction and paid diversion programs shall be continued through the 1989 crop year.

**Advance Deficiency Payments** — If the USDA secretary makes land diversion payments as provided for in the Agriculture Act of 1985 to assist in adjusting the acreage of the 1986, 1987, 1988 or 1989 crop of wheat, feed grains, cotton or rice, at least 50% of such a land diversion payment shall be made available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for the payment.

(continued on page 29)

## FB's Dairy Price Support Formula

Net Government Purchases	Percent of Support Price	Projected Adjusted Support Price (as of March 1985)
Less than 3	104	12.46
3.0 - 3.99	103	12.34
4.0 - 4.99	102	12.22
5.0 - 5.99	100	11.98
6.0 - 6.99	98	11.74
7.0 - 7.99	96	11.50
More than 8.0*		

\*If CCC purchases are projected to exceed 7.99 billion pounds milk equivalent during the next 12 months, the USDA secretary is given discretionary authority to adjust the support price by not more than 3% on April 1, 1986, and for any subsequent six month period.

## LANSING

While there has not been a great deal of floor activity on specific legislation, many committees are active and much legislation is being introduced. Work is also in progress on a variety of budget bills.

**Farm Credit Crisis** — Sen. Nick Smith, chairperson of the Senate Agriculture Committee, held a series of hearings to determine the farm financial problem in Michigan. Those testifying have included agricultural economists from MSU and other areas, representatives from farm organizations, bankers, Production Credit Associations and the Farmers Home Administration.

Testimony showed that due to Michigan's diversified agriculture, the problem is not as widespread as in many Midwestern states.

Of the 58,000 farms in Michigan, 28,000 are operated by

part-time farmers with other sources of income. Of the remaining 30,000, some 1,500 (5%) are in an extremely serious situation with debt/asset ratios of over 70%. Another 4,000 (13%) have debt/asset ratios of 40% to 70%. Some 5,000 (17%) farms have a debt/asset ratio of 11% to 40%. Sixty-five percent of the farms have no debt or less than 10%. However, all farmers are concerned because of an uncertain future.

It was also recognized that the overall farm credit problem is primarily a federal issue but the state can also be helpful both in the short and long term.

For example, FB testimony pointed to the need for funding to continue and expand the MSU Extension management assistance teams (EMAT) that work with individual farm families to determine the best course of action. Many farmers have reported that the program has made it possible for them to continue farming. Farmers seldom have financial and management advisors while other commercial businesses with similar investments would not think of operating without a source of such advice.

EMAT also includes free legal and tax advice where needed, along with family living budgeting and stress management.

FB is supporting a proposal now before the Legislature to fund an expansion of this program for the rest of this year and also next year, if necessary. It would include a telephone "hotline" to the Extension Service that any farmer could use and be assured of confidentiality, and job retraining should a farmer want to go into other work.

FB also urged the Michigan Bankers Association, PCAs and FmHA and other lenders to coordinate their efforts to refinance, extend loans, lower interest rates and speed-up financial aid wherever possible.

FB also recommended funding the state Migrant Housing Construction Grant program; matching programs for producer research and promotion programs; requiring the Michigan Tax Commission to recognize the decline in farmland values; and continued improvement of the overall business climate including labor issues (workers' compensation, unemployment compensation, etc.)

**Tax Tips** — Due to the credit problem, some farmers are selling all or parts of farms and other farmers are buying. With the changing IRS regulations, it is essential to have tax advice as the tax consequences can be severe. Publication 43, "Tax Planning When Buying or Selling a Farm," is available from your local Extension office. It was revised in 1984 and can be of great help.

**Beginning Farmer Loan Program** — The annual report from the Family Farm Development Authority shows that 57 loans totaling more than \$5 million have been approved. Five were disqualified due to



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IRS regulation changes. Nearly 75% was used by beginning farmers for the improvement and purchase of farmland; 26% helped purchase machinery and equipment.

Qualified farmers with the required experience, background and training, and a net worth of less than \$250,000, can borrow up to \$250,000 for land and improvements and \$125,000 for depreciable property.

The average loan in 1984 was \$86,048 with interest rates 2% to 4% below prime. Average first year interest savings were \$2,820. Loans are made through 63 cooperating banks and are financed through the sale of tax exempt bonds.

### Balanced Budget SJR "A"

— This is a very important resolution that calls on the U.S. Congress to not only balance the federal budget but to pass an amendment to the U.S. Constitution mandating a federal balanced budget. Such a constitutional amendment would go to the states for approval. It would require 75% of the states to ratify.

Over the years Congress has failed to balance the budget which has resulted in a total federal debt of over \$1.5 trillion dollars! The interest which must be paid each year is over \$180 billion! This situation is one of the major reasons for today's high interest rates, high overseas dollar value and high budget deficit. This in turn harms agriculture more than most other parts of the economy.

Thirty-two states have passed resolutions calling on Congress to either submit a constitutional amendment to the states or call a constitutional convention for that purpose. When 34 states pass the resolution Congress must act by either submitting an amendment to the states or calling a convention. Michigan would be the 33rd state and if passed would prob-

ably spark congressional action. Twice in the past the people, through their state legislatures, have used this constitutional right and in each case Congress acted rather than call a constitutional convention.

FB policy supports SJR "A." Members are urged to contact their state representatives to support it in the House. The state Senate passed it by a 19-12 vote earlier this year.

**State School Aid** — This is one of the most important budget items affecting farmers because of its effect on property taxes. This comes after the MDA, MSU Agricultural Experiment Station, Extension Service and other specific programs.

Gov. Blanchard has recommended a \$133 million increase, plus an additional \$45.6 million for school employees' retirement. Revenues in the school aid fund have increased by \$233 million. Some \$98 million of this is dependent on approval of earmarking 10¢ of the cigarette tax to the fund.

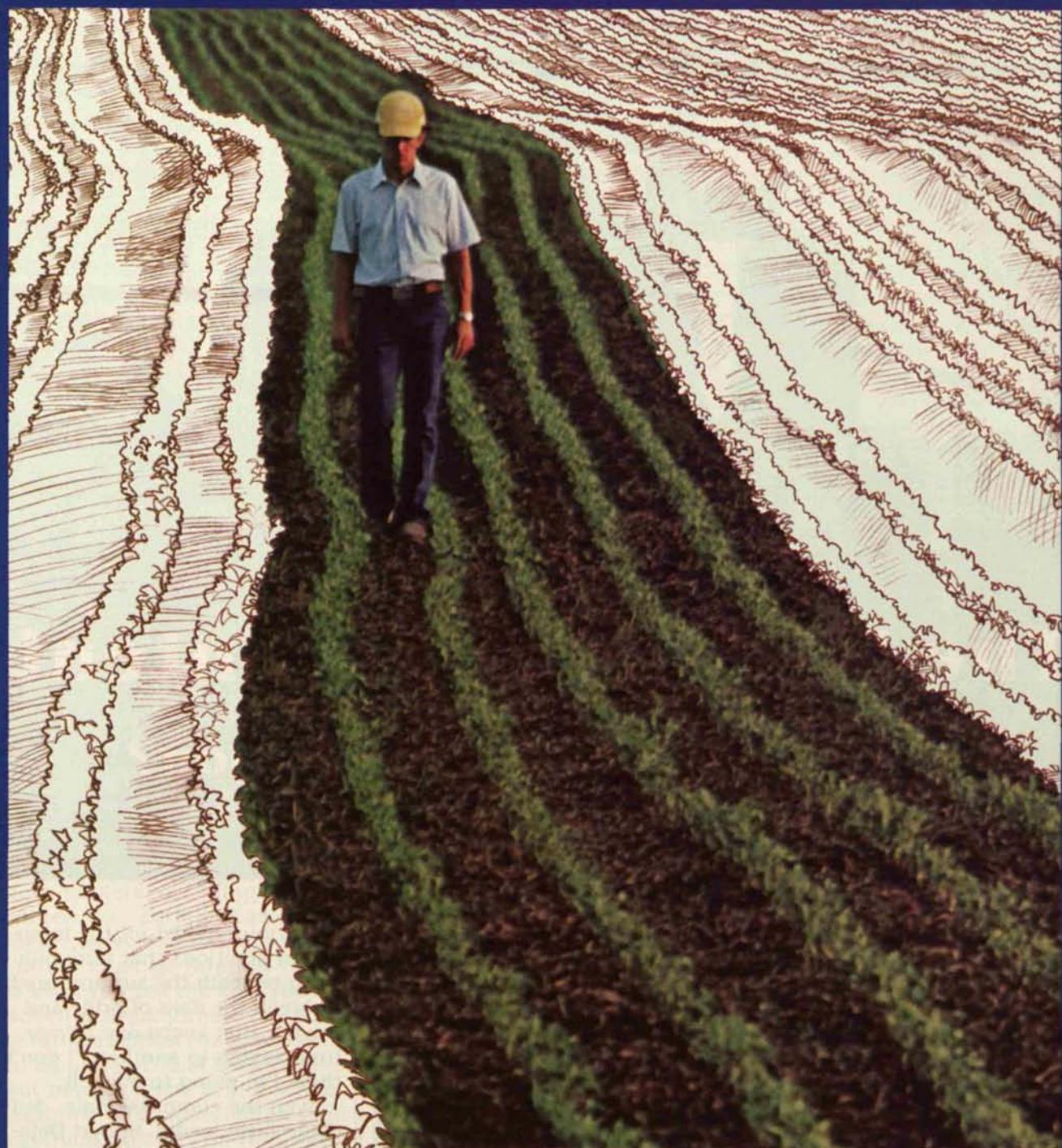
The recommended per pupil formula is \$328 (up from \$300) plus \$68.50 (up \$4.50) for each tax mill for operation. Another \$28 per pupil is available at the high school level if six class periods are provided. For a district levying 32 mills (the statewide average), the formula provides \$2,520 per student.

Increases are also recommended for several "categoricals" such as special education, vocational education, transportation, academically talented, etc.

Total school aid is \$2,387 billion, over \$594 million of this amount is for school employees' retirement. Federal aid for this purpose remains the same at \$34.9 million.

*Lansing legislative topics are reviewed by Robert E. Smith, senior legislative counsel.*

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# The Winter of Discontent

## Will It Pass With the Season?

By Donna Wilber

It was the winter of discontent.

For many months, the farm income problem had been hashed and rehashed in small-town coffee shops, on the delegate floors of farm organizations, by agricultural economists and farm journalists, in the halls of Congress and the oval office.

It was an insidious problem whose tentacles reached beyond the farm gate to all the businesses and industries that

depend upon agriculture for their economic well-being. Traditionally, farmers have been viewed as producers. That they are also prime consumers was no longer debatable.

The total agricultural industry suffered the devastating impacts of depressed farm incomes and high interest rates and the word "survival" took on new, personal meaning to those involved.

### From Problem to Crisis

The seemingly abrupt change from a broadly-recognized farm income problem to an immediate farm credit crisis caught

many unprepared for the intensity of emotions that were bubbling beneath the surface, ready to break the dam of pride and privacy that keeps one farmer from saying to another, "I don't think I'm going to make it."

Even the compassionate, dedicated farm leader, Robert Delano, who serves as president of the American Farm Bureau Federation and is recognized by *U.S. News & World Report* as one of the most powerful figures in agriculture, became a target of the anger that was smoldering in the farming community.

Quoted out of context by a reporter covering the AFBF annual meeting in Hawaii in January, Delano was accused of being insensitive to the gravity of the farm credit crisis.

### **The Agony of Economic Realities**

Farm Bureau leaders across the nation proceeded with FB's proven policy execution process. Armed with a market-oriented policy, tempered by delegate recognition for the need of a "safety net" while agriculture makes that transition, the organization began its efforts to reach its priority goal of improved net farm income.

But to those who sat across from the lenders who had supported their farm plans for years and listened to the critical review of their debt/asset ratio that preceded the denial for spring planting loans, long-range plans for improved net farm income seemed remote.

A reduced federal deficit that would reduce their interest rates . . . expanded foreign trade . . . a new farm bill that would make their industry healthy again . . . they believed in those goals, but feared achievement would come too late for them.

The reasons they were in this position brought small comfort: a strong U.S. dollar, falling export markets, declining land values, the "period of adjustment" ag economists said agriculture must go through — this is what you tell the kids you'd hoped would continue the family farm tradition that was now to be broken? Real reasons, yes, but hard to relate to the son or daughter who wants, more than anything, to carry on that tradition.

### **20-20 Hindsight**

*"The continuing technological revolution that is taking place in Michigan agriculture has resulted in capital intensification in the farming industry. The*

*need for loan funds has increased more rapidly than the reserves of lendable funds in rural areas. The rate of increase in total farm debt has almost doubled the index of deposits in country banks in major agricultural regions.*

*"This trend suggests that agriculture could find itself short of available funds for loans in the years ahead. . . ."*

That word of warning was issued by the House Republican Rural Development Task Force in a report called "Building Rural Michigan — A New Era in Agrarian Industrial Enterprise." The year — 1974.

Few heeded that prediction. Escalating farmland values of the 1970s trapped many farmers who were looking to expand and thought land values would stay firm and even strengthen. Financial signals sent out by the federal government, rural bankers and other branches of the farm credit system reinforced that belief. As a result, land was bid up considerably higher than its historical earning power.



**In meetings with the news media, farm and credit groups and legislators, MFB President and AFBF Vice President Smith has called for quick, effective response to the farm credit crisis.**

Today, the same lenders who encouraged those investments are being overly-aggressive in deflating the value of farmland when assessing it for equity value, according to MFB President Elton R. Smith.

### **MFB Board Takes Action**

In Michigan, the need for a temporary change of focus from long-range solutions to the farm income problem to the immediacy of the farm credit crisis was addressed at the February meeting of the MFB board of directors. The painful process of laying local crisis situations on the board room table, plus meetings with key ag lenders, was followed by action to put part of the responsibility for the crisis on the doorsteps of the lenders and charge them with helping to solve the problem.

In a letter to the president of the Michigan Bankers Association and officials of farm credit agencies, MFB President Smith asked for support of the administration's program designed to provide loan guarantees to institutions which write-down interest charges on existing loans. Smith said lending institutions "could kill themselves as well as agriculture" by an overly-aggressive policy of deflating farmland value when assessing it for equity value.

Later in February, Smith testified before the Michigan Senate Agriculture Committee on the need for immediate action on the farm credit problem. He urged the committee members to use their influence at the federal level to support AFBF's farm credit proposals. (See accompanying listing.)

Smith also asked the committee to support the MSU Extension Service's management assistance teams with adequate funding to carry out its program of assisting farm families analyze their financial problems, organize a management

plan and obtain assistance from lenders to implement the plan.

### New 'Voices' Emerge

The winter of discontent provided a fertile environment for the birth of new "voices" for agriculture. Frustrated, angry farmers marched on Washington, D.C., and Lansing, with demonstrations that provided them with therapeutic ventilation, if nothing else.



While demonstrators gathered on the steps of the state capitol, county FB representatives from the Thumb region met with their legislators in Lansing to discuss problems and concerns of the state's farm community.

In Michigan, one of the new "voices" was the Farm Unity Coalition which sponsored a farmers' rally at the state capitol on Feb. 28. While that demonstration was capturing media attention, MFB's telephone grid system was activated, bringing thousands of calls from farms throughout Michigan to the offices of state representatives and senators asking for their help in easing the farm credit crisis.

Also on the same day as the demonstration, some 50 Thumb region farmers visited with their legislators about the farm credit crisis and other concerns during their annual Lansing Legislative Seminar.

At a news conference in downtown Lansing, MFB President Elton Smith and Vice President Jack Laurie told reporters that the organization's activities were not a "counter demon-

stration" to the farmers' rally on the capitol lawn.

"We share the same concerns and the same desire to bring about a recognition of the seriousness of the farm credit problem. We have simply chosen a different method of doing that," Laurie said. "We are fortunate in Farm Bureau to have a structure for continual contact with our state legislators and congressmen, not just when a crucial issue arises. We have found that method of operation to be very constructive in developing solutions to problems faced by farmers."

Laurie explained the organization's annual lobbying activities which include meetings with state legislators every February and March and a trip to Washington, D.C., each spring for meetings with Michigan's congressional delegation. Over 500 farmers participated in Lansing Legislative Seminars this year and 100 members were involved in the Washington Legislative Seminar, March 26-29.

### Farmers' Suffering Becomes Political Football

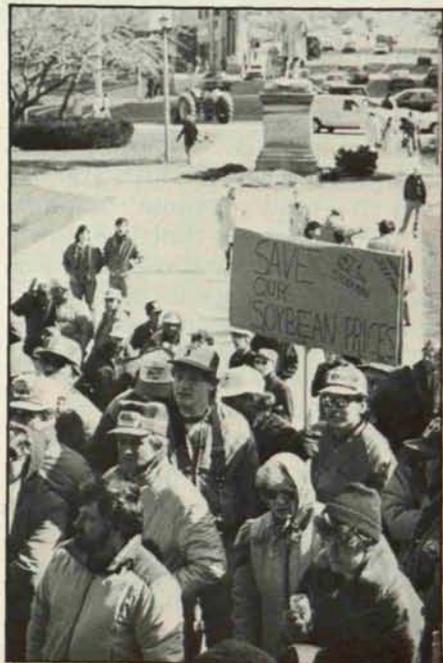
The farm credit issue has become a political football game played both here in Michigan and in Washington, D.C., and there is much concern about how the debate will affect consideration of the 1985 farm bill.

As Dr. Clayton Yeutter, president of the Chicago Mercantile Exchange, told farmers attending the recent AgriCom marketing seminar, "We're generating so much antagonism and bitterness over the credit question that, if we're not careful, it's going to totally poison the environment for farm legislation. That's why it's so critical to get over this credit hurdle and get some relief there so everybody will calm down and get back to looking at farm legislation in a rational way."

MFB President Smith agrees. "Farmers should not be hoodwinked by politicians who will

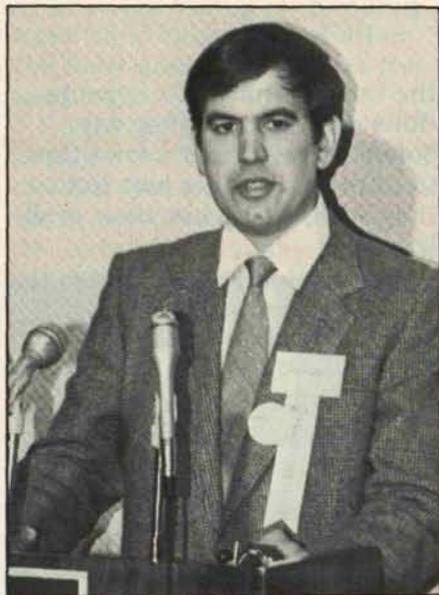


**The winter of discontent provided a fertile environment for the birth of new "voices" for agriculture. Frustrated, angry farmers marched on Washington, D.C., and Lansing . . .**



try to gain favor with their constituents by making emergency credit measures part of Farm Bill '85," he said.

"The short-term credit needs of farmers now caught in the credit crunch deserve immediate and separate attention and should not be part of the farm bill debate," Smith said.



**Disappointed by the president's announced veto of farm credit relief measures, MFB Young Farmers, led by chairperson Dave Lott, called a press conference to urge support of 50% price support payments to farmers.**

### **President Vetoes FB-Backed Credit Relief Bill**

On March 6, the president vetoed an FB-supported farm credit relief/African aid bill and even a telephone call from AFBF President Delano the morning of the veto didn't sway Reagan from his appointed course to reduce the federal deficit.

MFB Young Farmer leaders, in Lansing for their annual leader conference, shared their disappointment with reporters and told them they didn't think an override of Reagan's veto was likely.

"We are extremely disappointed that President Reagan chose to veto the farm credit relief and African aid bill. Farm Bu-

reau strongly supported the legislation because it offered short-term assistance that would allow competent, credit-worthy farmers to plant their crops," Dave Lott, chairperson of the MFB Young Farmer Committee, told reporters.

"Farmers will be heading for their fields very shortly and they need adequate credit for spring planting. The emergency food supplies to Africa would have provided aid to hungry people and, at the same time, aided U.S. farmers by removing price depressing government stocks.

"We are not optimistic that Congress will override the president's veto. The U.S. House is expected to vote to override it, but the Republican-controlled Senate is not likely to concur.

"As an alternative," Lott said, "we hope that Congress will now at least approve a simple bill that would provide 50% advance price support loan payments to farmers who sign up to participate in the 1985 farm program. If Congress does take this action, we will do everything we can to convince the president not to veto such a bill."

### **National Level Action by Farm Bureau on Credit Crisis**

- Led the "Balanced Budget Brigade" which brought one million grassroots messages to Congress and the administration asking for lower interest rates through reduced government spending. (Each 1% increase in interest rates costs farmers \$2 billion. Elimination of the current \$200 billion deficit would reduce interest rates 3% to 4% and put \$6 billion to \$8 billion in farmers' pockets.)
- Urged President Reagan to shore up FmHA's loan funding, speed-up of loan applications, assurance that loans are large enough for a full year's farming operation and direct FmHA loans away from other uses back to the original purpose of helping farmers who do not otherwise qualify for financing.
- Testified in favor of programs that would provide federal loan guarantees to encourage lending institutions to write-off or write-down portions of principal and interest.
- Testified before the U.S. House Budget Committee meeting in Lansing urging adequate USDA funding for farm credit relief measures, lower interest rates and rejection of any budget proposals which place a disproportionate share of spending cuts on agriculture.
- Urged President Reagan to move the deadline for sign-up in the 1985 farm program from March 1 to April 1 to allow producers time to make production decisions; permit participating producers to be eligible for an advance price support loan on a maximum of 50% of their anticipated 1985 crop; and commitment of up to \$1 billion worth of emergency food supplies to famine-wracked Africa, providing additional aid to hungry people while helping U.S. farmers by removing price-depressing government stocks.
- Sent a telegram to USDA Secretary John Block urging prompt implementation of a Senate resolution on farm credit which included removing the \$650 million cap on the FmHA emergency loan program; removing the \$200,000 cap on loans to individual farmers; and reducing the minimum positive cash flow requirement under the guarantee portion of the president's debt adjustment program from 110% to 100%.

# Management Assistance Teams Offer Financially Troubled Farm Families Hope and Help

By Cathy J. Kirvan

Through the long winter months, most Michigani-ans dream of spring. For farmers, that means planting crops. But for some farmers, facing the potential loss of their farms, the winter was spent trying to arrange financing of farm operating loans. Many were turned down.

Recognizing the problems facing these farmers, the MSU Cooperative Extension Service formed teams of trained personnel to provide individual assistance to farm families in developing short-term solutions to cash flow problems, planning long-term profitability, managing stress and reviewing family budgeting.

"We are using our resources to meet at least part of the problems facing agriculture in our state," said Frank Brewer, assistant director of agriculture and marketing who is coordinating the 13 Extension management assistance teams (EMAT) located throughout the state. "The teams have been quite active and we expect they'll continue to be until spring planting starts around May 1."

Brewer said that although the focus of EMATs has been on helping farmers qualify for spring operating loans, the program will continue as long as there is demand.

"We haven't turned anyone away that we thought we could help," he said. "Farmers interested in the program should continue to make requests through their local Cooperative Extension Service. If necessary, we'll form additional teams or come up with a new plan. We don't want to discourage anyone from asking for help."

If the local Extension office determines that EMAT can help, the county agricultural agent and home economist meet with the family to prepare an overview of the economic situation of the farm itself and how it is impacting the farm family.

This report, which is confidential, is sent to the EMAT members who review it prior to an on-farm visit.

The EMAT in southwest Michigan has been one of the busiest, meeting with one or two families a week since early February. Bethel Schmidt, a home economist in St. Joseph County for 20 years, is a member of that team.

"I feel very positive about the program," Schmidt said. "It's very time consuming and expensive to have four specialists spend a whole day with a farm family, but maybe that's the way for us to go for a while. We're finding out what's really happening to families. I think it's making us better educators who will be able to help others."

Schmidt said the first couple hours of the on-farm visit are critical to its success. "We ask

the family what their expectations of us are for that day. Sometimes it takes a long time to get through this part but they really bring out their problems."



**Southwestern Michigan EMAT chairperson W. C. "Bud" Search and home economist Bethel Schmidt believe the program is helping farm families realize their past mistakes and plan for a successful future.**

Following that session, the Extension management specialists and farm manager visit the operation while the home economist and homemaker review living expenses and discuss the emotional health of the family.

"We've had some families who were very good managers so we didn't spend any time on family living budgets," Schmidt said. "In other cases, the farm family's draw is substantially above the \$18,000 average for a Mich-

igan farm family. If it's way above average, we look at the reasons why, especially if the whole farm enterprise is going into the hole many, many thousands of dollars.

"Family spending is a very personal thing and we're very careful in discussing it. But we do consider alternatives because lending institutions look at what the family is spending when they determine whether the farm operation will get the loan."

Utilizing the computer brought by the Extension specialists, the afternoon session is spent exploring ways to save the operation. Usually, Schmidt said, the problem is finding a way to get more income.

"We find that farm families are reluctant to say they will go out and get a job some place else. They like farming and believe in themselves so much, it's hard for them to face the reality that maybe they're going to have to work off that farm."

"That's been a frustration for us," she said, "because the only way they're going to stay solvent is to get some more income, and in some cases the only option is to work off the farm."

Often, when a farm operation is in trouble financially, the farm wife will get a job off the farm. But Schmidt said that is not always a good idea. "The farm wife is a very integral part of the farm operation," she said. "In some cases, if the wife went to work the farm would go to pieces because she is really the farm management person there."

For families that are "under-employed," the team often recommends adding some kind of enterprise. In one case, where extra income was needed to build a house for a child returning to the farm, the farm wife suggested starting a U-pick strawberry operation. "She had the time and skills but didn't know if it would help the economic situation overall," Schmidt said. "We costed out several options on the computer and determined that it would help."

EMAT has found farm families willing to admit they've made mistakes they need to rectify. "One family had overextended themselves by building a swimming pool. They had justified it by saying they never took a



**While not all Michigan farmers had trouble getting operating loans, the tight credit situation was the topic of many conversations wherever farmers gathered this winter.**

vacation and needed some kind of recreation. The same family had several revolving credit cards that were going behind about \$2,000 each year.

"Another thing we've found is that they overestimate their crops and so don't qualify for FmHA loans," Schmidt said. "For instance, they say they have so many bushels of corn per acre and when we look for those bushels, they're not there. They paint a rosier picture than what it really is and when they realize this is not going to help them, they're willing to change and face reality."

"It's hard for them to face that they have failed. One potato farm had one good year in the last five. It's hard to face that, but when they do, it helps."

EMAT teams are concerned about increased farm accidents. "If farmers aren't able to repair the machinery as it should be, it may not be safe to operate," Schmidt said. "They become overfatigued — maybe not physically as much as mentally — and we know that increases accidents."

*(continued on page 28)*



**Farm families had the opportunity to learn about "New Economic Realities in Michigan Agriculture" and MSU's EMAT program during a series of meetings around the state, including Ag Action Day March 5 at Kalamazoo Community College. Between courses on how to survive the current problems facing their industry, farmers visited the many exhibits, ranging from seed corn to computers.**

**A series of meetings to explain details of the FB Farm Bill '85**, approved by the AFBF board of directors in March, and to discuss plans for member support and involvement were begun March 11 and will continue through April 15. Members of county FB boards of directors, national affairs committees, women's committee chairpersons, young farmer chairpersons and Community Action Group minutemen were invited to attend. Remaining meetings, by district, are: April 1 — District 8, April 9 — District 5 and April 15 — District 11. For more information about time and location of these meetings contact your county FB secretary.

**The U.S. International Trade Commission found there was a reasonable indication that Canadian imports were threatening the U.S. hog and pork industry.** However, a determination by the U.S. Commerce Department has been delayed because thousands of transactions by hundreds of producers have to be examined. The preliminary decision is now expected in early April. The investigation was put in motion by the National Pork Council, which charged the Canadian government with subsidizing its pork producers thus giving them an unfair advantage over U.S. producers.

**Spring rallies will be held in 10 MFB districts during April and May.** The rallies are sponsored by the Farm Bureau Women's Committees in each district. The entertainment and programs offer everything from a baked goods contest to special guest appearances by MDA Director Paul Kindinger and Michigan's first lady, Paula Blanchard. Scheduled dates are: April 9 — District 2 at Horton, District 6 at Cass City, and District 7 at Sidney; April 11 — District 3 at Saline, District 9 (location to be announced); April 12 — District 1 at Three Rivers; April 18 — District 8 at Midland; May 2 — District 10 at Spruce; May 29 — District 11 West at Bruce Crossing; and May 30 — District 11 East at St. Ignace. The District 5 FB Women held their rally March 18 in Flushing.

**Counties have begun selecting students for the 1985 Young People's Citizenship Seminar**, June 24-28 at Olivet College. Because of the change in location more students than ever will be able to attend the conference, which emphasizes the need to be informed and involved in the decisions that affect their lives, communities, state and nation. Information about the conference and the county selection process is available by contacting your county FB secretary. Deadline for reservations is May 1.

**Recipients of MSU's Distinguished Service to Agriculture awards**, presented during Agriculture and Natural Resources Week, were Merlin G. Kraft of Sparta, F. Dale Kuenzli of St. Johns and Robert D. Norris of Berrien Center.

**New appointments to the Michigan Bean Commission include** grower representatives James J. Sahr of Saginaw and Einer Thorlund of Greenville. Sahr replaces Carl DeGeus of St. Charles, and Thorlund replaces Calvin Marsh of Edenville. Reappointed to the commission as a processor representative was Robert Turner of Dandridge, Tennessee, dry bean buyer for all Bush Brothers locations. Appointments are subject to Senate confirmation.

**The Howard Heath Scholarship has been awarded** to Laura Probyn of Lawrence. The \$1,000 award, in memory of the Michigan Farm Radio Network's founder, goes to MSU students planning a career in agricultural radio or television. Probyn is a junior majoring in agriculture and natural resources communication.

**The National Dairy Board has filed a complaint with the Federal Trade Commission (FTC)** against a calcium supplement advertiser. An "Os-Cal" ad in the March issue of *Health Magazine* states that a person would need to eat three pounds of cheddar cheese to meet the recommended daily allowance of calcium, when only four ounces would more than meet that need for most adults. Dairy farmers will not tolerate the publication or dissemination of erroneous information on dairy foods that could negatively affect consumption, the board's chief executive officer said. If the FTC finds the ad contained false and misleading information, it has the authority to demand that the advertiser provide notice that it was false and correct the impressions the advertising has created. MFB President Elton R. Smith serves as one of the 36 members on the National Dairy Board.



**RURAL RASCALS** — The Duane and Pat Tirrell farm in Eaton County is a busy place during lambing season. Despite the hectic pace, young Ben and Becky found some newly spread straw in the sheep barn to take a break with their special friend, Jellybean.



**MORE RURAL RASCALS** — Wayne and Greg Idalski seem to have a direct line to the Easter bunny. Looks like the family dog doesn't want to be left out. They are the children of Bob and Marcy Idalski of Presque Isle County.

## FB/Vo-Ag Working Together

On behalf of the "Agriculture in the Year 2000 and Beyond Committee" and the Michigan Association of Teachers of Vocational Agriculture (MATVA), I want to extend sincere thanks and appreciation to Farm Bureau for the support that you have offered to our efforts.

A strong relationship has been maintained throughout the years between vocational agriculture and Michigan Farm Bureau as a result of the many

activities and programs that Farm Bureau helps to sponsor. Some of these include the Agricultural Producers' Forum, FFA leadership contests and FFA state executive committee meetings.

Even more importantly, this relationship has been enhanced because of the assistance we have received in recent months.

The meeting with your board of directors, the booth at the state annual meeting and the November 1984 article in *Rural Living* magazine are the results of the strengthened cooperative relationship that we feel between the two groups. Our commitment and goals for agricultural education in Michigan are stronger than they have ever been, and we highly value the input and consideration given to us by the Farm Bureau in our efforts to reach these goals.

We are firmly committed to vocational agriculture as a means of teaching the technical, management and leadership skills to the people involved in the industries of agriculture in our state. We will continue to strive towards the im-

provement of our programs through the planning and work of the Agriculture 2000 Committee.

We hope that the support of the leadership and entire membership of the Michigan Farm Bureau is with us as we move towards our goals. We look forward to a continually strengthened relationship and understanding in the future. Thank you for all the help!

*Gene Graham, Secretary  
Agriculture 2000 Committee*

## Ag Technology Students Appreciate FB Program

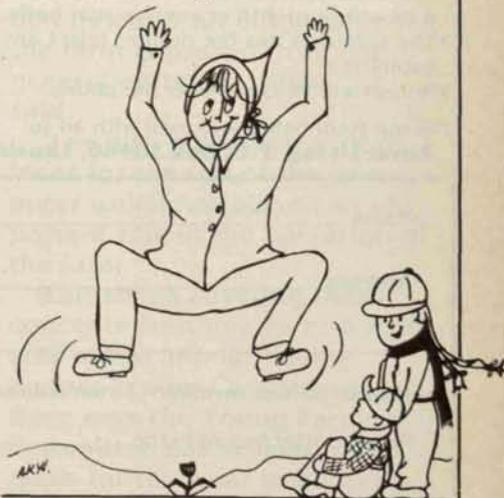
On behalf of the students in agricultural technology, I want to thank Farm Bureau for the ag tech seminar sponsored by the Young Farmer Committee in January. It was an excellent program from start to finish.

The students gained some insight into the Young Farmer program and its development of leadership. The AgriCom section was very well done and the discussion period after dinner was stimulating.

*Dr. Russel Erickson  
Associate Professor, MSU*

## FARMETTE

*By Andrea Hofmeister  
Tuscola County*



*"It's a ritual. She does it every year when the first crocus comes up."*

# FARM BUREAU MARKET PLACE

## FARM EQUIPMENT

**Hog Equipment** — Del-Air Heat Exchangers, Osborne Feeders, K.G. Johnson Farrowing Crates, Chore-Time Feeding, Mix-Mill Systems, Hamilton Distributing Company, 616-751-5161. (6-12t-23p-ts)

**Grain Dryers** — Stormor Ezee-Dry, Farm Fans Automatic, Used Dryers, PTO and Automatic. Hamilton Distributing Company, 616-751-5161. (6-12t-17p-ts)

**Complete Line of New and Used Irrigation Equipment** — Also equipment for manure pumping and spreading by gun, tanker, or injection. Plummer Supply, Inc., 1-800-632-7731. (1-12t-23p)

**FOR SALE: Ford 4-row 311 corn planter**, MM, 10 ft. pull type, double disc, 4-row squeeze pump, 10 ft. Oliver drag. 313-439-2164. (4-25p)

**Farmer's Antique Tractor and Engine Club** — Heritage Farm, North M-52, Adrian, Mich. Consignment auction and swap meet. Auction Sunday, July 21, 11 a.m. Swap meet Saturday and Sunday, July 20-21, 12 by 20 ft. swap meet spaces for \$10. We need antique tractors, farm equipment consignments of all type for auctions. Admission at gate \$1.00. Call or write Auctioneers, Attn: Gaylord Richardson, 9732 Co. Rd. RS, Delta, Ohio 43515. Auctioneers phone 419-423-7780. Vaughn Jo Lewis, 3310 Paragon Rd., Tipton, Mich. 49287. Auctioneers phone 1-517-431-2571. (4-83p)

## FARM EQUIPMENT

**WANTED: N.I. cornpicker and N.I. field equipment**. Phone 517-523-2803, evenings. (2-12t-10p-ts)

**Hay feeder** for outside 12 bale capacity. \$325. Phone 517-321-3715. (4-2t-15p)

**Fencing supplies**. Livestock to field fencing. Poultry to barbed wire fencing. Steel T-posts to wood fence posts. Chain link fence to wood panels. Good Fence Co. can literally supply all your fencing needs. Phone Good Fence Co. 1-616-534-5688 or 1-800-321-5541. (4-38p-ts)

## LIVESTOCK

**Baby chicks, ducklings, turkeys, guineas, goslings, bantams, fighting games, pheasants, bobwhites, chukars, Incubators, hatching eggs, medications, supplies.** Free picture brochure. Country Hatchery, Inc., Box 747-Y, Wewoka, OK 74884. (3-3t-28p-ts)

**2-in-1 sale.** Club lambs and club pigs. Quality stock with past winners. Allegan County Fairgrounds. April 19, 1985 at 6 p.m. For detailed information call Bill TerAvest. 616-673-6875. (4-29p)

**Buckham-Wheaton Club Lamb and Production Sale.** April 20, 1985, 12 noon at the farm in Kalamazoo. Selling 125 Suff. Hamp, Shrop Wethers, 40 Suffolk ewes, 12 Suffolk rams. Call Geo. 616-375-4973, Geo. Jr. 616-375-7676 or Fred 616-679-5544. (4-35p)

## LIVESTOCK

**Duroc Boars and Gilts sound and durable.** Delivery available. Jim Prelich, 8147 Forrister Road, Adrian, Mich. 49221. 517-265-4112. (6-12t-18p)

**For Sale: Aggressive, purebred Yorkshire and Hampshire boars,** reasonably priced. Ro-B Farms, Swartz Creek. Phone 313-635-3788. (3-3t-15p)

**Free Catalog** — Wholesale prices, reds, cornish cross, barred rocks, sexlinks, white rocks, leghorns, turkeys, ducks, Reich Poultry Farms, R.D.L., Marietta, Pennsylvania 17547. (12-6t-22p-ts)

**Milking Shorthorn:** Young bulls, yearlings and calves for sale. Write or visit Stanley M. Powell and Family, Ingleside Farm, Route 2, 3248 Powell Hwy., Ionia, Mich. 48846. (2-6t-27p)

**3rd Annual Tri-County Sheep Association Club Lamb and Breeding Sheep Sale.** Championship bloodlines with many winners from past sales. Plus fancy club pigs. April 20, 1985, 7 p.m., Eastern Michigan Fairgrounds, Imlay City, Mich. For more information call Randy Hodger, 313-636-7178, or Mike Fleming, 313-798-3775. (3-2t-45p)

## DOGS

**Registered Giant Black Schnauzer** dog, available for stud service. Phone 616-673-6759. (4-2t-15p)

## NURSERY STOCK

**Berry Plants** — Raspberries, strawberries, blueberries, currants, gooseberries, others. Free catalog. Maklelski Berry Nursery, 7130 Platt Road, Dept. RL, Ypsilanti, Mich. 48197. Phone 313-434-3673. (11-12t-22p)

**Asparagus roots** — KB3 state inspected, \$20 per thousand while they last. Phone DeRuiter Farms at 616-873-4283. (3-3t-17p)

**Vegetable and melon plants.** Large variety available or will custom grow. Starting at \$70 per 1,000. Central Michigan area. Hall's Farm and Greenhouse, phone 313-655-4279. (3-2t-24p)

**"Grow your own sweet potatoes!"** Varieties: Portricans, Algold, Nuggetts, "Bunch," Centennial, Nancyhall, Copperskins. 50 plants — \$7.98; 100 — \$11.98; 500 — \$22.95. Postpaid. Fred's Plants, Dresden, Tenn. 38225, phone 901-364-5419. (4-28p-ts)

**Gladiolus Bulbs** — buy direct from grower and save. All very large, healthy bulbs. Grand Champion varieties, Rainbow Brite mixture. 50 bulbs, \$6.00, 100 bulbs, \$10.00. Postpaid. Send orders to Glad Bulbs-R, Box 55, Zealand, Mich. 49464. (4-2t-37p)

## MISCELLANEOUS

**Scholarships, thousands available.** college and high school students qualify regardless of income, grades or financial need. We guarantee students five financial sources. Many receive over 20 after completing our questionnaire. Send \$3 for informative scholarship brochure and questionnaire. Nationwide Scholarship Finders, Box 2257, Lynchburg, Virginia 24501. (3-2t-47p-ts)

## MISCELLANEOUS

**Affordable family health protection** — Water treatment system removes PCBs, dioxins, and many other agricultural/industrial contaminants. Color brochure \$3, refunded with order. Bell Associates, 6492 Perryville, Holly, Mich. 48442. (4-29p)

**Buy in quantity and save!** Good Fence Co. is offering special pricing on large drop shipments. Buy your fencing supplies with your neighbors and take advantage of BIG SAVINGS. Good Fence Co. can supply all your fencing needs. Good Fence Co. 1-616-534-5688 or 1-800-321-5541. (4-44p-ts)

**Why die without a will?** Two legal "Will Forms" and easy instructions. Only \$4... Order Today! **Guaranteed!** TY-Company, Box 1022-MF, Prior, OK 74362. (11-6t-22p-ts)

**Attorney — Farm Born and Raised.** Familiar with dairy, cash crop, beef and most farm programs. Engaged in general practice of law with emphasis on estate planning, bankruptcy, financial problems and associated areas. Desire to work with agricultural related clients. Available statewide. Call or write Thomas Budzynski, 25550 N. River Mt. Clemens, MI 48045, 313-463-5253. (1-6t-52p-ts)

**Collectables, miniatures, personal home and office decor catalog.** 160 pages of beautifully illustrated products at very low prices. Price \$3, refunded with first order. Prestige Gift, 406D 5th, Roscommon, Mich. 48653. (3-2t-30p)

## REAL ESTATE

**For Sale: 79 acres, 1,000 ft. frontage** on Woodruff Lake, Broomfield Township, Isabella County. Call 517-866-2300 early morning or late evening. (2-3t-23p)

**Marco Island, Florida.** Gulf front condo: balcony, pool and gorgeous view. Perfect spot for a honeymoon. Phone 313-749-5546 or 313-435-1556. (3-4t-17p)

**Eighty acre farm near Petoskey.** Ideal gentleman's farm, close to all-seasons' recreation. Land contract terms. \$78,500. Jack Van Treese and Associates, Phone 616-347-3943. (3-3t-19p)

**154-acre Horse Farm** — Good 3-bedroom home, guest house, 2 pole barns and barn with box stalls, electric and water. Pasture well fenced. Frontage on lake plus a 5-acre private lake. Estate, will divide. Priced at \$150,000.

**60 acres very productive soil.** Pole barn. Will grow blueberries, now mostly in corn. Priced at \$30,000 with land contract terms.

**100-acre grain farm** with 2-bedroom home. 40 acres alfalfa, some woods. Owner would consider split. Priced at \$95,000.

**Fine remodeled 4-bedroom** aluminum cape cod on 40 acres with some woods and a running creek. \$79,900.

**38 acres** — 10 acres bearing concords, 7 acres young grapes, 5 acres tarts and 8 acres apples. \$80,000.

**39 acres** — 25 acres Welch concords, 3 acres Niagara, 4 acres French hybrids, 5 acres tarts. \$80,000.

**20 acres** — 18 acres Welch contract concords, \$35,200.

**22 acres** — 11 acres concords, 2 acres Niagras, 9 acres open, \$35,200.

**16 acres nature excellent bearing apples.** All good varieties, good site and location. \$30,000 — will take land contract.

Call Kechkaylo Real Estate Co., 616-471-7701. (4-177b)

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- Farm Bureau members pay 25 cents per word for all classified advertisements.
- All other advertisers pay 50 cents per word for one insertion and 45 cents per word for two or more consecutive insertions of the same ad.
- All advertisements are subject to a 15-word minimum charge, including member ads.
- Please indicate if you are a Farm Bureau member.
- **The deadline for ads is the first Monday of the month preceding publication.**
- **All ads must be pre-paid** and may be pre-paid up to one year in advance.
- It is the responsibility of the advertiser to re-insert the ad on a month-by-month or year-by-year basis.
- The publisher has the right to reject any advertising copy submitted.
- No ads will be taken over the phone.

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# Young Farmer Links Proud Past & Hopeful Future

By Marcia Ditchie

There is no profession in America which has stronger family roots than agriculture. Across the country, generations are following in the footsteps of their forebearers in attempting to preserve the family farm for themselves and the generations to follow, and Michigan Farm Bureau's Young Farmer Committee chairperson is no exception.

"If my sons want to come back to the farm after they're grown, I want to be able to provide them with that opportunity, just as my father did for me and his father did for him," said Dave Lott, who was elected Young Farmer chairperson at last year's state annual meeting.

Dave farms in partnership with his parents, Marvin and Vivian Lott, on the family's 620-acre Holstein dairy operation near Mason in Ingham County. He and his wife, Kathy, have three sons, Joshua, 9, and five-year-old twins Jacob and Ethan.

Dave believes the current crisis in the farm credit system will play a key role in the survival of the family farm, which he says will be one of the chal-

lenges facing young farmers this year.

"Young farmers in Michigan are going to be affected more severely than the more established farmers. They are ex-

successful," Dave said.

He credits some of the success of his family's farm to participation in the MFB Young Farmer program.

"We have instituted some

farm, time and credit management concepts on our farm which I learned at seminars sponsored by the Young Farmer Committee," he said.

"We have also implemented some estate planning ideas. My folks are senior partners, and their folks before them, and we want to make sure that we have the right type of estate plan worked out so that we



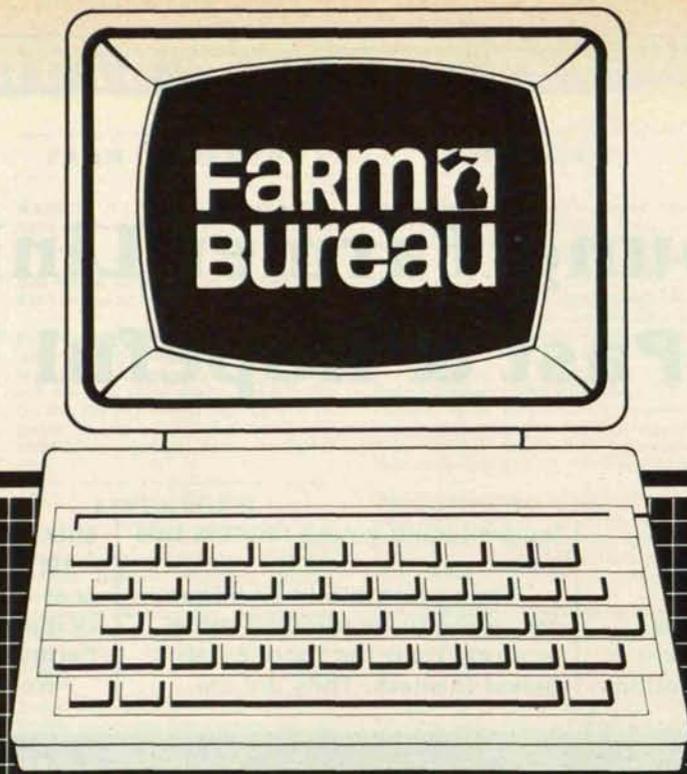
tended farther trying to build up their equity. But I don't think it is as widespread in Michigan as it is in other states.

"We have the opportunity in this country to advance ourselves, but while we're enjoying that privilege, we also have to shoulder the other side of the coin; we also have the opportunity to fail. It's something you don't like to think about, but farming is like any other business and you have to be a sharp manager, not only in production, but also in managing your financial records, to be

don't incur a lot of hardship if the farm is passed from one generation to the other," he said.

"I've also picked up a lot of ideas for the use of the computer which has played an important role in the operation of the farm."

Workshops covering these concepts continue to be a mainstay of the annual Young Farmer Leader Conference, but Dave says the Young Farmer Committee has several other goals for this year to address their challenge of surfacing and  
*(continued on page 28)*



## AgriCom Subscribers Get Another Market Exclusive

MFB AgriCom subscribers got another exclusive on 1985 market outlook and strategies for livestock, grain, dry beans and feed at the AgriCom Winter Marketing Seminar, Feb. 20-21 in Lansing.

The semi-annual seminar is presented specifically for subscribers to the AgriCom, AgriVisor and ACRES services. The combined information and marketing advisory service, which now has over 160 subscribers in Michigan, is part of a Farm Bureau communications system that brings up-to-the-minute commodity futures quotations, cash prices, market comments, commodity reports, weather, legislative reports and agricultural news to nearly 5,000 farmers in eight states.

During the recent seminar, Michigan subscribers attended workshops on the basics of ag marketing, options trading,

grain hedging, dry bean marketing and technical market analysis. General sessions provided a 1985 agricultural weather outlook, information on grain and livestock seasonal price patterns, outlook on Farm Bill '85 and international trade, advanced market analysis and a market outlook and strategies session for major commodities.

"Basically, subscribers have 'hired' a news and information reporting service and the services of top-notch market analysts to provide a plan of marketing alternatives," says Robert Craig, AgriCom project leader.

"Hired help" doesn't come more qualified or at a more reasonable cost to farm marketers. A report by economist John Marten of *Farm Journal* magazine, published last summer, rated the Illinois FB AgriVisor service the nation's number one marketing advisory service.

"I believe a majority of farmers in Michigan could benefit from the marketing advisory service (AgriCom, AgriVisor and ACRES) whether they are in the cash market, hedging or forward contracting," says Craig. "A survey of our subscribers taken last September showed that, on the average, they are making quite a bit of money by following the advice."

The survey results revealed that subscribers who followed the grains marketing advisories from September 1983 to September 1984 made an average of \$7,360 more than they would have otherwise. Those who followed AgriVisor advice on livestock made an extra \$3,887.

"Those profit returns are merely an indication of AgriVisor's marketing potential," Craig says. "Generally, subscribers do not allocate all of their production following Agri-

visor advice. They may allocate 50% to 75% and market the rest on their own."

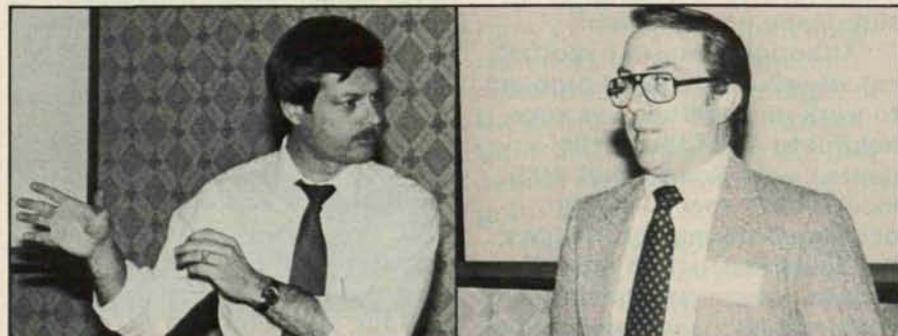
Training in both technical and fundamental analysis and increased confidence in their marketing skills developed at the seminars and through daily access to the computerized information system have helped subscribers develop a personalized marketing plan for their farm.

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**"Farmers, whether or not they are AgriCom / AgriVisor subscribers, do a much better job of marketing and improving their net farm income with marketing education"**

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"Farmers, whether or not they are AgriCom / AgriVisor subscribers, do a much better job of marketing and improving their net farm income with marketing education," he says. "Understanding seasonal price patterns and taking advantage of price cycles, either in the cash market or forward contracting, and having the discipline to carry out a marketing plan, is something every farmer can do to increase profitability."



**AgriVisor market analysts Dan Zwicker and Roger Norem presented market fundamentals and strategies for livestock, grains, dry beans and feed at the AgriCom Winter Marketing Seminar, Feb. 20-21.**

### **Several Options Offered to AgriCom Subscribers**

Subscribers to AgriCom Option 1, who get unlimited toll-free WATS telephone access, pay just \$109 a month for twice daily marketing advisories and access to futures quotations, agricultural weather, cash prices, market news, legislative reports, commodity and financial information, bi-weekly marketing newsletters, staff marketing assistance and educational seminars. Farmers who wish to pay their own telephone costs and receive all the other services can subscribe to Option 2 for just \$69 per month.

Other AgriCom options offer subscribers an information "shopping list" with subscriber fees ranging from \$35 to \$55. Option 3, at \$35 per month, includes access to futures quotations and cash prices. Option 4, also \$35 per month, includes access to agricultural weather, market news, legislative reports and commodity and financial information. Option 5, at \$55 per month, combines the services available in Options 3 and 4. Options 3, 4 and 5 do not include AgriVisor market advice.

There is also a special option for high school vocational agriculture programs at a cost of \$35 per month.

During March, AgriCom upgraded the system's telephone communications capability to

carry telephone transmissions four times faster and bring additional savings to subscribers who have the proper computer hardware and software. Previously, AgriCom communications were transmitted at only 300 baud rate. The communications boost will speed transmissions to 1,200 baud rate.

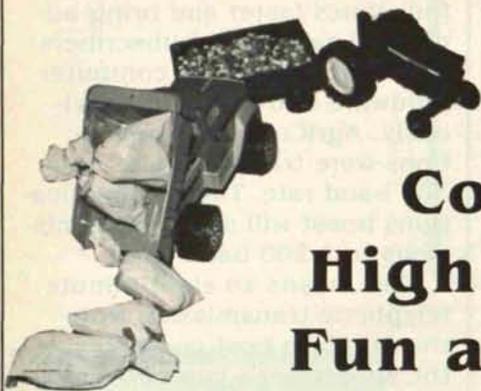
That means an eight minute telephone transmission from the AgriCom host computer to the subscriber's computer will now take just two minutes to get the same information.



**AgriCom subscribers at the conference had the opportunity to question AgriVisor analysts directly about market strategies and forecasts.**

Because AgriCom is a service-to-member program, operating "at cost," the savings are passed along to subscribers. A new Option 1A service for those with the 1,200 baud equipment will cost only \$89 per month.

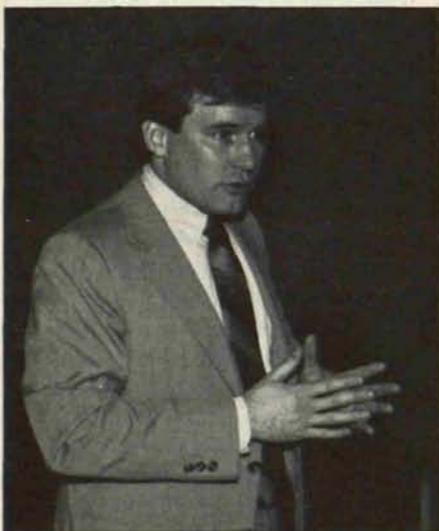
Subscribers to AgriCom Options 2, 3, 4, 5 or ag education, who pay their own telephone charges, will also be able to take advantage of the faster speed and lower their individual telephone costs if they have the proper 1,200 baud equipment. Others will continue to access at the 300 baud rate.



## Information / Local Affairs Conference Earns High Marks for Action, Fun and Skills Building

Using a hypothetical solid waste management issue, over 75 county FB leaders participating in the first joint Information/Local Affairs Conference, Feb. 19-20 in Flint, learned how to develop a public information campaign and action plan to influence opinion leaders in their communities.

The fictitious "Grant County" model described a rural, agricultural county supporting a diverse farm economy, wildlife recreation and an emerging electronics industry. Population patterns, soils, water resources and roads were also described in the model.



**MFB Local Affairs Specialist Ron Gaskill presented details of a solid waste management plan for the fictitious Grant County to Information / Local Affairs Conference participants.**

In the opening session, MFB staff from the public affairs and information divisions outlined the issue, discussed the required procedures for solid waste management planning and approval, and presented the "communicating for action" plan. Participants were charged with putting forward the county FB's position that the proposed landfill site plan be abandoned and that an alternate site in the county be selected.

Implementation of the information campaign plan called for conference participants to apply knowledge gained in various workshops. They wrote articles for the Grant County FB newsletter, designed brochures, practiced radio and TV appearances, staged a news conference, developed advertisements, planned exhibits and displays, and even prepared a slide/tape presentation.

"Although it was a hypothetical situation, having a problem to work on together was very helpful to all of the participants," said Ron Gaskill, MFB local affairs specialist who developed the model. "It gave the skills instruction and information a focus and gave the opportunity for hands-on application of what was presented in the workshops and general sessions."

Involvement and participation characterized each session of the conference, with a "show and tell" session on the second day where representatives from each workshop reported to the full conference and presented samples of the "hands-on" assignments.



**"Hands-on" projects, such as the brochure design assignment in the graphic design workshop, gave conference participants the chance to try out their newly acquired skills and training.**

Comments from evaluation forms indicate that those attending the conference rated the "hands-on" aspect of the sessions high. "Although we were aware that this was a fictitious situation in a fictitious county," wrote one participant, "Grant County's situation could happen, and probably is happening, in any number of counties right here in Michigan."

Another wrote, "The conference helped us see how these two committees need to work together more. I like the combined conference. It gave more direction to both committees."

### 'Meet the Press' Session Turns the Table on Media

Conference participants also took part in a "Meet the Press" session. After observing news media representatives question Dr. Ralph Hepp of MSU on the "New Economic Realities in Michigan Agriculture" program, the county FB leaders turned the table on the media people.

Questions from the audience focused on media handling of agricultural issues and consumer attitudes. Media representatives for the session were Ross Woodstock, WILX-TV, Lansing-Jackson; Dick Lehnert, *Michigan Farmer*; James Mallory, *The Detroit News*; and Robert Driscoll, Michigan Farm Radio Network.

Driscoll also addressed the conference following an awards and recognition program at the Tuesday evening dinner.

Departing from his prepared remarks, Driscoll told the FB leaders that many voices and



Conference participants turned the tables on a panel of news media representatives in a special "Meet the Press" session. The FB leaders posed questions about media handling of agricultural issues and how the media influences consumer attitudes. Panel members were, from left, Ross Woodstock, Dick Lehnert, James Mallory and Robert Driscoll.

special interests will be speaking out to influence the 1985 farm bill legislation. He stressed that farmers communicating through their organization and supporting the policy they developed through the Farm Bureau policy development process would reinforce and strengthen Farm Bureau's position as the "voice of agriculture" in Michigan and in the nation.

### Volunteers Recognized for Individual Efforts

Recognition for communications excellence by individual members of the information committees was a highlight of the conference. First through third place winners in the first annual information awards program were:

- Best News Story — Wendy Elsey, Cass County; Mildred Oeschger, Huron County; Betty Wery, Menominee County
- Best Radio Project — Dawn Wilkinson, Allegan County; Joyce Foster, Presque Isle County; Cathy Knoerr, Sanilac County

- Best Special Project — Andrea Hofmeister, Tuscola County; Geraldine Smith, Sanilac County; Dale Grabill, Newaygo County

- Best Photo — Barbara Mohr, Tuscola County; Dawn Wilkinson, Allegan County; Mildred Oeschger, Huron County

- Best Feature Story — Wendy Elsey, Cass County; Dawn Wilkinson, Allegan County; Mildred Oeschger, Huron County

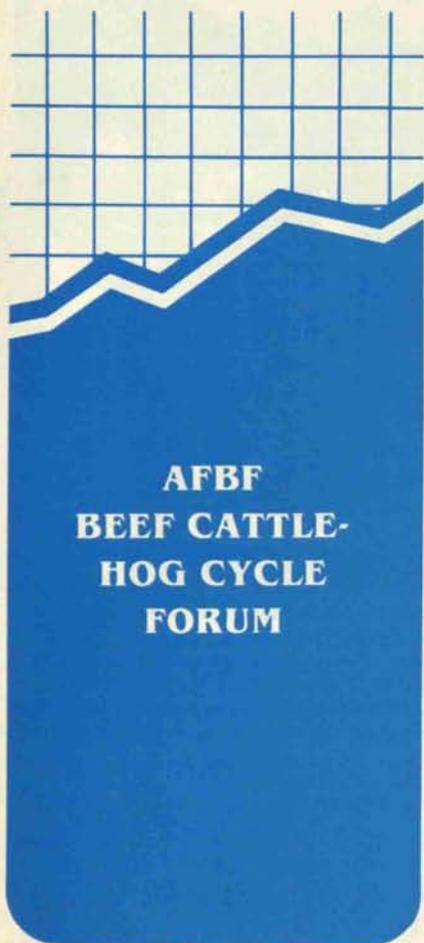
- Best Multi-Media Project — Geraldine Smith, Sanilac County; Andrea Hofmeister, Tuscola County; Cathy Knoerr, Sanilac County

- Best Television Project — Dawn Wilkinson, Allegan County; Geraldine Smith, Sanilac County; Faye Postma, Chippewa County

- Best Newsletter Design — Dawn Wilkinson, Allegan County; Lorraine LaBrake, Saginaw County; Mildred Oeschger, Huron County



Robert Driscoll of the Michigan Farm Radio Network drew on his communications and Farm Bureau experience to urge FB members to take an active support role in promoting their organization's farm bill policy.



## Economists Project Guarded Profitability for Livestock Producers

Beef cattle and hog producers can expect to sell at profitable prices throughout 1985, but declining market shares for red meat works against the enthusiasm that such a market outlook should generate, agreed a panel of experts at a Farm Bureau-sponsored forum.

Wayne D. Purcell, professor of agricultural economics from Virginia Polytechnic Institute and State University, told those attending the 10th AFBF Beef Cattle-Hog Cycle Forum, Feb. 19 in Chicago, that despite a strong performance by the domestic economy and significant increases in consumers incomes, the demand for beef continues a pattern of weakness observed in recent years.

Purcell called the liquidation in cattle numbers "primarily demand induced," as he pointed out that per capita availability

of beef in 1984 remained very close to the 1983 level, but at retail prices that were roughly 5% lower.

"This continues the same pattern seen since 1979 — a pattern showing constant or declining per capita supplies moving into consumption only at lower prices. Such developments are a sure sign of decreases in demand," Purcell said.

Another livestock marketing specialist, Texas A&M's Ed Uvacek, said the two-year decline in cattle and calf numbers could be largely weather related, citing Texas drought conditions and damaging weather in Nebraska, Montana and Wyoming last winter, with each of those states reporting 7% less beef cows than a year ago.

Uvacek said we now appear to be in the seventh year of the new cattle cycle, that began in 1979. With improved calf prices this year and dramatically altered range conditions, many cattlemen may start rebuilding again in 1985.

"If this happens, this group of years presented an unusual and aborted cattle cycle. It could also mean we have embarked on a brand new cattle cycle — one which began in 1985."

He said it is still uncertain whether we will return to a traditional seven to nine year buildup cycle in beef cattle, or whether cattlemen might assume a more rapid reaction time, adjusting their production levels to demand conditions more quickly than in the past.

Uvacek looks for stable fed cattle prices for 1985, with

choice grade steers to average in the \$67 to \$70 range, with stronger prices falling in the earlier part of the year. Tight supplies, because of reduced numbers and possible saving of heifers for herd rebuilding, will also mean good premiums on feeders in the first three quarters of the year.

He put the average price within the range of \$70 to \$74 for 600 to 700 pound feeder steers.

Concentrating first on the hog cycle, another speaker, Glenn Grimes, Extension economist and livestock marketing professor from the University of Missouri, said the hog cycle has been marred by low returns in three of the last four years, something unusual for a corn/hog price ratio that would usually be considered favorable.

Factors that influence the low returns for pork include more large producers with high fixed costs, need for income by financially stressed crop producers and the apparent decline in demand for pork.

Grimes called demand a big concern for the pork market in the next few years. He also pointed to imports as a factor saying that 8% of the pork consumed in this country in 1984 was imported, most of it from Canada, Denmark, Greece, Hungary and Sweden. He said the U.S. imported roughly 25% of Canada's pork output last year.

Grimes looks for total pork supplies to come down slightly this year, with hog prices staying pretty stable around the annual average of \$50 per cwt.

*(continued on page 28)*

# Michigan Potatoes Take on New Shapes at Ore-Ida

Michigan potatoes have taken on new shapes thanks to Ore-Ida Foods, Inc., of Boise, Idaho. In March Ore-Ida introduced a line of premium quality frozen potato products for institutional use under the "Yes M!ch!gan" brand.

The new spuds, produced in Michigan at Ore-Ida's Greenville processing plant, are labeled with the "Yes M!ch!gan" slogan, barn logo and seal of the Potato Commission.



Michigan's first lady, Paula Blanchard, welcomed the new Ore-Ida product line during ceremonies at the company's Greenville plant.

Michigan's first lady, Paula Blanchard, special advisor to the director of the Department of Commerce, along with representatives from the Michigan Department of Agriculture and the Department of Commerce, welcomed the new product line at a ribbon cutting ceremony at the Greenville plant on Feb. 28. During a tour following the ceremony, Blanchard was pre-

sented with an autographed case of the potatoes signed by all Greenville employees.

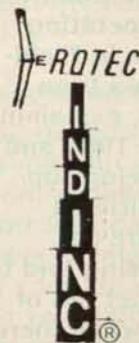
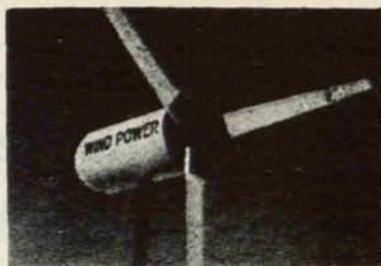
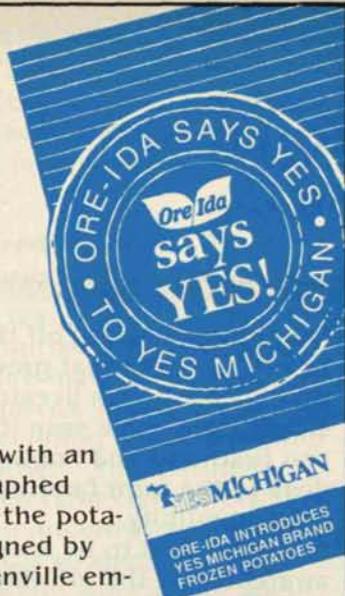
"Our quality standards are extremely high," said Paul Cordry, president and chief executive officer of Ore-Ida. "To grow potatoes that make the Ore-Ida grade is no easy task. We purchase 20 percent of the entire Michigan crop, so we can speak with authority about the high quality of potatoes grown in the state."

MDA staff has been working with Ore-Ida in developing this product as part of the department's ongoing efforts to promote Michigan commodities. "This product will offer a unique attraction for restaurants and increase public awareness of the fine quality of Michigan food products," said MDA Director Paul E. Kindinger.

The "Yes M!ch!gan" brand will be available for institutional trade in the form of french fries, crinkle cuts, shoe strings and tater tots.

The Greenville plant is one of Ore-Ida's seven processing plants across the United States and currently employs 550 people. Introduction of the "Yes M!ch!gan" brand will extend seasonal operation by 30 days, which is the equivalent in hours to 62 more jobs.

"We are pleased that Ore-Ida has chosen to expand its product line in Michigan," Kindinger said. "They are making a significant contribution to our state."



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The Discussion Topic is used by Community Action Groups for monthly policy discussions.

## Lenders and Government Put the Squeeze on Farm Borrowers

Because this is the traditional time for renewing operating loans, many farmers in Michigan are sitting across from agricultural lenders, explaining their farm plans for 1985 and beyond. Many are being supported by their traditional lenders, but some are not. Some farmers are being told to go elsewhere or to get out of farming altogether while there is still some equity left in their operation.

Marvin Duncan, the chief economist for the Federal Reserve Bank of Kansas City, estimates that 8% to 15% of farmers won't get financing this spring. Lenders will try to keep foreclosed farmland off the market as long as possible, leasing it out for other farmers to use. But concerns remain that eventually it must be put on the farm real estate market, further glutting it and depressing prices.

### Farmland Values Drop

Farmland prices are continuing to drop sharply in the Midwest according to a survey by the Federal Reserve Bank of Chicago.

Land in Iowa was down 22% in 1984; Illinois land was down 16%; Indiana down 12%; and Michigan and Wisconsin down about 7%.

The fourth quarter drop in value for the five states was the sharpest since the downward trend began in 1981, according to the Federal Reserve Bank report.

### The Bankruptcy Tragedy

Bankruptcy is a personal tragedy. There is great trauma tied to "losing the home place,"

being forced to sell off the farm to satisfy debts that grew faster than income from livestock or crops. Many have seen it happen firsthand and know what it does to the farm family and to the community.

There needs to be a national awareness of the growing farm debt problem. At the first general session of the American Farm Bureau Federation annual meeting in early January, AFBF President Robert B. Delano spoke of "the harsh economic reality now facing one farmer in three across the country." He added, "Nothing would help more than lower taxes and lower interest rates. . . ."

### The Reagan Aid Plan

Last fall, Secretary of Agriculture John Block and President Ronald Reagan announced an administration plan to help farmers obtain necessary credit. A \$650 million loan guarantee program was announced that involved FmHA emergency loans. Included in this package are the guaranteed economic emergency (EE) loans made by private lenders with 90% being guaranteed by FmHA. There is a \$200,000 cap on loans to individual farms and it also requires a minimum positive cash flow under the president's debt adjustment program of 110%.

But the Reagan administration's fall emergency farm credit package has been seen as woefully inadequate. According to Dr. Neal E. Harl, an agricultural economist at Iowa State University, two-thirds of the farm debt is owed by farmers whose debt to assets ratio is uncomfortably high (50% or greater). "That's \$140 billion,"

Harl says. "It isn't all about to go over the edge, but it's headed that way."

### Farm Credit Legislation

AFBF endorsed S. 457, which authorized up to \$1 billion in African famine relief and also carried farm credit riders. The bill provided a maximum \$50,000 advanced price support loan payment on a maximum of 50% of their anticipated 1985 crop when a farmer signs up to participate in the 1985 wheat or feedgrains farm programs. The loans were re-source loans and carried a 9.125% interest rate. The bill required a farmer to have adequate security on the loan to protect the federal government's position.

In addition to the partial loan advance, the legislation authorized an additional \$1.85 billion to guarantee federal farm operating loans; provided \$100 million to buy down interest rates; reduced minimum cash flow requirements from 110% to 100%; and provided additional temporary personnel to FmHA offices to help process and serve loans.

President Reagan vetoed this bill on March 6, 1985 and said he did so because the existing program was "good enough, in view of the huge federal deficit." Efforts by Congress to override his veto were incomplete as *Rural Living* went to press. The U.S. House was expected to vote to override the veto, but the Republican-controlled Senate was not likely to concur. If they don't override the veto, the legislation is dead.

## FmHA Overloaded

FmHA originally was created for one purpose — to make loans to Depression stricken farm families. Today, although FmHA still aids family farmers, it cannot concentrate on aiding family farmers because its programs have become so highly diversified.

Programs that require not only funds, but the time and effort of FmHA personnel, include home ownership loans, rental housing loans, congregate housing loans, water and waste disposal loans, energy impact assistance grants, community facility (sewer and water) funding, business and industry funding, and watershed and flood prevention loans. These programs all draw on the time the FmHA personnel at the national, state and local levels have to spend on the agricultural credit programs — those programs which FmHA was established to address.

FB has been supporting a proposal (under the direction of the AFBF board) that deals with the problem of FmHA personnel spending so much time on non-farm programs. The thrust of the proposal shifts non-farm programs of FmHA to a new division in the U.S. Department of Agriculture, thereby allowing FmHA personnel to deal with only the farm loans.

Congress, on the other hand, has taken a different route. Present law allows the Small Business Administration (SBA) to loan for disaster assistance to farmers only if SBA and FmHA have "substantially different" interest rates and if a farmer has applied for aid at FmHA first and has been refused. A new law would lower the SBA interest rate to 4% for those who cannot obtain credit elsewhere and 8% for those who can obtain credit elsewhere but prefer SBA's loan program. This compares with FmHA's present rate of 5% for the first \$100,000 and 8% for the next \$400,000 for those who can't

obtain credit elsewhere and 13.75% for those who can. Obviously, the thrust of the new law will be a shift to more disaster lending from FmHA to SBA.

## Farm Credit Crunch — Many Causes, Few Cures

As FB testified before a credit subcommittee of Congress, the causes are many, "low commodity prices, high interest rates, declining land values and bad weather." The testimony supported farm credit work that had been underway for the past six months to shore up FmHA loan funding, speed loan applications, assure that original loans are large enough for a full year's farming operation, and direct FmHA funds away from other uses and back to the original purpose of helping farmers who do not otherwise qualify for financing.

FB has backed programs of federal loan guarantees to en-

courage commercial lending institutions to write-off and write-down portions of principal and interest. Since all loans are made on an individual basis, FB has testified that loan continuation should be closely tied to "individual performance," taking into consideration conditions (such as weather) over which the borrower has no control.

## Discussion Questions

- Are there farmers in your group who would benefit from an advanced price support loan payment?
- Have farmland values dropped in your area?
- Do you think farmers with severe credit problems should be forced out of business?
- Do you believe that the FmHA office in your area devotes enough time to the needs of farmers?

# Short-Term Credit Relief A Priority for Farm Sector

Unless there is a resolution of the farm credit issue, American agriculture will suffer a high mortality level, Dr. Clayton Yeutter, president of the Chicago Mercantile Exchange told farmers attending the MFB AgriCom marketing seminar.

"We can't worry much about surviving five years out if we can't get through the next 60 days, so the first priority has to be something in the way of credit relief," he said. "Whether that be done by the government, the private sector or a combination thereof, is being debated vigorously in Washington now, but there has to be a resolution of the credit issue. Otherwise we're in deep trouble in American agriculture, and we're going to have a very high mortality level.

"In the short term what we've got to do is buy some time for our good producers through credit programs and keep them going," he said.

Yeutter said he was concerned about how the current credit debate will affect consideration of the 1985 farm bill.

"We're generating so much antagonism and bitterness over the credit question in Washington now that if we're not careful, it's going to just totally poison the environment for farm legislation generally. That's why it's so critical to get over this credit hurdle and get some relief there so everybody will calm down and get back to looking at farm legislation in a rational way," he said.

*(continued on page 29)*

## Agrinomic Update

(continued from page 24)

But, said Grimes, "with an 18 or 19 to 1 hog/corn ratio and stress on grain producers, herd rebuilding is almost sure to occur this year.

Grimes added comments about the cattle situation, agreeing with price predictions in the \$66 to \$67 range for choice steers. But he doubted the prospect for herd rebuilding, saying feeder cattle prices are not quite high enough to encourage herd rebuilding, which would require a 15% reduction in cattle-calf slaughter just to build the cow-calf herd 1%.

Concerning the prospects for herd rebuilding, Purcell also said we could see another year or two of conditions that would drive resources out of the cattle business.

The final speaker, Dr. Paul Peterson, manager of market analysis for Farm Bureau ACRES, agreed with Uvacek that static cattle numbers and prices could be a signal of the end of the traditional cattle cycle.

Peterson said red meats have moved from perception by consumers of luxuries on which they would spend more as their incomes increased. As factors in the shift in consumer preferences Peterson listed: diet and health issues, ample choices of meat in the diet, new eating habits and strong competition from other products.

Competitors to red meats are doing more to attract consumers by providing quick, partially prepared meals, ready to eat, brown and serve and other innovations. "Poultry and seafoods have taken the initiative away from red meats in marketing," Peterson said.

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Peterson's suggestions for the red meat industry included forgetting about price competition, catering to convenience tastes and working on their image to consumers by doing a better job of addressing the diet/health concerns.

## David Lott

(continued from page 19)

developing new leadership for Farm Bureau and agriculture.

"Our primary goal is to bring new people to the forefront, to develop their leadership skills and to provide an annual forum for them to be involved in the total Farm Bureau program," he said.

"We also want to have a communications avenue with the urban population to express some of our thoughts and hear some of their concerns so that we can address them.

"Another one of our major goals is to work with FFA and 4-H groups in the state to try to provide assistance to them in their programs. We also want to try to get young farmers involved in AgriPac fundraising activities and the Lansing and Washington legislative seminars so that they are educated in the political arena."

With many major issues challenging the future of agriculture, farmers will need to work together through Farm Bureau to provide a united voice to preserve agricultural heritage for future generations, and young farmers can play a key role in accepting that challenge.

"One of the things our committee is going to strive for this year is to get young farmers involved in Farm Bureau programs in general," Dave said. "We want them to go throughout the whole spectrum of Farm Bureau. They're more than just young farmers, they also have the same problems and concerns that the rest of the membership has."

## Hope and Help

(continued from page 15)

She said the stress the family is under is also a concern to the teams.

"Often the farm has been purchased from the parents. When it is in jeopardy, the 70 or 80 year old farm couple is agonizing just as hard as the farm operators.

"Then we see the 20 and 25 year olds beginning to come into the operation. They had expected to be farmers and now it's uncertain if there will be a farm to make a living on.

"If the children are teenagers, we are finding that they experience an identity crisis with their peers because tighter clothing budgets don't allow them to dress like the other kids. Also, many of their friends are going on vacation over spring break and they'll be stuck on the farm."

Schmidt said the family is at risk across the generations and family members need to get together to openly discuss the situation.

"If they can find ways to communicate they may stick together, but stress can break families too. We recommend that they make a goal . . . and work together during this very stressful time to make their family a stronger unit.

"Often we suggest they look back to how the grandparents got through the Depression. Families that pulled together then came out stronger."

The teams also suggest the family contact community agencies where they can get help and support while going through stressful times. "We let them know what is available in the community for them and some are willing to try it," Schmidt said. "But many use us as their sounding board because we're 'outsiders' and they don't want their neighbors to know."

## Washington

(continued from page 6)

**Soybeans** — The current loan formula is retained for soybeans with no additional authority for acreage reduction or deficiency payments.

**Sugar** — The USDA secretary shall support the price of domestically grown sugarcane through non-recourse loans at appropriate levels but not less than 18¢ per pound for the 1986 through 1989 crops of sugar. Sugar beet loan levels shall be set at levels that are fair and reasonable in relation to the level of loans for sugarcane.

**Wool and Mohair** — Wool and mohair titles will remain substantially the same as under the 1981 act.

**Farmer-Owned Reserve** — The farmer-owned grain reserve will be terminated and replaced by loans to wheat and feed grain producers to be made available without interest for a nine month period. A nine month extension will be made available which will include a charge for interest.

**Payment Limitations for Deficiency Payments** — The total amount of deficiency payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under this act for wheat, feed grains, upland cotton, and rice shall be limited to \$50,000 for each of the 1986 through 1989 crop years. The term "payments" as used in this section shall not include loans or purchases or any part of any payment that is determined by the USDA secretary to represent compensation for resource adjustment or public access for recreation.

**Agricultural Export Expansion and P.L. 480** — The Export Credit Revolving Fund authorization would be extended through 1989 with provisions for inclusion of blended credit programs to offset subsidized credit provided by competing nations. Blended credit programs and standby export subsidy programs would be exempted from cargo preference requirements.

Minimum levels of P.L. 480 exports would be increased as a method of liquidating farmer-owned reserve stocks.

This program will provide for an export commodity bonus program to offset the advantages of export subsidies used by other countries. This program will be designed to regain markets and reduce CCC and farmer-owned reserve stocks. This program shall be exempted from cargo preference law requirements.

**Conservation Reserve and Sodbuster** — The USDA secretary must provide for a conservation reserve program for owners and operators of erosion-prone land to assist them in conserving soil consistent with budgetary limitations. Contracts of seven to 15 years would be offered under which producers would convert erosion-prone cropland to less intensive uses such as pasture, permanent grass, legumes or trees.

Any producer who brings fragile land into production shall be ineligible for any farm program benefits on any crop in his or her entire farming operation.

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## Short-Term Credit

(continued from page 27)

Yeutter called the administration's proposals for farm legislation, "basically on track."

"They're saying we need to go to a more market-oriented agri-

culture and that's precisely the course of action we should follow in a farm bill. I'd like to see that happen in terms of reduced loan rates, tied to world market prices, so we don't price ourselves out of the world market.

"We've got to do things that will insure our international competitiveness and insure the protection of our market share and increase our market share. One of the big mistakes we've made with farm legislation and with administration policies in the last few years is that we've given away our market share internationally. For an industry that is so export dependent, that is just foolish. We've got to stop making unintelligent policy decisions both in Congress and the administration and go out and capture these export markets."

Yeutter told the marketing seminar participants that decisions made on policies other than the farm bill will have greater impact on their incomes.

"We've got to deal with the important things that affect the income of farm people today that come outside of the farm bill. Fiscal policy — the size of the federal deficit — is number one on my priority list. Monetary policy — what happens on money supply by the federal reserve — is number two and international trade policy is number three. Then I have farm policy and tax policy at about a tie for number four on the priority list.

"With the big tax debate we're going to have this year, it is conceivable that what happens on tax legislation might be even more important than what happens on farm legislation. What happens in exchange rates will do far more to impact farm income than anything that goes in the farm bill. It will be infinitely more relevant to determining farm income than the farm bill will be," he said.



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## Opportunities in Agricultural Tourism Focus of ANR Week

Two of Michigan's top three industries — tourism and agriculture — can be combined to improve the state's economy.

That was the consensus of over 20 Agriculture and Natural Resources Week sessions on how to expand business opportunities by promoting Michigan agriculture as a tourist attraction. Formerly called Farmers' Week and Natural Resources Days, ANR Week was held March 18-23 on the campus of Michigan State University.

At a conference on March 19, participants learned the most effective locations and advertising schemes for increasing visibility of roadside markets and U-pick operations. Tips on installing highway signs, which agriculture-related businesses often depend on to attract tourists, were given.

Effective promotion and planning of agricultural festivals as a way to attract tourists were also explained. Representatives from the Michigan wine industry outlined the successful approach they use to capture the tourist trade through festivals and other public relations programs.

Other innovative ideas for expanding agricultural business opportunities, such as running farm bus tours and providing farm vacations, were also on the program.

One unique approach was shared by John McDevitt, executive vice president of Thomas E. Monaghan, Inc. He discussed plans to set up a demonstration farm for the public adjacent to the Domino's Pizza office headquarters. McDevitt said the farm, which is designed to be a form of advertising, will feature crops needed to make a pizza.

Another conference on March 20 provided information to help those interested in the tourism

industry make investment and planning decisions. A panel of state legislators discussed new and pending legislation, funding, regulation and the state's commitment to assist tourism through advertising and other services.



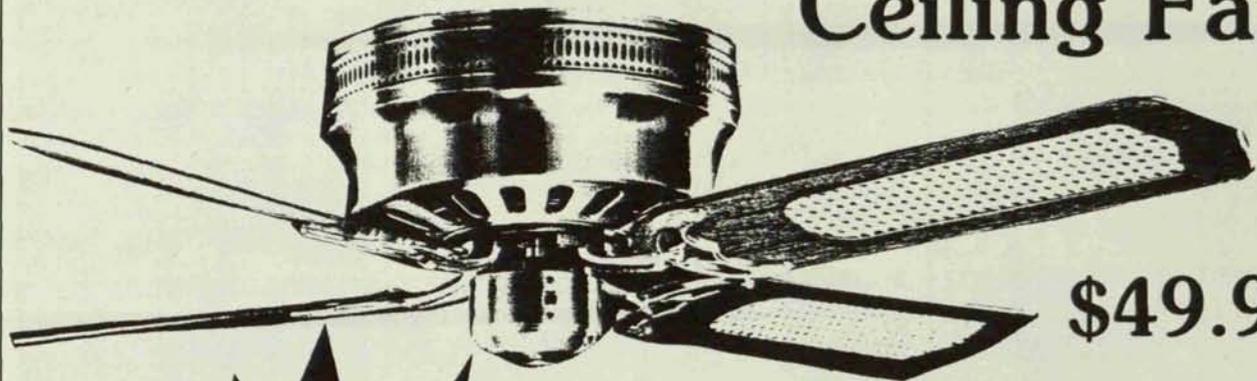
Economic trends for outdoor recreation, the outlook for travel, the types of businesses projected to expand and where people are traveling, in state and out, were investigated. The program also included ideas on types of activities to promote agricultural tourism, a panel discussion on local and regional tourist activities and the summer and fall advertising campaign.

Although only three years old, Michigan's bed-and-breakfast industry is growing fast. A conference on the topic, held March 21, provided information on improving business operation and overcoming problems resulting from the industry's youth.

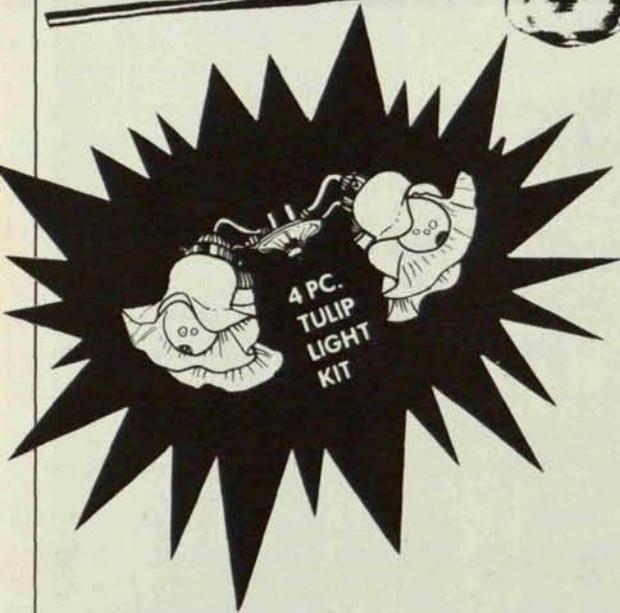
Participants explored ways to develop the industry by using reservation services, renovating historic buildings and creating an industry association.

A bed-and-breakfast enterprise is an owner-occupied building with three to five rooms for hire. A continental breakfast of juice, rolls and coffee is included in the service — hence the name "bed and breakfast."

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