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## Farm Bill Hopes Bloom in Nation's Capital

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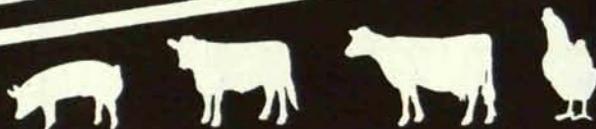
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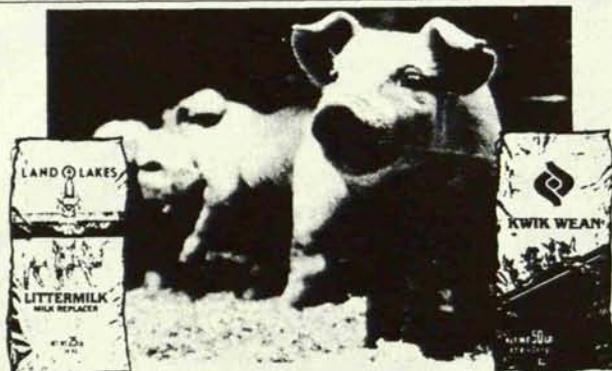
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# RURAL LIVING

## FARM NEWS

A publication  
of the  
Michigan  
Farm Bureau

## RURAL LIVING



Farm Bill Hopes Bloom  
in Nation's Capital

A Publication of the Michigan Farm Bureau, in May 1985

MAY 1985  
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### THE COVER

On location in Washington D.C., Channel 5 "Farm and Garden" co-host Dean Smith interviews Jack Laurie about his hopes for FB's farm bill.

Photo by Cathy J. Kirvan

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**Michigan Farm News RURAL LIVING:** Michigan Farm News Rural Living is published monthly, on the first day, by the Michigan Farm Bureau Information and Public Relations Division. Publication and editorial offices at 7575 West Saginaw Highway, Lansing, Mich. 48909, Post Office Box 30960; telephone, Lansing 517-323-7000, Extension 510. **SUBSCRIPTION PRICE:** \$1.50 per year to members, included in annual dues, \$3.00 per year non-members in Michigan, \$5.00 per year non-members out of state. Publication No. 345040. Established Jan. 13, 1923 as Michigan Farm News, name changed to Michigan Farm News Rural Living Dec. 1, 1981. Third-class postage paid at Lansing, Michigan, and at additional mailing offices. **EDITORIAL:** Connie Turbin, Editor and Business Manager; Donna Wilber, Contributing Editor; Marcia Diltchie, Associate Editor; Cathy J. Kirvan, Associate Editor. **OFFICERS:** Michigan Farm Bureau: President, Elton R. Smith, Caledonia; Vice President, John Laurie, Cass City; Administrative Director, Robert Braden; Treasurer and Chief Financial Officer, Matthew Butzin; Secretary, William S. Wilkinson. **DIRECTORS:** District 1, Arthur Bailey, Schoolcraft; District 2, Lowell Eisenmann, Blissfield; District 3, James Sayre, Belleville; District 4, Elton R. Smith, Caledonia; District 5, Albert Cook, Mason; District 6, John Laurie, Cass City; District 7, Robert Rider, Hart; District 8, Lyle LeCroner, Freeland; District 9, Donald Nugent, Frankfort; District 10, Margaret Kartes, West Branch; District 11, Bernard Doll, Dafer. **DIRECTORS AT LARGE:** Dave Conklin, Corunna; Michael Pridgeon, Montgomery; Wayne Wood, Marlette. **FARM BUREAU WOMEN:** Faye Adam, Snover. **FARM BUREAU YOUNG FARMERS:** David Lott, Mason.



Smith and AFBF Secretary John Datt testified before a House ag subcommittee March 27.

## FB Legislative Leaders Show Commitment to Farm Bill Package

The results of our nearly two years of grassroots involvement in developing a farm bill that will put agriculture in the right direction in the years ahead were witnessed by the over 100 Michigan Farm Bureau members who participated in this year's Washington Legislative Seminar.

Before our group left for Washington, D.C., I said there had never been a time, during the 25 years that the MFB Women have sponsored this activity, that our mission was more crucial. Now, after we've returned home, I can say with equal sincerity — never has there been a time when our position on an issue been more enthusiastically received.

The investment of time and effort in developing a Farm Bureau farm bill paid off in dividends of respect for our organization and its proposed legislation. Our national legislators were ready for a reasonable, well-drafted, fiscally responsible proposal that would move agriculture gradually toward being a market-oriented industry without pulling the rug out from under farmers who are suffering the impacts of an ailing farm economy.

We delivered that kind of package and it was obvious that they were eager for a proposal that was an alternative to the administration's approach that would force producers into a free market situation with little government support or assistance, and programs that are being advocated that would require tremendous government outlays such as guaranteeing 100% of parity.

It took more than a well-written bill to gain that kind of reception. Having it delivered to our congressmen by a group of committed legislative leaders who had obviously done their homework was a vital part of our total efforts on Farm Bill '85. I was extremely proud of our group and congratulate the county FB leadership who selected them.

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**We have already invested nearly two years in the development of our farm bill. By investing a little more time and effort, we can make it happen.**

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Because of the broad acceptance of FB's farm bill to date, there is danger, especially as farmers become busy in their fields, in assuming that our task is completed. Believe me, it is not! Ours will be only one of many proposals put into the legislative hopper — and not only by farm groups. There are many others outside of production agriculture who want input into the writing of Farm Bill '85. There will be many pressures on our congressmen, from many directions, to compromise, to consider other alternatives, to appease and please other constituencies.

Simply because we have drafted and delivered a bill that would be good for agriculture and good for the national economy to the doorsteps of Congress and were successful in having it introduced, does

not mean that it will automatically become law. There is much work to be done. Your legislative leaders did an outstanding job of laying the groundwork; it is now up to you to follow through.

I strongly urge you to first study FB's farm bill and compare it with other proposals so you become familiar with all of its "selling points." (See page 12 for this comparison.) Then, get involved in an aggressive "sales campaign" to convince others that FB's proposal is the best.

Talk to other members who may not be as familiar with the bill and the grassroots involvement in drafting it as you are and gain their commitment. Visit with members of other farm organizations about FB's farm bill and convince them that it is a good alternative. Take every opportunity you can to share with non-farmers, through your local media and your community organizations, the reasons why passage of our bill would be beneficial to consumers and the entire economy.

Most important, write to your congressmen and tell them, in your own words, why they should co-sponsor FB's farm bill.

We have already invested nearly two years in the development of our bill. By investing a little more time and effort, we can make it happen.

*Elton R. Smith*

Elton R. Smith, President  
Michigan Farm Bureau



**MICHIGAN FARM BUREAU  
WASHINGTON  
LEGISLATIVE  
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1960 - 1985**

**TWENTY-FIFTH ANNUAL SEMINAR**

By Donna Wilber

The Washington Legislative Seminar, March 26-29, was special for many reasons, one of which was marking the silver anniversary of this activity. For 25 years the Farm Bureau Women have been sponsoring this annual trek to the nation's capital to try to convince our lawmakers of the wisdom of FB policy. It's been my privilege to participate in several of those trips.

Because our *Rural Living* deadline coincides with our arrival back in Michigan, I'm writing this in my hotel room, just across the street from the AFBF office. My news releases are all written and my roommate is off shooting photos of legislative leaders visiting their congressmen. My adrenalin is still at high tide — as it always is here in the nation's capital — so sharp memories of the last few days and elusive memories of past Washington Legislative Seminars collide with each other as they're transferred from jumbled mind to typewriter.

I remember very clearly the first time I came here. We stayed at the Willard Hotel, where Lincoln slept and which is now being renovated. There was only the sound of clanking plumbing, not an electric typewriter, in my hotel room then. My roommate was Marge

Karker, then the coordinator of women's activities. She was a high energy dynamo and introduced me to Agatha Christie's mysteries as a great way to relax after a full day.

I didn't need a typewriter then. My responsibilities were light. There was time to read "whodunits" at night and sight-see during the day. It's a good thing I got to see some of the historical sites then. I've seen few since, except from a taxi window.

There have been some marked changes in this annual grassroots lobbying mission during the 25 years it's been conducted.

As an observer, I see a greater commitment by county boards to send the most highly qualified legislative leaders to carry out this important mission. I've also seen the personal investment of those selected leaders grow — in preparatory study of the issues, in their aggressiveness to stand firmly on their FB policy foundation as they articulately deliver their messages, in their willingness to put priorities on congressional contacts rather than sightseeing and souvenir shopping.

As a participant, the growth of my involvement is the personal measuring stick for this activity. A few photos and a report for the *Farm News* was about the extent of information activities during my first trip to Washington. This year, we had a

live satellite news conference for Michigan radio stations, a satellite video feed to TV stations, a briefing for Washington-based Michigan news services, daily feeds to the Michigan Farm Radio Network, a long list of photo and interview requests to fill for county newsletters and the news media back home — plus the gathering of information and photo support for a full-fledged feature in *Rural Living*.

The news releases I sent back to FB Center for delivery to the Michigan news media were entered on a portable computer in our hotel room, then transferred to a computer in the AFBF office to go via Speedline from Washington to Park Ridge to Lansing, all in a matter of minutes. If I could have foreseen that "miracle" during my first Washington Legislative Seminar, I probably would have scoffed in disbelief.

During our four days here in the nation's capital, the warm temperatures have coaxed the cherry blossoms into full bloom (as one reporter described the scene — like giant scoops of pink cotton candy), creating a beautiful backdrop for our legislative leaders' serious mission. It was a good trip and the warm reception to FB's farm bill raised the temptation to stamp it "Mission Accomplished!"

That would be premature, as you will learn from the synopsis of our trip in this issue of *Rural Living*, from President Smith's word of caution in *Rural Route*, and from the reports your legislative leaders will deliver to you in person. Listen to them, learn from them and then become a vital part of the support system that will allow us to put that "Mission Accomplished" stamp on one of the most important grassroots efforts Farm Bureau has ever spearheaded.

## Congressmen Wolpe and Schuette Join List of Co-Sponsors for FB's Farm Bill Proposal

Farm Bureau's farm bill was introduced in Congress on April 3 by U.S. Rep. William Emerson (R-Mo.), a member of the House Agriculture Committee. Among the 15 original co-sponsors were two Michigan congressmen, Howard Wolpe, (D-3rd District) and Bill Schuette, (R-10th District), also a member of the House Agriculture Committee.

In a news conference the following day, Emerson told reporters that FB's farm bill was a "reasonable, pragmatic proposal that deserves the strong consideration of those in Congress and the administration who will participate in constructing a 1985 farm act that will be put in place for the next four years."

Emerson said that FB's proposal was obviously the product of a substantial amount of work and would be the "guiding piece of legislation" as the new farm program is written.

"I think that more of what is in this bill will be in the law as it is finally enacted than any other proposal that is before us. I expect that in the Senate, as well as the House, there will be more 'jelling' around the Farm Bureau proposal than any other," he said.

There is a consensus, Emerson said, both in Washington and "out in farm country," that present federal farm programs are not working, and that change is needed.

"I believe the 1985 farm bill must allow our farmers to eventually move closer to the marketplace while, at the same time, provide needed protection against the highly unfavorable market conditions that exist today and will not go away tomorrow," he said.

"Allowing our farmers and ranchers to work their way back to solid ground will take time

and the farm bill we enact must allow that time and provide a bridge so the farm economy in the future can be more self-reliant. Likewise, if our farmers and ranchers are to move closer to the market, we have a great deal of work to do in order to make those markets ones in which they can compete fairly and profitably. The key to that, of course, lies in our farm exports and our farm bill must contain subsidy provisions for promoting those exports.

"In terms of laying out a path for positive change in federal farm programs, while protecting our farmers against the consequences of moving too quickly, I believe this (Farm Bureau) farm bill represents a reasonable, realistic option that deserves our most serious consideration," he said.

Emerson said he expected "many, many more" co-sponsors for the bill after the Easter recess. FB members in Michigan will continue working toward their goal of enlisting at least nine U.S. representatives and one U.S. senator as co-sponsors for their bill.

During his news conference, Emerson said that the administration's proposal is "not going to fly." Recognition of its unacceptability surfaced the following week when a budget compromise was reached between the Senate Republicans and the administration.

Under the compromise, farm price supports would be cut \$1.5 billion through 1988. USDA Secretary John Block said the compromise would help improve the chances of the administration's "market-oriented" farm legislation.

"It will provide a longer time frame for transition to a market-oriented agriculture" and allow some program features to be fi-

nanced at higher levels than originally imposed, Block said.

The secretary said the more liberal farm bill resulting from the compromise may attract more support from farm groups. While he did not endorse H.R. 1965, FB's farm bill, he did say the bill "will fit within the budget parameters" of the compromise.

Block said there is a "possibility we can be a little tighter allies."

### WASHINGTON

**Ag Credit** — Two identical bills have been introduced in the U.S. House and Senate to aid farmers in the current financial crunch. The bills contain the following provisions: advance farmers the lower one-third of their CCC loan or \$30,000; loans apply only to farmers who have signed up to participate in the 1985 price support programs; only farmers who are unable to obtain credit from commercial lenders would be eligible; loans must be used to cover crop production costs; and farmers would be required to purchase crop insurance.

**Dairy Diversion Program** — The 15-month dairy diversion program ended April 1 and the USDA's announced 50 cent per cwt. reduction in the price support for milk became effective on that date. The new support price of \$12.10 per cwt. will prevail until the end of June 1985, when the secretary may again review the support level and, if supplies live up to expectations, will enforce another 50 cent reduction.

### Dairy Program Testimony

— MFB President/AFBF Vice President Elton R. Smith testified before the subcommittee on livestock, dairy and poultry of the U.S. House Agriculture Committee urging caution in the outlook for the dairy industry. FB's proposal on revisi-

*(continued on page 30)*

**LANSING**

### State Ag Assistance Program

— At a press conference on April 9, Gov. Blanchard announced a four-part program to help Michigan farmers survive the nationwide farm financial crisis. "Agriculture is far more important than most people realize," he said. "Three out of 10 Michigan people receive some portion of their income from agriculture."

The program includes:

- The deposit of approximately \$70 million in farm-area banks to be loaned to farmers at 3% to 4% below present market rates in time for spring planting. The aim is to provide financial assistance to farmers who have been unable to get financing elsewhere. The decision to make loans, however, will still rest with local financial institutions.

- A Michigan Agriculture Assistance Network set up to coordinate emergency financial, family and other services available from government and private agencies, and the MSU Extension Service. Red tape will be cut for farmers in need. A toll-free hotline (**1-800-346-FARM**) in the MDA will link callers to the network from 8 a.m. to 5 p.m. weekdays. Calls will be recorded during other times. It is expected that farmers using the hotline will be provided with assistance within 24 hours.



A toll free hotline (1-800-346-FARM) has been established in the MDA as part of a four-point ag assistance plan announced by the governor April 9. The hotline will link farmers with emergency financial, family and other services available from government and private agencies.

- Expansion of the Extension Management Assistance Team (EMAT) program. There are currently 13 teams operating throughout the state. Many farmers have found this program helpful.

- Speed up the farm financial survey MDA is conducting. The survey, proposed by the governor in his 1985 state of the state message, will provide information on Michigan farmers' economic conditions, as well as their plans for the future. Results of the survey, expected by the end of April, will enable state government to better plan programs to assist farmers and agribusinesses.

While the toll free number is already in operation, legislation is required to approve the loan program and additional funding for expanding EMAT. The legislation was expected to pass quickly after introduction in mid April.

The governor said that if there is a greater demand for more than the \$70 million, financial assistance may be expanded at a moment's notice.

**State Income Tax** — Much has been written about the issue to roll back the income tax prior to the phase out in the present law. The tax for 1985 is 5.35% which is expected to raise about \$3.4 billion in revenue. Under the present law the tax rate will drop to 5.1% on Oct. 1, 1986 and back to the original 4.6% on Oct. 1, 1987.

Testimony before the joint House appropriations and taxation committees indicated that Michigan's economic outlook could be cloudy. An income tax rollback could result in Michigan being back in a deficit position in 1986. There is disagreement as to the amount — the Senate Fiscal Agency estimates \$30 million but the Department of Management and Budget claims \$300 million.

Unforeseen expenditures, such as converting existing buildings to prisons, could increase these deficit figures to \$150 million and \$420 million.

Much depends on what happens to efforts to balance the federal budget. If the federal



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deficit is not reduced significantly, interest rates could climb to 14% or more. This would increase the cost of local and state government borrowing and also cause a drop in auto sales, which alone could result in a state revenue loss of \$70 million to \$80 million from the single business tax and income taxes. The state school aid fund could also lose \$70 million to \$85 million from a decrease in sales tax revenues. An unemployment rate increase could mean an \$81 million drop in general fund tax revenues.

The necessary cuts in the federal budget could mean a cut in federal aid of as much as \$200 million to the state and \$400 million to local governments.

The level of state school aid has a great deal to do with relieving local property taxes. In past years state school aid has been as high as 60% of school costs and as low as 30%. In 1984-85 state aid was increased by over \$177.3 million. Another increase of \$132.9 million is recommended for 1985-86.

There is also disagreement as to the expected 1985 budget "surplus" ranging from \$65 million to \$175 million. However it can be claimed that the state has not paid all its debts. In 1981-82 the state "deferred" by "executive order" payments of \$87.3 million to school districts with payment expected at a later date. Similar "deferrals" are owed to community colleges and other units of government.

**Export Development** — S.B. 27, introduced by Sen. Arthurholtz (R-Whitehall), would create an Export Development Authority to work on new export markets for Michigan products. FB was successful in amending the legislation to include the MDA director as a member of the authority. The bill is on the Senate floor for a vote.

**Implements of Husbandry** — FB worked with the Department of State Police at their request to clarify and redefine implements of husbandry. Present law is not clear as to what is exempt from licensing requirements. H.B. 4260, introduced by Rep. Randall (R-Elwell), addresses these problems. For example, the present \$5 license plate for wagons would be eliminated. The bill has passed the House and is in the Senate Transportation Committee.

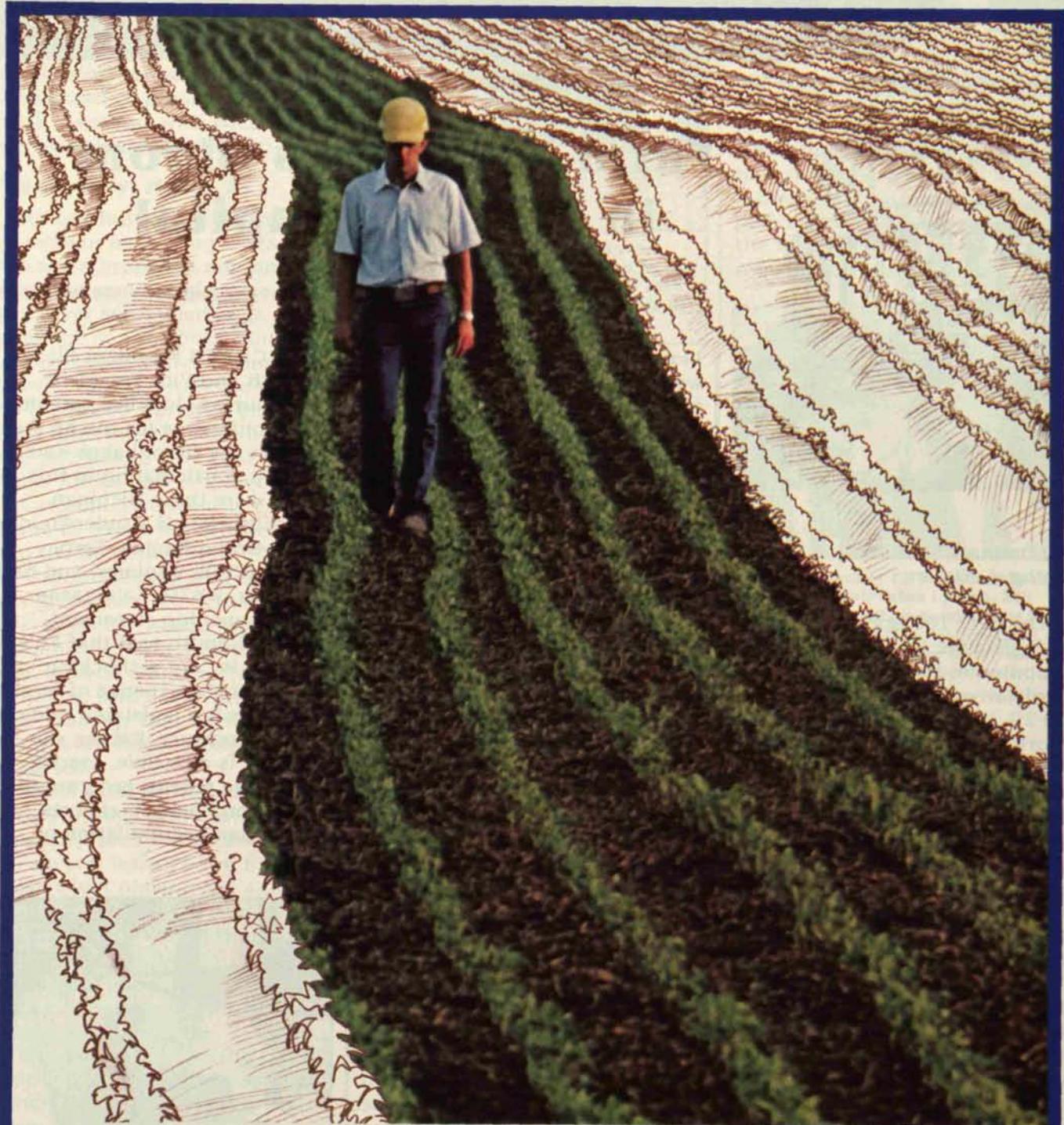
**Balanced Federal Budget** — SJR "A" is still in the House Appropriations Committee. It would request Congress to pass a constitutional amendment requiring a federal balanced budget and submit it to the states for ratification. If Congress fails to do this it would require calling a constitutional convention. Michigan would be the 33rd state to pass the resolution. Thirty-four states are needed to require Congress to act. Two hearings have been held and FB has provided testimony supporting the proposal.

**Great Lakes Diversion** — S.B. 41 would prohibit diversion of Great Lakes water and S.B. 46 creates a Great Lakes Water Resources Planning Commission. Both were supported by FB and have passed the Senate. They are in the House Marine Affairs and Port Development Committee.

**Agricultural Labor Commission** — Changes have occurred due to expiring terms. The six-member commission represents seasonal workers, year-round workers, the public and producers-growers. Ron S. Ferrell of Fowlerville succeeds Ruth M. Rigg representing producers-growers.

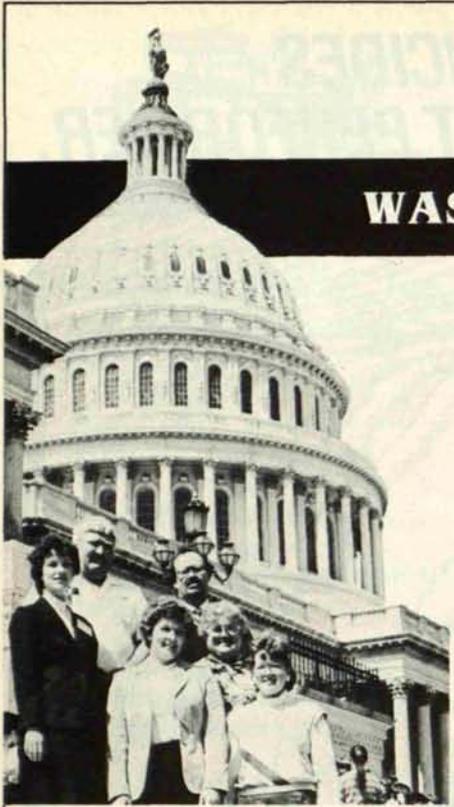
*Lansing legislative topics are reviewed by Robert E. Smith, senior legislative counsel.*

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## WASHINGTON LEGISLATIVE SEMINAR

# Farm Bill Hopes Bloom in Nation's Capital

By Donna Wilber and  
Cathy J. Kirvan

The over 100 state and county legislative leaders who participated in the Washington Legislative Seminar, March 26-29, boarded planes with more than just the luggage they hoped would follow them to the nation's capital. They also brought Farm Bureau's farm bill, developed after nearly two years of member input, and specially-designed cups commemorating the 25th year that the MFB Women have sponsored this annual lobbying mission.

They delivered both to Michigan's congressional delegation during their four action-packed days — the farm bill with assurance that it was "right" for U.S. agriculture, and the cups with encouragement to fill them with milk and Michigan fruit juices. Both packages were warmly received.

That reception was matched by rising temperatures that provided the Michigan farmers with the opportunity to watch Washington's famed cherry trees go from buds of promise to full

bloom. They hoped their efforts would bring the same fruition to FB's farm bill.

The reason for the positive reaction to FB's proposal for Farm Bill '85 seemed to be its middle-of-the-road approach, between the administration's proposal for an abrupt change to a market-oriented agriculture and unrealistic demands for a heavily-subsidized industry. FB's call for a gradual move toward market orientation was an attractive alternative, one that the legislative leaders believe gives their bill good odds.

Nearly all of Michigan's congressional delegation paid tribute to the organization for its preparatory work on Farm Bill '85. As one Washington news writer reported: "By being first to lay a plan on the table early in negotiations, the Farm Bureau has won respect for having done its homework and its back-home politicking in advance."

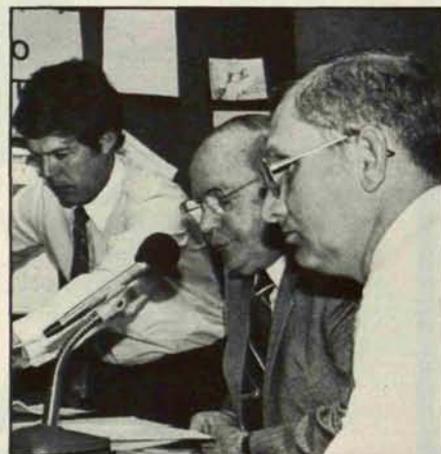
Less than a week after the legislative leaders returned home, FB's farm bill was introduced in the U.S. House by Rep. Bill Emerson (R-Missouri). Of the 15 original co-sponsors, two were from Michigan: Rep. Howard Wolpe (D-Lansing) and Rep. Bill Schuette (R-Midland).

### Tuesday, March 26

Hours before the total Michigan group arrived in Washing-

ton, D.C., MFB President Elton R. Smith and Vice President Jack Laurie held a live satellite news conference for the 45 stations on the Great Lakes Radio Network. Participating in this "first" were three Michigan broadcasters: Liz VanderWoude, WCUZ, Grand Rapids; Terry Henne, WSGW, Saginaw; and Karl Guenther, WKZO, Kalamazoo.

In his opening statement, President Smith said that FB's farm bill is "not a shocking change at the expense of farmers, nor is it a legislated raid on the U.S. treasury. Rather, our proposal is a flexible, market responsive federal program that places emphasis on exports rather than accumulation of stocks."



A live satellite news conference to 45 Michigan radio stations originated from the AFBF Washington office.

Smith called FB's proposal a "workable, cost effective farm program that is deserving of everyone's support."

Upon arrival in the nation's capital, legislative leaders were briefed on what was currently happening "on the hill" by AFBF staff to prepare them for their meetings with Michigan's congressional delegation.

### Wednesday, March 28

All but four of Michigan's congressmen and/or ag aides attended a breakfast meeting with the senior legislative leaders. Over scrambled eggs and sausage in a Rayburn Building dining room, conversation moved quickly from the weather to the group's priority issues: FB's farm bill, the federal deficit, and health care cost deductions for the self-employed.

Cargo preference was another issue of concern discussed during the breakfast. Edith Humm of Gratiot County said that her congressman, Bill Schuette who serves on the House Agriculture Committee, indicated that he was against cargo preference. Schuette said cargo preference is a "subsidy that agriculture should not have to pay," she reported.

Robin Cook of Ingham County met with Rep. Bob Carr. "He was surprised and pleased that on several issues Farm Bureau wasn't just playing the administration's line," she said. "He was quite interested that we'd developed our own farm bill policy. He felt quite positive that co-sponsoring our farm bill would be a possibility."

Dan Wieland of Antrim County said Rep. Robert Davis skipped lunch to meet with the group from District 11. "He hadn't read the bill himself yet but said because it came from Farm Bureau, he knew it would be worth his time to study it."

Many legislative leaders provided their congressmen with material outlining the differ-



Rep. Howard Wolpe (right), the first Michigan congressman to co-sponsor FB's farm bill, talks with Vernon Boyles of Eaton County at the March 28 breakfast.

ences between FB's farm bill, the administration bill and the bill introduced by Jesse Helms. Jackie Scramlin of Oakland County said Rep. Dale Kildee was impressed. "He assured us that was the best way to get a congressman to look at a number of proposals."

Charleen Thompson of Ionia County and Eleanor Swartz of Allegan County met with Rep. Paul Henry. "Because our congressman is new, we felt he looked to us for guidance," Swartz said. Thompson, who attended the seminar representing the MFB Women, felt the congressmen were "listening to us this year. Capitol Hill is wanting something better than Reagan's bill so they're taking us very seriously."

Tom Guthrie of Barry County was pleased to have his congressman, Howard Wolpe, as the first member of the Michigan delegation to agree to co-sponsor FB's farm bill. "He told me he was glad to see a consensus of farmers, ag leaders and organizations. He said this would make the job of passing farm legislation and balancing the budget much easier."

During a session at the USDA, Secretary of Agriculture John Block listed four issues of concern that will impact on agriculture's future viability.

"The first — the federal deficit — is an area on which Farm Bureau has already taken a strong stand and I compliment you for that. Stay with it.

"The second is international trade," he said. "We must put our shoulders and our muscles behind a new round of trade negotiations, a round where we insist that agricultural trade has the highest priority."

Block said reform of tax policies "which have victimized the farmer," and farm policy reform were also essential.



Clinton County FB President Don Sisung (right) talks to Rep. Bill Schuette about co-sponsoring the farm bill. Schuette, who admits he was elected by the farm vote, later joined as a co-sponsor.

### Thursday, March 28

Sen. Carl Levin joined the Michigan farmers for breakfast on Thursday morning and told them there is no free market in the "real world."

While an agriculture free of government intervention and support may be ideal, he said. "we can't get to there from here overnight" and that farmers need some protection against the "unnatural shock" that the sudden removal of government supports would cause.

Levin told the group that he and other members of Congress need the guidance of farmers in developing Farm Bill '85. FB's proposed legislation, he said, was a "thoughtful plan and a vast improvement" over the administration's proposal.

(continued on page 28)

# Comparison Shows Key Provisions of

## CURRENT LAW

**Loan Rates** — Minimums set in law by Congress for each crop year (wheat, feed grains, cotton, rice).

**Target Prices** — Minimum set in law by year.

**Payment Limitation** — \$50,000.

**Loan Limits** — No limits on commodity loans; no repayment of interest in case of default.

**Farmer-Owned Reserve** — Secretary may allow early entry; restrictions placed on removal of commodities; interest may be waived; repayment on

interest in case of default not required.

**Dairy** — Price support at \$12.60 per cwt., with authority for the secretary to lower to \$11.60 if CCC purchases remain high.

**Wool & Mohair** — Producers receive incentive payments based on

## ADMINISTRATION BILL

**Loan Rates** — Set at 75% of market average price for 3 previous years (wheat, feed grains, cotton, rice, soybeans).

**Target Prices** — 100% of 3 year moving average price in the first year, declining 5% annually until it reaches 75% of the average in 1991.

**Payment Limitation** — \$20,000 in crop year 1986, \$15,000 in crop year 1987, \$10,000 thereafter.

**Loan Limits** — \$200,000 cap placed on nonrecourse loans; loans above that limit on a recourse basis; no interest repayment in case of default.

**Farmer-Owned Reserve** — One domestic/international reserve created by combining current reserves; secretary has authority to set rules; 500 million bushel limit.

**Dairy** — Price support level set at \$11.60 with authority for secretary

to reduce price support by 50 cents on April 1, 1986 and Jan. 1, 1987; after that, a direct payment program is established.

**Wool & Mohair** — Producers receive payment based on the difference between season average price and target price which is set at 100% of 3 year moving average price, declining 5% annually until it reaches 75% of the same average.

## HELMS BILL

**Loan Rates** — Secretary may set between 75% and 85% of the 5 year average market price excluding the high and low years (wheat, feed grains, cotton, rice); soybean loan rate set at 75% of the above formula.

**Target Prices** — Secretary may set between 110% and 125% of the loan rate.

**Payment Limitation** — Each year will be set equal to the median family income of the previous year

(\$24,581 for 1983).

**Loan Limits** — No limit placed on commodity loans; repayment of interest required in case of default.

**Farmer-Owned Reserve** — Early entry prohibited; removal restrictions eliminated; interest waiver eliminated; repayment of interest required in case of default.

**Dairy** — Price support at \$11.60 for FY 86; thereafter, the secretary may set price according to estimated government purchases. Reductions

authorized until purchases stabilize at 2 to 4 billion pounds annually.

**Wool & Mohair** — The current incentive payment is continued with gradually lower payments, until support price would be based on average market price for the previous 5 years with the high and low removed.

**Sugar** — Extend present provisions.

**Honey** — Loan level set at 75% to 85% of 5 year average market price excluding the high and low years.

## FARM BUREAU BILL (H.R. 1965)

**Loan Rates** — Set at 75% of 5 year average market price excluding high and low years, for wheat, feed grains and rice. Current cotton formula extended with no minimum level. Current soybean loan extended. Loans will not be adjusted by more than 10% in any year.

**Target Prices** — For 1986 target prices will be frozen at 1985 levels.

Beginning in 1987, targets will be set at 110% of the 5 year market average excluding the high and low years. Target prices will not be adjusted by more than 5% in any year.

**Payment Limitation** — \$50,000 limit on deficiency payments only.

**Loan Limits** — No limits on commodity loans. No repayment of interest in case of default. Continua-

tion of nonrecourse loan.

**Farmer-Owned Reserve** — Eliminate farmer-owned reserve by not allowing any further entry. Current contracts would not be renewed upon expiration.

**Dairy** — Support price set at 90% of the previous 3 years' milk price. Price is further adjusted according to levels of government purchases.

# 1985 National Farm Bill Proposals

percentage needed to bring national average market price up to the support level.

**Sugar** — Sugarcane loan rate not less than 18 cents per pound in 1985; beet rate to be fair and reasonable in relation to sugarcane loan rate.

**Honey** — Price support loan level at 68.5 cents per pound (60% of parity).

**Export Programs** — Secretary has general authority to carry out export programs under CCC charter; only program mandated is expenditure of \$175-\$190 million annually in FY

83-85 for export assistance.

**P.L. 480** — "Food for Peace."

**Conservation** — Farmers who plow erodible land are eligible for all federal farm benefits.

**Length of Authorization** — Most current programs through 1985.

**Sugar** — Loan at lower of 12 cents or 75% of 3 year average; direct payment program based on target price of 18 cents, declining by 2 cents per year until in 1991 when it will be 75% of the 3 year average.

**Honey** — Repeals authority for honey price support program.

**Export Programs** — Directs U.S. trade representative and secretary to determine countries adversely im-

pacting agricultural trade and seek reductions in trade barriers; directs continuation of the GSM-102 Export Credit Guarantee program at a level consistent with the credit needs of potential buyers; directs secretary to assist producers, processors, distributors and exporters in maintaining and expanding foreign markets.

**P.L. 480** — Extends Title I and II authority for life of the bill.

**Conservation** — Farmers who produce commodities on highly erodible land that has not been in production for the past 10 years and who have no approved conservation plan are not eligible for government farm benefits for any of the production of the commodity that is grown on the fragile land.

**Length of Authorization** — Authorization for 15 years, to Sept. 30, 2005.

**Export Programs** — Mandates expenditures of \$1 billion annually for indirect and/or guaranteed intermediate export credit, loans of 3 to 10 years; mandates export sale of 150,000 metric tons of dairy surplus in each of FY 86-88; authorizes export PIK; exempts future export PIK, blended credit and emergency food relief activities from cargo preference requirements; requires secretary to use \$325 million in each of FY 86-88 for export activities to help in the export of commodities ad-

versely affected by credit subsidies on unfair trade practices of other countries.

**P.L. 480** — Extended and reformed to allow the U.S. to accept payment for commodities in local currencies; the U.S. could then reloan that foreign exchange to financial intermediaries for private investment in those countries.

**Conservation** — Farmers who produce commodities on highly erodible land that has not been in produc-

tion for the past 12 years and who have no approved conservation plan are not eligible for government farm benefits as to any of those commodities; producers are required to use sound conservation practices as determined by the local soil and water conservation district as a condition to receiving farm program benefits.

**Length of Authorization** — Authorization for 6 years, through Sept. 30, 1991.

**Wool & Mohair** — Extend present provisions of the Wool Act.

**Sugar** — Extend present provisions.

**Honey** — Extend present provisions.

**Export Programs** — Export commodity bonus program to offset subsidized credit provided by competing countries and our overvalued dollar. Export Credit Revolving Fund would be extended and funded with a

blended credit feature. Blended credit, export bonus program and standby export subsidy programs would be exempted from cargo preference requirements.

**P.L. 480** — Minimum levels of P.L. 480 shipments increased to liquidate farmer-owned reserve stocks.

**Conservation** — Farmers who produce commodities on highly erod-

ible land that has not been in production for the past 10 years and who have no approved conservation plan are not eligible for government farm benefits for all of the production.

**Length of Authorization** — Authorization for 4 years through Sept. 30, 1989.

## Ogemaw Gold Stars Champions of Northeast

It's a touchdown for the Gold Stars of the Ogemaw County Farm Bureau! With football as the theme of the statewide membership drive, the Gold Stars tackled the opportunity to recruit new teammates and emerged champions of the Northeast Conference.

The Ogemaw team led a tough conference for the entire six weeks of play. With a goal of 692 teammates for this year's squad, this Cinderella team dazzled onlookers and boasted a line-up of 701 members at its post-season victory celebration on Feb. 24.

A well-thought, strategic game plan was the key for the Gold Stars, but strong, consistent teamwork by all members led them to the final victory.

*From Margaret Kartes*



An effective membership drive team must be in tip-top physical condition. During warm-ups, Ogemaw Gold Star team members Gerald Green (left) and Vern Clemens display proper calisthenic techniques.

## Mecosta Cowboys Celebrate!

What do you do after a successful recruitment season? Have a ball! That's exactly what the Mecosta County Cowboys did after surpassing their goal by 18 members.

In keeping with this year's theme, football trophies and

plaques were presented at a celebration dinner Feb. 22 to deserving individuals for their hard work.

Quarterbacks Bob Anderson, famous for his 11 p.m. phone calls to recruitment workers, and Leisa Chapin hosted the event.

*From Denise Jefts*



Mecosta County quarterbacks Bob Anderson (center) and Leisa Chapin (right) presented recruitment team members with miniature footballs in recognition of their hard work during the season. Receiving this pass is worker Larry Hatfield.

## Menominee Stands Firmly Out in Front

Just as an agile halfback distances himself from his pursuers as he streaks towards the end zone, Menominee County Farm Bureau was the first in the Upper Peninsula Conference to reach its membership goal.

Membership quarterbacks Gunter Kusig and Mary Doby, whose trademark is quality work done quickly, provided the leadership and inspired the rest of the team. The word "leadership" means to stand firmly out in front and that's just what the team did.

A victory party was held March 16 to recognize those team members who displayed high levels of skill, courage and hard work throughout this very successful season.

*From Betty Wery*

## Farm Woman Finds Conference Beneficial

Having been home from the Young Farmer Leader Conference for awhile now, I can't believe how much I have thought about it and got out of it. I really want to commend and thank the Young Farmer Department and state committee.

I can't help but believe that my life will be affected by the things I learned and saw in those three days. Most important, it gave me some insight into the farm financial picture, and our own farm bookkeeping. It also opened up the area of legislative process, and I plan to explore and contribute more in this very important area.

Again, thank you very much for an excellent job.

I purposely do not sign this as it doesn't make any difference who I am — Farm Bureau has touched and changed many lives through this conference. You really should be proud!

*A Farm Woman*



**RURAL RASCAL** — We've heard of junior legislative leaders, but isn't this going a bit far? Maybe — but perhaps in the year 2010 this young farmer will return to the nation's capital — this time to present a gift commemorating the 50th annual MFB Washington Legislative Seminar to his congressman. Meanwhile, four-month-old Davie Noonan is enjoying farm life with his parents, David & Sandra Noonan, on the family's third generation beef farm in Leelanau County.

## District 6 Women Host Spring Rally

Nearly 325 FB Women and their guests attended the District 6 FB Women's Spring Rally in Cass City, April 9. Special guests at the event were Michigan's first lady, Paula Blanchard, and MDA chief Paul Kindinger.



District 6 Women's Chairperson Betty Laurie greets distinguished guests Paula Blanchard and Paul Kindinger at the Spring Rally.

Kindinger, who addressed the morning session of the rally, provided details of the governor's four-point plan to assist financially-stressed Michigan farmers. He called the plan a temporary measure and stressed the importance of dealing with the causes of the ailing farm economy by balancing the federal deficit and expanding farm exports.

Michigan is acting aggressively to expand the state's export markets, he said, and announced the MDA's plan to open a permanent trade office in Japan.

Blanchard outlined her activities to promote Michigan products including a recent trade promotion trip to Japan. She told the FB Women that among the wide variety of Michigan products offered, agricultural products were the most enthusiastically received by the Japanese.

From Betty Laurie  
Tuscola County

## Former Farm Folk

At age 80, Edith Goodhall of Haslett no longer farms but spends much of her time writing poetry.

The following poem, "Former Farm Folk," is especially appropriate at this time for it portrays the importance of all farmers of all times to the economy and life of the country.

*Long years before farms mechanized,  
Many have worked harvesting grain,  
In the heat of a blazing sun  
Or racing with dark clouds of rain.  
I have; to gain or lose.*

*One alone or with another  
Two sheaves a center, then a ring;  
Straw end to the ground; grain head up.  
Two to cap, a rain shelter bring.  
A field; to see is rare.*

*When in the heat you tired grow;  
Take a cool drink, relax, look back,  
For pastime count the rows of shocks,  
Of sheaves, binder cut, a tight pack  
To slide down a canvas track.*

*Rested? Look ahead, revel some,  
Behold manifold sheaves of gold  
Before you to the fields far end.  
Each straws' head kerneled multifold  
By selection as planned.*

*There is innate satisfaction  
Among farm folk, in the knowing,  
That farms to profitable be  
Need good husbandry in growing.  
Blessed by rain and sun.*

*Now — large combiners harvest the crop  
Still, human hands and minds provide  
The nutritive and abundance  
For the increasing of need, world wide.  
Cheers, to the peoples of the land!*

— Edith Goodhall

## FARMETTE

By Andrea Hofmeister  
Tuscola County



"Let's see... you need a C1839264X for an 8-row, model 64295A, 1980 plateless planter. Right or left hand? Front or back? Fluted or plain? Blue or red..."

## A LAST LOOK AT WINTER



Some rural rascals from western Michigan spent the winter dreaming about spring. The snow was a little too deep when the above picture was taken but come summer you'll find a swing hanging from the branch Drew Vander Meulen is sitting on. He and his brothers, Micki and Bruce, are



the children of dairy farmers John & Barb Vander Meulen of Newaygo County. Not pictured is 12-year-old Todd, who, being almost a teenager, believes he's too old for such nonsense. Nearby in Muskegon County, Crystal and Tiffany Dahl and escort Dusty were all ready for a ride in their wagon last January but the snow drifts outside caused their parents, Dennis and Shirley Dahl, to postpone the ride around the family's dairy farm until nicer weather arrived.

**Dr. Clayton Yeutter has been selected by President Reagan to assume the post of U.S. trade representative**, the administration's top trade post. He replaces William Brock who has been named secretary of labor. Yeutter's nomination must be confirmed by the Senate. Yeutter, who is president of the Chicago Mercantile Exchange, served as deputy trade representative during part of the Tokyo round of trade negotiations in 1975-77 and as assistant secretary of agriculture for international affairs and commodity programs.

**FB members can receive a discount on charter member subscriptions to Farm Computer News**, a bi-monthly publication specializing in computer news for farmers. A two-year subscription (12 issues) is \$15, a savings of \$5. Members who want to subscribe to the publication should send a check for \$15, made payable to American Agricultural Communications Systems, Inc., to Nancy Husk, American Agricultural Communications Systems, 225 Touhy Ave., Park Ridge, Ill. 60068.

**Michigan's state-owned facility vendors should say "Yes Michigan," too**, MFB legislative counsel Ron Nelson told Paula Blanchard after apple and grape juices he purchased at the state capitol turned out to be "products of Canada." In a letter to the key standard bearer for the "Yes Michigan" campaign, Nelson said that at a time when many Michigan farmers are fighting for their economic life, every opportunity to promote and sell state-produced and processed products should be utilized.

Blanchard responded with thanks for calling the issue to her attention and assurance that she would take steps to encourage all vendors located in state facilities to carry Michigan products. Those steps have included sending a list of Michigan-made food products to the vendor coordinator and direction to the Michigan products promotion office to work with vendors to assure that Michigan products are made available to visitors of state facilities. While the state cannot mandate a vendor to carry Michigan products, Blanchard's suggestion should carry some weight.

**A series of workshops is scheduled for July on agricultural land use and farmland preservation.** The workshops will be jointly sponsored by MFB, American Farmland Trust, the Michigan Townships Association and the Michigan Society of Planning Officials. The purpose of the workshops is to assist farmers, local planners, local government officials and others interested in land use to understand the issues surrounding agricultural land use planning and to learn what tools are available to implement agricultural land use plans.

Dates and locations of the day-long workshops are: July 16 — Holiday Inn, Traverse City; July 17 — Holiday Inn West, Kalamazoo; July 22 — Holiday Inn West Bank, Ann Arbor; July 23 — Bavarian Inn, Frankenmuth; and July 24 — Harley Hotel, East Lansing. For more information contact the MFB Public Affairs Division, P.O. Box 30960, Lansing, Mich. 48909.

**Gov. Blanchard has announced the creation of a Food Policy Committee** to manage food resources by coordinating state programs. It is comprised of the directors of 13 state departments: agriculture, commerce, corrections, education, labor, management and budget, mental health, natural resources, public health, social services, state police, transportation and the Office of Services to the Aging. MDA director Paul Kindinger is chairperson.

**By a 92-1 vote in early April, the U.S. Senate approved a measure to eliminate the IRS rules** requiring farmers and other businesses to keep "contemporaneous" logs to claim business deductions on the use of vehicles. The House has also voted to repeal the requirements. Minor differences in the bills needed to be resolved by a conference committee as *Rural Living* went to press.

**USDA Secretary John Block has announced a new storage plan that will allow farmers to shift grain out of the farmer-owned reserve** when their reserve contracts expire on wheat, corn, sorghum, oats or barley. Otherwise they would have been required to repay their loans or forfeit the grain to the government when the contract expired. The new program is less restrictive than the farmer-owned reserve in that farmers may repay their loan whenever they choose without penalty. The new contracts will expire in one year or on demand by the government.

# A BUMPER CROP



## CHOOSE FROM THE LARGEST SELECTION OF HEALTH CARE PLANS EVER OFFERED FARM BUREAU MEMBERS.

Michigan Farm Bureau members now have a bigger than ever selection of five affordable health care plans. Three plans—Comprehensive, Dimension III and Econo Plan—are underwritten by BCS Life Insurance Company, but all are administered by Blue Cross and Blue Shield of Michigan.

### **The Comprehensive Plan with Master Medical provides exceptional protection for you and your family.**

Get nearly total protection under the basic coverage and receive 100% paid covered benefits with no deductibles. Additionally, the Master Medical portion provides up to \$1 million in lifetime benefits for each family member.

### **Dimension III is a share-the-cost plan that makes monthly payments more affordable.**

A small deductible charge per person and co-payment requirements give you basic comprehensive coverage at much lower monthly payments. A prescription drug program is also available at participating pharmacies.

### **The Econo Plan saves you even more money on basic comprehensive benefits.**

You pay a \$500 deductible for each admission to a hospital per year, maximum of three. A co-pay for all services, plus a stop loss limit of \$1,000 per person, makes this the most economical of plans.

### **Complimentary Coverage for members 65 and over supplements Medicare coverage.**

This plan provides for extended and additional benefits to those already provided by Medicare.

### **Our HMO network gives you statewide coverage, including paid doctors' visits.**

Blue Cross and Blue Shield has a network of seven HMO plans in Michigan. As a member of the one available in your area, you're eligible for covered benefits from all seven HMOs, statewide.

### **Call your Farm Bureau secretary during Open Enrollment.**

Consider all the advantages of each plan and make your choice during open enrollment June 7 through June 21. Your Farm Bureau secretary can help you.

**OPEN ENROLLMENT — JUNE 7-JUNE 21**

# 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)

## FARM EQUIPMENT

**Complete Line of New and Used Irrigation Equipment** — Also equipment for manure pumping and spreading by gun, tanker, or injection. Plummer Supply, Inc., 1-800-652-7751. (1-12t-23p)

**Nylon Web** — 740"x½"x1" for hog confinement collars. \$135 includes freight. Johannes, 60593 — 46th St., Lawrence, Mich. 49064. Phone 616-674-8203. (5-15p)

## FARM EQUIPMENT

**International Harvester, "MD" Tractor**, 1952. Very good condition. Excellent tires, extra hubs for duals. \$1,600. Archie Magsig, 8833 U.S. 27, DeWitt, Mich. 48820. Phone 517-669-9920. (5-23p)

**WANTED: N.I. cornpicker and N.H. 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)

**Two J.D. chuck wagons**, 3 beaters and roofs. Like new. \$2,000 each. Richmond, phone 313-727-1060. (5-15p)

**6-Row Bean Equipment**, 2 J.D. 3-point cultivators, stiff-spring shank, \$400 each. J.D. bean puller, \$390. Inns windrower, \$900 at delivery. I.H.C. potato digger (double size point), one row, \$125. Can load. Frankenmuth, 517-652-6612. (5-32p)

**Never used, 120 gallon fuel tank** with Fill Rite series, 5200 hand pump, \$150 or best offer. Phone 517-627-9234. (5-19p)

## LIVESTOCK

**Duroc Boars and Glits 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.I., 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, 5248 Powell Hwy., Ionia, Mich. 48846. (2-6t-27p)

**Dieterie Corriedale sheep, give shear pleasure.** Breeding stock. Blue ribbon fleeced flock. Spinning Fleece's, phone 313-429-7874. (5-12t-15p)

**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)

**Live trout, walleye, bass, perch, bluegills, catfish.** Feed, supplies. Stony Creek Trout Farm, Grant, 616-834-7720. (5-3t-15p)

**Registered Brown Swiss.** Two cows and one yearling. Top sires. Nice type. Kenneth Tobey, Corunna. Phone 517-743-4118. (5-16p)

## 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)

## NURSERY STOCK

**Strawberry plants (Maryland virus free).** Midway, All Star, Earliglow, Sparkle, 25 — \$5, 100 — \$14, 1000 — \$75. Add \$1.50 under \$10, over 15%. I & J Wolverton Nursery, 6197 Lake, Millington, Mich. 48746. 517-871-2325. (5-30p-ts)

**"Grow your own sweet potatoes!"** Varieties: Portricans, Algoid, 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. (5-28p-ts)

**Gladliolus 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, Zeeland, Mich. 49464. (4-2t-37p)

## DOGS

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

## MISCELLANEOUS

**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)

**Scholarships, thousands available.** We guarantee college and high school students five financial sources they qualify for, regardless of income, grades or financial need. Most receive over 20 after completing our questionnaire. Send \$3 for informative scholarship brochure and questionnaire (refundable). Nationwide Scholarship Finders, Box 2257, Lynchburg, Virginia 24501. (5-48p-ts)

**\$2,000 worth of Windex outlasted by \$6.00 worth of an unbelievable product.** Call Yvonne at 313-429-2395. (5-15p)

**Satellite Antenna Brokers Needed** — no experience required. Buy direct from distributor. Bypass middleman. Wholesale \$581. Retail \$1,195. Call day or night: 303-636-0663 or write: Antenna, P.O. Box 15236, Colorado Springs, Colorado 80935. (2-tfn-33b-ts)

## REAL ESTATE

**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 Treease and Associates. Phone 616-347-3943. (3-3t-19p)

## CLASSIFIED AD POLICY

- 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.

Fill out form below and mail to:

**Rural Living, P.O. Box 30960, Lansing, Mich. 48909**

Name \_\_\_\_\_

Address \_\_\_\_\_

Farm Bureau member  Non-member

Run the following ad in the \_\_\_\_\_ issue(s):

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# THE SUBJECT ISN'T HAIL.

# IT'S RISK.

Maybe insurance isn't on the top of your list of priorities. But "risk" should be. Years ago, many farmers and ranchers could self-insure themselves. But today their investments are too great. They have too much at stake.

Farming has become capital-intensive. And because it is, insurance has become a very sophisticated subject. "What can I afford to put at risk?" is a much more pressing question to ask your insurance counselor than, "How much does hail insurance cost?" What's at stake is so much more than your sweat equity and a chunk of your savings. Today it's more often business equity and credit payments.

So who can help you measure

your risk? At your Production Credit and Federal Land Bank Associations, we're qualified to help. We serve farmers exclusively, and we have the financial *and* agricultural know-how to assist you.

How much hail insurance is right for your operation? At your PCA and Land Bank, we'll give you competitive rates and *straight* answers. Call us today about hail insurance. Ask us questions, and we'll ask a few of our own. We think our expertise can help.

The Production Credit Association and Federal Land Bank Association, both are part of Farm Credit Services. Helping you harvest the success you deserve.



# AGRICULTURE DAY



Mr. & Mrs. Jim Zulauf's new daughter, Jenna, received Michigan ag products from Pat Murray of the Huron County FB Women.  
Photo by Huron Daily Tribune

## Events Promote Understanding and Support for Farmers

By Marcia Ditchie

"From television, we're used to seeing farmers in tractor hats pounding their fists on lecturns and telling sad tales of hard times. What we heard instead was a success story.

"These were farmers obviously proud of what they are, proud of what they stand for and the fact that they feed the world," wrote Jeff Ellsworth, news editor for the *Ionia Sentinel-Standard*, in an editorial following the Ionia County Farm Bureau's second annual Agriculture Understanding Day dinner.

Ellsworth was one of nearly 100 farmers and their urban guests attending the event, sponsored by the Women's Committee on March 18.

Throughout Michigan FB members were telling the farmer's story in this positive manner to the urban population during National Agriculture Week, March 17-23.

At an Ag Day breakfast meeting in Lansing on March 20, sponsored by the MFB Women's Committee, members of the

state Legislature and representatives of state government agencies were told that Michigan agriculture will survive the current farm economic crisis with the support of key decision-makers.

"It is true that agriculture today is not the dynamic industry it was a few years ago and that we hope it will be again, but let me assure you, agriculture, especially here in Michigan, is not going down the tube," said Diane Horning, first vice chairperson of the MFB Women's Committee.

"There will be casualties in this severe economic crunch we're currently experiencing and we grieve for those casualties and the trauma those farm families will suffer," she said. "But there will be a majority of survivors and these farmers will continue to work toward the economic well-being of their own businesses and of the industry of which they are a part.

"As a very small minority, farmers realize they can't do this alone. They're often at the

mercy of Mother Nature and they can't do much about that. They are also often at the mercy of decision makers, those who make decisions that impact on our farm businesses. We believe we can do something about that, by making an effort to gain understanding of and support for our industry and its needs. That's what Agriculture Day is all about," she said.

Key challenges for agriculture in the months ahead which the women discussed with their guests included the farm economy, Farm Bill '85, the federal deficit and its impact on interest rates, water rights and animal care.

Across the state, county women's committees sponsored a variety of activities during Agriculture Week.

In Presque Isle County, the information and women's committees developed a food trivia game consisting of 15 questions on the dairy industry which were broadcast over radio station WHAK. Three questions were asked each day for five days. The first caller with the correct



**Specially designed placemats featuring area farmers provided a timely reminder of agriculture's contributions to Tuscola County restaurant-goers.**

Working with a local newspaper, the Tuscola County FB Women designed Ag Understanding Week placemats with an unusual twist — the placemats had photos of area farmers on them with the caption, "Can You Identify These Farmers?" The eight farmers had been featured in the paper during the last year. A follow up article the next week revealed the names of those pictured.

In Mecosta County, the FB Women awarded four \$25 gift certificates at random to shoppers in area grocery stores to be used on food purchases.

Ag Day babies were designated in several counties with mothers of the first babies born on Ag Day receiving a basket of Michigan food products.

Along with an array of local farm products, the Ag Day baby in Chippewa County received a homemade quilt designed by FB member Cathy Tucker. It featured 18 blocks illustrated with locally grown ag products. Many community action group members expressed their embroidery

skills in needleworking the quilt's blocks, which were assembled by Sally Strater.

"The quilt is a vivid reminder of agriculture as an industry," said Faye Postma, Information Committee chairperson. "As a single block (commodity), it's beautiful but not very useful. The real beauty and purpose intended by the creator shine out in full function and splendor as the pieces come together."

answer received a \$3 gift coupon donated by the MMPA Hillman local and the Rogers City IGA, and redeemable at the store for dairy products.

In Ingham County, the 100th visitor to FB displays on Michigan food products in two grocery stores each received a \$50 gift certificate to be used for food products.



**Ag Day babies and bundles of Michigan farm products also made the news in Eaton and Cheboygan counties.**



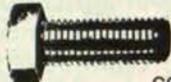
**Little James Garcia of Tuscola County received a bushel basket of Michigan food products and warm wishes to mark his "Ag Day" birthday. His parents, James and Donneica, accepted the gifts from county Women's Committee member Shirley Barriger. Photo by Tuscola County Advertiser**



In other counties, breakfast and luncheon meetings were held with local government officials to discuss county issues which have an impact on agriculture. Other activities included a luncheon with county school principals to discuss the Agriculture in the Classroom project; giving free samples of milk to customers at a grocery store with the cost split 50-50 between the county FB and the grocery store; and giving the Ag in the Classroom presentation in schools.

# Discount Farm Fasteners & Hardware Program

## ORDER FORM

HEXAGON BOLT GRADE # 5										 Quantity per package Price per package					
LGT	1	1-1/2	2	2-1/2	3	3-1/2	4	5	6	COARSE THREAD PLATED			Hex Nuts	Lock Washer	Flat Washer
DIA	40	35	30	25	20	20	10	10	10				150	150	150
1/4	1.16	1.32	1.43	1.49	1.43	1.71	1.21	1.38	1.64				1.60	.94	1.27
	40	35	30	25	20	20	10	10	10				150	150	150
5/16	1.71	1.98	2.09	2.05	2.04	2.53	1.54	2.09	2.64				2.53	1.05	1.60
	40	30	20	20	10	10	12	10	8				120	100	100
3/8	2.42	2.48	2.04	2.42	1.43	1.76	2.48	2.59	3.08				2.97	1.38	1.60
	20	10	10	10	10	10	10	8	6				60	60	60
7/16	1.82	1.16	1.43	1.71	1.98	2.26	2.59	2.64	2.37				3.08	1.27	1.60
	10	10	10	10	10	10	8	6	5				50	50	50
1/2	1.21	1.71	1.87	2.26	2.59	2.92	2.64	2.42	2.59				2.64	1.54	2.37
		5	5	5	5	5	5	4	4				25	25	25
5/8		1.27	1.49	1.76	2.04	2.31	2.59	2.59	3.03				3.03	1.43	2.37
		5	5	5	5	5	4	4	4				24	18	18
3/4		2.15	2.42	3.14	3.19	3.52	3.19	3.85	4.40				4.35	1.65	2.53

### DIRECTIONS FOR ORDERING:

To order, simply indicate the number of **packages** desired by placing a 1, 2 or 3, etc., in the proper square for the size needed. (Note: You must order full package quantities only.) Then circle the square that you have marked. Be careful to mark the correct square on this full-page order form. Fill out the shipping information below and enter the total cost for each kind of hardware you ordered.

### SHIPPING INFORMATION — Please print clearly.

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

Total Cost of Hexagon Bolts \$ \_\_\_\_\_

Total Cost of Hex Nuts \$ \_\_\_\_\_

Total Cost of Lock Washers \$ \_\_\_\_\_

Total Cost of Flat Washers \$ \_\_\_\_\_

Total Cost of Carriage Bolts \$ \_\_\_\_\_

**TOTAL ORDER \$** \_\_\_\_\_

Tax (if applicable) \$ \_\_\_\_\_

**GRAND TOTAL \$** \_\_\_\_\_

CARRIAGE BOLT										 Quantity per package Price per package		
LGT DIA	1	1-1/2	2	2-1/2	3	4	5	6	COARSE THREAD PLATED			
	50	50	50	50	50	25	25	25				
1/4	1.40	1.95	2.25	2.65	3.00	2.15	2.55	3.07				
	50	50	50	50	25	25	25	25				
5/16	2.40	2.95	3.55	4.27	2.59	3.31	4.03	4.75				
	25	25	25	25	25	10	10	10				
3/8	1.95	2.25	2.75	3.00	3.72	1.92	2.35	2.76				
		10	10	10	10	10	10	10				
7/16		1.39	1.65	1.92	2.16	2.51	3.31	3.84				
		10	10	10	10	10	10	10				
1/2		1.80	2.16	2.47	2.83	3.48	4.08	4.75				

Send your order to: Hi-Grade Nut & Bolt Company, 1490 Maplelawn S.W., Wyoming, Mich. 49509. Your check, made payable to Hi-Grade Nut & Bolt Company, must accompany the order. Freight prepaid on orders of \$50 or more. For more information call 616-538-9900 or 616-532-9000.

A complete catalog of available hardware products (drill bits, hacksaw blades, bins, etc.) can be obtained from your county Farm Bureau secretary at no cost.

**Farm  
Bureau**

**MEMBERS ONLY**

# SPEAK UP!

## Meetings Encourage Input for MFB's Five-Year Goal Plan



By Connie Turbin

"A voluntary, non-profit association that wishes to do long range planning quickly discovers how meager the available information is. Most books on the subject are written for businesses and the 'top down' planning model so successful in the corporate world.

"But the world of the voluntary associations is not the same as the business world. There is a different way of reaching for goals in the organization's future."

With that introduction, Thomas Hatcher, president of Futures Unlimited, Inc., gave members of the MFB Long Range Planning Committee their start in a 12- to 18-month process of goal setting and implementation for the organization.

"What we are describing is a participative planning process; it develops the skills of the planning team and taps into the creativity of the entire organization. Members, staff and the board of directors all have clearly defined roles to play, and the broad base of the process allows everyone who participates to have ownership of the outcome," says Hatcher, who has guided non-profit organizations such as the United Way, the American Farm Bureau Federation and others through the process.

"An organization that knows where it's going is more attractive, more alive and more likely to continue living than one that

is timid, uncertain or totally preoccupied with today," he says. "People only have so much time, money and energy and they will put them where they count the most — in a well managed organization that knows what it is about and where it is going."

Committee chairperson Mike Kovacic touts the effort as a continuation of MFB's commitment to excellence. "Michigan Farm Bureau has the reputation of being a very progressive state Farm Bureau. The work of the committee in long range planning is a way to look forward to how we can better the organization and make it be of more service to the members of the organization."

The committee, which met for the first time in December 1984, is charged with collecting

data and forecasting five-year trends for the Michigan Farm Bureau and its affiliated companies. Committee members are identifying trends using baseline data from organizational operations and activities in 1978, present available data, and a set of external data such as conditions in the general and farm economies, farm population in the state and other factors affecting the organization's future programs and activities.

"Basically, the process works by looking at organizational categories of membership, income and expense, physical plant, organizational structure and leadership, programs and activities, and external data," Kovacic says. "We look at where the organization was in 1978 for each of the categories, then we look at today, and project the trend for 1990. The assumption is that if nothing is done to alter it, there is no reason to assume the trend is going to change until some action or condition modifies it."

Those trend projections, called "forecasts," will be completed in May. In June, the long range planning process will take another major step in participative planning.

At four open meetings scheduled June 17-20 at Gaylord, Grand Rapids, Jackson and Saginaw, Farm Bureau members will have the opportunity to review and react to the "forecasts." Those who attend the

(continued on page 29)

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### "SPEAK UP" MEETING SCHEDULE

Monday, June 17 — Chalet Center, Gaylord

Tuesday, June 18 — Marriott Inn, Grand Rapids

Wednesday, June 19 — Sheraton Inn on Jackson Square, Jackson

Thursday, June 20 — Holiday Inn, Saginaw (Holland Road at I-75)

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## Work Comp Reforms Helping to Improve Michigan's Business Image

After years of bad press, Michigan's Worker's Disability Compensation System is making a comeback to competitive rates for employers and benefits for workers.

Reforms to the system, implemented in 1981, have been instrumental in positioning Michigan business more favorably in competition with neighboring states, according to Don Bradshaw, vice president and general manager, Farm Bureau Mutual Insurance Co. of Michigan and Farm Bureau General Insurance Co. of Michigan.

"Four years ago, Michigan's worker's disability compensation rates were nearly double those in neighboring states. They have been lowered substantially since 1981," he says. "The reforms mandated an immediate 20% rate reduction. Since that time competition in the insurance industry has brought even lower premium rates for employers. In fact, many agricultural employers insured by Farm Bureau Mutual's work comp policies have had savings as much as 40% to 50% below the standard industry rates."

Initial changes made to the work comp system by the Legislature in 1981 reduced employer costs by creating more competition among insurance carriers and by mandating that Michigan's State Accident Fund reduce its premium costs for work comp insurance to employers. While these actions aided employers by reducing premium costs, they did nothing to ease the increasing number of cases brought before the Workers' Compensation Appeals Board.

Now, reports MFB's Public Affairs Division, legislation has been introduced which would reduce the amount of time between filing a work comp ap-

peal and a decision by the Worker's Compensation Appeals Board. Twenty-four bills have been submitted to the House and Senate labor committees that would restructure the system by temporarily expanding the number of appeals board members and making other administrative changes.

"That the current system is overwhelmed by the volume of worker's disability compensation decisions that have been appealed is evidenced by the three-year backlog of cases waiting for adjudication," says Ron Gaskill, MFB's agricultural labor policy specialist.

"The changes will make the work comp system of administration more responsive to the needs of employers and employees while continuing to put downward pressure on insurance costs," Gaskill says. "We have clear policy direction from our members to work for changes in the work comp system that will streamline the claims process, and we are going to be very involved as this issue moves through the Legislature."

Michigan's Worker's Disability Compensation Act of 1969 clearly indicates those agricultural employers who are subject to the act and the coverage they must provide for their employees:

(1) All agricultural employers of three or more regular employees paid hourly wages or salaries, and not paid on a piecework basis, who are employed 35 or more hours per week by that same employer for 13 or more consecutive weeks during the preceding 52 weeks must provide their employees with full worker's disability compensation coverage.

(2) All agricultural employers of one or more employees who are employed 35 or more hours

per week by that same employer for five or more consecutive weeks shall provide such employees with certain limited medical and hospital coverage for all personal injuries arising out of and in the course of their employment suffered by such employees.

In 1972 the Michigan Supreme Court, in the case of *Gallegos v. Glaser Crandell Co.*, ruled that the Worker's Disability Compensation Act of 1969 was unconstitutional to the extent it excluded from disability compensation benefits those agricultural workers who were paid on a piecework basis and those agricultural workers who worked less than 35 hours per week and/or less than 13 consecutive weeks for the same employer.

As a result of the *Gallegos* decision, all agricultural employers who employed three or more employees at one time were subject to the act and were required to provide full work comp coverage for their employees, regardless of the number of hours per week or the number of consecutive weeks their employees worked.

However, in December 1984, the Michigan Supreme Court, in the case of *Eastway v. Elsenga*, reversed its decision in the *Gallegos* case and reinstated the two above-described categories of agricultural employers who are subject to the act.

"It's too early to tell what the effect of this decision will be on work comp coverage requirements for agricultural employers," Bradshaw says. "Until we get clear interpretation and direction from the Michigan Insurance Bureau, we are advising our work comp policyholders to maintain their present coverage."

"Our primary concern is that our insureds are adequately

protected. There is the possibility that a new employer, just coming into the business, may receive incomplete or inaccurate information about the impact of this Michigan Supreme Court decision. If he does not obtain work comp coverage, he could be seriously jeopardizing his operation. He needs to take a careful look at the kind of liability he may be incurring down the road."

Any employer not required to carry work comp insurance can elect to voluntarily subject himself to the act and thereby provide his employees with work comp protection. Obviously, employers who are not subject to the act and do not elect to provide coverage for their employees do not pay work comp costs. However, they do not have that act's "exclusive remedy" protection, therefore, they are exposed to direct tort liability if their employee is injured at work.

"Basically, 'exclusive remedy' means that the injured person can collect monies to pay bills incurred due to an accident or loss suffered while on the job and a weekly compensation amount to partially offset prior income only through the Worker's Disability Compensation System and has given up the right of suing (the employer) in court," Bradshaw says.

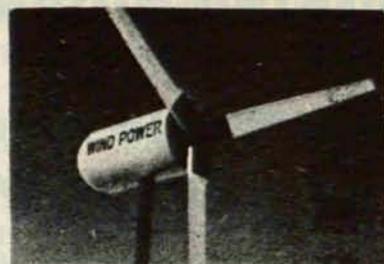
Employers without work comp insurance for their employees may obtain liability insurance with limited medical coverage. FB Mutual's farmowners policy provides liability protection, as well as medical costs, up to the policy limitation of \$5,000 for an employee's accident or injury.

Although the employer retains his right to defend his actions, litigation is expensive and time consuming, with no guarantees of success. Employers who settle for that level of protection are "playing with fire," Bradshaw says. "When you consider that costs for one accident or injury could easily

run as high as \$100,000, the employer's direct liability could be substantial — and devastating to the farm operation — if he is not insured properly."

At this time, Bradshaw says, no changes in work comp coverages offered by FB Mutual are planned. "We feel we are the leaders in agricultural worker's disability compensation insurance in this state. Farm Bureau Mutual is the only company to offer the Agricultural Work Comp Safety Group program, which gives the small operator a chance to reduce his net premium costs through dividends. The Safety Group program, combined with our low agricultural minimum premium requirements, presently provide the best work comp coverage at the least possible cost.

"We are proud of our record of service to agricultural employers and we will be watching the situation closely to determine if changes in work comp coverage can offer economic alternatives to our policyholders."



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## MACMA SPRING SALE

# ten-der (těń děr), adj.

1. easily chewed, delicate in texture. 2. MACMA asparagus grown by Farm Bureau members, hand snapped, all usable with no white stem end, hydrocooled for maximum tenderness, taste, and shelf life. 3. look for other delectable items on the MACMA Spring Sale. Contact your county Farm Bureau.



Order Deadline:  
May 10, 1985

Delivery Date:  
Week of May 20

Rain Date Delivery:  
Week of May 27

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

## How Would Farmers Fare Under Tax Proposals?

The need to finance the Civil War resulted in the first income tax, imposed in 1862. Up until that time, federal revenues were raised by excise taxes and tariffs on imported goods. In 1872, the income tax was allowed to expire, and for the next 40 years, the U.S. again relied on tariffs to generate revenues to finance the federal government.

In 1913, the 16th amendment to the Constitution was ratified. This gave Congress the "power to lay and collect taxes on income," and Congress quickly passed a new income tax law. That first law taxed only the wealthiest 1% of the population, at rates ranging from 1% to 7% of income.

Over the years the system has evolved into an almost unmanageable, complex collection of special tax breaks, incentives and loopholes. As a result, a wide range of proposals have been suggested recently to make the tax system fairer and simpler.

Probably the best known tax proposal was the one unveiled by the Treasury Department in late November 1984.

While the plan raises corporate taxes by about 25% (primarily by eliminating many business tax breaks), individual taxpayers, overall, would pay 8.5% less. The treasury plan cuts the number of rate brackets from 14 to three; individuals would pay at either a 15%, 25% or 35% rate.

Taxpayers filing joint returns whose incomes fall below about \$32,000 would pay 15%; those with incomes in the \$32,000 to \$64,000 range would pay 25%; and incomes above that would be assessed at 35%. The treasury plan

retains indexing to prevent inflationary "bracket creep."

The top corporate rate would drop from 46% to a flat 33% for all corporations. That would mean an increase for many small incorporated farms and other businesses which are assessed at 15% for up to \$25,000 in income; 18% for \$25,001 to \$50,000; 30% for \$50,001 to \$75,000; 40% for \$75,001 to \$100,000; and 46% for all over \$100,001 in income.

In exchange for lowered rates, the proposal would cut back on some of agriculture and other businesses' favorite tax breaks, namely the investment tax credit and the accelerated depreciation provision enacted in 1981. The investment tax credit would be eliminated while the accelerated depreciation provisions would be scaled back to reflect "real economic depreciation." (The less generous depreciation schedule, however, would be protected from inflation through indexing.) The

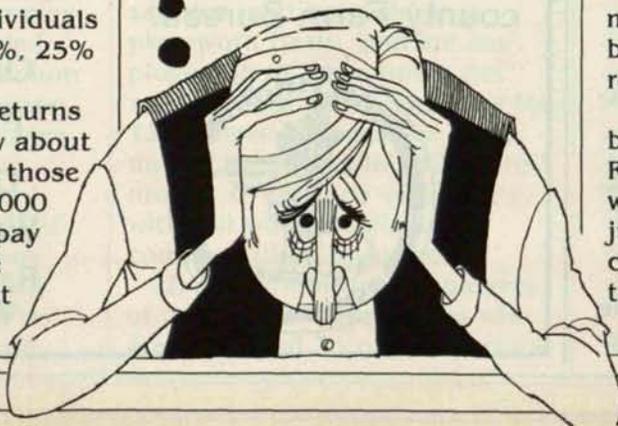
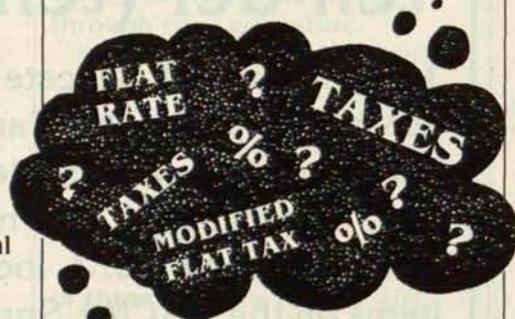
treasury plan also eliminates favorable capital gains treatment, but indexes the capital gains tax for inflation so only the actual gain is taxed. This could be a significant provision for sales of farms.

In analyzing the effect such a plan would have on farmers, it is clear that since most farms are organized as sole proprietorships or partnerships, most farmers, on the surface, would benefit from the lowered individual rates. And while individual farmers who are planning to invest in equipment may wince at the thought of losing tax deductions such as the investment tax credit, many analysts say that the loss of such provisions might be good for agriculture as a whole. The reason is that they think the tax code has caused too much capital to flow into some agricultural sectors, causing overproduction which reduces the chance of profitability for many farmers.

In addition, elaborate agricultural tax shelters probably would dwindle if the treasury plan were adopted. The proposal calls for a severe tightening of the breaks such partnership and syndicate arrangements now enjoy. That, too, would be applauded by those who oppose non-farm investment in agriculture.

While the Treasury Department plan has received the most publicity, there are a number of other proposals that have received serious concern.

One bill, introduced in 1983 by Sen. Bill Bradley (D-N.Y.) and Rep. Richard Gephardt (D-Mo.), would impose a 14% tax on adjusted gross income — total income minus personal exemptions and either standard or



itemized deductions — up to \$40,000 for families or \$25,000 for single persons.

Since only 20% of the taxpayers have higher incomes, the Bradley-Gephardt legislation would amount to a pure flat tax on the vast majority. It would add a surtax on higher incomes — of 12% between \$40,000 and \$65,000 and 16% above \$65,000. Thus there would be three tax rates under this proposal: 14%, 26% and 30%. The maximum corporate income tax would also be reduced, from today's 46% to 30%.

Bradley-Gephardt advocates say the plan would raise the same amount in federal revenues with reduced tax rates because it would eliminate or restrict 45 tax breaks.

The Republican version of the modified flat tax is a bill introduced in 1984 by Sen. Robert Gaston (R-Wis.) and Rep. Jack Kemp (R-N.Y.) Sometimes known as FAST (Fair and Simple Tax Act), it would cap the tax rate at 25%, double personal exemptions, and retain many of the same popular deductions as Bradley-Gephardt. Corporate income would be taxed at a maximum rate of 30%.

Still another proposal for a modified flat tax on income has received some attention. It is the so-called SELF (Simple, Efficient, Low Rate & Fair) Tax Plan Act sponsored by Sen. Dan Quayle (R-Ind.). His bill would eliminate most special shelters and preferences and reduce the number of tax rates to three: 15%, 24% and 30%. Like the other two plans, SELF would repeal most exclusions and deductions as well as all credits against income taxes.

The best known version of the pure flat tax is a proposal introduced by Rep. Mark Siljander (R-Mich.). His 10% flat rate tax act would impose a uniform 10% tax on income, retain some deductions, double the personal exemptions to \$2,000 each and index these amounts to the rate of inflation.

While all of these proposals basically tinker with the present income tax, some critics of the current tax system believe that an income tax does not sufficiently encourage saving and investment. They propose a complete shift of taxation from income received to income consumed. Such a "consumed" income tax — also known as a cash flow tax — would be levied on spending. It would thus exclude all income set aside in the form of bank savings and investments, including stocks, bonds, mutual funds and real estate.

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### **If any change comes to the federal tax system, it will be some form of flat or modified flat tax rate system.**

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A different approach to the consumption tax is offered by a national sales tax and a value added tax (VAT), which in recent years has become the main source of government revenue in many European countries. The difference between the two is that the sales tax would be collected only once, at the time of sale of the finished product, while the value added tax would be assessed each time the product changes hands during the process of production and wholesaling.

However, it appears that while these other tax alternatives are getting some consideration, it is most likely that if any change comes to the federal tax system, it will be through the form of some kind of a flat or modified flat tax rate system. Although it is uncertain exactly how all farmers would fare under a revenue neutral flat tax system, the Pennsylvania Farmers' Association (PFA) made some assumptions about a possible flat rate tax system, and then projected some probable outcomes of such a system for agriculture.

The PFA assumed elimination of investment credit, net operating loss, net operating loss carry forward, ACRES, capital gains on sale of assets and assumed a flat tax rate of 17%.

Based on tax returns of farmers operating in Pennsylvania (eliminating farms with substantial off-farm income, but including large and small operations and crop, fruit, dairy and poultry farms) the study found that the average farm in 1983 paid \$1,911 under the current system after using the investment credit and net operating loss provisions. It projected that the average farmer would have paid \$4,064 if the tax rate was a flat 17% and the various tax provisions outlined above were eliminated.

The study further projected that such a system would reduce Pennsylvania net farm income by \$48.5 million per year, and total U.S. net farm income by \$6.75 billion per year.

There can be substantial disadvantages to individual farm operations from a shift to a flat or modified flat rate tax system. On the other hand, there could be counterbalancing economic benefits that could arise from altering our enormously complex tax system of bewildering regulations and loopholes. Farm Bureau will continue to closely monitor the various tax proposals to determine their ultimate impact on production agriculture.

### **Discussion Questions**

- Which of the proposed tax reform plans do members of your group think they would personally benefit from the most?
- Would the elimination of tax breaks that encourage investment in agriculture be positive or negative for agriculture in the long run?
- Which is more crucial this year . . . tax reform or deficit reduction?

## Washington Seminar

(continued from page 11)

On the subject of reducing the federal deficit, Levin said he was in favor of "freezing the whole darn thing (budget), including the defense budget." He explained that he favors raising revenue by maintaining the tax on tobacco and passage of a "minimum tax" on individuals with incomes over \$40,000 and corporations. This tax, he said, would impact on only 3% of individual taxpayers and 2% of the corporations.



MFB President Smith welcomed Sen. Levin to the podium March 28 to address the FB legislative leaders during breakfast.

Some of the legislative leaders met with Sen. Levin in his office. "We talked to him about Farm Bureau's Farm Bill '85," said Gary Spicer of Jackson County. "The first thing he said was, 'How much is it going to cost?' We told him the estimate over four years. He wrote it down and said, 'Boy, that's an awful lot of money.' But he put a pencil to it and figured out it was about \$150 per family. 'I can live with this,' he said."

Sen. Don Riegle provided refreshments to the legislative leaders along with his viewpoints on Thursday afternoon in a Russell Building hearing room. His analysis that two major issues — the federal deficit and tax reform — could make it difficult for Congress to resolve the farm policy issue before the current farm program expires in September, did not receive favorable reaction from the



Washington Legislative Seminar participants' afternoon agenda on March 28 included a meeting with Sen. Riegle, who reviewed federal fiscal and tax reform issues. Riegle called FB's farm bill proposal a "major alternative that will be considered carefully."

group. Farm Bill '85 should not be an election year issue, they told the senator.

Riegle said FB's position of a transition period for farmers to adjust to a market-oriented agriculture was "right" and that the administration's proposal would create major disruption in the industry.

"If you try to solve this problem overnight by just flushing a lot of people down the drain, I think it would not only cause the least efficient farmer to go out of business, but you could set off a domino effect in terms of falling land values and damage in the farm credit structure.

"The Farm Bureau proposal will be one of the major alternatives that will be considered in terms of a carefully staged transition period, going to a market-oriented system, but doing it in a way that doesn't cause massive disruption at a time when agriculture has already been weakened by high interest rates and erosion of our export markets," Riegle said.

He told the FB members that "getting the federal deficit and the trade deficit down, so our interest rates will fall," will be vital to the future of the agricultural industry.

### Friday, March 29

While county legislative leaders critiqued the 25th annual Washington Legislative Seminar and made suggestions for improving next year's activi-

ty, members of the MFB board's legislative committee (Vice President Jack Laurie of Tuscola County, Mike Pridgeon of Branch County and Dave Conklin of Shiawassee County), President Smith, FB Women's Chairperson Faye Adam and Young Farmer Chairperson Dave Lott hosted a news briefing at the National Press Club.

They shared the Michigan group's experiences in Washington and their analysis of the reception to FB's farm bill and other priority issues with Washington reporters.

In response to a reporter's inquiry, "Aren't you disappointed that you didn't reach your goal of nine congressmen making a commitment to co-sponsor your farm bill?" Conklin put the activities of the four-day trip in perspective.

"This trip to Washington was not an end in itself. Our job here was to present our bill and gain understanding of what it offers," he said. "When our farmers return home, they'll share their experiences here in Washington at county and community action group meetings and stimulate others to contact their congressmen urging support for our bill.

"With that kind of grassroots activity, we don't think there will be any problem at all in gaining co-sponsorship of Farm Bureau's bill by Michigan's congressional delegation."

## Speak Up!

(continued from page 23)

meetings will also be invited to make their own suggestions for FB programs and activities.

The meetings have been dubbed "Speak Ups" and, Kovacic says, the entire organization is on the invitation list. "We're hoping for participation from all membership categories and employees of Michigan Farm Bureau and the affiliated companies."

This is really a key step in long range planning for a voluntary organization, says Hatcher. "The more people that participate (in "Speak Up" meetings), the greater the success of the project. In addition to the decisions that people make to keep things or change things, they will be asked to come up with ideas for new directions, new programs and new ways of doing things."

That's what makes this planning process exciting, he says, because it taps into the creativity of the entire organization. "It stimulates a new sense of 'belonging' to the organization and gives members 'ownership' of the goals developed by the board of directors with broad based input."

There's plenty on the agenda for each of the meetings, says Kovacic, but he promises that the meetings will hold firmly to the three hour schedule. "Speak Ups" are planned to begin at 7 p.m. and will end at 10 p.m.

The timetable for the project will peak in July when members of the MFB board of directors will receive the combined report of the committee and "Speak Up" meeting results. At that time, the board will develop goals for the organization to be implemented in action plans which outline specific objectives and activities to achieve the organizational goals.

"We should see the effects of this five year plan take shape in the 1985-86 program year, and have a solid foundation toward goal attainment in the subsequent years," Kovacic says. "We are at the beginning of what will be a dynamic process for the Michigan Farm Bureau."

Each year we work with the five year goal plan, there will be changes and refinements to improve the future of this organization even more. The major thing is that it will mean a more efficient use of dollars and a clearer direction for the total organization."

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## Legislative Review

(continued from page 7)

sion of the dairy program under the 1985 farm bill will adjust price according to market signals derived from average price history and levels of government purchases.

FB recommends that the dairy purchase program be continued but believes the support rate should be set at 90% of the

average of the previous three years' milk price. The price support should be adjusted effective Oct. 1 of each marketing year. This method of deriving an initial support rate incorporates the signals that are necessary to make the program more responsive to market conditions

FB's proposed revisions to the dairy program will improve its

operation for the benefit of producers and consumers alike while reducing federal expenditures, Smith testified.

### Research and Extension —

In testimony before a subcommittee of the House Agriculture Committee regarding the research and extension title of the 1985 farm bill, MFB President/AFBF President Elton R. Smith insisted that new programs providing extension services to non-farm people must not come at the expense of programs for farmers.

Research priorities listed by Smith included projects to find: solutions to national energy problems using agricultural projects; better solutions to environmental concerns; disease, weed and insect controls; new crop varieties adapting nutritional values and suitable for mechanical handling and processing; marketing improvements; new crops, especially those adaptable to erosion prone land; new ag product uses; and disposal methods for chemical containers and hazardous wastes.

### Canadian Pork Subsidies

— The International Trade Commission made a preliminary ruling in late March that the Canadians are subsidizing their pork exports at 3.9 cents per pound. Once the ITC ruling is published in the Federal Register, any importer of Canadian pork will be required to pay a duty on the import.

"This decision should send an important message to others in the world," USDA Secretary Block told over 100 MFB members in Washington, D.C., March 28. "The message is simple and to the point: We will not back off from our responsibilities to the American farmer in challenging unfair trade practices."

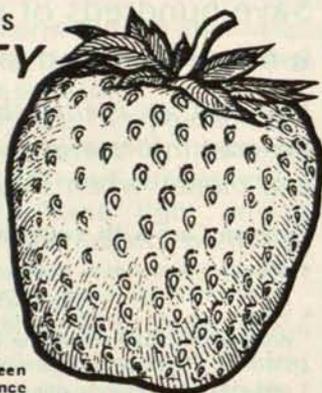
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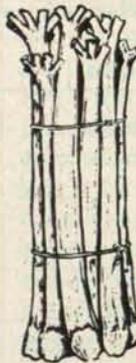
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