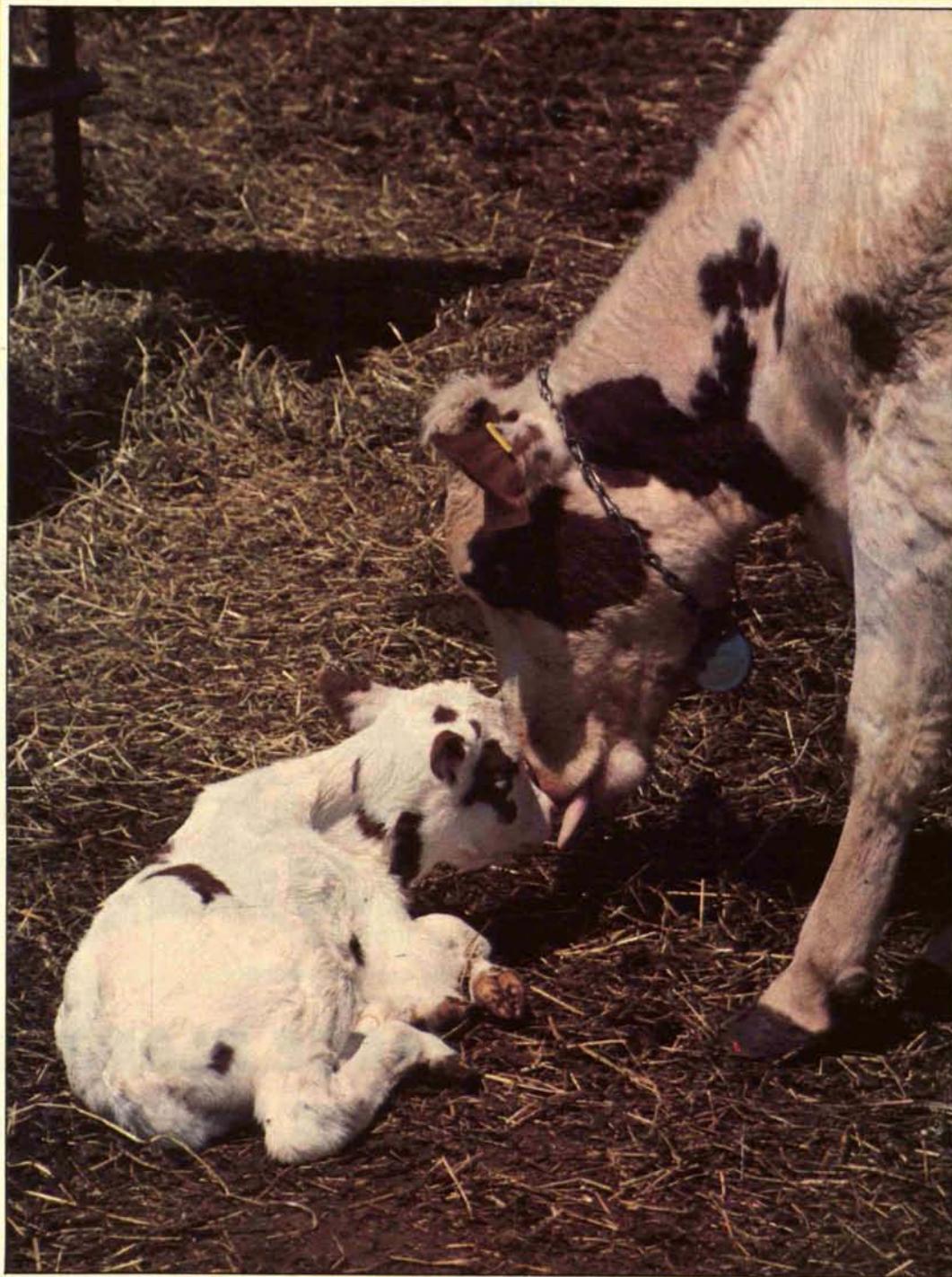


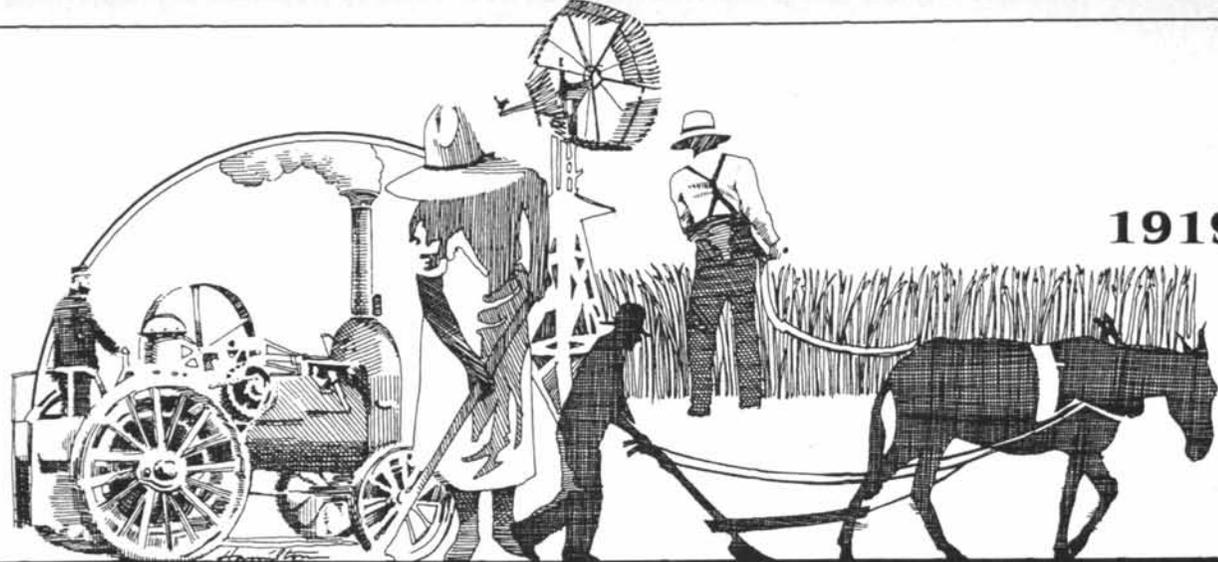
# RURAL LIVING



## **MILK'S GOT MORE!**

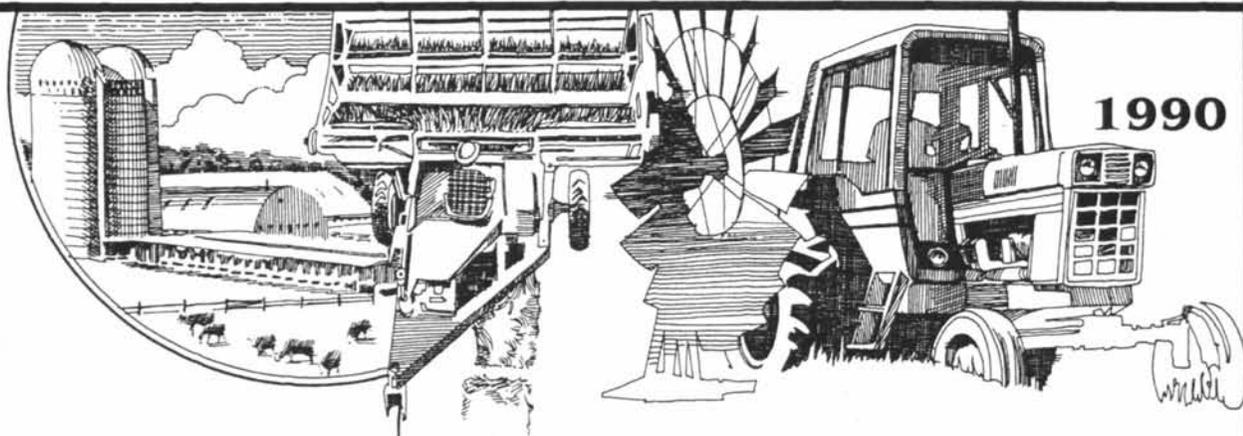
**Problems & Solutions in the Dairy Industry**

A Publication of the Michigan Farm Bureau • June 1985



## Carry on a Tradition of Progress

Since 1919, the Michigan Farm Bureau has served each new generation of Farm Bureau members with contemporary and often innovative services and programs. That tradition is carried on as the organization looks toward 1990.



## ATTEND THE LONG-RANGE PLANNING "SPEAK-UP" MEETING IN YOUR AREA\*

### GAYLORD

Monday, June 17  
Chalet Center

### JACKSON

Wednesday, June 19  
Sheraton Inn on Jackson Square

### GRAND RAPIDS

Tuesday, June 18  
Marriott Inn

### SAGINAW

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

\*Speak-Up meetings begin at 7 p.m.

# RURAL LIVING

FARM NEWS

A publication  
of the  
Michigan  
Farm Bureau

Michigan Farm News  
**RURAL LIVING**



**MILK'S GOT MORE!**  
Problems & Solutions in the Dairy Industry

JUNE 1985  
VOL. 64 NO. 6

Cover photo by  
Marcia Ditchie

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## An Outline for Future Success



Last month, another chapter was written in what could be called the Michigan Farm Bureau "Book of Success." For the 18th consecutive year, a membership increase was recorded with a figure of over 85,000 member families. Our organization now stands at its all-time membership high.

This success is due to well developed and effectively conducted membership activities. County leaders, volunteers, insurance agents and staff, in carrying out the campaign, demonstrated belief in their organization, and offered non-members an opportunity to be a part of it.

While all of us as members or leaders can share in the membership success of our organization, we must not become complacent. We must take bold actions to see that success continues.

For this reason, the MFB board of directors authorized a long-range planning activity to study the Michigan Farm Bureau. The board indicated that members should be involved in the process of planning the future direction, programs, activities and services. Successfully meeting the needs of members is the key to the future of Farm Bureau.

### Analysis and Projections

Under the guidance of an outside consultant, a committee has spent many hours gathering material concerning activities of Farm Bureau from

1978 and 1984. From this information, projections were made concerning Farm Bureau in 1990 based on the assumption that present activities would continue. These projections were compiled into a group of statements about Farm Bureau as it might be in 1990.

### Grassroots Feedback

The process is now at a point where member input is vitally needed. To achieve this input, a series of "Speak-Up" meetings will be held in June where the statements will be presented to members. These statements are not a plan, but simple projections. Members will be asked to consider the statements and make suggestions concerning modifications they feel necessary.

Members will have an opportunity to present ideas for change and direction, new services to be added, or changes in activities and services. Every idea will be reviewed and considered.

### Future Goals

After the "Speak-Up" meetings are completed, the board will develop goals for the Michigan Farm Bureau. These goals will be to point the organization in the direction suggested by members at the June meetings. This will assure that Farm Bureau will continue to be successful in meeting the needs of members.

### "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 East, Saginaw (Holland Road at I-75)

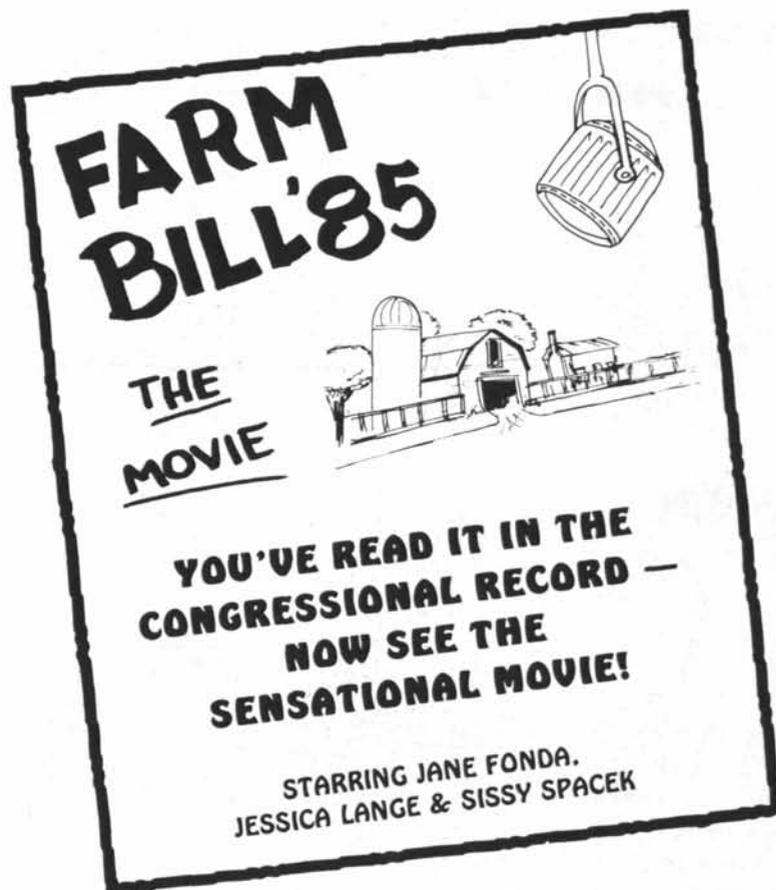
The three hour meetings will begin at 7 p.m. The schedule is June 17 at the Chalet Center, Gaylord; June 18, Marriott Inn, Grand Rapids; June 19, Sheraton Inn on Jackson Square, Jackson; and June 20, Holiday Inn East, Saginaw (Holland Road at I-75).

As a Farm Bureau member, you are more than welcome! Your idea may be just what is needed to keep the Michigan Farm Bureau the organization serving the needs of agriculture in the years ahead.

Come to the meeting and bring another Farm Bureau member with you.

*Elton R. Smith*

Elton R. Smith, President  
Michigan Farm Bureau



By Faye Adam, Chairperson  
MFB Women's Committee

The cameras were rolling last month as three Hollywood actresses appeared before a group of House Democrats in the Agriculture Committee hearing room to present their views on the plight of American farmers. The women, Jessica Lange, Sissy Spacek and Jane Fonda, who had portrayed farm women in recent popular films, urged the congressmen on Capitol Hill to come to the aid of farm families with money and programs.

While these stars of the silver screen spoke on my behalf (and yours), this farm woman could not help but feel that the media image of farmers had been taken down another notch. It

has become fashionable to be gloomy about agriculture, but the notion that city people would pity us was embarrassing to me.

Films like *Country*, *The River* and *The Dollmaker* have brought attention to the problems of farm people. Ironically, an earlier famous film, *The Grapes of Wrath*, which brought attention to the plight of Depression farm families, starred Jane's father, Henry Fonda. But the films have more in common than the Fonda name, or that they are about farmers. Like most popular films, these movies capsule issues and capitalize on emotion.

It would be wise to remember that when the actresses portrayed farm women, they were acting. Someone else wrote the screenplay, and although they

perform their craft well, they were only speaking the lines.

I am sure that the concern the women expressed was genuine, but perhaps a dangerous precedent is being set when the emotional appeals of movie celebrities divert the attention of our elected representatives away from their true constituencies in rural America. As the discussion over the new farm bill continues, it would be unfortunate if media celebrities, not farmers, were the ones reading the lines.

It is true that our agriculture industry is experiencing serious problems, but we are not to be pitied. Farmers, even those in severe financial difficulty, are not poor — neither in spirit nor in their determination to overcome the current problems in their industry.

More federal dollars and bigger government programs to "save" farmers would be the easy way out of these "hard times down on the farm," but as a farm woman and farm neighbor, I know that these "easy answers" have created more problems than they have solved in the past.

If the House Democrats want to hear how real farm men and women feel about agriculture's problems today, they had better get the "stars out of their eyes" and recognize that farmers want the opportunity to speak for themselves when it comes to their industry. In that public forum, with or without cameras, they will say that good management on the farm and responsible fiscal policy in Washington, not emotion or easy answers, will save the family farm.

## WASHINGTON

**Co-Sponsors for Farm Bill '85** — Congressional support for FB's Farm Bill '85 (S. 908 and H.R. 1965) increased substantially after FB national affairs coordinators from around the country conducted a blitz on Capitol Hill in early May. As a result of the blitz, the number of co-sponsors for the bill more than doubled. Many congressmen on the House and Senate ag committees expect FB's farm bill to be the "standard" used in writing the final legislation. Members of the Michigan congressional delegation pictured at right have co-sponsored H.R. 1965.

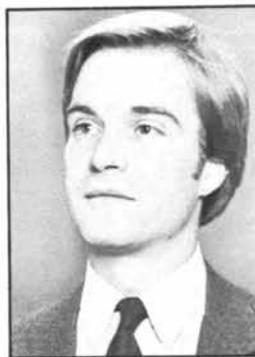
### Subcommittees Take Action on Farm Bill '85 —

Various House ag subcommittees have been writing sections of the 1985 farm bill and sending them to the full committee. As *Rural Living* went to press, provisions receiving tentative approval include sodbuster, clear title, FmHA credit, wool and mohair, research and trade.

A sodbuster provision was approved by the credit and conservation panel that would bar federal benefits to farmers for the production of a commodity if any portion of it were grown on fragile land. FB's sodbuster proposal would prohibit all payments to a producer if he or she plowed any erodible land. Also under the subcommittee plan, farmers would be exempt from penalties for land planted during the last five years. FB backs a 10-year exemption. The subcommittee also approved a conservation reserve similar to one backed by FB. Reserve contracts would cover a minimum of 10 years and producers could receive up to \$50,000 a year in land rental fees for putting the land into a conservation use.



**HOWARD WOLPE**  
(D-Lansing)



**BILL SCHUETTE**  
(R-Midland)



**BOB TRAXLER**  
(D-Bay City)



**PAUL HENRY**  
(R-Grand Rapids)



**ROBERT CARR**  
(D-East Lansing)



**GUY VANDERJAGT**  
(R-Luther)



**ROBERT DAVIS**  
(R-Grayling)



**MARK SILJANDER**  
(R-Three Rivers)



**DAVID BONIER**  
(D-Mt. Clemens)

Regarding credit, the panel approved \$3.85 billion a year for farm operating and ownership loans, most of it in the form of direct loans. Included in the credit section was the FB-backed clear title bill which would eliminate the threat of double payment faced by buyers of farm commodities.

The House ag subcommittee on livestock, dairy and poultry reported out the wool and mohair title of H.R. 2100, the de la

Garza bill. The provisions are identical to those contained in FB's proposal; however H.R. 2100 is a five-year bill, while H.R. 1965 is a four-year bill. Both bills extend the current method of supporting wool producers through a payment program with the support level set at 77.5% of a formula tied to a parity ratio.

Another House subcommittee extended funding authority for

ag research and Extension programs for five years and provided for a study of the detection and management of pesticide resistance. The panel also extended the existing Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) for one year, but with the understanding that a bill currently being developed with more substantive revisions would be substituted for the one-year extension later this year. Other research provisions included a statement that new federal emphasis is needed in research of new food processing technology.

The subcommittee also began considering a trade title that includes a bonus commodity program and accepted amendments that would allow the USDA to acquire strategic or other materials for U.S. farm products in barter or countertrade transactions. It would also allow the USDA to use ag commodities to offset subsidies from foreign competition or transportation costs such as cargo preference costs.

### Commodity Exports —

Farmers could regain some export markets previously lost under FB's plan to use government-owned commodity stocks to expand ag export opportunities. The Bonus Incentive Commodity Export Program (BICEP) would use government-owned commodities now in storage as incentives to expand U.S. export markets abroad.

The export enhancement program will be targeted at specific customers so new sales will be created and the bonus commodities will not interfere with traditional markets. The program would also be used to fight those competitors who subsidize their exports. Using a certain amount of specific commodities avoids future storage cost payments.

## State Ag Assistance Program Enacted

LANSING

**Emergency Farm Loan Program** — H.B. 457, introduced by Rep. Dodak (D-Montrose), passed the Legislature by an overwhelming vote and was signed into law by Gov. Blanchard on a Saginaw County farm on May 1. The first loan was also made that day.



Gov. Blanchard signed legislation enacting the state ag loan program May 1 at Saginaw. The first loan was also made that day to the Popp family farm in Saginaw County.

Some \$70 million has been placed in participating banks and PCAs throughout the state. Interest rates to the lenders are reduced below treasury bill rates and should result in loans an average of 2% to 4% below present rates to the qualifying farmer. Loans are not guaranteed by the state. It is a reduced interest plan. The bank must repay the state.

Loans are limited to \$100,000 per farmer. They can be used for operating capital such as seed, feed, livestock, fertilizer,

fuel, chemicals, etc.; equipment repair; and lease or purchase of used equipment if necessary for operation of the farm. The loan could also be used to refinance all or part of a previous loan. To qualify, a farmer must show that loans are not available from other sources. Negotiation of a loan is up to the farmer and the participating lender.

The toll-free telephone hotline, 1-800-346-FARM, is proving to be very helpful to many farmers, providing information on finance, health, legal problems, tax questions, employment and retraining.

On May 9 Rep. Dodak introduced a bill (H.R. 4960) to add another \$30 million to the loan program.

**Right-to-Know** — H.B. 4111 would amend the Michigan MI-OSHA law to adopt the new federal OSHA standards that will take effect later this year. The federal standards are designed to protect workers from about 600 hazardous chemicals in the workplace through labeling, training, education, etc. However, H.B. 4111 would go far beyond the federal requirements and could include as many as 55,000 chemicals — even salt and water.

Under similar bills last year, the estimated cost to Michigan employers would be \$60 million under the federal standards and \$250 million under the state proposal. The legislation would also apply to all farmers, causing an added, confusing and costly burden.

Most chemicals used by farmers are already regulated under FIFRA, EPA and Michigan pesticide application laws. Because

*(continued on page 28)*

# 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**

# HMOs Stress Preventive Care

By Cathy J. Kirvan

The skyrocketing cost of health care is of vital concern to farmers and other self-employed people who must pay their own medical bills or health insurance premiums.

Some members may be able to reduce their premiums and at the same time maintain a high level of benefits by enrolling in a Farm Bureau Health Maintenance Organization (HMO) plan if one is available in their county.

"Many members fail to seriously consider the HMO option, even though it is often less expensive and offers more complete coverage than traditional health insurance," said John VanderMolen, MFB Member Services Department manager.

VanderMolen believes this is because many people do not understand the HMO concept. "An HMO is a health care system which covers all medical services — including hospitalization and office visits — for a set fee paid in advance. There are very few deductibles," he said. "As long as the subscriber uses the HMO's physicians, they are assured that their out-of-pocket health costs will be minimal."

State and federal laws require HMOs to offer the following basic health services:

- Physician services including consultations and referrals
- Inpatient and outpatient hospital services including room, board, drugs, oxygen, intensive care, special duty nursing when medically necessary
- Emergency services
- Diagnostic lab, x-ray and therapeutic radiology
- Home health services at the physician's direction
- Short-term mental health outpatient care

• Medical treatment and referral for abuse of, or addiction to, drugs and alcohol, including detoxification and referral to social agencies

HMOs are also required to provide the following preventive services:

- Voluntary family planning
- Services for infertility
- Periodic health examinations for adults
- Eye examinations for children for vision correction
- Children's hearing examinations
- Immunization for children and adults
- Well-child care from birth

Many HMOs also offer supplemental services such as vision or mental health care beyond the basic services; dental care; services of facilities for intermediate or long-term care; long-term physical medicine and rehabilitative services, including physical therapy; and prescription drugs prescribed as an outpatient.

VanderMolen said there are many other advantages for choosing an HMO over traditional health care programs, including predictable and controlled costs, assured access to a physician 24 hours a day,

(continued on page 29)

## FATHER'S DAY SPECIALS

### 21 PIECE SOCKET SET



50% SAVINGS

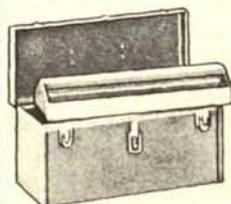
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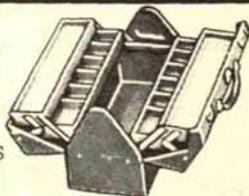
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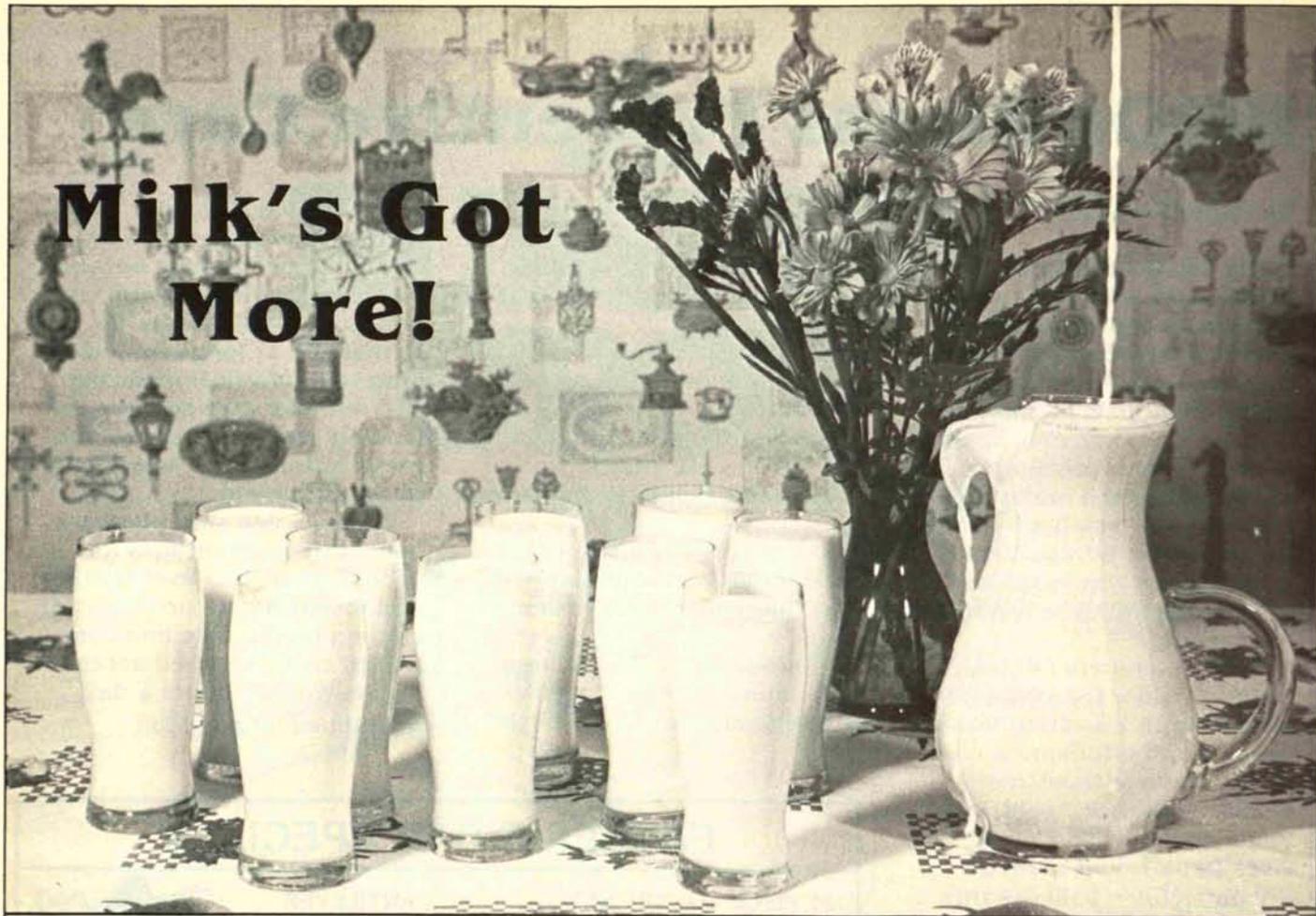
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# Milk's Got More!



## Farmers Talk About Problems & Solutions in the Dairy Industry

Milk's got more — more milk than the market demands, and with ever-changing government policies to adjust supply, dairy farming has become a gamble. With such an unsure future, dairy farmers have been searching for a plan to stabilize their industry.

Such a plan was adopted in January by voting delegates at the AFBF annual meeting in Honolulu following months of grassroots input at county and state annual meetings across the nation. The policy statement, which follows, provided the foundation for the dairy provision in Farm Bureau's

1985 farm bill (H.R. 1965 and S. 908):

*"We favor a system where the price support level would be automatically adjusted according to the amount of net dairy products purchased by the federal government and oppose any assessment of producers by the federal government as a part of any future dairy legislation.*

*"We support the use of an economic formula or a moving average of the previous three years' all milk price for determining the support price."*

"Our aim is to improve producer income," said Hollis Hatfield, director of AFBF's Dairy Department. "The only way to do that is by deterring or eliminating the price depressing surpluses. Right now the average price for manufacturing milk is considerably below the support price and we won't have respectable prices until that trend reverses itself. For that to happen, supply needs to be more in line with market demand."

FB's formula for the long-term plan to bring supply and demand closer together, and ulti-

mately improve producer income, consists of two parts. The first addresses the need for a method of determining the support price other than parity.

"Everyone agrees that Congress should not be authorized to set the support price," Hatfield said, "so that leaves two basic substitutes for parity: the economic formula or using a percentage of the three-year moving average market price.

"Farm Bureau is on record for both of these, but AFBF's Dairy Advisory Committee and the AFBF board have decided to support the three-year moving average for several reasons. It relates directly to the market, would be more responsive to changes in supply-demand conditions than a formula and would certainly be simpler to administer.

"The second part of Farm Bureau's formula ties the support price to Commodity Credit Corporation (CCC) purchases," he said. "This is known as the supply-demand adjuster and there is no better indicator of supply-demand imbalance than the level of government purchases."

According to Hatfield, very few results for bringing supply and demand closer will be seen from any dairy proposal in the short-term.

"You don't move in and out of the dairy business overnight," he said. "The capitalization is there and with the number of heifer replacements on farms, the support price could drop \$2 and there will still be milk production for a while. In fact, we're projecting that milk output might be greater in 1986 simply because all the ingredients are already built in.

"Under the current program there has not been a major entry into the business and most of the expansion is coming from units in existence. If the secretary reduces the support price by 50 cents again on July 1, as permitted under the Dairy

and Tobacco Adjustment Act of 1983, this will further deter expansion. I would guess within 12 months we will see a lot of dairy producers deciding whether they are better off to stay in the business or move out."

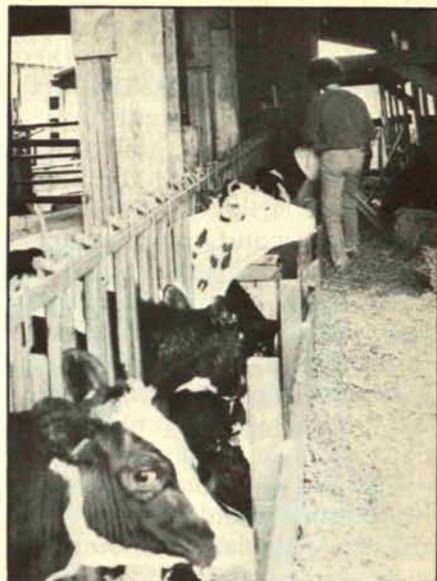
What is the feeling in Washington about FB's plan?

"In terms of maintaining a support program, there's complete agreement, as well as agreement that parity is outdated and that the support price should be related to CCC purchases. There is also agreement that in case government purchases exceed 7.99 billion pounds, there needs to be a standby provision to adjust the support price at that time, more than what would occur under the supply-demand adjuster."

Hatfield said the basic difference among the various dairy proposals concerns the standby provision. The question is whether there should be an assessment and diversion program or whether the secretary of agriculture should have the discretionary authority to reduce the support price within allowable limits when net government purchases exceed 7.99 billion pounds (as proposed in the FB plan).

AFBF annual meeting delegates adopted policy against assessments in future dairy legislation. "The key reason for this opposition stems from problems over the past few years in both the dairy and tobacco programs," Hatfield said. "Many farmers were opposed to paying both taxes and special assessments for programs which they found didn't benefit them. For example, nearly 90% of the dairy farmers did not participate in the diversion program, yet they had to pay assessments to finance the program. Previously, these commodity programs were financed entirely by the federal budget."

The debate on which dairy proposal should become law extends beyond Congress to rural



**AFBF Economist Hollis Hatfield predicts higher milk output in 1986 due to existing capitalization in the dairy industry and the number of heifer replacements on farms.**

coffee shops and gatherings of farmers across the nation. In Michigan, four dairy farmers agreed to share their views with *Rural Living*.

### **Smith & Good: FB and National Milk Proposals Closer Than Ever**

There's obviously a strong bond between the two men who have built the nationally renowned Red and White Holstein dairy herd on Med-O-Bloom Farm just outside Caledonia in Kent County. Elton R. Smith and Jerry Good share more than a farm partnership. They also share a philosophy of hard work, sharp management and dedication to their industry.

The hard work and sharp management is reflected in their progressive operation and twin titles of MSU "Dairyman of the Year" — Smith in 1953, Good in 1985. Their dedication to their industry is illustrated by active involvement in and leadership service to a long list of professional associations and organizations.

There's even a similarity in the personalities and mannerisms of the two men that

mirrors the close relationship that started when Jerry worked on the farm as a boy. The fact that they wear different farm caps — Smith's the gold and brown FB and Good's the blue and white MMPA — would hardly rate a second glance under ordinary circumstances.

But today, when Farm Bureau and National Milk Producers find themselves with less than complete agreement on Farm Bill '85 dairy provisions, the two caps do have significance, especially when their wearers hold high elected positions in the two organizations, Smith as president of MFB and vice president of AFBF and Jerry as an MMPA board member.

Smith, who has earned the reputation of being an immovable object when it comes to FB policy, has set a strong example for his protege. Once MMPA and National Milk Producers voting delegates have made their decision, Good stands firmly for that policy. There's no room for compromise on the dairy provision issue, they agree, but if you're looking for a pro-con debate, Med-O-Bloom is the wrong place to find it. The men prefer to focus on the similarities between the proposals.

"Basically, I've never seen a time when we've been closer together than we are right now. The National Milk Producers' proposal and Farm Bureau's proposal are pretty much alike," Smith said. "It's when we get into excess production of over 8 billion pounds that there's a difference. National Milk would kick in a diversion payment immediately and the Farm Bureau proposal would cut the support price back not over 3% for every six months.

"What it boils down to is whether or not you're for a diversion and producer assessments to pay for it. I think if it were just farmers involved, there wouldn't be that much difference," he said.



**Med-O-Bloom partners Elton Smith and Jerry Good wear different farm caps when it comes to dairy policy, but they prefer to focus on the similarities between the FB and National Milk dairy proposals.**

During FB's policy development process, at all levels, there was little support for a diversion program and the producer assessments. Getting a consensus of opinion in National Milk Producers has been more difficult.

"National Milk has been trying to get all the co-ops to agree to something and it's pretty tough to do," Good said. "It is important that we get the co-ops to agree to one idea so they'll support it, and that's difficult when there are so many different opinions in different areas of the country."

Smith agrees. "You have to realize that officers of a co-op, if they can't have a black bottom figure, are in real trouble.

"I feel for them; I've been there before. Sometimes, you can't help doing some things for the benefit of the co-op that are not necessarily for the good of the members. This is no secret. Sometimes, like in a local co-op, you get to where you just can't afford to have a margin. It won't work; you've got to pay the bills.

"Every co-op has a terrific inventory all the time. With a

diversion program, there would be very little downward trend in the support price, which means that the co-ops with big inventories wouldn't get hurt. That's really part of National Milk Producers' theory on the diversion," Smith said.

Good agrees that those observations are "partially right."

"We do have a big investment in plants and it costs just so much whether you're operating at full capacity or part capacity. When the support price drops, it does cost money on inventory, even though we try to run them real close," he said.

If FB's proposal becomes part of the new federal farm program, would it necessitate any major changes in the Med-O-Bloom Farm operation?

"I don't think we'd make any changes other than the ones that are currently underway to get a little more efficient and cut some costs," Good said. One of those changes has been installation of a computerized feeding system that Good is convinced will cut feed and vet costs.

"Any time you get this long a run with no increase in price, you have to keep tightening

things down in order to survive," he said. "It's been four years since they raised the price support. Very few working people can go four years without an increase in salary. So you have to keep tightening down on expenses and try to get more efficient just to survive."

While the diversion-no diversion controversy continues, and the impacts of scientific advancements such as embryo transfers and hormones remain unknown, Smith and Good agree that what has affected the health of the dairy industry in Michigan — more than anything else — is the collapse of the "super pool."

When the super pool was in operation, from 1956 to 1984, it made Michigan dairy farmers millions of dollars without a federal program, they said, through a negotiated price over the federal order. The collapse of the super pool came when MMPA and Independent Milk Producers, the state's two largest milk co-ops, disagreed on how the premium was shared.

"When the super pool's negotiated price over the federal order was up over \$1.00, that made Michigan dairymen a lot of money. Right now, we're back to the minimum price set by the federal order. There's no legislation in the world that's going to fix that up," Smith said.

Smith and Good also agree that not enough dairy people are sufficiently "involved" to really understand the complicated dairy program to the extent that they can effectively influence legislation that will impact their industry.

"The ones who are involved do understand, but there are so many who aren't involved and they're the ones who do most of the complaining. They usually sit back and take whatever happens," Good said.

"It's like church or anything else," Smith said. "About 5%

get involved and the rest holler when it doesn't go right. When you're in farming, you're inclined to think of a situation as of right now. You don't think about what's good for the industry in the long run. The next milk check gets to be the most important thing. We've got to look beyond that."

### **Carmichael: Budget Cutters Threaten Already Fragile Dairy Industry**

The here and now of dairy price support proposals is something that Gary Carmichael, 32-year-old partner in a family dairy operation, is thinking about very seriously.

Good management and careful financial planning for the 180-cow operation have brought recognition to the family's Osceola County farm partnership of father Dale and brothers Gary and Doug. Gary was singled out for MFB's Distinguished Young Farmer award two years ago. He was also among the original group of Michigan farmers selected for MSU's Michigan Agricultural Leadership Program (MALP).

But Gary Carmichael doesn't believe that honors or leadership opportunity will stand in the way of a severe financial squeeze on their farm if the

federal budgetmakers take a hardline approach to the dairy program.

"Everytime the price of milk drops 50 cents, we lose \$30,000 to \$40,000 right off the top.



**If the price of milk drops 50 cents, Carmichael Farms will milk more cows. Our philosophy is those with the will and guts to do whatever it takes will make it through the next two years, Gary Carmichael said.**

The question is, how far down can we go?" he said. "We still run our budget projections out, but we've only got so much money and so much space to work with. If the price of milk keeps dropping that means we've got to watch expenses

## **FB's Dairy Price Support Formula**

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

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

even more closely and start cutting costs until we're fine-tuned. We won't be paying off bills or notes ahead of time and nothing extra is going to be done.

"For the future, our philosophy is that those with the guts and the will to survive are going to make it, whatever it takes. If the price of milk drops 50 cents, we're going to milk more cows," Carmichael said.

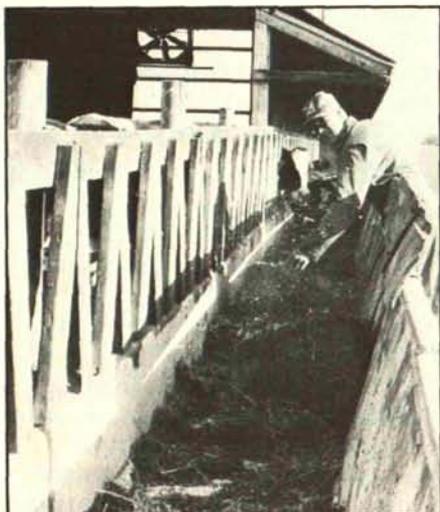
That's not a decision every dairy farmer can make. "Most have got facilities and capital for just so many cows," he said. "It all comes down to cash flow. There will be some guys who'll be all right. They've either expanded and paid for it, or they haven't expanded and they're sitting quite well financially. Sure, they're going to lose money, but it won't be a threat.

"Frankly, I'm looking for dairy prices not to be as good as the Farm Bureau plan proposes. Farm Bureau's plan is moderate and one that dairymen can live with. You'll have more dairy farms surviving under the Farm Bureau plan, but the one the budgetmakers in Washington will be looking at will be more severe, and the pressures on agriculture will take effect quicker."

Carmichael is encouraged that FB's farm bill continues to gain co-sponsors among the Michigan congressional delegation. That will make a difference, he said, "but it's all going to boil down to this surplus. It's going to be gone one way or the other. When the surplus disappears, the price of milk is going to stabilize. The questions we have to ask when we're looking at these plans are when will that occur and how many dairy farmers will we lose to make that happen."

Making sense of these hard, economic facts doesn't mean being insensitive to the "human side" of the situation. "In the inflationary cycle of the 1970s, we had paper millionaires, guys

who bought land that tripled in value," Carmichael said. "Now farm machinery brings 20 cents on the dollar and land prices are depressed. Some dairymen, both young and old, are taking a step back and deciding to get out of the business while they still have something left."



**Herd reduction was a dollar and cents decision for St. Clair County dairy farmer Dick Lauwers.**

### **Lauwers: People Will Buy More If the Price Is Less**

Dick Lauwers, a St. Clair County dairy farmer, favors a self-adjusting support price formula to align consumer demand with the supply of milk, while reducing the amount of government intervention.

"I think the formula that Farm Bureau has adopted is one that we should work for," he said. "As production goes higher, the support price will go lower and this is what we have to work with."

Past policies such as legislatively set support prices and the diversion assessment program have been well intentioned, according to Lauwers, but have not worked out the way they were planned.

When Congress took control to set dairy price supports away from the secretary of agriculture in 1977, Lauwers said dairy farmers backed the shift, an-

icipating higher prices for their milk. The result was a massive oversupply and a government-owned surplus which cost everyone money.

In an attempt to decrease the large surplus, the diversion assessment plan was enacted. In this program, dairy farmers reduced production and were reimbursed by the government for the amount of milk they would normally be producing. The theory of this program seemed fine, Lauwers said, but it never got enough support to be successful.

He said the dairy industry would be better off now if the support price had been allowed to decrease when it should have instead of maintaining it and resorting to the diversion program.

Lauwers agrees with AFBF economist Hollis Hatfield that the major reason the diversion program was not successful was the 50-cent/cwt. assessment farmers had to pay into the program to help finance it. At a recent meeting of the MMPA, he said it was reported that over 70% of Michigan dairy farmers were against the diversion assessment program.

Lauwers, who serves on the MMPA's dairy advisory board, added that a program such as this would not be supported in the future. "I don't think that it would go again because there are too many farmers that really begrudge paying that 50-cent assessment.

"I think it's easier to lower the support price and let consumers have a little break. I still believe that people will buy more product if the price is less."

Because of the economics and long hours involved in dairy farming, Lauwers reduced his herd from over 100 milking head to 35 in January of this year. When it came to computing dollars and cents, the decision was clear.

*(continued on page 29)*

**Members enrolled in FB's health insurance plans have the opportunity to make changes in their coverage** during the annual reopening period, June 7-21, 1985. This reopening is the only time during the year when member subscribers can transfer from their current plan to a deductible, no deductible or Health Maintenance Organization (HMO) plan. Upgrades are subject to medical underwriting. Members can also add a dependent child between the ages of 19 and 25, if eligible. All changes will be effective with the Aug. 20 billing.

The annual reopening also gives members the opportunity to become better informed health care consumers by investigating all the options available to them and then choosing the one that best suits both needs and budget. Members will receive a side-by-side comparison of the major features and rates for the Blue Cross Blue Shield and BCS plans in early June. Members will also receive information about enrolling in an FB Health Maintenance Organization plan if one is available in the county. An article explaining the HMO concept appears on page 9. For more information on any of FB's health care plans contact your county FB secretary between June 7 and 21.

**AgriVisor, Farm Journal's choice for best marketing and advisory service last year, will conduct its third Super Summer Seminar** July 14-17 at Lake Geneva, Wis. The seminar will help farmers improve technical skills, detail today's marketing strategies and provide opportunity for relaxation. Information presented will give the attendee what's necessary to make profitable, long-range decisions. The agenda includes outlook and strategy from AgriVisor analysts; a look at the European common market policy; special sessions on point and figure analysis, cycles, Gann, options, bar charting and Elliott wave; and the "big picture" and what it means to you, according to Jim Gill, director of commodities.

Before June 1 "early bird" per person rates apply: \$100 for AgriCom/AgriVisor subscribers; \$150 for other FB members; \$200 for non-FB members. Rates increase \$25 after June 1. The registration deadline is June 14. Rate does not include lodging. For more information contact AgriVisor, Illinois Farm Bureau, 1701 Towanda, Bloomington, Ill. 61701; or phone 309-557-3147 and ask for Lana Taylor.

**JoAnn Thome, Comstock Park, and David Putney, Benzonia, have been appointed to the Michigan Apple Committee** by Gov. Blanchard. Both will serve as grower representatives on the committee for terms expiring in 1988. The appointments, which are supported by MFB and MACMA, are subject to Senate confirmation.

**MFB AgriCom Option 1 subscribers can now access a variety of crop, soil and pest management programs** under an exclusive agreement with MSU's PMEX program. Previously, these programs were available to only county Extension agents. Programs include crop irrigation, fertilizer recommendations based on soil tests, alfalfa weevil cost-benefit analysis, soil compaction analysis, biological scheduling of field crops and fruit and vegetable pests. Further information on this new service can be obtained from the MFB Commodity Activities & Research Dept., P.O. Box 30960, Lansing, Mich. 48909.

**The 50th anniversary of the Rural Electrification Administration and life in rural America will be commemorated by a year-long pilgrimage** of a four-seat carriage drawn by a donkey and accompanied by a foal donkey. The carriage will be equipped with a computer/word processor which will be powered by solar cells on the roof to provide syndicated reports to rural publications on how rural electric cooperatives have benefited rural America.

The carriage departed Lansing on May 11 and will travel through rural areas of Michigan, Wisconsin, Minnesota, the Dakotas and end up in Tennessee in November. A 10-week international journey will include stops in Rochdale, England, the recognized home of the cooperative movement; India; and Nepal, where the National Rural Electric Cooperative Association has international development programs. The carriage will resume its American tour next February, traveling through southern and western states.

**The Senate Agriculture Committee has approved and sent to the full Senate nominations for USDA's assistant secretaries for economics and natural resources/environment.** The committee unanimously approved the nomination of Robert Thompson as assistant secretary for economics to succeed William Leshner who resigned earlier this year. Thompson is a senior staff economist for food and agriculture on the Council of Economic Advisors. The committee also confirmed Peter Myers, chief of USDA's Soil Conservation Service, to be assistant secretary for natural resources and environment. He would succeed John Crowell, who also resigned earlier this year.

## FARMETTE

By Andrea Hofmeister  
Tuscola County



"How come we're so much better at getting the crops up than keeping the lawn down? Someone actually stopped by today to see if our place was for sale!"

## Chippewa County Ag Awareness Project

Highlighting Agriculture Awareness Day in Chippewa County this year was the baby quilt presented to the first baby born in the eastern Upper Peninsula.

Recipient was Daniel Christopher Malloy, son of John and Kathy Malloy of Sault Ste. Marie. Presenting the quilt (see photo below) were County FB Secretary Carolyn Hesselink and Information Committee Chairperson Faye Postma.

The individual blocks of the

quilt, designed by Kathy Tucker, were representative of 18 varied commodities produced in the county. The blocks were hand embroidered by women in the various Community Action Groups. The quilt was assembled by Sally Strater.

In addition, the Malloy family received an assortment of home grown items from down on the farm including a certificate for the baby's first Christmas tree.

Faye Postma, Rudyard  
Chippewa County



## NEW LOCATION IMPROVES VISIBILITY



On March 29 the Tuscola County FB hosted an open house at its new office, 1023 E. Caro Road (M-81), Caro. "With the new location we hope to make it more convenient for our present Farm Bureau members as well as hoping to bring in new members," said County President Barbara Mohr. "With the recent win in our membership conference, we would like to think that maybe our new visibility helped — but we must not neglect to mention the considerable hard work put out by our membership committee and insurance agents to attain that goal also!"

## Natural Laws of Gardening

1. Weeds proliferate more readily when you have the least time to deal with them.
2. Four plantings of beans at weekly intervals will all come up at once.
3. The greater the cost of seeds and/or plants, the more likely they are to:
  - Never come up
  - Be eaten by moles before they come up
  - Come up and contract a fatal disease
  - Get stepped on
  - Be killed by frost
4. The kink in the garden hose is always at the other end.
5. Early tomatoes never are — late tomatoes always are.
6. All gardening tasks take longer than you think they will.
7. You never find out about the easy and/or inexpensive way to do something in your garden until you've tried all the other ways.
8. The more you know about garden problems that could develop, the more problems you'll find.
9. Rows layed out in straight lines develop zig-zags when you're not looking.

## Young Farmers Hold Blossom Queen Tour in Southwest Michigan

When spring comes to southwest Michigan it is the time of blossoms, new born animals and much activity on the farm. The urban communities celebrate the coming of spring with the annual Blossomtime Festival involving 29 communities in Berrien, Cass and Van Buren counties as well as portions of Kalamazoo and St. Joseph counties.

Activities begin in late winter with community queen contests and culminate with a week-long celebration always ending with a 100 plus unit parade in St. Joseph on the first Saturday in May.

One of those activities is an event in its second year — the Blossom Queens' Farm Tour. The day of education and fun is organized by the Young Farmer Committees of the Berrien, Cass and Van Buren County FBs.

Since the Blossomtime Festival was designed 62 years ago as a commemorative gesture to honor agriculture, particularly the fruit industry, the Young Farmers thought that it would be a good idea to invite the queens to see the agricultural industry in the area for themselves.

On this year's tour, held April 20, the queens visited four very diverse farms.

At a Berrien County dairy farm, the girls toured the cow barn and milking parlor, saw how much one cow consumes in a day, saw the operation of a milking machine, got to take turns bottle feeding a calf, and examined other equipment and machinery on the farm.

A Cass County hog operation was the next stop. The queens

saw the center pivot irrigation system, feed grinding facilities, the confinement finishing house and the outside farrowing field full of perky baby pigs. Everyone had the opportunity to hold some of the babies, and while we were there one of the sows gave birth so the girls got to see a moments-old baby pig!

A luncheon featuring ham, asparagus, frozen fruit salad and other items — all made with Michigan grown and processed foods — was served at the Van Buren County FB office.

The next stop was a Van Buren County fruit farm where some of the grapes were planted over 100 years ago. The harvesting equipment was on display and the working of the grape and cherry shakers was explained. Afterward we learned about the National Grape Cooperative and were treated to a drink of sparkling grape juice courtesy of Welch Foods, Inc., which is owned by the co-op.

The final stop took us back to Berrien County to tour a greenhouse. The queens followed the process for bedding plants from seeding or cuttings to repotting to bloom, through each of the designated greenhouses. The last greenhouse was full of blooming, fragrant flowers.

After the tour each queen received a basket filled with ag products grown and processed in southwestern Michigan, including everything from pie filling and fruit juices to pine tree seedlings and a pound of butter. The baskets served to further illustrate the diversity of our agricultural industry.

*Leslie Leitz, Sodus  
Berrien County*

## RURAL RASCALS



**Stephanie Town (Miss Buchanan) and Michelle Motter (Miss Marcellus) found some friends waiting for them on the Blossom Queen's Farm Tour. The Cass County hog operation of Ben and Jerry Bement includes outside farrowing, a practice uncommon in other areas of the state.**



**Norma Streeter (Miss Lawton) gives instructions to Karen Workinger (Miss Stevensville) on the best method for feeding a calf at the third generation Totzke dairy farm in Berrien County.**

# FARM BUREAU MARKET PLACE

## LIVESTOCK

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

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

## LIVESTOCK

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

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

## FARM EQUIPMENT

**Wanted: one bottom pickup plow** for C Allis Chalmers tractor. Call 517-741-7229. (6-15p)

**Irrigation:** Diesel engine with 750 gpm near new pump; Wisconsin V4 with 500 gpm pump; 4,000 feet two-inch pipe; 75 sprinklers; 15-horse single phase electric motor; filling station size forced air furnace; strawberry transplanter; two Senco staple guns; lift truck, new tires, power steering, cab. Phone Battle Creek, 616-721-3237. (6-37p)

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

**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. (6-23p)

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

**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-17b-ts)

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

## MISCELLANEOUS

**Scholarships, thousands available.** College and high school students can qualify, regardless of income, grades or financial need. We guarantee five financial sources. Most receive over 20 after completing our questionnaire. For informative scholarship brochure and questionnaire send \$3 (refundable). Nation wide Scholarship Finders, Box 2257 Lynchburg, Virginia 24501. (6-47p-ts)

**Extra income** addressing labels. Easier than addressing envelopes. Free details. Send two stamps: LISTS, Box 90028-RR, East Point, GA 30364. (6-20p-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)

**320 acre farm** — Peck, Michigan. \$170,000. Land contract terms. Century 21 at the Lakes. Ask for Theo. Phone 313-698-2111. (6-2t-18p)

**For Sale: 160-acre dairy farm** in Delta County in the Upper Peninsula. Two homes, large dairy barn, several good out buildings. Machinery included. Only \$148,000. For information call Nancy Marenger at Alpine Realty, 906-428-2353 or 906-384-6351. (6-2t-37p)

## 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)

**Gladiolus Bulbs** — buy direct from grower and save. All 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. (6-37p)

## FOR HOMEMAKERS

**Pickles, relishes** — 15 delicious recipes for summer. Bonus: three easy desserts. Send \$3, name and address to: Country Collections, Dept. MF, P.O. Box 977, Trenton, GA 30752. (6-26p)

## 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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Words \_\_\_\_\_ Insertions \_\_\_\_\_ Total Due \_\_\_\_\_

## 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)

**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)



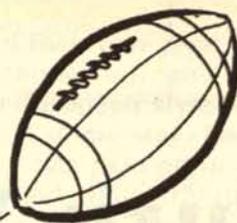
## Original Pen & Ink, Charcoal or Pencil Drawings from Photos

- Aerial view of your farm
- Your farm homestead
- A favorite relative or family pet

For samples and prices send a SASE to Robert Hicks, 3801 Richmond, Lansing, MI 48910

# MFB GOAL!

## 85,553 Members Sets New High



Michigan Farm Bureau scored its biggest touchdown ever on April 25 when it surpassed the 1985 membership goal of 85,553 member families.

"This accomplishment marks the 18th consecutive year of growth for our organization," said MFB President Elton R. Smith in a congratulatory letter to membership workers throughout the state. "While the numbers do not tell the whole story, they are an indicator that the policies and programs of Farm Bureau are on target."

"I would like to personally thank all who worked on the drive this year, including elected county leaders, campaign managers, volunteer workers, insurance agents, county secretaries and MFB staff," Smith said.

Organizers credit the success of the 1985 campaign to a renewed enthusiasm for getting the job done early. Membership activities were carried out under a football theme, and county FBs were encouraged to concentrate their efforts in a statewide membership blitz, Jan. 30-Feb. 8.

### **Kalamazoo County FB: First to Report Goal**

"We set our goal at 5% over last year's figure because of the cash bonus," said Kalamazoo

County FB President Rodney VanMiddlesworth. "Our official goal was 1,044 members, but our goal for ourselves was 1,058. We never looked at any figure but 1,058."

The county FB had organized its own membership blitz (ending Jan. 31) before the statewide blitz was announced so they were close to goal before many other counties had started the campaign. "We got so close that everyone pitched in and decided to make goal a day early for us — and on the first day of the statewide blitz," he said.

About 25 workers participated in the campaign along with the insurance agents and county secretaries. "We worked renewals real hard — probably as hard as any county has ever done," VanMiddlesworth said. "At that time auto insurance rates were just right so the agents were able to bring in many new members and renewals. You have to have the insurance agents working with you or you're not going to make it. Ours were great."

He said Louis "Dutch" Taylor, membership co-chairperson with VanMiddlesworth, was the moving force behind the campaign who got everyone involved and excited. Taylor suffered a heart attack in late February and died several weeks later.



**With statewide goal reported on April 25, Elton Smith gets set to kick the extra point for over goal gains in membership. The 85,553 memberships are a new high for the Michigan Farm Bureau.**

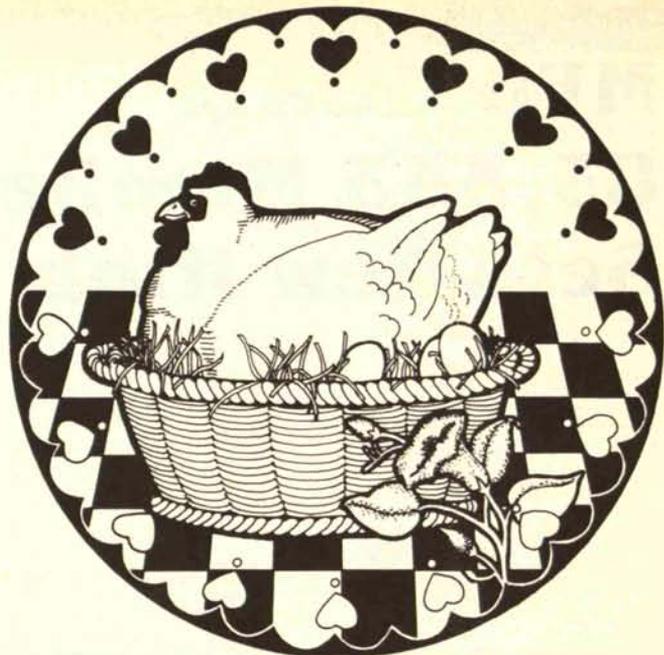
"He had the attack while shoveling or blowing snow the day before our victory party, so we postponed it," VanMiddlesworth said. "Dutch worked hard on the campaign and we didn't want to celebrate without him. We haven't had the party yet because the mood just hasn't been right. We're going to miss him in this county but we think he'd want us to go ahead with the party. We'll probably hold it this summer after everyone has their planting done."

### **Good Planning Key to Southeast's Success**

The Southeast Conference was the first region in the state to surpass goal. MFB regional representative Susan Garner said planning was the key.

*(continued on page 29)*

# Turn Your Nest Into A Nest Egg



By Connie Turbin

In earlier days on the farm, country women feathered the household budget with egg money earned from tending a flock of chickens. That cache of nickels and dimes often grew under her watchful management to bring some of the "little extras" to brighten the home, lighten her work, and, in times of trouble, make ends meet.

Today, few farm women tend a flock of chickens to build a nest egg of extra cash, but country women are casting their eyes upon a new opportunity that could help feather the family budget: the bed and breakfast guest home. The ready assets of a country home, open spaces and three or four bedrooms on the upper floor make bed and breakfast guest hosting a very real possibility for farm and rural couples.

And Michigan folks are making the discovery of this new "cottage industry" rapidly. According to Dr. Edward Mahoney, tourism and marketing professor at MSU's Department of Parks and Recreation, B&B tourism in Michigan is developing "almost overnight." In a

survey conducted last fall, Mahoney and his colleagues identified 65 operating B&B homes in the state. "There are probably 90 in operation now, and that number will reach 110 or more by the end of the summer," he says.

That's just an indicator of the potential interest in the state. More than 300 people have contacted Mahoney. The interest is high, but not all of them will open for business, he says. Through B&B seminars, he tries to help individuals or couples determine whether the venture is realistic by taking them through a logical process of evaluation and planning.

"The ones who get into this because it's a novel idea or because they have romantic notions about being an innkeeper will probably drop out when they take it through a logical thought process," he says. That process means determining objectives, establishing a marketing plan and making the proper contacts with local officials to be sure that the business is abiding by local ordinances and zoning laws.

Generally, Mahoney has found that making money is not the only objective. "B&B hosts may identify several objectives," he

says. "For example, they may wish to cover some fixed costs of home ownership such as heating expense or taxes, or offset the cost of home improvements or historic restoration. For others B&B hosting is an opportunity to meet interesting people and share experiences or to promote a special interest such as agriculture."

## Couple Shares Farm Home With 'City People'

Among the new B&B entrepreneurs are Bob and Sue Chaffin of Gratiot County, who list their primary objective as "promoting an understanding of agriculture among non-farm people." The couple's vintage farmhouse in the heart of Michigan bean country was a home away from home for international students nearly every summer while the Chaffin's three children were in school. "We would jokingly call our house 'The International House,'" says Sue. "Later when Bob and I attended agriculture meetings, we would hear over and over that ag was not telling its story to city people. From that came the idea to open our home to guests."

The Chaffins started in 1983 by participating as B&B hosts during the annual Alma Highland Festival. But this year, Bob and Sue have listed Chaffin Farms with the Michigan Travel Bureau as a summer season B&B home. They hope the business will attract more non-farm people to their 630-acre "home farm."

Sue plans to contact local chambers of commerce, antique shop owners, festival organizers and restaurant owners to compile a list of area attractions. "Of course, we're trying to promote agriculture and the farm, but I think I need to mention the antique shops, the Highland Festival and the Historic Home Tour in my brochures. The B&B home stay has to be tied to these other attractions."

However, guests may not want to stray far from the comfortable, antique-filled kitchen, where iced tea and chilled lemonade are always plentiful. For those interested in the farm and how it operates, there is the "grand tour."

"Bob is a very cordial person and if any of our guests show an interest in the farm, they've got an enthusiastic tour guide," says Sue. "Farming is his first love and he loves to share it."



City guests can enjoy a country vacation "down on the farm" at Bob and Sue Chaffin's Bed and Breakfast home.

The Chaffins recognize that B&B hosting is at a threshold in Michigan, and like most B&B hosts they know it's not the kind of full-time business that will make them a lot of money. "That's not why we're in it," Sue says. "People like us with a large house, who have the energy and who enjoy people, can put it together to enrich their lives."

### Natural Hospitality Brings Success for Warwickshire B&B

"For me, it's perfect. I don't have to leave my house to go to work. I love being here and this house. I love meeting interesting and stimulating people and it gives me a supplemental income," says Pat Warwick, B&B host in the Traverse City area. She and her husband, Dan, who are semi-retired, opened the Warwickshire Inn in the fall of 1983 with lots of encouragement from the Traverse City Chamber of Commerce and friends who knew their natural hospitality would bring them success.

"At that time all five of our children were leaving home and a good friend kept suggesting to me that we start a bed and breakfast, so we just decided to do it. And it's been just great. We have three rooms and our own private quarters, so we have a maximum of six guests. I can handle that alone and I don't have to hire someone," says Pat. She laughingly adds, "When you stop and think about it, with the five children, I've been running a bed and breakfast for the last 26 years."

The Warwicks did most of the research for their business firsthand. Dan, a retired Air Force pilot, had been stationed around the U.S and in Europe, and the couple frequently enjoyed B&B hospitality during their eight-year stay in Europe. When they decided to open their own B&B guest home, they

drew on their experiences to create the warmth and hospitality of a European style bed and breakfast home stay. Their experience has paid off in a successful and efficiently run business.

Just a month after making the decision to open the business, the Warwicks had developed their brochures, joined the chamber of commerce and were ready to welcome their first guests on Oct. 15, 1983.

"I could not believe it," says Pat. "We were full for the last two weeks of October." Business was slow during the late fall and winter months of the first year but, Pat recalls, the next spring Warwickshire Inn Bed and Breakfast really took off. "Starting in June of last year, we were full almost every night and we were busy right through Thanksgiving morning."



Pete and Dan Warwick love their new vocation as Bed and Breakfast hosts and it shines through in their welcoming hospitality.

The people who stay at B&B's, Pat says, are generally well-traveled and "they know how to be in someone else's home." Theft and disturbances among guests have never been a problem. The couple has never had

to ask a guest to leave nor have they ever had "so much as a magazine missing."

An average stay at Warwickshire Inn is two or three nights. Pat serves a continental style breakfast at 9 a.m. and, she says, generally by 10 a.m. guests are on their way to the many tourist attractions and activities in the Grand Traverse area. "We're right next door to an antique shop, and Gallagher



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### Hansen's Victorian Guest House

welcomes guests all year. Visit the local dinner theatre while here. A super way to celebrate!

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517-568-3001

Homer, Michigan

(Located between Jackson and Marshall)

Home Dairy is just down the road. A lot of businesses around here are benefiting from our guests."

The Warwicks have had no problems with zoning or restrictive ordinances, but Pat says that's probably because there are already established businesses in the area. Like most B&B's that serve a continental breakfast and do not prepare food on the premises, the Warwicks are not subject to public health licensing regulations.

But compliance with existing zoning regulations could be an impediment to new B&B homes in many areas of the state, she acknowledges.

### Enabling B&B Industry to Grow

Honest and open communications with local zoning officials and state agencies are critical to this fledgling home industry, emphasizes Dr. Mahoney. As a promoter and advocate for the industry, he is drawing in state representatives, local government officials, insurance companies and other groups that can help create a positive environment for the growth of bed and breakfast tourism in Michigan.

The basic problem, he says, is a lack of information among officials and local residents about what a B&B is. They may fear that the home business will increase traffic in residential areas, attract undesirables or compete with local hotel/motel establishments. "The fact is you could live right next door to a B&B for years and never know it," he says.

Mahoney is encouraging legislation which will define the bed and breakfast industry in a positive, rather than restrictive, sense. The legislation he foresees would help those in the B&B home industry, but not hurt larger B&B accommodations. The primary definition he gives, and one which he hopes will be part of the legislation,

identifies the B&B home as a private, owner-occupied residence with no more than four guest bedrooms. Advantages for the industry are that the legislation would provide a waiver to the B&B home for public health licensing regulations.

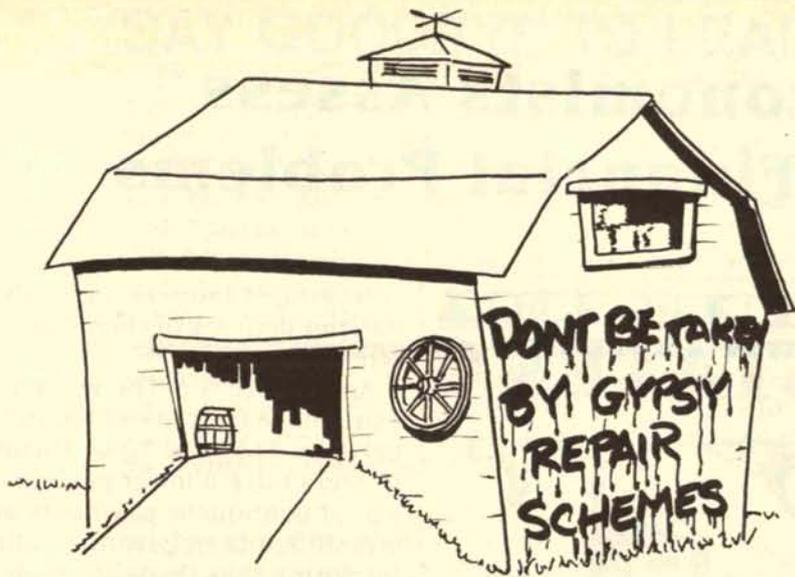


**Company best table service gives a continental breakfast just the right touch of class.**

Getting this type of legislation is important because it will help local zoning officials and the insurance industry deal fairly and knowledgeably with B&B guest homes.

Sharing information in the seminar setting reinforces the cooperative spirit that Mahoney promotes. Concerns about appropriate insurance coverage for the home businesses were discussed at a recent meeting in Williamston. FBIG underwriters, Mike Gallutia and Dick Liskiewicz, told the B&B operators that the insurance industry does not currently have a B&B insurance package that it can offer to operators, but the pair assured the participants that insurance companies are interested in helping B&B hosts.

"Start with the company that currently handles the majority of your business. They would probably be most willing to look (continued on page 29)



By Andrew Markwart

Rural residents are warned to be on the watch for groups of nomadic people who prey on the state's residents through the use of clever scams.

These criminals (or gypsies, as they refer to themselves) cause Michigan citizens to lose thousands of dollars every year. The gypsies use carefully devised schemes to cheat people out of their money, according to Detective Sgt. William C. Bradway of the State Police Investigative Resources Unit.

"One of the crimes committed by these groups is the home repair scheme," Bradway said. "It may be home or barn painting, roof sealing, driveway sealing, blacktopping, eavestrough repair or replacement, lightning rods or another variation of some type."

He said the gypsies quote a low price to get the job, then use poor quality or diluted materials. Once the job is finished, they often pressure the victim into paying a final bill which is several hundred dollars above the original bid.

Connected with the home repair scheme is the home invasion. The men doing the repair work will talk their way into the home and cause distractions

while an accomplice steals money or jewelry. Some criminals physically hold their victims while others rob them, Bradway said.

Rural residents should also be wary of female gypsies. They wear colorful skirts with low-cut blouses and usually are dark complected with black hair, Bradway said. "They con their way into a home to use the bathroom or telephone, get a drink of water or whatever excuse it takes."

He said another technique the gypsies use to enter a home is a utility rebate scheme. Two or three men contact a homeowner claiming they are from a utility company and pretend to offer a cash rebate. This is usually done with a single \$100 bill, Bradway said, and then some change is requested. "They do this to locate where money is kept, then distractions are made, the house is searched and money is stolen."

Bradway said that homeowners should request identification from anyone claiming to be a utility representative. Legitimate utility employees are happy to identify themselves. Also, utilities always pay refunds through checks or bill reductions, never cash.

*State Police warn rural residents to beware of home and farm repair deals that are "too good to be true."*

To safeguard yourself and your belongings against these types of criminals, there are certain indicators to be aware of, Bradway said. "The men drive pickup trucks, usually with out-of-state plates. They rarely have a phone number or permanent address because they live in campgrounds and trailer parks. They do not have a residential builder or maintenance license issued by the state of Michigan." He also said that gypsies typically speak broken English or claim they know none at all, but usually do.

Everyone should be leery of gypsies, especially the elderly. "In 1984, the average victim was 74 years old," Bradway said.

"Remember, if the price is too good to be true, it probably isn't. We all want to be friendly and neighborly but these gypsies take advantage of that."

He warns that you must say no with authority, and if you still have a problem, call the nearest police department. "Don't just threaten to call. Report any contact with these people. If you don't get taken, report the incident anyway. You may prevent a neighbor or senior citizen from losing their life savings.

"Law enforcement officials can't do anything unless we know the gypsies are in the area," Bradway said.

*Andrew Markwart, an FB member raised on a cash-crop farm in St. Clair County, is a senior majoring in agriculture communications at MSU.*

# Survey Helps Economists Assess Extent of Farm Financial Problems

On May 1 Gov. Blanchard signed into law legislation which created a Michigan Agricultural Assistance Program. The legislation approved the deposit of \$70 million in state funds in local banks and PCAs to generate reduced interest loans for financially stressed farmers.

This was the final link in a program announced by the governor to coordinate efforts of state agencies in serving those farmers. Other components of the program included establishment of an MDA hotline (1-800-346-FARM) for farmers, speed-up of the farm financial survey the MDA was conducting in cooperation with the Michigan Agricultural Reporting Service and MSU's Department of Agricultural Economics, and expansion of the Extension management assistance teams (EMATs).

A summary of the survey results was released in late April. It reported that 75% of Michigan's farmers are in a strong financial position with debt/asset ratios of less than 41%. Younger farmers (age 25 to 44) and fruit/vegetable, dairy and cash crop operations are the hardest hit.

The findings did not provide any surprises, according to Dr. Ralph Hepp, MSU ag economist. "I think the survey reinforced many of the things that we already knew about the financial situation on farms. What it really did was give us a lot more information in terms of the seriousness of the financial situation by type of farm. It gave us percentages, for example, on how many people are delinquent on their payments."



The survey went to 2,800 Michigan farmers with 2,043 responding either through mail or follow-up telephone contacts. Using the data from 1,312 completed questionnaires (incomplete responses were not used in the analysis), the MSU survey analysts reported that while the vast majority of Michigan farmers are in very good financial shape, there are 2% in severe financial stress. That 2% are technically insolvent, i.e., their debts are higher than their assets.

Another 9% are very highly leveraged with debt/asset ratios greater than 70%. A high percentage of the farmers in this category are experiencing credit delinquency and are having problems getting credit. About 9% in this group of high-

ly leveraged farmers are having varying degrees of financial stress.

Another 16% of the respondents have debt/asset ratios between 41% and 70%. These farmers have a lower percentage of delinquent payments and less difficulty in getting credit for spring, but there are problems, and they are in the "danger" zone.

"If lower prices and higher interest rates continue, they are vulnerable in the next two to three years," Hepp said.

Other survey findings showed:

- The east central, northwest and south central areas of Michigan have a higher percentage of farms under financial stress than other areas.

- Non-farm family income is a significant income source for farmers, especially part-time farmers.

- 62% of the full-time farmers and 47% of the part-time farmers report a positive net farm income.

- 59% of the farms gross less than \$40,000. Part-time farmers operate smaller farms than full-time farmers.

- 48% of the farmers have no real estate debt; 8% are delinquent in real estate payments; fruit/vegetable and dairy farmers have higher delinquency rates than all farmers.

- 52% of the farmers have no non-real estate debt; 11% are delinquent in non-real estate payments; fruit/vegetable, dairy and cash crop farmers have higher delinquency rates than all farmers.

- Loan delinquency rates increase with gross farm income

(continued on page 30)

# SAY GOODBYE TO LEADED GAS !!??

The U.S. Environmental Protection Agency is demanding the phase-out of leaded gas. On July 1, 1985, EPA rules will require that the lead in gas be reduced by 55%. By January 1, 1986 lead must be reduced by 91% and a total ban of leaded gas is expected by 1988!

Running unleaded gas through an older engine designed for leaded gas can seriously damage the engine unless expensive modifications are made.

Because many farmers are operating equipment which still requires leaded gas, the American Farm Bureau Federation is asking the Environmental Protection Agency for an agricultural exemption. Farm Bureau will be testifying on the exemption this summer.



Return to:

AMERICAN FARM BUREAU FEDERATION  
225 Touhy Avenue  
Park Ridge, IL 60068  
Attn: Natural & Environmental  
Resources Division

**WE NEED YOUR HELP!** So we can document the impact a phase-out of leaded gas would have on farming and ranching, please take a minute to fill in the attached questionnaire, put a stamp on it and mail it to us **AS SOON AS POSSIBLE.**

## Farm Bureau Leaded Gas Questionnaire

1. Of the total gallons of fuel used on your farm in farm equipment (trucks, tractors, mowers, etc.) what percentage would you estimate you use of each? This includes fuel purchased off the farm at a station for farm use.

**Farm Unleaded Gasoline**  
Average: \_\_\_\_\_ % \_\_\_\_\_ (gal) est. gallons

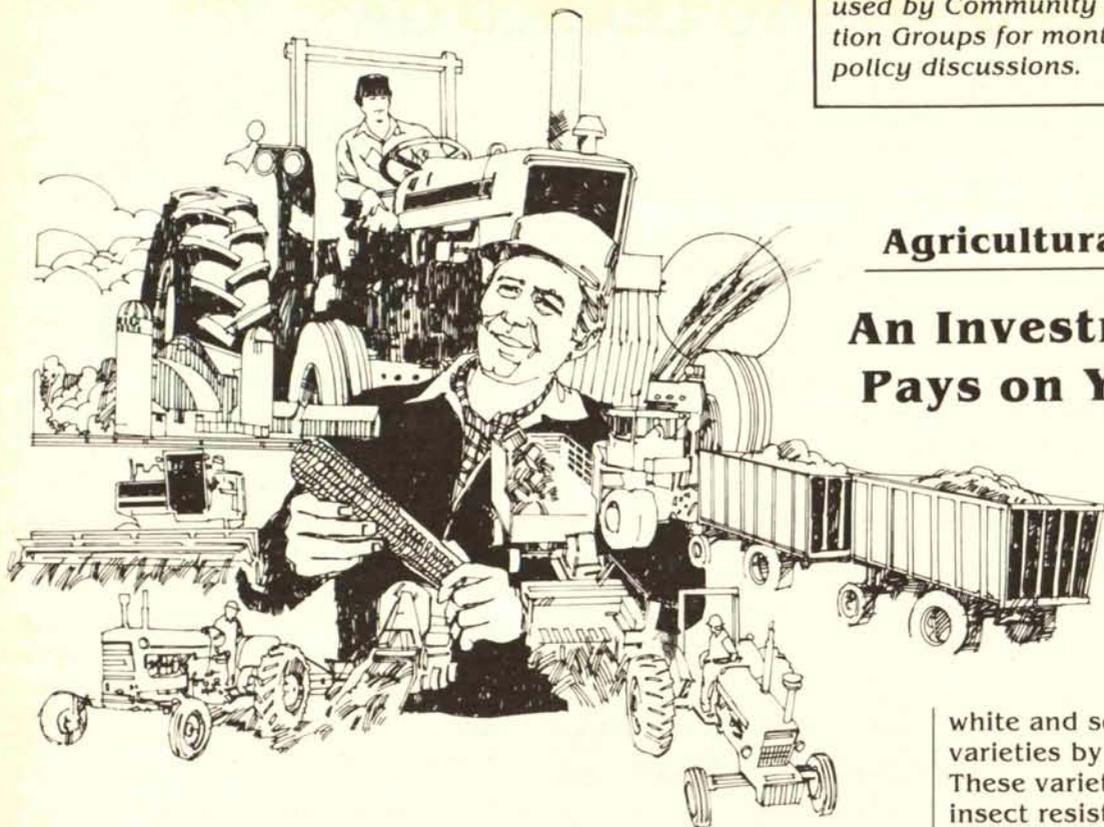
**Farm Leaded Gasoline**  
Average: \_\_\_\_\_ % \_\_\_\_\_ (gal) est. gallons

2. How much equipment on your farm was originally designed to burn leaded gasoline and is still burning leaded gasoline?

	# of Units		% of Time Units Run at 80 to 100% of Maximum rpm	Estimated cost to buy all this equipment new today
	1972 and newer	1971 and older		
Units 30 Hp & up (trucks, tractors combines, etc.)			%	\$
Units under 29 HP (weed mowers, chainsaws, auger motors, etc.)			%	\$

3. How much equipment on your farm was originally designed to burn no-lead gasoline and is still burning no-lead gasoline?  
Number of Units 30 HP & Up \_\_\_\_\_ Number of Units 29 HP & under \_\_\_\_\_
4. How much longer would you expect your leaded gas-burning equipment to remain in service on your farm if leaded gas continues to be available? (Check one)  
\_\_\_\_\_ less than 2 years      \_\_\_\_\_ 2 to 5 years      \_\_\_\_\_ 5 to 10 years      \_\_\_\_\_ use indefinitely
5. Could most of the lead burning equipment on your farm be modified to burn unleaded gas? (Check one)  
\_\_\_\_\_ Conversion could be accomplished.  
\_\_\_\_\_ Conversion would not be economically feasible.  
\_\_\_\_\_ Don't know.
6. Have you ever burned unleaded gasoline in an engine designed to burn leaded? (Check one)  
\_\_\_\_\_ It worked fine.  
\_\_\_\_\_ It would not burn quite right without adjustment to engine.  
\_\_\_\_\_ Didn't work at all.  
\_\_\_\_\_ I have never tried unleaded fuel in an engine designed for leaded fuel.
7. (The current EPA standard is 1.1 grams of lead per gallon)  
What amount of lead would be required for satisfactory operation of your lead burning engines? (Check one)  
\_\_\_\_\_ Don't know.  
\_\_\_\_\_ Need greater than 0.5 grams of lead per gallon.  
\_\_\_\_\_ Reduce allowable amount of lead to 0.5 grams/gallon.  
\_\_\_\_\_ Reduce allowable amount of lead to 0.1 grams/gallon (As EPA's new rule does)
8. How would the total elimination of leaded gas affect your farming operation? (Check one)  
\_\_\_\_\_ It would really disrupt our fuel situation.  
\_\_\_\_\_ It would cause a few problems, but we would cope.  
\_\_\_\_\_ It wouldn't bother me at all.  
\_\_\_\_\_ Other \_\_\_\_\_
9. What is your preferred method for keeping leaded gasoline available to agriculture?  
\_\_\_\_\_  
\_\_\_\_\_

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



## Agricultural Research

### An Investment That Pays on Your Farm

Rural life has received considerable media attention recently. Several Hollywood films depicting the hard work and financial burdens of farm families have been given a real life focus in new accounts of financial problems now affecting some U.S. farmers.

All is not well with American agriculture. The rate of increase in productivity has begun to decline. Concerns have been raised about social and environmental impacts of certain farm production practices, the nutritional quality of food products, and the depletion of soil and water resources.

But the current interest in our nation's agricultural production system and its problems presents an opportunity for those involved in research to accent new scientific approaches aimed at solving current problems and meeting future challenges.

A sense of excitement exists among the more than 300 Michigan State University scientists

involved in research projects funded through the Michigan Agricultural Experiment Station (MAES). These scientists are attempting to keep Michigan farmers competitive by developing agricultural applications for emerging technologies in fields such as genetic engineering and computerization.

Their efforts are funded largely by state taxpayers. Some 60% of the total annual MAES budget of nearly \$29 million comes from state appropriations.

The payoff from Michigan taxpayers' investment in agricultural research is impressive. Low income residents benefit the most from gains in farm productivity, since larger shares of their budgets are spent on food.

The payoffs from research are evident in the MAES wheat breeding program. Today's average wheat yield is eight bushels higher than 10 years ago. The major factor in the increased wheat yield has been the development of new soft

white and soft red winter wheat varieties by MSU breeders. These varieties are disease and insect resistant, winter hardy and highly responsive to fertilizer.

With an average of 744,000 acres of wheat harvested annually in Michigan, the net increase per year to farmers is \$21,873,600. The revenue increase nearly equals the entire MAES annual budget, or the \$29 million cost of the new Plant and Soil Sciences Building being constructed on campus.

The MAES is giving a high priority to biotechnology research aimed at developing plant varieties and food animals uniquely suited to Michigan's environment. Through the application of genetic engineering techniques, MSU plant scientists are attempting to transfer chill tolerance genes from wild species of South American tomatoes, which can withstand freezing temperatures at high altitude, into cultivated tomato varieties. A worldwide collection of asparagus germplasm is being screened to identify breeding material having resistance to fusarium diseases.

The campus plant greenhouse complex is computerized to allow researchers to monitor and control temperature and carbon dioxide levels in relationship to variable light conditions. Plant scientists are studying the effects of various environmental conditions on plant development to find ways of shortening plant production periods, thereby helping Michigan bedding plant growers maintain their competitive edge. Michigan ranks first among the states in the production of flowering annuals and second in vegetable transplants.

Experiments with growth retardants, high intensity lighting, and environmental manipulation on new geranium varieties developed by commercial seed companies have resulted in procedures to produce flowering plants in 70 days, as opposed to the previous 120 to 130 days.

With further refinements in production technology, MAES scientists believe they can produce commercial value geranium plants from seed in 45 days. The ultimate goal of this research is to produce all major bedding plant crops in 70 days or less, in order to reduce commercial greenhouse operating costs.

Through the MAES stone fruit breeding program, efforts are underway to crossbreed Michigan's popular Montmorency tart cherry with several European varieties. Selections will be made from among the new crosses displaying larger fruit and greater sugar content.

A major project is underway to study stone fruit tree decline, a syndrome that reduces the productive life span of orchards from 40 years to less than 20 years. A team of agricultural engineers, horticulturists and plant pathologists is considering mechanical harvesting,

trickle irrigation and other factors as possible causes of tree decline — a serious problem in an important fruit producing state such as Michigan.

Michigan's irrigated acreage is expected to double by the year 2000 as farmers expand production and seek to improve crop quality. Research underway at MSU's Kellogg Biological Station is making use of an underground lysimeter, an above ground linear move irrigation system, and a rainout shelter to assess water use efficiency at various application rates and row spacings for several crops. The goal is to develop irrigation schedules based on field performance, rather than the "best guess" approach on which farmers are frequently forced to rely.

Of the 13 off-campus field research stations operated by the MAES, the Kellogg Biological Station (KBS) is often referred to as the most futuristic station. It's a microcosm of multiple land management practices, with a 1,000 acre dairy and crop operation, a bird sanctuary, a forest, an educational and research facility with student and guest housing, and two lakes.

Researchers at this station are exploring new frontiers for dairy, forage, cash crop, fruit and vegetable production by examining conservation tillage, intercropping and multiple cropping, natural pest controls and computerized animal health monitoring. This research is expected to benefit farmers by identifying ways of saving energy, fertilizer and labor, conserving soil and improving water use.

A special three-year project is being conducted at KBS on small-scale family farming systems. Three families are living on farmsteads of 10, 20 and 40 acres, respectively. Each family is combining its farming operation with off-farm employment

for one spouse and a home-based business for the other spouse.

The farming enterprises include alfalfa, sheep, angora goats, vegetables and poultry. Family members record information about daily schedules and non-routine activities in microcomputer files. Automated monitoring devices have been installed in each farm house to record energy use information. The project goal is to develop information and educational materials appropriate for use by families with diversified income, small-scale farms.

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## **Research at the Kellogg Biological Station is identifying ways to save energy, fertilizer and labor, conserve the soil and improve water use.**

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Connections between agricultural enterprises and tourism are being explored by MAES researchers in park and recreation resources. According to recent research, tourism promotions could double or even triple the current level of direct sales of Michigan farm products.

MAES researchers have begun to form a picture of how travelers in Michigan find out about tourist attractions and what areas they consider prime recreation spots. Their projects will be coordinated through a newly created Travel, Tourism and Recreation Resources Center on campus.

The center will pool information from studies by universities, government agencies and  
*(continued on page 30)*

## Legislative Review

(continued from page 7)

of this farmers are exempt by rule from the federal OSHA standards.

FB supports a strong effort to limit the Michigan law to the same standards as the federal law so that Michigan will be in step with competing states.

**Prison Farms** — H.B. 4491 is similar to bills which died in the last session. Michigan prisons with farm operations are not self-supporting. The bill provides that any proceeds from the farm be put into a fund for the farm operation. FB does not want such production to become unfair competition to farmers.

One proposal is that excess prison production be used in other state institutions and in some cases, be given to charitable food kitchens, etc. Another concern is that the produce must meet all quality and purity standards.

**Trespass** — H.B. 4576 is a rewrite of the present Trespass Act which includes hunting, fishing, off-road vehicles, snowmobiles, trapping and other "outdoor recreational uses" including any outdoor activity for "exercise, education, relaxation or pleasure."

The bill includes the present requirement of written permission from the owner or the leasee or agent. It also provides more protection to the landowner from liability except for failure to warn against an "ultrahazardous condition" known to exist on the property. Liability is not limited when the user is charged a fee. Those convicted of damaging the property are required to make restitution to the owner and can also be fined or imprisoned.

FB supports the legislation as it is more comprehensive and

increases protection to farmers and other landowners.

**Apiary Control** — H.B. 4348 amends present law (P.A. 13) to eliminate the requirement for the MDA to set quarantines by rules. Instead, the director can take immediate action to ban bee imports from disease infested areas.

**Infrastructure** — Gov. Blanchard reported to the Michigan Infrastructure Coalition that a \$1.3 billion program means that "for two years in a row we are rebuilding roads and bridges faster than they are wearing out." In 1986 about \$1.6 billion will be spent on public needs including new prisons.

A six-bill package is nearing final bipartisan passage to create the Michigan Municipal Bond Authority as a means of providing local units of government, including school districts, a method to finance necessary infrastructure improvements at lower interest rates.

One bill, the Share Credit Rating Act, authorizes issuing bonds by the authority to make loans to local governments. The main advantage is that the state's credit rating is better and would result in lower interest and other costs to the local unit. Most states use this system.

**Tax Programs** — Rollback of the income tax to the original 4.6% has been a major issue for some time. Now that Michigan's \$1.7 billion debt will soon be paid the tax issue will be a major legislative issue.

Under present law the current tax rate of 5.35% will drop to 5.1% this year and to 4.6% in October 1987.

S.B. 77 passed the Senate on Feb. 27, 1985 to roll the tax back to 4.6% in January 1986. This would amount to about a \$390 million cut in revenue.

Gov. Blanchard proposed using \$65 million of any surplus to increase homestead tax rebates by 10% for one year. He has since proposed a program to:

- Rollback the income tax to 4.6% on July 1, 1986.

- Increase homestead tax rebates 10% for one year.

- Cut the present 3.5% of household income for property taxes to 3%. The present \$1,200 limit would remain.

- Impose a 2% to 3% tax on all insurance premiums for domestic companies.

- Reduce the single business tax for research and development.

- Increase tax on sale of stocks and bonds from the present 40% to 100%.

- Tax active military pay.

- Put sales tax on computer software.

- Increase intangibles taxes (doubles rate).

- Increase tax on banks.

- Emphasize tax enforcement.

The program would also provide an amnesty period to allow people who avoided paying their taxes to pay them without penalty.

The tax decrease and the tax increases would about balance out resulting in a tax shift.

It is not known at this time the total effect on farmers. The decreased income tax could be helpful. However, all farmers would be paying the 2% to 3% tax on insurance premiums.

Other tax increases on businesses would be passed on to the consumer. Broadening the homestead tax rebate would not help farmers, but could result in encouraging higher local property millage rates.

The program is not yet in bill form, but it is likely that some type of tax programs will emerge during the legislative session.

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

## FB Offers HMO Plan

(continued from page 9)

one-stop care, one medical record easily accessed by all health care providers, health education programs and no claim forms to fill out.

"Another thing to consider when choosing a health insurance plan is the difference in philosophy of care," he said.

Under the HMO system there are few deductibles which encourages subscribers to use the HMO regularly. Most office calls are only \$5.00. Preventive care is stressed and there is no financial barrier to detection and treatment at the earliest stages.

Outpatient treatment is encouraged; it reduces the need for unnecessary overnight hospital stays. Hospitalization is used only when necessary.

While an HMO is structured to provide care within a specific geographic area, in event of a true emergency a subscriber can be treated by the closest available physician or hospital. The bill is then submitted to the HMO which reviews the claim to make certain it was a genuine emergency.

For more information on HMOs or any of the Farm Bureau health care plans, contact your county FB secretary during the annual reopening period, June 7-21, 1985.

## Milk's Got More

(continued from page 14)

"The reason we sold is because we could make nearly as much money selling the feed that the cows ate as we could putting it through the cows, less the work." He said this situation is only temporary because his large stock of young heifers will soon replenish the milking herd.

With such a vested interest in his dairy operation, Lauwers has strong views of future policies. "If the Reagan administration's program is passed, it's

going to be sheer death for dairy farmers," he said. "It will react too severely. There will be too many dairymen out of business. There will be a shortage and then imports will give us a bad time."

But Lauwers believes that no matter what program is implemented, "it's going to get worse before it gets better."

When you talk with Dick Lauwers, it becomes clear that he approaches farming, like most farmers, from a very common-sense point of view: consider all the variables and know what your goals are, then make a decision. This long-time FB member likes the organization's dairy proposal because, if for no other reason, it's riding on a lot of common sense.

*Contributing to this article were Marcia Ditchie, Donna Wilber, Connie Turbin and MSU intern Andy Markwart.*

## MFB GOAL!

(continued from page 19)

Several work days for volunteers and training sessions for insurance agents were held. "The volunteers worked hard on renewals and new members," Garner said. "And the insurance agents went to bat for us even stronger after we made regional gain and brought us over goal. Oakland, Wayne, Monroe, Washenaw and Macomb counties have already reached goal and Livingston is going to make it too."

Garner said her scout team, consisting of MFB home office employees Mike Rogers, Bonnie Rocky and Tammy Crebo, also helped a lot.

"I've never seen a group of campaign managers, volunteers, insurance agents and staff work better together," she said. "They were well prepared, had a well thought out campaign and were committed to doing it."

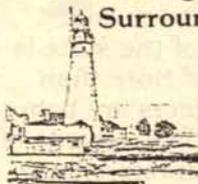
## B&B Nest Egg

(continued from page 22)

at covering your business. Be prepared to answer all questions. Be prepared to give more information than is asked for," Gallutia said. He also advised B&B operators "not to just ask for a price quote — ask that an outline of coverage be prepared so that you can make comparisons with other insurance packages you may be investigating."

Mahoney and the B&B hosts who are operating in Michigan see this new type of tourism hospitality as an innovative and very personal way to promote the state. They are working to give it a positive start. "This has to be a professional industry, particularly in the beginning," Mahoney says. "We don't want hostility between B&B's and local zoning people or public health officials. We want a good relationship."

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## Discussion Topic

(continued from page 27)

private businesses to create a tourism data base that can be used to identify trends and develop promotional programs.

Another information clearinghouse being created at MSU is the Food Industry Institute. The institute will draw on the expertise of campus researchers in food production, processing, packaging, marketing and distribution, as well as consumer nutrition. MSU has a long history of assisting the state food industry with product research and development, feasibility studies and processing plant design.

The Food Industry Institute and the Travel, Tourism and Recreation Resources Center will be established July 1 for a three-year period, to be followed by program reviews. Both are being funded through the MAES and the Cooperative Extension Service with state government appropriations for the purpose of developing Michigan's food processing and tourism industries.

Conducting research that serves the needs of the state is the MAES mission. More than 300 research projects are being conducted in the broad areas of human resource development, consumer health, field and forage crops, fruits and vegetables, animals and animal health, conservation and miscellaneous areas.

It is impossible to adequately describe the scope of MAES research in one article. For more detailed information, request a complimentary copy of *Futures*, the MAES quarterly magazine, or "Building for the Future: the 1984 Annual Report of the Agricultural Experiment Station." The address is Room 109 Ag Hall, MSU, East Lansing, Mich. 48824; phone 517-355-0123.

## Discussion Questions

- Has agricultural research benefited your farming operation? How?
- Do you support increased funding for agricultural research?
- Would your farm operation benefit from research on tourism and recreation?
- Do you support the present research into small-scale farming systems?

## Agrinomic Update

(continued from page 24)

and then drop for farms with gross farm income over \$500,000.

• 12% of the farmers are having difficulty obtaining operating credit. Inability to obtain credit is highest among farms grossing between \$250,000 and \$500,000.

• Younger farmers have higher loan delinquency and credit denial rates than older farmers.

• Financial difficulties are greater for farmers who purchased land between 1974 and 1981.

• Farmers who operate highly leveraged farms have a higher probability of financial difficulty.

• 17% of the farmers are planning to discontinue farming in the near future. They operate smaller farms and are usually older.

• Job placement and training are high priority assistance needs by farmers who are planning to quit the farm.

Hepp said the survey results benefit farmers by generally reinforcing the belief that only a small percentage of farmers are in serious financial difficulty, and that there is reason for some hope and optimism in Michigan agriculture.

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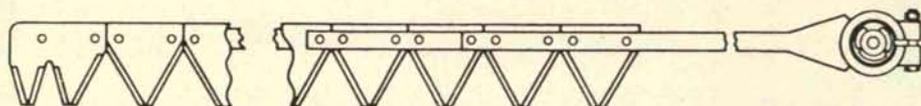
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058UV	I.H.C. Landside	4.61/each*
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TBUV	A.C., Ford, Oliver/White Trashboard	8.94/each*
DP2238	Double Point Cultivator	2.40

\*Sold only in cartons of six with bolts.



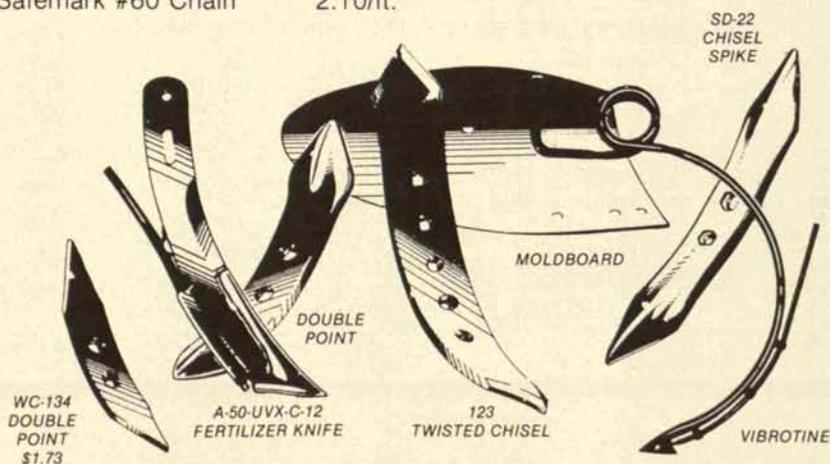
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