Michigan Farm News

RURAL LIVING



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MEMBERS ONLY

URAL LIVING

FARM NEWS

RURAL LIVING MFB Brings Home AFBF Awards and Discussion Meet Title

FEBRUARY 1986 VOL. 65 NO. 2

THE COVER

Larry Priest of Berrien County, celebrates following the announcement of his win in the AFBF Discussion Meet. He will receive free use of a Deutz-Allis tractor for one year. Photo By Cathy J. Kirvan

A publication of the Michigan Farm Bureau

In this issue:

SPECIAL AFBF ANNUAL MEETING REPORT: Excellence Takes State to the Top!

Cheers from proud members filled the convention center when MFB Vice President Jack Laurie accepted the state's program awards of 13 gold stars and one silver star

Political Dangers, Uncertainties Pre-Packaged With Federal Help

In his final report to FB members at the organization's annual meeting, Robert Delano warned against the dangers of federal "help" for agriculture

AFBF Conferences and General Sessions

High powered speakers and experts in commodities and economics addressed FB members attending the convention conferences and general sessions

COLUMNS

Rural Route - page 4 Legislative Review - page 6 Front and Center - page 13 Rural Exchange - page 14

Agrinomic Update - page 18 Discussion Topic - page 19 Farm Bureau Market Place - page 23

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You're the Tops!



There were some proud moments for me and for all the Michigan Farm Bureau members attending the AFBF annual meeting in Atlanta. The first came when our Young Farmer contestant, Larry Priest, won the national Discussion Meet. Then came the awards program and MFB was recognized as the top state in the nation. How I wished that every member who played a role in earning our 13 gold stars and one silver star could have been there to share in the glory.

This national recognition was the result of year-long activities involving FB members in every Michigan county.

I extend my sincere congratulations because it was you who earned those awards for program excellence. This national recognition was the result of year-long activities involving FB members in every Michigan county. It resulted from your investment of time, effort and talents toward achieving the goals of our organization that made us a winner.

While we're basking in the glory of all the many stars we

earned is a good time, I think, to remember that the success of our organization is possible only because of a solid foundation built on strong county Farm Bureaus. The people who make up our county Farm Bureaus are our most important resource.

The AFBF has no individual members; it has member states. Our MFB, the top state in the federation, has no individual members; it has member counties. Only the county Farm Bureaus have individual members and it's the involvement of these members at the grassroots level that makes our organization effective.

It's individual members who serve on county committees and membership drives, individual members who give their time and abilities as county FB directors, individual members who contribute to the maintenance of this problem-solving tool we call Farm Bureau, that give us the power to get things done.

When you carried out those successful, award-winning programs, I'm sure that national recognition was not your motivator. You invested your time, efforts and God-given talents to benefit agriculture and those involved in our industry. It was your dedication and willingness to accept the responsibility of helping to solve agriculture's problems, through your organization, that made our Farm Bureau tops in the nation.

All of us are well aware of the many challenges we, as farmers, are facing. I hope we'll use this moment of glory to reaffirm our belief — and share that belief with others — that working together through Farm Bureau, we can and will effectively meet those challenges.

We have just completed our grassroots policy development process. The policies we have adopted at the local, state and national levels provide us with what we believe are the best, long-term solutions to our problems. Now we must invest all of our available people resources toward executing those policies. It is this effective member-involvement process that makes our organization the true voice of agriculture.

We deserve our moment of glory but we have much work to do and can't afford too much time for "star-gazing." Let's put those stars in their proper perspective. They are not laurels upon which to rest. They are well earned tributes to your efforts in 1985 and motivators for us to remain the best in 1986.

Most of all, they are evidence that "Farm Bureau — Together We Win" is more than just a slogan; it's a proven formula for continued achievement.

Elen R. Smith

Elton R. Smith, President Michigan Farm Bureau

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Congress Attempts Budget Balancing Act

Gramm-Rudman Balanced
Budget Requirements — No
concrete information has been
released yet concerning the effects of the Gramm-Rudman
balanced budget requirements
on agriculture. The USDA General Counsel and USDA Budget Office are continuing to review
the new law and assess its impact on agriculture.

WASHINGTON

An additional \$11.7 billion in spending cuts are required to be made by March I, 1986.
These cuts are to be divided evenly between defense and non-defense areas with the exception of exempt items like Social Security, and it is speculated that an across-the-board cut of 6% will be needed to come up with this amount. Cuts in agriculture, as well as other budget areas, will be quite specific as to the "programs,"

projects and activities (PPAs)"
that are targeted for reduction.
The conference report on FY '86
agriculture appropriations indicates that among the programs subject to budget reductions would be specific research
locations, individual flood
prevention projects and operational watershed projects, individual state, district and
county offices of FmHA and individual state and county ASCS
offices.

FmHA Loan Notices — The court-ordered, 22-month moratorium on foreclosures of delinquent FmHA loans was lifted Dec. 31, 1985, when new rules assuring proper notification to borrowers about their rights and repayment options were accepted by the court. The new rules included so-called "intent to take adverse action" letters which were expected to be out by the end of January. The letters are being sent to all bor-

rowers who are \$100 or more behind on payments. Borrowers receiving letters will have 30 days to respond. Action on the delinquent accounts will be handled on a case-by-case basis in county FmHA offices.

Options for avoiding foreclosure include reamortizing, rescheduling, a five-year deferral with no interest on principal or lower loan rates if the borrower qualifies. Farmers who ignore the notice and do not respond within the 30-day period lose all rights to appeal FmHA action.

According to Michigan FmHA, the agency expects to mail 1200 letters to delinquent borrowers in the state.

Farm Program Annoucement — See Discussion Topic "Farm Bill" on page 19 for details.

MFB President Smith Praises Block's USDA Service

John Block, who announced his resignation as secretary of the U.S. Department of Agriculture last month, was praised by MFB President Elton Smith for "the fortitude he has displayed during one of the most difficult periods ever experienced by American agriculture." Smith added that "those of us in Farm Bureau have enjoyed a good relationship with him during his years of service to our industry. Because he was a farmer himself, he communicated well with other farmers and understood their concerns and needs."

Smith said it would take a very strong, knowledgeable, dedicated believer in the future of U.S. agriculture to fill the role of Agriculture Secretary and he said he hoped the Reagan administration will recognize the need for someone with those qualifications when a replacement is named. Possible candidates for the post include former USDA official Richard Lyng, U.S. Trade Representative Clayton Yeutter, and immediate past president of the AFBF Robert Delano.

LANSING

Agriculture-Legislative
Reception — Legislators received their traditional winter
welcome from representatives
of Michigan agricultural organizations Jan. 8 at the
Agriculture-Legislative Reception at the Lansing Civic Center.

Speakers at the gathering included Gov. James Blanchard, who announced the appointment of MMPA President Elwood Kirkpatrick to the Michigan Commission of Agriculture, and MSU President John DiBiaggio.

Special recognition was also given to Sen. Harry Gast Jr. of St. Joseph. Gast was presented with a plaque honoring him for distinguished service to Michigan agriculture. The award is

made each year by the event's sponsoring organization, the Michigan Agriculture Conference.

Uniform Commercial Code

— This is one of the bills signed into law during the last few days of December. S.B. 362, now known as Public Act 199, amends the Uniform Commercial Code. This bill was the subject of considerable discussion, numerous amendments, and a great deal of work by the Legislature. (For details on how the new law will affect commodity sales, see Agrinomic Update on page 18.)

Water Resources Study
Commission — Sen. Nick
Smith (R-Addison) has introduced S.B. 629, a bill that
would add two public members
to the 15-member Water
Resources Study Commission.
The commission was recently
appointed by the governor and
state legislative leaders.

Passage of the bill would provide an opportunity for an ag representative to be appointed to the study group. Agriculture is a major consumptive user and the farm community was totally overlooked in the first round of appointments.

The commission has until the fall of 1987 to complete its study and recommend a comprehensive state water management plan to the Legislature.

Right to Know — This bill (H.B. 4111) is among those which carry over from the first half of the session. The bill, which passed the House on Jan. 15 by a vote of 99 to 0, would mandate that employees working with chemicals be advised of the hazards and treatment. Some exemptions for agriculture are included. The bill has wide ranging implications for all employers and employees

Cherry Hospitality in Atlanta



Michigan's cherry hospitality made plenty of friends at the AFBF annual meeting in Atlanta, Georgia, where MACMA Direct Marketing representatives served Michigan's premiere fruit crop by the scoopful. It was a fitting way to remind FB members across the nation that February is Cherry Month!

who are exposed to chemicals in the workplace. The bill now moves to the Senate for consideration.

Recreational Trespass Act

– H.B. 4576, which would amend the Recreational Trespass Act, had only one hearing in the first half of the session. The amendments would expand the definition of trespass, strengthen landowner rights, and would provide more protection against nuisance suits.

Insurance Premium Tax — H.B. 4702, which would tax insurance premiums of domestic (Michigan-based) companies, continues to be debated. Interested parties are working to reach a compromise on this controversial bill. The results of an insurance premium tax would mean higher insurance costs for policyholders, particularly for farmers who must maintain many types of insurance.

Livestock and Wildlife
Shining — Two bills dealing
with "shining" have been introduced, but neither have been
considered in committee. H.B.
4847 would amend the Michigan Penal Code to prohibit shining of private property, such as
buildings and livestock. H.B.
4873 would amend the Michigan Game Law and would further curtail wildlife shining,
which is currently prohibited
from 11 p.m. to 6 a.m.

Swine Imports — H.B. 5025 would prohibit the import of swine treated with chloramphenical.

In addition to the above bills, there are numerous proposals which are under consideration or pending, e.g., imposing a mandatory deposit on wine coolers, developing pesticide management strategy, amending the Plat Act, and ongoing discussions on taxes and appropriations.

Lansing legislative topics are reviewed by Ronald E. Nelson, MFB legislative counsel.

Excellence Takes State to the Top!



Michigan's Young Farmers, attending the AFBF Annual Meeting, were really in a celebrating mood when program awards and a national Discussion Meet title made their state the tops in the nation!

Michigan Farm Bureau topped all states in the AFBF galaxy of awards, winning 13 of a possible 17 individual gold star awards for 1985 membership growth and program excellence. Michigan also received one silver star.

The awards were presented at a special program during the AFBF annual meeting. Elton Smith, sharing award presentation honors with AFBF President Robert Delano, was privileged to make the prestigious award to MFB Vice President Jack Laurie.

Michigan was recognized for gold star achievement in membership, commodity activities, FB Women, Young Farmers, information, local governmental affairs, marketing, political education, policy development, rural health, agriculture in the classroom, FB

ACRES, and special project (Farm Bill '85). A silver star was awarded for national affairs.

Other top award winners, one in each of six categories based on membership size, were: New Mexico Farm and Livestock Bureau, 10 gold and two silver stars; Illinois Agricultural Association, nine gold and two silver; Pennsylvania Farmers' Association, seven gold and five silver; Virginia Farm Bureau Federation received six gold and one silver star, while Maine Farm Bureau Association's plaque contained six gold stars.

A total of 44 state Farm Bureaus achieved membership gain this year to qualify for awards in all program and service-to-member areas.

Entertainment for this year's program was by Roy Clark, him-

self an award-winning country music and comedy star.

Berrien County Young Farmer Wins National Title

MFB's representative in the AFBF Discussion Meet at Atlanta, Georgia, Jan. 12, captured first place honors and the use of a Deutz-Allis tractor for one year. Larry Priest of Galien in Berrien County talked his way to victory in quarter-finals, semi-finals and finals competition against state title holders from other Farm Bureaus across the nation.

Topic of the final discussion meet was "What is the future of antibiotics, pesticides, and related chemicals for agricultural use?" Contestants addressed the questions: To what extent

do chemicals from fields and livestock facilities contribute to contamination of ground water supplies? Who will bear the cost of correcting contaminated water supplies? How can farmers continue to justify chemical use in ther operations and maintain public confidence in the safety of agricultural products?

Priest said he prepared for the

state and national contest by reading and reviewing farm publications such as the Farm Journal and Successful Farming, and by talking with representatives of the farm chemical industry. He extended special thanks to MFB staff specialists in the Public Affairs Division for the resource assistance provided to him in preparing for the national contest. "Of course a lot of information can only be

gathered in day-to-day living with farming and in Farm Bureau," said Priest, who operates a 180-acre farm specializing in corn and soybeans.

Priest is the first national Discussion Meet winner from Michigan since 1969 when another Berrien County contestant, John Nye, took first place in the AFBF competition at Kansas City.

Political Dangers, Uncertainties Pre-Packaged with Federal Help, Delano Warns



In his final report to FB members at the organization's annual meeting in Atlanta, Robert Delano warned against the "political dangers and uncertainties that come pre-packaged" with help from the federal government.

In a review of 1985 activities, he said that while FB's efforts to pass a "constructive, long-term farm program of reasonable cost and effectiveness" were frustrating, he considered that some gains were made.

"For the first time, program loan rates are tied to market prices. This is a vital requirement of any responsible farm legislation and will eventually lead to more market competitiveness and better prices. We avoided repeated attempts to place tight, mandatory production and marketing controls on agriculture," he said.

Farm people have grown used to congressional delays and "political logrolling" on farm program issues, Delano said, but never before while under the same intense economic pressures.

"We lost money as commodity markets became even more volatile, and as the new harvest came in while farm program legislation was undecided.

'We started the year determined to gain more recognition for markets as the key to improved farm and ranch income. We were determined to do our part in keeping program costs down to remove inflation and reduce the deficit," he said. "It soon became evident that we were almost alone in these concerns. The progress we should have made toward gaining new income from the marketplace degenerated into months of wrangling and debate over how much federal money Congress should give farmers."

Looking ahead, Delano cited farm credit, tax reform, trade expansion, and a balanced federal budget as key issues to be addressed by farmers in 1986.

"For these and many other reasons, this is a critical election year. This is the time for agriculture to identify our political opponents and to support our friends," he said.

Delano said that he believes the next few years will set the course of American agriculture for the rest of the century and challenged farmers to set that course themselves.

"If farmers and ranchers choose not to set this course, there are others who will gladly do it for us," Delano said. "Liberal politicians will do it. Church activists have been trying to set farm policy for many vears. The environmentalists have their own agenda for American agriculture. Magazine and newspaper editorial writers think they have the answers to farm problems and labor union leaders are anxious to get control of food production and food prices.

"Farm Bureau has earned a reputation as the reasonable voice of American agriculture. Now is the time to use it. Now is the time to lead," he concluded.

AFBF Conferences

Dairy and Livestock

A livestock marketing expert encouraged cattlemen to pursue a course of promotion and advertising to halt what has been a steady decline in the demand for beef.

Glenn Grimes, professor of agricultural economics at the University of Missouri, told FB members attending the convention's Livestock and Dairy Conference, Jan. 13, that the beef industry has "few alternatives," other than increasing the basic promotion of their product.

Grimes said even though cattle numbers are the lowest since the early '60s, lack of demand for beef has kept producer prices at a low level. In a less than optimistic analysis of the livestock industry, Grimes said, "The probabilities appear to be high for continued weakness in beef demand for at least the next few years."

Grimes said cattle producers have continued to reduce the cattle herd to below 106 million head, the smallest herd since January 1963 and the outlook for a reversal of this trend is bleak.

Grimes also had grim news for the dairy industry. Although the recently passed farm bill may provide long-term help for the dairy industry, he predicts next year's outlook to be marred by continued surpluses.

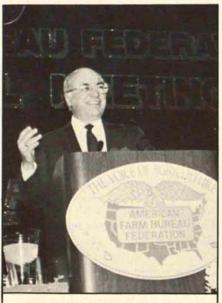
LaVern Freeh, vice president for international development and governmental affairs for Land O'Lakes, Inc., also spoke to the more than 200 farmers present.

He said, "Farmers can only compete by turning attention to world markets and large, cooperative groups. Small producers do not have the resources and assets to compete. Consolidating gives the small producers the same marketing clout as the big guys," he said.

Yeutter Predicts Improving Export Markets for U.S. Agriculture

Recent developments point to "gradual improvement" for U.S. farm exports over the next several years, according to the nation's top trade official.

U.S. Trade Representative
Clayton Yeutter, speaking at
the AFBF annual meeting Jan.
14, said the combination of a
weaker U.S. dollar, competitive
U.S. commodity prices and
progress in combating foreign
competitors' unfair trade practices makes the long-term export outlook brighter for American farmers and ranchers.



CLAYTON YEUTTER
U.S. TRADE REPRESENTATIVE

Yeutter, who has served in the trade post for the last seven months, said the key for agriculture is to "become internationally competitive again." He said a number of interrelated factors point to that goal being realized.

One of those factors, the 20% drop in the value of the dollar last year, is helpful, he said, but the dollar will have to fall another 10% to 15% for agriculture to benefit.

Another factor, he said, is the recently-enacted 1985 farm law, which provides "ammunition" for U.S. producers to compete by tying loan rates to market prices.

Most important, however, are policies to cut the budget deficit and reduce interest rates, the trade official stressed. The Gramm-Rudman deficit reduction legislation, he said, means "we finally have an opportunity" to reduce the deficit "in a very dramatic way." If that occurs, Yeutter said, both interest rates and the value of the dollar will fall, which will boost U.S. farm exports.

On the trade negotiating front, Yeutter said the Reagan administration's "far more aggressive" actions in confronting other nations' unfair trade practices has resulted in a "more attractive environment" in which to negotiate with the European Community than there has been previously.

Although there are still several outstanding disputes remaining with the EC and the two sides are "miles apart" on some issues, Yeutter said there are "many opportunities" for progress with the EC in the next two or three years.

At home, Yeutter said the administration will object to protectionist legislation it expects Congress to debate this year, in part because such measures would trigger automatic retaliation against U.S. farm exports.

Instead, he called for Congress to redirect its "legislative adrenalin" toward approving legislation that would improve U.S. trade laws so that remedies for unfair trade practices, such as dumping and export subsidies, could be more easily effected.

Farm Bill Provides Tools for Better Export Promotion Says Senate Majority Leader

Asserting that 1986 is a "watershed year" for American agriculture, Senate Majority Leader Robert Dole told FB members in Atlanta that the industry has "very serious problems" but they are "bottoming out."

The Kansas Republican said the recent enactment of the 1985 farm bill and the Farm Credit System assistance legislation signified that "government has been responsive" to the farm crisis.

Dole, who shepherded the farm bill through the Senate, said the bill "puts in place income protection for farmers. What we hope happens is improved land values, better cash flow and increased market shares and prices."

He singled out the bill's export promotion features as ones that will help farmers because they provide "a lot of tools to make the program work," and he urged the administration to undertake an aggressive sales campaign for farm exports.

"But whatever we do on farm credit, export promotion and the 1986 farm program pales by comparison with the number one problem for rural America, the federal deficit, "said Dole. The three-term senator brushed aside the notion that the Gramm-Rudman deficit-reduction law, which he called "another discipline Congress needs," would hurt agriculture and he said that paring the deficit would greatly help farmers. Dole said he hopes a bipartisan coalition will take action by summer to cut the deficit so the automatic Gramm-Rudman cuts do not take place, but if some farm spending is cut it "might not be the end of the world."

Turning to the farm credit situation, Dole predicted that

Congress would approve legislation to assist troubled rural banks, particularly if there is a "liquidity crunch" before spring planting, but he cautioned that the approach must be "responsible and reasonable" because of the budget deficit. "The U.S. government cannot afford to bail out every agricultural lender any more than it can step in and save every farmer or rancher who is in distress."



SENATOR ROBERT DOLE SENATE MAJORITY LEADER

Dole also predicted that 1986 will see a major debate on trade legislation in Congress, saying there will be "not only rhetoric but a lot of action." He decried other nations' unfair trade practices, calling it "an American tragedy" if farmers or other businessmen go out of business because of unfair competition.

"I do believe we are going to have to see a more aggressive policy...emanating from the administration," said Dole, urging passage of legislation to counter unfair trade practices.

AFBF Conferences

Grain

Economists view market-oriented farm policies contained in the 1985 farm bill as being most effective in relieving America's farmers from a world awash in grain.

Ewen Wilson, USDA deputy assistant secretary for economics, and economist John Schnittker, president of John Schnittker Associates, told farmers at the AFBF Grain Conference that market-oriented policies contained in the 1985 farm bill to reduce price supports are expected to improve American farmers' competitiveness on the world grain market.

Some farmers expressed concerns about Agriculture Secretary Block's decision to drop loan rates to their minimum allowable levels for wheat and feed grains. Schnittker explained the decision was made in part to ensure they would not surpass average market prices.

Even with lower loan rates, both economists predicted participation in the program to climb significantly because of its attractiveness compared with non-participation.

They forecasted that at least 80% of corn producers and at least 85% of wheat growers will participate in the programs.

International Trade

The best hope for increased export sales of U.S. farm products will come from improved world economies, a panel of international trade specialists told an AFBF group meeting in Atlanta, Jan. 13. The trade experts also warned there is no interest more important to agriculture than guarding against protectionist actions by Congress.

"If we restrict European steel, textiles and other big ticket

(continued on next page)

AFBF Conferences

(continued from page 11)

items from entry into the states, the nation's farmers could lose major sales of soybeans, corn gluten and other exports," said James Starkey, who served as the agricultural trade negotiator during the Tokyo Round of the multilateral trade negotiations.

"As world traders we have been fighting over a declining market the last five years due to worldwide recession," said Dale Hathaway, former USDA under secretary for international affairs and currently a private consultant on economic and trade issues. Hathaway and Starkey warned that in the short term, the dollar value of U.S. farm exports will continue to fall as a result of sharply lower rates contained in the new farm bill. The trade specialists said the lower loan rates will eventually benefit the nation's farmers by removing the umbrella which has allowed other countries to produce more.

Other conference speakers described what the United States will seek in a new round of trade talks under the General Agreement on Tariffs and Trade (GATT). "We will pursue total prohibition of export subsidies," said Charles O'Mara, assistant administrator for international trade policy for USDA's Foreign Agricultural Service. O'Mara called arbitrary health and sanitary standards imposed by other countries a major detriment to sales. "Frequently these standards prove more difficult to overcome than tariffs and quotas." said O'Mara.

"GATT rules on agricultural trade are weak," said Suzanne Early, assistant U.S. Trade Representative, "and what rules exist are easily circumvented. If the international business community and the contracting par-

(continued on page 22)

Delegates Select President and Set Policy for 1986

On the closing day of the 67th AFBF Annual Meeting in Atlanta, Georgia, Dean Kleckner, Iowa Farm Bureau Federation president, was elected as the 10th president of the national organization. South Carolina Farm Bureau President Harry Bell was selected as the federation's vice president.

At a news conference, Kleckner was asked several times about current conditions in agriculture. "I'm sensitive to the fact that agriculture in general is in a depressed state," he said, adding that he hopes the worst is over but doesn't see a quick turnaround.

"Everything we are going to do is going to be slanted toward improving net farm income," said Kleckner. He said one answer is more exports and he indicated that Farm Bureau will continue to look at other ideas to achieve a turnaround in the industry.

Another priority, Kleckner said, will be in the credit area, and he said he expects additional measures to be considered in Congress to help farmers and their lenders.

"We have simply got to do a better job in the export market," he said.

With the convention coming shortly after enactment of the 1985 farm bill, the 280 voting delegates turned their attention to other national issues.

Most prominent among the more than 200 considered was tax reform legislation, which is one-half the way through Congress and will be considered this year in the Senate.

The delegates endorsed a tax reform package that would repeal the investment tax credit, saying the credit and other tax breaks hurt agriculture because they encourage overproduction of many commodities and pull down prices.

In addition, the tax reform package ratified by the delegates would treat proceeds from livestock sales as ordinary income instead of as capital gains. The tax reform proposals were similar to those contained in an AFBF tax reform study.

On the issue of possible tax increases to slice the federal deficit, the delegates reaffirmed their long-held stance against new or additional levies.

Also debated was the problem of grain quality, which foreign buyers have complained about in recent years. The delegates urged that grain grade standards be improved to "give assurance that we will provide clean...grains for our customers at home and abroad."

Addressing an issue in last year's farm bill debate, the delegates changed the federation's position on commodity promotion programs. They said that such programs should feature an initial referendum and have mandatory participation after the program has been approved. The delegates said referenda should be held at least every five years to reaffirm checkoff programs. Previous policy said that producers should be given the option of obtaining refunds if they did not want to participate.

The delegates rejected two proposals of note. They voted against a proposal calling for a national tax on sales of food with the revenues earmarked for helping troubled farmers.

Also, the delegates turned down a proposal to establish a national political action committee for the AFBF.

FRONT & CENTER

MFB's AgriCom/AgriVisor Winter Marketing Seminar will be held in Chicago, Feb. 18-20. The seminar will be combined with tours of the Chicago Board of Trade, Chicago Mercantile Exchange and Mid-America Commodity Exchange. Cost for AgriCom/AgriVisor subscribers is \$150 and includes bus transportation from Saginaw, Lansing or Kalamazoo, two nights lodging and all meals while in Chicago. FB members who are not subscribers will be charged \$275, but those who sign up for an AgriCom subscription within 30 days of the seminar will receive a \$125 subscription credit. For registration information, contact MFB AgriCom, P.O. Box 30960, Lansing, Mich. 48909, phone 517-323-7000, ext. 547.

MSU's Agriculture and Natural Resources Week is set for March 17-22. More than 200 activities will be offered, with topics ranging from how to increase tourism in local communities to how to dispose of locally-generated solid waste. A number of sessions will deal with issues affecting county and township governments. Other topics will include non-point source pollution issues, use of microcomputers for land management, and wetland preservation. Details of the annual event, formerly known as Farmers' Week, will be available soon from Cooperative Extension Service offices.

The second financial survey of Michigan farmers in nine months is underway. The mail survey of 3,500 randomly selected farmers is being conducted by the Michigan Ag Reporting Service and will be analyzed by MSU's Agricultural Economics Department. The results are expected to measure any changes in the state's farm financial situation since MDA's survey of last April, and provide current information to help the department create new strategies to aid farmers in need of assistance. MDA stresses that individual farmers' information will be kept confidential.

The focus will be on working together for successful FB policy execution during the Information/State & National Affairs Conference, Feb. 26-27, Harley Hotel, Lansing. County presidents, Information and State & National Affairs committee members will develop communications strategies to gain understanding of, and support for, FB's policy on a key issue by the organization's publics, including members, legislators and the general public. Agenda and reservation information is available from county FB secretaries or the Member Communications Dept., Michigan Farm Bureau, P.O. Box 30960, Lansing, Mich. 48909.

National Agriculture Week is March 14-20 and with current national media attention focusing mainly on the negative, county Farm Bureaus are developing plans for activities that will "accentuate the positive." Tuscola, Huron and Sanilac county FB leaders and the Cooperative Extension Service are planning a four-hour "radiothon" on March 15, to be aired on three local radio stations. The program, which will include call-ins, will be narrated by Bob Driscoll, farm director for the Michigan Farm Radio Network.

Lansing Legislative Seminars, an opportunity to develop a stronger working relationship with state legislators and share MFB policy with them, are scheduled for February and March. The seminars, held at the YWCA in Lansing, include a legislative update by MFB Public Affairs staff, a noon luncheon with legislators, and a visit to the capitol. Dates are: Feb. 12, Saginaw Valley; Feb. 19, Northeast, North, Northwest and U.P. regions; March 4, Southwest and Southeast; March 5, South and Central; March 6, Thumb; and March 12, West and West Central. Make reservations through your county secretary.

Michigan Farm Bureau's complete 1986 policies will be will be available in booklet form in the near future. Copies of the AFBF policy book will also be available in a few weeks.

| Please send me the following: | | Name | | | | |
|-------------------------------|------------------------------------|---|--|--|--|--|
| | 1986 MFB Policy Book | Address | | | | |
| | 1986 AFBF Policy Book | | | | | |
| Mai | l to: Michigan Farm Bureau, Public | Affairs Division, P.O. Box 30960, Lansing, MI 48909 | | | | |

RURAL EXCHANGE

FARMETTE

By Andrea Hofmeister Tuscola County



"...and you said this was a very small box of Valentine's Day chocolates because I'm still on my post-Christmas diet!"

Newsletter Editor Urges Members to Use and Promote Local Products

Hiawathaland Farm Bureau members are being urged to support locally grown and produced products when they do their grocery shopping.

In a recent issue, newsletter editor and county secretary Barbara Cotey reported that Jilbert dairy products are made from locally produced milk and processed at a plant in Marquette.

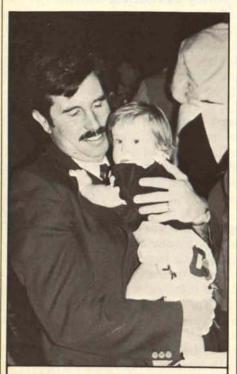
"They are offering a quality product and the investment they have made in the facility tells us they believe in the agriculture community of the Upper Peninsula," the article said. "If your store does not offer Jilbert products, ask them to. If it does, express your

thanks to the manager and explain why.

"Let's take an interest in the farm products we buy. When we purchase locally grown and locally processed products, the money stays in our area and continues to work for us.

"I can't tell you how good I felt when I saw a display of Garden Orchards apple cider in the grocery store where I shop," Cotey said in the article. "I feel the same way when I learn the French fries I am being served are from VanDammes."

Cotey ended the article by asking members to let her know about other locally grown and processed foods for recognition in future newsletters.



RURAL RASCAL — The Michigan vs Ohio rivalry will go beyond college sports this year, with an all-out membership challenge between the two state Farm Bureaus. At a joint Michigan-Ohio Breakfast Jan. 13 in Atlanta, Amy Noecker, 18 months, and her father, Ray, show the side they're supporting.

Do You Know CPR?

"You never know when you'll be called upon," said Sanilac County Farm Bureau member Geraldine Smith. The topic was CPR — cardio pulmonary resusitation. The place was on location at an u-pick apple orchard last summer for filming of a segment for the TV-5 "Farm and Garden" show.

They were waiting to tape, Smith reported, when suddenly someone rushed up needing assistance. His friend had collapsed from an apparent heart attack. Of the several people on hand, only Smith had training in CPR. The cameraman, Bob Campeau, offered to help though he admitted he had only "observed" CPR classes before.

Smith urges all FB members, and the general public as well, to get training or update your skills. "You never know when you'll be called upon," she said.



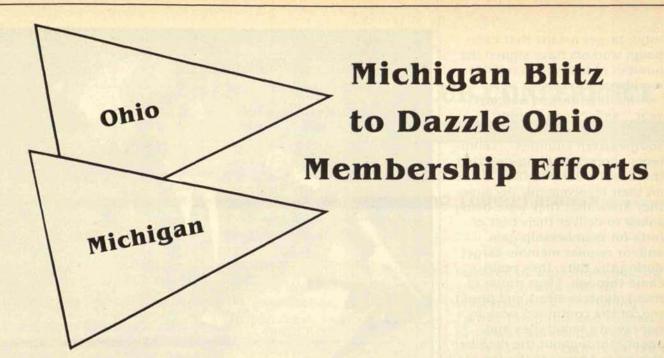
MID-WINTER SALE

Sale Features:

- •Fresh Citrus
- Fruit Concentrates

Obtain product and price information for citrus products,

Order deadline:
February 12th
Delivery: Week
of March 3rd.



Riding the crest of an outstanding membership year in 1985 — almost 5,000 over goal — and still exhuberant from winning a national FB title as "Top Farm Bureau in the Nation" (see story page 8), FB membership campaigners, staff and agency representatives are charging into Blitz '86 with enthusiasm and confidence.

"It's a real boost to every campaign worker, whether volunteer or Farm Bureau staff member, to know that they are representing the best in the nation. Just knowing that you're part of a winning team that has proven itself on the field, gives all of us that extra competitive edge," said Robert Braden, MFB's administrative director.

Adding to the spirit of competition, and putting a little extra incentive in this year's campaign, is a renewal of the "gentle rivalry" between Michigan Farm Bureau and the Ohio Farm Bureau Federation. Seasoned FB campaigners on both sides of the state line recall the good spirited competition between the states during past campaigns. Rivalry on the "membership gridiron" during 1986 is expected to be high. Campaign spirit was soundly exhibited at the Michigan-Ohio

Breakfast in Atlanta, Georgia, where the 1986 membership proclamation and challenge was issued by MFB's President Elton Smith and OFBF President James Patterson. Members from both states cheered as the two presidents agreed to wear the opponent's "school tie" if they were bested in the "big game."

The MFB Campaign Blitz '86 has been scheduled to kick-off the week of Jan. 27 and continue through Feb. 7, but some FB county organizations, eager for

a successful drive in 1986 held their kick-offs in early January. Most FB counties scheduled kick-offs for the week of Jan. 20 for training, "equipment check" and to review the "membership playbook." Special emphasis will be on volunteer involvement during the 10-day Membership Blitz to reach membership gain or regular member target. Membership gain is reached when the sign-up is one membership over the last year's



The interstate seating arrangements for the Michigan-Ohio Breakfast in Atlanta gave members a chance to get acquainted with their membership rivals across the state line.

total; target means that campaign workers have signed the number of last year's regular members plus one.

"The Blitz worked well last year," says Susan Garner, regional representative in MFB's southeastern counties. "Volunteers appreciated knowing that there was a definite time frame on their involvement. Because they knew that they were being asked to deliver their best efforts for membership gain and/or regular member target during the Blitz, they really came through. I was proud of that volunteer effort and proud, too, of the continued work by our county secretaries and agents throughout the membership year. I know that's the kind of effort we can count on again in '86!"

Going into the Blitz, statewide membership reports showed that new member sign-ups were running an outstanding 200% above 1985 statistics for the same period, while renewals lagged by 4% — some 3,000 memberships behind last year's stats.

Campaigners on the MFB staff expressed confidence that the Blitz squads would meet the challenge to conduct an all out, intensified effort by the entire state to sign new members.

There will be plenty of Blitz activities at Farm Bureau Center in Lansing again this year with a phone answering slogan, pep rallies, and "cheerleading" by scout team members in the state office through personal visits to the counties during kick-off week, and phone calls during the Blitz. Conference-wide newsletters will report membership status and give encouragement to campaigners who will be joining "players" across the state - and across state lines - who will be "Going for Membership Goal!"



Michigan-Ohio 1986 Membership Proclamation

Over the years, the great states of Michigan and Ohio have enjoyed a spirit of competition, not only on the gridiron, but in Farm Bureau programs and accomplishments as well. This rivalry has resulted in a record of achievement that stands second to none in Farm Bureau circles around the nation.

We call attention to the fact that 1985 marks an increase of 10,272 Farm Bureau member families for Ohio and Michigan. Both states have enjoyed 18 consecutive years of membership growth. We consistently rank among the top membership states. We continue to grow and prosper because our strength is in our membership.

Our founders conceived Farm Bureau as a farmers' organization: built, financed, owned and operated by farmers on behalf of farmers. With this as our foundation, we call on every membership worker to make every effort to assure that every farmer in Michigan and Ohio is afforded the opportunity to join Farm Bureau in 1986.

Keeping in mind that we have a very aggressive workforce, we wish to discourage crossing state lines to sign members. Violators, if apprehended, will be dealt with in a severe manner which is deemed appropriate at the time.

We also admonish staff members, membership chairpersons and others in positions of authority — be it granted or assumed — to practice accurate and timely reporting, and to hold to a minimum sandbagging, over-reporting, under-reporting, bragging, boasting, threats of bodily harm, or other devious acts of which they may be capable.

As we set our hand to this document this day, January 13, 1986, we agree on behalf of the membership workforce to challenge each other to have the largest numerical gain in membership by the end of the 1986 membership year.

James Patterson, President Ohio Farm Bureau Federation

Elton R. Smith, President Michigan Farm Bureau



EXECUTIVE CLUB CONFERENCE

Rounding Out Leadership Skills for FB Women and Young Farmers

The Executive Club Conference, sponsored by the MFB Women's and Young Farmer committees January 7-8 at the Flint Hyatt Regency, received high marks from the nearly 100 participants.

Officers of county FB Young Farmer and Women's committees attended general sessions and workshops designed to help them sharpen their leadership skills and learn about their responsibilities as "executives."

Setting the mood for the conference was Dr. David Landswerk, superintendent of Owatonna (Minn.) Public Schools, with the topic, "It's What You Make It." Landswerk was the banquet speaker at the 1983 MFB annual meeting.

Workshops offered on the first day were maintaining an effective organization, conducted by Norman Bless, Lenawee County Cooperative Extension Service director; teamwork, presented by communications specialist Vicki Pontz; public speaking with Mike Kovacic, MFB Information & Public Relations director; and effective meetings, conducted by Scott Walter, MFB member records/county services coordinator, and MFB Regional Representative Doug. Fleming.

C. Leslie Charles, president of Training Works, Inc., kicked off the second day's activities with a presentation on motivation, followed by workshops dealing specifically with officers' responsibilities. The Young Farmer programs and Women's programs workshops were conducted by Vic Verchereau, manager of MFB's Young Farmer Department, and Rosemary Kartes, manager of MFB's Women's Department and education coordinator.

Conference participants were sent back home to their respective county Farm Bureaus with a challenge from Dr. Howard Hickey, professor of educational administration, Michigan State University, who told them, "There's a job to do."



Dr. David Landswerk, Minnesota school superintendent who was a crowd-pleaser at the 1983 MFB annual meeting banquet, spoke to the participants of the Executive Club Conference on the subject, "It's What You Make It."



County FB Women's and Young Farmer committee officers exchange viewpoints on their responsibilities as "executives" and opportunities to sharpen their leadership skills. Nearly 100 county committee officers attended the Executive Club Conference in Flint, Jan. 7 and 8.

Uniform Commercial Code Changes

Until Public Act 199 of 1985, amending the Uniform Commercial Code, was signed into law by Governor Blanchard, buyers of farm products purchased agricultural products at risk. Under the prior provisions of the Uniform Commercial Code, the buyer of farm products was responsible in the event that the seller failed to satisfy a lien. For example, a crop lien could be placed by the lender when a farmer borrowed money to plant, grow and harvest corn. If the farmer failed to satisfy the loan, the eventual buyer of the corn could legally be held responsible.

This lien payment mechanism presented increasing problems for buyers in recent years and was further complicated by the difficulty in determining where the lien was filed and under what name. Legislative proposals to correct the situation were the subject of lengthy debate and many drafts were written. On Dec. 26, 1985, S.B. 362 was sent to the governor for his signature. The bill, which had an effective date of Jan. 1,

1986, has a significant impact on the sale of agricultural commodities. The following are the general provisions of the bill:

At the request of the lender, the farmer is required to provide a written list of not more than five potential buyers. The farmer may sell only to those listed buyers or be subject to the penalty of law. If, for some reason, he does not sell to one of the listed potential buyers and fails to satisfy the loan, he is subject to a maximum penalty of three years in prison, a \$10,000 fine or both. However. if the secured loan is paid in full, the satisfaction of the debt would be considered restitution and absolute defense. It is important that the farmer accurately list the potential buyers of the secured commodity.

The lender is limited to notifying only those potential buyers listed by the farmer. Commodity buyers were concerned that they would receive lien notification regarding individuals who would not logically sell to them. For instance, a farmer operating on the west side of the state does not usually market products on the east side of the state. In addition, the lender is required to notify those persons listed as potential buyers within 11 days of the satisfaction of

the lien, unless a written agreement exists between the buyer and lender. Concern was expressed that a lending agency would present the lien notice, but

fail to notify those on the buyer list when the loan was paid.

Jail and monetary penalties are assessed, too, against lenders for improper actions, including providing false information to the buyer(s), notifying buyers not listed by the farmer, or for failure to notify the buyer within 11 days that the loan had been paid.

Buyers, listed by the farmer and properly notified by the lender, are required to issue a joint check to both the farmer and lender. In addition, the buyer may not withhold any portion of the payment unless the buyer has a prior perfected lien on the commodity in question. If the buyer fails to comply with these sections of the law, he is subject to a penalty of 90 days in jail, a \$1,000 fine, or both. The lender has a maximum of two years to take action against any buyer who has violated Public Act 199.

Farmers, lenders and buyers will need to make a special effort to make themselves familiar with the provisions of this new law to satisfy the legal requirements and to protect their own interests in buying and selling transactions where a commodity lien is involved. The law, similar in many ways to the Grain Dealers' Act, was drafted after long discussion and compromise. Its intent is to protect all parties to the transaction and provide a workable mechanism that will preserve the right for the farmer to transact business on borrowed money.

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

1985 Farm Bill

A move toward reduced price supports for corn, wheat and soybeans while maintaining income supports and new programs for dairy and livestock producers makes the new farm bill crucial to farmers. Several other features pertaining to other farm program commodities and conservation issues make the farm legislation important.

"In general, we're going to a much more market oriented price support program," said Robert Craig, manager of MFB Commodity Activities and Research Department. "In the past, support prices were based on some concept of parity or some variation of costs of production. This is a very significant change in philosophy on price supports."

One of the program's key changes was in the federal crop price support loan program, Craig said. The 1986 loan rates will drop to the minimum allowable levels of \$1.92 a bushel for corn and \$2.40 for wheat.

"Livestock producers need to look at whether it will be cheaper for them to buy their feed than to produce it. Corn producers should seriously consider participating in the government program in 1986,"

Craig advised.

Farmers should take a close look at the new proposals if for no other reason than deficiency payments, he said. These are reimbursements for the difference between target prices, which are set at what is considered to be a sufficient level to cover production costs, and the average market price. With decreased loan rates pulling the market down and target prices frozen at 1985 levels, participants should receive significant deficiency payments on their

1986 crop. But, in many areas, mandatory acreage reductions and a \$50,000 payment limitation are connected to receiving deficiency payments.

"While many said they wanted to clear the market of excess production," he continued, "the politics of the situation say not to clear the market of producers. Congress left target prices alone for the time being to help keep farm incomes from dropping lower and driving more farmers out of business."

On Jan. 13, 1986, USDA officials said that crop program loan rates for corn and wheat were set at the lowest allowable levels because they wanted prices for those crops to reach market-clearing levels as soon as possible.

While the Food Security Act of 1985 made many changes in farm support programs, Craig said that with sign-up to begin in early March, the following are the most important points for producers:

Corn - The 1986 national loan rate will be \$1.92 per bushel, down from \$2.55 in 1985. This year's target price is \$3.03, the same as 1985. There will be an 88¢ deficiency payment rate, all but 25¢ of it to be subject to the payment limitation. To participate in the 1986 program, farmers must reduce their base acreage by at least 20% - 17.5% in unpaid reduction, and 2.5% possibly to be paid "in kind." Using historical yield and cost trends, Craig says the typical corn producer would have to receive over \$2.68 per bushel to earn more by not being in the program if it required a 20% acreage reduction. With next year's prices predicted to be between \$2.00 and \$2.25, he said, farmers

should take a long look at their production and marketing opportunities before deciding not to participate.

Wheat - The national loan rate will be \$2.40 per bushel, down from \$3.30 in 1985. The target price is frozen at 1985's \$4.38 level, giving a potential deficiency payment of \$1.58 per bushel, with \$1.38 subject to the payment limitation. Furthermore, there is a requirement of 22.5% for the acreage reduction program and a 2.5% paid diversion which may be "inkind." Also, a cross-compliance requirement between wheat and feed grains is mandatory in the 1985 Farm Bill. This requirement is causing many problems and may have to be changed through a technical amendment by Congress, he said. If crosscompliance is not changed, participation may be reduced, Craig added.

Soybeans — The 1986 and 1987 loan rate will be between \$4.77 and \$5.02 per bushel and is to be set by the secretary of agriculture. The legislation has no acreage set aside provisions, so farmers don't have to do anything to be eligible for supports. As in the past, there are no target prices or income deficiency payments for soybean growers.

Dairy Production — This portion of the bill is designed to reduce surpluses through a whole-herd diversion program. If this plan does not cut surpluses sharply, substantial support cuts would be authorized beginning in 1988. Chief features include continuing the current \$11.60 per hundred weight support level for calen-

(continued on next page)

Discussion Topic

(continued from previous page)
dar 1986 but activating an
18-month, farmer-funded program under which producers
can voluntarily elect — in
return for payments set on a
bid basis — to take entire dairy
herds out of production for five
years in order to reduce sur-

pluses. To fund the program, farmers would pay an assessment of 40¢ per hundredweight during 1986 giving a net effective price support of \$11.20 on manufacturing-grade products. On Jan. 1, 1987, the secretary would be required to lower the support rate to \$11.35 but the assessment would drop to 25¢

per hundredweight. On Oct. 1, 1987, the assessment would end but the secretary would be required to lower the support to \$11.10. Beginning Jan. 1, 1988, the secretary would be required to make 50¢ annual cuts in the support rate if surplus purchases are expected to exceed 5 billion pounds a year or 50¢ increases if surpluses are expected to be under 2.5 billion pounds. After the whole herd disposal program ends, the secretary would have discretionary authority to adopt a diversion program of wholeherd or partial cuts. Differentials used in setting minimum fluid milk prices in some marketing orders would be increased to reflect current transportation costs.

Livestock - To protect livestock producers in case of heavy dairy cow sales into the meat market because of a milk diversion program, the bill requires additional government purchases of 400 million pounds of red meat for the duration of the whole-herd diversion for export or domestic donation. The bill also includes new authority for farmer-funded beef and pork promotion. Producers can get refunds of check-off contributions during the period between the start of the programs and later referendums. The beef check-off would be \$1 per head (including imported beef) with a credit of up to 50¢ for assessments of state beef councils; the pork checkoff would be one-fourth of 1% of the sale price of hogs and imported pork. Also, the bill requires that imported meats, livestock and poultry comply with American standards and residue regulations.

Sugar and Wool — The bill generally extends current programs. The current wool support formula would be frozen for five years. Sugar supports would continue for five years at no less than the 1985 level of

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18¢ a pound. To avoid a buildup of surplus stocks in government hands caused by forfeitures of support loans when market prices are low, the bill requires that import quotas currently scheduled through Sept. 30, 1986, be extended for at least three months, thus reducing per-month import levels. As an alternative, the secretary would reduce quota levels to protect domestic prices. Beginning with the next quota year, the secretary would be directed to operate the sugar program with quota levels which avoid any cost to the government. Also, the bill provides that beginning with the 1987 quota year, no import quotas can be given to countries which are net importers of sugar unless they verify that they do not import Cuban sugar.

Payment Limitations and other General Commodity
Provisions — The law continues the present \$50,000 annual per producer ceiling for program payments. Exempt from the ceiling would be: (1) target price payments which offset support loan cuts below basic

loan levels, (2) any payments made under several program cost-reduction items which the bill provides for discretionary use by the secretary, and (3) any gains farmers realize when paying off support loans at less than the initial loan level. A \$100,000 ceiling would be provided for disaster payments to producers of grains, cotton and rice and similar disaster payments are authorized for the 1985-90 crops of soybeans, sugar beets and cane and peanuts. Advance deficiency payments would be required for 1986 crops using target price programs and would be discretionary in future years, and 5% of total deficiency payments could be made in kind at the secretary's discretion. New provision for determining crop and total farm acreage bases are included, along with revisions in the farmer-owned grain reserve program putting new limits on the reserve. And in programs using target prices, the secretary would have discretion to make payments to farmers who are eligible for loans and targets prices but agree to forego those benefits.

Finally, the 1985 Farm Bill established a conservation reserve and bids for it will be accepted beginning in March 1986 with the first payments to be made in October. Highly erodible cropland that enters the conservation reserve program will be ineligible for farming for 10 years and must instead be planted with permanent vegetative cover. Up to 45 million acres may be enrolled in the reserve from 1986-1990. The total amount of rental payments for any fiscal year (Oct. 1 - Sept. 30) may not exceed \$50,000 or its equivalent, if in-kind payments are made.

Farmers interested in participating in any federal programs described above should contact their local office of USDA's Agricultural Stabilization and Conservation Service.

Discussion Questions

- How will the Farm Bill provisions apply to your own farm operation?
- What types of implementation rules would improve the new farm law?

Reinforce Pole Barns to Prevent Collapse

If you have any kind of pole building on your property, you can take a simple step that could prevent your structure from collapsing when heavy snow and ice accumulate on the roof.

It's simply a matter of renailing and reinforcing the truss plates that hold up the roof, according to Farm Bureau Mutual Insurance Company of Michigan.

The company put out the advice after its claims adjusters noted that a large number of older pole buildings were collapsing each winter under the weight of accumulated snow.

In many cases, the company says, the roofs caved in because spikes in the truss plates had corroded and could no longer support the weight of the roof.

As snow piled on the roof, the increasing weight caused the truss plates to shear off the weakened spikes.

Many of the spikes used in older pole buildings are uncoated or ungalvanized. The chemical content in the treated poles and lumber eats away at the spikes over the years.

Farm Bureau claims adjusters report that some spikes removed from older pole buildings had corroded to the diameter of a toothpick.

Keep in mind that these spikes and the truss plates are all that is supporting the entire roof structure.

But the problem is easily corrected. Simply respike the truss plates, using a ring-cut galvanized pole building spike. For extra protection, add a support onto the pole just below the truss plate.

These are simple steps, but they could save your pole buildings (and their contents) this winter. Your county building inspector should be able to answer any questions.

AFBF Conferences

(continued from page 12)

ties are to retain confidence in the GATT system, an expeditious and effective dispute settlement mechanism is essential. GATT is in urgent need of repair and updating," Early warned.

Each of the conference speakers warned that gains for agriculture will be difficult in a new round of talks. "Are we serious about giving away provisions such as Section 22 protection?" Hathaway asked, referring to the mechanism that allows the president to impose import limits to protect domestic farm support programs. Section 22 limits are now in effect for dairy and sugar imports.

In addition, Hathaway said, it could be dangerous to press for uniform trade laws such as a ban on export subsidies because features of domestic farm programs, like target prices, could be interpreted as being a tool to subsidize exports. He said that export promotion programs, such as the export bonus and various credit programs, could be vulnerable to such a test.

Labor

Two farm labor representatives issued a stern warning to a major congressional architect of immigration reform that pending legislation could be killed if adequate provisions governing foreign workers are not included.

Congressman Romano L. Mazzoli, chairperson of the immigration subcommittee of the House Judiciary Committee, heard the warning as he reviewed progress toward immigration reform at the AFBF annual meeting, Jan. 13.

"If the Department of Labor is in total control of it, you will not have a guest worker program of any type," said Walter Kates, labor division manager for the Florida Fruit and Vegetable Association. "If we can't make some ground on this, we're going to work hard to kill the legislation," said Roy Gabriel, legislative director of labor affairs for the California Farm Bureau Federation, "We are talking about the basic right of a grower to harvest his crop. Without these guarantees we cannot support any legislation."

Kates and Gabriel were responding to Mazzoli after he explained that immigration reform legislation still has several months of work before it is placed on the floor of the House of Representatives. The congressman predicted the legislation would not pass out of the House Judiciary Committee until mid-April.

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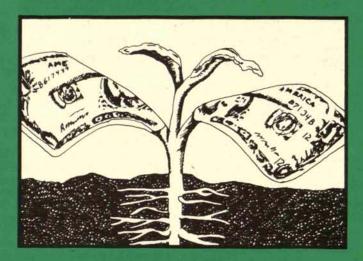
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