

RURAL LIVING



Washington Legislative Seminar

County Leaders Take a Stand for FB Policy

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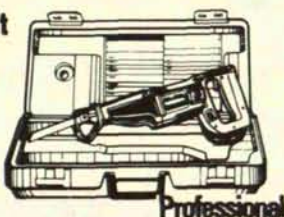
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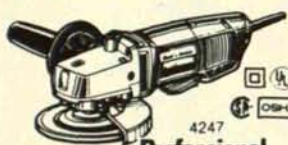
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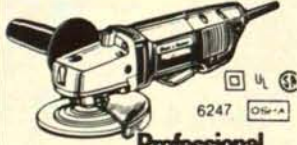
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RURAL LIVING

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Washington Legislative Seminar
County Leaders Take a Stand for FB Policy

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THE COVER

MFB members in Washington, D.C., April 15-18, reaffirmed their support for FB policy on key national issues to Michigan's U.S. senators and representatives.

Photo by Marcia Ditchie

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Michigan Farm News RURAL LIVING: Michigan Farm News Rural Living is published monthly, on the first day, by the Michigan Farm Bureau Information and Public Relations Division. Publication and editorial offices at 7575 West Saginaw Highway, Lansing, Mich. 48917, Post Office Box 30960 (zip 48909); telephone, Lansing 517-325-7000, extension 510. **SUBSCRIPTION PRICE:** \$1.50 per year to members, included in annual dues, \$3.00 per year non-members in Michigan, \$5.00 per year non-members out of state. Publication No. 345040. Established Jan. 13, 1923 as Michigan Farm News, name changed to Michigan Farm News Rural Living Dec. 1, 1981. Third-class postage paid at Lansing, Michigan, and at additional mailing offices. **EDITORIAL:** Connie Turbin, Editor and Business Manager; Donna Wilber, Contributing Editor; Marcia Ditchie, Associate Editor; Cathy J. Kirvan, Associate Editor. **OFFICERS:** Michigan Farm Bureau President, Elton R. Smith, Caledonia; Vice President, John Laurie, Cass City; Administrative Director, Robert Braden; Treasurer and Chief Financial Officer, Matthew Butzin; Secretary, William S. Wilkinson. **DIRECTORS:** District 1, Marlin Outman, Constantine; District 2, Lowell Eisenmann, Blissfield; District 3, James Sayre, Belleville; District 4, Elton R. Smith, Caledonia; District 5, Mark Smuts, Charlotte; District 6, John Laurie, Cass City; District 7, Larry Snider, Hart; District 8, Lyle LeCronier, Freeland; District 9, Donald Nugent, Frankfort; District 10, Margaret Kartes, West Branch; District 11, Robert Wahmhoff, Baraga. **DIRECTORS AT LARGE:** David Conklin, Corunna; Michael Pridgeon, Montgomery; Wayne Wood, Marlette. **FARM BUREAU WOMEN:** Diane Horning, Manchester. **FARM BUREAU YOUNG FARMERS:** Gary Skinner, Ithaca.



Regulatory Tools for Debt Restructuring Can Make a Difference

Last month I was proud to outline a plan developed and supported by the American Farm Bureau Federation which offers a realistic solution to the financial challenges facing many farmers and their lenders. It was with true conviction that I called the AFBF two-tier debt restructuring plan an example of a constructive, well-analyzed approach which our organization developed with its farmers.

Others agreed with that analysis. The federal regulators — including the comptroller of the currency, the Federal Reserve and the Federal Deposit Insurance Corporation (FDIC) — have supported the plan.

FDIC was the first to make a move. Just a few hours after Farm Bureau held a nationwide media briefing on the plan, FDIC notified its member banks of ways they could help ease the credit crunch. The next morning, the Federal Reserve Board and Treasury Department's comptroller of the currency notified their member banks of capital forbearance plans as previously outlined to FDIC banks.

We commend the federal regulators for their actions. With these key concessions, we believe forbearance can work in the best interest of borrowers and lenders.

Farm Bureau was the sole organization instrumental in getting the bank regulations relaxed to permit refinancing and restructuring of marginal

loans. But the fact that the banks have a memo from the industry regulators doesn't mean the challenge has been met.

Farm Bureau members must continue to be out in front sup-

We must talk to our neighbors about the debt restructuring plan, and more importantly, to our local bankers, encouraging them to use it.

porting the debt restructuring plan. We must talk to our neighbors about the plan and, more importantly, to our local bankers — encouraging them to use debt restructuring. Perhaps a more critical action is to direct our efforts at encouraging the Farm Credit System to adopt a more open policy on debt restructuring.

When the 130 MFB legislative leaders went to Washington, D.C., for four days in April, their top priority was to support legislation that would pave the way for FCS to adopt similar forbearance policies. While FCS has been reluctant to adopt such a policy, we will continue to meet and talk with congressmen and the FCS to bring about implementation of such a program.

We are not asking banks to take imprudent actions. Instead, we are asking them to use these new regulatory tools as a roadmap to survival for themselves and their borrowers. The revised guidelines will allow banks to restructure loans without having to charge the restructured loans against their capital requirement as non-performing loans. In addition, qualified banks will be permitted to operate below the minimum capital requirement, provided they can restore their capital to the required level within five years.

We urge financially troubled farmers to work with their bankers to establish a manageable debt repayment program. The regulatory flexibility provided by these changes may prove most helpful in instances where farm loans are heavily loaded on the front end due to recent weather problems or the weight of servicing non-working debt.

We are entering a particularly critical period in which many farm loans must be restructured, or liquidation will be the only alternative. I encourage your continued support of Farm Bureau's two-tier debt restructuring program.

Elton R. Smith

Elton R. Smith, President
Michigan Farm Bureau

MFB surpassed its 1986 membership goal on April 3, three weeks earlier than last year, and surged past the 95,000 member mark. Credit for accomplishing goal for the 19th consecutive year was given to volunteer members who spent many hours working on the campaign, as well as the dedicated efforts of the entire Farm Bureau family, including insurance agents and county secretaries.

MFB is still battling with Ohio Farm Bureau for total numerical gain in members in the renewal of the "friendly rivalry." The contest will officially end on Aug. 31, with appropriate victory celebrations taking place at the Michigan/Ohio Breakfast to be held in conjunction with the 1987 AFBF annual meeting in Anaheim, Calif., next January.

Farmers in the southern two-thirds of the lower peninsula can now receive AgriVisor grain and livestock market reports. Four FM radio stations are broadcasting the hourly reports on their sidebands: WQLR (106.5 FM), Kalamazoo; WBLV (90.3 FM), Twin Lake; WHNN (96.1 FM), Bay City; and WUOM (91.7 FM), Ann Arbor. For more information on this member-only marketing service, contact your county FB secretary or the MFB Commodity Activities and Research Department, P.O. Box 30960, Lansing, Mich. 48909, phone 517-323-7000, ext. 547.

Though warm weather has finally returned to Michigan, it's not too early to begin thinking about next January and the warm breezes blowing in off the Pacific. Sunny, southern California will host the 1987 AFBF annual meeting which will be held in Anaheim, Jan. 11-15. Travel plans are being explored and details will be announced as they become available.

Agriculture will be spotlighted during the Michigan Sesquicentennial celebration which will kick-off in June. Montcalm County FB President L. Charles Mulholland is chairing an agricultural subcommittee to the Michigan Sesquicentennial Commission. The subcommittee is making plans to highlight the contributions of agriculture to the growth and progress of Michigan during its 150 years of statehood. The celebration will kick-off on June 14, 1986 and continue through Dec. 30, 1987. Agriculture will play a leading role in the kick-off on the state capitol grounds with historical displays and an all-Michigan ag products barbecue.

The MACMA Direct Marketing Member-to-Member Spring Sale is now underway. FB members can squeeze out additional savings on the purchase of Florida orange juice concentrate by clipping the \$1.50 coupon on page 17 of this issue. The coupon must accompany your prepaid order. Other items offered in the Spring Sale include fresh-snapped Michigan asparagus and fresh citrus products. Order deadline is May 7. Look for the order blank in your county newsletter or contact your county secretary to see if your county is participating.

County FBs have risen to the occasion by contributing well over \$16,000 to the Extension Management Assistance Team program. The contributions from county FBs are in addition to the \$5,000 donation from MFB. Two checks have already been presented to the Cooperative Extension Service for the formation of an additional EMAT team. Dr. Frank Brewer, who has spearheaded the EMAT program since its inception, reports that Farm Bureau is, to his knowledge, the only non-government unit to provide assistance for this type of program in the entire north central part of the United States.

Two FB families will be involved in an "Adopt-An-Acre" project with TV stations during the next several months. Channel 6, Lansing, will "adopt" an acre and follow their crop from planting through harvest and marketing with the Mark Smuts family in Eaton County. Channel 12, Flint, will do the same with Billie Squanda and her family in Saginaw County. The TV stations pay the costs involved in producing their crops with the profits, if any, going to charity. In addition to sharing the progress of their crop with their audiences, the stations will also feature segments on related topics.

WASHINGTON

Regulatory Relief for Ag Lenders and Borrowers — The Federal Deposit Insurance Corporation released details of its regulatory relief to banks under pressure from heavy agricultural and energy related lending. The agency sent letters to 8,500 banks spelling out the new rules and explaining how and under what conditions they may be applied.

In 1985, 68 of the 118 commercial bank failures were agricultural banks. The number of ag banks on the problem list has grown to 302, compared to one third as many three years ago. So far this year, 24 bank failures have been announced by FDIC, half of them classified as ag banks.

The action by FDIC and other banking regulatory agencies is consistent with debt restructur-

ing plans outlined by AFBF. In April, the organization launched a card writing campaign to U.S. senators and representatives seeking support for two-tier debt restructuring.

During the organization's 26th annual Washington Legislative Seminar in mid-April, MFB members delivered personal messages of support for the program and urged congressional action to assure the program is made available to Farm Credit System borrowers.

USDA Announces Second Conservation Reserve Enrollment — Only 838,356 acres on 10,307 farms were accepted in the first round of bids for the USDA's conservation reserve. Although 4.8 million acres from 44,480 farms were offered in the original signup period which ended March 14, few bids were accepted because of what USDA Secretary Richard Lyng termed unrealistically high bids for removing land from production.

The administration had hoped to retire five million acres into the reserve. A second enrollment for the conservation reserve is to begin May 5. Lyng expects a more favorable response in the second signup.

Whole Herd Buyout Faces Controversy — Just a few days after the USDA announced details of the dairy herd buyout program, the executive committee of the National Cattlemen's Association voted to seek an injunction to halt the program until orderly marketings of the dairy cattle involved can be implemented.

A few days later, animal welfare groups sought an injunction to stop the branding of dairy cattle destined for slaughter. They object to the location of the brand.

As *Rural Living* went to press, the outcome of these actions was still undetermined. For more information about the results of the whole herd buyout see *Agronomic Update*, page 18.

Liability — Legislation to reform the tort laws is the number one issue before the Legislature. It is a highly controversial and political issue. The liability issue is nationwide in scope and affects every individual and group.

The cost of liability suits has reached the point where many insurance companies cannot write liability policies in spite of higher rates. Reinsurance has become largely unobtainable.

Many counties, townships, schools and road commissions have had their insurance cancelled. Many doctors are refusing to accept obstetrics cases or any other high risk case.

The fact is, the costs of

unrealistic court awards are not paid by insurance companies. They are paid by the general public through higher doctors office charges, hospital charges, product prices or in the case of local government, higher property taxes.

Out of the dozens of bills introduced in the Legislature, the House passed a package of several bills which the Senate later amended. The House refused to accept the Senate changes and the bills were sent to a conference committee.

The main issues to be resolved include whether there should be a limitation on the amount of money that can be awarded for "non-economic losses." These are awards over and above com-

pensation for lost wages, medical and other costs.

Another issue is whether the state should set up a special fund to pay claims over the usual court award. Still another issue is whether lawyers' fees should be further limited. Presently they receive one-third (after expenses) of the award in cases of personal injury and wrongful death.

LANSING

All types of organizations are involved in this issue. FB is working for tort reform and reasonable solutions along with other groups.

Ethanol Production — S.B. 630 passed the Senate 33-0. However, it will be difficult for the bill to gain approval in the House Taxation Committee. The bill provides for economic help to any company that builds an ethanol processing plant in Michigan using Michigan corn. The aid would be in the form of a per bushel tax credit through the single business tax. The tax incentive would run through 1992 as follows:



The fuel from farms means new markets for Michigan corn. Supplying a 10-million gallon ethanol plant in this state would require the production of 40,000 acres of corn at an average production of 100 bushels per acre.

- 1986 and 1987: 50¢ for the first 1.5 million bu. and 5¢ for the next 11 million bu.

- 1988 and 1989: 40¢ for the first 1.875 million bu. and 5¢ for the next 11 million bu.

- The phase out would decline each year until its expiration at the end of 1992.

The credit could not exceed \$1.3 million per tax year. This incentive needs to be enacted to compete with other states that are getting the facilities. MFB is working with the governor's office to urge his support.

A new company has an option on land in Shiawassee County for a plant. Other possibilities are in Gratiot, Washtenaw and Jackson counties. Just one or two plants would create a major new market for Michigan corn.

A 10-million gallon ethanol plant requires the production of 40,000 acres at an average of 100 bu. per acre.

The present low price of oil is a problem, however, most experts maintain that it is temporary. In any event, the U.S. remains at the mercy of foreign oil producers and oil reserves continue to decline. Ethanol is an excellent additive to replace lead in gasoline. It is also less polluting, leading to cleaner air.

In the case of a future embargo it would provide an alternative fuel. Brazil is presently using pure ethanol in its cars and trucks.

Taxation Legislation —

Several tax measures have been considered or are waiting for consideration.

- H.B. 4879 is now law. It allows land auction sales to be used to help determine farmland values for assessment purposes.

- H.B. 5136 has passed the House and is in the Senate Finance Committee. It would require an affidavit to show the sale price of property.

- S.R. 428 was adopted by the Senate. It creates a "Citizens Property Tax Study Commission" to be appointed by the Senate majority leader. The commission will study property taxes including all present tax relief and exemption programs (sales tax, P.A. 116, circuit breaker, personal property, etc.) and tax alternatives. In 1985-86, total tax exemptions were nearly \$8 billion — about 58% of the total state and local tax revenues.

- Tax amnesty legislation (H.B. 4706) has passed the Legislature and has been sent to the governor. It provides an amnesty period beginning in May and ending no later than June 30, 1986. Penalties would be waived for those who failed to pay delinquent state taxes for whatever reason. If they fail to pay delinquent taxes during the amnesty period, a 50% penalty will be added. Increased penalties will also go into effect after July 1, 1986. The present penalty of 25% will go to 50% and interest rates will be 1% above prime. State officials expect to collect about \$50 million from a large portion of the 160,000 delinquent taxpayers.

- Property Tax Revenue Limit — The Headlee Amendment allows property tax revenues to be no higher than the previous year's revenue adjusted for inflation. The Tax Commission has announced that the revenue increase can be no higher in 1986 than 3.6%. If the increase is higher, then the tax rate (millage) must be rolled back. The lowest allowed increase was 3.2% in 1984. The highest was 13.5% in 1981.

P.A. 116 — H.B. 4788 is intended to correct a problem involving credits received from P.A. 116. Currently a farmer enrolled in P.A. 116 may claim

(continued on page 21)

Washington Legislative Seminar

County Leaders Take a Stand for FB Policy

Washington's famous cherry blossoms had come and gone. Plans for walks to appointed rounds in warm sunshine, instead of heart-jolting rides with aggressive cab drivers, were hampered by chilly breezes and persistent showers.

Concern about increased, widespread acts of terrorism following the U.S. bombing of Libya weighed heavily on the minds of decision-makers and those who had come to Washington to influence the decision-makers. Security was tightened in government buildings. People clustered around

television sets in public places and watched news updates in silence.

That was the challenging scenario for participants in the 1986 Washington Legislative Seminar, April 15-18. But neither rain nor cold nor world headliner events kept the 130 farmers from completing their mission. In fact, the somber mood of Washington and the bleak weather set a tempo for the seriousness of this year's important mission, according to MFB's Outstanding Young Farm Woman, Dawn Wilkinson of Allegan County.

Dawn participated as an assistant legislative leader last year, earning her the credentials as a full-fledged, experienced legislative leader this year. To her, the marked contrast between the 1985 and 1986 seminars is vivid.

"Last year, the sun was shining — no coats, no umbrellas — the cherry blossoms were in



Congressmen and administration officials who visited with the Michigan legislative leaders received non-alcoholic sparkling grape and cherry juice. Here, MFB Women's Committee Chairperson Diane Horning presents the gifts to Michigan's U.S. senators, Carl Levin and Don Riegle. The FB Women have sponsored the annual lobbying mission to the nation's capital for 26 years.



Even with busy schedules, there was time for a little fun. This police officer won't soon forget the visit from MFB's Outstanding Young Farm Woman.



MFB legislative leaders didn't limit themselves to lobbying the Michigan congressional delegation. Eight MFB members visited with Robert Dole, Senate majority leader and member of the Senate Agriculture Committee.

glorious full bloom and everything was very upbeat," she said. "The farm situation back home was bad but there was hope in what could be accomplished through the new farm bill. We were all working on the farm bill and that provided a lot of motivation.

"I'm sorry for the people who are here for the first time this year and didn't get to see the cherry blossoms and haven't enjoyed the sunshine. But I think that what's been done through their hearts this year is much more important.

"This year, for what's happening here, for what's happening in other parts of the world, for what's happening back home on the farm, we all share serious concerns. The weather may have been appropriate for the serious situation this year, but it wasn't a deterrent," she said.

Did They Listen?

The "mission" of Dawn and the other legislative leaders was to convince their congressmen that Farm Bureau has the best solutions to the farm credit problems, spending cuts under Gramm-Rudman-Hollings and

the high cost of health care coverage for farmers and other self-employed people.

Was the mission accomplished? While only time will tell the end results, the current scoreboard shows that gains were made.

When the Michigan group arrived in Washington, FB's two-tier debt restructuring plan had been well-accepted by bank regulators. Regulatory changes had been made which enabled agricultural banks and farmers to pursue debt restructuring.

There was little progress, however, within the Farm Credit System and Farm Bureau believed it was imperative that Congress indicate its concern about the system's lack of cooperation. Resolutions were introduced in the House and Senate expressing the sense of Congress that the FCS facilitate and participate in an agricultural loan restructuring program.

By the time the MFB group headed home, Congressmen Bill Schuette and Dale Kildee had agreed to co-sponsor the House resolution and Sen. Carl Levin became a co-sponsor for the Senate resolution.

Regarding the spending cuts required by the Gramm-Rudman-Hollings amendment, the MFB legislative leaders told their U.S. representatives and senators that they were seeking equitable treatment for agriculture. They explained that farmers are willing to take their fair share of spending cuts, but not the disproportionate share caused by exemption of major domestic entitlement programs.

While Farm Bureau supported the Gramm-Rudman-Hollings amendment as the best alternative at the time, the legislative leaders said the organization believes the law should be amended to repeal the exemption of these programs, and that Congress should adopt a three-year freeze and fix program.

Equity was also the issue when MFB's legislative leaders discussed the health insurance issue with their congressmen. Employers who furnish health insurance coverage for their employees may deduct the full



During the legislative leaders' briefing by White House staff, Becky Clark of Mackinac-Luce County assured an administration budget official that farmers don't mind taking their "fair share" of cuts under Gramm-Rudman-Hollings, but feel that exempting the entitlement programs isn't equitable.



Last fall, when he spoke at the Ottawa County FB annual meeting, Dawn asked then AFBF President Robert Delano if she could visit his farm following this year's Washington Legislative Seminar to write an article for her county newsletter. He agreed and she spent two days with him and his wife on their Virginia farm.



Since she was returning to Washington as Allegan County FB's senior legislative leader, Dawn shared her "prize" as winner of the Outstanding Young Farm Woman title with the contest's first runner-up, Becky Clark of Mackinac-Luce County FB.

cost of the coverage as a business expense. This deduction is not available to self-employed people or workers who must buy their own health insurance coverage.

The legislative leaders asked their congressmen to support legislation which would allow self-employed people to deduct one-half of their insurance premiums as a business expense on their federal income tax return. While such legislation has been introduced in the past (and co-sponsored by several Michigan congressmen), prospects for passage have not been good until this year when it was included in the Senate Finance Committee's tax bill.

Follow Up Important

As Outstanding Young Farm Woman, Dawn was involved in some high level meetings along with the group events. She feels follow up to those meetings is very important to achieving Farm Bureau's goals.

"The people we met with in the USDA, White House and Congress seemed very receptive to Farm Bureau's ideas," Dawn said. "They realize and appreciate the efforts we make to share our viewpoints. Whether they agree with everything or not, they respect our efforts as we respect theirs.

"We're building mutual respect, but it's like any relationship. You don't just jump in, have one event, occasion or seminar and then go home and not be heard from again. With the contacts we built during this seminar, our congressmen and administration officials see us as potentially reliable sources of agricultural information. And with the right follow-up, we can become 'information packets' in ourselves.

"But you only become reliable by staying consistent and that takes some effort on the part of the participants," she said.

Dawn's first step toward establishing herself as a reliable source of ag information will be to send notes of appreciation to all who met with the MFB group. "With the Libyan crisis going on and the deficit and other issues weighing on their minds, a word of encouragement and thanking them for their time can boost their day," she said.

After the thank you notes comes the ongoing process of keeping the lines of communications open. "Of course it is going to take time when you sit down to formulate your thoughts on paper to relay to your congressmen. You may never know the value of the time you spend until some day he comes back to you and says, 'Thank you. I didn't know that and I needed to know that for a vote. Your information was timely.'"

Dawn said she has a special interest in helping urban legislators, who have only fond memories of visiting their grandparents' farm, to better understand modern day farmers' needs. "They may remember the happy go lucky days of agriculture," she said. "We haven't seen those kinds of days since rebuilding agriculture after the Great Depression.

"You have to make them aware of what is going on out there. You have to make them understand that until you're out there, facing the elements and the lenders, you don't really know what it feels like inside."

As a "communicator for agriculture," Dawn put this philosophy into practice while in Washington. She invited Michigan Sen. Don Riegle to a farm tour in Michigan this summer. He agreed to come.

"You don't have to be a lobbyist who puts on a suit and carries a briefcase to Lansing or Washington. We can be lobbyists at home," she said.

Counties Respond to Legal Defense Fund Appeal

Although the final tally of contributions from county FBs to the MFB Legal Defense Fund isn't in, preliminary results of the February through April drive show that the 1986 fund-raising goal of \$4,500 was surpassed. Contributions from the counties will be matched by MFB to bolster the depleted Legal Defense Fund for a combined balance of over \$13,000, reports Ron Gaskill, MFB's local affairs and farm labor specialist.

Rebuilding the fund was directed by MFB policy adopted in 1984. It called for contributions by the counties of 5¢ per member beginning in 1986 and continuing annually until a maximum principal balance of \$25,000 has been accumulated in the fund.

"County Farm Bureau contributions are the only revenue source the fund has," Gaskill points out. "In order to become an effective tool to help Michigan agriculture, the fund must be adequately financed to contribute a larger amount of money to individual court cases. For example, a \$4,500 grant is a lot of money, but it is very small when the accumulated cost to litigate a case exceeds \$60,000."

The fund was originally established by a former MFB affiliate, the Michigan Agricultural Services Association, to assist farmers with legal costs incurred when a court action which could have significant impact on the Michigan agricultural industry is brought

against them. When MASA was terminated in late 1982, the fund was transferred to MFB where it is administered by the MFB Agricultural Labor Advisory Committee with final authority for funds disposition by the MFB board of directors.

At the time of the transfer, the fund had an accumulated balance of slightly more than \$10,000. In the intervening three years, 12 requests for legal assistance were received from FB members. Of the 12, six requests were approved, ranging from \$1,000 to \$4,000. The cases involved tests of farm labor laws and disputes challenging the Right-to-Farm Act.

As a result, in January of this year when a letter went to county FB presidents requesting contributions, the balance of the MFB Legal Defense Fund had been drawn down to \$4,000.

"In each of the cases where a grant was made, the defendant's farm labor or agricultural prac-

tices had been challenged by a governmental unit," Gaskill says. "Legal costs can be very substantial for the individual, and in most cases, the farmers would be unable to pursue complete due process if they had to rely solely on their own financial resources."

That's where the MFB Legal Defense Fund can make a difference, he explains. "Because the outcome of some cases is so important to Michigan agriculture, support from the Legal Defense Fund is granted. By sharing the cost of an important court action, the agricultural community at large can be assured that a decision will be reached only after careful consideration of all the facts."

Michigan is one of five state FBs to have established a legal service/legal defense fund to help support tests of agricultural law. In other states, support for challenges to agricultural law are addressed on an ad hoc basis.



Oceana County fruit and vegetable grower Jerry Brandel fought attempts by the U.S. Department of Labor to prohibit the practice of independent contracting on his farming operation for nine years. The price tag on legal fees and court costs? Nearly \$60,000.

Rural Rascals Pitch in on Spring Work

Jessica & Alison Mohr (right) help plant tulips in a deep tire track on their grandparents' Tuscola County farm. "You have to find some good after a bad happening," says Barbara Mohr. "After one of our guys made a tire mark in the lawn again, the little ones helped haul in some dirt and we made a pretty sight out of the situation." Jessica and Alison are the children of Greg and Lynn Mohr. Greg is the dairyman on Mohrland Farm.

The Rascals in the photo below, Glen and Karen Lininger, live in Andalusia, Alabama. "We're not sure who enjoyed the ride more — the children or the chickens," says their aunt, Sharon Lininger, who works in the MFB Accounting Department.



Move over Connie Turblin, Connie Hand is practicing for your job as editor of Rural Living! She's even getting an agriculture background as the oldest daughter of Tony and Denise Hand, dairy farmers and FB members in Cheboygan County.



Farmers Hit Air Waves for Ag Understanding Day

In recognition of Ag Understanding Day, two past presidents of Saginaw County FB, Edward Hebler and Richard Leach, were on WSGW radio to answer call in questions about farming.

The one-hour show covered everything from the value of the mammary system of the male hog used for breeding purposes, to how much feed it takes to get 100 pounds of milk from a cow. The public was interested in knowing how cash crop farmers are being affected in these troubled times and asked for information on the

dairy herd buyout. There were 12 participants with 10 of the 12 non-farmers.

FB Women's Chairperson Billie Squanda bought prizes for those people who asked questions Ed and Dick weren't sure about or just plain couldn't answer. Bags of groceries containing bread, cereal, popcorn, crabapples, pickles, navy beans, asparagus, muffin mix and sugar (donated by Great Lakes Sugar Growers and Michigan Sugar Company), were waiting for the lucky winners. Prizes were claimed at the county office.

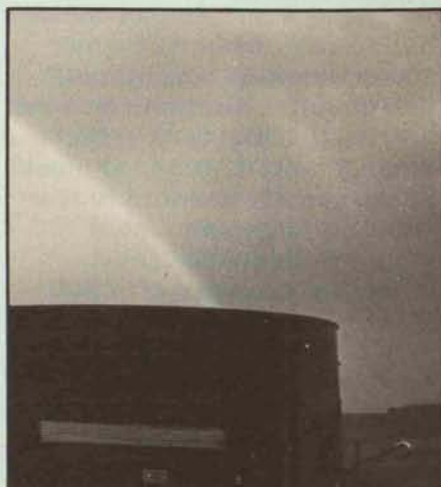
Open House Highlights Montcalm's Ag Day

The Montcalm County FB Women hosted an open house at the county office in Stanton to commemorate Ag Day. Area merchants were invited. Those attending had a chance to win an "Agricultural Understanding — Farm Bureau" mug. A booklet giving Montcalm County statistics was prepared by the county Extension office and made available to everyone attending the open house and luncheon.

Table tents with information about Ag Day were distributed to three local restaurants.

"We felt it was a good way to get our information across to our urban neighbors as we had guests from the EMT unit, banks, elevators, newspaper, doctors' offices, the telephone company, the community college and insurance agents," said FB Women's Chairperson Sally Thomsen.

'Pot of Gold'?



Looking out the kitchen window one day, Tuscola County FB member Barbara Mohr saw an unusual view. "I saw this double rainbow — with one rainbow appearing as though maybe our liquid manure container is a 'pot of gold,'" she says. "Believe me, the farmer needs that kind of 'pot' right now and in a hurry!"

Conference Leaves Participant 'Feeling Good'

They called it the leadership conference for the Young Farmers and Women's Committee and that's all I knew when Betty Hopkins and I headed toward Lansing. With Grandma's, children's, husband's and the Women's Committee's blessings, we were off for three days of personal growth and relaxation.

Having faith in yourself was the theme throughout the conference. Lots of valuable information was learned and enthusiasm billowed our sails.

To add variety, one afternoon was spent touring the GM chassis plant. The assembly line was fascinating but we sure felt lucky we lived "down on the farm." Others toured the

Meijer's Distribution Warehouse or State Police Academy.

One dinner included an elegant meal and a chance to hear from the Distinguished Young Farmer, Outstanding Young Farm Woman and Discussion Meet winner — all energetic speakers.

To give us the final feeling of awe, Donna Axum, a former Miss America, beautifully spoke the secrets of success and sang "America" as a slide presentation showed scenes of our country.

Thank you, Farm Bureau, for this great opportunity!

*Jane Boyce, Dexter
Washtenaw County*

Female Farmer Takes Pride in Partnership Role

I have wanted to send some possible articles for the Rural Exchange column for quite sometime, but since my husband broke his arm in February, I have been extra busy being his right *hand* (sorry, I couldn't resist the double pun).

I don't know if you're ready for another poem or not but after the extra work I have done on the farm this winter, believe me, this one comes from the heart!

Call Me a Working Farmer

Please don't call me a "farm wife," I'm not married to our land.

I'm married to my husband, and we farm hand in hand. And please don't say I don't "work out," until you spend a day with me.

I work out in the barn, in the parlor, and out in the fields you'll see.

Lawyers and doctors can be women or men, for a farmer it is the same.

So, please call me a "working farmer," I am proud to bear that name!

*Myra Hand, Afton
Cheboygan County*

FARMETTE

*By Andrea Hofmeister
Tuscola County*



"Considering the ruts we left here last fall, this may be the year to switch to ridge-till."

Cheboygan FB Women Honor Ag Day Baby

Joseph Allen Clark, son of Mr. & Mrs. Chester Clark, was honored as the first baby born on Ag Day in Cheboygan County. The contest is sponsored annually by the FB Women.

Information Chairperson Myra Hand reports that the women were unable to take a photo of the food basket presentation this year because the mother was ill.

"We did, however, get good coverage in the *Cheboygan Tribune*," she says, "and we will be kept well informed about the baby since his grandmother, Dorothy Clark, is active on the Women's Committee and serves on the board of directors."

Tie a Green Ribbon 'Round the Old Oak Tree

Passers-by at Delta Plaza in Escanaba were asked to tie a green ribbon around an old oak tree, fence post or mailbox to show their support for agriculture.

"Green is for prosperity — if the farmer prospers, everyone does!" That's the message Hiawathaland County FB was trying to get across by using this novel approach at their Ag Understanding Day mall display.

Handing out the ribbons and message also gave volunteers at the booth the opportunity to talk about membership.

The idea for distributing the ribbons came from a newspaper report on two farm women from Colby, Wis., who had used the technique successfully in a local project.

Other attractions at the Delta Plaza Ag Day included a mini tractor pull and MMPA's pink cow.

Hiawathaland planned to give out the ribbons again at a display at the Marquette Mall in April.

New Service Gives MFB Group Members Direct Access to Blue Cross Blue Shield Information

As MFB plans high-tech systems to deliver faster, more flexible service to county FBs through programs like the Field Communications II computerized network, careful attention is also being given to developing high-touch systems of communication. The result is new services like the direct inquiry phone line for the organization's Blue Cross Blue Shield of Michigan subscribers.



Setting up a special unit to serve group members takes a page out of books by social and economic prognosticators who advise establishing more personalized links between businesses and clients. The new toll free telephone number will give both Medicare and non-Medicare subscribers access to a specially trained BCBS service staff in Detroit who will handle all inquiries for the Farm Bureau group.

Responses by other groups that have established dedicated inquiry phone lines indicate increased satisfaction, says Lee

Hubbard, manager of BCBS Major Group Services. "Where we had complaints, we now get compliments," he says.

"There is much, much more satisfaction among the subscribers in these groups primarily because they get a more consistent response to their questions about coverages and claims. Ultimately there are fewer delays in claims processing because there is a clearer interpretation of the coverages instead of the 'let's try it and see' approach to claims."

Hubbard says liaison between MFB and BCBS representatives has been excellent. "We have been working on this plan for a statewide service number for several months, and we will continue to cooperate in providing start-up information to the real focus of the program — the more than 34,000 family health care contracts served in the Farm Bureau group," he says.

"We want this service to be responsive and efficient from the start," says MFB Member Services Department Manager John VanderMolen. "That's why we have established a phased-in plan to notify our group members of the number."

According to VanderMolen, once the transition is completed, MFB subscribers will no longer use the regional service offices in Grand Rapids, Lansing, Detroit and Marquette. Any calls regarding claims, benefits, billings or requests for ID cards will be referred to the statewide service number.

Member subscribers should continue to contact their county FB secretary for any contract

changes requiring their signature. These include:

- Requests for adding or removing dependents (30 days prior notification is required)
- Address changes
- Changes in coverage options
- BCBS enrollment/rates

Another plus for the direct response phone line system, says VanderMolen, is that the BCBS staff members in the unit will be able to answer inquiries about Medicare coverages and claims. "Previously those questions were handled separately. This is just another example of the kind of responsiveness we wanted to build into this subscriber service."

Subscribers can help make the system work for everyone's benefit by being adequately prepared when initiating an inquiry. You will need the following basic information: group number and contract number. For claims inquiries, you will also need patient name, date of service and type of service.

Inquiries can be made by phone or letter. Written correspondence should be directed to: Blue Cross Blue Shield of Michigan, Major Groups Inquiry Department No. 0202, 600 Lafayette East, Detroit, Mich. 48226.

Subscribers in the MFB group can begin using letter inquiries to the unit immediately. Information about the statewide telephone line, which will operate from 8:30 a.m. to 5 p.m. Monday through Friday, will be sent to group subscribers by mail.

Wellness Report Shows FB Members Are in Good Shape

The results are out — you're in pretty good shape!

That's the word from Rosemary Kartes, MFB Women's Department manager and education coordinator, who recently received a summary report of health risk profiles for FB members who participated in a pilot program at the 1985 MFB annual meeting. The health screening project was co-sponsored by the MFB Women and the Wellness Center at Metropolitan Hospital in Grand Rapids.

Recognizing heart disease as the leading cause of death in our country, the health screening fair was designed to identify members with indications of significant health risks. The screening included a health questionnaire, cholesterol test and blood pressure check. Computer printouts of the analysis were mailed to each participant. Any individuals identified as having abnormal test results were personally contacted by Metropolitan Hospital's medical staff.

"Participation in the pilot program was a great success with more than 370 members involved," Kartes said. "Generally speaking, Michigan Farm Bureau members are in pretty good shape. Statistically, it looks like our members are healthier than the average population."

Just how do MFB members compare to the general public? Overall, FB members who volunteered for the tests displayed low symptoms of heart disease and cancer. In addition, the program results show that very few FB members smoke, further reducing the risks of heart and related diseases.

However, many of the participants were classified as being over their ideal weight, and cholesterol levels of the FB members tested higher than average.

"These results show that we need to concentrate more on nutritional programs by adjusting our diets to limit the regular intake of fried and 'fat-

ty' type foods," Kartes said. "Stress management and concentration on a proper diet are two key areas which need more attention."

Kartes encourages all FB members to monitor their diet and see their family physician to establish a regular health maintenance program.

"In a follow up report of questionnaires sent from participants of the complimentary health screening, a vast majority said that they valued the information they received and that it did have an impact on their personal health improvement program," said Bridget White of the Wellness Center. "When asked if the health screening program should be offered again next year, 91.5% said YES!"

Cost for the health screening profile was supported by contributions from county FBs to the MFB Women's project fund. The project dollars are earmarked for health and safety programs for all MFB members.



Members who took 15 minutes to participate in the health screening program at the 1985 MFB annual meeting completed a questionnaire and were tested for blood pressure and cholesterol levels. Results of the tests were recently mailed to those members. A group summary, compiled by Metropolitan Hospital in Grand Rapids, shows that FB members are in pretty good shape.



Commodity Interests Caught in Buyout Balancing Act

Based on the number of bids accepted, USDA has determined that the dairy termination program will reduce the milk supply by 12.28 billion pounds during the 18-month program, slightly more than the 12 billion pound target specified by the 1985 Food Security Act.

All bids of \$22.50/cwt. or less were accepted. Nationwide, bids ranged from \$3.40 to \$1,000/cwt.

The number of producers submitting bids totaled 39,534; 13,988 bids (35% of total bids) were accepted at an average bid of \$14.63/cwt. This sign-up represents about 8.7% of 1986's estimated production.

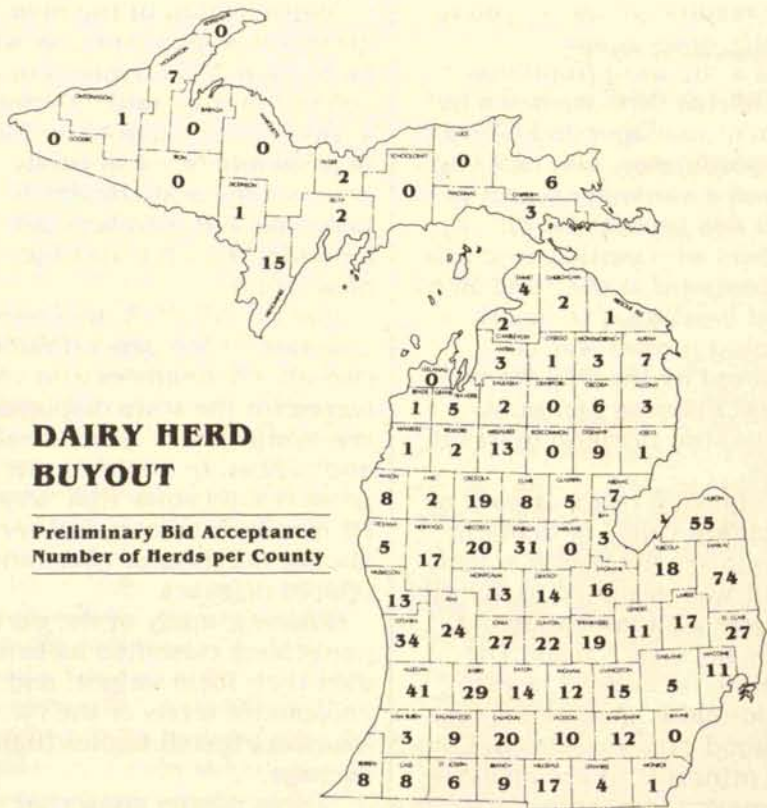
Nationally there will be 1,550,403 animals removed from production; 951,619 are milk cows, 340,789 are heifers and 257,995 are calves.

The cost of the dairy termination program will total \$1.827 billion, spread out over five years. The dairy industry will pay for about 38% of the cost. Producer assessments will generate about \$700 million with the government contributing \$1.1 billion.

Michigan bids ranged from \$4 to well over \$100/cwt., with \$15.24/cwt. the average. Michigan had the fifth largest sign-up, representing 11.67% of the state's milk production.

In accepting bids up to \$22.50, USDA said consideration was given to what it would cost the CCC to purchase, store and handle the surplus dairy products from 100 pounds of milk for one year in the absence of such a program.

The sign-up should have an appreciable effect on production, but could be offset somewhat by the increased output from the 92% of the non-partic-



National Buyout Periods

Period 1	633,176 cows	66.53%
Period 2	103,984 cows	10.92%
Period 3	214,459 cows	22.54%

Michigan Statistics

Total Bids Submitted	1,945	
Accepted Bids	846	
Cows Accepted		46,146
Heifers Accepted		22,565
Calves Accepted		14,332
		83,043 head

Michigan Buyout Periods

Period 1	545 bids	27,771 cows	60%
Period 2	111 bids	6,236 cows	13.5%
Period 3	190 bids	12,139 cows	26.3%

ipating dairy farmers. The assessments effective April 1, the possible additional assessment Oct. 1, plus the lowered support price Jan. 1, 1987, could thin the ranks of some of the non-participating producers.

Livestock Industry Concerned

Livestock producers, who anticipated a slaughter of about 600,000 cows, are very concerned now that more than 951,000 cows will be available for slaughter. Also, two-thirds of the cows to be slaughtered are scheduled to go to market in the first five months of the 18-month program.

Following announcement of the program's details, prices for live cattle declined by the limit for several days at the Chicago Mercantile Exchange. The reaction also rolled into the pork complex with lower prices.

On April 8, the National Cattlemen's Association filed suit against the USDA to halt the program until orderly market-

ings of the dairy cattle involved can be implemented.

In an effort to stabilize the market, USDA released a statement indicating that the influx of dairy cattle to the market is only 2% to 3% of the existing volume and reminded the livestock industry that even without the dairy termination program, some of the cows would have gone to market under normal culling practices.

Farm Bureau has called on the USDA secretary to take immediate steps to limit the adverse effects the program is having on the livestock industry. In a message to Lyng, AFBF President Dean Kleckner urged USDA to distribute the dairy slaughter as evenly as possible over the three slaughter periods and to increase government purchases of red meat, as required under the 1985 Food Security Act.

"The additional USDA purchases of red meat should commence immediately and should directly coincide with and be in

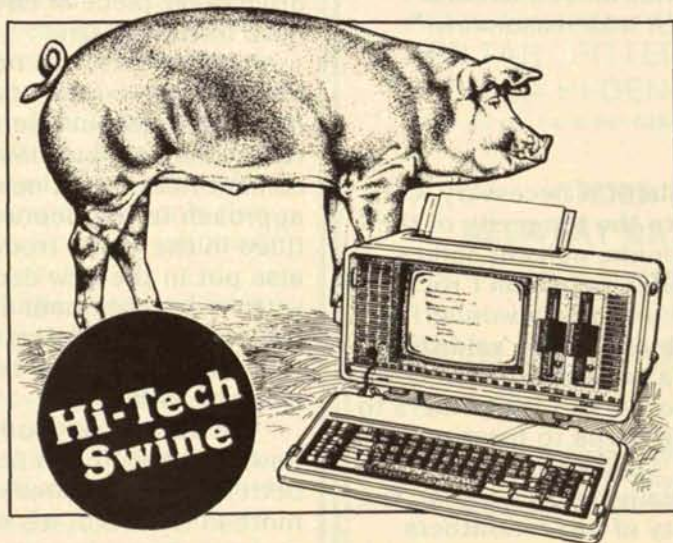
proportion to cows slaughtered under the buyout program," Kleckner said.

Animal Welfare Group Tries to Stop Branding

USDA is requiring that cattle to be slaughtered under the dairy herd buyout program be branded to insure that they do not return to another dairy herd. Where to brand the cattle, however, has created much controversy.

Animal welfare advocates questioned the need for branding, but told USDA that if it was necessary, the forehead would be the best place. The thick hair on the forehead, however, makes this choice difficult. The processors objected to the traditional beef branding on the rump because of damage to the hide. USDA finally decided on the right jaw as the location.

In reponse, animal welfare groups filed suit in federal court in early April to stop the branding of dairy cattle destined for slaughter.



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New Life for Old Barns



"I liked the way my barn looked, but because of the lofts it wasn't useful. Many times I'd think, 'wish it would just blow down.' But it was solid, and it has a new roof. If I could have the support structure altered, I knew that it would be useful to store my equipment and as a workshop, but I thought that would be too expensive.

"It turned out that I could have the interior altered without changing the look of the barn, and the cost was reasonable."

Al Shumaker

Charlotte cash crop farmer

By Janice Child

Barns come in all shapes and sizes. Many in Michigan that were built in the early 19th century have withstood harsh winters, wet springs and steamy summers because of the quality of construction.

The farmers who built these barns used post and beam construction and virgin lumber — usually white pine for the walls and tamarind for the roof rafters. As a result of the high pitch contents, density, strength and resistance to rot of these woods, the barns have stood for more than 150 years and will stand for many more. The post and beam construction, used primarily to allow farmers to

move a barn if necessary, contribute to the longevity of the barns. Unlike nails or spikes, the wooden pegs don't rot.

"Old barns are a wonderful link with our past," said Dave Ciolek, a contractor from Birch Run who works with farmers to renovate barns to meet present needs. "They were built by hand, really demonstrating the ingenuity of our forefathers. Without large cranes or power equipment or even the benefit of sawmills — just working together — these farmers pooled their resources and their knowledge and built barns that fit their immediate needs and lasted for generations."

As time passed, though, needs changed. Many farmers have no need for the loft areas of the barn but do need large expanses of space to house their equipment. This was the case with Alan Shumaker, a cash crop farmer from Charlotte who recognized the value of his barn and appreciated its look and history, but who really needed a place to work on tools and to store his combine, tractor and other equipment.

"I didn't need the lofts. What I did need was space to store my machinery and a place to work away from the weather," Alan said. "I contacted Dave Ciolek and asked him to come out to evaluate my barn. He said he could remove the lofts, re-truss the barn, and cut a new door in the east end of the barn.

"The cost was about a third the cost of a new pole barn with the same capacity. I signed the contract that day, and within a week of his starting the project, Dave had completely re-trussed the barn and made it sturdier than it had been. Now I can drive every piece of equipment I have into the barn."

After the barn was re-trussed and the hole cut for the new door, Alan got involved in the renovation. He put down a new cement floor and a new cement approach to the doorway and filled in the cattle troughs. He also put in the new door. Even with these additional expenses, the cost of the project was less than half the cost of buying a new pole barn.

"The barn is as good as new now," Alan said. "In fact, it's better. It doesn't creak any more in the wind; it's much sturdier. And, since I want to use it as a workshop, I appreciate the insulation from the cold."

When evaluating barns to determine if they can be re-trussed, Dave concentrates on four main areas.

First, he checks the roof to determine if it leaks, and whether minor repairs would render it usable. Second, he checks to see if the barn is split or broken due to rotting of any of the beams. Third, he looks at the structure's foundation to determine if it has shifted, given way, sunk or caused the barn to be out of shape or to lean. And, finally, he tries to determine if the barn, when converted, would meet the farmer's needs.

"Generally," Dave said, "we've found that most of the barns in Michigan were constructed out of high quality white pine. We rarely see rot or infestations of pests. In fact, the quality of these barns is superior to anything that could be built today because that quality lumber — virgin stock — is no longer available."

Part of the reason why a barn conversion is so much less expensive than building a new pole barn, for example, is that most of the materials are already there. "Someone long ago — often the owner's grandfather or great grandfather — built the barn," Alan said. "Most of the necessary material is there, and most of it is in good condition. All we are really doing is changing a little bit. Our part amounts to only five to ten percent of the material and labor involved."

Dave said he's learned a lot from farmers about the potential uses for barns since he began renovating them. In addition to equipment storage, farmers have had their barns altered so that they could more easily store hay, grain or corn, and a few have their barns altered for use as residences.

"One of the most important benefits I see in saving old barns is that we are keeping in touch with our past, saving part of our heritage," he said.



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

Agricultural Co-ops:

How Can They Continue to Serve the Needs of Farmers?

Agricultural cooperatives are examining new strategies to help them remain a viable force in agriculture.

The current state of the ag economy is a major factor behind the distress we now see in cooperatives. However, there are other contributing factors more important than the economy. Internal strengths and weaknesses of the cooperative form of business are the most important factors because management has more control over internal conditions than external factors, such as the economic or legal environment.

So profound are the effects that some co-op leaders seem to be questioning the ability of co-ops to compete effectively in the present and expected environment. They question whether the traditional nature, purpose and role of co-ops can survive. They question whether the traditional principles of co-ops are still applicable.

Co-op leaders are searching for ways to transform present day co-ops into the ideal, high performance co-ops needed in the future. Many are wondering if it is possible.

Some might choose to believe co-ops have outlived their usefulness and are on the decline. The data on market share suggests otherwise. Co-ops have increased their share of both marketing and farm supply business during the last 35 years. By this measure their strength and influence has increased rather than decreased.

Some also believe co-ops are less efficient than investor-owned agribusiness. Research

indicates there are no significant differences in most situations.

Strategies for Strength

Will co-op leaders and experts stem the tide of financial losses and self-doubt with information, ideas, answers and action plans that bring hope for a better day? Will they, in fact, identify effective strategies for strength? Will the strategies suggested be based on an emotional appeal for loyalty to the old-time co-op spirit or will they be based on an appeal to hard-headed, intelligent, sensible and sensitive business strategies compatible with the ideal co-op of the future?

There are three problem areas that need to be addressed in order to build strong cooperative structures.

Purpose of Co-ops

The first weakness lies in the concept of a cooperative's purpose. What is a co-op? Is it primarily a social organization or an economic organization? Is it a profit or non-profit organization? Is it inherently inferior or superior to other organizations?

By popular use, a cooperative is defined as a business voluntarily organized, operating at cost, which is owned, capitalized and controlled by member-patrons as users, sharing risks and benefits proportional to their participation. The primary purpose of a co-op is to make a profit for its patrons, or users of the co-op.

There is no agreement on the economic-profit issue among co-op leaders. Certainly there

are pros and cons. However, the weight of evidence and experience indicates that co-ops should be viewed as profit-making organizations. Unfortunately, many descriptions of co-ops depict them as non-profit organizations.

Co-ops must become more customer and profit oriented if they are to generate the funds required to stay in business in a turbulent economy. Profit is not a dirty nor dangerous word. It is one of the best measures any business has for measuring performance.

Co-op Principles

The second weakness is the content, interpretation and application of co-op principles. It is clear many believe the traditional philosophies, principles, policies and practices are not serving co-ops well. Why are co-op leaders and other experts questioning traditional ideals and ways of doing business? Either the principles have failed or leaders have failed to follow the principles. Perhaps some of both has occurred.

The problem begins with referring to some recommended guidelines for co-ops as principles when they are not principles in a strict definitional sense. This leads to some misunderstanding and misapplication. Some principles don't support the purpose of a co-op as just described.

Service at cost is the essence of co-ops. While some would question other principles, such as democratic control or limited returns on equity, no one questions service at cost.

Unfortunately, the interpretation of service at cost is usually limited to the *distribution* of profits or patronage refunds. The refund is a *pro rata* allocation. It is usually calculated by multiplying the patron's volume (in units of dollars) times the refund rate. The refund rate is always the same for all patrons. This implies that profits for each patron's business are the same per unit. But are profits per unit on big volume customers the same as for small volume customers? The answer is generally no.

Attention needs to be given in the guidelines to the *generation* of these profits to assure the usual patronage refund method achieves service at cost for each patron. This can be done by setting appropriate prices and margins. If refund rates are the same for all patrons, then high volume, low cost patrons should have lower prices on supply purchases and higher prices on marketing sales so as to maintain equal net margins or profits. Equal net margins are equitable.

Management of Co-ops

A third problem area is management. The management team includes the board of directors, the chief executive and other managers. It goes without saying that management is accountable for the performance of the co-op.

Evidence, experience and logic suggest the most important strategy should be to strengthen management. Many areas need attention. Two have obvious importance: people management and financial management.

People are organizations' most valuable resource. Therefore, the most important decisions are (1) who you hire and (2) what jobs you give people. Are co-ops hiring the best people?

Financial strength is a prerequisite to surviving times like

now. A wise strategy generally means having a very strong balance sheet. Such strength permits surviving the downward shocks of a turbulent economy and being positioned to take advantage of strong recoveries. Many agricultural producers and co-ops are learning this lesson too late to avert serious damage or the failure of their business.

Co-ops Must Change to Compete Successfully

These are not easy times for ag co-ops. This discussion has focused on some of the weaknesses in co-ops and some objectives and strategies that might be pursued to correct those weaknesses. The probable environment of the future is an important backdrop to this discussion. These might be called the worst of times. But are they also the best of times as Charles Dickens might suggest? If so, how can this occur?

Will co-ops jump into their foxholes, call for sacrifice and commitment to the traditional co-op policies and practices as a reaction to the crises today? Or will they be proactive by adopting a strategic management strategy that transforms current co-ops into the ideal co-ops of tomorrow?

The future of cooperatives is in the hands of its leaders. Co-ops have been a vital part of the ag sector. The success or failure of co-ops in the future will depend on how well they meet their customers' needs compared to the competition. It is clear that times have changed and that co-ops must change to compete effectively.

Discussion Questions

- Is your local co-op adequately serving your needs?
- Are you participating in your local co-op's activities?

- Should high volume, low cost patrons have lower prices on supply purchases?

This discussion topic was adapted from a presentation by Dr. Fred Sobering, associate dean of agriculture and director of Extension, Kansas State University, at the National Institute for Cooperative Education meeting, Kansas State, July 29, 1985.

Legislative Review

(continued from page 7)

the property tax credit prior to the payment of the taxes. If the landowner fails to pay the taxes after receiving the state refund, a serious problem is created for local governments, schools, lenders, etc. It also creates a great deal of opposition to P.A. 116.

H.B. 4788 would require that a paid tax statement from the previous year be included, otherwise the credit check would be made joint to the claimant and the county treasurer(s) involved. FB testified that only the current or previous year paid statement be required and expressed some concern about a joint check because of confusion resulting when a farmer operates in several counties.

The bill has been reported out of the House Taxation Subcommittee. H.B. 4789 is a bill with the same provisions and applies to the homestead rebate program.

Right-to-Know — H.B. 4111, H.B. 5251 and H.B. 5250 have been passed by the Legislature creating an employee "right-to-know" law. It is quite complex, however FB succeeded in amending it to assure that the present

(continued on next page)

Legislative Review

(continued from previous page)

regulations required by FIFRA and MDA would remain the same.

The legislation preempts counties from passing their own "right-to-know" ordinances. This was becoming a serious problem for farmers in some counties.

Certified Seed Law — H.B. 5338 recognizes the problem of seed shortages, specifically dry beans. The bill would expand the sale of seed from the rigid three-generation criteria for Michigan seed and allow for the sale of fourth generation seed from out of state.

A shortage of a specific seed must be determined by the MDA director and the director of the MSU Ag Experiment Station. The bill passed the House and has been favorably reported out of the Senate Agriculture Committee.

Bridges — H.B. 4801 would increase the fine for overloads on bridges. Currently the law limits the penalty to \$100 per violation. H.B. 4801 would increase the penalty to a maximum of \$1,700, using a graduated scale depending on the type of violation.

FB is working with Rep. Muxlow on amendments to assure that farmers could legally move farm equipment.

Milk — S.B. 534 and S.B. 535, amending the milk law, were signed March 10, 1986 with immediate effect. The bills create a civil penalty in place of criminal penalty for antibiotic residue in milk.

The penalty schedule includes \$50 for the first violation, \$200 for the second violation and

\$500 for the third violation. The fourth violation is a criminal penalty.

The bills resulted from recommendations by an industry committee, eliminating the need to go to court and set standard fines.

Gleaning Bill — H.B. 4494 would extend the present gleaning law and increase the farmer's income tax credit from 10% to 20%. Current gleaning legislation has resulted in a coalition of over 40 people or groups, including processors, working toward its passage. The coalition is also seeking enactment of three or four more bills which clarify liability exemptions and may extend a tax credit to processors.

Subdivision Control Act Revision — Hearings are being held throughout the state on H.B. 5152. It would eliminate the 10-acre minimum lots, leave more authority up to local government and shorten the time required for subdivision approval. It is flexible enough to permit farmers some minimal divisions without platting.

The bill resulted from the report of a special commission on which FB was represented. The study began in November 1981 and a report was issued Dec. 5, 1983. The bill was first introduced in 1985. It may be considered in the fall of 1986, or may go into the 1987-88 session. As introduced, the legislation is in line with FB policy.

Underground Fuel Tanks Banned — Most large-capacity underground tanks are now banned in Michigan to comply with EPA requirements. In the future, only tanks constructed of a non-corrosive material, and which meet other special standards, may be installed. P.A.

423, passed by the Legislature in 1984, gives the state power to enforce the federal agency requirements banning installation of many types of underground petroleum or chemical storage tanks, and requiring registration of existing tanks with a capacity of 1,100 gallons or more.

Farm or residential tanks storing less than 1,100 gallons of motor fuel, heating oil for use on the premises, septic tanks and certain pipelines are excluded from the rule. Fuel and chemical suppliers are required to alert customers who must register their tanks. They will have the forms.

Transportation — The Legislature must resolve the highway formula yet this session. It expired last year and because of the controversy involved, was extended to this year.

A fiscal study is being made and a special legislative committee was appointed but it has not been very active. The issue will be even more controversial because of federal Gramm-Rudman-Hollings cuts to both the Highway Department and the public transit programs.

License Plate ReflectORIZATION — A proposal to require two license plates (front and rear) on Michigan vehicles has been introduced in the Legislature. The bill, H.B. 5319, would also require that both the plate numbers and background be reflectorized.

The bill is opposed by the secretary of state. FB is on record in opposition to the bill.

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

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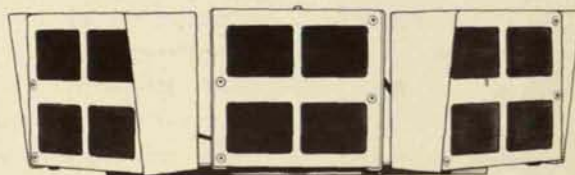
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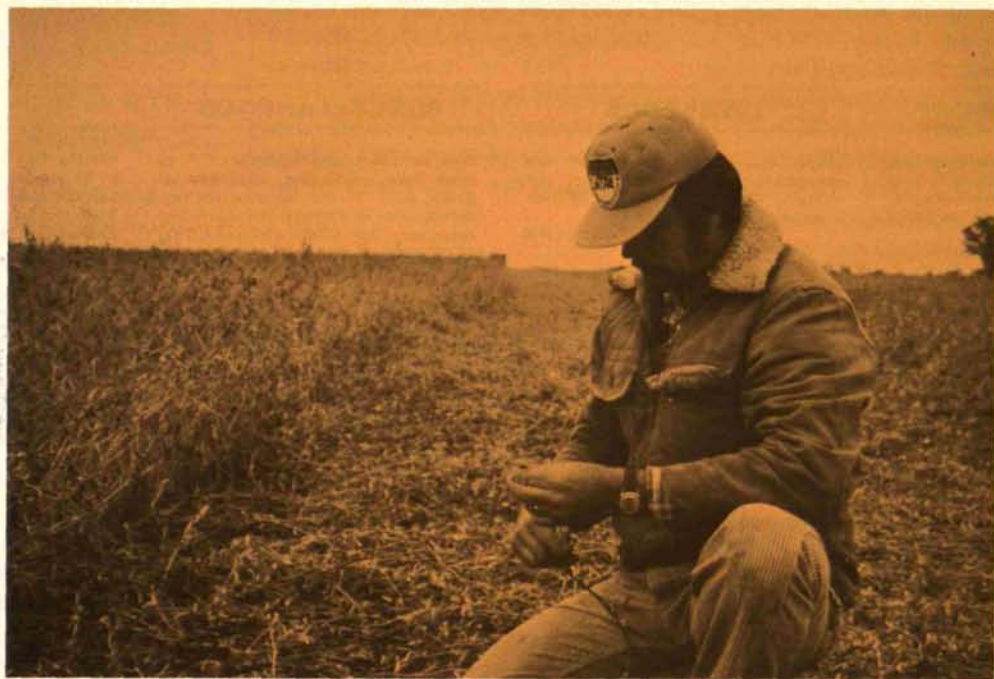
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