Publication of Michigan Farm Bureau



YEUTTER CALLS ON MICHIGAN AGRICULTURE

"We're in a global marketplace. We've got to learn to function in that environment," says Yeutter.

United States Secretary of Agriculture Clayton Yeutter was in Michigan recently, stopping at the MSU Beef Research facility to meet with staff and reporters before heading to the Curt Eubank dairy farm and Bil-Mar Farms in Western Michigan on a Republican Party campaign blitz.

International trade seemed to be the theme during his address at MSU, where Yeutter touched on the 1990 Farm Bill, the Uruguay round of GATT trade talks, and a \$73 million boost in budget for research efforts.

Farm Bill

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Yeutter expressed praise and optimism that agriculture had fared quite well, overall, in developing a farm bill that's equitable for everyone, likening the degree of difficulty to reaching a budget compromise.

"We spent a lot of time on the 1990 farm bill in a very complex situation this year, with budget deficit considerations, environmental concerns, and the international trade negotiations," said Yeutter. "There was a reduction of just over \$15.6 billion for agriculture over the next five years."

Yeutter pointed out that a billion dollars in cuts is credited to the Acreage Reduction Program, about \$3 billion to changes in Farmers Home loan and REA loan programs, making agriculture's real cut more like \$9 billion. Yeutter estimated that a one point drop in interest rates would soften the blow to agriculture by over \$750 million in savings per year.

Trade Talks

Yeutter doesn't feel the current Uruguay round of trade talks, which are to be completed by Dec. 1, 1990, will produce the results agriculture is looking for.

"Right now, I would say the whole round of trade talks will self-destruct because we're so far apart in views between the European Community and ourselves," said Yeutter. "The biggest subsidizer in the world, by far, is the European Community. They spend more on export subsidies each year alone than we spend on all of our farm programs combined."

According to Yeutter, the E.E.C. is spending over \$11 billion annually for export subsidies, outspending U.S. agriculture 20 to 1. Yeutter also gave an example of the seemingly thoughtless export subsidy program by the E.E.C.

"The European Community just made a sale of some surplus meat products in the Middle East at a negative price," exclaimed Yeutter. "In other words, they used a subsidy that was so large they paid that mideast country to take the beef off their hands!"

Research Funding Increases

Yeutter was pleased to announce a \$73 million increase in allocations for research, although they had originally asked for \$100 million, adding that any kind of an increase this year didn't come easy. The funds will be allocated amongst the nation's land grant institutions.

"We can't expect special advantages and favors to carry us in international markets,"



Secretary Clayton Yeutter, MFB President Jack Laurie and Governor-elect John Engler met at MSU's Beef Research center recently during a campaign visit by Yeutter for Engler in the final days of Engler's gubernatorial campaign.

said Yeutter. "We have to carry ourselves. To do that, we need to make sure we have the research, technology and management skills to maintain our competitive base, all of which starts with research."

Yeutter reiterated his stance on international markets, and the role that research will play in making U.S. agriculture more competitive, adding that by the turn of the century there will be 6.2 billion people to feed in the world and that only .2 billion will actually be in the domestic markets.

"If agriculture is going to be a growth industry in the United States, it's going to have to come from selling outside the U.S. It's that simple," said Yeutter.

MICHIGAN'S RIGHT TO FARM Farmers Beware, Over 300 Complaints Filed With MDA

Michigan's Right-to-Farm Act, originally passed into law in 1981, underwent major revisions in 1987 to provide farm operations protection from lawsuits when they are following generally accepted agricultural and management practices. However, some farmers may be in for a rude awakening because they're not meeting their obligations under Right-to-Farm, according to MFB livestock specialist Kevin Kirk.

"Over 300 complaints have been filed with the MDA in the last 12 months," says Kirk. "Oddly enough, most of those complaints are being filed by other farmers in their community. Eight of those complaints have been turned over to the Michigan Department of Natural Resources, because farmers haven't complied with MDA recommendations developed during inspections." Areas of concern under the guidelines most often cited include:

-Lack of records on manure application. -Lack of soil tests on a regular basis. -Lack of manure analysis.

-Livestock which have free access to streams, lakes and waterways.

-Not controlling runoff from livestock facilities.

 Not incorporating liquid manure when possible.

"MDA's role in Right-to-Farm is to assist farmers in obtaining protection under the act," says Kirk. "If MDA can't document that a farmer is following those guidelines, then a reciprocal agreement with the DNR requires that the complaint be turned over to the DNR for further investigation."

is meeting Right-to-Farm guidelines.

- 5. Farmer is informed of findings.
- 6. Farms not meeting guidelines have 90 days to address problem.
- 7. After 90 days with no attempt to comply, the farmer receives a second letter.
- 8. After failure to respond, the case is sent to the DNR for further investigation.

"A commitment from the entire agricultural industry is critical to maintain a healthy, growing livestock industry in Michigan," says Kirk. "Farmers can get further information from the Cooperative Extension Service, Soil Conservation Service, and Michigan Farm Bureau."

Don't miss the Right-to-Farm



According to Kirk, of the 300 complaints filed, 40 percent have been hog operations, 32 percent pertain to dairy, and 9 percent respectively to beef, horse, chicken and turkey operations.

-	40	Allenon	14	Kent	13
Ottawa	16	Allegan			13
Cass	12	Van Bur.	9	Shia.	9
Barry	8	Branch	8	Saginaw	7
Gratiot	6	Jackson	6	Living.	5
Hillsdale	5	Ionia	5	Arenac	4
Eaton	4	Huron	4	Ingham	4
Clare	3	Genesee	3	Lapeer	3
Lenawee		Monroe	3	Oakland	
Tuscola	3				

If the DNR finds the facility is causing pollution, they will initiate regulatory action. Those facilities are also open to nuisance litigation initiated by concerned citizens or local units of government. Recent passage of the "Polluters Pay" legislations makes that threat even greater.

MDA Procedures:

1. An inspector is sent to the farm to investigate the complaint.

2. A farmer is not obligated to allow on-site inspection.

3. MDA inspector reports findings to program manager.

4. Program manager determines if operation

workshop at MFB's State Annual on Tues., Nov. 27, from 3:45 p.m to 5:15 p.m., in Grand Rapids. Panel speakers will include representatives from MSU, MDA, and an attorney who has represented several farmers in Right-to-Farm cases.

The panel will also respond to questions from the audience. The workshop is designed to help you understand what protections farmers can expect and what is expected of them under the Right-to-Farm Act. Contact your county Farm Bureau office for more information.

Farm Business Outlook





November 15, 1990





COOPERATIVE EXTENSION SERVICE AND FARMERS-INTERDEPENDENT

The Cooperative Extension Service (CES) has served Michigan farmers for over 75 years. During that time, CES has demonstrated the ability to take the research of our landgrant university and Agricultural Experiment Station and deliver it in a practical and usable package to farmers across the state. This service has had a more positive impact on our lives than any other public program.

Today the position of CES is being challenged by budget cuts at the state and federal level. Its academic stature is challenged at landgrant universities and its usefullness is questioned in the country by many who wonder if the CES can "keep up" with similar services being offered by private industry.

The CES has an urgent need-for you! The need isn't for financial contribution, or your commitment of time and energy in a volunteer program, although they're important. More importantly, those of us in agriculture need to stand up and tell others how important CES is to each of us personally, to the agricultural industry and to the future well-being of our entire country.

By its very nature CES depends upon support from the federal, state and local levels of government. All three levels need to witness a renewed commitment by members of the agricultural community who have used, and will continue to use, the CES. That means county commissioners need to hear, from you the farmer, the importance of their local support and funding. Your congressmen and legislators need to hear how important it is they provide similar support at the state and federal level.

If Michigan farmers accept the responsibility of sharing what the CES has meant to us and every citizen of this country, in terms of a safe, efficient and plentiful food supply, then we'll continue to have the support for CES, to ensure its future in our industry.

That's the bottom line of this whole discussion--now is the time for us to give back to the CES a little bit of what it has given us for over 75 years. We can back that commitment by showing our elected officials, at all levels, the support the agricultural industry is willing to give CES, now and in the future.

& Jamie Jack Laurie, President

Michigan Farm Bureau

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1990's Way To Condition Water

- No Salt Required
 - ired No Monthly Bill
 - No Water Loss
 - No Plumbing Required
- 90 Day Money Back Guarantee

No Maintenance



In Brief...

Michigan Loses Ag Leader

The state's entire agricultural community mourns the loss of Doug Kostal of Ithaca, who lost his battle against cancer on Oct. 28. The highly respected and well-liked Kostal was appointed Michigan Director of ASCS in 1987 and in June was awarded the Administrator's Award in Washington D.C., the highest award given by ASCS. The former Gratiot County Farm Bureau President was also involved in Farm Bureau activities at the state level for several years.

Memorial contributions are suggested to the Jack and Renee Breslin Cancer Research Center or to the Michigan Agricultural Leadership Program.

Apple Growers Silent No Longer

A group of Washington apple growers, their industry devastated in 1989 by the controversial Alar incident, have decided to fight back.

Several growers have formed the Alar Class Action Committee, and plan to file a class action lawsuit against CBS 60 Minutes, the National Resource Defense Council and other defendants. They plan to file the suit December 1, if sufficient funds can be raised. If not, all funds collected will be refunded, according to the committee.

Irresponsible media and environmentalist groups must be held accountable for misleading consumers, as in the case of the campaign labeling Alar, a chemical preservative used on apples, as a cancer causing substance, say the growers.

Among the defendants is Fenton Communications, the public relations firm employed by NRDC to orchestrate the media blitz. Since the Alar scare, an estimated 10 percent of Washington's apple producers have gone out of business.

John Deere Announces Cutbacks

Farm equipment sales sagged in August and September, causing one large manufacturer, Deere and Company based in Moline, Ill., to announce production cutbacks and temporary plant closings effective Nov. 1.

The firm plans to implement the cutbacks to avoid permanent layoffs of employees and prevent excessive buildup of farm equipment. In announcing the moves, Deere chairman and chief executive officer Hans Becherer said the slowdown in farm equipment sales is the result of economic uncertainty caused by the budget stalemate in Congress and the effects of the Middle East crisis.

Say It Isn't So

Congress caught a lot of flak for approving a \$500,000 rural development grant to restore Lawrence Welk's birthplace, but that's small potatoes compared to the \$19 million grant they approved to study methane emissions from the flatulence of cows and other barnyard animals.

The matter came up once before and was hooted out of the halls of Congress, but bad legislation has a way of coming back. The spending spree also included expenditures of \$375,000 for a facelift of the U.S. House beauty parlor and \$250,000 to study the best placement of television lights on the Senate floor.

Pesticide Record Keeping A Reality

Users of restricted use pesticides will be required to keep records for two years, containing the name of the product, the amount applied, the approximate date of application, and the location of the application, as part of the new farm bill requirements.

According to AFBF's Mark Maslyn, the legislation requires that the regulations be developed by the Secretary of Agriculture and put into effect within 180 days. However, it's unclear at this time if they'll be ready for the 1991 growing season.

FARMERS PETROLEUM COOPERATIVE, INC. 1990 Year End Sale Coop Rear Farm Tires November 15 - December 31, 1990



Big savings on selected popular lines and sizes.

Buy now and take delivery in the spring.

Contact your local FPC retail center or participating member cooperative today.



Under the provisions, state and federal agencies dealing with pesticides, health or environmental issues, will have direct access to the information through either the USDA or the state's pesticide agency. Penalties for first time offenders cannot exceed \$500, or \$1,000 for a second offense.

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FEDERAL BUDGET SUMMARY

Although they were 27 days late, Congress finally passed the new federal budget for the year, taking effect Oct. 1. The bill contains provisions to reduce the deficit by \$492 billion over 5 years, through a combination of spending cuts and tax increases.

The vote in the U.S. House was 228 to 200 and the U.S. Senate vote was 54 to 45. Farm Bureau strongly opposed the bill, calling for a spending freeze without any tax increases. Details of the package include:

Tax Increases

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- -Increases the top marginal income tax rate to 31 percent.
- -Increases the amount of income subject to the 1.45 percent Medicare payroll tax from the current \$51,300 to \$125,000.
- -Limits the amount of itemized deductions and personal exemptions for upper income taxpayers.
- -Increases the federal gas tax by 5 cents per gallon. -Permanently extends the telephone excise tax.
- -Renews and increases the airline ticket tax.
- -Doubles the beer tax from the current 16 cents per six-pack to 32 cents. -Increases the wine tax from the current 3 cents per 750 milliliter bottle to 21 cents. -Increases the tax on 100-proof distilled spirits from the current \$12.50 per gallon to
- \$13.50 per gallon.
- -Imposes a 10-percent luxury tax on certain price levels of boats, planes, cars, furs and jewelry.
- Increases the cigarette tax in two phases from the current 16 cents per pack to 24 cents per pack.

Tax Exemptions

Extends to January 1, 1992, the current deduction of 25 percent of health insurance premiums for self-employed persons.

Agriculture Spending Reductions

Establishes a service fee on CCC dairy purchases of 5 cents per cwt. in 1991 and 11 cents per cwt. thereafter to offset costs of the dairy support program. The fee would be refunded annually to producers who did not increase production from the previous year's level.

REA direct loans would be reduced by approximately 25 percent, and REA loan guarantees increased correspondingly while shifting about 50 percent of FmHA farm loans from direct loans to guaranteed loans over the next 5 years.

Establishes user fees to recover the costs of inspecting common carrier passengers arriving in the U.S. for agricultural products and pests by the Animal and Plant Health Inspection Service.

Eliminates spending increases provided in the 1990 Farm Bill passed by the House for food stamps and other programs in the jurisdiction of the Agriculture Committee. The above spending reductions for agriculture amount to \$14.9 billion over 5 years.

Budget Process Changes Include:

Extending the Gramm-Rudman-Hollings (GRH) law through 1995, originally scheduled to expire in 1993.

For fiscal year 1991, which began October 1, 1990, through fiscal year 1993, all discretionary spending will be divided into three categories: defense, international and domestic. Caps would be placed on each of these spending categories. Automatic across-the-board spending cuts at the end of each Congressional session would be used to enforce the caps. however, the cuts would only apply to the offending category of spending (i.e. defense, international and/or domestic).

For fiscal years 1994 and 1995, there would be a single cap over total discretionary spending rather than the three separate caps for defense, international and domestic spending.

Requires that any increase in spending or reductions in revenues must be paid for or offset elsewhere by spending cuts or higher taxes. If this new "pay-as-you-go" technique is not met, automatic spending cuts will be used to make up for the increased deficit.

The above outline of tax increases, spending cuts and budget reform is only a brief summary of the new budget bill which contains over 1000 pages, weighs 24 pounds and stands over 10 inches high.

Legislative Mailing Addresses: State Senate/House, State Capitol Building, Lansing, MI 48933 - Telephone Numbers: State Senate (517) 373-2400; State House (517) 373-0135 U.S. Senate, Washington, D.C. 20510/U.S. House of Representatives, Washington, D.C. 20515 - Telephone Number: U.S. Capitol (202) 224-3121

MFB'S YOUNG FARMER FINALISTS SELECTED

MFB's eight finalists in the Young Farmer's Outstanding Young Farm Woman and the Distinguished Young Farmer contests have been selected by judges, with the final decision to be made at MFB's state annual in Grand Rapids, after further interviewing. MFB presents the award annually to selected young farmers based on their farming background, leadership and community involvement. The award is sponsored by Great Lakes Hybrids, Inc.



Outstanding Young Farm Woman

Carmen C. Conant Central Lake, Antrim County Agricultural Background: Herdsman on a 40 cow dairy operation with a total of 850 acres operated. Conant also works as a field technician with the Antrim County ASCS office.



Patricia L. Fisher St. Louis, Gratiot County Husband: Troy Fisher Agricultural Background: Currently employed as a florist with Heritage Flowers in addition to working with her husband on the





Distinguished Young Farmer

Matthew Dutcher Owosso, Shiawassee County Agricultural Background: In a family partnership on a 115 head dairy operation, in addition to raising 533 acres of corn, 165 acres of soybeans, 41 acres of wheat and 180 acres of alfalfa. Graduate of MSU's Agricultural Technolgy Dairy Course.

Mark Lauwers Almont, St. Clair County Wife: Christine Agricultural Background: In a family partnership on a 2,398 acre cash crop operation, raising 990 acres of corn, 750 acres of soybean, 340 acres of wheat, 55 acres of navy beans and 110 acres of sugarbeets. Past District sales manager for a seed company. Graduate of MSU with an Agricultural Engineering degree.





family's 1330 acre cash crop, livestock operation.

Barbara J. Hoskins Adrian, Lenawee County Husband: Mark E. Hoskins, Agricultural Background: Employed as a herdsman with her husband on a 90 head registered holstein dairy operation, in addition to 600 acres of alfalfa and another 600 acres of corn and soybeans.

Actively involved in the daily management of a 90

partnership, assisting with one of the three milkings

on a daily basis. The operation also includes 375 acres

cow dairy operation with her husband in a family

Yvonne Jakubik

of crops.

Whittemore, Iosco County Husband: Jeff Jakubik,

Agricultural Background:





Phil Tuggle Ithaca, Gratiot County Wife: Lisa Agricultural Background:

Owner operator of a registered Angus herd, and employed as herdsman on a 300 sow farrow to finish operation, raising 17 acres of corn, 30 acres of hay, 10 acres of dry beans, with 13 acres of improved pasture. Graduate of MSU's Agricultural Technology Livestock Program.

Louis E. Wirbel Midland, Midland County Wife: Kathleen Agricultural Background:

Involved in a cash crop/farm market operation, including 68 acres of corn, 20 acres of sugar beets, 70 acres of dry beans, 42 acres of soybeans, 4 acres of strawberries, 2 acres of mixed vegetables, 6 acres of melons, 16 acres of sweet corn, 1.5 acres of potatoes.

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November 15, 1990





Fruit Yields Disappointing

Most Michigan fruit growers were finding smaller yields than anticipated as they continued harvesting fall fruit crops, according to the Michigan Agricultural Statistics Service. Poor pollinating weather this spring apparently had a bigger effect than many realized. Only the plum crop picked out slightly higher than earlier forecasts. Quality of the apple crop was excellent. Many growers reported surface blemishes on plums. Cool, cloudy, rainy days during harvest slowed sugar development in grapes.

The Michigan apple crop is forecast at 750 million pounds, over a fifth lower than last year's harvest, and 6 percent less than expected on Aug. 1. Nationally the crop is expected to reach 9.47 billion pounds, 5



For The Week	Temperature		Cumul. Grow		Pred	Norm.		
Ending: 11/4	Max.	Min.	Deg. Days		Last 4	Since	Since	
	10.11 2.110		1990	Norm.	Wks.	Apr.1	Apr. 1	
Marguette	69	23	1,939	2,042	4.82	20.35	22.87	
Escanaba	74	34	1.847	1,789	2.03	20.58	21.91	
Traverse City	75	27	2,601	2,349	2.19	23.14	21.25	
Alpena	75	22	2.398	2,267	2.80	19.13	20.72	
Fremont	64	22	2.447	2,570	5.07	26.96	21.48	
Port Sanilac	61	30	2.310	2,672	3.99	24.14	19.60	
Standish	61	21	2,402	2,672	4.10	24.14	19.60	
Grand Rapids	74	24	2,900	2,931	4.24	29.01	22.95	
Paw Paw	71	26	2.869	2,931	5.49	29.01	22.95	
Coldwater	74	25	2.808	2,874	3.28	23.51	21.82	
Lansing	73	23	2.874	2,874	4.13	23.51	21.82	
Imlay City	65	26	2,565	2,870	3.85	22.92	20.81	

The latest National Weather Service 30-day outlook calls for temperatures on the cool side, with a 55% to 60% chance of below normal readings. At Marquette, normal daily highs range from 45 F to 30 F by the end of November; normal lows decreasing from 30 F to 17 F. At Detroit, normal daily highs start out at 56 F falling to 41 F by month's end; normal lows beginning at 37 F, ending the month at 27 F.

The 30-day outlook for precipitation is calling for near normal amounts over the southerm Lower Peninsula, with a 55% chance for below normal precipitation over the rest of Michigan. Normal precipitation ranges between 2" to 3" over Michigan, with locally heavier amounts in the snowbelts.

The latest 90-day outlook puts Michigan in a region dividing cold air to the west and warm air to the southeast. With such a pattern, storm tracks can be expected to pass close to Michigan, making the period a wet one. There's a 55% probability that precipitation will be above normal over the entire state. Temperatures are predicted to be near normal over the Lower Peninsula, with a 55% chance of below normal temperatures over the Upper Peninsula.

Information from the Agricultural Weather Office, Michigan State University.



Working for yourself, you can't afford unscheduled time off for a major illness. Regular health care is vital.

That's where we can help, with the health care insurance you need, at the down-to-earth membership rates you can afford. As a Farm Bureau member, you can choose from three traditional Blue Cross Blue Shield Comprehensive Major Medical plans, starting as low as \$60.12 a month.

Each plan offers you Blue Cross Blue Shield comprehensive major medical insurance at low group rates. The main difference is: as the deductible goes up, the premium goes down. But, whichever plan you choose, you'll be able to afford the regular health care you need to stay viable.

percent below a year ago.

Grape production is expected to close out at 53,000 tons, almost 25 percent higher than the 1989 harvest, but 9 percent less than was expected on Sept. 1. The U.S. grape crop was forecast at 5.46 million tons, 8 percent below last season.



As sure as you're on your own, you're not alone . . .



WHERE BELONGING MAKES A DIFFERENCE. What matters to you matters to us.

For further information call 1-800-292-2680 or contact your local Farm Bureau agent.



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November 15, 1990

Election 1990 Results

Engler's Victory Called A Victory For Agriculture

"John Engler's successful bid for Governor is a victory for Michigan agriculture!" That was the reaction of Michigan Farm Bureau President Jack Laurie to Engler's estimated 19,134 vote win in the gubernatorial race. The governor-elect had recieved Farm Bureau's AgriPAC endorsement as a "Friend of Agriculture."

"The Farm Bureau members on our county candidate evaluation committees across the state told AgriPAC in September that their industry would fare better with Engler as governor," Laurie said. "His record of service in the Senate, where he proved he was indeed a friend of agriculture, was a major factor in their endorsement recommendations. They also believed that his farm background provided him with a better understanding and appreciation of what is needed to make Michigan agriculture a viable, growing industry and a major contributor to the state's economy."

Laurie said he was proud that Farm Bureau members followed through on AgriPAC's endorsement by going to the polls and voting for Engler.

"Farm Bureau looks forward to working with the governor-elect. His positions on issues important to us -- issues such as tax reform and education -- closely parallel our farmer-developed policies, so we are confident that this working relationship will be productive for Michigan agriculture," he said.

MFB's AgriPAC endorsements fared quite well in the general election. Unofficially, of the 110 endorsements made, 99 candidates were successful in their bid for an elected position, a 90% success rate.

California Voters Reject "Big Green"

California voters rejected "Big Green," an ambitious environmental proposal that would have given the state the strictest pesticide and auto emission standards in the United States.

Environmentalist and state assemblyman Tom Hayde, the major sponsor of the bill, hoped the measure would help eliminate California's polution woes and make foods free of substances that cause cancer, no matter how small the risk.

But opponents of the bill said the plan was too expensive and would have raised food and energy prices significantly. Critics also said the measure would have cost state taxpayers an additional \$10 billion annually.



<u>NEW FROM FARMHAND</u>; Farmhand's Model XL740 and XL940 loaders now mount both two wheel drive and front wheel assist Maxxum 5120, 5130 and 5140 tractors; the model 22 loader mounts the two-wheel Maxxum tractors. Loader features include Farmhand's exclusive Quick-Tach for fast tractor hook-up and parking stands. Typical lift height on the XL940 loader is 12'8", XL740 is 10'6" and model 22 is 10'4". Options include heavy duty buckets, manure fork, grapple fork, and large round bale spear. For more information, contact Farmhand, Inc., P.O. Box 1500, Excelsior, MN 55331 or call (515) 236-6571.



Water Dog absorbs up to 400 times its own weight in water to help prevent fuel contamination, clogged filters, fuel line freezeups, and tank rust. According to the manufacturer, Water Dog is available in sizes to fit farm tractors, combines, trucks, small engines, and farm fuel storage tanks. For more information, contact AGA National Products Group at 1-800 876-9423.



MFB's director of Commodity Activities and Research, Ken Nye, says defeat of Big Green should help to blunt similar efforts in other parts of the country, but that farmers can't let their guard down.

"In the long run, we want to do some things that are going to improve the safety of the food supply, do some things that are going to protect the environment even more," says Nye. "However, we have to make sure those things are balanced and equitable for both producers and consumers."

Big Green had national and international trade implications because it would have prevented farm products treated with banned pesticides from being exported or transported through the state. Of the \$22.7 billion worth of foreign farm products entering the U.S., 73% came through Californian ports. Another 84% of the \$3.3 billion worth of U.S. goods exported from California ports were produced in the state.



Drug	Strength	Name Brand	Feld Generic	You Save	Drug	Strength	Name Brand	Feld Generic	You Save
Amoxil Caps (100)	250mg	19.95	10.95	4 5 %	Premarin Tabs	0.3mg	16.95	7.95	53%
	500mg	34.50	17.95	48%	Section of the second section of the second	0.625 mg	22.50	8.95	60 %
Darvocet-N Tabs(100)50n	0)50mg	20.95	11.95	43%	and the second se	1.25mg	29.95	9.95	67 %
	100mg	36.50	14.95	59%		2.5mg	51.75	14.95	719
Inderal Tabs (100)	10 mg	19.50	4.95	75%	Provera Tabs (100)	10 mg	41.25	16.95	59 %
	20 mg	25.95	5.95	77%	Slow-K Tabs (100)		14.75	6.95	539
	40 mg	32.95	6.95	79%	Synthroid Tabs (100)	0.15mg	16.25	3.25	80 9
	60 m g	42.25	7.95	81%	Contraction (Contraction (Contraction)	0.2mg	18.75	3.50	819
	80 mg	50.75	8.95	82%	in at south) while reading and the	0.3mg	24.25	3.95	84 9
Keflex Caps (100)	250mg	89.95	19.95	78%	Theo-Dur SA Tabs	100mg	13.95	8.95	36 9
		172.75	29.95	83%	with the second states of All	200 mg	18.75	10.95	42 4
Lanoxin Tabs (100)	0.25mg	7.75	2.95	62%	A Dealer and the second	300mg	21.95	12.95	41 4
Lasix Tabs (100)	20 mg	12.50	4.95	60%	Transderm-Nitro	5mg	37.95	17.95	53 9
	40 m g	16.25	5.95	63%	Patch (30)	10 mg	42.95	24.95	42 4
	80 mg	25.25	11.95	53%		15 mg	46.95	28.95	38
Micro-K Entencaps	10mEq	7.0	7.95	40%	Tylenol w/Codeine	#3	18.75	7.95	58
Motrin Tabs (100)	400mg	14.95	7.95	47%	Tabs (100)	#4	33.25	11.95	64
	600mg	19.75	10.95	45%	Valium Tabs (100)	2 mg	28.95	6.95	76
	800mg	24.25	15.95	34%		5 mg	43.25	7.95	82
				10-20	and the second s	10 mg	70.50	10.95	84

November 15, 1990

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MARKETS

Seasonal Commodity Price Trends

Wheat	† ?
Corn	BT
Soybeans	BT
Hogs	ТР
Cattle	ТР
Index: 1 = Higher Prices; TP= Topping; BT= Bot	<pre>toming; ? = Unsure</pre>

CATTLE

An unusual situation, to say the least. Cattle prices -- like their red meat counterpart, pork -- are remaining unusually strong at a time when everyone expects them to be soft. With wholesale attention turning to turkeys, the market expected to see wholesale beef demand and prices to display some slippage. At best, the cutout has been able to lose only about \$2 off its recent highs. Because these prices have held firm, packers have been able to maintain cash bids just under the \$80 mark in most locations.

Nearly everyone has been painting a negative picture for the cattle market based on ideas that supply and demand were becoming, or going to become, imbalanced. The key features behind this reasoning were the increasing placements in the feedlots and deteriorating demand due to recessionary factors.

It may be that the recession variable has been overplayed. As explained in the hog

article, meat demand has gotten more inelastic, i.e., not as responsive to price. A recession may eventually impact beef demand, but it may not happen as quickly as some envision. The 1987 crash on Wall Street is an example. Retail sales that holiday season were very good despite fears that an economic collapse was on the horizon.

HOGS

For the second year in a row, cash hog prices are managing to perform a remarkable feat -the ability to move stubbornly higher in contrast to seasonal patterns that indicate that markets should be headed lower. As a producer you shouldn't be taking this contraseasonal strength lightly. Because of the extraordinarily high seasonal price, you should be an aggressive marketer. But you need to keep in mind that the market is telling you something -- that supply and demand are "in balance."

Futures traders have chosen to focus on the idea that an energy-driven recession is at hand, and that it will soften the demand for not only pork, but all meats. Recent figures indicate that consumers spend only 2 1/2% of their disposable income on red and white meat. That's down from 3 1/2% a decade ago. Red meat alone has dropped to 2% from 3% over the same period. The portion is becoming small enough that meat demand is becoming more inelastic in relation to disposable income and economic performance.

Without the expansion in the pork industry and the relatively small inventories in the freezer, the future still has a certain amount of optimism. In another 30 days, the focus in the wholesale market turns back to the red meats from turkey. At the same time, pork supplies begin to seasonally decline. If the supply and demand forces are in relative balance now, that suggests that cash prices will have to go higher yet during the winter to keep the two in balance.

SOYBEANS

The October crop report was friendly -- the national average yield was shaved by 0.18 bushel/acre -- but the market shrugged it off under harvest pressure. Harvest pressure has peaked. Three of the five largest soy producers, Illinois, Iowa and Minnesota, are all but done with their bean harvest.

The "triple base" farm bill will allow program participants crop flexibility on 15% of base acres. Some of those flex acres will be planted to soybeans. Unless new-corn futures fall substantially, we do not expect major acreage shifts. If demand meets our expectations, the market will be calling for more bean acres in 1991, not worrying about too many soybeans planted on base acres.

A soybean marketing loan at \$4.92 (\$5.02 less a 2% origination fee) -- will not come into play in the coming year. When the operational details -- those all-important how-it-works pieces that Congress did not define -- are worked out, we will give this new soybean program closer attention.

Record Net Income

The USDA says net cash farm income will probably be a record high this year, somewhere between \$59 billion and \$63 billion. However, higher prices paid for oil and other production inputs as well as other factors darken prospects for 1991, according to USDA's Outlook Report.

E.E.C. Bans U.S. Pork And Beef Imports



Under the guise of health standards, the European Economic Community (EEC) is banning all American pork imports, effective Oct. 31, and all beef imports, effective Dec. 31. According to MFB livestock specialist, Kevin Kirk, the ban will mean a trade loss of \$10 to \$12 million in pork sales, and a loss of \$100 million in beef sales when combined with a previous hormone ban.

American Farm Bureau has joined with other members of the Meat Industry Trade Policy Council to request that U.S. Trade Representative, Carla Hills, reactivate a complaint filed in 1987 against the EEC's Third Country Meat Directive. That directive establishes unfairly-stringent inspection requirements for meat imported from non-EEC countries.

Because the same strict standards do not apply to EEC meat processing facilities, the EEC inspection directive effectively serves as a non-tariff trade barrier, according to Kirk.

South American Soy Acreage Declining

Even if Argentine farmers plant more soybeans next year, the continuing economic crisis in Brazil will cause the total South American output to fall for 1990-91, analysts say. Prices are not high enough to encourage Brazilian farmers to grow soybeans, and they have little money to finance planting. The Brazilian government has placed increased emphasis on food stuffs such as corn and wheat at the expense of soybean acreage.

CFTC Reauthorization Falters

Efforts by the Senate to secure passage of a bill to strengthen and reauthorize the Commodity Futures Trading Commission (CFTC) appears to be dead for this year. Controversy over efforts by the Treasury Department to gain control over some futures markets had created tremendous opposition among agricultural groups. The reauthorization package, approved by both the Senate and House agricultural committees, was held hostage in the Senate by Senators supporting transfer of some jurisdiction from CFTC to the Security Exchange Commission.

Without reauthorization, CFTC will operate under its old authority. Many of the changes called for by the reauthorization have already been implemented by the CFTC and the exchanges.

Japanese Farmland Investments Up

Japanese investors bought about \$456 million worth of U.S. farmland last year, compared with \$289 million spent in 1988. Prior to that, the biggest single-year investment in U.S. farmland by Japan was \$22 million in 1982, according to USDA analyst Christine Bolling.

Overall, Bolling said about \$1 billion worth of U.S. farmland, that USDA researchers know about, has been bought with Japanese money, partially through joint ventures that help to mask the extent of Japanese ownership.

CPI Takes Another Jump

Led by skyrocketing gasoline prices, the consumer price index for September jumped .8%, equal to the August increase, according to a recent Labor Department report. Other substantial factors in the rising cost of living were medical care, school tuition and entertainment. Food and housing also rose by smaller amounts.

The combined effect of the consumer price index increases was to raise the annualized inflation rate to 6.2% over the past 12 months, compared to a 4.7% rate for the 1989 calendar year. Analysts agree that, barring a sudden resolution of the Middle East crisis, the inflation rate for 1990 will almost certainly exceed 6%.

Dairy Market At A Glance

WHEAT AND FEED GRAINS

United States agricultural policy is in turmoil. The Washington budget fiasco has forced cuts in U.S. farm payments and GATT negotiations are uncertain, but still proceeding. The significance is, in order to make us uncompetitive, Europe doesn't have to concede anything, all they have to do is stall. It's been a tactical blunder to simultaneously subsidize exports and reduce acreage. Be prepared for a rollercoaster ride in wheat prices over the coming months.

The new 5-year budget package passed by Congress contains language calling for a \$1 billion increase in U.S. export subsidies of agricultural commodities in fiscal 1993 if a new international agreement to substantially reduce farm subsidies is not in place by mid-1992.

The budget language also requires USDA to institute a marketing loan program for wheat and feed grains, allowing the agency to waive minimum levels for crop acreage reduction programs. The marketing loans would allow producers to repay their government loans at below-loan-rate market prices. Furthermore, if a trade agreement is not implemented by June 30, 1993, USDA would have to consider waiving some of the programs, such as triple-base and other farm spending cuts, that are part of the 5-year deficit-reduction package. The triple-base program would, in effect, lop off 15% of U.S. farm acres from the government subsidies they now enjoy. The current price slide on the National Cheese Exchange is hurting the M-W price badly. The down side potential shaved \$2.02 off October's M-W price series when it was announced in November, bringing the price near \$10.50 per hundredweight for 3.5 milk. Milk production bounced back suddenly in mid-summer at the same time cheesemakers were staring at massive inventories and the collapse of nonfat-dry-milk prices last summer. Some stabilizing of cheese prices is likely in the coming weeks.

While the trade language in the budget is aimed at keeping the pressure on the EC and other trading partners to reach a successful conclusion to talks under the Uruguay Round of the GATT that are ending in December, Congress also inserted some loopholes to get around these strict requirements.

For example, the provisions can be dropped if Congress uses a parliamentary maneuver to delay quick passage of any agreement ultimately signed by U.S. trade negotiators. Currently, a so-called "fast-track" arrangement requires Congress to take a vote, without any amendments to the pact, within 60 to 90 legislative days after the agreement is signed.

A primary U.S. export subsidy is the export bonus program, which targets the sale of commodities, such as wheat, to foreign markets where the EC is also attempting to sell its subsidized commodities. USDA will be authorized to spend 475 million dollars on the export bonus program during fiscal 1991.

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From MFB's Commodity Activities and Research Division (517) 323-7000 ext. 2023

DISCUSSION TOPIC: "Inheritance Tax"

he state of Michigan often prides itself as being a progressive, legislative trendsetter. But in the case of inheritance taxes, Michigan is operating under an antique statute that was enacted almost 100 years ago.

"Thanks to economic growth, estates are large enough today that people often have to sell their farm or business in order to pay the state inheritance tax," said Ron Nelson, legislative counsel for Michigan Farm Bureau. "In 1975, the U.S. Department of Agriculture estimated that one-quarter of all farm real estate sales were for the purpose of estate settlement - individuals required to sell off a portion or all of their real estate simply to settle the economic burden of the tax.

Nelson said that under federal law, an estate tax is levied only on estates over \$600,000. "But the state inheritance tax applies to all inheritances over \$100. While there are some helpful exemptions, such as the 50 percent exemption of real estate enrolled in P.A. 116, everyone is affected by this death-tax law.'

The current system has a major impact on estate planning, Nelson said. "Many people who have liquid assets will set up residence in another state, such as Florida, to escape Michigan's death tax. But a farmer can't really pick up and move his farmland or other business facilities to another state." Nelson said a review of nearly 40,000 taxpayers who left Michigan for other states in 1984-85 found that 86 percent had moved to states that had eliminated their death or inheritance tax. It is estimated that Michigan will have lost nearly \$700 million in income generation between 1985 and 1990 because of this net out-migration of taxpayers, he said.

Legislative efforts to reform the state inheritance tax have focused on three bills: S.B. 1, introduced by Sen. Nick Smith, provided for a 50 percent reduction in the inheritance tax to be phased in over three years with the 25 percent level starting Jan. 1, 1991; a 37.5 percent level on Jan. 1, 1992; and the full 50 percent beginning Jan. 1, 1993. Michigan Farm Bureau strongly supported the bill, but it was vetoed by Gov. Blanchard. The Senate overrode the Governor's veto, but the House override attempt was unsuccessful.

Following the veto of S.B. 1, Sen. Smith introduced S.B. 1024. This bill would phase in the "pick-up tax". It is very similar to the original version of S.B. 1 and has been passed by the Senate.

H.B. 5914, introduced by Rep. Roland Niederstadt, targets business and agriculture (including forestry) with a minimal increase in the personal exemption for in-dividuals. The bill provides a 100 percent exemption on all farm property (both real and personal) inherited by close relatives and for family owned and operated businesses. The measure has a three-year phase-in period, beginning in 1991. It has

Estate planning is difficult enough without having to worry about coming up with the money to pay the state inheritance tax. Your Farm Bureau organization will make inheritance tax reform a major priority in the coming legislative session.

DISCUSSION QUESTIONS PASSING DOWN THE FARM

1. Are inheritance tax reforms needed in Michigan? Yes No

2. Has there been farm property in your area that had to be sold to pay inheritance taxes? Yes No 3. If a farm family wants to pass their property from one generation to another, what steps would your group members recommend? 4. If Michigan would adopt the provisions similar to the federal estate tax, how would it affect members of your group?

5. What steps can Farm Bureau members take to ensure the passage of inheritance tax reforms through the legislature?



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not yet been approved by either the Hous or Senate.

"MFB policy favors total repeal of the inheritance tax and adoption of the 'pick-up tax'," Nelson said. "That would bring us into line with 29 other states that have adopted all the provisions of the federal estate tax and now receive a share through the pick-up tax."

Nelson said that the Blanchard administration's opposition to inheritance tax reform focuses on the cost - estimated by the Department of Treasury at \$80 million a year. "But we estimate that the agricultural portion of that amounts to less than \$5 million a year," he said. "Furthermore, if inheritance tax reform is enacted, we believe that within five years, the aggregate amount of taxes collected will about balance out. That's because people will have less incentive to locate their residence out of state in order to avoid the inheritance tax levy. In addition, state administrative costs would be reduced."

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November 15, 1990



PROTECT YOURSELF WITH SMOKE DETECTORS AND FIRE EXTINGUISHERS

f a fire breaks out in your home, smoke is one of the first products to form. That's why you need smoke-activated alarms to provide early warning.

The earlier the warning, the greater your chances for successful evacuation and the timely arrival of the fire department. The earliest stages of a fire are the easiest to contain and put out, keeping property damage in a fire to a minimum. A recent review of 699 fires in residences protected by smoke detectors showed a reduction for severe injury or death in 90 percent of the fires that occurred when all occupants were asleep. Without doubt, smoke detectors save lives.

Battery or wired?

Both ionization and photoelectric detectors can be wired into home electrical systems, but only the ionization type will operate on batteries. Battery-powered smoke detectors are easily installed usually with a pair of one-inch screws. They're also easy to move. Units with UL or FM labeling are designed to beep at one-minute intervals when the battery needs replacing--usually once a year. Battery replacement is cheap and easy.

Smoke detectors wired into the home should be on a separate circuit so that a blown fuse or tripped circuit breaker will not make the alarm fail. In most cases, smoke detectors will sound the alarm before a fire causes power to fail, so any alarm wired into an existing circuit or plugged into a wall outlet (but not controlled by a switch) is reliable unless circuits overload. Most such units have a small light indicating that they have power.

Installation

A smoke detector installed on the ceiling just outside all sleeping areas will provide basic protection. You might also install a unit at the head of the basement stairs. Ceiling-mounted units are usually more effective than wall-mounted units because smoke enters the detection chamber more quickly.

Fire Extinguishers: Know the ABCs

What should you do if you discover a fire in your home? First, get everyone out. Second, turn in an alarm for fire-fighting help. Third, attack the fire--but only if you can do so with the extinguishing materials at hand.

You should have a multipurpose ABC fire extinguisher on hand which uses a dry chemical--usually ammonium phosphate-as its extinguishing agent.

The ABC designation means that the extinguisher is suitable for attacking these classes of fire:

A--ordinary combustible materials such as wood, paper, or trash.

B--flammable liquids such as gasoline, oil, grease, and other petroleum products. **C--**electrical equipment.

An ABC extinguisher should be adequate for use on a variety of home and farm fires.



Multipurpose extinguishers are commonly available in 2-1/2-lb., 5-lb., and 10-lb. sizes. Because many extinguishers discharge rapidly, a minimum size of 5 lb. is recommended.

Your farm buildings and farm equipment should also be equipped with fire extinguishers. A farm shop can be a fire-prone area because of the presence of cutting and welding equipment, gas, oil, grease, diesel fuel, and usually some type of heating system. It is recommended that at least one 10-lb. ABC dry chemical type extinguisher be mounted on a wall where it is quickly and easily accessible.

It is also a good idea to have a 5-lb. or 10-lb. ABC type extinguisher in each of your other farm buildings, including livestock areas, machinery storage grain dryers and electrical panels. Extinguishers should be located in any area that might become a possible escape route.

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You should maintain your fire extinguishers according to manufacturers' instructions or the advice and supervision of your local fire department. Contact your fire department to request fire safety information and training in fire extinguisher operation.

Finally, remember this: Having fire extinguishers in your home and on your farm doesn't relieve you of the responsibility for other fire safety and fire prevention practices. Fire extinguishers are not a replacement for the fire department and the skill of well-trained firefighters.

PRODUCERS:

Don't Miss The 1990 Product Trade Show!

Even if you aren't a delegate, there are still plenty of reasons to attend MFB's 1990 State Annual in Grand Rapids. In addition to workshops on Tuesday, Nov. 27, over 50 exhibitors are expected at the Product Trade Show set to open on Wednesday, Nov. 28, at 1:00 p.m. The show also runs on Thursday, Nov. 29, from 8:30 a.m. to 6:00 p.m. A partial listing of exhibitors include:

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Contact Product Show Coordinator, Doug Fleming, at (517) 323-7000, ext. 3236 for more information or if you are interested in displaying your products or services at the show.

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