**Publication of Michigan Farm Bureau** 

## Farm Bureau President Challenges MSU: "Remember Your Heritage"

he controversy over whether George Perles should be head football coach and athletic director at Michigan State University was not an issue at the Michigan Farm Bureau (MFB) annual meeting on Nov. 27-30. Instead, it was the growing concern of the state's agricultural community about whether MSU is abandoning its land-grant mission that stimulated discussion and eventual delegate action. That concern prompted MFB President Jack Laurie to depart from the prepared text of his annual address to remind the university's administration and board of trustees of their heritage.

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"I fear that our land-grant institution may be on the verge of abandoning its proud heritage as a university for all the people of our state," Laurie told the 700 farmers in attendance. "The Michigan Agricultural College was established in 1855 by farsighted leaders of the Michigan Legislature who saw the need for a college to develop and disseminate agricultural information. In later years, the Morrill Land-Grant Act and the Hatch Act solidified the direction and mission of Michigan State University and the Cooperative Extension Service to do practical research that has relevance to the needs of everyday people," he said.

"In recent months, there has been a very disturbing development at Michigan State University that, from my vantage point, seems to be aimed at rejecting the core values of what made MSU a world leader in making research and education accessible to everyone in Michigan.

"Within the administration and even some elements of the board of trustees, there has been movement toward an alien vision of our university -- an unfamiliar image of MSU as an elitist academic research institution. We already have an 'Ivy League' type of university in this state and one is enough.

"It is crucial that every one of us impress upon the university administration and the new board of trustees that agriculture and the land-grant philosophy of applied research and extension is fundamental to the future of farming in Michigan. Anything less would be a betrayal of the legacy left by the agricultural pioneers who helped lay the foundation for where we are today and where we are going to be in the future," Laurie said.

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"Along those same lines, it is important that the administration go back to the drawing board and take another look at the dual reporting system proposed for the director of the Cooperative Extension Service (CES). We recognize the obligation that CES has to serve other groups in our society, but agriculture must remain the primary focus of its efforts, and dual reporting will dilute that focus," he concluded.

At a news conference following his address, Laurie said the search for a new CES director should be aborted until there is "more than a choice of one" candidate.



When the delegate body went back into session following Laurie's address, they strengthened their policy on MSU's Cooperative Extension Service. Their adopted policy states that "for CES to continue to be a vital and viable service to farmers, it is imperative that CES exemplify the land-grant philosophy. We urge the MSU Board of Trustees to retain the traditional line of authority between the dean of Agriculture and Natural Resources and the director of Cooperative Extension and Natural Resources College."

### **GOVERNOR-ELECT ENGLER SALUTES FARM BUREAU**

In one of his first public appearances since winning a close contest against incumbent James Blanchard, Governor-Elect John Engler invited the delegate body of the Michigan Farm Bureau's 71st annual meeting to his inauguration on Jan. 1.

"I wouldn't be taking that oath (of office) without the men and women in this room," Engler said of the delegates who represented the county Farm Bureaus across the state that recommended that their AgriPac endorse him as governor.

The governor-elect told the farmers who packed the Grand Center that agriculture will have a "triple play" in the next few years. With the "first governor in 50 years with an agricultural background," Speaker of the House Lewis Dodak with farm roots, and farmer Dick Posthumus as Senate Majority Leader, the agricultural agenda will be a priority, he said.



"Fasten your seat belts," Engler told farmers. "We're going to move fast."

Engler paid special tribute to members of the Ottawa County Farm Bureau where 70 percent of eligible rural voters went to the polls, and Kent County Farm Bureau where he had a 45,000 vote margin.

Michigan Farm Weather -

#### MDA Transition Team Appointed

The governor-elect also announced his Michigan Department of Agriculture transition team: Bob Craig, Michigan Farm Bureau's agricultural economist, team leader; Dale Sherwin, former Farm Bureau lobbyist who later served on U.S. Secretary of Agriculture Earl Butz's staff and currently is on Senator Nick Smith's staff; Don Nugent, Benzie County fruit grower/processor and former Farm Bureau director; and Dan Wyant, agricultural specialist for the Senate Republican office.

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### **Doherty State Discussion Meet Winner**

Mark Doherty of Traverse City talked his way through four levels of competition in MFB's Young Farmer "Discussion Meet" contest to take top honors. A graduate of Michigan State University with a B.S. degree in horticulture, Doherty wins a trip to Phoenix Arizona, in January, where he will compete in national discussion meet competition. Mark also received a FourTrax 300 from Honda of America.

Other finalists in the discussion meet were runner-up Fred Prichard of Osceola County; Connie Kramer of Huron County and Jim Fuerstenau of Macomb County.



Farm Business Outlook





December 15, 1990





Erase Outdated Image Of Agriculture

Editors Note: The following are excerpts from MFB President Jack Laurie's annual address to over 700 farm delegates at the 71st state annual in Grand Rapids.

Agriculture is on the threshold of a technical and economic revolution, but its outdated image threathens to lock it into the past. There are roadblocks of perception, and reality, that stand in our way.

One of these barriers is the persistent image that lingers in the mindset of lawmakers, regulators, and the general public. That image paints a picture that I refer to as "ma and pa on 40 acres with a mule."

The consequences of permitting old, inaccurate perceptions of agriculture to dominate the thinking of politicians, regulators and consumers locks agriculture in the past, a past that featured government programs rewarding output rather than efficiency; a past that tried, without much success, to preserve "family farms," even though no one had a good idea of what it was that these family farms were supposed to be; a past that served as a shackle and hobbles agriculture's opportunities for the future.

Three things can unlock the door to future economic growth for agriculture -- biotechnology, free trade, and access to information systems. The one unifying thread that will knit all of these various elements together is education. Michigan State University and its Cooperative Extension Service have a key role to play in providing that education.

The Cooperative Extension Service, together with the Agricultural Experiment Station, plays a vital role to agriculture's economic progress. They are crucial tools that assist farmers in using brains, hard work and ingenuity to help themselves.

A well-educated well-informed, rural community in our state will understand the benefits of utilizing the fruits of biotechnology. It will have the flexibility to grab onto the marketing niches created by free trade. It will be able to fully access our state and nationwide agricultural information, marketing and processing system.

Those of us in Farm Bureau know that our organization and our involvement in the most vibrant elements of our industry enable us to fashion our own image, a bright and shining vision of agriculture in the future as a stunning economic success. Many challenges lie ahead before that image becomes a reality. But the first step begins with us, with our own ability to help ourselves and others craft a self-image of farmers as movers, shakers, winners and doers.

Jack Laurie

Jack Laurie, President Michigan Farm Bureau

### Michigan Agriculture Loses One Of Its Finest

A "Farmers Hall of Fame" member, Max Kay Hood, 86, of Paw Paw passed away Nov. 25, 1990. Born and raised in the Paw Paw area, Max was well known and respected for his active leadership role in Michigan's agricultural industry and in his local community.

A 1925 graduate of Michigan State College, Max worked on several fruit farms, before going into business for himself, eventually building a successful 400 acre fruit farm operation.

A 50 year member of Michigan Farm Bureau, Max was elected to the Michigan Farm Bureau board of directors in 1955, representing District 1 for 10 years and serving as president of the Farm Bureau Insurance board of directors. He helped form the first Farm Bureau Community Group in Michigan and served as Van Buren County president.

### In Brief...

### Soviets Lobby U.S. Farmers

A Soviet offical is currently traveling the Midwest in an attempt to drum up support from American farmers for U.S. grain credits for his nation. Valentin Eugenovich Tsoi, deputy to the Supreme Soviet, said in Kansas City that the USSR wants to purchase U.S. grain, but can't due to lack of guaranteed credit from the United States. President Bush continues to say credit will be extended only after the Soviet Legislature liberalizes its emigration policy.

According to the U.S. Feed Grains Council's Trade Policy Coordinating Committee, the United States has already missed out on sales of 6.35 million tons of feed grains to the USSR since Oct.1 due to credit guarantees being withheld. If the United States doesn't extend credit to the Soviets, U.S. farmers stand to lose \$1.5 billion in income from reduced Soviet imports.

### McDonald's Goes Lean

McDonald's has introduced the Lean Deluxe, a sandwich made with 91 percent fat free beef. The product, developed by Auburn University, was partially funded by the Beef Industry Council of the National Livestock and Meat Board.

"Beef producers want their checkoff dollars invested in programs that will help build demand for their product," says MFB Livestock Specialist Kevin Kirk. "Producers have set product development as a top priority. This is a prime example of that concerted industry effort."

The fast food giant's new sandwich contains 310 calories and only 10 grams of fat, according to the Beef Industry Council.

### Farm Bankers Cautious

Agricultural banks, after several years of record farm income, are bracing for a tougher year ahead, according to the American Bankers Association.

Overcapacity in the banking industry, a sluggish economy and a farm bill that cuts farm subsidies by 25 percent will put a lid on farm lending, according to ABA officials at their annual meeting in Denver.

Agricultural lenders earned \$1.5 billion in 1989, a \$200 million increase from 1988. Their return on assets in 1989 was 40 percent higher than that of non-farm banks. However, lower commodity prices and higher farm operating costs could make 1991 a tight year for agricultural lenders with net farm income expected to drop by as much as 10 percent, analysts say.

### EPA Reveals Well Water Survey

In its National Pesticide Survey of Drinking Water Wells, the Environmental Protection Agency did not find 110 of the 126 pesticides or pesticide degrates it was testing for, observes Jim Porterfield, associate director of AFBF's Natural and Environmental Resources division.

Nitrates and 16 pesticides or their degrates were detected in the survey, however 10 of those chemicals were never found to be above health advisory levels. Of the six chemicals that were detected above suggested health advisory levels, three already are restricted -- Atrazine, alachor and gama lindane -- and two were previously cancelled -- the fumigants dibromochloropropane (DBCP) and ethylene dibromide (EDB).

### New Insecticide On Horizon

USDA researchers report favorable preliminary results of a new insecticide being tested against corn rootworm beetles. Besides a small amount of lethal insecticide, the bait contains a feeding stimulant and a compound that attracts the beetle.

After being tested on more than 1,000 acres of corn in Illinois, Iowa, Nebraska and South Dakota, the bait reduced beetle populations in corn fields. Next spring researchers will be able to determine if the reduction was enough to significantly reduce beetle eggs for a new hatch.

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For more information, call Farm Bureau Member Travel Service at 1-800-292-2680, ext.3067. If the bait works, it will allow farmers to reduce their pesticide use, since the bait contains only about 2 percent of the insecticide normally used in spray solutions for beetles, according to Gerald Sutter of the USDA Agricultural Research Service.

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### **GASOLINE/DIESEL TAX**

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On Dec.1, the five-cent fuel tax took effect as part of the government's deficit reduction package, bringing the total taxes paid per gallon to 14 cents. According to staff members of the House Ways and Means Committee and the Joint Committee on Taxation, no change was made in the tax system of exemptions and refunds for off-road use for either gasoline or diesel fuel. Current procedures will apply, i.e., farmers will be exempt from the diesel tax but must apply for a refund or tax credit for the gas tax for fuel used off-highway.

Under provisions of the budget reconciliation bill, half of the extra five-cent tax will be used for construction and maintenance of the nation's highway system, in keeping with the current federal gasoline tax policy. However, the remaining 2.5 cents of the added tax will go "ostensibly" to reduce the federal deficit.

Farm Bureau opposed the tax increase, calling it a costly blow to farmers in terms of higher input and transportation costs. It will be the first time federal gasoline taxes have been diverted to other than highway purposes.

### REAPPORTIONMENT

Based on preliminary Census Bureau information, eight states will gain added representation in Congress after next year, while another 13 states will lose representatives, based on the ten year reapportionment procedures spelled out under the U.S. Constitution.

The biggest losers will be New York, three; Pennsylvania, Illinois, Michigan, and Ohio, two each. California will be the biggest gainer with seven more seats. Florida will pick up another four seats while Texas adds another three.

### **CROP INSURANCE**

As part of the new farm bill, changes in the federal crop insurance program include a requirement that the Federal Crop Insurance Corp. work toward reducing disparity between risk and premium in an attempt to improve actuarial soundness. Information dissemination will be through county ASCS offices. Use of ASCS yield data and dollar denominated coverage is authorized. A comprehensive disaster program for the 1990 crop is authorized.

### P.A. 116 PAYBACK CALCULATION

Sponsor: Rep. Hickner (D-Bay City)

*Status:* House Bill 5966, introduced to address technical corrections for payback calculations of tax credits received on P.A. 116 agreements, stalled in the final hours of the 1990 legislative session killing any hopes for resolution of the payback calculation problems for the immediate future. Under the proposal, payback would have been based on the amount of tax credit actually claimed and received during the last seven years on the individual contract, as opposed to the entire amount of credit received on multiple contracts.

Although the House passed the original version of the bill 97-0, Senator Nick Smith offered several amendments which broadened the scope of the bill beyond the intent of the sponsor. Failure to reach a compromise on these amendments resulted in the eventual demise of the the proposal. The cost to individual Michigan farmers with multiple P.A. 116 agreements who decide not to renew all agreements, could be significant.

You are encouraged to contact your legislator and urge that technical amendments to P.A. 116 be acted upon as soon as possible in the next legislative session, and that the technical bill not contain any of the substantive issues to P.A. 116. Contacts to Senator Nick Smith (see phone numbers below) are also encouraged, expressing the extreme importance of the payback issue and that it should not be tied to other P.A. 116 amendments.

Farm Bureau Position: Farm Burerau Supported H.B. 5966 as introduced Farm Bureau Contact: Ron Nelson, extension 2043

### AG EXPORT ENHANCEMENT

Sponsor: Senator Engler (R-Mt. Pleasant) Status: Senate Bills 925 and 926, designed to promote and enhance Michigan agricultural exports, were given final approval and sent to the Governor for his expected signature.

The bills provide state surplus funds to qualified lenders to finance exports of Michigan agricultural products. Under the program, the funds would be available to lenders at lower interest rates, which would be passed on to borrowers resulting in lower costs and a more competitive trading situation.

Farm Bureau Position: Farm Bureau Supported S.B. 925 and 926 Farm Bureau Contact: Ron Nelson, extension 2043

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

### Young Farmer Winners Awarded





December 15, 1990

#### Lauwers Wins Distinguished Young Farmer Title

Mark Lauwers of Almont in St. Clair County was named Michigan Farm Bureau's "Distinguished Young Farmer during MFB's 71st annual meeting in Grand Rapids. Lauwers and his wife, Christine, are partners in the family's 2,400 acre cash crop operation consisting of corn, soybeans, wheat, navy beans and sugarbeets.

After graduating from Michigan State University with a B.S. degree in agricultural engineering in 1982, Mark rented small amounts of land with his brother and used their father's equipment in exchange for labor. In 1984, Mark, his father, and brother formed an equal, three-way partnership. Mark has been active in Farm Bureau Young Farmer activities at both the state and county levels. He serves on the Lapeer County Cooperative board of directors. The Lauwers have three children: Matthew, 8; Andrew, 7; and Katie, 5.

The Lauwers won a trip to Phoenix, Arizona, in January, where Mark will compete against young farmer contestants from other states for the Distinguished Young Farmer title at the national level. He also won a \$1,500 Great Lakes Hybrids product certificate.

Runner up in the "Distinguished Young Farmer" contest was Phil Tuggle of Ithaca in Gratiot County. Phil and his wife, Lisa, operate a cash crop farm and raise registered Angus cows. They have two children: Kayla, 7, and Paige, 2.

### Jakubik Recipient of Outstanding Young Farm Woman Title

Yvonne Jakubik of Whittemore in Iosco County was named Michigan Farm Bureau's "Outstanding Young Farm Woman" during MFB's 71st annual meeting. She and her husband, Jeff, operate a 90 cow Holstein dairy farm, raising their own feed and replacement stock.

Yvonne is active in the Iosco County Farm Bureau Young Farmer Committee and Promotion and Education Committee. The Jakubiks have been named "Outstanding Young Dairy Couple" for District 10 by the Michigan Milk Producers Association twice. They have four children: Matt, 6; Jamie, 5; Jessica, 3; and Mark, two months.

The Jakubiks won a trip to Phoenix, Arizona, in early January, and a \$1,500 Great Lakes Hybrids product certificate.

Barbara Hoskins of Adrian in Lenawee County was runner-up in the contest. She and her husband, Mark, operate a Black and White registered Holstein dairy farm with 600 acres of cash crops, 600 acres of alfalfa and a small orchard. They have three children: Samuel, 7; Kenneth, 4; and Robert, 2.







The Environmental Protection Agency is proposing a new category of private-applicator certification and three other special categories, including fumigation of soil, chemigation and aerial application, according to American Farm Bureau's Mark Maslyn.

Maslyn says another major change establishes three categories of restricted use products, requiring: use only by a certified applicator; direct supervision by a certified applicator who is required to be on site at all times and available at the point of use within five minutes; and direct supervision by a certified applicator who is not required to be on site. Current provisions allow a non-certified applicator to apply all restricted use pesticides if the certified applicator is off site.



The National Weather Service 30-day outlook for the remainder of December is calling for a 55-60 percent chance of below normal temperatures. Precipitation is expected to be near normal. At Marquette, normal daily highs range from 29 F to 21 F by month's end; normal daily lows decrease from 17 F to 6 F. At Detroit, normal daily highs range from 40 F to 32 F by month's end; normal daily lows are expected to decrease from 26 F to 18 F.

Normal precipitation for December ranges from 1.5" to 3.1"; normal snowfall ranges from as little as 7" in southeast lower Michigan to as high as 40" in parts of the Keweenaw Peninsula in the U.P.

The latest 90-day outlook through February indicates a cold period; chances for below temperatures range from 55 percent in the western U.P. to as high as 67 percent in southeastern Michigan. There is a 55-60 percent chance for below normal precipitation over the U.P. and Northwest lower penninsula, with near normal amounts predicted elsewhere over the state. However, given the cold temperature regime predicted, an increase in lake induced snowfall can be expected in the normal snowbelt areas during the period.

Information from the Agricultural Weather Office, Michigan State University.



Health care coverage isn't simple anymore. The bottom line, however, remains the same: everybody wants the best possible coverage at the lowest possible rates. This is where Farm Bureau has good news for small business owners.

With over 40 years of experience in providing individual health care plans, Farm Bureau is now offering six Blue Cross Blue Shield plans and two Blue Cross Blue Shield PPO plans specially designed for groups with 2 to 99

employees. All plans have no

medical underwriting and carry no pre-existing condition clauses. Prescription, dental and vision coverage options are also available to qualified groups.

If you're a small business owner who is dissatisfied with your present employee health care plan — or a small business owner who is ready to initiate your first employee health care plan — contact your local Farm Bureau office. We'll listen to your health care coverage needs,

December 15, 1990

Farm Bureau will continue to monitor the proposal and offer comments and analysis. The comment period extends until March 8, 1991.



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



December 15, 1990



Russell L. Laurenz (right) of Wheeler, one of 22 Michigan FFA members to receive the highest degree of membership awarded by the National FFA organization, the American FFA Degree, is congratulated by Scott Crouch, national FFA secretary. The degree is presented annually at the National FFA convention to the top two-tenths of one percent of FFA membership. The award is based upon the members Supervised Agricultural Experience program in agribusiness or production agriculture and on their leadership ability. Other Michigan winners included:

Brown City Camden Charlotte Charlotte

Chesaning

Dowagiac

Hastings

Hillman Hillman Lake Odessa Onondaga

Palmyra St. Louis

St. Louis

St. Louis

Unionville

Webberville Constantine

Elkton Grant

Constantine

Thomas J. Zyrowski Quentin E. Rogers Douglas Pennington Dodney A. Hisler Gary W. Barta Melissa A. Stuby Kirk A Wagner Scott A. Krohn Michael R. Fettig Boyd E. Endsley Matt J. Noffze Dwight R Hardies Jeff Cook Joseph R. Byrum Brian J. Ehlert Patricia S. Fisher Michael Mikek Mitchell D. Reichard Mark Torma Rodney C. Anway Bernie Stewart

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### JACK LAURIE RE-ELECTED PRESIDENT

J ack Laurie, Cass City, who has headed the state's largest farm organization for the past four years, was re-elected president of the Michigan Farm Bureau at the reorganization meeting of the board of directors following adjournment of the Michigan Farm Bureau's 71st annual meeting.

The Tuscola County dairy farmer has served on the Michigan Farm Bureau board since 1966 and was vice president from 1977 to 1986, when he was elected president.

In other action, the board re-elected Wayne Wood of Marlette, Sanilac County, as vicepresident; and elected Richard Leach of Saginaw, Saginaw County, as third member of the board's executive committee. That post was formerly held by David Conklin of Corunna, Shiawassee County, who

### Farm Markets of Michigan

Taking a page from the Michigan Farm Bureau philosophy, organizers of a new association, Farm Markets of Michigan, are focusing their fledgling organization on member involvement and member representation.

"There is definitely a need for a united voice for the farm market industry," said Jim Martin, owner of two Genesee County produce markets and chairman of the new group, affiliated with the Michigan Farm Bureau and the Michigan Agricultural Cooperative Marketing Association. "Farm Bureau's strength is to influence change as an advocate for agriculture and that's why we are organizing with the management support of Farm Bureau and MACMA," he explains.

Since the kick off meeting in August officers Jim Martin. chairman, and David Amon, vice chairman, have been making plans for membership activities. "Our main membership campaign started in October with major efforts at the recent Hort Show and the Vegetable Growers' Convention in February," says Martin. Early membership sign-up is expected to come from former Certified Farm Markets members, but the Farm Markets organizers are broadening the group's base by extending membership eligibility to roadside markets, non-traditional farm markets and trade suppliers.

Martin explains that Certified Farm Markets membership required that the marketer grow at least 50 percent of the product sold in the farm market. "Producer farm markets are no longer in the majority," observes Martin and he adds that nonproducer markets "sell a ton" of Michigan produce.

"You can cite examples of these new farm markets in every major city in Michigan. For those of us who are wholesale/retail, many of these markets are our customers -another link in the commodity chain. That's why Farm Markets is opening membership to all available types of farm markets and to suppliers. Together we will have the numbers to be heard on issues like signage or zoning and we will strengthen our



producer/supplier chain from the orchard and back again."

Dues are \$45 a year and includes a subscription to the Farm Markets quarterly newsletter and a membership directory. Martin says the new membership directory of farm markets, suppliers and producers will be ready for distribution in 1991. Other member activities include an annual trade show, educational seminars, annual meeting, and summer event.

For more information, contact Bob Eppelheimer, manager, MACMA Farm Markets of Michigan, a division of MACMA, phone 1-800-292-2680, ext. 2304.



did not seek re-election to the board.

Newly-elected to the 17-member Michigan Farm Bureau board were Doug Darling, Maybee, Monroe County, and Jan Vosburg, Climax, Kalamazoo County, directors-at-large; and Steve Gonyea, Spruce, Alpena County, representing Farm Bureau Young Farmers.

Also re-elected were Blaine VanSickle, Marshall, Calhoun County; Tom Guthrie, Delton, Barry County; Margaret Kartes, West Branch, Ogemaw County; Faye Adam, Snover, Sanilac County; and Holly Porter of Manchester, Washtenaw County, representing the Promotion and Education Committee.

The remaining members of the board, who were not up for re-election this year, are: Marlin Outman, Constantine; Diane Horning, Manchester; Mark Smuts, Charlotte; Larry Snider, Hart; Joshua Wunsch, Traverse City; and Robert Wahmhoff, Baraga.



### MARKETS

Seasonal Commodity Price Trends	
Wheat	BT
Corn	
Soybeans	BT
Hogs	T
Cattle	TP
Index: = Higher Prices TP= Topping; BT= Bot	; = Lower Prices; toming; ? = Unsure

#### Cattle

Economic fundamentals are weak enough that our analysis leaves little room for prices to move to new highs. The 10-year cycle pattern gives the appearance of having completed its top.

Why are cash prices holding so well? The most logical explanation is that, even though heavier marketings are ahead of us, feedlot managers have pushed cattle through their lots as quickly as possible to take advantage of high prices. We saw that same trend last spring amidst talk of a "wall of cattle" and the market succeeded in dodging a bearish price bullet. We are not as optimistic that the industry can do that again this time around. Aggressive marketing does, however, tend to support prices until numbers do seriously pick up. The second assumption that we could offer to explain the current price strength is that consumer demand is staying strong. It will take more statistical evidence, including more time, to prove the assumption. We are dubious but hopeful that is the case.

#### Hogs

Last spring's high was an important top and lower prices are ahead. That's not to say that there won't be rallies along the way. In fact, the market is suggesting that the winter rally is just around the corner. What the market configuration suggests is that you need to be looking for marketing opportunities during the next few months.

Both cyclic forces and history suggest that the high will come this winter, like it did in 1983. With the next cyclic low due in mid-January and the bulk of winter still ahead, the ultimate high will likely come on the next trading cycle. However, the timing of the trading cycle low in relationship to the USDA Hogs and Pigs Report suggests that some coverage just ahead of the report would be wise.

The timing of the next 46 week cycle low also fits in with the historical pattern. It's due next July, the same timing as the lows in 1983 and 1988. In each year, the market dropped over \$10/cwt. from the highs to those lows.

#### Wheat

Our first look at plantings suggests that wheat acreage will be off sharply from last year. A less enticing program for 1991 is offset by sharply lower cash and deferred wheat futures prices. Wheat program participation will stay above 80%. Southern producers may plant their mandatory non-paid acreage (MNA) to cotton, but we see little potential for profitable flexing in the big hard red winter wheat states or in the cornbelt. Out-of-program wheat planting dropped sharply. We estimate total wheat plantings could fall to 66.2 million acres, down from 77.3 million acres last year. Winter wheat plantings will be down about 9 million bushels from 1989/90's 57 million acres. The market knows plantings will be down. July futures trading above May affirms it. But we don't believe that the magnitude of the acreage cut has yet been felt. Wheat will rally when trader attention turns to new-crop planted acreage.

#### Corn

USDA revised its 1990 crop production down 87 million bushels in their November report. Production is now pegged at 7.935 billion bushels for a 118 bushel per acre yield which is the fourth largest total crop and third best national average yield.

The market's neutral response to the friendly crop report reinforces the focus on demand as the key variable this winter. USDA cut its export forecast to 2.025 billion bushels, a decline of 50 million bushels from last month and 342 million from last year.

Barring a reversal of U.S. policy with respect to the Soviet Union and credit, export demand between now and early 1991 will probably continue to be disappointing. Slow farmer selling, though, should keep basis levels firm. The result should be gradually strengthening cash prices and sideways futures action through January 1991.

### 1990 Farm Bill Official

President Bush signed the new farm bill into law, making official the Food, Agriculture, Conservation and Trade Act of 1990.

The USDA will issue proposed rules on commodity programs and other provisions by Jan. 1, 1991, and still hopes to open the sign-up period for the 1991 farm program in the first week of March, according to Robert Nooter, assistant director of national affairs for the American Farm Bureau.

### Cattle On Feed Up 10%

Cattle on feed estimates from seven major producing states for Nov. 1 totaled 8.74 million head, up 10 percent from a year ago and 7 percent above Nov. 1, 1988 levels, according to the Agricultural Satistics Board. The number is the largest November on-feed figure since 1978.

Marketing of fed cattle during October totaled 1.61 million, down 1 percent from last year, but 2 percent above two years ago, according to Kevin Kirk, MFB livestock specialist. Placements in the seven state area during October totaled 2.75 million, up 4 percent from last year and up 12 percent from October, 1988, with net placement totals up 3 percent and 13 percent respectively.

### Farm Financial Seminars Offered Through MSU

A practical, no-nonsense farm financial management course designed for Michigan farmers will be offered during three two-day seminars this winter. Planned by a group of agricultural finance professionals, the course is the result of a need expressed during the Governor's Conference on Agriculture to provide financial management education for Michigan's farmers.

"Financial Planning and Management in Agriculture" is scheduled for Jan. 17-18, February 7-8, and March 7-8, 1991, at Michigan State University's Kellogg Center. The first seminar focuses on finance and accounting concepts and applications, helping farmers to deal effectively with their banker and realistically analyze their farm operation.

Seminar two builds on that base to guide participants through developing a strategic plan for their agricultural enterprise. The final seminar addresses farm business organization, helping farmers examine and evaluate alternatives for their business operation and transfer.

Dr. Ralph Hepp, professor and Extension specialist in MSU's Dept. of Agricultural Economics, will be the lead seminar instructor. Other state-recognized specialists will include: William Mulders, Jr., senior tax manager at Ernst & Young - Saginaw; Michael Salisbury, president of Salisbury Management Services, Inc., Eaton Rapids; Glenn Borre, president of the law firm Borre, Peterson, Fowler & Reens, P.C., Grand Rapids; and Irene Hathaway, MSU Extension specialist.

The course fee of \$475 per person includes tuition, course materials, and some meals. If a business sends more than one person, the second and third team members will receive a \$100 discount. Enrollment is limited to the first 50 registered by Jan. 4, 1991. Complete registration material, a course outline, and additional information is available from **Pat** Neumann at (517) 355-0135.

### Ag Chemical Sales: Not All Roses

Total agricultural chemical sales in the U.S. should reach \$14.4 billion in 1990 -- up from \$11.7 billion in 1986. But the industry is being forced to retrench in the face of market saturation and criticism based on consumer and environmental safety concerns, according to a new report by the research firm of FIND/SVP.

According to the report, total fertilizer sales should reach nearly \$9 billion, a 27.8 percent increase over 1986 sales. Pesticides sales will total \$5.4 billion, up 15.7 percent from 1986. Sales of natural and biotechnology-based products will be about \$70 million in 1990, up from only \$1 million in 1986.

FIND/SVP's report predicts that between 1990 and 1994, sales of natural and biotech-



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### Soybeans

Eighty million bushels more than the October estimate turned its carryout evaluation from a very tight 175 million bushels to a midrange 255 million bushels. That is not a sloppy carryover, not a surplus; but it is a comfortable carryover level--comfortable for buyers. This was an important change, but it is not the only bearish factor in the market.

The longer-term bearish influence discussed was the treatment of soybeans in the 1990 farm bill. Other long-term bearish factors are slowing economic growth here and around the world: increased oilseed competition for Eastern Europe, rising protectionism that colors demand prospects in Europe and Japan, and higher petroleum prices. High oil prices siphon demand away from food in Third World countries. All of the year-to-year increase in world agricultural trade is accounted for by rising Third World imports and consumption.

### Milk Production Increases

Dairy herds in Michigan produced 430 million pounds of milk during October, 3 percent more than a year ago, according to the Federal/State Michigan Agricultural Statistics Service. Milk production rates averaged 1,255 pounds, 45 pounds above last year. The Michigan dairy herd is estimated at 343,000 head, 1,000 fewer than last year. sological products will increase at a rate of nearly 72 percent, compounded annually, hitting solution. New product introductions and increasing farmer acceptance of these products is credited with propelling this growth.

However, the industry is regarded as being on the brink of even greater change. The increasing costs of obtaining and maintaining EPA registrations, the decreased use of chemicals, and the research and development costs for alternatives have made it more difficult to remain competitive.

The report estimates that annual company sales necessary to maintain research and development efforts are on the order of \$1 billion. As a result, it is expected that by the end of the century there will be only 10 to 20 large agricultural chemical conglomerates, led by companies such as Ciba-Geigy and BioTechnica International, Inc.

The preliminary value of milk sold averaged \$14.20 per hundred weight (cwt.) in October, \$.50 less than a year ago and falling \$.20 below September. Mid-October slaughter cow prices averaged \$51 per cwt., \$1.50 more than 1989 figures for the same period.

Milk in the 21 selected states totaled 10.2 billion pounds, 4 percent above production levels for October 1989. Production per cow in the 21 states averaged 1,199 pounds for October, a 38 pound increase from 1989 figures. The number of cows on farms was 8.54 million head, 1,000 more than September 1990 and 31,000 more than the previous year.

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

December 15, 1990

### DISCUSSION TOPIC: FARMERS--"Professionals From The Ground Up!"



he latest Department of Census figures show that farmers make up less than 1.9 percent of the total U.S. population. With farmers such a small minority, is it any wonder that the general public today has difficulty comprehending the complexities of modern agriculture and food safety issues?

Explaining the what, how and why of farming today is the purpose of a new Farm Bureau communications and education program called "Today's Farmers and Ranchers: Professionals from the Ground Up." The project was introduced at a special workshop Tues., Nov 27, at the Michigan Farm Bureau annual meeting.

Effective communications on food safety issues is anchored by a consistent set of clear, believable and relevant messages, according to Jack King, director of news services for the American Farm Bureau. Those "winning" messages include:

--Farmers do a good job growing wholesome food, and will continue to look for opportunities to improve quality and safety.

--Farmers work hard to gain the knowledge and skill to use farm chemicals effectively and safely.

--Farmers are adopting farm practices called Integrated Pest Management (IPM) to reduce reliance on chemicals.

-- Credible health authorities agree that minute levels of pesticides do not pose a significant health threat.

-- If certain chemicals are conclusively found through scientific tests and government review to be unsafe, then farmers support their removal.

One of the first places to share the facts about food quality is with fellow farmers, said Julie Chamberlain, manager of the Michigan Farm Bureau Promotion and Education Department. Chamberlain suggests:

--Encouraging policy development that has sound food safety concepts.

--Having state and national affairs

committees. Those individual committees will then be able to order slide sets and materials from the Promotion and Education Department in Lansing."

Information committees and county/regional Media Response Teams have a crucial role to play in communicating food safety positions to news media, says Donna Wilber, assistant director of Information and Public Relations for Michigan Farm Bureau. "If you work effectively with your local news media year round, you'll establish credibility and be better prepared to handle a food quality crisis situation," she said. "Don't wait until the last minute to begin a relationship with reporters and editors. Once you get to know them, you'll find they are much like farmers: dedicated individuals who honestly try to do the best job they can."

Wilber said that much of the time, "bad" or inaccurate stories result from a lack of information, not malice on the part of the reporter. "If you provide the facts and messages in a positive manner, you'll dramatically improve your chances of fair media coverage of food quality stories," she said.

Despite the fact that California voters rejected the radical "Big Green" initiative in November, the food quality issue will not disappear. The education and communications effort must continue, with Farm Bureau members anchoring a campaign of positive and consistent food safety messages.

### **Discussion Questions**

1. Do members of your group believe there is a food quality problem? Yes\_\_\_\_\_ No\_\_\_\_

2. What are the main reasons for consumer perceptions of concern over food quality?

3. Have group members been asked about food qualtiy concerns by local consumers? Yes\_\_\_\_\_ No\_\_\_\_

4. What can group members do to maintain and build consumer confidence in their food supply?

### Record Car-Deer Accidents

N early 47,000 car-deer accidents, the highest ever for a single year, were reported in Michigan during 1989, injuring 1,857 and resulting in the death of six people, according to Michigan State Police statistics.

Michigan's deer herd is estimated at 1.8 million head, among the top three in the nation, constantly exposing Michigan motorists to the threat of deer especially during the fall rutting season, when deer are on the move.

"There are two things every Michigan driver should know about car-deer accidents," says Lt. Dan Smith, of the Michigan State Police Traffic Services Division. "First they can occur anywhere in the state of Michigan; and second, when you see one deer, be alert for all the others that are nearby but cannot be seen."

For the third consecutive year, Farm Bureau Insurance is offering an animal warning device for \$6 to Michigan motorists. The device, available from Farm Bureau Insurance agents and county Farm Bureau offices throughout the state, is manufactured by Sav-A-Life, Inc., the largest maker of the product.

Tests indicate an 80 percent effectiveness rate for the device which will fit all bumpers. The alerts must be cleaned periodically to maintain their effectiveness. Many law enforcement agencies, company fleets, and major corporations require the device on all their cars and trucks.

In the event that you do hit a deer, Smith advises that you never approach the deer, adding that it may only be stunned, and could suddenly leap up, causing injury to you.

According to Smith 67 percent of car-deer accidents occur at night, suggesting that motorists watch for deer's eyes shining in the dark.



#### Ten Highest Counties County Total Persons Accidents Injured 1,541 Kent 52 Calhoun 1,383 57 Montcalm 1,306 50 1,255 59 Jackson Menominee 1,059 49 Mecosta 1,028 31 Livingston 39 944 Kalamazoo 938 17 Washtenaw 897 62 Barry 850 35





committees communicate the need for responsible food safety legislation.

--Using the membership committee and Community Action Group members to share food safety messages with prospective members.

--Having Young Farmer committees study and be prepared to communicate the safe food story with others.

--Involving food safety information in a variety of promotion and education activities.

Members of the State Promotion and Education Committee have received slide sets from the "Professional From the Ground Up" introductory material, said Chamberlain. "They will be using the slides this winter to make presentations to their county Promotion and Education 1990 Discount Catalog Listings of over 5000 health care items including the most widely used brand and generic prescription drugs, nonprescription, and vitamins available. Call Today 1-800-228-3353 Another fine Farm Bureau program.

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### PROTECTING AGAINST FARM RESPIRATORY HAZARDS

rarmers who suffer from chronic coughing or periodic flu-like illnesses may actually be feeling the effects of exposure to dusts and molds associated with their work.

Dusts and molds commonly found in grains, hay, straw, livestock feed, dried manure, and livestock housing can create a variety of respiratory ailments, some of which can be severe.

"These are classified as nuisance dusts and can cause coughing, wheezing, watery eyes, and irritation of the nose, throat, and lungs," says Howard Doss, Michigan State University Cooperative Extension Service agricultural safety specialist.

Among the ailments that can be caused by repeated exposure to dusts and molds is toxic organic dust syndrome (TODS), a flulike illness that begins two to six hours after exposure to dusts and is characterized by cough, chills, fever, fatigue, muscle aches, and sometimes shortness of breath. "Farmers can protect themselves from dusts and molds by using relatively inexpensive masks and mechanical filters," Doss says. "These will not, however, provide any protection from gases found in silos, manure storage tanks or grain bins being fumigated, from anhydrous ammonia fumes, or pesticides."

Doss's recommendations include: -A painter's mask. Wear it only when sweeping the floor.

-A mask capable of filtering out mold spores. Wear it when loading out or handling grain, cleaning grain bins, mixing feed, handling hay or cleaning out hay storages, or cleaning a silo. Available at about \$25 for a box of 20, the product is disposable and should be discarded after normal breathing becomes noticeably difficult, or according to manufacturers' instructions.

-A mechanical filter respirator. At a cost of \$10 to \$25, it has a replaceable filter

cartridge--and is good for all of the chores listed above as well as for working around animals or cleaning in confined areas where moldy grains and forages are present. The filter cartridge should be replaced as directed by the manufacturer. A mechanical filter respirator is a step up from the devices described previously.

-An air-powered respirator. At a cost of \$300 to \$700, this device--a batterypowered mechanism and helmet--provides the user a constant flow of filtered air. It is good for the chores listed above and is recommended for a person who is likely to be in an inadequately ventilated confined area for several hours at a time. It will not filter out toxic gases. Do not use it in manure pits or silos containing fresh silage, when handling anhydrous ammonia, or in an oxygen-deficient environment.

-A chemical cartridge respirator. At a cost of \$20 to \$130, depending on the type, it provides suitable protection against anhydrous ammonia and some pesticide



vapors. Replacement cartridges cost from about \$3 to \$6 each. Read the specifications for use before handling pesticides or entering an area that may contain potentially toxic gases. This device is not intended for use in manure pits, silos containing fresh silage, or oxygen-deficient environments.

-A self-contained breathing apparatus. A farmer should wear this device when working in manure pits, in silos filled with fresh silage, in oxygen-deficient areas, or in areas containing toxic gases. The equipment costs from \$1,600 to \$2,000, and training in its proper use is required. Your local fire department uses similar equipment and can provide information about its operation. Such a unit should be used in conjunction with proper ventilation of the structure, a lifeline, a safety harness, a gas analyzer, and supervision while the work is being performed.

"It is important to know under what circumstances these filters can be safely used," Doss says. "When each is properly matched to working conditions, these types of personal protection can significantly reduce the health risk associated with many jobs on the farm."

### MACD Holds 49th Annual Convention

Water Quality, wetland restoration, animal manure management, and recycling were among the many issues addressed by conservation leaders attending the Michigan Association of Conservation Districts' Annual Convention at Lansing's Radisson Hotel, Dec. 3-5. Over 300 conservationists from Michigan's 83 conservation districts participated in the meeting.

Conservationists discussed services and assistance needed by farmers in complying with right-to-farm legislation and air and groundwater quality problems. Other issues high on their agenda included enforcement and administration of the Sediment and Erosion Control Act, productive use of harvested forest and similar idle land, and funding for local programs.

Highlighting the numerous award presentations was the naming of Jan Vosburg, Kalamazoo County as Michigan's Conservation Farmer of the Year, sponsored by DowElanco. Vosburg, a cash crop, livestock operator from Climax, Michigan, was recognized for his conservation efforts including: planting idle land to pines, establishing windbreaks, construction of an animal waste control facility, consistent soil and manure analysis, irrigation scheduling, crop rotation and conservation tillage practices using no-till.

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Other awards included: Goodyear-Outstanding Conservation Districts, Leelanau and Midland Counties

ICI Conservation Education Teacher, Kathleen Kalmar, Macomb County

ICI Conservation Education District, Marquette County

Outstanding Tree Farmer, Ariel Haebler, Midland County

Dupont National Endowment For Conservation, Gale and Marilyn McNitt, Muskegon County