**Publication of Michigan Farm Bureau** 

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# Analyzing Cost Effective Tillage Decisions

he fluctuating cost of fuel, and lower commodity prices, may have you looking at ways to cut back on tillage to control costs. But ag economists advise that you pencil out the cost savings carefully.

"You may not be saving as much as you think," says Dr. Earl Fuller, professor of farm management at the University of Minnesota. "Eliminating one trip with an 18foot field cultivator will save you less than \$1 per acre in fuel costs." (See Table 1.)

Experts point out that tillage accounts for 20 percent of total fuel costs and, when used wisely, can actually make money by improving weed control and nutrient efficiency. Alternatives to tillage may increase input costs and decrease efficiency because weed control and nutrient availability may suffer.

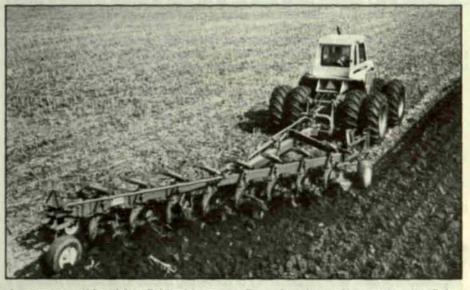
"Since most fertilizers and herbicides are petroleum-based, it's no secret that those prices are expected to rise also," says Fuller. "That makes it even more important to use management techniques that will give you the greatest return on your investment. Growers may spend that dollar per acre they save on lower fuel costs to pay for inceased costs of other herbicides if they go with a pre-emerge program." "Pre-emergence products may cost growers two or three dollars more per acre than PPI herbicides," agrees Marshal Mc-Glamery, professor of weed science at the University of Illinois.

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By eliminating certain tillage passes, Mc-Glamery says that growers may get stratification of nutrients, such as phosphorus, calcium and magnesium. "When this happens, fertilizers may not reach the root zone and will not benefit the plant," he said.

"Some tillage trips are more important than others," says Loren Bode, ag engineer at the University of Illinois. "If you're going to cut out a tillage pass to save fuel costs, make sure that it isn't a trip that you're using to incorporate fertilizers and preplant herbicides." Bode said.

Bode also suggests that growers look for ways to use combination tools to work in herbicides such as a disk gang with a field cultivator section. "Experience with several of these combination tools indicates that they incorporate more uniformly



than one pass with a disk or field cultivator, but not as well as two passes," says Bode. "For best results, combination tools must be operated at high ground speeds in soil with good tilth. Operating at low speeds or in wet soils doesn't provide adequate mixing for weed control." Data also shows that running an 18-foot field cultivator costs 71 cents per acre in fuel compared to a trip with a 24-foot tandem disk at a cost of 64 cents for fuel.

April 15, 1991

See "Tillage," continued on page 8

Cos	Table Is of Tillad	and the second se	na l
Implement	Section 1	Lub. &	Tota
Moldboard 6-16" botto	Plow	\$2.54	\$4.66
Chisel Plot 24-foot		\$0.92	\$2.25
Tandem Di 24-foot		\$0.54	\$1.18
Field Cultin 18-foot		\$0.58	\$1.28

Note: All figures adopted from Doane's Agricultural Report's 1990 Machinery Operating Costs report. Operating costs are based on a fuel price of \$1.028:gallon for #2 diesel, delivered to the farm.

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## Du Pont Issues Stop Sale and Recall Notice For Benlate

U Pont has initiated an immediate stop sale and recall of its "Benlate 50DF," "Benlate 1991 DF," and "Tersan 1991 DF" fungicides in the United States. All dealers and distributors have been asked to stop sale of the products immediately.

Benlate is a widely-used fungicide registered for use on fruit and vegetable crops as well as other crops and turf and ornamental type uses, according to Tim Vaux, marketing manager for specialty crops for Du Pont Agricultural Products.

Du Pont initiated the recall March 22 because low levels of atrazine were found in product samples during normal analytical procedures. According to Vaux, the Environmental Protection Agency was informed at that time and they, in turn, issued their own stop sale effective April 2.

"Because we had concerns primarily in the greenhouse and ornamental type uses about plant sensitivity to atrazine, even at low levels, we instituted the recall," says Vaux. "On agricultural crops, fruits and vegetable type crops, we've done some worst case calculations, and we're confident there is no human health or food safety concern."

However, Vaux said farmers with Benlate product in a dry flowable form should return the product immediately to receive a credit or equivalent material once a wettable powder formulation is readily available. "The recall is for all dry flowable product, regardless of when they bought it," says Vaux. "Our policy now is to only produce and sell Benlate material that has been produced in Du Pont facilities."

Du Pont will be producing a new Benlate wettable powder formulation that will be on the marketplace to fill the needs of farmers and other users who consider Benlate to be an important part of their integrated disease program, says Vaux. "Du Pont will continue to produce the wettable powder throughout this growing season while we construct our own facility to produce a dryflowable formulation."

Du Pont plans to keep the stop sale in effect until quality assurance verifies the purity of the products.

If you would like additional information about the recall, call Du Pont at 1-800-441-7515.

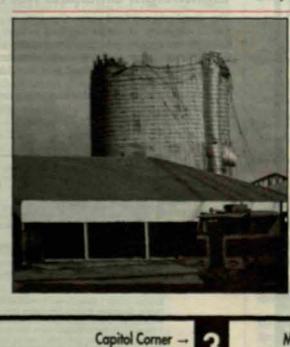
Immediately after a tornado and high winds ripped through the state of Michigan on March 27, Farm Bureau Insurance agents and claims adjusters were on the scene, meeting with insureds in the most devastated areas. Statewide, Farm Bureau Insurance (FBI) expects total storm damages to exceed \$2 million. The Calhoun County area appears to have received the worst damage.

Among the storm victims was Calhoun County member John Denning. He reported hearing a tremendous roar and walked outside to discover that a 30,000 bu, grain bin had been ripped off its concrete foundation and thrown 100 yards.

The tornado caused a path of destruction several miles long in the Marshall area, destroying homes, flattening farm buildings, uprooting trees, and injuring several people. The silo at left also received severe damage as a result.

Although exact damage totals are not yet known, FBI has received nearly 2,000 claims from around the state as a direct result of the storm, according to Bill Monville, director of property claims for FBI. "The majority are small claims of less than a thousand dollars," said Monville. "But there are some major losses, one as high as \$109,000." Ogemaw County also experienced heavy damages.

"The tornado hit Calhoun Wednesday night, and we started making rounds in the hardest hit areas by 7:15 Thursday morning," said Carl Chaffee, an adjuster from FBI's Grand Rapids claims office. "Our first goal was to contact policyholders who suffered the most serious losses. We wanted to make sure they had places to stay and that all their immediate needs were being met."



April 15, 1991





International Trade -What We Stand For and What We Won't Stand For!

As President Bush struggles to get congressional approval of an extension of fast track negotiating authority which expires June 1, it's important to review just where Farm Bureau members stand on international trade negotiations.

Farm Bureau and 50 other agricultural organizations support extending the fast-track authority which, under U.S. trade law, means the administration could negotiate an agreement and Congress would have 60 to 90 days to accept or reject it without amendments. We have explained to our congressmen that a vote for fast-track authority is not a vote for a GATT agreement or a North American Free Trade Agreement, but simply a vote to enable the talks to proceed. We believe giving Congress negotiating authority on trade agreements would create a long political battle that would result in losses of opportunities to open and develop new markets for American agriculture.

Farm Bureau has consistently supported efforts in the GATT negotiations to open foreign markets to all U.S. farm commodities, and to make the international trading field level for our farmers. Policy approved by delegates to the 1991 AFBF annual meeting supports the concept embodied in the U.S. proposal that all trade-distorting government subsidies be subjected to progressive and substantial reductions worldwide.

The timing of this phase-out and program coverage depends on what other countries are prepared to undertake. We oppose any unilateral action by the U.S. to eliminate import restrictions and subsidies without equivalent commitments by other countries.

It is impossible at this time to know precisely how the trade talks will affect specific commodities. However, there is one aspect of this issue that is important to keep in mind. Section 22 import quotas are legal internationally only because a waiver was granted to the U.S. in 1955. This waiver could be revoked at any time, which would conceivably leave the United States with very little import protection. The current GATT negotiations at least offer the possibility of converting quotas to tariffs and retaining a substantial degree of legal and permanent import protection.

Although Farm Bureau believes all commodities should be on the negotiating table, we will not "sell out" any commodity just to get a trade agreement. If the Section 22 commodity groups (dairy, sugar, peanuts and cotton) are ultimately expected to accept increased import competition as part of the multi-lateral trade negotiation, we are absolutely committed to ensuring that such competition is fair and not based on foreign export subsidies; that import protection in the form of tariffs is retained; that actions taken by the United States are in line with foreign action to open markets in the same commodities; and that any changes are undertaken over a sufficiently long transition period to permit necessary adjustments.

We have firm confidence that our trade negotiators are behind agriculture 100 percent. They proved their commitment by walking out of trade negotiations last December, rather than accept an agreement that was deficient in agricultural reforms. That action paid dividends by bringing the European Community back to the trade talks this winter.

Extending President Bush's fast-track trade negotiating authority would be a signal to our trade negotiators to "keep up the good work," and bring home an agreement that benefits all of agriculture.



Michigan Farm Bureau

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# In Brief...

### USDA Declares Michigan Brucellosis Free

The state of Michigan has completely eradicated a major disease affecting swine, according to the United States Department of Agriculture (USDA). In a presentation to Michigan's Commission of Agriculture on March 26, USDA officials said Michigan's efforts to rid the state of swine brucellosis have succeeded.

Michigan's designation as "swine brucellosis free" was delayed pending passage of P.A. 40 of 1990, allowing the Michigan Department of Agriculture (MDA) to test all swine blood samples for brucellosis bacteria. Tests conducted have confirmed that Michigan should be recognized as "swine brucellosis free." The last positive swine in Michigan were imported from Indiana in 1961, but was contained.

### Japan Maintains "Worst Trade Distorter" Honors

In a recent report released by U.S. Trade Representative Carla Hills, Japan was once again identified as the worst of the worst in trade distortion, with more trade barriers limiting imports of U.S. goods and services. Other countries with an extensive list of import restrictions included the European Community, Mexico, China and Canada.

Observers feel this may finally be the year for Hills to make greater use of the complaint procedure under terms of the International Trade Act, used sparingly in past years during the Uruguay Round of General Agreements on Tariffs and Trade.

Now that talks have dragged into their fifth year, pressure is mounting from not only agriculture, but the motion picture, book publishing, computer software, and pharmaceuti-cal industries for action by the U.S. Trade Office.

### Export Bonus Package Enacted

The Export Enhancement program is operational again with House and Senate negotiators reaching an agreement to remove the \$425 million spending cap on the export bonus program for 1991, and adding an additional \$475 million to the nearly depleted fund which had only \$250,000 remaining, according to recent reports.

Removal of the spending limitation was part of a supplementary appropriations package which also underwent other revisions under threat of a presidential veto. Conferees killed a dairy amendment, added to the bill by Senate Ag Committee Chairman Patrick Leahy, that would have raised the price of fluid (Class I) milk by an estimated \$1.30 per hundredweight for the remainder of this year.

### Farm Bureau Backing FIFRA

The AFBF is asking the U.S. Supreme Court to defeat a Wisconsin town's restrictive pesticide ordinance, saying it destroys the integrity and uniformity of federal regulations. The town of Casey, Wisconsin, decided to give its own town board the exclusive control of pesticide-use decisions with a restrictive ordinance under which the board can grant or deny pesticide use on any ground, thus bypassing the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

In a friend of the court brief in the case, AFBF contends that an earlier Wisconsin Supreme Court decision which said the federal pesticide law should pre-empt the Casey ordinance was correct. The Supreme Court ruling is due in late April.

### McDonald's To Feature Beef Checkoff Logo

The beef checkoff logo will appear side-by-side with the famous golden arches in nation-wide advertising introducing the new McDonald's McLean Deluxe hamburger. The Beef Promotion and Research Board has authorized McDonald's use of the familiar red check logo in their national advertising campaign. The new burger was developed through checkoff funded research at Auburn University.

This marks the first time that the Beef Board has authorized the use of the logo by a private sector corporation, and approval for McDonald's use was not a routine matter. "The beef checkoff act and order specify that participation in branded beef product promotions is allowable only if both the Beef Board and the Secretary of Agriculture approve," said Monte Reese, chief executive officer of the Beef Board. Both approvals were obtained in February.

### Lightweight Chickens Not So Lightweight After All

The Omaha-based food giant, ConAgra, was recently fined \$13.6 million for allegedly "short weighing" chickens supplied to it by some 260 broiler growers in the Southeast. Conagra has appealed the decision made by a U.S. District Court jury in Dothan, Alabama. Judge Myron Thompson, who presided at the trial, said it was a case of "the rich seeking to get richer by stealing from those who could least afford to be stolen from."

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This was not the first incident of short weighing. Last year, a federal judge in Florida granted an injunction against Cargill, who had dropped a grower for trying to organize the filing of a lawsuit against Cargill for a similar action. An appelate court in Florida recently upheld the decision, favoring the growers.

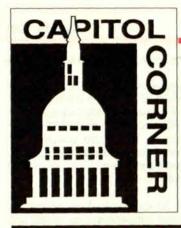
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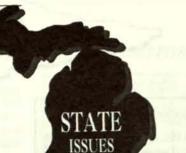
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April 15, 1991

### Fast-Track Trade Negotiating Authority

Farm Bureau has joined with 50 other agricultural groups in sending a letter to all members of Congress in support of extending fast-track trade negotiating authority, a provision in U.S. trade law that expedites congressional consideration of trade agreements negotiated by the president. Various forms of fast-track have been used since the 1930s.

NATIONAL

ISSUES

Fast-track authority was granted to President Reagan and incorporated into the Trade Act of 1988 with an expiration date of June 1, 1991. The law provides for a semi-automatic two-year extension until June 1, 1993, if the president requests such an extension by March 1, 1991, and neither the House nor Senate vote to deny that request by May 31, 1991.

On March 1, 1991, President Bush requested the two-year extension to help bring the Uruguay Round of GATT (General Agreement on Tariffs and Trade) negotiations to a successful conclusion, and to begin negotiations on a free trade agreement with Mexico and Canada. Congress now has until May 31, 1991, to decide whether to deny that request, and can do so by a simple majority vote in either the House or the Senate. When fast-track trade negotiating authority is in place, the negotiations are conducted as follows:

- The administration enters into trade negotiations with other nations on the basis of U.S. negotiating objectives spelled out by Congress in the trade acts.
- During the negotiations, the administration is required to consult with and seek advice from both the private sector and congressional oversight committees; private sector advisory committees are established to cover virtually all sectors of the economy. (There are currently 11 Farm Bureau leaders serving as advisors with full security clearances.)
- Upon conclusion of the negotiations, the completed agreement is brought back for congressional consideration. Reports on the effects of the agreement in each sector are submitted to Congress by the private sector advisory committees.
- The administration works with Congress in drafting implementing legislation prior to the formal submission of the agreement. All committees having jurisdiction over elements of the agreement, including the agriculture committees, are involved.
- □ When this process is completed, the implementing bill is introduced formally and fast-track begins. Committees have 45 days to again consider the bill. Hearings can be held again, but the committees cannot, at this point, amend legislation.
- After the 45-day committee review period, the bill goes to the full House and Senate where a vote must be taken within 15 days. The vote is on total acceptance or rejection of the package; no amendments are in order.

Fast-track enables the president to negotiate trade agreements with foreign countries, secure in the knowledge that the agreements have had strong input from Congress throughout the negotiating process and will not come unraveled at the end as a result of congressional amendments. The vote on fast-track will be the key vote on trade in 1991, and will set the direction of U.S. trade policy for years to come. *Farm Bureau Contact: Al Almy, extension 2040.* 

### **Budget Reform Measures**

Farm Bureau is supporting Senate legislation that would provide the president with a legislative line-item veto. Senate Bill 196 would enable the president, either 20 days after enactment of an appropriations bill or upon the submission of his budget at the beginning of the year, to identify unnecessary spending items and notify Congress that he is reducing or eliminating funding of those items.

The bill would give the president what the governors of many states have, which is the opportunity to strike out excessive, often times unrelated, spending. Sometimes that spending is buried in a larger, more important, spending bill that is difficult to veto as a whole. The measure is sponsored by Sen. John McCain (R-AZ) and Sen. Dan Coats (R-IN), and has 28 co-sponsors thus far.

In a related tax and spending matter, Sen. John McCain is sponsoring a measure that would

### MI-OSHA

Legislation has passed both the Senate and House and is expected to be signed by the governor putting into effect several temporary provisions scheduled to sunset on Oct. 1, 1991. House Bill 4484 adopts the federal field sanitation standards as law in Michigan, once the bill is signed by Gov. Engler and filed with the Secretary of State. The bill enables MI-OSHA officials to enforce the federal rules as a replacement for the current, more stringent state rules through Sept. 30, 1991. The intent is for all interested parties to debate their differences during the summer and produce a compromise to be enacted into law prior to Oct. 1, 1991.

The final version of H.B. 4484 removes the seven-fold increase in federal penalties which had previously been adopted by the House. However, the increases will likely be included in future legislation because OSHA has indicated that "contract states" (like Michigan) must adopt the more severe penalties.

Farm Bureau Contact: Howard Kelly, extension 2044

### Employer/Employee Housing: Circuit Court Decision

The Ottawa County Circuit Court issued a second opinion in the DeBruyn v. Romero case which was favorable to production agriculture. The relationship of employer/employee v. landlord/tenant was at issue. The circuit court ruled that there exists an employer/employee relationship, not a landlord/tenant relationship. Consequently, the landlord/tenant eviction rules which allow the tenant several weeks to remain on the premises prior to eviction did not apply. The opinion is being appealed to the Michigan Court of Appeals.

Under the ruling, an employer can obtain an order to evict within two days. However, if a farmer allows the employee to continue to live in the provided housing for three or four days, the farmer would be jeopardizing the employer/employee status and by the fifth day, the farmer likely would revert to a landlord/tenant situation and lose quick eviction remedy.

If this decision is presented to and upheld by the Court of Appeals, it would be binding throughout the state of Michigan. A farmer would still have to go to court and obtain the court order. However, the significance is that the employee could be ordered evicted in a number of days rather than weeks.

Farm Bureau has contacted members of the Michigan legislature regarding draft language to enact these principles into law.

Farm Bureau Contact: Howard Kelly, extension 2044

### **No-Fault Auto Insurance Reform**

S.B. 154, introduced by Sen. Paul Wartner (R-Portage) provides general amendments for minor technical revisions to Michigan's no-fault auto insurance law. A conference committee made up of three members from both the House and the Senate will develop the reform measures to be included in this bill. An agreement has been reached by both Senate and House Insurance Committee Chairs that handling auto insurance reform in a conference setting is the best approach to getting auto reform enacted.

Farm Bureau remains firm in the position of supporting "Reform, Not Rollbacks" and strongly opposes mandated auto insurance rate rollback legislation to reduce auto insurance costs. Farm Bureau will seek specific auto reform measures in conference committee discussions to reduce the cost of auto insurance.

Farm Bureau Contact: Darcy Cypher, extension 2048

### **Continuation Of Block Permit Program**

The DNR met with the ad hoc Wildlife Task Force in March to review the preliminary report of the 1990 deer season and plan for the 1991 deer season. Summer shooting permits and block permits will continue to be available through 1991.

However, the small percentage of farmers who participated in the block permit program and did not return the "Report of Hunters Issued Crop Damage Permits" to the district wildlife supervisor by Jan. 15, 1991, as required in the agreement, will not be eligible to apply for block permits during the 1991 season, but can apply in 1992.

make it more difficult to increase or create new taxes. Under the measure, the Senate would have to round up 60 yes votes to approve tax increases, but would only require a simple majority to approve a tax cut. It's expected the measure will be introduced in mid-April.

Farm Bureau is working with a number of other business and taxpayer groups to obtain as many original co-sponsors as possible. Farm Bureau Contact: Al Almy, extension 2040.

### Federal Highway Plan

A new federal highway plan could mean less money for rural roads and bridges. A Bush administration five-year highway plan proposes reclassifying the nation's road system and changing the ratio of federal versus state funding.

Farm Bureau is opposing the measure, pointing out that rural roads and bridges have been neglected for the past 35 years while the interstate system was being completed, and that now the federal government should be increasing the funding ratio for the rural segment of the road system.

Farm Bureau Conact: Al Almy, extension 2040.

From MFB's Public Affairs Division, (517) 323-7000

The objective of the block permit program remains to take antlerless deer during the regular hunting season by licensed hunters where there is a problem with crop damage due to excessive deer population. Farm Bureau continues to support a statewide block permit program and the continuation of the summer crop damage shooting permits. *Farm Bureau Contact: Vicki Pontz, extension 2043.* 

### **Proposed DNR Split**

Status: MFB has written Gov. Engler expressing Farm Bureau's opposition to the proposal to split the Natural Resources Commission into two separate commissions - one to handle natural resources issues and the other to handle conservation and recreational issues.

Forming two separate commissions would mean additional administrative costs and create the potential for greater lack of coordination between divisions within the DNR. MFB would support a strategy similar to Wisconsin, where one decision-making body (the Natural Resources Commission) is divided into subcommittees to ensure that all environmental and natural resources issues receive the full attention they deserve.

MFB is also pointing out that it is imperative that agriculture be represented on any decision-making body affecting the natural resources of the state, because the agricultural industry can be impacted by the actions of nearly every division within the DNR. *Farm Bureau Contact: Vicki Pontz, extension 2043.* 



### April 15, 1991

### Below Normal Rainfall In May & June

Warmer and wetter than normal weather covered much of Michigan during March, with the exception of the southeastern Lower Peninsula, where precipitation was below normal. The warm temperatures caused overwintering vegetation to quickly lose hardiness and, in some case, promoted early growth.

The latest 30-day outlook is calling for above normal temperatures in central and southern sections, and near normal temperatures in the north. Precipitation is expected to be near normal across the state. While normal minimum temperatures increase to the low 40s in the southeastern Lower Peninsula to near freezing in the Upper Peninsula by month's end, frost and freezing temperatures remain a likely bet into May. Normal monthly precipitation ranges from 2.5 inches in the Upper and northeastern Lower Peninsulas, to near 3.5 inches in southwestern lower Michigan.

The 90-day outlook calls for above normal temperatures, and a drop-off in precipitation to below normal values, especially in May and June, leading to lower than normal soil moisture levels to start summer.

Jeff Andresen Agricultural Meteorologist Michigan State University



E. Corn Belt Wint. Wheat Belt N Spr.Wheat Belt Pac. NW Wheat Delta Southeast .N West Texas A ......N San Joaquin N.. ..A

T - Temp.

P - Precip

W. Corn Belt

A-Above Average, B-Below Average, N-Normal, MA-Much Above, MB-Much Below, NP-No Precip.



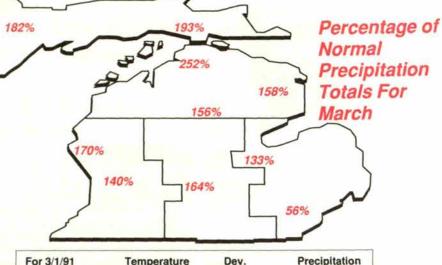
## USDA/Iraq Export Credits Go To Arms

Loan guarantees issued by USDA for farm exports to Iraq in the late 80s exceeded the prevailing market prices of the commodities by millions of dollars, according to an audit conducted by the department's inspector general, Leon Sneed.

A sample of 64 USDA-guaranteed sales of wood pulp, rice, corn and sugar to Iraq or Mexico in 1987 - 1989, revealed that 53 contracts were priced more than 15 percent higher than world market indicators.

The auditors uncovered \$78.6 million in what they termed "significant pricing difference" on the 64 contracts. Of that total, \$71 million was on Iraqi export contracts.

Until last year, Iraq was one of the largest participants in the USDA's export credit program. Since being suspended from the program around the middle of last year, Iraq has given no indication that it intends to pay off \$1.9 billion in outstanding loans under the program. It's speculated that large portions of the loans were diverted to use in the Iraqi military build-up.



For 3/1/91	Temperature		Dev.	Precipitation	
to 4/1/91	Avg. Max.	Avg. Min.	From	Actual D (inch.)	ev. From normal
Alpena	40	23	+4.5	3.04	+1.11
Detroit	49	32	+5.5	1.43	-1.11
Flint	47	30	+6.0	2.85	+0.71
Lansing	47	30	+6.0	3.77	+1.47
Grand Rapids	47	31	+6.0	3.47	+0.99
Houghton Lake	42	24	+5.5	2.94	+1.06
Pellston	40	23	+6.5	5.17	+3.12
Sault Ste. Marie	35	20	+4.5	3.57	+1.72
Traverse City	42	27	+6.5	2.89	+1.11
Marguette	35	19	+1.0	3.76	+1.71
High Temp. = 73 Low Temp. = 0 a					



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April 15, 1991

### Naxcell Approved Treatment of BRD in Lactating Cows

The U.S. Food and Drug Administration (FDA) has approved Naxcel Sterile Powder for treating bovine respiratory disease (BRD/pneumonia) in lactating dairy cattle.

The new claim for Naxcel, a broad spectrum cephalosporin antibiotic, represents approval of an injectable antibiotic product that is specifically authorized for use in lactating dairy cattle. The product was originally introduced by the Upjohn Company in early 1988 for treating BRD in beef and non-lactating dairy cattle.

According to Doug Ricke, Upjohn product manager for Naxcel, dosage recommendations apply for all ages of dairy cattle.

### FPC Moves Into Animal Health Products Market

**P** armers Petroleum Cooperative, Inc. has entered into a new venture - the sale of animal health care prodcuts. The new line, being test marketed out of the Sandusky retail center, features numerous medications for beef, hog, equine pets and special emphasis on the dairy market, according to Sandusky assistant manager Doug Bays.

"A large portion of our agricultural patrons have livestock and dairy operations," said Bays. "The dairy products in our line are extensive and include milk house equipment, soaps, sanitizers, filters, gates, feeders, tanks, and other related items. Our buying power through Universal Cooperative enables FPC to improve our customer service with this new venture."

Test market strategy at the Sandusky retail center includes the purchase of a stepvan that includes shelving for product display as well as a small refrigerator for storage of animal health care products. Driver salesman Dan Babcock is currently covering 25 percent of Sanilac County, with plans to extend services to the entire county.

According to Tim Underwood, FPC marketing manager, FPC will evaluate its ability to dispense animal health products from this experience and possibly begin statewide distribution in the future.

### Animal Rights Big Business!

A Connecticut-based animal rights publication called "THE ANIMALS' AGEN-DA," recently listed the 1989 budget plus the assets and pay for executives of the leading animal rights groups. The results?

Leading the list was the North Shore Animal League with a 1989 budget of \$19.6 million. The Massachusetts Society for the Prevention of Cruelty to Animals (MSPCA) was next biggest with a budget of \$17.6 million, followed by the American Society for the Prevention of Cruelty to Animals (ASPCA) with \$16.4 million, Humane Society of the United States (HSUS), \$13.5 million, and People for the Ethical Treatment of Animals, \$6.5 million. "This new approval provides dairy producers with an effective, convenient tool for controlling pneumonia in both cows and young stock. When used according to label directions, Naxcel requires no pre-slaughter withdrawal, or in lactating dairy cattle, doesn't require a milk discard period," said Ricke. "Careful management and the prescribed use of Naxcel can now help producers minimize milk losses associated with respiratory disease."

According to Ricke, more than 100,000 dairy cows are affected with pneumonia annually, with over 6,000 of them lost as a result.

Another 81,000 dairy replacement heifers, from 6 months to two years, are affected by respiratory disease, accounting for another 6,000 head lost annually.

In addition, nearly 400,000 dairy calves from birth to six months contract pneumonia, resulting in approximately 62,000 calves being lost every year.

# Norris Named Meat Board Chairman

Berrien County Farm Bureau member Robert D. Norris, a Berrien Center pork and beef producer, was elected the new chairman of the National Live Stock and Meat Board during the organization's annual meeting in Chicago.

Norris was seated as a director in 1982 to represent Michigan pork producers. He was elected chairman of the Meat Board Pork Industry Group in 1987, secretary-treasurer of the Meat Board in 1989 and chairmanelect last year. He is a partner in Homestead Farms, with his son Erich.

Norris called the Meat Board a sound investment for the livestock and meat industry when it was founded 69 years ago and it remains a sound investment today. "It all comes down to defining your mission and sticking with it," Norris said. "The Meat Board will continue to be successful, because we have stuck by our mission and the basic principles that support it."

Norris outlined a five-point strategy for the Meat Board to pursue including: Representation of all major segments of the in-



dustry; there should be aggressive beef/veal, pork, and lamb promotion; checkoff investments should be collected from the broadest possible base; Meat Board representation should reflect local control; and the Meat Board should remain accountable to the meat industry.



The total assets of the respective organizations were much the same. Again, the North Shore Animal League showed a whopping \$51.2 million assets, followed by ASPCA with \$39.5 million, MSPCA with \$27.2 million, and HSUS with \$22.8 million.

In 1989, David Ganz, executive director of the North Shore Animal League, received an annual salary of \$163,700, while John Hoyt, president of HSUS, was paid \$146,927. What's more striking is that these organizations spend about 90 cents of every dollar for mail, the vast majority of which is used to solicit more funds.

REDDRU VEGETABLE **FELD** DRUG LAXATIVE **POWDER** CALL TOLL FREE 1-800-228-3353 COMPARE TO METAMUCI ASK FOR FREE CATALOG! AT \$9.89 C 0 Ρ 0 Ν 0 Ν Ν U 0 0 U 0 U LD ACETA re to Reg. strength Tyle WITH YOUR NEXT ORDER WITH YOUR NEXT ORDER WITH YOUR NEXT ORDER 1 Send this coupon Send this coupon when placing your next order, and This coupon must FELDODRUG FELDODRUG **FELD** DRUG when placing your next order, and receive \$5.00 off accompany an order to receive I One Coupon per Order Good Ibru Sept. 30, 1991 One Coupon per Order Good thru Sept. 30, 1991 One Coupon per On receive \$3.00 off your free bottle. Good thru Sept. 30, 1991 purchase price. purchase price.



April 15, 1991

# MARKETS

Seasonal Commodity Price Trends (long term)		
Wheat	1	
Corn	1	
Soybeans	t	
Hogs	ТР	
Cattle	TP	
Index: TP= Topping; BT= Bottoming; ? = Unsure		

### Corn

The corn market has become very choppy. The positive USDA stocks and acreage reports should turn the market higher. Old crop corn has traded downward, but most of the recent price weakness was centered on new crop. The recent weakness in new crop suggests there is some concern about increased corn acreage.

### Soybeans

Volatility in soybean prices increased once futures broke out of the winter doldrums. Soybean basis has taken on an easier tone in the river market, while crushers are still bidding with strong basis for soybeans. Farmer movement is light and uninspired at the present. Not much incentive to sell at the lows when planting rallies are just around the corner.

### Wheat

Cash wheat prices are nearing their highest level since last summer. Wheat continues to ride the waves of potential weather fronts. The last major front lacked water and contained damaging winds. It's too early to assess real damage. Another round of "too dry" talk would be bullish to wheat prices. It is too early to assess 1991 world wheat production potential, but it is not too early to start monitoring the crop.

Before any of the 1991 wheat is in the bin, the USDA will have to announce its acreage reduction program rules for the 1992 crop. The new farm law requires the wheat ARP announcement by June 1.

#### Rules For 1992 Wheat Due Soon

The 1991 program required producers to set aside 15 percent of their wheat acreage base to remain eligible for farm program benefits. The figures being considered for the 1992 crop are 5 percent, 10 percent, and 15 percent. Public comments on the 1992 wheat program will be accepted until May 10, 1991, according to Keith Bjerke, executive vice president of the Commodity Credit Corporation.

### Cattle

With large feedlot inventories, even though feedlots have stayed current, there is risk of weights starting to build and numbers starting to backlog if the strategy on the part of packing plants backfires. Packer margin problems are not expected to go away overnight and so the market is looking for more temporary closings over the next couple of weeks. The high cattle and beef prices are pushing the limits on consumer spending for beef.

### Hogs

The recent USDA report will, by far, be the most dominant influence. Chicago Mercantile Exchange traders termed the report neutral. It doesn't appear that producers have yet made major efforts to rebuild the breeding herd. The weekly bacon storage report showed a very large movement of product into storage. This points out problems in moving product. The entire pork product market has been sluggish the past few weeks.

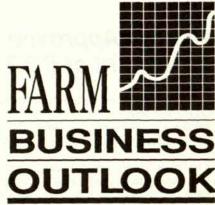
### Sheep

The dramatic price declines that gripped the sheep industry last year is not expected to improve this year, according to USDA's Economic Research Service. Market lambs that sold a year ago for \$66 per cwt. were bringing only \$48.60 in mid-March this year. The sheep and lamb inventory as of Jan. 1, 1991, was down about 1 percent from Jan. 1, 1990, to about 11.2 million head. It was the first decline in sheep numbers since 1986, marking the end of an expansion cycle that began that year.

Wool production also dropped about 1 percent last year to when it sold for around 80 cents

### Watch New Crop Rallies

Darrel Good, University of Illinois Extension economist, says the November-December corn and soybean prices reached in March may have been season highs. Good said the March 6 level of \$6.38-1/2 for November beans and the March 4 price of \$2.68-1/4 for December corn may not be topped again this year if we have no serious weather concerns. The economist isn't predicting a crash, but is



suggesting farmers should watch the market and sell part of this year's crop when December corn futures hit \$2.60 again and November soybeans reach \$6.20.

### Where's the BEEF?

Many meat packing plants are closing temporarily or cutting back work schedules for lack of enough beef animals to keep operating at full capacity. Cattle prices for April delivery hit a record 82.7 cents a pound on the Chicago Mercantile Exchange April 3, sparking a rally on hog and pork belly futures, according to the Wall Street Journal.

In recent weeks, analysts say, U.S. meat packers have slaughtered the smallest number of animals since 1979. Because slaughterhouses are expensive to idle, packers are bidding up prices just to get enough animals to stay in operation, but experts say they could be losing as much as \$20 per head on cattle they're buying.

Large packers can withstand the adversity, but some express concern for the strength of smaller firms. "This isn't a sustainable situation," said Jens Knutson of the American Meat Institute, an industry trade group.

### Regular U.S. Soybean Buyer Checks Out Argentina

Taiwan, a regular, year-around buyer of U.S. soybeans, recently made a purchase from Argentina at a price discount of about \$10 a ton. Traders said the initial purchases by crushers are trial cargoes they will use to check out quality and delivery capability.

There has been a growing quality acceptance of Argentine soys, though some buyers have claimed to have had quality problems with purchases from that country, according to Knight-Ridder News.

In 1989-90, Taiwan bought over 2 million metric tons of U.S. soybeans. Through March 14 of this year, they have bought 1.3 million metric tons, compared to 1.542 million metric tons purchased by that date last year.

### EC Ministers Still Oppose Farm Cuts

After two days of meetings, officials of the European Economic Community said only the farm ministers of the United Kingdom and Holland supported the proposed cuts in farm supports for the 1991-92 marketing year.

The other 10 EEC countries were calling for the 1991-92 spending ceiling for farm supports to be raised by 1.3 billion European currency units to take into account German unification, but that measure was also defeated. The ministers are scheduled to meet again in late April and will be looking for an acceptable compromise.

### More Soviet Trade Indicated

There is good news for the wheat market, with the targeting of additional bonus sales of 2.0 million tons to the Soviet Union and 250,000 tons to Jordan by the USDA. However, offers under the initiative will have to await increased funding.

Meanwhile, the Soviets said they would like the \$33 million of their \$1 billion export credit guarantee not yet allocated to be earmarked for corn purchases, which could give a bit of encouragement to the corn market, already experiencing a tight supply situation.

### U.S.-Canada Tariff Reduction Ahead of Schedule

A trade panel representing both the United States and Canada has approved removing tariffs on about \$2 billion of trade goods ahead of schedule under the U.S.-Canada Free Trade Agreement, according to Knight-Ridder News.

The U.S. Trade Representative's (USTR) office said the commission agreed to speed up tariff elimination on over 250 items affecting agriculture, chemicals, machinery and transportation. Another 400 specific products will be affected by the decision, subject to approval by both governments.

a pound, compared to \$1.24 a year earlier and \$1.38 in 1988, the ERS reported.

Lamb prices shrank from an average of \$78 per cwt. in 1987 to \$68 in 1988, remained at that level in 1989, then plunged to \$54 on the San Angelo, Tex. market last year. The 1991 price is expected to average in the low \$50 range, according to USDA's Ron Gustason.

### **USDA Hogs and Pigs Report**

5	percent of previous year	Michigan 3/1/91	Michigan 3/1/90	percent change
All hogs and pigs	102%	1,100,000	1,150,000	- 4%
Kept for Breeding	101%	180,000	190,000	- 5%
Kept for Marketing	103%	920,000	960,000	- 4%
* Dec./Feb. Pig Crop	103%	356,000	383,000	- 7%
Mar./May Farrow. Int	ent	80,000		
June/Aug Farrow. Int	ent	72,000		

"Average pig per litter nationally was 7.87, a new record high. \*Average pig per litter in Michigan was 7.9, down from 8.10 the previous year.

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

Most of the tariffs would be removed by July 1, 1991, but some others will be converted from the standard 10-year phase-out to a five-year plan or even shorter periods. The USTR said the commission recommendation will affect about a billion dollars in sales of U.S. goods to Canada and about an equal amount going the other way.

	USDA Prospec	ctive Planting ates in millions o				
	Current National	1990 National	Mich. Estimates	1990 Mich. Figures		
Soybeans	57.1	57.79	1.300.000	1,115,000		
Corn	76.1	74.17	2,500,000	2,400,000		
Total Wheat	69.0	77.28	530,000	770,000		
Dry Beans			310,000	350,000		
Sugar Beets (highest level since 1933)			164,000	na.		
All Hay Harveste	d		1,400,000	1,445,000		
Barley			35,000	45,000		
Grain Stocks						
Corn	4.79 bill. bu.	0%	131 mill. bu.	+ 7%		
Soybeans	1.19 bill. bu.	+13%	18 mill, bu.	+ 29%		
Wheat	141 bill. bu.	+48%	16.1 mill. bu.	+ 82%		
Oats	229 mill. bu.	na.	5.6 mill. bu.	- 35%		

April 15, 1991

### March Ag Prices Up, But Farmers Get Less

The USDA reported the index of prices received by farmers rose 2.1 percent from February with record cattle prices, and citrus still climbing from the December freeze in California leading the way. Average prices received by farmers, however, were still 1.3 percent below March 1990, the department said.

Milk prices continued downward, hitting their lowest levels since July 1988. The price paid by dealers and processing plants for milk was down 20 cents from the previous month and \$2.40 per cwt. below the March 1990 average. Egg prices rose 14.8 cents a dozen for the month and slight gains were recorded for most food and feedgrains.

### Milk and Cheese Prices Not Making Cents

A group of Wisconsin legislators are asking why milk prices have dropped so dramatically without cheese following suit. The group is asking the state attorney general to investigate whether Kraft General Foods, the nation's largest cheese producer, is using monopoly pricing in the cheese market, according to a recent Wall Street Journal report.

Milk prices at the farm have dropped 30 percent in a year, to \$10.10 per cwt, say the complaining legislators, while cheese prices for March were 2.3 percent higher than a year ago.

Kraft officials say the charges are unjustified and claim to have cut prices in October. Retail dairy prices are in for wider scrutiny, with a congressional hearing scheduled April 10.

# **Right to Farm Procedural Changes Approved**

The Michigan Commission of Agricul-ture, upon recommendation of MDA Director Bill Schuette, approved the following procedural changes in the administration of farmers' rights and responsibilities under Michigan's Right to Farm Act, during their March meeting:

1. The farmer will be informed by letter immediately after a complaint has been filed against his operation. The letter will include a copy of the "Generally Accepted Agricultural and Management Practices" and en-courage the farmer's cooperation.

According to MDA Director Bill Schuette, under previous procedures, a farmer wasn't informed that a complaint had been filed against him until MDA personnel arrived at the farm to do an inspection.

"We think it makes good sense and shows courtesy to let that farmer know a complaint has been filed as soon as possible," said Schuette. "We hope that this will encourage farmers to voluntarily correct the problem, if there is a problem.

2. If, after a farm inspection by MDA, an environmental concern appears to exist, the farmer will receive a follow-up letter and a subsequent phone call. The purpose of the call is to check on progress in implementing the generally accepted practices.

Past procedure called for a follow-up letter with no phone calls to encourage farmer cooperation with MDA recommendations before the expiration of the 90-day period allowed under the act had expired. With the recent changes, a farmer will receive a letter within days of the visit, and a phone call within 60 days to check the status of implementing recommendations.

Extension's EMAT program of the 1980s. In short, this would be one last chance to resolve the problem before it goes before the Ag Commission, which must thendecide whether to transfer the matter over to the DNR for enforcement.

The thought here is that rather than automatically turning the case over to the DNR, the problem could be assigned to an "Ag Team" that would visit the farm in the period between the 90 day expiration period and the next meeting of the Ag Commission.

Since June of 1989, MDA has received over 200 complaints under the Right to Farm Act. Three of those cases were not resolved and ultimately were turned over to the DNR. None have been transferred thus far in 1991.

While Right to Farm guidelines are voluntary, not mandatory, Schuette did point out that farmers meeting "Generally Accepted Agriculture and Management Practices," do receive protection in a number of crucial areas including: protection against nuisance lawsuits; exemption from obtaining an air quality and water quality permit; and exemption from liability under the new

pollutors pay law, all of which are lost once a complaint is turned over to the DNR.

In other Right to Farm news, the Ag Com-mission will be accepting public comment on the current regulations at their April 16 and 17 meeting, as part of the annual review process called for in the act. Two draft proposals will also be unveiled for public comment.

According to Schuette, one proposal deals with the safe and effective use of pesticides, the other with nutrient management guidelines. The public comment period and final approval time table has not yet been established.

Farmers interested in submitting written comments on either of the Right to Farm issues should write to:

Michigan Commission of Agriculture P.O. Box 30017 Lansing, MI 48909

Requests to speak before the commission should be sent to the same address with a summary of the statement to be presented.





year-long nutritional campaign featuring corn oil. Dave Thomas, founder and senior chairman of Wendy's, made the announcement during the National Corn Growers Association (NCGA) annual meeting in Kansas to about 1700 members.

The decision to cook its french fries exclusively in corn oil will create a demand for more than 13 million bushels each year, according to John Campen, market director for NCGA. Promotional efforts include the use of a new corn oil logo (upper right) on all of Wendy's promotional and informational items about the new program, including over 10 million tray liners, one million nutritional brochures and menu boards in each of Wendy's 3,600 outlets.



Failures



1990 - 151 Source: USDA - ERS



### NEW

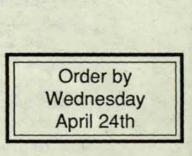
1990

- 18

- U-Bake Croissants
- Melon Chunks
- Citrus Salad (fresh chilled sections)

# \*\*\*\*\*\*\*\*\*\*\*\*\*\*\* DID YOU KNOW?

- 88¢ per pound So Long Hot Dogs
- 79¢ per pound Asparagus Spears hydrocooled
- U-Bake Croissants almost 1/2 the cost of previously offered pre-baked





"One of our hopes is to eliminate the confusion associated with Right to Farm practices," says Schuette. "As part of the followup letter, we'll encourage the farmer to contact his local CES, SCS and ASCS for assistance. We're attempting to form a working partnership."

3. If a concern continues to exist, an "Ag Team" may be asked to visit the farm. The team could be comprised of representatives from educational institutions, farm organizations, the Commission of Agriculture or other respected members of the agricultural community.

The "Ag Team," appointed to work with an operator on a case-by-case basis, depending on the circumstances of the case, is fashioned after the MSU Cooperative The festival will be in full swing today as we visit Windmill Island and Dutch Village. We will view the parade from our comfortable lawn chairs, enjoy our included dinner at the Old School House and much more. A memorable spring day!

### Mackinaw Island Lilac Festival Time – Monday, June 12, 13, 14

#### Cost: \$280 per person, based on double occupancy

Experience the magic that is Michigan on Mackinaw Island. Enjoy spectacular accommodations at Mission Point, the largest resort property on the Island, located on the southeastern shore. This specially designed mini vacation includes a host of interesting stops, along with outstanding lakeview accommodations, daily breakfast, one dinner with full choice of the menu, a carriage tour of the island and much more! Full payment due by April 29, 1991.

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Note: All packages are subject to availability. Prices are subject to change or variation for 1991.



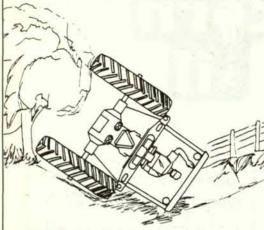
For more details and a full list of products, contact your county Farm Bureau or call 1-800-292-2680 ext. 2305.







# <sup>8</sup> Protect Against Tractor Rollovers



he tractor may be one of your most valuable tools - and also one of your most deadly. In Michigan, about half of all agriculture-related deaths each year are the result of a tractor rollover.

There is good news, however. Deaths attributable to tractor rollovers have declined in recent years as more tractors equipped with safety belts and ROPS - rollover protection structures - have been put into service. Both ROPS and safety belts offer protection from the tremendous impact of a rollover, and safety experts estimate that the use of ROPS on all tractors in Michigan would reduce the tractor deaths by another third.

Unfortunately, far too many tractors remain unequipped, with potential for disastrous consequences. If you don't have ROPS, see your tractor dealer to find out if you can retrofit your tractor to provide proper protection for you, your family, and your employees. And if you do have ROPS, be sure to wear a safety belt properly. Lack of or improper use of a safety belt greatly diminishes the lifesaving potential of the protective structure.

Keep in mind also that you can prevent most overturns by operating your tractor carefully, hitching properly, and keeping your speeds within safe limits for conditions.

Here are safety instructions that you should pass along to anyone operating tractors:

A survey confirms

- Securely fasten your safety belt if the tractor has ROPS.
- ☐ If possible, avoid operating the tractors near ditches, embankments, and holes.
- Reduce speed when turning, crossing slopes, and on rough, slick, or muddy surfaces.
- Avoid steep slopes.
- Watch where you're going, especially at row ends, on roads, and around trees.
- Don't permit riders.
- Avoid jerky turns, starts or stops.
- Hitch only to the drawbar and hitch points recommended by tractor manufacturers.
- □ When the tractor is stopped, set the brakes securely and use park lock if available.



April 15, 1991

From Farm Bureau Insurance

### Jury Still Out on Organic Profits

Organic farms have lower crop yields than farms using chemicals to produce crops, but they also get higher prices and have lower costs, according to a recent Ohio State University study. According to Marvin T. Batte, the agricultural economist who conducted the research, the jury is still out on bottom-line profits of organic farming.

"Our evidence is far from conclusive," Batte says. He compared organic production from 1990 with "average" Ohio farm production from 1988, the latest year statistics are available.

Batte's 1990 survey brought responses from 65 of 90 certified organic crop farms. His study showed organic farms earn about half the gross receipts of conventional farms, while net income was slightly lower.

As a group, organic producers spend about 14 cents per acre on pesticides and \$10.58 for fertilizer, Batte says. That compares to \$27.55 for chemicals and \$45.28 per acre for fertilizer on conventional Ohio farms.

Surprisingly, machinery and labor costs on the largest organic farms were essentially equal to those of conventional farm operations. Normally, organic farming is thought of as requiring more labor for tillage to replace chemical weed control.

Farmers selling organic corn in 1990 earned \$1.50 per bushel more than those who did not, with most of that corn sold to farmers raising organic livestock. Organic soybeans typically went to either processors or into the international market and were worth \$4.50 more per bushel than conventional soybeans. A \$3.04 per bushel premium was also available for organic wheat.

The study of organic farms also showed that they are slightly less than half the size of conventional farms and market about 62 percent of their crop as "organically produced." Vegetables are twice as likely to be sold as organic than field crops such as corn or soybeans.

"Tillage," continued from page 1

# WE'RE IN TUNE WITH OUR CUSTOMERS

A 1990 survey of 1200 Farm Bureau Insurance policyholders revealed a high level of satisfaction with our service.

•Customers especially liked their agents, describing them as friendly, professional, knowledgeable, and accessible.

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Bureau Insurance agent today. We'll protect your home, farm, life, business, auto, and retirement.

# WE CARE ABOUT OUR CUSTOMERS

### Making Your Future More Predictable



Herbicide programs can also impact how many tillage passes you'll need. Several thiocarbamate herbicides don't require a leveling pass before application on chiseled ground and can stand depths of four to six inches. Acetanilides and triazine herbicides are often labelled for incorporation no deeper than two to three inches, requiring a leveling pass before application and another afterwards for incorporation.

If you're looking to reduce a tillage trip, keep in mind that tilling the soil isn't the only reason you're running over the field, advises George Rehm, soil professor at the University of Minnesota.

"What it comes down to is the grower knows the importance of weed control to maintain high yields," says Rehm. "He won't sacrifice that one dollar per acre savings; he'll use the weed control and tillage practice that gives him the best control."