

# MICHIGAN FARM NEWS



January 15, 1992

Vol. 69, No. 1

## Grassroots in Action — MFB Delegates Pass Policy Resolutions

Delegates to the Michigan Farm Bureau annual meeting, Dec. 10 - 13, completed action on more than 140 policy resolutions during delegate session discussions and voting. They approved policies on issues including the state fuel tax, privatization of state services, P.A. 116, dairy and the North American Free Trade Agreement.

"The delegates emphasized the importance of a sound transportation system to move goods and services throughout the state, and they supported an increase in the state fuel tax of no more than six cents per gallon," said Al Almy, director of Public Affairs for Michigan Farm Bureau. "These funds would be earmarked for repairs and rebuilding of our transportation infrastructure."

MFB was directed by the delegates to initiate a study that would identify methods to make government more efficient, including requiring competitive bidding on projects and programs and allowing the private sector to replace existing programs and ser-

vices. "The delegates expressed a feeling that people are continually asking for more services from government, but government is hard-pressed to fund all these new services. The delegates believed that essential services may be provided more efficiently, effectively, timely and at a lower cost by the private sector," said Almy.

Possible changes to streamline Michigan's Farmland and Open Space Preservation Act (P.A. 116) were also proposed by the delegates. "The changes included allowing the renewal of existing agreements for as little as five years instead of the current 10-year renewal period," Almy said. "They also adopted policy specifying that the removal of land from P.A. 116 for public interest should be limited to public projects only, as long as all other sites not in the program are evaluated and determined to be unsuitable. They said that acreage should only be removed from the program at the time the agreement matures and expires, except in the case of death, disability, public interest or public projects. Delegates also



recommended that transfers should be allowed between individuals who have land enrolled in P.A. 116," according to Almy.

On national issues, delegates adopted a resolution supporting future dairy legislation that provides for a voluntary milk in-

ventory management program under which all producers would make management decisions based on economics, according to Almy. "They supported a dairy industry board to work with the Secretary

**See "Dairy Policy" page 12**

## Ag Commission Approves Right to Farm Practices for Pesticides

The Commission of Agriculture put its seal of approval on the final draft of the Pesticide Utilization and Pest Control Practices during its December meeting, marking the completion of a nine-month task force effort to establish "generally accepted agricultural management practices" for pesticide use in the state of Michigan.

The Michigan Right to Farm Act, as amended, is designed to provide farmers protection from nuisance lawsuits as long as they are utilizing those generally accepted management practices in their farming operation, according to MFB Legislative Counsel Ron Nelson.

"With the growing concern over the use of pesticides, and the environment, approval of these guidelines will provide farmers an outline that, if followed, can provide a good measure of protection in lawsuits," said Nelson. "The recommended practices for pesticides are straightforward and realistic. Many farmers will find that they're already

following those recommendations, based on environmental common sense and economic advantages."

In general, the guidelines urge farmers to utilize pesticides as needed, following an integrated pest management theme that includes the use of scouting, trapping, use of pest prediction models to determine economic thresholds of pest populations, and selection and use of safe and effective control measures.

Other issues covered within the 10-page document of recommended practices include: Pesticide Labels; User Certification; Application Methods and Pesticide Formulations; Equipment Use and Calibration; Applicator Safety; Alternative Pest Management Techniques; Protection of the Environment; Excess Spray Mixtures and Disposal; Mixing and Loading; Record

Keeping; Transport of Pesticides; Disposal of Pesticide Containers; On Farm Storage of Pesticides; and Pesticide Use Recommendations and Technical Assistance.

The Pesticide Recommendations and Technical Assistance section concludes by simply stating:

**"If growers apply pesticides at the rates and other conditions specified in the printed MSU recommendations, growers will normally be within legal label requirements and will meet pesticide rate standards for Generally Accepted Agricultural and Management Practices. Pesticides uses for commodities not included in MSU recommendations but in accordance with their respective labels or labeling, will also meet the application rate requirements of these Generally Accepted Agricultural and Management Practices."**

Nelson suggests that farmers obtain a copy of the recommended practices and spend some time this winter becoming familiar with them. "For the protection these guidelines can provide, time spent becoming familiar with them will definitely be a good investment," said Nelson.

To obtain a copy of the recommended practices, contact Michigan Department of Agriculture, c/o Bob Craig, director of Agricultural Policy and Special Projects, 4th Floor Ottawa Building, P.O. Box 30017, Lansing, MI 48909, or call your local CES agent to request a copy.

Members of the task force included representatives from the MSU College of Agriculture and Natural Resources, the USDA's Soil Conservation Service and ASCS, Michigan Farm Bureau and other professional and industry organizations.

### How Many Horses?

This Case-IH MAXXUM Tractor, one of several prizes for the state winner in the Young Farmer Discussion Meet contest, was on display at the MFB state annual's product show. It caught the interest of more than just young farmer competitors, however, as many members attending the annual stopped by to ask questions, kick the tires and try out the seat. Case-IH offered the state winner an option to choose from one of three models in the 70 to 100 horsepower range for 100 hours of free use.

Robert Mayer of Branch County eventually won the privilege to use the tractor, after progressing through several rounds and winning the final round of the Discussion/Meet contest. In addition to the use of the tractor, Mayer also won a Honda Four-TRAX 300 all-terrain vehicle, and an all-expense paid trip to Kansas City for national level competition at the AFBF annual meeting.



A Publication of Michigan Farm Bureau  
P.O. Box 30960, 7373 W. Saginaw Hwy., Lansing, MI 48909

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## Farm Bureau Membership - Benefits and Challenges

Farm Bureau members, working together, won a number of significant national legislative battles in 1991. Congress passed a disaster relief measure that provides nearly \$1 billion to farmers who suffered losses in the 1990-91 crop year. Lawmakers also made technical corrections to the farm bill. These changes give farmers more flexibility in the 0/92 program; eliminate the requirement that dairy farmers comply with a conservation plan in order to receive assessment refunds; and accelerate deficiency payments for farmers participating in the wheat, barley and oats program so that initial payments will be made in December rather than July.

Congress approved a bill extending "fast track" authority. The measure allows the president to negotiate important trade agreements and bring those agreements back to Congress for rejection or approval.

In the area of private property rights, Farm Bureau supported introduction of H.R. 1330. That bill provides a reasonable and common sense approach to regulating wetlands. Farm Bureau also provided many public comments in support of a revised wetlands delineation manual. We supported U.S. Senate approval of a Private Property Rights amendment that would have required federal agencies to evaluate the impact of their programs on private property rights and minimize those impacts.

Our legislative victories set the stage for some tough struggles in 1992. We are concerned and disappointed that Congress and the administration did not deal with the economic problems most Americans face. Farm Bureau continues to support a plan that would build on lower taxation, spending restraint, regulatory common sense, freer trade and sound money.

The Senate Labor and Human Resources Committee is expected to once again consider trying to move S.B. 1074 food safety legislation. We oppose the measure because it is too inflexible, would set an unrealistic risk standard and cause a loss of consumer confidence in the food supply. It also fails to consider the benefits of safe and needed pesticides.

Still pending in Congress is Farm Bureau-backed legislation to amend the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) to pre-empt local jurisdictions from regulating the sale and use of pesticides. The bill would make it clear that only the federal government and states have the authority to regulate the manufacturing and use of agricultural chemicals.

We will also be working to make permanent the 25 percent deduction for health insurance and expand it to 100 percent. Farm Bureau has filed to testify at health insurance hearings in January and February.

When you call on your farmer friends and neighbors during this winter's membership campaign, be sure to use these legislative issues to remind them of the value of belonging to Farm Bureau. A strong and united voice is heard loud and clear in the halls of Congress!

*Jack Laurie*  
Jack Laurie, President  
Michigan Farm Bureau

### U.S. Health Care Costs Still Soaring

A recent Commerce Department release reports national spending on health care rose an estimated 11 percent in 1991 over the previous year, making this the fifth consecutive annual double-digit increase. The report says the nation's spending on health care in 1992 will rise to a record 14 percent of the total output of goods and services, which, because of the sluggish economy, will be slightly higher than the 1991 level.

Reasons cited in the report for the higher expenditures on health care included aging of the population, increases in doctors' fees, high cost and increased use of high-technology equipment and growth in the use of psychiatric care. Also noted was an increase of 600,000 jobs in doctors' offices and hospitals between 1988 and 1990.

One positive factor noted was the reduction in the number of medical malpractice claims from 17.8 claims per 100 doctors in 1985 to only eight per 100 doctors in 1989, the last year for which records are available.

## Attention P.A. 116 Participants

To expedite processing when claiming credit under the Farmland and Open Space Preservation Act, P.A. 116 of 1974, on the MI-1040CR-5 Form, **remember to:**

- File Early**
- Carefully Review the Yellow Checklist Included with the Tax Form**
- Accurately Respond to Part 2 Col. B. (Failure to do so will delay processing of your refund.)**

## In Brief...

### U.S. December Farm Prices Slip

The index of prices received by U.S. farmers for their products in December fell 0.7 percent from the November level and was down 3.5 percent from December 1990, according to a USDA report. Lower prices in December for lettuce, cattle and tomatoes were offset by increases for eggs, wheat and hogs, USDA said in its monthly Agricultural Prices report.

USDA said prices of lettuce and tomatoes fell sharply during December in response to ample supplies of both vegetables. Damage to lettuce from the whitefly in California has not been widespread thus far and supplies from other states are larger than usual, USDA said. Increases in fourth-quarter beef production depressed cattle prices, while hog prices increased slightly after the sharp price break from October to November.

USDA said grain prices were mixed as wheat prices continued to show strong month-to-month increases. Corn prices were up slightly, but soybean prices were down from November. The decreases from a year ago in the prices of cattle, hogs and tomatoes were only partially offset by increased milk, wheat and corn prices, USDA said.

### INS Revises Employment Eligibility Form I-9

A new INS Form I-9 is now in effect and being mailed out to employers. These will also be available at INS offices and Department of Labor Wage and Hour offices around the country. Form I-9 is the form used to establish a worker's employment eligibility under the 1986 Immigration Reform Act. These must be completed and on file each time a worker is hired, and must be retained for three years after the date of hire or one year after the employment ends, whichever is later. A number of recent changes are important.

Employers should be aware that it is discriminatory to specify which documents an employee must show for employment authorization. The employer may not ask for more, or different, documents than the employee offers, nor refuse to honor documents which reasonably appear to be genuine. Old I-9 forms may be used until the new forms are readily available, and it is not necessary to complete a new I-9 form on any employee whose present I-9 form is still valid. Copies of the new Form I-9 are available from AFBF offices.

### First Quarter Meat Imports Too Low to Trigger Quota

USDA's first-quarter estimate of 1992 U.S. meat imports is too low to trigger a special meat import quota, the department has announced. USDA is forecasting total U.S. meat imports for 1992 at 1.274 billion pounds, below an import trigger level of just over 1.311 billion pounds. The Meat Import Act of 1979 requires the president to consider restricting imports of certain meat items - and especially beef and veal - if USDA's quarterly estimates equal or exceed a pre-set quota level. It does not apply to mutton or lamb.

### Department of Labor to Raise Vehicle Insurance Requirements

The Department of Labor has announced that its new vehicle insurance requirements under the Migrant and Seasonal Agricultural Worker Act (MSPA) will become effective Feb. 1, 1992. The new coverage requirements are \$1.5 million for any vehicle used to transport fewer than 15 workers and \$5 million for any vehicle used for more than 15 passengers. These are the same insurance levels as required by the Interstate Commerce Commission for common carriers, and are required by MSPA. The new requirements apply to any farm labor contractor, agricultural employer or agricultural association that transports farmworkers, unless the workers being transported are covered by workers compensation insurance. The Department of Labor will also permit employers to post a liability bond in lieu of the higher insurance rates.

### Michigan DNR Reorganization Underway

The Department of Natural Resources has issued a draft plan for the implementation of Executive Order 1991-31 which reorganized the DNR and abolished the Water Resources Commission and the Air Pollution Control Commission. Under terms of the order issued by Gov. Engler, the DNR director is assigned responsibility for implementation of the order which becomes effective Jan. 15, 1992, according to MFB Legislative Counsel Vicki Pontz.

The DNR will implement the order in two phases. Phase I will implement reassignment of responsibilities for certain department activities, such as rules, fees and land transactions. This step insures the executive order will be implemented on its effective date.

"Phase II will implement comprehensive, long-term changes including an in-depth review of all DNR operations," explained Pontz. "The public will be invited to participate in this step through workshops, written comments, public forums, and several other avenues of communication. Phase II implementation is targeted to take effect in June 1992."

To keep Michigan residents informed of issues, the department is proposing creation of a new publication, the "Department of Natural Resources Calendar," containing a biweekly listing of upcoming issues for consideration by the office of the director. It will list proposed decisions on rules, fees, game and fish orders, land transactions, and significant permit decisions. Farm Bureau has not taken a position on the proposed plan but is continuing to monitor it as it's developed and implemented.

The MICHIGAN FARM NEWS (ISSN -----) is published semi-monthly except in the months of November, December, June, and July when only one issue is printed, as a service to regular members, by Michigan Farm Bureau, 7373 West Saginaw Highway, Lansing, MI 48917. Member subscription price of \$1.50 included in annual dues of Michigan Farm Bureau regular members. Additional subscription fees required for mailing Michigan Farm News to non-members and outside the continental U.S.A. Application to mail at Second-Class Postage rates is pending at Lansing, MI and additional mailing offices. Letters to the editor and statewide news articles should be sent to: Editor, Michigan Farm News, P.O. Box 30960, Lansing, MI 48909-8460. POSTMASTER: Send address changes to: Michigan Farm News, P.O. Box 30960, Lansing, MI 48909-8460.

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## CAPITOL

## CORNER



## Disaster Assistance

**MFB Position**

Farm Bureau supported the enactment of the disaster assistance program. USDA has announced that farmers in designated disaster areas with less than \$2 million in gross revenue can apply between Feb. 3 - March 13, 1992. During the sign-up, farmers must submit documentation to verify the losses. Farmers are encouraged to go to their county ASCS office in January to determine if the data they have available will comply with the application procedures. This is especially important for non-program crop producers who will probably need to show acreage and field history in recent years. It is expected worksheets should be available in the county ASCS offices beginning in mid-to-late January.

**MFB Contact**

Al Almy, Ext. 2040

President Bush has signed disaster assistance legislation passed by Congress. The legislation provides \$995 million for disaster payments to farmers for crop losses suffered during 1990 and 1991. An additional \$775 million is available only upon the official request of the president. Payments will be available for eligible losses in either 1990 or 1991, at the producer's option. The legislation instructed the USDA to develop eligibility rules under the same terms and conditions as disaster provisions of the 1990 farm bill.

Those provisions are as follows:

- Benefits will be provided for losses in excess of 40 percent to producers without crop insurance.
- Benefits will be provided for losses in excess of 35 percent to producers with crop insurance.
- The payment formula calls for 65 percent of the target price be paid to producers participating in the farm program.
- Producers not participating in the farm program and producers of non-program crops will be paid based on loan rates for the commodity or market prices as appropriate.

Because claims for the disaster payments are expected to exceed the \$995 million appropriated by Congress for the program, no checks will be issued to farmers until all applications nationwide have been received and the data is compiled. Payments will be prorated if claims exceed the money appropriated. For example, if claims were to total \$2 billion, each payment to eligible farmers would be reduced by about 50 percent. The process of compiling data on a nationwide basis is expected to take about one month. If this timetable holds, USDA plans to send the payments to qualified applicants beginning April 16.

## Wetlands

**MFB Position**

Farm Bureau is studying the proposed inclusion of the new items in the regulations of SCS, EPA and Corps of Engineers as well as the methodology and results of the field testing. Although the proposed rule lists the inclusion of items called for by Farm Bureau, it does not mean these items will be part of the final rule or the delineation manual. The provisions that will be included in the final delineation will be the deciding factor.

**MFB Contact**

Al Almy, Extension 2040

The official comment period on the proposed revisions to the Federal Wetland Delineation Manual has been extended from Dec. 14, 1991 to Jan. 21, 1992, for additional comments on the proposed manual as well as on the data derived from the field testing of the manual. An estimated 40,000 letters have been received to-date by the EPA on the proposed manual.

In separate action, the SCS, EPA and U.S. Army Corps of Engineers, three of the four federal agencies involved in wetlands delineation and regulation, have announced plans to integrate parts of the proposed wetlands delineation manual into their regulations governing wetlands pending adoption of a final rule.

Under the plans, each of the three agencies would maintain their current regulatory definition. However, parts of the proposed delineation manual would be added to their overall regulations including:

1. The requirements that all three wetland criteria - hydrology, vegetation and hydric soils - must be met to qualify as a wetland unless otherwise excepted. **Farm Bureau supports these criteria.**
2. The hydrology criterion of 15 consecutive days of standing water or 21 consecutive days of saturation at surface level during the growing season in most years. **Farm Bureau supports the hydrology criterion.**
3. Certain areas referred to as prairie potholes, pocosins, vernal pools, playas and other special areas described in the proposed manual would not have to meet all three of the criteria (see #1 above) to be considered a wetland. **Farm Bureau opposes the exceptions.**

## State Pesticide Regulation Partnership Act

**MFB Position**

Farm Bureau strongly supports these bills, (H.R. 3850 and S.B. 2085).

**MFB Contact**

Al Almy, Extension 2040

Identical bills pending in House and Senate committees would amend the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) to preempt local government jurisdictions from regulating the sale and use of pesticides. The bills would make it clear that only the federal government and states have the authority to regulate pesticides. The legislation is in response to a recent Supreme Court ruling that FIFRA does not expressly preempt local government jurisdictions from regulating pesticides.

The production, management, conservation and marketing decisions critical to farming could not occur under a system that permits more than 83,000 local governments to establish a maze of independent, inconsistent, and political regulations governing pesticides.

## P.A. 116 Farmland Assessments

**MFB Contact**

Ron Nelson, Ext. 2043

Representative O'Connor, (R-Ann Arbor), is sponsoring H.B. 5314, that would require local property tax assessors to assess the value of any farmland enrolled in P.A. 116 agreement in the same manner and using the same factors as property classified as agriculture. Farm Bureau supports the concept of HB 5314 and believes that quality assessing based on actual factors is important for all real property, including farmland.

## Property Tax Reform

**MFB Position**

Supports a reduction of property tax relief of at least 30 percent for school operating with a shift to other sources funded by a combination of:

- Allocate 50 percent of increases in state revenue to school operating.
- Increasing the state sales tax by 2 percent.
- Increasing the Homestead Property Tax Credit, to a maximum of \$3,000 from \$1,200 and increase the Homestead Property Tax Credit from 60 to 85 percent.

**MFB Contact**

Ron Nelson, Ext. 2043

Separate petitions are being circulated for a House Democrat property tax cut proposal and for Gov. Engler's "cut and cap" proposal. Democrats have filed their petitions with the Secretary of State, with the Republicans expected to file soon.

The Democratic proposal would reduce the first \$30,000 of market value or \$15,000 State Equalized Value (S.E.V.) on residential property. The loss of revenue would be made up by removing the capitol acquisition deduction under the Small Business Tax.

The governor's cut and cap proposal would reduce reliance on property tax for school operating by 30 percent, phased in over 5 years with 10 percent the first year and 5 percent in each of the subsequent 4 years. In addition, S.E.V. increases would be limited to an increase of 3 1/2 percent or CPI (Consumer Price Index), whichever is less.

**Special Note:** It is anticipated that both of these proposals will be placed on the 1992 ballot to allow a vote of the people. More information and analysis will be provided at a later date.

## Budget Restoration Measures

**MFB Position**

Farm Bureau supports passage of the bill to provide funding for Soil Conservation Districts and thoroughbred horse racing.

**Action Needed:**

Express support for both of these line items to members of both the House and Senate.

**MFB Contact**

Ron Nelson, Ext. 2043

Senate Bill 213, referred to as "Veto Restoration" or the "Supplemental Appropriation Bill" that would fund a number of budget allocations vetoed by the governor, was approved by the Senate but failed in the House.

Two specific areas of concern to agriculture include funding for Soil Conservation Districts of approximately \$1.1 million and funding for thoroughbred horse racing of approximately \$2 million. The governor has indicated he would sign a bill with funding levels of those amounts.

**Special Note:** The \$2 million returned to the thoroughbred industry is from money generated by the racing industry. An excess of \$20 million is generated annually from track activity of which approximately half is returned to thoroughbred and standardbred, county fairs and other related activities.

## No-Fault Insurance Reform

**MFB Position**

MFB supported action by the Legislature to not allow the sunset provision to expire on Dec. 31, 1991. If it had let the sunset expire, insurance premiums would have increased for many Michigan drivers in order to subsidize urban driver premiums. However, Farm Bureau is very concerned with the Legislature's inability to agree on a workable no-fault reform package.

**MFB Contact**

Darcy Cypher, Ext. 2048

As a last minute effort, S.B. 154, sponsored by Sen. Paul Wartner (R-Portage), was reported out of conference committee containing a compromise agreement to extend sunset provisions in the no-fault auto law for one year and provide a \$15 per car rate reduction. Although the Senate approved the conference report, it was soundly defeated by the House, with many legislators saying the rate reduction was too insignificant.

A final compromise was reached just minutes before the Legislature adjourned. The compromise bill extends the sunset provision for 90 days. Both houses approved the compromise bill and the governor has signed it.

Farm Bureau members have earned a big THANK YOU for all the contacts made with their legislators over the past few months on the issue of no-fault auto reform. It is still very important that you keep the pressure on your legislators to come up with a reform package that includes limits on lawsuits and attorney fees, control of medical costs, allowing drivers to select medical coverage limits, and avoid urban subsidies of rates.

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

**American Farm Bureau Capitol Hotline**  
1-800-245-4630

# Weather

December was a month of transition, with cooler than normal weather early in the month and milder than normal temperatures thereafter. This reflected a major shift in the jet stream pattern from the stormy southwestern flow pattern of late fall to a 'split' flow pattern, where Michigan typically remains between southern U.S. and Northern Canadian storm tracks.

Temperatures across Michigan reflected this shift, averaging about 1 to 4 degrees F above the 30-year normals. Precipitation was generally normal to below normal, with the exception of portions of the Upper Peninsula and northern Lower Peninsula, where lake effect snowfall was abnormally heavy.

The jet stream flow of late December is thought to be a result of this season's El-Nino event, and is likely to continue to persist through much of the winter. As a result, the latest National Weather Service 30-day forecast is calling for a continuation of above normal temperatures and below normal precipitation.

In addition, lake-effect snowfall should be less than normal because of the decreased frequency of arctic air masses across the Great Lakes. If this outlook holds true, this winter season could become the latest in a string of normal or milder than normal winters beginning in 1986-87 (also an El-Nino year).

Jeff Andresen, Ag Meteorologist, MSU

**Michigan and Major Commodity Area Extended Weather Outlook**

T - Temp.	1/15 ..... 1/31	1/15 ..... 3/31
P - Precip.	T ..... P	T ..... P
Michigan	A ..... B	A ..... B
W. Corn Belt	A ..... N	A ..... N
E. Corn Belt	A ..... N/B	A ..... B
Wint. Wheat Belt	N ..... A	N/A ..... A
Spr. Wheat Belt	A ..... B	A ..... N
Pac. NW Wheat	N ..... B	A ..... B
Delta	N ..... N	N ..... N
San Joaquin	N/A ..... N/A	N ..... N

A-Above Average, B-Below Average, N-Normal, MA-Much Above, MB-Much Below, NP-No Precip. Source: National Weather Office

**Michigan Weather Summary**

	Temperature		Precipitation	
	Observed Mean	Dev. From Normal	Actual (inch.)	Dev. From Norm
12/1/91 to 12/30/91				
Alpena	25.9	+2.1	1.44	-0.52
Detroit	32.2	+4.0	1.71	-0.71
Escanaba	25.8	+2.9	1.53	-0.06
Grand Rapids	29.8	+2.5	2.62	+0.03
Houghton Lake	26.5	+3.1	1.77	-0.15
Lansing	29.6	+2.6	1.99	-0.21
Marquette	20.9	+3.3	3.66	+1.14
Muskegon	30.9	+2.6	1.86	-0.74
Saginaw	29.2	+2.0	0.94	-1.04
Sault Ste. Marie	22.1	+2.5	2.51	-0.06
South Bend	32.9	+3.7	1.80	-1.15
Traverse City	29.1	+3.5	3.70	+1.69

## Record Dry Bean Yields Again in 1991

Michigan dry bean growers benefitted from an excellent growing season and posted record yields for the third consecutive year. Planting was completed in a timely fashion during June. Opportune weather during the growing season resulted in an excellent pod set. Excellent fall weather allowed growers to harvest well ahead of normal. This year's crop is estimated at 6.2 million hundredweight (cwt.), 14 percent above last fall, according to the federal/state Michigan Agricultural Statistics Service.

Yields for all dry beans averaged around 1,800 pounds per acre, topping last year's record of 1,650 pounds. Planted acreage of all dry beans at 350,000 acres equalled 1990 acreage. Navy bean

plantings accounted for 255,000 acres and all other classes totaled 95,000 acres. Total acres harvested by Michigan growers totaled 345,000 acres. Navy beans and all other bean harvested acreages were 253,000 and 92,000 acres respectively. Navy bean production totaled nearly 4.6 million cwt., an increase of 29 percent from last year. Production increases were noted for navy beans, dark red kidney and small whites.

Nationally, dry bean production reached a record high 33 million cwt., up 2 percent from last year and 39 percent above two years ago. Bumper crops in the North Central states placed the total 1 percent above the previous record high set in 1981.

## Michigan's Professional Corn Program - Gearing Your Operation for the 90s

Michigan corn producers have an opportunity to learn new skills and fine-tune existing ones through a series of programs at four locations across Michigan, in a new program called Michigan Professional Corn Program, sponsored by the CES's agriculture and marketing program and by the Michigan Corn Growers Association.

Participants will learn how to manage their resources more efficiently and how to evaluate their cropping practices for optimum economic returns and still be compatible with the environment. Classes are scheduled to run from 10 a.m. to 3 p.m. in the following locations: Hillsdale on Jan. 28, Kalamazoo on Jan. 29, Ithaca on Jan. 30, and Caro on Jan. 31. The seminars will include a core program consisting of the following:

- "Domestic marketing opportunities and new corn product development," with Dave Drennan, field representative for the National Corn Growers Association, St. Louis, MO.
- "Enhancing international markets: how do we establish and maintain foreign markets?" with Rick Tolman, USDA Feed Grains Council, Washington, D.C.
- "New corn herbicides: how are they doing?" with Jim Kells, herbicide specialist, Crop and Soil Sciences

Department, Michigan State University.

- "Corn variety selection: what's new and what do we need to consider in selecting a hybrid?" with Peter Thominson, corn specialist, Ohio State University.

In addition, each program will have a tailored presentation to meet local needs including:

- Hillsdale area** - "Manure application: how much fertilizer do you really need?"
- Kalamazoo area** - "How crops respond under stress to irrigation," a report on a Kellogg Biological Station and research project and "Economic feasibility of installing irrigation."
- Gratiot area** - "Corn genetic engineering," with guest speaker Lou Chapko, corn breeder at the Pioneer Corn Breeding Station, Ithaca, MI. "Integrated Pest Management: what is it and how does it work?" with Harold Rouget, CES East Central Region crops agent.
- Caro area** - "Nitrate-nitrogen testing results, sampling guidelines, purpose of the program, interpreting results," and "Fertilizer recommendations - are they feasible?" with Maurice Vitosh, fertilizer specialist, MSU's Crop and Soil Sciences Department.

The \$10 per person registration fee covers materials, lunch and refreshments and should be made by contacting the following county CES offices: Jackson County, c/o Dave Pratt at (517) 788-4292; Kalamazoo County, c/o Maurice Kaercher at (616) 383-8830; Isabella County, c/o Paul Gross at (517) 772-0911; or Huron County, c/o Jim LeCureaux, at (517) 269-9949.

### More Michigan Pickles

Michigan's 1991 production of cucumbers for pickles at 144,000 tons is up almost two percent from last year. Michigan continues to rank first in production, accounting for about 23 percent of U.S. output.

Michigan planted acreage is now 23,000 acres, down 2,000 acres from last year. Harvested acreage of 22,500 acres is down 1,500 acres from 1990. Estimated yield at 6.4 tons per acre is up from 1990's 5.9 tons per acre.

Average price per ton dropped significantly to \$152 per ton, down \$15 from last year. Overall, the total value of production at \$21.9 million is down seven percent from a year ago.

## Shoreline Agricultural Services



### Reel Travellers 100-460 GPM



- Full Flow Turbine — water driven efficiency reduces energy consumption
- Unique Gun Cart — designed for self-leveling and automatic pick up
- Offering the industry's only galvanized gun cart and frame on Rain Star 110 TI
- BAUER REELPIPE™ — medium density; wall thickness designed for maximum life
- Field Proven world-wide for more than 20 years

90 TI: 3.0" ID x 1/3" wall x 985' 100 GPM — 260 GPM

\*110 TI: 3.7" ID x 1/3" wall x 985' 200 GPM — 460 GPM

(Available with engine drive for slurry distribution)

### Reel Travellers by Valmont

\*Manufactured in the U.S.A. Valley, Nebraska

1837 112th Ave. Holland, MI 49424

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## Michigan's Harvest Gathering - a Helping Hand in Time of Need

Michigan's Harvest Gathering, a food and fund drive designed to benefit the Food Bank Council of Michigan (FBCM) and Michigan citizens in need during the holiday season, surpassed its objective in both monetary terms and in donated food items. The donations were distributed by the FBCM to local food banks to help meet increasing demands for donated food items for those particularly hard hit by the downswing in the Michigan economy.

At last count, over 350,000 pounds of food items, and another \$206,932 in funds had been donated, according to the Michigan Department of Agriculture (MDA), surpassing the original goals of \$100,000 pounds of food items and \$100,000 during the first five weeks of the program.

Many of Michigan's farmers participated by donating products through one of 16 participating commodity organizations or through drop off points at 24 different county Farm Bureaus (see list of participating counties).

More than 120 Michigan businesses or organizations have participated, including those who sponsored employee or customer canned food drives. Can drives were also held in schools, in state government offices, and even 21 apartment complexes in Kalamazoo.

At least 16 Michigan businesses have given \$10,000 or at least 10,000 pounds of food, earning the distinction of being named "benefactors" of the Michigan Harvest Gathering. Those businesses include: Awery Bakery; Bil Mar farms and its parent company, Sara Lee; Blue Cross/Blue Shield



Farm Bureau members attending the MFB annual meeting in Grand Rapids played a key role in the food drive effort, bringing nearly 5,000 pounds of food items with them to present to MDA Director Bill Schuette, who launched the program last fall to help the FBCM re-stock local food bank shelves.

of Michigan; Cherry Central; Country Fresh; DOW Chemical; Ford Motor Company; General Motors; Glen's Markets; Kellogg Company; Little Ceasars; Meijer; Michigan Bell Telephone; Michigan Blueberry Growers/Packer Foods; and Spartan Foods.

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### County Farm Bureau's Provide Local Support

Approximately 20 county Farm Bureau's conducted local "Harvest Gathering" activities, with drop off points located at their respective county offices.

Arenac County, one of the first to kick off a local food drive, accepted donated food items for a four week period, according to county president Gerald Golimbieski. "Using our Farm Bureau Insurance office in Standish as a collection point, people dropped off their donations for distribution within the community," he said.

Golimbieski said the Arenac County Farm Bureau worked directly with local charitable organizations to assure that local

community needs were met. Other county Farm Bureaus with drop off points at their county offices included:

Bay	Chippewa
Clare	Clinton
Genesee	Gratiot
Isabella	Kalamazoo
Livingston	Macomb
Midland	Monroe
Montcalm	Oakland
Otsego	Saginaw
Sanilac	Shiawassee
St. Clair	Tuscola
Wayne	

Direct Donations:  
Berrien Gladwin

### Former M.S.U. Dean Receives Farm Bureau's Distinguished Service to Ag Award

Dr. James Anderson, former dean of Michigan State University's College of Agriculture and Natural Resources, became the 67th name on Michigan Farm Bureau's honor roll of "Distinguished Service to Agriculture" recipients since 1956. Anderson was honored during a banquet attended by representatives of the state's agricultural organizations, government agencies, M.S.U., and several hundred farmers in Grand Rapids during Michigan Farm Bureau's 72nd annual meeting.



In presenting the organization's highest honor, MFB President Jack Laurie said it was Anderson's deep commitment to the land grant philosophy that guided his administrative decisions throughout his service as dean from 1977 until his retirement earlier this year.

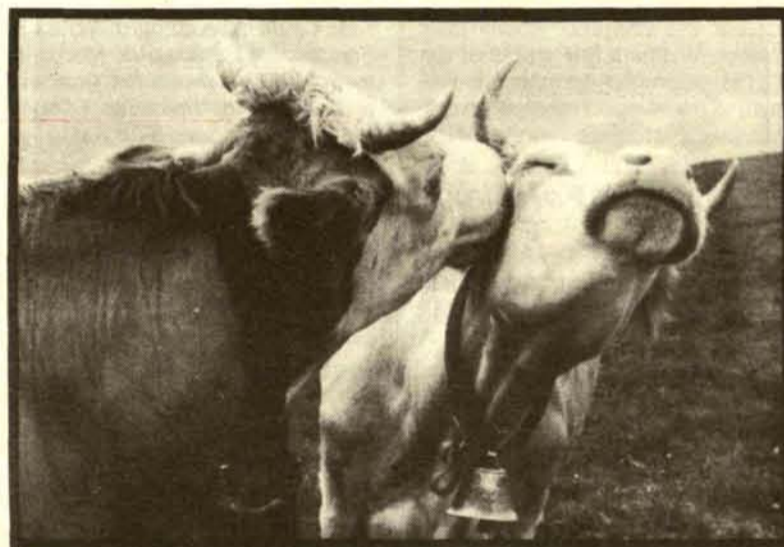
"Under Jim's leadership, we witnessed the development of many outreach programs for agriculture, unique programs like EMAT (Extension Management Assistance Teams) and the expansion of the Kellogg Biological Station designed to encourage research that was close to the farmer," Laurie said.

"More recently, Jim served as a catalyst to bring together many segments of the industry to form a new partnership to positively impact Michigan agriculture called

the 'Project to Revitalize Michigan's Animal Agriculture Industry.' The outcome of this effort will do more than just serve the agricultural sector of this state; it will also provide new jobs and help diversify the state's entire economy."

Laurie said Farm Bureau members associate Anderson's leadership with the creation of an endowed chair for the study of food and agricultural policy at MSU in the name of retired MFB President Elton R. Smith.

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## Apple Growers Win Round One in Alar Lawsuit

Apple growers suing "60 Minutes," the Natural Resources Defense Council (NRDC) and others over the 1989 Alar scare that devastated the apple industry, are heartened by the case's first open hearing in federal court. Currently at issue is whether the case, which was filed in a state court in Yakima, Wash., on Nov. 2, 1990, will be tried in a federal or state court. The growers want it to be heard in a state court, while CBS and the other defendants are pushing for the case to be tried in federal court.

U.S. District Court Judge Robert McNichols for the Eastern District of Washington expressed concern over the fact that what is generally considered a relatively simple issue to resolve has dragged on for over a year. His comments lifted the spirits of Bob Brody, one of several plaintiffs.

"The defendants were clearly trying to string this case out and the judge clearly said he wasn't going to let that happen," Brody said. "All of us are very pleased that he appeared to be saying 'enough is enough, let's get on with it.'"

The lawsuit resulted from a Feb. 26, 1989 segment on the highly rated CBS show "60 Minutes," based largely on information developed by the NRDC and its public relations agency Fenton Communications, a Washington, D.C., based firm.

Calling the chemical Alar deadly, "60 Minutes" said that feeding apples and apple products to children greatly increased the likelihood that the children would later develop cancer. Within a few weeks of the broadcast, the scientific community had broadly rallied to support the safety of eating apples, lambasting the report and the

information it was based on as junk science. It was too late, however, to stave off the devastation in the apple market, which saw the price of apples drop by more than 50 percent in about a week, eventually costing apple growers upwards of \$200 million over a two year period.

Scott Jonsson, head attorney for the growers, said the defendants had sought to have McNichols consider only their request for more discovery and some routine scheduling issues. "Had the judge allowed the hearing to proceed as CBS, the NRDC and Fenton Communications wanted, we would be bogged down in these preliminaries for several more months," Jonsson said. "Instead, the judge heard arguments on the two key issues before the court at this time."

Jonsson said the two issues are whether any of the defendants do business in the state of Washington, and whether any of the apple growers had losses of less than \$50,000. If any of the defendants are residents of Washington or if any of the plaintiffs had losses of less than \$50,000, then the case must be sent back to the state courts.

The judge told the courtroom that he wanted to see the case move as expeditiously as possible, but he also said he realized that this case had national implications. He said he would review the written documents presented during the first round of hearings and rule as soon as possible on whether the case should be sent back to state court. According to Wiley Brooks of Farmers for Responsible Media, they hope to establish a precedent that will protect producers from "bad science," and establish more media responsibility.

## Foreign-Owned Farmland at 1 Percent in 1990

Foreign interest owned 14.5 million acres, or slightly over 1 percent of privately owned U.S. agricultural land at the end of 1990, according to the USDA.

Although that is up 15 percent from the previous year, it should not be cause for alarm, according to Peter DeBaal of the USDA's Economic Research Service, who compiled the report. He said foreign ownership has remained relatively steady from 1981 to 1990, at slightly above or below 1 percent.

DeBaal also noted that 62 percent of the reported foreign holdings is land actually owned by U.S. firms. However, the law requires them to register their landholdings as foreign if at least 10 percent of their stock is held by foreign investors. An increase in foreign ownership from one year to another does not necessarily represent land newly acquired by foreigners, DeBaal said.

"Nor do the numbers necessarily represent exclusive ownership by foreigners," DeBaal said. "A U.S. firm's land holdings can

show up as foreign owned one year but not in another, as the firm's stock passes in and out of foreign hands. The land, however, is owned by the same entity as before."

Corporations own 83 percent of the foreign-held agricultural land in the U.S., partnerships 9 percent and individuals 6 percent. The remaining 2 percent is held by estates, trusts, associations, institutions and others.

About 3 million to 4 million acres of U.S. cropland, pasture and rangeland are owned exclusively by foreigners, according to DeBaal. Forest land accounts for 50 percent of all foreign-owned acreage; cropland, 17 percent; pasture and other agricultural land, 30 percent; and agricultural land not under cultivation, 3 percent.

Investors from Canada own the largest share of the foreign total with 27 percent. The largest share of foreign-owned acreage is in Maine, whose foreign holdings represent about 21 percent of all the reported foreign-owned land in the nation, most of which is forested.

## Mexican Pork Import Ban Raises More Than Tempers

Mexico's recent ban on imports of live hogs and certain fruits has at least one U.S. congressman questioning Mexico's commitment to a free trade agreement. Sen. Loyd Bentsen (D-Texas), chairman of the Senate Finance Committee, said that after the ban took effect, an agreement was reached to resume exports of U.S. fruits to Mexico, but the pork ban is still in place.

In the first nine months of 1991, U.S. exports of hogs, for slaughter and breeding, to Mexico, reached 149,000 animals, valued at about \$14 million. However, in early December, Mexico banned the imports because of concerns about a swine disease called infertility and respiratory syndrome that afflicts U.S. hogs.

U.S. officials maintain the disease peaked in 1989 and has been significantly reduced.

## Dispute Settled on Seed Corn Varieties - Or Is It?

A federal court has awarded Pioneer Hi-Bred International, Inc. \$46.7 million in its 10 year-old claim that seed corn varieties were stolen by a rival firm. The defendant, Holden Foundation Seeds, Inc., denied taking or using any Pioneer breeding stock and called the award "grossly excessive," vowing to appeal the ruling.

Holden Foundation Seeds, based in Williamsburg, Iowa, provides research and corn lines for hundreds of seed companies. Those companies, in turn, provide seed for about 45 percent of the corn grown in the United States each year.

Pioneer, which had asked for a substantially higher figure, said it may also appeal the court's decision. Pioneer also said that the judge barred Holden from selling or otherwise disposing of any of the 177 seed varieties involved in the dispute until the court decides what to do with the material. Pioneer is asking that the seed varieties be turned over to Iowa State University for use in developing public corn hybrids for the seed corn industry. The two parties differ on whether the award will inhibit further research and harm farmers and the seed industry.

## Milk Price on Upswing

Dairy herds in Michigan produced 415 million pounds of milk during November, up 3 million pounds from a year ago, according to the federal/state Michigan Agricultural Statistics Service. Milk production averaged 1,220 pounds per cow, increasing 20 pounds from a year ago. Michigan's dairy herd was estimated at 340,000 head, 3,000 fewer than last November.

The preliminary value of milk sold averaged \$14.10 per hundredweight (cwt.) in November, \$1.00 more than last year and \$.40 higher than October 1991. Mid-month November slaughter cow prices average \$45.50 per cwt., \$.40 less than the previous year.

Milk in the 21 selected states totaled 9.9 billion pounds, 1 percent less than production in these same states in November 1990. Production averaged 1,185 pounds for November, 14 pounds more than November 1990. The number of cows on farms was 8.36 million head in November, 12,000 less than October 1991 and 180,000 less than November 1990.

## Three Grain Elevators in Illinois Shut Down

Three Illinois grain elevators owned by Ostrom Martin, Inc. shut down Dec. 30, unable to pay farmers for grain sold to the elevators, according to Illinois Department of Agriculture's Warehouse Claims Specialist, Dan Wilcox.

Wilcox said the department was investigating the shutdown of the three "average-sized country elevators," and that it wasn't known immediately how much money was owed farmers or how many farmers were involved. According to Wilcox, if the elevators don't reopen, farmers will be paid for their grain by the Illinois Grain Insurance Fund.

According to MFB Commodity Specialist Bob Boehm, although an insurance fund doesn't exist in Michigan to protect farmers in similar circumstances, there are certain measures designed to help guard against elevator closures.

"In Michigan, all licensed elevators are required to submit daily position reports on a monthly basis, and financial statements annually to the Food Division of the MDA," said Boehm. "These reports are scrutinized for any adverse trends that may indicate a deteriorating financial condition."

According to MDA's Dr. Ed Heffron, when an elevator is determined to be in an adverse financial trend, the department moves

# FARM BUSINESS OUTLOOK

The industry also maintains that the disease is common in Mexico, making the import ban questionable since there is not a chance of contamination to Mexican hogs from U.S. hogs.

"Given the importance of this trade pact for both the U.S. and Mexico, it will be essential that any North American Free Trade pact include adequate measures to deal with the imposition of sanitary measures," said Bentsen. "In the meantime, no such measure should be imposed without adequate justification and without sufficient prior notice to the other party."

quickly to meet with the operators on an informal basis to discuss concerns and suggest corrective measures. Heffron said this procedure has headed off some potential disasters in Michigan by encouraging liquidation prior to elevator insolvency.

What are some red flags to watch for? Dr. Heffron and Ron Stebbins, president of the Michigan Agri-Business Association, offer the following pointers.

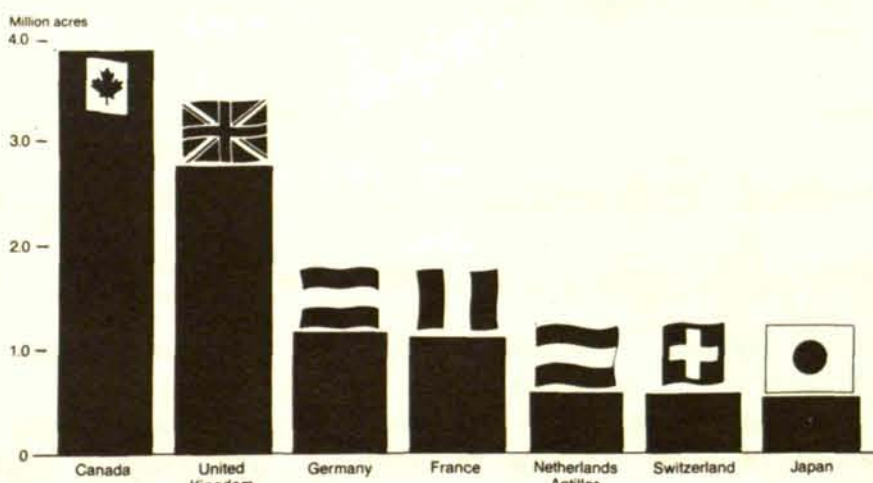
### Red Flags

- Slow payment.
- Offering better deals than competitors without any explanation.
- Offering good prices, but due to high charges for foreign matter, drying, shrink etc., net returns are significantly reduced.

### Things You Can Do

- Do business with more than one concern.
- Choose the type of transaction that best fits your operation. If it's storing grain, then consider a warehouse receipt; if the choice is a price later agreement or deferred price contract, ask for a security agreement with the elevator to improve your security position.
- Make sure you know who you're doing business with. If you're not comfortable, then do business elsewhere.

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Michigan State University – Department of Agricultural Economics

# 1992 Agricultural Outlook

January 15, 1992

7

## Economic Recovery — Hinges on Consumer Perception

Lester V. Manderscheid and Mike Kelsey

It now appears that real Gross National Product (GNP) was lower in 1991 than in 1990. While the dollar value for GNP increased, correcting for inflation shows that the actual output of goods and services in the economy fell.

The last half of 1991 can be characterized as exhibiting slow growth, sideways movement, or the pause before the second dip of the recession, depending on whether one is an optimist, a pessimist or somewhere in between. Consumer prices, as measured by the Consumer Price Index (CPI), increased at a rate slightly over 4 percent. With moderate inflation and a sluggish economy, the Federal Reserve system lowered the interest rates to their lowest level since the mid 60s.

Beginning in 1992, the usually published measure of the total output of goods and services will be changed from the GNP concept to the Gross Domestic Product (GDP) concept. GDP covers the goods and services produced by labor and property located in the U.S. On the other hand, GNP covers the goods and services produced by labor and property supplied by U.S. residents whether located in the U.S. or abroad. For the U.S., the dollar levels of GDP and GNP differ by only a small amount—less than 1 percent in recent years.

The change to GDP is being made for two reasons. First, it's a more appropriate measure for short-term monitoring and analysis of the U.S. economy. GDP is also consistent in coverage with other indicators such as employment and unemployment statistics, industry output and business investment. Accurate estimates can be made earlier than for GNP because of the difficulties in obtaining valid estimates of the international flows of payments for labor and property services. The second reason for the change is that most other countries, including Canada, use GDP and it is the standard measure in international guidelines for economic accounting.

### Trend in 1992?

Key factors, short of military actions, to watch in 1992 are consumer confidence and fiscal policy. A year ago we reported that consumer confidence had fallen drastically as a result of the situation in the Persian Gulf. It was noted that a major rebound in consumer confidence would need to occur for the economy to exhibit significant growth. Consumer confidence did rebound following the end of the war, but fell again on news of lay-offs and plant closings. Recent announcements of further General Motors plant closings and other economic

slowness worsened consumer uncertainty and a willingness to make major purchases.

The federal government is clearly considering a more stimulative fiscal policy. President Bush has promised to announce his recommendations at the State of the Union address. Congress appears anxious to adopt quickly some kind of policy.

Given that 1992 is an election year, we expect some type of fiscal stimulus to be enacted in the first quarter of 1992, primarily in the form of tax changes.

There are signs that the economy is in better shape than is suggested by recent front-page news and the low level of consumer confidence. For example, employment in the services industry has shown considerable strength in recent months, adding more than 700,000 jobs in the past 16 months. About three-fourths of this expansion was in the health services industry. Unemployment has remained below 7 percent, interest rates are relatively low, durable goods orders have been up the last two months and business inventories are at modest levels. A basis exists for economic expansion if fiscal stimulus or other factors increase consumer purchases.

Our view is that economic growth in 1992

will begin at a slow pace with the national unemployment rate reaching 7 percent or slightly higher. Growth will accelerate during the second and third quarters before leveling off. On balance, real economic activity should be about 2 percent higher in 1992 than in 1991. This would still leave real output less than 2 percent above the 1990 level, but would set the stage for continued growth in 1993. While this outcome is the most probable one, there is a small probability of another recession in 1992 with economic activity remaining near 1991 levels on average. This more pessimistic scenario could come about if consumer confidence fails to rebound and fiscal policy changes are not enacted or are ineffective.

Inflation in 1992 will be slower than in 1991. Using CPI as a measure, prices will increase about 3.5 percent unless there is a major shock such as a major increase in oil prices.

The Michigan economy will be significantly affected by consumer confidence as expressed in their willingness to purchase automobiles and other durables. If the national economy grows about 2 percent, we can expect that the Michigan unemployment rate will decline about 0.5 percent from the 1991 level of over 9 percent. Employment increases will be largest in manufacturing and the service industries.

**"There are signs that the economy is in better shape than is suggested by recent front-page news and the low level of consumer confidence..."**

## Michigan Farm Income in 1992? – Slight Growth Likely

Jake Ferris

The aggregate farm income picture will not likely change much in 1992 relative to 1991. This means net returns will remain below the level of 1990. (See table on Cash Farm Income in Michigan.)

Trends in recent years have been somewhat mixed, however. Cash income from marketings of crops have increased, being partly offset by reduced government payments. The cut in government payments can be traced to a decline in deficiency payments under the Feed Grain Program and phasing out of the Dairy Termination Program.

Cash receipts from livestock dropped noticeably in 1991 mostly due to a \$1.70 per cwt. fall in milk prices. Lower prices, in combination with reduced output, also pulled down receipts on hogs in 1991. Expanded production of cattle and calves countered lower prices, leaving gross receipts about the same as in 1990.

### Crops

With cash expenses up by 3-4 percent or so in 1991, net cash income to Michigan farmers is estimated at \$1,132 million, 10-15 percent below 1990. The prospects for net cash income in 1992, of course, will depend on the weather. With normal weather, cash receipts from crops should increase. Part of this will be derived from remaining sales of large 1991 crops of corn, soybeans and dry beans. In addition, a normal growing season in 1992 should yield a much larger wheat crop than in 1991. Also, larger corn and sugar beet crops are likely. Most crop prices in calendar year 1992 are expected to be stable or even stronger than during calendar year 1991.

### Livestock

Gross income in 1992 from livestock is projected to remain about the same as in

1991. With both production and price of milk slated to increase slightly, a gross of \$681 million for dairy farmers is forecast, up \$20 million over 1991.

Increased output of cattle and calves is again expected to offset lower prices. Gross receipts from hogs may be down some as prices decline more than production increases. Turkey output will probably outpace any price decline. Gross from eggs will likely be slightly lower in 1992.

Government payments are projected to continue near to \$130 million in 1992. While deficiency payments under the Wheat and Feed Grain Programs will be less, disaster payments and Conservation Reserve outlays will increase.

Gross cash income to Michigan farmers is forecast at \$3.5 billion in 1992, about \$115 million, or just over 3 percent, above 1991. Cash expenses, at \$2.3-2.4 billion, will also increase by a similar percentage, leaving net cash income only slightly above the 1991 level.

*Odds are that the apple crop will be smaller and the tart cherry crop larger in 1992 with somewhat lower gross sales from fruit likely.*



**Cash Farm Income in Michigan, 1986 – 1992**  
(Million \$)

	1986	1987	1988	Year 1989	1990	1991*	1992**
<b>Gross Cash Income</b>							
Farm Marketings							
Crops	1350	1346	1546	1612	1785	1813	1916
Livestock	1240	1282	1210	1311	1398	1283	1281
Government Payments	221	391	303	262	169	127	130
<b>Other Farm Income</b>	123	135	143	168	180	192	204
<b>Total</b>	<b>2935</b>	<b>3155</b>	<b>3202</b>	<b>3352</b>	<b>3532</b>	<b>3415</b>	<b>3531</b>
<b>Cash Expenses</b>	<b>1998</b>	<b>2042</b>	<b>2038</b>	<b>2104</b>	<b>2212</b>	<b>2283</b>	<b>2356</b>
<b>Net Cash Income</b>	<b>937</b>	<b>1114</b>	<b>1164</b>	<b>1248</b>	<b>1320</b>	<b>1132</b>	<b>1175</b>

Source: Michigan Agricultural Statistics Service and Economic Research Service, U.S. Department of Agriculture for 1986 to 1990.  
\* Estimated \*\* Forecast

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1992 Commodity Supply/Demand and Price Projections

Jim Hilker

Corn

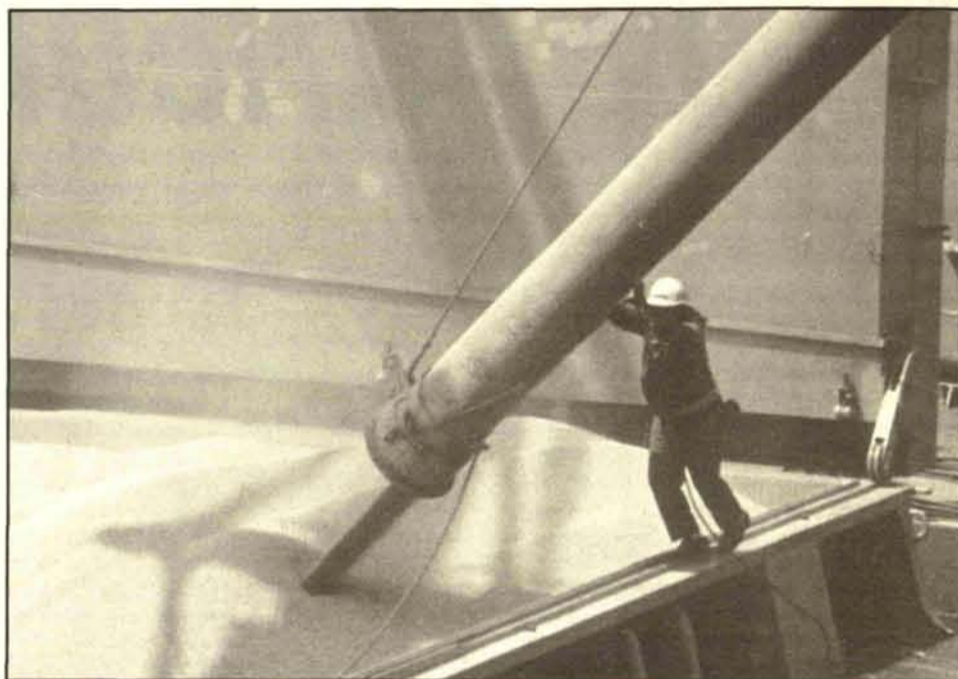
Without a weather scare or a significant change in projected demand, the 1992 corn price will average about the same as 1991. To analyze this and how prices may vary from this scenario, we need to first examine the projected 1991-92 U.S. corn supply/demand picture and then the 1992-93 projected U.S. corn supply/demand situation. The Corn Supply/Demand Balance Sheet report is shown in Table 1. Total supply is down about 3 percent for the 1991-92 corn marketing year compared to the year before. The decrease in production due to the drought in the Midwest more than offset the larger beginning stocks.

On the demand side for 1991-92, which is still a projection at this time, total use is expected to be up only slightly. Feed use is expected to be up 3 percent as we see expansion in the poultry, hog and beef sectors, along with expected lower wheat feeding this coming summer. Food, seed and industrial use will grow marginally as ethanol use continues to grow. Exports is really the disappointment, as the USDA expects them to be down almost 9 percent, despite the very poor crop in what is now called the Commonwealth of Independent States (CWI), formerly the USSR. One problem is

that other areas of the world had good coarse grain crops and there is lots of feed wheat available worldwide. Another problem is the CWI does not have the financial resources to come close to being able to make-up their shortfall despite the credit programs.

Ending stocks will be down significantly from last year even with little growth in use due to the lower supply. The USDA is projecting ending stocks of 1.234 billion bushels, 15.9 percent of use. While this is sufficient, it is relatively tight in the sense the market would scare easily with any adverse weather conditions. It also would not surprise me if ending stocks actually are a bit smaller as I am slightly more optimistic on both exports and feed use. An ending stocks ratio of above would lead to an annual average price in the \$2.45 per bushel range. Given we are below that now, it would indicate higher prices in the spring to allocate demand.

Another key to this year's prices is expectation for next year, 1992-93. I have put together a "most likely" scenario in Table 1. We are expected to have a little more acreage as the set-aside is decreased



Becoming ever more critical, the export demand picture looks good for wheat, down almost 9 percent for corn, and questionable for soys depending on Brazil's crop.

Wheat

We came into the 1991-92 wheat marketing year last May with larger beginning stocks and less acres planted (see Table 2). On top of this, we had a 3 bushel lower than trend yield and a lower than normal proportion harvested, leading to a much smaller total supply even with the larger carry-in. Total use, however, is projected to be slightly above last year's, which will dramatically lower ending stocks.

Feed use this past summer was down from the previous year due to wheat prices being relatively higher, but feed use was still historically high. The pleasant surprise on the use side is that export projections are up. Projected ending stocks are the tightest since the 1970s and is the reason we are seeing prices near the \$4.00 per bushel level. Prices would be higher if both Canada and the EC had not had record wheat crops and large stocks.

Unfortunately, producers have sold most of their wheat, keeping the projected weighted 1991-92 annual average price lower. The poorer spring wheat crop was not known until September and the larger than expected CWI demand was not known until early December. Nevertheless, the low ending stocks will help this next year's prices.

1992-93, acreage will be up 5-6 million acres as set-aside was lowered from 15 percent to 5 percent, greatly increasing production. This, along with projected use being somewhat less, will increase projected ending stocks, but should keep prices over \$3.00 per bushel. Again, stocks will be tight enough that a negative weather situation will be very positive for prices, and last fall much of the winter wheat did not get a good start.

from 7.5 percent to 5 percent. This means if we go back to a trend yield, we will have a larger production as shown, despite lower beginning stocks (notice I have gone with my bias and used a smaller beginning stocks figure than the USDA ending stock figure for 1991-92). With this scenario, we would increase ending stocks significantly even with the shown higher use. The 18.5 percent stocks-to-use ratio shown for 1992-

93 in Table 1 would indicate prices in the \$2.30 per bushel range. However, if yields dropped to 110 bushels per acre, about this year's level, ending stocks would be quite tight and could send prices into the \$2.50-3.00 area for 1992-93. The main point here is that if there is much of a weather scare this spring, it will provide a good selling opportunity for both this year's and next year's crops.

Soybeans

The U.S. Soybean Supply/Demand Balance Sheet projections out through 1992-93 are in Table 3. The bottom line is much like that for corn in that there is a sufficient supply, but projected ending stocks are tight enough that a scare of a short crop in 1992 would be quite bullish. Total 1991-92 supply is 6 percent above last year, due to a larger carry-in and a little higher production due to more acres.

Total use is projected to be almost 8 percent higher due to both strong crush and higher export figures as the livestock sector grows and Brazil had a smaller crop last spring. The increase in use basically offsets the increase in supply and the resulting 15.9 percent stocks-to-use ratio means annual average prices in the \$5.50 range for 1991-92.

As shown in Table 3, the 1992-93 supply/demand situation is not expected to change much from this year. In addition to watching our weather this spring, we need to be monitoring the South American crop this winter. If they have a good crop, it will hurt our exports next year relative to this year. Right now you can price new crop higher than old crop even though the supply/demand situation would indicate otherwise. Keep an eye on this over the winter and spring for forward pricing opportunities.

Table 1  
SUPPLY/DEMAND  
BALANCE SHEET FOR  
CORN

	Hilker's		
	1990-91	91-92	92-93
<b>Corn Acreage (Million Acres)</b>			
Acres Set-Aside and Diverted	6.3	4.7	3.5
Acres Planted	74.2	75.9	77.5
Acres Harvested	67.0	68.7	70.0
Bu./A. Harvested	118.5	108.9	120.0
<b>Stocks (Million Bushels)</b>			
Beg. Stocks	1344	521	1198
Production	7933	7486	8400
Imports	4	2	2
Total Supply	9281	9009	9600
<b>Use:</b>			
Feed/Residual	4709	4850	4975
Food, Seed and Ind. Uses	1325	1350	1375
Total Domestic	6025	6150	6350
Exports	1727	1575	1750
Total Use	7761	7775	8100
Ending Stocks	1521	1234	1500
Ending Stocks, Percent of Use	19.6%	15.9%	18.5%
Regular Loan Rate	\$1.57	\$1.62	\$1.72
<b>U.S. Season Average</b>	<b>\$2.20</b>	<b>\$2.10-</b>	
<b>Farm Price, \$/Bu.</b>	<b>\$2.28</b>	<b>\$2.60</b>	<b>\$2.60</b>

Source: USDA

Table 2  
SUPPLY/DEMAND  
BALANCE SHEET FOR  
WHEAT

	Hilker's		
	1990-91	91-92	92-93
<b>Wheat Acreage (Million Acres)</b>			
Acres Set-Aside and Diverted	3.2	10.0	3.5
Acres Planted	77.3	69.9	76.0
Acres Harvested	69.4	58.1	65.0
Bu./A. Harvested	39.5	34.1	37.0
<b>Stocks (Million Bushels)</b>			
Beg. Stocks	536	866	414
Production	2736	1981	2405
Imports	37	39	31
Total Supply	3309	2886	2850
<b>Use:</b>			
Food	796	800	810
Seed	90	97	100
Feed	489	350	250
Total Domestic	1375	1247	1160
Exports	1068	1225	1150
Total Use	2444	2472	2310
Ending Stocks	866	414	540
Ending Stocks, Percent of Use	35.4%	16.7%	23.3%
Regular Loan Rate	\$1.95	\$2.04	\$2.21
<b>U.S. Season Average</b>	<b>\$2.85</b>	<b>\$2.60</b>	
<b>Farm Price, \$/Bu.</b>	<b>\$2.61</b>	<b>\$3.05</b>	<b>\$3.60</b>

Source: USDA

Table 3  
SUPPLY/DEMAND  
BALANCE SHEET FOR  
SOYBEANS

	Hilker's		
	1990-91	91-92	92-93
<b>Soybean Acreage (Million Acres)</b>			
Acres Planted	57.8	59.8	59.0
Acres Harvested	56.5	58.6	57.7
Bu./Harvested Acre	34.1	33.5	34.0
<b>Stocks (Million Bushels)</b>			
Beg. Stocks	239	329	315
Production	1926	1962	1962
Imports	2	5	3
Total Supply	2167	2296	2280
<b>Use:</b>			
Crushings	1187	1235	1250
Exports	557	650	625
Seed, Feed and Residuals	94	98	100
Total Use	1838	1981	1975
Ending Stocks	329	315	350
Ending Stocks, Percent of Use	17.9%	15.9%	17.7%
Regular Loan Rate	\$4.50	\$5.02	\$5.02*
<b>U.S. Season Average</b>	<b>\$5.25</b>	<b>\$5.20</b>	
<b>Farm Price, \$/Bu.</b>	<b>\$5.75</b>	<b>\$5.75</b>	<b>\$5.80</b>

Source: USDA



## Modest Increase In Food Prices Predicted For 1992

Mary Zehner

Food prices in 1992 will increase at the lowest level since 1986, according to U.S. Department of Agriculture forecasts. Overall, food prices in 1992 are likely to be 2-4 percent above 1991. Prices for food at home are seen as rising in the 1-3 percent range, while prices for food away from home are forecast to rise in the range of 3-5 percent.

This year's food prices forecast reflects a continuation of moderate prices in most food categories, very similar to last year. Large supplies of some food commodities are expected, pointing to lower commodity prices and only modest gains in the Consumer Price Index for food this year.

Disposable income is expected to increase slowly in 1992 and consumer demand for food will be lackluster. As a result, general economic conditions will continue to have a depressing effect on food prices, at least through the first half of 1992.

Income growth will probably be too little to offset the effect of larger meat supplies in 1992, and red meat and poultry prices will likely average below 1991. Fruit and vegetable prices are expected to remain high. Fresh citrus supplies from California will be larger than last season's freeze damaged crop, but smaller than the pre-freeze crops. Fresh vegetable prices will be influenced by the whitefly infestation in California and lower vegetable acreage in Florida and Mexico. Prices for most other foods will rise modestly at a rate below the general inflation rate.

Declines in beef production in 1989 and 1990, and the resulting tight supplies, pushed retail beef prices to record high levels. Tight supplies continued into last year along with high prices. Beef production in 1992 is expected to be slightly larger than year-earlier levels for most of the year. Retail prices for beef are expected to average near, to slightly below, 1991 levels.

## Table Egg Market - Larger Supplies Lower Prices

Allan Rahn and Henry Larzelere

Table egg prices during the last quarter of 1991 averaged about 10 cents per dozen below the preceding year despite a late November rally that pushed prices (Grade A, white, cartoned, to volume buyers in New York) into the mid 80 cent range just prior to Christmas. Net returns were lowered even further in December as higher corn and soybean meal prices also pushed up egg production costs 1 to 2 cents per dozen.

The number of table-egg type layers on U.S. farms on Dec. 1 was estimated at 235.2 million, 2 percent above year earlier levels. Table egg production in November was also 1 percent greater than the previous year. Egg-type chick hatch was 1 percent higher and egg production potentials will continue to increase into early 1992 as hatch for every month in 1991 was above its corresponding 1990 level. Furthermore, substantial increases have occurred in the number of new pullets going into hatchery supply flocks.

Table egg prices are expected to weaken in January - a typical seasonal decline from December to January is around 10 percent. Expect prices in 1992 to average in the mid 70 cent range during the first quarter of 1992 with a price drop into the upper 60s during the second quarter of the year likely to.

Pork production also declined in 1990, causing tight supplies and high prices well into 1991. Pork production in 1992 will expand, resulting in retail prices averaging as much as 10 percent below last year.

Poultry production continued to grow at a rate of 5 percent last year, and production will continue to expand, but at a slower rate this year. With larger supplies of red meats this year, poultry prices will likely average below the levels of 1991.

Retail prices for dairy products last year averaged below year-earlier levels. Retail dairy prices were particularly high in 1990 following a period of low milk production and strong demand for processed dairy products. Production has since fallen somewhat and retail prices have been rising, but remaining below 1990s highs. Retail dairy prices in 1991 are expected to rise a very modest 1-3 percent.

Weather had a dramatic impact on fruit and vegetable production in 1991. A hard freeze in California a year ago at Christmas severely damaged citrus crops, greatly reducing fresh market orange supplies. Cold, damp weather continued on the West Coast into the spring, slowing vegetable growth and causing voids in the market pipeline. In the fourth quarter, vegetable harvest was slowed due to whitefly infestations and prices rose, particularly for lettuce.

Fresh orange prices will likely remain high through 1992, keeping the fresh fruit CPI about level with 1991. The whitefly situation of southern California will continue to hamper production through the first quarter of this year. Prices for a number of fresh vegetables will be high and supplies will be short. As the vegetable harvest moves from southern California in the second quarter, supplies and prices of fresh vegetables will return to more normal levels.

### Changes In Food Price Indicators

	1990	Forecast 1991
<b>Consumer Price Indexes Percent</b>		
All foods	3.2	2 to 4
Away from home	3.7	3 to 5
Food at home	2.9	1 to 3
Meat, poultry and fish	2.3	-3 to 0
Meats	3.3	-3 to 0
Beef and veal	3.2	-1 to 1
Pork	3.2	-10 to -7
Poultry	-1.0	-3 to 0
Fish/seafood	0.9	0 to 3
Eggs	-2.1	-7 to -4
Dairy products	-1.2	1 to 3
Fats and oil	4.7	1 to 3
Fruits/Vegetables	5.4	0 to 3
Fresh fruits	13.3	-1 to 3
Fresh vegetables	4.6	0 to 3
Proc. fruits/veg.	-1.6	1 to 3
Processed fruits	-3.5	1 to 3
Processed vegetables	1.1	2 to 4
Sugar and sweets	3.7	4 to 6
Cereals/bakery prod.	4.3	4 to 6

Sources: Historical data: Bureau of Labor Statistics;  
Forecasts: Economic Research Service, USDA.



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# 1992 Dairy Outlook – a Better Year Ahead for Most

10

Larry Hamm and Sherrill Nott

The dairy outlook for 1992 looks brighter than what the Michigan and U.S. dairy industry experienced in 1991. However, given how traumatic 1991 was, this outlook still will present challenges for many Michigan dairy producers.

Michigan's dairy production held up well during 1991 given the historically low milk prices experienced in the first half of the year. By summer, the low milk prices were causing reduced production in most major dairy states, including Michigan. However, by September, Michigan's production was running above 1990 levels. For all of 1991, Michigan production should be around 5.3 billion pounds. This would be the highest level since the pre-buyout year of 1985.

The dynamics of how this production increase took place reinforces the basic structural trends in the U.S. dairy industry. Financial stress, retirement, etc., result in several hundred dairy farms leaving the Michigan industry. Since 1985, around 2,800 dairy farms have left Michigan's rural landscape. Only around 840 of those were buy-out participants. Along with the dairy farms went some of the dairy cows. The Michigan dairy herd will start the year at around 343,000, about 100 cows less than Jan. 1, 1991. In 1985, there were 394,000 dairy cows in Michigan.

For total production to reach the 5.3 billion pound level meant that those producers and cows remaining have been working overtime to increase productivity. The average production per cow in 1991 in Michigan will reach around 15,600, up 1,500 pounds per cow from 1985. The extra 15 cwt. per cow were necessary to compensate dairy producers for the extremely low 1991 prices. The average all milk (3.5 percent test before deductions) price for Michigan in 1991 will be about \$12.25 per cwt; nearly 4 percent lower than 1985 and 15 percent lower than 1990 price levels. In fact, the 1991 Michigan all milk price was equal to 1979 levels.

Anything related with machinery and equipment increased from 4-5 percent during 1991. Given the structure of the supplying industries, expect a similar increase during 1992 despite recessionary impacts.



## 1992 Price Outlook is Brighter

As milk supplies in the U.S. declined this fall, milk prices rose. Prices in the fall of 1991 held up better than last year. The outlook for this year will depend on a tug-of-war between stagnant milk supply and static milk demand.

The financial stress of 1991, combined with falling milk prices during the first third of 1992, will hold milk production down. Milk production for 1992 will be unchanged from 1991 levels of 148.8 billion pounds. Normally (over the last 10 years) this production forecast would have been very bullish for the dairy markets because commercial demand for dairy products was increasing 2-3 percent a year. That kind of increase against a static production increase would lead to price increases like the industry saw in 1989 and 1990.

Will dairy demand hold up? For 1991, commercial demand will be virtually unchanged or lower than 1990. The USDA's recent 1992 projection of another 2-3 percent increase was made before the latest round of recession news. Commercial demand will not likely increase by that much in 1992. Commercial demand will likely be unchanged to up about 1 percent from 1991 levels. A modest increase, combined with static production growth, will provide greater price strength.

The average all-milk price (3.5 percent test before deductions) for Michigan for 1992 will likely range between \$12.45 and \$12.85 per cwt. Prices to the farm may drop as low as \$11.50 this spring and recover to over \$13.50 next fall. Prices could be higher if demand picks up or supply contracts further this spring. However, any significant production increase (more than 2 percent) in the U.S. could cause milk prices to drop to 1991 levels. Continued price volatility will put renewed emphasis on dairy farm cash flow planning.

The 1991 CCC surpluses as measured by the total solids milk equivalent method were below the 7 billion pound trigger level. Therefore, producers will not be as-



Dairy policy, which directly affects prices, is now set for 1992. The budget deficit assessments will increase from 5 cents to 11.25 cents, effective Jan. 1. These can increase further on May 1 after ASCS processes the refunds from producers who did not increase production in 1991.

essed for surplus purchases in 1992. The USDA is in the middle of requests for changes to the federal milk marketing orders and the Minnesota-Wisconsin (M-W) price. Any decisions they make, while affecting all dairy producers, will not likely impact in 1992. Likewise, any GATT concessions granted by the U.S. will not impact in 1992.

## Dairy Farm Expenses to Increase

Feed prices have trended downward for the last three years. If they drop another 1 or 2 percent, this will have a big impact on dairy farm profitability. On those few farms where all feed is purchased, feed is 45-50 percent of total costs. On farms where roughage and grain is grown, purchased feed is 25-30 percent of total costs.

In early December, the USDA was forecasting ample supplies of feed grains, suggesting prices would stay the same or be lower during 1992. Dairy farmers who buy feed as commodities should be able to achieve lower feed costs. Processed feeds provided by value added handlers, such as milk replacer, vitamins and minerals, are likely to have higher prices in the coming year.

The index of fuel and energy prices averaged less in 1991 than in 1990, although they bottomed out in the third quarter. Prices could drift lower in 1992. Electricity is expected to increase in price as utilities deal with higher machinery and wage costs.

Seed and interest costs were a bit lower in 1991 than in 1990. Seed prices may not change much, but interest could well come down one or two percentage points. Cash savings here will apply only to those who borrow money on variable interest contracts. For those with fixed interest contracts, the first part of 1992 may be a time to renegotiate or refinance for lower interest rates. Don't expect supplier credit or credit card interest rates to drop.

On the crop production side of dairy farming, fertilizer prices were up about 2.3 percent during 1991. Some expect a further increase of 6-7 percent in 1992. Agricultural chemicals showed the highest increases in recent years. They could easily increase as much again in 1992.

Wage rates will not likely increase in 1992. Managers should be able to hold down wage rates for beginning workers. For dairy farmers considering new building projects, labor intensive services such as contractors may be attractively priced in 1992 compared to last year. Just be sure quality control is built into the contract.

Dairy farmers will likely spend more time, and perhaps more money, on required record keeping. Increasingly stringent standards are coming on line for tracking crop chemical use, manure application and animal drugs. This is the year for managers to look into how they can most effectively accomplish these added tasks which should reduce the potential costs of future liability.

Personal computer technology costs have dropped drastically in recent months. If you're thinking of getting started or if you want to upgrade an older unit, 1992 is the time to do it. The hardware is small in exterior dimensions, quicker speed and high in storage capacity and the software is getting easier to learn. A computer system may be a big part of the answer to those increased record keeping needs.

## Summary and Conclusions

Dairy market uncertainty continues. Market fundamentals suggest that milk prices will be up this year, but not to the levels of 1989 and 1990. On the cost side, there appears to be a window for refinancing in the first part of 1992. All in all, 1992 should be a better year, but still one that will stress parts of the Michigan industry.

# Hogs and Cattle – Watch Demand and Competing Meats

Jim Hilker

Record pork production is forecast for 1992, with production expected to be 5-6 percent above 1991 levels. The Dec. 1 Hogs and Pigs Report released Jan. 3 shows total hogs and pigs up 5 percent, kept for breeding up 5 percent and kept for market up 5 percent, all compared to the previous year. Surprisingly, the September-November farrowing was up only 4 percent versus the 8 percent intentions in the September report.

Market hogs over 180 pounds were up 5 percent, from 120-179 pounds up 6 percent, from 60-119 pounds up 4 percent and those under 60 pounds up 4 percent, again compared to last year. These numbers tell us the

expected production through spring are more positive than expected, especially for the spring quarter. Watch for spring forward pricing opportunities on this rally.

We can get some indication of production for the second half of 1992 by looking at the farrowing intention numbers for the report. December-February farrowing intentions were listed as 7 percent above last year; this would supply the hogs for this summer. The March-May farrowing intentions were shown to be 1 percent above this past year and would supply the hogs for this fall.

If the weak demand for pork continues, we may spend a considerable amount of time in 1992 with hog prices below \$40 per cwt.

Competing meats and the income effects of the slack economy have both dampened demand. If the economy picks up, we may see the top side of my forecasts; if it doesn't, the low side is more likely.

## Cattle

First quarter prices are expected to average in the \$37-41 per cwt. range, second quarter prices in the \$35-40 per cwt. range, third quarter in the \$39-45 per cwt. range and fourth quarter in the \$37-42 per cwt. range. If a rally due to this report gives pricing opportunities above the ranges, consider doing some forward pricing.

Cattle herd expansion is expected to accelerate in 1992. The 1992 calf crop is ex-

pected to be up over 2 percent. The expansion is due to cow-calf producers having positive cash returns since 1986. Although the feeder supply will increase, it will remain tighter than the early 80s. The all weights average feeder cattle price is expected to decline from the 1991 record of near \$93 per cwt. to \$86-92 per cwt.

Cattle slaughter is expected to increase 2 percent in 1992 over 1991. However, the production increase may not be quite as high, as weights are expected to drop some. Choice steer prices are expected to average \$71-77 per cwt. in 1992 with a fairly normal seasonal pattern. The economy will continue to play a large role in cattle prices along with the relative prices of competing meats.

## Are Michigan Farmland Values Stabilizing?

Steven Hanson and Ralph Hepp

Land prices in Michigan continued to rise for the fourth year in a row. USDA estimates of Michigan farm real estate values indicate the price per acre of land and service buildings averaged \$1,085 in January 1991, up 8 percent from the previous year's value, and up 17 percent from the low in 1987.

This trend is consistent with a Michigan State University survey which asked for the prices of high quality and low quality corn-soybean-hay (C-SB-H) land and sugar beet land. The high quality C-SB-H average land price was \$975 per acre, up 5 percent from the previous year, while the low quality C-SB-H land price averages \$618 per acre, up 3 percent from the previous year. The average price of sugar beet land was \$1,362 per acre, a 9 percent increase over the previous year.

However, the increases in land values appear to be stabilizing. Respondents to the Michigan State University survey estimated that C-SB-H and sugar beet land prices would increase by only 1 percent and 4 percent, respectively, for the current year. A recent survey by the Federal Reserve Bank of Chicago indicated that October 1991 land prices in Michigan were only 2 percent higher than land prices in October 1990. Farmland values were unchanged during the July to October, 1991 period.

Lower interest rates on farm mortgages should put upward pressure on land prices, but weakening farm income prospects are resulting in sluggish land prices. Corn and soybean exports have declined over the last year and the situation in the Soviet Union

has created substantial uncertainty about future export levels. Dairy prices have been relatively weak throughout the year and increases in livestock production are beginning to exert downward pressure on livestock prices. Land prices tend to reflect the discounted value of future cash flow levels from the land. Farmers appear to have incorporated the softening income levels into land prices, resulting in a leveling off of land prices.

Increasing concern over environmental issues is also having a depressing effect on land prices. Liability issues related to potential environmental hazards are resulting in substantial environmental appraisal costs which increase the cost of purchasing land. The higher transaction costs tend to reduce the expected return from land purchases, causing buyers to reduce the amount they are willing to pay for land.

Credit will be available for land purchases from traditional agricultural lenders for good credit risks. The borrowers will need to show that the business has adequate cash flow to meet repayment schedules. A strong balance sheet and other credit factors are necessary requirements for farm businesses to expand and finance land purchases.

The short-term outlook for the farmland market in Michigan is for prices to remain stable, failing to keep pace with inflation, which has been running about 4 percent in recent years. If farm income levels continue to trend downward and/or interest rates increase, look for land prices to adjust downward. The increasing concern over environmental issues will also continue to place downward pressure on land prices.

After a four-year increase in value, land prices are expected to level off in 1992.



Paul Vlietstra and Jerry DeBlecourt are partners in F. Peterman Greenhouses, Portage, MI. They have 160,000 sq. ft. of greenhouse growing area and produce 100,000 units of bedding plants - annual flowers and vegetables and hanging baskets.

## Michigan Sugar Beet Acreage Expected to Grow in 1992

Jake Ferris

The world sugar situation is characterized by increased production and consumption with ending stocks remaining stable at 20 percent of consumption. World prices (raw, contract no. 11, f.o.b. stowed Caribbean ports) are expected to hold near the 8-9 cent per pound level of the past year.

High fructose starch syrup (HFSS) has been increasing its share of global caloric sweeteners. Production in 1991 was estimated at nearly 8 million MT, about 7 percent of total caloric sweeteners. U.S. produces nearly three-fourths of the total in the form of high fructose corn syrup (HFCS). Its use in domestic foods now exceeds amounts of U.S. cane and beet sugar utilized.

World consumption of high intensity or low calorie sweeteners is estimated at 7.5 million MT, sugar sweetness equivalent, representing about 6 percent of global sweetener consumption. (Source: Landell Mills Commodities Studies.)

The U.S. raw sugar price (contract no. 14, nearby futures, c.i.f./duty paid, NY), after holding near 23 cents per pound for several years, fell below 22 cents in 1991. Analysts in Economic Research Service, U.S. Department of Agriculture, expect this level of price to continue into 1992.

The Midwest wholesale price for refined sugar also has come down from above 30 cents for most of 1990 to the 25-cent range in 1991.

For the first time on record, the list price for HFCS-55 was above that of refined sugar during several months last summer. With the price difference much narrower than in the past and with the prospect for firm corn prices, some support is now under the U.S. domestic sugar market.

The 1991 Michigan sugar beet crop is estimated at 2,589 thousand tons, 20 percent less than 1990 and about the same as in 1989. This drop was in spite of a 6 percent increase in harvested acres to 167,000. Weather stress limited yields to 15.5 tons per acre, the lowest in 25 years!

With lower sugar prices and the smaller crop, gross receipts from the 1991 sugar beet crop in Michigan could be down as much as 20 percent relative to the 1990 crop. Some further increase in acreage can be expected in 1992 and if yields are in line with trends (about 20 tons per acre), production should at least equal the large crop of 1990.

### Don't Miss Low Interest Rates

Low interest rates should lower farmer interest expenditures in 1992. There may be an opportunity to refinance some longer-term fixed rate obligations at lower rates as well as to lower interest expense on operating loans. Credit availability may be the key factor for some producers. Lending institutions are under regulatory pressures to maintain sound portfolios as regulators try to avoid a repeat of the losses sustained by the savings and loan industry. Borrowers will need accurate records and a good business plan so that lenders can justify the loan to regulators. Given the drop in interest rates in December, it is not likely that the prime rate will decline further. Farmers and other borrowers may want to act soon on 1992 operating loans and any possible refinancing of longer-term debts.

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## 12 What Does it All Mean? – Farm Management Implications

Ralph Hepp

The financial position of Michigan agriculture has strengthened considerably during the last five years. The value of total farm assets has increased 18 percent, farm debt has decreased 25 percent and owner equity has increased 35 percent. The debt-to-assets ratio dropped from 27.9 percent in 1986 to 17.6 percent in 1991.

Although the softening of livestock and milk prices lowered net returns in 1991, it resulted in modest improvements in financial performance during the year. Areas of the state that experienced poor crop conditions due to weather factors impacted net returns and were negative factors for the financial position of those businesses.

The upward trend in financial conditions is expected to continue in 1992, but not at the same level experienced during the last five years. Farm income indicators remain at levels that support a balance sheet outlook of limited asset growth, stabilized debt levels and slight improvement in equity position. The downward pressure on output prices and increasing costs will lower profit

margins and net farm returns. Entering 1992 with reduced debt levels and interest charges, farmers are better able to cope with slightly lower net cash income.

Although measures of financial performance have been good the last few years, and suggest a stable to modestly improving farm sector for 1992, all farmers are not participating in the recovery. A small percent of the operators have very low profit margins and return on assets. The lower prices, combined with high debt levels, low productivity and over-commitment of resources, are causing poor repayment ability and stagnation in financial progress. The financial problems for these farmers are expected to become more serious in 1992. The reduction in interest payments due to falling interest rates should help cash flows, but the financially stressed business still needs to concentrate on reducing debts, deferring capital purchases and increasing profit margins.

Farm businesses in a strong financial position can use free cash flows to make modest capital purchases and slight growth in business volume. Capital expenditures that reduce labor requirements and improve



Continue to follow best management practices in applying production inputs, negotiating land rental agreements and finding the best prices for crop supplies.

productivity will strengthen resource efficiency, lower production costs and allow for increases in volume of production that pay dividends when prices recover in the next upward trend in the cycle. Budget the capital expenditures carefully and invest in

those items that show greater revenue than costs, so the business is not taking on more debt than can be handled during the expected cost/price squeeze in 1992.

Follow the soil test recommendations, practice integrated pest management and reduce expenses that will not lower productivity. Attention to details will pay dividends with higher net returns.

The development of pro-forma (projected) income statement, balance sheet and cash flows will aid in monitoring the financial results as they unfold during the year. If the 1992 income situation turns out to be better than expected, the capital expenditures can be advanced and cash flows used to make capital purchases. Until the financial picture is clarified, concentrate free cash flow on making advanced debt payments to allow flexibility in managing finances. With lower interest rates, loans with fixed terms can be refinanced.

Projected financial statements are the basis for justifying the credit needs during the year, and demonstrating repayment ability to creditors. Continue managing the details so profit margins are maintained during periods of less than desirable prices.

Financial management in the 1990s will be the key management area for attention for operations with a long-term planning horizon. Competitiveness and profitability should be the primary objectives for growth-oriented agricultural businesses. Slow and steady growth and development of the business will keep revenue increasing, and result in greater resource efficiency and long-term profitability.

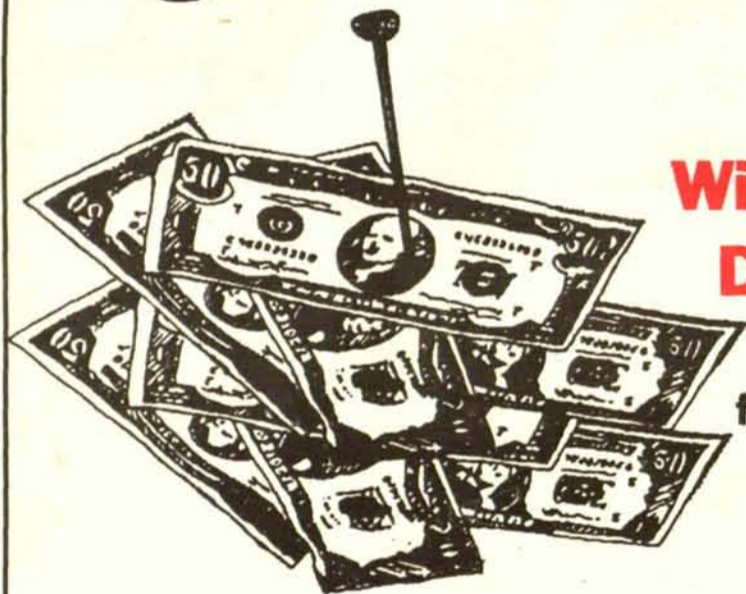
### "Dairy Policy" continued

of Agriculture in conducting the program," he said. "They also supported a dairy heifer export program, inclusion of milk processors in the automatic trust provisions of the Packers and Stockyards Act and an increase in minimum standards for milk similar to the current California standards. They opposed the use of assessments other than those needed for a milk inventory management program."

Current negotiations toward a North American Free Trade Agreement were supported by the delegates. "They strongly urged U.S. negotiators to insist that provisions of such an agreement be fair and equitable toward all segments of agriculture," said Almy. "The delegates said a fair and equitable agreement would include harmonization and enforcement of all rules and regulations that differ among the countries."

Resolutions on state and organizational issues become the official policy of the Michigan Farm Bureau for the coming year. Resolutions on national and international issues are forwarded to the American Farm Bureau Federation (AFBF) Policy Development Committee for possible consideration at the AFBF annual meeting in January.

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**Note: All fees must be pre-paid to the MDA Lansing Office prior to taking the pesticide examination.**

## Reg. 1 Escanaba Regional Office

State Office Building  
305 E. Ludington  
2nd Floor Conf. Room  
By appointment only.  
Phone: (906) 786-5462  
9 a.m. Eastern for all exam dates  
Feb. 4, 1992 Mar. 3, 1992  
Apr. 7, 1992 May 12, 1992  
Jun. 9, 1992 Aug. 4, 1992  
Oct. 6, 1992 Nov. 3, 1992  
Dec. 1, 1992

## Houghton County

Hancock Location  
Houghton County Ext. Office  
1500 Birch St.  
1 p.m. Eastern for all exam dates  
Mar. 4, 1992 Apr. 8, 1992  
May 6, 1992 Aug. 5, 1992  
Oct. 7, 1992

## Reg. 2 Traverse City Regional Office

701 S. Elmwood, Suite 132  
(Located on the Main Floor)  
By appointment only Mon. - Fri.  
Phone: (616) 947-3171  
\*\*Exams will be given in the  
Traverse City Office on an  
appointment basis only.

## Reg. 3 Grand Rapids Regional Office

State Office Building, Ste. 2-C  
Michigan Conference Room  
350 Ottawa, N.W.  
Grand Rapids, MI  
\*\*By appointment only, Mon. - Fri.  
Phone (616) 456-6988

## Reg. 4 Saginaw Regional Office

State Office Bldg.  
411-F E. Genesee  
Saginaw, MI  
Open Examination Sessions  
Phone: (517) 771-1778 to register  
Jan. 22, 1992 Feb. 12, 1992  
Mar. 5, 1992 Mar. 11, 1992  
Mar. 26, 1992 Apr. 1, 1992  
Apr. 8, 1992 Apr. 15, 1992  
Apr. 22, 1992 Apr. 29, 1992  
May 13, 1992 May 27, 1992

## Arenac County

Mar. 12, 1992 at 1 p.m.  
Location: Standish, MI.  
Contact Arenac CES Office for  
appointment at (517) 846-4111.

## Gladwin County

Mar. 31, 1992  
Contact Gladwin CES Office for  
appointment at (517) 426-7741.

## Huron County

Jan. 29, 1992 at 1 p.m.  
Feb. 26, 1992  
Contact Huron CES Office for  
appointment at (517) 269-9949.

## Isabella County

Jan. 15, 1992 at 1 p.m.  
Contact Isabella CES Office for  
appointment at (517) 772-0911.

## Midland County

Mar. 11, 1992  
Contact Midland CES Office for  
appointment at (517) 832-6640.

## Saginaw County

Feb. 6, 1992 at 1 p.m.  
Mar. 18, 1992 at 1 p.m.  
Contact Saginaw CES Office for  
appointment at (517) 799-2233.

## Sanilac County

Mar. 20, 1992 at 9 a.m.  
Contact Sanilac CES Office for  
appointment at (313) 648-2515.

## Tuscola County

Feb. 20, 1992  
Private Applicators Only  
1:30 p.m.  
Registered Technicians Only  
9:30 a.m.  
Review at 9 a.m.,  
Exam at 1:30 p.m.  
Call Tuscola CES Office for  
appointment at (517) 673-5999  
Ext. 228.

## Reg. 5 St. Joseph Regional Office

4032 M-139 (Scottsdale area)  
Building 116  
Private and Commercial exams  
are given at the MDA regional  
office 4032 M-139, St. Joseph  
(Scottsdale area), every first and  
third Friday of the month from  
8 a.m. to 3 p.m. by appointment  
only.  
Registered Technician exams  
will be given every Tuesday at  
the regional office from 8 a.m.  
to 3 p.m. by appointment only.  
Phone: (616) 428-2575

## Allegan County

Wednesday, Apr. 1, 1992  
1. Training from 10 a.m. to noon,  
testing from 1 p.m. to 4 p.m.  
2. Training from 6 p.m. to 7 p.m.,  
testing from 7 p.m. to 8 p.m.  
Must pre-register by contacting:  
Allegan CES Office at  
(616) 673-8471, Ext. 383.

## Barry County

Wednesday, Feb. 5, 1992  
Training from 9 a.m. to noon,  
testing from 1 p.m. to 4 p.m.  
Must pre-register by contacting:  
Barry CES Office at  
(616) 948-4862.

## Branch County

Tuesday, Mar. 31, 1992  
Training from 9 a.m. to noon,  
testing from noon to 4 p.m.  
and 6 p.m. to 7 p.m.  
Must pre-register by contacting:  
Branch CES Office at  
(517) 279-8411, Ext. 256.

## Calhoun County

Thursday, Feb. 13, 1992  
Testing from 1 p.m. to 4 p.m. and  
6 p.m. to 7 p.m.  
Must pre-register by contacting:  
Calhoun CES Office at  
(616) 781-0784.

## Cass County

Thursday, Mar. 26, 1992  
Training from 9 a.m. to noon,  
testing from 1:30 p.m. to 4 p.m.  
Must pre-register by contacting:  
Cass CES Office at  
(616) 445-8661.

## Kalamazoo County

Testing from 8:30 a.m. to 2 p.m.  
Jan. 22, 1992 Feb. 26, 1992  
Mar. 25, 1992  
Above exams will be given at the  
Kalamazoo CES Office  
County Administration Building  
Room 303, 201 W. Kalamazoo  
Ag Action Day - Jan. 24, 1992  
Testing from 9 a.m. to 3 p.m.  
Kalamazoo Valley Community  
College. You must pre-register by  
contacting: Kalamazoo CES at  
(616) 383-8830.

## St. Joseph County

Thursday, Feb. 25, 1992  
Training from 9 a.m. to noon,  
testing from noon to 4 p.m.  
and 6 p.m. to 7 p.m.  
Must pre-register by contacting:  
St. Joseph CES Office at  
(616) 467-6361.

## Van Buren County

Tuesday, Jan. 21, 1992  
Training from 6 p.m. to 7 p.m.  
testing from 7 p.m. to 8 p.m.  
Friday, Feb. 14, 1992  
Training from 9 a.m. to noon,  
testing from 1 p.m. to 3 p.m.  
Must pre-register by contacting:  
Van Buren CES Office at  
(616) 657-7745.

## Reg. 6 East Lansing Regional Office

MSU Campus,  
Geagley Laboratory  
1615 S. Harrison Rd.  
Phone: (517) 373-1087  
The following dates have been  
set for the group certification  
exams at the East Lansing  
Regional Office for 8:30 a.m.  
Jan. 27, 1992 Feb. 10, 1992  
Feb. 24, 1992

## Clinton County

Jan. 25, 1992 at 1 p.m.  
Ovid-Elsie High School  
Mar. 12, 1992 at 7:30 p.m.  
Fairgrounds, St. Johns  
Pre-registration is required. Call  
(517) 224-5240 for registration.

## Eaton County

Feb. 20, 1992 at 1 p.m.  
Fairgrounds, Charlotte  
Pre-registration is required. Call  
(517) 543-2310 for registration.

## Gratiot County

Mar. 5, 1992 at 1 p.m.  
Comm. Center, Ithaca  
Pre-registration is required. Call  
(517) 875-5233 for registration.

## Hillsdale County

Mar. 11, 1992 at 1 p.m.  
Fairgrounds, Hillsdale  
Pre-registration is required. Call  
(517) 439-9301 for registration.

## Ingham County

Feb. 6, 1992 at 1:30 p.m.  
Alaiedon Twp. Hall, Mason  
Pre-registration is required. Call  
(517) 676-7207 for registration.

## Jackson County

Jan. 15, 1992 at 1 p.m.  
Mar. 10, 1992 at 1 p.m.  
CES Office, Jackson  
Pre-registration is required. Call  
(517) 788-2492 for registration.

## Lenawee County

Feb. 18, 1992 at 9 a.m.  
& 1:30 p.m.  
CES Office, Adrian  
Pre-registration is required. Call  
(517) 264-5300 for registration.

## Livingston County

Jan. 16, 1992 at 1 p.m.  
CES Office, Howell  
Pre-registration is required. Call  
(517) 546-3950 for registration.

## Shiawassee County

Feb. 25, 1992 at 3 p.m. & 7 p.m.  
Pines Restaurant, Owosso  
Pre-registration is required. Call  
(517) 743-2251 for registration.

## Reg. 7 Detroit Regional Office

Lahser Center Building  
126400 Lahser Rd.  
Southfield, MI  
Wed. by appointment only.  
Phone: (313) 356-1701  
Southfield Parks & Recreation  
2600 Evergreen Rd.  
Southfield, MI  
Every Wed. by appointment only.  
9 a.m. - 11 a.m.  
& the last Wed. of each month:  
9 a.m. - 11 a.m.  
& 1 p.m. - 3 p.m.  
Call for an appointment at:  
(313) 356-1701.

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**New For 92 From Ag-Chem Equipment**

ag-chem EQUIPMENT CO., INC.

Ag-Chem Equipment Co., Inc. has introduced a new 750 Gallon Pull-Type Sprayer. The high-capacity 750 model unit offers a choice of either a 47 1/2' or 60' spray boom that raises hydraulically to adjust for varying crop heights. With the 60' boom, an operator can individually raise or lower the boom arms with a hydraulic leveling system.

The chassis features a heavy-duty tandem axle that delivers a smooth ride in rough field conditions. Other standard features include stainless steel agitation tube, a large accessory platform, an adjustable hitch, tongue

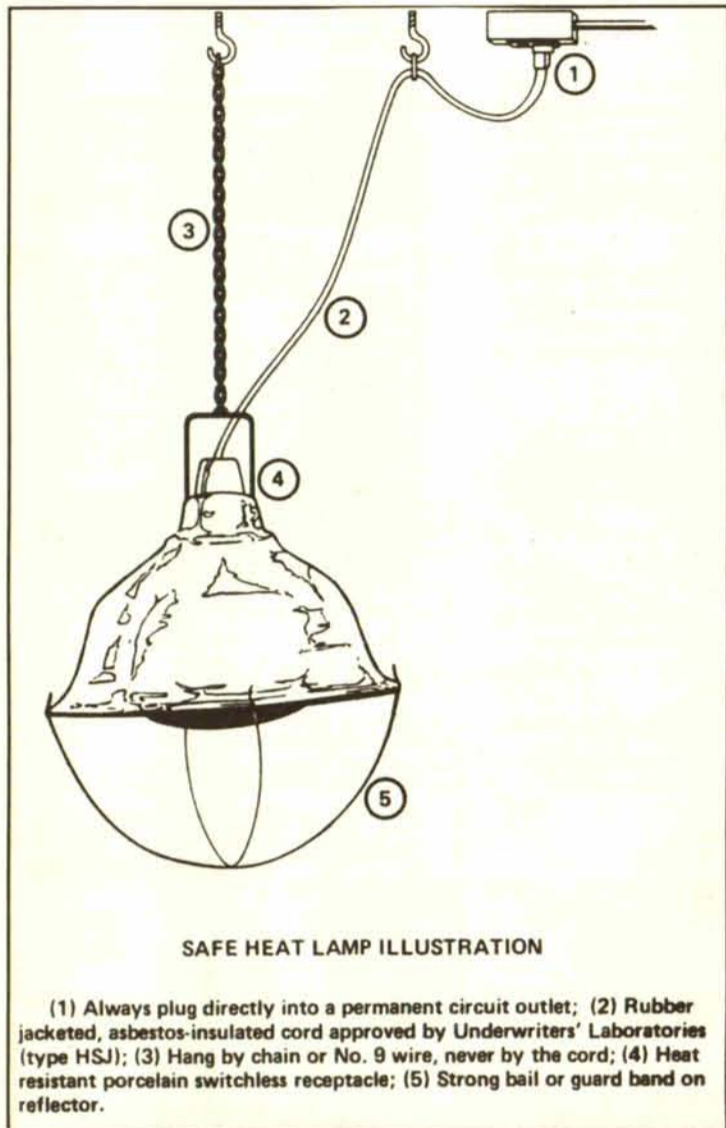
jack, a fresh water container, and flotation tires.

The pump on the Model 750 is a high-capacity 540 R.P.M. centrifugal pump that is frame mounted and PTO driven. An optional diaphragm pump is available for high pressure vegetable spraying. Electric cab controls give the operator fingertip operation of boom on/off and pressure regulation.

For your nearest dealer, contact AgTec Sprayer Division, 1420 S. 11th Street, Niles, MI 49120 or phone (616) 683-8830.

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## Using Infrared Heat Lamps Correctly



Many farm building fires result from the makeshift installation and improper use of infrared heat lamps. Too often, heat lamps are plugged into any available receptacle and suspended by twine or the electrical supply cord – and under those conditions, they present a serious hazard.

On the other hand, if you look for the UL label on all heat lamp equipment and follow proper guidelines, you'll find that heat lamps are safe, efficient, and dependable. Here are tips for you to follow if you use heat lamps as a supplemental heat source in your farm buildings:

- The cord on a heat lamp should lead directly to a permanently installed porcelain outlet – never to an extension cord. The outlet may be a conventional duplex receptacle. An alternative outlet would be a locking receptacle that requires a half-twist to insert the plug. This type of installation ensures that the plug will not fall out of the receptacle – but animals that bite or pull on the cord may receive an electrical shock.
- The receptacle should be fed by a circuit that is adequate to supply the connected load. A 20-ampere circuit requires #12 AWG wire, which will supply up to seven 250-watt heat lamps. A 15-ampere circuit requires #14 wire and will supply electricity to a maximum of five 250-watt heat lamps. Use U.F.-type plastic insulated wire (which can also be buried underground) when you install a new supply.
- Before you purchase a heat lamp, see if it has a proper cord – one that is moisture resistant, corrosion resistant, and heat resistant. The best type is designated as HSJ, available at electrical supply stores and some farm or hardware stores.
- The heat lamp should be suspended securely with a light chain. Both the lamp and the cord should be protected so that poultry or other livestock cannot come into contact with it. The lamp should be at least 15 inches away from bedding, litter, or other flammable material.
- The heat lamp must be installed in a switchless-type porcelain receptacle. Rubber, plastic, or brass receptacles are hazardous because the high temperatures produced by the



From Farm Bureau Insurance

- lamp cause them to deteriorate. Always use a plain porcelain receptacle.
- Heat lamps should be protected from moisture and mechanical damage by a nonremovable guard and reflector top. The guard should be designed to keep the bulb a safe distance from the litter. If the fixture falls and remains connected, the guard should roll the lamp onto its side, directing the heat away from the bedding and litter.

### WATERSTOVES

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- 12 to 24 hour burn time

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## Special Weekend Packages Just For Farm Bureau Members!

**Package #1:** \$109<sup>00</sup> + tax - Includes:

- \*Deluxe accommodations for 2 weekend nights (Friday, Saturday or Sunday)
- \*\$20<sup>00</sup> in food credit

Available at the following hotels and restaurants.

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Grand Rapids, MI  
(616) 949-9222

**NORTH**  
Holly's Landing  
Grand Rapids, MI  
(616) 363-9001

**WEST**  
Grazin in the Brass  
Kalamazoo, MI  
(616) 375-6000

**EXPRESSWAY**  
Holly's Landing  
Kalamazoo, MI  
(616) 381-7070

**SOUTH**  
Holly's Backdoor Bar & Grill  
Grand Rapids, MI  
(616) 241-6444

Owned by Holly's, Inc. and operated under license from Holiday Inns Franchising, Inc.

**Package #2:** \$133<sup>00</sup> + tax - Includes:

- \*Deluxe accommodations for 2 weekend nights (Friday, Saturday or Sunday)
- \*\$20<sup>00</sup> in food credit to use in Emerald's Restaurant

Grand Rapids, MI (616) 957-1770

Owned by Grand Rapids Hotel Limited Partnership and Operated by Holly's, Inc. under license from Holiday Inns Franchising, Inc.

**Package #3:** \$60 + tax - Includes:

- \*2 weekend nights (Friday, Saturday or Sunday)

Grand Rapids, MI  
(616) 452-2131

**Package #4:** \$80<sup>00</sup> + tax - Includes:

- \*2 weekend nights (Friday, Saturday or Sunday)
- \*\$20<sup>00</sup> in food credit to be used at Holly's Bistro Restaurant

Muskegon, MI  
Holly's Bistro  
(616) 733-2601

Call hotel direct. Ask for Farm Bureau Package. Valid until May 15, 1992.  
Packages are subject to availability. Cannot be used in conjunction with any other discounts.

# Young Farmer Winners – MFB State Annual Highlight

## Snider Earns State Distinguished Young Farmer Title



MFB President Jack Laurie (left) presents Andy Snider with his state award.

Andy Snider of Hart, Oceana County, earned MFB's 1991 "Distinguished Young Farmer" title. He also won \$1,500 worth of Great Lakes Hybrid seed products, and an all-expense paid trip for him and his wife to Kansas City, Missouri, to compete for the American Farm Bureau's national title.

Snider operates a 390-acre dairy and feeder pig operation in partnership with his parents. Contestants for this statewide contest are judged on the progress they have made since their entry into the agricultural industry, as well as their Farm Bureau and community involvement. Snider's management abilities have allowed the farm operation to expand their dairy herd to facilitate two family incomes, and improve the efficiency of the swine operation to boost the number of feeder pigs.

Snider is active in the Oceana County Farm Bureau's Community Action Group program, the Dairy Herd Improvement Association, the Michigan Animal Breeders Cooperative, the Michigan Milk Producers Association, 4-H and church. The Sniders have three children: Luke, 6; Holly, 4; and Zackary, 6 months.

Runner-up for the "Distinguished Young Farmer" title was Doug Myers of Marshall, Calhoun County. A graduate of Michigan State University's Agriculture Technology program, Myers operates over 1,800 acres in cash crops, utilizing futures marketing, forward contracting and options to improve cropping profitability. He serves on the Calhoun County Young Farmer Executive Committee and on the organization's Wheat and Feed Grains Advisory Committee.

## Arndt Wins Outstanding Young Farm Woman Title



Carolyn Arndt (right) receives a \$1,500 certificate from Great Lakes Hybrids' Northern Region Sales Manager, Ken Austin (left) as her husband David observes.

Carolyn Arndt of Harbor Beach, Huron County, was honored as Michigan Farm Bureau's "Outstanding Young Farm Woman" for 1991. Arndt won \$1,500 worth of seed products from the annual contest sponsor, Great Lakes Hybrids, Inc., and an all-expense paid trip to the AFBF annual meeting in Kansas City, Missouri.

Arndt and her husband David, operate a 300-acre dairy farm in partnership with his parents, Allen and Marjorie Arndt. Carolyn and David were district winners of Michigan Milk Producers Association's "Outstanding Young Dairy Couple" in 1990, and also were honored as "Most Progressive Young Dairyman" by the Michigan Dairy Herd Improvement Association in 1990.

In addition to her active farm involvement, Carolyn serves on several Huron County Farm Bureau committees, is involved in dairy promotion, 4-H, church and school

activities. She is currently assisting in a Farm Bureau "adopt a classroom" project with an inner city Detroit school, with area farm families "adopt" preschool through grade 5 classrooms.

Arndt, who describes herself as a salesman for the agricultural industry, listed foreign trade, environmental concerns, and consumer confidence in the food supply as the three most important issues that farmers need to address in the 90s. The Arndts have three children: Beth, 10; Renee, 8; and Amy, 3.

Runner-up in the contest was Lisa Johnson of Lakeview, Montcalm County. Lisa and her husband, Marvin, operate a 1,000-acre potato and cash crop farm in partnership with his parents and brother. In addition to her farm involvement, Lisa is a former radio farm show host and currently writes for Great Lakes Publishing Co. The Johnsons have two children, Andrew, 4-1/2, and Rebecca, 2-1/2.

## Mayer Talks His Way To State Award



Robert Mayer (left) accepts the keys to a Case-IH tractor for 100 hours free use of the tractor from Case-IH Area Sales Manager Robert Weiglein.

Robert Mayer of Bronson, Branch County, survived several rounds of competition to win Michigan Farm Bureau's Discussion Meet contest. He out-talked three other young farmers in the final round on the topic of "How Can American Farmers Receive Adequate Health Care?" Mayer won an expense paid trip to the American Farm Bureau Federation annual meeting in Kansas City, Missouri, to compete in national level competition. Mayer also won a Honda Four-TRAX and 100 hours free use of a Case-IH MAXXUM tractor.

Mayer is part of a family owned and operated farm corporation, which operates 900 acres of gladiola cut flowers and 1,500

acres of corn and beans, plus a gladiola operation based in Mexico. He attended Bronson High School and Hope College and serves on the Branch County Young Farmer Committee and was a legislative leader for MFB's Washington, D.C. Legislative Seminar.

Runner-up in the contest was Roger Bezek of Maybee, Monroe County. Roger operates an 80-acre farm specializing in corn and soybeans and is also employed by the Monroe ASCS as a field reporter and by the Federal Crop Insurance Corp. as a loss adjuster. He serves on the Monroe County Farm Bureau Board of Directors and several county committees.

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## Rep. Camp Keynote Speaker at Mid-Michigan Ag Day

The third annual Mid-Michigan Ag Day is planned for Saturday, Jan. 25, 1992, at the Ovid-Elsie High School, from 8 a.m. to 3 p.m., with U.S. Rep. Dave Camp serving as the special guest speaker at the Cooperative Extension sponsored event.

Mid-Michigan farmers and family members participating in Ag-Day can select three educational classes from a list of 31 diverse classes offered throughout the day. A sampling of the classes offered include:

- "Update on Dairy Policy and Outlook," taught by Dr. Larry Hamm, of MSU's Agricultural Economics Department. He will review proposed changes to the M-W price series and Milk Marketing Orders.
- "Environmental and Economic Considerations for Weed Control," taught by Dr. Karen Renner, MSU Department of Crops and Soils.
- "Exploring Agricultural Careers for Youth" will be instructed by Dean Kiesling

and Theresa Silm, 4-H youth agents from Shiawassee and Clinton counties.

Other classes include: Zoning Permits/Environment; Rain or Drought in '92?; Community Leadership; Household Waste; Underground Storage Tanks; Gypsy Moth; P.A. 116; Wetlands; Pesticide/Fertilizer Storage; Computerized Field Records; Fair Trade; Farming Lawfully; Farm Liability and Insurance; Sustainable Agriculture; Cost of Producing Milk; Farmland - Lease or Purchase?

Over 50 local agribusinesses will have exhibits of their products and services throughout the day, as well as a Pesticide Certification/Recertification Exam will be offered to those in need of certification credentials. For more information, contact the CES office in either Clinton, Shiawassee, Ingham, or Gratiot county.

## The Difference is You! Telling the Farmer's Story

Want a chance to learn how to promote agriculture, how to educate non-farmers, how to speak effectively for agriculture? Then you'll want to attend "The Difference is YOU Telling the Farmer's Story," workshops scheduled Jan. 30 in Grayling and Feb. 4 in Lansing.

Workshop participants will have an opportunity to meet and participate in roundtable discussion about a variety of topics including Farm Tours; Working With the Media; Adopt an Acre Program; Safety and Health Programs That Work, according to Promotion and Education Department Manager Julie Chamberlain.

"The roundtables are designed so that participants can speak one-on-one with people who have actually conducted the programs

they'll be discussing," said Chamberlain. "We also have a number of workshops scheduled for the afternoon portion of the program that will give participants a wealth of information and material to take back home with them."

Those afternoon workshops will include: Agriculture in the Classroom Programs; Working with Local Media; Publishing Newsletters; Chairperson Workshop; and How to Conduct a Successful Issues Information Meetings.

The cost of \$15 per person includes refreshments, lunch and all materials. Make checks payable to Michigan Farm Bureau, and mail your reservation to Michigan Farm Bureau, c/o Cindy Kelly, P.O. Box 30960, Lansing MI 48909.

## Cherry Growers to Vote on Assessment

The Michigan Cherry Committee's 5-year referendum has been scheduled by the Michigan Department of Agriculture to be held on Jan. 20 - 31, 1992. The referendum is a continuation referendum at the current assessment level to allow the Michigan Cherry Committee to continue promotion, research, market development and new product development efforts.

Three years ago, the Michigan Cherry Committee contracted with the Cherry Marketing Institute (CMI) to work towards the National Cherry Program that involves other states. Today CMI represents growers in Michigan, Utah and Wisconsin and works effectively with growers in Washington, Oregon and Pennsylvania. All states that participate in the CMI program assess their growers \$10 per ton and direct 95 percent of these funds to CMI.

The Michigan Cherry Committee retains 5 percent or 50 cents per ton to maintain a small Michigan only program. These funds are used to fund activities at the Eau Claire Cherry Festival, the National Cherry Festival and the Oceana Queen Program. The Michigan Cherry Committee also participates in the Horticulture Show, the Farm and Orchard Show, the Michigan State Fair, and the Michigan Harvest Gathering. According to the Michigan Department of Agriculture, ballots will be mailed to all growers on Jan. 17, 1992. Ballots must be returned to the department and postmarked no later than Jan. 31, 1992.

### The Difference is YOU! Telling the Farmer's Story (Deadline Jan. 22, 1992)

Name \_\_\_\_\_

Address \_\_\_\_\_

Area Code and Telephone \_\_\_\_\_

County Farm Bureau \_\_\_\_\_

Select Workshop Date and Location:

Grayling Holiday Inn  
Grayling, Jan. 30

Lansing Holiday Inn  
Lansing, Feb. 4

# Getaway

with Member Travel Services

## WINTER TOURS

### Ski Colorado, at Winter Park, the Premier Ski Center

Cost: \$355 per person, based on double occupancy.

Starting January 1992 through mid February '92 you can stay at Iron Horse Lodge which includes pool, hot tubs, health club, restaurant, and lounge. Fireplace and kitchen is included in the suites. This 5 night package includes 4 days of ski lifts valid at Winter Park, Mary Jane and Vasquez Mountains. This package is land only but for approximately \$338 per person you can add on round trip airfare from Lansing.

### Quaint Quebec City

Cost: \$459 per person.

February-March 1992 you can travel to Quebec City Via Rail and stay at the charming Le Chateau Frontenac Hotel. This package includes 5 days at the hotel plus round trip rail from Windsor. You can travel everyday except Friday and Sunday. This is a very popular package and has limited seating, so call early!

### Bahamas Weekend

Cost: \$414 per person (Add \$40 per person for ocean view room)

All rates are based on double occupancy, departure tax not included.

Starting February 7th, 1992 you can book a great Bahamas Weekend at a great rate. Your package includes leaving Detroit on Friday and staying 2 nights at the British Colonial Beach Hotel. Special charter airfare service is included so that you fly non-stop to the islands.

### London, On the Town

Cost: \$628 per person.

One of the best packages this year is London. Round trip airfare from Detroit on British Airways, 6 nights at the Travistock Hotel, transfers from the airport, taxes and continental breakfast. The Travistock Hotel is located in the Bloomsbury area and all rooms have a private bath, TV and radio. This trip starts Jan. 3rd and expires March 31, 1992. London is famous for their theatre, restaurants, sight seeing and most of all history.



### Jamacia, Jamaica

Cost: \$1359 per person.

This package includes everything under the sun. You will stay 7 nights at the Jamaica Hotel, which has been called one of the "Super Club" resorts. This hotel includes three meals daily, bar drinks, use of all sports facilities including instruction, four tennis courts, shopping shuttle and sight-seeing tours. It is located on the white sand beach at Runaway Bay. Round trip airfare from Detroit is included.

### Spa Week in Mexico

Cost: \$1052 per person.

Pamper yourself at the Hotel Ixtapan Delasal, a world known Spa facility that features deluxe accommodations. Included are 8 days of full spa facilities like three meals daily, unlimited facials, massages, manicures and exercise programs. Airport transfers are approximately \$72 per person - one way and gratuities are not included for spa week. This is a very special package for very special people. Pamper yourself!

### Cancun, the Jewel of the Caribbean

Cost: \$569 per person.

Cancun is a great warm weather destination because of it's 14 miles of beautiful beaches and the friendliest people in the world. The Playa De Oro Hotel has a great special starting January 1 through January 24th, 1992. This package includes round trip airfare from Detroit, hotel for 7 days, airport transfers, baggage and handling service, hotel tax and a Welcome reception. This hotel is known for it's great location on the beach. Cancun is the perfect get-away for anyone seeking the sun and relaxation.

### Disney World, It's Everyone's Favorite Vacation!

This package includes anything that you prefer at a member only discount. You can pick the number of nights you want to stay, you can stay on the Disney grounds or off premise, and you have the option to fly or drive. Farm Bureau has admission tickets available. Customize your Disney Vacation just the way you want, and still get a great discount!

Note: All packages are subject to availability. Prices are subject to change or variation for 1991 - 1992

For more information on how to book your GETAWAY CALL 1-800-748-0289 or 517-339-4390