USDA announces county office closure list.

In what one-going Agriculture Secretary Mike Espy termed a "heads-up" notice to taxpayers and farmers, USDA finally announced that it will close 1,274 USDA offices nationwide and cut the number of staff by over 11,000 to a final number of 39,000 full-time staff, saving taxpayers an estimated $3.6 billion.

"To the taxpayers, we want to let them know that the USDA and its services just got better," Espy said.

Espy and others that the office closures and consolidations, combined with structural changes and operating procedures, should save producers over 2.5 million hours annually. Nearly 10 percent of the office closures will take place immediately, another 30 percent will be closed within the next four to five months, with the remainder scheduled to close over the next three years.

In Michigan, 23 USDA county offices will be closed and/or moved, with a majority of those closures occurring in counties where there are more than one USDA offices within the same county, says Farm Service Agency Acting Director Jim Byrum. "In cases where we have SCS in one location and ASCS in another location, we're simply combining the two," he said.

After the closings, there will be a total of 15 offices located within Michigan, with 52 of them leased by USDA service centers. In regard to staff cuts, Pearson does not anticipate any layoffs within the former ASCS operation. "We know this is going to be for quite some time, and we're making plans to move personnel around on a more permanent basis," Byrum said.

Overall workload, farmer proximity to another county office, and whether a county office was co-located with other USDA offices were the three primary factors in determining which offices would be closed, according to Byrum. He expects four of the closings to take place just this winter, with the remainder closed over the next three-year period.

ASCS County Office Closure/Move List:

- Alger (will be served out of Escanaba office)
- Charlevoix (will be served out of Petoskey office)
- Clare (will be moved to Traverse City office)
- Delta (will be served out of Gladwin office)
- Genesee (will be served out of Flushing office)
- Kalamazoo (will be served out of Kalamazoo office)
- Kent (will be served out of Traverse City office)
- Mackinac (will be served out of Sault Ste. Marie office)
- Manistee (will be served out of Cadillac office)
- Monroe (current office moved to Greenville Service Center)

"To the taxpayers, we want to let them know that the USDA and its services just got better," Espy said. "Of course, I want to let them know that the USDA and its services just got better.

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The USDA reorganization also included a reform of the Federal Crop Insurance Program. The Crop Insurance Reform Act includes nearly $1 billion for each of the next five years to replace the government's ad hoc, disaster assistance programs which have averaged $1.5 billion annually.

Under the new plan, administered by FSA, farmers must participate in the catastrophic crop insurance program in order to be eligible for price support or production adjustment programs, certain FSA loans and new conservation reserve contracts.

MFB annual and Ag Showcase wound in Detroit

Over 50 school children and 1,000 adult visitors made a trip to the farm which happened to be located at the Renaissance Center's Westin Hotel thanks to the efforts of over 100 Farm Bureau volunteers and the MFB Promotion and Education Committee, who hosted the second annual Ag Showcase during the Michigan Farm Bureau annual meeting in Detroit.

Visitors to the showcase were greeted by taffy samples of various Michigan crops, as well as a chance to see real pigs, chickens, calves, goats and sheep. Students from the Battle Creek Middle School, enrolled in a summer ag program, also served as hosts and caretakers for the livestock that were on display.

In other state annual actions, Tuscola County dairy farmer Jack Lauter was re-elected president, Tom Guthrie of Delton, representing District 4, was re-elected vice president, Richard Leach of Saginaw, representing District 8, was re-elected third member of the Executive Committee.

Newly elected to the MFB Board of Directors were Alan Gurner of Mason, representing District 5, and Dick Johnson of Big Rapids, representing District 7. They were elected for one year to fill the unexpired terms of Mark Smith of Charlestown and Larry Snider of Hart, both of whom resigned.

Re-elected to the MFB Board were Blaine Van Winkle of Walker, representing District 1, and Robert Land of Caseville, representing District 6. They were re-elected as directors at large. Beigie Leach of Calhoun was elected as Promotion and Education representative and Andrew Hagmeier of Rockford was re-elected as Young Farmer representative.

GATT passage means a level field for agriculture

The trade pact will benefit the nation as a whole and the U.S. ag sector in particular, asserts confidence in the ability of American farmers and American workers to compete in a global economy, according to MFB President Jack Lauter. The Senate gave final approval to H.R. 5110, the Uruguay Round General Agreement on Tariffs and Trade (GATT). The vote on final passage was 76 to 24. In a narrower, more crucial, procedural vote which occurred before final passage, the Senate approved by a margin of 65 to 32 the budget impact waiver which was required under Senate rules before final consideration.

Proponents of Representatives had approved GATT in a vote of 288-146 prior to the Senate vote. President Bill Clinton is expected to formally sign the package so the pact can go into effect on Jan. 1, 1995.

"Agriculture will benefit from expanded export markets due to lower trade barriers, reduced export subsidies by our competitors and fair trade rules," said Lauter. "Passage of GATT is a major victory for Farm Bureau and is the culmination of many years' efforts by our organization. GATT would not have passed without strong support from the agricultural community."

You can strike ASCS and SCS from the farmer's vocabulary and replace them with Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS), respectively. The name changes are just the first of many changes to be implemented under the USDA reform bill, according to State FIA Acting Director Jim Byrum.

Ultimately, the plan will eliminate 14 USDA agencies, close 3,300 field offices throughout the U.S. and reduce staff by up to 11,000 over the next five years. FSA doesn't expect any general election results to have any impact on the reform measures.

Nearly 50% of farmers, "Espysaid. "We'll be taking a heads-up notice to taxpayers and farmers." USDA will be shrinking its offices in size, the agency will be consolidating offices, and the agency will be reducing its workforce. The USDA is committed to making sure that farmers continue to be served and that we do what we can to minimize the impact on personnel," Byrum said.

Overall workload and the actual number of farmers served by county offices were used as the primary considerations in determining which offices would be closed and/or consolidated, according to Byrum.

The USDA reorganization also included a reform of the Federal Crop Insurance Program. The Crop Insurance Reform Act includes nearly $1 billion for each of the next five years to replace the government's ad hoc, disaster assistance programs which have averaged $1.5 billion annually.

Under the new plan, administered by FSA, farmers must participate in the catastrophic crop insurance program in order to be eligible for price support or production adjustment programs, certain FSA loans and new conservation reserve contracts.

GATT passage means a level field for agriculture
Milk production up

During December, Michigan record production by clearing 1.575 million pounds of milk during October. 20 million pounds more than a year ago, according to the Federal/State Michigan Agricultural Services Survey. Milk price average for December, 1.375 pounds, up 8 percent from last year. The Michigan dairy herd was estimated at 350,000 head, down 1,600 head from October. Mid-October milk prices averaged $38.20 per cwt., $0.10 less than the previous year.

The preliminary value of milk sold averaged $16.46 per hundredweight last month in December, as October $4.80 more than last year. Mid-October calf prices averaged $42.74 per cwt., $3.90 more than the previous year.

The average for milk producers used milk tetrazine products by clearing 1.575 million pounds of milk during October, 20 million pounds more than a year ago, according to the Federal/State Michigan Agricultural Services Survey. Milk price average for December, 1.375 pounds, up 8 percent from last year. The Michigan dairy herd was estimated at 350,000 head, down 1,600 head from October. Mid-October milk prices averaged $38.20 per cwt., $0.10 less than the previous year.

Milk in the 21 major states totaled 10.7 billion pounds, 2 percent above production at these same states in October 1993. Production per cow averaged 1,330 pounds for October, 50 pounds more than October 1993. The number of cups of farm was 8.03 million head. 1,400 head less than last October and 9,000 below September 1994.

Bull markets in Michigan produced 1.5 million pounds of butter in September, 4 percent more than a year ago. Ice cream output totaled 1.9 million gallons, 20 percent less than September 1993.

**Confirmed, worms are a good for soil**

A U.S. Agriculture Department study confirmed that earthworms help make soil healthier, contribute to quicken soil turnover, help plants roots get water more efficiently and even help to reduce water and soil run-off.

Agriculture Department conducted in worms study on Iowa test plots, one till without worms and one unfortified with approximately 100 robots per square yard. The study showed the unfortified, semi-tilled field held two inches of water in only 12 minutes, while it took the control field two-and-a-half more inches of water in the soil, worms-free plot.

The study also examined soil as an “ecosystem,” finding that in order to make “healthy” soil, fungi, insects, microbes, bacteria and nematodes must all play an integral role.

**Planted acres, no-till, deep-till all up**

With an increase of nearly 2.7 million planted acres last year, the "National Crop Residue Management Survey" showed no-till and deep-till farming methods increased as well.

Although mulch-dirt methods decreased by nearly two million acres, no-till planting methods increased by 4.2 million acres, going to a net increase. Deep-till methods increased over 3.5 million acres. The increase in planted acreage was attributed to land returned to production after being enrolled in set-aside programs.

**More spent on taxes than on food**

With the average American's per capita tax bill reaching $1,734 last year—over a third of the average individual's median income—a Cato Institute report showed that Americans spent more on taxes than food, clothing and housing combined.

The report said Congress approved measures that raised taxes by $2 billion and killed bills that would have helped to decrease the tax burden, including those cutting the capital gains tax and expanding individual retirement accounts.

**FDA helps clear the way for new crops**

The Food and Drug Administration has helped to clear the way for seven new varieties of genetically engineered soybeans and cotton and a "special review" of "arazine, cyanazine and simazine. The use of the pesticide could be restricted or even canceled if "data and health data warrant such action," the agency said.

The special review was launched "because it has been shown that the persistence of these pesticides may pose a significant risk to public health," EPA said. A spokesman for the EPA said he is concerned that traces of the compounds may be found in drinking water and that her agency will determine what steps to take to guard against the potential adverse effects to human health.

The review, which is expected to take about one year to complete, will weigh the risks and benefits of arazine use. EPA estimates use at 800 million pounds of arazine is applied to U.S. crops annually. Thirty-four companies hold registrations for arazine products, although it was first registered by the Gha Corp. in 1958.
USDA leaves set-aside for U.S. 1995 corn crop at 7.5 percent. USDA has stuck by its decision to set the 1995 forage reduction program for corn at 7.5 percent and maintain a zero percent for sorghum and barley, according to a Detroit Free Press report. At that time, USDA also said sorghum, barley and rye growers will be able to plan all of their land and still collect government benefits. USDA said that although the estimate of feed grain supplies had risen 6 percent from its Sept. 30 prediction, prospects for feed grain use this season and in 1994-95 ”we are as well.” The likelihood of lower world feed wheat supplies and lower Chinese corn exports has led to better prospects for U.S. corn exports. And that would also produce a temporary and limited state non-investment loan program for weather issues.

Right-to-farm—They supported an amendment to Michigan’s Right-to-Farm Act to require that the plaintiff in a nuisance suit against a farmer be held responsible for the actual cost incurred in the defense of a suit when it is found there is no cause for action against the farmer. The delegates also said the act should be amended to provide that after a person files three unsubstantiated claims against a farmer, the person would have to pay the investigation and enforcement costs of any additional meritless claims filed.

Coastal Zone Management Act—Delegates said that rather than accepting the federal mandate for prescribed management measures for every farmer in the state, the agricultural community itself should develop an alternative approach to address agriculturally related non-point source pollution. They also said the Michigan Department of Agriculture should give local agencies status for implementing any agricultural non-point source measures, and that such measures should be targeted toward farmers who may have non-point problems other than imposing the measures on all farmers.

Highways—The delegates expressed concern about deteriorating roads and bridges in rural Michigan. They reaffirmed their support for an increase in the state fuel tax of not more than six cents a gallon and that the exact magnitude of the increase be established based on actual road maintenance and improvement needs.

Elections—Delegates expressed concern about the negative campaigning conducted in 1994. They urged candidates to use fewer issues to campaign based on issues rather than personal attacks. They asked that the present $600,000 federal estate tax exemption be increased to $1 million and indexed annually for inflation.

To find out more call your local dealer or 800-634-8941.
Michigan Farm News

December 15, 1994

**Weather**

Above normal temps expected through December

By Jeffery Andrewes, Extension agricultural meteorologist, Department of Geography, Michigan State University

For much of November, causing mean temperatures for the month to surge to much above normal levels generally 2-6 degrees if above normal. The southwestern flow also resulted in a series of powerful storms that brought heavy precipitation and high winds to most areas (mainly in the form of rain except in far northern sections of the state).

The upper air flow pattern described above is expected to continue well into the winter months, with both the National Weather Service 30-day outlook (for December) and 90-day outlook (for December through February) calling for above normal temperatures. Precipitation is expected to continue at above normal levels through December, and at near normal levels for the December February winter season.

This outlook should be welcome news to those who suffered last winter’s brutal cold, but an unfavorable omen for skiers, as snowfall with such a warm pattern would likely be less than normal, especially in areas of the state away from the lakes.

**Record fall potato production**

F all potato yields in Michigan are expected to average 250 hundredweight (cw) per acre, 6 percent (20 cw) below last year’s record high, according to the Federal/State Michigan Agricultural Statistics Service. The 1994 fall crop is forecast to produce a record high of 12.2 million cw, up 9 percent from last year and up 3 percent from the previous record in 1984. The fall crop represents 84 percent of Michigan’s total potato production.

Record corn and soybean yields

Michigan’s wheat industry is at serious risk.

MSU’s wheat 2000 club seeks to reverse acreage decline

**Discover the “Distinct Advantage!”**

- **10 Year Protection**
  Against wind load damage to our commercial buildings with no wind velocity limit.

- **5 Year Protection**
  Against wind load damage to our residential buildings with 0-100 mph wind velocity limit.

- All warranties include materials and labor and are not prorated.

- **MSU’s wheat 2000 club seeks to reverse acreage decline**

  With wheat prices hovering around $3 and the average cost of production running about $3.00 to $3.50 per bushel, it’s understandable why the crop may be losing favor with Michigan’s farmers. That disfavor has been reflected in a nearly 12 percent decline in wheat acreage. In 1993, growers planted 1.13 million acres, in 1995, according to the most recent statistics, 980,000 acres of wheat were harvested in Michigan. Acreage changes for the previous record in 1984. The fall crop represents 84 percent of Michigan’s total potato production. These acres at 42,000 increased 6,000 acres from a year ago. Above normal temperatures and excessive moisture during the growing season reduced yield potential in some areas.

  Nationally, fall production is forecast at a record high of 412 million cw, up 7 percent from last year and 9 percent higher than 1993. The 2.14 million acres for harvest is 5 percent above 1995 and 1992. Yields averaged 248 cw per acre, up seven cw from a year earlier. Wisconsin (226), Maine (234), Iowa (232), and Michigan (231) produced their largest fall crop since records began in 1960. Both Western and Central States harvested record high yields per acre. Idaho leads the nation at 35 percent of the fall potato production. The vehicle for finding out is MSU’s Wheat 2000 club.
BUMPER CROP.

GET $500 CASH BACK OR $1000 WORTH OF DEWALT TOOLS.

America's farm economy continues to show signs of significant improvement. For the third year in a row, Dodge Truck is proud to offer Farm Bureau members a special purchase incentive. Which means you can pick up an extra $500 cash back on the pickup voted a Readers' Choice in Farm Industry News. In addition to all 5.9L Magnum gas and Cummins diesel 1994 Ram regular cab pickups, we've also extended this cash back offer to select mid-size Dakota pickups. Along with all 1994 Ram Vans and Ram Wagons. And it's on top of any other national offer, too.* Or, if you prefer, select up to $1,000 in heavy-duty DeWalt tools, instead. Either way, see your Farm Bureau for a certificate validating that you've been a member for at least thirty days. Then drop by your Dodge Dealer. And cash in.

*This cash back offer is valid for eligible members of participating Farm Bureaus, expires 12/31/94, and may not be used in combination with any other Chrysler Corporation certificate offer or certain other special offers. Ask for restrictions and details. Farm Bureau is a registered service mark of the American Farm Bureau Federation.
### Market Outlook

#### Corn

Ten billion bushels, that is not only a lot of corn to produce, but it is a lot of corn to use up. The November Crop Report showed the U.S. now has a record corn yield of 184.8 bushels per acre. This yield, along with demand for corn from livestock and livestock feed, is shown in Table 1. Michigan also will record a record corn yield with a state average of 117 bushels per acre, making Michigan higher than the previous record.

As seen in Table 1, the USDA is projecting record corn yields in the Midwest. This is a result of good growing conditions, very low prices, the huge livestock inventory we now have, and projected meat demand from now through August. 

### Soybean

The fall's record corn yield boosted the previous record set in 1992 by 5.3 percent. In contrast, this year's US soybean yield of 44.9 bushels per acre broke the previous record, set in 1991, by a whopping 30.4 percent. Obviously, this translates into a lot of soybeans, especially as when record corn acres also increased.

The only using grade for prices, however small, that is in the wheat market.

Soybean disappearance is strong yet. Ideal weather will likely be ready with all the rest, and last year's demand dip held demand to its lowest level since 1976. As a result, soybean inventories are now at record levels. Just as in 1976, we will likely see a record fall as well.

While weather is strong, it does not follow through the markets. Ending stocks as a percent of production is projected to be the highest since 1976. For July of this year, the USDA is projecting

### Wheat

It is unclear where wheat prices are headed, but it rarely pays to hold wheat very long into the new crop season. Use only if necessary.

### Soybeans

The Nov. 1 USDA monthly Seven-State Cattle-On-Farm Report, released Nov. 18, showed total cattle feed on feed down 6 percent from 1993. October placements down 1 percent and October marketings up 4 percent. A higher percentage of the decrease in feedlot inventory came from the smaller feeder, as feedlot placements were down 1 percent from a year ago. With the feeder, this increase in end of season numbers due to record-high corn prices and the increase in corn crops.

### Cattle

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### Dairy

Larry G. Hamm

**Milk**

Milk prices are going down. The Minnesota-Milk Producers' (M-M) price peaked at $12.29 per cwt. in October. The Minnesota M-W will hold milk prices down through December, as the M-W starts to stay in line with the national average. The November M-W will likely dip below $11. December's M-W (announced in January 1995) will be even lower because of the substantial weakening in the cheese market.

*For the month of November, the milk price per hundredweight of milk delivered to the cheese market was $11.62.*

### Egg*

Eggs

Henry Larewelle

Eggs in the latter part of November were about 4 cents a dozen less than last year. Feed cost was steady, with hens nearing full production in the late fall. Feeder chickens, early this fall, are hatching eggs for hatcheries in the Midwest. Producers are laying eggs for December. October's price per egg was $1.29. November's price per egg was $1.37. December's price per egg is projected to be $1.45. The egg market is expected to show a slight weakening in December

### Hogs

As you are well aware, these are bad times for hog producers. We are seeing the lowest prices since last fall, and this doesn't account for inflation. Porkers are paying $25-27 per cwt, and the most efficient producers were steady, about 7 cents a pound down from a year ago. The hog market is starting to move again in the future, and the beginning of December, packer's are still in the black ranging $35-37 per cwt.

A positive spread for packers and retailers is to offer pig and swine to the consumer at a price of a pound or a pound. With 20 percent of the consumer's income spent on food, this is a big move, causing a significant increase in the price of a pound of pork. The hog market is expected to show a slight weakening in December

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<td>Stocks (million bushels)</td>
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<td>Beginning stocks</td>
<td>1,100</td>
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<td>683</td>
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**Table 1-Corn Supply/Demand Balance Sheet**

**Table 2-Wheat Supply/Demand Balance Sheet**

**Table 3-Soybeans Supply/Demand Balance Sheet**

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Source: USDA and Jim Hilker.

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Jim Hilker, Department of Agricultural Economics, Michigan State University.

Soybeans

Jeffrey Hilker.

**Strategy:** If you see a future price jump and the basis stays reasonable, you will have the upside potential. However, I do not see a future price jump. We are near the bottom, and price last year if you think that domestic growth is over, consider looking into another market for your needs. If you believe that we are near the bottom, you may want to sell some of your stocks, or consider buying some options, or a similar tool.

**Strategy:** We are near a bottom, yet, it is very hard for me to see next fall's prices at $2.20 a bushel.

**Wheat**

It is unclear where wheat prices are headed, but it rarely pays to hold wheat very long into the new crop season. Use only if necessary. Feed wheat, the most obvious price, appears to be following levels which will get us on the USDA projections by June. Also, keep an eye on fall 1995 new crop prices—it's hard for me to look at next fall's prices at $2.20 a bushel.

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<tr>
<td>Total supply</td>
<td>10,589</td>
<td>8,478</td>
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Source: USDA and Jim Hilker.

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Table 3 - Soybeans

Supply/Demand Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres planted</td>
<td>53.0</td>
<td>47.1</td>
</tr>
<tr>
<td>Acres harvested</td>
<td>79.3</td>
<td>73.3</td>
</tr>
<tr>
<td>Bu/Harvested acre</td>
<td>31.4</td>
<td>107.0</td>
</tr>
<tr>
<td>Stocks (million bushels)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning stocks</td>
<td>1,100</td>
<td>2,113</td>
</tr>
<tr>
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</tr>
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Michigan Farm News

December 15, 1994

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**FARM BUSINESS --**
Dr. Gerald Schwab, Dept. of Agricultural Economics, Michigan State University

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Table 1-Michigan Crop Acreage by Type of Tenure

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<tr>
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<td>2,289,212</td>
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</tr>
<tr>
<td>Corn silage</td>
<td>304,478</td>
<td>49,048 (16.1)</td>
<td>240,473 (79.0)</td>
</tr>
<tr>
<td>Soybeans</td>
<td>1,332,114</td>
<td>223,588 (16.8)</td>
<td>67.6</td>
</tr>
<tr>
<td>Sugarbeets</td>
<td>174,917</td>
<td>11,050 (6.3)</td>
<td>19,055</td>
</tr>
<tr>
<td>Potatoes</td>
<td>67,061</td>
<td>362.5 cwt</td>
<td>333.5 cwt</td>
</tr>
<tr>
<td>Wheat</td>
<td>583,245</td>
<td>120,916 (20.7)</td>
<td>41,762</td>
</tr>
<tr>
<td>Alfalfa hay</td>
<td>67,061</td>
<td>4.90 ton</td>
<td>4.5 ton</td>
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<tr>
<td>Cukes, Pickles</td>
<td>57.2</td>
<td>11.4 ton</td>
<td></td>
</tr>
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<td>Livestock-Share</td>
<td>19,150</td>
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</tr>
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<td>Grazing</td>
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Table 2-Michigan Farmland Cash Rental Rates

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<td>19.02</td>
</tr>
<tr>
<td>Corn</td>
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<td>11.00</td>
<td>71.7</td>
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<tr>
<td>Corn silage</td>
<td>47.23</td>
<td>19.30</td>
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<td>Cukes, Pickles</td>
<td>51.14</td>
<td>14.00</td>
<td></td>
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<tr>
<td>Grass hay</td>
<td>21.20</td>
<td>2.70</td>
<td>26.03</td>
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<tr>
<td>Oats</td>
<td>31.00</td>
<td>6.75</td>
<td>28.30</td>
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<td></td>
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Michigan Farm News

For protection of all participants, it is recommended that the lease agreement be witnessed. Having a written lease should not imply a lack of trust but rather an opportunity to ensure that a clear understanding occurs.

At a minimum, the lease should contain the names and addresses of the landlord and tenant, specify the legal description of the property, define the contributions of each party; and specify the time, place, and method of rental compensation. The time period for the lease should also be specified and the agreement dated and signed by all parties.

Extension publications that might be helpful to you in designing your own rental arrangements are listed to the right. These publications are available through Michigan State University at the Extension Bulletin office on campus in Agriculture Hall or at your local MSU Extension office.
Crop insurance reform—the rules have changed

Editor’s note: This is the first in a planned series of articles to address issues regarding the recently approved crop insurance reform act. In future issues, you’ll find more in-depth information on key management questions and issues, as compiled by the Michigan Farm Bureau Commodity Activities and Research Division and the MSU Agricultural Economics Department.

Forget all you thought you knew and understand about this reform package is that they must sign up, "Boehm explained. Thenew program and understand about this reform package is that they must sign up," Boehm explained. The new program also addresses several key complaints with the previous crop insurance/disaster aid programs—primarily low participation and limited availability.

According to Boehm, the new program, participation to crop insurance is a prerequisite for receiving benefits from virtually all federal farm programs, including deficiency payments, Farm Home Administration loan programs, and conservation entitlements such as Conservation Reserve Program and Wetland Reserve Program payments. It’s expected that the linkage of farm program benefits to mandatory crop insurance will boost producer participation from the current 30 percent level to over 80 percent.

"The crop insurance linkage to farm program benefits is mandatory—there is no longer any back-up plan available," Boehm said. "No crop insurance means no federal benefits—period. Farmers are fully in charge of making their own risk management decisions."

Another noteworthy change, says Boehm, is the new closing date for crop insurance coverage which has all been scheduled 60 days earlier than normal for spring planted crops.

Past program costs for crop losses since 1988, in Michigan alone, have totaled about $268 million in disaster payments to farmers. According to Boehm, Michigan ranks as one of the top ten states in terms of disaster payments received on non-program crop losses, due to the state’s diverse commodity mix and lack of insurance coverage available.

Multi-peril crop insurance has also played a significant role in risk reduction for Michigan producers, with total savings since 1988 of $346 million, or 23 percent from MPCI. Nationally, the figures are much closer with just 54 percent coming from government crop disaster programs.

Under the new program, Boehm says that producers can take advantage of a standing, non-insurable crop disaster program known as Non-Insured Assistance Program (NAP), which is designed to provide about the same level of protection as previous federal ad-hoc disaster programs have provided in the past (see article, next page for more information).

Producer responsibilities:
- Apply for insurance no later than the application deadline.
- Provide available production records for calculating yield guarantees.
- Pay the processing fee unless waived.
- File an acreage report by the applicable deadline date.
- Provide prompt notification of losses.
- Provide the amount of loss and the cause of the loss.
- Report production following harvest.

Commodities Covered in Michigan
- Apples
- Barley
- Canning beans
- Corn
- Dry beans
- Grain sorghum
- Grapes
- Green peas
- Hybrid corn seed
- Nursery stock
- Oats
- Onions
- Peaches
- Popcorn
- Potatoes
- Soybeans
- Sugar beets
- Tomatoes
- Wheat

Calendar of Events
- Jan. 8-12, American Farm Bureau annual meeting, St. Louis, MO
- Jan. 17-19, Great Lakes Vegetable Growers Convention, Grand Rapids, MI. Call Bernie Zander at 517-955-6673

Mail or fax information (include contact name and phone number) three weeks in advance to Michigan Farm News, P.O. Box 3096, Lansing, MI 48909-3096, 800-252-2888, Fax: 517-353-6637.
The Crop Insurance Reform Act of 1994 creates a new program for producers of most crops for which there is no insurance program, called Non-Insured Assistance Program (NAP). The program was established to assure that producers of non-insurable crops will not lose protection against catastrophic losses, which are very comparable to coverage provided under former federal ad-hoc disaster programs.

How it Works:
• NAP Payments will be made to eligible producers in any year in which the average yield for the area is less than 65 percent of normal.
• If the area average yield is less than 65 percent of normal, producers with an individual loss in average yield of 50 percent or greater will be eligible for NAP payments.
• Payments will be determined on an individual farm basis and will be made for loss in yield greater than 50 percent of normal farm production. Lost production will be replaced at 60 percent of the crop's market price as determined by FCIC.
• In the case of a crop produced with significant harvesting costs, the payment rate per unit (e.g., bushel or pound) will depend on whether the crop has been (1) harvested, (2) planted but not harvested, or (3) not yet planted.

Annual acreage and production reports are required. Producers will report this information to their local USDA office.

If the average yield for the area is below 65 percent of normal, thereby making the area eligible for NAP assistance, producers experiencing a 50 percent or greater loss will need to apply to their local USDA office in order to receive payments.

Michigan Crop Disaster Payments

With Michigan's diverse agricultural base and limited availability of crop insurance, producers have had to rely more heavily on ad-hoc disaster program payments. Since 1988, 77 percent of total payments have been from federal disaster programs.

Understanding the non-insured assistance program

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Michigan Crop Disaster Payments

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Principal Crops Covered Under NAP
- Asparagus
- Broccoli
- Cantaloupe
- Carrots
- Cauliflower
- Celery
- Hay
- Honeydews
- Hops
- Lawn seed
- Lettuce
- Millet
- Mushrooms
- Nursery in-ground
- Peppermint
- Spearmint
- Strawberries
- Sweet cherries
- Sweet potatoes
- Watermelons

Consider Member Dental Insurance from Michigan Farm Bureau

Member dental insurance is the affordable way to assure that you and your family receive the dental care services you require—even when sudden and costly needs arise.

Measure the rates against your annual dental care bills and consider the advantage!
- Single $18 per month
- Couple $32 per month
- Member/Child $32 per month
- Family $41 per month

TO RECEIVE ADDITIONAL INFORMATION AND A BROCHURE/APPLICATION, PLEASE FILL OUT THE COUPON BELOW OR CALL DIRECT 1-800-292-2680 EXT- 323&

Please Print

Michigan Farm Bureau
Membership Services
P.O. Box 30960
Lansing, MI 48909

Please mail to:

Name
Address
City State Zip
Phone
County

Protect your back: lift with care

Don't lift improperly or beyond your capacity—because if you do, you may damage your back, causing yourself misery and disability.

Remember:
• If something is too bulky or heavy for you to lift and carry safely by yourself, get some help—or use a mechanical aid such as a hand truck, or wheeledbarrow.
• Check the object for sharp or jagged edges, rough or slippery surfaces. Wear good gripping gloves to protect your hands and keep it from slipping out of your grasp. Be sure your pathway is clear.
• When squat lifting, keep your feet parted, one alongside and one behind the object. Tuck your elbows and arms in, holding the load close to your body. Grasp the object with the whole hand. Tuck your chin in. Keep your body weight directly over your feet and start the lift with a thrust of the rear foot. Don't jerk—because doing so may strain your lower back.
• Set the load down and rest along the way if you've got a distance to travel. Watch your fingers and toes.
• If you have to raise the object above shoulder height, first lift it to waist height, then swing it to shoulder height, and then shift your hand position so you can boost the object after you bend your knees. As you lift the object to your shoulders, straighten your knees.
• Grasp sacks, boxes, and cartons at opposite corners. When you lift a sack, let it rest against your hip and belly; then swing it to one shoulder. Scoop slightly and put your hand on your hip so the sack rests partly on your shoulder and partly on your arm and back. Hold the sack at the front corner with the other hand. To put it down, swing it slowly from your shoulder until it rests against your hip and belly. Put your legs and keep your back straight as you lower the sack.

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Michigan Farm News

December 15, 1994
Act Now for End-of-the-Year Tax Advantages

MDA to computerize dairy inspection process

The Dairy Products Division of the Michigan Department of Agriculture is in the process of developing a computer program that will allow dairy inspectors to send their reports via telephone modem to the main office in Lansing.

According to Bill McCarthy, director of the Dairy Products Division of the MDA, various degrees of computerization have taken place within the division over the years. McCarthy expects this system, which should be in place within the next 16 months, will help MDA to better evaluate inspection progress and improve enforcement.

Once in operation, the computer program will enable the inspector to call the farm, evaluate them and then later generate a computer report that will be sent and stored for future access at the headquarters in Lansing. Currently, the inspection forms are passed through the mail, pictured and then stored on reels of film. With the introduction of the computer network, "We will be able to see percent of compliance on certain items on the inspection sheet," said McCarthy. "For example, we'll know very quickly what our percent of compliance for drug residue violations are or what the number of violations for milk house cleanliness is at any time."

Not only will this help the MDA to better evaluate what is occurring on the dairy farms, but this technology will benefit producers as well, due to the reports it will be able to generate.

"When the information gets compiled, we can then give the dairy farmers an indication of what common places kinds of things that are happening out there among all dairy farms," said McCarthy. "It's just a matter of letting them know where they stand on their particular farm, relative to the rest of the industry."

McCarthy wants to measure dairy producers that the automation of the inspection process affects the reporting and storing of information and that the necessary relationship between the inspector and the dairy farmer will not be taken away or changed. In fact, McCarthy expects this change will have a positive effect not only on these staff and MDA, but the entire dairy industry.

IRAs and other tax-qualified flexible premium annuities from FB Annuity Company are now paying:

- Guaranteed to never fall below 4.0%
- Tax-deferred interest

70% effective annual yield

Non-qualified flexible premium annuities from Farm Bureau Life Insurance Company of Michigan are now paying:

- Call your local Farm Bureau Insurance agent for details.
- 6.75% effective annual yield

Mail pharmacy service offers savings to Farm Bureau members

Description of mail pharmacy service and its benefits.

Major fall surveys

Agriculture

As farmers harvest record corn and soybean crops, the Federal-State Michigan Agricultural Statistics Service will conduct two major surveys. In order to get the final story on 1994 crops, 5,500 Michigan farmers will be contacted on the 1994 Farm Report and around Dec. 1, over 1,800 farmers will be asked to complete the December Agricultural Survey. Most selected farmers will receive a questionnaire in the mail, while some will be contacted by telephone or interviewed in person. These surveys will provide the data necessary for establishing final 1994 crop acreage, yield, and production a estimates and 1995 winter wheat and corn seedings. It will also provide current information on grain stocks, chicken inventory, as well as hog inventory and hogs.

Producers receiving a copy of either the "December Agricultural Survey" or "Farming Operating Survey" in the mail are encouraged to complete and return it promptly. This will eliminate the need for telephone or personal follow-up, thus keeping survey costs to a minimum. Individual reports from farmers are kept confidential, and only summarized to set county, state and national estimates of crop production and livestock inventories.

Heartland Prescription Service

Description of Heartland Prescription Service and its benefits.

Survey of agriculture

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Dry bean referendum coming soon to a mailbox near you

If you've produced dry beans for sale within the state of Michigan during the last two years, you should be receiving a ballot in your mailbox on or around Dec. 21. The ballot will ask if you want to continue the ten cent per hundred weight checkoff, according to Katherine Fedder, director of the Marketing and Market Development Division for the Michigan Department of Agriculture.

Fedder says that producers must respond by returning their ballots so that they'll be postmarked no later than Jan. 9, 1995. If more than 50 percent of the total production voted, the referendum will continue for another five years.

Dale Kuenzli, executive director for the Michigan Dry Bean Commission, hopes that Michigan growers realize what a great return they have gotten from their checkoff dollars in recent years—most notably market expansion into Mexico, and adoption of Michigan dry beans for federal PL-480 Food Aid programs.

"The development of trade with Mexico has increased the sale of black beans to that country considerably due to our proactive efforts," Kuenzli said. "We also had over half a million bags of Michigan dry beans that were sold to the federal government for food aid purposes." That's great for Michigan on the radar, if you will, as a place that foreign countries needing relief aid can look to for supplies.

Kuenzli says the investment made by Michigan growers will also pay-off long-term thanks to the efforts being made by the commission to educate over 8,000 dietitians employed by hospitals and other institutions promoting the health benefits of dry beans.

"Our future is to be etched in stone, so the missionary work that these dietitians are doing for the dry bean industry," Kuenzli said. "The knowledge that these beans are high in fiber and protein and low in cholesterol and zero in fat are the things that are coming across to the health conscious consumers of today.

According to Kuenzli, the referendum, which was the result of Public Act 134 of 1985, operates very similar to the more familiar Public Act 232 commodity promotion programs. Of the ten cents checked off, nine cents go to the Michigan Dry Bean Commission, while the other penny is directed to the Production Research Advisory Board which is made up of the first receiver—the elevator, in most cases.

MDA is working closely with the Michigan Bean Commission and the Michigan Bean Shippers to obtain the names of all dry bean producers in the state, according to Fedder.

If you've overlooked or have questions contact Fedder directly at 517-373-1058. Ballots can also be obtained at regional MDA offices, and your county Extension office.

Former USDA secretary Edward Madigan dies of lung cancer

Edward Madigan, secretary of agriculture in the Bush administration and a ten-year U.S. congressman from central Illinois, died Dec. 7, at the age of 58 according to a Noble Riddler Alert report.

Madigan was diagnosed with lung cancer earlier this year. He died of complications of the cancer. Madigan was originally elected to the House in 1972 and served as the ranking minority member on the House Agriculture Committee. President Bush selected him to be USDA Secretary in January 1991 to succeed Secretary Clayton Yeutter.

As USDA secretary, Madigan sought to make programs more farmer-friendly, improve nutritional education and increase research on new uses for farm products. He was recently credited by USDA Secretary Mike Espy for initiating the changes and restructurings being implemented currently under the USDA reorganization.
Regional dairy and livestock agents a reality

The agents, located across Michigan, will be part of what Leholm calls a new way of doing business in the MSU Extension, patterned closely after the industry's successful project teams.

The concept of regional MSU Extension specialists is finally becoming a reality with the naming of the first eight "dairy" and the first eight "livestock" specialists. According to MSU Associate Director, Arlen Leholm, the search is underway for another eight new field agents, four for dairy and four for beef cattle for a total of 12 in each "area of expertise." Specialist will eventually be appointed in other areas of expertise for field crops, trees, forestry, ornamental, landscape architecture, land-use planning and vegetables as well, says Leholm.

"Producers will have a team of individuals, not just a single individual, working on an inter disciplinary team, and the agents will be responsible for a bigger geographic region," Leholm explained. "These teams will include off-campus staff as well, which should link off-campus and on-campus staff into a very exciting team concept."

For example, a dairy producer may rely on a team consisting of a dairy specialist, a member from the Agricultural Economics Department and the College of Veterinarian Medicine to handle a specific management question, Leholm said.

The specialists, depending on location and workload demands, will be responsible for as little as one county or as many as 12 or 15 in northern Michigan. The eight new dairy and livestock positions will be funded through the Animal Livestock Initiative, while funding for the existing agents will continue to be covered under the existing funding structure between county, state and federal dollars.

That funding partnership makes it critical that everyone involved understands the concept and the value-added benefits of the program through areas of expertise, says Leholm. County agents will negotiate trade arrangements with agents of other counties with different areas of expertise.

"Even if a county is paying a portion of an agent's salary directly, it still makes sense to do the trades, because that county is going to get additional resources from other county agents that are based in another county with another skill," Leholm explained.

Leholm was also quick to point out that specialists will still have routine county responsibilities, however, 100 percent of that agent's active teaching and program delivery time will be spent on an assigned area of expertise.

"So a dairy agent would not be teaching in a livestock or a crop area anymore," Leholm said. "A training curriculum will be developed to assure that staff are up to speed in general areas of competency within each area of expertise."

Field Positions

Extension Livestock/Swine Field Positions

- Ann Arbor
- Charlotte
- Coldwater
- Corunna
- Flushing
- Lansing
- Pontiac
- Sandusky
- Traverse City
- Wilton
- Wyandotte
- Zeeland

Extension Livestock Field Positions

- Charlotte
- Corunna
- Coldwater
- Flushing
- Lansing
- Pontiac
- Sandusky
- Traverse City
- Wilton
- Wyandotte
- Zeeland

Extension Dairy Field Positions

- Adrian
- Battle Creek
- Coldwater
- Detroit
- Flint
- Grand Haven
- Kalamazoo
- Kalamazoo
- Lansing
- Pontiac
- Saginaw
- St. Joseph
- Traverse City
- Wyandotte
- Zeeland

Extension Dairy/Livestock Field Positions

- Adrian
- Battle Creek
- Coldwater
- Detroit
- Flint
- Grand Haven
- Kalamazoo
- Kalamazoo
- Lansing
- Pontiac
- Saginaw
- St. Joseph
- Traverse City
- Wyandotte
- Zeeland

Circled Positions = new positions

Designations on the map refer to area of state not county assignments

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Michigan's dairy industry—facing tough choices

Recent moves into the state by Mid American Dairymen Co-op combined with changing producer/consumer demographics spurs discussion between MMPA and ICMPA.

Several years ago, however, credit capacity could become an additional burden for the state's dairy industry, according to NPI Dairy Specialist Kevin Kirk. He says cooperatives can't have large amounts of capital invested in facilities that aren't fully utilized. "Mid-American has systematically seen a reduction in milk production away from the Midwest, has processors and cooperatives from outside the state looking for new sources of milk, and consumers are increasingly buying more of their milk from manufacturers, particularly in the cheese market. "We really shouldn't personalize this by individual firms except to say there are a lot of changes taking place in the dairy industry," Hamm said. "If it weren't Mid-American Dairymen today, it would be someone else tomorrow." Hamm said that Michigan's reputation for efficiently producing high-quality supply of milk, combined with an excellent highway system makes the state very appealing to out-of-state processors. "The federal milk marketing orders were originally designed in the late '30s and have draft primarily with fluid milk issues," said Hamm. "Meanwhile, consumers are increasingly buying more of their milk through manufactured product, particularly cheese, yogurt, and ice cream. We are likely going into a long-term period where significant change over how the federal milk market orders are organized and operated will take place."

With all this in mind, says Hamm, producers need to continue efforts in the short term to be as efficient and as low-cost as possible, while producing a high-quality product which will become ever more important with the introduction of the multiple component pricing system. Long-term, Hamm believes producers need to come to grips with some tough decisions on how they'll market their products and consider short-term gains versus long-term sacrifices they should decide to seek other market channels. "Michigan is very blessed with a strong forward-thinking milk marketing organizations. Individual producers have to decide whether they're going to go it alone and try to market their milk by themselves or whether they want to commit some of their valuable time to working with and in the milk marketing organizations they belong to and develop the best marketing system for everyone in the state," Hamm concluded.

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Are you looking for livestock to buy? Michigan Farm News can help you find what you're looking for. Here are some details about various livestock and farm equipment available for sale:

- **Llamas**: Great pets, also affordable. 1-616-677-3309.
- **Hurtis Auction Service**: Michigan, 1-616-757-2595.
- **Michigan Farm News**: Available at most燎升 stores and online at MichiganFarmNews.com.
- **Michigan Agriculture Portal**: Offers online listings of livestock and farm equipment.

Looking for a specific type of livestock or equipment? Use these resources to find what you need. Happy hunting!
Michigan farmers can learn more about what's happening on the ground beneath their feet by picking up signals from satellites in space. Site-specific farming uses an information technology known as GPS, which stands for Global Positioning System.

GPS is one of the hottest things to hit agriculture in a long time. A GPS receiver mounted on a tractor or combine receives signals from a number of satellites in a U.S. Defense Department network. The signals are used to determine the location of the equipment in the field with nearly pinpoint accuracy.

A computer in the cab of a tractor or combine can be used to record time, location and information from sensors. Crop yield, fertilizer application, plant population or any number of things can be precisely measured.

Some are calling it prescription farming or farming by the foot. What it really means is that farmers can farm the fields within their fields. "If we have variations of sufficient magnitude, then we can manage that variability so we can be more productive, efficient and environmentally sound," said Dr. Pan Pierce, associate professor in the Crop and Soil Science Department at Michigan State University. "For example, 40 acres could be managed as subgroups that have different management needs. This is better than managing the field as a whole. Farmers could be adding more or less materials."

The concept behind GPS in agriculture is to build a database of information about variability in fields. This enables the farmer to adjust inputs across fields. "One year's data by itself isn't going to mean much," said Pierce. "The value is in putting information year-to-year in a computer database, manipulating the data and then controlling what you put in the field after that."

Pierce is cautious about estimating the value of site-specific farming. He said studies show plenty of variability in Michigan farm fields. "The point is still out on how we evaluate whether we can make a profit or improve environmental performance on our cropping systems. Even if you know about the yield variability in a field, we don't know enough yet about how to manage it."

With a number of companies around the state offering site-specific farming services near spring, Pierce suggests farmers consider renting out small. "Figure out what variation you have and get hold of that," he said. "That's the way to go." Pierce said this high level of technology is "a tick right now, because we don't necessarily know what recommendations go where. The closer you look at it, the more expensive it is. What scale should I work at? Five feet, or every 10 acres? You must come up with some compromise and maintain how much you get for how much you do," he said.

Supported by an outpouring and grant university, Michigan farmers have always had opportunities to adopt innovations that improve their profitability. Site-specific farming is the same technology that holds potential for not only improving the bottom line but also demonstrating that farmers are good stewards of the environment.

### Discussion Questions

1. How much variability is there in your fields?  
2. To what extent could site-specific farming help you manage that variability?  
3. Are the environmental benefits from site-specific farming real or perceived?  
4. What would you estimate your cost to be to replace, correct or update your equipment to take advantage of site-specific farming?  
5. Are site-specific management services being offered in your area?  
6. Who should own the farm-specific data, the landowner or the company that collected the data?

### USDA announces county office closure list...

**continued from front page**

- Muskegon (will be served out of Fremont office)  
- Oakland (will be served out of Howell office)  
- Oneida (will be served out of Oneida office)  
- Otsego (Gaylord ASCS office moved to Gaylord Service Center)

**SCS County Office Closure/Move List:**

- Alcona (Brantville office moved to Lincoln)  
- Arenac (Randall office moved into Sandusky Service Center)  
- Baraga (will be served out of Buckley office)  
- Chippewa (will be served out of Drummond County office)  
- Dickinson (will be served out of Garfield office)  
- Houghton (will be served out of Luce office)  
- Iron (will be served out of Iron Mountain)  
- Livingston (will be served out of Howell City)  
- Macomb (will be served out of St. Clair County)  
- Missaukee (will be served out of Cadillac office)  
- Montmorency (Stanton office moved to Greenvliet Service Center)  
- Muskegon (will be served out of Fremont office)  
- Oakland (will be served out of Howell office)  
- Ontonagon (will be served out of Luce office)  
- Presque Isle (Bagley City office moved to Presque Isle Service Center)  
- Schoolcraft (will be served by Escanaba office)

**FMHA County Office Closure/Move List:**

- Calhoun (Kalamazoo office moved to Marshall Service Center)  
- Cass (will be served by Cassopolis office)  
- Alger (will be served by Escanaba office)  
- Oscoda (will be served out of Lincolnton office)

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**Michigan Farm News**

**December 15, 1994**

**16 Discussion topic—site-specific farming**

A GPS receiver mounted on a tractor or combine receives signals from a number of satellites in a U.S. Defense Department network.

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