ICHIGAN FARM N

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# Minor Crop Pesticides and Health Care Focus of Washington Trip

Over 100 Michigan farmers were in Washington, D.C., March 15-18 as part of Michigan Farm Bureau's 34th annual Washington Legislative Seminar, sharing their views with Michigan's congressional delegation on preservation of minor crop pesticides and health care reform.

Congressmen from both sides of the political aisle shared their concerns about reform of the nation's health care system, including Michigan Democratic Sen. Carl Levin.

"One of the most important things we have to do is change the system where self-employed people are not allowed to deduct health care premiums as business expenses," said Levin. "Under the president's plan, self-employed people would be able to deduct 100 percent. For most of you, that would be a tremendous plus."

But Republican Congressmen expressed doubt about the future of the president's health care reform proposal. "I think the idea of health care alliances and a government takeover (of the health care system) has not received the support the President had hoped for in committee," said Rep. Dave Camp.

> Continued on page 15, see Washington, D.C., Trip



Michigan farmers told legislators that the loss of crop protection chemicals for so-called "minor crops" is one of the most serious problems facing Michigan agriculture today.

# Proposal-A Approval Good News for Michigan Ag

MFB Continues Efforts to see Revised Farmland Definition Enacted Legislatively

After years of discussion, trial balloons and failures, Michigan farmers will finally begin to receive a measure of property tax relief, thanks to an overwhelming approval of the Proposal-A ballot question by Michigan voters on March 15. Under the new plan, property taxes used for K-12 education will be reduced with the lost revenue replaced by a more balanced blend of taxes, including an increase in the sales and cigarette taxes, and a new real estate transfer tax.

"This offers an exciting opportunity to continue developing our state's agricultural industry and general economy, opening the door for new jobs and new business," said MFB President Jack Laurie. "We need to continue our efforts, however, to see that the farmland definition agreement that was reached prior to the vote, is followed through on by our legislators."

Laurie is referring to an agreement Michigan Farm Bureau sought to assure that all farmland, including rented ground, would be treated equitably. That agreement was a key factor in making Proposal-A beneficial and acceptable to agricultural property owners.

Under the agreement between Gov. Engler and the legislative leadership, legislation will be passed that would allow farmland to be eligible for the 6 mill school operating millage rate - the same as homesteads. This agreement provides that agriculture property must meet **one** of the following tests to receive the six mill rate:

• If the farm exceeds 40 acres, the land must be "devoted primarily to agricultural use" (administratively defined as at least 51 percent of the land must be in active cultivation or fenced pasture) in 3 of the last 5 years;

• A farm of 5 to 40 acres must be devoted primarily to agricultural use and has produced a gross annual income of \$200 per acre in 3 of the last 5 years;

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•A farm designated as a specialty farm must have produced total agricultural income of \$2,000 or more in 3 of the last 5 years.

In meeting this criteria farmland will qualify for the lowest millage rate irrespective of whether the land is leased, rented, nonadjacent or noncontiguous. This agreement was a real victory for farmers and will allow Michigan agriculture to remain competitive in the future.

According to MFB Legislative Counsel Ron Nelson, the legislation necessary to see the farmland definition agreement implemented, has been introduced in both houses as H.B. 5329 and S.B. 1027. "The Legislature continues to discuss the farmland definition to permit all farmland to be treated alike and at the same 6-mill rate as homesteads," he said. "MFB members should continue to contact their respective legislators and encourage their support of these two key pieces of legislation."

1993 Distinguished Young Farmer State Award Winner Receives Use of CASE International Award-Winning MAXXUM Tractor

A Case International 5200 Series of MAXXUM tractors is a grand prize for MFB's 1993 Distinguished Young Farmer award winner Jeff Horning, a Washtenaw County dairy farmer. He will receive 80 hours free use of this 5200 series tractor on his farm in 1994, through his local sponsoring dealer K&W, Equipment of Manchester. Case International 5200 Series MAXXUM tractors have been named among the Agricultural Engineering 50 as one of 1993's most outstanding innovations, according to Mark Bonson, Case International area sales manager for Northern Michigan. "We're pleased about the recognition given to the MAXXUM line, but I can't say we're surprised," Bonson said. "Customers who have looked at or purchased 5200 Series machines tell us they are impressed by their innovative features and outstanding performance. That type of positive customer response has already made the MAXXUM tractors winners in our book."

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

> Continued on page 9, see CASE-International Winner



Michigan Farm News Classifieds - Page 14



March 30, 1994

# In Brief...

### Sell Some '94 Grain Early, Expert Advises

The combination of market forces and reduced U.S. supplies of grain may make U.S. farmers want to consider pricing a portion of their expected 1994 grain crops now, suggests Bill Tierney, Kansas State University grain marketing analyst.

With Russia not buying and with China, South Africa and South America selling, any new demand for U.S. corn is bound to be limited, says Tierney. He said one more spring rally may come from a surge of export demand for cash corn, but after that the shipment pace may drop sharply.

He suggests farmers may want to consider selling 25 percent of their expected 1994 production on price upturns this spring. He said the government farm program provisions and current corn prices provide the setting for a considerable upward surge in production. Unless the summer brings significant yield reduction, consumption won't rise enough to offset additional supplies, according to Tierney. Season average corn prices could drop by as much as 50 cents below the average 1993-94.

### Farmers Warned of Lawsuit Scam

A federal prosecutor and Iowa's attorney general warn that a group accused of defrauding farmers is still holding public meetings and trying to collect money under false pretenses. The officials warned farmers not to give money to organizers of the group, "We the People," which is under a court order not to collect money from farmers to share in a purported multimillion-dollar settlement of a class-action lawsuit.

The group has asked farmers to pay a \$300 "filing fee" to get their fair share of a suit that claims the federal farm lending system has been illegal for decades. "There's no suit, and there's certainly no such settlement," said Iowa Attorney General Bonnie Campbell. She held a joint news conference with Stephen J. Rapp, the U.S. attorney for Northern Iowa, and warned farmers about the group.

Campbell said meetings still are being held by the group, which is not illegal. However, it is another matter to collect money from people under false claims. "That's consumer fraud," Campbell said. She said the solicitation of filing fees in this case has been declared illegal and advised anyone asked for money to contact either their county attorney or the state attorney general's office.

## "Key to Profit" Cattle Sale Repeats at Escanaba, Mich.

The Upper Peninsula Hereford Breeders Association (U.P. HBA) has scheduled its fourth "Key to Profit" sale for April 30 at the U.P. Beef Expo in Escanaba, Mich. "Along with the Polled Hereford and Hereford cattle, we have Simmental, Limousin and Angus consigned," said sale chairman and U.P. HBA President Merlin Atkins, Sault Ste. Marie. "We have 24 bulls and 22 females, bred and open, catalogued for the sale, which begins at 1 p.m. (EST) at the U.P. State Fairgrounds.

"Our Expo sales have continued to fill the demand for top quality breeding stock. By going in with several breeds, we are able to offer cattlemen top genetics without them having to travel great distances."

The sale was organized by the U.P. HBA with a commitment to providing profitable breeding stock to the area's cattlemen. All bulls will undergo a breeding soundness exam so purchasers can buy with confidence. For more details about the sale, contact Merlin Atkins at 6330 Nicolet Rd., Sault Ste. Marie, MI 49783, phone (906) 632-7046 or U.P. HBA Secretary Glen Hanson, Jr., Rt. 1, Box 94A, Stephenson, MI 49887, phone (906) 753-4311.

## Michigan February Farm Prices Down Slightly

The Index of Prices Received by farmers in Michigan for all products as of Feb. 15 was 133 percent of its 1977 base, according to the Michigan Agricultural Statistics Service. The February index was down 1 percent from January's index but 7 percent above last year's index of 124.

The price index for all crops in Michigan dropped 2 percent from last month with hay prices declining 13 percent. Wheat, soybeans, and dry bean prices all dropped 2 percent from last month while potato and corn prices increased 7 and 1 percent, respectively. Apple prices decreased 2 percent while onion prices increased 8 percent. Oat prices remained unchanged from a month ago.

The livestock and products index was down 1 percent from January. Milk and calf prices both decreased with 4 and 3 percent drops, respectively, from last month. Hog prices were up 10 percent from last month. Slaughter cows, beef cattle and steers/heifers prices all increased 1 percent from a month ago.

## USDA Declares Gypsy Moth Emergency

The United States Department of Agriculture has declared an Asian gypsy moth emergency in North Carolina, making \$7.4 million available to eradicate the pest, which defoliates trees and could threaten the timber industry.

Officials say the Asian moth is more of a problem than its European cousin, which has already devastated forests in the Northeast and in portions of Michigan. The Asian gypsy moth attacks conifers, while the European variety eats only deciduous trees. It also flies farther and could spread more quickly.

USDA said its eradication efforts in North Carolina will begin in the spring when moth eggs hatch and turn into leaf-eating caterpillars. A USDA spokesman said a naturally occurring bacterium harmful only to caterpillars, not animals or humans, will be sprayed over a 124,000 acre area near Wilmington, N.C.

### Russia Reports Improved Grain Supply

Russian President Boris Yeltsin says the country will not have to import any grain or cotton this year, according to the Itar-Tass news agency in a recent report.

Yeltsin said, "For the first time in three or four decades, Russia will not import grain this year, nor will it import linen and wool." He said three years ago, the country feared famine, but now it has enough grain to last until the new harvest is available.

### USDA Reorganization Passes Senate Ag Committee

The legislation to reorganize the Department of Agriculture, largely along the lines suggested by Secretary of Agriculture Mike Espy, flew through the Senate Agriculture Committee recently. The next action on the plan, which would cut USDA staff and trim the total number of agencies from 43 to 28 (Senate version) or 29 (House version), will be when the issue comes to the full House Agriculture Committee for markup in late March or early April.

## Grocery Prices Remain Stable

American consumers are paying very little more for groceries in the first quarter of 1994 than they did in the fourth quarter last year or in the corresponding period a year earlier, according to a food price survey conducted by the American Farm Bureau Federation. The market basket price of \$30.11 in the most recent survey compared to \$29.91 in the previous quarter and \$29.20 in the first quarter of 1993.

In the survey, updated in late February, of 16 popular market basket items that Farm Bureau has monitored on a quarterly basis for the past five years, aggregate prices have stayed within a narrow range from \$28.50 to \$31.44 for the entire period.

Slightly higher in price, on the average, this quarter compared to last were pork chops, bacon, eggs, milk, potatoes, cereal, shortening and mayonnaise. Items that went down in price this quarter included ground chuck, sirloin tip roast, chicken, apples, flour and white bread.

A total of 24 states were involved in the most recent survey with 72 individual locations checked. Prices, of course, vary between locations, but these quotations are based on the overall averages.

### Red Meat Production Fell Slightly in '93

Total red meat production in 1993 was 40.8 billion pounds, 1 percent less than the 1992 output, according to the USDA. Production for the year was down in all species, beef down only slightly at 23 billion pounds; veal was down 8 percent at 286 million pounds; pork production of 17.1 billion pounds was off 1 percent from last year; and lamb and mutton was down 3 percent at 337 million pounds.

Slaughter statistics for the year revealed fewer animals but at slightly higher weights per animal in all species except beef. Commercial cattle slaughter numbers went up 1 percent, but the average live weight went down 8 percent, according to the USDA's annual livestock slaughter report.

### Clean Water Mischief in the Works

Clean Water Act reauthorization legislation introduced by Reps. Norman Mineta (D-Cal.) and Sherwood Boehlert (R-N.Y.) would pose serious problems for agriculture, says Mark Maslyn, director of governmental relations for the American Farm Bureau Federation. Under this proposal, the scope of the Act would be expanded to cover groundwater, which is traditionally governed by other statutes. Mandatory controls and management measures to protect surface water would also be given the role of protecting groundwater as well. Other flaws in the proposal include: its requirement that all states develop and implement an anti-degradation policy within two years; citizen monitoring and collection of water quality information is encouraged and funded by federal grants to groups; and citizens would be allowed to petition EPA to limit or prohibit discharges from point sources, which under current law, include livestock and animal feeding operations. Citizen suits against suspected wetlands violations would be allowed with severe penalties provided, including fines, which would be increased from \$25,000 to \$100,000 per day.

Nationally, the February All Farm Products Index of Prices Received was 147 percent of its January-December 1977 base, unchanged from January. Price gains from January for hogs, lettuce, cotton, and strawberries offset price declines for tomatoes, cattle, milk, and sweet corn.

## Michigan Beef Expo Celebrates 5th Anniversary

The 5th annual Michigan Beef Expo will be held April 8-10 at the Ingham County Fairgrounds in Mason, with over 99 consignors offering a unique blend of functional sound breeding cattle that should fit a commercial or a purebred cattle operation.

Two hundred thirty-one cattle have been consigned to the 1994 MBE representing Angus, Beefalo, Charolais, Chi, Limousin, Polled Hereford, Shorthorn and Simmental breeds. Three additional breeds will be exhibiting cattle in Exhibition Cattle Alley: Gelbvieh, Maine-Anjou and Piedmontese.

Again, the Michigan Beef Expo Trade Show will be full of useful indoor and outdoor exhibits for the needs of any aspect of the cattle industry and exhibition cattle will be on display again this year in the Coliseum building. The junior steers and heifers on Sunday will spotlight some of Michigan's brightest prospect show steers and heifers.

Consider participating in the numerous youth and adult educational programs offered this year. For further information on the Michigan Beef Expo or to request the eight breed sale catalog, call the MCA Information Line at (517) 669-8589.

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### Reprieve Sought on Worker Protection Standards

A bill to delay implementation of new farmworker pesticide protection standards (S. 1913), which has passed the Senate, will soon be taken up in the House.

Farmers and state departments of agricul-ture supported the bill, saying they need more time to become familiar with the new standards and implement them.

The measure will be considered by the House Agriculture Committee. House sponsors of the measure, H.R. 3969, are Reps. John Boehner (R-Ohio), Bill Emerson (R-Mo.), Blanche Lambert (D-Ark.) and about 30 others.

Quick action is expected, since the original deadline for implementation would have been April 15, 1994. If this legislation passes, the rules would not become effective until Jan. 1, 1995.

More sponsors for this Farm Bureau supported legislation are needed in the House to ensure approval, said Libby Whitley, labor specialist for the American Farm Bureau Federation.

veto any health care bill that does not in-

Opponents, who lost six to five in the 11

member committee, said the employer

mandate would cause small businesses to

cut jobs and harm the economy just when

clude an employer mandate.

it is in a job creation phase.

### Subcommittee Clings to Employer Mandated Health Care

The House Ways and Means Committee's subcommittee on health voted to retain employer mandated health care premiums, but Republicans who tried to strike that provision said they will continue their efforts against it.

Subcommittee Chairman Pete Stark (D-Cal.) said President Clinton would surely

### Property Owners Bill of Rights Offered

Three members of the Senate have offered legislation to require compensation of land-owners, if environmental rules "deprived them of the fair use of their properties," but owners of land idled by regulations shouldn't bank their compensation just yet, says GREENWIRE.

The legislation would compensate only those who lose at least 50 percent of the "fair market value or the economically viable use of their property."

### Health Care Markup Begins

The Health Subcommittee of the House Ways and Means Committee is the first congressional unit to begin marking-up the health care reform legislation.

The subcommittee has reviewed staff estimates of the cost of a health care overhaul measure drafted by its chairman, Pete Stark (D-Calif.). According to the estimates, which were prepared in cooperation with the Congressional Budget Office, the bill would be deficit neutral by 2000, according to the Congressional Monitor.

Stark's bill would pay for universal health care coverage by raising \$10.3 billion annually by the year 2000 through an increase in the tobacco tax and add another \$24 billion a year through a payroll tax. The legislation would cut Medicare spending by \$23 billion a year over the next six years. Medicaid spending would drop by \$139

Some timber industry people say the legislation indicates a backlash against "environmental regulations that have cost jobs and halted development on millions of acres nationwide."

In addition to compensation, the legislation would establish an appeal option for landowners affected by decisions under the Endangered Species Act or the Federal Water Pollution Control Act.

billion by 2000, according to the staff estimates.

Many current Medicaid recipients would get their health-care benefits through a new Medicare program, which would cost the government even more -- \$151 billion.

Employers would have to pay 80 percent of their workers' health care costs. Republicans on the subcommittee were frustrated by the use of 1994 figures to come up with a cost of 96 cents an hour for this, while the rest of the figures presented were for the year 2000, the Monitor said.

In addition to continued Ways and Means subcommittee markup, the Senate Finance Committee will hold the first of two hearings on the issues of health insurance premiums and government-subsidized insurance, according to the Monitor.

### Passage of Proposal-A

With the overwhelming majority of the people voting in favor of Proposal-A, interested parties now focus on the changes which may take place as a result of the vote.

The following is a quick summary of Proposal-A

**School Operating Millage** 6 for most homesteads and farmland Sales Tax From 4% to 6% **Income Tax** Reduced from 4.6% to 4.4% **Cap Assessment Increases** 5% or rate of inflation (whichever is less) **Single Business Tax** No change State Cigarette Tax Increases by 50 cents per pack **Real Estate Transfer Tax** (2%) 01/01/95 - 03/31/95 (.75%) 04/01/95 and after Personal State Income Tax Exemption \$2,100 (no change) Interstate Telephone Sales Tax

6% (1-800 numbers exempt) **Per Pupil Spending Guarantees** 

Will not go below 1994-95 revenues

Legislative efforts continue to implement a revised farmland definition to treat farmland alike and at the same millage rate as homesteads. Both House and Senate members are working on defining language similar to P.A. 116, the Farmland and Open Space Preservation Act, to provide a measure of uniformity and equity for farmland.

Some school districts may be faced with millage elections to assure they have the same amount of funding under Proposal-A

## **Farmland Definition**

**MFB POSITION** MFB sought and supports both bills.

### **ACTION NEEDED**

Continue to contact respective legislators - representatives and senators and encourage the bills be moved as quickly as possible.

MFB CONTACT Ron Nelson, Ext. 2043

as they would otherwise have. Primarily those are school districts spending over \$6,500 per student. The Department of Treasury is required to determine the num-

STATE

ISSUES

levy. School districts whose current local millage authorization has expired or is insufficient to maintain current spending levels, must seek voter approval to impose those local property taxes. Districts with existing millage authorization may continue to levy the needed mills without a vote of the people until the millage expires.

ber of mills that each of those districts may

Local school districts will still have to have school millage elections for school operating when the current operating millage expires, bringing that district below the al-lowed 18 mills. If the school district does not pass a continuation millage on nonhomesteads, then the school district will not receive a portion of their per pupil grant from the state. The amount of per pupil grant reduction will be based on the local levied 18 mills school operating approved by the voters.

With the adoption of Proposal-A, Michigan taxpayers face a substantially reduced burden for funding schools in most school districts.

With the revision in law and the clarification that all farmland will be treated the same as homesteads, farmers will benefit from a substantial reduction in their property tax and be more competitive from the standpoint of the cost of property tax per acre with other surrounding states.

H.B. 5329, sponsored by Reps. Dan Gustafson (R-Haslett) and Kirk Profit (D-Ypsilanti) and S.B. 1027, sponsored by Sen. Joel Gougeon (R-Bay City) have been introduced. H.B. 5329 has been considered twice in the House Taxation Committee. S.B. 1027 is tentatively scheduled for consideration in the Senate in late March, after having been reported from the Senate Agriculture Committee

Although both bills have been revised several times with further revision expected, the intent of both bills is that all farmland will be treated alike and levied the same millage rate as homesteads. Revisions and amendments continue to be discussed which would further clarify agriculture's millage rate.

Brucellosis Testing Legislation to Ease Cattle Transport

March 30, 1994

### Policy Goals Taking Shape for 1995 Farm Bill

Michigan Farm Bureau (517) 323-7000

As various groups begin to shape their pol-icy goals for the 1995 farm program legislation, environmental and conservation groups may be lining up against traditional agriculture interests, according to speakers at the Sparks Company, Inc.'s (SCI) annual policy conference.

Tight federal budgets favor the "green" lobbies and their goal of forcing farmer compliance with environmental practices was the message delivered by Katherine Reichelderfer Smith, policy studies pro-gram director of the Henry A. Wallace Institute for Alternative Agriculture.

Smith said the environmental push will be for pollution control and reduced pesticide

use as conditions of eligibility for reduced federal farm program payments.

Ms. Smith told SCI's 1994 Food and Agriculture Policy Conference that so-called 'green payments" are a way to achieve environmental goals and still spend less federal money.

The conference also heard from Howard (Chip) Conley, House Agriculture Committee economist and budget analyst, who said budget and appropriations committees will be just as involved as agriculture committees in development of new farm legislation.

Changes in vaccination requirements will make it easier to transport livestock in Michigan under legislation recently signed by Gov. Engler.

State Rep. Carl Gnodtke, R-Sawyer, said costs to the state and animal industry will be reduced by easing stringent brucellosis and bluetongue testing regulations. According to the Michigan Department of Agriculture, Michigan has been brucellosisfree since 1982.

Abolishing mandatory brucellosis vaccinating saves the Agriculture Department an estimated \$105,000 per year and reduces costs of moving cattle within the state by \$120,000.

The elimination of mandatory brucellosis vaccination should have no impact on the dairy and livestock industry, because all monitoring programs will remain, according to MFB Livestock Specialist Kevin Kirk.

"The monitoring programs are where the disease is usually discovered," Kirk said.

Michigan was the only state in the nation with bluetongue testing regulations. Public Act 41 will also ease the burden of moving cattle within the state."

Public Act 41 acknowledges the inclusion of several nontraditional breeds to the livestock industry, including deer, elk, alpacas, ostriches, kiwis, emus, fish, mollusks and reptiles.

It also permits cattle from brucellosis-free states to be imported directly. Tuberculosis and brucellosis tests for deer, elk, moose and other captive cervidae, however, would still be required.

In addition, any animal posing a health threat to other livestock or people could not be imported.

"These changes were necessary to keep the Michigan livestock industry competitive, Gnodtke said. "The incidence of several diseases is low enough that mandatory eradication programs are not necessary Proper surveillance will ensure that animal populations stay healthy."





### 30-Day Forecast – Below Average Temperatures with Average Precipitation

What a difference a couple of weeks can make weatherwise. Following record cold during much of January and February, temperatures during early March rebounded significantly, bringing average values for mid-February through mid-March to above normal levels for much of the state.

The mild conditions dramatically reduced snow cover over most agricultural areas as well as ice cover across the Great Lakes which had been at abnormally high levels. Precipitation during the same period totaled well below normal over most of the state.

Current projections of the mid-March through mid-April period are for further changes of the jet stream flow, allowing a return of cold air into the region. The official National Weather Service

2/16/94	Ten	Temperature		itation
to 3/15/94 (	Observed Mean	Dev. From Normal	Actual (inch.)	Normal (inch)
Alpena	24.7	+ 2.2	1.10	1.67
Bad Axe	25.9	- 0.6	1.04	1.81
Detroit	33.1	+ 3.0	1.42	1.99
Escanaba	22.9	+ 0.9	0.50	1.66
Flint	29.0	+ 1.0	1.13	1.99
<b>Grand Rapids</b>	29.4	+ 1.0	1.38	2.02
Houghton	22.9	+ 4.6	0.15	1.63
Houghton Lak	ce 26.4	+ 2.9	1.52	1.67
Jackson	31.1	+ 1.7	0.64	1.91

30-day outlook calls for temperatures to fall back to below normal levels, with precipitation generally near to slightly above normal.

Similar to the last weather column, forecaster confidence in this outlook is considered lower than normal, due mainly to the rapid changes observed in the jet stream during the past couple of weeks and the expectations that those changes may continue.

Normal high temperatures in early April range from the low 40s in the Upper Peninsula to the mid-40s in northern Lower Michigan to the low 50s in across the far south. Low temperatures range from the low- to mid-20s in sections of the Upper and northern Lower Peninsula to the low- to mid-30s in the extreme south.

2/16/94	Ten	nperature	Precip	pitation	
A CONTRACTOR OF A CONTRACT OF A CONTRACT. CONTRACT OF A CONTRACT. CONTRACT OF A CONTRACT. CONTRACT OF A CONTRACT. CONTRACT OF A CONTRACT OF A CONTRACT OF A CONTRACT OF A CONTRACT. CONTRACT OF A CONTRACT OF A CONTRACT OF A CONTRACT. CONTRACT OF A CONTRACT OF A CONTRACT OF A CONTRACT. CONTRACT OF A CONTRACT OF A CONTRACT. CONTRACTACT OF A CONTRACT OF A CONTRACT. CONTRACTACT OF A CONTRACT OF A CONTRACT. CONTRACTACTACTACTACTACTACTACTACTACTACTACTACTA	Observed Mean	Dev. From Normal	Actual (inch.)	Normal (inch)	
Lansing	29.2	+ 1.4	1.18	1.91	
Marquette	23.6	+ 6.1	0.58	1.63	
Muskegon	28.5	0.0	2.67	1.96	
Pellston	23.8	+ 4.1	2.07	1.60	
Saginaw	28.3	+ 1.5	0.53	1.81	
Sault Ste. Mar	ie 21.6	+ 3.0	1.13	1.66	
South Bend	33.4	+ 1.9	1.27	2.02	
<b>Traverse City</b>	26.2	+ 2.2	2.01	1.60	
Vestaburg	26.5	- 0.2	1.19	1.87	

Jeff Andresen, Ag Meteorologist, MSU

Extended We		
T - Temp. 3/		
P - Precip.	Tunner	TP
Michigan	BN	NN
W. Corn Belt	NB	NN
E. Corn Belt	NN	NN
Wint. Wheat Belt	NB	NN
Spr. Wheat Belt	NB	BN
Pac. NW Wheat	NN	AN
Delta	NN	N/AN
SoutheastB	NA	NN
San Joaquin	AN	NN

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

# **Conditions Right for Spring Flooding in Midwest**

Recovery efforts from last year's disastrous floods are far from complete in the Midwest, but the Federal Emergency Management Agency is gearing up for potential flooding again this spring, according to an Associated Press report.

National Weather Service surveys indicate the soil in the nine states hit hard by last summer's flood remains saturated. If there are heavy rains or fast melting of snow, more floods could occur in the coming



# Serving Michigan Farm Families is Our Only Business

Since its beginning in 1971, Michigan Farm Radio Network's only objective has been to serve Michigan's farm families. This dedication to serve agriculture is shared by 29 local radio stations in Michigan. Through these stations, Michigan Farm Radio Network provides the latest in market analysis, weather and news to Farm Bureau members daily on the following stations:

City	Frequency	Morning Farm	Noon Farm
Adrian	1490	5:45 am	11:50 am
Alpena	1450	5:30 am	11:30 am
Ann Arbor	1050	6:05 am	12:05 pm
Bad Axe	1340	6:30 am	12:50 pm
Benton Harbor			12:30 pm
Caro	1360	6:15 am	12:15 pm
Coldwater	1590	5:45 am	***
Dowagiac	1440	6:05 am	12:15 pm
Grand Haven	1370/92.1	5:45 am	12:15 pm
Greenville	1380	6:15 am	11:45am
	1220	6:15 am	12:30 pm
	1340	6:45 am	12:45 pm
	1450		12:15 pm
	590	**	11:30 am
		5:05 am	11:50 am
	1530	*	12:15 pm
	1080	6:15 am	12:30 pm
	960		12:15 pm
St. Johns	1580	6:15 am	12:15 pm
St. Louis	1540	6:05 am	12:20 pm
		5:55 am	12:20 pm
		6:15 am	12:45 pm
South Haven	940		12:15 pm
Tawas City	104.7		12:45 pm
Three Rivers	1510/95.9	6:15 am	12:15 pm
Traverse City	580	5:55 am	11:20 am
	Adrian Alpena Ann Arbor Bad Axe Benton Harbor Caro Coldwater Dowagiac Grand Haven Greenville Hastings Hillsdale Holland Kalamazoo Lansing Lapeer Owosso Rogers City St. Johns St. Louis Saginaw Sandusky South Haven Tawas City Three Rivers	Adrian       1490         Alpena       1450         Ann Arbor       1050         Bad Axe       1340         Benton Harbor       Caro         Caro       1360         Coldwater       1590         Dowagiac       1440         Grand Haven       1370/92.1         Greenville       1380         Hastings       1220         Hillsdale       1340         Holland       1450         Kalamazoo       590         Lansing       1240         Lapeer       1530         Owosso       1080         Rogers City       960         St. Johns       1580         St. Louis       1540         Saginaw       790         Sandusky       660         South Haven       940         Tawas City       104.7         Three Rivers       1510/95.9	Adrian       1490       5:45 am         Alpena       1450       5:30 am         Ann Arbor       1050       6:05 am         Bad Axe       1340       6:30 am         Benton Harbor       -       -         Caro       1360       6:15 am         Coldwater       1590       5:45 am         Dowagiac       1440       6:05 am         Grand Haven       1370/92.1       5:45 am         Greenville       1380       6:15 am         Hastings       1220       6:15 am         Hastings       1220       6:15 am         Holland       1450

months, said Federal Emergency Management Agency Director James Lee Witt.

Representatives of more than a dozen federal agencies met recently to discuss preparedness if the region is flooded again. The U.S. Army Corps of Engineers has stockpiled 10 million sandbags, the Red Cross has stores of emergency food, and the General Services Administration has cots.

Last year, the once-in-a-century floods did \$12 billion in damage in the Midwest and were blamed for 48 deaths. Congress appropriated more than \$6 billion in flood relief.

souri rivers. Maj. Gen. Stan Ĝenega, head of the U.S. Army Corps of Engineers division overseeing levee repair, said enough work would be done on the 500 levees by March 31 to withstand a 20-year flood.

> Another 1,500 levees don't qualify for Corps repair along the upper Mississippi and lower Missouri rivers. Some are being fixed by other agencies, such as the Soil Conservation Service, but Genega said others wouldn't be finished by spring, if ever.

> But much work remains, particularly on

hundreds of levees that protect people and

farmland from the Mississippi and Mis-

### Michigan Honey Production Higher

Honey production in Michigan during 1993 totaled 6.9 million pounds, 7 percent more than a year ago, according to the Federal/State Michigan Agricultural Statistics Service. This estimate only included honey from producers with five or more colonies. Michigan ranked 10th in honey production, up from 11th last year. There were 90,000 colonies in production during 1993, 5,000 less than in 1992. Tracheal mite infestation caused the decline in the number of colonies. Yield per colony averaged 77 pounds, up nine pounds from the previous year. The increased yield was a result of better weather conditions for Michigan honey producers.



- Station signs on at different times during the year. Morning farm times change with the sign-on times.
- \*\* Station airs various farm reports between 5:30 and 6:00 a.m.
- \*\*\* Station airs various farm reports between 12:00 and 1:00 p.m.

Some stations carry additional market reports throughout the market day.

### **1993 MICHIGAN**

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### March 30, 1994

5

# MMPA's ShurBlend Ice Cream Goes International

Michigan dairy farmers will soon be sending a portion of their milk production to China, Japan and other Pacific Rim countries in the form of ice cream, thanks to the development and marketing of Michigan Milk Producers Association's dried ice cream product ShurBlend. The product is manufactured and packaged at the MMPA's Ovid processing plant.

"We have made our first shipment to the foreign market and plan to pursue other outlets for the product," said MMPA General Manager Walt Wosje. "We hope to sell somewhere in the neighborhood of 3 million pounds in 1994, for the most part, in international markets."

To produce 3 million pounds of the ice cream powder will require 32 to 33 million pounds of milk, according to Wosje. Exported ShurBlend will be packaged and shipped in 50 pound bags. Product for the domestic consumer market will be packaged and sold in one pound bags under the White Mountain label.

According to Wosje, convenience, ease of transporting a powder versus liquid, and a long shelf life are key to the future of Shur-Blend in international markets. "China, for example, doesn't have access to ready re-



frigeration or the infrastructure to handle frozen products as well as we do, so this product seemed to fit their needs. It's a dry product kept in a bag, it has a shelf life of eight to 10 months," he said.

In 1993, MMPA also entered into a partnership with TEACO International, of Novi, Mich. The company is responsible for marketing ShurBlend and, according to Ed Morris, executive director for the company, has already landed several contracts with China, Malaysia, Indonesia, Taiwan and Singapore.

"We just felt that the Pacific Rim countries are strong growing economies that can pay us in U.S. dollars," said Morris. "We've also got a number of local McDonalds that we think we can make some progress with since they've indicated an interest to market it. You'll also see the product in K-Mart, Walmart, and Meijer stores through a relationship with Rival Manufacturing." According to Morris, Rival Manufacturing sells ice cream machines, and will be selling the ShurBlend product with their machines. One obstacle to selling the product through commercial institutions was removed during MMPA's annual meeting, when Gov. John Engler signed legislation allowing the sale of a properly pasteurized ice cream powder.

A minor technicality was discovered after MMPA had spent three years developing ShurBlend, according to Wosje. "We were notified by the Michigan Department of Agriculture that technically, this product didn't meet the definition of ice cream, because every single particle has to be pasteurized. Even though our product was pasteurized, the water that's added is not, therefore, the end-product was not pasteurized," he explained.

According to MFB Legislative Counsel Ron Nelson, the new legislation allows that if the water were otherwise suitable for public consumption, then the product would be legal. "Milk is a highly regulated commodity," Nelson said. "However, this legislation could indirectly benefit other commodities that are dried and/or powdered and reconstituted with water in the future."

	Your Mic	chigan NORTHRUP KING Seed L	Dealers
	City	Dealer	Phone No.
	Alicia	Con Agra Berger & Co	517-770-413
	Alma	McClintic Farms	517-463-114
1-	Alto	Alto Farm Services	616-868-603(
	Ann Arbor	Strieter Bros,	313-995-2497
	Auburn	Ittner Bean & Grain	517-662-4461
	Bancroft	Gerald Cole	517-634-5212
	Belding	Jerry Gallagher	616-761-3243
	Birch Run	Con Agra Berger & Co	517-624-9321
	Blissfield	M.A.C	517-486-2171
	Breckenridge	B&W Co-Op	517-842-3104
	Carson City	Harvey Milling Company	517-584-3466
-	Conklin	Arends Farm Service	616-899-2136
	Constantine	Ron Weston	616-435-8219
	Corunna	Clyde McLosky	517-743-3633
	Diamondale	John Oakley	517-646-0629
	Dorr	Dorr Farm Products	616-681-9570
4	Dowagiac	Harold Grabemeyer	616-782-8744
	Dowagiac	Joe Van Tuyle	616-782-8275
	Freeland	Con Agra Berger & Co	517-695-2521
	Homer	Tri-County Agra Services	517-542-3196
ļ	Lake Odessa	Mark Erickson	616-374-8538
-	Mason	R & S Crop Service	517-628-2036
	Merrill	Con Agra Berger & Co.	517-643-7293
	Middleton	M.A.C	517-236-7263
	Minden City	Eugene Briolat	517-658-8330
	Monroe	Calvin Smith	313-269-2710
1	New Lothrop	Anderson Fertilizer Services, Inc	313-638-5868
	New Lothrop	Bob Hajek	313-638-5281
	Owosso	Anderson Fertilizer Services, Inc	517-723-5205
	Portland	Frank Trierweiler	517-587-6540
	Reading	Dick Heffelfinger	517-283-2444
1	Richmond	Farmers Elevator	313-727-3025
	Rockford	Ron Porter	616-874-8196
	Saginaw	Seamon Farms	517-777-2054
	Union City	David LaBar	517-741-3204
	Vestaburg	Con Agra Berger & Co	517-268-5300
	Zeeland	Zeeland Farm Services	616-772-9042
-			

Highlags NORTHRUP KINC Cood Do



This strong alfalfa can handle our winters — in University variety trials, Viking ranked number 1 in stand persistence and yield. It also offers resis-

Variety	% of Average Stand - Spring 1993 (site-years)	Average Yield as % of Vernal (site-years)
Viking I	165 (3)	123 (3)
3452-ML	111(2)	103(1)
5252	126(6)	118(7)
5262	150(10)	115 (24)
636	112(25)	111 (79)
Alpine	123 (6)	117 (10)
Clipper	97 (17)	112(41)
DK-122	89(15)	113 (32)
Flagship 75	90(3)	113 (4)
Master	99(5)	107 (8)
Milkmaker II	91 (4)	105 (9)
Nordic	118 (8)	114(16)
Pacesetter	113(2)	97 (2)
Quantum	109(3)	122 (4)
Vernal	105(31)	100 (301)
WL 225	100(21)	107 (65)
Wrangler	114(10)	107 (35)

tance to major alfalfa diseases. For winter survival, longer stand life and high yields, it's tough to beat Viking 1.

Viking 1 Alfalfa.

University of Wisconsin Perennial Forage Variety Update

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March 30, 1994



# Market Outlook...

Dr. Jim Hilker, Dept. of Agricultural Economics, MSU

### CORN

With two potential market moving reports coming out about the time you receive this issue, there is not a lot new I can say with confidence about the market fundamentals. However, I can say with some confidence that as we continually get new information this spring, we will likely be on a roller coaster ride with respect to corn prices.

This means you need to have some pricing goals and be ready to act. Look at previous highs as a starting point to price in both old and new crop. If prices bust through previous highs, we may see some excellent but brief pricing opportunities. The two reports are "Planting Intentions" and "Stocks" to be released on March 31.

On March 10, the USDA released their updated Balance Sheet shown below in Table 1. The only change was a decrease in projected exports, it was lowered 25 million bushels. Exports have not been real strong recently and export sales have been weak. How much effect this will have on the market will be closely tied to what the Stocks Report suggests about domestic feed use.

The basis has tightened up recently. If this trend continues, be ready to move some or all of your on-farm stored corn and move to a basis contract or a minimum price contract. This way you have some money in hand, are not paying storage costs (mostly lost interest), you eliminate possible storage problems going into warm weather, and can stay in the market.

### WHEAT

The USDA did not make any changes in their updated Supply/Demand Report shown below in Table 2. However, wheat exports need to pick up a little in order to reach the projection by June 1. There is some concern about moisture in much of the hard red winter Wheat Belt. This, along with the potential ups and downs in the corn and soy markets, may well give us some new crop pricing opportunities this spring.

Sign up for the government program for wheat. The cost is minimal and the potential

Balar	ply/Den		
	CORN		
5		USDA	USDA
	and a start	Proj.	Proj
DR .	1991-92	92-93	93-94
Corn Acreage		Aillion Ac	res)
Acres Set-Aside a Diverted	7.5	5.3	10.5
Acres Planted	76.0	79.3	73.3
Acres Harvested	68.8	72.2	63.0
Bu./A. Harvested	108.6	131.4	100.7
The state of the	31.8		1
Stocks	(M	illion Bus	shels)
Beg. Stocks	1521	1100	2113
Production	7475	9482	6344
Imports	20	7	20
Total Supply	9016	10,589	8,477
Use:			
Feed	4878	5301	4800
Food/Seed	1454	1511	1600
Total Domestic	6332	6813	6400
Exports	1584	1663	1275
Total Use	7916	8476	7675
Ending Stocks	1100	2113	802
Ending Stocks Percent of Use	13.9%	24.9%	10.4%
Regular Loan Rate		\$1.72	\$1.72
negular Loan Hate	\$1.02	\$1.72	\$1.72
U.S. Season Avera	ge		
Farm Price, \$/Bu.	-	\$2.07	\$2.60

### Seasonal Commodity Price Trends

Corn	1
the state of the state of the	
Soybeans	-1
Hogs	-1
Cattle	1

The new crop basis has not tightened up and is probably a little on the wide side of normal. This means as you price new crop on rallies, you need to consider hedge-toarrive type contracts versus forward contracts.

And if you want some downside protection, but want to stay in the market, consider put options or the elevator's minimum price option that allows you to assume basis risk.

Remember to sign up for the 1994 government program for corn. It is a close call what to do with normal flex acres. It will vary by farm. But basically, you look at what will bring the highest net per acre. There are computer programs at your MSU Extension offices to help you calculate the numbers in order to make your decisions.

returns high. Again, calculate which crop has the best returns for your wheat flex acres on your farm. If the soy market rallies soon, there may be some good returns.

The nearby basis is tight. If you still have unpriced old crop, don't be paying storage. The new crop basis is not tight; hopefully, it will tighten up some at the same time we have a rally. I hesitate to suggest you taking the basis risk with the hard to predict Michigan wheat basis.

Wheat Acreage

Acres Planted

Acres Harvested

Diverted

Acres Set-Aside and

### SOYBEANS

The South American soybean crop continues to be a market mover, and when this is added to the potentially market moving reports, we may also see a roller coaster in the soy markets. The USDA made no changes in their updated Supply/Demand Report shown below in Table 3. Like corn, be ready to move and have a plan. Remember, if you price a lot of new crop on good rallies and prices continue to go up, you can always price some of next year's crop.

The basis is quite strong for old crop. This, along with the spreads between futures contract being small, is the market's way of telling you they won't pay storage. This does not mean you shouldn't stay in the

### CATTLE

Go back and check out the March 18 Cattle-On-Feed Report; our deadline just missed it. It appears we are finally getting through the glut of ready cattle. Slaughter numbers have been strong recently. This should help prices up over \$75 in the next month or so. When they get there, keep current.

### HOGS

The information contained in USDA Hogs and Pigs Report released March 25 should be in the market by now. If it caused the market to rally back to previous highs, consider some serious forward pricing. Marketing agents in the state are more willing to



market for a rally. Rather, it means you should price the basis and hold on to the futures. Work with your elevators to help you implement this. It probably means using a basis contract or a minimum price contract. We should have no soybeans in either farm or off-farm storage at this point.

February placements seemed high. If the report confirmed this, late summer and fall fed cattle prices may weaken.

But if the report did cause a rally, consider some late summer forward pricing if deferred futures go much over \$74.00/cwt.

work with the available pricing tools to fit your operation than they were in past years. Check it out. If the market has not rallied, keep current. We will discuss the report in the next issue.

### Some Senate Powerhouses Against Ethanol

A list of 47 senators weighed in against including ethanol in the reformulated fuel requirements to be imposed on the nation's smoggiest cities next year, reports Sparks Companies, Inc., policy report.

Heading the group signing a letter to Environmental Protection Agency administrator Carol Browner was Sen. Bill Bradley, D-N.J. Democrat cosigners were J. Bennett Johnston and John B. Breaux, La.; Dennis DeConcini, Ariz.; Edward M. Kennedy, Mass.; Sam Nunn, Ga.; David L. Boren, Okla.; Daniel Patrick Moynihan, N.Y.; Howell Heflin, Ala. and Robert Byrd, W. Va. Republican co-signers included Sens. Malcolm Wallop, Wyo.; Trent Lott, Miss.; Pete Domenici, N.M.; Don Nickles, Okla.; and Orrin Hatch, Utah.

The group charged that the rule to include ethanol may disrupt the delivery system already being readied for placement and would also cost more in tax credits to ethanol producers.

Several Corn-Belt senators responded to the charge with their own blast. "This is a fight between renewable energy and our age-old dependence on imported fossil fuels," Sens. Tom Daschle, Tom Harkin and Paul Wellstone said. "There are differences of opinion, but there should be no difference on the facts." The letter makes a number of erroneous assertions about the economic and environmental impacts of promoting renewable energy.

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					200
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and the second		- Contractor			23
III	SO	YBE/	ANS	Same and the	10
lilker Proj.			USDA	Hilker	1
3-94		1.1.1	Proj.	Proj.	165
3)		91-92	92-93	93-94	2
-	Soybean Acreage	and the second s	Aillion Ac	The second second second	
0.5	Acres Planted	59.2	59.1	59.4	100
72.1	Acres Harvested	58.0	58.2		
62.5	Bu./Harvested Acre	34.2	37.6	32.0	1
38.4		1 Section	1.0	and level a	16
	Stocks	(M	illion Bus	shels)	
els)	Beg. Stocks	329	278	292	are and
529	Production	1987	2188	1809	200
2402	Imports	3	2	5	
95	Total Supply	2319	2468	2106	100
3026	Use:				
0020	Crushings	1254	1279	1240	4
840	Exports	684	770	605	
98	Seed, Feed and				at 10
275	Residuals	103	127	106	
1213	Total Use	2041	2176	1951	100
	Ending Stocks	278	292	155	NO.
1225	Ending Stocks				
2438		3.6%	13.4%	7.9%	
588	Regular Loan Rate			5.02	all
4.1%			40.02	5.02	100
2.45	U.S. Season Average	-	-	- in the second	ORT
2.40	Farm Price, \$/Bu.				2
CTTO SOLET	Source: USDA & Hill		\$5.50	\$6.50	
	Courses Cours & Hill	101			1000

Bu./A. Harvested	34.3	39.4	38.4
Stocks	(N	illion Bu	shels)
Beg. Stocks	866	472	529
Production	1981	2459	2402
Imports	41	70	95
Total Supply	2888	3001	3026
Use:			
Food	789	829	840
Seed	94	98	98
Feed	253	191	275
Total Domestic	1136	1118	1213
Exports	1280	1354	1225
Total Use	2416	2472	2438
Ending Stocks	472	529	588
Ending Stocks Percent of Use	19.5%	21.4%	24.1%
Regular Loan Rate	\$2.04	\$2.21	\$2.45

Table 2 Supply/Demand Balance Sheet For WHEAT

> USDA Proj.

(Million Acres

3.5

72.3

62.4

1991-92 92-93

10.0

69.9

57.7

U.S. Season Average Farm Price, \$/Bu. \$3.00 \$3.24 \$3.20 Source: USDA & Hilker



# What's at Stake with Ethanol and RFG

#### Editor's Note

The Environmental Protection Agency is in the process of reviewing public comment on its proposed rules for ethanol's inclusion in the reformulated gasoline program(RFG).

The ruling is the result of the renewable oxygenate requirement proposed by the Clinton administration which would require that at least 30 percent of all the fuel oxygenates used in the RFG program must come from renewable resources, such as athanol.

It has been estimated that adoption of the program will increase demand for ethanol and, consequently, corn by 250 million bushels annually. MSU's Dr. Jake Ferris has utilized the AGMOD, a computer model used to estimate the financial impact of changes in agricultural policy.

#### Dr. Jake Ferris Dept. of Agricultural Economics, MSU

The attached table summarizes two runs. One is for the assumption that most of the increased production of corn gluten feed (CFG) and corn gluten meal (CGM) would be exported, and one assuming that only a fourth would be exported.

1 simply phased in the increase over the 1995-97 period and held the level stable afterward – although realistically, ethanol production could continue to expand afterward. However, I wanted to isolate the impact of another 250 million bushels of corn going into ethanol production. I assumed that all of the increase would be wet milled.

Impacts will continue after the year 2000, although farmer response would change both the extent of the changes and, in some cases, even the direction.

Whenever I apply AGMOD to a policy question, the dynamics of the model often generate results that are contrary to a prior belief. The logic, however, often comes through after inspection of the internal working of the model.

I thought that soybean prices would be depressed by the additional middle and high protein feed on the market and by additional corn oil. However, the higher corn price supports the high protein and by-product

feed market and I couldn't depress soybean prices very much, even if we had to absorb 75 percent of the increase in production of corn gluten feed and meal in the domestic market.

Even with higher feed prices, returns to livestock hold up well. This is because of the inelastic demand. Livestock producers respond to rising feed prices by curtailing production, which, within the five years time span, can actually result in higher net income. The longer response time in dairy is likely the explanation for the small drop in real returns over feed costs.

Note that corn production increases less than the 250 million bushel increase in utilization. Even by the year 2000, AGMOD generates only about 135-140 million bushels more output. This is partly due to the offsetting effects of more corn gluten feed and meal on the domestic and export markets. Also, the high corn price cuts back slightly on livestock production and feeding rates.

### What's the Bottom Line?

To summarize, increasing the amount of corn going into ethanol by 250 million bushels would increase net cash farm income by about \$1-1.4 billion, would reduce the ARP on corn and wheat by about a million acres, and cut direct government payments by a third of a billion dollars.

Corn production (and acres) would increase about 1.3-1.4 percent and soybean production would drop slightly. The farm price of corn would increase about 10 cents per bushel and soybean prices would be steady to as much as 8 cents per bushel higher.

Soybean meal prices would tend to be steady to strong, but oil prices would weaken some. Prices on corn gluten feed would be \$4-5 per ton lower if we retained 75 percent of the increase in corn gluten feed production.

Improved earnings by corn and other crop producers would tend to be capitalized into higher land prices in the Corn Belt-by \$5-7 per acre. Obviously, we can't be as precise as indicated by the numbers in the table. I would conclude that the program should not be divisive between: (1) corn and soybean producers;

(2) crop and livestock producers;(3) between producers and agribusiness. Taxpayers would applaud the reduction in government payments and consumers should not see much higher food prices.

Some concerns may remain in terms of our responsibilities under GATT as related to the EC (which absorbs most of our corn gluten feeds) and the South American nations exporting soybeans and soybean products.



March 30, 1994

Impact on U.S. Agriculture of the Utilization of an Additional 250 Million Bushels of Corn for Ethanol Production Under the Renewable Oxygenate Requirement for Reformulated Gasoline\*

	Change from Baseline Projections in 1996-2000					
	If 90% of the la CGF and CGM		If 25% of the In CFG and CGM			
Variable	Absolute	Percent	Absolute	Percent		
Net cash receipts				S Martin		
from marketings	1 march					
Crops Livestock	+\$1.40 bil.	+2.2	+\$.87 bil.	+1.4		
	+\$.24 bil.	+1.2	+\$.26 bil.	+1.3		
Direct government Payments	-\$.35 bil.	-11.9	-\$.32 bil.	-10.9		
Net cash farm income	+\$1.42 bil.	+1.7	+\$.92 bil.	+1.1		
ARP on corn and wheat	94 mil. A	-17.1	91 mil. A	-16.5		
Corn production	+127 mil. bu.	+1.3	+145 mil. bu.	+1.4		
Soybean production	-8 mil. bu.	3	-15 mil. bu.	6		
Utilization of feed grain for feed	4 mil. MT	3	4 mil. MT	3		
Non-feed utilization of feed grain	+5.7 mil. MT	+15.0	+5.7 mil. MT	+15.0		
Utilization of soybean meal for feed	2 mil. MT	7	-1.1 mil. MT	-4.1		
Farm price of corn	+\$.10/bu.	+3.8	+\$.09/bu.	+3.4		
Farm price of soybeans	+\$.08/bu.	+1.1	-\$.01/bu.	1		
Price of soybean meal	+\$4/T	+1.6	+\$2/T	+.8		
Price of soybean oil	-\$.02/lb.	-1.1	-\$.05/lb.	-2.9		
Price of corn gluten feed	+\$.70/T	+1.0	-\$4.40/T	-6.1		
Real gross margin over variable cos						
Corn in Feed Grain Program	+\$4/A	+3.9	+\$4/A	+3.9		
Soybeans	\$2/A	+2.0	NC	NC		
Real gross margins over feed						
costs for milk production	-\$.05/cwt.	8	-\$.04/cwt.	6		
Price of land in the Corn Belt	+\$5/A	+.4	+\$7/A	+.6		
Assumed to be phased in during 19	95-97.					
Source: AGMOD			1 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 -			



Charts Provided by Knight-Ridder Financial



March 30, 1994

# 8

# NIOSH Warns: Manure Pits Continue to Claim Lives

According to the National Institute for Occupational Safety and Health (NIOSH), farm workers are risking their lives every time they enter a manure pit. The oxygendeficient, toxic, and/or explosive atmosphere which can develop in a manure pit has claimed many lives.

NIOSH believes that warning farmers of this hazard will help end the continued devastation it is inflicting upon the American farm family. "It is outrageous that we are losing virtually entire families in manure pit tragedies," said NIOSH Director, Dr. J. Donald Millar. "While we know we cannot prevent a father from entering a pit to save his son, we can and will continue to do everything in our power to prevent farm workers from jeopardizing their lives by entering manure pits in the first place," stressed Millar.

It is not uncommon for manure pit incidents to result in multiple fatalities. As the following case demonstrates, persons attempt-

August 8, 1992

A 27-year-old employee of a hog farm and his 46-year-old uncle, who co-owned the farm, died after entering an outdoor manure pit. The employee entered the pit to repair a pump when he was overcome and fell off the ladder into the pit. His uncle descended the ladder in an attempt to rescue his nephew. He was also overcome and fell into the pit. Both men were removed from the pit by rescue personnel equipped with appropriate respiratory protection but were pronounced dead on arrival at the hospital of hydrogen sulfide poisoning.

### Preventable Deaths

#### August 11, 1992

A 43-year-old dairy farm owner and his 23year-old son died from asphyxiation after entering a manure pit. The father descended a ladder into the pit to at empt to clear a tunnel obstruction. His son was found lying on top of him, apparently overcome during a rescue attempt. The men were removed from the manure pit by rescue personnel equipped with appropriate respiratory protection. Both men were pronounced dead at the scene from asphyxiation due to lack of oxygen. ing to rescue others in these confined spaces frequently become victims themselves. On a late summer afternoon, a farm worker entered a 10-foot-deep manure pit on his family's farm to make a repair. While attempting to climb out of the pit, he was overcome and fell to the bottom.

His 15-year-old nephew then entered the pit to attempt a rescue. He, too, was overcome and collapsed. The boy's father, his cousin, and his grandfather, the farm owner, then entered the pit one by one, attempting to rescue him and his uncle. Tragically, all five family members died.

Manure pit systems, used primarily on livestock farms (especially dairy and swine operations), allow for the easy cleaning of animal confinement buildings and the efficient underground storage of large amounts of raw manure. The hazards of manure pits, as well as the proper prevention measures, have been recognized by researchers for several years.

However, many farm workers remain unaware of the dangers associated with manure pits. Because the dangerous manure pit gases may not always be present, farm workers may have successfully entered these pits in the past.

"It is hard to convince a worker who has entered a manure pit on several occasions without complications, that the potential for death exists," said Millar.

Although the potential for death always exists, farm workers should be particularly aware of the hazards of entering manure pits during the summer months. Changing conditions, such as warmer or more humid weather and increasing barometric pressure, can accelerate the production and accumulation of hazardous gases.

Manure pits that had been entered without incident in the past, can quickly become filled with lethal concentrations of gases.

In order to prevent future deaths, farm workers must be informed of the dangers of manure pits. While NIOSH is currently working to develop practical prevention measures, current engineering controls are often expensive and impractical.

Until more efficient prevention measures are developed, NIOSH urges farmers not to enter manure pits.

### What are the Hazards?

There are several hazards associated with manure pits. Dangerous concentrations of gases such as hydrogen sulfide, ammonia, carbon dioxide, and methane can be produced when waste products break down.

Since manure pits are confined spaces that are usually poorly ventilated, concentrations of these gases can quickly rise to levels that are immediately dangerous to life and health.

These gases may also displace the oxygen in the pit, which may cause workers in the pit to suffocate due to a lack of oxygen.

For more information about this or other occupational safety and health concerns, call toll-free: 1-800-35-NIOSH.

## Steps for Prevention

To protect workers, the following precautions should be taken if a manure pit is in use on your farm:

Never enter a manure pit! If emergency entry into a pit is necessary for rescue, call your local fire department or

911.

If it is absolutely necessary to enter a pit for maintenance or repair, contact your local Extension agent or NIOSH for the recommendations necessary for safe entry. To contact NIOSH, call 1-800-35-NIOSH.

Post hazard signs on all manure pits. The signs should be understandable to workers who cannot speak English or read. They should convey the messages DO NOT ENTER and DEADLY GASES POSSI-BLE.



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Provide access to all serviceable parts from outside the manure pit. This should eliminate the need for entry into the pit.

Fit all openings to manure pits with substantial metal grill covers.

These grills provide natural ventilation and prevent accidental falls or entries into the pits.

Your state agriculture safety specialists, county Extension office, and your local fire department can also provide valuable information.

The NIOSH recommendations are detailed in a NIOSH Alert. To obtain copies of the Alert (Publication Number 90-103), write or fax: NIOSH Publications Dissemination, 4676 Columbia Parkway, Cincinnati, OH 45226. FAX: (513) 533-8753.



A Health and Wellness Publication of Michigan Farm Bureau

Producing good health with fruits & vegetables

a day

The role of fruits and vegetables as a part of a balanced diet has long been the subject of scientific interest. The National Academy of Sciences recommends at least five servings of fruits and vegetables each day to help reduce the risk of cancer and other

> chronic diseases. In 1991, the Department of Health and Human Services concurred when citing the same recommendations as a dietary goal for all Americans in "Healthy People 2000," a report of the nation's health objectives. Unfortunately, most Americans, including adults and children, still only eat about two and one-half servings of fruits and vegetables a day. (continued next page)

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# Producing good health with fruits & vegetables

Fruits and vegetables are a valuable contribution to a well-balanced diet for a variety of reasons. They are good sources of complex carbohydrates, fiber and vitamins and minerals including vitamin C and beta carotene. The iron content of many legumes and vegetables, including red beans, beet greens, dried fruit, broccoli and kale is of particular nutritional importance to those who have reduced iron from their diet by cutting back on the amount they consume in red meat.

Almost all fruits and vegetables are naturally low in fat and can be substituted for foods high in fat to help a person achieve a low-fat diet. Research has shown that fiber plays a variety of important roles in helping maintain good health. Specifically, fiber-rich foods are believed to have a strong protective effect against colon cancer, the second leading cause of cancer death in the United States. Fiber also has beneficial effects on the digestive system, including maintaining regularity. A fiber-rich diet is advocated in the management of constipation. For children, however, moderate fiber intake is important because too much fiber can cause fullness after only a small meal, limiting the amount of food a child can eat at one time.

### Five-a-Day

According to the National Cancer Institute and the U.S. Department of Health and Human Services, populations consuming diets rich in fruits and vegetables, particularly those rich in vitamins A (beta carotene) and C, have significantly lower rates of cancer of the colon, breast, lung, oral cavity, larynx, esophagus, stomach, bladder and pancreas. In addition to other health benefits, a diet high in fruits and vegetables may lower the risk of stroke due to arterial blockage, and coronary heart disease.

Healthy, althy & Si.

Anyone who has lived a long time already knows something about staying healthy. But as your body ages, you have to make more of an effort to eat wisely.

Although much remains to be learned about the nutritional needs of the older person, it is clear that a multitude of physical, psychological, environmental and psychosocial factors can jeopardize nutritional status, either directly or indirectly, by affecting food choices. Complaints of some older persons include difficulty chewing, constipation, dehydration, and indigestion.

Eating appropriate foods from the essential food groups, including fresh fruits, vegetables, dairy products, breads and cereals and protein sources such as meats, dried beans, etc.; and drinking sufficient fluids will help you meet your nutrition needs. While little is known about the effects of aging on nutrient needs, we do know that metabolism slows down with age and activity level usually decreases. Because this reduces energy needs, older people require fewer calories. Other nutrient needs are unchanged, so it is necessary to choose more nutrient dense foods. Elders need to be nutrient conscious as well as calorie conscious. In addition, older adults who have chronic diseases or take medications that affect nutrient usage by the body may require dietary counseling.

Another common consequence suffered by the elderly is an interaction between a food or nutrient and a prescription drug. Absorption rates (passage into the blood stream) of the drug are sometimes affected. Drugs may also affect appetite and waste elimination, alter the sense of taste, decrease absorption of a nutrient, bind the nutrient, or increase the requirement for a nutrient. Check with your doctor to learn more about potential dietary effects of prescription drugs or drug combinations.

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]) tips for healthy aging

The National Cancer Institute and other health agencies encourage the consumption of five servings of a variety of fruits and vegetables every day for better health. These health organizations agree that the benefits of consuming fruits and vegetables every day far outweigh any potential risk from possible exposure to pesticide residues.

11 "

Eat a balanced diet. Exercise regularly. Get regular medical check-ups. Don't smoke. It's never too late to quit. Practice safety habits at home to prevent falls and fractures. Always wear your seatbelt when traveling by car. Maintain contacts with family and friends, and stay active through work, recreation and community. Avoid overexposure to the sun and the cold. If you drink, moderation is the key. Remember, when you drink, let someone else drive. Keep personal and financial records in order to simplify budgeting and investing. Plan long-term housing and financial needs. Keep a positive attitude toward life. Do things that make you happy. 10. Source: National Institute on Aging.

# Healthy Notes

10

-

AIRLINE reservation agents seldom mention the availability of special-order, more healthful meals for travelers. You can take the initiative and ask about alternative meal choices available from your air carrier.

B E C A R E F U L to keep mouthwash safely out of the reach of young children, who may drink it. Many brands of mouthwash contain more alcohol than wine, and alcohol can cause brain damage and other serious harm in small children.

HAVE YOU been counting sheep lately? You'll sleep better and feel more rested if you schedule regular, moderate exercise at midday, avoid large meals or heavy foods right before going to bed (snacks are okay if you're hungry), and allow yourself time to relax before trying to sleep.

CUT DOWN on fats in cakes, brownies or other baked desserts deliciously by using applesauce or pureed banana, prunes, etc., as a substitute for some or all of the oil, butter, margarine, or shortening in the recipe.

B R E A K O U T S after work outs? If you notice complexion break outs after work out sessions, try removing makeup with a toner or mild cleanser before exercising. Exchange workout garb for a shower and fresh clothing as soon as possible after you exercise.

You can make your own frozen gel packs to ice injuries by freezing a mixture of water and rubbing alcohol. In a heavy duty freezer bag, mix 1 part alcohol to 3 parts water. Seal the bag and then seal it inside another plastic bag and freeze. Like antifreeze, the alcohol prevents the water from freezing solid and the gel pack will be a "gentler" solution to icing injuries than a solid ice pack. The following questions and answers come from Sparrow Hospital's physician referral and information service called "NurseLine". They are timely and commonly asked questions.

### Q. What is Fifth disease?

A. Fifth disease, so named because it is the fifth, pink-red infectious rash of childhood, (the other four are scarlet fever, measles, rubella and roseola) is a moderately contagious viral condition.

A rash first appears on the cheeks, giving a "slapped cheek" appearance. A similar rash then follows on the trunk and extremities, with central clearing, giving a lacy appearance. There is usually not a fever, but sometimes the rash is accompanied by a light runny nose and sore throat.

The rash lasts usually about 11 days, but may come and go over a period of up to five weeks, sometimes appearing after warm baths, exercise or sun exposure. Because the disease is mainly contagious during the week before the rash begins, a child with the rash is no longer contagious and can attend school.

Adults who get Fifth disease usually develop a mild rash on the cheeks and may experience joint pain, especially in the knees, for up to three months. Ibuprofen is usually prescribed to relieve these symptoms.

### Q. I have heard that trauma is a public health issue reaching epidemic proportions. What is the definition of trauma, and what can be done about this problem?

A. Trauma is injury to the body caused by an external force — many injuries result in life or death situations. The primary factor in assuring the best possible outcome for the trauma patient is a rapid resuscitation, evaluation and delivery of definitive care, such as needed operations in the shortest time possible. This is known as the "golden hour" in trauma care.

Prevention is the key to reducing the number of trauma victims. By cracking down on drunk driving, using automobile seat belts and bicycle helmets and reducing violent crime, we can dramatically reduce the number of trauma cases. Today, trauma is the number one cause of death for people aged six months to 45 years. More total years of life are lost to trauma than from cancer, stroke, and heart disease combined.

Automobile crashes and violent crime produce the most trauma victims, but falls, fires, industrial and household accidents, plane crashes, and cataclysms such as tornados, earthquakes or hurricanes also result in trauma.

When it comes to trauma, avoiding the behaviors and situations which lead to these mortal injuries is worth more than any cure. Education and prevention can serve to reduce the number of patients treated for trauma.

If you have health concerns, questions, or need a physician referral, call Sparrow Hospital's NurseLine, an information and Physician Referral Service at 1-800-968-3838.

The above questions and answers are for general information purposes only. If you have symptoms or health related questions, consult your physician.

# Sunscreen ... Lasy to use ... Try it!

Using sunscreen is a first defense against uncomfortable sunburn and, used regularly, can be an important help in preventing skin cancer. But, remember, it only works if you put it on!

# Use sunscreen regularly

Just apply it to sun-exposed skin. Use sunscreen liberally and at least 15 minutes before going outside.
Use sunscreen products with a Sun Protection Factor (SPF) of at least 15, which means you can safely stay out in the sun 15 times longer than you could without sunscreen.
If you have small children be sure to put sunscreen on them. In fact, encourage other members of your

family to wear it when working or playing outdoors. Source: National Farm Medicine Center, Marshfield, WI

4 steps to a HEALTHY HEART

Author Rick Griggs counsels individuals and businesses on achievement and a balanced life-style. He identifies four areas of your life-style that you can control for a more healthy heart: Exercise, controlling life pressures, proper nutrition, and a balanced mental attitude.

### Exercise

An active life-style is a health life-style. Forget reports of athletes who overdo it and have heart attacks. Research proves that people who maintain active life-styles have fewer health problems than people who are sedentary. If a 50-year-old accountant has a heart attack while jobbing, the reason is probably not because he's jogging, but because he hasn't been jogging enough. The problem is more in the sudden nature of the life-style change than the exercise.

- Be active every day.
- Combine socializing with active events.
- Make gradual, long-lasting changes in activity level.

# Control life pressures

Each of us experiences pressures and strains in our life. The decision people must make is whether or not to let the anxieties of life take over and control them. Every situation can be perceived as either "stressful" or "challenging." Some people see life as a series of catastrophes. Those who manage stress best use terms like challenge, adventure, task at hand, or some other positive variation. This attitude is one of coping, rather than being afraid of losing or being harmed.

# Proper nutrition

Your body can only work with what you put into it. Nutrition is an important factor in heart health. A good, balanced diet will keep your heart healthy. A diet should include the four food groups and be low in saturated fats and cholesterol. If you have a condition such as hypertension, or if you have a family history of heart disease, your physician should be involved. He or she will be able to suggest various dietary alternatives, additions, drugs, or supplements. But most of us will do fine by eating moderate and balanced meals. There is no need to become a "nuts and twigs" fanatic. It's okay to give in to our vices from time to time. We're talking about lifetime habits. We need to balance good eating with reasonable flexibility to leave room for socializing and enjoying life.

🎔 Eat well.

Don't be a fanatic; be moderate.
Start by shopping well.

# **Balanced mental attitude**

Athletes in competition know that the mental game may be up to 80 percent of their success. A balanced attitude considers the positive outcome of situations. Television, newspapers and unhappy people expose us to negatives. Cutting down on negative inputs leaves room for the positive to blossom. How does this relate to your heart? Doctors and therapists tell us that positive people get sick less often. When they do become ill, they recover more quickly and fully. Try some of the following suggestions:

- Close the door on the negative.
- Focus on solutions and progress toward goals.
- Take time to look for the positive.

Some people inherit a predisposition to coronary heart disease. In this case, your mental attitude is even more important in combating the negative pressures and feelings of helplessness.

# Determine your Nutritional Health

Warning signs of poor nutritional health are often overlooked. Use this checklist to find out if you or someone you know is at nutritional risk.

Read the statements below. Circle the number in the "yes" column for those that apply to you or someone your know. For each yes answer, score the number in the box. Total your nutritional score.

I have an illness or condition that made me chang the kind and/or amount of food I eat.	e
I eat fewer than 2 meals a day.	
Leat few fruits or vegetables or milk products	

### Total Your Nutritional Score.

If it's ...

### 0-2

Good! Recheck your nutritional score in 6 months.

# 3-5

YES

2

3

2

2

2

4

1

1

2

2

TOTAL

You are at moderate nutritional risk. See what can be done to improve your eating habits and lifestyle. Your office on aging, senior nutrition program, senior citizens center or health department can help. Recheck your nutritional score in 3 months.

- Attach positive labels to tough situations.
- Don't feel guilty about relaxing and enjoying a healthy life-style.
- Think ahead. Visualize pressure situations before you have to deal with them.

I have 3 or more drinks of beer, liquor or wine almost. every day.

I have tooth or mouth problems that make it hard for me to eat.

I don't always have enough money to buy the food I need.

I eat alone most of the time.

I take 3 or more different prescribed or over-the-counter drugs a day.

Without wanting to, I have lost or gained 10 pounds in the last 6 months.

I am not always physically able to shop, cook and/or feed myself.

### 6 or more

You are at high nutritional risk, Bring this checklist the next time you see your doctor, dietitian or other qualified health or social service professional. Talk with them about any problems you may have. Ask them for help to improve your nutritional health.

Materials developed by the Nutrition Screening Initiative, a project of the American Academy of Family Physicians, the American Dietetic Association, and The National Council on the Aging.





# Branch Area Career Center FFA Wins Operation Green Stripe Award

Deb Laurell

Michigan FFA Chapters participating in Operation Green Stripe, a program designed to protect Michigan streams and waterways, sponsored by Monsanto Company; have learned environmentally sound farming practices, valuable communication skills and earned money for local chapter activities.

In 1993, nine Michigan FFA chapters participated in Operation Green Stripe with a combined total of 24 new green stripes protecting waterways throughout the state.

According to Simone Morovitz, local Monsanto Market Manager, "Operation Green Stripe is an excellent opportunity for FFA members to realize the impact of agricultural practices on environmental quality ... students can see the impact the world has on the environment."

Of those nine chapters participating, five recently presented programs on their project during the State FFA Convention. These programs highlighted chapter Green Stripe activities.

Placing first and receiving a \$500 award was the Branch Area Career Center (BACC). Second place and receiving a \$250 award was the Lenawee Vo-Tech Center. Third place and receiving a \$150 award was the Hastings FFA. Placing fourth and fifth were the Whittemore-Prescott FFA and the Coopersville FFA each receiving a \$50 cash award.

Branch Area Career Center Agriscience Instructor Bill Earl said Operation Green Stripe is an excellent hands-on opportunity for agriscience.

"As educators, our goal is to build partnerships with students, community and industry. In a project like this, you are able to go one step farther - protecting our right for better water and understanding the sacri-

### **Green Stripe Requirements**

Stripe must border a stream or drainage ditch that runs into a main waterway

Must border row crops

Stripe must be 16.5 feet wide and 150 feet long or the length of the field.

### CASE-International Winner continued from page 1

A panel of national engineering experts chosen by Agricultural Engineering magazine reviewed nominations from component suppliers, equipment manufacturers and systems developers representing many different industries before selecting the top 50. According to the magazine, the panel chose those developments that would make "worthwhile contributions to the advancement of engineering technology."



fices involved," said Earl. "All of these objectives are met in Operation Green Stripe and all parties can say it is a success."

According to Carrie Beneker, Green Stripe coordinator, to get involved with this program, FFA chapters recruit farmers willing to plant grass filter stripes along streams and drainage ditches bordering their farms. Once the stripes are verified by the state FFA, each chapter receives \$100 per site, up to five - a maximum of \$500.

Monsanto Company provides the grant money, and grass seed is donated by cooperating dealers across the state.

### 1994 Participating Chapters

If you're interested in participating in Operation Green Stripe, you can find more information by contacting one of these FFA Chapters below that are enrolled for 1994 Branch Area Career Center ..... (517) 279-5718 Hastings ...... (616) 948-4409 Coopersville ...... (616) 837-9753 Lenawee Vo-Tech AM/PM ...... (616) 263-2108 Laingsburg ...... (517) 651-5091 Maple Valley ..... (517) 852-9971 Ionia ...... (616) 527-0600 Centreville ..... (616) 467-5210 Hopkins ...... (616) 793-3070 Harbor Beach ...... (517) 479-3261 Marshall ...... (616) 781-1326 North Huron ...... (517) 874-4101 Perry-Morrice ..... (517) 625-3104 Saranac/Belding...... (616) 642-9186

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10 MMPA Annual Meeting - "Managing Challenges a Priority"

Michigan's dairy industry faces a number of new challenges in 1994, including the conclusion and approval of GATT, the implementation of NAFTA, and a shrinking federal budget which means dairy producers will need to look at themselves for future solutions said Michigan Milk Producers Association President, Elwood Kirkpatrick.

Speaking during the association's 78th annual meeting, Kirkpatrick said Michigan producers should benefit under the recently completed North American Free Trade Agreement, since Canada basically decided to keep their dairy industry out of the agreement.

"Mexico is a milk and dairy product deficit country," Kirkpatrick explained. "The initial agreement which opened their borders to U.S. dairy producers will allow an additional 43,000 tons of non-fat dry milk into Mexico free of tariffs. From that standpoint, NAFTA will definitely be a positive."

The jury's still out on GATT, however, claimed Kirkpatrick, since negotiations aren't complete on side agreements. Under GATT, as it's currently written, U.S. quotas on dairy imports would be replaced with tariffs, which would be phased out entirely over the next six-years.



Above (left to right) Clinton County dairy farmers Lynette and Jon Miller are presented the 1993 Outstanding Young Dairy Cooperator (OYDC) of the Year Award By state board member Ken Nobis. At right, are the 1992 OYDC state winners Jerry and Sherri Balmer of Ingham County.

"We know that in the first six year period, the opening of our markets will allow an additional 1.3 billion pounds of dairy products into the U.S.," Kirkpatrick said. "On the other hand, we have export opportunities opened up under GATT for U.S. dairy products to more than offset those 1.3 billion pounds. The difference is, we need to go out there and sell it."

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Clouding GATT's impact on dairy is the, as yet, unresolved situation with Canada. According to Kirkpatrick, GATT would require Canada to open its tightly restricted market to U.S. dairy products. Canadian dairy farmers are reportedly quite upset and clearly against GATT as it's currently written.

"I've heard from economists that if this GATT agreement is carried out the way it's intended to be, it will allow the U.S. to pick up about 25 percent of the dairy business in Canada," Kirkpatrick said. "With the signing of GATT, it appears that, for the first time, the U.S. dairy industry will be allowed to export products on a competitive basis in the world market."

Another uncertain factor facing Michigan dairy producers is the reduction in federal spending for dairy subsidy programs, which have steadily decreased from a high of \$2.5 billion in the mid-80s to approximately \$175 million last year. According to Kirkpatrick, dairy producers need to be thinking about how they want to operate without federal dollars, because the handwriting is on the wall.

"Wisconsin's director of agriculture is calling for the elimination of the dairy price support system," Kirkpatrick said. "We've already seen it happen with the elimination of the wool and honey programs in previous federal budget deficit reduction proposals. In fact, Dr. Robert Young, of the University of Missouri's Food and Ag Policy Research Institute, predicts that the 1995 farm bill may very well be the last farm bill as we know it today."

Kirkpatrick said the "Dairy Self-Help" concept is one option producers across the country will be looking at as a replacement to federal dollars. The program, funded by producers, would be operated by a board of dairy farmers that would use those funds to manage surplus dairy products, perhaps overseas to develop export markets.

The continued shift in dairy production from Wisconsin and Minnesota and other midwest states will force further change, and require even a closer working relationship between producers, processors and Michigan State University, said Kirkpatrick, adding that the Animal Livestock Initiative's primary objective was to help state producers remain competitive.

Milk production in Wisconsin was down 8 percent, while Minnesota was down 5 percent, Iowa down 10 percent and Missouri was down 11 percent. Meanwhile, Kirkpatrick said production in Washington was up 4 percent, California up by 4 percent, Texas up by 9 percent and New Mexico was up a whopping 24 percent.

Calling BST a non-issue in Michigan, Kirkpatrick said that two national tracking surveys of 18 major grocery chains by the National Dairy Board showed that in 16 out of 18 cases, consumer purchases had not changed, while one grocery chain in Texas showed a slight decrease, and another in Colorado actually showed an 8 percent increase.

Another major change is the consolidation of the National Dairy Board, and the United Dairy Industry Association, to operate under one board of directors, and one set of staff. Kirkpatrick said the move will utilize producer promotion dollars more effectively.



# RUS GARDNER

### 1993 Distinguished Sales Award

A former high school coach, Oakland County agent Rus Gardner continues to break company records with his outstanding sales and service. For the seventh year in a row, he has earned the Distinguished Sales Award, recognizing him as our top agent in the state.



# CLU, CIC

### 1993 Distinguished Management Award

For the fourth time, Tom Carter has been named our top agency manager in Michigan. Tom, who manages 26 agents in Saginaw, Bay, and Arenac Counties, is an outstanding recruiter, trainer, and motivator. His agency is a statewide leader in sales and service.

### GAYLE FORNER, ChFC, CLU, CIC, LIC, LUTCF 1993 Elton R. Smith

93 Elton R. Smi Award

Gayle Forner, an agent in Oceana County for 27 years, earned this honor for his dedication to his profession, his community, and Michigan Farm Bureau. Gayle, one of the company's most honored agents, is a highly-respected leader in Farm Bureau and his community.



### PHILIP KOLEHMAINEN 1993 Michigan Farm Bureau Membership Award

A company leader in many sales categories in 1993, Ontonagon agent Phil Kolehmainen also led the state in new Michigan Farm Bureau memberships. As our top membership producer, Phil signed up 361 new members last year. He also broke two company sales records. Closer to home, Kirkpatrick said the Super Pool had "survived the one-year test" and it appears to be working very well. Other 1993 highlights included the completion of the Ovid processing plant renovation, the introduction of its dried ice cream product ShurBlend, and the continued operation of the Laprino Cheese plant.

MMPA earned a record \$5.4 million, pushing member equity to \$42.6 million, despite a reduction of 30 million less pounds of milk handled in 1993 by the association. According to General Manager Walt Wosje, 1994 producer pay prices should average \$13 per cwt. or higher, thanks to a strong cheese market and relatively stable production levels over the next two years.

"The February M&W price was even with January and a \$1.67 above February last year," said Wosje. "The March M&W, coming out April 5, is expected to increase. So I think we're going to have very strong prices at least throughout the first half of the year. Even with a downturn in the last part of the year, there's enough momentum that 1994 prices will still average quite a bit higher than 1993."

# Making your future more predictable





March 30, 1994

# Michigan Livestock Exchange - "On the Move"

Member turnout at the recent Michigan Livestock Exchange (MLE) annual meeting and the past year's activities of the cooperative made their annual meeting slogan of "On the Move," more than just a slogan. Delegates heard an upbeat report of all time sales figures from MLE President and CEO Tom Reed, took action to change bylaws to complete the recent purchase of markets in Indiana, and heard from Gov. John Engler.

Total MLE member equity exceeded \$7 million in 1993, total members served reached just over 40,000, while total gross livestock sales broke the \$700 million level in 1993, according to the year-end report.

The Livestock Feeding Program (LFP) set a few records of its own as well, with over \$60 million worth of livestock placed through the program on a combined total of nearly 300,000 head. Nearly 200,000 hogs and another 80,000 head of cattle were placed through LFP.

In his report, Reed said that forces challenging the livestock industry are coming too fast for some to be comfortable with. In the last three years, for example, Murphy Farms of North Carolina has expanded from 100,000 sows to well over 200,000 sows. There are, however, some good reasons for that growth that producers must look at and understand, he said.

"Profits usually bring capital to any struc-ture," Reed said. "The hog industry has been profitable for a couple of good reasons. We have improved our efficiency and our predictability of quality."

Reed credited past and current MLE member commitment to the cooperative philosophy

over the past 72 years, plus the recent acquisition of the Indiana Livestock Exchange from Indiana Farm Bureau, for 1993's record year and MLE's position in the Midwest livestock industry.

"We have had three meetings down in Indiana over the last three months discussing what we expect of a cooperative, and what's expected of members of the cooperative," Reed said. "What it really means to the Michigan producer is that we now have a stronger base of livestock producers working together to be successful in meeting the challenges that we face."

Two important bylaw changes were approved by delegates. One established two different patronage pools, one called the Expansion Patronage Pool, for Indiana and Kentucky producers, while Michigan and Ohio producers will continue to be paid out of a Historic Patronage Pool.

The other bylaw change will increase the number of MLE board members from nine to 11 to allow for two additional board members from Indiana to be appointed for a two-year term and a three-year term.

According to Reed, the establishment of the two pools will allow for tracking expenses, such as interest on the recent Indiana market purchase, to be tracked separately, and patronage dividends paid accordingly.

In board of director elections, Maple City cattle farmer Glen Noonan was re-elected, and Stockbridge sheep producer Rex Hannewald, and Archbold, Ohio cattle and sheep producer Ron Stuckey were newly elected. Montgomery area swine producer William Pridgeon was elected to serve as chairman of the board.

### Markets Owned and/or Operated by MLE





Pork Industry Approves 10 Cent

Michigan pork producer Chip Ray says the extra funds will be used to increase pork's market share Deb Laurell

Michigan pork producers can expect to pay an additional 10 cents for every \$100 received per market hog sold as part of an increase in the checkoff rate from 35 cents to 45 cents. The increase was recently approved during the Pork world. To achieve that, new alliances between producers and packers will be encouraged, new products will be developed and product promotion will be carried out on a global basis.

"Most of the research will be focused on projects that would help improve the presentation of meat in the case; to find new cuts of meat and new user friendly uses," said Hankes. "There will also be research monies to help with producer education programs, but the lion share of the focus will be on the product - we really need to focus on changing the way pork is sold."

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5. W	lest Branch, MI
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16. Coldwater, MI 17. Archbold, OH 18. Columbus, Grove, OH 19. Columbia City, IN 20. Mentone, IN 21. Wabash County, IN 22. Rensselaer, IN 23. Decatur, IN 24. Amboy, IN 25. Montpelier, IN 26. Frankfort, IN

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- 38. Seymour, IN
- 39. Montgomery, IN
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- 41. Louisville, KY



BUILDINGS

Forum 1994 annual meeting.

The proposal now must be submitted to the Agricultural Marketing Service of the USDA, which will begin implementation procedures to be completed by fall of 1995.

According to Chip Ray, Michigan pork producer and vice president of the National Pork Board, "It's very critical for a number of reasons that we do this now ... We project that by 1996, there will be a lot of meat on the market compared to what we have today, coming from all species.

"We need to do proactive things very rapidly to make our product more consumer friendly to continue to share the percent of market share we currently have, and hopefully, increase our percent of market share to protect producers from low prices in 1996," Ray concluded.

The checkoff increase is necessary to finance the proposed research, promotion and information procedures outlined in the new long-range strategic plan recently adopted by the industry, according to Ray Hankes, president of the National Pork Board. This new plan has a goal to make U.S. pork the meat of choice around the

Other issues such as meat safety, quality and environmental concerns will also be addressed through research and education.

Bob Bloomer, Michigan Pork Producers Association president, said "This is definitely a positive thing. We need to keep an aggressive role and go after the market ... We can't sit still and say that's all we're going to do."

According Hankes, Pork Forum is an annual meeting of the National Pork Producers Council and the Pork Act Delegate Body, which was established by the 1985 Pork Act.

Its function is to recommend the rate of the national pork checkoff, to set the amount of the checkoff that is returned to the individual states and to nominate members to the National Pork Board, which administers the spending of the checkoff.

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MLE ON THE MOVE

March 30, 1994

Keith McKenzi

Chairman

# 12

# Premium Standard Foods - Lessons for the Hog Industry?

"The producer of the future is going to be business oriented, globally aware, politically astute, technically adept, communication driven and consumer focused. The question that each of us must answer in our hearts is do we see this change as a threat to our existence or the opportunity of a lifetime?" John Stadler, president of Premium Standard Foods (PSF).

During a recent meeting of the Michigan Livestock Exchange, Stadler shared his views as president of PSF, a vertically integrated 80,000 sow operation that will soon be operating its own processing facility to complete the loop from conception to consumer shelves.

Saying that continued vertical integration is a reality being driven by consumers who are demanding a consistently lean and wholesome product, Stadler said the pork industry offers tremendous opportunity for those who want to get involved. "Change is coming, whether we like it or not," Stadler said. "Debating change in the industry isn't productive. Deciding how we respond to that change is the most important decision producers will be forced to make. " In just 25 years, the U.S. has gone from a million hog producers to just 200,000. Of that group, 13,000 or 6.5 percent produce 60 percent of the hogs in the country. That trend has also spilled over into the processing industry, with the number of facilities processing over 1.5 million hogs going from just four to 23.

Employing nearly 700 people in Northwest Mo., PSF, started in 1988, plans to target the export market with its finished pork products. Stadler predicts that China and Mexico present the most exciting opportunities for pork producers.

"With over a billion people, China has had an annual industrial growth rate of 12 percent a year for 10 years in a row," Stadler explained. "When you combine the ecoPSF President John Stadler shared his observations on the changing hog industry during the recent Michigan Livestock Exchange annual meeting

nomic strength of Japan, South Korea, China and the emerging economies of Indonesia, Thailand, and Pakistan, you have a market of 2.4 billion people with the economic strength to improve their diet by eating more protein from animals."

**Bill Pridgeon** 

Vice Chairman

According to Stadler, China has increased its meat consumption by 2.3 million tons per year for the last three years. Likewise, Stadler predicts that Mexico holds great promise for increased U.S. pork sales. Crediting NAFTA for its benefits to the U.S. pork industry, he said the sow herd will have to increase considerably to meet demand. In addition, Mexico's average pork production cost of 54 cents a pound promises dramatic growth in the U.S. pork industry.

"Last year, the U.S. exported 140,000 tons of pork, or only 2.5 percent of our total production," Stadler said. "If we have just a 25 percent increase in Mexican pork consumption, and our numbers say it will be higher than that, we'll have to increase our exports just to Mexico by 400,000 tons per year. That's three times more than what we export altogether today."

Stadler credits continued economic growth, and unprecedented global population growth, as other reasons for an optimistic outlook. "World population will double before it begins to slow down," he said. "Six people are added to the world population every second. Based on that growth, the world as a whole will have to triple its food output in just the next 30 years."

All is not rosy in the swine industry, however. Stadler said with urban members of Congress currently out-numbering rural members 12 to 1, policies affecting future growth will be made by non-farm interests. Environment, food safety and animal welfare will continue to focus more pressure on livestock operations.

Stadler said the E-Coli incident in the Northwest has brought consumer concerns over food safety to a new level, bringing with it more questions that agriculture as a whole has not responded to adequately or quickly enough.

"We need to develop new answers to these questions," Stadler urged. "And we need to do it, not as packers, or family farmers, or corporate farms, but as a whole industry through our pork councils and through organizations like Michigan Livestock Exchange."

Stadler also suggested that producers and land-grant universities need to be more aggressive in solving the biggest issue facing livestock producers, odor control. With more urban neighbors, he predicted this issue, more than anything else, will prod the industry to become proactive in manure and odor management or risk losing future opportunities overseas.



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For your nearest Farm Bureau office call 1(800) 292-2680 extension 3237 As a testament to his prediction of future consumer mandates, Stadler referenced Japan's Source Labeling Laws, meaning that to sell pork in Japan, for example, a packer/processor will have to provide certification of everything that went into those animals, including the location of where it was raised.

That, says Stadler, will prompt accelerated growth in contract feeding to meet specific consumer demands as evidenced by Con-Agra's recent announcement that it plans to contract 75 percent of its purchased hogs by the year 2000.

"The pork market of the future will be more competitive - there will be no market for a product that doesn't meet consumer demands - non-conformers simply won't survive," Stadler concluded.



March 30, 1994

# New Vittetoe Drill Conveyor Makes Bulk Seed Handling a Breeze: Available for 1994 Planting Season

The increased use of bulk seed in farming operations has prompted Vittetoe, Inc. to create a new method for efficiently transferring small grain seed into a grain drill. The new device moves seed at five to 12 bushels per minute, so a drill can be filled in as little as five minutes.

"The Vittetoe Drill Conveyor features a rubber-belted conveyor with rubber paddles that gently move the bulk seed from a wagon or container into the grain drill," explains Davit Vittetoe, president. "After extensive field testing and hundreds of hours of running seed through the conveyer, we're confident the Vittetoe Drill Conveyor will meet the high standards of our customers. It's very gentle on the seed."

# Plant Population Guidelines Can Benefit All Corn Growers

While corn plant population decisions ultimately depend on individual grower operations, general guidelines can benefit all growers.

Mark Mattingly, Northrup King agronomist for the Northeast, says achieving proper plant populations is essential to reaching other corn production goals.

Mattingly suggests that growers match populations to the soil types and fertility of each field. Growers should also choose populations that maximize the hybrid's potential to reach the yield goal for each field and adjust populations for grain or silage. In addition, growers can base populations on the seed company's recommendations for each hybrid and the expected environment in each field.

The Northrup King agronomist notes that planter performance methods also can impact plant populations. He advises growers to check and adjust their planter units to assure that the units drop seed at the most uniform spacing possible. Worn metering mechanisms, the lack of calibration and driving too fast can all cause uneven seed drop within the row. In fact, a wide variation in plant spacing can make a severalbushels-per-acre difference in actual yield.

In addition, Mattingly cautions growers to pay close attention to seed company recommendations. Northrup King, for example, offers a range of populations for stressful, favorable and optimal growing conditions. These recommendations are designed to help growers match each hybrid to the prevailing planting environment.

### CONGRESS URGED NOT TO DELAY GATT

U.S. Trade Representative Mickey Kantor said it would be a mistake for Congress to delay ratification of the Uruguay Round international trade agreement. Constructed of galvanized steel, the Vittetoe Drill Conveyor weighs approximately 500 pounds. To minimize fill time, the conveyer conveniently mounts on the rear of the drill and securely latches into place to ride on the drill during drilling operations. The extra-heavy mounting and latching system is made to withstand higher speeds, even under the roughest field conditions.

At fill time, the drill is positioned near the wagon or bulk seed container. The conveyer is unlatched and rolls off the left side of the drill so the large hopper can be placed on the ground under the wagon chute. The conveyer is then moved into position on two heavy neoprene wheels that run in securely mounted wheel channels. Wheel-channel stops help position the conveyer in the proper loading position.

According to Vittetoe, a heavy-duty telescoping spout enables the operator to fill the entire drill without having to move the conveyer. The Vittetoe Drill Conveyor is hydraulically driven by the tractor pulling the drill. A convenient control rod allows the operator to start or stop the conveyer from the ground or from on the drill. The Vittetoe Drill Conveyor is available for the 15-foot Join Deere 750 No-Till Drill and the Great Plains Drill. It comes complete with all necessary mounting hardware and hydraulic hoses.

For further information on the Vittetoe Drill Conveyor or the name of the dealer nearest you, contact Vittetoe, Inc., 2112 County Line Road, Keota, IA 52248 or call 1-800-848-8386.



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Kantor told a House trade subcommittee it is in the best interest of this country and the GATT for the agreement to be ratified this year.

Some members of Congress and some administration officials are saying the pact approval may be delayed until they can come up with a way to offset the import tariff revenue that would be lost through the agreement, an estimated \$14 billion over five years.

Pay-as-you-go budget requirements demand that revenue lost because of GATT must be offset by cuts elsewhere in the budget or by new revenue. The administration has considered seeking a waiver of the pay-as-you-go rules and charging fees for textile and apparel imports to make up the difference, according to a *Knight-Ridder News* report. Representing:

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# Espy Announces Proposal to Improve Poultry Inspection

Agriculture Secretary Mike Espy has announced that the U.S. Department of Agriculture will further enhance and strengthen the poultry inspection system to include microbial testing and the prohibition of all fecal matter on raw product.

"We have made improving the meat and poultry inspection system at USDA a top priority and today's announcement is another move in that direction," said Espy. "We are taking steps to further incorporate science and modernize the nation's meat and poultry system."

The secretary's poultry initiative includes several major changes that will be proposed in the Federal Register.

The proposal includes:

No amount of fecal matter will be allowed on raw product. This will formalize the policy in regulation. When Espy came to office, he reinforced this policy for red meat and directed the Food Safety and Inspection Service to draft a similar proposal for poultry. Fecal matter will no longer be acceptable as part of a finished product standard.

### Regular microbial testing will be mandated on a statistical sampling of product. This will further incorporate science into the system.

Industry will be required to use FDA-approved rinses that reduce overall bacterial levels on raw product. As more compounds are developed and given FDA approval, immediate use will be allowed.

A part of the inspection sequence will be changed. Currently, the initial inspection of the poultry carcasses is before the internal organs are removed. Today's proposal calls for the inspection to take place before and after the internal organs are removed. This will ensure that the carcasses are examined after a key point of potential contamination (organ removal) and before the chiller.

Fecal-contaminated poultry carcasses will be allowed to be washed inside and outside, rather than trimmed, if removal is effective; however, all birds will be re-inspected after reprocessing rather than a sampling. This move is based on a 1993 study which reconfirms the efficacy of washing.

# Washington, D.C. Trip...continued from page 1

The decision by the Congressional Budget Office to put the cost of health care 'on budget' probably has done as much to kill universal health care as anything," said Rep. Nick Smith.

Rep. Fred Upton agreed that the presi-dent's plan is dead. "Consequently, we're going back to figure out what to do. We need reform. I hope to do something constructive for small business and allow more people to have access to decent health care." he said.

Michigan farmers also told legislators that the loss of crop protection chemicals for so-called "minor crops" like those grown in Michigan is one of the most serious problems facing agriculture today.

Speaking to Michigan radio stations during a satellite hook-up from the nation's capital, MFB President Jack Laurie said that the cost of doing research and developing scientific data for registration and reregistration has become so expensive that many crops no longer provide the necessary market and sales potential to warrant the research and scientific investment.

"Can we just raise the price of the commodity to the point where the farmer could pay more for the chemical and pay for the research? Probably not," he said. "We're dealing in a world market and we have to be competitive. The real issue is to make sure that all of these chemicals are safe to be used



on the food supply. We have in place a pretty sophisticated process for determining that. We must have the opportunity to put this chemical product on the market (for farmers) at an affordable price in an expedient manner as soon as it has been tested."

Farm Bureau-backed legislation, H.R. 967, has been introduced in the House Agriculture Committee and currently has over 120 cosponsors. Similar legislation, S. 985, has been introduced in the Senate and has 40 cosponsors. The legislation addresses the minor crop problem by providing incentives to the pesticide industry to pursue minor crop registrations, proposing changes that would encourage third-party registrations, emphasizing the use of existing authority to expedite minor crop pesticide registrations and by providing direction to the Environmental Protection Agency and the U.S. Department of Agriculture for pesticide programs aimed at minor crops.

"Without prompt attention, farmers' ability to compete with foreign growers in both domestic and international markets will decline significantly," said Laurie. "The effects will be widespread, impacting consumer prices and the quality of commodities, as well as the local food production and processing infrastructures.



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March 30, 1994

# 16 National Dairy Board and UDIA Establish Joint Venture

The National Dairy Promotion and Research Board (National Dairy Board) and United Dairy Industry Association (UDIA) have announced the establishment of Dairy Management Incorporated, a joint venture designed to improve joint planning, increase program and cost effectiveness, improve industry communications, and enhance accountability by combining the current staff and program administration of both national organizations.

Under the new agreement, Dairy Management Incorporated will be responsible for development and execution of all producer-checkfunded national marketing for milk, cheese, butter and frozen desserts and other industry functions including product research and development, nutrition education, public relations, market research and development of export markets.

In many respects, the joint venture represents a formal extension of recent promotion and research planning efforts between the two organizations. Over the past year, the National Dairy Board and UDIA jointly developed the



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1993 adult fluid milk marketing plant, selected a new advertising agency for fluid milk, and significantly increased coordination of other promotional activities for the current year.

"The joint venture we've announced is an important and logical development for our industry," said Robert W. Giacomini, chairman of the National Dairy Board. "Over the past year, the two organizations have worked very closely and very effectively together. This announcement represents a formal extension of our current working relationship."

Under the new arrangement, the structure of the respective boards of directors for both the National Dairy Board and UDIA will remain unchanged. Both boards maintain responsibility for approval of annual business plans and budgets, and accountability for results. For purposes of overseeing Dairy Management Incorporated, a 20-person governing board will be formed by each parent board naming 10 of its members to the DMI Board. Details of the joint venture involving immediate staff assignments, reporting relationships and other operational issues will be brought to the parent boards in the weeks to follow.

"Given the increased demands on the dairy industry's resources, the increasing costs of competing in the marketplace, and the significant opportunities associated with promoting the benefits of dairy products, the consolidation of these two staffs is both sensible and timely," said Herman Brubaker, chairman of the United Dairy Industry Association.

"For too long, there has been confusion over which organization was responsible for specific program areas," adds Brubaker. "This is an opportunity to streamline communications for the benefit of the dairy industry and other organizations involved with the promotion of dairy products and proper nutrition. Dairy farmers have asked us to do this and we're delivering."

The United Dairy Industry Association, located in Rosemont, Ill., is a member-driven federation which conducts a total promotion program for U.S.-produced milk and other dairy products. UDIA is the umbrella organization for American Dairy Association, which conducts advertising and marketing services, and the National Dairy Council, which conducts nutrition education and research programs.

The National Dairy Promotion and Research Board, based in Arlington, Va., is comprised of 36 dairy farmers from across the U.S. The organization develops and implements a coordinated effort of promotion, research and communications to increase demand for U.S.produced milk and dairy foods.

### Calendar of Events

April 8-10, Michigan Beef Expo, Ingham County Fairgrounds, Mason, call (517) 669-8589 for more information.

April 16, Southwest Michigan Polled Hereford Association Sale, Allegan, noon.

April 23, West Branch Bull Sale, noon.

April 30, 4th Annual Key to Profit Sale, Escanaba, 1 p.m.

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June 20-24, Young People's Citizenship Seminar, Aquinas College, Grand Rapids, 1-800-292-2680, ext. 3234.

July 19-21, MSU-AG Expo, Michigan State University.

July 20, Summerfest, MFB Center, Lansing.

August 5-7, Llamafest, Kalamazoo Fairgrounds, Kalamazoo. Fourth annual meeting includes workshops, demonstrations, show and sale for Llamas. Call Leah Bird (616) 657-6379 for more information.

Nov. 28 – Dec. 1, MFB Annual Meeting, Westin Hotel, Detroit.

Mail or FAX information (include contact name and phone number) three weeks in advance to: Michigan Farm News P.O. Box 30960 Lansing, MI 48909-8460 FAX: (517) 323-6793