# MICHIGAN'S ONLY STATEWIDE FARM NEWSPAPER MICHIGAN FARM BUREAU



#### **MICHIGAN FARM BUREAU**

August 15, 1996 Vol. 73, No. 13

#### PRINTED WITH SOY INK

#### Dan Wyant appointed director of Michigan Department of Agriculture

former hog farmer with a flair for politics is the new director of the Michigan Department of Agriculture (MDA).



The Michigan Commission of Agriculture appointed Dan Wyant to replace Dr. Gordon Guyer, who has announced his retirement effective Oct. 4, 1996. Wyant's appoint-

ment was praised by Michigan Farm Bureau Legislative Counsel Ron Nelson, who works closely with the MDA. "We're confident he will continue the tradition of innovative leadership that has been a hallmark of the department," Nelson said. "The MDA has a crucial role to play in assuring that Michigan consumers have a safe, high quality supply of food, and agricultural products. Complementing that role is the department's equally important mission of promoting the development of food and agriculturally based businesses and markets. We look forward to enhancing the partnership that exists between our farming industry and the Department of Agriculture, a partnership that has served Michigan consumers and farmers very well for the past 75 years," he said.

Wyant, who is currently Associate Director, Office of Legislative Affairs for Gov. Engler, has a broad and varied background in agriculture and public affairs. He was a partner in Wyant Farms, a cash crop and purebred swine farm in Dowagiac, and served as MDA's Legislative Liaison from 1991 to 1995. Prior to joining state government, Wyant held posts with Lowe's International in Chicago, Ill.; and Ralston Purina Company in St. Louis, Mo.

Wyant holds an MBA in Finance from American University, Kogood College of Business Administration, Washington, D.C. and a B.S. in Food Systems Economics and Management from Michigan State University (MSU). At MSU he was a member of the National Championship Winning Livestock Judging Team.

Wyant was selected from a field of eight candidates at a special meeting of the Agriculture Commission. "We are pleased to have a person of Dan's far-reaching agriculture experience to lead the department into the future," said Shirley. Skogman, Commission Chair. "His diverse background will serve the department, the industry and Michigan citizens well. We had a number of excellent candidates for the position. Dan Wyant's experience in dealing with agriculture

# Michigan producers to benefit from IMC Kalium expansion



Using an innovative technology known as solution mining, IMC Kalium is expanding their potash production facilities at Hersey, Mich., home to the world's purest known potash deposit. The \$43 million expansion is expected to increase annual potash production from 45,000 tons to over 160,000 tons. The processing facility is slated for two additional expansions in the near future and IMC Kalium hopes to get a former railroad, converted to a trail, rebuilt into a railroad to meet future potash transportation needs.

# FEMA disaster designation official

Designation will provide funds for badly needed road and culvert projects in the Thumb, as well as qualify producers in 15 counties for USDA low-interest loans.

With the Federal Emergency Management Agency's (FEMA) designation of six Michigan counties as major disaster areas following heavy June rains, long-awaited repair work to roads, bridges and other publicly owned infrastructures can finally get started, according to Dave Charney, Emergency Management Coordinator for the Michigan Department of Agriculture.

Along with the infrastructure cost-sharing, the FEMA designation also triggered the USDA's emergency low-interest loan program to qualified producers in a total of 15 Michigan counties, according to Bob Payne of the state Farm Service Agency office. Farmers in Bay, Lapeer, Saginaw, Sanilac, St. Clair, and Tuscola counties, as well as those in nine contiguous counties of Arenac, Genesee, Gladwin, Gratiot, Huron, Macomb, Midland, Oakland and Shiawassee, may be eligible. funds may not be available until the 1997 fiscal year.

Under terms of the FEMA designation, FEMA funds will be made available on a 75 percent federal, 25 percent local and state funding basis to restore structures to pre-disaster condition in Bay, Lapeer, Saginaw, Sanilac, St. Clair and Tuscola counties.

FEMA will be establishing a local field office in one of the six affected counties. Following applicant briefings, County Emergency Management Coordinators will then meet with FEMA officials to review maps of damaged structures.

FEMA will then assign an engineer to make site visits and to establish a work plan and budget for each job, says Charney. "Once they (County official and FEMA Engineer) come to an agreement, the project will be handed over to a local contractor, so they can get started," he said.

Damage Survey Teams, made up of FEMA officials and local and state officials, will also be looking at proposed projects that could be funded under another FEMA program known as the Hazard Mitigation Program. According to Ed Buikema, Inspector and Assistant Division Commander of the Emergency Management Division of the State Police, work done under this program will focus on attempting to prevent similar damage in the future. "Damage Survey Teams will make a determination of what it will cost to repair an individual project, write up a Damage Survey Report, and then on the basis of those reports approval is given to the **Continued on page 3** 

# **COVER STORY**

Potash deposit and solution mining technology provide secure fertilizer source for state's producers.

ne of Michigan's biggest agricultural resources has been kept somewhat of a secret. The fact that it's located roughly 8,000 feet below the surface of the Lower Peninsula from lakeshore to lakeshore probably hasn't helped its notoriety either. However, IMC Kalium, a leading producer and distributor of potash, hopes to change that with a \$43 million expansion project underway at its Hersey location.

Northern Michigan is home to the world's purest potash deposit and is one of only three commercial potash deposits in the U.S., including New Mexico and Utah. Discovered during oil and gas exploration projects in the 1970s and early '80s, the Borgen Bed and the Basin Center Beds were classified as commercial grade deposits, according to Ward Forquer, area sales manager for IMC Kalium.

"That means these deposits had to have the capability of producing a million tons per year for 30 years. Although we're not producing at those levels, it does have the potential to produce at those capacities," Forquer explained.

#### issues in both the private and public sector was Continued on page 3

A Publication of the Michigan Farm BUREAU P.O. Box 30960 • 7373 West Saginaw Highway Lansing, Michigan 48909-8460

To qualify for the 3.75 percent interest loans, producers must have suffered losses of 30 percent on a major crop. Application deadline for the loan program is March 27, with approvals based on availability of funds.

"Producers can qualify for up to 80 percent of the actual loss, with a maximum of \$500,000," Payne said. He cautions, however, that federal funding of the emergency loan program is limited and that some The only trick was to figure out how to mine it. The average depth of 8,000 feet made it impossible to access the deposits using conventional mining techniques. Using a technology known as solution mining that IMC Kalium perfected at their Canadian potash plant in Saskatchewan, the company initiated a "small-scale" mining and processing operation in 1989 at Hersey, producing 45,000 tons annually.

"We had been solution mining in Saskatchewan Continued on page 3

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#### Cranberry tour to examine potential growth sites

Producers interested in starting a cranberry operation but needing to learn more about what type of environment is needed for a productive bog can find out during a Sept. 9 Cranberry Site Tour.

The tour will get underway at 9 a.m. from the Southwest Michigan Research and Extension Center on Hillendale Road near Benton Harbor and concludes at 6 p.m. with a barbecue back at the research station.

The tour will focus on potential cranberry bog sites, based on soil types, soil pH, water availability and drainage, and the potential to protect cranberry plants from harsh winters. One of the tour stops will include a partially developed cranberry bog.

A \$10 registration for the tour is required by Sept. 1. For more information on the tour, contact Ron Goldy, Michigan State University Extension agricultural agent at (616) 429-2425. To register, make checks payable to Cranberry Tour, MSU Extension, 5060 St. Joseph Ave., Stevensville, MI 49127.

#### Pork production expected down

The Agriculture Department said it expected U.S. pork production to be 4 percent below 1995 levels, keeping retail prices above last year's levels. USDA said the high cost of livestock feed is the main reason for the production drop.

On the other hand, USDA said per capita consumption of pork also is expected to drop by 7 percent this year with little improvement seen for 1997. The decline this year will likely be the worst since 1982.

Hog prices are expected to average in the midto high \$50s per 100 pounds this summer before dropping into the low \$50s this fall and winter. Again for 1997, little improvement is seen, with USDA expecting prices to range in the high \$40s per cwt.

Retail pork prices averaged \$2.12 per pound in the April-June quarter, up 22 cents from a year ago, riding on a shortage of pork bellies combined with the booming popularity of bacon in fast food menus. USDA said retail pork prices will average between \$2.10 and \$2.15 per pound for the next 18 months, meaning an increase of 8 percent to 10 percent above 1995. Prices for next year are expected to remain at this year's levels.

# *Tart cherry industry approves federal marketing order*

The U.S. Department of Agriculture announced that growers and processors of tart cherries grown in Michigan, New York, Pennsylvania, Oregon, Utah, Washington and Wisconsin voted in favor of a federal marketing order in a June 12 to July 10 referendum.

Of the voting growers, 80.5 percent favored the order. They accounted for 85.7 percent of cherries produced by growers who voted. Also favoring the order were processors accounting for 79.3 percent of tart cherries packed between July 1995 and May 1996, the sample period USDA's referendum rules set.

As a result of the vote, the USDA will implement the order. It will authorize volume, grade, size and maturity regulations, including mandatory inspection. The order will also authorize production, processing, marketing research, promotion projects and paid advertising.

An 18-member administrative board, consisting of 17 growers and handlers and one public member, will administer the order. The secretary of agriculture will appoint administrative board members from a list of industry-related nominees. Assessments levied on tart cherry handlers will finance the program.

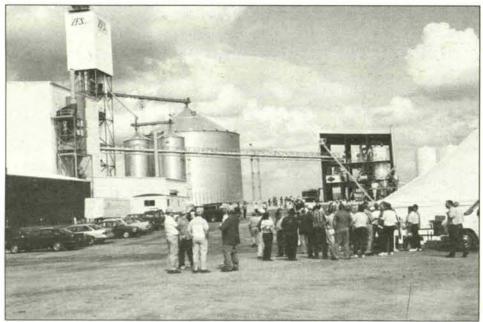
Cherry industry leadership, including the Red Tart Cherry Growers Marketing Committee, will proceed to assist the USDA in the appointment of administrative board members. The order should be fully operational for the 1997 red tart cherry crop year.

#### High corn prices continue to impact ethanol market

Continued high corn prices trimmed in half the May production of ethanol to 46,000 barrels a day — down from 91,000 barrels a day from May 1995. For the first nine months of 1996, ethanol production was down 19 percent from 1995 levels, the Agriculture Department reported.

USDA expects 395 million bushels of corn to be refined this year, 26 percent below last year. Government projections said ethanol production will rebound slightly this crop year at 450 million bushels, still way below the 1994-95 crop year peak of 533 million bushels refined for fuel.

### State's first soybean processing plant officially opened



#### Crop revenue coverage gets thumbs-up

The Agriculture Department has approved the marketing of so-called crop revenue coverage (CRC) insurance in selected areas for the 1997 crop year. Under the plan, wheat growers in seven states will be able to purchase crop insurance that protects against both yield and major price fluctuations.

CRC may cost more than current policies but will guarantee wheat farmers a certain revenue in the event of falling prices or natural disasters. Currently, government crop insurance policies only cover loss of yield due to drought, flood or other peril. Lynn Rundle, executive vice president of the Kansas Wheat Growers Association, said this year's poor Kansas crop, coupled with high prices, is a good example of why the new approach is needed.

The USDA's Risk Management Agency board approved sale of the policies for the 1997 crop year for wheat growers in Kansas, Texas, Nebraska, South Dakota, Michigan, Washington and parts of Montana.

#### New grapes on the vine

Researchers at Cornell University have unveiled two new grape varieties designed for western New York's "microclimate." The new varieties — Traminette, a vinifera-type wine grape, and Marquis, a white table grape — have good potential for the export market.

Traminette is a hybrid that produces spicy wines, and it is much more winter-hardy than its parent. Marquis produces large clusters of seedless, white table grapes. Cornell University has applied for a plant patent for Marquis, but will issue free, non-exclusive licenses to growers.

#### **Record clean water fine**

ean Foods Co. has been fined \$4 million for nearly 2,000 Clean Water Act violations in Pennsylvania — the largest fine ever under clean water laws, according to the Justice Department.

The fines stem from repeated dumping of milk solids into the water treatment plant at Union Township, Pa., which allowed the pollution to flow into the Kishacoquillas Creek, causing damage to the waterway. The pollution influx forced the state to stop stocking a portion of the creek with trout. Trout fishing is a "significant recreational activity and source of tourism" in the valley, the state Fish and Boat Commission said.

Justice Department officials said the hefty fine was due to Dean officials consistently ignoring the problem and not taking adequate steps to pre-treat its discharges to the water treatment facility.

#### County Farm Bureau meetings to be held on P.A.116 update

uring September, Michigan Farm Bureau's District VIII counties (Arenac, Bay, Clare, Isabella, Gladwin, Gratiot, Midland and Saginaw) will hold informational meetings about recent changes in the Open Space and Farmland Preservation Act, P.A. 116. If you are unable to attend your local meeting, you may attend any of the other meetings.

Richard Harlow, Unit Chief, Farmland Preservation Unit, Department of Natural Resources, and Ron Nelson, Legislative Counsel for Michigan Farm Bureau, will be on hand to explain the current law and answer questions.

#### MCIA hands potato seed certification to MSPA

he Michigan Seed Potato Association (MSPA) has officially taken over potato seed certification from the Michigan Crop Improvement Association (MCIA).

Randy Judd, MCIA director, says that among the reasons for the change are improved service and greater efficiency.

"MSPA will focus exclusively on member grower services, and that arrangement alone will help fulfill growers' expectations for the future," Judd says.

The MCIA will continue to provide seed certification services for small grains, seed corn, soybeans, dry edible beans and other field crops, Judd adds.

The MSPA is under the direction of Jeff Axford, who has more than seven years of potato seed certification management. Axford was the MCIA potato division supervisor.

The MSPA is based in Gaylord. Inquiries can be mailed to MSPA, Box 1865, Gaylord, MI 48735. The phone number is (517) 732-4433.

The Michigan Department of Agriculture, the Michigan Potato Industry Commission and the MCIA were involved in helping create the new association, Judd notes.

#### Landlord visits recommended

armers who rent farmland might want to visit with their landlords about rent as soon as possible, according to Purdue Agronomist Howard Doster. He said high grain prices expected for the 1997 crop could drive up cash rents for farmland. He said he knows of cases where rents have already gone up.

Doster said he suspects some farms have changed hands for the next year without the current tenant even knowing it's happened. He recommends that current tenants who want to keep their present farmland should do their budgeting homework and visit their landlord as soon as possible. He also suggests that all leases be put in writing.

# Canadian health care floundering

Cording to a recent *Wall Street Journal* column, Canada's single-payer health care system appears to be a pox on doctors and patients. Canada's system, often offered as a model for providing universal health care, has not succeeded in holding down costs.

Canada's health care bill now accounts for 10 percent of its gross national product. Only the United States spends a larger share. If Canada had comparable social challenges "with drugs and the like," its per capita spending on health care would "surely be greater" than that of the United States. Meanwhile, as costs skyrocket, Canada's health care service, availability and choice are increasingly limited, according to the column, co-written by Dr. Jerome Arnett, a practicing physician in West Virginia, and Dr. William E. Goodman, who practices medicine in Toronto.

#### Is beef losing the marketing game?

ou can couch it however you want, but the truth is, our value is flat out not stacking up to the competition." Randy Blach, marketing analysis director with Cattle Fax, a market information company, delivered those sobering words to 200 beef producers and industry officials at the Beef States Summit in Omaha, Neb. Blach told the group that chicken and pork producers are "outmarketing" beef. He peppered his remarks with the statement that Americans have turned to poultry and pork for the past 20 years at the expense of beef. Dick Clark, an agricultural economist at the University of Nebraska, said the beef industry needs to work on marketing, especially through name recognition. He suggests getting rid of the "choice" and "select" labeling, and relying on name-brand recognition. "The alternative is to leave it up to wholesalers to say this is a 'Monfort steak,' for example," Clark said. "Then if it's bad, the consumer doesn't buy Monfort again. You can bet Monfort would make sure their steaks were up to par, and the industry would gain more consistency. People know 'Hormel' hams and 'Butterball' turkeys. Beef needs to catch up."

Approximately 500 people were in attendance for Zeeland Farm Soya's ribbon-cutting ceremony July 31 for the state's first soybean processing facility. The plant is expected to use 20,000 bushels of soybeans per day in producing 600 tons of 48 percent soybean meal and 180,000 pounds of soybean oil. The operation is expected to create 35 new jobs and add \$10 million to the state's agricultural economy.

The Michigan Farm News (I55N:0743-9962) is published twice per month except in the months of November, December, June and July when only one issue is printed, as a service to regular members, by Michigan Farm Bureau, 7373 West Saginaw Highway, Lansing, Michigan 48917. Member subscription price of 51.50 is included in annual dues of Michigan Farm Bureau regular members. Additional subscription fees required for mailing *Michigan Farm News* to nonmembers and outside the continental U.S.A. Periodical postage paid at Lansing. Michigan, and additional mailing offices.

Letters to the editor and statewide news articles should be sent to: Editor, *Michigan Farm News*, Post Office Box 30960, Lansing, Michigan 48909-8460. POSTMASTER — Send address changes to: Michigan Farm Bureau, Post Office Box 30960, Lansing, Michigan 48909-8460.

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#### Sept. 3

- 9:00 a.m., Midland County 517-631-6222, Homer Township Hall, 522 Homer Road – Midland
- 1:30 p.m., Saginaw County 517-792-9687, Tittabawassee Township Memorial Park Hall, 150 S. Park, Freeland (behind Rodeitcher's Restaurant)
- 7:00 p.m., Bay County 517-684-2772, Kawkawlin Township Hall, 1800 Parish Road, Kawkawlin

#### Sept. 10, 1996

 7:30 p.m., Clare County — 517-386-4424, Mid Michigan College — Michigan Room, 13375 S. Clare Ave., Harrison

#### Sept. 19, 1996

8:00 p.m., Gladwin and Ogemaw Counties – 517-426-1929 or 517-345-1447, Edwards Township Hall, Wickes Road (¼ mile west of M-30)



August 15, 1996

# Capitol Corner

For more information on legislative topics in the Michigan Farm News, call 800-292-2680.

# **IMC Kalium Hersey** expansion good news for Michigan agriculture

NATIONAL ISSUE

#### Delaney amendment

The Food Quality Protection Act (H.R. 1627) has passed the House by a vote of 417-0 and passed the Senate by a voice vote under a unanimous consent agreement. The bill was signed by President Clinton on Aug. 3.

Although the legislation contains provisions Farm Bureau did not support, it does address many issues of great importance to agriculture, such as:

Safety Standard: The bill replaces the antiquated, "zero tolerance" Delaney standard with a health-based "safe" standard for food pesticide residues. "Safe" is defined as "reasonable certainty of no harm," which is interpreted as a one in a million additional lifetime risk. This key provision removes the threat of unjustified cancellation of more than 50 safe crop protection products that were jeopardized by the Delaney Clause.

Benefits Consideration: Tolerances could be exceeded to avoid a significant disruption in domestic production of an adequate, wholesome and economical food supply or if the pesticide protects consumers from a greater health risk. Benefits consideration is broadened from current law in that it is extended from raw agricultural products to include processed food. However, benefits consideration is limited under the agreement to 10 times a negligible risk for one year or more than two times a negligible

#### STATE ISSUE

#### Grain dealers/grain truckers amendments

egislation sponsored by Rep. Gary Randall (R-Elwell) was signed by the Governor as P.A. 311. The bill provides different permit and financial standards for grain truckers. Currently, anyone buying and selling grain is required to obtain a grain dealer's license with adequate bonding and financial security, plus annual audits.

The bill would provide a lesser standard for a grain trucker who is primarily a farmer, but also has some grain hauling business that is incidental to the farming operation. The bill would clearly exclude farmer-to-farmer sales and farmers hauling their own grain and would only trigger if a farmer was operating a truck in the business of buying and selling grain.

> MFB Position: MFB supports the bill. MFB Contact: Ron Nelson, ext. 2043.

#### STATE ISSUE

#### Land application of potash/wood ash

egislation sponsored by Rep. David Anthony (D-Escanaba) would clarify in the Natural Resources Act that wood ash, as a result of burning wood (not lumber, treated lumber or other byproducts) is not solid waste. The law requires that solid waste be landfilled. This exemption from inclusion in the solid waste definition would allow for the land application of potash.

MFB Position: MFB supports the bill. MFB Contact: Ron Nelson, ext. 2043. risk over a lifetime. Although Farm Bureau does not support this limitation, the bill preserves benefits consideration and extends it to processed food.

National Uniformity: The bill establishes national uniformity for food pesticide residues. States could not adopt tolerances that are more stringent than those set by EPA, except with respect to tolerances established through benefits consideration. In those circumstances, states would be required to petition EPA and establish that there was an imminent dietary risk to the public.

Minor Use Pesticide: The bill includes new incentives and streamlined procedures for so-called "minor crop" chemicals (i.e., crop protection products whose relatively small market does not justify the high cost of registration). This provision is essential to fruit, vegetable and horticultural growers in virtually every state.

Passage of this legislation is a very significant victory for Farm Bureau members who produce a wide variety of safe, abundant and affordable agricultural commodities for consumers. Farm Bureau strongly supported the legislation and wishes to thank those within the Michigan Congressional Delegation who supported passage of the legislation. MFB Contact: Al Almy, Ext. 2040.

#### STATE ISSUE

#### Michigan Department of Agriculture

he Governor has signed H.B. 5584 into law, providing funding for fiscal year 96-97 of approximately \$36.5 million general fund, general purpose money for MDA. The funding for the Department is very close to last year; however, with major revisions in the horse racing money, there are additional dollars for the Department. One example includes funding for Kettunen Center of \$485,000 for construction.

Funding of MEMS, Michigan Equine Monitoring System was removed from the MDA budget. The Governor did not recommend funding the \$87,600 and this amount was not restored by the Legislature.

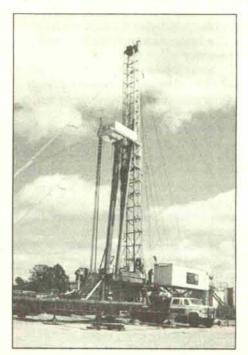
Additional funding of \$1.2 million was provided to the Department for upgrade of technology including computers and other technical services for the purpose of licensing and regulation. MFB Position: MFB supports the bill.

MFB Contact: Ron Nelson, ext. 2043.

#### STATE ISSUE

#### **Repeal license for** feeding garbage to swine - S.B. 823

egislation sponsored by Sen. Phil Hoffman (R-Horton), would simply repeal the license requirement for feeding garbage to swine. Garbage was commonly fed to swine and was required to be cooked to a certain temperature. The potential problem was disease, often trichinosis, which could



One of four new wells being installed at the Hersey location for solution mining potash.

#### Continued from front page

at a rate of over 2 million tons per year since 1964," Forquer said. "We determined that the Hersey location is the best-suited for us to access this deposit. The only way to access it was through the technology of the solution mining process."

#### The Process

Solution mining, in a simplified explanation, involves pumping heated water 8,000 feet down into the ground and dissolving the potash deposit, then pumping it back up to the surface in a liquid solution which consists of water, potash and salt.

The extracted solution is then put through a series of three crystalizers to cool the solution to approximately 55°F. The potash is then extracted from the solution in the form of crystals through a process where the water is spun off the crystals. The remaining brine and water solution is then reused for mining purposes.

The potash crystals are then put through a natural gas-fired dryer, before being sent to a compactor, which is two steel rolls exerting over 1-million pounds per square inch to make a flake. From there, a series of crushers and screens reduce the final product to a size consistent with other fertilizer materials

#### **FEMA disaster** designation official

Continued from front page local unit of government to go ahead and make the repairs," Buikema explained. "That's really good news for local government because it allows them to effect repairs of their damaged infrastructure.'

While there are no limits on FEMA funding, the 25 percent cost-share may be a limiting factor in total damage assessments. According to Buikema, the original damage assessment was pegged at \$10.3 million.

While there had not been a state budget bill passed as of presstime, Charney was optimistic that state-level funding would be available. "All we know is that the governor has promised that we will provide that 25 percent match somehow." The USDA disaster request designation submitted by Gov. Engler in July for additional counties is still in process. USDA Secretary Dan Glickman is scheduled to receive updated crop damage reports by Aug. 10, with a decision expected within another five weeks, says Payne. Under that program, individual producers would be eligible for low-interest loans, as well as additional cost-share measures for erosion control practices.

#### **Growing Market Means Expansion**

Referred to by many as the workhorse in plant nutrition, annual potash use on Michigan farms is roughly 300,000 tons per year, says Forquer. After the expansion at Hersey, targeted for a January 1997 completion date, annual potash production will jump from 45,000 tons to nearly 160,000 tons. The expansion will also allow IMC Kalium to further refine and produce 300,000 tons of sodium chloride annually as well.

The expansion project is the first of three planned expansion phases scheduled by the company. While IMC Kalium's current market focus for the Hersey location is registered fertilizer dealers within Michigan, expected worldwide and domestic demand growth will likely mean new expansion opportunities that will help to lower the cost per ton.

That's good news for Michigan producers since a majority of the potash not produced within the state now comes from Saskatchewan - 1,400 miles away. "That's a tremendous freight cost and represents about 40 percent of the end cost to the producer," Forquer claimed.

#### Rail to Trail Back to Rail?

Transportation figures to be a key ingredient in future expansion efforts, says Forquer. In an effort that's caused many to do a double take, the company has entered into discussions to get a rail put back down on a trail created from a former railroad being torn up in the popular rails to trail conversion several years ago. The former railroad was located just three miles from the processing plant.

"In order for this facility to reach its potential, at some point in time we're going to have to have rail access," Forquer explained. "As expansion opportunities and the world market for potash grows, it would just be a real drawback if we can't get this product out of Michigan by rail. It's our hope that we will have rail access sometime in the next five to seven years."



The finished product! Potash is produced at the rate of 4 tons per hour.

#### Dan Wyant appointed director of Michigan **Department of** Agriculture

Continued from front page a key factor in the Commission's decision to select him," she said.

Wyant's appointment was also praised by Gov. Engler. "There are few people who have Dan's breadth of knowledge and understanding of agriculture issues," the governor said. "I know he will be an outstanding Director of Agriculture and I look forward to working with him in a new capacity as a member of my cabinet." Wyant commended Gordon Guyer for the leadership he has given MDA and the ag industry during his tenure as director. "Gordon has been an extraordinary leader, developing strong partnerships with MSU, the ag community and the many organizations that serve this vital industry," Wyant said. "It is my goal to continue the department's mission of protecting food safety, strengthening the family farm, enhancing opportunities for the food and agriculture industry and continuing to build partnerships across the state.' Guyer commended the Commission's action. "I strongly support the decision of the Commission in selecting Dan Wyant. He will be a tremendous asset to the department. Dan and I will have time to work with the MDA staff and the industry to assure a smooth transition," he said.

#### STATE ISSUE

#### **Bed and breakfast** definition expanded

nder terms of recently approved legislation, the State Construction Code and the Michigan Public Health Code were amended to allow single family homes with 10 or fewer sleeping rooms, including the room occupied by the innkeeper, to be used as bed and breakfasts with an exemption from regulation as a "food service establishment."

In addition, the bills would allow these establishments to serve meals other than breakfast. Currently, a single family residential structure classified as a bed and breakfast can only serve a breakfast meal.

The "breakfast only" requirement would still apply to homes that had between 11 and 15 rooms. The bills have passed the Senate and House and were signed into law by the Governor (P.A. 291 & P.A. 292 of 1996). Farm Bureau supported these bills as a way to promote and enhance agricultural tourism and educational opportunities.

MFB Contact: Tim Goodrich, ext. 2048.

transmit to humans with undercooked pork.

Feeding garbage to swine is not currently allowed in the Animal Industry Act. The definition of garbage is also clarified such that certain items are not considered garbage and may be fed to swine. MFB Position: MFB supports the bill. MFB Contact: Ron Nelson, ext. 2043.

#### STATE ISSUE Maple syrup standards

Rep. Gary Randall (R-Elwell) sponsored legis-The bill creates a state standard for maple syrup and provides authority for the Department of Agriculture to take action when the product does not meet standard.

Currently, a product is being sold in the state that is purported to be maple syrup. It is, however, in some cases a combination of sugar and water with some maple syrup flavoring.

> MFB Position: MFB supports the bill. MFB Contact: Ron Nelson, ext. 2043.

#### STATE ISSUE

#### Amendments to General Property Tax Act

pep. Gary Randall (R-Elwell) has introduced legislation (H.B. 5747) to clarify that breeding and grazing of captive cervidae are considered an agricultural operation for the purposes of property tax. This language would amend the classification of assessable real property.

MFB Position: MFB supports the bill. MFB Contact: Ron Nelson, ext. 2043.

# Soybean Cyst Nematode testing program available

Branch, Eaton and Calhoun County producers targeted for free testing program. If you raise soybeans, you've no doubt heard something about Soybean Cyst Nematode or SCN, known for its yield-robbing potential. But if you're not sure whether you need to be concerned, a free soil and root testing program sponsored by the Michigan Soybean Promotion Committee (MSPC) can help you determine if you've got SCN on your farm.

According to MSPC Executive Director Keith Reinholt, the testing program is similar to past MSPC-sponsored testing programs, except that the focus is strictly on SCN. "We're asking that only samples for SCN be submitted this year," Reinholt explained. "Those samples need to be sent to MSU's nematology lab."

Reinholt hopes the testing program will accomplish two objectives — to determine the presence of SCN and then, if present, the concentration of infestation. "Ultimately, we want to assist the producer so that they can begin making management decisions about next year's crop rotation, if need be," he said.

That's a notable objective, says Fred Warner, nematode diagnostician at MSU. He says that yield losses of 5 to 80 percent have been documented, with at least one field in Michigan declared a total loss last year due to SCN. At least 16 of the state's top 20 soybean-producing counties have been infected with SCN. Warner says that Branch, Eaton and Calhoun counties are of primary interest for this year's SCN testing program, since SCN has not previously been found in those counties. "One of the things that concerns me is that producers are waiting until they see symptoms develop before they're taking action," Warner cautioned. "The one thing we know about SCN is that if you see symptoms, you're already experiencing yield loss — so early detection is very important, because it makes management of this pathogen much easier."

Stunted plants and yellowing foliage are the most common above-ground symptoms, generally in lighter soils. Warner expects that the dry weather of July combined with SCN infestation should make the symptoms very obvious. "One thing to remember with SCN is that the symptoms are not uniform; they're usually patchy and the infected areas are usually circular or elliptical in shape," he pointed out.

Generally, one 1-pint sample per field is recommended. When pulling samples, Warner recommends producers dig up plants on the edge of diseased areas and look for the presence of a female nematode on the root tissue. "They will be small, white or yellow objects usually about the size of a head of a straight pin," Warner said.

Soil and root samples should be submitted in the same plastic bag or container, advises Warner, to keep the soil and root tissues moist. "Unlike a soil sample submitted for fertility analysis, you want to keep a soil sample for SCN analysis moist," Warner explained.

That means producers should not use a paper bag to submit samples. Warner also cautions against leaving the samples in the truck or car since temperatures over 100°F will kill the nematodes.

Producers may want to send two samples if



MSU Nematode Diagnostician Fred Warner encourages producers to take Soybean Cyst Nematode as a serious threat and to utilize the free testing program being sponsored by the Michigan Soybean Promotion Committee.

there are distinct soil types within the field or if the grower has planted two different varieties. In cases where producers aren't sure of the presence of SCN, Warner says producers may want to submit a sample from an area that appears infected, and a sample from a healthier area of the field.

Typical turnaround time on an SCN sample is one to two weeks. To get the normal \$12 testing fee waived, samples must be submitted through your local MSU Extension office along with a goldenrod testing form to alert the MSU that the testing fee is covered by the MSPC. A separate form is required for each sample submitted. For more information, contact your local Extension office, or Fred Warner at (517) 432-1333.

# Michigan corn crop at risk for gray leaf spot

cused in Pennsylvania, Ohio and southern Indiana

However, an increase in no-till farming has helped

the inoculum that causes the disease to proliferate

corn residue left on the soil surface and release

spores during periods of warm, humid weather.

These spores infect the lower plant leaves first,

ulum carried over from the previous year.

causing extensive leaf tissue death. Planting corn-

on-corn also exposes crops to higher levels of inoc-

Mattingly says the inoculum overwinters on

and spread throughout the corn belt.

ast year, cornfields across the Midwest were infected with gray leaf spot. Conditions this year could once again favor a widespread disease outbreak, warns Mark Mattingly, Northrup King Co. Agronomist.

He cautions that inclement weather, planting delays and heavy European corn borer infestations have already placed many cornfields under significant stress, making them particularly vulnerable to gray leaf spot.

Traditionally, incidents of gray leaf spot fo-

MICHIGAN FARM

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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 26 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:

Station	City	Frequency	Morning Report	Noon Report
WABJ	Adrian	1490	5:45 am	11:05-12:00 pm
WATZ	Alpena	1450	5:30 am	11:30 am
WTKA	Ann Arbor	1050	6:05 am	12:00-1:00 pm
WLEW	Bad Axe	1340	6:30 am	12:50 pm
WHFB	Benton Harbor	1060		12:15 pm
WKJF	Cadillac	1370	5:45 am	11:10 am
WKYO	Caro	1360	6:15 am	12:10-1:00 pm
WTVB	Coldwater	1590	5:45 am	12:00-1:00 pm
WDOW	Dowagiac	1440	6:05 am	12:15 pm
WGHN AM	Grand Haven	1370	5:45 am	12:15 pm
WGHN FM	Grand Haven	92.1	5:45 am	12:15 pm
WPLB	Greenville	1380	6:15 am	11:50 am
WBCH	Hastings	1220	6:15 am	12:30 pm
WCSR	Hillsdale	1340	6:45 am	12:45 pm
WHTC	Holland	1450		12:15 pm
WKZO	Kalamazoo	590	5:00-6:00 am	12:00-1:00 pm
WPLB FM	Lakeview	106.3	6:15 am	12:15 pm
WOAP	Owosso	1080	7:15 am	12:40 pm
WHAK	Rogers City	960		12:15 pm
WSJ	St. Johns	1580	6:15 am	12:05-1:05 pm
WMLM	St. Louis	1520	6:05 am	12:20 pm
WSGW	Saginaw	790	5:55 am	11:30-12:30 pm
WMIC	Sandusky	660	6:15 am	12:45 pm
WKJC FM	Tawas City	104.7		12:40 pm
WLKM	Three Rivers	1510	5:45 am	12:15 pm
WTCM	Traverse City	580	5:45 am	11:10 am

In severe outbreaks, the disease can cause extensive damage to corn, affecting yield and plant stability. When scouting for the disease, Mattingly says growers should look for pale brown or gray lesiona that are long, narrow and rectangular. The disease is usually found in low-lying fields, particularly river bottoms.

The severity of yield loss is determined by the growth stage of the plant at the time of infection and the number of leaves infected. While several of the most widely planted hybrids in the industry are among the most susceptible, Mattingly says there are a number of resistant varieties available to choose from.

The following chart from Purdue University provides some yield loss estimates for susceptible varieties.

Potential Yiel	d Loss Estimates
(when several to numerou	is lesions occur on all leaves)
By Milk Stage	30% Yield Reduction
By Early Dough Stage	15% Yield Reduction
By Mid-Dough Stage	7-10% Yield Reduction
By Hard Dough Stage	1-5% Yield Reduction

#### Hay shortages reaching critical stages

Producers in Texas are fighting to keep their heads above water and their cattle fed now that hay shortages are becoming critical, according to the Texas Agricultural Extension Service. The testing of available hay for nitrate poisoning isn't helping the situation.

Recent scattered showers across the state brought some improvement in the quality and quantity of hay fields, but the relief may not be enough in some areas of the state.

"With spotty showers, there will be a little more hay made for some," said Dr. Don Dorsett of the College Station, Texas, Extension office. "However, Hill Country and South Texas just haven't gotten enough moisture for much of anything."

Many farmers and ranchers across the state are desperately looking for sources of hay. Some producers are having to cut and bale row crops to keep livestock alive.

The Texas Department of Agriculture has a "hay hotline" to help drought-stricken ranchers find feed for their livestock. Anyone with hay to offer those in need can call the "hotline" at (800) 687-7564.



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August 15, 1996

# Dean Foods closing Hartford vegetable processing plant

Review calls for the elimination of 13 processing plants and 840 jobs

iting a strategic review calling for an immediate cost-reduction plan, Franklin Park, Ill-based Dean Foods Co. announced in late May its plans to close 13 of its 63 plants across the country, including a sweet corn and green bean processing plant in Hartford and a seasonal pickle processing plant in Eaton Rapids.

The Hartford closing will affect over 5,500 acres of sweet corn and 1,000 acres of green beans grown by 60 growers within 70 miles of the Van Buren County plant, according to Bill Shank, president of Central Produce Sales Inc. of Dowagiac, who contracted with Dean Foods to provide the vegetables for the Hartford plant.

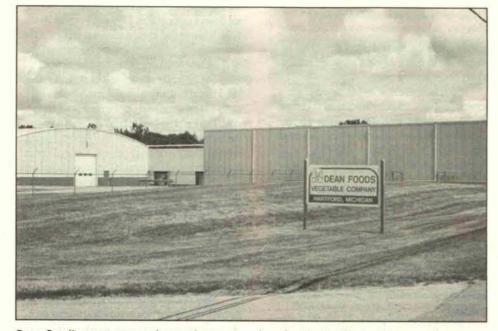
"We had a nice base of sweet corn growers," explains Shank. "I hate to lose that because we've worked hard to accumulate it — we will be working to utilize that grower base."

"Dean Foods was the major buyer of processed sweet corn in Michigan," stated Ken Nye, director of Michigan Farm Bureau's Commodity Activities and Research Division. "The ability to attract another processor will have a major impact on the producers in that area."

The nationwide closures eliminate 840 positions within the company, including 55 full-time positions and 135 seasonal employees at Hartford and 10 full-time and 60 seasonal at the plant in Eaton Rapids, according to Dean Food officials.

Besides the impact on producers and employees, the vegetable processing facility also utilized vast amounts of freezer space belonging to Hanson Cold Storage, according to Jordan Tatter, president and chief executive officer of Hanson Cold Storage Co. and a member of the Michigan Commission of Agriculture.

"It is a major blow to our Hartford division," stated Tatter. "While Dean Foods is one of our largest customers overall, it's a dominant customer at Hartford. Dean Foods will be there through the sweet corn pack of this year, and then they'll probably spend late winter-early spring dismantling and moving their equipment back into, I'm assuming, Wisconsin-Minnesota processing plants."



Dean Food's sweet corn and green bean processing plant in Hartford will be one of seven vegetable processing plants closed after this year's sweet corn season as a result of over capacity in the remaining 13 plants.

#### Why the closure?

According to statements released by Dean Foods, the strategic review that initiated these changes called for a focusing of the company's resources in the fluid milk business, through internal expansion and acquisitions. It is a back to basics and streamlining approach of sorts for the 71-yearold company, which began as an evaporated milk broker in southern Illinois. Currently, Dean controls 8 percent of the nation's fluid milk industry, which accounts for 41 percent of its annual sales of \$2.63 billion.

Lackluster performance from its vegetable division — which accounted for 20 percent of annual sales last year — due to over capacity at its 20 vegetable processing plants, seems to be the culprit for the major consolidation taking place.

"They made a business decision to enhance shareholder value, as they put it," stated Shank. "They eliminated seven out of 20 vegetable plants, and they're going to make the 13 plants left bigger plants. They'll take up some of that slack and some of it will be just capacity reduction."

"The profits were falling because of the vegetable operation," added Shank. "It was easy to see they had too much capacity because we were not running full at Hartford."

"The dollars and cents make sense," Tatter explained. "It's just that I wish they would have closed the plant in Wisconsin, and not the one in Michigan, because they never really got the capacity up enough to support the fixed overhead."

Despite the plant closings, which predominately produced private label and canned vegetables, the company does plan to strengthen its branded frozen vegetables by expanding and effectively promoting Birds Eye and Freshlike labels, according to a company release.

#### Fact of the day

mericans consume 435 pounds of vegetables per capita per year, of which 140.1 pounds (32.2 percent) are potatoes. Tomatoes take second place at 94.8 pounds per capita. Onions (18.5 pounds per capita), peppers (11.5 pounds per capita) and garlic (2.0 pounds per capita) all are experiencing a relative boom in popularity, while cauliflower appears to be on a downturn, from 3.1 pounds per capita in 1988 to just 2.2 pounds this year. The five-month-long strategic review led by Dean Food Vice President Rodney Liddle also called for the company to improve its leadership position in the pickle and specialty products segment, which meant the closing of the seasonal pickle processing plant in Eaton Rapids. The 250,000 cases of pickles processed at that facility will be diverted to plants in Plymouth, Ind. and Croswell, Mich.

The final point in Dean's new strategic direction is to reduce fiscal 1997 capital expenditures by more than \$20 million from fiscal 1996 levels and instituting improved processes for evaluating the effectiveness of investments in the future.

#### What's next for the Hartford plant?

As for the facilities at Hartford and freezer space owned by Hanson Cold Storage, the next course of action is finding a new processor to fill the vacated space.

"We are initiating an intensive marketing program for the facility," stated Tatter. "We're looking for someone like the original tenant that came in, which is Billingham Frozen Foods in 1988. A single plant processor on the west coast which had a majority of their sales in the eastern two time zones. They were spending five to six cents a pound of frozen product to move it this way. When you talk about sweet corn and snap beans in the bulk form you are dealing with things that are normally less than 50 cents a pound. So, that's a hefty amount of dollars going into freight."

According to Tatter, as soon as the announcement was made, the snap bean processing line was dismantled and shipped to other processing plants. And the 1,000 acres of beans contracted through Central Produce Sales were shipped to plants in southern Wisconsin. "The move back to Wisconsin puts a penny, maybe a penny and a quarter back on their freight."

"That's obviously hurt us," he said. "Because we had space for it, and unfortunately, they're telling us what's happening too late for us to find alternatives on a calendar year basis — to fill our space. Next year is very likely to be tied up because they won't be out of the way fast enough, and no one is going to make that big of a project decision quick."

#### Cattle report shows increasing prices this winter

ivestock market analysts, based on Agriculture Department inventory reports, predict feed cattle prices later this year could near the \$70 per hundredweight level. The analysts said a sharp drop in feedlot placements could spur the market.

"I don't see any reason why we won't have \$70 (per cwt) cash prices around December," said Dennis Kissler, a cattle market analyst with Chicagobased KIS Futures.

The most recent USDA cattle-on-feed report showed a 15 percent decline in cattle in feedlot numbers as of July 1, compared to the previous year. The report also showed a 1 percent drop in total cattle numbers from last year.

### Mantey family celebrates 75 years of seed corn farming

hen Fritz Mantey planted seven acres of seed corn on his Fairgrove farm in 1921, he might not have envisioned that 75 years later his grandsons would be harvesting more than 2,000 acres.

The Mantey grandsons, Tuscola County Farm Bureau members Jim, Don and Bob grow seed on two nearby farms for Great Lakes Hybrids of Ovid, Mich., the 12th largest seed corn company in the U.S.

Over 200 people attended a catered lunch to help celebrate the occasion recently, including the late Fritz Mantey's sons Ed and Carl, who are retired from the farming operations but still live in the area. They've seen a great deal of change in the seed corn farming industry since 1921 when Fritz harvested his first seed corn crop of 140 bushels.

"I remember cultivating corn with a one-row cultivator and two horses," Ed reminisced. "Forty



Jim Mantey, holding a photo of his grandparents, Fritz and Violet Mantey.

Jim, who grows 1,000 acres of seed corn at Mantey Seeds Inc., graduated with a bachelor of science degree in agronomy from Michigan State University. Cousins Don and Bob, who grow 1,200 acres of seed corn as Ed Mantey & Sons, also graduated from MSU, with bachelor's degrees in engineering. The Mantey family hasn't missed a seed crop since 1921, according to Don. Although Ed claims he never considered anything but farming as an occupation, both Don and Bob worked as engineers before returning to the farm. They wouldn't consider anything else now. "Anyone can be an engineer," said Don, "but not everyone can be a farmer."

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acres would support a family back then."

One of the biggest changes in the seed business and in farming is the mechanization, according to Jim. He displayed a 2-foot-long wooden stick with rusty nails jutting out that's been preserved from Fritz's farm. It was what he used to dry the corn before shelling the kernels. "He'd stick the ears of corn on the nails and put them to dry by the wood stove," Jim explained.

Today, the drying facilities on each of the two farms can dry and shell more than 1,000 bushels of seed corn an hour.

In harvesting seed corn, as opposed to field corn, the ears of corn are dried before the kernels are removed to ensure a more uniform and precise final moisture of the seed. Drying the corn on the ear also keeps the kernels from being damaged, Jim explained.

Biotechnology is another major change impacting the seed corn industry and Great Lakes Hybrids. "It allows us to specifically target the needs of the market areas and has brought our seed corn yields up as well," Jim explained. Jim agrees. "If it were easy, everyone would do it," he said. It's rewarding to see your product go out and succeed and to bring your own proprietary genetics into the marketplace."

Great Lakes Hybrids was formed in 1965 out a of a consortium of Michigan certified growers including the Manteys. In 1988, Great Lakes Hybrids entered into a partnership with KWS Seeds of Einbeck, Germany, a seed-only company. Proprietary hybrids make up more than 60 percent of Great Lakes' seed corn production. other utility in Michigan — and we're committed to helping you succeed every step of the way.

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August 15, 1996



# Market Outlook

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



#### CORN

eather, exports, feed use, ethanol use, basis, lots of variables, little concrete information yet. This doesn't mean you are off the hook and don't have to make any pricing decisions, but rather you have to go with the odds, and don't put all your eggs in one basket. On Aug. 12, the USDA released the first objective survey on 1996 U.S. corn production. To that you have to add information on what crop conditions have been since Aug. 1 for the U.S. as a whole.

Was the report bullish or bearish? Have the U.S. corn crop conditions deteriorated or improved? How does your corn look? What are the odds of the U.S. corn crop making it to maturity? How about your corn crop? If the report was bearish, consider holding off any further pricing, especially if you already have priced 20-40 percent; almost all corn in Michigan faces more than normal frost risks. At this point, even if the report was price bearish, there is probably more upside potential after the initial impact than downside risks.

If the report was bullish and the market is making a run, consider doing some more forward pricing, especially if you have very little priced at this point. If your production risk is too great, but you like the price, consider buying a put to limit downside risk. Four dollar prices this fall will likely have big effects on animal numbers, exports, and ethanol use later in the year. Will 1996-97 act more like a typical short crop year and have a long tail?

Old crop exports have been slowing down this summer a bit and probably didn't quite reach the expectations of last month, but they were still very strong for the year as a whole. At this point, new crop sales are doing okay and picked up on the price down swing. Ethanol is a long way from competing with oil; it's very unlikely we will see any growth, and will probably see further cuts.

#### WHEAT

es, the Chinese have cancelled wheat imports, yes, they seem to be having a good crop, yes, the U.S. spring wheat crop looks good, yes, the winter wheat crop was better than expected, yes, the rest of the world looks like they will have a decent wheat crop, BUT, we still don't have a lot of wheat, especially relative to projected use.

We come into the wheat crop year with small stocks. Feed use will be up significantly this summer with wheat costing less than corn, and there seems to be a lot that may only be of feed quality. My

#### **Seasonal Commodity Price Trends**

Corn	++ 1
Soybeans	+> 1
Wheat	
Hogs	
Cattle	++ 1
Index: ++ = stable prices; † = higher prices; †	= lower
prices; TP = topping; BT = bottoming; ? = un	isure

analysis would suggest that prices are too low to allocate use to match supply. This would suggest higher prices at some point.

If you have wheat stored on-farm and are good at storing it, consider holding off pricing all of it, at least until you need the bins this fall, and perhaps into the new calendar year. If you cannot store on-farm, but agree with my analysis, consider purchasing calls to replace wheat sold.

#### SOYBEANS

hat did the USDA Crop Report say about soybeans? While it is an excellent base for where the crop was Aug. 1, we need to be updating it with new information. The old saying is that soybeans are made in August; and this year, due to the late plantings across the U.S., it is even more true than usual.

If the report was bearish, consider holding off any further pricing of new crop - the downside risks, while possible, are not great. If the report was price bullish and the market rallies back toward previous highs, have a plan. The plan should consider your potential production and the risks around it, the amount of new crop you have already priced, and the price levels you will price more.

The 1996-97 marketing year soybean prices are likely to be quite good, even if we get trend yields, which is unlikely. We come into the year with low stocks, South America has moved most of their beans, export needs remain strong, and there will continue to be big protein feed needs with the expected animal numbers. This adds up to expected low carryover once again, which adds up to strong prices. Therefore, if growing conditions deteriorate prices can go from good to better.

#### HOGS

og slaughter through July 1996 continues to run 3-5 percent below weekly slaughter for July 1995. This is higher than the 1-3 percent cut the June Hogs and Pigs Report suggested, but matches up with the cutback expected for now into fall. Fourth quarter production is expected to be down 5-6 percent. These cutbacks are being reflected back into prices along with strong exports.

It now appears that per capita consumption will be 48.7 pounds for 1996, down from 52.5 for 1995. This is due to a combination of less production and a 40 percent increase in exports. This tightness is showing up at the farm gate and retail level in the form of higher prices.

As we go into the fall, prices are likely to drop back into the mid-50s in a normal seasonal pattern. We may even see hogs sold in the low 50s at peak fall production. While I don't see the bottom falling out of the hog market, consider forward pricing some of your future production when the market is near contract highs. If corn and meal prices are still near their lows, strongly consider locking in the prices for a portion of your feed needs.

#### CATTLE

t appears the cattle cycle has peaked and we are into a period of liquidation. The July 1 Cattle Inventory Report showed that all cattle and calves were down 1 percent from July 1995, but up 1 percent from 2 years ago. Beef cows that have calved are also down 1 percent. Beef heifer replacements are down 4 percent from 1995 and 7 percent from 1994. While an end to expansion was expected, the drought in the Southwest and the horrible calf prices due to the high corn prices have accelerated it.

The 1996 calf crop was down 1 percent - the Jan. 1 report indicated it would be about even. All cattle and calves on feed July 1 were down 12 percent. This lower on-feed number matches up with the monthly 7-State Cattle On Feed Report showing on-feed numbers down 15 percent. Cattle placed in June were down 21 percent in the 7 reporting states.

Placements are bound to pick up as fed prices improve and heavy feeders have to come off grass. But that does not mean that placements have to go back way above year ago levels to make up for the backlog. Veal slaughter has been up the first half of the year and Mexican feeder imports have fallen off sharply. But a lot of cattle still need to come to market over the next year.

Steer prices will likely stay in the mid-60s through the fall and next year. In fact, we may even see some steers sold in the upper 60s this fall. Check out your break-even corn and fed steer prices; there seems to be some forward pricing opportunities on and off as futures reach new contract highs.

For those in the cow-calf business, consider hanging in there if you can. While calf prices will be low again this fall, especially if corn stays strong, we should see a return to profitable prices by the fall of 1997. It appears that the 1997 calf crop will be down at least 2 percent, fed prices will recover, and corn prices will most likely be back around \$2.50 by fall 1997.

#### DAIRY OUTLOOK

#### by Larry G. Hamm

arm level milk prices in Michigan are poised to break the \$15 barrier for July production. Continued strength in the manufactured dairy product market assures that milk prices will continue strong for the next several months.

The meteoric rise in the wholesale price of butter on the Chicago Mercantile Exchange has been widely reported. In recent weeks, butter market strength has continued with a 3 cent increase in the wholesale price of all grades of butter.

As previously reported, the cheese market, as measured by the price of cheese on the National Cheese Exchange (NCE) in Green Bay, Wis., has not kept pace with the increase in butter powder prices. However, everything changed in July. Through the first 3 weeks of July, the price of 40 = pound blocks on the NCE increased 10.75 cents per pound.

The rapid increase in cheese prices, combined with the modest increase in butter prices, assures that the Basic Formula Price (BFP) will soar past \$14 in July. Since the BFP for July will set the Class I and Class II prices for August and September, current farm level market price strength will continue through September.

Milk production trends for July and August will be watched closely by many market analysts. The extreme heat in July and August 1995 caused considerable breeding and herd health problems in much of the northern tier dairy industry.

Many herds experienced delayed breeding and, as a result, there is speculation that there is a larger number of dairy cows freshening during the next several weeks than would normally be the case. This factor may result in slightly increased milk production both in Michigan and nationally for the months of July and August.

Because of heat conditions last year, production this year may appear higher than year-ago levels. The reporting of higher than year-ago level milk production may be interpreted by some in the dairy markets to indicate that this year's current supply problems are over.

Irrespective of a small increase in milk production in the next few months, milk supplies for the year continue to be constrained. Until there is a significant turn-around in the ability and the economic viability of adding to the U.S. cow herd, milk production will continue to lag through the remainder of 1996. The degree to which it does lag will determine the extent of price strength for farm pay prices beyond September.

#### EGGS

#### by Henry Larzelere

gg prices for much of July were well above year-ago levels. However, by the end of July, current prices were 4 cents a dozen below last year. Feed ingredient prices in July were 13 cents a dozen above last year.

It is expected that in New York, wholesale, Grade A, large white eggs in cartons will average in the low to mid 80s for the last 6 months of the year. The number of layers on farms on July 1 was 2 percent above last year. Also, table egg production in June was 2 percent above June 1995.

In spite of higher feed ingredient prices in 1996, the higher egg prices compared to last year, until recently, have encouraged a small increase in the egg-type chick hatch. At the same time, a continued decrease in the rate of slaughter of spent hens has resulted in a small increase in the number of layers available for egg production.

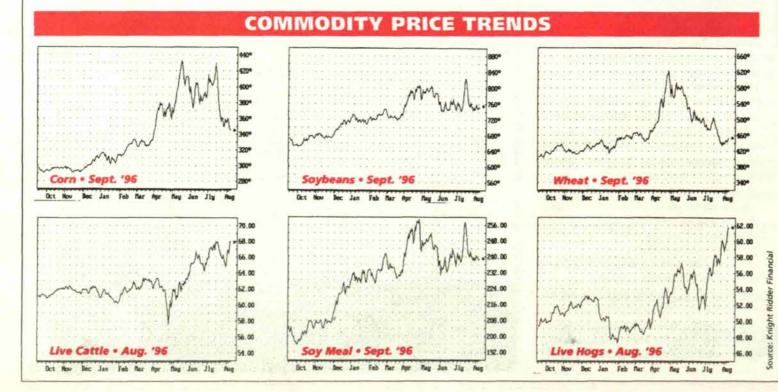
The recent prices below last year at the end of July were partly because of a sudden spurt upward of prices in July of 1995. A comparable change has not occurred in July 1996. In August 1995, egg prices backed off some, but continued at a normal seasonal increase. We may see a more gradual seasonal increase in the last half of 1996.

#### Farm Bureau urges dairy safety net

airy producers need a congressionally mandated fund to ensure they are paid for their product in the event their milk handler declares bankruptcy or fails to make payments in a timely manner, Farm Bureau told a House Agriculture subcommittee during a recent hearing.

"We are keenly aware of the problems faced by producers when their milk handler declares bankruptcy," Maryland Farm Bureau President William Knill told members of the Livestock, Dairy and Poultry Subcommittee. "Dairy producers in all regions of the country have seen the future of their farms placed in jeopardy when faced with the loss of anywhere from several days to over a month's worth of income from their milk sales."

Knill, a Maryland cattle producer and former dairyman, said several states have programs in place to protect dairy producers' incomes. But, he said, some of those programs "range from being quite successful, to some of rather limited value" to the producers they are supposed to benefit. Knill, a member of the American Farm Bureau Federation Board of Directors, said producers should be allowed to determine the appropriate plan for their particular states. "Adequacy of the existing state programs should be determined by an independent review of the programs," Knill said. "In cases where adequate programs exist, producers should be allowed to vote on whether to maintain their existing program, or participate in the national program."



The plan supported by Farm Bureau would amount to a "checkoff" paid by the milk handlers. Knill said it is important that any checkoff not affect the price producers are paid for milk.

"We appreciate the fact that the proposed legislation specifies that the money collected for this fund is to have no effect on producer prices," Knill said. "We would ask that this be monitored closely to ensure that there is no adverse effect on producer milk prices."



# **Business** Social Security **Strategies** disability requirements

## Sales tax exemption for agriculture

Glenn Kole, District Farm Management Agent, North Region, MSU Extension

continue to get numerous calls every year from purchasers of retail ag supplies asking about requirements for documenting the ag exemption from Michigan Sales Taxes. Some retailers are asking for an "exemption number" or asking for "proof" that the buyer is primarily a commercial farm producer before allowing sales tax exemptions.

The rules regarding sales tax exemptions for tangible personal property used in "ag production" (personal or non-ag use is always subject to sales tax) have not changed in recent years: No sales tax number is issued by Michigan Department of Treasury (except for certain non-profit entities) and no requirement exists for proving that the buyer is primarily involved in "commercial" agriculture to obtain the exemption.

Basically, the requirements to obtain an exemption from sales tax for agriculture are as follows:

- The item purchased must be for the "commercial production for sale" by persons "regularly engaged" in the farming business. Personal use, use for custom work, or any other non-ag use are not exempt;
- Exempt items must be "tangible personal property," not usable in any way in land improvements, real estate fixtures, or motor vehicles used on highways;
- A "certification" attesting to the above must be printed on the sales receipt of the item purchased and properly filled in. This certification is generally stamped on the sales receipt and says something like:

THE UNDERSIGNED HEREBY CERTIFIES THAT ALL ITEMS, EXCEPT AS INDICATED HEREON, ARE PURCHASED FOR THE USE OR CONSUMPTION IN CONNECTION WITH THE PRODUCTION OF HORTICULTURAL OR AGRICULTURAL PRODUCTS AS A BUSINESS ENTERPRISE AND AGREES TO RE-IMBURSE THE SELLER THE SALES TAX IF USED OR CONSUMED OTHERWISE.

DATE: (DATE OF PURCHASE) SIGNED: (BY PURCHASER) PURCHASER: (PRINT NAME) ADDRESS: (OF PURCHASER) Treasury lists the following items as taxable

regardless of use: Cars

- Barn cleaners
- Returnable baskets or containers
- All non-portable buildings, cribs, bins, or tanks
- Building materials
- Bulldozer blades
- Saws (chain saws or other saws)
- Ditching equipment
   Drain tile
- Non-portable electric fencing equipment
- Fence posts, wire and stretchers

ocial Security contains three broad divi sions: Retirement, Disability and Medicare. The current formula to determine retirement benefits uses the highest 35 years worked since 1951. In addition, most people need 40 work "credits" to qualify for retirement. (One work-credit is \$640 in Social Security — credited earnings in each calendar quarter, up to a maximum of four credits per calendar year.) Since most retirees are dealing with upwards of 35 years of qualified pay-in, the 40 credits is not generally a problem to meet.

However, Social Security Disability generally requires 20 credits earned in the last 10 years, ending with the year of disability. (Additional credits are needed if disabled over age 42, but again, this is generally not a problem since there are adequate years of pay-in.)

The purpose of this article is to caution you to this "20 credits in 10 years" rule. In cases where a farmer has net "Schedule F" earnings of less than about \$2,560 ( $$640 \times 4$  quarters), they will be credited with less than four credits. For retirement (or Medicare) qualification, this may not be a problem, due to numerous previous years of pay-ins since 1951.

However, it is possible to lose disability coverage inadvertently if you're not careful. This is particularly likely in cases where you've used "Schedule F" losses for a number of years in the last ten, and have not elected to file under the "Farm Optional Method" of Self-Employment Tax on Schedule S.E. in those loss years.

Example: John Doakes has a dairy farm with the following net incomes on his tax returns:

	Sch F Net Taxable	Capital Gains Sch D	Soc. Sec. Base on S.E.	Soc. Sec. Work Credits
1986	\$18,950	\$7,950	\$18,950	4
1987	2,500	8,500	2,500	4
1988	(2,350)	12,800	0	0
1989	(12,350)	22,100	0	0
1990	1,080	10,200	1,080	2
1991	(50)	8,800	0	0
1992	(5,150)	18,100	0	0
1993	355	28,900	0	0
1994	1,600	10,300	1,600	2.6
1995	29,550	8,400	29,550	4
Total	work credi	its in last		16.6

Neither John, his children, or spouse would qualify for Social Security Disability if disabled in 1995 under this record. (John could still qualify if his spouse qualifies and he is caring for her child under age 16.)

Why does John not qualify? Work credits are

based on "earnings" from farming, not capital gains income, interest, or rental income. His net "F" qualifying income must be positive at least five years out of the past ten (which he meets) but must also be at a minimum level (of about \$2,600 per year); he does not meet this minimum. What's scary, too, is that it will be 1998 before he can possibly qualify, since he's losing four credits each year in 1986 and 1987.

John could have easily corrected this nonqualification by filing his income tax Schedule S.E. under the "Farm Optional Method" in any two of the five years he paid in at zero. This would have cost an additional \$245 each of those two years, but that was probably the smart thing to do.

Supplemental Security Income (SSI) is a "needbased" disability section of Social Security, but this section has a very low non-home asset base and income base that would disqualify John and most of our self-employed farmers...which makes the "Disability" provisions even more important for John.

Medicare is primarily a hospital insurance for those over age 65. You automatically qualify if you qualify for Social Security or Railroad Retirement benefits.

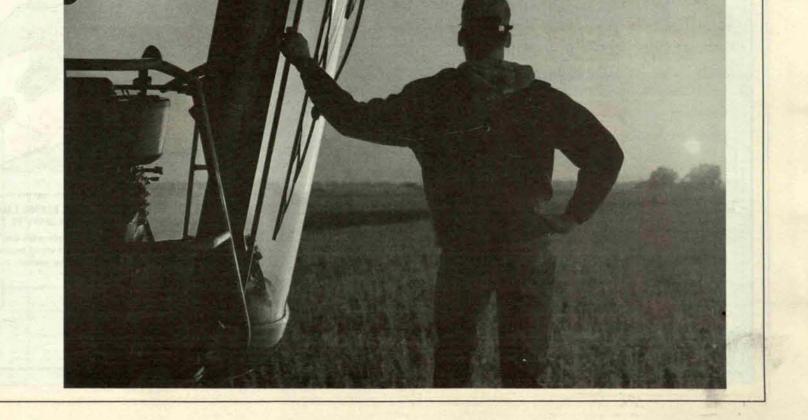
So the big problem for John is the "Disability" qualification. Be careful not to fall into this trap.

#### AS FARMING GETS MORE COMPLEX, CHOOSING A FINANCIAL PARTNER BECOMES EASIER.

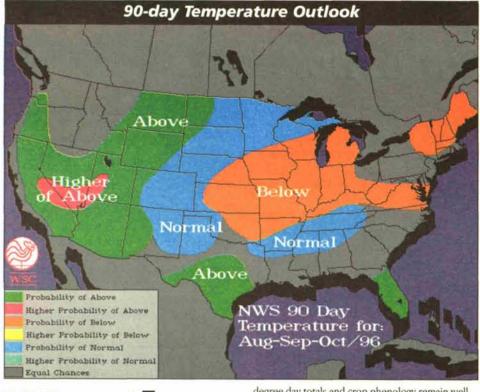
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- Refrigerators
- Post-harvest pest chemicals
- Saddles
- Scales
- Silos
- Trucks
- Wire (except baling wire)



August 15, 1996



# Weather Outlook

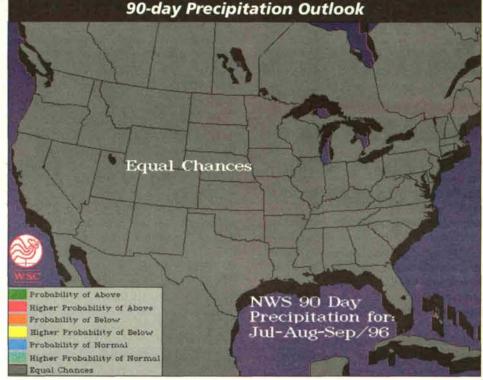
by Dr. Jeff Andresen, Agricultural Meteorologist, Department of Geography, Michigan State University



ooler than normal temperatures persisted across Michigan for much of July, with mean monthly temperatures generally ranging from 2-5 degrees below normal. As a result, seasonal growing degree day totals and crop phenology remain well behind normal. Drier than normal conditions also slowed growth of crops (especially forages) and led to topsoil moisture deficits in some spots only weeks after heavy rains had led to serious planting delays. Dryness was eased by rainfall during the last week of the month, but amounts were highly variable, and monthly totals ranged from much below to much above normal.

The cool temperatures of the early growing season have been the result of a persistent northwesterly orientation of the jet stream across the Great Lakes region. The National Weather Service long-lead outlook offers little guidance as to how long this pattern may last, with near equal odds of below-, near-, and above- normal temperatures and precipitation forecast. The outlooks do, however, call for an increased risk of cooler and wetter conditions this fall.

With most crops currently lagging behind normal stages, there are many questions concerning the prospects for an early killing freeze and whether or not those crops will reach physiological



maturity before that freeze. There is virtually no way to predict with any certainty when the first killing freeze will occur. However, based on the results of a 30-year study of growing seasons between 1961 and 1990, we can obtain an idea of how many growing degree day units we can be expected to accumulate before the end of the season, which is very important for heat-loving crops such as corn. These climatological statistics indicate that climatological normal base 50°F GDD totals from Aug. 1 through the first killing freeze (assumed to be 28°F) in the fall range from 700-800 in the U.P. to 800-900 in the northern L.P. to 1,000-1,100 in the central L.P. to 1,200-1,300 in the far southern L.P. Not surprisingly, then, there is a significantly greater than normal probability that some full season corn hybrids, requiring in excess of 1,100 GDDs between silk and maturity, may not reach maturity before killing freeze. The extent of this problem (as in 1992) will be greatly dependent on weather during August and September, with warmer than normal temperatures and adequate precipitation needed to move crops toward maturity.

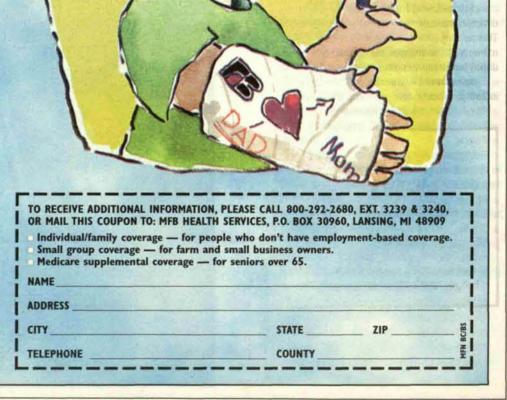
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7/1/96-7/31/96		mp. G Dev. from normal		Degree Da I Normal Acc.	Actual (inch)	kcip. Norma (inch)
Houghton	61.0	-4.0	838	1132	0.76	3.42
Marquette	62.0	-2.8	920	1132	4.10	3.42
Escanaba	62.2	-4.6	837	944	2.40	3.19
Sault Ste. Marie	59.5	-4.4	770	944	6.65	3.19
Lake City	64.0	-3.8	1066	1278	2.37	2.99
Pellston	64.3	-1.5	1069	1278	4.80	2.99
Traverse City	67.0	-2.7	1243	1278	2.65	2.99
Alpena	64.7	-2.2	1036	1232	3.50	3.18
Houghton Lake	64.5	-3.1	1110	1232	2.41	3.18
Muskegon	65.5	-4.7	1209	1425	1.60	2.54
Vestaburg	66.5	-5.0	1283	1493	2.03	2.97
Bad Axe	66.3	-3.8	1152	1502	4.11	2.92
Saginaw	69.4	-2.3	1453	1502	4.60	2.92
Grand Rapids	68.3	-3.2	1447	1661	0.90	3.09
South Bend	69.0	-2.9	1586	1661	6.67	3.09
Coldwater	68.2	-4.1	1481	1636	1.53	3.27
Lansing	67.2	-3.5	1427	1636 -	1.20	3.22
Detroit	70.9	-1.0	1671	1627	1.40	3.11
Flint	67.9	-2.7	1452	1627	1.31	3.11
Toledo	71.0	-2.0	1734	1627	1.82	3.11

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August 15, 1996

# **Precision** Yield monitoring: What are your options? Agriculture

#### by Neil R. Miller

n my past two columns I have described how yield monitoring can help optimize crop management and challenge traditional assumptions on what drives crop yields. Because of these benefits, the number of my clients with yield monitors in their combines has quadrupled since 1995. Once you've decided to purchase a yield monitor, you will need to make several decisions:

#### Should You Buy a GPS Receiver?

Virtually all the major manufacturers sell yield monitor systems with or without a satellite (GPS) receiver. A grain flow sensor, moisture sensor, ground speed sensor and display alone can cost as little as \$2,000. These systems produce yield readings every second or less as you move across the field. They also calculate summary yields as often as you request them. This works well for field-by-field recordkeeping or for measuring the results of strip trials (Figure 1).

For another \$1,000 you can add a memory storage device to record summary information. If you want to record yields from problem spots, however, you will have to be disciplined enough to jot the figures down on paper. These devices only record summary statistics, not the on-the-go yields you see as you move across the field.

A GPS receiver will cost at least another \$3,000. Although this essentially doubles your investment over that of the sensors and memory device, it vastly increases the data you have to improve crop management. Yields are recorded every 1 to 3 seconds along with their location in the field. These data can then be used to prepare yield maps and to analyze the impact of factors such as drainage, weeds and fertility within each field (Figure 2). What Else Will You Need?

If you are using a system with GPS, you may also incur a yearly fee (\$150-\$600) for differential correction. Mapping will require a 486 or better computer (\$2,000-\$3,000) plus a color printer (\$300-\$500) and mapping software (free with some systems or \$500-\$900 if purchased). More sophisticated problem analysis, multi-year statistics and prescriptions will require GIS software programs (\$3,000-\$6,000).

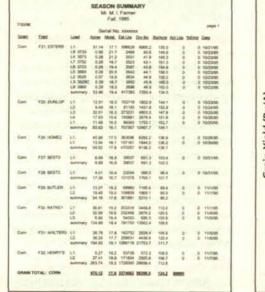
An alternative to purchasing this hardware and software is to contract with an independent crop consultant or an elevator to do the mapping and analysis for you. Charges typically run under \$1 per acre per year. Other farmers may want to prepare simple yield maps themselves, but contract the more sophisticated analyses to a professional with agronomic and computer expertise.

#### Whose equipment should you purchase?

As an independent consultant, I do not endorse any company's products. However, I have worked with enough different systems to gain a sense of the relative advantages of the major players. Contact me if you have further questions:

Ag Leader (\$3,390 with storage device) units are reliable and relatively simple to use. They also offer a GPS receiver and an optional Field Marker (\$300) to "tag" problem areas in fields. Disadvantages: no mapping software and a relatively limited distribution network in Michigan.

Micro-Trac (\$2,420 plus \$770 for data storage device) has also been a major player historically. They recently became distributors for Trimble GPS receivers. Disadvantages: same as Ag Leader, plus display is a bit more cumbersome.



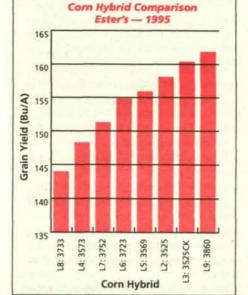


Figure 1 — Yield monitors without GPS can measure and record field-by field summaries (left) and results of strip trials (right).

Going Places

distribution and support network and will eventually be compatible with other precision farming equipment from Deere and Co. Disadvantages limited field experience, \$500 annual subscription for differential correction.

Now there are

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Case IH (\$3,345 or 8,995 with GPS including mapping software) combines Ag Leader technology with Case IH distribution and support network. Disadvantage: \$150 annual subscription for differential correction.

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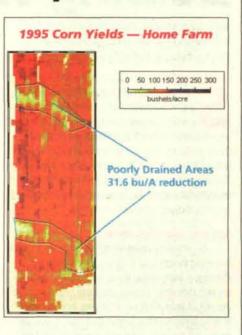


Figure 2. Yield monitors with GPS can be used to produce yield maps and analyze the impact of problem areas.

Other manufacturers sell sensors (e.g. Harvest Master's potato yield monitor) or receivers and data storage devices (e.g. Rockwell and Ashtech) that can be combined to create a complete system.

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#### **Better premiums**

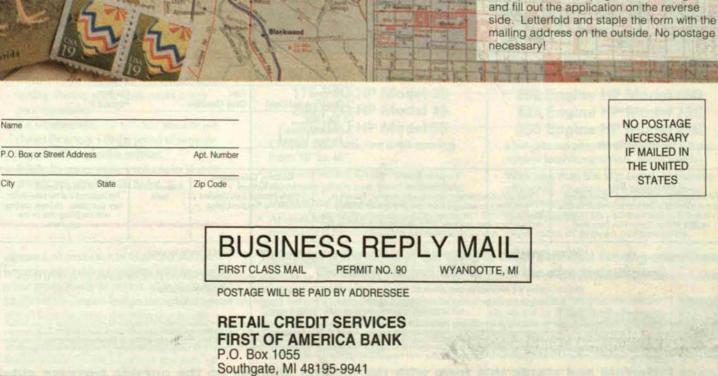
Both the Member Line VISA and the Gold MasterCard offer a wide array of complimentary features and options for your protection and peace of mind. And when you carry a Gold MasterCard, you'll enjoy the added advantages of a higher credit line, executive travel privileges, emergency road assistance, purchase protection surance and a warranty extension program valuable "extras" you and your family can depend on.

#### **Convinced?**

Simply remove this page from the magazine and fill out the application on the reverse

John Deere's Greenstar (\$7,360 with GPS including mapping software) has a more extensive





August 15, 1996

# Dealing with scabby grain, Vomitoxin

Marcia McMullen, Plant Pathologist; Ken Hellevang, Agricultural Engineer; Wayne Boland, Veterinarian

#### What is scab?

cab is caused by a fungus, *Fusarium* gratninearum, that invades developing small grain heads from flowering through kernel development. Scab infection is optimal if there are heavy dews for 48 hours or more and temperatures of 75 to 80 degrees occur at, or past, flowering. However, infection does occur at cooler temperatures when moisture or dews persist for 72 hours or longer.

#### Are any varieties resistant to scab?

No wheat varieties are totally resistant to scab, but some varieties have shown more tolerance. Planting at least two or three tolerant wheat varieties with differing maturity dates will help minimize the risk of scab infection. However, in a wet year, large quantities of the fungus that causes scab are produced, subjecting virtually any wheat field to some degree of scab infection. Check variety trail results from this year's plots to see which varieties performed the best in the presence of scab.

#### What is vomitoxin?

Vomitoxin, also called deoxynivalenol or DON, is a toxin that may be produced from scab. The occurrence of scab does not automatically mean that vomitoxin is present. Vomitoxin can affect flavors in foods and baking quality. Humans and animals potentially can get sick from vomitoxin, depending on toxin levels consumed.

#### What are safe levels of vomitoxin?

- The Food and Drug Administration has established vomitoxin advisory levels as follows:
- One part per million for finished grain products for human consumption.
- No standard for raw grain going into milling process.
- Cattle, over 4 months old: 10 ppm (providing grain at that level doesn't exceed 50 percent of diet).
- Poultry: 10 ppm (providing grain at that level doesn't exceed 50 percent of diet).
- Swine: 5 ppm (not to exceed 20 percent of ration).
- All other animals: 5 ppm (providing grains don't exceed 40 percent of diet).

#### What about moisture content of infected grain?

Moisture content of scabby grain going into storage should be about 12 percent. Light, thin kernels caused by scab tend to accumulate in the center of a storage bin and higher moisture levels cause hot spots. Test grain for vomitoxin at moisture contents of 14 to 15 percent or lower for accurate readings.

### Does drying or storage affect infection levels?

Drying won't reduce scab or vomitoxin levels but it doesn't increase infection either. When storing scabby grain, try not to commingle it with grain from previous years. If possible, store this year's grain from scabby fields separately from grain with no signs of scab.

There is no known evidence of vomitoxin from scab continuing development in storage, if grain is stored at appropriate moistures. The fungus requires 22 to 25 percent moisture content to grow. At that moisture level in storage, it is likely that other bacterial and fungi will out-compete the Fusarium fungus. The only exception is crib-stored ear corn.

#### How does vomitoxin affect livestock?

Vomitoxin causes feed refusal and poor weight gain in livestock. Hogs are most sensitive to vomitoxin, even at one part per million contamination of hog feed. The toxin can also cause problems in horses, breeding and lactating animals, but at higher concentrations. Cattle, sheep and poultry with normal quality grain may be a logical method of feeding wheat safely to livestock.

Straw from scab-affected fields should be suitable for livestock bedding (except hogs).

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(Income from Alimony, child support, or separate maintenance payments need not be revealed if you do not wish to have it as a basis for repaying this obligation.)

### How can I minimize scab problems next year?

The scab fungus overwinters on wheat, barley, oat and corn residue, but the disease generally is more severe if wheat or barley is planted into corn ground. The fungus that causes head scab in small grains also causes corn stalk rot. Corn stalks are an excellent reservoir of the fungus, which can survive in the stalks for several years.

Crop rotations are always one of the best ways to reduce diseases. Crop rotations won't eliminate diseases, but planting into ground where the previous crops grown were not susceptible to diseases does reduce infection risks.

Studies in Ontario, Canada showed that the number of wheat heads infected with scab when corn was the previous crop was five to 10 times higher than when wheat was the previous crop. The number of wheat heads infected with scab when wheat was the previous crop was about 1.5 times higher than if the previous crop was soybeans.

#### Should I till infected fields?

Consider tilling fields infected with scab this fall. Tillage buries disease-carrying debris, allowing for microbial degradation of the disease organism and lowering the chance of dispersal of the disease organism. However, consult with your local Soil Conservation Service office about tilling scab-infected fields designated as highly erodible.

The Ontario scab study showed that the incidence of scab in subsequent wheat crops was reduced by two to 10 times with fall plowing of cornfields. Bear in mind that in a wet year, scab may occur in fields even when planted on plowed ground, because of very abundant scab production and movement to nearby fields.

#### Will a seed treatment prevent scab?

No. A seed treatment before planting will improve seed germination and seed vigor, but it will not prevent subsequent head scab infection.

Wet weather was the primary factor behind scab problems this year. If next year's growing season should prove dry, diseases may not be a problem, regardless of rotation or tillage practices used.

#### Does vomitoxin increase in storage?

No. Vomitoxin is formed in the fields as a result of fungal growth in the kernel and in the glumes under conditions of very high humidities. Once grain dries below moisture levels of about 22 to 25 percent, vomitoxin production is stopped. Grain stored at appropriate storage moisture contents will not have further vomitoxin development.

#### Does grain drying increase the vomitoxin level?

No. Drying grain to appropriate moisture levels for storage does not increase vomitoxin levels. However, if a vomitoxin test is taken on wet grain, the test may indicate a lower level in ppm than if the test is conducted on the same sample at lower moisture contents due to a dilution effect at the highest moisture content.

#### Does high temperature grain drying decrease vomitoxin levels?

No. Normal grain drying will not decrease vomitoxin levels. Grain can be detoxified only at temperatures of about 450°F, a temperature so hot that the grain is toasted.

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<ul> <li>Mortgage</li> <li>Own (Free and Clear)</li> </ul>	Rent     Other (Describe)	Monthly Payment \$
Do You Have: Checking (Bank Savings (Name)		

Annual Percentage Rate 9.8% introductory APR on cash advances and balance transfers for the first six months, 15.65% variable APR on Gold MasterCard and 17.15% variable APR on Scenic VISA there after.	Variable Rate Information Your annual percentage rate may vary monthly. The rate is determined by adding 6.9 percentage points for the Gold MasterCard and 8.4 percentage points for the Scenic VISA to the highest Prime Rate published in the "Wall Street Journal" on the first day of your monthly billing cycle.	Balance Calculation Method 1-Cycle Average Daily Balance (including new purchases)	Annual Fee None	Grace Period For repayment of the balance for new purchases. 25 Days, starting with the billing date on the statement.
	mar out) or your menting offining cycle.			

Date

Date

ATM/Cash Advance Fee- 2% of the advance amount; \$2 minimum; \$20 maximum. Late Payment Fee-\$0-\$12 (varies by state).

Over Limit Fee - \$0 - \$12 (varies by state). Dishonored Check Fee - \$15.

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#### Please letterfold and staple this form with the mailing address on the outside (reverse side)

#### Does the vomitoxin or scab pose a risk to grain handlers at harvest or in storage?

No. Vomitoxin is present in the kernel, so to pose a risk it would have to be ingested in very high amounts.

### Can the scabby grain be removed with a grain cleaner?

Yes. The scab affects the kernel in a variety of ways that permit it to be removed. The kernels may be deformed enough that they can be removed by screening. The kernels will have a lighter test weight so the very light kernels can be removed by airflow.

If screening and aspiration are not adequate, the wheat can be sorted by density with a gravity table. The cost of cleaning will typically be about 25 to 30 cents per bushel. The amount of scabby grain and the amount of wheat lost during cleaning will need to be evaluated in making the decision to clean the grain.

Source: North Dakota State University Extension Service.



# Using vomitoxin-contaminated wheat in swine diets

by D.W. Rozeboom, MSU Animal Science he discovery of vomitoxin in wheat comes at a time when many livestock producers are looking for cheaper feedstuffs to replace corn in rations. Vomitoxin-contaminated wheat can be fed to swine, but with precautions. The following are several guidelines:

- Before feeding contaminated wheat to pigs, obtain a lab analysis to determine the quantity of vomitoxin present. Care should be taken to collect a representative, random grain sample.
- Any feed contaminated with vomitoxin should be fed to growing-finishing pigs, since the consequences of a potential depression in feed intake are less severe than those incurred with animals in other phases of production.
- Cleaning grain before feeding can reduce the vomitoxin level by up to 20 percent. Vomitoxin are frequently isolated to small, lightweight kernels
- The recommended maximum vomitoxin concentration in the complete swine diet is 1 part per million (ppm). At concentration above 1 ppm, feed intake and rate of gain are reduced. Levels

#### FDA Guidelines for Using Wheat Infected with Vomitoxin

Species	Maximum ppm in Die	t Dry Matter
Beef Cattle	>4 months of age	5*
Beef Cattle	<4 months of age	2
Chickens		5
Dairy Cattle		2
Swine		1
*In some situation feedlot cattle	ations, higher levels have been	fed to

The price one can afford to pay for wheat with different corn and supplemental protein prices is shown in the table below. The values in the table are based on an 80 percent grain diet and that 3 percentage points of supplemental crude protein can be replaced by switching to all wheat.

54 Wheat Pric	s5 s/bu*
Protection in	
4.8	1 5.92
5 4.9	6 6.07
9 4.50	0 5.61
4.5	2 5.63
3 4.54	4 5.65
	5 4.9 9 4.5 1 4.5

between 5 and 10 ppm will lead to reduced feed intake and average daily gains, possibly to a point where weight loss is apparent. Pigs will vomit when levels exceed 10 ppm.

- Caution is warranted when feeding cereal straws that may contain mycotoxin to livestock. Mycotoxin levels may be elevated if bales are stored outside and are rain-soaked. However, bedding with these straws should not be a problem when using other feedstuffs.
- Blending or diluting contaminated grain with clean grain can produce a mixture having acceptable vomitoxin concentrations. In determining the final vomitoxin concentration in the diet be sure to consider the dilution effect of other feedstuffs (soybean meal, vitamin and mineral sources).
- Absorbing clays or binding agents such as sodium bentonite or hydrated sodium calcium aluminosilicate have not been beneficial in alleviating the effects of vomitoxin.
- Increasing the dietary concentrations of energy, amino acids, vitamins, and minerals has proven

sity kept average daily gains within 94 percent of controls in an experiment where grow-finish pigs were fed a diet containing 5.8 ppm vomitoxin. The rule of thumb is to increase the dietary nutrient concentrations by the percent that vomitoxin reduces feed intake.

- Keep feed fresh. Fungi that are responsible for producing the vomitoxin also destroy vitamins in the feed. Vitamin supplementation at recommended levels is critical when feeds contain vomitoxin
- Wheat is, on average, equal to corn in energy content (1,460 kcal/lb.), however wheat quality should be considered. Low test weight wheat has more fiber and less energy than high test weight wheat (about 20 kcal/lb. less per pound of test weight below 60 lb./bushel). In a 1982 study with growing pigs, feed conversion was 6 to 8 percent poorer for pigs fed wheat weighing 50 pounds per bushel versus 60 pounds per bushel of wheat.
- Wheat contains more crude protein (8.5 percent versus 13 percent) and lysine (0.24 percent versus 0.40 percent) than corn. The crude protein and amino acids in wheat are highly digestible,

and amounts vary widely among wheat cultivars. In general, red wheats are inferior to white wheats and hard superior to soft. Diets should be formulated on an amino acid basis to avoid essential amino acid deficiencies, especially when wheat is the entire grain source in the diet. Cornbased or corn-wheat mixed diets are preferable over all-wheat diets. On average, 100 pounds of wheat is equal in lysine content to 96.6 pounds of corn and 3.4 pounds of soybean meal (44 percent crude protein).

Fineness of grind is critical if wheat is to be fed to swine. If too fine (<0.85 mm wheat particle diameter for nursery and <1.80 mm wheat particle diameter for grow-finishing), palatability is reduced, feed may bridge in feeders, and the incidence of stomach ulcers may increase. Pelleting finely ground wheat diets may help avoid these problems and lead to improvements in growth rates and feed efficiency. For non-pelleted diets, wheat should be ground through a 4.5 to 6.4 mm screen, crushed, or rolled to break kernels and maintain a coarse particle size.

# Using vomitoxin wheat in dairy cattle diets

by Herb Bucholtz, MSU Animal Science omitoxin-contaminated wheat can be associated with reduced feed intake and lower milk production with dairy cattle. The following are guidelines to consider:

#### Feeding Wheat to Dairy Cattle

Limit wheat to 25 percent of the total ration dry matter (DM) intake, or 50 percent of a grain ration. For a cow consuming 50 pounds of dry matter that equals 12.5 pounds DM wheat in a TMR. Roll before feeding. Fine grinding reduces

#### **Feeding Wheat Contaminated with** Vomitoxin

palatability.

- Test wheat for vomitoxin level before feeding. Test each load or bin, since vomitoxin levels can vary.
- 2.0 ppm vomitoxin is the recommended maximum concentration for dairy cows in the total daily ration fed.
- Because wheat will only make up a portion of the total feed fed to dairy cattle, wheat grain containing greater than 2 ppm can be fed. The vomitoxin will be diluted by the other feed ingredients.

#### Example

If the wheat being considered for feeding contains 5 ppm vomitoxin, what will be the ppm vomitoxin in the total ration?

- That wheat is fed at 12.5 DM/cow/day and the cows total DM intake is 45 pounds.
- The dilution rate would be 3.6(45 + 12.5 =3.6). The 5 ppm vomitoxin level in the wheat would be diluted by 3.6 to .72 ppm (5 ppm + 3.6 = 0.072 ppm) vomitoxin in the total ration.

#### **Determining the Amount of Vomitoxin-**Contaminated Wheat that can be Fed

- Determine the ppm vomitoxin in the wheat being considered for feeding.
- Calculate the dilution rate necessary to bring the feeding level of wheat to result in the total ration

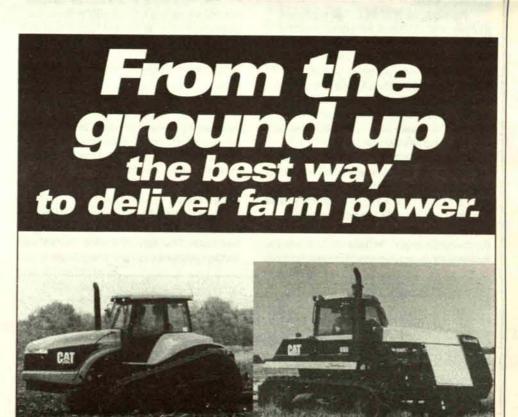
vomitoxin level below 2 ppm.

Feed less wheat until the vomitoxin level is below 2 ppm of total ration DM intake.

Vomitoxin is rapidly degraded in the cow's rumen and doesn't accumulate in milk or meat. **Binding Agents** 

There are numerous "binding agents" marketed that are reported to bind vomitoxin and decrease the feed intake and milk production depression associated with vomitoxin. However, there is no published research to confirm the effectiveness of binding agents.

The only way to safely feed vomitoxin-contaminated wheat is by diluting the feeding level of the wheat.



## Using vomitoxin-contaminated wheat in beef cattle diets

by S.R. Rust, D.D. Buskirk and Harlan Ritchie, MSU Animal Science

Beef cattle can tolerate relatively high levels of vomitoxin in their diets without adverse reactions. FDA guidelines suggest that cattle over 4 months of age can tolerate up to 5 ppm, and those under 4 months, up to 2 ppm in the diet dry matter (DM).

Wheat can be an excellent feedgrain when utilized properly. The decision to feed wheat is generally an economic one. Several factors influence feeding strategies and the cost of gain when wheat is utilized. The following list of issues should be considered.

Wheat has 2-4 percentage units more protein (12-13 vs 9.5 percent) and .13 percentage unit more phosphorus (0.43 vs. 0.32) than corn. Consequently, some supplemental protein can be removed from the diet.

has a slowly degraded starch, such as milo, cracked/rolled corn or whole shelled corn. It is possible to feed more than 60 percent wheat, but the risk of bloat, acidosis and erratic intake increases and slightly higher levels of roughage may be needed (i.e., from 8-10 percent to 12-15 percent roughage).

- As a rule of thumb, it is economically feasible to consider using wheat as a feedgrain when it is priced within 110 to 115 percent of the value of corn.
- Make sure the diet contains an ionophore to minimize bloat and acidosis.
- Wheat can replace 50 percent of the grain in

beneficial. A 20 percent increase in nutrient den-

- Wheat is equal to corn in net energy value.
- Wheat tends to have less foreign matter or trash in it.
- Wheat has 2-4 percentage points less moisture than corn.
- It's recommended that wheat compromise no more than 40 to 60 percent of the diet DM. Additionally, maximum benefit from feeding wheat is achieved when the remainder of the grain source

#### Food for thought?

he United Nations estimates, by the year 2050, the world's population will swell to 9.8 billion people from the current 5.7 billion. The U.N. says the world will have to come up with 75 percent more food to feed the masses.

Overall, world food supplies have doubled in the last 40 years and that trend will have to continue. The report said Asian countries will have to

increase food production by 69 percent and Latin American and Caribbean countries will have to increase production by 80 percent, while North America will have to increase food production by 30 percent to meet the needs of growing populations.

Contrasting with those figures are European production estimates, which show Europe will not need to produce as much food as it now does.

creep feeds and growing rations.

- Because of the greater likelihood of bloat, it is not recommended for use in receiving diets for new feeder cattle.
- Wheat must be coarsely rolled or cracked before feeding. Feeding wheat whole results in very poor digestibility
- It is recommended that sufficient wheat be purchased for at least a 60-day period to minimize negative effects of ration switches.
- If daily dry matter intake is reduced by 10 to 20 percent, less wheat should be fed.

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# Manure handling demonstration — separating sand from manure

he benefits of bedding freestalls with sand are pretty well documented — cleaner, healthier cows and improved comfort. The problems of handling the resulting mix of sand and manure is equally understood. An upcoming demonstration will provide Michigan dairy producers their first look at some new technology that will eliminate the problem, according to MSU Agricultural Engineer Bill Bickert.

Officially dubbed *Sand-Laden Dairy Manure: Demonstration of a Sand-Manure Separator and Related Topics*, the program will run from 11 a.m. to 3 p.m. on Sept. 5, at the Webster Ridge Dairy Farm in Clinton County. The demonstration will feature a prototype separator developed at MSU that can separate approximately one ton of manure an hour.

Bickert says the prototype will soon be manufactured by McLanahan Co., and be commercially available to dairy producers to integrate into their existing manure-handling systems.

"This system would fit right in at the end point of the scraping operation," Bickert explained. "Every time you scrape a barn, the manure would feed into this separator before you do anything else with the manure."

The benefits, claims Bickert, are two-fold. "We'll have a situation where we can get the sand



Producers attending manure handling demonstration on separating sand from manure will get a firsthand look at this prototype designed and built by MSU agricultural engineers.

out of the manure so that it (manure) can be handled in a conventional manner — with irrigation, for example," he said. "Additionally, we'll be able to recover the sand and re-use it in the freestalls for bedding again."

The process is pretty straightforward, says Bickert. The machine, designed from equipment commonly used in the sand and gravel business, first breaks up any manure clumps before water is added to dilute the mix. "Once that happens we depend on differential settling," he said. "Obviously the sand settles at a much faster rate than the organic solids or the manure."

Participants will also see displays on manure application equipment, storage and handling alternatives, as well as freestall management and proposed manure systems.

To get to the Webster operation, travel five miles north of St. Johns on U.S. 27 to Hyde Road. Travel east on Hyde Road four miles and cross Chandler Road (Hyde Road becomes Ridge Road). The Webster operation is located on the south side of Ridge Road, approximately ½ mile from the Chandler Road intersection.

No advance registration is required and lunch will be provided between 11:30 a.m. and 2 p.m. on a first come, first served basis. For more information, call 800-366-7055.

### Crop revenue coverage available on wheat

by Mark Schwandt, Special Agent, Rain and Hail, L.L.C.

The FCIC announced that Crop Revenue Coverage (CRC) will be available for Michigan Wheat Producers starting for the 1997 crop. You're asking yourself — What is CRC and why would I want it?

CRC is coverage that now gives you the option to have a stated amount of revenue instead of a stated amount of production as the standard multiple peril policy did. Its basic premise is still the same as each producer will have an APH (Actual Production History), but the difference is in the price of the wheat.

Previously, the FCIC set a single price and if your production fell below the guarantee (APH  $\times$ Level), the shortage was multiplied by that price and by each producer's share of the crop. With CRC, the APH is multiplied by the base price (95 percent of the August wheat futures for July of the next year) or the harvest price (95 percent of the June wheat futures for July of that year), whichever is higher. That amount is then multiplied by share to obtain a final revenue guarantee.

As an example, let's say the base price is \$4 and the farmer has a 50 bushel APH and is at the 60 percent level. He would start with a revenue guarantee of \$120 ( $50 \times 60 \times $4$ ). If the markets were to happen to go down to \$3 when the harvest price is set, his revenue guarantee would stay the same as the insured always gets the higher of the two prices. Assuming the insured harvests 31 bushels, he would receive \$27 per acre (\$120-\$93 [31 × \$3]) under the regular MPCI coverage the insured would not receive anything as he harvested 62 percent of his APH and had a 60 percent level.

If the price goes up, his revenue guarantee goes up with the harvest price at no additional cost. There is a \$2 CUP/CAP limiting price. But such market fluctuations are rare. The major advantage to CRC is that in down market years, the insured is guaranteed a bottom line revenue, and in upswing years the market covers the guarantee. With a good marketing plan, the farmer assures himself a profit.

CRC was available in Iowa and Nebraska on corn and soybeans in 1996 as a pilot program, and early numbers indicate that over 50 percent of farmers previously insured under regular MPCI coverage went with the program knowing the cost was 30-60 percent higher in premium. The reason for this was simple...guaranteed revenue!

CRC is available in all counties in Michigan on wheat. The only growers not eligible for CRC are those farming nonstandard classification ground. CRC is only available from insurance agents as it is considered a buy-up policy and meets linkage requirements. If you have high-risk ground, an exclusion can still be signed and that ground covered with a cat policy.

If this sounds like what you've been looking for, stop into any Farm Bureau Agent showing the blue rain and hail sign or call (800) 776-4045 and ask the operator for an agent near you.

### **Oceana Hosts Farm Safety Day Camp**

• ver 90 Oceana County area youth received some valuable lessons during a Farm Safety Day Camp at the county fairgrounds. The event, sponsored by the county Farm Bureau's Promotion and Education committee and the MSU Cooperative Extension Service, provided students with lessons on agricultural chemicals, electrical safety, fire prevention, animal and farm machinery safety, ATV safety, and lawn mower safety. Students also received a safety kit, which included pesticide information, hazardous equipment stickers, a first aid kit, a personal protection kit, a T-shirt and activity books.



Tim Tubbs, of Tubbs Orchards, explains the dangers of being around a cherry shaker.





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August 15, 1996

# Farmers: Be picky about choosing wheat seed this fall

armers are warned not to use bin run wheat seed for fall planting due to the high levels of disease on this year's harvested crop. Head scab and other diseases reducing the crop's yield and causing low test weights will also reduce seed viability and cause stand establishment problems if present in seeds used for planting, said Ohio State University plant pathologist Pat Lipps.

A combination of wet weather and high temperatures this season have provided favorable conditions for the spread of the diseases, both of which attack the wheat heads and kill the florets, ultimately resulting in small, shriveled seeds.

Lipps said the abundance of shriveled seed produces low test weights, while vomitoxin contamination in the grain from head scab poses a significant problem for the milling and baking industry, as

well as limits the grain's use as livestock feed.

Lipps said despite the potential for high-quality seed to be at a premium because of severe winter injury and high disease levels, it is important for farmers to plant disease-free seed this fall

"The fungi causing head scab contaminate the seed and may cause seedling blight and seed rot if planted without proper cleaning and treatment. Severely infected seed usually will not germinate at all or will produce less vigorous stands," Lipps said. "Seedlings that survive may lack vigor to make it through the winter. Those that survive the winter may be prone to root rot the following spring."

Farmers can begin taking steps now to help control wheat disease and reduce loss of next year's crop. Lipps said the following methods should be taken into consideration.

- Plant varieties known to be less susceptible to wheat head diseases.
- Plant various varieties that differ in maturity. This will spread out the flowering date and reduce the chances of disease affecting all fields on a farm.
- Obtain high-quality Certified or Proprietary seed. This will ensure that the seed was properly cleaned and conditioned. Bags of the seed will have the results of the germination test on a tag attached to the bag.
- Buy only seed that has been treated with seed treatment fungicide to control such diseases as seedborne scab, glume blotch, common bunt and loose smut. Fungicides that control bunt and loose smut include Vitavax, Raxil, Baytan and Dividend. Seedborne Septoria and scab can be controlled by using combinations of these materials with Thiram

and/or Thiabendazole (TBZ). Consult a dealer to find out which treatments are available for broadspectrum seed-borne disease control.

- Avoid planting wheat into corn residue using notill. Head scab is produced by the same fungus that causes ear rot and stalk rot of corn. Planting wheat into corn residue puts the crop in close proximity to the source of fungal spores.
- Plant fields 5-10 days after the Hessian Fly Safe Date for your county - the date after which Hessian flies will no longer lay eggs on emerging seedlings. The soils should be cooler at this time, providing less favorable conditions for seedling infections. The particular dates for each county can be obtained from any county extension office.
- Apply 15-20 pounds per acre of nitrogen at planting to stimulate early seedling growth.

# Crop losses mount from growing deer herd

#### by Mary J. Gawenda

igh reproductivity, below average snowfall and minimal doe harvesting have made feeding Michigan's estimated 1.8 million white-tailed deer a challenge.

It's a burden that has left many farmers and orchard growers holding the feed bag, especially those in Menominee County and areas across the southern half of lower Michigan.

With the summer months rolling in, many farmers are beginning to anticipate their yields, but some are finding their crops eaten up before they can be harvested.

For most farmers, the culprits are deer feeding on alfalfa, soybeans, corn and other crops. But some farmers say the deer are destroying more crops than past summers and that the Department of Natural Resources (DNR) needs to have a better deer management strategy, said Scott Everett, MFB associate legislative counsel.

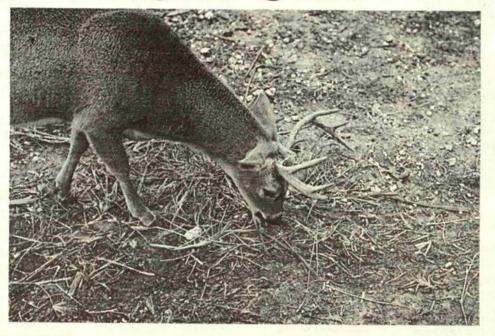
"The DNR is committed to reducing (deer) numbers, but it needs to be done quickly, because we can't tell farmers they should expect 30 percent crop damage for the next five years," Everett said.

Michigan deer have a 40 percent increase in population yearly, with an average of 2.1 fawns per female adult deer, said Tom Nederveld, DNR private land management specialist. Because the deer reproduce so fast, DNR officials encourage hunters and farmers to minimize the female populations in their area, he said.

"We have to harvest antlerless deer at a higher rate because their recruitment (birth) rate is so high," Nederveld said. Only one in five deer have antlers, so hunters usually want to kill a buck, leaving too many doe to reproduce the next year, he said.

To thwart the problem of deer overgrazing, DNR officials offer farmers block permits during hunting season. Farmers can buy the additional permits for \$3.50 each to hunt antlerless deer in their area, said Ralph Anderson, Jackson district wildlife biologist for DNR.

"The block permits are intended for the farmer to trim the deer population in his locality that is causing him some losses he doesn't want to



"It's not the responsibility of the non-farming segment of society to provide a subsidy for a business practice that's suffering some loss, " says Dale Rabe, supervisor of the research section of the DNR's wildlife division in response to producer concerns over crop losses.

tolerate," Anderson said.

Block permits can help reduce herds, but a common dilemma among farmers is that deer stay in the woods during the hunting season, feeding off shrubs and trees, Everett said. Come summer, the deer are eating fresh alfalfa and corn from farmers' fields. Because farmers can't harvest the numbers needed during the season, the block permits provide limited assistance, they say.

Another solution the DNR offers to reduce deer numbers is summer shooting permits. Two years of crop damage must be documented by a DNR field officer before summer permits are issued. But DNR officers don't like to issue many summer permits because deer meat is of lower quality and fawns will be orphaned from summer killings, Nederveld said.

Also, pressure from neighbors who like to see deer grazing and don't want farmers to kill mothers

or young deer makes it even harder for farmers to receive summer shooting permits from the DNR, Everett said

Dale Rabe, supervisor of the research section of the DNR's wildlife division, says the DNR is trying to work with farmers to control crop damage and ease tensions within farming communities.

We try to meet the goals of society in the best way we can with our management techniques. It's not the responsibility of the non-farming segment of society to provide a subsidy for a business practice that's suffering some loss," Rabe said.

But Roger McCarthy says he, like many farmers in southern and central Michigan, has seen too many deer eating off his 495-acre farm of wheat and beans in Isabella County.

"If DNR officers or legislators laid their billfold on the dresser at night and half (of their money) was gone, they'd do something about it," McCarthy said.

Wildlife damage is covered under most insurance policies, but there must be 50 percent crop damage on the entire farm, said James Dague, an Isabella County farmer and crop insurance adjuster.

"It's very rare to find a farmer with 50 percent wildlife damage, but the damage he does sustain takes away from crop profits or a family vacation," Dague said.

Dague said considering many farmers are working with a 5 percent profit margin, he asks if DNR officials or lawmakers would give up 5 percent of their income and not receive any benefits.

Farmers such as Dague and McCarthy say because summer permits are limited and when they are issued neighbors complain about farmers killing deer, some farmers are calling for more drastic measures to protect their farms and reduce the deer herds.

Some farmers say if the state isn't willing to pay for crop damage, it should fund fencing to keep deer out of farmers' fields. Others suggest extending the hunting season or reducing kill regulations on farmers whose fields are overrun with deer.

Fencing in farmers' land would be costly and isn't a widely supported approach to curtailing deer problems, Rabe said. The DNR recognizes the value of deer to other citizens and that farmers must realize nature dictates that deer will create crop damage, he said.

Deer management works when all the tools are used together, and hunting is the best solution for agriculture damage, said Ed Langenau, DNR big game specialist.

The DNR divides the state into 350-square mile-units where field biologists consider crop damage, habitat, deer/car accident rates and other factors to determine how many deer should be in the area, Langenau said.

Where we have problems with deer is with people's unwillingness to shoot antlerless deer," Langenau said. "People don't want to shoot antlerless deer, but they want us to solve their crop damage." 🥒

### 1996 county annual meetings

he 69 county Farm Bureau annual meetings kick off Michigan Farm Bureau's annual grass roots policy development process. Members will have an opportunity to propose, discuss and vote on local, state and national policy issues.

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and the second second second		icted will include:	Isabella
<ul> <li>Report of</li> <li>Consideration</li> </ul>		Activities Policy Resolutions	Jackson
Election o	f Directo	ors	Kalama
		Bylaw Amendments	Kelkesk
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County	Date	Time and location	*Lapeer
Cheboygan	Oct. 28	VFW Hall	
Chippewa	Oct. 10	7 p.m., location to be announced	Lenowe
*Clare	Sept. 26	5:30 p.m. social, 6:30 p.m. dinner, Knights of Columbus Hall, Harrison	Livingst Mac-Luc
Clinton Sept.	21 (tent.)		*Macom
*Copper Country	Oct. 19	6:30 p.m. reception, 7 p.m. dinner, American Legion, L'Anse	Maniste *Mason
Eaton	Oct. 1	6 p.m. social, 6:45 p.m. dinner, 7:45 p.m. meeting, VFW Post, Lansing Road, Charlotte	Mecoste
Genesee	Sept. 17	6 p.m., Wallis East	Midland
Gladwin	Sept. 14	1 p.m., Gladwin County Ice Carnival Grounds	Missouk
Gratiat	Aug. 26	6 p.m. dinner, 7:30 p.m. meeting, North Star Golf Course, Ithaca	
Hiswatheland	Oct. 28	7 p.m., Terroce Bay Inn, Escanaba	Monroe
Hillsdale	Sept. 12	6:30 p.m., DOW Center, Hillsdale College	*Montcal
*Ingham	Sept. 26	6:30 p.m. hors' doeuvres, 7 p.m. dinner, Ingham County Fairgrounds Community Bldg.	"Montmo Muskeg
Ionia	Aug. 27	7:30 p.m., Ionia Fairgrounds, Youth Building	muskeg
losco	Oct. 10	To be announced	Newayg

County	Date	Time and location	County	Date	Time and location	
Iron Range	Oct. 30	6:30 p.m. (CST), Felch Community Building	Northwest	Sept. 25	6:30 p.m. dinner with meeting to follow,	
Isabella	Sept. 8	1 p.m., Finnerty Park, Beal City	ity		Twin Lokes 4-H Comp	
Jackson	Sept. 18	6 p.m. social, 7 p.m. dinner, Bullinger's Restaurant, Jackson	*Oakland	Oct. 23	6:30 p.m., American Legion Post #63, 8047 Ortonville Rd (or M-15), Clarkston	
Kalamazoo	Oct. 1	6 p.m. social, 6:45 p.m. dinner, The Birches, 3082 S. 9th Street, Kalamazoo	*Oceana	Oct. 21	6:30 p.m. reception, 7 p.m. dinner, location to be announced	
Kalkaska	Aug. 24	5 p.m., Kalkaska County Fairgrounds	Ogemaw	Oct. 24	7 p.m. dinner, 8 p.m. meeting, Edword's Township Hall	
Kent	Oct. 17	6:30 p.m. punch bowl, 7 p.m. dinner, Duba's Restuarant (I-96 & East Beltline)	Osceola	Oct. 14	7:30 p.m. dinner, Marion High School	
*Lapeer	Sept. 21	7 p.m. social, 7:30 p.m. dinner, Deerfield Hall (M-24 & Burnside Road)	Otsego	Oct. 13	1 p.m. dinner, Livingston Township Hall, US-27 N	
Lenowee	Sept. 17	The Landing, 5447 N. Rogers Hwy, Tecumseh	Ottawa	Sept. 17 (tent.)	7 p.m. dinner, 8 p.m. meeting, Allendale	
Livingston	Oct. 8	6:30 p.m., Woodshire, Fowlerville			Christian School	
Mac-Luce-Scho	ol. Oct. 5		Presque Is	le Oct. 8	7 p.m. dinner, 8 p.m. meeting, Belknap Twp. Hall	
*Macomb	Oct. 12	6:30 p.m., Michigan Meadows Golf Course	Saginaw	Sept. 17	5:30 p.m., Kimberly Ooks Golf Course.	
Manistee	Aug. 11	5 p.m. pig roast, Monistee County Fairgrounds			1100 W. Walnut, St. Charles	
*Mason	Oct. 7	6:30 p.m., Mason County Reformed Church	St. Clair	Aug. 30	6 p.m., Wodhom's Banquet Center	
Mecosta	Oct. 7	7:30 p.m., Chippewo Hills High School	St. Joseph	Oct. 12	6 p.m., Sturges Young Auditorium, Sturgis	
Menominee	Oct. 8	7:30 p.m. (CST), Carney Legion Hall, Carney	*Sanilac	Sept. 11	6:30-9:30 p.m., Saniloc Career Center	
Midland	Sept. 12	6:30 p.m., Ingersol Township Hall	*Shlawasse	e Sept. 25	6 p.m., ZCBJ Hall, 1775 E. Owossa Ave,	
Missaukee	Oct. 8	Joint mtg w/Wexford, 7:30 p.m., Country	Tuscola		Owosso	
Monroe	Sept. 14	Kitchen, 3728 S. Morey Road, Lake City	Van Buren	Sept. 4	Knights of Columbus, Caro	
*Montcolm		- Frank efter er treenter i er i ten	Yan Buren	Oct. 24	7:30 p.m. Policy Development Meeting, Van Buren County Farm Bureau building	
Montcolm	Oct, 24	6:30 p.m. social, 7 p.m. dinner, 8 p.m. meeting, Masonic Temple, Stanton		Nov. 7	6:30 p.m. social, 7 p.m. dinner, VFW Hall,	
Montmorency	Oct. 1	6 p.m., Rust Township Hall			560 N. Phelps, Decatur	
Muskegon	Oct. 8	7 p.m. punch, 8 p.m. dinner, location to be announced	Washtenav	w Oct. 10	6 p.m., Washtenaw Farm Council Grounds, Ann Arbor	
Newaygo	Oct. 3	7:30 p.m., Newaygo Co. Senior Resource and Community Center, White Cloud	Wexford	Oct. 8	Joint mtg w/Missaukee, 7:30 p.m. Country Kitchens, 3728 S. Morey Road, Lake City	

This listing will serve as the official notice of the following county Farm Bureau annual meetings.

County	Date	Time and location
*Alcona	Sept. 21	To be announced
Allegan	Sept. 26	7 p.m. dinner, Hamilton Reformed Church, Hamilton
*Alpena	Oct. 15	7 p.m., St. Matthews Lutheran Church
Antrim	0ct. 9	7 p.m. potluck dinner with meeting to follow, Custer Township Hall
Arenac	Sept. 9	To be announced
Barry	Sept. 23	6 p.m. registration, 6:30 p.m. dinner, 7 p.m. meeting, Barry Expo Center
*Bay	Sept. 10	6 p.m., Monitor Township Hall
Benzie	Sept. 9	6:30 p.m., Pigroast, Blaine Christian Church, Arcodia
Branch	Sept. 16	7 p.m. dinner, 8 p.m. meeting, Branch Area Career Center, Morse St, Coldwater
*Calhoun	0d. 1	6:30 p.m. reception, 7 p.m. dinner, Belcher Auction Facility, Marshall
Cass	Oct. 7	6:30 p.m. social, 7 p.m. dinner, 8 p.m. meet- ing, Southwestern Michigan College, Dowagiac
Charlevoix	Sept. 28	6 p.m. dinner, 7 p.m. meeting, Whiting Co. Park

August 15, 1996

# **Michigan Farm News Classified**

01 **Farm Machinery** 

#237 JOHN DEERE MTD picker and #50 John Deere sheller for wide row, both for \$400 or best offer. 1-313-429-2212.

1963 JD TRACTOR: 3202. wide axle. Excellent shape! \$6500. Honda generator 30KW continuous, 60 KW search, \$1500. Call 1-517-426-5583.

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**CARROT HARVESTORS** for sale. One row Scott viner, two row self propeled. Call 1-616-853-6549 or 1-616-853-6126.

FOR SALE: Two used 45,000 gallon (14' diameter x 40" high) solid fiber reinforced polyester tanks. Previously used as air pollution control scrubbers. Sold as-is, where is (Madison Heights). Dis-mantling/moving not included. Will consider offers.

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01 **Farm Machinery** 

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05 Livestock

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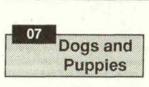
ed. Call Rye Hereford Farm 517-734-3005

**REGISTERED** Polled Hereford bulls, breeding age, large se-lection, top bloodlines. Centennial Cloverdale Farm Kirk Catey, 517-267-6587. Sam Catey, 517-267-6248, Grand Ledge, MI.

REGISTERED SCOTTISH HIGHLAND CATTLE, breeding stock and semen for sale. Visitors welcome! Call 1-517-543-7979 evenings or week-ends. Charlotte, Michigan.

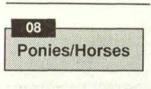
TEXAS LONGHORNS: Quality registered breeding stock available. Call 1-616-676-1462 days or weekends. Ada, Michigan.

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03 Farm Commodities

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Seeds

04

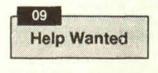
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# **Michigan Farm News Classified**



15

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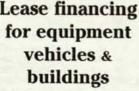
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12 **Business** Services

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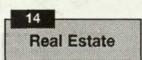




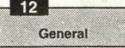
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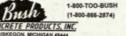


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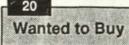
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33



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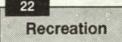
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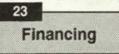
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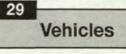


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August 15, 1996

# Topic

September 1996 A monthly resource for the Community Action Groups

of Michigan Farm

Bureau

16



he need to increase Michigan's fuel tax will be hotly debated this fall. Tied to that debate is the question of how to distribute the extra money raised from a fuel tax increase.

Since 1951, Public Act 51 (PA 51) has determined how state revenue for transportation is raised and spent in Michigan. Previous fuel and gas tax increases have been distributed through PA 51, which has provided rural Michigan with a dependable source of funding for local roads. However, some people believe that the transportation needs established in 1951 have changed and, therefore, the distribution formula needs to be restructured to reflect modern transportation needs. PA 51 is due to sunset in 1998.

In fiscal year 1995, the Michigan Department of Transportation (MDOT) indicated that only 25.6 percent of the total Michigan Transportation Fund went

# **Discussion** Fuel and gas tax distribution

to support state roads. The rest went to the counties (32 percent), cities and villages (18 percent), nonhighway funds such as mass transit (12.9 percent), and to state administrative costs (6.7 percent).

In 1992, a study by Michigan Road Builders Association concluded that 36.5 percent of state-maintained roadways were in poor condition, 26.1 percent were rated in fair condition, and 37.4 percent were in good condition. In addition, MDOT indicates that of Michigan's 10,611 bridges, 37.6 percent were deficient, 14.1 percent were structurally deficient and 23.5 percent were functionally obsolete.

To help address this problem, Governor Engler created Build Michigan, a bonding program of nearly \$200 million. In 1992, however, MDOT estimated it would need \$190 million per year to improve the state's roads and bridges. Others have calculated that figure at nearly \$650 million when local roads and bridges are included.

While the need for additional funding seems obvious to many, there has been strong disagreement over the distribution of any new revenue. Some have argued that at least half or more of all new revenue should go to the state for state highway funding. They cite studies indicating a heavier use of truck and auto traffic on state highways than on county and local roads. In addition, some new money will need to go to specific projects such as the expansion of U.S. 23.

Others have maintained that any revenue increase must be distributed through the current PA 51 formula which, while not perfect, has provided a stable and dependable distribution of transportation dollars to rural Michigan. They believe any change in the current system will only benefit metro Detroit, while substantially short-changing out-state Michigan. In addition, they cite negative economic impacts from the lack of adequate funding of local roads.

#### **Current Farm Bureau policy states:**

- An increase in the state gasoline tax of no more than six cents per gallon. The increase should be established based on actual roadway maintenance/improvement needs. These funds must be earmarked for repairs and rebuilding of our transportation infrastructure and must be distributed through the PA 51 Transportation Distribution Fund formula.
- The use of private contractors and a bidding process for road and bridge development and maintenance.
- Examination of the Transportation Distribution Fund formula to determine if the current method of funding county and local roads is equitable.
- Diversion of Michigan's mass transit funds to roadway improvement. Ten percent of Michigan's transportation funds are dedicated to mass transit systems.

#### **Discussion Questions**

- 1. Is the current distribution formula as determined by PA 51 equitable? Should the system be changed?
- 2. If the distribution formula should be changed, what would it look like? What are the political realities of passing such a plan?
- 3. Should all new transportation revenue from a fuel and gas tax increase be distributed through PA 51? Should some of the new revenue go to state highways and/or to critical roads and bridges?
- 4. Would members of your group support a township millage to upgrade local roads and bridges (leaving fuel tax funds for general maintenance)? If your group does not support a township millage, what other funding alternative do they suggest?

#### **Resource People to Contact:**

- Your County Road Commission Ronald K. DeCook, Deputy Director, County Road Association of Michigan, 571/482-1253
- Tim Goodrich, Associate Legislative Counsel, Michigan Farm Bureau, 517/323-6560



### Barn Again winner — using and preserving history

alling himself conservative in everything he does, Allegan County Farm Bureau member Dan Dykstra also likes the sight of old barns. Those two traits, combined with a can-do attitude, drove him to renovate a 36 × 56 foot hip roof barn, built somewhere around the turn of the century, into a swine facility.

It also earned him some national recognition as one of four 1996 Recognition Award winners in the Barn Again contest sponsored by the National Trust for Historic Preservation and Successful Farming magazine.

Purchased by Dan and his wife Ellen in 1984, the barn includes a gestation barn on the lower level, and three rooms of farrowing crates on the second level. Additions at each end of the barn provide additional gestation stalls and a nursery.

"Everything's all hooked together so I can produce the feeder pigs right here before moving them to another facility to finish them out," Dykstra explained. "It was really cost-feasible. I'm sure I did it for less than half of what a new facility would be."

Originally used to house steers, Dykstra decided to convert the facility in 1990 to a farrow-to-feeder pig facility. A new roof, a concrete floor on the second level, and additions at each end of the barn were all built for less than \$50,000, he estimates.

The farrow to finish operation now annually produces 1,600 to 1,800 pigs per year, in addition to raising 60,000 to 70,000 turkey a year under contract with Sara Lee and growing 120 acres of corn and soybeans.

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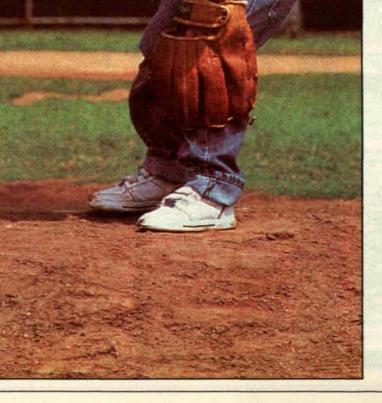
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Aside from a little ventilation advice and equipment from Hamilton Distributing, the facility design and work was all done by Dykstra himself, including building and welding the gestation stalls together. He figures the barn is doing more than just providing some scenic beauty - it's helping to pay the bills.

"The way I look at it, you've bought the barn, why not use it?" Dykstra asked. "Otherwise it just sets there and becomes an evesore. If it isn't going to be of any value, then you might as well get rid of it.'

Since its creation in 1988, the Barn Again program has honored 122 farmers from 27 states who have demonstrated that history and progress can co-exist, says Mary Humstone, Barn Again director for the National Trust.

"Our 1996 winners are using their barns for dairy cows, beef, hogs, sheep and grain storage, demonstrating the great versatility of older barns," Humstone said. "We are proud to honor these families for their outstanding historic preservation efforts."

For additional information about Barn Again, write: National Trust for Historic Preservation, 910 16th St. Suite 1100, Denver, CO 30202; or phone (303) 623-1504.