

MICHIGAN FARM NEWS

MICHIGAN'S ONLY STATEWIDE FARM NEWSPAPER

MICHIGAN FARM BUREAU



MICHIGAN FARM BUREAU

April 30, 1997
Vol. 74, No. 8



Loss of Toledo delivery point to impact Michigan

Few landowners opt out of Farmland Preservation Program

Although it will be some time before final acreage figures are known, it appears that only 6 percent of the P.A. 116 contract holders requested termination of their Farmland and Open Space Preservation Act contracts during a one-year window of opportunity that expired April 1, according to preliminary estimates from the Michigan Department of Natural Resources.

The one-year window resulted from legislation passed last year, giving contract holders the opportunity to reduce or terminate the length of all or a portion of their contracts. Before and after the one-year window, there were severe financial penalties for contract holders to get out of the program. Approximately 2,500 of the 48,700 contract holders requested termination of their entire contract, while another 1,500 contract holders requested a partial contract termination. Another 2,000 contract holders requested a reduction in the length of their contracts.

Michigan Farm Bureau's Ron Nelson calls those figures a reaffirmation of the benefits generated to P.A. 116 contract holders. The program, designed to preserve farmland by prohibiting development or building of non-farm structures, provides contract holders a financial incentive in the form of reduced property taxes, based on net household income. There are currently 4.3 million acres enrolled in the P.A. 116 program.

"When you think about the program, it has been very, very successful in preserving farmland," Nelson said. "It's been in existence since 1974 and it still provides meaningful tax relief to a number of farmers, especially in a year when things are difficult. This past year was a classic example, with several commodities facing some very serious income loss. P.A. 116 is structured to provide an economic safety net in those years when there's a reduction in income and not a reduction in property tax."

According to the DNR's Rich Harlow, unit chief, Farmland and Open Space Preservation Unit, Real Estate Division, requests to terminate P.A. 116 contracts will be processed and sent to the Michigan Department of Treasury to calculate the amount of repayment of financial incentives needed from the landowner. The process could take four to six months. Once notified of the amount due, contract holders have 30 days to either pay the bill, or opt to reduce the contract to seven years and remain in the P.A. 116 program, if the repayment required is too large.

"I'm not sure what we were expecting," adds Harlow. "But it certainly isn't a wholesale group of people getting out of the program. Six percent in the scheme of things is a relatively small amount."



On April 15, the Chicago Board of Trade approved a plan to remove Toledo as an approved delivery point for grain and replace it with delivery points located along the waterway between Chicago and Pekin, Ill., which would severely limit the access to nearby delivery points. The plan must still be approved by the Commodity Futures Trading Commission, which extended the comment period on the proposed plan by 60 days to allow for additional producer input.

Six companies settle with 16 states, including Michigan, on lysine issues

Certain indirect purchasers of unmixed feed-grade lysine in 16 states may be eligible to file claims

In mid-April, six major commodity marketing companies settled a class-action lawsuit for allegedly price-fixing lysine, a common feed additive in swine and poultry rations.

According to Daniel Gustafson, the spokesperson for Heins Mills and Olson, PLC, the law firm that handled the case, the plaintiffs claimed that the defendants agreed to raise and fix the prices they charged for lysine. Those who purchased lysine indirectly from the defendants paid higher prices than they otherwise would have paid, he said.

The settlements, totaling \$2,125,000, provide for payments to qualified claimants who purchased unmixed feed grade lysine from persons or entities other than the defendants. The settlements involve such indirect purchasers in any of the following 16 states: Michigan, Minnesota, Arizona, Florida, Kansas, Louisiana, Maine, Mississippi, New Mexico, North Carolina, North Dakota, South Dakota, Tennessee, West Virginia, Wisconsin or the District of Columbia through the period of June 1, 1992, through April 10, 1996.

These settlements are different from the similar case settled last October for \$100 million in federal court in Illinois regarding purchases of lysine made directly from the defendants or their agents.

75 percent of the \$2.125 million will be distrib-

uted to members who fit the class that purchased feed-grade lysine (unmixed with feed) originally produced or sold by the defendants.

The remaining 25 percent of the Distribution Fund will be disbursed to state-wide poultry, pork or other agricultural producer associations in the affected states that submit valid requests to participate, and a proposal for use of any settlement funds distributed to it that will further the goals of the association and its members. Disbursement of this portion of the Distribution Fund will be by state and based on the estimated purchases of feed-grade lysine (mixed with feed) by the members of the states' associations.

Last fall also marked the time when the Michigan Pork Producers Association (MPPA) filed a class-action lawsuit on behalf of the state's pork producers. According to Sam Hines, executive director for the MPPA, their lawsuit joined with other states to form the global lawsuit just settled.

Hines said the organization decided to join with the other 16 states once they realized quantifying the amounts of lysine utilized by end users would be difficult to substantiate.

"Although a direct purchaser of pure lysine from a commodity broker may be able to receive something for the use of the product," Hines said, "most producers in Michigan will fall under what was classified as indirect purchasers of the product — buying lysine through rations and other formulations."

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COVER STORY

Comment period for producers to voice their concerns extended 60 days

Michigan producers faced with losing Toledo as an approved delivery point for their grain have another 60 days to voice their concerns about the new delivery system approved by the Chicago Board of Trade (CBOT) on April 15. Under a CBOT proposal, the location of approved delivery points for farmers utilizing futures contracts for selling corn and soybeans would change dramatically.

The plan, which must still receive the approval of the Commodity Futures Trading Commission (CFTC), would eliminate the St. Louis, Mo., and the Toledo, Ohio, delivery points. Toledo is used extensively by Michigan cash crop farmers for converting futures contracts into cash contracts at the time they expire. Under the new proposal, Michigan producers would be forced to rely on a delivery point located in area defined by the waterway between Chicago and Pekin, Ill., thus limiting the access to nearby delivery points.

The result, says Michigan Farm Bureau Commodity Specialist Bob Boehm, will be increased basis volatility and unpredictability, which equates to lower cash prices for Michigan-produced corn and soybeans. Boehm says since the delivery points would be reduced from Toledo, Chicago and St. Louis to the single northern Illinois River location, producers' pay prices could be subject to unpredictable factors such as barge traffic and flooding.

"The proposal, if implemented, would focus on the gulf export market demand and a single transportation mode, in the form of riv-

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

News in Brief



From the President

Follow-up key to Washington Legislative Seminar successes

As president of the Michigan Farm Bureau, I have many opportunities to witness the effectiveness of our grass roots policy development process in action. More importantly, I have numerous opportunities to witness farmers from across Michigan, much like yourself, represent the agricultural industry in a professional manner. The Michigan Farm Bureau Washington Legislative Seminar was such an event.

You would have been proud of the 130 farmers speaking on your behalf on key issues that affect all of us. Issues like elimination of the Capital Gains Tax, Estate Tax reform, implementation of the Food Quality Protection Act, legislative resolution on the issue of deferred payments, and perhaps most importantly, revision of the Intermodal Surface Transportation Act (ISTEA) of 1991.

ISTEA is the name used to describe a 40-year-old program originally created to develop our country's interstate system. It's funded by an 18.3-cent Federal Fuel Tax that generates approximately \$12.1 billion nationally to be used for highway improvements. Unfortunately, Michigan's rate of return is 87 percent on highway programs and just 50 percent on mass transit programs. Our state ranks 45th of 50 states in what is returned from Washington, receiv-

ing \$551 million from the program.

Michigan Farm Bureau members were asking that the funding equity issue be addressed and that legislators put an end to the diversion of 4.3 cents worth of Federal Fuel Tax dollars to deficit reduction. In total, these changes could mean an additional \$200 million to our state's highway program.

Several congressmen, including Sens. Spencer Abraham and Carl Levin, support either establishing a base funding level of 95 percent, or a "Turn Back Proposal" that would eliminate the Federal Highway Funding program altogether. Unfortunately, the news on ending the diversion of 4.3 cents toward deficit reduction was not as promising.

Michigan Farm Bureau members also received good news on the issues of Capital Gains and Estate Tax reform as well. Congressmen from both sides of the aisle finally see the value of reform and/or outright elimination of these taxes that penalize small business owners and farmers for investing in their businesses and in their own future.

Michigan Farm Bureau members were asking their congressmen to support outright repeal of both the Estate Tax and the Capital Gains Tax. Short of that, members were asking that the Capital Gains Tax rate be reduced to no more than 15 percent and be indexed for inflation, and that the Estate Tax exemption be increased from \$600,000 to \$2 million, with the tax rate being reduced by 50 percent on the remaining estate.

Despite the success of this recent trip, there's considerable work to be done. The outcome on all of these issues is still subject to political winds of change and the ongoing budget battle that threatens tax reform measures.

I encourage each of you, as Michigan Farm Bureau members, to capitalize on the work these members initiated by taking a moment during this busy season to personally let your legislator know how important these issues are to the success of your operation.

Sincerely,

Jack Laurie

Jack Laurie, President
Michigan Farm Bureau

Freeze damaged wheat crop

An Agriculture Department meteorologist says there's "no question" that the recent freeze across a swath of land in the Midwest from northwestern Texas to Kansas caused damage and stress to wheat plants. But it will not be known for several days the extent of the damage, said Al Peterlin, USDA chief meteorologist.

"Wheat is sometimes compared to a cat with nine lives. This cat fell off a cliff and we're trying to

see how many of the nine lives were used up," Peterlin said.

Peterlin said differing stages of the wheat crop's development along the freeze line will mean different areas will experience various levels of wheat plant damage. He said in Kansas some of the crop was under snow cover, which will protect it from the freeze. Wheat in Oklahoma did not benefit from snow cover. ■

North Carolina hog industry facing criticism

Large-scale hog farms in eastern North Carolina have residents there stirred up and fearful their property values will continue to drop. They blame the hog operations for environmental problems, and tourism officials are concerned about expansion of the industry and its effect on the tourism industry due to public perception.

The uproar has one state lawmaker fighting mad. Richard Morgan, a Republican state legislator, introduced a bill that would halt new large-scale hog lot construction for one year and allow county commissioners to decide where big farms could

open and triple the space between hog waste lagoons and nearby property. North Carolina Gov. Jim Hunt (D) recently said he would support a two-year ban on new and expanding hog operations, but he would not endorse zoning authority for counties.

A recent poll of residents in eastern North Carolina showed about eight out of 10 citizens favor stricter hog farm control. Some in the predominantly Democrat-controlled area say they don't care whether a Republican or a Democrat gets the job done, just so someone does. ■

Floods hit upper Midwest farmers hard

Losses to farmers in Minnesota, North Dakota and South Dakota from the latest round of flooding and this winter's massive amounts of snow and bitter temperatures could total more than \$1 billion.

Floods have inundated more than 2 million acres in Minnesota. Damage to flooded farms include lost stored grain, spoiled milk due to impass-

able roads, dead livestock and lost planting time. Delays in planting, although not reflected in the loss figures, will likely have a negative impact on farmers' yields come harvest this fall.

Minnesota state officials say the magnitude of this year's floods has the potential to eclipse 1993 flood damage of \$1.5 billion. ■

Gingrich changes tune on tax cuts

Perhaps bowing to pressure from his fellow Republicans, Speaker of the House Newt Gingrich (R-Ga.) called for the elimination of all capital gains and estate taxes. Gingrich's call comes just a few weeks after he said tax cuts should be put off until a balanced budget could be achieved.

"We are going to have a tax cut this year," Gingrich said. "We hope that the president signs it."

Some form of tax cut is expected to be agreed upon by the House and President Clinton, but few

believe the elimination of capital gains and estate taxes is possible. A Treasury Department spokesperson, skeptical of the speaker's proposal, said Gingrich's plan would cost the federal government more than \$300 billion over five years and would jeopardize a balanced budget.

Clinton administration officials believe the plan is more of a peace offering from Gingrich to the right wing of the Republican Party, which has been critical of the speaker recently over the tax issue. ■

Group uses strawberry cases to advance agenda

The Center for Science in the Public Interest, which calls for a single federal food-safety agency, says the hepatitis A virus scare in strawberries provides proof that the Food and Drug Administration can't handle protecting the safety of the nation's food supply.

"The bugs are getting ahead of us here and we need to catch up," said the Center's Caroline Smith DeWaal. She said the FDA is under-funded and only reacts after people fall ill from food. She said the FDA should work to prevent harm.

DeWaal cited last year's parasite-tainted Guatemalan raspberries — which sickened over

1,000 people — and the 100 citizens who fell ill from *E. coli* poisoning from lettuce and apple juice.

The center, along with other consumer advocate groups, wrote President Clinton this week asking for the formation of a single federal food-safety agency.

The FDA says it is working to further improve the safety of the nation's food supply. "There are important challenges to overcome," said Michael Friedman, acting director of the FDA. Just one-fourth of the FDA's \$225 million budget goes toward food protection. ■

Greenpeace protests U.S. embassy over soybeans

Greenpeace invoked the help of an American music icon to protest the importation of genetically altered soybeans outside the U.S. embassy in Vienna, Austria.

With Elvis Presley's "Return To Sender" blaring from a tape recorder, 30 Greenpeace activists ceremoniously dumped a ton of soya outside the embassy's main entrance. The demonstrators unfurled a banner bearing the U.S. flag and the caption, "Return To Sender." Greenpeace also delivered a protest note to U.S. Ambassador Swanee Hunt.

"No one in Austria ordered manipulated soy," the group said. "No one needs it and no one wants it."

Greenpeace, along with other pressure groups, is opposed to genetically altered soybeans because they say not enough research has been

conducted on the effects of the product. Austrian environmentalists are trying to gather enough signatures to a petition calling for the banishment of genetically modified foods from the country.

In January, Austria went against the European Union and banned the import of genetically modified maize from the United States.

In a related matter, the European Parliament voted 407-2 to end the sale of genetically altered corn in the 15-nation European Union. The European Commission, the EU's executive agency, is not bound by the parliament's resolution to change its policy. The resolution comes on the brink of next week's meeting between European and U.S. officials over EU regulations for genetically altered food products. ■

Watchdog calls for more pork disease research

A coalition of consumer and union groups last week called on the Agriculture Department to look further into the possibility that hogs could carry and contract a disease similar to the mad cow disease present in British cattle. The group, the Government Accountability Project (GAP), is reacting to a 1979 study that found similarities to bovine spongiform encephalopathy — mad cow disease — in a brain tissue sample taken at a New York slaughterhouse.

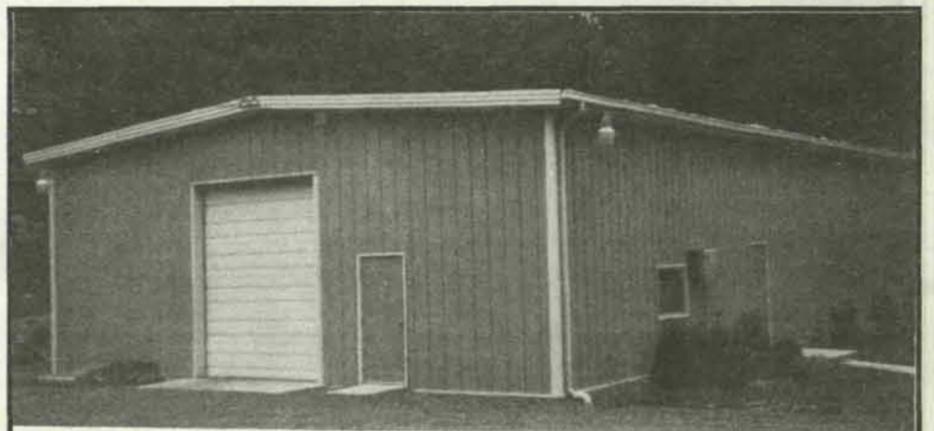
A GAP spokesman said none of the groups involved "think it is responsible to conclude there is a (porcine) transmissible spongiform encephalopathy," but said as of now, "it's premature to give pork

a clean bill of health," and "it is irresponsible not to take a look."

USDA officials said they share the concern of the groups, but said there are no signs that such a disease exists in American pigs.

GAP called on Agriculture Secretary Dan Glickman to act "before there is a tragedy." They recommend upgrading the inspection of animals prior to slaughter to look for signs of central nervous system diseases.

"We are seeking answers to very serious public health questions," GAP said. "The credibility of the present food safety (inspection system) is at stake." ■



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The Michigan Farm News (ISSN-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 \$1.50 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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Capitol Corner

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

U.S. legislators weigh in on road-funding issue

Eliminate federal highway funding program and raise state fuel tax

While there are very few things that enjoy widespread bipartisan support in Washington, D.C., changing Michigan's status as a so-called donor state under the Federal Highway Funding program is one of them. Officially dubbed the Intermodal Surface Transportation Efficiency Act, or ISTEA, the act is due for reauthorization this year in Congress.

If Michigan legislators have their way, the formula used to distribute those funds, generated from a 12-cent federal fuel tax, will either be revised or the entire program will be scrapped. Two front-runner proposals are receiving a great deal of attention. The "Turn Back" proposal, would return all ISTEA fuel tax funds to the state, while the "Step-21 Plan" would reform the ratio that's used to calculate the funding formula to the state.

One of the biggest proponents for elimination, U.S. Sen. Carl Levin (D-Detroit), says the 40-year federal highway program has outlived its purpose and benefits. "When it was first created, it could be justified to build our interstate system in less populated states," Levin said. "However, the formulas are unfair; they're based on concepts that are no longer relevant. This is the most fought-over issue every time it comes up for renewal."

During a meeting with 130 Michigan farmers attending the Michigan Farm Bureau Washington Legislative Seminar, Levin asked for their support in doing away with the program in its entirety, saying the funds could be better used back at the state level. "If we repealed just two-thirds of the gas tax, or 12 cents, we'd pick up \$200 million for the state of Michigan," he said. "We're going to try and stop that bill from being re-authorized and we're going to try repealing the federal gas tax being sent to D.C."

Levin stopped short, however, of supporting repeal of the 4.3-cent federal fuel tax, saying that without those funds, balancing the budget would not be possible.

Sen. Spencer Abraham (R-Auburn Hills) also expressed his support for revising the ISTEA pro-

gram, but warned the 21 donor states are a minority, meaning a total overhaul or elimination will be difficult, at best. He said if total elimination is not possible, the formula needs to be revised to include a 95-cent base floor for more equitable distribution of those funds. Michigan currently receives only 87 cents on every dollar sent into the federal highway program. "We're currently sending \$250 million to be spent somewhere other than Michigan," Abraham said. "If we had a dollar-for-dollar match, we would have had a billion in additional road funds in just the last five years. Even with a base 95-cent floor, we would have gotten another \$600 million for road repairs in Michigan."

Sen. Abraham is also cosponsoring the Highway Trust Fund Integrity Act, which would allow the state to use funds from that trust, based on the previous year's contributions, for highways improvements. If successful, he predicts it could mean an additional \$50 million to the state of Michigan annually.

Rep. Jim Barcia (D-Bay City), who serves as a member of the House Transportation and Infrastructure Committee, acknowledged the need to re-evaluate the formula to make sure Michigan gets "a bigger piece of the pie." "We're going to have our work cut out for us. The current distribution system is not equitable and we're going to fight tooth and nail to make sure we achieve more equity in those gas tax revenues," Barcia said, adding that if the formula can't be adjusted, he's prepared to offer a "Turn Back" amendment.

Rep. John Dingell (D-Trenton) criticized Michigan's track record on highway funding and spending, which ranks 45th in the nation. He said the state needs to aggressively pursue a state gas tax increase or risk losing potential highway funding from the federal level.

"We're going to have a very major problem if Gov. Engler does not begin his work to present a program that involves additional tax revenues raised in the state of Michigan from gas taxes," he said. "If they don't raise the gas tax they're going to have a very tough time matching the federal dollars. And they're going to have to do it quickly."



Jim Miller, MFB board member from Coloma (left) and MFB President Jack Laurie make their case to Sen. Spencer Abraham (R-Auburn Hills) about the need to improve Michigan roadways through federal action

Front-panel labeling being debated

The recent contamination of strawberries believed grown in Mexico has reinvigorated talk of requiring front-panel labeling of country-of-origin for all foreign produce. Country-of-origin labeling, required by law to be placed in "a conspicuous place as legibly, indelibly and permanently as the article or container will permit," is now required on all products.

Whether that label should be on the side, bottom or front of the product is being discussed. The food industry doesn't believe labeling should have to be on the front panel of products. Organized labor is working to have required front-panel labeling on all foreign products.

"We see no reason to move it over to the front panel," said Steven Anderson of the American Frozen Food Institute, the trade association for the

frozen-food industry. "Any product of foreign origin has to be labeled in a conspicuous spot. The law does not say 'most conspicuous.'"

Following a petition filed by two California packers and the Teamsters in 1993, the U.S. Customs Service ruled that labels on all imported frozen produce would have to be displayed on the front panel stating the fruit or vegetable's origin. That stipulation, however, is not the law. A final ruling has yet to be made. And customs says it will "enforce the law."

The American Farm Bureau Federation believes labels on imported products should state on the main display panel of the package that the product is imported in letters not less than one-half the size of the product name. Food products containing imported ingredients should be labeled to show all countries-of-origin in descending order.

Rep. Dingell recognized for food safety legislation

U.S. Rep. John Dingell (D-Trenton) was recognized by the Michigan Farm Bureau recently for his efforts to ensure the passage of the Food Quality Protection Act (FQPA) last year. Dingell received the recognition during the Michigan Farm Bureau's Washington Legislative Seminar.

While presenting the award, Michigan Farm Bureau President Jack Laurie, a Tuscola County dairy farmer, recognized Dingell's leadership in successfully passing the FQPA. "This means a great deal to Michigan farmers, especially with our diverse agriculture, which relies heavily on so-called 'minor use' pesticides to produce abundant and wholesome products," Laurie said.

Dingell acknowledged that considerable work remains to see the legislation actually implemented via new regulations, as Congress had originally intended. "We will be happy to work with you to see that you get sensible and decent regulatory treatment on this issue," he said. "I happen to know

how difficult that can be."

Implementation of the FQPA was a priority during the Michigan Farm Bureau's annual legislative seminar. The act repealed the zero-tolerance Delaney Clause, which threatened to unnecessarily cancel many important agricultural chemicals. The FQPA directs federal agencies to establish new food safety requirements that consider the dietary risk to infants and children. It also requires major supermarkets to provide information to consumers on the risks and benefits of agricultural chemicals and how to reduce their exposure.

Despite the FQPA legislation, Laurie said there are growing concerns that the Environmental Protection Agency and the Food and Drug Administration interpret and apply the regulations in a reasonable manner. "We believe Congress needs to closely monitor EPA and the other implementing agencies to ensure the final regulations they develop match what Congress intended when they passed the act," he said.



During the annual MFB Washington Legislative Seminar, members expressed their thanks to Rep. John Dingell (sitting on desk) (D-Trenton) for his efforts last summer in passing the Food Quality Protection Act.

Capital gains and estate tax reform predicted for 1997

Michigan farmers got assurance that there will finally be some action on Estate Tax reform and the Capital Gains Tax issues, during the Michigan Farm Bureau's annual Washington Legislative Seminar. Despite ongoing budget and tax-reform battles, legislators say bipartisan support for both of these issues is growing.

Calling the Capital Gains Tax unfair and immoral, Rep. Jim Barcia (D-Bay City) predicted a Capital Gains Tax cut has a better chance of success than the repeal of the Estate Tax. "I believe that the congressional leadership is committed to a vote on Capital Gains Tax relief, and I predict that it will pass overwhelmingly in the House," he said. "I'm very confident that if President Clinton vetoes the capital gains tax relief, we are within striking range of overriding his veto in the House — which I would strongly support doing."

Rep. Dave Camp (R-Midland) expressed his concern over recent discussion of delaying any tax-reform measures such as Capital Gains until after a new budget, already behind schedule, has been finalized. "I think that would be a mistake," he said. "We need to address tax relief as part of the budget process and do it now because if we delay it we're not going to get the tax relief."

Camp called the Clinton administration's capital gains proposals for homes a positive, but very small, step. "I'd like to see an across-the-board capital Gains reduction because that's what's really going to create jobs and economic growth," he said.

Camp was equally critical of the Clinton administration's overall budget proposal. "Most of the

spending reductions, 98 percent of them, don't occur until after he's out of office in 2001," Camp said. "There's \$23 billion in tax increases and, unfortunately, there's \$70 billion deficits at the year 2002."

Although she voiced support for a Capital Gains Tax cut, Rep. Debbie Stabenow (D-Lansing) said it will require a balancing act to balance the budget while cutting taxes. She was, however, very supportive of Estate Tax reform. "When we look at things like the inheritance tax, my feeling is to either eliminate it or raise the exemption because it's in the public's best interest," she said, adding that she's concerned about the number of family farms being lost because of the inheritance tax burden. Barcia also voiced his support for Estate Tax reform. "I know firsthand that a family farm operation is truly a family affair, so it's especially insulting at the time of a death in the family when those assets are divided up and they can't be transferred to the children without the federal government coming in with a meat ax and taking a big chunk of it for themselves," he said. "Those families worked hard and paid taxes all of their lives."

During the Washington Legislative Seminar, Michigan Farm Bureau members were asking their congressmen to support outright repeal of both the Estate Tax and the Capital Gains Tax. Until that happens, members were asking that the Capital Gains Tax rate be reduced to no more than 15 percent and be indexed for inflation, and that the Estate Tax exemption be increased from \$600,000 to \$2 million, with the tax rate being reduced by 50 percent on the remaining estate.

New book warns of "killer microbe"

A new book is about to hit the bookshelves that highlights a "killer microbe," one researcher's work on the matter, and a possible connection to agriculture.

The new book, titled "And the Waters Turned to Blood," focuses on the work of researcher Dr. Joann Burkholder and her study of *Pfiesteria piscicida*, a microbe she discovered. So far the new microbe is being blamed for fish kills, but she con-

tends that it also poses health threats to humans. According to a recent soft profile of Doctor Burkholder in the *New York Times*, the microbe is "nourished by runoff from urban development and industries like hog farming."

The book is written by Rodney Barker and is published by Simon & Schuster. If the *New York Times* story is any indication, a book tour may be in the works.

Loss of Toledo delivery point to impact Michigan

Continued from page 1

er barges, while ignoring the fact that a significant majority of the corn and soybean crops produced in the eastern Corn Belt rely heavily on rail and truck transportation systems," Boehm explained. "Ultimately, this proposal will discourage producers and domestic users from utilizing the futures market as a price risk management tool."

"There are two ways it could cost us," explains Dr. Jim Hilker, MSU agricultural economist. "One is it may create a bigger basis. If Chicago pricing stays the same, that means we could be getting a little less for our crops. It may be that the Chicago price might be up and we're getting a wider basis but not a different price."

"The other thing is that it's not just the basis that would be wider and how much, it will be more variable," Hilker adds. "It'll be harder to predict the basis, and that's a cost in itself for a couple of reasons — one is you may be planning on a certain basis to do something, and you won't be able to forecast that as well and it's also the reason why there may be a wider basis at Toledo. When an elevator wants to give a forward contract, they have to guess the basis. Now, if they're not as confident in what that basis is going to be, they're going to guess a wider one. They're not a delivery point, and they're at risk — if the basis is wider, they eat it."

"If Ohio River terminals are no longer approved as delivery points, the CBOT would deal a serious blow to the farmers, elevators and agribusinessmen throughout the region," states Doug Darling, Monroe County Farm Bureau member and member of the Michigan Ag Commission. "What does it mean to me as a producer?" asks Darling, "I did a breakdown for just the seven counties down here and with the 20 cent projected change in the basis off our 1995 crop year of over 8 million bushel of corn and 3.4 million bushel of soybeans — that came out to \$2.38 million just for Monroe County if the 20 cents was the change in basis."

"The real number that I do know is that Cargill took off a dime from their December '98 contracts because they didn't know how much this thing was going to impact them," adds Darling, who raises 1,100 acres of corn, soybeans, wheat and alfalfa on his family's farm. "I called down to Cargill late in the day and got a bid of \$2.72 a bushel. I called back the very next morning and it had gone from a \$2.72 bid to a \$2.62 bid and I asked 'Why?' to which they replied: It's because the board of trade could possibly drop Toledo as a point of delivery for future contracts. They were already building a dime protection into that —

that's a bunch of money!"

"I applaud the CBOT for taking steps to improve the delivery system for grain," says Tom Irmen, manager of commodity hedging for The Andersons. "But removing Toledo as a delivery point does not take into account the large volume of corn we ship to the east coast and to the southeast part of the U.S." Irmen hopes the CFTC takes into account the objections The Andersons and other commodity brokers have raised and does not implement the CBOT's plan.

"It's estimated that there were approximately 250 letters to the CFTC opposing the proposal, while there were only four supporting the plan," Boehm said. "So you would think that the CFTC would reject the proposal. Should they decide to approve it, the CFTC would be subject to considerable congressional pressure to justify their decision."

Comment period extended

Congressional pressure has already compelled the CFTC to announce in mid-April the extension of the comment period on the proposal until May 15. Michigan's Congressman Nick Smith and Rep. Marcy Kaptur (D-Ohio) were the first to urge the extension and were quickly joined by 15 of their colleagues on Capitol Hill.

"I am pleased that the CFTC has granted my request for an extension on the comment period," stated Rep. Smith. "I will take every available opportunity to press Michigan's case for keeping this important delivery point open."

"I sincerely hope that farmers in Michigan, Ohio and Indiana voice their concern and send letters to the CFTC," adds Darling. "Hopefully we can get more of our congressional body to support keeping Toledo as a viable delivery point."

"I'm hopeful that the overwhelming outcry against the proposal during the public comment period will prompt the CFTC to either reject or request reinstatement of the Toledo delivery point," says Boehm.

Boehm also predicts that commercial interests, such as grain elevators and feed companies, negatively impacted by the proposal may take legal action to prevent the proposal being implemented if it's approved by the CFTC. ■

To contact the CFTC, address your letters to:

Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st St., NW
Washington, D.C. 20581
RE: Corn and Soybean Delivery Points

Six companies settle on lysine issues

Continued from page 1

"In the end, we're not talking much in total dollars available to producers," Hines said. Any money that is allocated to Michigan will be distributed through the MPPA to provide programs and services.

The settling defendants are Archer Daniels Midland Co.; BioKyowa, Inc.; Kyowa Hakko U.S.A., Inc.; Heartland Lysine, Inc.; Ajinomoto U.S.A., Inc.; and Sewon America, Inc. Upon final court approval of the settlements, the case against the settling defendants and certain other defendants will be dismissed. The companies involved in the lawsuit deny any wrongdoing or liability and deny that those who purchased lysine or lysine products suffered any damage as a result of any such alleged conspiracy.

In connection with the settlements, a class has been approved consisting of all persons and entities that purchased lysine originally sold or produced by the defendants, or lysine products, from persons or entities other than the defendants in the states named above during June 1, 1992 through April 10, 1996. Part of the settle-

ment fund is to be distributed to those who purchased unmixed feed-grade lysine. Direct purchases from the defendants or any of 23 businesses or persons who acted as defendants agents do not qualify. The rest of the settlement fund is to be distributed to agricultural producer organizations whose members purchased animal feed containing lysine.

A full-page notice regarding the settlements including the options available to class members, procedures for requesting exclusion from the class, submitting claims, and other matters, is being published in several poultry, pork and feed trade publications mainly in the April issues. Persons who have questions or do not see the published notice may obtain a copy by sending a self-addressed, stamped 32-cent envelope clearly marked "Notice Request" on the outside to Lysine Settlement Administrator, Conway, Deuth & Schmiesing, PLLP 331 Third St. SW, PO Box 570, Willmar, MN 56201.

Information can be viewed at the Lysine Settlement website at: <http://www.kinsella.com/lysine> ■

Farm Bureau and community support revitalizing Ugly agriscience program

by Kara Endsley

For the past three years, Ugly high school FFA members have been without classes and a teacher, but support from the local community and Huron County Farm Bureau created change.

Each FFA program must include classroom instruction. Since the teaching position was not filled when the vacancy arose three years ago, agriscience classes in Ugly were canceled. The Ugly FFA chapter was granted a three-year grace period to find a new teacher before losing its certification.

When community members learned that the grace period ended in June, it decided to take action. Two school board meetings were called in March. Concerned parent Sharlene Hagen and the Huron County Farm Bureau sent letters urging members to voice their support at a final meeting April 14.

"I sent letters to people who are farming now or who are agribusiness people. If I knew they had benefited in any way from the program, I sent them a letter," Hagen said.

At the meeting, the school board voted to reinstate agriscience programs at Ugly High School. "It looks like there's going to be one, possibly two classes of ag science that we will be offering next year," said Fred Ligrow, Ugly High School principal.

Although the position will only be part-time next year, both Ligrow and the community wish to see the program eventually expand. "I think everybody who was at the meeting hopes that, if we get the right person running this program, it will grow," he said.

"I was really happy to see as many Ugly residents come out this time," he continued. "I think that showed us that we have some students who want this and some parents who want this."

Hagen, who farms in the Ugly area with her husband, Dennis, had two sons go through the program and another who is currently a junior. Hagen has been actively involved in the FFA boosters club which continued to offer graduating FFA members going on to college \$250 scholarships even after the program was cancelled. "I'm hoping we can turn the booster club into an alumni. If we had started it a long time ago — maybe this wouldn't have happened," she said.

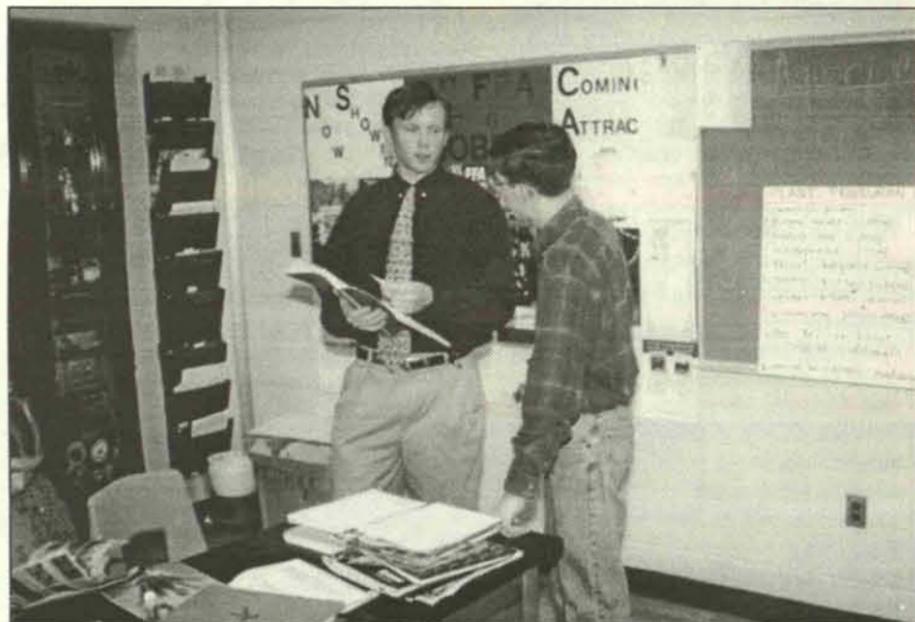


"Anything they need, we'll be there to support them. We're going to follow through on it."

Randy Maschke
Huron County
Farm Bureau President

"We supported the program and got the community together to back the FFA," said Randy Maschke, Huron County Farm Bureau president. "Anything they need, we'll be there to support them. We're going to follow through on it."

"We just don't want the program to leave here," Hagen said. "You can go a half-mile out of town and you're in a farming community. Whatever these students can learn in the program will directly benefit the community." ■



Scenes like this of student-teacher instruction in agriscience will soon be possible again at Ugly High School after three years without a teacher.

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1997 Michigan County Fairs

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Alger County Fair	Aug. 1 - 3
Allegan County Agricultural Soc.	Sep. 5 - 13
Alpena County Agricultural Soc.	July 26 - Aug. 2
Antrim Co. Farm & Family Fair	Aug. 7 - 10
Arenac County Agr'l. Soc.	July 14 - 19
Armada Agricultural Society	Aug. 12 - 17
Baraga County Fair	Aug. 8 - 10
Barry County Agricultural Soc.	July 12 - 19
Bay County Fair & Youth Expo.	Aug. 6 - 9
Berlin Fair Association	July 14 - 19
Berrien Co. Youth Fair Assoc., Inc.	Aug. 5 - 16
Branch County Agr'l. & Ind'l. Soc.	Aug. 3 - 9
Calhoun Co. Agr'l. & Ind'l. Soc.	Aug. 10 - 16
Cass County Agr'l. Fair Assoc.	July 13 - 19
Cheboygan County Fair	July 26 - Aug. 2
Chelsea Community Fair	Aug. 19 - 23
Chippewa County Fair	Aug. 24 - Sep. 1
Chippewa Co. Stalwart Agr'l. Fair Assoc.	Sept. 4 - 6
Clare County Agricultural Society	July 26 - Aug. 2
Clinton County 4-H Club Fair	July 28 - 31
Crawford County Fair Assoc.	June 25 - 29
Croswell Agricultural Society	July 13 - 19
Dickinson County Fair	Aug. 28 - Sep. 1
Eaton County 4-H Agr'l. Soc.	July 4 - 12
Emmet County Fair	Aug. 16 - 24
Fowlerville Agr'l. Society	July 12 - 20
Genesee County Agr'l. Society	Aug. 11 - 17
Gladwin County Fair Association	July 21 - 26
Gogebic County Fair	Aug. 7 - 10
Gratiot Agricultural Society	June 22 - 30
Gratiot County Fair for Youth	July 20 - 25
Hillsdale County Agr'l. Soc.	Sep. 21 - 27
Houghton County Fair Assoc.	Aug. 21 - 24
Hudsonville Community Fair	Aug. 18 - 23
Huron Community Fair Association	Aug. 3 - 9
Ingham County Fair	July 25 - Aug. 2
Ionia Free Fair Association	July 24 - Aug. 3
Iosco County Agricultural Society	July 21 - 26
Iron County Fair Association	Aug. 14 - 17
Isabella County Youth & Farm Fair Soc.	Aug. 3 - 10
Jackson County Fair	Aug. 3 - 9
Kalamazoo Co. Agricultural Soc.	Aug. 18 - 23
Kalkaska County Agricultural Fair	July 14 - 19
Kent County 4-H Agricultural Assoc.	Aug. 4 - 9
Lake Odessa Civic & Agr'l. Assoc.	July 1 - 6
Lapeer County Agricultural Soc.	Aug. 4 - 10
Lenawee County Agricultural Society	Aug. 10 - 16
Luce-West Mackinac County Fair	Aug. 7 - 10
Manchester Community Fair	July 8 - 12
Manistee County Agricultural Soc.	July 22 - 26
Marion Farm Exhibit Assoc.	June 15 - 21
Marquette County Fair	Aug. 6 - 9
Mecosta Co. Agr'l. Fair Assoc.	July 6 - 13
Menominee County Fair Assoc.	July 24 - 27
Midland Co. Agr'l. & Hort'l. Soc.	Aug. 10 - 16
Missaukee Falmouth Agr'l. Soc.	July 28 - Aug. 1
Monroe County Fair Association	July 28 - Aug. 2
Montcalm County 4-H Fair Assoc.	July 6 - 12
Montmorency County 4-H Fair Assoc.	Aug. 13 - 16
Muskegon County Fair Association	June 21 - 26
Newaygo County Agr'l. Fair Assoc.	Aug. 4 - 9
Northern District Fair Association	Aug. 11 - 16
Northwestern Michigan Fair	Aug. 3 - 9
Oakland County 4-H Fair Assoc.	July 28 - Aug. 3
Oceana County Agricultural Society	Aug. 20 - 24
Ogemaw County Agricultural Soc.	Aug. 12 - 16
Ontonagon County Agr'l. Assoc.	July 31 - Aug. 3
Osceola County 4-H & FFA Fair	Aug. 4 - 9
Oscoda County Fair and Great Lakes	July 17 - 19
Otsego County Fair Assoc.	Aug. 3 - 9
Ottawa County Fair Association	July 21 - 26
Presque Isle County Fair Assoc.	Aug. 21 - 23
Roscommon County Fair Board	Aug. 8 - 10
Saginaw County Agricultural Soc.	Sep. 4 - 7
Saline Community Fair	Sep. 2 - 6
Sanilac County 4-H Agr'l. Soc.	July 27 - Aug. 2
Schoolcraft County Fair Assoc.	Aug. 7 - 9
Shiawassee County Agr'l. Soc.	Aug. 5 - 10
Sparta Area Fair Association	July 18 - 20
St. Clair County Agr'l. Soc.	July 28 - Aug. 2
St. Joseph Grange Fair Assoc.	Sep. 14 - 20
Tuscola County Fair Association	July 13 - 20
Van Buren Co. Youth Fair Assoc.	July 7 - 12
Vassar Fair Association	June 23 - 29
Washtenaw County Farm Council	July 28 - Aug. 2
Wayne County Fair Assoc., Inc.	July 21 - 27
Western Michigan Fair Assoc.	Aug. 17 - 24
State Fairs	
Michigan State Exposition & Fairgrounds	Aug. 19 - Sep. 1
Upper Peninsula State Fair	Aug. 12 - 17

Laurie testifies on needed changes to risk management, calls for creation of risk management accounts

In testimony before a U.S. House Agriculture Subcommittee on Risk Management and Specialty Crops, Michigan Farm Bureau President Jack Laurie said farmers need additional tools and choices to manage risk beyond conventional crop insurance programs.

"Risk management is a big issue now with agriculture because of the movement away from any government involvement in agriculture toward a more market-oriented environment with the passage of the 1996 farm bill," Laurie said. "It is clear that an effective risk management program involves managing many components. In fact, it really is a multi-disciplinary effort."

Laurie said risk management needs to include not only an effective crop insurance program, but also an effective marketing program and short- and long-term income stabilization strategies. One of those strategies, he said, should include the creation of a farmer savings plan that would allow farmers to save pre-tax money for future needs as a risk management account.

"These risk management accounts should be limited to those engaged in production agriculture," Laurie said. "Producers could use these accounts to reduce income fluctuations caused by

weather and markets and to save money to cover expenses when needs exceed farm income."

While praising the recent expanded availability of Crop Revenue Coverage that insures against both price and yield, Laurie said more work still needs to be done, especially in regards to specialty crops and livestock. He said marketing tools such as futures are not an option in many cases.

"While there are several futures contracts,

for example, aimed at the dairy industry — such as milk, cheese and non-fat dry milk contracts — they are in their infancy and do not have sufficient liquidity to be a viable option for producers," he said. "Likewise, the 200-plus minor crops, such as fruits and vegetables, have little prospect for marketing tools such as futures and options. Just to develop a comprehensive crop insurance program is very challenging."

MFB President Jack Laurie testifying before the House Agriculture Subcommittee on Risk Management and Specialty Crops pointing out the need for expanded coverage for specialty crops and livestock.





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Market Outlook

by Dr. Jim Hilker,
Department of
Agricultural Econom-
ics, Michigan State
University



CORN

Are corn prices near what fundamentals would suggest? And the answer is, they are close at \$2.95 old crop July futures and \$2.80 December new crop futures. Can they change? Yes, the fundamentals can change. And, of course, weather—how it affects new crop production is the biggest variable. How do I come to these conclusions? Using Table 1 below, the Supply/Demand Balance Sheet for Corn.

The biggest change in Table 1 from the last issue is projected corn exports. Exports to date continue to run lower than expected earlier in the year and new export sales are really struggling. Much of the change from expectations is the decrease in corn needed by Taiwan due to the hoof-and-mouth disease in their hog herds, which means those hogs will have to be eradicated and pork exports have been halted.

The bottom line is, there is enough old crop corn to take us through to new crop. This means it's highly unlikely that corn prices will be as explosive as last year even with weather problems in the new crop. This is not to say old crop prices will not increase; if the weather causes an expected drop in new crop yields, the market will buy more bushels to hold into next year. However, if the weather adds bushels, the market will head in the other direction. If you want to play with 10 percent of your old crop production with a basis contract, go ahead. But let's take these good prices on most of it and start concentrating on new crop.

Seasonal Commodity Price Trends

Corn	↑ ↓
Soybeans (explosive)	↑ ↓
Wheat	→ ↑
Hogs	→ ↑
Cattle	→ ↑

Index: → = stable prices; ↑ = higher prices; ↓ = lower prices; TP = topping; BT = bottoming; ? = unsure

As you can see from the 1997-98 column below in Table 1, we have enough acres that a trend yield will sharply increase ending stocks. New crop prices have been reflecting that. The other difference with new crop is the range of price possibilities. The information below indicates new crop futures in the \$2.70-2.80 range, and with a 30-cent basis, \$2.40-2.50 cash. However, the options markets tell us that there is a 10 percent chance futures could drop below \$2.20, a 140-bushel yield; and a 10 percent chance that futures could be over \$3.60, 115-bushel yield. Then adjust for basis.

Consider pricing 20-30 percent of your new crop — or catching up to this amount if you aren't already — if December futures break back through \$2.90. You will still have plenty to price at coffee shop levels if the market takes off. The other decision you have to make is what to do in the way of forward pricing if the market starts down with good planting and growing conditions. Do we consider pricing more or catching up if prices dip to \$2.70-2.75?

WHEAT

Has the frozen wheat in Texas, Oklahoma and Kansas, the possible late planting of spring wheat due to cold and flooding, and the shift out of wheat acres in Canada been totally accounted for in the futures market? Maybe, but my analysis would suggest new crop Chicago futures need to be near \$4.60 to get the job done. This is reflected in the 1997-98 portion of Table 2 below.

The latest USDA Supply/Demand Report for 1996-97 wheat had some changes that lowered projecting ending stocks for June 1, 1997. Food use was lowered 10 million bushels, but projected exports were raised 35 million, which lowered ending stocks by the net. I made some changes on my previous 1997-98 projections as well. I lowered yields for the country by one bushel and harvested acres by a half-million to account for the freeze. This was on the

lower side of the loss estimates.

Watch for pricing opportunities. Even though I think there is a good chance of reaching \$4.60 futures, consider starting at near \$4.45 if you have not priced any to this point. For those who priced some at lower levels before the freeze, consider waiting for the higher prices and perhaps putting a stop loss in at some lower level.

SOYBEANS

Soybean prices continue to be in the explosive category—up or down. At today's use rate we will go into next year close to zero carryover, which is okay if we have a good growing season with all the planned acres. BUT, if the market thinks we have to carry much over (sees a poor crop coming), prices could take off. If you want to play with 10 percent in a basis contract, go ahead. Prices could drop a dollar and you will still have a good price, but let's take the great prices now for most, if not all, of our 1996 soybeans and play with new crop.

The USDA made the same adjustment as I did after the surprising soybean Stocks Report, so the below 1996-97 column in Table 3 remains as in the last issue. And I made only marginal changes on the 1997-98 situation. Basically, \$6.70-6.80 November futures reflect what the fundamentals would suggest with a trend yield and all those acres.

The market is also quite aware of the wide range of price possibilities. Would you believe there is a 1-out-of-10 chance that new crop prices could fall back to \$5.50? Would 42 bushels per acre along with another good crop out of the southern hemisphere do it? We've been there. Or, how about a 1-out-of-10 chance that new crop soy prices could go over \$8.50? Would 35 bushels per acre and a mediocre crop south of the Equator do it?

Should we consider having up to 30 percent of our 1997 soybean crop priced? Some of you may have already. For those who have not priced any, consider pricing 10-20 percent at today's prices. If November futures break back through \$7.20, consider going up to 20-30 percent priced. You may also want to put in some downside protection while you are waiting or on even more of your crop.

HOGS

The hog price outlook through this summer is so good it's almost scary, as the lean hog fu-

tures indicate live hog prices will be around \$60 June through August. The futures also indicate that hog prices will stay over \$50 through June 1998 for those with an even basis. Are the fundamentals there to support these prices, or is it just a temporary bullish market? The answer is, they probably are, but there is downside risk.

There are several factors supporting the market. Production is running 2 percent below a year ago even though weights are up a couple of pounds. The March Hogs and Pigs Report indicated production would be about even. This is enough to justify near-term prices where they are at.

The middle term, 2-12 months, is also supported by the assumption that Japan will come to the United States to fill most of what they will not be able to get from Taiwan due to foot-and-mouth disease. While they certainly will come for a lot of it, there is uncertainty. The product is not exactly the same due to genetics, and we are not sure how Japanese consumers will react to the health scare.

Eventually the strong returns will cause expansion to the point where hog prices reflect long-run costs. This cost for the large producers is somewhere in the \$38-42 range. The question is how long will it take to get there and will we overshoot as usual. It appears to me that we ought to at least think through the pros and cons of forward pricing portions of our production through the next year.

CATTLE

The April 1 monthly USDA Cattle-On-Feed Report, released on April 18, showed a bit fewer cattle in feedlots than expected at 6 percent above last year. The reason was fewer cattle were placed in March than expected. The numbers showed placements up only 1 percent and the trade was expecting them to be up 3-4 percent. There were 1 percent more marketed than the previous March, somewhat on the lower side of expectations. Overall, a friendly report.

Recently, cattle slaughter has been running 1-2 percent below a year ago and is down 1.8 percent for the year. However, given the six straight months of placements above the previous year, that will soon change, and so will prices. We expect prices will fall back into the mid \$60s by June and remain there through August before starting back up to reach \$70 by year's end. If cattle futures go back to their recent highs, consider some forward pricing.

These increases in cattle on feed can only last so long, and this has finally been reflected in feeder prices. Feeder prices should remain at present to higher prices as the numbers decrease. Calf prices will make quite a rebound this fall for several reasons. The beef cow herd was reduced over the past year due to the two years of low returns and last summer's drought in the Southwest. Unfortunately for many, the numbers will again be reduced further than planned by the wicked winter and spring in the North Central portion of the country.

Mature nature lovers should accept bison kill

The killing and slaughter of bison in the Yellowstone region has been loudly criticized by environmentalists and animal activists. Groups claim that the killings are a fundamental distortion of the National Park Service's mission of preserving "naturalness."

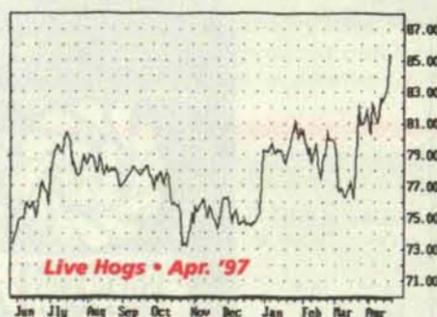
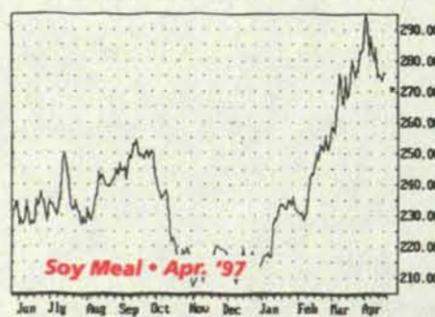
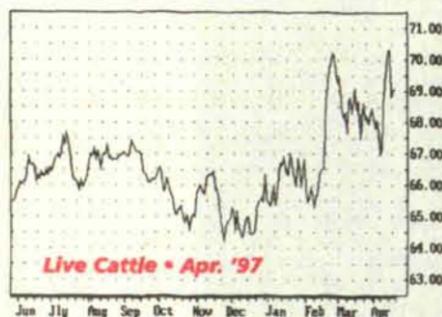
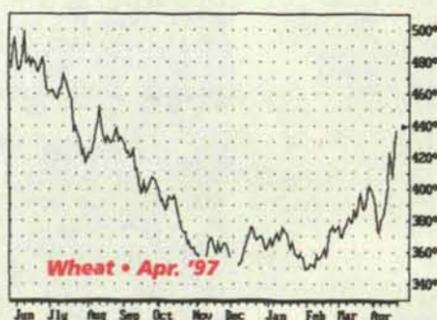
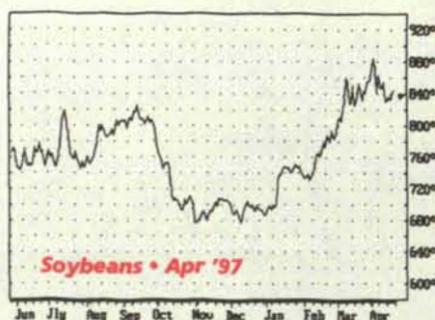
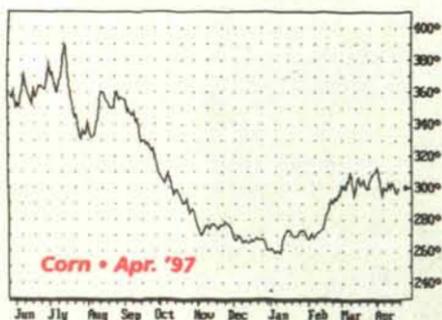
Mark Muro, an editorial writer for the *Arizona Daily Star*, says in an editorial that nature-lovers with a mature feel for the Earth should accept the killing. "Killing buffalo, as it happens, amounts to a responsible recognition of the truth that, in an era of human dominance, nature exists nowhere except by dint of human management," Muro writes. "The bison slaughter disturbs, in this respect, because it exposes — brutally — how completely the fate of even the world's most indomitable wild beasts rests now with people and institutions."

An overpopulation of bison in Yellowstone Park has led to a large number of starving bison being killed by Montana officials. Fear of brucellosis in the bison is among the concerns of ranchers and state officials. The bison pose a threat to livestock and to Montana's brucellosis-free status.

Muro argues that eco-purists live in a dream world, one where nature would flourish if only man would leave it alone. The real world, he says, begs for careful management. He quoted conservationist Aldo Leopold to support his claims.

"Leaving (nature) alone shows good taste but poor insight," Muro wrote, quoting Leopold. "Every head of wildlife still alive today in the world is already artificialized, in that its existence is conditioned by economic forces. The hope of the future lies not in curbing the influence of human occupancy — it's already too late for that — but in creating a better understanding of the extent of that influence and a new ethic for its governance."

COMMODITY PRICE TRENDS



COMMODITY SUPPLY/DEMAND BALANCE SHEETS

Table 1 — Corn

(Million acres)	Estimated 1995-1996	Projected 1996-1997	Hilker 1997-1998
Acres set-aside/diverted	6.2	0.0	0.0
Acres planted	71.2	79.5	81.4
Acres harvested	65.0	73.1	74.9
Bu./harvested acre	113.5	127.1	129.0
Stocks (million bushels)			
Beginning stocks	1,558	426	909
Production	7,374	9,293	9,662
Imports	16	10	9
Total supply	8,948	9,729	10,580
Use:			
Feed and residual	4,696	5,325	5,525
Food/seed & ind. uses	1,598	1,670	1,750
Total domestic	6,294	6,995	7,275
Exports	2,228	1,825	2,100
Total use	8,522	8,820	9,375
Ending stocks, % of use	4.26	9.09	1.205
Ending stocks, % of use	5.0	10.3	12.9
Regular loan rate	\$1.89	\$1.89	\$1.89
U.S. season average			
Farm price, \$/bu.	\$3.24	\$2.80	\$2.55

Table 2 — Wheat

(Million acres)	Estimated 1995-1996	Projected 1996-1997	Hilker 1997-1998
Acres set-aside & diverted	5.2	0.0	0.0
Acres planted	69.2	75.6	69.2
Acres harvested	61.0	62.9	59.7
Bu./harvested acre	35.8	36.3	37.5
Stocks (million bushels)			
Beginning stocks	507	376	460
Production	2,182	2,282	2,239
Imports	68	90	81
Total supply	2,757	2,748	2,780
Use:			
Food	884	900	910
Seed	104	103	105
Feed	152	300	200
Total domestic	1,140	1,303	1,215
Exports	1,241	985	1,100
Total use	2,381	2,288	2,315
Ending stocks	376	460	465
Ending stocks, % of use	15.8	20.1	20.1
Regular loan rate	\$2.58	\$2.58	\$2.58
U.S. season average			
Farm price, \$/bu.	\$4.55	\$4.35	\$4.20

Table 3 — Soybeans

(Million acres)	Estimated 1995-1996	Projected 1996-1997	Hilker 1997-1998
Acres planted	62.6	64.3	68.8
Acres harvested	61.6	63.4	67.8
Bu./harvested acre	35.3	37.6	38.0
Stocks (million bushels)			
Beginning stocks	335	183	125
Production	2,177	2,383	2,576
Imports	4	5	4
Total supply	2,516	2,571	2,705
Use:			
Crushings	1,370	1,420	1,430
Exports	851	895	900
Seed, feed & residuals	112	131	120
Total use	2,333	2,445	2,445
Ending stocks	183	125	250
Ending stocks, % of use	7.8	5.1	10.2
Regular loan rate	\$4.92	\$4.97	\$4.97
U.S. season average			
Farm price, \$/bu.	\$6.77	\$7.25	\$6.50

Source: Knight Ridder Financial

Source: USDA and Jim Hilker

Business Strategies

by William Lazarus, Extension Economist, Farm Management, Department of Applied Economics, University of Minnesota

Minnesota farm machinery economic cost estimates for 1997

The tables in this publication estimate farm machinery operations function costs for 1997. The estimates use an economic engineering approach. The data represent an average farming industry cost for specified machines and operations.

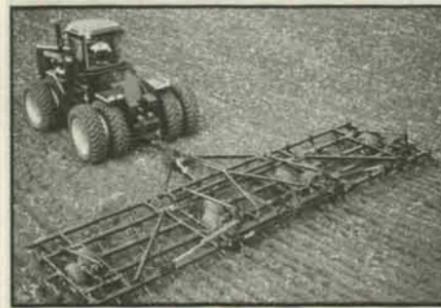
Machine costs are separated into time and use-related categories. Overhead costs accrue to the owner whether or not a machine is used. Overhead includes time-related economic costs: depreciation, interest, insurance and housing. Operating costs occur only when a machine is used. They include fuel, lubrication, use-related repairs and labor charges.

Overhead Costs

Time-related costs are prorated over a 12-year economic life. Salvage values are estimated based on procedures suggested in a February 1995 *American Journal of Agricultural Economics* article "Depreciation Patterns for Agricultural Machinery," by Timothy Cross and Gregory Perry. Salvage values at 12 years of life now range from 18 to 50 percent. Producers are keeping machinery longer than in the past. Managers, striving for cost control, are sometimes buying a second item "twinned" to one now in use.

Purchase prices are discounted from manufacturers' list prices. A 10 percent discount off list price appears "normal." The tables include some adjustment for sales tax, delivery and setup. An equivalent price adjustment for the income tax expensing option is not included. Insurance is 0.85 percent of new cost. A housing charge on average investment of 33 cents per square foot of shelter space needed per year is made.

A 6 percent "real" (inflation-adjusted) interest rate is used in the cost estimates. This real rate is calculated by taking a nominal rate charged by lenders, minus a measure of the inflation rate per year expected over the years



of ownership. The rationale for using the lower real rate is that inflation is expected to increase the income that the equipment will generate in the later years of its life, other things being equal. The first year's income is consequently an underestimate of productivity in later years. An interest charge based on the lower real rate correlates with the lower first-year income.

Operating Costs

Fuel cost is calculated by multiplying the fuel consumption by the price of fuel, with fuel consumption assumed to be 0.053 gallons of diesel fuel per horsepower hour. The price of farm diesel fuel is projected at 85 cents per gallon. All power units, tractors, combines, trucks, etc., use diesel fuel. Lubrication cost is assumed to be 15 percent of fuel cost.

The formulas for repair and maintenance costs estimate total accumulated repair costs according to the accumulated hours of lifetime use. Repair and maintenance calculations are based on American Society of Agricultural Engineers (ASAE) formulas. The total cost is then divided to an average per-hour cost estimate. The amount of annual use of a machine is an estimate of the number of hours a commercial farmer would use that particular machine in one year.

Labor is charged at an hourly wage rate, which includes 30 percent of benefits factor. Charge rates are \$9 per hour for unskilled labor and \$11.50 per hour for skilled labor. Labor per acre for an operation such as plowing or disking is calculated by using the work rate on the implement. Less labor per acre is used in a disking operation that covers more acres per hour than in a plowing operation.

Several reduced and conservation tillage implements were added to the database. Minimum tillage planters are included. These reflect the current interest in reduced tillage practices.

These estimates will not represent any given individual's cost. They can still be used to help plan the cropping operation if more specific data are not available. Differences in buying power, repair programs, average annual use, and overall replacement programs should be considered when making adjustments.

Machinery costs are substantial; control of them is important. Custom charges are often based upon machinery costs. No one should do custom work unless the charge will cover operating costs plus a return for one's risk and time. In the best scenario, all allocated per acre or hour overhead costs should also be covered by anyone offering to do custom work. The market for custom work usually does not cover all costs. The market is usually somewhere in between the operating costs and the total of operating plus allocated per acre or hour overhead.

The following tables provide the 1997 machinery function costs broken down into several categories. Some relevant supporting data also are included.

Formulas used to compute machinery overhead costs

Depreciation, \$/year =	$\frac{\text{purchase cost} - \text{salvage value}}{\text{years you will use machine}}$	
Interest, \$/year =	$\frac{\text{purchase cost} + \text{salvage value}}{2} \times \text{"real" interest rate}$	
Insurance, \$/year =	$\frac{\text{purchase cost} + \text{salvage value}}{2} \times \text{insurance rate}$	
Housing, \$/year =	price per sq. foot X sq. feet shelter space required	
Taxes per year =	0 (no taxes on personal property in Minnesota)	

Estate tax hearing

Senators heard heart-wrenching stories recently of families desperately trying to hold onto farms and businesses in the face of ruinous estate taxes. The Senate Finance Committee was hearing testimony on a bill that would lower estate taxes, which proponents say would help family farms and businesses survive and promote traditional values.

Idaho rancher Lee Ann Ferris told the committee that hours after her father's 1993 funeral, she experienced the second most devastating event of her life when the family accountant told her there would be no way to keep the ranch when her moth-

er passed away. "I was like a dazed deer looking into headlights," Ferris said. "I said, 'How could this be? We own this land. We paid this land off,'" she told the committee. Ferris said the accountant explained to her that upon her mother's death, the heirs would be liable for \$3.3 million in taxes on an operation grossing only \$350,000 annually.

Ferris then talked about costly estate planning, part of which involved buying a life insurance policy for her elderly mother solely for the purpose of paying off a third of the estate tax. That would still leave the family with a \$2 million-plus tax bill, however.

1997 Machinery Function Costs

Tractors and Combines (Without Heads)		Overhead		Operating Expense per		Total Cost		Maintenance & Repair		Diesel
Tractor Hp, Combine or Truck Size	Net Cost of a New Power Unit	Annual Hours of Use	Year	Cost per Hour	Hour	Year	Per Year of Use	Per Hour of Use	Cost/hr	Use/hr Gallons
60	25,200	500	2,608	5.22	4.28	2,142	4,750	9.50	1.18	3.2
75	32,400	500	3,347	6.69	5.40	2,699	6,046	12.09	1.51	4.0
105 MFWD	46,800	550	4,898	8.91	6.47	3,558	8,456	15.37	1.03	5.6
130 MFWD	63,000	550	6,580	11.96	8.12	4,467	11,046	20.08	1.39	6.9
160 MFWD	74,400	600	8,149	13.58	10.07	6,044	14,193	23.66	1.78	8.5
200 MFWD	89,500	600	9,793	16.32	12.51	7,506	17,299	28.83	2.15	10.6
225 MFWD	99,000	500	10,798	21.60	13.64	8,818	17,616	35.23	1.98	11.9
260 4WD	105,300	500	11,480	22.96	15.58	7,788	19,268	38.54	2.11	13.8
310 4WD	109,800	500	11,967	23.93	18.26	9,128	21,095	42.19	2.20	16.4
360 4WD	120,600	500	13,136	26.27	21.06	10,531	23,667	47.33	2.41	19.1
Combine Small	101,700	300	11,671	38.90	28.08	8,424	20,095	66.98	18.50	9.8
Combine Med	117,900	300	13,547	45.16	32.58	9,775	23,323	77.74	21.45	11.4
Combine Large	132,900	300	15,287	50.96	37.64	11,293	26,580	88.60	24.17	13.8

Tillage Equipment	Tractor Size (HP)	Net Cost of A New Implement	Estimated Work Performed Acres/yr	Total Cost Hour	Total Cost/Acre ¹	Operating Expense / Acre ²	Diesel Fuel Gal/Acre
Chisel Plow 15 Ft	130 MFWD	5,974	8.73	873	37.74	2.30	0.97
Chisel Plow 23 Ft	200 MFWD	13,016	13.38	1,338	55.68	2.15	1.32
Chisel Plow 31 Ft	225 MFWD	16,483	18.04	1,804	66.73	1.95	1.24
Chisel Plow 37 Ft	310 4WD	18,801	21.53	2,153	76.92	1.96	1.19
Chisel Plow, Front Disk 9 Ft	105 MFWD	6,659	5.41	541	33.95	2.84	1.74
Chisel Plow, Front Disk 19 Ft	260 4WD	20,516	11.59	1,159	75.57	3.32	2.40
Chisel Plow, Disk 21 Ft Fold	310 4WD	21,515	13.14	1,314	80.55	3.21	2.22
Moldboard Plow 4-18	75	9,274	2.78	334	32.89	4.35	4.18
Moldboard Plow 5-18	105 MFWD	11,332	3.48	417	38.79	4.42	4.09
Moldboard Plow 8-18	160 MFWD	18,135	5.56	723	54.94	4.25	3.97
Moldboard Plow 10-18	260 4WD	26,342	6.95	1,043	78.52	5.54	4.43
Field Cultivator 12 Ft	75	4,668	9.02	1,082	27.11	1.34	0.65
Field Cultivator 18 Ft	105 MFWD	7,082	12.98	1,558	33.23	1.18	0.67
Field Cultivator 47 Ft	260 4WD	25,155	33.90	4,068	77.66	1.14	0.88
Tandem Disk 11 Ft Rigid	60	5,468	6.40	640	27.02	1.48	1.30
Tandem Disk 15 Ft Rigid	105 MFWD	10,838	8.73	873	40.74	1.76	1.85
Tandem Disk H.D. 12 Ft Rigid	130 MFWD	8,562	6.98	698	42.09	2.88	1.84
Tandem Disk H.D. 30 Ft Fold	360 4WD	27,759	17.45	1,745	97.11	2.71	2.33
Offset Disk 12 Ft	105 MFWD	8,591	5.56	556	36.40	2.76	2.13
Offset Disk 16 Ft	130 MFWD	10,738	7.42	742	44.25	2.71	2.02
Offset Disk Wing 21 Ft	200 MFWD	19,165	9.74	974	64.07	2.96	2.68
Offset Disk Wing 23 Ft	225 MFWD	23,082	10.66	1,066	75.65	3.30	2.93
V-Ripper 25 O.C. 14 Ft	200 MFWD	11,874	8.65	865	53.86	3.33	1.83
V-Ripper 25 O.C. 18 Ft	260 4WD	17,271	11.13	1,113	70.68	3.46	2.06
V-Ripper 30 O.C. 12.5 Ft	160 MFWD	8,121	7.73	773	43.84	3.06	1.42
V-Ripper 30 O.C. 17 Ft	200 MFWD	10,279	10.51	1,051	51.98	2.74	1.33
Comb Fld Cult Incomp 16 Ft	160 MFWD	18,075	11.54	1,154	59.11	2.05	2.28
Comb Fld Cult Incomp 26 Ft	260 4WD	25,494	18.03	1,803	85.00	2.14	2.07
Comb Disk & V-Ripper 12.5 Ft	225 MFWD	17,437	6.44	644	67.95	5.47	3.66
Comb Disk & V-Ripper 17.5 Ft	360 4WD	23,396	9.02	902	88.29	5.25	3.53
Disk, Fld Cult Finish 22 Ft	200 MFWD	18,544	9.79	979	63.64	2.95	2.62
Disk, Fld Cult Finish 30 Ft	260 4WD	26,648	15.45	1,545	84.26	2.49	2.36
Springtooth Drag 30 Ft	60	7,453	21.64	649	45.09	0.44	1.20
Springtooth Drag 48 Ft	75	9,406	34.62	1,212	51.29	0.35	0.85

Planting Equipment	Tractor Size (HP)	Net Cost of A New Implement	Estimated Work Performed Acres/yr	Total Cost Hour	Total Cost/Acre ¹	Operating Expense / Acre ²	Diesel Fuel Gal/Acre
Row Crop Planter 6-30	60	15,040	7.00	490	49.14	1.36	3.76
Row Crop Planter 8-30	75	20,290	9.33	653	60.77	1.30	3.79
Row Crop Planter 12-30	105 MFWD	32,637	14.00	980	85.45	1.10	4.05
Min-Til Planter 6-30	75	23,160	6.36	509	61.47	1.90	5.66
Min-Til Planter 8-30	105 MFWD	27,640	8.48	594	76.51	1.81	5.63
Min-Til Planter 12-30	160 MFWD	46,599	12.73	1,273	98.11	1.86	4.80
Min-Til Planter 16-30	200 MFWD	63,994	12.73	1,655	112.92	2.27	5.56
Potato Row Marker 6 Row	160 MFWD	17,271	7.47	321	81.00	3.17	5.77
Potato Row Marker 8 Row	160 MFWD	21,588	10.79	464	91.91	2.19	5.00
Beet Planter 12 Row	105 MFWD	27,345	4.67	280	83.06	3.29	11.45
Grain Drill 25 Ft	130 MFWD	25,674	10.61	848	72.96	1.89	3.78
Grain Drill 35 Ft	160 MFWD	34,947	14.85	1,188	90.80	1.59	3.66
Presswheel Drill 16 Ft	105 MFWD	21,794	6.79	509	63.77	2.26	5.25
Presswheel Drill 20 Ft	130 MFWD	24,365	8.48	636	72.76	2.37	4.70
Presswheel Drill 30 Ft	160 MFWD	37,435	12.73	1,018	94.54	1.86	4.57
Air Seeder Drill 36 Ft	260 4WD	52,926	15.27	1,222	133.18	2.52	5.36
No-Till Drill 15 Ft	130 MFWD	27,097	6.36	509	74.86	3.16	6.60
No-Till Drill 20 Ft	160 MFWD	40,136	8.48	679	98.49	2.79	7.32

Crop Maintenance Equipment	Tractor Size (HP)	Net Cost of A New Implement	Estimated Work Performed Acres/yr	Total Cost Hour	Total Cost/Acre ¹	Operating Expense / Acre ²	Diesel Fuel Gal/Acre
Cultivator 6-30	60	3,784	7.73	773	23.71	1.23	0.63
Cultivator 8-30	130 MFWD	5,395	10.30	1,030	36.35	1.95	0.67
Cultivator 12-30	160 MFWD	9,981	15.45	1,545	45.40	1.53	0.80
Cultivator Hi Res 4-36	75	5,819	6.18	618	28.77	1.96	1.17
Cultivator Hi Res 8-30	160 MFWD	10,800	10.30	1,030	46.31	2.30	1.29
Cultivator Hi Res 12-30	225 MFWD	18,318	15.45	1,545	68.41	2.28	1.45
Rotary Hoe 21 Ft	105 MFWD	5,473	25.96	2,596	32.72	0.59	0.31
Rotary Hoe 30 Ft	160 MFWD	8,351	37.09	3,709	45.05	0.64	0.32
Potato Cultivator 4 Row	75	4,112	5.36	778	25.75	2.25	0.80
S-P Boom Sprayer 47 Ft	None	49,464	25.92	2,592	89.21	0.00	2.89
Sprayer 30 Ft	40	4,009	15.36	1,229	28.78	0.45	0.49
Boom Sprayer 50 Ft	60	5,088	25.61	2,561	32.17	0.37	0.32
Sprayer Hi Pres 50 Ft	60	21,382	23.64	2,364	56.63	0.40	1.39
Anhydrous Appl. 30 Ft	160 MFWD	16,653	12.73	509	88.63	1.86	4.16
Fert Sprd 4 T40 Ft	60	8,636	23.76	713	56.15	0.40	1.46
Rock Picker 6 Ft	75	11,255	1.42	85	50.85	8.53	19.71

Harvesting Equipment	Tractor Size (HP)	Net Cost of A New Implement	Estimated Work Performed Acres/yr	Total Cost Hour	Total Cost/Acre ¹	Operating Expense / Acre ²	Diesel Fuel Gal/Acre
Mower-Conditioner 9 Ft	40	11,484	4.36	349	34.79	1.58	4.13
Rotary Hay Mower 6 Ft	40	5,643	2.91	291	25.52	2.36	3.32
Rotary Mow/Cond 9 Ft	75	14,318	4.36	349	43.91	2.77	5.13
Hay Rake (Hyd) 9 Ft	40	3,735	3.49	698	19.10	1.97	0.92
Hay Swather-Cond 12 Ft	60	35,387	5.82	465	85.14	1.63	11.45
Swather-Cond 16 Ft Self-Prop	None	51,353	7.76	621	108.58	0.00	12.84
Grain Swather 18 Ft Pull Type	75	9,612	8.73	698	40.24	1.39	2.19
Grain Swather 21 Ft Pull Type	75	14,169	10.18	815	48.86	1.19	2.73
Grain Swather 21 Ft Self-Prop	None	43,177	10.18	815	93.73	0.00	8.32
Hay Baler Pto Twine	40	12,500	3.78	756	32.81	1.82	3.48
Round Baler 1000 Lb	60	14,549	3.01	603	41.14	3.15	7.18
Round Baler 1500 Lb	60	17,856	4.64	927	46.05	2.05	5.73
Rd Baler/Wrapper 1000 Lb	60	20,483	3.01	603	49.90	3.15	10.09
Rd Bale Wrapper Silage	60	16,335	2.48	372	42.32	3.83	9.60
Bale Wrapper Dry Hay	40	7,042	2.48	372	26.22	2.77	4.17
Forage Harvester 2 Row	105 MFWD	19,787	1.65	165	52.63	9.29	14.80
Forage SP Harvstr 2 Row	None	132,323	2.04	305	124.36	0.00	54.80
Large Forage Blower	60	4,919	1.00	50	29.61	9.50	11.11
Combine Grain Head 15'	Combine Small	9,600	5.09	1,018	86.37	13.16	1.30
Combine Grain Hd 20'	Combine Med	12,050	6.79	1,358	98.81	11.45	1.22
Combine Grain Head 30'	Combine Large	16,750	10.18	2,036	112.87	8.70	1.13
Corn Combine 4-30	Combine Small</						

Precision Agriculture

Understanding precision ag terms

by Perry M. Petersen, Manager-Precision Agriculture, Terra Industries Inc.

Growing numbers of farmers are implementing precision agriculture technologies to collect detailed, site-specific data about their land and crops. However, other farmers are trying to decide if precision agriculture is right for their crop management systems. While sorting through information on precision agriculture, it's easy to get confused with the new terminology. Here is a summary of terms commonly associated with precision agriculture.

Global Positioning System (GPS)

GPS is a network of satellites controlled by the U.S. Department of Defense that helps ground-based units determine their location in latitude and longitude. This technology helps a farmer return to an exact location to measure soil fertility, weed and insect pests, and yield. It also allows a farmer to track and record where a GPS-equipped tractor, applicator or combine has traveled within the field.

Geographic Information System (GIS)

GIS involves computer hardware, software and procedures designed to support the storage, retrieval,

analysis and display of all the information collected by the various components of precision agriculture: grid sampling, yield monitors, field scouting, etc. GIS software processes this data to create detailed maps (or graphs and reports) that allow the farmer to see all the variables affecting yield in a particular field or in specific areas of the field.

Differential correction

The Department of Defense scrambles signals from its global positioning satellites. Uncorrected GPS signals result in location errors that may range from 50 to 100 yards. Differential correction uses a GPS receiver at a fixed location to make the GPS signal more precise. The fixed receiver compares its known location with the scrambled satellite signal and then broadcasts a corrected signal, which is picked up by a GPS receiver on a tractor, combine or other equipment. A corrected signal is accurate to within 1 to 5 feet.

Yield monitoring

Site-specific yield monitoring is accomplished during harvest when a combine is equipped with a yield monitor and a global positioning system. As the combine moves through the field, yield data is matched at regular intervals with location information. A geographic information system uses the yield/location information to create a map that visually shows yield variations within a field.

Grid soil sampling

GPS technology allows a farmer to accurately map the outline of a field and to divide it into grids no larger than 2.5 acres. GPS also precisely "marks" the location of each soil sample taken

within the grid system. Information from an analysis of each soil sample forms the basis of an extensive database that documents such variations as nutrient level, soil type and pH across an entire field. GIS converts this data into a map that provides a detailed picture of soil conditions. This allows a farmer to begin identifying and managing a majority of the variables in the field with precise applications of fertilizer, lime, micronutrients, seeding rates, pesticides, etc.

Variable rate technology (VRT)

VRT enables a farmer to do something about the variances he sees in yields and soil conditions. VRT uses computers, controllers and GPS to automatically vary application rates of crop inputs while equipment travels through the field. That means rather than applying fertilizer, crop protection products or seed at the same rate across an entire field, the farmer can precisely place crop inputs where they will do the most good.



Using precision agriculture systems can improve yields while reducing input costs. A rising number of farmers are using high-tech tools to gather data about their land and crops.

Cropping systems adviser (CSA)

Terra employees help farmers analyze and use the information precision agriculture generates. The CSA provides a link between the massive quantity of data collected about a farmer's cropping system and his need to put that information to work. Terra's CSAs analyze, maintain and use this information to create cropping prescriptions for customers. Working with personal computers and specially developed software, the CSA helps farmers achieve the most benefit from Terra's precision agriculture services. ■

United Nations calls for 'new water ethic'

United Nations Education, Scientific and Cultural Organization Director-General Federico Mayor called on the international community to adopt a "new water ethic" in the face of decreasing world water supplies. Mayor asked participants at the World Water Forum in Marrakesh, Morocco to rationalize water use to avoid dramatic water shortages.

"The warning signs are clear...severe water scarcity in many regions of the world, falling water tables, shrinking rivers and lakes, widespread pollution and creeping desertification," Mayor said. "To avoid a water crisis in the future, we have to urgently address the problem at source, to promote a new attitude to water...to establish a new water ethic."

In the face of a world population projected at 8.5 billion by the year 2025 — up 3 billion over the current 5.5 billion — Mayor said water demand across the world will continue to increase. He said water resource development and management must be placed at the top of national and international agendas "as part of a global strategy." Mayor noted that total water demand this century has increased at twice the rate of population growth. ■

High-level ag talks may be in the works

When President Clinton and Canadian Prime Minister Jean Chretien met, at what some in Washington, D.C., called the "feel-good summit," agricultural trade was expected to be a topic of discussion, according to Agriculture Department officials. No meetings on agriculture trade were formally scheduled.

A U.S.-Canada meeting on trade may be scheduled in the next month to begin the process of ironing out several issues the two trading partners have with each other. Several points of disagreement under the agriculture umbrella have made headlines over the last year, including Canada's system for exporting grain, its wheat shipments to the United States and import restrictions on U.S. dairy and livestock products. ■

Meat talks return to face-to-face meetings

After burning up trans-Atlantic phone and fax lines for a couple days, European Union agriculture officials returned to Washington, D.C., to resume face-to-face negotiations to resolve a dispute over meat inspection equivalency.

The dispute has escalated to the point where both the United States and EU have banned meat imports from the respective parties. Minus an agreement, USDA says it will decertify 100 meat plants as safe for processing meat for export to the United States.

Some insiders speculate poultry inspection issues may be holding up an agreement by the two parties. EU officials slapped a ban on U.S. poultry imports that USDA says could cost the domestic poultry industry \$50 million in lost revenue. ■

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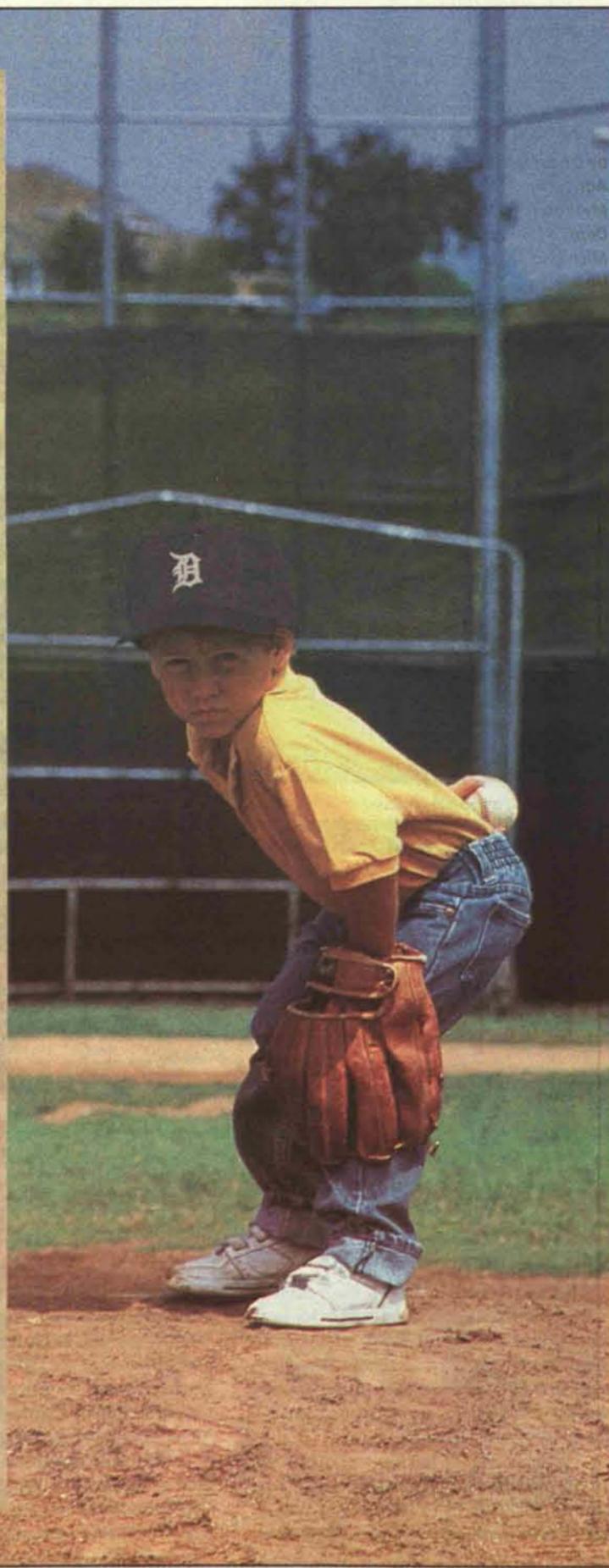
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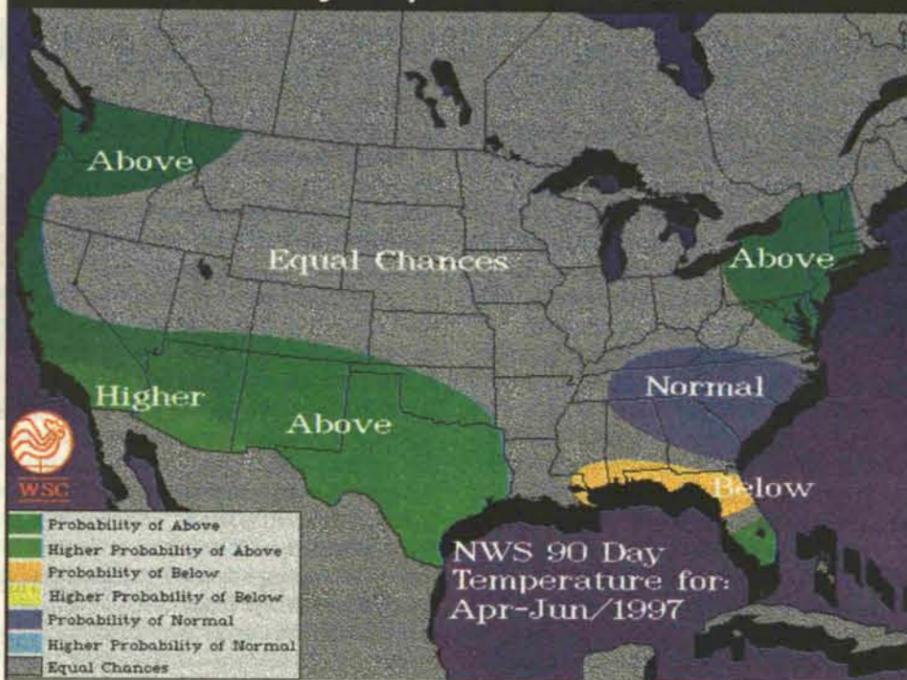
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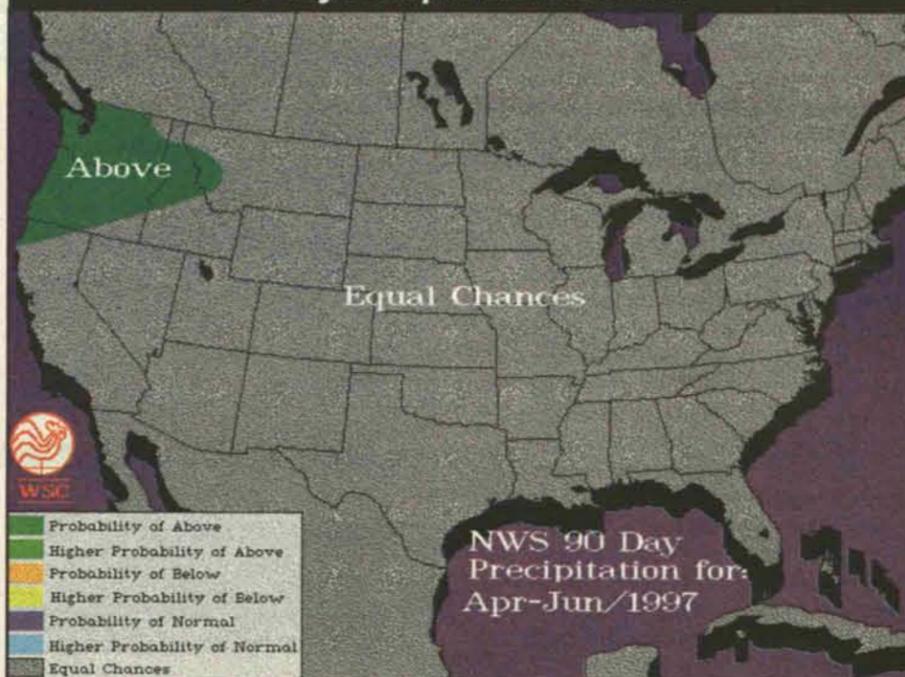
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90-day Temperature Outlook



90-day Precipitation Outlook



Weather Outlook

An arctic-origin area of high pressure brought into Michigan and the Great Lakes region by northwesterly winds aloft led to unseasonably cold temperatures across the state on the mornings of April 8-10.

Minimum temperatures across the state fell into the teens in most crop areas, although some lows in the single digits were reported on the 10th. Unfortunately, the cold weather came immediately on the heels of much above normal temperatures, and, in some parts of the state, some early phenological crop development occurred.

Just before the cold, seasonal base 42° F BE type growing degree day accumulations had increased as high as 80-120 GDDs across southern sections of the state, with lesser accumulations elsewhere. For most crops, the impact of the cold temperatures will be insignificant.

However, some sensitive crops such as tree fruit may have been damaged, especially in southern parts of the state, where crops were more phenologically advanced.

Northwesterly flow aloft and colder than normal weather is likely to continue for the next few weeks. Beyond that, however, the National Weather Service long lead outlooks are less certain, calling for near equal probabilities of below-, near-, and above-normal temperatures and precipitation.

While recent below normal temperatures have slowed development of overwintering crops, below normal precipitation since late March has allowed upper layers of the soil profile to begin drying out, which in turn should soon allow spring field work, especially on lighter soils. ■

Michigan Weather Summary

3/16/97-4/15/97	Temperature		Growing Degree Days		Precipitation	
	Obs. mean	Dev. from normal	Actual Acc.	Normal Acc.	Actual (inch)	Normal (inch)
Houghton	29.3	-0.7	3	14	0.83	2.01
Marquette	27.1	-1.5	10	14	1.23	2.01
Sault Ste. Marie	27.0	-3.4	3	3	2.10	2.12
Lake City	33.4	-0.7	28	21	1.73	2.16
Pellston	30.2	-1.4	15	21	0.76	2.16
Alpena	30.7	-3.0	15	15	1.68	2.11
Houghton Lake	32.3	-2.6	25	15	2.09	2.11
Muskegon	37.3	-1.1	35	34	1.48	2.47
Vestaburg	37.9	-0.9	54	37	2.70	2.24
Bad Axe	36.6	-0.9	42	38	1.42	2.03
Saginaw	38.8	0.2	52	38	2.97	2.03
Grand Rapids	38.7	0.1	45	56	2.15	2.71
South Bend	42.2	0.5	80	56	2.15	2.71
Coldwater	40.4	-0.7	58	54	4.23	2.50
Lansing	38.2	-0.5	52	54	2.27	2.50
Detroit	41.1	0.7	63	50	1.93	2.60
Flint	37.8	-0.9	49	50	2.24	2.60
Toledo	43.9	2.5	87	50	0.90	2.60

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

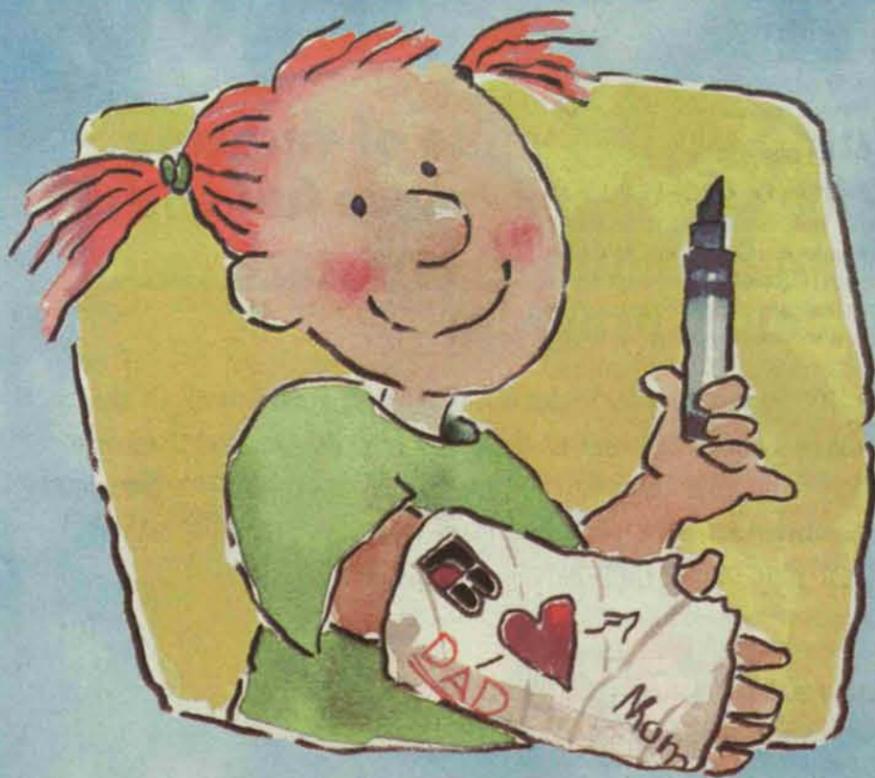


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The apple blossom — 100 years as state flower

And a pair of intriguing people who helped make it so

One hundred years ago this April, the scent of fresh apple blossoms filled the state Capitol. Legislators took notice. They named the apple blossom Michigan's state flower.

April 28, 1997, marks the 100th anniversary of this official designation.

Two citizens had eminent roles in the story behind this tribute. One was a northern Michigan legislator with pioneer roots in Michigan pre-dating statehood in 1837. The other was a distinguished 63-year-old woman who pushed a wheelbarrowful of apple blossoms down Lansing's Capitol Avenue and made the Capitol atmosphere fragrant.

The language of the 1897 resolution naming the state flower suggests that little has changed in 100 years. It pointed out that "our blossoming apple trees add much to the beauty of our landscape" — a still-true statement as 58,000 acres of commercial apple orchards and thousands of home-grown apple trees attest. The aroma and delicate beauty of apple blossoms help make springtime in Michigan a special experience.

The resolution also noted that "Michigan apples have gained a worldwide reputation." This long-running renown is as strong as ever. Michigan now produces



around a billion pounds of apples each year, making the state not only a national, but a global leader.

The man who introduced this resolution was

William Harris, of Norwood, a shoreline community south of Charlevoix where Grand Traverse Bay merges into Lake Michigan.

Harris migrated from New York state with his parents as a four-year-old in 1836 and settled near Battle Creek in Michigan Territory. Thirty years later he moved north with his young family to open a boarding house for dock and sawmill workers in Norwood. Subsequently, he was a postmaster and long-time township supervisor before being elected to the state House of Representatives. He became so inspired by the beauty of a large apple orchard across from his home that he decided such lovely blossoms should be adopted as the state flower.

His resolution, introduced Feb. 9, 1897, meandered through the legislative process for a couple of months. The final vote still hadn't been taken when apple trees burst into bloom around mid-April.

One colorful site during this early spring was the yard of Anna Eliza Woodcock, two blocks north of the Capitol. She later told a reporter she knew the vote on the state flower was due and was so taken by the beautiful new blossoms on her Snow apple trees that she decided to cut off a few and trundle them in a wheelbarrow to the Capitol. There she located House Speaker William Gordon's

desk and chair and decorated them with her blossoms. Both the House and Senate agreed that naming the apple blossom as the state flower was a good idea. The process was completed April 28.

Harris acquired the nickname "Apple Blossom William" for his role. Mrs. Woodcock later learned how to make silk apple blossoms, enhancing her own reputation as "the apple blossom lady," and practiced her art into her 90s.

A century after passage of the 1897 resolution, Michigan residents can still be gratified that the state has such a flood of apple blossom beauty each year to signal a new growing season and a pending bountiful harvest of apples by the next autumn.

Many people make special springtime trips to apple regions specifically to take in blossomtime, including the Blossomtime Festival in Benton Harbor and St. Joseph, scheduled this year for April 27 to May 4. Kent County with its heavy concentration of orchards north of Grand Rapids, is the state's leading apple producer. The Lake Michigan shoreline from Berrien County in the south to Rep. Harris's home territory north of Traverse City provides exceptional growing conditions for apples. Other pockets of scenic orchards are scattered across the interior of the southern Lower Peninsula, including many a short drive from Detroit. ■

Check out field sprayers before the crop season begins

Recent surveys of on-farm field crop sprayers show that about two-thirds of them are either under- or over-applying pesticides at least 10 percent of the time.

Under-application can mean insufficient pest control; overapplication can mean a waste of expensive pesticide, crop injury, environmental damage or perhaps liability because of excessive spray drift.

Bob Wilkinson, Michigan State University Extension agricultural engineer; and Ned Birkey, MSU Extension agricultural agent, say that careful calibration should follow a thorough conditioning of the sprayer for the coming season.

They recommend the following steps be taken:

- Look for wear and tear.
- Look for obvious damage in the frame, boom, running gear, tank and hoses.
- Replace screens, hoses, gauges and valves that have been damaged or show signs of failure.
- Check nozzles for obvious wear or damage and replace as appropriate. When replacing nozzles, buy spares to avoid delays in the field and buy an extra one for recalibration purposes later.
- Check for leaks, cracks and uniformity.
- Check the sprayer pump for cracks in the housing or leaks around seals.

- Test valves, gauges and hoses for leaks; clean tip strainers and check nozzle gaskets.
- Make sure there is uniformity in flow rate among



all nozzles. The rule of thumb is that the nozzle flow rate should not deviate more than 5 percent from the specified flow rate. Use an oil-filled gauge to check for the proper pressure at the nozzle tip, not at the pump, control or tractor.

- Make sure that the pump pressure, ground speed and nozzle flow are synchronized. Otherwise, the sprayer application rate will be inaccurate.
- Details on sprayer calibration are contained in *Chemical Applications in Agriculture* (NCR 520), available through the county MSU Extension office or from the MSU Bulletin Office, 10B Agriculture Hall, MSU, East Lansing, MI 48824-1039. The cost is \$2.50. Make checks payable to MSU. ■

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MICHIGAN FARM BUREAU

Sign-up underway for new cost-share program focused on environmental quality

Environmental Quality Incentive Program to distribute \$4.2 million to environmentally conscious Michigan producers

Michigan producers looking to improve or expand their operations while maintaining the environmental quality of their surroundings have a new USDA cost-share program with \$4.2 million available to share up to 75 percent of the cost.

The newest USDA program, called Environmental Quality Incentive Program (EQIP), was created in the 1996 farm bill to provide cost-share funding to farms for up to 75 percent of the costs of certain environmental protection practices and encourage producers to apply land management practices such as nutrient, manure, irrigation water, wildlife and integrated pest management.

According to Natural Resources Conservation Service (NRCS) State Conservationist Jane Hardisty, the EQIP funds will be divided into two categories—geographic conservation priority areas and statewide priority resource centers. "Each state determined statewide priority areas looking at criteria based on what their resource concerns are—soil erosion, water quality, animal waste systems, basically all the resources that comes with air, plants, water, soil and animals."

"Michigan came up with six statewide resource concerns," Hardisty continues. "Anybody in the state, no matter where they are located, if their concern falls within these six areas, can apply for cost share money. Those six resource concerns are integrated wildlife management systems, riparian corridor management systems, impaired-use waterbodies protection systems, groundwater resource protection systems, integrated conservation cropping systems and animal production management systems."

Any producer in Michigan can apply under the six statewide resource areas, but farmers in 10 conservation priority areas will receive a larger portion of the funds recently made available.

"Those areas comprise the St. Joseph River Basin, Crockery Creek Watershed, Saginaw Bay, Huron and River Raisin Watersheds, the Michigan Maumee River Watershed, Capital Area, Karst Water Quality Protection Area, Bay De Noc area, five special animal manure and the west coast specialty crop areas," Hardisty explains. "Based on that, 65 percent of that money is designated towards the conservation priority areas, because those are more of an environmentally sensitive area and the remaining 35 percent dollars are available for those six statewide concerns. And there are different kinds of practices that will fall under each one of those."

"No matter where the priority area is or the statewide resource concern," adds Hardisty, "50 percent of the money is earmarked for livestock purposes and one the biggest needs out there is livestock facilities."

"There will be cost-share funds available for livestock facilities, but the biggest question about

the EQIP program is what the NRCS will define as a large confined livestock operation," questions MFB Livestock Specialist Kevin Kirk, who also is a member of the technical committee which orchestrated the EQIP program in Michigan. "According to the program, large confined livestock operations are ineligible for cost-share payments to construct animal waste management facilities."

"The farmer will come in and sign up at the NRCS or Farm Service Agency (FSA) offices," Hardisty continues. "Each priority area has a local work group and a designated conservationist to go through a whole list of ranking criteria with all kinds of questions about what environmentally is out there, what's existing and what's needed judge on a point system."

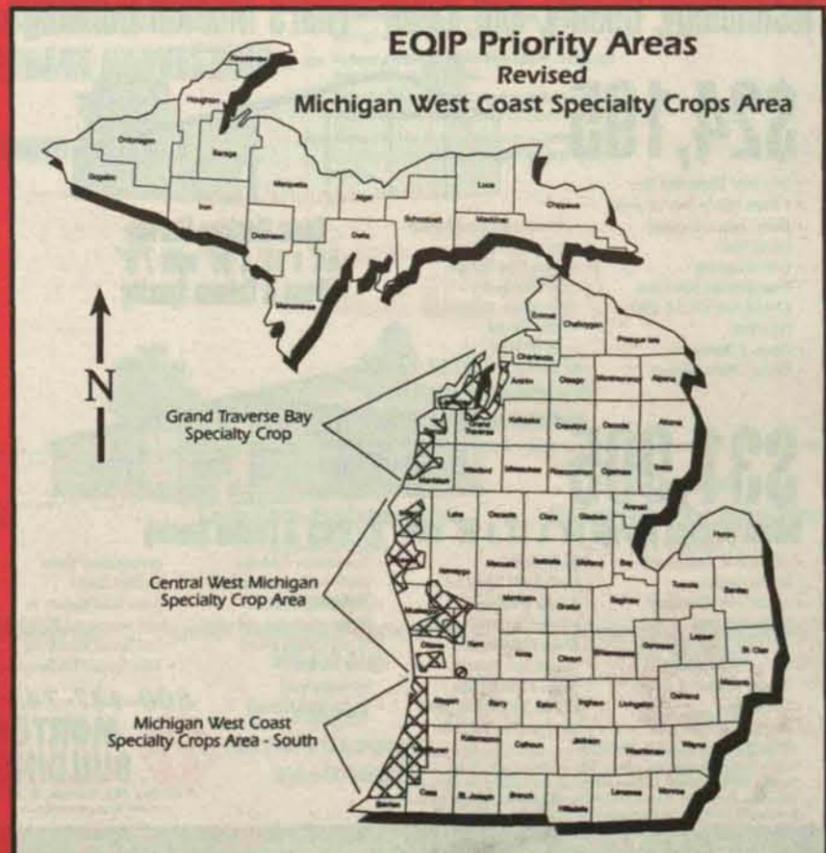
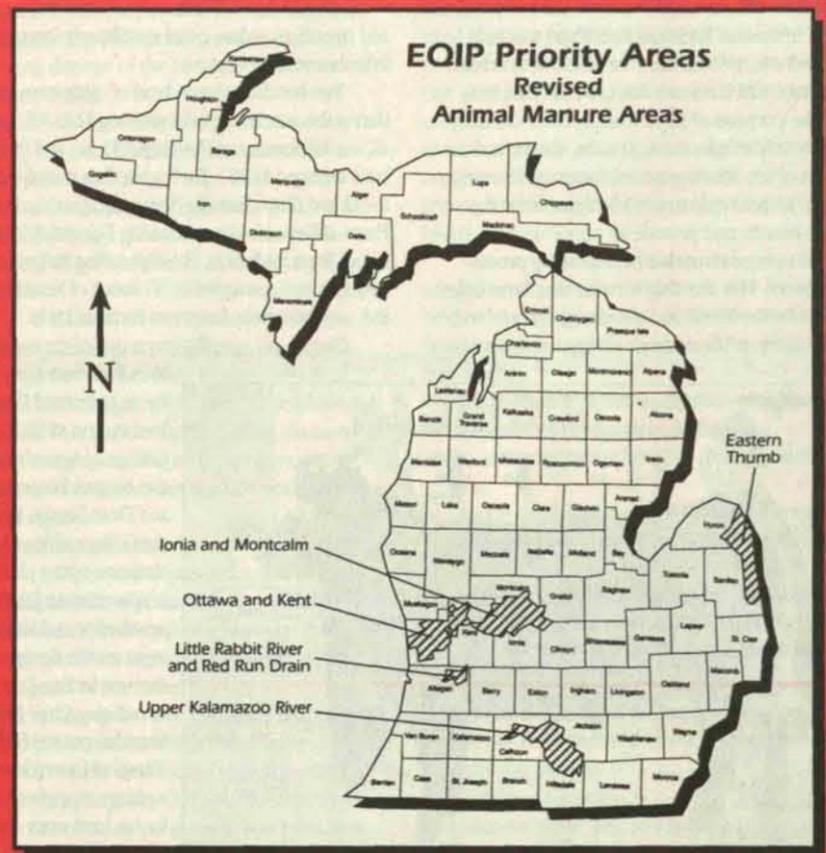
According to Hardisty the local committee comprised of key conservation partners in the county may include the conservation district, FSA county committee, Farm Bureau members and Extension personnel who will be charged with the task of giving an environmental rating to the application and those that are in the high rankings are the ones that will get the cost-share dollars."

"The key thing to keep in mind before an application can really move too far and get a really high ranking is every producer will have to have a conservation plan," states Hardisty. "As far as our agency, we have not really been able to get out on the land and work with producers as much as we used to before the 1985 farm bill, because we were so concentrated on writing just FSA compliance plans done in the office. How do you know what you really need and what will fit if you don't do some conservation planning? We are really pushing heavy about the importance of conservation planning and our plan is getting out there—it may not just be us, there may be groundwater stewardship technicians doing it, there may be private consulting firms doing it. But no matter who does the planning, it has to meet our standards and specifications from our field office tech guide."

What are some examples of ranking criteria?

For example, one of the statewide priority resource concerns revolves around groundwater resources protection systems which has 14 practices to reduce the introduction of agricultural contaminants to groundwater that are considered for ranking. Those ranking criteria include:

- Agrichemical containment facility
- Decommissioning abandoned water wells
- Filter strip—animal waste management
- Fuel containment facility—above ground
- Irrigation water management
- Livestock exclusion
- Nutrient management
- Pest management
- Planned grazing systems
- Riparian buffer strips
- Waste storage ponds
- Waste storage structure
- Waste utilization
- Farm*A*Syst assessment completed ■



NRCS State Conservationist Jane Hardisty explaining the details of the Environmental Quality Incentive Program (EQIP).

Expo sees success and expansion in new facility

The 8th Annual Michigan Beef Expo was held April 4-6, 1997, at the new MSU Pavilion for Agriculture and Livestock Education in East Lansing. The purpose of Expo is to promote the beef industry in Michigan through sales, shows, and displays of seedstock genetics; focus media attention on the beef industry in Michigan; unite the various breeds; and provide an opportunity to share in a major statewide beef industry promotional event. This was the first year that Expo called the new facility home and the change proved to be a great success. The number of registered buyers

and overall attendance was significantly increased from last year's event.

Two-hundred-sixteen head of cattle were sold during this year's nine sales grossing \$268,760. Overall, the 144 females sold averaged \$1,213 and the 72 bulls averaged \$1,307. The high selling animal was the Grand Champion Chi Heifer consigned by Barnes Farms of Grand Ledge and sold to Deborah Michelson of Texas for \$6,200. The high selling bull was a Limousin bull consigned by 3G Ranch of Kendallville, Ind., and bought by Listerman Farms of Ionia.

During the opening ceremony of the event, MCA President Gary Voogt presented Dean Fred Poston of MSU's College of Agriculture and Natural Resources and Dean Lonnie King of the College of Veterinary Medicine with a plaque in appreciation for the new facility and MCA's input on the design of the new facility. Expo Committee Chair Bill Sheridan presented John Warvel of Dansville with a plaque in appreciation for his hard work and efforts through the years as Expo Facility Chair. Voogt then introduced Merck AgVet representative Glenn Elliott who

presented MSU Animal Science student Janice Rumph with a scholarship from Merck AgVet's Generation of Excellence Program. Finally, Sheridan expressed his appreciation to resigning MCA Executive Vice President Cindy Reisig of DeWitt for the dedication she has shown to Expo and the entire cattle industry during her eight-year tenure with the Michigan Cattlemen's Association.

Many dignitaries were on hand for the symbolic ribbon cutting ceremony at Expo. These included MCA President Gary Voogt, MCA Purebred Council Chair Phil Hutchison, Dr. Fred Poston, John Warvel, Bill Sheridan, Dr. Lonnie King, Director of Agricultural Experiment Station Dr. Ian Gray, and Director of MSU Extension Arlen Lehholm.

During the weekend, youth exhibitors were encouraged to participate in a poster contest in an effort to better promote beef. Winners for this contest were: Emily Griffiths (ages 7 and under), Kirstin Jones (ages 8-11), Amy Nash (ages 12-14), and Michelle Mitteer (ages 15-20).

The Junior Steer and Heifer Show which was held on Sunday was hosted and coordinated by the MSU Block and Bridle Club. This show was the largest one ever hosted by the club with more than 530 entries, up from 404 last year. Both Champion and Reserve Champion Steer honors were given to calves from Ohio. Champion Michigan Steer went to Kylie Verhelle of Fenton and Reserve Champion Michigan Steer went to Stephanie Stork of Clare.

For more information on Expo, or any other MCA event contact the MCA information line at (517) 669-8589 or write PO Box 387, DeWitt, MI 48820.



The 8th Annual Michigan Beef Expo was a success, with attendance up from last year. It was held at the new Pavilion for Agriculture and Livestock Education.

MMPA holds 81st Annual Meeting

The 81st Annual Delegate Meeting of the Michigan Milk Producers Association was held on March 18 at the Holiday Inn South Convention Center in Lansing. Business conducted by the delegates included the reelection of Elwood Kirkpatrick as an at-large member of the board of directors and adoption of the 1997 MMPA resolutions.

President Kirkpatrick and General Manager Walt Wosje reported to the delegates on the status of the association and the dairy industry as a whole. World trade, the changing role of the government in the dairy industry, market trends and predictions, and volume premiums were discussed during the day-long meeting.

MMPA Treasurer Velmar Green presented the financial status of the cooperative, reporting a net savings in 1995-96 of over \$6.2 million, Velmar also illustrated the strength of MMPA in the marketplace and the amount of dollars returned to members in the past year in the form of equity payments and a special "13th" check.

New Zealand Ambassador John Wood was the special guest speaker at the annual meeting. Wood spoke to the delegates about New Zealand's trade policy and their goals in achieving international free trade.



MMPA President Elwood Kirkpatrick speaks before the 1997 MMPA Annual Meeting

Governor declares "May is Beef Month in Michigan"

In a salute to the state's beef industry, May has been declared "Beef Month" by Gov. John Engler. "The governor's executive declaration serves to highlight the significant contribution Michigan's beef producers make to the state's economy," stated Michigan Beef Industry Commission's (MBIC) Chairman Bill Sheridan.

In restaurants, supermarkets and on backyard grills, beef is taking center stage this month. Every day, 75 million Americans make the choice to eat beef, which translates into an annual deposit of \$40 billion into the economy.

"Michigan's beef producers are dedicated to the production of a safe, wholesome, healthful food," says Kathleen Hawkins, executive director of the MBIC. "The quality products which consumers enjoy is a reflection and result of the industry's commitment to the highest standards and most careful practices."

The cattle business is primarily a family business. About 97 percent of the cattle operations are owned or operated by families. And 42 percent of

those farms have been in the same family for more than 50 years. Cattle and calves are raised in every Michigan county on about 19,000 farming operations.

"Beef is a nutritional bargain," according to Hawkins. "Our producers have been responsive to consumer demands for leaner beef at a good value. Today's beef has 27 percent less trimmable fat than just a decade ago and beef has significant amounts of important nutrients like iron, zinc, protein and the B-vitamins."

The Michigan Beef Industry Commission is the state's resource for information on beef and its role in the diet, with programs in promotion, research and

education. These programs are funded through a beef and veal producers' checkoff.



Gov. John Engler recently designated May as "Beef Month." Kathleen Hawkins and Bill Sheridan of the Michigan Beef Industry Commission accept the declaration.

President Kirkpatrick recognized 46 individuals holding MMPA membership for 35 years. Kirkpatrick honored these individuals for their commitment and hard work to the dairy industry and MMPA. He presented each of the 35-year members with a plaque.

The 1996 District Outstanding Young Dairy Cooperators (OYDC) were also honored at the meeting, including Doug and Louisa Westendorp, Nashville, who were officially recognized as the 1996 OYDC.

Carl Kline, MMPA director, presented Tim and Sandy Ver Hage of Allegan with the highest quality milk production award. The Ver Hages obtained the best quality measurements in 1996 of the 2,300 farms belonging to MMPA. To qualify for this prestigious award, a producer must meet MMPA's quality premium requirements for an entire year. Twenty-six other producers were also recognized with honorable mention awards for high-quality production.

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USDA orders review of pork funds

The Agriculture Department has announced that the National Pork Board must recover any checkoff funds that may have been used by its contractor to obtain reports on environmental groups, farm organizations and similar groups. The contractor is the National Pork Producers Council (NPPC).

Lon Hatamiya, administrator of USDA's Agricultural Marketing Service (AMS), the agency with oversight responsibility for federal checkoff programs, said a recent compliance review was conducted in response to allegations that NPPC had used checkoff funds for one such report. NPPC acknowledged obtaining the report, but indicated that checkoff funds were not used to pay for it.

The review, conducted by AMS' compliance

staff, confirmed that the report in question had not been paid for with checkoff funds. However, the review revealed that other similar reports had been prepared in 1996 at NPPC's request and paid for with checkoff funds. Hatamiya noted that an undetermined number of reports were paid for with \$51,300 in checkoff funds.

Based on the report, several groups — Farm Aid and the Campaign for Family Farms and the Environment — have renewed calls for a USDA investigation into possible misuse of farmer checkoff funds by the National Pork Producers Council. The groups contend that NPPC used checkoff funds to "to conduct surveillance of family farm groups and influence a '60 Minutes' broadcast on the corporate takeover of the hog industry."

Formulas to help microbes clean up toxic waste

Microorganisms will work hard to clean toxins from the soil or wipe out food crop pests, but you have to treat them right, scientists with USDA's Agricultural Research Service say.

The scientists have successfully harnessed the power of fungi to help banish weeds and insects from farmers' fields. A crucial discovery along the way: The right storage formula will make the fungi multiply.

One such formula is wheat-based Pesta, which provides a nourishing "home" for two biological controls against swamp dodder, a pest of cranberries.

Scientists from New Orleans' Tulane University adapted the ARS technology to their work with soil-

cleansing fungi. The Cold War's end brought closure for many weapons plants, but toxic TNT residues remain as deadly souvenirs. Phanerochaete chrysosporium, commonly known as white rot fungi, may have the power to break down these poisons into harmless byproducts. But before this can happen, a good storage medium must be found.

ARS scientists have developed a wide menu of formulas to keep white rot fungi and other microorganisms thriving so they can reach their full potential as soil cleaners and pest fighters. Their next collaborative project with Tulane: finding the right formula for a mushroom that might cleanse the carcinogen benzo[a]pyrene out of soils.

Second annual no-till innovator awards

Zeneca Ag Products and *No-Till Farmer* publication are sponsoring, for a second year, the "No-Till Innovator Awards" program.

The program recognizes outstanding growers, researchers, crop protection specialists, organizations, and others who have dedicated themselves to finding ways to no-till more effectively, more economically, and with lower environmental impact.

Any person who has made a significant contribution to the advancement of no-till farming — regardless of the crop grown, brand of equipment, or crop protection products used — is eligible to win.

Awards will be presented to winners in each of six categories — no-till crop production, no-till research and education, no-till equipment, consulting, organizational contributions, and ag dealership. Winners of the 1997 contest will be announced at the National No-Tillage Conference in Indianapolis, Ind., Jan. 22-24,

1998. Winners will receive free registration, lodging and meals for the duration of the National No-Tillage Conference.

For additional information, or to obtain a nomination form, please call 914-946-1440. You can also fax a request for information to 914-946-1596. The deadline for nominations to be submitted is July 18, 1997.

Zeneca Ag Products is a business unit of Zeneca Inc. In the U.S. Zeneca is a \$2.8 billion bioscience company with 6,000 employees and 53 locations in 24 states. Zeneca Inc. is a wholly owned subsidiary of the UK-based Zeneca Group PLC (NYSE: ZEN), a major \$7.6 billion international bioscience business engaged in the research, development, manufacture and marketing of ethical (prescription) pharmaceuticals, agricultural and specialty chemical products and the supply of health care services. ■

Ethanol leads talks in Washington

One of the nation's most abundant renewable fuels is being threatened. Ethanol production and use is currently supported by tax incentives to gas station owners, which includes a 5.4-cent-per-gallon excise tax. Corn growers all over the country are fighting to keep these incentives from being reduced.

Members of the National Corn Growers Association (NCGA) met with members of Congress to discuss ethanol and other issues affecting the industry as part of a leadership development program sponsored by Novartis Crop Protection, Inc.

"One of the goals of the Novartis Leadership Development Program is to show members of commodity groups, like NCGA, that they have a voice in how agricultural issues are decided," says Neil Strong, Novartis, Agricultural Relations.

Participants in the program first completed a

training session last August at Novartis headquarters in Greensboro, N.C., where they sharpened their communications skills. They then traveled to Washington, D.C., in March to put those skills to use with members of Congress. In addition to lobbying efforts, participants attended special briefings from USDA and EPA.

Twenty-two members of NCGA attended, representing Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Carolina, South Dakota, Texas and Wisconsin.

NCGA is a national grassroots-based commodity organization with 30,000 members in 47 states and 25 affiliated state associations.

Novartis Crop Protection is the nation's leading supplier of crop protection/products. Novartis was formed in January by the merger of Ciba Crop Protection and Sandoz Argo. ■

Potato growers encouraged to protect fields from late-blight

Potato late-blight continues to be a serious concern with the potential for outbreaks during the upcoming 1997 growing season, cautions Dan Wyant, director of the Michigan Department of Agriculture (MDA).

MDA will continue to monitor the situation regarding this plant disease, and is committed to working with the Michigan Potato Industry Commission and Michigan State University (MSU) in its efforts to encourage growers to take reasonable precautions to prevent a major outbreak of potato late-blight.

Dr. William Kirk, an associate professor and plant pathologist at MSU, has been tracking the spread of the more virulent strain of the potato late-blight pathogen, *Phytophthora infestans*. This is a devastating plant disease that has been spreading across potato production areas throughout the world's potato production regions.

Awareness and education are considered two important components in preventing and managing plant diseases such as potato late-blight. Management activities by both commercial potato growers and home gardeners are essential in order to control the spread of the disease.

According to Dr. Kirk, cull piles and rock piles are prime places where the disease can survive the winter and spread to newly planted fields in the spring. Another area of concern is the practice of using potatoes in bait piles and feeding piles for deer or other wildlife. Hunters and hunt clubs are requested not to use potatoes as bait or feed as the spread of this disease poses a serious threat to commercial and seed potato production.

Anywhere a portion of potato survives winter frosts it can sprout in the spring, and then become a potential source of initial inoculum which could start an epidemic.

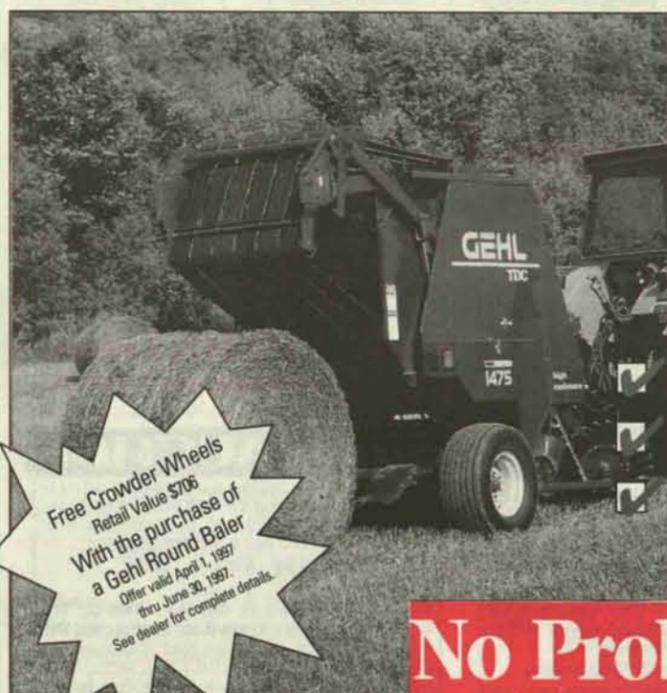
Management practices such as spreading out cull piles to expose them to cold tempera-

tures will likely kill the tubers and thus prevent the spread of the disease. Growers are encouraged to scout for and destroy all "volunteer" potatoes from their cull piles, rock piles, old bait piles, etc. to help protect their 1997 potato crop. Since new sprouts can emerge over an extended period of time, it may be necessary to monitor these areas throughout the growing season for effective control in these types of locations.

Home gardeners are also encouraged to use cultural practices to prevent and control potato late-blight disease. MSU Extension offers the following tips in controlling potato late-blight:

- Plant seed with a seed certification certificate obtained from a reputable dealer
- Do not use potatoes from the grocery store for seed
- Discard seeds that have any blemishes or appear to have sunken or purple-colored areas on the surface
- Leave adequate space (12-15 inches between seed pieces) to allow maximum air flow for the growing plant
- Fungicides are available for gardeners which can prevent the disease from establishing. An effective product which can be purchased at garden centers is Daconil.
- If symptoms develop, pull up the diseased plant, place in a plastic bag, seal the bag and dispose of the bag without reopening it. The spores of this disease can be carried in the air. Potatoes that do not rot are edible.
- After you harvest, check the tubers regularly as infected tubers can quickly deteriorate and decompose
- Discard infected tubers in a sealed plastic bag

For additional information, contact Ben Kudwa at the Michigan Potato Industry Commission, 13109 Schavey Road, Suite #7, DeWitt, Michigan or call (517)669-8377. ■



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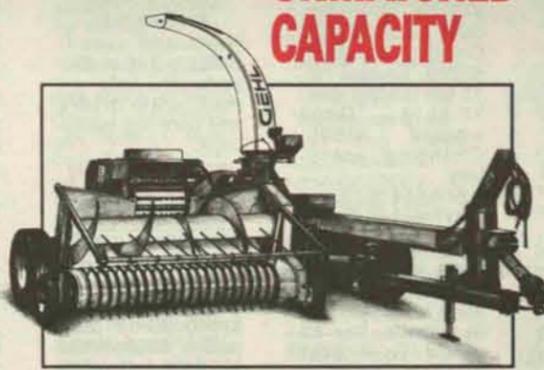
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GEHL BALERS MAKE HAY YOUR WAY!

Exclusive Total Density Control (TDC®) system lets you build the best possible bale in a wide variety of crops and conditions. You easily custom-build bales to maintain maximum nutrient value.

With TDC you can crank up the density to pack more hay into every bale for fewer bales to make, move, store and feed. You save valuable time in every step of your round baling operation.

GEHL's electronic bale control system monitors the entire baling process and makes adjustments on-the-go. It all adds up to the ultimate in round baler performance and convenience. Your GEHL dealer can show you the model that's right for you.



UNMATCHED CAPACITY

GEHL forage harvesters get the job done faster with these performance features:

- Exclusive Auto-Max Load-Sensing System — Increase capacity by up to 20%. Lets you operate at top capacity without the fear of downtime due to overloading.
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- In-head Hydraulic Knife Sharpener — Lets you sharpen knives in the field.
- Patented One-Sided Cutterbar Adjustment — Makes adjusting the cutterbar quick and easy.
- Three Models To Choose From — Including the largest capacity pull-type forage harvester on the market.

0% for 36 months on GEHL FORAGE HARVESTERS till June 30, 1997

GEHL.

Offer applies only to Michigan Dealers and Michigan Residents

See your local dealer now and save with "Gehl Great Rate Financing"

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Bates Ford Tractor Inc.
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517-849-9966

Lake City
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517-345-3128

Michigan Farm News Classified

WESTFIELD
The **NEW GENERATION MK SERIES**

New 91' length
Available in 10" & 13" Diameters Augers
Call for Pricing - Availability - Details

The first practical economical **MECHANICAL DRIVE** swing-hopper auger.

PTO power drives both the main auger and the intake feed hopper.

No more concerns about tractor hydraulic capacity. Free up your larger tractor for other work.

You can use an older or smaller tractor with limited hydraulic capacity, and still get constant big-capacity grain moving performance. There's only one hydraulic connection...for the labor saving hydraulic lift...re-designed with required pressure greatly reduced.

And there's more...like a longer, lower intake hopper with easy-to-switch right or left side operation and constant velocity (CV) PTO shaft for smoother operation.

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New Generation MK Series mechanical drive grain augers.
In big capacity 8" or 10" diameters and lengths of 51, 61, 71, 81 & 91 feet...from the name you've grown to trust for performance...

Call for more information or location of dealer nearest you

FARMCO

13619 S. DeWitt Rd., Lansing, MI 48906
517-669-8391

03 Farm Commodities

SHELLED CORN for sale. 4500 bushels. 5-bottom John Deere plow, \$500. Noble wheat drag, 36". Call 1-517-235-4282.

04 Seeds

BAYSIDE SEED corn. All maturities! Dairybrand alfalfa. Bayside 169 soy beans.

B & M SEED 1-517-463-2846

MICHIGAN CERTIFIED SEED: Bowers barley, Newdak, Prairie oats, Felix soy beans.

B & M SEED 1-517-463-2846

MICHIGAN CERTIFIED SOYBEAN SEED: Hardin-91, Kenwood-94, Conrad-94 and BSR-101. Also Newdak certified oats. Call Schmidt Farms of Auburn, 1-517-662-6705 or 1-517-662-2695.

05 Livestock

ANGUS & GELBIEH: Breeding stock. Free delivery! Border Collie Stock Dogs.

Call today, **Bordner Farms** Sturgis, MI 1-616-651-8353

ANGUS BEEF: Bulls, heifers and cows with calves. Performance tested, semen tested. Free delivery! Call anytime.

SHAGBARK FARMS Alto, Michigan 1-616-868-6040

FOR CURRENT LIST of available Angus Cattle, write: Secretary, **West Michigan Angus Breeders**, 585 36th Street SW, Grand Rapids, MI 49509.

LIMOUSIN BULLS, bred cows, heifers, open heifers, both red and black, registered pedigree! Good disposition and E.P.D's. 1-616-751-5373 evenings and weekends. 1-616-393-1029 weekdays.

NINE REGISTERED Polled Hereford breeding age bulls for sale. Optimum and Rocky Banner blood lines.

Rye Hereford Farm Rogers City 1-517-734-3005

05 Livestock

HORTON BAY LLAMAS is reducing herd size. Four bred females available. Due this spring and fall. We also have weanling males. Photos sent on request.

Jack & Barbara Danly 06300 Boyne City Road Charlevoix, MI 49720 1-616-582-7473 Fax 1-616-582-6540

LLAMAS ARE GREAT, and now they're affordable! These docile, intelligent animals make wonderful pets for hiking, packing, picnicking, pulling carts, or to just plain enjoy. Their wool is valuable and they also make outstanding guard animals. Call for a visit today!

1-616-677-3309. Ron & Nancy Laferriere. **Laferriere LLamas** Marne, Michigan (Just northwest of Grand Rapids)

LLAMAS: Herd reduction due to job promotions. Peruvian Chilean Bolivian and domestic blood lines. All ILR registered. Call for more information.

The Llama Zoo Kalamazoo 1-616-372-2863

LLAMAS: North American Siting Bull and Essex bloodlines. Pet males and weanling females. Reasonably priced! Call for more information and visit. 1-517-645-2719.

Miller's Llamaland Potterville, MI

Piedmontese Cattle: Lean, tender, double muscled, good calving ease. Quality registered breeding stock. Also available, embryos and semen.

Redbird Farms Lapeer, Michigan 1-810-667-7389

POLLED HEREFORD BULLS Calving ease/75 pounds birth weights. Growth-up to 1230 pounds yearling weight. Halter broke. Call **Phil and Chris Rottman**, 1-616-924-5776.

POLLED SIMMENTAL BULLS. A fine selection of yearling, two and three year old proven bulls. Bred for calving ease and performance. Call **Spring Pond Farms** at 1-616-899-2978.

TWO 3/4 Belgian Blue Bulls, 12 months old.

Wernett Beef Farms 1-517-967-8407

05 Livestock

PUREBRED BOER GOATS. MichFlock. Stud Service available. 612 North Madison, Lapeer, MI 48446. 1-810-667-0169 any time.

REGISTERED CHAROLAIS HEIFERS and bulls. Average EPD's on bulls: +2.3, +19.4, +21.3, +4.5, +14.2. Also semen and embryo's; **SKW Ranch** 1-517-733-2578 Onaway, MI

REGISTERED GALLOWAY HERD SIRE for sale or lease. Six year old, Dun in color. Call Robert Knott at 1-517-546-7730. Ask for Mike.

REGISTERED MINIATURE DONKEYS: Breeders, pets, geldings. Nicely built, very friendly. \$450, up. Great for driving, showing, guard animals. Pygmy goats. **Acker's Ass-Key Acres** 1-517-547-4118

REGISTERED MINIATURE Siccliau donkeys. Very gentle. Excellent conformation. Two pregnant females, one male. Excellent stud! Six month old female. 1-616-271-3177.

REGISTERED SCOTTISH HIGHLAND CATTLE, breeding stock and semen for sale. Visitors welcome! Call evenings or weekends.

1-517-543-7979. Charlotte, Michigan

REGISTERED TEXAS LONG HORNS, weanlings, heifers, yearling heifers and bred cows. 1-616-676-1462.

REGISTERED TEXAS LONGHORNS: Top quality and selection! Breeding age bulls, guaranteed 100% calving ease. Cows, heifers and calves available. Also, lean beef and skulls. 1-616-945-2153.

SIMMENTAL BULLS: Purebred red yearling; 7/8 blood black 3 year old, and 1/2 blood black white yearling. 1-517-689-4696.

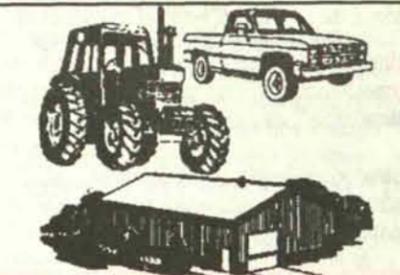
TOP QUALITY HOLSTEIN breeding age bulls, from high producing cow family. Top AI sires, \$800-\$900.

Pasch Farms 1-517-644-3519

YORKSHIRE HAMPSHIRE BOARS: Ready to breed. Delivery available! **Robert Harper**, 9016 Exy Avenue, Vicksburg, Michigan, 49097. 1-616-649-2803.

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08 Ponies/Horses

FREE HOME DELIVERY! Simply the best! Complete Horse Feed. ELITE +, 10% or 12%. Dealer inquiries welcome! For information or delivery, **Mathie Energy Supply Co., Inc.** 1-800-467-7340

09 Help Wanted

SEEKING FARMER to plow/plant crops. Approximately 80 acres for future hay field. Isabella/Clare/Mecosta County area. Call 1-810-749-5865 after 6pm.

01 Farm Machinery

AT Farrell grain cleaner, Super 998D, \$975. AT Farrell seed cleaner, 89A, \$675. AT Farrell seed clean, #33, \$420. Forsberg bean stoner, \$225. Two 5000# platform scales, \$750 each. Bryant corn cracker (coarse, medium and fine cuts), \$1175. Two bucket elevators, 10' high with 2x3 cups, \$275 each. Four grain spreaders, \$50 each. 18' diameter x 6 ring high grain bin (disassembled), \$1150.

d/s Services, Inc. Cass City 1-517-872-3318

AUTO ROLLER MILL with scales, ear corn crusher and magnet, 2 1/2 ton mixer. Excellent condition! JD 350 hydraulic spreader. 1-616-445-8503.

FOR SALE: #720 IHC chopper, 2 forage wagons, 3 beaters with roof and gear, Gehl mixer grinder, NH 30 blower, Wic power feed cart, 12', 16' 20' silo unloaders. NI 6 ton running gear. Everything good! Bought new. Ionia, 1-616-761-3655.

IH 1300, 7' balanced head mower. Quick coupler set up. Nice! \$800. Two 750x16, 6-ply Good-years on 6 bolt wheels, 90%. \$135. Deerfield, 1-517-447-3897.

IRRIGATION PIPE: 82 pieces, 3", 40' long, 75¢ per foot. 80 sprinkler heads, \$3.50 each. 20 T's, \$5 each. 1-313-971-1804.

01 Farm Machinery

FORAGE BOX-2-GEHL 970, 18', 12 ton tandem, 12.5L16 tires. Good wagons, \$5200. Badger 18', 15 ton tandem gear, 12.5L16. Good wagon! \$5500. Changing operation. 1-517-644-3519. 1-517-644-5140.

FORD, NEW HOLLAND tractors and equipment from **Symon's** in Gaines. For 43 years your best deal for the long run!

Symon's 1-517-271-8445, Gaines

HYDRAULIC LOADER with 50 inch bucket. \$1500 firm. Two solid gravity boxes, McCurdy and Kilbros, no gears, 225+ bushels each, \$1000 for both. 24' extra heavy duty tri-axle trailer, used mostly to haul hay, steel deck, \$2500. Clipper fanning mill package, includes 2 augers, 2 motors, 30 bushel bin and 2 small gravity wagons for seed, set-up to do soys at this time, \$1500 firm for all. 1-517-834-2576.

JOHN DEERE 35 forage harvester. Corn and hay head. Good condition! \$2200 or best offer. Three Oaks, MI 1-616-756-9434.

JOHN DEERE tractor for sale. 1945 BR, electric start, restored. 1929 GP steel, restored. 1939 H restored. Call 1-616-754-4309.

WINPOWER 50 KW: 1000 PTO 3 phase generator. \$4750. Call Clark, 1-810-627-3329.

01 Farm Machinery

LIQUID MANURE SPREADERS: New and used. Balzer, Better-Bilt parts. UPS daily. Also, grain dryers and handling equipment.

Hamilton Distributing Company 1-800-248-8070

NEW IDEA KINZE 6-row no till corn planter, \$6500. JD 8200 grain drill, \$2500. JD 12' culti-packer, \$600. White 12' field cultivator, \$1300. 1-616-554-2398.

WINGS from White #285 field cultivator and midwest leveler. Both add approximately 7'. Cultivator wings include cylinder. \$600 leveler wings, \$200. Buy both sets, \$750. 1-517-834-2576.

03 Farm Commodities

BOWERS BARLEY. Bulk delivery available. 1-517-733-2782.

HIGH MOISTURE corn. Delivery available. 1-517-733-2782.

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We can, we have and we do all of the above.
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Johnson System, Inc. Marshall, MI 49068
1-800-962-1495

FARM AUCTION

We are reducing our ranching operations & will sell the following at public auction at the ranch located from Junction M-115 and M-66 S. of Marion, MI. Go southeast on M-115 then 1 1/2 mi. S. on 20th Ave. to Ranch (Osceola Co.)

Friday, May 9, 1997
10:30 a.m.

Tractors, Loader Tractors, Skidsteer: 1486 Dsl. Tractor, cab, 20.8x38 tires and axle duals, 2 outlets, dual PTO IH 1066 Dsl. Tractor, cab, 1 outlet, good 18.4x38 tires, dual PTO, SN 013927; Case/IH 585 Dsl. Tractor, w/2250 Mount-o-Matic Hyd. Loader, quick tach, 16.9x30 tires (sells as pkg.); IH 574 Gas Tractor, w/2250 Mount-o-Matic Quick Tach Loader, 18.4x30 tires, 1 outlet (sells as pkg.); Case 1737 S Gas Skidsteer, recent overhaul, mat. bucket; Yale LP Gas Hard Rubber Forklift, Hay and Forage Equipment: IH 2400 6x5 Round Hay Baler, up to 1700# bales New Holland 273 Square Baler w/belt thrower; New Holland 479 9' Haybine; (2) 5-bar Side Delivery Hay Rakes Hesston 2000-150 Forage Chopper w/3-row N corn head New Holland 791 Tandem Axle Manure Spreader w/slush gate, JD 216 Self-unloading Forage Wagon on Kory 6872 gear; IH 105 Self-unloading Forage Wagon on 8-ton gear Machinery: IH Cyclo 6-row Planter who-till attachments IH 18' Spring Fold Disc; IH 6x16' Semi Mtd. Plows; Kongskilde 6-row S-tine Cultivator w/rolling shields (used 2 times-sharp); Ficklin 231 Gravity Box on Kory 6872 gear (2) Flat Rack Farm Wagons Trucks and Trailers: 1984? Kenworth Truck Tractor, sleeper, cat dsl.; 1994 WW 28' tri-axle Gooseneck Livestock Trailer, GVW 21,000, always stored inside, hardly used, sharp; 36' Flat Bed Semi Trailer adjustable axle; 28' Flat Bed Semi Trailer; IH Loadstar 1700 Truck Tractor, motor needs attention; 1978 Ford F-150 2wd Pickup Miscellaneous Ranch Related Items: Priefert Cattle Squeeze Chute on transport wheels (like new cond.); Power Cement Grinder, 4 cyl. Wisconsin gas engine; Gas powered Cement Trowel; (2) Commercial Wayne Gas Pumps; (2) Commercial 5hp Vert. Air Comp.; Hyd. 3 pt Wood Splitter; 200-bu. Gravity Box less gear; Set of Loader Hay Forks; 3 pt. 5' Brush Hog; Misc. Sawhorses; Jewelry Wagon w/related farm items.

Inspection invited anytime! — Plan on being on time
Terms: Cash or good check day of sale. No items removed from premises until settled for. Not responsible for accidents. Loader tractor available sale day.
Lunch and restrooms available.

L.B. Ranch
20th Ave., Marion, Mich.

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Michigan Farm News Classified



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Wick pressure-treated columns are backed for 50 years against decay and insect damage. That gives you an idea of how Wick buildings are made.

They're constructed with roof and wall steel screw-fastened for added strength and structural integrity. And these colored panels are tough, full-hard base steel.

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40 x 60 x 12.....\$7,487	60 x 90 x 12.....\$13,198
60 x 60 x 12.....\$9,380	120 x 200 x 14-m2.....\$47,913

Commercial steel buildings featuring easy bolt up assembly from America's largest distributor. We have over 10,000 standard sizes of shop, farm, industrial, commercial and mini-warehouse buildings. All are complete with engineer stamped permit drawings, 20 year roof and wall rust warranty. Call for a free information package and a quote on our component parts.

Mini Warehouse Sale \$9,999
 20' x 120' with 24 units complete with partitions & http://mctalblgd.cci.net

09 Help Wanted

ROYAL OAK FARMER'S MARKET MASTER CONTRACTUAL

The City of Royal Oak is seeking a Market Master to supervise and manage the operations of the Royal Oak Farmers' Market, established for the sale of farm products and other goods, and the accommodation of farmers and vendors. Previous directly related experience required. The successful candidate will be hired on an annual contract, with salary dependent upon qualifications. Extensive hours, including weekends required. Send resume to: Farmer's Market Committee, c/o Royal Oak Personnel Dept., 211 Williams Street, P.O. Box 64, Royal Oak, MI 48068-0064 as soon as possible 1-810-546-6325. TDD 1-810-546-6399. The City of Royal Oak is an Equal Opportunity Employer.

11 Agricultural Services

SAVE MONEY. Recycle your diesel and industrial air intake filters using the Sonic Dry Clean System. No liquids or detergents used. 50% savings over new filters.
Recycle Now, Inc.
 Holland, MI
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 616-396-8102, Fax

12 Business & Legal Services

WEST MICHIGAN BARN RESTORATION: We repair or replace foundations, roofs, floors, beams, walls and doors. Structural strengthening and painting. No Sunday calls!
1-616-924-4151

12 Business & Legal Services

EXPERIENCED Michigan agribusiness attorneys with farm backgrounds. Knowledge and experience in all farm areas; restructure, stray voltage, bankruptcy, estate planning. **EAST SIDE:** Thomas J. Budzynski, 43777 Grosebeck Highway, Mt. Clemens, Michigan. 48036. **1-810-463-5253.** **WEST SIDE:** Robert A. Stariha, 40 West Sheridan, Fremont, Michigan, 49412. **1-616-924-3760.**

METAL ROOF COATINGS: Heavy fibered or white roof coatings. **H.J. Butzin.** Call anytime, early or late. **1-517-777-9815.**

14 Real Estate

EXTRA LARGE LAKE LOTS on 1000 acre lake. Great fishing, golf next door. Improved private roads, natural gas, utilities under ground. 90% retired community. Located lower southern Michigan. All developed by a farmer. Located 8 miles north of Sturgis, 1 1/2 miles east of Centerville, off M-86. Call anytime. **Floyd Templin, 1-616-467-7739**

FULLY OPERATIONAL working steer farm. Six buildings for raising cattle, hogs, goats. 29 acres, pond. Planted pine trees. Three bedroom home, outside Tustin. \$189,500. **Pioneer Realty 1-616-779-1910**

INCOME PROPERTY for sale. Three nice cottages. Very good income! Rent to vacationers. Also well kept larger home, new 3 car garage, paved parking lot, 150' of lake frontage. Asking price, \$295,000. Make offer. Estate, must sell. Call **Floyd Templin, 1-616-467-7739.**

14 Real Estate

SANILAC COUNTY LEXINGTON TWP. Full Operation Farm For Sale
 90 Acres, additional property for sale or lease.
 Buildings include HIP Barn, Hay, Loafing, and Calf Barns. 3 Steel fab work - storage shops totalling 20,000 square feet. 6 concrete silos have unloaders with 3,200 ton capacity to service 650 head.
 Homestead includes 5 bedrooms, 3 bath tow story home. In-ground pool, deck and attached garage.
 For crop yield or more information, contact:
Lance G. Weyeneth Broker/Owner Thumb Real Estate Crosswell, MI Toll Free: 888-821-8433

15 Real Estate Wanted

BUYING FARM LAND and recreational property throughout northwest Michigan. Call **Ron McGregor** at **1-616-943-7709** for details.

WANTED: 80-120 acre farm, Ionia area. Young couple relocating due to off farm employment and urban sprawl pressure at present location. Contact **Steve, 1-517-675-5472.**

Wanted to lease hunting rights to prime wildlife habitat - Small Christian Hunt Club Incorporated and Insured wishes to lease hunting rights to 100-1000 acres. Call 313-388-6427 or 313-243-2090.

15 Real Estate Wanted

FARMS AND LAND throughout Michigan, agricultural and recreational. Large parcels preferred. We have buyers!
 Call **Dan Van Valkenburg, Rural Property Specialist. Faust Real Estate Adrian 1-517-263-8666**

HUNTING LAND wanted to rent in Jackson and/or Washtenaw area or southern Michigan. 40 acres or more, responsible hunter. Call after 5pm, 1-313-379-4875.

HUNTING LEASE WANTED: Courteous, mature hunters with experience in leasing Southern Michigan farm land seek property for 1997-1998 hunting season. Will pay you to help control nuisance deer. References available. **1-517-676-0486.**

17 Auctions

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Mr. Corn Farmer: Are you pleased with the price you pay for seed corn?

In 1995 Bayside Seed Corn was tested in seven different Michigan counties by seven different county ag agents. When the results were in, Bayside Seeds had the highest actual yield in four of those seven counties.

When you order seed corn for next year, I would like you to think about that. Bayside was tops four times, the entire rest of the Seed corn world combined was on top three times. Consider that our corn costs much less than any single cross corn in the industry, why would anyone want to pay more to get less yield? Bayside 1796 had the highest actual yield in three counties including an all time high of 216 dry bu. in Tuscola County. Bayside 86 was the winner of the Ogemaw County Trials. Also, in 1995, Michigan State University tested Bayside 1796 in six mid-Michigan counties and 1796 outyielded Pioneer's excellent 3751 and 3769 in all six counties. The averages for those six county trials by Michigan State University are below:

	Yield	Moisture	TW
Bayside 1796	165.01	20.63	56.58
Pioneer 3769	151.60	19.63	57.08
Pioneer 3751	157.68	19.00	56.66

Bayside 1796 and all the other Bayside corn can be bought in March for \$59 per 80,000 kernal bag.

Lyle Grigg—Bayside Seeds
259 Bowker Rd., Munger, MI 48747
Phone: 517-659-2845 or 517-659-3115

When MSU tested corn in 1996, in Saginaw County, Bayside had 7 hybrids that averaged 165.1 bushels/acre. Any one of these fine hybrids would do very well for you and would cost only a fraction of what you are paying now.

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18 Antiques/Collectibles

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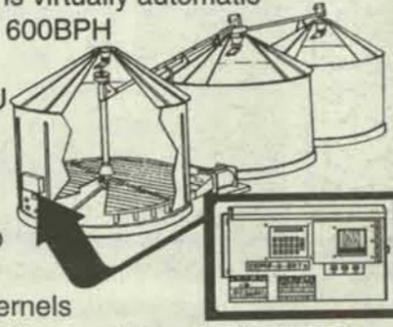
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19 General

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 Evenings, 1-616-624-6215.

FISH FOR STOCKING: Hybrid sunfish, catfish, bass, trout and feed minnows. Free information. Located near Ann Arbor.
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517-659-3478
 Munger, Michigan

19 General

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Bellair's Hillside Farms and The Sheep Shed
 8351 Big Lake Road, Clarkston.
 1-810-625-2665.
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20 Wanted To Buy

BUYING OLDER printed matter. Pre-1960's magazines, sheet music, newspapers, calendars, catalogs, etc. Will pickup. Pay cash!
Richard Harris, 715 Luce, Fremont, 49412. 1-616-924-6788. Save this ad!

STANDING TIMBER AND VENEER:
Black River Hardwoods, Inc.
 1-810-657-9151, days.
 Call 1-517-845-3345 evenings.

WANTED STANDING TIMBER: Buyers of timber of all types. Cash in advance!
 1-517-875-4565, ask for Tim.
Maple Rapids Lumber Mill, Inc. St. Johns, MI

WANTED: Old motorcycles, snowmobile and off road vehicles. 1965 and older. Call JD at **1-517-676-0583.**

WANTED: Used irrigation equipment, aluminum tubing, PTO pumps, hard hose and soft hose travelers. Buy, Sell or Trade! Call
Rain Control 1-800-339-9350

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22 Recreation

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Monroe KOA Kampground
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1-800-562-7646

23 Financing

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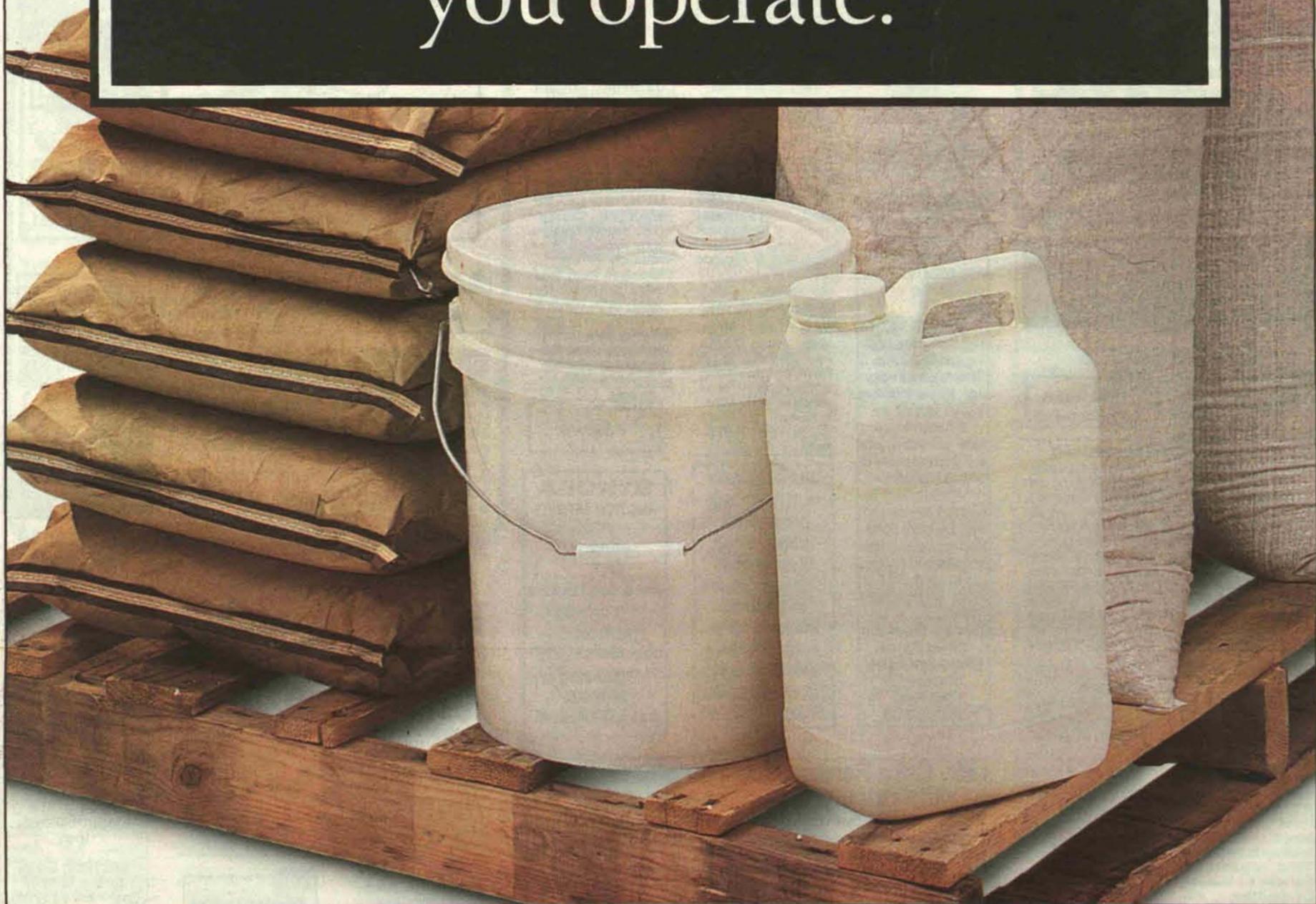
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